

Buoyant growth in 2013: sales of €82.5m (+31%)

- Record Q4 sales of €23.8m (+36%)
- Buoyant growth both abroad (+56%) and in France (+15%)
- 2013 annual sales up sharply (+31%) thanks to international sales (+83%)
- Improvement in profitability and cash flow over the second half

Store Electronic Systems (NYSE Euronext: SESL, FR0010282822), leader in Electronic Shelf Labeling (ESL) systems for large-scale food and non-food retailers, today announces its sales for the 4th quarter and full year to December 31, 2013.

Sales (€m) Unaudited	France	International	Total
Q1 2012	11.2	4.7	15.9
Q1 2013	10,0	5,9	15.9
<i>% change</i>	-10%	+26%	0%
Q2 2012	9.7	5.2	14.9
Q2 2013	10.2	8.7	18.9
<i>% change</i>	+5%	+71%	+27%
Q3 2012	9.6	5.1	14.7
Q3 2013	8.5	15.4	23.9
<i>% change</i>	-12%	+201%	+62%
Q4 2012	8.3	9.2	17.5
Q4 2013	9.5	14.3	23.8
<i>% change</i>	+15%	+56%	+36%
2012 annual sales	38.8	24.2	63.0
2013 annual sales	38.2	44.3	82.5
<i>% change</i>	-2%	+83%	+31%

Store Electronic Systems reaffirmed its buoyant growth in the 4th quarter of 2013, with sales increasing by +36% to €24 million, compared to the 4th quarter of 2012. This growth was driven by an acceleration in international sales (+56%) and a solid performance in France (+15%) despite a difficult market.

SES recorded a record year for 2013 with sales totaling €82.5 million, an increase of +31% over 2012. For the first time, international sales accounted for more than half (54%) of annual sales. As expected, this growth combined with the stabilization of expenses and the benefits resulting from the implementation of the i³ ⁽¹⁾ strategic plan all enabled profitability and cash flow to begin improving over the second half of the year. The Group had a net cash position of €22 million at the end of 2013.

For 2014, SES is expecting this growth dynamic to continue with regard to both sales and operating profit.

⁽¹⁾ "i³" : 2012-2015 strategic transformation plan focused on 3 priorities : international, innovation, industrialization

Buoyant growth in France and abroad in the 4th quarter

SES recorded a solid performance in Q4 2013, with sales increasing by +36% to €23.8 million. The Group continued its buoyant growth dynamic abroad with sales totaling €14.3 million (+56%), notably driven by deployments in Scandinavia.

In France, SES recorded growth of +15% compared with the 4th quarter of 2012 despite a difficult market, thanks notably to a high loyalty and renewal rate. The success of the new graphic-dynamic-interactive label range (Gtag+NFC) stimulated the modernization momentum. New specialized retail chains chose SES for their first installations.

2013, a record year: international expansion and innovation

In 2013, SES recorded sales of close to €82.5 million, up +31% compared with 2012. This growth was driven by international sales (+83% on the year).

SES outfitted 1,310 new stores in 2013 (+48%), i.e. a record rate of more than 100 new stores a month. Over half of these new installations (700 stores) have been equipped with the very latest generation of graphic-dynamic-interactive labels (Gtag+NFC), over 5 million units of these being sold during their first year on the market.

The total number of stores outfitted around the world stood at 6,710 (in 52 countries) at the end of December 2013. Orders taken came to €15 million over the 4th quarter of 2013 and €83 million over the year as a whole.

Positive cash flow over the second half

During the second half of 2013, SES recorded a positive cash flow of €3 million thanks to the initial results of the actions undertaken to improve Working Capital Requirements. Its net cash position stood at €22 million at the end of 2013.

Regarding the Group's 2013 activity, Thierry Gadou, CEO and Chairman of SES, says: *"In 2013, SES won market share and further strengthened its position as the world n°1 in electronic shelf labeling solutions for large-scale retailers. We are continuing to be proactive in terms of innovation and have been fully playing our leadership role by stimulating the market's growth. Our new graphic, dynamic and interactive label range already accounts for one-third of our sales after only a year on the market, thus exceeding our expectations. The digital revolution is underway in the mass retail sector and smart labels will play a key part in this revolution. Lastly, we are seeing rapid progress with regard to the implementation of our i³ transformation plan, thanks to which our profitability and cash flow improved over the second half of the year as expected"*.

Next press release

2013 annual results: March 19, 2014 (before market)

About Store Electronic Systems

Store Electronic Systems is the leader in Electronic Shelf Labeling systems (ESL) for large-scale food and non-food retailers. The Group designs, markets and installs all the system's components (software and communication platform, displays, mounts), thus providing clients with a turnkey solution. The range of products and services offered by SES allows retailers to manage pricing dynamically, while significantly improving store productivity and developing new contactless uses for consumers.

Store Electronic Systems is listed on Compartment C of Euronext™ Paris.
Ticker: SESL – ISIN Code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SESL.FP
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