

# STORE ELECTRONIC SYSTEMS GROUP

Press Release

October 15, 2015

## 2015 3<sup>rd</sup> Quarter Sales

- Record quarterly sales of €37.2m (+107% compared with Q3 2014)
- Growth in France (+16%) and abroad (+212%)
- 9-month sales of €77.2m (+32%)
- Q3 orders of €22m (€123m over 9 months)

Store Electronic Systems (Euronext: SESL, FR0010282822), the leading supplier of Electronic Shelf Labels (ESL) for large-scale food and non-food retailers, today announces its sales for the third quarter of 2015.

Sales (€m)	France	International	Total
H1 2014	21.1	19.3	40.4
H1 2015	19.4	20.6	40.0
% change	-8%	+7%	0%
Q3 2014	9.7	8.3	18.0
<b>Q3 2015</b>	<b>11.3</b>	<b>25.9</b>	<b>37.2</b>
<b>% change</b>	<b>+16%</b>	<b>+212%</b>	<b>+107%</b>
2014 9-month sales	30.8	27.6	58.4
<b>2015 9-month sales</b>	<b>30.8</b>	<b>46.4</b>	<b>77.2</b>
<b>% change</b>	<b>0%</b>	<b>+68%</b>	<b>+32%</b>

### Q3 2015 sales up by +107%

Thanks to the record level of orders and new contracts signed in the first half of 2015, SES reported record Q3 sales of €37.2m, up by +107% over a year and +56% compared with the previous quarter. The share of international sales over the quarter was substantially higher than that recorded in France, illustrating SES' dynamism in new high-potential markets.

**In France**, sales totaled €11.3m in Q3 2015, up by +16% over a year and +10% compared with the previous quarter. This performance in France was a result of the good level of orders in the 1<sup>st</sup> half-year, due to both the move towards the modernization of the existing base and to the adoption of SES digital solutions by new non-food retailers.

**Internationally**, sales totaled €25.9m, up by +212% compared with Q3 2014, the highest quarterly level ever reached in international markets. This strong momentum was the result of the materialization of the exceptional level of orders recorded over the previous half-year and, in particular, by a major Europe-wide deployment. This acceleration in sales, combined with the considerable number of pilot schemes currently underway within Europe and elsewhere, highlight the perfect harmony of the new products and solutions developed by SES and Imagotag.

Orders amounted to €22m over the 3<sup>rd</sup> quarter, a healthy level in the absence of major contracts signed during this mainly summer period and slightly higher than in Q3 2014 (€21m).

# STORE ELECTRONIC SYSTEMS GROUP

Press Release

October 15, 2015

## 2015 9-month sales show strong growth of +32% at €77.2m

In France, SES recorded 9-month sales of €30.8m, stable compared with the same period of 2014, with Q3 growth having offset the slow start to the year. International business was up by +68% at €46.4m and, for the first time, accounted for 60% of total 9-month sales.

With combined orders of €123m, these first 9 months reflect the Group's buoyant commercial dynamism, driven by a permanent policy of innovation and internationalization, two fundamental focuses of the Leapfrog 2020 strategic program.

## Annual growth prospects strengthened in 2015

The 2015 target is to exceed €100m in sales and achieve annual growth of +25%.

H2 profitability should show a marked upturn compared with H1. However, given the strengthening of the American dollar and the large proportion of new products in the product mix (products with lower margins, as they do not generate economies of scale at the start of their life cycle), annual operating profit will be lower than last year.

Cash generation should again be positive in H2, showing an improvement compared with H1 despite the strong growth, thanks to efforts to transform the supply chain and improve the order-to-cash process.

**Thierry Gadou concludes:** *"The record sales reported in the 3<sup>rd</sup> quarter are the logical materialization of the surge in orders over the 1<sup>st</sup> half of the year. Our innovation strategy and the acquisition of Imagotag are bearing fruit in terms of the adoption of our solutions in new geographical markets and new retail sectors. The high level of activity achieved in Q3 also demonstrates the responsiveness of our new industrial set-up and the scalability of our business model. With a mix of 60% of international sales from new products, innovation is more than ever the prime engine for growth and for the adoption of our products in new international markets. And although such a high mix of new products impacts margins in the short term, it is an essential investment in future growth that is perfectly illustrated by the current acceleration in sales and especially the considerable potential of the digital tagging market globally, of which SES intends to remain the undisputed leader."*

**Next press release:** 2015 full year sales, January 15, 2016

## 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.

[www.store-electronic-systems.com](http://www.store-electronic-systems.com)



ENTERNEXT | TECH40 | LABEL | 2015

# STORE ELECTRONIC SYSTEMS GROUP

Press Release

October 15, 2015

## Contact

NewCap

Florent Alba, Investor Relations & Financial Communication - Tel.: +33 (0)1 44 71 98 55  
falba@newcap.fr

**Store Electronic Systems** - 55, place Nelson Mandela  
CS 60106 92024 NANTERRE – FRANCE  
Limited Liability Company (SA) with capital of EUR 23,263,184  
RCS NANTERRE 479 345 464  
Phone: + 33 (0)1 34 34 61 61 - Fax : + 33 (0)1 55 69 78 00  
[www.store-electronic-systems.com](http://www.store-electronic-systems.com)

