

SES-imagotag

9-month sales: €137m (+77%)

- > **9-month sales of €137m (+77%), Q3 sales of €51m (+38%)**
- > **Strong 9-month growth abroad (+100%) and in France (+43%)**
- > **9-month orders of €104m (€28m in Q3)**
- > **2016 outlook maintained (sales +50%), 2017 objective of €200m in sales**

Store Electronic Systems (Euronext: SESL, FR0010282822), specialist in digital solutions for physical retail and a global leader in connected digital price tags, today announces its sales for the 3rd quarter and first 9 months of 2016.

Sales in €m	France	International	Total
H1 2015	19.4	20.6	40.0
H1 2016	32.6	53.3	85.9
% change	+68%	+159%	+115%
Q3 2015	11.3	25.9	37.2
Q3 2016	11.5	39.9	51.4
% change	+2%	+54%	+38%
9 months 2015	30.8	46.4	72.2
9 months 2016	44.1	93.2	137.3
% change	+43%	+100%	+77%

During the 3rd quarter, SES-imagotag recorded sales of €51.4m, up +38% from the 3rd quarter of 2015. Over the first 9 months of the year, SES-imagotag recorded sales of €137.3m, resulting in a growth of +77%.

Order intake totaled €28m during the 3rd quarter, an increase of +26% compared with Q3 2015, and €104m over the 9 months to the end of September, versus €123m over the same period of 2015.

The 3rd quarter performance supports our guidance of annual sales growth of around +50% in 2016 and a substantial improvement in the operating margin, with H2 expected to be close to H1 in terms of sales & operating margin, both recording strong growth compared to previous year.

For 2017, the Group's objective is to exceed €200m in sales. This is in line with our Leapfrog 2020 plan, the aim of which is to achieve annual growth of around 30% on average over 2015-2020 with sales of between €400 and €500m in 2020.

Dynamic sales growth over the 3rd quarter, driven by international activity

In the 3rd quarter of 2016, sales increased by +38% to €51.4m, mostly driven by international activity. In France, sales totaled €11.5m in Q3, a slight increase of +2% compared with 2015. The summer period was relatively calm as usual, but activity in France should rally in the 4th quarter, in line with the overall strong momentum observed since the start of the year.

The Group's international sales totaled €39.9m, an increase of +54%. This good performance was notably a result of major rollouts in Scandinavia and Germany during the period.

Strong growth in activity over the first 9 months of the year

Over the first 9 months of 2016, SES-imagotag recorded sales of €137m, resulting in a strong growth of +77%. France attained its best-ever performance, with sales totaling €44.1m, up +43% from the previous year.

International activity also saw a very strong performance, with sales totaling €93.2m, twice the previous year's figure. This performance was mainly achieved in Europe, thanks to the various roll outs in Germany, Scandinavia, Italy and Spain. SES-imagotag thus achieved 68% of its sales outside France.

Orders of more than €100m over the 9 months to end-September

The level of orders taken was, as is often the case, fairly modest during the summer period, with orders totaling €28m in the 3rd quarter, up +26% on the same quarter of 2015.

Over the first 9 months of the year, orders totaled €104m, down on the figure of €123m recorded last year but with a more balanced structure, as they have been spread over a greater number of brands initiating or continuing rollouts. A major €15m contract for a roll-out in 2017 was signed at the start of October and has thus not been reflected in the reported sales figures.

PDi and Findbox acquisition projects to be put to the Shareholders' Meeting of November 30

During the 3rd quarter, SES-imagotag also accelerated its development through two external growth projects with PDi, a leading engineering company that develops ultra-low power e-paper displays, based in Taiwan, and Findbox, a German retail technology start-up specialized in innovative technologies for commerce that helps consumers search and find products in physical stores thanks to flashing digital price tags solution.

SES-imagotag's shareholders will be invited to vote on these two external growth transactions at a Shareholders' Meeting scheduled for November 30, 2016. In total, they will be asked to approve the issuance of 1,055,813 new shares, i.e. a total dilution of 9%, in order to acquire 100% of PDi's shares and 67% of Findbox's shares. This acquisition structure enables the company's cash resources to be preserved and continue to fund its strong organic growth, all the while aligning and maximizing the interests of the founders of the integrated companies with the goal of creating value for the company over the medium-term.

Thierry Gadou, Chairman and CEO of SES-imagotag, commenting on the Company's sales and outlook, says:

"The 3rd quarter performance supports our guidance of annual sales growth of around +50% in 2016 (i.e. the top of our initial bracket of 30 to 50%) and a substantial improvement in the operating margin, with H2 expected to be close to H1 in terms of sales & operating margin, both recording strong growth compared to previous year. For 2017, given the order book and the portfolio of commercial opportunities, the Group's objective is to exceed €200m in sales, in line with our Leapfrog 2020 plan the aim of which is to achieve annual growth of around 30% on average over 2015-2020 (a substantial acceleration compared with the average annual growth of 20% recorded over 2010-2015) and thus achieve sales of between €400 and €500m in 2020."

About Store Electronic Systems (commercial trademark: SES-imagotag)

Store Electronic Systems is a specialist in digital solutions for physical retail and a world leader in electronic labeling systems. The Group designs and markets all the components of its solutions (software, radio-frequency infrastructure, labels and mounts), thus providing its clients with a turnkey solution. The range of products and services offered by SES-imagotag allows retailers to manage pricing dynamically, while improving store productivity and developing new contactless uses for consumers.

Store Electronic Systems is listed in compartment B of the Euronext™ Paris

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