

SES-imagotag Q1 2023 Sales: Strong growth continues in the first quarter

- Q1 2023 sales at €159m, up +32% vs Q1 2022
- 12-month rolling sales growth of 44% to €660m
- Q1 order entries at €221m, up +30% versus the previous year
- VAS¹ sales grew +32% year-on-year, to €24.5m (15.4% of total revenue)
- Confident in the annual revenue target (€800m and ongoing operating margin improvement)

Sales in €m	Europe	Rest of the world	Total
Q1 2023	130.2	29.1	159.3
Q1 2022	91.4	28.8	120.2
Change (in %)	+42.4%	+1.0%	+32.5%
2023 Rolling 12-month	525.5	134.5	660.0
2022 Rolling 12-month	345.9	113.1	459.0
Change (in %)	+51.9%	+18.9%	+43.8%

Thierry Gadou, Chairman and CEO of the SES-imagotag group, commented: "SES-imagotag has once again demonstrated its resilience in the current macroeconomic environment, with strong first quarter growth on all fronts: sales, order entries and software, services and non-ESL solutions (VAS) revenue.

The retail sector is facing a difficult set of circumstances. While inflation drives price increases, the higher revenue generated by retailers masks the decrease in volume sales, and the strong negative impact that current conditions are having on household purchasing power. The solutions we, at SES-imagotag, offer provide an answer to this particular quandary, enabling gains in productivity, agility and quality of execution, and in e-commerce revenues within the omnichannel model.

The growing breadth of our portfolio of solutions, and especially the integration of Memory and Belive which we are currently undertaking, increasingly enable SES-imagotag to add more value to this crucial digital transformation, which will generate higher and accelerating ROI for retailers. With this contribution to our industry, we remain confident in our guidance for profitable growth for the year 2023 and the years to come."

Q1 2023 Sales grew +32% to €159m

The company's top-line increased by +32.5% in Q1 2023 versus the previous year to reach €159.3m. This growth includes the impact of the de-consolidation of the China JV which took place in Q4 2022. At constant perimeter, Q1 2023 top-line grew +39%.

The revenue increase in the first quarter was driven by ongoing growth in Europe, with sales in the region increasing by +42.4% during the reporting period to €130.2m, fueled by dynamic growth in Germany. Top-line growth in the Rest of World (ROW) was +1.0% versus Q1 2022. Excluding the negative impact

¹ VAS: Software, services and non-ESL solutions

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of the China JV de-consolidation, and on a like-for-like basis, sales in ROW grew by +27.1%, driven in particular by the Americas region which saw a top-line increase of 31% in the first quarter of 2023.

On a 12-month rolling basis at end-March 2023, sales increased by +43.8% to €660m.

Order Entries

Order entries increased by +30% to €221m in Q1 2023, in-line with the quarter's sales growth.

Software, Services and Non-ESL Solutions (VAS)

Sales of software, services and non-ESL solutions (VAS) totaled €24.5m in Q1 2023, for year-on-year growth of +32%. VAS revenue was 15.4% of total in Q1 2023, compared to an average of 15% in 2022.

The technical and operating integration of recently-acquired solutions (Memory, Belive) constitutes an area of specific focus and work in the first half of 2023. The aim is to launch these enhanced solutions quickly on the market and further accelerate VAS's growth trajectory.

Outlook

For 2023, the order book and opportunities pipeline support a high-level of confidence in our top-line objective of €800m. Based on the favorable trend in component costs and forex, combined with the anticipated strong increase in VAS, the Group expects a significant increase in profitability.

About SES-imagotag and the VUSION Retail IoT platform

SES-imagotag is a world leader in smart digital labels and IoT solutions for physical retail, serving over 350 large retailer groups around the world in Europe, Asia and North America.

SES-imagotag has developed the VUSION Retail IOT technology platform to help retailers transform their physical stores into high value digital assets, more automated, data-driven, and connected in real-time to suppliers and consumers. VUSION

improves the agility, precision and accuracy of prices, whilst ensuring the omnichannel synchronization of prices, product information and marketing campaigns. The platform developed by SES-imagotag also optimizes in-store order preparation and restocking.

VUSION improves employee satisfaction by freeing up time from cumbersome low value-added tasks and allowing them to focus on customer service and merchandizing tasks. VUSION connects shelves to the Cloud, providing real-time accurate information on product availability and location, allowing for reduced inventory, out-of-stock, and waste, as well as improved on-shelf availability and merchandizing compliance. VUSION empowers consumers with better product, nutritional and traceability information at the shelf and enables a frictionless in-store shopping experience with features such as product search, pathfinding and cashier-less scan & pay features.

SES-imagotag supports the United Nations' Global Compact initiative and has received in 2022 the Platinum Sustainability Rating from EcoVadis, the world's reference of business sustainability ratings.

SES-imagotag is listed in compartment A of the Euronext™ Paris exchange and is included in the SBF 120 index.

Ticker symbol: SESL – ISIN code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SES

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