

## SES-imagotag: Q3 2023 Sales

- > Q3 '23 sales of €182m, equaled record high Q3 '22; 9-month sales at €563m (+20%)
- > Q3 '23 order entries at €192m (+18%); 9-month order entries at €710m (+30%)
- > Q3 '23 VAS<sup>1</sup> sales at €27m, 14.8% of sales; 9-month VAS sales at €80m, 14.2% of YTD sales
- > Strong growth expected in Q4 2023 sales to a high of €240m+, consistent with the annual top-line objective of €800m, and ongoing profitability improvement

Sales (€m)	EMEA	Rest of World	Total
<b>Q3 2023</b>	<b>156.2</b>	<b>26.4</b>	<b>182.5</b>
Q3 2022	138.3	43.5	181.8
<b>Change (%)</b>	<b>+12.9%</b>	<b>-39.4%</b>	<b>+0.4%</b>
<b>9M 2023</b>	<b>473.9</b>	<b>89.3</b>	<b>563.2</b>
9M 2022	359.6	108.1	467.7
<b>Change (%)</b>	<b>+31.8%</b>	<b>-17.4%</b>	<b>+20.4%</b>
<b>2023 12-month rolling</b>	<b>601.0</b>	<b>115.4</b>	<b>716.4</b>
2022 12-month rolling	457.2	143.1	600.3
<b>Change (%)</b>	<b>+31.5%</b>	<b>-19.4%</b>	<b>+19.3%</b>

**Thierry Gadou, Chairman and CEO of the SES-imagotag group,** commented: "Sales in Q3 are in line with our expectations, despite a challenging macroeconomic environment, and slightly surpassed the record level of sales achieved in Q3 2022, which recorded +108% growth. For the first nine months of the year, our sales grew +20% and, as previously announced, are expected to accelerate strongly in Q4 for full year 2023 growth of almost +30%, in line with our objective. The record sales anticipated in Q4 will be driven by a strong order book, particularly in the United States. During the first nine months of the year, revenue for software, services and non-ESL solutions (VAS) also continued to expand, with sales reaching €80m. Strong ongoing sales are reflected in the solid momentum in order entries during Q3, which enabled us to deliver already +30% growth over 9 months, and which lead us to prepare for another year of strong increases in 2024. But the indicator of which we are most proud is the NPS (net promoter score) of 65 given to SES-imagotag by our customers, reflecting expanding customer satisfaction. I wish to thank, in particular, our customers for the constant trust they place in SES-imagotag, and our employees for their continued dedication."

<sup>1</sup> VAS= revenue from software, services and non-ESL solutions. VAS is the acronym for Value-Added Solutions & Services. VAS revenue includes: VUSION Software licenses and SaaS platform; maintenance contracts; professional services (installation, set-up fees, project management, engineering services for custom solutions, etc.); Captana revenue from cameras, sensors and SaaS; Pulse and In the Memory Data Analytics SaaS platform; Engage solution (video rail, digital signage and V-ads SaaS platform); and Industrial IoT solutions (PDi Digital).

**Sales in Q3 2023 at same level as record Q3 2022**

Sales in Q3 2023 grew a slight +0.4% to €182.5m, cycling the record +108% top-line growth SES-imagotag posted in Q3 2022 (vs. Q3 2021). In light of the roll-out schedule, and as mentioned previously, sales in the second half of 2023 are expected to be back-end loaded, with a larger portion of revenue generated in the fourth quarter. Nonetheless, Q3 2023 marks SES-imagotag’s best-ever third quarter sales.

For the first 9 months of 2023, revenue grew +20% versus the previous year to €563.2m. On a 12-month rolling basis, sales increased +19% to €716.4m.

The global macroeconomic outlook remains challenging for retailers, with high inflation, lower consumption in terms of volume, and strong downward pressure on margins.

Despite this difficult backdrop, order entries for the nine-month period totaled €710m, representing +30% growth versus a year-ago, as retailers continue to consider investing in the digitalization of their stores a strategic priority.

<b>Order entries (€m)</b>	<b>2023</b>	<b>2022</b>	<b>% Change</b>
<b>9 months</b>	<b>710.0</b>	<b>547.0</b>	<b>+29.8%</b>
12-month rolling	848.0	700.3	+21.1%

**Sales momentum by region**

Revenue in the **EMEA** region (Europe, Middle East, Africa) totaled €156.2m in Q3 2023 representing growth of +13% versus the record high growth of 122% posted in Q3 2022. For the 9-month period, sales in EMEA increased by +32% to €473.9m. Growth in the region was driven in particular by sales in the DACH region (Germany, Austria and Switzerland), France and Italy.

Top-line in the **Americas and Asia-Pacific region** during Q3 2023 totaled €26.4m, a decrease of -39% versus the same period one year ago. In the first nine months of 2023, sales in the region contracted -17% to €89.3m. The delivery schedules due to the strong momentum in the United States are concentrated in Q4 2023. For the full-year 2023, SES-imagotag’s markets ex-Europe are also expected to grow significantly.

**Software, Services and Non-ESL Solutions (VAS)**

VAS revenue in Q3 2023 totaled €27m, equivalent to 14.8% of the company’s total revenue for the period. In the first nine months of the year, VAS sales were €80m for a year-on-year growth rate of +11% and accounted for 14.2% of total year-to-date revenue.

As announced previously, due to the challenging macroeconomic context, some retailers have slowed down or postponed certain projects involving new solutions, which has led to slower growth in the sale of services.

Nevertheless, the recurring part of VAS sales -- although still a small proportion within the total VAS top line -- has continued to increase strongly. SES-imagotag’s Cloud platform continued to grow dynamically, with more than 15,500 stores and 72 million ESLs connected to the Cloud at the end of September 2023, for year-to-date increases of +49% and +44% respectively.

This second half of the year is focused on driving the integration and synergies between Captana, Belive, Memory and Pulse, particularly with the development of collaborative solutions that apply AI and algorithms to a very large scope of data. This data combines trading and loyalty data, price / promo, and shelf analysis data (assortments, planograms, stockouts) carried out by Captana. In addition, stores’ computer vision coverage is currently being extended to many strategically important departments for

grocery retailers such as all fresh products, produce, bakery products, fish and seafood, meats, etc. These solutions will be unveiled alongside a large number of VAS and shelf-edge technology innovations at the NRF show in New York next January.

## Outlook

SES-imagotag is on track to meet its annual revenue target of €800m, driven by strong estimated +50% year-over-year sales growth in Q4, to reach €240m during the quarter. Order entries are also expected to continue to display strong momentum during the period. The company anticipates a further increase in its profitability in the second half of the year.

For 2024, the company foresees ongoing strong growth, driven in particular by an acceleration of sales in the United States.

## Financials

Sales (€m)	Europe	Rest of World	Total
<b>Q1 2023</b>	<b>130.2</b>	<b>29.1</b>	<b>159.3</b>
Q1 2022	91.4	28.8	120.2
<i>Change (%)</i>	<i>+42.5%</i>	<i>+0.9%</i>	<i>+32.5%</i>
<b>Q2 2023</b>	<b>187.5</b>	<b>33.8</b>	<b>221.4</b>
Q2 2022	129.9	35.8	165.6
<i>Change (%)</i>	<i>+44.4%</i>	<i>-5.4%</i>	<i>+33.6%</i>
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## 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

Press release

October 26, 2023

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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