

## VusionGroup: Record 4<sup>th</sup> Quarter and Full-Year 2023 Sales, in line with annual target

- 2023 full-year sales (unaudited) of €801.4m, up +29% vs 2022 (Restated<sup>1</sup> sales of €805.1m / +30%)
- Record Q4 2023 top-line of €238.2m for year-on-year growth of +55% (€241.9m / +58%<sup>1</sup>)
- 12-month order entries at €950m, up +39% year-on-year
- VAS<sup>2</sup> revenue at €109m, +17% vs. a year ago, including higher-than-Group growth on recurring revenue (SaaS and maintenance contracts) which reached €42m
- Ongoing solid growth expected in 2024, driven by acceleration of sales in the United States

| €m (unaudited)       | Published IFRS Sales | Restatements <sup>1</sup> on Walmart contract | Restated Sales <sup>1</sup> |
|----------------------|----------------------|---|-----------------------------|
| <b>9M 2023</b>       | <b>563.2</b>         |   | <b>563.2</b>                |
| 9M 2022              | 467.7                |   | 467.7                       |
| Change (in %)        | +20.4%               |   | +20.4%                      |
| <b>Q4 2023</b>       | <b>238.2</b>         | -3.7  | <b>241.9</b>                |
| Q4 2022              | 153.2                |   | 153.2                       |
| Change (in %)        | +55.5%               |   | +57.9%                      |
| <b>H2 2023</b>       | <b>420.7</b>         | -3.7  | <b>424.4</b>                |
| H2 2022              | 335.0                |   | 335.0                       |
| Change (in %)        | +25.6%               |   | +26.7%                      |
| <b>FY Sales 2023</b> | <b>801.4</b>         | -3.7  | <b>805.1</b>                |
| FY Sales 2022        | 620.9                |   | 620.9                       |
| <b>Change (in %)</b> | <b>+29.1%</b>        |   | <b>+29.7%</b>               |

**Thierry Gadou, Chairman and CEO of VusionGroup, commented:** "The year 2023 ended with a record-setting fourth quarter and the achievement of our annual sales objective, which was also the goal set out in our five-year plan<sup>3</sup>. With a +30% top-line CAGR over the last ten years, VusionGroup ranks among the leading growth companies and is a European tech flagship. The keys to this sustainable momentum are: cutting-edge R&D innovation, addressing the very significant modernization needs of commerce; a strong position in the European market; a winning strategy in the United States, the world's #1 economy; rigorous management; and a motivated team whose members have an equity stake in the company. At the most recent National Retail Federation (NRF) big show in New York, we unveiled major innovations across all our families of products. We also launched our new brand identity, bringing our IoT, AI and data analytics solutions under one platform. VusionGroup embodies our vision, bringing together physical stores and digital solutions at the service of commerce and of consumers. We begin 2024 with enthusiasm, and compelling prospects for growth."

<sup>1</sup> Restated sales correspond to IFRS sales before considering some non-cash IFRS15 restatements. The non-cash impact of these restatements is of -€3.7m in relation to sales invoiced on the new Walmart US contract which started in Q4 2023. See the note at the end of this press release for further details.

<sup>2</sup> VAS: Software, services and non-ESL value-added solutions

<sup>3</sup> Vusion-22 strategic plan whose target has been moved by one year due to the Covid-19 crisis.

Nota Bene: For the sake of comparability, the sales figures commented below correspond to restated sales<sup>1</sup> (see details at the end of the press release).

## Record Q4, second half, and full-year 2023 sales

As expected, the year's fourth quarter produced VusionGroup's highest-ever quarterly sales with top-line reaching €241.9m in restated terms<sup>1</sup>, an increase of +58% versus Q4 2022. This growth was fueled by a strong order book, particularly in the United States.

The second half of the year sales also reached a record level of €424m, equivalent to +27% growth on restated sales<sup>1</sup>.

Full-year 2023 restated sales<sup>1</sup> grew +29.7% to €805.1m.

## Restated sales by region<sup>1</sup>

| €m (unaudited)       | EMEA         | Rest of World | Total        |
|----------------------|--------------|---------------|--------------|
| <b>H1 2023</b>       | <b>317.7</b> | <b>62.9</b>   | <b>380.7</b> |
| H1 2022              | 221.3        | 64.6          | 285.9        |
| Change (in %)        | +43.6%       | -2.6%         | +33.2%       |
| <b>Q3 2023</b>       | <b>156.2</b> | <b>26.4</b>   | <b>182.5</b> |
| Q3 2022              | 138.3        | 43.5          | 181.8        |
| Change (in %)        | +12.9%       | -39.4%        | +0.4%        |
| <b>Q4 2023</b>       | <b>168.0</b> | <b>73.9</b>   | <b>241.9</b> |
| Q4 2022              | 127.1        | 26.1          | 153.2        |
| Change (in %)        | +32.1%       | +183.4%       | +57.9%       |
| <b>H2 2023</b>       | <b>324.2</b> | <b>100.3</b>  | <b>424.4</b> |
| H2 2022              | 265.4        | 69.6          | 335.0        |
| Change (in %)        | +22.1%       | +44.1%        | +26.7%       |
| <b>FY Sales 2023</b> | <b>641.9</b> | <b>163.2</b>  | <b>805.1</b> |
| FY Sales 2022        | 486.7        | 134.2         | 620.9        |
| Change (in %)        | +31.9%       | +21.6%        | +29.7%       |

## Order entries

Thanks to a strong momentum in Q4, order entries for the 12 months of 2023 totaled €950m, a +39% increase compared to 2022. This level of order entries underscores the prospects for on-going strong top-line growth in 2024.

| Order entries (€m) | 2023 | 2022 | % change |
|--------------------|------|------|----------|
| Q4                 | 240  | 138  | +74%     |
| 12-month rolling   | 950  | 685  | +39%     |

## Sales momentum by region

Revenue in the **EMEA** region (Europe, Middle East, Africa) totaled €168.0m in Q4 2023, for year-on-year growth of +32.1%. For the full year, EMEA sales increased +31.9%. Full-year 2023 sales in EMEA were driven by growth across all of Europe.

Fourth quarter 2023 restated sales<sup>1</sup> in the **Americas and Asia-Pacific region** (Rest of World) spiked +183.4% to €73.9m, largely driven by the United States, and the first deliveries to fulfill the Walmart US contract. Restated sales<sup>1</sup> in 2023 for the Americas and Asia-Pacific of €163.2m represented +21.6% growth compared to the previous year. This growth is expected to accelerate strongly in 2024.

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

VAS sales totaled €109.1m in 2023, a +17% increase over the €93.3m recorded in 2022. However, this top-line growth momentum is not the same across all VAS business lines. The growth of recurring VAS revenue was strong in 2023, while non-recurring revenue slightly decreased during the same period.

*Recurring VAS* revenue includes sales of subscriptions to VusionCloud, Computer Vision based SaaS applications (Captana and Belive), as well as Data Analytics SaaS applications (MarketHub and Memory), and revenue from recurring services contracts. The recurring VAS revenue experienced higher-than-Group growth in 2023 at €42m, and already accounts for more than 39% of total VAS sales.

*Non-recurring VAS* includes revenue from installation services, and non-recurring professional services; hardware such as Captana cameras, Engage video displays and screens, as well as industrial and logistics solutions (PDigital). The non-recurring VAS revenue slightly decreased in 2023 due to the global economic context and reached €67m (61% of total VAS sales).

## Outlook

In 2024, VusionGroup anticipates ongoing solid growth, fueled by a strong order book, and anticipates crossing the €1 billion milestone in restated sales<sup>1</sup> in 2024.

Starting from Q2, growth will be mainly driven by the acceleration of sales in the US due to the Walmart US contract and the launch of new production lines in Mexico. Several other customers will continue their rollouts in the region, propelling the U.S. ahead of Germany as VusionGroup's leading country in terms of sales in 2024.

The strong recurring VAS revenue momentum should also continue, along with the continuous improvement in profitability.

As 2024 begins, the Group looks with confidence to continuing to achieve its Vusion-27 growth trajectory.

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### **Note on IFRS Restatements regarding the new Walmart US contract**

Two IFRS restatements related to the revenue generated by the Walmart US contract had a -€3.7m negative impact on the FY 2023 revenue line, as follows:

1. The decrease impact to revenue of the fair value of the warrants granted to Walmart, prorated by the total forecast sales generated by the Walmart contract: the reduced revenue impact is conventional as the warrants will only have a potential dilutive effect, which was modeled and communicated during the allocation of the warrants early June 2023. This does not impact the actual sales invoiced to Walmart. This restatement has no impact on the Group's cash flow. It impacts revenue in 2023 by -€2m, and all of the Group's income statement lines, in the same

proportions. This negative impact to the Group's IFRS accounts will continue until the end of the Walmart contract, in direct proportion to the sales generated by this contract.

2. The impact of future volume-based price reductions agreed upon with Walmart from the first deliveries of electronic shelf labels (ESLs): The cost of the Group's hardware solutions is a function of the volume produced. A significant increase in volume might thus lead to lower cost. Therefore, it has been agreed with this customer that they will be granted price reductions in relation to the future sales volume to which they contribute. The IFRS standards (IFRS 15) require prices to be averaged over the life of the contract. The application of this restatement shows revenue in 2023 that is lower than the sales actually invoiced to Walmart, and has a -€1.7m negative impact on revenue and on margin, even though price reductions will only be granted if and when volumes have reached certain thresholds. The application of this standard has a negative impact on revenue and all income statement lines, through to net profit.

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## About VusionGroup

VusionGroup (ex- SES-imagotag) is the global leader in providing digitalization solutions for commerce, serving over 350 large retailer groups around the world in Europe, Asia and North America. The Group develops technologies that create a positive impact on society by enabling sustainable and human-centered commerce.

By leveraging its IoT & Data technologies, VusionGroup empowers retailers to re-imagine their physical stores into efficient, intelligent, connected, and data-driven assets. The Group unlocks higher economic performance, facilitates seamless collaboration across the value chain, enhances the shopping experience, creates better jobs, cultivates healthier communities, and significantly reduces waste and carbon emissions.

VusionGroup consist of six families of solutions which bring the full potential of IoT, Cloud, Data, and artificial intelligence (AI) technologies to the service of the modernization of commerce: SESimagotag (ESL & Digital Shelf Systems), VusionCloud, Captana (computer vision and artificial intelligence platform), Memory (data analytics), Engage (retail media and in-store advertising), and PDidigital (logistics and industrial solutions).

VusionGroup supports the United Nations' Global Compact initiative and has received in 2023 the Platinum Sustainability Rating from EcoVadis, the world's reference of business sustainability ratings.

VusionGroup is listed in compartment A of Euronext™ Paris and member of the SBF120 Index. Ticker: VU - ISIN code: FR0010282822

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