

Leading Vision.



# Quarterly Financial Report

for the period from  
1 January to 31 March 2023



# At a glance

## Group key figures

in KEUR

	<u>01/01 – 31/03/2023</u>	<u>01/01 – 31/03/2022</u>
Revenue	40,394	35,875
Gross profit	15,811	13,805
Gross profit margin	39.1%	38.5%
EBITDA	7,355	5,462
EBIT	6,301	4,483
Consolidated net income	4,583	3,323
Operating cashflow after income taxes	5,509	1,828
Employees (average)	323	331

	<u>31/03/2023</u>	<u>31/12/2022</u>
Total assets	125,846	120,555
Equity	88,619	84,079
Equity ratio	70.4%	69.7%
Cash and cash equivalents	45,695	41,574

## STEMMER IMAGING in figures



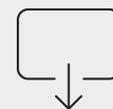
Order intake:  
EUR 36.1 million



70.4 per cent equity ratio



323 employees



This report and results from previous fiscal years in English language versions are available for you to download at:  
[www.stemmer-imaging.com](http://www.stemmer-imaging.com)



EUR 0.71  
earnings per share



>5,000 customers



15 subsidiaries  
and represented  
in >20 countries

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Rounding may mean that individual figures given in this report do not add up exactly to the given total and that percentages are not the exact result of the figures presented.

The quarterly financial report has not been audited. It was prepared on the basis of the accounting regulations used in the most recent consolidated financial statements. The quarterly report contains statements and information made by STEMMER IMAGING AG that pertain to future periods. These forward-looking statements are estimates made on the basis of all information available at the time the quarterly report was prepared. If the assumptions underlying the forecasts prove to be incorrect, actual developments and results may differ from what is currently expected. The company is under no obligation to update the statements contained in this report other than as required by the laws on publications.

# Executive Board report

Dear Shareholders,

The first quarter of 2023 was another successful one for STEMMER IMAGING. We are very proud to once again be able to report double-digit revenue and profit growth rates and present significant year-on-year gains.

At EUR 36.1 million, STEMMER IMAGING's order intake was below the supply-bottleneck-induced strong figure for the first quarter of 2022 (EUR 43.4 million). In January, we landed a major order in Sports & Entertainment worth nearly EUR 14 million. Since then, however, we have observed a decline in the pace of order intake. An order worth EUR 6.5 million was postponed to April. Allocating this order to the first quarter of 2023, order intake remained almost constant compared to the strong prior-year quarter.

Revenue rose by 12.6 % in the first quarter to EUR 40.4 million (Q1 2022: EUR 35.9 million). The resulting operating earnings (EBITDA) improved by 34.6 %, from EUR 5.5 million in the same period of the previous year to EUR 7.4 million. Return on sales (ROS) stood at 18.2 % in the first quarter, compared to 15.2 % in the same quarter of the previous year. As a result, it was well within the target range of the medium-term forecast, which was adjusted in March 2023 and envisaged an EBITDA margin between 15 and 19 per cent.

Nearly all Group companies reported a year-on-year increase in revenue in the first quarter, with Denmark, Finland and Sweden achieving extraordinarily high growth rates. Also worthy of note is the performance of the Spanish subgroup, which, after a subdued performance in 2022, achieved growth of over 26 % compared with the previous quarter. In terms of end markets, Raw Materials & Recycling and Print & Packaging were the most significant drivers of growth in the machine vision segment. In the non-industrial field of artificial vision, the Medical segment, among others, achieved a significant increase in revenue.

Throughout the past quarter, STEMMER IMAGING continued to focus on the consistent and systematic implementation of strategic measures, including the Group-wide roll-out of our differentiated sales model and the enhancement of our comprehensive and high-quality product range. The launch of our new website is still a top priority. Besides introducing our new corporate design, it will allow us to offer a platform that meets the modern self-service needs of our customers and enables a personalised, scalable customer experience in the process.

This quarter, we would once again like to thank our dedicated employees, whose hard work is helping ensure the success of our company day by day.

We are confident that we will achieve our goals for this year and will continue to further strengthen our position with regional expansion and enhancement of our technology offering.



Arne Dehn  
CEO



Uwe Kemm  
COO

# Consolidated interim management report

## Net assets, financial position and results of operations

### Net assets

The total assets of the STEMMER IMAGING Group amounted to EUR 125.85 million as at 31 March 2023, an increase compared to 31 December 2022 (EUR 120.56 million). On the assets side of the balance sheet, this increase is mainly attributable to the rise in current assets.

Non-current assets decreased to EUR 33.01 million as at 31 March 2023 (31 December 2022: EUR 33.70 million). The reduction was attributable to the ongoing depreciation of property, plant and equipment and the amortisation of intangible assets, including contract assets from leases in accordance with IFRS 16, which were offset only by minor new and replacement investments.

Inventories increased slightly in the first quarter of the 2023 fiscal year to EUR 19.25 million (31 December 2022: EUR 18.86 million).

Trade receivables rose from EUR 23.93 million as at 31 December 2022 to EUR 25.93 million as at 31 March 2023 as a result of the increase in revenue.

Cash funds rose by EUR 4.13 million to EUR 45.70 million as at 31 March 2023 (31 December 2022: EUR 41.57 million).

On the equity and liabilities side, the increase in total assets is primarily reflected in the equity of the STEMMER IMAGING Group, which amounted to EUR 88.62 million as at 31 March 2023 (31 December 2022: EUR 84.08 million). The equity ratio stood at 70.4 % (31 December 2022: 69.7 %).

At EUR 7.53 million, non-current liabilities were lower as at 31 March 2023 than as at 31 December 2022 (EUR 7.81 million), primarily due to lower liabilities from finance leases.

Current liabilities rose from EUR 28.67 million as at 31 December 2022 to EUR 29.70 million as at 31 March 2023. The increase was first and foremost the result of the EUR 0.63 million rise in current trade payables to EUR 13.65 million (31 December 2022: EUR 13.02 million).

### Financial position

The objective of the Group's financial management is to hedge material financial risks. Use is made of discounts wherever possible when settling supplier invoices. Solvency was assured at all times.

Net cash flow from operating activities increased by EUR 3.68 million to EUR 5.51 million in the first three months of the 2023 fiscal year and was therefore up significantly year on year (1 January to 31 March 2022: EUR 1.83 million). Cash flow was positively influenced by the strong operating result and in addition, the increase in working capital was significantly reduced compared to the same quarter of the previous year.

Cash flow from investing activities stood at EUR – 0.34 million (1 January to 31 March 2022: EUR – 0.13 million) and was primarily influenced by investments in property, plant and equipment and intangible assets.

At EUR – 1.02 million (1 January to 31 March 2022: EUR – 0.97 million), cash flow from financing activities was significantly influenced by the repayments of the bank loan and liabilities from finance leases in the amount of EUR 0.99 million (1 January to 31 March 2022: EUR 0.99 million).

## Results of operations

As expected STEMMER IMAGING recorded an order intake of EUR 36.1 million in the first quarter of 2023, below the high level of the same quarter of the previous year. (1 January to 31 March 2022: EUR 43.4 million). The book-to-bill ratio stood at 0.9 in the first quarter lower than the extraordinarily high previous year's level (1 January to 31 March 2022: 1.2).

Revenue of EUR 40.39 million was generated over the course of the reporting period as a whole, which corresponds to an increase of 12.6 per cent compared to the first three months of the 2022 fiscal year (1 January to 31 March 2022: EUR 35.88 million). Thanks to positive order levels, nearly all subsidiaries generated higher revenue than in the first three months of the 2022 fiscal year.

In view of the higher revenue volume, cost of materials amounted to EUR 24.58 million (1 January to 31 March 2022: EUR 22.07 million). At 39.1 %, the gross profit margin in the first quarter of 2023 was above the same quarter of the previous year (38.5 %) and significantly ahead of the fourth quarter of 2022 (1 October to 31 December 2022: EUR 37.1 %).

Personnel expenses came to EUR 6.52 million in the first three months of the 2023 fiscal year (1 January to 31 March 2022: EUR 6.25 million). Having stood at 17.4 per cent in the same period in 2022, the personnel expense ratio improved to 16.1 per cent in the past three months of the fiscal year. The average number of employees during the reporting period stood at 323 (1 January to 31 March 2021: 331).

Other operating expenses amounted to EUR 2.84 million in the first quarter of 2023 and was on par with the level seen in the quarter of the previous year (1 January to 31 March 2022: EUR 2.97 million).

In the first three months of the 2023 fiscal year, the operating result (EBITDA) stood at EUR 7.36 million (EBITDA margin: 18.2 %), a significant increase compared to the previous year's figure of EUR 5.46 million (EBITDA margin: 15.2 %). The main reasons for the improvement compared to the previous year is the significant increase in gross profit in combination with the rise in revenue and the below-average development of personnel expenses and other operating expenses. Operating earnings (EBIT) came to EUR 6.30 million in the first three months of 2023, exceeding the figure of EUR 4.48 million recorded in the same period of the previous year. As a result, the EBIT margin rose from 12.5 % in the previous year to 15.6 %. The STEMMER IMAGING Group's consolidated net income was EUR 4.58 million for the reporting period from January to March 2023 (1 January to 31 March 2022: EUR 3.32 million).

## Report of expected developments

STEMMER IMAGING got off to a good start in 2023 and continued its positive revenue and earnings performance in the first quarter of 2023.

In connection with the future outlook the company expects a certain degree of restraint in order intake into the second half of the year and thus a further moderate reduction in the high order backlog of EUR 61 million. This will be influenced in particular by inflation and the macroeconomic development, especially in Europe.

Due to the continued stable order situation in combination with a recovery in the second half of the year as well as the high order backlog, the Management Board of STEMMER IMAGING is sticking to the revenue range of EUR 163 – EUR 176 million forecast for fiscal year 2023 and confirms the earnings forecast (EBITDA) of EUR 26 – EUR 32 million.

The Management Board will provide an update on the forecast no later than with the publication of the 2023 half-year figures scheduled for 10 August.

# Consolidated statement of financial position as at 31 March 2023

<b>Assets</b> in KEUR	<b>31/03/2023</b>	<b>31/12/2022</b>
<b>Non-current assets</b>		
Property, plant and equipment	6,752	7,228
Goodwill	19,345	19,374
Other intangible assets	6,306	6,455
Other investment securities	49	48
Other financial assets	172	172
Deferred tax assets	384	421
<b>Total Non-current assets</b>	<b>33,008</b>	<b>33,698</b>
<b>Current assets</b>		
Inventories	19,246	18,858
Trade receivables	25,926	23,932
Other financial assets	163	159
Income tax receivables	299	253
Other assets and prepaid expenses	1,509	2,081
Cash and cash equivalents	45,695	41,574
<b>Total current assets</b>	<b>92,838</b>	<b>86,857</b>
<b>Total assets</b>	<b>125,846</b>	<b>120,555</b>

<b>Equity and Liabilities</b> in KEUR	<b>31/03/2023</b>	<b>31/12/2022</b>
<b>Capital and reserves</b>		
Subscribed capital	6,500	6,500
Capital reserves	47,495	47,495
Revenue reserves	34,624	30,084
<b>Total equity</b>	<b>88,619</b>	<b>84,079</b>
<b>Non-current liabilities</b>		
Non-current loans	1,500	1,500
Provisions for pensions and similar obligations	27	27
Trade payables	79	79
Other financial liabilities	4,220	4,458
Other liabilities	440	426
Other provisions	234	219
Deferred tax liabilities	1,032	1,100
<b>Total non-current liabilities</b>	<b>7,532</b>	<b>7,809</b>
<b>Current liabilities</b>		
Current loans	1,500	2,000
Other provisions	44	65
Trade payables	13,650	13,024
Contract liabilities and advance payments received on orders	1,244	668
Other financial liabilities	1,911	2,008
Income tax liabilities	5,977	4,946
Other liabilities	5,369	5,956
<b>Total current liabilities</b>	<b>29,695</b>	<b>28,667</b>
<b>Total liabilities</b>	<b>37,227</b>	<b>36,476</b>
<b>Total assets</b>	<b>125,846</b>	<b>120,555</b>

# Consolidated income statement

## Development from 1 January to 31 March 2023

in KEUR

	<b>01/01 – 31/03/2023</b>	<b>01/01 – 31/03/2022</b>
Revenue	40,394	35,875
Cost of materials	– 24,583	– 22,070
<b>Gross profit</b>	<b>15,811</b>	<b>13,805</b>
Other operating income	899	881
Personnel expenses	– 6,518	– 6,250
Other operating expenses	– 2,837	– 2,974
<b>EBITDA</b>	<b>7,355</b>	<b>5,462</b>
Depreciation and impairment of property, plant and equipment	– 737	– 643
<b>EBITA</b>	<b>6,618</b>	<b>4,819</b>
Amortisation of intangible assets	– 317	– 336
<b>Operating earnings (EBIT)</b>	<b>6,301</b>	<b>4,483</b>
Finance income	2	0
Finance costs	– 27	– 17
<b>Profit before income taxes</b>	<b>6,276</b>	<b>4,466</b>
Taxes on income	– 1,693	– 1,143
<b>Consolidated net income</b>	<b>4,583</b>	<b>3,323</b>
Of which:		
Shareholders of the parent company	4,583	3,323
Number of shares (weighted average)	6,500,000	6,500,000
Earnings per share in EUR (diluted and basic)	0.71	0.51

# Consolidated statement of comprehensive income

## Development from 1 January to 31 March 2023

in KEUR

	<u>01/01 – 31/03/2023</u>	<u>01/01 – 31/03/2022</u>
<b>Consolidated net income</b>	<b>4,583</b>	<b>3,323</b>
<b>Other comprehensive income</b>		
Items that will be reclassified to profit or loss in future under certain conditions		
Exchange differences that arose during the reporting period	- 43	46
Other comprehensive income after income taxes	- 43	46
<b>Total comprehensive income</b>	<b>4,540</b>	<b>3,369</b>
Of which:		
Shareholders of the parent company	4,540	3,369

# Consolidated statement of cash flows

## Development from 1 January to 31 March 2023

in KEUR

	<b>01/01 – 31/03/2023</b>	<b>01/01 – 31/03/2022</b>
<b>Cash flow from operating activities</b>		
Consolidated net income	4,583	3,323
Income tax expense recognised in profit or loss	1,693	1,143
Finance costs/income recognised in profit or loss	25	17
Amortisation and depreciation of intangible assets, property, plant and equipment and investment securities	1,054	979
Increase (+)/decrease (-) in provisions	30	19
Other non-cash expenses/income	-39	-52
Gain/loss on disposal of property, plant and equipment and intangible assets	0	-10
Increase (-)/decrease (+) in inventories, trade receivables and other assets	-1,770	-3,644
Increase (+)/decrease (-) in liabilities and other liabilities	665	691
Interest received	2	0
<b>Cash flow from operating activities</b>	<b>6,243</b>	<b>2,466</b>
Income taxes paid	-734	-638
<b>Net cash flow from operating activities</b>	<b>5,509</b>	<b>1,828</b>
<b>Cash flow from investing activities</b>		
Payments for intangible assets	-167	-2
Proceeds from disposals of property, plant and equipment	2	27
Payments for investments in property, plant and equipment	-175	-152
Payments for investments in financial assets	0	-1
<b>Net cash flow used in investing activities</b>	<b>-340</b>	<b>-128</b>

**Development from 1 January to 31 March 2023**

in KEUR

	<b>01/01 – 31/03/2023</b>	<b>01/01 – 31/03/2022</b>
<b>Cash flow from financing activities</b>		
Proceeds from loans	0	15
Repayment of loans	- 989	- 988
Proceeds from grants received	1	23
Interest paid	- 27	- 17
<b>Net cash flow used in financing activities</b>	<b>- 1,015</b>	<b>- 967</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,154</b>	<b>733</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>41,574</b>	<b>36,022</b>
Changes in cash due to exchange rate movements and remeasurement	- 33	6
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>45,695</b>	<b>36,761</b>
Of which cash in hand and bank balances	45,695	36,761

# Consolidated statement of changes in equity

From 1 January to 31 March 2022

in KEUR

	Subscribed capital	Capital reserves	Revenue reserves			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Other revenue reserve		
<b>As at 1 January 2022</b>	<b>6,500</b>	<b>47,495</b>	<b>11</b>	<b>196</b>	<b>17,166</b>	<b>17,373</b>	<b>71,368</b>
Consolidated net income	0	0	0	0	3,323	3,323	3,323
Currency adjustments	0	0	0	46	0	46	46
<b>As at 31 March 2022</b>	<b>6,500</b>	<b>47,495</b>	<b>11</b>	<b>242</b>	<b>20,489</b>	<b>20,742</b>	<b>74,737</b>

From 1 January to 31 March 2023

in KEUR

	Subscribed capital	Capital reserves	Revenue reserves			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Other revenue reserve		
<b>As at 1 January 2023</b>	<b>6,500</b>	<b>47,495</b>	<b>30</b>	<b>- 210</b>	<b>30,264</b>	<b>30,084</b>	<b>84,079</b>
Consolidated net income	0	0	0	0	4,583	4,583	4,583
Currency adjustments	0	0	0	- 43	0	- 43	- 43
<b>As at 31 March 2023</b>	<b>6,500</b>	<b>47,495</b>	<b>30</b>	<b>- 253</b>	<b>34,847</b>	<b>34,624</b>	<b>88,619</b>

# Financial calendar<sup>1</sup>

Friday <b>12/05</b> 2023 Annual General Meeting, virtual	Thursday – Friday <b>15/ – 16/06</b> 2023 Warburg Highlights, Hamburg	Thursday <b>10/08</b> 2023 Publication of Q2/6M 2023 interim report
Monday – Wednesday <b>18/ – 20/09</b> 2023 Berenberg and Goldman Sachs 12th German Corporate Conference, Munich	Thursday <b>09/11</b> 2023 Publication of Q3/9M 2023 interim report	Monday – Wednesday <b>27/ – 29/11</b> 2023 German Equity Forum, Frankfurt am Main

<sup>1</sup> Dates may change at short notice.

# Publication details

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The STEMMER IMAGING AG quarterly report is available in German and English.  
The German version is legally binding.

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