

# Datacolor in the first half 2018/19



## Media Information

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### **Solid growth with new products - High investments strengthen market position in Asia**

In the first half of fiscal 2018/19, Datacolor AG posted sales of USD 39.7 million (previous year: USD 41.0 million). With a decline of 3.1%, in local currency 1.3%, sales were only slightly below the high level of the previous year, which was significantly influenced by a large order of a major North American retail company. The new, portable colorimeters from the ColorReader family and the latest generation of the SpyderX display calibration system contributed in particular to the good sales development in the first half of 2018/19.

In the first half of 2018/19, the gross margin increased to a very good 67.4% (previous year: 64.0%) despite higher tariffs in the important US market. On the one hand, this significant increase is due to the successful continuation of the exchange program for high-end instruments during the first half of the year. On the other hand, the prior-year figure was influenced by a below-average margin on the major order in North America due to the exceptionally high proportion of hardware. With an EBIT of USD 3.3 million (previous year: USD 3.1 million), an EBITDA margin of 10.9% (previous year: 10.4%) and an EBIT margin of 8.4% (previous year: 7.7%) the operating result was above previous year's result. After a very successful development in recent years, the financial result was negative at USD -1.9 million (previous year: USD 0 million), mainly due to the disruptions on the capital markets at the end of the first quarter of fiscal 2018/19. Accordingly, net income fell to USD 1.1 million (previous year: USD 2.3 million). Following a significant recovery in the markets in recent months, the financial result has also improved again.

### **Solid growth with new products**

The success of Datacolor's substantial long-term investments in research and development was also reflected in the solid sales figures for the new

ColorReader product family in the first half of 2018/19. ColorReader is a highly precise, cost-effective, small and portable colorimeter that can be connected via Bluetooth to a smartphone app for color evaluation.

In February, the Company also launched the new SpyderX, Datacolor's fastest, most accurate and user-friendly color calibration solution for monitors to date. SpyderX is Datacolor's latest contribution to the ongoing development of accurate color management solutions for photographers, video producers and creative professionals worldwide.

Launched in May 2018, the SpectraVision system, which for the first time enables accurate color analysis of multi-color, patterned materials, provides Datacolor with an efficient color measurement solution for customers who previously had no way to accurately measure and communicate color digitally.

In the second half of 2018/19, Datacolor will launch two new products for the textile and apparel industry that will significantly improve color management from design to point of sale.

### **High investments strengthen market position in Asia**

The company focused on improving the efficiency of the substantial geographical expansion during the last years, especially in the Asia region. Vietnam, in particular, performed very well, and despite a slowdown in growth in China, the share of sales contributed by Asia increased significantly to 34.8% (previous year: 31.1%). With a 35.5% share of sales (previous year: 36.1%), Europe remains Datacolor's largest market. The negative currency impact due to the weakening of the EUR against the USD was offset by a positive sales increase in the European pigment industry. In the North and South America region, the decline in the share of sales to 29.7% (previous year: 32.8%) is fully attributable to the impact of a large order from a major retailer in the previous year.

### **Outlook**

In the second half of fiscal 2018/19, Datacolor will continue to launch newly developed, innovative color measurement and color matching solutions to strengthen its long-term growth potential. The solid financial structure and high liquidity will allow Datacolor to continue to invest substantially in the development of pioneering products, intensifying marketing activities, particularly in the online business, and the focused further expansion and increase in efficiency of the global sales, service and support organization. Provided the general economic conditions remain stable, the Board of Directors and Executive Committee aim to achieve

sales and earnings for the fiscal year in the range of or slightly below the previous year, even without a major order as in the previous fiscal year.

Lucerne, May 6, 2019

The full half year report 2018/19 is available on:

<https://ir.datacolor.com/en/financial-reports>

**For further information**

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**Agenda**

October 24, 2019

November 15, 2019

December 5, 2019

Key Figures 2018/19

Annual Report 2018/19

Annual General Meeting of Shareholders  
2018/19

**About Datacolor**

Datacolor, a global leader in color management solutions, provides software, instruments and services to assure accurate color of materials, products and images. The world's leading brands, manufacturers and creative professionals have used Datacolor's innovative solutions to consistently achieve the right color for more than 45 years. The company provides sales, service and support in over 100 countries throughout Europe, the Americas and Asia. Industries served include textile and apparel, paint and coatings, automotive, plastics, photography and videography. For more information visit [www.datacolor.com](http://www.datacolor.com).