

Datacolor in fiscal 2018/19



Media Information

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Continued significant investments in new products and sales expansion – dividend of CHF 15 per share proposed

In fiscal 2018/19, Datacolor AG posted sales of USD 78.8 million (fiscal 2017/18: USD 81.1 million), down -2.9% from the previous year and -2.2% in local currency. On a comparable basis, excluding the two major one-time orders in the previous year, Datacolor increased sales by 5%. The gross profit margin reached a high 65.7% (65.3%). Operating income EBITDA was USD 7.5 million (USD 8.4 million), the EBITDA margin 9.6% (10.3%), the EBIT USD 5.6 million (USD 6.2 million) and the EBIT margin 7.1% (7.6%). The decline in the operating result is negatively affected by new and significant US import tariffs of over USD 0.6 million on instruments manufactured in China and one-off expenses of around USD 1.0 million for adjustments to the organization and legal structure of Datacolor. The financial result was negative at USD -1.2 million. The losses of the capital market at the end of the first quarter were not completely offset despite a significant recovery by the end of fiscal 2018/19. The financial result was also negatively impacted by unfavorable exchange rate developments in the amount of USD -0.5 million. This decline in the financial result was more than offset by the USD 1.4 million reduction in income taxes resulting in a reported net income of USD 3.6 million (USD 4.1 million) for fiscal 2018/19. Earnings per share amounted to USD 21.84 (USD 25.29). At the balance sheet date, September 30, 2019, Datacolor had high net liquidity (including financial assets) of USD 44.2 million (September 30, 2018: USD 40.6 million). At 63.1%, the equity ratio remained at the solid level of the previous year.

Balanced geographical sales mix

With its user-friendly, innovative solutions, Datacolor is one of the leading international companies for high-precision color management solutions. In

fiscal 2018/19, Datacolor further expanded its strong market position with the launch of new pioneering products and its customer-focused, global sales and service organization. Around 36.2% (34.4%) of sales were generated in the Asia-Pacific region, 34.3% (34.0%) in Europe and 29.5% (31.6%) in North and South America.

Technological leadership with innovative solutions

In the year under review, Datacolor again launched a number of innovative color measurement solutions for customers in the textile and apparel, paint, coatings and plastics industries and in the consumer market. These include:

- ColorReader, a highly precise, cost-effective, small and portable colorimeter that can be connected via Bluetooth to a smartphone app for color evaluation and enables colors to be measured in seconds on any template and defined precisely in conjunction with the ColorReader app.
- SpyderX, the latest addition to the successful Spyder family of products for photographers, video producers and creative professionals to accurately color calibrate their monitors.
- The web-based software solution ColorHub, which supports color analysis and color communication online and in real time between brands and suppliers.
- Assessment services, which enable customers in the textile and apparel industry to reduce development costs and certify high color quality in the supply chain.

In the year under review, the marketing of the SpectraVision system presented in the previous year was also intensively pushed forward. SpectraVision is a color measurement system that is particularly attractive for international retail chains. It is used to measure and digitally communicate colors on materials that were previously impossible to measure, including multi-color prints as well as patterned fabrics and laces. SpectraVision can reduce the time from the first concept sketch to the finished product at the customer's site by up to 50%. Datacolor is also working with Adobe to combine the professional color lookup tool ColorReaderPRO with the latest Photoshop plugin for Adobe Textile Designer. Designers will have the ability to measure color in the real world and easily use the data in Photoshop via a Bluetooth.

Sound balance sheet

As of September 30, 2019, Datacolor had cash and cash equivalents including financial assets of USD 44.2 million (September 30, 2018: USD 40.6 million), corresponding to 61% (58%) of total assets of USD 71.9 million (USD 70.4 million). Equity increased to USD 45.3 million (USD 44.1 million) and the equity ratio was a solid 63.1% (62.6%). Datacolor AG continues to be debt-free.

Datacolor AG

In fiscal 2018/19 the parent company Datacolor AG (holding company for Datacolor investments) posted an increase in profit to CHF 2.6 million (CHF 1.4 million). After distributing a dividend of CHF 2.5 million (representing 60% of the 2017/18 net profit), as at September 30, the equity of Datacolor AG amounted to CHF 18.1 million (September 30, 2018: CHF 17.0 million).

Continued development of the company to support growth

In fiscal 2018/19, Datacolor further expanded its marketing, sales and support, and research and development activities with new employees. Despite the implementation of the growth strategy, the average number of employees increased only slightly from 417 to 426 as a result of the efficiency enhancement programs. The onboarding process for new employees, internal training and activities to promote employee engagement were digitized and intensified.

Changes in management

On November 1, 2018, Philipp Hediger took over as CFO of Datacolor, replacing Annet van der Laan. The Annual General Meeting on December 5, 2018, elected Hanno Elbraechter as a new member of the Board of Directors of Datacolor AG. He succeeds Dr. Fritz Gantert, who has kindly supported Datacolor with his know-how for more than 15 years.

Outlook

With its strong development pipeline and the continuous introduction of innovative, high-precision color measurement solutions, Datacolor intends to grow significantly and increase margins in the coming years, assuming stable development of the global economy and a good investment climate. To achieve these goals, Datacolor will continue to invest substantially in the development of innovative solutions for precise color measurement, the strengthening of global marketing, particularly online, and the focused expansion and increased efficiency of its customer-oriented sales, service and support organization.

The complete Annual Report 2018/19 is available on <https://ir.datacolor.com/en/financial-reports/>

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For further information

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Agenda

December 5, 2019

Annual General Meeting of Shareholders
2018/19

May 8, 2020

Publication Semi-Annual Report 2019/20

October 27, 2020

Publication Key Figures 2019/20

November 17, 2020

Publication Annual Report 2019/20

December 9, 2020

Annual General Meeting of Shareholders
2019/20**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 almost 50 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.