

Datacolor fiscal 2021/22



Media Information

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Ad hoc announcement pursuant to Art. 53 LR

Considerable increase in sales and profitability □ dividend of CHF 20 per share proposed

Datacolor achieved a considerable increase in sales and operating profitability in fiscal 2021/22 in a challenging business climate. The good operating result was driven by Datacolor's strong position in the business for high-precision color management solutions as well as product launches and the continued strengthening of the sales and marketing organization, especially in China, Datacolor's largest and fastest growing market despite further lockdowns. Datacolor again invested substantially in research and development and launched new, highly precise and user-friendly color management solutions in all business areas, the textile and apparel industry, the paints, coatings and plastics industry and especially in the growing consumer market. Remote calibration and remote service of Datacolor color management instruments via the Internet were also expanded. Due to the global lack of skilled employees, the recruitment of qualified personnel, especially software specialists, proved extremely difficult. Certain important positions could not be filled, resulting in a below-average development of personnel costs. As a result of the pandemic, only a few trade shows were held and, in addition, travel restrictions remained in force in some Asian countries, resulting in below-average travel and marketing costs.

In fiscal 2021/22, net sales were USD 87.4 million (fiscal 2020/21: USD 73.6 million), exceeding the previous year considerably by 18.8% or 21.8% in local currency. The good business performance and, as already mentioned, lower personnel and marketing costs led to a favorable increase in gross profit to USD 58.0 million (USD 48.0 million) and in gross profit margin to 66.3% (65.2%), although freight and material prices rose again and the Euro and Chinese Yuan developed unfavorably against Datacolor's reporting currency, the US Dollar. Inflation-driven cost increases were partially passed on to customers or offset by increased efficiency. EBITDA rose to USD 12.9 million (USD 8.1 million), corresponding to a good margin of 14.8% (11.0%), EBIT to USD 11.2 million (USD 6.4 million), corresponding to a margin of 12.8% (8.7%). Due to strong upheavals in the financial markets, the financial result was negative at USD -5.5 million (USD +4.5 million) and had a substantial negative impact on net income, which at USD 5.2 million (USD 9.3 million) was down considerably from the good result of the previous year. Earnings per share corresponded to USD 31.81 (USD 56.07). Datacolor employed an average of 387 (371) people in the year under review.

Dynamic sales development

In the reporting period, Datacolor continued to report a strong increase in sales in the Asian market, particularly in China. Consequently, the share of sales attributable to the Asian region rose to 44% (39%). Sales in the Americas region accounted for 27% (28%) of total sales, in line with Datacolor's overall favorable sales performance. The European market region's contribution to sales declined slightly in the year under review to 29% (33%), partly due to the depreciation of the Euro against the US Dollar.

Software-as-a-Service (SaaS) offering and new consumer market products introduced

Datacolor continued to invest substantially in the development of new products, in particular a cloud-based Software-as-a-Service (SaaS) offering for Datacolor industrial products that supports customers in efficient data exchange, Big Data analytics and increased process flexibility. In October 2021, Datacolor launched the first version of CloudQC Viewer, a simple and easy-to-use on-demand digital color assessment application developed in collaboration with customers. In May 2022, Datacolor launched

software subscription programs for its color formulation products Datacolor Match Textile and Datacolor Match Pigment, as well as for its color management solution Datacolor Tools. Customers in the textile, paint and coatings, and plastics industries thus have an alternative to purchasing a perpetual software license that allows them to use Datacolor's latest digital color management software and provides regular updates and access to Datacolor customer support. In September 2022, Datacolor launched Spyder Checkr Photo, a new pocket-sized product designed to meet the needs of photographers. Using a proprietary printing system, Spyder Checkr Photo provides unmatched accuracy for camera color calibration.

Sound balance sheet

At the end of fiscal 2021/22, Datacolor AG had total assets of USD 81.3 million (9/30/2021: USD 83.7 million). Net cash including financial assets amounted to USD 43.7 million (9/30/2021: USD 51.9 million). Accounts receivable increased to USD 11.0 million (USD 8.8 million) due to the increase in sales. In order to reduce the risk of supply chain shortages, inventory levels were increased to USD 13.0 million (30.9.2021: USD 10.7 million). Datacolor remains debt-free. The company has a shareholders' equity of USD 47.8 million (30.9.2021: USD 52.5 million), corresponding to an equity ratio of 58.8% (30.9.2021: 62.7%).

Change in management

In October 2022, Yazid Tohme took over as Chief Technology Officer from Tae Park, who will retire at the end of that year. The Board of Directors and the Executive Committee would like to thank him for his long-standing support.

Datacolor AG

The holding company Datacolor AG posted a profit of CHF 4.3 million in fiscal 2021/22 (fiscal 2020/21: CHF 0.5 million). After payment of the dividend of CHF 5.7 million for fiscal 2020/21, Datacolor AG had shareholders' equity of CHF 12.9 million on the reporting date September 30, 2022 (9/30/2021: CHF 16.6 million). For fiscal 2021/22, the Board of Directors proposes to the Annual General Meeting of Datacolor AG on December 7, 2022, the distribution of a dividend corresponding to the lower net profit of CHF 20 per share.

Outlook

The Board of Directors and the Executive Committee expect that Datacolor will at least maintain or slightly increase sales and profitability with its successful color management solutions for customers in the industrial and consumer markets and with continued substantial investments in research and development and further product innovations, despite an emerging slowdown in growth momentum. This assumes that there will be no disruptive events for the global economy and that no further lockdowns weaken growth in China, Datacolor's largest market. With substantial net cash including financial assets and a solid shareholders' equity, Datacolor is well prepared to continuously strengthen its market position by organic growth and, if possible, by acquisitions that are complementary with Datacolor's business model.

The complete Annual Report 2021/22 is available on:

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

Rotkreuz, November 17, 2022

For further informationen

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Agenda

December 7, 2022	Annual General Meeting of Shareholders 2021/22
May 5, 2023	Publication Semi-Annual Report 2022/23
October 27, 2023	Publication Key Figures 2022/23
November 17, 2023	Publication Annual Report 2022/23
December 7, 2023	Annual General Meeting of Shareholders 2022/23

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 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.