

DATACOLOR AG

SEMI-ANNUAL REPORT **OCTOBER 1, 2022 TO MARCH 31, 2023**

Dear shareholders

Sales and profitability increased again

Datacolor AG continued to show sales and operating earnings growth in the first half of fiscal 2022/23 despite the challenging market environment driven by inflation as well as global political and financial uncertainty. Net sales increased by 7.4% (13.1% in local currency) to USD 45.4 million (previous year: USD 42.3 million). The gross margin was stable at 65.6% (65.5%) despite substantially higher material costs. Datacolor achieved an operating profit (EBIT) of USD 4.9 million (USD 3.8 million) in the period under review. Operating profitability was further improved with an EBITDA margin of 12.8% (11.0%) and an EBIT margin of 10.8% (9.0%). Due to the upward trend of the global stock markets, Datacolor posted a positive financial result of USD 2.6 million (USD -1.4 million) in the period under review. As a result, net profit increased to a total of USD 6.2 million (USD 1.9 million), while earnings per share amounted to USD 38.36 (USD 11.71). At the end of the reporting period, Datacolor had total assets of USD 85.7 million (September 30, 2022: USD 81.3 million) and substantial net cash including financial assets of USD 44.7 million (September 30, 2022: USD 43.7 million). Datacolor remains debt-free and has a solid equity ratio of 61.4% (September 30, 2022: 58.8%). The average number of employees increased to 408 (385) in the first half of 2022/23 due to sales growth.

Growth driven by sales in Asia and Europe

The solid results in the period under review were driven by a strong order book for hard and software products that allow digitalization of color workflows across a wide range of industries. Asia remained the largest market, accounting for 44% (41.7%) of total sales. Europe corresponded to 31.3% (31.2%) of sales, and North and South America represented 24.7% (27.1%) of sales.

New products propel business

Datacolor again invested heavily in the further development of its innovative product range for the industrial and consumer markets. During the period under review, the focus was on the latest generation of its Spectro 1000/700 product family, a high-end spectrophotometer designed for high efficiency and confidence in color formulation and quality control, mainly in the textiles, plastics, paints and coatings sectors, featuring Internet connectivity for remote services. Demand was also very pleasing for the ColorReader EZ, a portable measuring device that allows "Do It Yourselfers" to easily match a measured color to international color standards. Datacolor also launched Spyder Checkr Photo, a small and handy color reference tool for photographers that provides a fast and easy way to ensure accurate and consistent color of images on monitors and printers. During the coming months Datacolor plans to launch several new hardware and software products including innovative features reaching an even wider range of industrial customers and consumers.

Outlook

Datacolor's Board of Directors and Executive Committee expect sales in the second half of fiscal 2022/23 to increase moderately and the operating result to remain at around the same level as in the first half of the year under review, despite global economic and geopolitical uncertainty. With its successful color management solutions for customers in the industrial and consumer markets, as well as continued high investments in research and development and continued innovation of products, Datacolor continues to aim in fiscal 2022/23 to exceed the previous year's sales and to maintain or slightly increase operating profit, provided that no disruptive events for the global economy occur. With substantial net liquidity including financial assets and a solid shareholders' equity, Datacolor is well prepared to expand its market position with organic growth as well as acquisitions that complement its business activities.

Rotkreuz, May 5, 2023

Datacolor AG

A handwritten signature in black ink, appearing to read 'W. Dubach', with a stylized, cursive script.

Werner Dubach
Chairman of the Board of Directors

KEY FIGURES DATACOLOR

in USD million	Half-year 2022/23	Half-year 2021/22
Net sales	45.4	42.3
Change relative to previous period in %	7.4%	14.7%
EBITDA	5.8	4.6
Change relative to previous period in %	25.9%	15.7%
as a % of net sales	12.8%	11.0%
EBIT	4.9	3.8
Change relative to previous period in %	28.8%	18.9%
as a % of net sales	10.8%	9.0%
Net result	6.2	1.9
Change relative to previous period in %	222.8%	-64.1%
as a % of net sales	13.6%	4.5%
as a % of average shareholders' equity	12.3%	3.9%
Cash flow from operating activities	0.1	3.4
Change relative to previous period in %	-96.2%	-19.7%
as a % of net sales	0.3%	8.1%
Cash flow from investing activities	-0.5	1.8
Change relative to previous period in %	-128.6%	181.6%
as a % of cash flow from operating activities	-394.2%	52.0
Free cash flow	-0.4	5.2
Change relative to previous period in %	-107.3%	150.0%
as a % of net sales	-0.8%	12.3%
Average number of employees	408	385
Personnel expenses	19.0	17.8
	31.03.2023	31.03.2022
Total assets	85.7	81.3
Shareholders' equity	52.7	47.8
as a % of total assets	61.4%	58.8%
Net liquidity (including current financial assets)	44.7	43.7
	Half-year 2022/23	Half-year 2021/22
Per share data ¹⁾		
Average number of shares	161 012	163 335
Earnings per share in USD (non-diluted)	38.36	11.71
Free cash flow per share in USD	-2.37	31.89
Shareholders' equity per share in USD	327.01	282.68

¹⁾ Calculation is based on the weighted average number of shares outstanding (issued shares less treasury shares).

ADDITIONAL GEOGRAPHIC INFORMATION

in TUSD	Half-year 2022/23	in % of total	Half-year 2021/22	in % of total
Net sales to third parties	45 411	100.0%	42 301	100.0%
Europe	14 200	31.3%	13 225	31.2%
America	11 198	24.7%	11 445	27.1%
Asia/Pacific	20 013	44.0%	17 631	41.7%
	31.03.2023	in % of total	31.03.2022	in % of total
Assets	85 702	100.0%	78 779	100.0%
Europe	47 982	56.0%	40 898	52.0%
America	11 862	13.8%	13 187	16.7%
Asia/Pacific	25 858	30.2%	24 694	31.3%
	Half-year 2022/23	in % of total	Half-year 2021/22	in % of total
Average number of employees	408	100.0%	385	100.0%
Europe	86	21.1%	79	20.5%
America	115	28.2%	114	29.6%
Asia/Pacific	207	50.7%	192	49.9%

Key dates

October 27, 2023
November 17, 2023
December 7, 2023

Key figures 2022/23
Publication annual report 2022/23
Annual general meeting of shareholders 2022/23