

# DATACOLOR AG

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

## **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

This report contains forward-looking statements that reflect management's views with respect to future events. Such statements are subject to risks and uncertainties. Datacolor disclaims any liability that actual results correspond to the forward-looking statements and does not assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of this report.

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## KEY FIGURES DATACOLOR

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

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

### 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

## CONSOLIDATED INCOME STATEMENT

in TUSD	Half-year 2022/23	Half-year 2021/22
<b>Net sales</b>	<b>45 411</b> 100.0%	<b>42 301</b> 100.0%
Cost of goods sold	-15 615	-14 602
<b>Gross profit</b>	<b>29 796</b> 65.6%	<b>27 699</b> 65.5%
Sales and marketing expenses	-13 660	-13 082
Administrative expenses	-6 866	-6 730
Research and development expenses	-4 428	-4 082
Other operating expenses	46	-10
<b>EBIT<sup>1)</sup></b>	<b>4 888</b> 10.8%	<b>3 795</b> 9.0%
Financial result	2 558	-1 368
<b>Net result before income taxes</b>	<b>7 446</b> 16.4%	<b>2 427</b> 5.7%
Income taxes	-1 270	-514
<b>Net result for the period</b>	<b>6 176</b> 13.6%	<b>1 913</b> 4.5%
	<b>USD</b>	<b>USD</b>
<b>Earnings per share</b>		
non-diluted	38.36	11.71
diluted	38.36	11.71
	<b>CHF</b>	<b>CHF</b>
<b>Earnings per share<sup>2)</sup></b>		
non-diluted	36.51	10.80
diluted	36.51	10.80

<sup>1)</sup> Interest includes other financial items, as earnings from securities, foreign exchange gains and losses.

<sup>2)</sup> The earnings per share in CHF has been calculated from USD to CHF by using the corresponding average rate of the period.

## CONSOLIDATED BALANCE SHEET

in TUSD	31.03.2023	30.09.2022	31.03.2022
<b>Assets</b>			
Cash	11 592	15 097	16 457
Current financial assets	33 152	28 610	28 933
Trade receivables	11 787	11 029	9 077
Other receivables	4 048	2 562	2 282
Inventories	13 657	13 009	11 453
Current tax assets	249	232	133
Prepaid expenses	288	179	181
<b>Current assets</b>	<b>74 773</b> 87.2%	<b>70 718</b> 87.0%	<b>68 516</b> 87.0%
Property, plant and equipment	7 661	7 825	7 604
Intangible assets	1 351	1 193	1 186
Deferred tax assets	1 917	1 547	1 473
<b>Non-current assets</b>	<b>10 929</b> 12.8%	<b>10 565</b> 13.0%	<b>10 263</b> 13.0%
<b>Assets</b>	<b>85 702</b> 100.0%	<b>81 283</b> 100.0%	<b>78 779</b> 100.0%
<b>Liabilities and shareholders' equity</b>			
Trade payables	4 351	4 925	4 526
Current tax liabilities	2 873	1 624	1 876
Other current liabilities	5 656	6 482	6 044
Accrued liabilities	17 944	18 611	18 165
Short term provisions	315	310	243
<b>Current liabilities</b>	<b>31 139</b> 36.3%	<b>31 952</b> 39.3%	<b>30 854</b> 39.2%
Other non-current liabilities	1 215	869	1 061
Long term provisions	391	357	391
Deferred tax liabilities	305	301	301
<b>Non-current liabilities</b>	<b>1 911</b> 2.2%	<b>1 527</b> 1.9%	<b>1 753</b> 2.2%
<b>Liabilities</b>	<b>33 050</b> 38.6%	<b>33 479</b> 41.2%	<b>32 607</b> 41.4%
Share capital	153	153	153
Treasury shares	-5 222	-4 809	-4 650
Capital reserves	-4 433	-4 433	-4 433
Retained earnings	62 154	56 893	55 102
<b>Shareholders' equity</b>	<b>52 652</b> 61.4%	<b>47 804</b> 58.8%	<b>46 172</b> 58.6%
<b>Liabilities and shareholders' equity</b>	<b>85 702</b> 100.0%	<b>81 283</b> 100.0%	<b>78 779</b> 100.0%

## CONSOLIDATED CASH FLOW STATEMENT

in TUSD	Half-year 2022/23	Half-year 2021/22
<b>Net result before income taxes</b>	<b>7 446</b>	<b>2 427</b>
Depreciation of property, plant and equipment	762	674
Amortization of intangible assets	183	166
Result from the disposal of non-current assets	-46	12
Changes in provisions	38	-10
Other non-cash positions <sup>1)</sup>	508	100
Income/loss from securities	-3 486	998
Interest cost/income	10	-5
Income taxes paid	-404	-330
<b>Cash flow before changes in working capital</b>	<b>5 011</b>	<b>4 032</b>
Changes in net working capital (net of cash)	-4 882	-606
<b>Cash flow from operating activities</b>	<b>129</b>	<b>3 426</b>
Investment in property, plant and equipment	-560	-565
Divestment of property, plant and equipment	50	0
Investment in intangible assets	-323	-196
Investment in financial assets	-7 004	-1 085
Divestment of financial assets	6 499	3 101
Interest received	828	528
<b>Cash flow from investing activities</b>	<b>-510</b>	<b>1 783</b>
Purchase of treasury shares	-413	-2 270
Dividends paid	-3 381	-6 225
<b>Cash flow from financing activities</b>	<b>-3 794</b>	<b>-8 495</b>
<b>Decrease in cash</b>	<b>-4 175</b>	<b>-3 286</b>
<b>Cash as of October 1</b>	<b>15 097</b>	<b>19 637</b>
Translation differences on cash	670	106
<b>Cash as of March 31</b>	<b>11 592</b>	<b>16 457</b>
Decrease in cash		-1 360
<b>Cash as of 30 September 2022</b>		<b>15 097</b>

<sup>1)</sup> Other non-cash positions contain especially forex differences.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TUSD	Share capital <sup>1)</sup>	Treasury shares <sup>2)</sup>	Capital reserves <sup>3)</sup>	Retained earnings <sup>4)</sup>	Accumulated translation differences	Total retained earnings	Total share-holders' equity
<b>Balance as of 01.10.2021</b>	<b>153</b>	<b>-2 380</b>	<b>-4 433</b>	58 844	271	<b>59 115</b>	<b>52 455</b>
Dividends paid <sup>5)</sup>				-6 225		<b>-6 225</b>	<b>-6 225</b>
Purchase of treasury shares <sup>6)</sup>		<b>-2 270</b>				<b>0</b>	<b>-2 270</b>
Translation differences					299	<b>299</b>	<b>299</b>
Profit for the period				1 913		<b>1 913</b>	<b>1 913</b>
<b>Balance as of 31.03.2022</b>	<b>153</b>	<b>-4 650</b>	<b>-4 433</b>	54 532	570	<b>55 102</b>	<b>46 172</b>
<b>Balance as of 01.04.2022</b>	<b>153</b>	<b>-4 650</b>	<b>-4 433</b>	54 532	570	<b>55 102</b>	<b>46 172</b>
Purchase of treasury shares <sup>6)</sup>		<b>-159</b>				<b>0</b>	<b>-159</b>
Translation differences					-1 579	<b>-1 579</b>	<b>-1 579</b>
Profit for the period				3 370		<b>3 370</b>	<b>3 370</b>
<b>Balance as of 30.09.2022</b>	<b>153</b>	<b>-4 809</b>	<b>-4 433</b>	57 902	-1 009	<b>56 893</b>	<b>47 804</b>
<b>Balance as of 01.10.2022</b>	<b>153</b>	<b>-4 809</b>	<b>-4 433</b>	57 902	-1 009	<b>56 893</b>	<b>47 804</b>
Dividends paid <sup>5)</sup>				-3 381		<b>-3 381</b>	<b>-3 381</b>
Purchase of treasury shares <sup>6)</sup>		<b>-413</b>				<b>0</b>	<b>-413</b>
Translation differences					2 466	<b>2 466</b>	<b>2 466</b>
Profit for the period				6 176		<b>6 176</b>	<b>6 176</b>
<b>Balance as of 31.03.2023</b>	<b>153</b>	<b>-5 222</b>	<b>-4 433</b>	60 697	1 457	<b>62 154</b>	<b>52 652</b>

<sup>1)</sup> The share capital as of March 31, 2023 consists of 168 044 (prior period: 168 044) registered shares with a nominal value of CHF 1 each, translated to CHF/USD with the spot rate as of September 30, 2008.

<sup>2)</sup> Equals the historical purchase value of 7 288 treasury shares (March 31, 2022: 6 409).

<sup>3)</sup> The capital reserves comprise reserves from capital contributions confirmed by Swiss tax authorities and the result of the execution of stock options and the result on sale of own shares.

<sup>4)</sup> The retained earnings comprise reserves that are subject to certain legal restrictions with regard to their distribution.

<sup>5)</sup> A gross dividend of CHF 20 (previous year: CHF 35) per registered share was distributed in the reporting period. The dividend has been fully paid out of retained earnings.

<sup>6)</sup> During the reporting period 595 (first half previous year: 2 989, second half previous year: 284) Datacolor registered shares were acquired at an average price of CHF 661 (first half previous year: CHF 700, second half previous year: CHF 670) for a total amount of TUSD 413 (first half previous year: TUSD 2 270, second half previous year: TUSD 159).

## NOTES TO THE CONSOLIDATED HALF-YEAR REPORT AS OF MARCH 31, 2023

### 1 General consolidation principles

The unaudited consolidated half-year report has been prepared in accordance with the accounting principles of Swiss GAAP FER 31.9 ff. (Interim reporting) and includes the unaudited financial statements of Datacolor AG and its subsidiary companies for the half-year ending as per March 31, 2023. The half-year report reflects further the complementary recommendations of Swiss GAAP FER 31 for publicly listed companies.

The applied accounting principles are corresponding with the principles stipulated in the consolidated financial statements as of September 30, 2022. This half-year report should be read in conjunction with the consolidated financial statements as of September 30, 2022 since it represents an update of the last comprehensive financial reporting.

The consolidated half-year financial statements are presented in US Dollars (USD). The figures are rounded to thousands. The consolidated financial statements are prepared on a historical cost basis, except for current financial assets and derivative financial instruments which are valued at market value.

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### 2 Use of estimates

The preparation of consolidated financial statements in accordance with Swiss GAAP FER requires Management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future estimates and assumptions based on management's best judgment at the date of the financial statements deviate from the actual circumstances, the original estimates and assumptions will be revised for the year in which the circumstances change.

### 3 Changes in the scope of consolidation

There were no changes to scope of consolidation in the current and prior year reporting period.

### 4 Seasonality

Datacolor is not exposed to material seasonal variations in its operations.

### 5 Commentary on the half-year report

Compared to the prior period, Datacolor's sales increased by USD 3.1 million, despite the challenging market conditions characterized by inflation, global political and financial uncertainty as well as the appreciated dollar. The solid results were driven by a strong order intake of industrial hard- and software products.

The cash flow from operating activities showed a cash inflow of USD 0.1 million (previous year: USD 3.4 million). The cash inflow from the positive sales development was reduced by changes in net working capital and payments of performance-related items.

During the reporting period, a net USD 0.5 million was invested in financial assets (H1 2021/22: USD 2.0 million divested), as well as USD 0.9 million (H1 2021/22: USD 0.8 million) invested in tangible and intangible assets, which were the main drivers for the cash outflow from investing activities.

Cash outflow from financing activities was USD 3.8 million (H1 2021/22: USD 8.5 million), mainly due to the dividend payment for the fiscal year 2021/22 of USD 3.4 million (prior period: USD 6.2 million). The total cash position decreased by USD 4.2 million to USD 11.6 million (30. September 2022: USD 15.1 million).

### 6 Segment reporting

Datacolor is a global leader in digital color management solutions and provides software, hardware and services for accurate color reproduction of materials, products and photographs.

Based on the annual budget approved by the Board of Directors, the functionally organized Executive Committee undertakes the resource allocation and measurement of corporate performance on the entire group level. Insofar as Datacolor operates solely within one segment, the information required under Swiss GAAP FER 31.8 is disclosed in the consolidated interim financial statements.



## 7 Foreign exchange rates

USD per	1 CHF	1 EUR	1 GBP	1 CNY
Average rates October 2022/March 2023	1.05	1.03	1.18	0.14
Average rates October 2021/March 2022	1.08	1.15	1.35	0.16
Closing rates end of March 2023	1.09	1.09	1.24	0.15
Closing rates end of September 2022	1.02	0.98	1.11	0.14
Closing rates end of March 2022	1.08	1.11	1.31	0.16

## 8 Additional geographic information

in TUSD	Half-year 2022/23	in % of total	Half-year 2021/22	in % of total
<b>Net sales to third parties</b>	<b>45 411</b>	100.0%	<b>42 301</b>	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%
	<b>31.03.2023</b>	in % of total	<b>31.03.2022</b>	in % of total
<b>Assets</b>	<b>85 702</b>	100.0%	<b>78 779</b>	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%
	<b>Half-year 2022/23</b>	in % of total	<b>Half-year 2021/22</b>	in % of total
<b>Average number of employees</b>	<b>408</b>	100.0%	<b>385</b>	100.0%
Europe	86	21.1%	79	20.5%
America	115	28.2%	114	29.6%
Asia/Pacific	207	50.7%	192	49.9%

## 9 Events after the balance sheet date

No material subsequent events occurred since March 31, 2023, which would have an impact on the information presented in the 2022/23 half-year report or require additional disclosure. The publication of this report was approved by the Board of Directors on May 3, 2023.