

**VusionGroup**

Technologies for  
Positive Commerce

# Q3 2024 Sales Conference Call

October 28, 2024



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- Record Q3, driven by acceleration in North America
- Recurring VAS growth > 30%
- Record order entries: €1.4bn over 12 months (+65% YoY)
- FY 2024 outlook confirmed for adjusted sales above €1 billion and improved profitability

# Walmart Rollout Now in a Very Intensive Phase

- 500 stores by year-end and 2,300 stores by the end of 2026
- Roll-out acceleration will continue in 2025
- New Innovation Center in Bentonville, Arkansas, home of Walmart



**Program is on track, new solutions and use cases already being tested**



# Excellent momentum in North America and Europe



 Pharmacy



 Gas stations



 Sport



 Home improvement



 Travel Retail



 Cosmetics / H&B



 Consumer Electronics



 Food

## Ace Hardware adopts VusionGroup's digital shelf label technology

### European pharmacy leader PHOENIX group boosts digital transformation with VusionGroup

PHOENIX group **elevates its operational efficiency through VusionGroup's innovative solutions** allowing pharmacy teams to focus on what matters most: patient care.

## VusionGroup: new deployment of solutions in Italy

September 25, 2024 at 03:00 am EDT

[Share](#)

VusionGroup announces a new deployment of its solutions with L'Abbondanza, one of Italy's leading food retailers associated with the Selex Group, to equip its 43 stores in Umbria, Tuscany and Marche.

## Hy-Vee partners with VusionGroup on electronic shelf tags

The retailer plans to digitize over 230 stores

# Q3 & 9M 2024 Sales

Record activity thanks to a historic level of orders and strong growth in the US

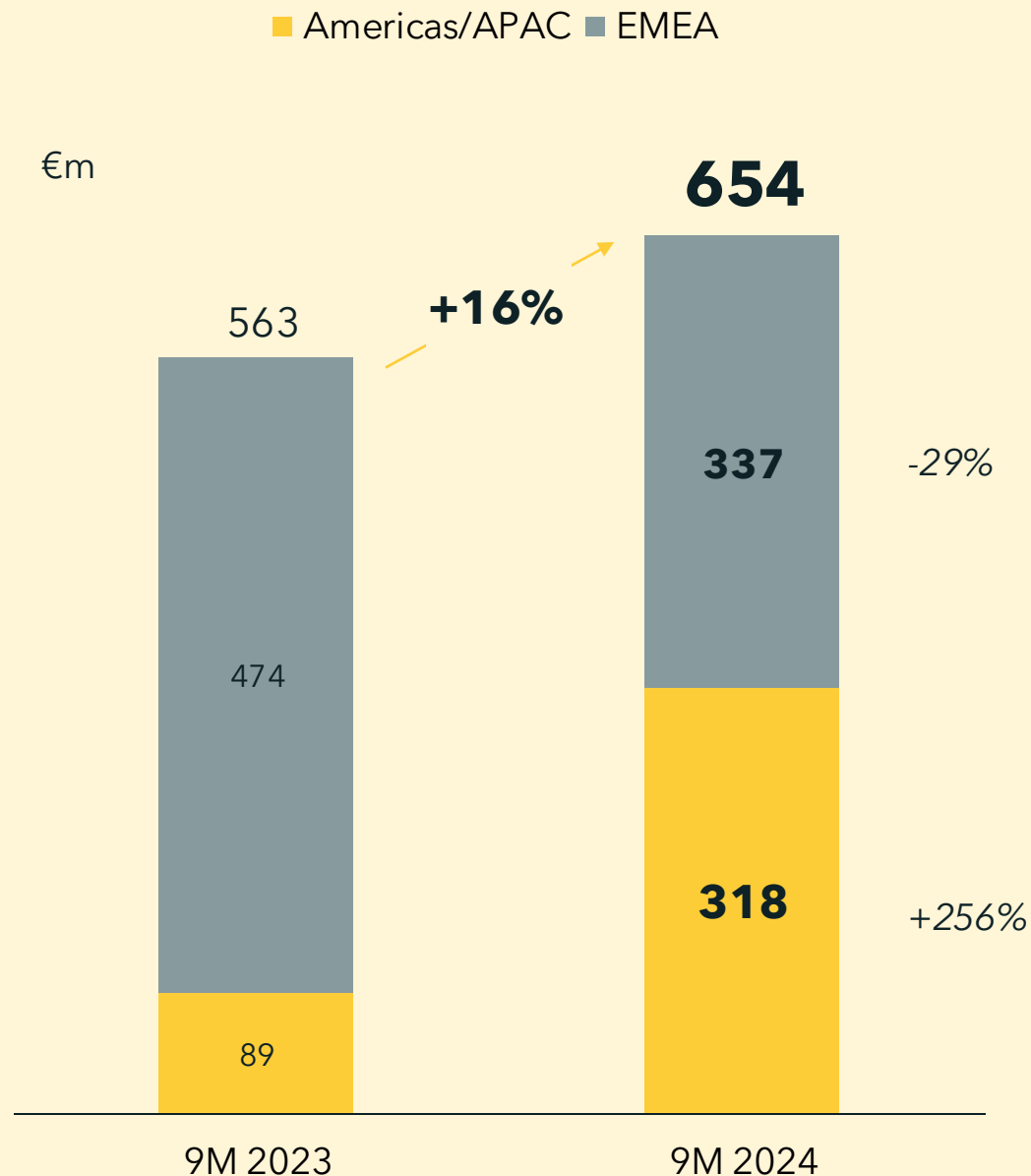
- Record Q3 & 9M sales
- Record level of order entries
- Strong momentum in the United States and several commercial successes in Europe
- Acceleration of the modernization of the installed base and Cloud adoption
- 9-month recurring VAS sales up +31%
- FY 2024 outlook confirmed for adjusted sales above €1 billion and improved profitability

Sales in €m	IFRS Sales	Adjustments due to Walmart contract	Adjusted Sales <sup>1</sup>
<b>Q3 2024</b>	<b>207.1</b>	<b>(15.8)</b>	<b>222.9</b>
Q3 2023	182.5	-	182.5
<i>Change (in %)</i>	+13%	N/A	+22%
<b>9m 2024</b>	<b>616.0</b>	<b>(38.0)</b>	<b>654.0</b>
9m 2023	563.2	-	563.2
<i>Change (in %)</i>	+9%	N/A	+16%
<i>Unaudited figures</i>			
Order entries in €m	<b>2024</b>	2023	<b>%</b>
<b>Q3</b>	<b>441.6</b>	<b>192.0</b>	<b>+130%</b>
<b>9m</b>	<b>1156.0</b>	<b>710.0</b>	<b>+63%</b>
Rolling 12-m	<b>1396.0</b>	<b>848.0</b>	<b>+65%</b>

<sup>1</sup>**Adjusted sales** incorporates IFRS standards before adjusting for certain non-cash IFRS 15 adjustments related to the Walmart US contract, which began in Q4 2023. These adjustments only impact the Americas & Asia-Pacific region. Please see the detailed explanatory note at the end of this press release.

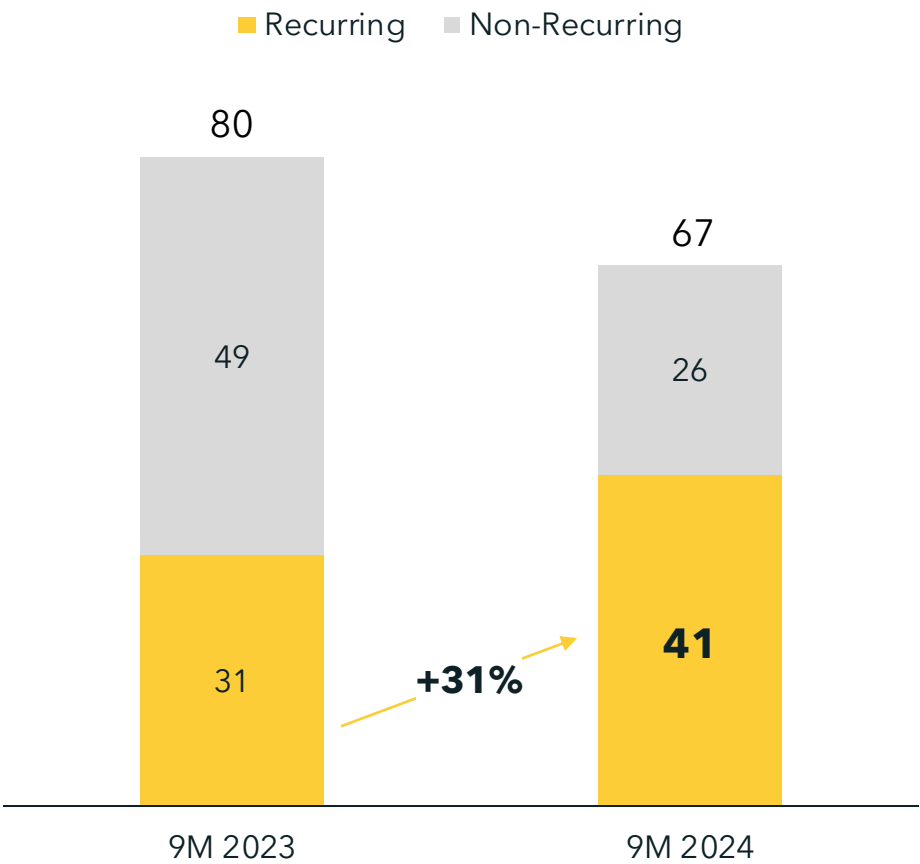
# Q3 growth in line with expectations

- **EMEA:** 51% of sales (€337m) generated in EMEA, a 29% decrease, due to the planned finalization of the implementation phase of a large European client:
  - This cycle effect is expected to have a temporary impact in 2024, with sales growth resuming in 2025 on the back of the many contracts signed in Europe in recent months
- **AMERICAS/APAC:** 49% of sales (€318m) for +256% growth, mainly driven by the United States, the Group's largest market in 2024.
  - This robust growth momentum is expected to continue in the upcoming quarters.

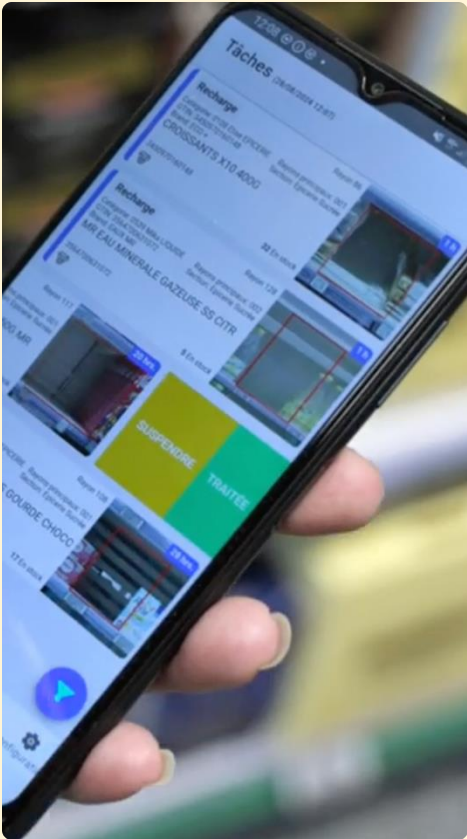


# Strong growth in recurring VAS activity

9M VAS in €m

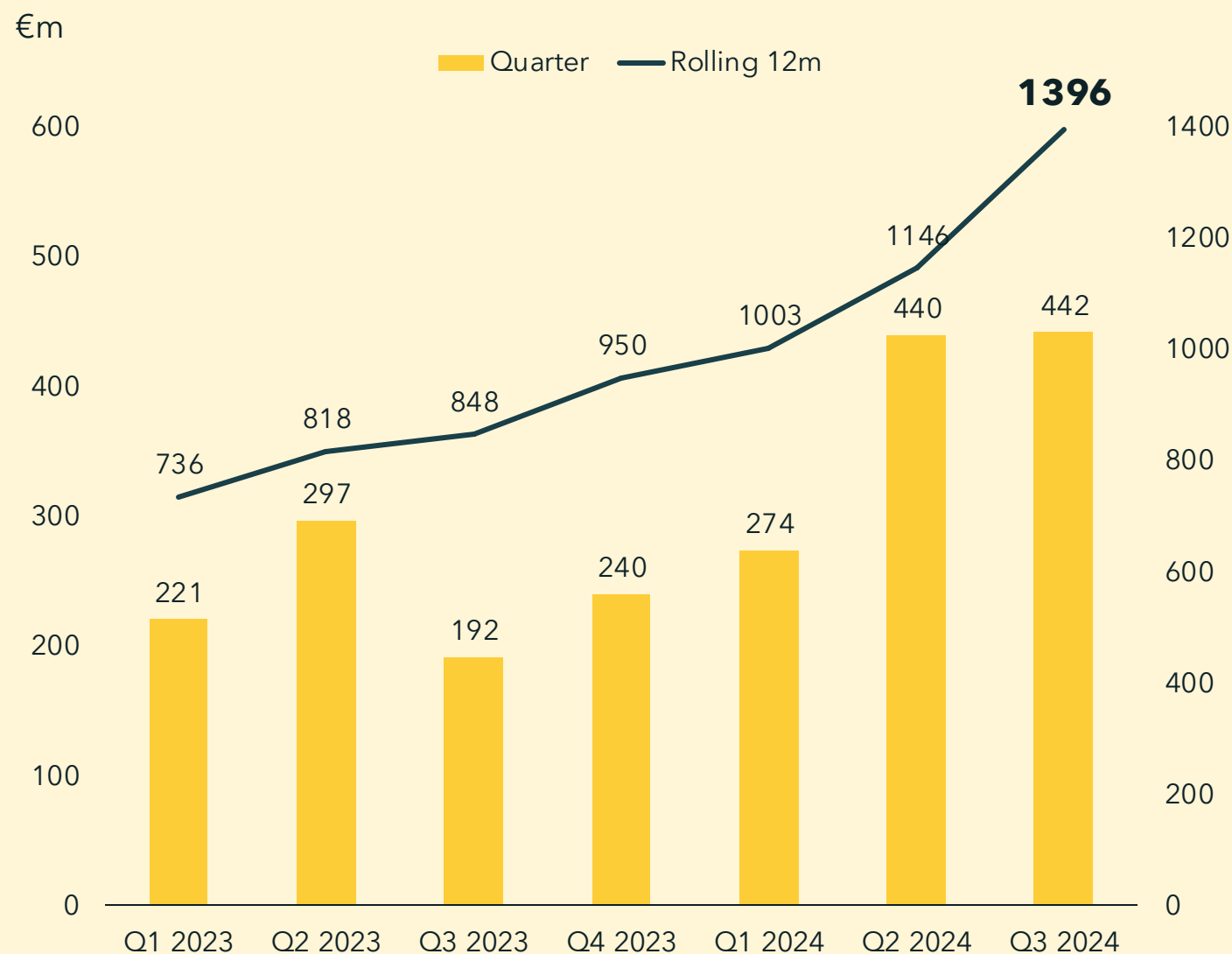


Cloud figures	9M 2023	9M 2024	%
# of ESLs	75 millions	135 millions	+80%
# of Stores	15,500	23,000	+48%



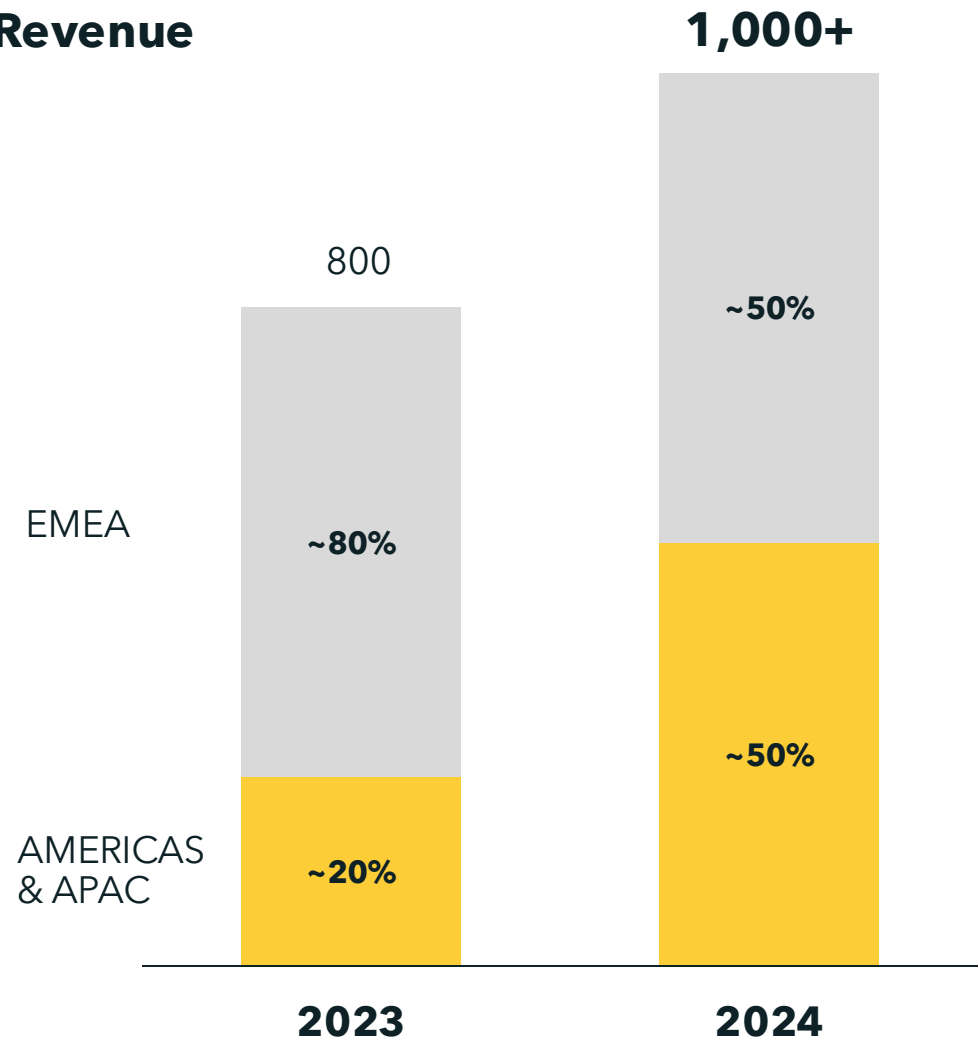
# Excellent order entries driven by strong momentum in Europe and the US

- Global Q3 order entries at €442m (+130%)
- Record level on a 9-month (€1.1bn) and 12-month rolling basis (€1.4bn)



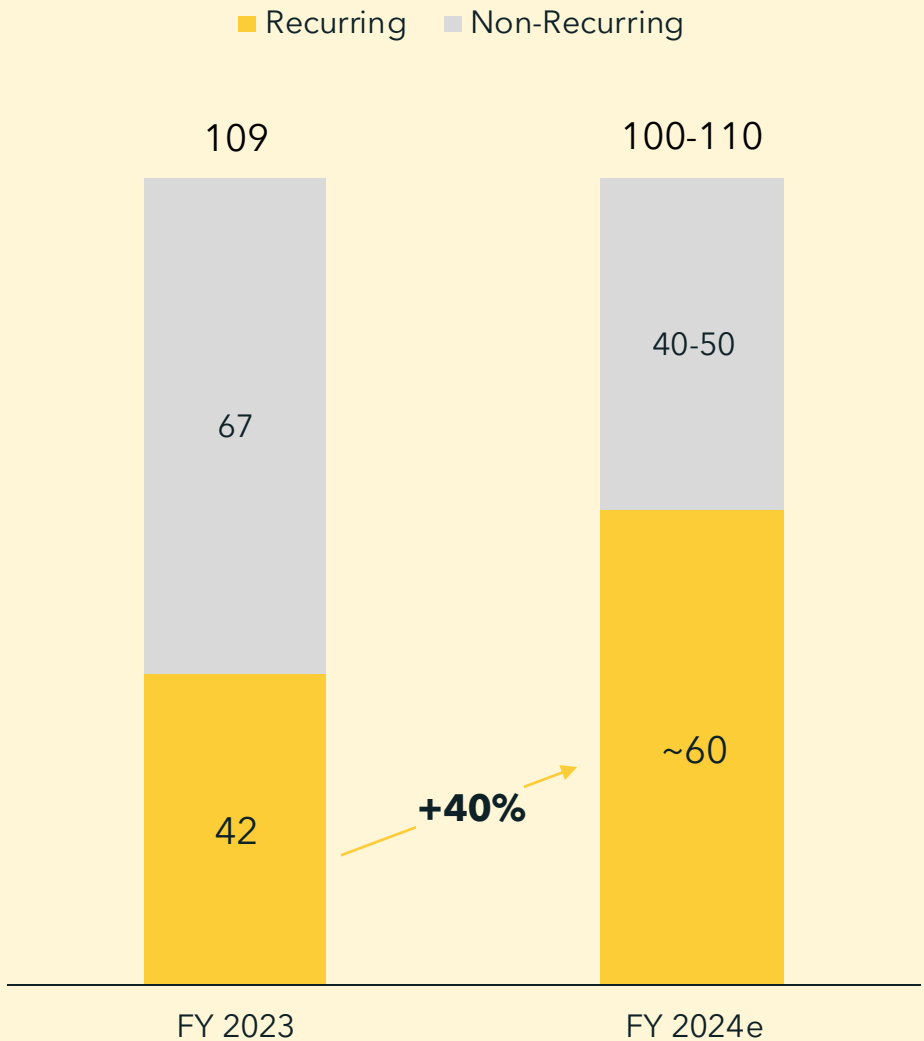
# 2024 outlook: VusionGroup confident on its €1bn adjusted revenue target

**Adj. Revenue**  
(€m)



## FY 2024 VAS estimate

€m



# Full-Year Profitability Improvement Confirmed

- **Continued robust new orders growth** throughout 2024
- Profitability improvement with adjusted **EBITDA margin<sup>1</sup> growing by +100 to +200 bps**
- Continued **positive cash flow** generation



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- Record Q3 sales at €223m (+14%) and record 9-month sales at €654m (+16%)
- Record Q3 order entries of €442 million (+130%) and record 9-month (€1.1bn) / rolling 12-month (€1.4bn) levels
- Strong momentum in the United States and several commercial successes in Europe
- 9-month recurring VAS sales of €41 million (+31%)
- FY 2024 outlook confirmed for adjusted sales above €1 billion and improved profitability

## Note on the IFRS Adjustments related to the new Walmart contract:

- Two IFRS adjustments related to the Walmart contract impact 2023 financial disclosures:
  - 1. On June 2, 2023, at their Annual General Meeting, the Group's shareholders approved a grant to Walmart of 1,761,200 for stock warrants on the Group's shares. According to IFRS standards, the fair value of these warrants should be calculated. On June 2, 2023, the fair value of the warrants was established at €163m. A contract asset and a financial debt were thus recorded in the consolidated accounts for this amount. The contract asset, which is a fixed amount, is amortized in proportion to the forecast revenue generated by the Walmart contract over the duration of the roll-out of the VusionGroup platform in Walmart stores. The reduced revenue impact is customary as the warrants will only have a potential dilutive effect, which was modeled and communicated during the allocation of the warrants in early June 2023. This does not impact the actual sales invoiced to Walmart. This adjustment has no impact on the Group's cash flow. It impacts all the Group's income statement lines, in the same proportion. This negative impact on the Group's IFRS accounts will continue until the end of the Walmart contract, in direct proportion to the sales generated by this contract. The financial debt is subject to revaluation at each closing, depending on the number of exercisable warrants and the market price of VusionGroup shares. Any change is recorded as financial income in the Group's consolidated accounts. VusionGroup will continue to communicate at each closing the impact on revenue and net income of this IFRS adjustment.
  - 2. The impact of future price reductions indexed to the volumes agreed upon with Walmart on the first deliveries of electronic shelf labels (ESLs): The cost of the Group's hardware solutions is a function of the volume manufactured. A significant increase in volume might thus lead to lower costs. Therefore, it has been agreed with this customer that they will be granted price reductions in relation to the future sales volume to which they contribute. The IFRS standard (IFRS 15) requires prices to be averaged over the life of the contract. Application of this adjustment in 2023 impacts reported revenue (IFRS) and the margin, even though price reductions will only be granted if volumes have reached certain thresholds. This standard's application negatively impacts revenue and all income statement lines, down to net profit. Finally, it is important to note that cost reductions have already been negotiated with suppliers to guarantee at least the same level of margin on this contract in 2025.