Vusion - Q1 2026 Sales conference call Transcript

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Corporate Speakers:
- Olivier Gernandt; Vusion; Investor Relations Officer
- Thierry Gadou; Vusion; Chairman and Chief Executive Officer
- Thierry Lemaitre; Vusion; Deputy Chief Executive Officer, Corporate and Finance

Participants:
- Hugo Paternoster; Kepler Cheuvreux; Analyst
- Xavier Le Mene; Bank of America Securities; Analyst
- Flavien Baudemont; Bernstein; Analyst
- Valentin-Paul Jahan; Stifel; Analyst
- Laurent Gelebart; BNP Paribas; Analyst
- Aurelien Sivignon; ODDO BHF; Analyst
- Gilles Crespel; Alizes; Analyst

PRESENTATION

Operator^ Good day. And thank you for standing by. Welcome to the Vusion First Quarter 2026 Sales Webcast and Conference Call. (Operator Instructions) Please be advised that today's conference is being recorded. I would now like to hand the conference over to Olivier Gernandt, Vusion's Investor Relations Officer. Please go ahead.

Olivier Gernandt^ Thank you very much, Nadia. Good afternoon, good morning everyone. And welcome to our first quarter 2026 sales presentation.

With me today are Thierry Gadou, our Chairman and Chief Executive Officer; as well as Thierry Lemaitre, our Deputy CEO, Corporate and Finance. Thierry Gadou will make some remarks on the group's operational highlights.

Thierry Lemaitre will then discuss our group's financial performance and more specifically our 2025 consolidated accounts. And Thierry Gadou will conclude our presentation with some remarks on our full year outlook. After these remarks, we will be happy to take your questions.

As a reminder, some of the information to be discussed on our call today is forward-looking and subject to important risks and uncertainties that could cause our actual results to differ materially. For these, I refer you to the safe harbor statement included in our press release and on Slide 3 of this presentation.

This evening's release was issued a short while ago and is available in French and in English on Vusion Group's website, vusion.com. The slides of this presentation and our consolidated accounts can also be found on our website in the Regulated Information section.

A replay and a transcript will be available on our website after the call. And with that, it's my pleasure to hand you over to Thierry Gadou for his opening remarks.

Thierry Gadou^ Thanks, Olivier. Good afternoon, good morning, everyone. Thanks for joining our conference call. I'm very pleased to present along with Thierry Lemaitre, our commercial performance for the first quarter of the year.

So in summary, we delivered 26% organic growth in Q1, reaching EUR 294 million in adjusted revenue. At constant foreign exchange rates and tariffs, this would be a 36% growth and the actual IFRS revenue reached EUR 289 million. Now it's very close to adjusted figures and up 34% year-on-year.

Order entries reached EUR 316 million. VAS revenues grew by 53% at EUR 51 million, representing 17% of total sales, and our annualized ARR is above EUR 110 million, up 60% year-on-year. And we reiterate our 2026 guidance of continued profitable growth.

So a year that started on a strong positive note. The first quarter confirms our strong commercial momentum, as I just said, plus 26% growth of adjusted revenue, plus 34% growth of IFRS revenues and plus 36% growth at constant dollar and tariff rates.

Our growth is solid. Our business reflects increasing demand from retailers to digitize their stores and put them at the core of their omnichannel strategy. Both large regions are growing.

In America, the accelerated rollout of EdgeSense at Walmart is very successful and is expected to reach peak deployment pace over the next two quarters with full fleet completion expected by the end of this year. This project is accelerating Walmart's e-commerce growth and improving key operational metrics, productivity, planogram compliance, employee and customer satisfaction.

It demonstrates at a very large scale the value of our technology platform in terms of operational performance improvement and e-commerce acceleration. In parallel, several other leading-edge innovation projects are underway with Walmart alongside the start of their international rollout expansion.

For the market, this deployment is an impressive showcase which is having a massive influence on the industry's strategic thinking about the future role of stores at the heart of omnichannel.

And in the U.S. particularly, significant activity is underway around a growing number of pilots which are now mostly focused or refocused on the EdgeSense platform and on VusionOX Bluetooth-based infrastructure which allows, as you know the shelf to interact with nearby shoppers and associates.

We see great future potential here. The U.S. market remains relatively underpenetrated, 15% to 20% including Walmart, and is expected to ramp up rapidly in the coming years, catching up with Europe. Speaking about Europe, growth is back in the EMEA region.

Sales grew by nearly 10% and are expected to accelerate in the coming quarters. The modernization and the further penetration of our large customer base, plus all the new contracts signed in recent months, notably in France, the United Kingdom, Germany, Spain, are supporting robust growth trajectory, particularly driven by the U.K., although the DACH region, ie German speaking countries, remain the largest sub-region for Vusion.

As I said, the momentum should strengthen over the next quarters and European growth is expected to exceed 20% for the full year.

Talking about order entries, global order entries totaled EUR 316 million in Q1. It's a minus 40% below last year's Q1.

We expected the comparative basis to be challenging this quarter because last year Q1 was our absolute historic record quarter with over EUR 0.5 billion in new orders in only three months.

But this Q1 is still our second best first quarter ever and was fully in line with our expectations. Also at the end of Q1, our 12 months' cumulative order entries are at a solid EUR 1.5 billion. Key contracts announced in Q1 include Carrefour and Walmex.

However note that the Walmex numbers are not included in the Q1 order entries of the Group. So as a reminder, on February 18, Carrefour, one of the world's leading retailers and Vusion announced a signing of a strategic partnership.

As part of its 2030 strategic plan, Carrefour has selected Vusion to digitalize all its hypermarkets and supermarkets in France. This partnership covers the deployment of EdgeSense, VusionCloud and Captana in France first, but with a 3-year exclusivity in Europe, and we are already starting pilots in other countries.

On March 30, Walmart expanded its strategic partnership with Vusion to deploy the EdgeSense platform in Mexico which is Walmart's first market outside the United States, across Walmex Express stores and Supercenters.

This expansion reinforces the deep and global partnership between Walmart and Vusion which will continue to expand now on several geographies, several solutions and innovation projects.

Talking about the VAS activity. VAS revenue reached EUR 51 million in the first quarter, representing a strong growth of 53% and representing approximately 17% of the group's total revenue, a significant increase compared to the 14% in the full year of '25. Nonrecurring VAS increased by 45% to EUR 23 million.

But the VAS growth was even more driven by recurring revenue growth which reached EUR 28 million, up sharply by 60% compared to the first quarter of '25, and driven by the strong momentum in VusionCloud.

The VusionCloud installed base grew significantly in the first quarter, reaching over 400 million ESLs. For reference, last year, at the end of March '25, the cloud installed base stood at 188 million connected ESLs. This momentum is expected to continue throughout '26.

Also note that in Q1, for the first time Captana order entries reached several tens of millions of euros and acceleration perspectives are becoming clearer as IoT and AI-based real-time shelf monitoring is emerging as a growing need among retailers to optimize inventory, availability, e-commerce and customer satisfaction.

With this strong start of the year, the rapid growth of our VAS and a highly promising project pipeline in both Europe and the Americas, we are confident in our '26 targets and our medium-term growth outlook. Annual adjusted revenue growth is expected to be between 15% and 20% at constant exchange rates and tariffs. Adjusted revenue should be relatively evenly split between the first and the second half, both around EUR 800 million to EUR 900 million.

And both the EMEA region and the Americas and APAC regions are expected to grow over the full year, with momentum set to strengthen in Europe throughout the year. The rest of the world is expected to see stronger growth in the first half than in the second due to the completion of the Walmart rollout in the United States by the year-end.

Total VAS revenue is expected to increase by around 40%, representing a growth roughly twice that of the Group. This performance will be driven by strong momentum in both recurring and nonrecurring VAS. The Group also targets improved profitability with adjusted EBITDA margin expected to increase by more than 100 basis points.

Finally, we target an increase in operating free cash flow generation and a strong balance sheet at year-end with a positive net cash position, excluding the impact of potential acquisitions.

Looking further ahead, given our innovation leadership, our substantial project pipeline and the growing market demand, we stay focused on achieving the ambitions outlined in our Vusion ‘27 plan presented in November ‘22 and are very confident in our medium-term growth prospects. I will now hand over to Thierry Lemaitre for additional information on our full year ‘25 financial results.

Thierry Lemaitre^ Thank you, Thierry. So the Board approved today the final 2025 consolidated financial statements which include an additional EUR 58 million income compared with a set of figures presented on the 26th of February. This EUR 58 million is an unrealized exchange gain that was not recognized in the P&L.

It turns out that even though it is an unrealized, therefore potential and non-cash profit, we have to book this positive impact in the consolidated P&L which we did in the final version of the 2025 audited financial statements approved today by the Board of Directors. This EUR 58 million entry has only impacted the financial income and the net income in the financial consolidated statements.

And since it is unrealized, it has, of course, no impact on cash. The URD (Universal Registration Document) including the audited consolidated and statutory financial statements approved today by the Board will be available on the company’s website next Monday.

Thierry Gadou^ Thank you, Thierry. And I think we can now move to questions. So we’ll take your questions now.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) And now we’re going to take our first question, and it comes line of Hugo Paternoster from Kepler Cheuvreux.

Hugo Paternoster^ Can you hear me?

Thierry Gadou^ Yes. We can.

Hugo Paternoster^ Great. I will have a couple of questions. And the first one is just on Walmart, on the U.S. perimeter. I did not have in mind that the rollout was expected to end this year, if I understood correctly from your press release.

What would it mean? Is it that Walmart is more in a rush to roll out more of its stores for this year? And you had that in mind when you build your 2026 guidance, that will be my first question.

Thierry Gadou^ Yes. We wrote actually that it would be completed this year or by the beginning of ‘27.

So there is always some uncertainty. It doesn’t depend on us with the holiday season imperative, we sometimes are uncertain about exactly whether it’s going to end in January or February or November or before Christmas.

So there was some uncertainty, but we had it in mind when we built our guidance that the intent of Walmart was to complete this project as fast as possible. And so we were, let’s say, being relatively prudent because it doesn’t all depend on us, but we were anticipating this.

Hugo Paternoster^ Okay. So now you are potentially more of the view that it will be done all the remaining part for 2026. And if I remember correctly, at the end of last year, you were already at 50% of this total contract value, is that correct?

Thierry Lemaitre^ We had delivered approximately 50% of the stores at the end of 2025.

Hugo Paternoster^ Yes. Okay. Another question is still on Walmart, most likely on Walmex. You have announced a win there.

Just wonder where are you in terms of discussion for the various formats - super express, supercenters and Bodegas shops there? Can you provide some color on it and the level of discussion whether potentially it can include some computer vision and this kind of stuff?

Thierry Gadou^ Yes. So on Walmex, I think we try to clarify it. So the agreement right now includes the rollout of the express stores and the supercenters in the country. And we are also running a pilot on La Bodega which is another format of smaller stores, but there are many of them. And so this will be decided after that pilot as was the case for the pilots that were done on the express and supercenters formats.

So we are currently in the process of doing this pilot on La Bodega. So there might be a further announcement in the future, but I have no visibility on that yet.

But right now it's express and supercenters on the EdgeSense platform, which brings the same functions or functionalities as in the U.S.

And if we move to rolling out and finalizing CV (computer vision) solutions in the U.S., it is likely that the intent Walmart will be to have a homogeneous set of functionalities and platform throughout the Group. So it should also be coming to Mexico at some point later on.

Hugo Paternoster^ Okay. And the supercenter will be also deployed in 2026, and I believe it will last again in 2027 and potentially beyond?

Thierry Gadou^ Yes. We have not yet a detailed planning. So it will be deployed over '26 and '27 for the express and supercenters store formats.

Hugo Paternoster^ All right. Understood. And my final question is on the rate of growth for Europe. I think you said that in the call early, but I missed it. What is your expected rate of growth for EMEA for this year?

Thierry Gadou^ Above 20%.

Hugo Paternoster^ Above 20%.

Thierry Gadou^ We said basically, we're starting with 10% this quarter, but that the momentum should accelerate over the year.

Hugo Paternoster^ Okay. I understand. So I believe that on your guidance, it will be mainly EMEA that will make the variable to reach between 15% to plus 20%, is that correct?

Thierry Gadou^ Europe is likely to grow faster than America this year. But I believe we said that both regions will grow.

Operator^ Now we're going to take our next question, and the question comes from the line of Xavier Le Mene from Bank of America Securities.

Xavier Le Mene^ Two, if I may. The first one is actually on Carrefour. Can you potentially give us a bit more color on where you are because the partnership was announced in February, but have you started to deliver some of the stores?

And what is potentially the plan for '26 and beyond '26 with Carrefour that would be quite helpful. The second aspect is on the U.K. So you started and you signed a lot of contracts last year in the U.K.

So can you tell us potentially how big the U.K. was in Q1, and what you're expecting going forward? And should we expect Morrisons, Co-op and Asda to be all in 2026? So is it going to roll out into 2027 too? That will be my two questions.

Thierry Gadou^ Okay. Well Carrefour is just -- the project was just signed in February. So we are not starting the rollout. You have some manufacturing lead times and a number of things to prepare when you prepare a big rollout in these many stores. So the rollout will take place over the next years.

I think Alexandre Bompard, the CEO, was very clear publicly that he wants to go fast and certainly not wait until the end of 2030 because this was announced in the 2030 strategic plan.

So we said that, and so we think it's going to take place over a period starting this year in H2 and then continuing in '27 and '28. And there is a large scope, full scope in France, and then there is an exclusivity in Europe.

We're starting pilots in other countries. So it's going to be developing over the next years, and it will start slowly in H2 and then accelerate next year.

On your second question about the U.K, last year we signed a significant amount of contracts, with Co-op, Morrisons and Asda Express. And so these projects are now entering their deployment phases and this will continue over this year and next year.

So it's also going to be over the next two years. But it's starting, and it's is going to accelerate. And so this confirms our good momentum and the U.K. is the fastest-growing region in Europe, albeit not the biggest one.

DACH (which stand for Germany, Austria and Switzerland) is the largest subregion in Europe, but the U.K. is the fastest growing market, which is logical because it was, in terms of adoption, lagging behind. The momentum in the UK really started two years ago.

So it's on track for a very fast adoption, but we are expecting, generally speaking, this kind of pattern that the countries that are coming later will actually catch up with the most advanced country in terms of adoption, much faster than obviously the pioneering countries.

Operator^ Now we're going to take our next question, and the question comes from the line of Baudemont Flavien from Bernstein.

Flavien Baudemont^ I have three questions on my side. The first one is, can we please have more detail on the phasing of Walmart deliveries this year? I think that deliveries were a little bit softer this quarter versus the previous one?

So I guess it's fair to assume that we're going to have an acceleration going forward. For the second question, we know that you do not comment on a customer basis, but can you give us more detail on the contribution of Carrefour orders within the Q1 numbers?

And the third question, can you also comment on your recurring VAS revenue? Is the growth mainly coming from new cloud connections and pick-to-light functionalities? Or is there a meaningful contribution for Captana this quarter or any new order VAS services?

Thierry Gadou^ So regarding Walmart, you're right. There was strong deployment until the very end of the year. And so there is a bit less in Q1. I think I mentioned that Q2 and Q3 are going to be very strong. And it will then phase out during Q4. And so that's the peak.

So yes, we see an acceleration in Q2 and Q3 which are going to be the peak in terms of rhythm of deployment. That's why we mentioned that H1 and H2 are going to be roughly around EUR 800 million to EUR 900 million. This implies that Q2 is going to be a very strong quarter which will also be driven by this Walmart peak.

Regarding Carrefour, we do not disclose any information, be it order entries or revenue figures on a customer basis.

The recurring revenues are driven by the really strong momentum in the adoption of our cloud platform which includes several functionalities such as managing price promotions, pick-to-light, stock-to-light and others.

But overall, this is included in what we call the VusionCloud platform. There are different products and different features. We mentioned that at the end of Q1 last year, we were below 200 million cloud-connected labels or cloud-managed ESLs.

At the end of Q1 this year, we are at 435 million. So the momentum is really strong. And that's the main driver of our recurring revenues.

Right now Captana is more at the stage of taking off in our order entries, so not yet very visible in our recurring revenue because you have to install the infrastructure first and the recurring revenue comes later.

So it's essentially the contribution of the cloud platform that is delivering this impressive growth in ARR.

Flavien Baudemont^ Okay. Maybe just a follow-up on the last question on Captana. Are we going to see a pickup in Captana's revenue this year? Or are we going to wait for next year?

Thierry Gadou^ As mentioned during our last call at the end of February, I said that we would be installing about 100,000 to 150,000 AI cameras, and this quarter, for the first time, we have seen some significant orders. So we will see revenues in Captana take off this year. And I think Captana should also drive our growing order entries this year.

We expect a strong dynamic in order entries in Captana and a very visible takeoff in '27 in both infrastructure or camera-related hardware revenues, but also in our recurring software related revenue.

So it's a very positive momentum we see, and we're extremely positive on this market and on Vusion's position in this market.

We see Vusion AI and real-time shelf monitoring enabled by IoT and AI as a very strong need, increasing need of retailers to optimize inventory and availability and also to accelerate store fulfilled e-commerce.

So very strategic growth indeed. We believe that Vusion AI is the next big unlock in the store digitalization. And that Vusion is very well positioned to be successful in this market.

Operator^ Now we're going to take our next question, and the next question comes from the line of Valentin-Paul Jahan from Stifel.

Valentin-Paul Jahan^ Do you hear me well?

Thierry Gadou^ Yes.

Valentin-Paul Jahan^ My first question would be on Captana. Is it possible to get more granularity on the order intakes currently? Is it more concentrated on a few big customers? Or is it split among multiple smaller clients? And the second question would be about the fact that you reiterated your ambitions for 2027.

And I just wanted to have your feeling about the phasing of order intakes to come in the next quarters to bridge the EUR 2.2 billion revenue that you target for 2027 and the order intake on a 12-month rolling basis that you currently have? This is my first question.

I mean it implies if my calculation are correct, on average around EUR 600 million of order intakes per quarter over the next three quarters. So just to get a view on what s coming in terms of order entries in Q2, Q3 and Q4?

Thierry Gadou^ Very good questions. So the first question is whether Captana order entries are coming from a few large orders. You know that on February 18th, we signed a significant partnership with Carrefour which includes the rollout of Captana. So Carrefour is part of these order entries, but there are also some others.

There are currently about 10 serious customers, but there are a few larger orders in this group of customers, which have generated a few tens of millions of euros in order entries. So this Captana order intake is spread across a few retailers. Out of these ten retailers, there two or three larger ones as is often the case. And there are many more which are still in pilot stage so represent only small order entries, very fragmented because at this stage they are only starting their pilots.

So that's how it's structured. And there is also the ongoing Walmart pilot expansion. So regarding '27, yes, I think you're absolutely right.

We expect to continue to have a strong momentum in order entries this year. We have a strong pipeline for the rest of the year and onwards. We expect to grow our order entries over the next three quarters, we expect to be growing our full year '26 order entries compared with last year. And we are still targeting to reach our '27 ambition.

We also believe this momentum should be driven by the acceleration of our VAS order entries. That's a very important component of our business model, of our strategy, and this should be much more visible this year as we are preparing for an acceleration in '27.

So that's an important part of our build up for 27. It's true that the acceleration of the Walmart rollout has pulled in some revenue from '27 to '25 and '26. And it's making our target a bit more difficult to reach.

But based on our pipeline, and also on the additional driver of the acceleration of VAS just mentioned, we still consider that we can reach the 2027 which we set ourselves almost four years ago. It was some time ago but based on our current pipeline and the market demand, we still believe it is possible to reach our 27 Ambition.

Operator^ Now we're going to take our next question, and the next question comes from the line of Laurent Gelebart from BNP Paribas.

Laurent Gelebart^ Three questions. So the first one relates to the guidance. As you are basically going to deliver (inaudible) this year versus heading in (inaudible) in Q1 2027, why haven't you been upgrading the guidance for the currency fiscal year? That's the first one...

Thierry Gadou^ Sorry, Laurent, I'll stop you because, Laurent, I'm sorry, I stopped you because we can't hear you well. I mean at least here in the room, we can't hear you.

Laurent Gelebart^ Okay. So yes, I am in an airport, so it's not (inaudible).

Thierry Gadou^ I understand.

Laurent Gelebart^ Yes. The second question is, can you help us to understand why in terms of the funding for the CapEx line you received EUR 311 million, but you have been spending only EUR 221 million whereas the CapEx line are all up and running.

So the EUR 90 million difference between the 2? And the third question is can you help us on the accounting mechanics of the revenue recognition coming from the nonrefundable CapEx funding from Walmart? Or is it fair to say that basically what you recognize as turnover is carrying 100% gross margin?

Thierry Gadou^ I'll take the first one. I'm not sure we understood the third one, but we will come back to you just -- so there is no upgrade on the guidance. I think we confirm our guidance as basically 15% to 20% at constant rate and exchange rate and tariffs.

It means that roughly this year, we are considering -- we said at this level, we are considering about two halves which should be roughly equivalent. We expect to generate between EUR 800 million and EUR 900 million in group revenue during both semesters of the year in 2026.

It's not more precise at this stage, obviously but that's giving us the EUR 1.7 billion to EUR 1.8 billion range of the guidance. There is no change in the guidance because we consider that Q1 was according to plan for us. So there is no reason after our first quarter to change our full year guidance.

We see the year as it unfolds. We have given additional information today with the breakdown between H1 and H2. And I will hand over to Thierry for the second one which is a bit more financial.

Thierry Lemaitre^ Second was about the funding, the $320 million that you're referring to are in dollars, the EUR 210 million are in euros.

So there is already a change in the currency. And on top of that, the funding by Walmart was already including the cost for the maintenance that we're going to incur over the full period of the lifetime of the project. So the EUR 210 million, that's just the picture as of the end of 2025.

But it doesn't mean that we have already anticipated all the costs deriving from the operation of the lines. On top of that, it has always been very clear with Walmart that we had set a price per line. If the cost had exceeded the price per line, it would have been on us.

If we succeeded in better managing the overall cost, that would be some kind of an upside for us. So that's the situation on the line.

Second topic, do not mistake the funding and the recognition of the revenues.

Walmart is funding the lines, but then we charge Walmart for a full cost approach including, of course, the amortization or the usage of the manufacturing line. So we do not say that a portion of the order, ie the bill of materials, which is recharged with a certain level of margin and then the invoicing of the manufacturing line with 100%. We calculate a margin on the totality of the cost and then the totality of the revenues including, of course, a recharge of the manufacturing line. So we do not have 100% margin on the manufacturing line. That's not the proper way to analyze the situation on Walmart.

Addendum: for more information on that specific topic, please go the Accounting & Financial Q&A available in the FAQ section on Vusion's investor website :
Vusion - Contact - Investor FAQs

Operator^ Now we're going to take our next question, and the next question comes from the line of Aurelien Sivignon from ODDO BHF.

Aurelien Sivignon^ I have a couple of follow-ups. First on revenue phasing. So you are guiding between EUR 500 million and EUR 600 million of revenue in Q2 stand-alone. Just to make sure I understand correctly. So can you confirm that the step-up in Q2 versus Q1, is it only related to the phasing of the Walmart rollout?

Or are there, let's say, other material rollout expected to ramp up in Q2? Then on Walmex, should we expect the order intake for supercenters to be recorded in Q2 or rather later in the year? And last one, still on Walmex. Could you say maybe a few words on the potential with the Bodega format, I mean in terms of size and also timing decision maybe?

Thierry Gadou^ Thank you, Aurelien. Aurelien, could you repeat the first question? I'm not sure I completely got it. The sound was not really good.

Aurelien Sivignon^ Yes. Sure. So if I understood correctly, your guidance for Q2 stand alone is for revenue between EUR 500 million and EUR 600 million, which would be much bigger than the Q1 level. And just to make sure I understand correctly, is it only related to the phasing of the rollout with Walmart? Or are there any other rollouts that are expected to ramp up in Q2?

Thierry Gadou^ No. It's both things. It's also the momentum in Europe. It's an acceleration of the deployment in Walmart, but it's also the momentum in Europe. We said that the momentum in Europe would be intensifying over the next quarters this year.
And the second quarter is going to be strong with growth in both regions.

On your second question regarding Walmex, the answer is yes. It should be in Q2. I can't answer your question about the Bodega. I think it's better to wait until we finalize the pilot because then we will know whether the ROI makes sense and Walmex goes on with the rollout in their Bodega stores as well.

And then we'll see also what kind of solution set would be chosen for the stores. So it's a bit premature to give you an answer on this as we are more in pilot stage. But yes, the order entries for this Mexican project will be in Q2.

Operator^ Now we're going to take our next question, and it comes from the line of Xavier Le Mene from Bank of America Securities.

Xavier Le Mene^ I've got some remaining questions. Just looking at your sales, your revenues back to 2020, 2021 and 2022 which means five, six years ago. How much of that can we potentially see coming back?

What I mean is there old customers renewing and going for the new technology five, six years after signing the contract? And you had about EUR 1.3 billion of sales, if I aggregate these three years. So is there something you can comment there? Or what should we potentially expect going forward in terms of all clients coming back five or six years later?

Thierry Gadou^ Yes. It's a very good question and a very important aspect of our business. In fact, there is a lot of repeat business with our customers.

We are having regular swaps and upgrades because since we innovate a lot, a swap is never a replacement, it's very often an upgrade. And that happens depending on the retailers every five to seven years. It depends on the customer's appetite to upgrade and take on new technologies, new features.

And so yes, we consider that in a market where there is a large installed base, like in Europe, we will have a growing part of our business which will be renewals and upgrades on our installed base.

And on top of that, we also have the development of our existing customer base, which is the increasing penetration on our customers because they are not yet fully equipped, even far from that. We estimate that on average, our customer penetration is only around 50%.

So there is a lot of renewals. And in our most mature markets, where we are past 50% to 60% adoption rates, that is where we have the highest penetration rates of our solutions at our existing customers and where we have a strong component of renewals in our ESL sales.

So it will be an important growth driver and it's true that we have acquired many new logos in the years 2018 to 2021, and those renewals and upgrades are going to fuel our future revenue growth momentum. As an example, if you think about the case of Carrefour, this is a customer that was using a previous generation of ESL and is moving to a new generation of them and renewing its stores.

It's a perfect example. And there will be many large retailers in Europe in this situation in the coming years.

Xavier Le Mene^ There is no way you can quantify how much renewal you get from these old contracts, kind of percentage of, I don't know 50% of the customers renew it after five or six years or something like that?

Thierry Gadou^ Well I mean if you take an average of six or seven years, you can basically derive an average of saying you have an installed base of 10,000 stores or 50,000 stores, and you can derive the number or percentage of the installed base that is renewed every year. So it's quite an easy calculation to make.

But obviously that part of renewal will grow in the future. And in the next five years, it's probably going to be a very significant. In some markets, it's going to be more than half of our market will be renewals. And there is not so much churn in this market.

We have relatively loyal customers who stay with us because we innovate a lot.

Operator^ And now we're going to take our last question for today, and it comes to line of Gill Crespel from Alizes.

Gilles Crespel^ Congratulations especially on the VAS side which is both good news and good thing for the future. My question is very short ones on confirmation. Thierry mentioned that about 60% of Walmart stores were rolled out.

I just wanted to clarify that this was including all phases, both Phases 1, 2, 3. So approximately the total overall should have been something like 4,600 POS. Is that correct?

Thierry Gadou^ Well the 4,600 stores is correct. That is the total number of stores that should be equipped by the end of the year is correct.

Gilles Crespel^ Thierry mentioned that 60% of the stores had been delivered. Is this correct?

Thierry Lemaitre^ I said approximately 50% of their fleet of stores has been delivered at the end of 2025.

Gilles Crespel^ At the end of '25. Very clear; And my second question was on the order intake. I think that was our beloved CEO, so the other Thierry, who mentioned the order intake was a bit disappointing in the first quarter, but was the second best in terms of last 12 months. Did I understand it correctly because it didn't match my computation?

Thierry Gadou^ Yes. That is correct. I didn't say that Q1 was disappointing.

Gilles Crespel^ No. I did.

Thierry Gadou^ Okay. Well sorry to disappoint you, then. But the reality is what I said is that it is actually 40% below last year's Q1. I just mentioned that last year's Q1 was an exceptionally high quarter with EUR 0.5 billion of order entries in just one quarter.

So it was a difficult comparison basis to match this quarter. And I also said that Q1 2026 order entries were in line with our expectations, and that it is the second best Q1 in our history, the second best Q1 one in our history because there is a bit of seasonality. So I mean second best Q1 ever after a record Q1 last year. That's what we said. And it's true.

Gilles Crespel^ Okay. Very clear.

Thierry Gadou^ And I said that the 12 months accumulated figure was EUR 1.5 billion.

Gilles Crespel^ Yes which is more or less what I have.

Thierry Gadou^ Thank you, Gilles. Thank you All for attending our conference call. We wish you a good day or a good evening. We look forward to speaking to you again when we report our Q2 sales numbers on July 30th. In the meantime, some of you might even be joining us for our AGM which will take place on June 4th. Have a nice evening. Thank you and bye-bye.

Operator^ This concludes today's conference call. Thank you for participating. You may now all disconnect. Have a nice day.