



STEMMER[®]
IMAGING



Q1

QUARTERLY FINANCIAL REPORT
FOR THE PERIOD FROM
1 JANUARY TO 31 MARCH 2022

AT A GLANCE

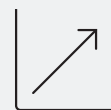
GROUP KEY FIGURES

in KEUR

	01/01 – 31/03/2022	01/01 – 31/03/2021
Revenue	35,875	31,219 ¹
Gross profit	13,805	12,423
Gross profit margin	38.5 %	39.8 % ¹
EBITDA	5,462	3,702
EBIT	4,483	2,693
Consolidated net income	3,323	2,000
Operating cashflow after income taxes	1,828	912
Employees (average)	331	324
	31/03/2022	31/12/2021
Total assets	107,593	103,576
Equity	74,737	71,368
Equity ratio	69.5 %	68.9 %
Cash and cash equivalents	36,761	36,022

¹ The comparative values for the 1st quarter of 2021 were adjusted due to a change in the accounting method as at 31 December 2021 for trading in standard software licences. Additional explanations of the adjustments to revenue and cost of materials can be found in the notes to the consolidated financial statements as at 31 December 2021, section B, under items 19 and 21.

STEMMER IMAGING IN FIGURES



**Order intake:
EUR 43.4 million**



69.5 per cent Equity ratio



331 employees



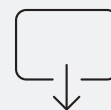
**EUR 0.51
earnings per share**



>5,000 customers



**15 subsidiaries
and represented
in >20 countries**



This report and results from previous fiscal years in English language versions are available for you to download at www.stemmer-imaging.com

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Rounding may mean that individual figures given in this report do not add up exactly to the given total and that percentages are not the exact result to the figures presented.

The quarterly report has not been audited. It was prepared on the basis of the accounting regulations used in the last consolidated financial statements. The quarterly report contains statements and information made by STEMMER IMAGING pertaining to future periods. These forward-looking statements are estimates made on the basis of all information available at the time the quarterly report was prepared. If the assumptions underlying the forecasts prove to be incorrect, actual developments and results may differ from what is currently expected. The company is under no obligation to update the statements contained in this report other than as required by the laws on publications.

EXECUTIVE BOARD REPORT

STEMMER IMAGING reported a record quarter in terms of revenue and earnings and once again kept up the positive trend of the previous quarters. The company continued to benefit from the market momentum and achieved significant year-on-year increases in order intake, revenue and earnings.

In comparison with the same quarter of the previous year, order intake rose by 21.9 per cent to EUR 43.4 million. Revenue climbed by 14.9 per cent to EUR 35.9 million, resulting in a book-to-bill ratio of 1.2, which sets a positive tone for the business going forward.

STEMMER IMAGING recorded growth in order intake and revenue that exceeded the industry figures of the German Mechanical Engineering Industry Association (VDMA). For the first quarter, the VDMA reported for the machine vision industry an increase in order intake of 19 per cent and market growth of 6 per cent.

Nearly all STEMMER IMAGING companies posted higher year-on-year revenue in the first quarter. Germany and France in particular saw above-average growth. As a result of a delay to the start of series production in the sports and entertainment segment, revenue of EUR 2.3 million will be shifted to the subsequent quarters of fiscal year 2022, leading to a drop in revenue in Sweden. This effect was offset in particular by strong growth in the industrial areas in the first quarter. Automation applications for strategic focus markets in the field of e-mobility with battery as well as sorting applications recorded another positive revenue performance. In the field of artificial vision, the medical business achieved a significant increase in revenue.

Operating earnings (EBITDA) rose sharply by 47.5 per cent in the first quarter to EUR 5.5 million (Q1 2021: EUR 3.7 million). For the ninth consecutive quarter, STEMMER IMAGING was therefore able to report improved profitability figures. Return on sales (ROS) stood at 15.2 per cent in the first quarter of the current fiscal year, compared to 11.9 per cent in the same quarter of the previous year, and was therefore within the target range of the full-year forecast (EBITDA margin in excess of 13 per cent).

STEMMER IMAGING also successfully continued to focus on the structured expansion of its solution and distribution business in the first quarter, with the aim of providing its customers with support that is even more tailored to their respective needs. The higher-margin solution business had a positive effect on the gross margin of the Group, which stood at 38.5 per cent in the first quarter. Process optimisations and adjustments along a defined roadmap, which was introduced in fiscal year 2021, support this work and proved their effectiveness in the first quarter.

The overall economic risks have risen again in the first quarter as a result of the ongoing war against Ukraine. Global supply shortages continue to pose a challenge, which the company is confronting with measures in procurement and warehousing. Price increases in the first quarter compensated for the cost increases caused by the tense supply situation.

STEMMER IMAGING considers itself in a good position thanks to its broad regional base and application-based products. The strong order intake and high order backlog of EUR 74.0 million give the company confidence as it moves forward in 2022.

Based on current figures and the visibility for the period ahead, the company is confirming its full-year revenue and EBITDA forecasts of EUR 143 – 156 million and EUR 19 – 24 million respectively. STEMMER IMAGING is also confirming its mid-term revenue guidance of EUR 200 million by 2024 and is raising the bandwidth for the EBITDA margin from 12 – 14 per cent to 13 – 16 per cent for the mid term as a result of the continued earnings improvement.

CONSOLIDATED INTERIM MANAGEMENT REPORT

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

NET ASSETS

At EUR 107.59 million, the STEMMER IMAGING Group's total assets as at 31 March 2022 were above the level on 31 December 2021 (EUR 103.58 million). On the assets side of the balance sheet, this increase is mainly attributable to the rise in current assets.

Non-current assets amounted to EUR 32.33 million as at 31 March 2022 and were therefore on a par with the previous year (31 December 2021: EUR 32.87 million).

At EUR 15.34 million, inventories were also on a par with the previous year as at 31 March 2022 (31 December 2021: EUR 15.59 million).

Trade receivables amounted to EUR 20.85 million as at 31 March 2022 and were up on the level at the end of 2021 (31 December 2021: EUR 16.96 million) as a result of the rise in revenue and the reduction of impairment losses.

Cash funds rose by EUR 0.74 million to EUR 36.76 million as at 31 March 2022 (31 December 2021: EUR 36.02 million).

On the equity and liabilities side, the increase in total assets is primarily reflected in the equity of the STEMMER IMAGING Group, which amounted to EUR 74.74 million as at 31 March 2022 (31 December 2021: EUR 71.37 million). The equity ratio stood at 69.5 per cent (31 December 2021: 68.9 per cent).

Non-current liabilities fell to EUR 7.82 million as at 31 March 2022 (31 December 2021: EUR 8.77 million). The main factors influencing this item were the reclassification of the short-term portion of a long-term loan and the reduction of non-current tax liabilities.

Current liabilities rose by EUR 1.6 million to EUR 25.04 million as at 31 March 2022 (31 December 2021: EUR 23.44 million), mainly due to the increase in current trade payables to EUR 11.95 million (31 December 2021: EUR 10.75 million).

FINANCIAL POSITION

The objective of the Group's financial management is to mitigate material financial risks. Use is made of discounts wherever possible when settling supplier invoices. The company's solvency was assured at all times.

Despite the rise in capital tied up in the short term, positive cash flow from operating activities was generated in the amount of EUR 1.83 million based on the positive earnings performance in the first quarter of 2022 (1 January to 31 March 2021: EUR 0.91 million).

Cash flow from investing activities of EUR – 0.13 million (1 January to 31 March 2021: EUR – 19.69 million) was primarily influenced by investments in property, plant and equipment. The effect in the first quarter of 2021 from the disbursement of a short-term loan to PRIMEPULSE SE (EUR 19.74 million), which was then paid back in full at the end of 2021, explains the deviation when comparing 2022 with the previous year. At EUR – 0.97 million, cash flow from financing activities was on a par with the same quarter of the previous year (1 January to 31 March 2021: EUR – 0.96 million). Cash outflows resulted from repayments on bank loans and on finance lease liabilities.

The Group had net financial liabilities (bank liabilities less cash and cash equivalents) as at the reporting date at EUR – 31.8 million.

RESULTS OF OPERATIONS

Following a successful fiscal year 2021, STEMMER IMAGING was able to continue its positive momentum in the first quarter of 2022 and report record quarterly revenue based on the strong order intake and order backlog.

The STEMMER IMAGING Group generated revenue of EUR 35.88 million in the first quarter of fiscal year 2022 (1 January to 31 March 2021: EUR 31.22 million), up 14.9 per cent on the first quarter of 2021 and 11.5 per cent on the fourth quarter of 2021.

At EUR 43.4 million, order intake in the first quarter was 21.9 per cent higher than in the first quarter of the previous year (1 January to 31 March 2021: EUR 35.6 million). The book-to-bill ratio of 1.2 reflects the ongoing healthy order situation and the continued growth trajectory of STEMMER IMAGING.

The higher revenue volume meant that the cost of materials rose to EUR 22.07 million (1 January to 31 March 2021: EUR 18.80 million). The gross profit ratio declined from 39.8 per cent in the first quarter of 2021 to 38.5 per cent in the same period in 2022, but proved robust in view of increased material costs. The higher-margin solutions business contributed positively to this effect. Personnel expenses amounted to EUR 6.25 million in the first three months of fiscal year 2022 (1 January to 31 March 2021: EUR 6.21 million), which corresponded to an increase of 0.6 per cent. The average number of employees fell to 331 (fiscal year 2021: 333). The staff costs ratio was 17.4 per cent (1 January to 31 March 2021: 19.9 per cent).

Other operating expenses amounted to EUR 2.97 million (1 January to 31 March 2021: EUR 3.38 million).

The decline compared to the same quarter of the previous year is mainly due to the one-off expenses of EUR 1.04 million at the subsidiary in the Netherlands in the first quarter of 2021. This was offset in particular by initiatives in the course of further digitisation measures and an increased level of activity.

At EUR 5.46 million (EBITDA margin: 15.2 per cent), the operating earnings (EBITDA) in the first quarter of fiscal year 2022 was considerably higher than the previous-year level of EUR 3.70 million (EBITDA margin: 11.9 per cent), primarily because of the rise in revenue in connection with an improved cost ratio compared to the same quarter of the previous year. Operating earnings (EBIT) came to EUR 4.48 million in the first three months of the fiscal year (1 January to 31 March 2021: EUR 2.69 million), which corresponds to a year-on-year increase in the EBIT margin from 8.6 per cent to 12.5 per cent. The STEMMER IMAGING Group's consolidated net income for the first quarter of fiscal year 2022 was EUR 3.32 million (1 January to 31 March 2021: EUR 2.00 million).

REPORT ON EXPECTED DEVELOPMENTS

STEMMER IMAGING closed the first quarter of 2022 once again strongly, reporting record revenue and EBITDA.

The trend in order intake and order backlog continues to give the company confidence, due also to the strong book-to-bill ratio of 1.2 on the back of record revenue figures. The year-on-year increase in revenue of 14.9 per cent in the first quarter corresponds to the growth used as a basis for the mean value of the revenue forecast. In view of the continuing market momentum and the visibility for the remainder of the year, the Executive Board of STEMMER IMAGING AG is confirming its current revenue and EBITDA forecast of EUR 143 – 156 million and EUR 19 – 24 million respectively.

STEMMER IMAGING is also confirming its medium-term revenue guidance of EUR 200 million by 2024. As a result of the sustained improvement in margins over the last few quarters, the company is raising the bandwidth for the EBITDA margin from 12 – 14 per cent to 13 – 16 per cent for the medium term.

These forecasts are generally based on the assumption that the rest of the year will not be affected by new restrictions in connection with the Covid-19 pandemic and that the geopolitical situation and the tense supply situation will not deteriorate further.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

ASSETS in KEUR	31/03/2022	31/12/2021
Non-current assets		
Property, plant and equipment	5,531	5,608
Goodwill	19,479	19,462
Other intangible assets	6,778	7,111
Other investment securities	27	27
Other financial assets	55	55
Deferred tax assets	455	607
Total Non-current assets	32,325	32,870
Current assets		
Inventories	15,339	15,587
Trade receivables	20,845	16,956
Contract assets	22	22
Other financial assets	198	126
Income tax receivables	498	362
Other assets and prepaid expenses	1,605	1,631
Cash and cash equivalents	36,761	36,022
Total current assets	75,268	70,706
Total assets	107,593	103,576

EQUITY AND LIABILITIES

in KEUR

	31/03/2022	31/12/2021
Capital and reserves		
Subscribed capital	6,500	6,500
Capital reserves	47,495	47,495
Revenue reserves	20,742	17,373
Total equity	74,737	71,368
Non-current liabilities		
Non-current loans	3,000	3,500
Provisions for pensions and similar obligations	47	47
Other financial liabilities	2,669	2,790
Other liabilities	648	641
Other provisions	239	225
Deferred tax liabilities	1,213	1,563
Total non-current liabilities	7,816	8,766
Current liabilities		
Current loans	2,000	2,003
Other provisions	157	180
Trade payables	11,950	10,749
Contract liabilities and advance payments received on orders	1,054	1,185
Liabilities to affiliated companies	47	16
Other financial liabilities	2,029	1,876
Income tax liabilities	2,064	1,283
Other liabilities	5,739	6,150
Total current liabilities	25,040	23,442
Total liabilities	32,856	32,208
Total equity and liabilities	107,593	103,576

CONSOLIDATED INCOME STATEMENT

DEVELOPMENT FROM 1 JANUARY 2022 TO 31 MARCH 2022

in KEUR

	01/01 – 31/03/2022	01/01 – 31/03/2021
Revenue	35,875	31,219 ¹
Cost of materials	– 22,070	– 18,796 ¹
Gross profit	13,805	12,423
Other operating income	881	873
Personnel expenses	– 6,250	– 6,213
Other operating expenses	– 2,974	– 3,381
EBITDA	5,462	3,702
Depreciation and impairment of property, plant and equipment	– 643	– 642
EBITA	4,819	3,060
Amortisation of intangible assets	– 336	– 367
Operating earnings (EBIT)	4,483	2,693
Finance income	0	44
Finance costs	– 17	– 21
Profit before income taxes	4,466	2,716
Taxes on income	– 1,143	– 716
Consolidated net income	3,323	2,000
Of which:		
Shareholders of the parent company	3,323	2,000
Number of shares (weighted average)	6,500,000	6,500,000
Earnings per share in EUR (diluted and basic)	0,51	0,31

¹ The comparative values for the 1st quarter of 2021 were adjusted due to a change in the accounting method as at 31 December 2021 for trading in standard software licences. Additional explanations of the adjustments to revenue and cost of materials can be found in the notes to the consolidated financial statements as at 31 December 2021, section B, under items 19 and 21.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DEVELOPMENT FROM 1 JANUARY 2022 TO 31 MARCH 2022

in KEUR

	01/01 – 31/03/2022	01/01 – 31/03/2021
Consolidated net income	3,323	2,000
Other comprehensive income		
Items that will be reclassified to profit or loss in future under certain conditions		
Exchange differences that arose during the reporting period	46	95
Other comprehensive income after income taxes	46	95
Total comprehensive income	3,369	2,095
Of which:		
Shareholders of the parent company	3,369	2,095

CONSOLIDATED STATEMENT OF CASH FLOWS

DEVELOPMENT FROM 1 JANUARY 2022 TO 31 MARCH 2022

in KEUR

	01/01 – 31/03/2022	01/01 – 31/03/2021
Cash flow from operating activities		
Consolidated net income	3,323	2,000
Income tax expense recognised in profit or loss	1,143	716
Finance costs/income recognised in profit or loss	17	– 23
Amortisation and depreciation of intangible assets, property, plant and equipment and investment securities	979	1,009
Increase (+)/decrease (–) in provisions	19	83
Other non-cash expenses/income	– 52	– 53
Gain/loss on disposal of property, plant and equipment and intangible assets	– 10	0
Increase (–)/decrease (+) in inventories, trade receivables and other assets	– 3,644	– 3,270
Increase (+)/ decrease (–) in liabilities and other liabilities	691	865
Interest received	0	44
Cash flow from operating activities	2,466	1,371
Income taxes paid	– 638	– 459
Net cash flow from operating activities	1,828	912
Cash flow from investing activities		
Payments for intangible assets	– 2	0
Proceeds from disposals of property, plant and equipment	27	68
Payments for investments in property, plant and equipment	– 152	– 35
Proceeds from disposal of financial assets	0	14
Payments for investments in financial assets	– 1	– 5
Payments for financial investments as part of short-term treasury management	0	– 19,735
Net cash flow used in investing activities	– 128	– 19,693

DEVELOPMENT FROM 1 JANUARY 2022 TO 31 MARCH 2022

in KEUR

	01/01 – 31/03/2022	01/01 – 31/03/2021
Cash flow from financing activities		
Proceeds from loans	15	0
Repayment of loans	- 988	- 984
Proceeds from grants received	23	41
Interest paid	- 17	- 21
Net cash flow used in financing activities	- 967	- 964
Net increase/decrease in cash and cash equivalents	733	- 19,745
Cash and cash equivalents at the beginning of the reporting period	36,022	34,718
Changes in cash due to exchange rate movements and remeasurement	6	- 4
Cash and cash equivalents at the end of the reporting period	36,761	14,969
Of which cash in hand and bank balances	36,761	14,969

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY 2021 TO 31 MARCH 2021

in KEUR

	Subscribed capital	Capital reserves	Revenue reserves			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Other revenue reserve		
As at 1 January 2021	6,500	47,495	8	110	9,966	10,084	64,079
Consolidated net income	0	0	0	0	2,000	2,000	2,000
Currency adjustments	0	0	0	95	0	95	95
As at 31 March 2021	6,500	47,495	8	205	11,966	12,179	66,174

FROM 1 JANUARY 2022 TO 31 MARCH 2022

in KEUR

	Subscribed capital	Capital reserves	Revenue reserves			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Other revenue reserve		
As at 1 January 2022	6,500	47,495	11	196	17,166	17,373	71,368
Consolidated net income	0	0	0	0	3,323	3,323	3,323
Currency adjustments	0	0	0	46	0	46	46
As at 31 March 2022	6,500	47,495	11	242	20,489	20,742	74,737

FINANCIAL CALENDAR¹

Wednesday – Friday 11/ – 13/05 2022 HAIB STOCKPICKER SUMMIT, BERLIN	Wednesday 18/05 2022 ANNUAL GENERAL MEETING, VIRTUAL	Monday – Wednesday 23/ – 25/05 2022 SPRING CONFERENCE, FRANKFURT AM MAIN
Thursday 11/08 2022 PUBLICATION OF Q2/6M 2022 INTERIM REPORT	Thursday 10/11 2022 PUBLICATION OF Q3/9M 2022 INTERIM REPORT	Monday – Wednesday 28/ – 30/11 2022 GERMAN EQUITY FORUM, FRANKFURT AM MAIN

¹ Dates may change at short notice.

PUBLICATION DETAILS

STEMMER IMAGING AG

Gutenbergstraße 9 – 13
82178 Puchheim
Germany

Tel.: + 49 89 80902-0
Fax: + 49 89 80902-116
de.info@stemmer-imaging.com

Executive Board: Arne Dehn (CEO), Uwe Kemm (COO)
Chairman of the Supervisory Board: Klaus Weinmann
Commercial register: Munich HRB 237247
VAT no.: DE 128 245 559

Company responsible: STEMMER IMAGING AG
Text and editing: STEMMER IMAGING AG
Conception and design: Anzinger und Rasp Kommunikation GmbH
Cover: MAD Werbeagentur GmbH & Co.KG

CONTACT

Arne Dehn
CEO

ir@stemmer-imaging.com
www.stemmer-imaging.com/investors

The STEMMER IMAGING AG annual report is available in German and English.
The German version is legally binding.

STEMMER IMAGING is an active member of:

