

## **CORPORATE NEWS**

FOR IMMEDIATE RELEASE

*Puchheim, 22<sup>nd</sup> January 2018*

*Text: 2018-01-PR-IPO-en.docx*

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### **STEMMER IMAGING AG plans Initial Public Offering**

**STEMMER IMAGING AG ('STEMMER IMAGING', 'the enterprise' or 'the company') is planning to float new and existing common shares ('the offer') in the Scale segment of the Frankfurt Stock Exchange ('Open Market') by way of an initial public offering. The company is expected to be listed in the first half of 2018.**

- STEMMER IMAGING is among the pioneers of machine vision, one of the key technologies for the digitization of industrial manufacturing processes ('Industry 4.0'). STEMMER IMAGING's specialization in technologically challenging tasks and applications, and the combination of innovative products, its own software, and comprehensive services have enabled it to develop into one of the leading providers of imaging technology solutions in Europe.
- STEMMER IMAGING plans to strengthen its market position in existing markets and to expand into new markets in Europe and beyond.
- The machine vision market is characterized by steady global growth averaging 10 percent per annum, presenting long-term growth potential for STEMMER IMAGING.
- The issue proceeds will be used to finance the company's continued organic and inorganic growth, and for further development of the service portfolio, especially expansion into new areas of application for its own machine vision software.

STEMMER IMAGING operates throughout Europe as a provider of machine vision technologies for industrial and scientific use. The company, headquartered in Puchheim near Munich in Germany, has more than 30 years of experience in the machine vision business. With more than 260 employees in 19 countries in Europe, STEMMER IMAGING generated sales revenues of EUR 88.3 million in the fiscal year 2017<sup>[1]</sup>. Its extensive portfolio of services includes development, configuration and distribution of customized machine vision systems and solutions, distribution of components and systems from international manufacturers in the area of industrial machine vision, development and distribution of its own software for industrial machine vision, and comprehensive product and advisory services.

Machine vision is a key technology in connection with the automation of manufacturing processes. Machine vision systems can be used for purposes such as quality inspection or machine control, and they also provide valuable data for the optimization of production processes. An efficient and economical method of automated optical inspection for products and components, machine vision now is used in many areas and sectors, such as the automotive, print, packaging, and

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pharmaceuticals industries, in addition to medical engineering, transport and logistics, and the food and beverage industry. In an increasingly networked, digitized world, machine vision is steadily increasing in importance for the digitization of manufacturing and assembly processes in almost all sectors. Machine vision technologies and systems are regarded as key components of the digital transformation for Industry 4.0, helping to create 'smart factories' characterized by a high degree of flexibility, learning ability, and resource efficiency. Products and solutions from STEMMER IMAGING enable business processes to be digitized, ensuring efficient manufacturing processes and high product quality, thus helping companies to maintain and improve their competitiveness.

### **STEMMER IMAGING: Business model and growth potential**

#### **Business model and competitive advantage**

The strong market position of STEMMER IMAGING is based on a combination of in-depth technological expertise and many years of project experience, combined with its thorough understanding of the needs of its clients. The core competency of the enterprise is the development and configuration of client-specific systems to solve complex challenges in the area of machine vision. The machine vision software developed by the company, Common Vision Blox ('CVB') plays a major role in this respect, in addition to the use of components from leading manufacturers. CVB is a high-performance programming library, which enables fast and reliable development and implementation of machine vision solutions and is therefore very important for the functionality of the system as a whole.

#### **Potential in growth markets**

STEMMER IMAGING was established in Germany in 1987 and has since then developed into one of the largest independent solution providers in the area of machine vision components and systems in Europe by means of, inter alia, product innovations and targeted acquisitions. The company wishes to strengthen its position and expand further. Against this background, the service portfolio is continuously being developed so that the company can continue to provide optimal solutions to its clients' requirements, particularly in view of the growing challenges of the digital world (e.g. embedded vision and hyperspectral imaging). Additionally, STEMMER IMAGING plans to continue making further company acquisitions in the future, in the area of both machine vision and non-industrial applications that use technologies complementary to machine vision – such as the entertainment, transport and food industries.

#### **Consistently strong business performance**

Over the past few years, STEMMER IMAGING's sales revenues have grown faster than the market average growth rate. Its sales revenues rose from EUR 57 million in 2013<sup>[1]</sup> to EUR 88.3 million in 2017. This represents an average annual growth rate of 12 percent (CAGR), which is above the market average both in Germany and worldwide.

Over the same period, earnings before interest, taxes, depreciation and amortization (EBITDA) (adjusted to reflect non-recurring items)<sup>[2]</sup> increased from EUR 4.4 million to EUR 7.6 million, an average of 15 percent per annum (CAGR).

#### **Experienced management team and active supervisory board**

The STEMMER IMAGING management team has substantial knowledge of the industry, many years of management experience and extensive technical expertise. This is reflected by their wide-ranging involvement in committees and associations (including VDMA, EMVA, AIA, GigE and

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USB3 Vision, OPC UA, 1288), through which STEMMER IMAGING takes an active role in defining industry standards.

*Christof Zollitsch, CEO of STEMMER IMAGING AG: 'STEMMER IMAGING has grown very successfully over the past few years. We are now in a very good position to profit from the continued growth of the market for digital machine vision. In the coming years, we plan to boost our growth through focused international expansion, and improve our profitability in a targeted way by means of concept and product innovations. We are convinced that an initial public offering is the next step for us to take in order to drive our growth strategy.'*

STEMMER IMAGING is supported by an experienced supervisory board chaired by Klaus Weinmann, with Stefan Kober as deputy chairperson, both of whom are co-founders of PRIMEPULSE SE, a holding company in which Klaus Weinmann (founder and CEO of TecDAX-listed company CANCOM SE) and Stefan Kober (founder of CANCOM SE and CEO of AL-KO Kober SE) pool their entrepreneurial activities.

*Klaus Weinmann, Chairperson of the Supervisory Board of STEMMER IMAGING AG and CEO of CANCOM SE: 'With its unique service commitment and business model, its impressive track record, and its highly motivated team of managers and employees, STEMMER IMAGING is ideally positioned for accelerated growth. Access to the capital market will create an important foundation for this.'*

### **Key points of the IPO**

At the time of publication of this announcement, SI Holding GmbH (Munich, Germany), a PRIMEPULSE Group company, holds all the shares in STEMMER IMAGING AG. It will continue to hold at least 51 percent of the shares in the company after the IPO capital increase is carried out and the existing shares are sold in a secondary offering, and in the event that the greenshoe option is exercised. The principal stockholder will undertake not to sell any shares for a period of six months after the start of quotation, and only to sell shares with the consent of the issuing bank for a further six months.

The company expects issue proceeds of around EUR 50 million from the placement of new shares in connection with the IPO. In addition, shares held by the existing stockholder will be sold in a secondary offering. The stockholder will make further shares available in a greenshoe option. Hauck & Aufhäuser Privatbankiers Aktiengesellschaft will act as the sole global coordinator and sole bookrunner. The public offer will only be made in Germany.

### **About STEMMER IMAGING**

The STEMMER IMAGING Group is one of Europe's leading providers of machine vision technology for industrial and scientific use. With a customized combination of innovative products, expert advice and comprehensive service, STEMMER IMAGING supports its clients in handling machine vision tasks simply, securely and quickly. Experienced specialists can be contacted easily and are available to provide advice locally in 19 European countries.

Clients of STEMMER IMAGING benefit from the combination of an exceptionally wide variety of products from the world's leading manufacturers (e.g. cameras, lenses, illumination products, machine vision systems, software) with solutions know-how gathered over many years. Besides offering the optimal, most cost-effective combination of components for specific tasks, the

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company attaches particular importance to the provision of solution-oriented client service, including feasibility studies, training and customer-focused support. Further information at [www.stemmer-imaging.de](http://www.stemmer-imaging.de).

### **Contact**

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[1] Fiscal year of STEMMER IMAGING AG: July 1 – June 30

[2] EBITDA means earnings before interest expenses and income, tax expenses, depreciation and amortization. The company sees EBITDA as a more representative figure for the earnings position, as it eliminates certain non-cash expenditure that does not correctly reflect the company's business performance. The adjusted EBITDA figure is not defined under national and international accounting standards. STEMMER IMAGING's use of the adjusted EBITDA is based on the assumption that it is more appropriate as a key figure for assessing the operating business. The intention is to give the reader a more accurate picture of the earnings position and a better comparison of the earnings over time.

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