

MGI Digital Technology presents its 2022 results

Revenue growth of 20.1%

Operating margin of 18%

Net income up 33%

Cash available of €32.2m at end-December 2022

2023 Objectives: Double-Digit Growth, New increase in Earnings

Growth Drivers in place to make DRUPA 2024 a Success

After the post-COVID catch-up in 2021, MGI Digital Technology is rebounding with its trajectory of historic performance, posting a strong growth year and an increase in earnings. With 20% growth in its business, fully in line with the target, an increase in results and a robust financial position, the Group is on track to confirm its performance in 2023. This year, MGI Digital Technology will continue to rely on its alliance with Konica Minolta and the ramp-up of its sales, especially on Alphajet. Good visibility now makes it possible to anticipate double-digit growth over the new financial year.

Preparing for DRUPA 2024, the “Olympic Games” of the Graphic Industries and an accelerator of historic growth for the Group, will also be a priority this year. A decisive meeting in service of a goal: achieving 100 M€ in revenue by 2025.

In €k	2021	2022	Change
Revenue	38,811	46,610	+20.1%
Gross margin	27,485	30,717	+11.8%
<i>As a % of revenue</i>	<i>70.8%</i>	<i>65.9%</i>	
EBITDA	11,914	13,024	+9.3%
<i>As a % of revenue</i>	<i>30.7%</i>	<i>27.9%</i>	
Operating income/loss	8,032	8,444	+5.1%
<i>As a % of revenue</i>	<i>20.7%</i>	<i>18.1%</i>	
Financial income (expense)	(130)	140	NA
Profit before tax	7,615	8,512	+11.8%
<i>As a % of revenue</i>	<i>19.6%</i>	<i>18.3%</i>	
Group share of net income	5,479	7,288	+33%
<i>As a % of revenue</i>	<i>14.1%</i>	<i>15.6%</i>	

The financial statements were approved by the Board of Directors and underwent a limited review by the Statutory Auditors.

The annual revenue for financial year 2022 came to €46.6m, up 20.1%. International operations accounted 94% of all activity, with revenue of €43.9m, up 24.7%. The second half of the year was particularly dynamic, with growth of 30% compared to the second half of 2021.

The year benefited from a return to more normal business conditions, with strong sales and order dynamics for all ranges and increased market share gains at the international level.

During the year, MGI Digital Technology continued to benefit from its alliance with Konica Minolta, with more than 75% of all business achieved through its global network.

Improvement in Result

Gross margin came to €30.7m, representing 65.9% of revenue, a high, normative level that incorporates purchases of components made to secure the fulfilment of orders in financial year 2023.

EBITDA grew by 9.3% to €13m, representing 27.9% of revenue. Personnel costs are fully in control: they represent 27.3% of the year's revenue, versus 30.5% in 2021.

Other purchases and external expenses increased sharply to €7.3m, versus €5.5m in 2021. This increase is logical and reflects an increase in marketing and sales efforts (trade shows, travel, etc.), which are necessary to support the post-COVID upturn in growth and the sales deployment of Alphajet.

Depreciation, amortisation, and provisions amounted to €4.4m, versus €3.9m for 2021, reflecting in particular the depreciation of R&D expenses related to Alphajet over the full year.

In total, profit/loss amounted to €8.4 million, a 5.1% increase compared to 2021. It is still at a high level, at 18.1% of revenue for the year.

After taking account of financial income and tax, net income stood at nearly €7.3m, an increase of 33%. As a reminder, financial year 2021 included exceptional expenses related to the closure of the MGI USA subsidiary after transfer of its business to the local Konica Minolta network.

A Robust Financial Position

Group shareholders' equity stood at more than €119m at the end of December 2022, versus €112m end of December 2021.

Cash stood at €32.2m (versus €43.3m at the end of December 2021), after repayment of a €10m loan guaranteed by the State.

2023: Growth Drivers in place, with DRUPA in sight

2023 will start with excellent business momentum and a strong order book.

Ramp up of Alphajet sales and a new industrial organisational structure

This year, the Group will rely on several growth drivers. For Alphajet, the industrial printing platform dedicated to packaging, a ramp-up of sales is expected, with already five orders in the final negotiations stage (versus 2 sales over the entire 2022 financial year).

To support this ramp-up, a new industrial organisational structure has been put in place at all sites. It must make it possible to multiply production capacity for this strategic equipment by four by 2024 and by eight by 2026.

In addition to Alphajet, the Group is currently relying on a range of renewed equipment and a portfolio of joint innovations with Konica Minolta, which will also support business over the coming months.

Technological Partnership in Printed Electronics

Finally, in printed electronics, a strategic market for tomorrow, a technological partnership was just founded with ALTIX, a global player in imaging systems for the electronics markets. This partnership has strong potential and involves the co-development of ink jet equipment dedicated to the printing of printed circuit boards, whose marketing would offer a major avenue for international development.

Double-Digit Growth expected for the Financial Year

In light of this favourable outlook and despite global economic uncertainties, MGI Digital Technology is confident in its ability to achieve double-digit growth over the new year. This growth should be accompanied by a new increase in earnings.

2024: DRUPA in sight, a Historic Growth accelerator for the Group

2023 will also be dedicated to preparing for DRUPA, the largest international trade show for the print industry, which will be held from 28 May to 7 June 2024. This event has always been a growth driver for the Group, both in terms of international visibility and orders over the 12 to 18 months following this major industry event.

A Goal: Revenue of 100 M€ by 2025

With its new generation of equipment and disruptive innovations, MGI Digital Technology, alongside Konica Minolta, will take this trade show by storm, which should pave the way for a new cycle of development in service of one goal: reaching €100m in revenue by 2025.

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