

Lannion, March 31, 2020 – 7:30pm

## 2019 EARNINGS: STRONG PROFITABILITY FOR THE SECOND HALF OF THE YEAR

- EBITDA up 26.8% to €21.0m (+17.6% before IFRS 16)
- €49.0m of net cash and €30.8m of financial debt
- Guidance suspended in the context of the COVID-19 health crisis

The LUMIBIRD Group, the European leader for laser technologies, is reporting global earnings growth for 2019, with EBITDA climbing 26.8% to €21.0m (+17.6% before IFRS 16) and net income of €8.8m, with the net margin stable year-on-year. The Group has a robust financial position, with €49.0m of net cash and €30.8m of financial debt. In the current context of the health and economic crisis, the Group is ensuring the continuity of part of its activities, is moving forward with its strategic projects and is suspending its guidance while waiting to have more visibility regarding its markets.

Extract from the consolidated financial statements  
approved by the Board of Directors on March 31, 2020

(€m)	2019	2018	Change	IFRS 16 impact
Revenues	110.7	100.7	+10.0%	
EBITDA	21.0	16.5	+26.8%	+1.6
Income from ordinary operations	12.3	11.4	+7.5%	n/s
Pre-tax income	10.6	10.9	-2.8%	n/s
Net income	8.8	8.1	+9.2%	n/s

(1) IFRS16 impact is presented in the Appendix

(2) +7.8% at constant scope of consolidation and exchange rates

### 10% revenue growth in 2019

Full-year revenues came to €110.7m, after being adjusted by the statutory auditors, slightly higher than the figure reported on January 27, 2020 (€110.1m).

The **Laser Division's** business grew 6.4% in 2019 to €71.4m, with:

- Stability for the **Industrial and Scientific** business (+1.2% to €25.8m);
- Growth for the **Lidar business** (+33.5% to €20.5m), marked by the development of sales in the automotive (ADAS), telemetry (3D scanning) and energy (wind sensing) sectors, as well

as the extension of production capabilities in order to continue to address these markets with very strong potential.

- Contraction for the **Defense / Space** business (-4.2% to €25.1m), linked to the schedules for completing military programs and a significant base effect between the fourth quarters of 2018 and 2019.

The **Medical Division** recorded strong growth (+17%) in 2019, with revenues of €39.3m. Optotek, acquired during the year, contributed €1.1m: organic growth (+13.7%) is the main development driver, thanks to the positive response to new products, on both traditional markets and new markets, such as dry eyes.

In December, Quantel Medical announced its plans to acquire the Laser and Ultrasound business of the Australian firm Ellex, which represented around €40m of revenues for the past year. This major operation, which is expected to be completed before the end of the first half of this year, offers strong potential for growth and value creation for the Medical Division.

The combination of the two groups - longstanding competitors that know one another perfectly - will open up extensive synergies thanks to their complementary product ranges, locations and sales and marketing positioning. The scale effect will also further strengthen production and R&D capabilities.

### Positive seasonal effect in the second half of the year: restoring margins

The specific seasonality of the various activities affects not only revenues, but also the breakdown of earnings between the first and second half of the year. Following a contraction in margins during the first half of 2019, profitability increased significantly in the second half of the year, restoring the full-year margin (EBITDA and income from ordinary operations) to a level in line with 2018, while the Lidar business ramped up its production capacity, ahead of schedule.

### Analysis of earnings per division and per half-year period

(€m)	Laser	Medical	TOTAL	H1	H2
<b>EBITDA 2018</b>	14,2	2,4	<b>16,5</b>	5,5	11,0
<i>% of revenues</i>	21,2%	6,9%	16,4%	12,9%	19,0%
<b>EBITDA 2019</b>	15,5	5,5	<b>21,0</b>	6,7	14,3
<i>% of revenues</i>	21,7%	13,9%	18,9%	13,0%	24,1%
<b>Operating income 2018</b>	9,7	1,7	<b>11,4</b>	2,8	8,6
<i>% of revenues</i>	14,5%	5,0%	11,3%	6,7%	14,7%
<b>Operating income 2019</b>	9,3	3,0	<b>12,3</b>	2,6	9,7
<i>% of revenues</i>	13,0%	7,6%	11,1%	5,1%	16,3%

2019 EBITDA came to €21.0m, up 26.8%, with €1.6m linked to the application of the new standard with IFRS 16.

Income from ordinary operations totaled €12.3m, up 7.5%, reflecting the increase in business and a slight reduction in operating expenses, offset by higher staff costs and depreciation.

After -€0.7m in financial income and expenses (versus -€0.5m in 2018) and a significantly lower corporate income tax expense (€1.8m versus €2.8m in 2018), net income came to €8.8m, with net income representing 8.0% of revenues, identical to the level for 2018.

## Operating cash flow of €19.5m

Working capital requirements remained stable in 2019 (€0.1m increase), thanks in particular to moderate growth in inventory levels (+€1.0m) and the effective management of trade receivables and payables (-€2.1m), with €19.5m of operating cash flow (including IFRS16 impact). These resources made it possible to finance current industrial investments, as well as certain financial investments (Halo-Photonics securities). After investments and before any external financing measures, the free cash flow generated represents €2.4m.

Reflecting these good performances, the €25m capital increase in May 2019 and the new debt linked to specific industrial investments (acquisition of Quantel Medical's new site in Clermont-Ferrand for €3.4m) or financial investments (including the acquisition of Optotek Medical), LUMIBIRD recorded a positive net cash position of €18.2m at end-2019, based on €49.0m of cash and €30.8m of financial debt. Shareholders' equity represents €124.9m at December 31, 2019. The Group also set up €35m of acquisition-related debt, with €29.9m still available to be drawn down at year-end.

## Outlook: guidance suspended in the context of the COVID-19 health crisis

In the context of the Covid-19 pandemic, LUMIBIRD is adapting its organization in order to protect all its staff in priority, while ensuring the continuity of its operations on markets that are resilient to some extent faced with the crisis, particularly in the health and defense sectors. To date, more than half of the Group's workforce is still operational, working either remotely or on site, and it is therefore still able to sell, manufacture and deliver several product lines. In addition, LUMIBIRD is continuing to develop a certain number of strategic projects that are scheduled to move into production during the second half of the year. In addition, the Group is taking all necessary measures to preserve its cash flow and is studying the most appropriate support measures.

As it is not currently possible to estimate the impact of this crisis on its various markets more accurately, the Group is suspending the guidance previously announced to the market. It will clarify its short and medium-term guidance in a future press release as soon as it is in a position to do so.

The Group's strategy, which has delivered benefits in the last two years, will continue to focus on combining organic and external growth in the three buoyant markets (Lidar, Defense / Space and Medical), while maintaining and strengthening its technological leadership.

## Next date: Q1 2020 revenues on April 27, 2020 after close of trading

---

LUMIBIRD is one of the world's leading specialists in lasers. With 50 years of experience and a mastering of solid state laser, laser diodes and fiber laser technologies, the Group designs, manufactures and markets high performance lasers for scientific (laboratories and universities), industrial (manufacturing, defense, Lidar sensors) and medical (ophthalmology) markets.

Born from the combination of Keopsys Group with Quantel in October 2017, LUMIBIRD has more than 500 employees and over €100 million of revenues and is present in Europe, America and Asia.

**LUMIBIRD shares are listed on the Euronext Paris B Compartment. FR0000038242 – LBIRD** [www.lumibird.com](http://www.lumibird.com)

### Contacts

#### LUMIBIRD

Marc Le Flohic  
Chairman and CEO  
Tel. +33(0)1 69 29 17 00  
info@lumibird.com

#### LUMIBIRD

Aude Nombrot-Gourhand  
Secretary General – CFO  
Tel. +33(0)1 69 29 17 00  
info@lumibird.com

#### Calyptus

Mathieu Calleux  
Investors Relations  
Tel. +33(1) 53 65 37 91  
lumibird@calyptus.net

## APPENDIX: EXCERPTS FROM CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated balance sheet at December 31<sup>st</sup>, 2019 (€'000)

<b>LUMIBIRD GROUP – Consolidated assets</b>	<b>2018 Net</b>	<b>2019 Net</b>
<i>Non current assets</i>		
Goodwill	31,417	40,100
Intangible assets	22,660	27,662
Tangible assets	8,344	13,863
Other financial assets	995	1,329
Non current tax receivables	5,330	5,794
Deferred tax assets	4,858	1,703
<b>Total non current assets</b>	<b>73,603</b>	<b>90,451</b>
<i>Current assets</i>		
Inventories	22,846	26,256
Current loans and receivables measured at amortized cost	26,349	21,851
Current tax receivables	1,430	400
Other receivables	5,213	4,497
Cash and equivalents	21,593	50,301
<b>Total current assets</b>	<b>77,431</b>	<b>103,303</b>
<b>TOTAL ASSETS</b>	<b>151,035</b>	<b>193,754</b>

<b>LUMIBIRD GROUP – Consolidated liabilities</b>	<b>2018 Net</b>	<b>2019 Net</b>
<i>Shareholders' equity</i>		
Share capital	16,754	18,430
Consolidated retained earnings	64,985	97,739
Foreign Exchange translation differences	964	(43)
Group net income	8,075	8,820
<b>Shareholders' equity (Group share)</b>	<b>90,778</b>	<b>124,946</b>
Non-controlling interests	0	0
<i>Long-term liabilities</i>		
Long term financial liabilities	16,884	24,996
Retirement benefits	2,150	2,508
Long-term provisions	28	30
Other long-term liabilities	2,756	6,930
Deferred tax liabilities	3,059	2
<b>Total long-term liabilities</b>	<b>24,876</b>	<b>34,466</b>
<i>Current liabilities</i>		
Short-term financial debt	7,704	7,085
Provisions	522	660
Tax payable	41	11
Short term financial liabilities	12,301	10,391
Other current liabilities	14,813	16,195
<b>Total current liabilities</b>	<b>35,380</b>	<b>34,342</b>
<b>TOTAL LIABILITIES</b>	<b>151,035</b>	<b>193,754</b>

Consolidated income statement at December 31<sup>st</sup>, 2019 (€'000)

LUMIBIRD GROUP – Consolidated income statement	2018	2019
<b>Revenues</b>	<b>100,697</b>	<b>110,717</b>
Other revenues from ordinary activities	1,099	1,936
Purchases for Production	(39,890)	(43,586)
Salaries and payroll taxes	(27,203)	(32,183)
External expenses	(16,138)	(14,023)
Taxes and duties	(2,023)	(1,889)
<b>EBITDA</b>	<b>16,542</b>	<b>20,974</b>
Amortization	(5,304)	(8,187)
Provisions	(40)	(1,081)
Other income/expense	216	559
<b>CURRENT OPERATING INCOME</b>	<b>11,414</b>	<b>12,264</b>
income from non-current asset disposals	(4)	(168)
Impact of change in consolidation scope	0	(784)
Other operating income/expense	0	(11)
Impairment of goodwill	0	0
<b>OPERATING INCOME</b>	<b>11,410</b>	<b>11,300</b>
Income from cash and cash equivalents	10	25
Gross cost of financial debt	(586)	(719)
Net cost of financial debt	(576)	(694)
Other financial income/expense	83	(32)
<b>FINANCIAL INCOME</b>	<b>(493)</b>	<b>(726)</b>
Income tax	(2,842)	(1,754)
<b>CONSOLIDATED NET INCOME</b>	<b>8,075</b>	<b>8,820</b>
<i>Of which attributable to non-controlling interests</i>	0	0
<i>Of which attributable to equity holders of Group parent</i>	8 075	8 820
Earnings per share	0.51	0.52
Fully diluted earnings per share	0.51	0.52

Consolidated cash flow statement (€'000)

	2018	2019
<b>Net income, Group's share</b>	<b>8,075</b>	<b>8,820</b>
Share of profit from equity affiliates		
Dividends received from equity affiliates		
Depreciation and provisions	5,086	8,501
Capital gain/loss on assets disposals	4	168
Financing cost	528	667
Income and expenses related to stock options		
Other calculated income and expenses		784
Tax	2,842	1,754
<b>Cash flow before taxes and financial expenses</b>	<b>16,534</b>	<b>20,695</b>
Change in operating working capital requirements	(3,172)	(104)
Taxes (paid)/received	(1,283)	(334)
<b>NET CASH-FLOW FROM OPERATIONS (I)</b>	<b>12,079</b>	<b>20,256</b>
Tangible and intangible assets investments	(11,011)	(11,281)
Disposal of tangible and intangible assets	492	331
Disbursements on financial investments	-	(328)
Cash-in on financial investments	87	259
Net cash from acquisition / disposal of subsidiaries	2	(6,913)
Net change in short-term investments	(0)	
Internal equity financing operations	(0)	(0)
<b>NET CASH-FLOW FROM INVESTING ACTIVITIES (II)</b>	<b>(10,430)</b>	<b>(17,932)</b>
Net loans issuance	2,143	3,623
Dividends received from subsidiaries		
Dividends received/paid from parent company		
Capital increase / decrease	7,785	24,586
Other change in shareholders' equity	60	664
Bank overdrafts (debt)	-	50
<b>NET CASH-FLOW FROM FINANCING ACTIVITIES (III)</b>	<b>9,988</b>	<b>28,923</b>
Impact of exchange rate variation on cash (IV)	37	210
Impact of exchange rate variation on other balance sheet items		
<b>IMPACT OF EXCHANGE RATE VARIATION (IV)</b>	<b>37</b>	<b>210</b>
<b>NET CASH-FLOW (I + II + III + IV)</b>	<b>11,674</b>	<b>31,457</b>
<b>CASH AND EQUIVALENT AT BEGINNING OF PERIOD</b>	<b>5,822</b>	<b>17,555</b>
Reclassification	59	
<b>CASH AND EQUIVALENT AT CLOSING</b>	<b>17,555</b>	<b>49,012</b>

### Impact of IFRS16 application

Since January 1, 2019, the Group has applied the provisions of IFRS 16, which became mandatory on that date. It replaces IAS17 and the related interpretations IFRIC4 (relating to agreements containing a lease) and SIC15/SIC27 (relating to the treatment of operating leases and leases in substance).

The application of this new standard leads to the recognition in the balance sheet of all lease commitments (as defined in the standard) without distinction between operating leases (previously recognized as off-balance sheet commitments) and finance leases. This implies for each lease contract :

- booking to the balance sheet:
  - A new asset called a "right of use", representing the right to use the leased asset during the lease period;
  - A new liability called "Lease - IFRS16", representing the commitment to pay lease payments
- booking to the income statement:
  - A depreciation charge for the right of use;
  - A financial expense representative of the financial interest borne by the IFRS 16 lease debt

The Group applied the "simplified retrospective" transition method:

- Leases already in progress at December 31, 2018 were considered as taking effect only as of January 1, 2019 and with an accounting maturity corresponding to their remaining maturity as of that date;
- The lease debt recognized at January 1, 2019 was calculated by taking into account the present value of rents remaining to be paid at that date;
- The right of use recognized at January 1, 2019 was determined by reference to this lease debt;
- The comparative figures for FY 2018 have not been adjusted.

**The impact of this standard on the Group's financial items is as follows:**

<b>LUMIBIRD GROUP -Income statement</b>		<b>2019</b>
EBITDA	External expenses	€1.6m
Operating income	Depreciation	€(1.5)m
Gross cost of financial debt	Financial expenses	€(0.1)m
Net income		ns

<b>LUMIBIRD GROUP -Balance sheet</b>		<b>At January 1st 2019</b>	<b>2019 Net</b>
NON CURRENT ASSETS	Rights of use	€5.0m	€4.2m
LONG-TERM LIABILITIES	Long-term financial debts	€2.1m	€2.8m
CURRENT LIABILITIES	Current financial debt	€2.9m	€1.4m

<b>LUMIBIRD GROUP -Cash-flow statement</b>		<b>2019</b>
CASH-FLOW FROM OPERATIONS	Net income	ns
	Amortization and provision	€1.6m
CASH-FLOW FROM FINANCING ACTIVITIES	Loans repayment	€(1.5)m
	Paid interests	€(0.1)m