



Investor Presentation

October 2020



Speakers



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Chairman



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SOMMAIRE

- 
- 1 2020: resilience in crisis
 - 2 Increase in H1 2020 current operating income
 - 3 Focus : Lumibird Medical brands integration
 - 4 Strategy and outlook



2020 : RESILIENCE IN CRISIS



A leading European laser company with a global presence

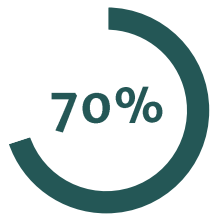


Lumibird exports its solutions
to over 100 countries



7 production sites

Bozeman (USA), Lannion,
Les Ulis, Clermont-Ferrand, Le Barp (France),
Ljubljana (Slovenia), Adelaide (Australia)



Percentage of export revenues

€151.7m

2019 pro forma revenues

€23.7m

2019 pro forma EBITDA

15.6%

2019 pro forma EBITDA margin

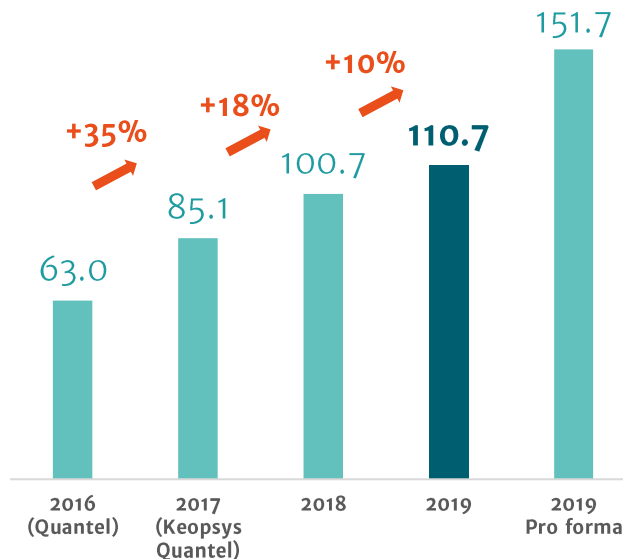
800

2019 pro forma average
headcount

€9.5m

2019 R&D spending

A dynamic of
continuous growth



Pro forma : integrating Ellex as of 1st January 2019

COVID-19 impact



Continuity plan rolled out since March

- Operations continued on all group sites
- 70% of the capacity maintained in March-May, back to 100% mid-June
- R&D teams focused on mid-term high potential projects

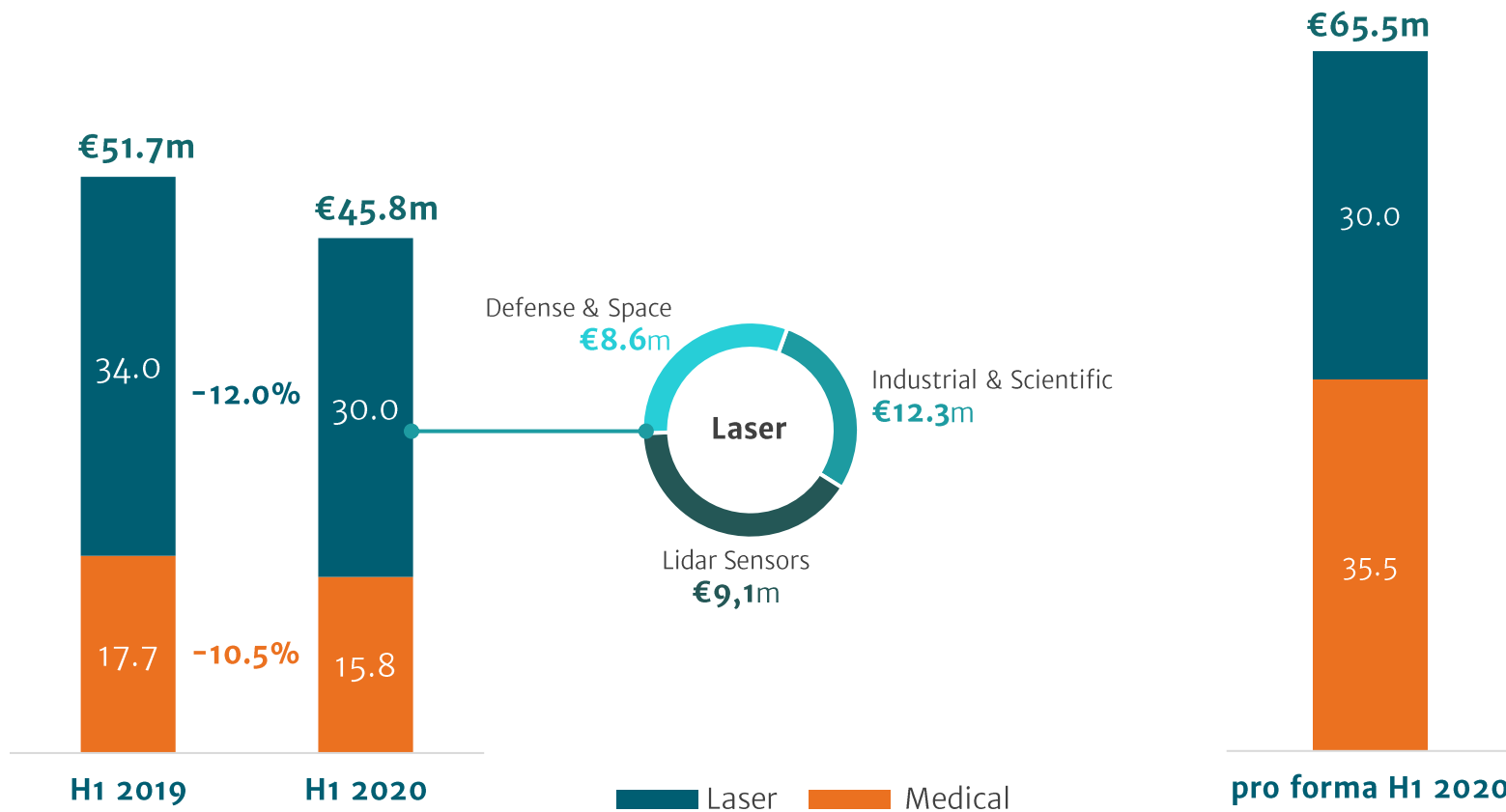
Markets mainly resilient

- Defense, Medical
- No orders cancelled at this stage
- Some areas in restart phase (Asia)

Management in a crisis environment

- Costs adjustments
- Cash-flows secured
- Strong financial position

H1 2020: contraction limited to -11.5%



Pro forma : integrating Ellex as of 1st January 2020

H1 2020 highlights



LASER DIVISION



Industrial & Scientific
€12.3m (-8.0%)



LiDAR Sensors
€9.1m (+2.2%)



Defense & Space
€8.6m (-27%)

- Business hampered by the closure of universities
- Continued deliveries to flat panel display integrators

- Contrasting performances
- Dynamism of Halo photonics
- Slowdown of European customers in Q2
- Delivery of large US contracts to integrators
- Continued implementation of the dedicated LIDAR systems division with a new product range

- Less active schedules for operations on longstanding contracts
- Progressive ramp-up on new contracts
- High level of interaction and quotation with Defense players

MEDICAL DIVISION



Diagnostic (ultrasound)

€15.8m (-16.2%)



Treatment (laser)

- Cancellation of major European ophthalmology congresses
- Sharp slowdown in Latin America and the United States
- Good order book at the end of June

INCREASE IN H1 CURRENT
OPERATING INCOME: MARGINS
IMPROVING

Financial highlights



INCOME STATEMENT

Adverse economic effects:

- Business decrease
- Payment fraud

Favourable structuring effects:

- Positive impact of vertical integration (Halo-Photonics, Optotek)
- Improvement of the margin rate :
 - Favourable production cycle on defense contracts
 - Optimisation of the product mix on laser activities
 - Products with higher added value in Medical
- Further reduction in external charges in the context of the health crisis

FINANCIAL SITUATION

Preservation of financial flexibility :

- Capital increase (€35.6 million)
- Installation of new credit lines (€26.7m)
- Net financial debt €10.6m / active cash position €77.4m

Completion of the acquisition of Ellex :

- Consolidation as at 30/06/2020 – balance sheet effect of €5.6m excluding cash acquisition payment (including €28.9m of provisional goodwill)
- Net cash outflow of €53.3m financed by the opening cash position (€25.4m) and by drawing on the dedicated acquisition line (€29.9m)

Key figure H1 2020



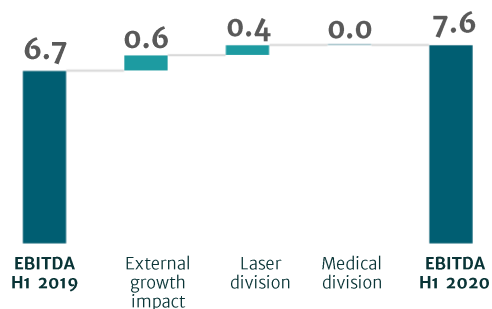
| (€m) | H1 2019 | H1 2020 | Change in value | Change in % |
|--------------------------------------|----------------------|-----------------------|-----------------|-------------|
| Revenues | 51.7 | 45.8 | -5.9 | -11.5% |
| Gross margin % | 30.6 59.2% | 30.4 65.5% | -0.2 | -0.7% |
| EBITDA % | 6.7 13.0% | 7.6 16.7% | +0.9 | +13.3% |
| Current operating income % | 2.6 5.1% | 2.9 7.1% | +0.3 | +9.7% |
| Operating income | 2.6 | (2.1) | -4.7 | -184% |
| Financial income and expenses | (0.3) | (0.5) | -0.2 | +59.7% |
| Tax | (0.4) | 0.7 | +1.1 | +264% |
| Net income % | 1.8 3.5% | (1.9) -4.2% | -3.7 | -206% |
| Cash flow from operations | 6.5 | 2.7 | - 3.8 | -58.7% |
| Net industrial capex paid | 7.7 | 5.6 | -2.1 | -35.0% |
| Net financial debt | (7.3) | 10.6 | +17.9 | - |

Current operating income for each division

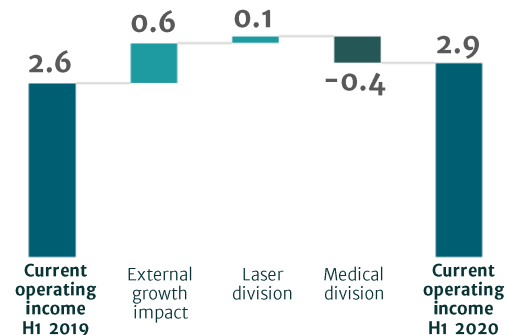


| (€m) | H1 2019 | | | H1 2020 | | |
|--------------------------|---------|---------|-------|---------|---------|-------|
| | Laser | Medical | TOTAL | Laser | Medical | TOTAL |
| Revenues | 34.0 | 17.7 | 51.7 | 30.0 | 15.8 | 45.8 |
| Gross margin | 20.6 | 10.0 | 30.6 | 20.5 | 9.9 | 30.4 |
| % | 60.6% | 56.5% | 59.2% | 68.3% | 62.6% | 65.5% |
| EBITDA | 4.7 | 2.0 | 6.7 | 5.7 | 2.0 | 7.6 |
| % | 14.0% | 11.2% | 13.0% | 18.9% | 12.4% | 16.7% |
| Current operating income | 1.6 | 1.0 | 2.6 | 2.3 | 0.6 | 2.9 |
| % | 4.8% | 5.8% | 5.1% | 7.7% | 3.8% | 7.1% |

Change in EBITDA (€m)



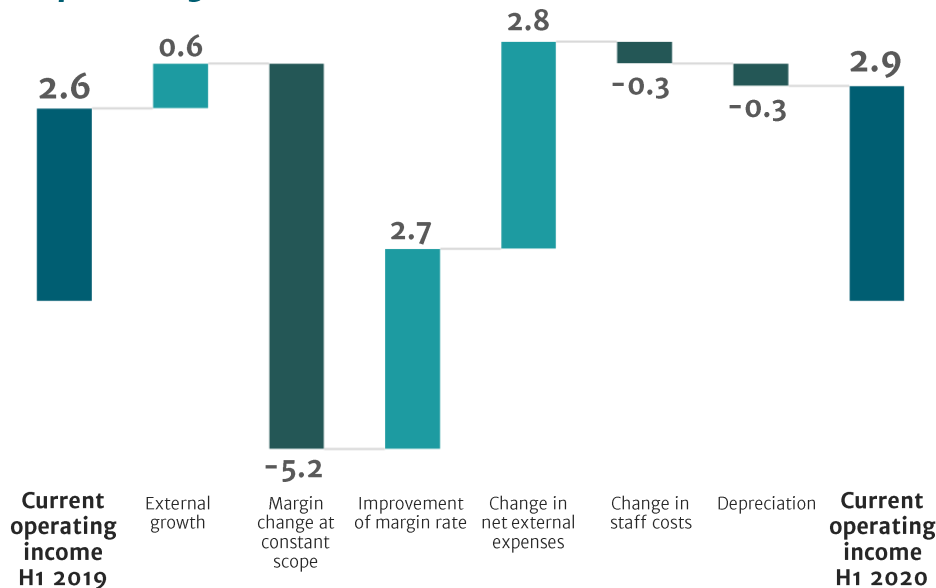
Change in Current operating income (€m)



Breakdown of change in current operating income (€m)



Breakdown of change in current operating income (€m)



| (€m) | TOTAL | Laser | Medical |
|---------------------------------------|------------|------------|------------|
| Current op. income H1 2019 | 2.6 | 1.6 | 1.0 |
| Current op. income /2019 acquisitions | +0.6 | 0.6 | Ns |
| Margin change at constant scope | (2.5) | (1.3) | (1.2) |
| Decrease in net external expenses | +2.8 | +1.6 | +1.2 |
| Increase in staff cost | -0.3 | - | (0.3) |
| Depreciaition | -0.3 | (0.2) | (0.1) |
| Current op. income H1 2020 | 2.9 | 2.3 | 0.6 |

| (€m) | TOTAL | Laser | Medical |
|--|--------------|--------------|--------------|
| Margin change at constant scope | (2.5) | (1.3) | (1.2) |
| Of which change in revenues | (5.2) | (3.6) | (1.6) |
| Of which margin rate improvement | +2.7 | +2.3 | +0.4 |



From current operating income to net income (Group share)

| (€m) | S1 2019 | S1 2020 | Variation en valeur |
|---------------------------------|------------|--------------|---------------------|
| Current operating income | 2.6 | 2.9 | +0.3 |
| Operating income | 2.6 | (2.1) | -4.7 |
| Financial income and expenses | (0.3) | (0.5) | -0.2 |
| Income tax | (0.4) | 0.7 | +1.1 |
| Net income | 1.8 | (1.9) | -3.7 |

Operating income – non-recurring components: - €5.1m

- Impact of payment fraud: - €4.0m
- Cost of « scope effect »: - €0.9m
- Other: - €0.2m

Financial result – Effect of financing policy :

The evolution of the financial result is linked to:

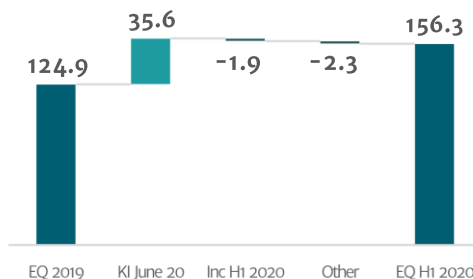
- the increase in average gross financial debt (€58.9 million in 2020 / €26.5 million in 2019)
- in a context of stability of the annualised interest rate of gross financial debt (0.94% in 2020 / 0.95% in 2019)

Balance sheet at June 30, 2020



| ASSETS €m | 30/06/2020 | Of which Ellex entry | 31/12/2019 | LIABILITIES €M | 30/06/2020 | Of which Ellex entry | 31/12/2019 |
|-------------------------------|--------------|-------------------------|--------------|---|--------------|-------------------------|--------------|
| Non-current assets | 134.8 | 43.3 | 90.5 | Shareholders' equity | 156.3 | | 124.9 |
| Goodwill | 69.3 | 29.8 | 40.1 | | | | |
| Intangible assets | 35.8 | 7.3 | 27.7 | Non-current liabilities | 92.4 | 1.8 | 34.5 |
| Property, plant and equipment | 20.8 | 6.1 | 13.9 | Non-current financial liabilities | 81.7 | 0.8 | 25.0 |
| Other non-current assets | 8.9 | 0.1 | 8.8 | Non-current provisions (incl. deferred tax) | 2.9 | 0.3 | 2.5 |
| Current assets | 160.8 | (31.1) | 103.3 | Other non-current liabilities | 7.7 | 0.7 | 6.9 |
| Inventories | 43.1 | 11.3 | 26.3 | Current liabilities | 46.9 | 10.4 | 34.3 |
| Trade receivables | 28.0 | 8.8 | 21.9 | Current financial liabilities | 7.5 | 0.6 | 17.5 |
| Other | 11.2 | 2.1 | 4.9 | Current provisions | 1.0 | 0.3 | 0.7 |
| Cash | 78.6 | (53.3) | 50.3 | Other current liabilities | 38.4 | 9.5 | 16.2 |
| TOTAL ASSETS | 295.6 | 12.2 | 193.8 | TOTAL LIABILITIES | 295.6 | 12.2 | 193.8 |

| | 31/12/19 | 30/06/20 |
|---|--------------|-------------|
| Gross financial debt (excl. cash liabilities) | 30.8 | 88.4 |
| Cash liabilities | 1.3 | 0.8 |
| Cash assets | -50.3 | -78.6 |
| Cash | -49.0 | -77.8 |
| Net financial debt | -18.2 | 10.6 |



| | 31/12/19 | 30/06/20 | Change |
|--------------------------------|-------------|-------------|--------------|
| Inventories | 26.3 | 31.3 | -5.0 |
| Trade rec. / payables | 7.9 | 6.0 | 1.9 |
| Debt / acquisition | -6.7 | -6.7 | / |
| Other rec. / payables | -2.0 | -1.6 | -0.4 |
| WCR at constant scope | 25.5 | 29.0 | - 3.5 |
| Other change (non cash) | - | 0.5 | - 0.5 |
| Ellex scope entry | - | 12.0 | +12.0 |

Controlled cash flow generation



| (€m) | 2019 | H1 2019 | H1 2020 |
|---|--------------|-------------|--------------|
| Cash-flow from operations (before financial expenses and tax) | 19.9 | 6.5 | 2.7 |
| Change in working capital | -0.1 | -7.8 | -3.5 |
| Taxes paid | -0.3 | -0.2 | - |
| Operating cash-flow | 19.5 | -1.4 | -0.8 |
| Net cash-flow from industrial capex | -11.0 | -7.7 | -5.0 |
| Financial investments (incl. external growth) | - 6.1 | - | 54.0 |
| Cash-flow linked to capex | -17.1 | -7.7 | -59.0 |
| Balance before financing | 2.4 | -9.1 | -59.8 |
| Capital increase | 24.6 | 24.6 | 35.6 |
| Other change in shareholders' equity | 0.7 | 0.0 | -1.4 |
| Bank interest paid | -0.6 | -0.3 | -0.5 |
| Impact of capital from borrowings (receipts / payments) | 4.3 | 1.3 | 55.2 |
| Financing cash-flow | 28.9 | 25.4 | 88.7 |
| TOTAL CASH-FLOW | 31.2 | 16.3 | 28.9 |
| Cash at period-start (net of bank overdrafts) | 17.6 | 17.6 | 49.0 |
| Cash at period-end (net of bank overdrafts) | 49.0 | 33.8 | 77.7 |

Of which:

- Payment fraud impact: -€4.0m

| | |
|--------------------------|-----|
| QUANTEL MEDICAL building | 0.8 |
| Technical facilities | 1.0 |
| Development costs | 3.2 |

Total industrial capex 5.0

Of which:

- Ellex operation: €53.3m

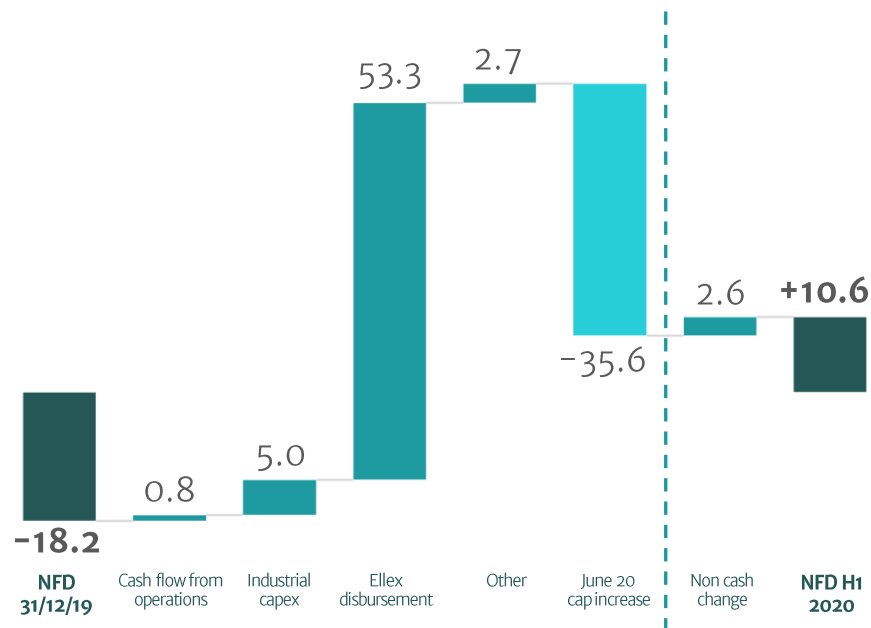
Of which:

- Acquisition facility draw-down: €29.9m
- Capex financing facility draw-down: €0.8m
- State guaranty facility (France+USA): €15.9m
- BPI facilities: €10.0m
- Repayments: - €1.4m

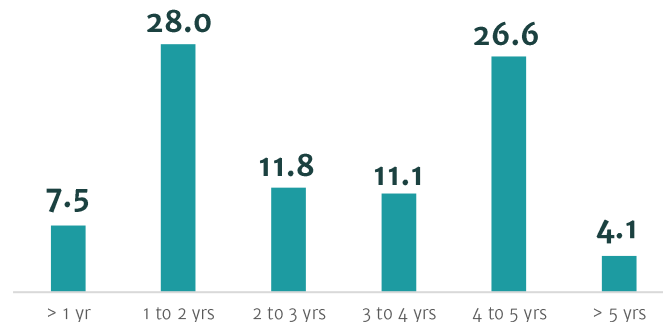
Healthy financial situation



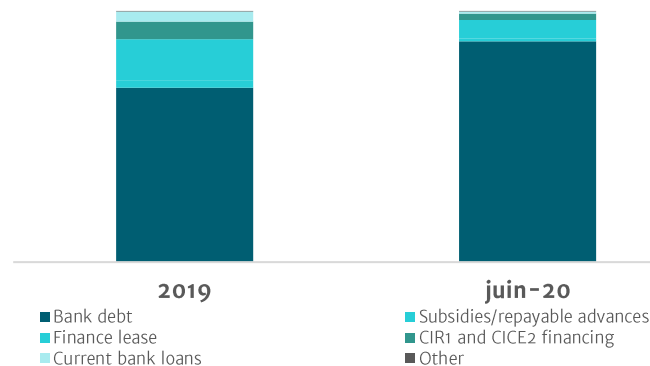
Change in net financial debt



Gross debt repayment schedule (€m)



Breakdown of gross financial debt



H1 2020 pro forma financials

(unaudited) / income statement



| At 30/06/2020 (€m) | Lumibird | Ellex | Pro forma |
|--------------------------|----------|-------|-----------|
| Revenues | 45.8 | 19.7 | 65.5 |
| Gross margin | 30.4 | 10.8 | 41.2 |
| % | 66.3% | 54.7% | 62.9% |
| EBITDA | 7.6 | 2.4 | 10.0 |
| Current operating income | 2.9 | 1.4 | 4.3 |



FOCUS : LUMIBIRD MEDICAL BRANDS INTEGRATION



OPTOTEK
medical



Major player for ophthalmology laser treatment and ultrasound diagnosis



2 core business lines

Treatment lasers



Diagnostic ultrasounds



4 areas of expertise

Glaucoma

Cataracts

Retinal pathologies

Dry eye

- > Strong longstanding competitive positions
- > Over 80,000 units installed to date

Global sales network

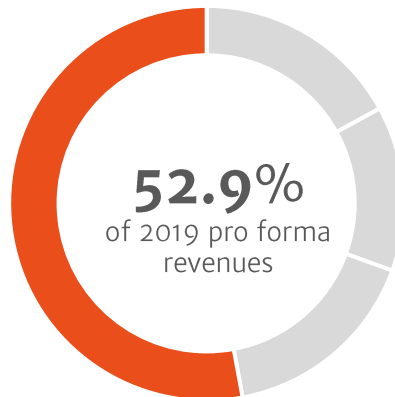


> 50% direct sales

3
production sites

Clermont-Ferrand
Ljubljana
Adelaide

Finished
products



+138% vs 2018

Benchmark operator with medical professionals worldwide

Synergies between brands

Serving growth and profitability

Medical division



1

Sharing R&D capability and manufacturing structures



2

Unifying the approach to clinical research in order to meet the current and future needs of the ophthalmologists



3

Matched market locations and successful culture of distribution (110 partners)



4

Strong branded products and complementary know-how of the ophthalmic market



5

Group integration synergies on purchasing and support functions (HR, IT and finance)



Update on the integration of Ellex

Implementation of synergies starting at Closing+0



Sales and marketing

- Unique direct sales force on the French and US markets set up in July
- Closure of unprofitable subsidiaries
- Joint presence at events
- Rationalisation of distribution networks
- Rationalisation of sales management

Technology

- Joint management of R&D teams
- Implementation of "obvious" common technical solutions
- Joint negotiation with major and standard suppliers

<< Ellex Machine Shop >>

- EMS: integrated machining of high value-added parts
- Immediate integration into the Group's purchasing strategy

Group financial reporting

- Daily reporting of all financial information



And implementation of economies of scale

A detailed view of a robotic arm in a cleanroom environment. The arm is silver and extends from the left towards the center. It is surrounded by numerous small, rectangular components and circular parts. In the background, a person in a blue cleanroom suit is visible. The overall scene is brightly lit and shows a high level of precision and cleanliness.

OUTLOOK

STRATEGY & OUTLOOK

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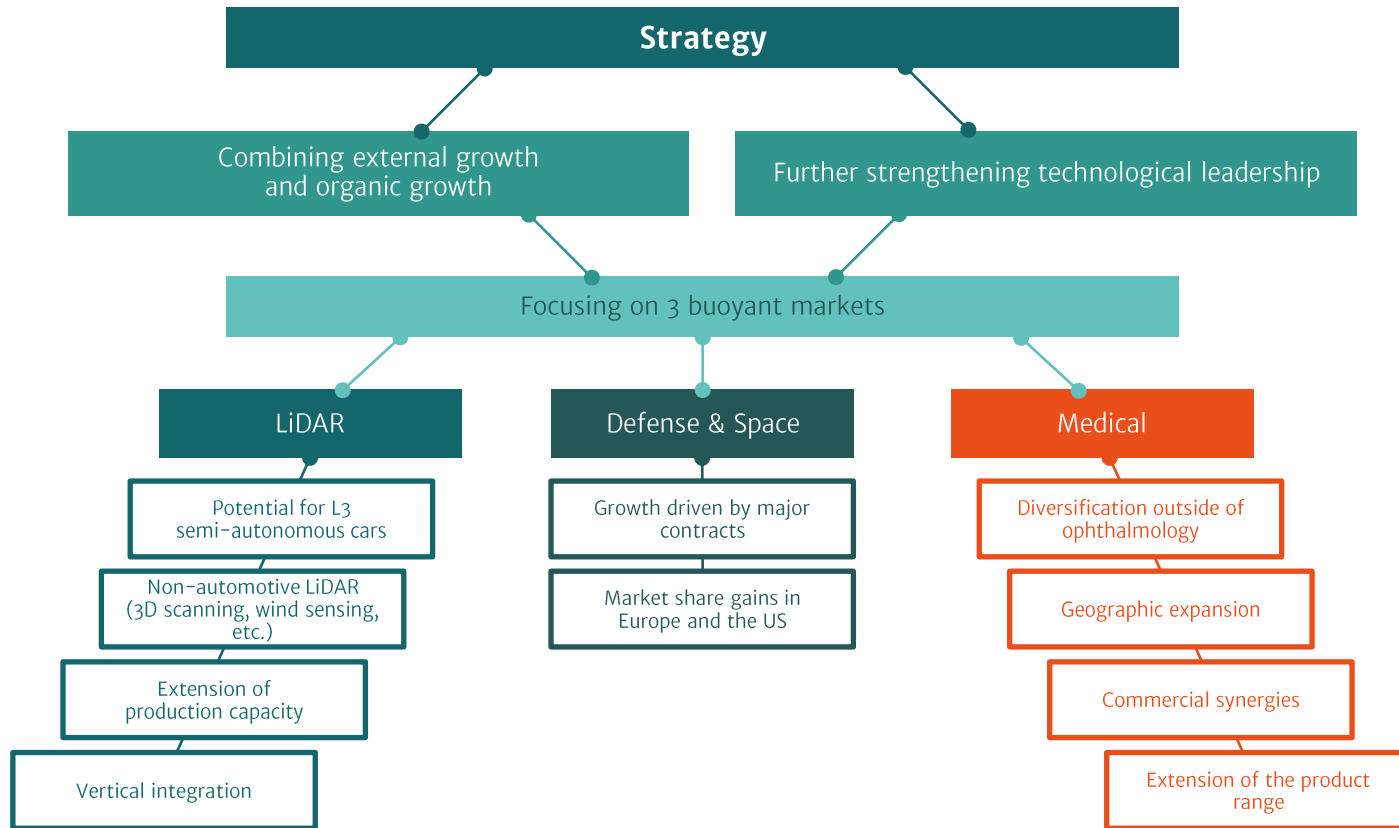
A long-term strategy based on both organic and external growth



Ambition for leadership, both technological and commercial, for the Laser and Medical sector:

- strengthening in the ophthalmology market – diagnostic and treatment – with a reinforced global presence;
- strengthening in the Lidar markets to accompany the development of the autonomous vehicle, wind power and 3D scanning markets;
- strengthening in the Defense and Space sectors to keep pace with the evolution of the sector in Europe and North America.

Strategic objectives





APPENDIX



Stock market profile



Share price 21/09/2020 10,50 €
Market cap 21/09/2020 236 M€
Listed Compartiment B
Eligible PEA, PEA/PME, SRD long-only

Shareholding structure



Share performance

since January 2017



2019 pro forma financials

(unaudited) / income statement



| At 31/12/2019 (€m) | Lumibird | Ellex | Pro forma |
|---|--------------|--------------|--------------|
| Revenues | 110.7 | 40.9 | 151.7 |
| Gross margin | 67.1 | 22.3 | 89.5 |
| % | 60.6% | 54.5% | 59.0% |
| External expenses | (14.0) | (7.6) | (21.6) |
| Salaries and payroll taxes | (32.2) | (12.2) | (44.4) |
| Other expenses or grants | 0.1 | 0.3 | 0.3 |
| EBITDA⁽¹⁾ | 21.0 | 2.7 | 23.7 |
| Amortization | (8.2) | (2.4) | 21.6 |
| Provisions and other net operating expenses | (0.5) | 0.3 | (0.1) |
| OPERATING INCOME | 12.3 | 0.6 | 12.9 |

(1) EBITDA corresponds to the Group's value-added, plus subsidies recognized in profit or loss, after deducting taxes and related payments, as well as staff costs

2019 pro forma financials

(unaudited) / balance sheet



| At 31/12/2019 (€m) | Lumibird | Ellex | Financing | Combination | Pro forma |
|----------------------|----------|-------|-----------|-------------|-----------|
| Total assets | 193.8 | 44.0 | 22.6 | (26.0) | 234.4 |
| Shareholders' equity | 124.9 | 26.0 | 3.0 | (26.0) | 124.9 |
| Gross financial debt | 32.1 | 8.6 | 22.6 | | 63.2 |
| Cash and equivalent | 50.3 | 7.0 | 22.6 | (62.5) | 17.3 |

Pro forma net financial debt at 31/12/2019

| At 31/12/2019 (€m) | Non current | Current | Total |
|-------------------------------------|-------------|---------------|-------------|
| Bank borrowings | 50.0 | 2.1 | 52.1 |
| Finance leases and rental contracts | 4.6 | 2.0 | 6.6 |
| Other debts | 1.4 | 3.1 | 4.5 |
| Gross financial debt | 56.0 | 7.2 | 63.2 |
| Cash and equivalent | - | (17.3) | (17.3) |
| Net financial debt | 56.0 | (10.1) | 46.0 |

Acquisition-related debt

| At 31/12/2019 (€m) | |
|--|---|
| Optotek | 5.1 |
| Ellex laser and ultrasound | 29.9 |
| Total acquisition-related debt | 35.0 |
| Interest ⁽¹⁾ | EURIBOR 3M + 1.65% |
| Repayable from Dec. 2020 | 5 equal instalments |
| Leverage ratio ⁽²⁾ : <3 at 31.12.19 (<2 at 31.12.22) | -1.1 (+1.7 pro forma) at 31.12.19 |
| Coverage ratio ⁽³⁾ : > 1 | 3.3 (unavailable in pro forma) at 31.12.19 |

(1) interest rate hedge to be implemented at 100% on 31.12.20

(2) leverage ratio : consolidated net debt / consolidated EBITDA

(3) coverage ratio : consolidated net cash-flow / debt service charge