



Investor Presentation

October 2020

Speakers



Marc LE FLOHIC
Chairman



Jean-Marc GENDRE
Deputy CEO



Aude NOMBLOT-GOURHAND
Secretary General – CFO



Pierre VALLALTA
Advisor Strategy & Finance

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%



Defense & Space

€8.6m

Laser

Lidar Sensors
€9,1m

Industrial & Scientific
€12.3m

€65.5m

30.0

35.5

pro forma H1 2020

Pro forma : integrating Ellex as of 1st January 2020

■ Laser ■ Medical

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

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



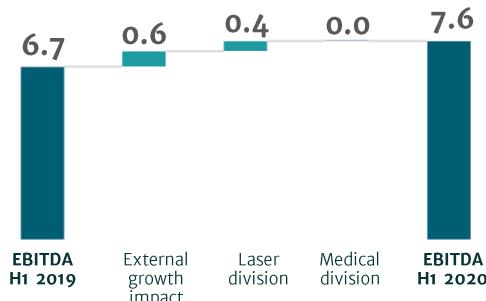
(€m)	H1 2019	H1 2020	Change in value	Change in %
Revenues	51.7	45.8	-5.9	-11.5%
Gross margin %	30.6	30.4	-0.2	-0.7%
EBITDA %	6.7	7.6	+0.9	+13.3%
Current operating income %	2.6	2.9	+0.3	+9.7%
Operating income	2.6	(2.1)	-4.7	-184%
Financial income and expenses	(0.3)	(0.5)	-0.2	+59.7%
Tax	(0.4)	0.7	+1.1	+264%
Net income %	1.8	(1.9)	-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

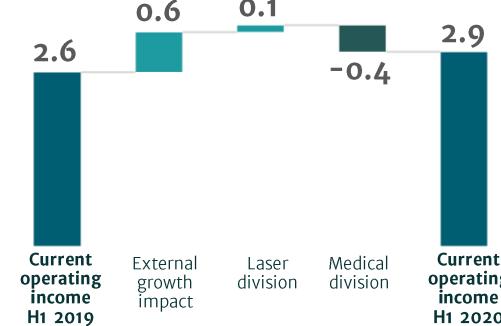


(€m)	Laser	Medical	TOTAL	Laser	Medical	TOTAL
Revenues	34.0	17.7	51.7	30.0	15.8	45.8
Gross margin %	20.6	10.0	30.6	20.5	9.9	30.4
EBITDA %	60.6%	56.5%	59.2%	68.3%	62.6%	65.5%
Current operating income %	4.7	2.0	6.7	5.7	2.0	7.6
	14.0%	11.2%	13.0%	18.9%	12.4%	16.7%
Current operating income %	1.6	1.0	2.6	2.3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

Change in EBITDA (€m)



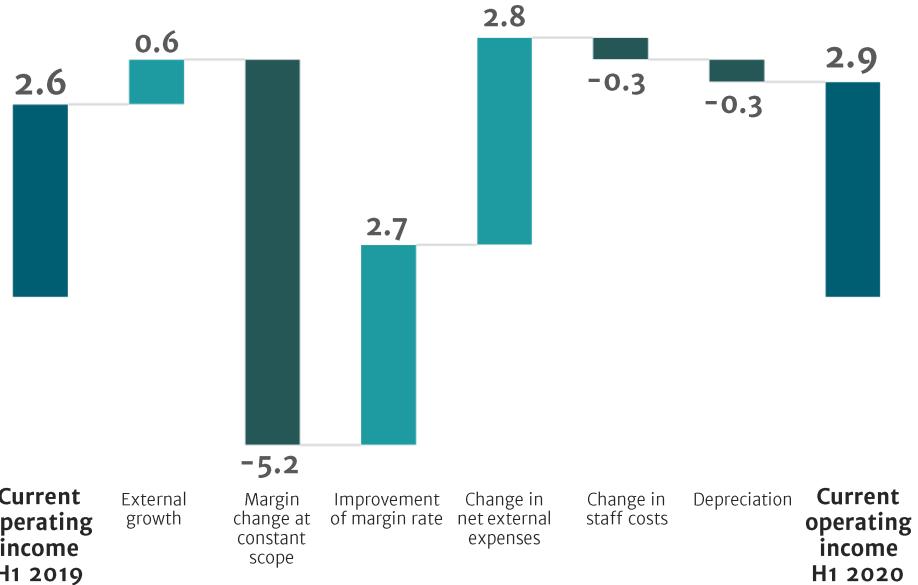
Change in Current operating income (€m)



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)	
Depreciation	-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	Non-current liabilities	92.4	1.8	34.5
Intangible assets	35.8	7.3	27.7	Non-current financial liabilities	81.7	0.8	25.0
Property, plant and equipment	20.8	6.1	13.9	Non-current provisions (incl. deferred tax)	2.9	0.3	2.5
Other non-current assets	8.9	0.1	8.8	Other non-current liabilities	7.7	0.7	6.9
Current assets	160.8	(31.1)	103.3	Current liabilities	46.9	10.4	34.3
Inventories	43.1	11.3	26.3	Current financial liabilities	7.5	0.6	17.5
Trade receivables	28.0	8.8	21.9	Current provisions	1.0	0.3	0.7
Other	11.2	2.1	4.9	Other current liabilities	38.4	9.5	16.2
Cash	78.6	(53.3)	50.3	TOTAL LIABILITIES	295.6	12.2	193.8
TOTAL ASSETS	295.6	12.2	193.8				



	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

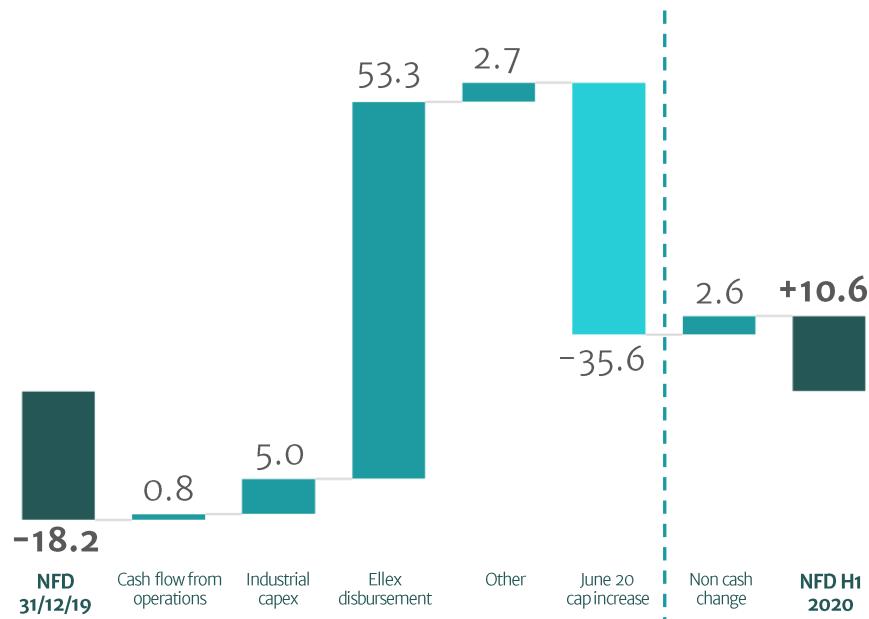
Of which:

- 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

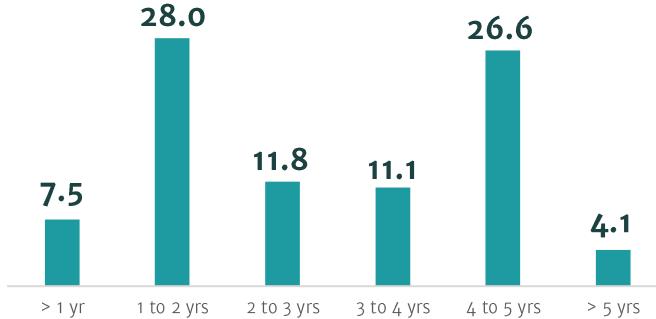
Healthy financial situation



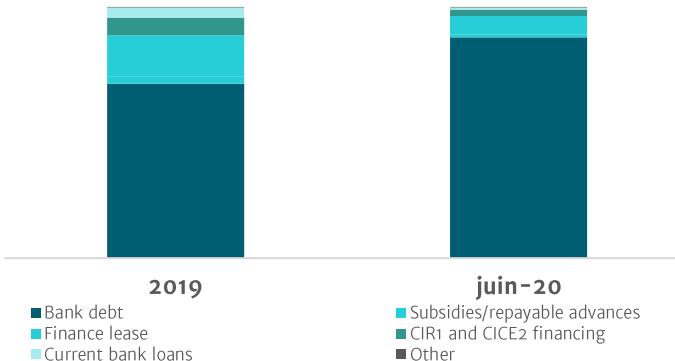
Change in net financial debt



Gross debt repayment schedule (€m)



Breakdown of gross financial debt



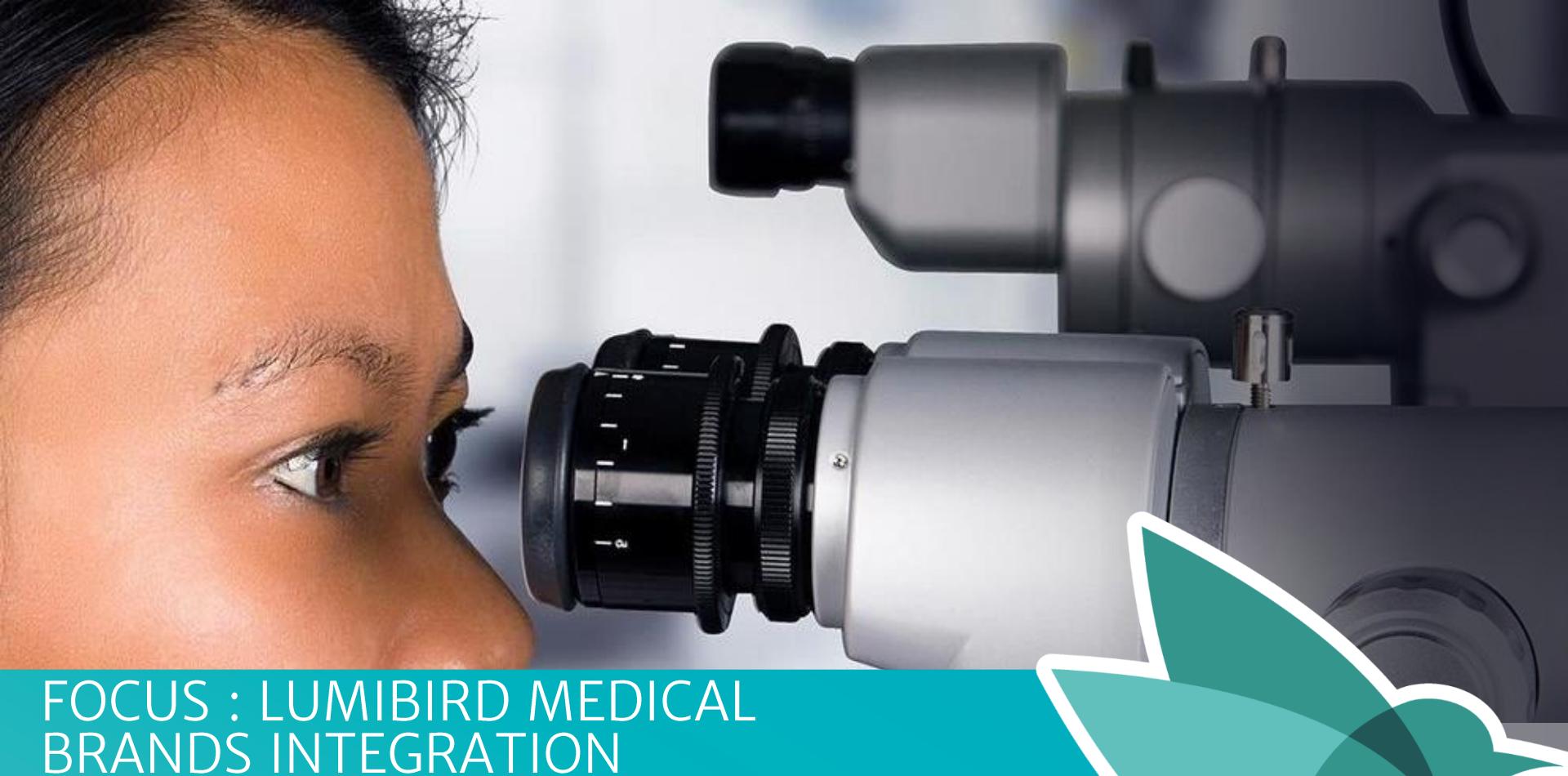
(1) CIR: research tax credit / (2) CICE: tax credit for employment and competitiveness

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

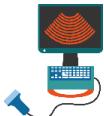


2 core business lines

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

52.9%
of 2019 pro forma revenues

+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



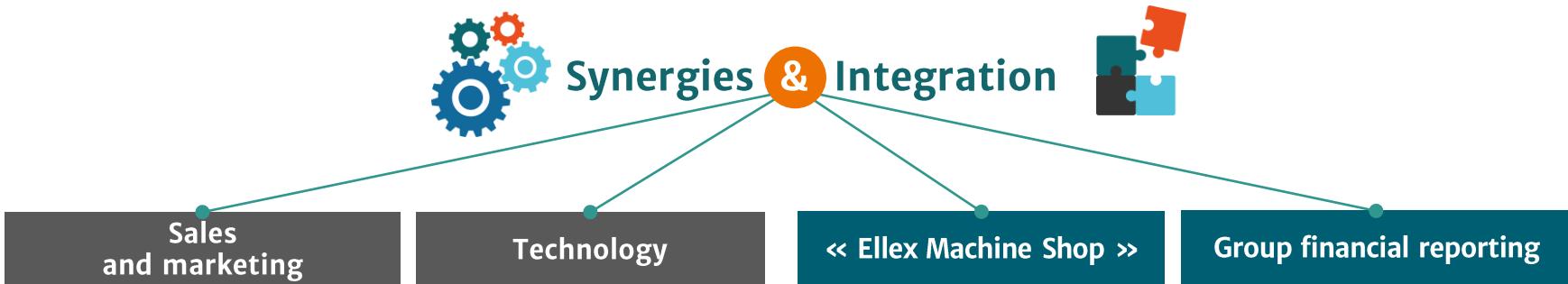
5

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



- 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

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

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

- Daily reporting of all financial information

And implementation of economies of scale

A high-angle aerial photograph of a massive industrial facility, likely a steel mill or refinery. The structure is a complex network of steel beams, pipes, and support columns, all painted in a light blue-grey color. In the center of the complex, a small, brightly lit rectangular opening reveals a worker in a blue uniform and white hard hat. The surrounding landscape is a mix of industrial buildings and open land under a clear sky.

OUTLOOK

STRATEGY & OUTLOOK

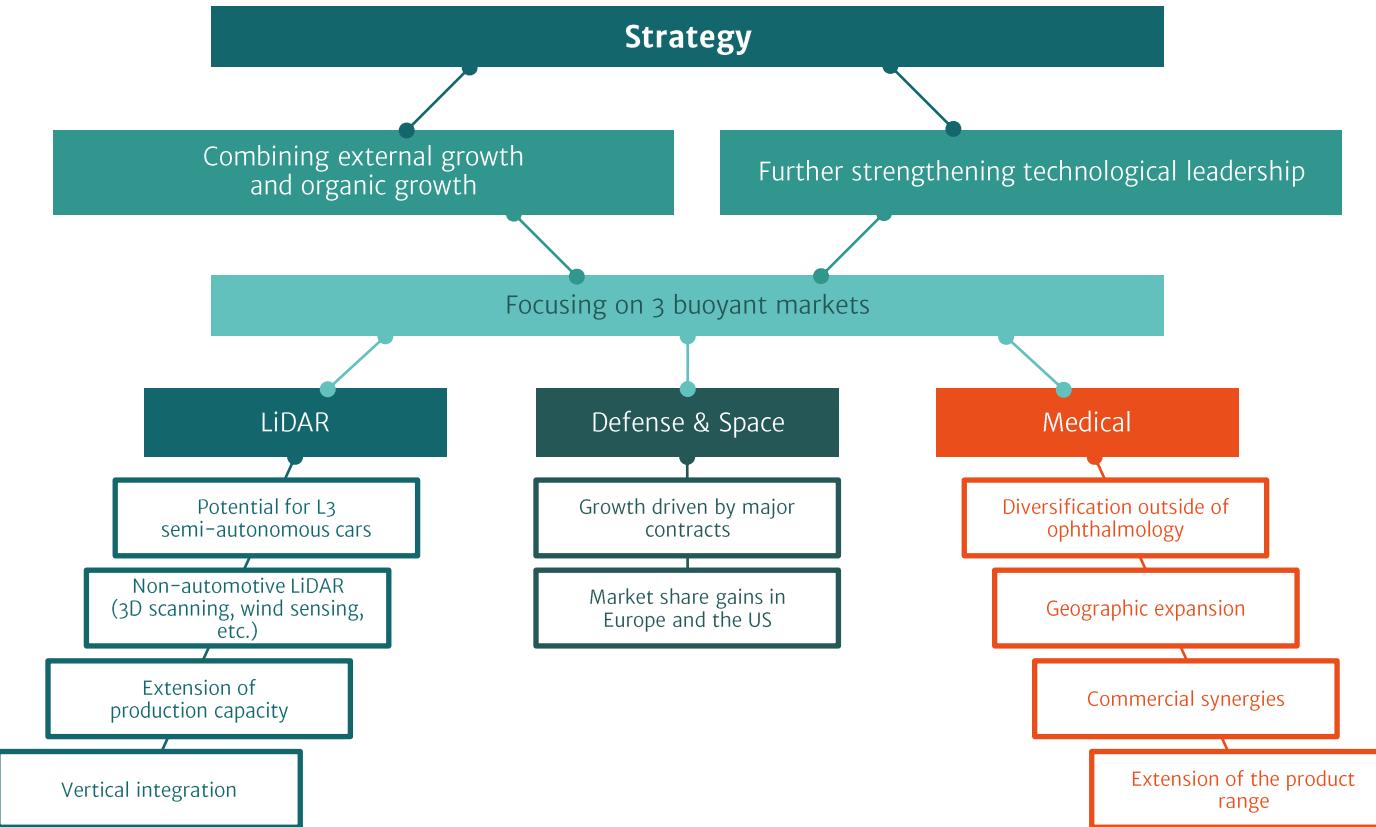
A long-term strategy based on both organic and external growth



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
Market cap 21/09/2020
Listed
Eligible

10,50 €
236 M€

Compartiment B
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
-1.1 (+1.7 pro forma)
(<2 at 31.12.22)
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