

Lannion, March 17, 2022 – 5:45pm

2021 EARNINGS: INITIAL TARGET ACHIEVED FOR AN EBITDA/REVENUE RATIO OF OVER 20%

- **EBITDA up 25% proforma to €32.6m (20.1% of revenues)**
- Continued increase in profitability for the Medical division, driven by the successful integration of Ellex
- Financial position adapted to the growth strategy

The LUMIBIRD Group, the European leader for laser technologies, achieved an EBITDA/revenue ratio of 20.1% in 2021, within the target range of 20% to 25%. This performance was supported by double-digit organic growth and an increase in the gross margin rate, particularly for the Medical division. After achieving this first target, LUMIBIRD is confirming its strategic objectives to double its reported revenues between 2020 and 2023, driven by organic and external growth, while increasing its EBITDA/revenue ratio within a 20%-25% range.

Extract from the condensed consolidated full-year financial statements approved by the Board of Directors on March 17, 2022

At 31 December (€m)	2020 reported	2021	Reported change		2020 Proforma ¹	Proforma change	
			Value	%		Value	%
Revenues	126.7	162.5	+35.7	+28%	146.7	+15.8	+11%
EBITDA	23.7	32.6	+26.5	+34%	26.1	+6.6	+25%
% revenues	18.7%	20.1%			17.8%		
Current operating income	14.1	19.8	+5.6	+40%	15.6	+4.2	+27%
% revenues	11.2%	12.2%			10.6%		
Operating income	8.7	19.1	+10.5		10.1	+9.1	
Pre-tax income	7.2	17.6	+10.4		7.1	+10.5	
Net income	5.6	13.9	+8.2		4.4	+9.5	

⁽¹⁾ Considering the acquisition of Ellex on 01/01/2020 – the acquisition of Essmed, not significant on the 2020 results, has not been restated in this proforma. The proforma 2020 information corresponds to the proforma information reported in chapter 4 - section 7 of the URD 2020, which has been subject to specific due diligence by the auditors, and specified in their report on the proforma 2020 financial information, chapter 4 - section 8 of the URD 2020.

Note: As the acquisition of Ellex on June 30, 2020 was a key development for the Group, it seemed more relevant to analyze the financial results for 2021 in relation to proforma results for 2020, i.e. considering **Ellex's acquisition as at January 1, 2020**. The acquisition of Essmed, not significant on the 2020 results, has not been restated in this proforma.

Proforma organic growth of 11%

The LUMIBIRD Group's consolidated full-year revenues came to €162.5m in 2021, up 28% based on reported data and +11% proforma, with strong growth for both Photonics and the Medical division.

In 2021, the Photonics division (+10.9% to €76.4m) was buoyed by the robust development of the Industrial and Scientific segment, and particularly OEM activities for flat screen and medical applications, with full-year revenues climbing 35% to €33.9m. The Lidar segment returned to growth in the second half of 2021 and closed out the year with a slight increase (+1% to €22.4m). As forecast, the Defense / Space segment contracted (-7% to €20.0m) due to the planned scaling back of the MegaJoule program, partially offset by the growth in non-contract sales.

The Medical division recorded 10.6% proforma growth to €86.1m, confirming the successful integration of Ellex and Optotek, characterized by the rapid activation of major commercial synergies. In 2021, these made it possible to ramp up the penetration of Quantel Medical's products on the world's top two markets for this sector: the United States and Japan.

Strong growth in profitability for the Medical division

Summary of results for each division

In €m	2020 proforma			2021		
	Photonic	Medical	TOTAL	Photonic	Medical	TOTAL
Revenues	68.8	77.9	146.7	76.4	86.1	162.5
EBITDA	14.3	11.8	26.1	16.1	16.5	32.6
% of revenues	20.8%	15.1%	17.8%	21.1%	19.2%	20.1%
Current op. income	8.0	7.5	15.6	8.7	11.1	19.8
% of revenues	11.7%	9.7%	10.6%	11.3%	12.9%	12.2%

With €32.6m of EBITDA, representing 20.1% of revenues, LUMIBIRD achieved its target for an EBITDA/revenue ratio of 20% to 25% in 2021. Income from ordinary operations came to €19.8m, representing 12.2% of revenues and a 27% increase compared with the 2020 proforma figure for income from ordinary operations.

This €4.2m increase in income from ordinary operations is linked primarily to:

- A €15.6m increase in the gross margin, reflecting the combined impact of growth in revenues and margins, with the Medical division making particularly strong progress (+€10.2m);
- An increase in staff costs limited to +€7.9m, taking into account the significant growth in the Group's structure, with its headcount climbing from 839 in 2020 to 914 in 2021;
- Effective control over external expenses (+€1.2m), reflecting the impact of the strategy to drive growing integration across the production facilities;

Operating income came to €19.1m, compared with a proforma 2020 figure of €10.1m. Income in 2020 included significant non-recurring expenses, primarily the cost of the payment fraud for €4.0m and the acquisition costs for the business combinations for €1.4m.

Pre-tax income came to €17.6m, after €1.5m of financial income and expenses, including €0.9m of foreign exchange gains.

Following a corporate income tax contribution of €(3.7)m, net income came to €13.9m, compared with €4.4m proforma in 2020.

Balance sheet position adapted to the growth strategy

Balance sheet highlights (€m)	2020	2021	Var.
Goodwill	69.2	70.3	1.1
Non-current assets (excl. Goodwill)	74.1	94.5	20.4
Current assets (excl. cash)	82.0	85.8	3.8
Cash and equivalents	80.3	97.1	16.8
TOTAL ASSETS	305.6	347.6	42.0
Shareholders' equity (Incl. minority interests)	163.7	181.3	17.6
Long-term financial liabilities ¹	71.5	97.9	26.4
Other long-term liabilities	13.0	10.5	(2.5)
Current financial liabilities	16.8	14.1	(2.7)
Current liabilities	40.6	43.8	3.2
TOTAL LIABILITIES	305.6	347.6	42.0

The balance sheet total increased from €305.6m in 2020 to €347.6m at December 31, 2021, linked mainly to the higher level of equity and financial debt.

- Shareholders' equity increased from €163.7m to €181.3m, primarily factoring in €13.9m of net income for the Group in 2021;
- Gross financial debt² rose from €88.3m to €112.0m, including the drawdown as planned on the bond line (+€22.5m), various drawdowns on backed lines aimed at aligning the maturity of debt with the underlying investments (+€15.8m), and repayments of bank borrowings for €18.1m.
- Taking into account €97.1m of cash assets at December 31, 2021 (versus €80.3m one year earlier), net financial debt at December 31, 2021 totaled €14.9m, compared with €8.0m at December 31, 2020.

This financial position is enabling the Group to maintain its financial flexibility and its capacity to continue financing its ambitions for growth.

Cash flow analysis

In €m	2020	2021
Net cash-flow from operations	13.1	26.6
Operating cash-flow before interests and tax	18.2	33.6
Change in WCR	(6.1)	(8.8)
Taxes paid	1.1	1.8
Net cash-flow from investing activities	(67.1)	(28.6)
Capital expenditures	(12.3)	(18.2)
External growth	(54.2)	(2.1)
Other financial assets investments	(0.6)	(8.3)

¹ Financial liabilities (current and non-current) include lease liabilities under IFRS 16.

² Gross financial debt corresponds to the sum of non-current financial liabilities and current financial liabilities, including lease liabilities under IFRS 16

Net cash-flow from financing activities	84.8	18.2
Capital increase	35.6	-
Net loans issuance	53.2	20.2
Financing cost	(1.4)	(2.2)
Other change	(2.6)	0.2
NET CASH FLOW³	30.7	16.1

Cash flow from **operating activities** came to €26.6m in 2021, largely covering the industrial investments (€18.2m), which primarily comprise investments in R&D (€10.7m), plant and equipment (€4.7m) and the acquisition of a private plane, for €3.9m, for transporting employees between the Group's various European sites. In addition, the Group recorded €8.3m of financial investments (primarily including the acquisition of a 37% capital stake in CILAS), while €2.1m correspond to the second payment installment for the acquisition of Halo Photonics.

Cash flow from financing activities (+€18.2m) reflects the ongoing work to optimize the Group's financial resources.

Outlook

In line with its global strategy, the Group's ambition, set out once again through its 2020-2023 roadmap, is to position itself as a leader - both technological and commercial - in the Photonics and Medical sectors, which results in:

- Further densifying its positions on the ophthalmology market – diagnosis and treatment – through a stronger global presence;
- Expanding its role as an original equipment manufacturer (OEM) for other operators in the medical sector;
- Further strengthening its positions on the LIDAR sensors markets, to support the development of the autonomous vehicle, wind power and 3D scanning markets;
- **Further strengthening its positions in the space and defense sectors, to support the sector's development in Europe and North America.**

Since the start of 2022, LUMIBIRD has recorded a good level of orders, for both Photonics, across its three segments, and the Medical business. Thanks to its strategy to ramp up integration for the manufacturing of its key components, the Group is significantly reducing its exposure to the sourcing difficulties that are affecting the manufacturing sector globally. LUMIBIRD has also been relatively unaffected by the geopolitical tensions in Ukraine and Russia, whether in terms of its sales (less than 2% of revenues), its purchases (sourcing secured for 2022) or its client risk.

The operation to acquire **Saab's rangefinder business assets in Sweden is moving forward in line with the schedule set when the deal was signed at the start of 2020 and is expected to be completed during the second quarter of 2022.** The investment in Cilas does not represent more than 37% of its capital for the moment, without a significant influence.

In this context, the Group is able to confirm its target for its reported revenues to exceed €250m in 2023, with the combined impact of organic and external growth. In terms of profitability, looking beyond the expected synergies, the Group's performance on purchases, supply chain rationalization and growing vertical integration are expected to contribute towards the target for the current EBITDA/revenue ratio to continue to grow within a 20%-25% range.

³ The cash position corresponds to "cash and cash equivalents" on the asset side of the balance sheet, net of current bank borrowings (cash liabilities) included in current financial liabilities on the liability side of the balance sheet

Next date: Q1 2022 revenues on April 25, 2022 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, ultrasound diagnostic) markets.

Born from the combination of Keopsys Group with Quantel in October 2017, LUMIBIRD has more than 870 employees and **over €162 million of consolidated revenues in 2021 and is present in Europe, America and Asia.**

LUMIBIRD shares are listed on the Euronext Paris B Compartment. FRO000038242 – LBIRD www.lumibird.com

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