

# H1 2022 results







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### SUMMARY

- **1** Strategic direction maintained
- **2** H1 2022 activity: continued steady growth
- **3** H1 2022 results: investing in the future
- 4 Outlook

# STRATEGIC DIRECTION

# A European leader in lasers with a worldwide presence



# Lidar



Study source: Source: Laser world four com, expert interviews, desk research

#### Structuring

- Reinforcement of production teams: +33 FTE (FRANCE)
- Strengthening of the R&D teams: + 15 FTE (+10 FRANCE & +5 CANADA)

#### R&D

- 23% of the Group's R&D effort
- Low cost laser, ADAS technology bricks

**LUMIBIRD positioning** Supplier of laser technologies to Lidar manufacturers and supplier of Lidar to Lidar integrators (from component to system)

### **Clients /** Targets:

- Lasers for Lidar : Start-up or industrial in ADAS, Robot-taxi, trains, buses, goods transport, logistics, agriculture, mining
- Lasers for 3D SCAN: Manufacturers/integrators who develop products for topography, mapping, surveillance
- Lidar for WIND SENSING: Research labs (meteorology) / universities, wind turbine manufacturers ۲

### **Production**:

**Expansion of the Lannion site** by 5,000m2 and construction of a fibre tower



# **Defence / Space**



### Structuring

**Production :** 

 Strengthening of production and R&D teams: +37 FTEs (+33 SWEDEN / +4 USA)

#### R&D

- 25% of the Group's R&D effort
- High energy laser, inter-satellite communication

#### LUMIBIRD positioning

LUMIBIRD's offer on the 3 main laser technologies: solid state, fibre, diodes – with lasers, amplifiers and lidar systems

### Clients / Targets:

• THALES, SAFRAN, MBDA, ARIANE, ESA, LEONARDO, US integrators

**Preparation for the transfer of** the Les ULIS site to COURTABEUF Fitting out of a new clean room (600m<sup>2</sup>) and more suitable premises (4,270 m2)



# Medical



### Structuring

- Strengthening of production teams: + 18 FTEs (mainly in France)
- Optimisation of commercial organisations (USA)

### R&D

- 29% of the Group's R&D effort
  - Development of the NÉO laser range
- New project in the management of glaucoma

### LUMIBIRD positioning

Development and manufacture of medical diagnostic and treatment systems for ophthalmology and point-of-care

### **Clients**:

• practitioners and hospitals in **110** countries worldwide

### **Production :**

#### Moving to the TOKYO site

Purchase of a new factory in Slovenia in H2-2022: €5m (acquisition + works). Sale of the current building for €2.5m







# **HIGHLIGHTS H1**

### H1 2022 sales at €84m (+11%)



#### • Growth at +11% in line with 2021

- +9% at constant scope and exchange rates

#### Scientific/industrial (+2%)

- Medical OEM and flat panel displays still dynamic: sales carried over to H2

#### Defense/Space (+1%)

- Stable over the half-year
- Lumibird Photonics Sweden (ex Saab) contribution still low (€0.4M)
- Lidar (+48%)
- Restarting ADAS projects
- Sales of Lidar systems pick up

#### • Medical (+11%)

- Good sales momentum in all geographical areas
- Development of direct sales (7 subsidiaries)

# Highlights of the half-year

 Protecting the future: Investments in H1 2022 to structure and support growth in H2 2022 and in the years to come.

Continued strong demand	Impact on the fin. statements as at 30.06
• Strong order book for H2 and 2023	<ul> <li>Temporary decline in EBITDA margin</li> <li>13.3% vs 19.0% in H1 2021</li> </ul>
Continued strategic investments	Gross Margin Resilience
	• 62.4% versus 63.1% in H1 2021
Increase in stocks to serve H2 and 2023 component supply context	<ul> <li>Increase in WCR</li> <li>Change in WCR = +€20.1m vs +€7.7m in H1 2021</li> </ul>
Human resources	<ul> <li>Of which Change in inventories: +€11.2 m in H1 22.</li> </ul>
<ul> <li>Increase in headcount (+14%) and payroll (+20%) to support H2 and 2023 growth and retain talent</li> </ul>	<ul> <li>Increase in capex</li> <li>€10.6m vs €4.8m in H1 2021</li> </ul>
Industrial / R&D resources	<ul> <li>Production facilities and R&amp;D</li> </ul>
<ul> <li>Investments on 3 sites: Lannion, Courtabeuf, Göteborg (closing of the Saab deal)</li> </ul>	

# **Finalization of the Saab deal**

#### Acquisition of the Saab Group's Defence Laser Rangefinder business

- 10m turnover 2021 (standalone)
- 33 employees
- Designation rangefinders for air, land and sea systems
- Solid state laser technologies



### Rapid synergies and integration

- Integration into a new subsidiary: Lumibird Photonics Sweden
- Extension of the range of short and long range laser rangefinders
- Immediate access to a wide range of European customers
- Supplier of key components to the group for 15 years

A first step towards a consolidation of the European market for defence lasers and rangefinders





### H1 2022 RESULTS: INVESTING IN THE FUTURE

### Key figures June 2022

(€m)	2021-June	2022-June		
		Value	Change	
Turnover	75.4	84.0	% +8.6 +11%	
Gross margin	47.6	52.4	+4.8 +10%	
%	63.1%	62.4%		
EBITDA <sup>(1)</sup>	14.3	11.2	(3.1) -22%	
%	19.0%	13.3%		
Current operating income	8.6	3.9	(4.7) -55%	
%	11.4%	4.6%		
Operating income	8.0	2.5	(5.5)	
Financial income and expenses	(1.1)	(0.4)	ns	
Тах	(1.8)	(0.9)	0.9	
Net income	5.1	1.2	(3.8)	
%	6.7%	1.5%		
Cash flow from operations	14.5	11.0	-3.5	
Net industrial capex paid	4.8	10.6	+5.8	
Net financial debt	9.8	49.2	+39.4	

(1) Gross operating profit (EBITDA) corresponds to current operating profit adjusted for allocations to provisions and depreciation net of reversals and expenses covered by said reversals

# Evolution of the operating profit by nature (€m)



# Focus on the evolution of expenses

#### Increase in external costs: + €2.7m

#### Travel expenses: €1.3m

- Resumption of post-Covid travel
- Finalisation of the ELLEX integration
- → Marketing: + €0.7m
  - Resumption of post-Covid-19 trade fairs
- Structuring effort: +€0.7m
  - Ad hoc advice
  - Recurrent services (IT)

#### Increase in personnel costs: +5.2 M

- • MEDICAL: + €2.1m
  - Strengthening of production teams + R&D
- PHOTONICS: + €3.1m
  - Strengthening of production teams + R&D
  - Strengthening management

Return of these expenses to a lower level than before COVID in the 2019 Proforma

# A structuring effort in the two divisions

	Photonics			Medical		
(€m)	2021-H1	2022-H1	Change (%)	2021 -H1	2022-H2	Change (%)
Turnover	34.7	38.7	+11.3%	40.7	45.4	+11.5%
Gross margin %	23.2 66.9%	2 <b>4.7</b> 64.0%	+6.4%	<b>24.4</b> 60.0%	27.7 61.1%	+13.6%
EBITDA <sup>(1)</sup> %	6.7 19.2%	3.7 9.7%	-43.8%	<b>7.6</b> 18.8%	7.5 16.4%	-2.4%
Current operating income %	<b>3.7</b> 10.7%	(0.8) (2.2)%	-123%	<b>4.9</b> 11.9%	<b>4.7</b> 10.4%	-3.1%







Evolution of the Current operating income – Medical (in  $M \in$ )



# From ROC to net income (Pdg)

(€m)	2021-H1	2022-H1	Change in value (Actual / FP)
Current operating income	8.6	3.8	(4.7)
Operating income	8.0	2.5	(5.5)
Financial result	(1.1)	(0.4)	+0.7
Taxes	(1.8)	(0.9)	+0.9
Net income	5.1	1.2	(3.8)

#### RO 2022 - impact of non-recurring items: - €1.4m

• Of which "Scope effect" cost: - €1.3m

#### **Financial result** :

Evolution of the financial result (published data) :

- €-0.3m: increase in average gross financial debt (€89.0m in 2021 / €114.9m in 2022)
- €-0,3m: Increase in the annualised debt rate (2.00% in 2021 / 2.47% in 2022)
- €+1,0m: Net foreign exchange gain on financial transactions

# Balance sheet as at 30 June 2022

ASSETS (€m)	31/12/2021	30/06/2022	LIABILITIES (€m)	31/12/2021	30/06/2022
Non-current assets	164.8	175.5	Equity	181.3	185.0
Goodwill	70.3	71.1			
Intangible assets	47.3	52.2	Non-current liabilities	108.4	105.8
Tangible assets	28.2	32.9	Non-current financial liabilities	97.9	96.4
Other non-current assets	19.0	19.4	Non-current provisions (incl. ID)	4.0	4.1
Current assets	182.9	181.8	Other non-current liabilities	6.5	5.3
Inventories	45.8	63.8	Current liabilities	57.9	66.5
Customers	30.8	35.1	Current financial liabilities	14.1	21.5
Other	9.1	14.3	Current provisions	1.3	1.5
Treasury	97.1	68.6	Other current liabilities	42.5	43.5
TOTAL ASSETS	347.6	357.3	TOTAL LIABILITIES	347.6	357.3

	31/12/21	31/12/2022
Gross financial debt (excluding passive cash)	110.8	116.4
Passive cash	1.2	1.4
Active cash	-97.1	-68.6
Cash	-95.9	-67.2
Net financial debt	14.9	49.2



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### Cash flow generation dedicated to securing the future

M€	2021-S1	2022-S1
ash flow (before financial expenses and taxes)	14.5	11.0
hange in WCR	(7.7)	(20.1)
Taxes disbursed	1.3	(1.0)
Dperating cash flow	8.1	(10.2)
		+
Net flows on industrial capex	(4.8)	(10.6)
inancial investments (excluding external growth)	(0.5)	(0.4)
xternal growth	(2.3)	(7.2)
Cash flow from capex	(7.7)	(18.2)
		=
Balance before Financing	0.4	(28.4)
oan capital effect (cash inflow/disbursement)	(0.1)	1.3
Capital increase	-	-
Other changes in equity	(0.1)	(0.7)
bank interest disbursed	(0.8)	(1.3)
Cash flow financing	(1.0)	(0.7)
TOTAL CASH FLOW	(0.6)	(29.1)
Exchange rate effect	0.3	0.6
Cash and cash equivalents at the beginning of the period (net of point loans)	79.1	79.1
Cash and cash equivalents at the end of the period (net of pank loans)	78.8	67.2



# A financial situation adapted to the growth strategy

**Evolution of the net financial debt** 



#### Liquidity situation

Gross debt: Active cash: Net financial debt:	€117.8m €68.6m €49.2m
Net gearing:	26.6%.
Leverage ratio:	1.7 (< 3.50)
Available acquisition debt:	€82.5m

Gross debt repayment plan (in €M)





# Outlook 2022

### Continued organic growth :

- Acceleration of growth in H2
- Absorption of part of the order book

### **Recovery of profitability in H2**

- Strong volume effect with accelerated growth
- Continued gradual price increases

### **Continuity of investment**

• R&D

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- Production
- CSR

# Confirmation of 2023 targets

Doubling of turnover

Organic growth: 8 to 10% per year

 External growth: targeted on the growth markets of Lidar, Defence and Medical

Increase Profitability

> Integration, synergies, industrialisation, verticalisation

€250m TURNOVER 2023

**20 to 25%** EBITDA

Recruiting, supporting and retaining talent as part of a policy of continuous progression of LUMIBIRD's Corporate Social Responsibility



### Appendix

# **Stock market profile**

Price at 21/09/2022: €17.6 Capitalisation at 21/09/2022: €395m Listed in Compartment B PEA, PEA/PME, SRD long-only eligibility

# Share performance since January 2017





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