

ANNUAL RESULTS 2023

- EBITDA margin⁽¹⁾ of 17% (reported basis) and 18% excluding Convergent, higher than previously announced targets
- Last year of the transformation plan, with the modernisation and rationalisation of our industrial facilities. After 3 years of heavy investment and structuring, adjustments to expenses have been made at the end of 2023 with the closure of the Ottawa (Canada) and Leigh (UK) sites.
- Growth trajectory reaffirmed, with the aim of improving operational efficiency and profitability

The Lumibird Group, European leader in laser technologies, improved its reported EBITDA by 10% to €34.5m (+15% to €36.1m excluding the acquisition of Convergent). This performance reflects tight cost control against a backdrop of sales growth. As the Group is positioned and structured to continue to absorb growth in its markets, the improvement in profitability should continue in the years ahead.

Extract from the condensed consolidated annual financial statements approved by the Board of Directors on 12 March 2024

at 31 December (in €m)	2022	2023 reported		Change %
Sales figures	191.0	203.6	+12.6	+6.6%
EBITDA⁽¹⁾	31.3	34.5	+3.2	+10%
% SALES	16.4%	17.0%		
Profit from recurring operations	16.4	18.5	+2.1	+13%
% SALES	8.6%	9.1%		
Operating profit	17.3	12.2	(5.1)	-29%
Profit before tax	14.4	7.5	(6.9)	-48%
Net income	11.4	7.1	(4.3)	-38%

⁽¹⁾ EBITDA corresponds to recurring operating income adjusted for charges to provisions and depreciation, net of reversals, and expenses covered by such reversals.

Dynamic markets in a complex economic context

Business in 2023 was buoyant across all the markets addressed by Lumibird, particularly in the Defence/Space segment, which saw strong growth. However, growth was held back at the beginning of the year by reduced production capacity due to site redevelopments, and at the end of the year by postponed sales for regulatory or administrative reasons affecting the Medical division.

The Photonics division grew by +7.8% (+7.4% excluding Convergent and at constant exchange rates).

The Defence/Space segment, driven by growing demand and an attractive range of very high-tech products, including a majority of active components produced within the Group, grew by 30.9% to

€39.4m (+34.5% at constant exchange rates). A significant 3-year contract worth €20 million was signed in September 2023 for the supply of laser rangefinders for airborne applications.

The Lidar segment fell by 7.5% to €24.1m (down 6.1% at constant exchange rates). Lidar activities continue to grow strongly in the wind energy sub-segment, where Lumibird sells its Lidar systems directly, while there has been a one-off downturn in the 3D Scan sub-segment, although this does not call into question the strong growth prospects for this market.

In Industrial and Scientific activities, the Group ended the year at €37.4m, stable at -0.1% (-5.0% excluding Convergent and at constant exchange rates). Sales generated by the Convergent business acquired at the end of August 2023 are included in Industrial and Scientific activities. They amounted to €2.7m in 2023 over 4 months.

The Medical division reported sales growth of 5.5% over the year to €102.8m (up 7.6% at constant exchange rates), held back by the postponement of sales to 2024 for regulatory reasons (delay in marketing authorisations) and administrative reasons (new purchasing policy for public hospitals in China). The breakdown of sales between diagnostics (23%) and treatment (77%) is similar to previous years.

The currency effect had a negative impact on sales of €4.5m over 2023, split between Photonics (€2.4m) and Medical (€2.1m).

Improved profitability in both divisions

Summary of results by division

In €M	Photonics			Medical		
	2022	2023	Change (%)	2022	2023	Change (%)
Sales figures	93,5	100.8	+7.8%	97,4	102,8	+5,5%
Gross margin %	58,1 62,2%	63.2 62.7%	+8.7%	59,8 61,3%	62,4 60,7%	+4,3%
EBITDA ⁽¹⁾ %	14,2 15,2%	15.9 15.8%	+12.2%	17,1 17,6%	18,6 18,1%	+8,4%
ROC %	4,7 5,1%	5.9 5.8%	+24.2%	11,6 11,9%	12,6 12,3%	+8,4%

⁽¹⁾ EBITDA corresponds to recurring operating income adjusted for charges to provisions and depreciation, net of reversals, and expenses covered by such reversals.

Against a backdrop of persistent inflationary pressures, the Group's gross margin is stable in 2023, to 61.7% from 61.8% a year earlier (slight increase to 62.1% excluding Convergent). The use of purchases via brokers in 2022 to secure supplies still had a significant residual impact this year, particularly for the Medical division. By the end of 2023, this residual impact had been fully absorbed.

. On a reported basis, including the recent acquisition of Convergent, EBITDA rose by 10% to €34.5m, i.e. 17.0% of revenues. Convergent contributed negatively by -€1.6m to EBITDA. EBITDA margin excluding Convergent rose by almost +2 pts (from 16.4% to 18.0%). This increase was achieved by controlling external and personnel costs in both divisions.

For the moment, the improvement in profitability is more marked in the Photonics division (EBITDA margin of 17.9% excluding Convergent, compared with 15.2% in 2022) than in the Medical division (18.1% compared with 17.6% in 2022), which is still impacted by the residual additional purchasing costs associated with the shortages in 2022.

The currency effect had a negative impact on EBITDA of €0.9m over 2023, split between Photonics (€0,5m) and Medical (€0,4m).

On a reported basis, recurring operating income stands at €18.5m, compared with €16.4m in 2022. Convergent's contribution to recurring operating income is negative at -€2.4m. Excluding Convergent, recurring operating income stands at €20.9m.

For Lumibird, 2023 was the last year of the transformation plan, with the modernisation and rationalisation of its industrial facilities. After 3 years of strong investment and structuring, at the end of 2023, Lumibird entered an optimisation phase through a programme to adjust its workload structure. Lumibird has repatriated the activities of its Ottawa (Canada) and Leigh (UK) sites to Lannion. Operating profit includes non-recurring expenses relating to this reorganisation of the Lidar division, the relocation of the Les Ulis site and changes in the scope of consolidation totalling €6.3m (compared with non-recurring income of €0.9m in 2022). Against a backdrop of rising interest rates, net financial income, restated for the non-cash foreign exchange impact of the revaluation of current accounts, amounts to €3.5m, stable compared with 2022 (€3.2m) thanks to the optimisation of financial income. After corporation tax of €0.3m (compared with €3.1m in 2022), reported net profit is €7,1m. Excluding Convergent, it stands at €9.2m.

Cash flow: continued high levels of investment

In €M	2022	2023
Cash flow from operating activities	1,4	20,7
<i>Of which MBA before tax and finance costs</i>	30,1	26,9
<i>Of which Change in WCR</i>	(29,2)	(4,8)
<i>Of which tax paid</i>	0,5	(1,5)
Cash flow from investing activities	(29,3)	(46,2)
<i>Of which Industrial investment</i>	(20,7)	(25,3)
<i>Of which external growth</i>	(8,1)	(20,6)
<i>Of which other financial assets</i>	(0,6)	(0,3)
Cash flow from financing activities	(7,9)	21,7
<i>Of which capital increase</i>	-	-
<i>Of which net new financing</i>	(3,6)	28,7
<i>Of which debt servicing</i>	(2,9)	(3,9)
<i>Of which other changes</i>	(1,4)	(3,2)
CHANGE IN CASH AND CASH EQUIVALENTS²	(35,8)	(3,8)

Against a backdrop of continuing growth but easing tensions over supplies, working capital requirements were kept under particularly tight control over the year, increasing by just €4.8m.

2023 was again a year of heavy investment in industrial facilities, in particular for the completion of the fibre optic manufacturing unit at Lannion. Net capital expenditure in 2023 amounted to €25.3m, compared with €20.7m the previous year. Cash flow from external growth amounted to €20.6m. The 2023 investment programme was financed both by cash generated by operations and by bank loans.

¹ This amount includes €12.4m of research and development expenditure capitalised in accordance with IAS 36.

² Cash corresponds to "cash and cash equivalents" on the assets side of the balance sheet, net of bank overdrafts (passive cash) included in current financial liabilities on the liabilities side. It is presented before currency change impact.

Balance sheet position

As a result of the investments made, net financial debt rose from €52.5m at 31.12.22 to €88.9m at 31.12.23. It comprised €145.1m in gross financial debt and €56.2m in cash and cash equivalents.

Lumibird retains a solid financial position, with gearing of 46% and a leverage ratio of 2.6.

Extract from the consolidated balance sheet (in €m)	31.12.2022	31.12.2023
Goodwill	69,9	72,6
Non-current assets (excluding goodwill)	114,9	135,3
Current assets (excluding cash)	125,5	141,1
Cash and cash equivalents	61,7	56,2
TOTAL ASSETS	372,0	405,2
Equity (including minority interests)	193,4	193,3
Financial liabilities ³ non-current	48,6	128,6
Other non-current liabilities	10,1	9,2
Current financial liabilities	65,6	16,5
Current liabilities	54,3	57,6
TOTAL LIABILITIES	372,0	405,2

Outlook

After 3 years of heavy investment, Lumibird is better positioned than ever to take advantage of the buoyant trends in its markets, with an adapted product offering and a capacity for innovation and production strengthened by the growing integration of key technologies. The maturity achieved in terms of organisation also means that the Group can continue to work on adjusting its cost structure, to optimise profitability.

Against this backdrop, the Group expects to achieve growth at constant perimeter in excess of 8% and to continue improving its profitability.

Next publication: Q1 2024 sales on 22/04/2024, after close of trading.

LUMIBIRD is one of the world's leading laser specialists. With 50 years' experience and expertise in solid-state, diode and fibre laser technologies, the Group designs, manufactures and distributes high-performance laser solutions for scientific (research laboratories, universities), industrial (production, defence/space, Lidar sensors) and medical (ophthalmology, ultrasound diagnosis) applications.

The result of the merger in October 2017 between the Keopsys and Quantel Groups, LUMIBIRD, with more than 1,000 employees and over €203.6m in sales by 2023 is present in Europe, America and Asia.

LUMIBIRD shares are listed in compartment B of Euronext Paris. FR0000038242 – LBIRD

www.lumibird.com

LUMIBIRD has been a member of Euronext Tech Leaders since 2022.

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³ Financial liabilities (current and non-current) correspond to financial debts and include lease debts in accordance with IFRS16.