PRESS RELEASE

Lannion, September 26, 2023 – 5:45pm

## 2023 HALF-YEAR EARNINGS

- **Gross margin maintained at a high level (> 60%)**
- **EBITDA [1] of €13.8m, up 23% on H1 2022**
- **Gradual absorption of inflationary impacts**
- **2023 objectives confirmed**

**The LUMIBIRD Group, the European leader for laser technologies is reporting a sharp increase in current operating income for the first half of 2023, driven by solid growth and a reduced impact from inflationary pressures. The strong seasonal pattern seen in recent years is set to be repeated in 2023, with sales and earnings expected to rise sharply in the second half of the year compared with the first.**

**Extract from the condensed half-year consolidated financial statements approved by the Board of Directors on September 26, 2023**

| At 30 June (€m) | H1 2023 | H1 2022 | Change | |
|---|---|---|---|---|
| | | | Value | % |
| **Revenues** | **97.2** | **84.0** | **+13.2** | **+16%** |
| **EBITDA** [1] | 13.8 | 11.2 | 2.6 | +23% |
| *% revenues* | *14.2%* | *13.3%* | | |
| **Current operating income** | **6.0** | **3.9** | **2.1** | **+55%** |
| *% revenues* | *6.2%* | *4.6%* | | |
| **Operating income** | 2.7 | 2.5 | 0.2 | +9% |
| **Pre-tax income** | (0.1) | 2.1 | (2.2) | 104% |
| **Net income** | **0.5** | **1.2** | **(0.6)** | **-60%** |

[1] *EBITDA corresponds to recurring operating income adjusted for charges to provisions and depreciation net of reversals and expenses covered by such reversals.*

## Sustained growth maintained during the first half of 2023

The LUMIBIRD Group's consolidated revenues came to €97.2m at June 30, 2022, up 16% (+17% like-for-like and at constant exchange rates). These figures confirm the trend, with double digit growth for both divisions: +19% for the Photonics division and +13% for the Medical division.

- In the first semester, the Photonics division grew by +19% (+21% at constant exchange rate). Compared to the first half 2022, the Defence and Space line of business grew by +63%. This strong performance is partly driven by the laser rangefinder business developed in Sweden since May 2022, which contributed €6.5m (versus €0.4m at end of June 2022) over a total of €16.7m for this market segment. The Defence/Space segment is also progressing, thanks to product deliveries for several satellite constellation deployments. The Lidar segment rose by 29% in the first half, driven by increased production capacity at Lannion and continued strong market demand. Lastly, Industrial & Scientific activities are back on their growth trajectory, with growth of +2% in the 2nd quarter, after revenues were held back at the start of the year by the move to the new Villejust site.

- The Medical division grew by +13% to €51.3m (+14% at constant exchange rates). The division's sales are split between Diagnostic (24%) and Treatment (76%). Boosted by new products launches in several market segment (Dry Eye, NEO Range laser for Glaucoma and Cararact) and multiples new product registration (China (SFDA), USA (FDA), India...)

## Contributions for the two divisions

### *Summary of results for each division*

| (€m) | Photonics | | | Medical | | |
|---|---|---|---|---|---|---|
| | 2022-H1 | 2023-H1 | Change (%) | 2022 –H1 | 2023-H1 | Change (%) |
| **Revenues** | 38.7 | 45.9 | +18.8% | 45.4 | 51.3 | +12.9% |
| **Gross margin** | 24.7 | 29.9 | +21.0% | 27.7 | 30.9 | +11.5% |
| % | 64.0% | 65.2% | | 61.1% | 60.3% | |
| **EBITDA** | 3.7 | 5.9 | +58.1% | 7.5 | 7.9 | +6.2% |
| % | 9.7% | 12.9% | | 16.4% | 15.4% | |
| **Current op. income** | (0.8) | 0.7 | -186.2% | 4.7 | 5.2 | +11.3% |
| % | (2.2)% | 1.6% | | 10.4% | 10.2% | |

The Group's gross margin rate rose slightly to 62.6%, from 62.4% in H1 2022. The rate for the Photonics division rose from 64.0% to 65.2%, as a result of a positive product mix effect. For the Medical division, the rate fell slightly from 61.1% to 60.3%, mainly due to a less favourable product mix, the exchange rate, and the limited impact of price increases due to the absorption of the 2022 order book in the first few months of 2023. The latter effect means that purchasing cost rises are partially passed on to prices in both divisions.

During the first half of 2023, LUMIBIRD recorded €13.8m of EBITDA, representing 14.2% of revenues, compared with 13.3% one year earlier, thanks to the combined effect of sales growth and lower additional costs linked to inflationary pressures. Purchases from brokers, for example, have not been renewed in 2023 and the cost of orders placed in 2022 was limited to €750k in the first half.

This increase in overall profitability is particularly marked in the Photonics division (EBITDA margin of 12.9% compared with 9.7% in H1 2022) with the stabilization of the cost base across the year. The profitability of the Medical division's profitability fell slightly (15.4% vs. 16.4% in H1 2021) due to investment in new product registrations and product launches which will expand geographical markets in the coming months.

First-half income from ordinary operations came to €6.0m, compared with €3.9m for the first half of 2022 due to strong revenue performance combined with a stabilized cost base.

Following -€2.8m of financial income and expenses (vs -€0.4m in H1 2022 mainly due to unfavorable exchange rate effects on intra-group financial debts with no cash effect for the Group) and +€0.6m of taxes (vs -€0.9m in H1 2022), net income totaled €0.5m, compared with €1.2m for the first half of 2022.

## Cash flow: continued strategic capex investments and normalisation of WCR

| (€m) | 30/06/2022 | 30/06/2023 |
|---|---|---|
| **Net cash-flow from operations** | **(10.2)** | **6.4** |
| *Operating cash-flow before interests and tax* | *11.0* | *10.5* |
| *Change in WCR* | *(20.1)* | *(2.9)* |
| *Taxes paid* | *(1.0)* | *(1.2)* |
| **Net cash-flow from investing activities** | **(18.2)** | **(15.1)** |
| *Capital expenditures* | *(10.6)* | *(14.0)* |
| *External growth (Securities and assets)* | *(7.2)* | *(1.1)* |
| *Other financial assets investments* | *(0.4)* | - |
| **Net cash-flow from financing activities** | **(0.7)** | **(3.2)** |
| *Capital increase* | - | - |
| *Net loans issuance* | *1.3* | *0.7* |
| *Financing cost* | *(1.3)* | *(1.6)* |
| *Other change* | *(0.7)* | *(2.4)* |
| **NET CASH FLOW [1]** | **(29.1)** | **(11.9)** |

Working capital is stabilized despite strong business growth, against a backdrop of easing tensions over components. Investing flows include capitalized development costs amounted for €6.1m (compared with €4.4m at end-June 2022) and the investments in industrial facilities for €7.9m (€6.2m at end of June 2022), of which €6m was invested in the expansion of the Lannion, Ljubljana and Villejust sites. During the first half of the year, total cash requirements, for €11.9m, were covered by existing cash.

## Balance sheet position

| Balance sheet highlights (€m) | 31.12.2022 | 30.06.2023 |
|---|---|---|
| Goodwill | 69.9 | **68.7** |
| Non-current assets (excl. Goodwill) | 115.0 | **122.9** |
| Current assets (excl. cash) | 125.4 | **132.9** |
| Cash and equivalents | 61.7 | **49.6** |
| **TOTAL ASSETS** | 372.0 | **374.2** |
| Shareholders' equity (incl. minority interests) | 193.4 | **188.6** |
| Long-term financial liabilities [2] | 48.6 | **103.7** |
| Other long-term liabilities | 10.1 | **8.6** |
| Current financial liabilities [2] | 65.6 | **13.3** |
| Current liabilities | 54.2 | **60.0** |
| **TOTAL LIABILITIES** | 372.0 | 374.2 |

Net financial debt totaled €67.4m at June 30, compared with €52.5m at December 31, 2022. It comprises €117.0m of gross financial debt and €49.6m of cash assets,

[1] 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 /passive)
[2] The acquisition debt (€ 49.9m) was reclassified as current at 31/12/2022 in accordance with IAS1. To date, financial debt is reclassified as due in more than one year

Despite this temporary increase in net debt, LUMIBIRD still benefits from a robust financial position, with gearing of 36.3%, enabling the Group to maintain its financial flexibility and its capacity to continue financing its ambitions for external growth.

## Outlook

Lumibird's long-term strategy is to grow through organic activity and acquisitions.

For the second half, with seasonal trends favouring business at the end of the year, the Group expects its workload to be sustained by a robust order book and strong level of demand.

In this context, the Group is confirming its objectives[3] for 2023: on the basis of the 31 December 2022 consolidation scope, organic growth of greater than 8% per annum and an EBITDA margin (excluding Convergent Photonics) of at least 20%- including a strong seasonal effect between the first and second halves of the year.

The Group continues to explore external growth opportunities; however, it does not expect to finalize an acquisition in the remaining 4 months of the year.

**Next date:**

Q3 2023 revenues on October 24, 2023 after close of trading

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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 1 050 employees and over €191 million of consolidated revenues in 2022 and is present in Europe, America and Asia.

**LUMIBIRD shares are listed on the Euronext Paris B Compartment. FR0000038242 – LBIRD** www.lumibird.com
**Since 2022, LUMIBIRD is part of Euronext *Tech Leaders***

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[3] In accordance with prospectus regulations and proforma information, the company has decided to disclose its revenues targets on an organic basis and its Ebitda targets on a like-for-like basis.