



LUMIBIRD
MORE THAN LASERS

Half-year results 2023



Speakers



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Chairman



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1. LUMIBIRD in brief

Lumibird, a global laser player

H1 2023 – 30 June 2023

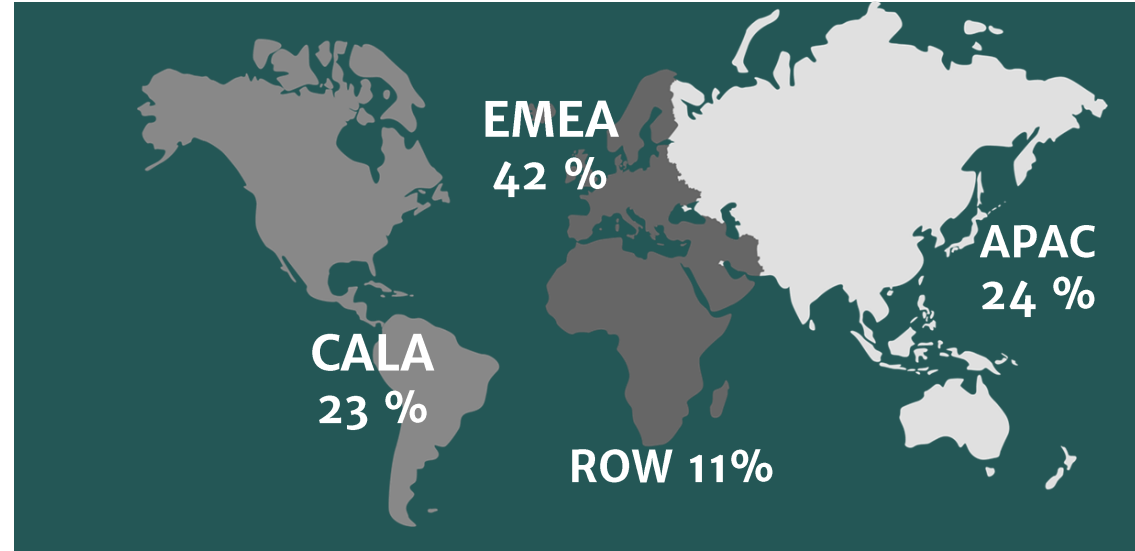
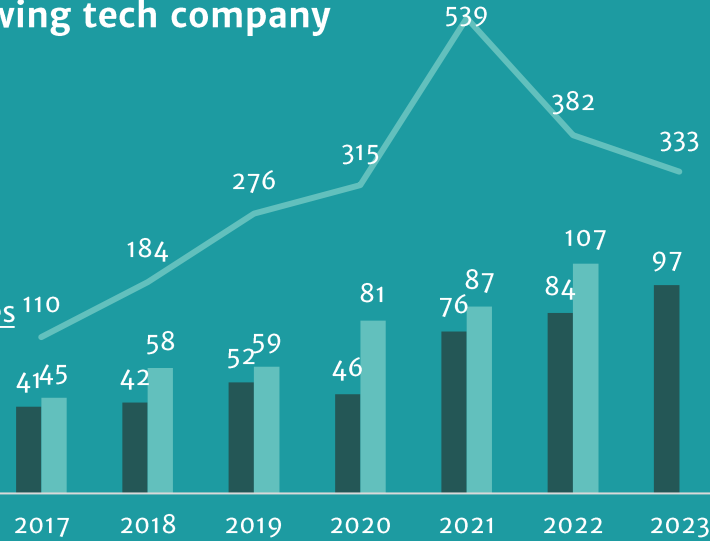
A fast-growing tech company

Market cap
(M€)

Conso revenues
(M€)

H2

H1



13
production
and R&D
sites

Presence in
+110 countries



Share of
Export sales

≈1,050
Average headcount
2023

Photonics

Lasers and laser systems for
industrial integrators, R&D centres
and universities

€45.9m +19 %
47% of H1 2023 sales

Medical

Medical systems
for practitioners

€51.3m +13 %
53% of H1 2023 sales

Published data – €m

Lumibird's markets



MEDICAL OPHTHALMOLOGY

53% of H1 2023 sales

54% of H1 2022 sales

Diagnostic and treatment systems



Diagnosis



Treatment



Glaucoma / Retina / Cataract/Dry Eye

Innovative medical and ophthalmological solutions, from diagnosis to laser treatment

PHOTONICS

47% of H1 2023 sales

46% of H1 2022 sales

Components / Sources / Systems



**LIDAR
CIVIL**



LIDAR wind detection
for remote sensing

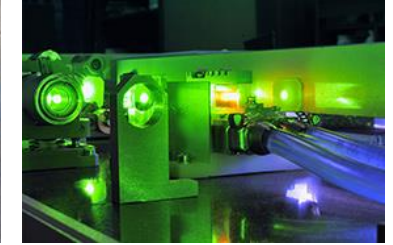
Time of Flight &
Rangefinder



**DEFENCE
& SPATIAL**



Semiconductor lasers
and dyes



**INDUSTRIAL
& SCIENTIFIC**

Laser diodes, diode
modules and components

Fibre lasers and
amplifiers



2. Highlights H1 2023



Highlights H1 2023 Revenue



A sustainable growth business ...

- Growing markets
- Positioning Lumibird's offer to suit the market
- Product registrations in H1 leading to new market opportunities in H2 and beyond
- Launch of new Medical products
- Strong sales growth for Lumibird Photonics Sweden

... in a changing environment

- Delayed deliveries due to the modernisation and expansion of the Lannion, Villejust and Ljubljana sites (Q1 2023)
- Inflation
- Postponement of deliveries by industrial clients in USA

Impact on H1 2023 accounts

- Strong sales growth (+16%)
 - Growth in historical business (+€7.0m)
 - Contribution from Lumibird Photonics Sweden (+€6.1m)
- Strong order books – Medical and Photonics
- Seasonality in 2023 equivalent to 2022: H2 2023 sales will be higher than H1 2023 sales

Highlights H1 2023



An inflationary context

- Sustained inflation in H1 2023
- Impacted by the brokers used in 2022 to secure supplies of components during the shortage (H1 2023 impact = €750k)
- Limited impact of higher selling prices in H1 2023 due to backlog
- OPEX to support the development of the medical sector (launch of new products in 2023)

...high added value activities

- Technological positioning to maintain margins
- Stabilisation of external and personnel costs in the photonics branch (excluding Lumibird Photonics Sweden)

Impact on H1 2023 accounts

- Margin rate stabilised in H1 2023 vs. H1 2022 : 62.6% vs 62.4%
- EBITDA margin up (14.2% vs. 13.3%)

Highlights H1 2023



Continued strategic investment

• Industrial resources

- New sites at Villejust and Ljubljana come on stream
- Work on the fibre tower in Lannion is nearing completion; before the acceptance phase
- Refocusing the R&D team on new product development vs supply qualification in H1 2022

• External growth

- Signing of the CONVERGENT deal with integration in H2 2023 (closing on 31/08/2023)

Impact on H1 2023 accounts

• Implementation of the investment plan

- CAPEX: €14.0m vs. €10.6m in H1 2022
- Of which development costs: €6.1m vs. €4.4m in H1 2022

• Investment financing

- €11.3m at 30/06
- Additional funding planned for H2 2023



3. Results June 2023



Medical

MEDICAL OPHTHALMOLOGY 53% of H1 2023 sales

Development and manufacture of medical systems



H1 2023
SALES
€12.3m
(+14% vs H1 22)



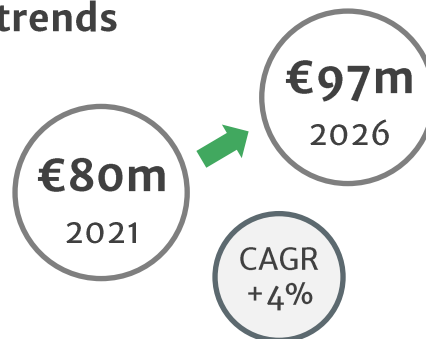
Diagnosis

for ophthalmology
and interventional
imaging

Customers :

- Ophthalmologists and optometrists in private practice or in hospitals
- In 110 countries worldwide

Market trends



H1 2023
SALES
€39.0m
(+12% vs H1 22)



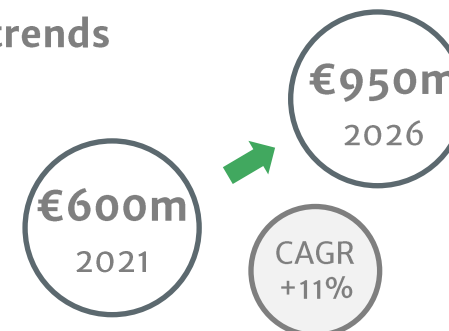
Treatment

for ophthalmology
and OEM Medical

Customers :

- Ophthalmologists and optometrists in private practice or in hospitals
- Suppliers of medical lasers (OEM Medical)
- In 110 countries worldwide

Market trends



MEDICAL

MEDICAL / OPHTHALMOLOGY

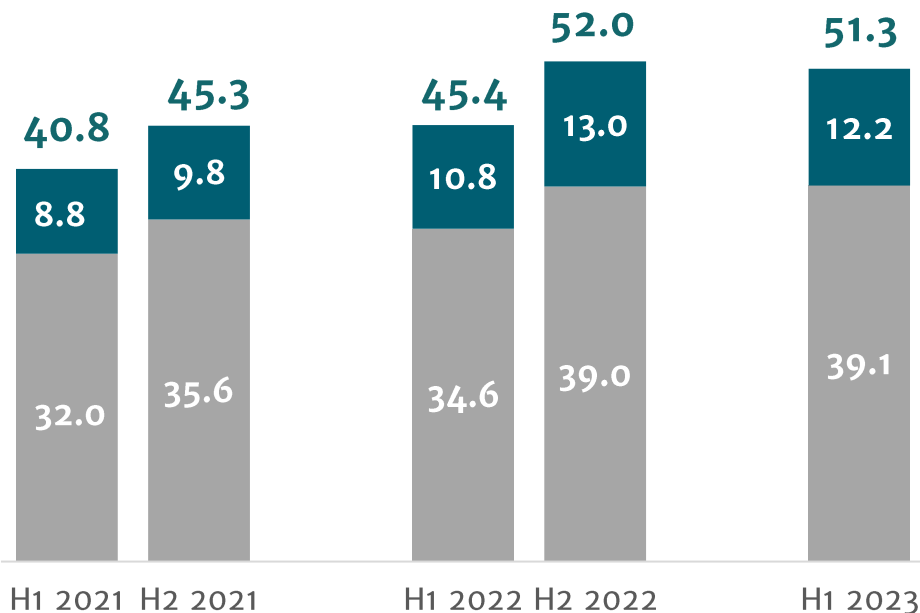
Glaucoma / Retina / Cataract



Diagnosis

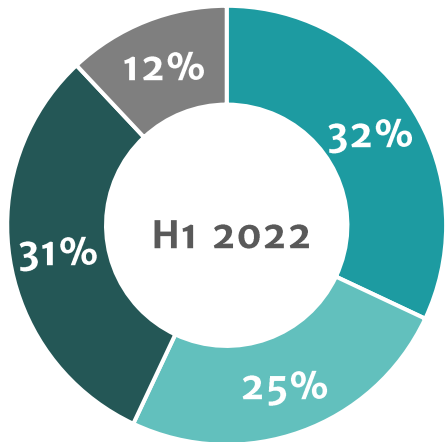


Treatment

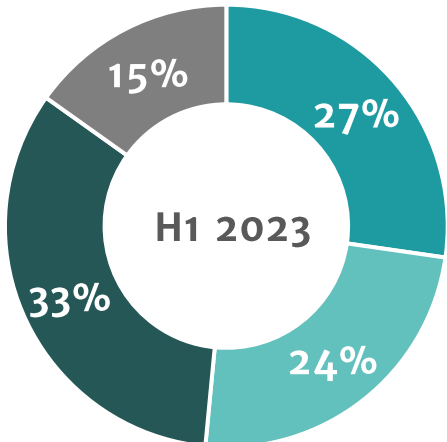


Medical (+13%)

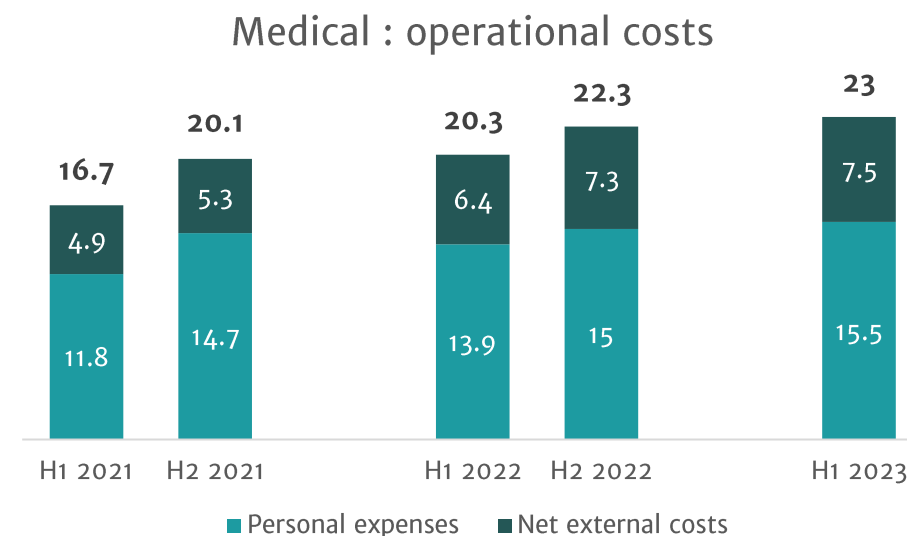
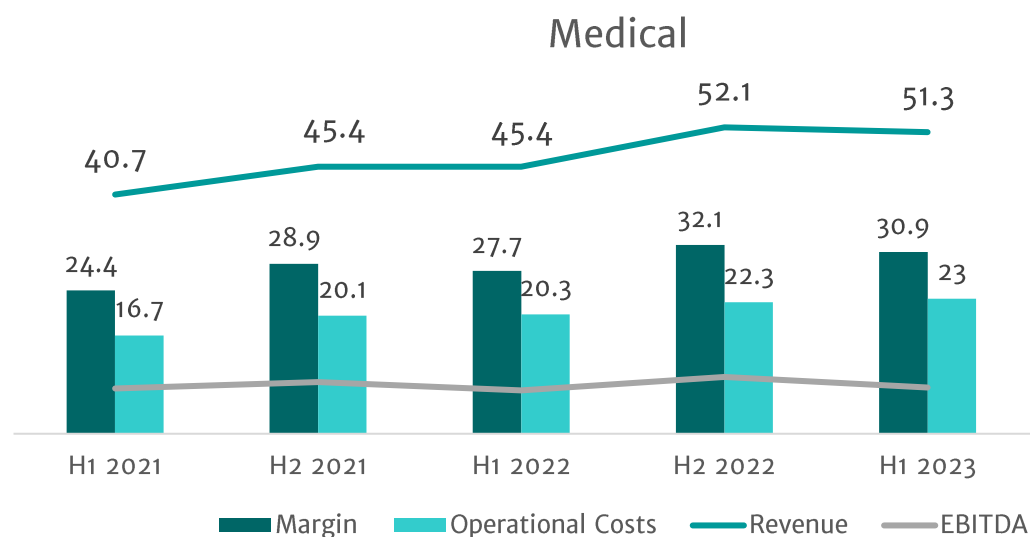
- Strong growth in Europe (+21%), and good performance in Japan
- Sales in the United States (-5%) were penalized by the currency effect and the delayed release of new products due to registration delays.
- Dynamic growth underpinned by :
 - ✓ The launch of new products in several market segments: dry eye, NEO laser range for glaucoma and cataract
 - ✓ Multiple new product registrations (Japan, China, USA, India)



■ CALA
■ APAC
■ EMEA
■ ROW



MEDICAL



In €M	Medical		
	2022	2023	Change (%)
Sales figures	45.4	51.3	+12.9%
Gross margin	27.7	30.9	+11.5%
%	61.1%	60.3%	
EBITDA	7,5	7,9	+6.2%
%	16.4%	15.4%	

Published data – €m

Stability of cost base supporting growth in an inflationary 1st half



Photonics

PHOTONICS

H1 2023 SALES
€14.2m
(+29% vs H1 2022)

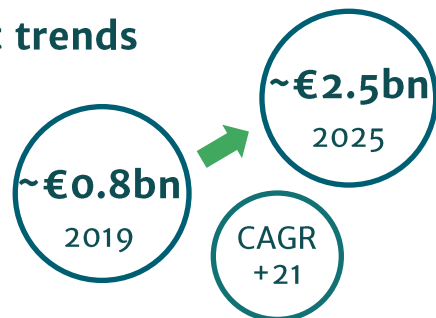


Laser for Lidar manufacturers
and Lidar systems for civilian integrators

Customers :

- Lasers for 3D SCAN: Manufacturers/integrators who develop products for topography, mapping, surveillance, etc.
- Lidar for WIND SENSING: Research labs (meteorology) / universities, wind turbine manufacturers
- Lasers for Lidar: ADAS start-ups and manufacturers, robotic taxis, trains, buses, goods transport, logistics, agriculture, mining, etc.

Market trends



H1 2023 SALES
€16.7m
(+63% vs H1 2022)

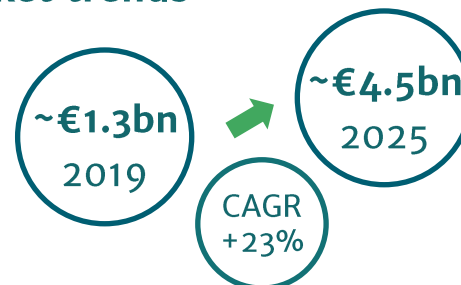


Components, lasers and systems

Customers :

- Defence integrators in Europe and the USA
- Space integrators in Europe and the USA

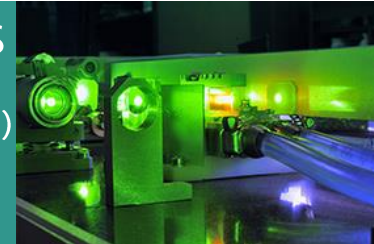
Market trends



47% of H1 2023 sales

H1 2023 SALES
€15.1m
(-13%* vs H1 2022)

* Due to manufacturing
capacity constraints

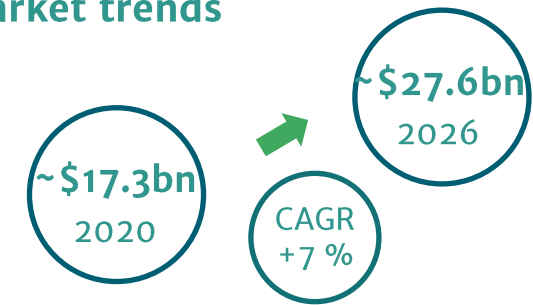


Components and lasers

Customers :

- Industrial: for flat screen repair/telecoms/laser sources for medical treatments
- Laboratories/Universities: Materials resistance measurement/materials analysis

Market trends



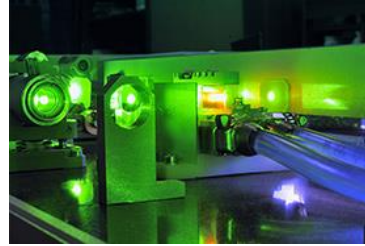
PHOTONICS



**LIDAR
CIVIL**



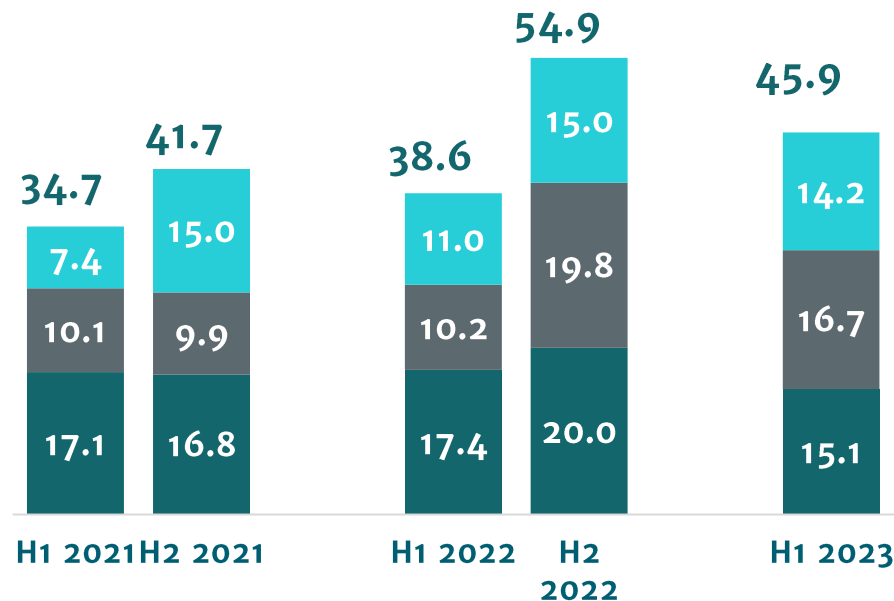
**DEFENCE
& SPATIAL**



**INDUSTRIAL
& SCIENTIFIC**

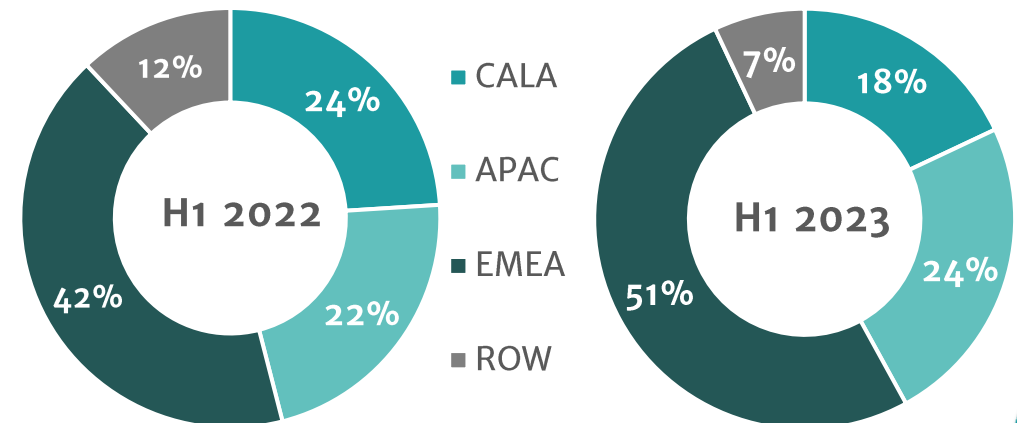


1. Civil Lidar
2. Defence & Space
3. Industrial & scientist



Photonics (+19%)

- Strong growth in Europe (+45%) driven by France and Sweden
- Sales in the United States (-9%) were adversely affected by the currency effect and by the postponement of deliveries by certain industrial customers over the next 12 months.
- ✓ Civil Lidar(+29%)
 - Strong market demand
 - Increased production capacity at the Lannion site
- ✓ Defence/Space (+63%)
 - Contribution Lumibird Photonics Sweden (ex Saab) €6.5m
 - Deliveries of products for the deployment of satellite constellations
- ✓ Industrial & Scientific/(-13%)
 - +2% in Q2 after a Q1 disrupted by the relocation of the Ulis site, postponement of deliveries, site manufacturing constraints

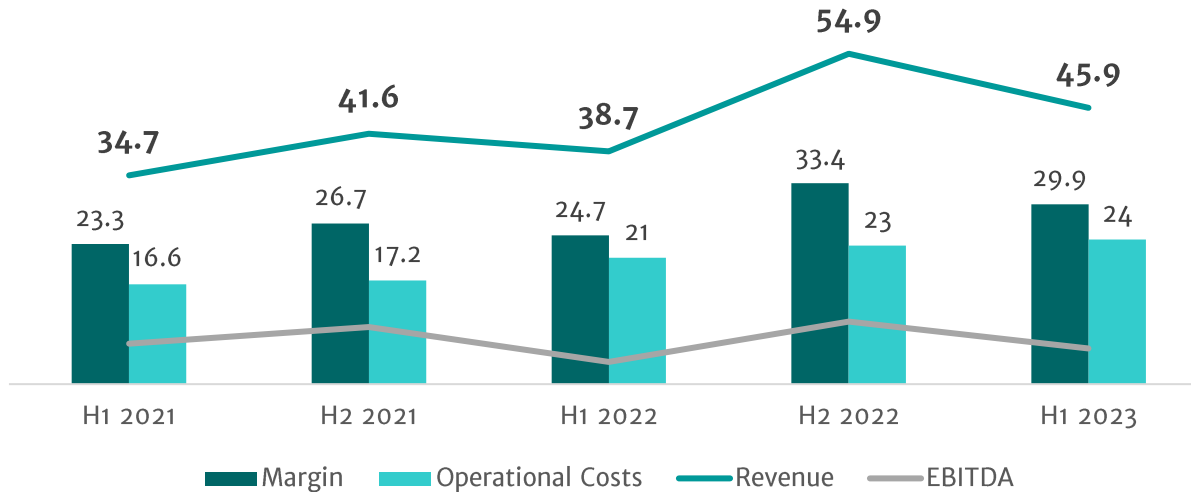


Published data – €m

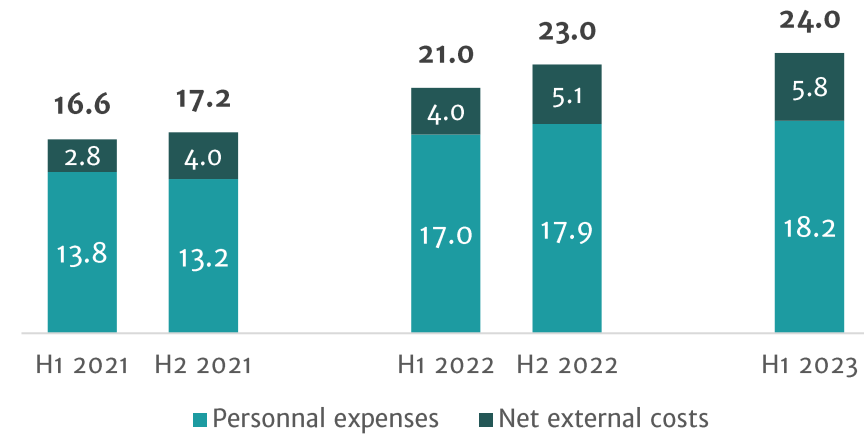
PHOTONICS



Photonics



Photonics : operational costs



In €M	Photonics		
	2022	2023	Change (%)
Sales figures	38.7	45.9	+19.0%
Gross margin %	24.7 64.0%	29.9 65.2%	+21.0%
EBITDA %	3.7 9.7%	5.9 12.9%	+58.1%

Published data – €m

Stability of cost base supporting growth in an inflationary 1st half



Results



Key figures for 2023



In €M	H1 2022	H1 2023	
		Value	Variation %
Sales figures	84.0	97.2	+13.2 +16%
Gross margin	52.4	60.8	+8.4 +16%
%	62.4%	62.6%	
EBITDA⁽¹⁾	11.2	13.8	+2.6 +24%
%	13.3%	14.2%	
ROC	3.9	6.0	+2.1 +55%
%	4.6%	6.2%	
RO	2.5	2.7	+0.2
Net financial income	(0.4)	(2.8)	(2.4)
Tax	(0.9)	+0.6	+1.5
Net income	1.2	0.5	(0.7)
%	1.5%	0.5%	
Cash flow from operations (CFO)	11.0	10.5	(0.5)
Net industrial capex	10.6	14.0	+3.4
Net financial debt	49.2	67.4	+ 18.2

(1) EBITDA corresponds to recurring operating income restated for charges to provisions and depreciation, net of reversals and expenses covered by these reversals.
net of write-backs and expenses covered by these write-backs

From EBITDA to net profit



In €M	H1 2022	H1 2023	Change in value (Actual / FP)
EBITDA	11.2	13.8	2.6
ROC	3.9	6.0	2.1
RO	2.5	2.7	+0.2
Net financial income	(0.4)	(2.8)	(2.4)
Tax	(0.9)	0.6	+1.5
Net income	1.2	0.5	(0.7)

ROC H1 2023 - increase in depreciation + €0.6m vs H1 2022

- Impact of investment policy (R&D, buildings, equipment)

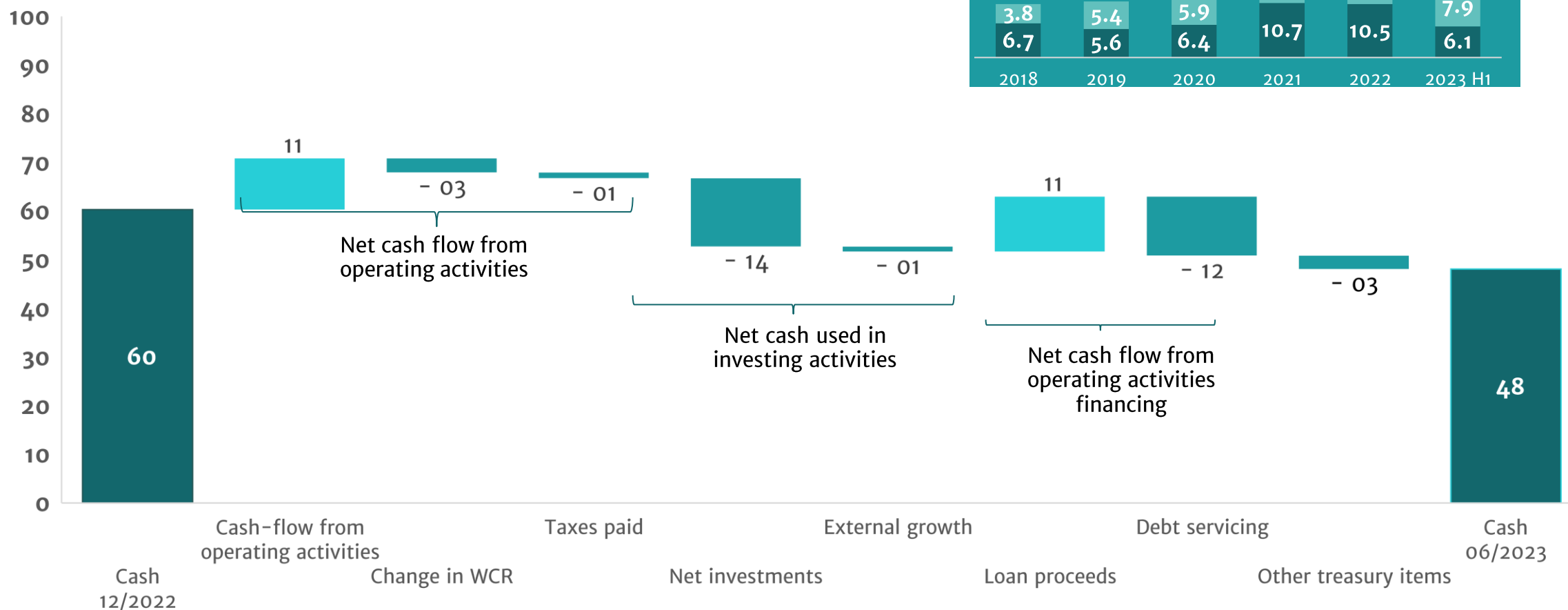
RO H1 2023 - impact of non-recurring items: -€3.3m

- Closure of the Les Ulis site, including legal fees - €1.8m
- M&A Costs - €1.5m

Net financial expense H1 2023 : -€2.8m

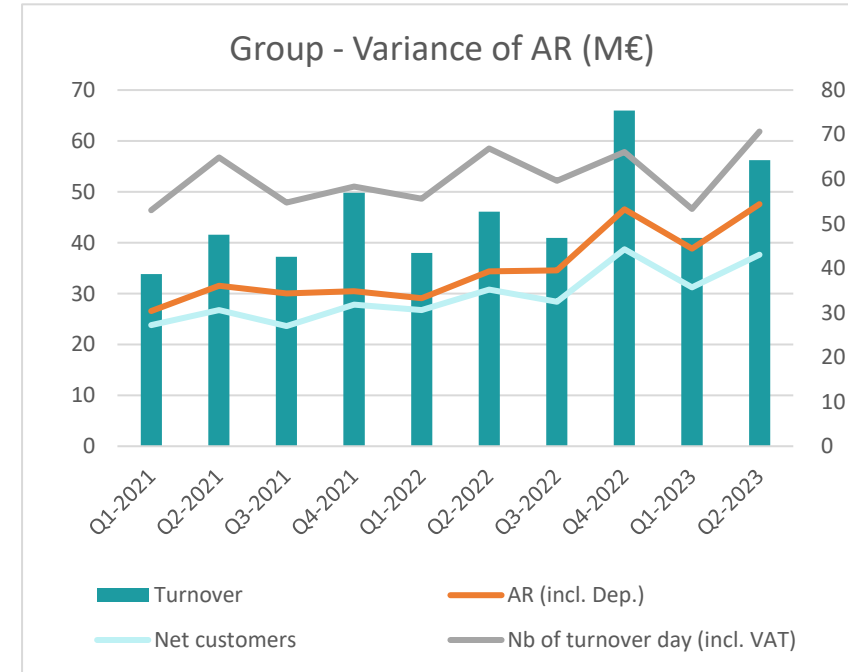
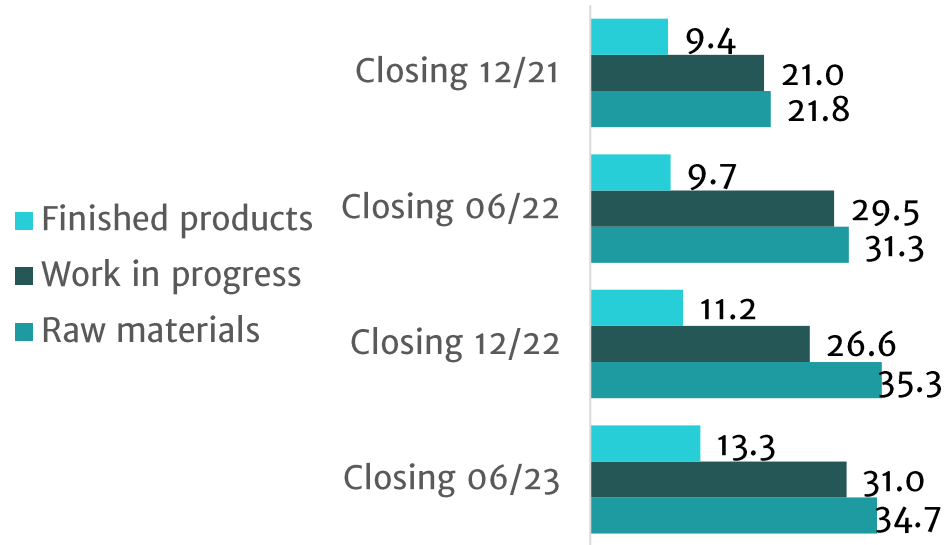
- €-1.6m: Cost of net debt (-€0.3m vs H1 2022 - increase in the annualised debt rate : 2.92% in 2023 vs 2.47% in 2022)
- €-1.0m: Exchange rate impact of financial activities (current accounts)
- €-0.2m: Various bank charges

Cash flow statement



- Continued CAPEX investment (Industrial + R&D)
- Working capital controlled despite strong business growth
- Final €6.9m instalment of the state guaranteed COVID loan (€15m loan)

Working Capital: Inventories and Receivables



Notes:

Stock integration: Sweden +€5.9m; Jul 22

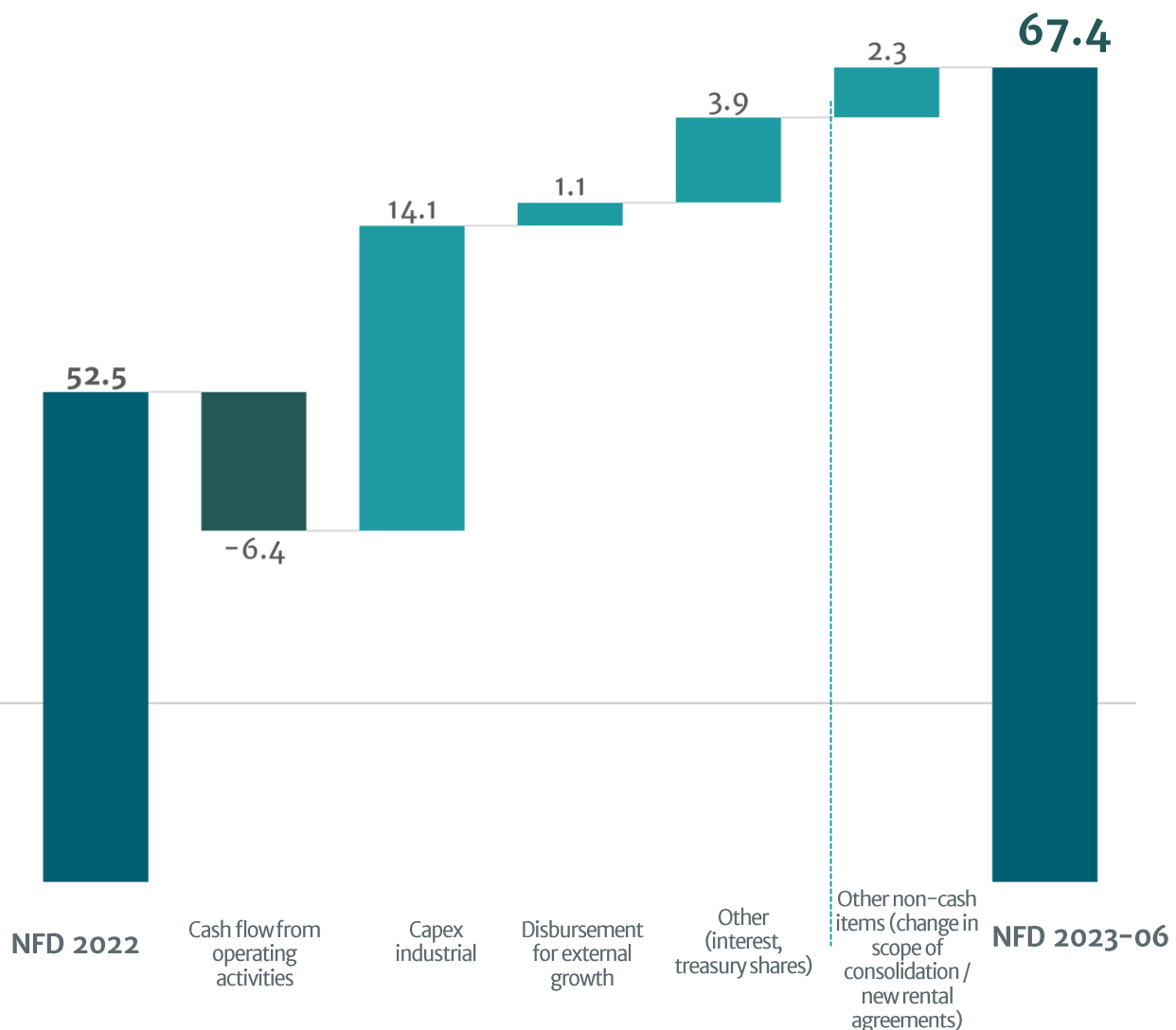
Increased production volumes of systems leads to a complexity increased number of components and WIP at 30 June 2023 to support H2 2023

Stabilising and reducing working capital

A financial situation impacted by the investment strategy



Change in net financial debt (NFD)



Liquidity situation

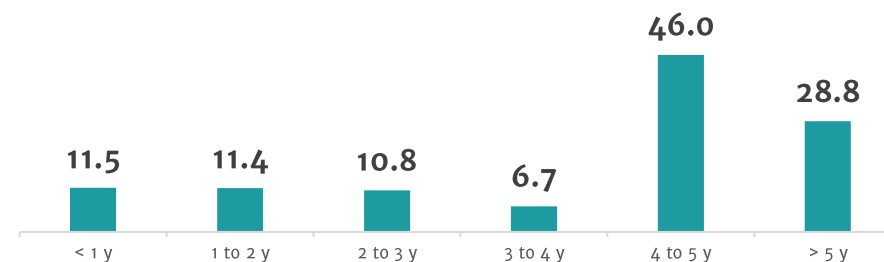
Gross debt €117.0m
 Cash and cash equivalents €49.6m
 Net financial debt €67.4m

Net gearing 36.3 %
 Leverage ratio 2.0 (< 3.50)

Available acquisition debt (before drawdown to finance the acquisition of Convergent): €82.5m

Gross debt repayment schedule (€m)

At 30/06/2023



Balance sheet at 30 June 2023



ASSETS in M€	31/12/2022	30/06/2023
Non-current assets	184.9	191.6
Goodwill	69.9	68.7
Intangible assets	53.4	55.0
Tangible fixed assets	39.7	43.6
Other non-current assets	21.9	24.3
Current assets	187.1	182.5
Stocks	65.4	71.3
Customers	47.9	48.0
Other	12.1	13.6
Treasury	61.7	49.6
TOTAL ASSETS	372.0	374.2

	31/12/2022	30/06/2023
Gross financial debt (excluding passive cash)	112.8	115.5
Treasury liabilities	1.4	1.5
Cash assets	-61.7	-49.6
Treasury	-60.3	-48.1
NFD	52.5	67.4

LIABILITIES in M€	31/12/2022	30/06/2023
Shareholders' equity	193.4	188.6
Non-current liabilities	58.8	112.3
Non-current financial liabilities (1)	48.6	103.7
Non-current provisions (including deferred tax liabilities)	5.3	3.8
Other non-current liabilities	4.9	4.8
Current liabilities	119.8	73.3
Current financial liabilities (1)	65.6	13.3
Current provisions	1.6	2.7
Other current liabilities	52.6	57.3
TOTAL LIABILITIES	372.0	374.2

(1) - Classification of acquisition debt (€49.9m) as current at 31/12/2022 in accordance with IAS1
To date, financial debt reclassified as due in more than one year



4. OUTLOOK & STRATEGY

4 strategic pillars for profitable growth



1. **Diversification strategy**
 - 2 divisions with strong synergies
 - Cross fertilization
2. **Positioning strategy**
 - Choice of high-growth markets
 - Leading position in niche markets
3. **Innovation strategy**
 - Technological building blocks
 - Production tools
 - Marketing tools
4. **Profitability strategy**
 - Monitoring and developing profitability
 - Vertical integration and control of the supply chain
 - Financial capacity to seize opportunities
 - Rapid decision-making process

Verticalization

Duality of sources and components

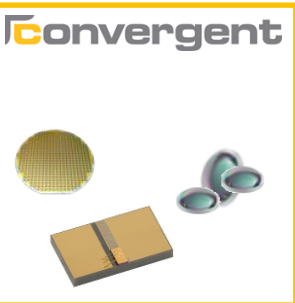
Base components

Integrated components

Sources

Function blocks

Equipment



FOCAL project

CIVIL	DEFENCE

CIVIL	DEFENCE

CIVIL	DEFENCE



LIDAR



MEDICAL

External customers

Industrial investment to boost profitability



Verticalization

- Securing critical components
- Autonomy in the manufacture of lasers
- Improved margins on components manufactured in-house

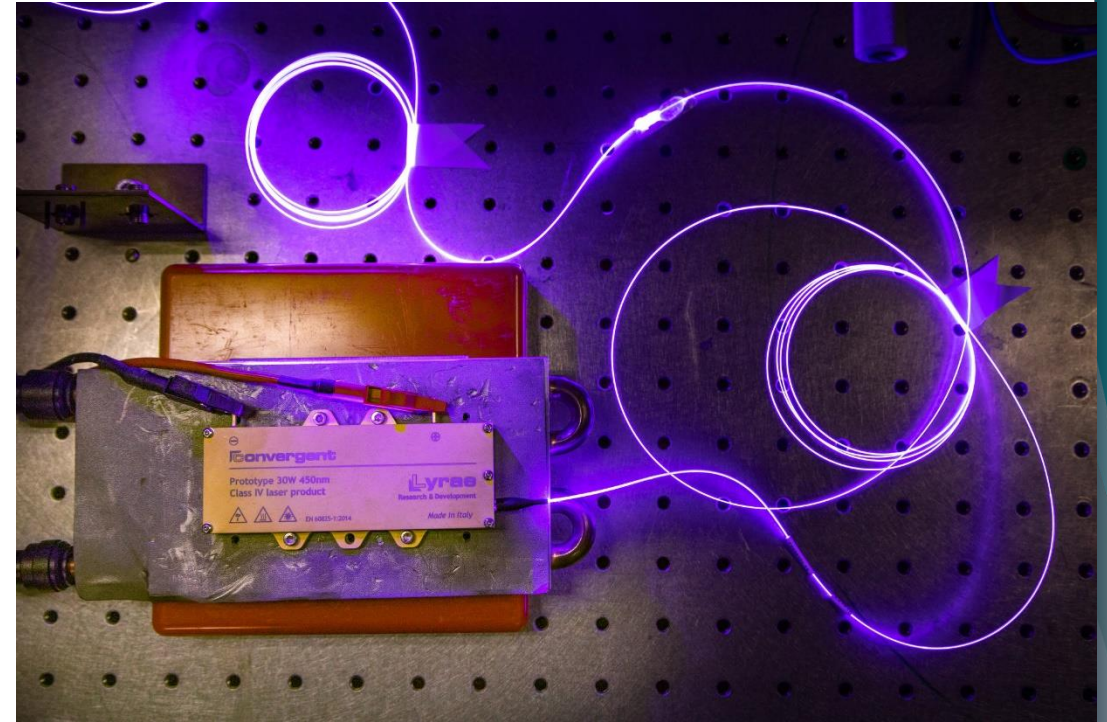
Industrial approach

- Ability to process customised products industrially
- Increased production capacity

The acquisition of CONVERGENT



- Agreement signed on **15 May 2023** with the Italian group PRIMA INDUSTRIE (manufacturer of industrial machine tools)
- Acquisition of the design and manufacturing activities of :
 - **High-power lasers:** acquisition of the assets held by PRIMA INDUSTRIE NA (Chicopee, **USA**)
 - **Semiconductors:** Acquisition of CONVERGENT PHOTONICS (Turin, **Italy**)
- Closing: **31 August 2023**
- Integration of the CONVERGENT division into the LUMIBIRD group in the last quarter of the 2023 financial year



convergent

Strategic interests of the operation



Reinforcing autonomy with semiconductors and very high-power fibre lasers

- Internalisation of margins on expensive components
- Greater capacity for innovation on the scale of materials and components
- Complementing strategic investments in optical fibre and related components

Opening up new markets:

- Development of high-power lasers for the Urology and Gynaecology markets
- Synergy with the photonics branch for the supply of fibre lasers


Strong synergies expected:

- **Sales:** Use of the LUMIBIRD Group sales network, complementary product offering
- **Procurement** : Volume effect, components manufactured in-house, supplier qualification,
- **R&D:** Coordination of the R&D strategy to anticipate the market's technological expectations and reduce costs
- **Costs:** Optimising manufacturing processes


Industrial sites



Location	Country	Products	Size Total	Size White Room	FTE
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TURIN		DIODES SEMI-CONDUCTORS	1 900 m ²	1 200 m ²	40
<ul style="list-style-type: none"> ▪ R&D & Manufacturing: focus on the optical and electrical design of laser diodes ▪ Complete traceability from semi-conductor to multi-emitter tests ▪ Focus on semiconductor technologies 					



CHICOPEE (Massachusetts)		FIBRE LASERS HIGH-POWER LASERS	3 500 m ²	220 m ²	38
<ul style="list-style-type: none"> ▪ R&D & Manufacturing: focus on new laser technologies and systems for medical and industrial applications ▪ Focus on product design and value for money ▪ Optimised production line with sub-assembly stations and regular checks 					



Objectives



We are at the **final year** of a 3 year strategic plan **2021-2023**

1 Sales 2023

- Organic growth: >8%
- **Active external growth policy : targeting the growth markets of lidar, laser and medical applications**
 - We are active in due diligence processes
 - We are maintaining our criteria for selecting opportunities in line with the Group's chosen risk profile
 - We continue to explore opportunities, however, we do not expect to finalize an acquisition in the remaining 4 months of the year.

2 Business performance 2023 (organic)

- **Growth, operational efficiency, R&D, verticalisation in an uncertain economic climate to reach at least 20% Ebitda (excluding Convergent Photonics)**

