

Quantel

PRESS RELEASE

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FULL-YEAR REVENUES UP +2% TO €63.3 MILLION

The QUANTEL Group is reporting €63.3 million in full-year revenues for 2016, up 2% from 2015. The second half of 2015 saw a very high level of business because of various major contracts starting up, which was not the case in 2016, when business was better distributed throughout the year. Alongside this, the drop in industrial laser sales and the shutting down of certain activities have affected the Industrial and Scientific Products business, which is down 13% to €20.9 million. However, this contraction was largely offset by the good performance achieved with the medical business (+14% to €30.5 million). To further strengthen visibility for the market, the Group will now report revenues from contracts (military and MegaJoule) separately from its Industrial and Scientific Products.

2016 consolidated revenues

Revenues (€M)	2015	2016 ⁽¹⁾	Change
First half	24.8	31.3	+26%
Second half	37.3	32.0	-14%
12 months	62.1	63.3	+2%
<i>Of which</i>			
<i>Industrial and Scientific Products</i>	23.8	20.9	-13%
<i>Major Contracts</i>	11.6	12.0	+4%
<i>Medical / Ophthalmology</i>	26.7	30.5	+14%

(1) Unaudited provisional figures

Industrial and Scientific Products

Throughout the year, QUANTEL had to contend with a significant contraction in sales of Industrial Lasers to original equipment manufacturers (OEM), particularly in the US. At the end of the year, orders in this sector picked up slightly, although their impact on the fourth quarter was still quite limited. More specifically, the portable LIBS business, which seemed very promising at the end of 2015, has taken longer than expected to become significant. This sharp contraction has been partially offset by the very sustained level of business for both Laser Diodes (+35%) and the Services activity (+17%). The scientific product line has shown a good level of resilience, particularly with the launch of a new range of Dye Lasers at the start of the year, which have received a positive response from international laboratories, particularly with the first units set up in China.

Activities that were sold (dermatology) or discontinued (laser marking) represented a €1.4 million drop in revenues for 2016.

Ophthalmology Division

In the last quarter of 2016, the Ophthalmology Division's sales climbed 4%, thanks in particular to export sales.

For the full year in 2016, revenues are up 14%. This progress has notably been built around growth in the diagnostics range (+13%), as well as the delivery of a tender in India in January 2016 equipping 61 military hospitals with photocoagulation lasers and other equipment for €2.9 million.

At the ESCRS show in Copenhagen on September 6, 2016, QUANTEL MEDICAL presented a new photocoagulation laser, EASYRET, the first retinal surgery application of the fiber laser technology developed by Quantel's team in Lannion, France. The first deliveries were completed in the fourth quarter and the orders recorded for this product, which is currently being registered in the United States, are in line with expectations, while this new technology has received a very good response from ophthalmologist clients.

Outlook

Despite overall growth in its business and record revenues, the QUANTEL Group expects a contraction of its earnings, notably due to the lower level of business for its American entity.

Considering the visibility provided by the key contracts signed, the outlook for its major industrial clients, the dynamic development of its medical business and the various actions rolled out to improve its efficiency, the Group is setting itself a target to continue growing its business and significantly improve its profitability by systematically looking for savings, productivity gains and synergies.

Next date: Full-year earnings on February 28, 2017.

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Founded in 1970, Quantel is one of the world's leading specialists in laser technology for scientific (laboratories and universities), industrial (material processing, process analytics, marking) and medical (ophthalmology) markets. With design and manufacturing facilities in France and the US, the Quantel Group achieved in 2015 a turnover of 62 M€, with close to 70% worldwide, divided into scientific and industrial laser applications (56%) and medical applications (44%).

Quantel shares are listed on the Euronext Paris C Compartment. FR0000038242 – QUA www.quantel.fr



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