

Lannion, September 24, 2024 – 17:45 pm

FIRST-HALF RESULTS FOR 2024 UP IN THE MEDICAL DIVISION, LOWER IN THE PHOTONICS DIVISION

- **EBITDA¹ of €10.9m on a reported basis, compared with €13.8m in H1 2023**
 - **Medical Division: EBITDA as a percentage of sales revenue up to 17.6% (vs. 15.4% in H1 2023)**
 - **Photonics division: EBITDA as a percentage of sales revenue down to 4.3% (vs 12.9% in H1 2023) and 7.9% excluding Convergent**
- **Lumibird expects to achieve sales revenue growth of over 5% and an EBITDA as a percentage of sales revenue of over 16% in 2024**
- **3-year objectives of 2024–2026 plan maintained**

The Lumibird Group, the European leader in laser technologies, has published lower results for the first half of 2024, due to a fall in profitability in the Photonics division, mainly because of lower-than-expected sales, an unfavourable product mix impacting the gross margin percentage and the integration of the Convergent business, loss-making over the period. The Medical division significantly improved its profitability by increasing its gross margin percentage and controlling operating costs. For FY 2024, Lumibird anticipates sales growth of over 5% and EBITDA as a percentage of sales revenue of over 16%. In addition, the Group is confident in the momentum of its markets and its capacity for innovation and remains focused on achieving its 3-year objectives: a compound annual growth rate (CAGR) in sales revenue of over 8% and EBITDA as a percentage of sales revenue up by at least 500 basis points compared with 2023 (17%).

Extract from the condensed consolidated interim financial statements approved by the Board of Directors on 24 September 2024

30 June (in €m)	H1 2024 reported	H1 2024 excluding Convergent ²	H1 2023	Restated change	
				Value	%
Revenues	98.0	94.2	97.2	(3.0)	-3%
EBITDA¹	10.9	12.3	13.8	(1.5)	-11%
<i>% revenues</i>	<i>11.2%</i>	<i>13.1%</i>	<i>14.2%</i>		
Profit from recurring operations	1.6	4.2	6.0	(1.7)	-29%
<i>% revenues</i>	<i>1.7%</i>	<i>4.5%</i>	<i>6.2%</i>		
Operating profit	2.2		2.7		
Net income	(0.1)		0.5		

¹ EBITDA (corresponding to EBE disclosed in the financial statements) to recurring operating income adjusted for charges to provisions and depreciation, net of reversals, and expenses covered by such reversals.

² Excluding Convergent, included in the scope of consolidation on 31.08.2023, unaudited data

Stable sales revenue in the first half of 2024

In the first half of 2024, the Group recorded 1% growth in consolidated sales revenue, to €98.0m on a reported basis and €94.2m excluding Convergent, down slightly (-3%).

- The Medical Division posted sales revenue of €50.8m in the first half, down slightly (-1%) on the previous year, and up 0.4% at constant exchange rates. The 1st half saw a gradual recovery in Asian markets, mainly China and Korea, and slight growth in EMEA and the Americas. The regulatory and administrative obstacles identified at the end of 2023 are gradually being overcome, for example by obtaining CE marking for C-DIAG (dry eye) in May 2024 and authorization for our distributor in Brazil to re-import Optotek brand products.
- The Photonics division, with revenues of €47.2m on a reported basis, up 3% and down 4% on a like-for-like basis, had a mixed performance in the first half of 2024. Strong growth in Europe was driven by the buoyancy of the Defence/Space segment, while the decline in business in the Americas and Asia-Pacific was mainly due to the ETS (Environment, Topography and Security) segment. The Lidar Systems business was severely impacted by a commercial and industrial reorganization that took longer than expected. The division also suffered from order backlogs, adding to the unfavourable base effect for the H1 2023 comparison.

Contribution for both divisions

Summary of results by division

in €m	Photonics				Medical		
	2023-H1 (reported)	2024-H1 (reported)	2024-H1 (excluding Convergent)	Chg 24- 23(%) (excl. Convergent)	2023-H1	2024-h1	Chg (%)
Revenues	45.9	47.2	43.4	-5.5%	51.3	50.8	-0.9%
Gross margin %	29.9 65.2%	28.3 59.9%	26.8 61.7%	-10.5%	30.9 60.3%	31.2 61.4%	+0.9%
EBITDA %	5.9 12.9%	2.0 4.3%	3.4 7.9%	-42.2%	7.9 15.4%	8.9 17.6%	+12.7%
Profit from recurring operations %	0.7 1.6%	(4.8) -10.2%	(2.2) -5%	-396.4%	5.2 10.2%	6.4 12.6%	+22.5%

Gross margin rate for the Photonics division was 59.9% on a reported basis, down 530 bps, impacted in particular by the integration of Convergent. Excluding Convergent, the decline was just 350 bps, due to a sharp 50% fall in business in the ETS market and a less favourable product mix than in H1 2023 (fewer sales of high-margin Lidar systems). For the Medical division, gross margin is up, despite the slight fall in sales revenue, reflecting the return to a gross margin rate (61.4%) at the 2022 level.

EBITDA for the first half of 2024 was €10.9m on a reported basis, or 11.1% of revenues, compared with 14.2% in the first half of 2023. Excluding Convergent, EBITDA for the first half of 2024 was €12.3m, representing a margin of 13.1% of sales. The increase in EBITDA for the Medical division, due to an improved gross margin and tight control of operating costs, was not enough to offset the decline in EBITDA for the Photonics division, which was mainly due to a lower gross margin, despite a reduction in operating costs.

In accordance with IFRS, reported EBITDA has been restated for development costs capitalised during the period, and operating income before non-recurring items has been restated for depreciation charges relating to the capitalisation of projects:

- Over the period, direct expenditure on development projects, whether self-financed, subsidised or eligible for the research tax credit, totalled €11.1m, compared with €9.1m a year earlier. The portion capitalised during the period as investment (and –excluded from EBITDA) amounted to €6.1m, compared with €6.2m a year earlier.
- Depreciation and amortisation of R&D investments (recognised in current EBIT) totalled €4.1m, compared with €3.9m a year earlier.

Profit from recurring operations for the first half of the year was therefore €1.6m on a reported basis and €4.2m excluding Convergent, compared with €6.0m in the first half of 2023.

After net financial expenses of €2.2m (vs. €2.8m in H1 2023) and tax of €0.1m (vs. €0.6m in H1 2023), net profit was €0.1m, compared with €0.5m in H1 2023.

Cash flow: solid generation of operating cash flow

in €m	30/06/2023	30/06/2024
Cash flow from operating activities	6.4	14.8
<i>Of which cash flow from operations before tax and finance costs</i>	10.5	11.2
<i>Of which Change in WCR</i>	(2.9)	5.3
<i>Of which tax paid</i>	(1.2)	(1.8)
Cash flow from investing activities	(15.1)	(9.0)
<i>Of which Industrial investment</i>	(14.0)	(9.0)
<i>Of which external growth</i>	(1.1)	-
<i>Of which other financial assets</i>	-	-
Cash flow from financing activities	(3.2)	1.9
<i>Of which capital increase</i>	-	-
<i>Of which net new financing</i>	0.7	5.5
<i>Of which debt servicing</i>	(1.6)	(2.7)
<i>Of which other changes</i>	(2.4)	(0.9)
CHANGE IN CASH AND CASH EQUIVALENTS³	(11.9)	7.7

The change in working capital requirements made a positive contribution (+€5.3m) to the change in cash and cash equivalents over the first half of 2024, mainly due to the reduction in trade receivables.

After several years of heavy investment in new production capacity, investment flows in the first half of 2024 are down. Capitalised development costs amounted to €6.1m (€6.2m at end-June 2023) and capital expenditure to improve production facilities to €2.9m (€7.9m at end-June 2023).

³ Cash corresponds to "cash and cash equivalents" on the assets side of the balance sheet, net of bank overdrafts included in current financial liabilities on the liabilities side. It is presented before currency change impact.

Balance sheet position

Extract from the consolidated balance sheet (in €m)	31/12/2023	30/06/2024
Goodwill	72.6	73.1
Non-current assets (excluding goodwill)	135.3	140.7
Current assets (excluding cash)	141.1	137.1
Cash and cash equivalents	56.2	63.9
TOTAL ASSETS	405.2	414.8
Equity (including minority interests)	193.3	193.5
Financial liabilities ⁴ non current	128.6	136.4
Other non-current liabilities	9.2	9.8
Current financial liabilities	16.5	17.5
Current liabilities	57.6	57.6
TOTAL LIABILITIES	405.2	414.8

Net financial debt stood at €90.0m at 30 June 2024, compared with €88.9m at 31 December 2023. It is made up of €153.9m in gross financial debt and €63.9m in cash and cash equivalents.

Lumibird retains a solid financial position, with gearing of 47% and a leverage ratio (12 months rolling) of 2.9.

Outlook

After a mixed first half, Lumibird expects to achieve the following in 2024:

- Sales revenue growth rate of over 5% and EBITDA as a percentage of sales revenue of over 16% (17% in 2023),
- For the Medical division, revenue growth rate of over 8% and a significant improvement in EBITDA as a percentage of sales revenue compared with 2023 (18.1%),
- For the Photonics division, revenue growth of over 2%, with the integration of Convergent. Photonics revenues (excluding Convergent) are expected to be stable. EBITDA as a percentage of sales revenue for the Photonics division is expected to be lower than in 2023 (15.8%). The acquisition of Convergent represents a long-term investment in technology and product development. The time taken to bring new products to market will be more gradual than expected. In addition, sales of OEM⁵ products are expected to fall in H2 2024, with a negative impact on H2 2024 EBITDA for Convergent. Convergent sales revenue for 2024 are expected to be between €5.5m and €6.0m.

Lumibird remains confident in the momentum of its markets and its capacity for innovation, and confirms the objectives of its 2024-2026 plan, namely:

- A compound annual growth rate (CAGR) in sales of over 8%, driven by the launch of new products and the order book secured by multi-year contracts,
- EBITDA as a % of sales up by at least 500 basis points compared with 2023 (17%). The improvement in EBITDA will be driven by the Group's verticalisation strategy, productivity gains and the optimisation of its operating cost structure as a result of recent investments.

⁴ Financial liabilities (current and non-current) correspond to financial debts and include lease debts in accordance with IFRS16 (11.5M€ for 30th June 2024 and 9.8M€ for 31 December 2023)

⁵ Original Equipment Manufacturer

Next date : Q3 2024 revenues, 21/10/2024 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 via two divisions: Photonics and Medical. The Photonics Division designs and produces components, lasers and systems for the defence and space, environment, topography and safety, industrial and scientific, and medtech markets. The Medical branch designs and produces medical diagnostic and treatment systems for ophthalmology.

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 in 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.

Contacts

LUMIBIRD

Marc Le Flohic
Chairman and Chief Executive Officer
Tel. +33(0)1 69 29 17 00
info@lumibird.com

LUMIBIRD

Sonia Rutnam
Chief Financial and Transformation Officer
Tel. +33(0)1 69 29 17 00
info@lumibird.com

Calyptus

Mathieu Calleux
Investor Relations
Tel. +33(0)1 53 65 37 91
lumibird@calyptus.net

This press release contains forward-looking statements. These forward-looking statements represent trends or objectives, as the case may be, and should not be construed as forecasts of the Company's results or any other performance indicator. These statements are by their nature subject to risks and uncertainties as described in the Company's URD filed with the Autorité des Marchés Financiers (under number D24-0239). These statements do not therefore reflect the Company's future performance, which may differ materially.