

LEXIBOOK GROUP ANNUAL RESULTS 2025-2026: REVENUE AT 80,0 M€ (+8,1%), STABLE OPERATING INCOME AT 8,4 M€ AND NET INCOME SLIGHTLY DOWN TO 7,1 M€ (-3,5 %). UNCERTAIN 2026-2027 FINANCIAL YEAR: ACTIVITY EXPECTED TO DECLINE IN Q1, MARKED SLOWDOWN OF THE NO.1 LICENSE, DETERIORATED LICENSE RENEWAL TERMS AND RISING LOGISTICS AND RAW MATERIAL COSTS.

- **Annual revenue:** revenue grew by 8,1 % to 80,0 M€, compared with 74,0 M€ a year earlier, mainly driven by licensed products, in particular the Stitch license. France accounts for 29 % of revenue (compared with 34,2 % in N-1), with growth coming from Europe (excluding France).
- **Margin:** in a context of the euro appreciating against the dollar, gross margin logically rose to 63,9 % (compared with 60,2 % in N-1). Foreign exchange losses of -644 K€ were recorded, as hedges had been put in place before the euro appreciated. Restated net margin 4 came to 31,6 M€, compared with 28,6 M€ in N-1.
- **Advertising expenses:** up 1,4 M€ to 12,2 M€, including a digital campaign in the EMEA region and the United States.
- **Operating income:** 8,4 M€, stable compared with N-1 (8,1 M€, +3,3 %), with operating expenses growing in line with activity.
- **EBITDA:** 9,9 M€, up 1,6 % (9,7 M€ in N-1).
- **Financial result:** down 181.4% to -0,2 M€, compared with +0,2 M€ in N-1, due to foreign exchange losses.
- **Net income:** 7,1 M€ (-3,5 %), compared with 7,4 M€ in N-1, mainly due to the deterioration in financial result.
- **Net cash:** 13,6 M€ at 31 March 2026, compared with 7,1 M€ a year earlier, driven by the net change in cash (+4,5 M€) and after debt repayment.
- **Equity:** 30,6 M€ at 31 March 2026, compared with 24,4 M€ a year earlier.
- **Uncertain 2026-2027 outlook:** activity expected to decline in the first quarter, expected slowdown in the Stitch license life cycle (~36 % of total revenue), deteriorated renewal terms for the main license agreements, very partial 2026-2027 currency hedging, rising ocean freight costs (tensions in the Middle East) and rising raw material and component prices.

Lexibook (ISIN FR0000033599) today announces its annual financial statements for the year ended 31 March 2026. These financial statements were approved by the Management Board on 26 June 2026. The accounts have been audited.

In K€	31 MARCH 2026	31 MARCH 2025	Variation %
Net revenue	80 042	74 012	8,1 %
Gross Margin	51 123	44 557	14,7 %
Operating Income	8 368	8 098	3,3 %
EBITDA	9 880	9 721	1,6 %
Net Income	7 115	7 372	-3,5 %

Aymeric Le Cottier, Chairman of the Management Board of Lexibook, commented: “For the 2025-2026 financial year, the Group recorded revenue of 80,0 M€, up 8,1 %, and stable operating income of 8,4 M€. Net income came to 7,1 M€, a slight decline of 3,5 %, mainly due to foreign exchange losses. For the 2026-2027 financial year, the Group is facing an environment marked by significant uncertainty: US customs tariffs, activity expected to decline in the first quarter due to the base effect linked to the Stitch license, the expected slowdown in the life cycle of this same license on high-margin derivative products, the deterioration in renewal terms for several license agreements, increased competition in the United States, as well as tensions on exchange rates and rising logistics and raw material costs.”

In K€	31 MARCH 2026	31 MARCH 2025	Variation %
Net revenue	80 042	74 012	8,1 %
Cost of goods sold	-28 919	-29 455	-1,8 %
Gross Margin	51 123	44 557	14,7 %
External Services	-26 433	-22 400	18,0 %
Taxes (excluding corporate income tax)	-206	-58	256,0%
Personnel expenses	-7 385	-6 713	10,0 %
Other operating income and expenses	-8 731	-7 288	19,8 %
Operating Income	8 368	8 098	3,3 %
EBITDA	9 880	9 721	1,6 %
Net cost of debt	-235	-305	-23,0 %
net interest on lease contracts	-26	-24	10,0%
Other financial income and expenses	72	562	-87,3%
Financial Result	-189	233	-181,4%
Income Before Tax	8 179	8 331	-1,8 %
Income tax	-1 064	-959	10,9 %
Net Income	7 115	7 372	-3,5 %

Revenue and Margin:

For the year ended 31 March 2026, Lexibook Group revenue came to 80,0 M€, up 8,1 % compared with the prior year (74,0 M€). This growth was mainly driven by licensed products, in particular the Stitch license, which accounts for approximately 36 % of the year's revenue. FOB revenue declined from 9,4 M€ to 7,9 M€ (-1,5 M€); non-FOB revenue grew from 64,6 M€ to 72,2 M€ (+7,6 M€).

For the year, France accounted for 29 % of revenue (compared with 34,2 % in N-1), with growth driven by international markets.

In terms of product mix, toys, watches, electronic games, cameras and walkie-talkies all contributed to activity, under both proprietary and licensed brands.

Sales through digital channels grew during the year, in France as well as internationally.

In a context of the euro appreciating against the dollar and high logistics costs, the Group's gross margin came to 63,9 % for the year, compared with 60,2 % in N-1. The Group recorded foreign exchange losses (a change in the net foreign exchange impact of -644 K€), as hedging instruments had been put in place at the start of the year, before the euro appreciated.

The table below presents gross margin, gross margin restated for foreign exchange impacts included in financial result and for exceptional items included in gross margin, and net margin 4 after advertising contributions and royalties:

	31 MARCH 2026	31 MARCH 2025	Variation in €	Variation in %
Net revenue	80 041 969	74 011 747	5 988 253	8,1 %
Cost of goods sold	-28 918 805	-29 454 950	574 950	-1,8 %
Gross margin	51 123 164	44 556 797	6 563 203	14,7 %
Gross margin rate	63,9 %	60,2 %		
Net foreign exchange impact	-139 488	504 441	-1 148 441	-127,7%
Restated gross margin	50 983 676	45 061 238	5 414 762	13,1 %
Restated gross margin rate	63,7 %	60,9 %		
Advertising contributions	-11 532 609	-10 021 816	-2 178 184	15,1 %
Royalties	-7 835 137	-6 423 526	-252 474	22,0 %
Restated net margin 4	31 615 930	28 615 895	2 984 105	10,5 %
Restated net margin 4 rate	39,5 %	38,7 %		

Restated net margin 4, after advertising contributions and royalties, came to 31,6 M€, compared with 28,6 M€ in N-1 (+10,5 %), despite the increase in advertising investment and the growing share of licensed products.

EBITDA:

EBITDA, operating income plus net depreciation and amortisation charges and net provisions and impairment charges less provision and impairment reversals, came to 9,9 M€, compared with 9,7 M€ in N-1 (+1,6 %).

Operating Income:

Total advertising expenses, including advertising contributions to customers, came to 12,2 M€, compared with 10,8 M€ in N-1 (+1,4 M€). External services amounted to 26,4 M€, compared with 22,4 M€ in N-1, due to higher advertising and logistics costs related to activity.

Personnel expenses increased by 0,7 M€, due to bonuses provisioned in connection with the rise in activity and a number of new hires.

Other operating income and expenses increased by 1,3 M€, notably due to higher royalty charges (+1,4 M€) linked to the growth in licensed products.

The Group's operating income came to 8,4 M€, compared with 8,1 M€ in N-1 (+3,3 %), with operating expenses growing at a pace comparable to that of activity.

Financial Result:

The - 422 K€ deterioration in financial result mainly stems from the change in net foreign exchange result related to the USD/EUR exchange rate movement, at - 644 K€, despite the + 70 K€ decrease in financial expenses linked to the Group's debt reduction (repayment of part of the medium-term facilities for + 1 187 K€), and the investment of surplus cash. Indeed, despite the increase in activity, the reduction in the cost of debt was made possible by the surplus cash generated (net cash stood at 17,3M€ at year-end), allowing for the optimisation of the use of short-term financing facilities.

Taxes for the period represent a charge of 1 064 K€ related to changes in the value of deferred tax assets of 128,0 K€ and to corporate income tax provisions payable of 935 K€.

In this context, consolidated net income came to 7,115 M€ at 31 March 2026, down 3,5 % compared with 31 March 2025 (7,372 M€).

Inventory and Debt Levels

Net inventory stood at 14,6 M€ at 31 March 2026 (18,3 % of revenue), compared with 17,0 M€ at 31 March 2025 (23,0 % of revenue), a decrease of 2,4 M€. The average impairment rate came to 17,9 %, compared with 12,2 % in N-1.

The Group's net cash stood at 13,6 M€ at 31 March 2026, compared with 7,1 M€ at 31 March 2025. This change mainly results from the net change in cash (+4 526 K€), partially offset by the repayment of short-term debt (-418 K€) and non-current debt (-769 K€) as well as the change in factoring (-730 K€). Net debt came to -13 595 K€, compared with -7 146 K€ in N-1.

2026-2027 Outlook

The Group presented its 2026 collections to international distributors, and the reception of new products was positive. Listings for the 2026 Christmas campaign are encouraging. However, the 2026-27 financial year is expected to show a slight decline compared with 2025-26. The order book indeed points to a slightly lower level of activity than last year, particularly in Q1, due to the "Stitch" effect, whose film released in May 2025 had driven sales upward and which is not being replaced by other licenses of comparable strength.

The persistent instability in trade relations between the United States and the rest of the world, particularly with China, constitutes a significant risk factor for activity. Given that 100 % of Lexibook's products are manufactured in China, any increase in customs tariffs or the absence of a lasting trade agreement could weaken the competitiveness of products on the US market. This context could thus slow growth in the United States, an important market for the Group's development. Risks of a slowdown in consumption in other territories are also real, given the global geopolitical context. More specifically for the Group, an inevitable slowdown linked to the classic life cycle of licenses is being felt on the Stitch license, a major license for the Group. If this slowdown trend were to be confirmed, a more significant decline could affect the 2026-27 financial year or even subsequent years if other licenses do not take over, with a potentially significant impact on revenue.

Several license agreement renewals expiring in 2025 have been signed; however, the terms of the main agreements have been significantly degraded compared with previous terms. The Group is also seeing the emergence of new competitors in the territories where it operates and is seeking to consolidate its positions to secure its leadership. In the USA, Lexibook faces fierce competition from powerful, long-established players, which complicates the extension of license agreements in the region, slows the Group's growth, worsens commercial terms with licensors and increases risks. These players are indeed attempting to extend their contracts into the Group's traditional territories and segments, which makes negotiations more difficult.

The Group puts in place currency hedges to cover the risk of euro depreciation. However, to date, the Group has only partially hedged the currency risk for its 2026-2027 financial year. This could impact margins should the US dollar appreciate against the euro or the pound sterling.

Pressures on logistics and industrial costs are also expected following recent geopolitical developments in the Middle East, notably the conflict involving Iran and the blockade of the Strait of Hormuz. This situation is leading to a significant increase in ocean freight prices and transit times, as well as fuel costs, with a direct impact on international supply chains.

In addition, the rise in raw material prices, particularly memory chips and plastics, as well as upward price revisions by factories on electronic components, are increasing pressure on production costs.

These factors affect delivery times and the cost price of the Group's products and could weigh on margins if these pressures were to remain at their current level or worsen.

2025/2026 Financial Calendar

Publication of the Universal Registration Document as of 31 March 2026: 6 July 2026

2026/2027 Financial Calendar

- Half-year results as of 30 September 2026: 30 November 2026
- Annual results as of 31 March 2027: 30 June 2027

- Publication of the Universal Registration Document as of 31 March 2027: 30 June 2027

ABOUT LEXIBOOK

LEXIBOOK®, owner of more than 40 registered trademarks, is the leader in smart electronic leisure products for children. This success is built on a proven strategy of combining strong international licenses with high-value-added consumer electronics products. This strategy, complemented by a policy of constant innovation, enables the Group to thrive internationally and continuously develop new product ranges under the Group's brands. With more than 35 million products on the market, the company now sells a product every 10 seconds around the world! LEXIBOOK's share capital is made up of 7 763 319 shares listed on the Euronext Growth market in Paris. ISIN: FR0000033599 – ALLEX; ICB: 3743 – Consumer electronics.

Contacts

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