Les Ulis, June 17, 2025 at 7:00 a.m.

- **ANNUAL RESULTS 2024-25 FOR THE LEXIBOOK GROUP: ANNUAL REVENUE AT €74.0M (+26.3%). EBIT AND NET INCOME UP, AT €8.1M AND €7.4M RESPECTIVELY, THANKS TO AN EXCEPTIONAL COMBINATION OF POSITIVE FACTORS. UNCERTAIN OUTLOOK FOR THE 2025-26 FISCAL YEAR DUE TO HIGH UNPREDICTABILITY REGARDING U.S. CUSTOMS DUTIES, FREIGHT COSTS, EXCHANGE RATES, AND CONSUMPTION.**

- **Annual Revenue: A record fiscal year after 5 consecutive years of growth. For the full fiscal year, which had already grown by 14.4% in 23-24, revenue rose again by 26.3% to €74.0M vs €58.6M a year earlier, notably thanks to the performance of licensed products.**

- **In a context of euro depreciation against the USD of around 1.0% over one year, and a very significant increase in freight costs, the Group's margins remained stable as Lexibook managed to maintain or even selectively increase its prices and continued to launch new highly profitable products. The adjusted net margin for the year thus stood at 38.7% vs 38.6% the previous year, representing an increase of €6.0M vs the previous year due to increased activity.**
- **Massive Digital Advertising Campaign: The Group once again generated over one billion impressions on Lexibook products over the year in both Europe and the USA.**
- **EBIT: +€2.1M, up 36.1%, thanks to volume and margin growth despite the advertising investment.**
- **EBITDA: €9.7M, or +€2.3M vs the previous year. Up 30.3%.**
- **Financial Result: +€0.2M vs -€0.2M, thanks to the foreign exchange hedging put in place.**
- **Net Income: €7.4M vs €5.0M in FY23-24.**
- **The Group strengthened its net cash position, which stood at €7.1M at year-end, compared to €2.0M the previous year. This change is mainly due to the repayment of non-current liabilities (-€1.2M) and a net increase in cash (+€4.0M).**
- **Equity, including the result for the 2024-2025 fiscal year, amounted to €24.4M, a historically high level for the Group.**
- **2025-26 Outlook: Uncertainty regarding growth, which could be affected by a significant increase in U.S. customs duties due to the trade war between the United States and China, despite a strong Q1 expected thanks to the release of the *Stitch* movie in May 2025.**
- **The current level of the U.S. Dollar against the euro implies a doubling of most foreign exchange hedging contracts at an unfavorable rate, which will impact the financial result this year.**

Lexibook (ISIN FR0000033599) today announced its annual financial statements for the year ended March 31, 2025. These financial statements were approved by the Management Board on June 16, 2025. Accounts are audited.

In K€	MARCH 31, 2025	MARCH 31, 2024	Variation %
Net sales	**74 012**	**58 621**	**26,3%**
Gross margin	**44 557**	**35 086**	**27,0%**
Operating income	**8 098**	**5 951**	**36,1%**
EBITDA	**9 721**	**7 459**	**30,3%**
Net income	**7 372**	**4 992**	**47,7%**

Aymeric Le Cottier, Chairman of the Management Board of Lexibook, commented: *"After five consecutive years of growth, the Group is once again delivering a strong performance, driven by the expansion of online sales, the success of new product launches during the period, as well as the performance of our licensed ranges—particularly Disney's Stitch. Financially, the Group is stronger and has the means to support its ambitions: equity has reached a historically high level of €24M, and gearing has improved once again despite increased business activity. The 2025-2026 fiscal year is off to a positive start, which gives us confidence for the new period, despite the high level of uncertainty surrounding U.S. customs duties, which could potentially halt our development in that market."*

In K€	MARCH 31, 2025	MARCH 31, 2024	Variation %
Net Revenue	74 012	58 621	26,3%
Cost of goods sold	-29 455	-23 535	25,2%
Gross margin	**44 557**	**35 086**	**27,0%**
External Services	-22 400	-17 374	28,9%
Taxes (excluding corporate income tax)	-58	-25	134,4%
Personnel expenses	-6 713	-6 185	8,5%
Other operating income and expenses	-7 288	-5 551	31,3%
Operating income	**8 098**	**5 951**	**36,1%**
EBITDA	**9 721**	**7 459**	**30,3%**
Cost of net indebtedness	-305	-462	-34,0%
Net interest on leases	-24	-20	19,8%
Other financial income and expense	562	296	90,0%
Net financial income	**233**	**-186**	**-224,8%**
Profit before tax	**8 331**	**5 765**	**44,5%**
Income tax	-959	-773	24,1%

Net Income	**7 372**	**4 992**	**47,7%**

Sales and margin :

The 2024-25 fiscal year was particularly satisfying for the Lexibook Group. The strategic choices have proven successful and have enabled the continuation of a positive dynamic of profitable growth. The Group has thus achieved 6 consecutive years of growth from 2019 to 2025. Business activity remained strong thanks to high-potential new products, key licenses in the portfolio, and the explosion of digital sales in France and internationally. More specifically, the Group benefited from a real "Stitch effect," which represents €17M in revenue for the fiscal year. Overall, for the year, revenue closed at a historic level never before reached by Lexibook at €74.0M (+26.3%). FOB revenue (revenue invoiced directly from HK on FOB HK full-container deliveries) and non-FOB revenue are both up, reflecting the enthusiasm for the Group's products from international distribution.

Over the full fiscal year, France represents 34% of revenue. International (outside Europe) increases from 10% to 13% of revenue and benefits from significant potential.

In terms of products, sales growth is driven by toys, watches, musical instruments, and walkie-talkies thanks to new releases under the Group's own brands and thanks to licensed products (mainly Stitch).

Finally, the Group's digitalization is bearing fruit: digital sales are growing strongly both in France and across various markets, notably thanks to a massive, large-scale global digital marketing campaign on the Group's new products.

In a context of euro depreciation vs USD of around 1.0% over one year, and a very significant increase in freight costs, the Group's margins have nonetheless remained stable insofar as Lexibook has managed to maintain its prices, even increase them in a targeted manner, and has continued to launch highly profitable new products. Gross margin for the year thus stands at a high level of 60.2% vs 59.9% the previous year, up €9.5M vs the previous year and following an increase of €7.2M the previous year.

The table below presents the gross margin, the gross margin adjusted for exchange rate impacts which are included in the financial result and exceptional items included in the gross margin, and the net margin 4 after advertising contributions and royalties:

In Euros	MARCH 31, 2025	MARCH 31, 2024	Variation In €	Variation In %
Net sales	74 011 747	58 620 967	15 390 780	26,3%
Cost of goods sold	-29 454 950	-23 534 525	-5 920 425	25,2%
Gross margin rate	**44 556 797**	**35 086 442**	**9 470 355**	**27,0%**
Gross margin rate	**60,2%**	**59,9%**		**0,6%**
Net foreign exchange impact	504 441	331 147	173 294	52,3%
Adjusted gross margin	**45 061 238**	**35 417 589**	**9 643 649**	**27,2%**
Adjusted gross margin	**60,9%**	**60,4%**		**0,8%**
Advertising contributions	-10 021 816	-8 240 944	-1 780 872	21,6%
Royalties	-6 423 526	-4 548 335	-1 875 191	41,2%
Adjusted net margin 4	**28 615 895**	**22 628 310**	**5 987 585**	**26,5%**
Adjusted net margin 4	**38,7%**	**38,6%**		**0,2%**

The increase in gross margin is partially reflected in the adjusted net margin 4, which amounts to €28.6M vs €22.6M a year earlier, given increased advertising investments and the higher share of licensed products in total revenue.

EBITDA:

EBITDA, profit before taxes, financial interests, depreciation and amortization, is up 30.3% to €9.7M vs €7.5M.

Operating result:

Benefiting from a positive dynamic, Lexibook renewed a major international digital advertising campaign that again generated more than one billion digital impressions in one year on its products in the EMEA zone, extended for the first time at the end of 2023 to the USA, offering the brand unparalleled awareness. Total advertising expenses including co-op advertising with customers therefore increased significantly by €1.9M and reached €10.8M vs €8.9M in N-1. External services remain at a high level of €22.4M, mainly due to increased advertising expenses and logistical services linked to the growth in business volume.

Personnel expenses increased by €0.5M, mainly due to bonuses provisioned in light of the increase in activity and the hiring of several employees.

Other operating expenses increased by €2.3M, notably due to the €1.9M increase in royalty charges related to the rise in licensed product activity.

Ultimately, thanks to the increase in margin and despite significant advertising investment made during the fiscal year, the Group's operating profit increased faster than activity and reached €8.1M compared to €6.0M in N-1.

Financial result:

The €419K improvement in the financial result mainly stems from the decrease in the cost of net debt (€305K in 2025 compared to €462K in 2024, an improvement of €157K) and from the drop in exchange losses (€917K in 2025 vs €2,581K in 2024, improving the net exchange impact by €173K). Despite the increase in activity, the cost of debt is down due to the optimization of the use of short-term financing lines and the reduction of medium-term loans. The Group also benefited for the second consecutive year from financial income related to the investment of its cash in term accounts after the Christmas season.

Taxes for the period represent a charge of €959K related to changes in the value of deferred tax assets for €183K and corporate income tax provisions of €1.1M.

In this context, the consolidated net income as of March 31, 2025, stands at €7.372M compared to €4.992M as of March 31, 2024.

Stock and debt level

The stock level, net of impairment, stands at €17.0M as of March 31, 2025, up €5.2M compared to the previous year (€11.9M as of 03/31/2024). This increase is mainly due to higher business activity, as well as a strategy to strengthen inventories in the United States, where they reach €3.2M. This logistical anticipation aims to support commercial development in the American market while benefiting from a favorable effect linked to the entry of goods before the implementation of new customs duties. In France, inventories also increase by €3.8M to reach €13.6M in anticipation of the commercial operations expected in Q1 fiscal 2025-26 linked to the release of the Stitch movie.

The average depreciation rate is 12.2% as of March 31, 2025, versus 12.2% as of March 31, 2024. This average rate remains stable to allow the Group to maintain healthy inventory and keep it below the 25% of revenue target.

The Group moved into a net cash position of €7.1M at closing, compared to a net cash position of €2.0M last year. This change mainly results from a net cash variation of +€3.9M, repayment of short-term debts (+€1,491K), and the change in factoring (-€269K). LEXIBOOK indeed repaid a total of €1,491K for the Innovation Loan obtained from BPI, the GIAC, and the State-Guaranteed Loan (PGE), contributing to the Group's deleveraging, which reached a historic low.

Outlook 2025-2026

Lexibook presented its 2025 collections to international distributors and the reception of the new products was positive. Listings for the 2025 Christmas campaign are encouraging and suggest a new 2025-26 fiscal year in line with 2024-25. The order book indicates a significantly growing level of activity compared to last year in Q1 2024-25, particularly thanks to the "Stitch" effect with the release of the movie in May 2025. Lexibook hopes to continue its momentum this year.

However, the sharp increase in tariffs raising US customs duties on nearly all of the Group's products to 30% vs 0% in 2024 also complicates growth in this country and may strongly impact consumption and affect margins. A complete halt could even occur if the Trump administration were to implement its threat to raise them to 55% starting at the end of August 2025.

The persistent instability of trade relations between the United States and the rest of the world, particularly with China, is a significant risk factor for business. Since 100% of Lexibook's products are manufactured in China, any increase in customs duties or the absence of a lasting trade agreement could weaken the competitiveness of the products in the US market. This context could thus slow down growth in the United States, a strategic market for the Group's development. The risks of a consumption slowdown in other territories are also real given the global geopolitical context. More specifically, the boost from the Stitch license remains very strong at the start of the fiscal year, but an inevitable slowdown linked to the typical life cycle of licenses is starting to be felt. If the momentum from this trend fades, a more significant decline could affect the coming years if other licenses do not take over, with a potentially major impact on revenue, as Stitch products currently represent about 25% of the Group's business.

Several license contract renewals expiring in 2025 are under negotiation. Lexibook hopes to finalize these negotiations soon. Nevertheless, the Group is seeing the emergence of new competitors in the territories where it operates and is trying to consolidate its positions to strengthen its leadership. In the USA, Lexibook faces fierce competition from powerful and long-established players, making it more difficult to extend license contracts in the area, slowing the Group's growth, deteriorating commercial conditions with licensors, and increasing risks. These players are indeed trying to expand their contracts into the traditional zones and segments of the company, making negotiations more difficult.

The Group's hedging levels are below the current euro/dollar exchange rate, exposing it to significant losses on its existing hedges. The maintenance or appreciation of the euro against the dollar is currently doubling the accumulated amounts as well as exchange losses, impacting the financial result. This effect should nevertheless be partially offset by the mechanical increase in commercial margins.

Sharp price increases in international freight are expected for June 2025 and beyond: several sources anticipate a sharp increase in China-Europe maritime freight rates starting in June 2025. Marglory estimates that spot rates to Europe or the USA increased respectively by 90% and 60% in June 2025 compared to June 2024.

This impacts delivery times and cost prices on the Group's products and could affect the Group's margins if they remain at the current level or deteriorate further.

Financial Calendar 2024/2025

Availability of the Universal Registration Document as of March 31, 2025: June 17, 2025

Financial Calendar 2025/2026

- Half-year results as of September 30, 2025: November 30, 2025
- Annual results as of March 31, 2026: June 28, 2026
- Availability of the Universal Registration Document as of March 31, 2026: June 28, 2026

ABOUT LEXIBOOK

LEXIBOOK®, owner of over 40 registered brands, is the leader in smart electronic leisure products for children. This success is based on a proven strategy of combining strong international licenses with high value-added consumer electronic products. This strategy, complemented by a constant innovation policy, allows the Group to thrive internationally and continuously develop new product ranges under the Group's brands. With over 35 million products on the market, the company now sells one product every 10 seconds worldwide! Lexibook's share capital is composed 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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