

2022 THIRD-QUARTER BUSINESS

During the third quarter of 2022, the Parrot Group, a European leader for professional civil drones, recorded consolidated revenues of €21.4m, up 229% year-on-year based on its reference scope¹, presented with the 2021 full-year earnings. In this third quarter of 2022, the strong growth of the activity coupled with the cost structure of the period, allowed to reduce the consolidated operating losses of the quarter to an amount inferior to 1 M€.

Revenues (€m and % of revenues)	Q3 2022		Q3 2021		Change	FY 2021	
A Parrot Drones	13.9	63%	5.8	40%	+137%	20.9	38%
B Of which, consumer products ⁽²⁾	0.5	2%	5.0	35%	-	6.2	11%
C Pix4D	8.1	37%	5.8	40%	+38%	26.2	48%
D Parrot SA	0.3	1%	0.1	1%	-	0.3	1%
E Intragroup eliminations	-0.3	-1%	-0.3	-2%	-	-0.8	-2%
F SenseFly (activity divested in October 2021)	-	-	2.9	18%	-	7.7	14%
CONSOLIDATED PARROT GROUP TOTAL	21.9	100%	14.5	100%	+52%	54.3	100%
NEW SCOPE TOTAL⁽¹⁾ (=A-B+C+D+E)	21.4	98%	6.5	73%	+229%	40.4	74%

The figures reported by the Group for the third quarter are unaudited and were presented to the Board of Directors on November 16, 2022.

(1) "New scope total" is a performance indicator reflecting the impact of the strategy rolled out since end-2018. It corresponds to the Parrot Group's consolidated revenues after deducting revenues from consumer products (see 2) and revenues from the subsidiaries divested (Micasense sold in January 2021, no revenues in 2021, and Sensefly SA and Sensefly Inc, sold in October 2021). Note that intragroup eliminations are not reallocated and therefore include a relatively insignificant percentage for sales from the subsidiaries divested.

(2) Consumer products: consumer drones (all ranges), legacy automotive products (car kit, plug & play) and connected devices, for which sales were discontinued in 2021.

For several consecutive quarters, the Group has seen the benefits of its strategy rolled out since the end of 2018, focused on professional uses for equipment and solutions, and is ramping up its growth, supported by a favorable geopolitical context for the deployment of drone technologies. Consolidated revenues for the first nine months of the year climbed to €52.4m, up 35%, with 115% growth based on the reference scope¹.

During this third quarter, the Group's activities were marked by:

- The 137% increase in micro-drone revenues (+131% at constant exchange rates) to €13.9m reflects the strong sales growth for ANAFI USA professional micro-drones and the start of sales for the ANAFI Ai. The ANAFI USA is benefiting from new orders from NATO countries (including the United Kingdom, Spain and the United States) as well as the continued deliveries for the French Defense Procurement Agency (DGA). To date, 450 systems have already been delivered to the French armed forces, representing just over half of the total planned under the European call for tenders from February 2020, which is due to end in 2024. More widely, Parrot is seeing increased demand for its micro-drones, made possible by the gradual integration of drone technologies on its core target markets (inspection, surveillance, mapping), further strengthened by the high level of security provided by its equipment.
- The 38% growth in revenues from data analysis software (+23% at constant exchange rates) to €8.1m for the third quarter of 2022. The business is being supported by the acceleration in sales for the new business solutions launched at the start of 2020, the international development of the sales and marketing strategy, and the continued increase in the number of users. Pix4D Mapper, the longstanding solution, is continuing to build on its growth, while new equipment, making it possible to further enhance the precision of the data used, is responding to increasingly advanced use cases.

Outlook for 2022

Realigned and driven by professional solutions at the forefront of innovation, Parrot is continuing to move forward with confidence as it rolls out its strategy focused on professional micro-drones and solutions, while remaining vigilant concerning the international environment.

The Group is continuing to allocate its resources to an ambitious R&D roadmap. Supported by its advances in the field of artificial intelligence and the growing integration between hardware and software, Parrot aims to continue facilitating the adoption of drone technologies and offer new use cases that are aligned with the needs of professionals, businesses and institutions, focused on (i) 3D Mapping, Geomatics and Inspection, (ii) Defense and Security, and (iii) Precision Farming.

To secure its production capacity over the medium and long term, and respond to the growing interest in its micro-drones, Parrot has further strengthened its coordination between R&D, procurement and production tracking. The increase in the resources allocated to these operations is being combined with an agile sourcing management approach. These transformational initiatives could limit the company's performance.

Looking beyond the disruption linked to the economic and geopolitical environment, which is difficult to predict, the Group plans to move forward with its roadmap for revenue growth on its “new scope” and capitalize on the opportunities opened up by the growing adoption of drone technologies in businesses and the public sector. The Group will continue to closely monitor the allocation of its cash, and will be ready to respond and adapt to potential changes in the conditions.

Change in revenues over nine months

Revenues (€m and % of revenues)	2022		2021		Change	FY 2021	
	9 months		9 months				
A Parrot Drones	29.2	56%	14.1	36%	108%	20.9	38%
B Of which, consumer products ⁽²⁾	1.0	2%	7.1	18%	-87%	6.2	11%
C Pix4D	23.2	44%	17.5	45%	32%	26.2	48%
D Parrot SA	0.5	1%	0.3	1%	102%	0.3	1%
E Intragroup eliminations	(0.5)	-1%	-0.8	-2%	-32%	-0.8	-2%
F SenseFly (activity divested in October 2021)	-	0%	7.7	20%	-100%	7.7	14%
CONSOLIDATED PARROT GROUP TOTAL	52.4	100%	38.8	100%	35%	54.3	100%
NEW SCOPE TOTAL ⁽¹⁾ (=A-B+C+D+E)	51.5	98%	24.0	62%	115%	40.4	74%

Next financial date

- 2022 full-year earnings: Thursday March 16, 2023

ABOUT PARROT

Parrot is Europe's leading commercial UAV group. With a strong international presence, the Group designs, develops and markets a complementary range of micro-UAV equipment and image analysis software dedicated to companies, large groups and government organizations. Its offer is mainly centred on three vertical markets: (i) Inspection, 3D mapping and Geomatics, (ii) Defence and security, and Precision agriculture.

Its ANAFI range of micro UAVs, recognized for their performance, robustness and ease of use, features an open source architecture and meets the highest safety standards. Its software suite for mobile and drone mapping is based on advanced expertise in photogrammetry and offers solutions tailored to the specificities of the verticals it addresses.

The Parrot Group, founded in 1994 by Henri Seydoux, designs and develops its products in Europe, mainly in Paris, where its headquarters are located, and in Switzerland. Today, it has over 500 employees worldwide and carries out the vast majority of its sales internationally. Parrot has been listed on Euronext Paris since 2006 (FR0004038263 - PARRO). For more information: www.parrot.com, www.pix4d.com

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