

Lannion, September 22, 2022 – 5:45pm

## 2022 HALF-YEAR EARNINGS IMPACTED BY STRUCTURING INVESTMENTS

- EBITDA of €11.2m, down 22%
- Resilient gross margin rate in a complex global context
- Strong second-half business growth expected
- 2023 objectives confirmed

The LUMIBIRD Group, the European leader for laser technologies, is reporting a contraction in earnings for the first half of 2022. First-half revenues temporarily grew less quickly than expenses, linked in part to the impact of inflation, but above all to absorb the strong growth that the Group expects to achieve over the coming half-year periods and particularly the second half of this year.

Extract from the condensed half-year consolidated financial statements approved by the Board of Directors on September 22, 2022

At 30 June (€m)	H1 2022	H1 2021	Change	
			Value	%
<b>Revenues</b>	<b>84.0</b>	<b>75.4</b>	<b>+8.6</b>	<b>+11%</b>
<b>EBITDA</b>	<b>11.2</b>	<b>14.3</b>	<b>(3.1)</b>	<b>-22%</b>
<i>% revenues</i>	<i>13.3%</i>	<i>19.0%</i>		
<b>Current operating income</b>	<b>3.9</b>	<b>8.6</b>	<b>(4.7)</b>	<b>-55%</b>
<i>% revenues</i>	<i>4.6%</i>	<i>11.4%</i>		
<b>Operating income</b>	<b>2.5</b>	<b>8.0</b>	<b>(5.5)</b>	<b>-</b>
<b>Pre-tax income</b>	<b>2.1</b>	<b>6.9</b>	<b>(4.8)</b>	<b>-</b>
<b>Net income</b>	<b>1.2</b>	<b>5.1</b>	<b>(3.8)</b>	<b>-</b>

## Sustained growth maintained during the first half of 2022

The LUMIBIRD Group's consolidated revenues came to €84.0m at June 30, 2022, up 11% (+9% like-for-like and at constant exchange rates). This growth is split equally across the Photonics and Medical divisions, although with various deliveries deferred from one quarter to another depending on the business segments.

- For the Photonics division, the contrasting levels of progress do not necessarily reflect the overall trend. The Industrial and Scientific business lines recorded first-half growth of +2% (to €17.4m), while the Lidar business climbed +48% to €11.0m, with an increase in sales for both Lidar and OEM systems. The Defense / Space business was stable during the first half of the year (+1% to €10.2m). On May 31, 2022, Lumibird Photonics Sweden, which took on the laser

rangefinder activities (previously SAAB), became operational. Its first-half contribution was marginal (€0.36m).

- The Medical division, with first-half growth of +11% (€45.4m), benefited from an acceleration in sales, particularly in the United States and Japan, where the strengthening of the sales teams and the extension of the product range are reflected in very positive trends.

## Contrasting contributions for the two divisions

### Summary of results for each division

(€m)	Photonics			Medical		
	2021-H1	2022-H1	Change (%)	2021 -H1	2022-H2	Change (%)
Revenues	34.7	38.7	+11.3%	40.7	45.4	+11.5%
Gross margin %	23.2 66.9%	24.7 64.0%	+6.4%	24.4 60.0%	27.7 61.1%	+13.6%
EBITDA %	6.7 19.2%	3.7 9.7%	-43.8%	7.6 18.8%	7.5 16.4%	-2.4%
Current op. income %	3.7 10.7%	(0.8) (2.2)%	-123%	4.9 11.9%	4.7 10.4%	-3.1%

The Group's gross margin rate is still high, at 62.4%, compared with 63.1% in H1 2021. However, this change shows differences for the two divisions, mainly as a result of a price effect, which was more favorable for the Medical division (61.1% gross margin vs 60.0% in H1 2021), in which the price rises can be passed on almost immediately, while the Photonics division (64.0% vs 66.9%) is held back by a structure of longer-term contracts.

During the first half of 2022, LUMIBIRD recorded €11.2m of EBITDA, representing 13.3% of revenues, compared with 19.0% one year earlier, linked to the structuring of the organization looking ahead to a higher level of business in 2022 and beyond. The structuring investments began during H2 2021 and continued in H1 2022. This will enable the Group to deliver the growth and operational performance expected.

The temporary contraction in profitability can be seen more for the Photonics division (EBITDA margin of 9.7% vs 19.2% in H1 2021) than the Medical division (16.4% vs 18.8% in H1 2021). This mainly reflects the additional structural costs recorded by the Photonics division to prepare for future growth.

First-half income from ordinary operations came to €3.9m, compared with €8.6m for the first half of 2021.

Following -€0.4m of financial income and expenses (vs -€1.1m in H1 2021) and €0.9m of taxes (vs €1.8m in H1 2021), net income totaled €1.2m, compared with €5.1m for the first half of 2021.

## Cash flow: capex and increase in inventory to prepare for the future

(€m)	30/06/2021	30/06/2022
<b>Net cash-flow from operations</b>	<b>8.1</b>	<b>(10.2)</b>
<i>Operating cash-flow before interests and tax</i>	14.5	11.0
<i>Change in WCR</i>	(7.7)	(20.1)
<i>Taxes paid</i>	1.3	(1.0)
<b>Net cash-flow from investing activities</b>	<b>(7.7)</b>	<b>(18.2)</b>
<i>Capital expenditures</i>	(4.8)	(10.6)
<i>External growth</i>	(2.3)	(7.2)
<i>Other financial assets investments</i>	(0.5)	(0.4)
<b>Net cash-flow from financing activities</b>	<b>(1.0)</b>	<b>(0.7)</b>
<i>Capital increase</i>	-	-
<i>Net loans issuance</i>	(0.1)	1.3
<i>Financing cost</i>	(0.8)	(1.3)
<i>Other change</i>	(0.1)	(0.7)
<b>NET CASH FLOW <sup>1</sup></b>	<b>(0.6)</b>	<b>(29.1)</b>

The combined impacts of the component crisis and the preparations for a strong level of production in the second half of the year resulted in a significant increase in inventory levels (+€11.2m) at end-June. The investments in industrial facilities, including the expansion of the Lannion site, the creation of the Gothenburg site to incorporate the rangefinder activities (previously SAAB), and the preparation of the new site to take on the activities from Les Ulis (€5.2m), also had a significant impact on first-half capex. During the first half of the year, total cash requirements, representing nearly €30m, were covered entirely by existing cash.

## Balance sheet position

Balance sheet highlights (€m)	31.12.2021	30.06.2022
Goodwill	70.3	71.1
Non-current assets (excl. Goodwill)	94.5	104.4
Current assets (excl. cash)	85.7	113.2
Cash and equivalents	97.1	68.6
<b>TOTAL ASSETS</b>	<b>347.6</b>	<b>357.3</b>
Shareholders' equity (Incl. minority interests)	181.3	185.0
Long-term financial liabilities <sup>2</sup>	97.9	96.4
Other long-term liabilities	10.5	9.4
Current financial liabilities	14.1	21.5
Current liabilities	43.8	45.0
<b>TOTAL LIABILITIES</b>	<b>347.6</b>	<b>357.3</b>

<sup>1</sup> The cash position corresponds to "cash and cash equivalents" on the asset side of the balance sheet, net of current bank borrowings (cash liabilities) included in current financial liabilities on the liability side of the balance sheet /passive)

<sup>2</sup> Financial liabilities (current and non-current) include lease liabilities under IFRS 16

Net financial debt, comprising €117.8m of gross financial debt and €68.6m of cash assets, totaled €49.2m at June 30, compared with €14.9m at December 31, 2021.

Despite this temporary increase in net debt, LUMIBIRD still benefits from a robust financial position, with gearing of 26.6%, enabling the Group to maintain its financial flexibility and its capacity to continue financing its ambitions for external growth.

## Outlook

With a still extremely robust order book and a strong level of demand, combined with a stabilized level of costs, during the second half of the year LUMIBIRD expects, to a great extent, to catch up the profitability lag recorded in H1. The investments made in the Group's industrial facilities and the strengthening of its capacity are expected to support a strong level of commercial development over the coming half-year periods.

In this context, the Group is confirming its objectives for 2023 reported revenues of €250m, driven by organic and external growth, with its EBITDA margin to continue increasing within a 20%-25% range.

### Next date:

Q3 2022 revenues on October 24, 2022 after close of trading

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LUMIBIRD is one of the world's leading specialists in lasers. With 50 years of experience and a mastering of solid state laser, laser diodes and fiber laser technologies, the Group designs, manufactures and markets high performance lasers for scientific (laboratories and universities), industrial (manufacturing, defense, Lidar sensors) and medical (ophthalmology, ultrasound diagnostic) markets.

Born from the combination of Keopsys Group with Quantel in October 2017, LUMIBIRD has more than 940 employees and over €162 million of consolidated revenues in 2021 and is present in Europe, America and Asia.

**LUMIBIRD shares are listed on the Euronext Paris B Compartment. FR0000038242 – LBIRD** [www.lumibird.com](http://www.lumibird.com)  
Since 2022, LUMIBIRD is part of Euronext Tech Leaders

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