

- **LEXIBOOK: 2023-24 ANNUAL RESULTS IN LINE WITH EXPECTATIONS: ANNUAL SALES AT €58.6M (+14.4%). EBIT AND NET RESULT UP RESPECTIVELY TO +6.0M€ AND +5.0M€ THANKS TO AN EXCEPTIONAL CONJUNCTION OF POSITIVE FACTORS. ENCOURAGING OUTLOOK FOR FY 2024-25 DESPITE UNCERTAINTIES ON THE IMPACT OF FREIGHT COSTS AND EXCHANGE PERIODS AND ON CONSUMPTION.**
- **Annual sales: a historic fiscal year after 4 years of growth. Over the full fiscal year, which grew by 13.3% in 22-23, sales rose by a further 14.4% to €58.6m, compared with €51.2m a year earlier.**
- **Against a backdrop of a 3.6% appreciation of the euro against the US dollar in 1 year, and a very significant reduction in freight costs, Group margins logically improved as Lexibook succeeded in maintaining its prices, or even increasing them in a targeted manner, and continued to launch highly profitable new products. The restated 4-net margin for the year came to 38.6% vs. 34.0% the previous year, an increase of 5.2 M€ vs. N-1.**
- **Massive digital advertising campaign: 1.5 billion cumulative impressions on Lexibook products.**
- **EBIT: +6.0 M€, up 40.0%, thanks to higher volumes and margins, despite advertising investment.**
- **EBITDA: +7.5 M€, vs +4.7 M€ in N-1. Growth of 58.8%.**
- **Net financial expense, €0.2m vs. €0.9m, thanks to favorable exchange rate fluctuations.**
- **Net Result: +5.0 M€, vs 3.0 M€ on FY22-23.**
- **The Group moved into a net cash position of €2.0 million at year-end, compared with net financial debt of €6.4 million the previous year. This change was mainly due to the repayment of short-term debt (- €1,227k), the change in factoring (- €961k) and the net change in cash and cash equivalents (+ €6,209k).**
- **Shareholders' equity, including net income for the 2023-2024 financial year, stands at €17 million, a historically high level for the Group.**
- **Fiscal year 2024-25 Expected slight growth in sales based on consumption, which could be impacted by international political instability. Operating income and net income expected to decline due to higher freight costs and worsening exchange rate parities.**

Lexibook (ISIN FR0000033599) today announced its annual financial statements for the year ended March 31, 2024. These financial statements were approved by the Management Board on June 13, 2024. Accounts are audited.

In K€	MARCH 31, 2024	MARCH 31, 2023	Variation
<b>Net sales</b>	<b>58 621</b>	<b>51 237</b>	+14,4%
<b>Gross margin</b>	<b>35 086</b>	<b>27 951</b>	+25,5%
<b>EBITDA</b>	<b>7 459</b>	<b>4 697</b>	+58,8%
<b>Operating income</b>	<b>5 951</b>	<b>4 251</b>	+40,0%
<b>Net income</b>	<b>4 992</b>	<b>3 042</b>	+64,1%

Aymeric Le Cottier, Chairman of Lexibook's Management Board, commented: "After 4 consecutive years of growth, the Group has once again posted a satisfactory year of progress, thanks to the development of online sales and the success of new products over the period. We strengthened international brand awareness thanks to an unprecedented digital communications campaign, generating over one and a half billion impressions. Financially, the Group is more solid and has the means to achieve its ambitions: shareholders' equity has reached a historically high level of €17 million, and gearing has been reduced despite the increase in activity. Fiscal 2024-25 is also off to a good start, so we're optimistic about the new fiscal year, despite less advantageous parity and freight levels than last year."

In K€	MARCH 31, 2024	MARCH 31, 2023	Variation %
Net sales	58 621	51 237	14,4%
Cost of goods sold	-23 535	-23 286	1,1%
<b>Gross margin</b>	<b>35 086</b>	<b>27 951</b>	25,5%
External Services	-17 374	-14 848	17,0%
Taxes (excluding corporate income tax)	-25	-93	-73,4%
Personnel expenses	-6 185	-4 965	24,6%
Other operating income and expenses	-5 551	-3 794	46,3%
<b>Operating income</b>	<b>5 951</b>	<b>4 251</b>	40,0%
<b>EBITDA</b>	<b>7 459</b>	<b>4 697</b>	58,8%
Cost of net indebtedness	-451	-432	4,4%
Net interest on leases	-31	-31	0,0%
Other financial income and expense	296	-483	-161,2%
<b>Net financial income</b>	<b>-186</b>	<b>-946</b>	-80,3%
<b>Profit before tax</b>	<b>5 765</b>	<b>3 306</b>	74,4%
Income tax	-773	-263	193,7%
<b>Net Income</b>	<b>4 992</b>	<b>3 042</b>	64,1%

## Sales and margin :

Fiscal year 2023-24 was a particularly satisfactory year for the Lexibook Group. Our strategic choices have paid off, enabling us to maintain a positive momentum of profitable growth. The Group has thus achieved 5 consecutive years of growth from 2019 to 2024. Sales remained buoyant thanks to new high-potential products, flagship license portfolios and the explosion of digital sales in France and abroad. Overall for the year, sales closed at an all-time high for Lexibook, at €58.6 million (+14.4%). FOB sales (sales invoiced directly from HK on FOB HK deliveries by full containers) were down slightly, but were more than offset by growth in non-FOB sales, reflecting the popularity of the Group's products among international retailers.

Over the full fiscal year, France accounted for 34% of sales. International sales (outside Europe) increased from 6% to 10% of total sales, and offer considerable potential.

In terms of products, sales growth was driven by toys, watches, musical instruments and walkie-talkies, thanks to new products for the Group's own brands and licensed products. Licensed products also contributed to this growth, both on existing dynamic licenses such as Frozen, Paw Patrol, Spiderman, and on new licenses such as Super Mario, Miraculous, Barbie, Wish and Stitch.

Finally, the Group's digitalization is bearing fruit: digital sales are rising sharply (around 30% growth between 2022 and 2023) both in France and in other markets, thanks in particular to a massive, Europe-wide digital marketing campaign for the Group's new products.

Against a backdrop of a 3.6% rise in the euro against the USD in 1 year, and a significant reduction in freight costs, the Group's margins logically improved as Lexibook succeeded in maintaining its prices, or even increasing them in a targeted manner, and continued to launch a number of highly profitable new products. Gross margin for the year was thus a high 60.0% vs. 54.6% the previous year, up 7.2 M€ vs. N-1, and following an increase of 4.3 M€ the previous year.

The table below shows gross margin, gross margin adjusted for currency impacts included in financial income and exceptional items included in gross margin, and net margin 4 after advertising contributions and royalties:

	31 MARCH 2024	31 MARCH 2023
Net sales	58 620 967	51 236 987
Cost of goods sold	-23 534 525	-23 285 934
<b>Gross margin</b>	<b>35 086 442</b>	<b>27 951 053</b>
<b>Gross margin rate</b>	<b>59,9%</b>	<b>54,6%</b>
Net foreign exchange impact	331 147	-401 341
<b>Adjusted gross margin</b>	<b>35 417 589</b>	<b>27 549 712</b>
<b>Adjusted gross margin</b>	<b>60,4%</b>	<b>53,8%</b>
Advertising contributions	8 240 944	6 524 906
Royalties	4 548 335	3 619 083
<b>Adjusted net margin 4</b>	<b>22 628 310</b>	<b>17 405 723</b>
<b>Adjusted net margin 4</b>	<b>38,6%</b>	<b>34,0%</b>

The increase in gross margin is partly reflected in the restated net 4 margin, which rose to €22.6m from €17.4m a year earlier, reflecting higher advertising expenditure and a slight increase in the share of licensed products in total sales.

#### EBITDA :

EBITDA (earnings before tax, interest, depreciation and amortization) rose by 58.8% to €7.5 million from €4.7 million.

#### Operating income :

Taking advantage of the positive momentum, Lexibook renewed a major international digital advertising campaign which again generated over a billion digital impressions in 1 year on its products in the EMEA zone, extended at the end of 2023 for the first time to the USA, giving the brand unrivalled notoriety. Total advertising expenditure, including advertising contributions from customers, thus rose significantly by 747 K€ to 7.3 M€ vs. 6.5 M€ in N-1. External services remained at a high level of 17.4 M€, mainly due to increased advertising expenditure and logistics services linked to the growth in business volume.

Personnel costs rose by €1.2 million, mainly due to the provisioning of bonuses in view of the increase in business and the hiring of several new employees.

Other operating expenses were up (1.6 M€), notably due to a 0.9 M€ increase in royalty expenses linked to the rise in business due to the net improvement in customer/supplier provisions this year, and to advertising expenses to support product consumption and Group brand awareness.

Finally, thanks to margin growth and despite substantial advertising investment during the fiscal year, the Group's operating income rose faster than sales, reaching €6.0 million versus €4.3 million in N-1.

#### Financial Income :

The €759,000 improvement in net financial income was mainly due to the €732,000 change in net foreign exchange gains on the evolution of the USD/EUR exchange rate. Despite the increase in sales, the cost of debt rose by only 30 K€, due to the optimized use of short-term financing lines, mainly as a result of the favorable trend in working capital thanks to the significant reduction in inventory levels. For the first time, the Group also benefited from financial income from the investment of its cash in term accounts after the Christmas season.

Income tax expense for the period amounted to 772.8 K€, reflecting changes in the value of deferred tax assets (195.8 K€) and provisions for corporation tax payable (577 K€).

**Against this backdrop, consolidated net income at March 31, 2024 stood at €4.992 million, compared with €3.042 million at March 31, 2023.**

## Inventory and debt levels

Thanks to rigorous management of supplies and efforts to reduce inventory levels in the context of business growth, inventory levels, net of depreciation, fell by 5 M€ in France between 2023 and 2024, offset by 1.5 M€ in the USA to support sales development on the continent. Inventory levels thus fell to 11.9 M€ at March 31, 2024, compared with 15.5 M€ at March 31, 2023.

The average rate of depreciation was 12.2% at March 31, 2024, compared with 6.6% at March 31, 2023, an increase that will enable the Group to keep its inventory healthy and below its target of 25% of sales.

The Group repaid a total of + €1,255, K for the BPI Innovation Loan, loans from GIAC, VATEL and the PGE.

Shareholders' equity, including net income for the 2023-2024 financial year, stands at €17 million, a historically high level for the Group.

The Group moved into a net cash position of 2.0 M€ at year-end, compared with net financial debt of 6.4 M€ the previous year. This change was mainly due to the repayment of short-term debt (- €1,226.61 k), the change in factoring (- €961 k) and the net change in cash (+ €6,208.92 k).

After deduction of factoring guarantee funds amounting to €576k on N-1, the Group's net debt stood at - €2,042k at 31-03-2024 vs. +€5,834k at 31-03-23.

## Outlook 2024-2025

The Group presented its 2024 collections to international retailers, and the response to new products was positive. Bookings for the 2024 Christmas campaign are encouraging and point to a new 2024-25 financial year in line with 23-24, provided that international political instability does not disrupt consumption. The order backlog for Q1 2024-25 points to an increase in business compared with last year. Lexibook therefore hopes to maintain its momentum this year.

Several renewals of license agreements expiring in the next few months are currently being negotiated, and the Group aims to extend them to new regions. Nevertheless, the Group is seeing the emergence of new competitors in the territories in which it operates, and is attempting to consolidate its positions to consolidate its leadership. In the USA, Lexibook faces fierce competition from powerful, long-established players, which complicates the extension of licensing contracts in the region, slows the Group's growth and increases local risks.

The euro/US dollar exchange rate was less favorable in the first half of the fiscal year. International freight conditions also deteriorated sharply due to the Red Sea shipping crisis. This is lengthening delivery times and impacting Group product costs, and will affect Group margins if they remain at current levels or deteriorate further.

The change in financial management has led to delays in confirming bank lines for the season and renewing lines for 2025, with some lines expiring in the second half of 2024. The Group plans to restructure its bank lines over the next few years.

#### [Financial calendar 2023/2024](#)

Availability of the Universal Registration Document on March 31, 2024: July 8, 2024

#### [Financial calendar 2024/2025](#)

- 1st quarter sales 2024-2025: August 19, 2024
- 2nd quarter sales 2024-2025: November 15, 2024
- Half-year results to September 30, 2024: November 30, 2024
- 3rd quarter sales 2024-2025: February 15, 2025
- 4th quarter sales 2024-2025: May 15, 2025
- Annual results to March 31, 2025: June 28, 2025
- Availability of the Universal Registration Document as at March 31, 2025: June 28, 2025

#### [ABOUT LEXIBOOK](#)

LEXIBOOK®, owner of over 40 registered brands, is the leader in intelligent electronic leisure products for children. This success is based 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 flourish internationally and to constantly develop new product ranges under the Group's brands. With over 35 million products on the market, the company now sells a product every 10 seconds worldwide! 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.

#### **Contact**

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