

# Keopsys - Quantel Group

## PRESS RELEASE



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### STRONG FULL-YEAR EARNINGS GROWTH FOR 2017

- **ROBUST BUSINESS PERFORMANCE DRIVEN BY THE KEOPSYS - QUANTEL BUSINESS COMBINATION**
- **FIRST EFFECTS OF THE SYNERGIES IMPLEMENTED**
- **TARGETING OVER €100M IN REVENUES FROM 2018**

On March 28, 2018, Quantel's Board of Directors approved the audited accounts for the year ended December 31, 2017. The business combination between Quantel and Keopsys, carried out on October 6, 2017 through a contribution from the Keopsys Group to the Quantel Group, has been treated in line with the reverse acquisition accounting method, which means that the Keopsys-Quantel Group's consolidated accounts for 2017 reflect the recognition of the Quantel Group's acquisition by the Keopsys Group for FY 2017 from October 6, 2017, the date when the contribution took place. For a better assessment of the Keopsys-Quantel Group's real economic position, proforma accounts are also presented for 2017 and 2016 and have been prepared as if the business combination took place on January 1, 2016.

The following comments concern the proforma accounts.

#### Actual and proforma consolidated accounts<sup>(1)</sup>

(€m)	2017 <sup>(2)</sup>	2016 <sup>(3)</sup>	2017 proforma <sup>(2)</sup>	2016 proforma <sup>(3)</sup>	Proforma change
Revenues	37.5	17.2	85.1	80.5	+5.8%
Income from ordinary operations	5.2	3.1	7.5	3.7	+99%
Operating income	4.2	3.1	6.5	3.7	+74%
Pre-tax earnings	3.8	3.1	5.7	3.3	+75%
Net income	2.5	2.1	4.3	2.4	+83%

<sup>(1)</sup> Revenues including business for the Keopsys and Quantel Groups over the full year.

<sup>(2)</sup> Audited data (statutory auditors' certification report currently being issued).

<sup>(3)</sup> Figures not audited or reviewed by the statutory auditors.

#### Robust business performance in 2017

Over the full year in 2017, the Keopsys-Quantel Group recorded €85.1m in proforma consolidated revenues, up 5.8% from 2016. This progress reflects a robust level of business for the Industrial and Scientific, Medical and Lidar Sensors Divisions. This revenue growth follows a record year for both Groups



in 2016, despite the non-recurring revenues linked to the tender delivered in India in 2016 and the slowdown in the Defense business following a lower level of deliveries in 2017 compared with 2016.

The **Industrial and Scientific Division** is reporting €32.3m in revenues (+14.5%), with sales supported by business in Asia and the ramping up of diode production capacity, for which the order book is still high.

The **Lidar Sensors** business recorded a strong acceleration in 2017 and passed the €10m mark, with revenues climbing to €10.7m (+18% vs 2016), driven by the major investments made by various Group clients in the development of autonomous vehicles.

Revenues for the **Defense Division** are down 17.7% to €10.4m, linked to the accounting recognition of revenues on a stage-of-completion basis for contracts in this segment.

The **Medical Division's** sales came to €31.7m, notably reflecting the ramping up of production for the new Easyret laser, up 3.9% and 14.9% excluding the non-recurring contract with India (€2.9m) from 2016.

### Strong earnings growth

Thanks to growth in business and effective cost management, proforma operating income is up 74% to €6.5m for 2017.

Finance costs show a slight change (€0.4m), with net debt down from €10.4m at December 31, 2016 to €10.0m at December 31, 2017, reflected in pre-tax earnings of €5.7m, up 75%.

Total net income represents €4.3m, up 83% (after €1.4m in corporate income tax).

### Targeting €100m of revenues from 2018

Considering the potential of the Keopsys-Quantel Group's markets and its robust commercial development since the business combination, the Group's management team is raising its growth target for 2018, aiming to achieve revenues of over €100m. The Group is forecasting growth across its main markets in 2018. Within the Defense Division, it expects to achieve commercial progress, benefiting from sales growth starting up again on the contracts already in place, as well as the impact of potential new contracts. The Lidar Sensors Division is also forecasting strong growth, particularly with the first major orders expected following the successful pilot tests carried out in the driverless vehicle sector. Lastly, within the Medical Division, the success of Quantel Medical's new products combined with the extension of its sales areas is expected to once again accelerate this Division's sales this year.

Alongside this, the Group is moving forward with its integration and organization efforts following the business combination. A new organization is currently being rolled out to pool all the support functions at Group level, while combining the sales teams and optimizing the industrial organization across the Group's four sites. This industrial organization and the ongoing synergies are expected to help support business growth and continue improving profitability.

**Next date:** 2018 first-quarter revenues on May 4, 2018 (before start of trading)



Founded in 1970, Keopsys Quantel Group is one of the world's leading specialists in laser technology for scientific (laboratories and universities), industrial (manufacturing, defense, new technologies) and medical (ophthalmology) markets.

Combined with Keopsys Group in October 2017, the Keopsys Quantel Group has more than 400 employees and over €85 million of revenues (pro forma 2017) and is present in France, the US and Japan..

Quantel shares are listed on the Euronext Paris C Compartment. FR0000038242 – QUA [www.quantel.fr](http://www.quantel.fr)

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