



Results H1-2024

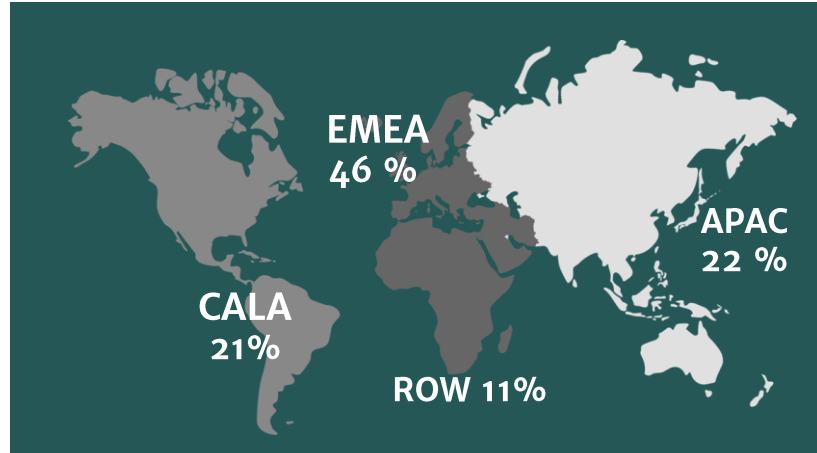
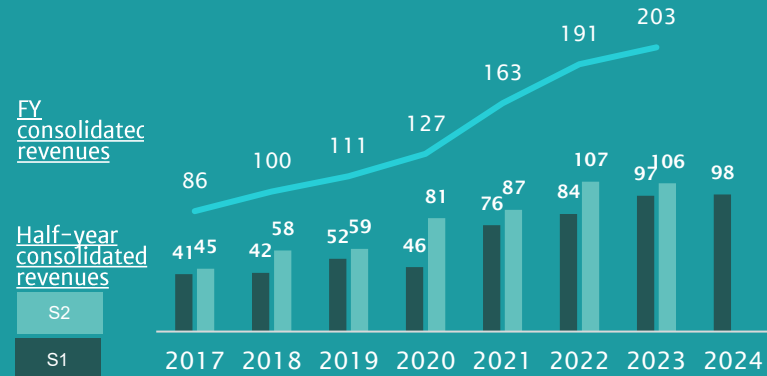


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 - 4 Review and outlook

Lumibird, a global laser player: H1 2024

A fast-growing tech company



12 R&D sites including 10 production sites

Presence in **+110** countries

84%

Share of export sales

≈ 1 050
Average headcount 2023

Photonics

Lasers and laser systems for industrial integrators, R&D centers and universities

€47.2m +2.8%

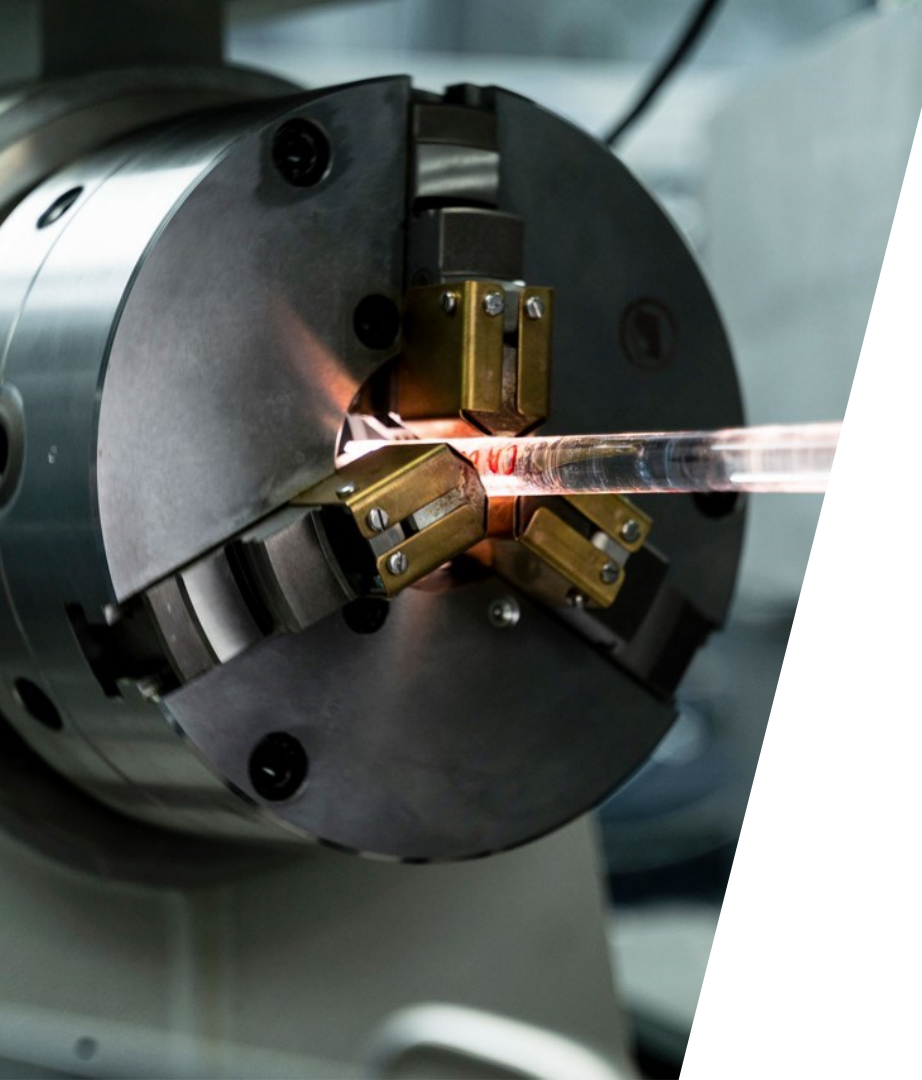
48.2% of H1 2024 sales

Medical

Medical systems for practitioners

€50.8m -0.9%

51.8% of H1 2024 sales



1. LUMIBIRD IN BRIEF

Dynamic markets driven by innovation and technological progress

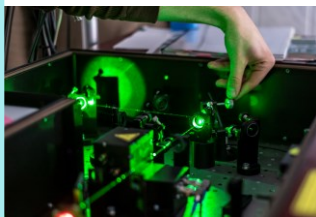
**Defence &
Space**



**Environment,
Topography,
Security**



**Industrial &
Scientific**



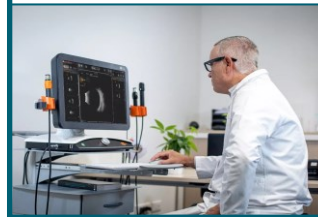
MedTech
Science and health
industry



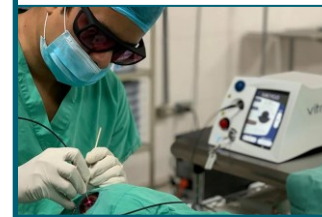
Photonics division

OPHTHALMOLOGY

Diagnostic



Treatment



Medical division



Pocket III™
ALWAYS READY
FOR PRECISION

PRECISION
POCKET III has a precise and advanced measurement range (0.001mm to 1000µm). It can measure the true geometry of curved teeth, even in contact or in mapping mode.

ERGONOMIC
Easy to handle and ambidextrous, POCKET III is the lightest handheld polymer on the market with just 60 grams weight.

SAFE
The POCKET III holder shows the probe tip to be visible only in the distribution solution.

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2. HIGHLIGHTS H1 2024 MEDICAL BRANCH

Highlights H1 2024 – MEDICAL

A business with established growth potential...

- CE mark for C-DIAG (dry eye) obtained in May 2024
- Business in the USA was slowed by the implementation of a new sales organization, with the move to a new site in Minneapolis to meet Medtech standards (after-sales service, training, clinical support, etc.)
- In H2 2023, the Chinese market came to a halt due to changes in local administrative rules. Business in China is gradually picking up
- Broker purchases were fully utilized in 2023
- Operating costs are under control and/or reduced, offsetting the rise in inflation-related costs

... and growing H1 2024 EBITDA

- No impact on sales in H1 2024 – product launch in H2 2024
- +3% US sales in H1 2024 – higher growth rate expected in H2 2024
The new Minneapolis site is environmentally friendly (reduced water and electricity consumption, improved recycling, enhanced safety).
- Sales decline in China in H1 2024, growth expected in H2 2024
Medical sales were stable in H1 2024.
Sales in H2 2024 are expected to grow compared with H1 2024, in higher proportions than in 2021 and 2022.
- Gross margin % H1 2024 > 61% (60.3% H1 2023)
(back to 2022 level)
- EBITDA margin improvement: +220 BPS
17.6% (H1 2024) vs. 15.4% (H1 2023)

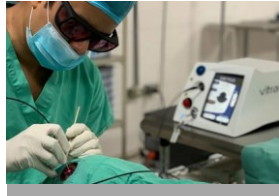
MEDICAL / activity

MEDICAL / OPHTHALMOLOGY

Glaucoma / Retina / Cataract



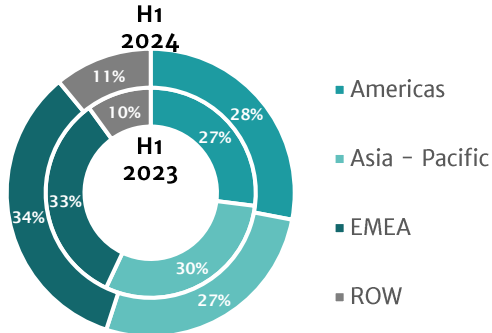
Diagnostic



Treatment



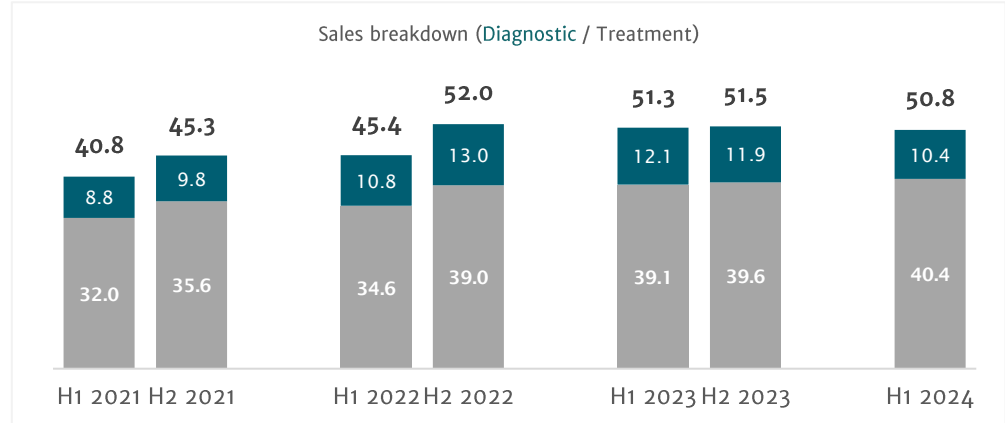
Sales breakdown by region



Highlights :

- H1 2024 sales were marked by a gradual recovery in Asian markets, mainly China and Korea.
- The regulatory and administrative obstacles identified at the end of 2023 are gradually being overcome, for example by obtaining CE marking for C-DIAG (dry eye) in May 2024, or the authorization to import Optotek brand products again for our distributor in Brazil.
- Sales stable at constant exchange rates (-0.9% on a reported basis)

Sales breakdown (Diagnostic / Treatment)



- Sales rose in Europe (+2%) and the Americas (+3%), thanks to laser treatment products.
- The decline in sales in Asia-Pacific (-10%) was mainly due to administrative blockades in China and a reduction in distributor inventories, which had a greater impact on the diagnostic equipment market.



2.

HIGHLIGHTS 1^{ER} HALF-
YEAR 2024

PHOTONICS BRANCH

Highlights H1 2024 – PHOTONICS

A mixed performance ...

- Defense / Space: strong demand and full order book thanks to telemetry and satellite activities
- Medtech: innovation drives growth

- Industrial & Scientific: overall demand reduced from time to time, due to the economic context.
- Environment, Topography and Security: reorganization of the industrial and commercial Lidar systems business, which has taken longer than expected, and postponement of orders by some customers to 2025.

- On a like-for-like basis, operating costs were kept under control and/or reduced, offsetting the rise in inflation-related costs.

- The Photonics division has integrated 2 additional R&D and Production sites – Chicopee (USA) and Turin (Italy) – following the acquisition of Convergent in August 2023.

... impacted EBITDA 2024

- Sustained business growth in markets :
 - Defense / Space (+23.2%)
 - Medtech (+322%)

- Occasional drop in market activity :
 - Industrial & Scientific (-9%)
 - Environment, Topography and Safety (-50%)

Negative impact on Photonics division gross margin and EBITDA due to unfavorable product mix (fewer sales of high gross margin Lidar systems). This loss was not fully offset by growth in other markets.

- Operating costs down €0.6m.
In H1 2024, operating costs include the start-up costs of the Lannion fiber tower.

- Impact of operating costs of €2.9m over 6 months (€2.4m from September to December 2023 – 4 months)
=> lower Convergent operating costs

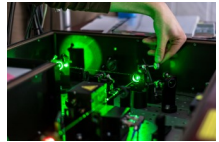
PHOTONICS / activity



Defence & Space



Environment, Topography, Security

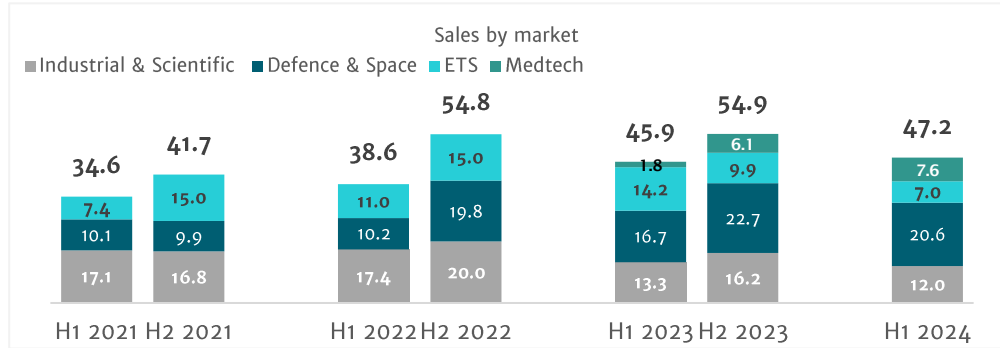


Industrial & Scientific



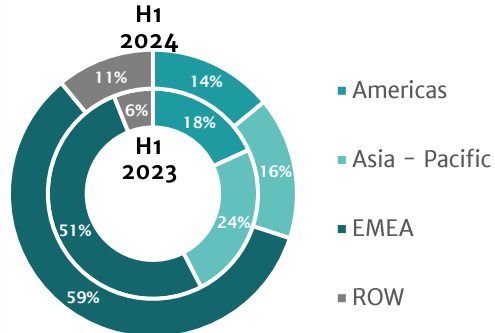
MedTech

Highlights :

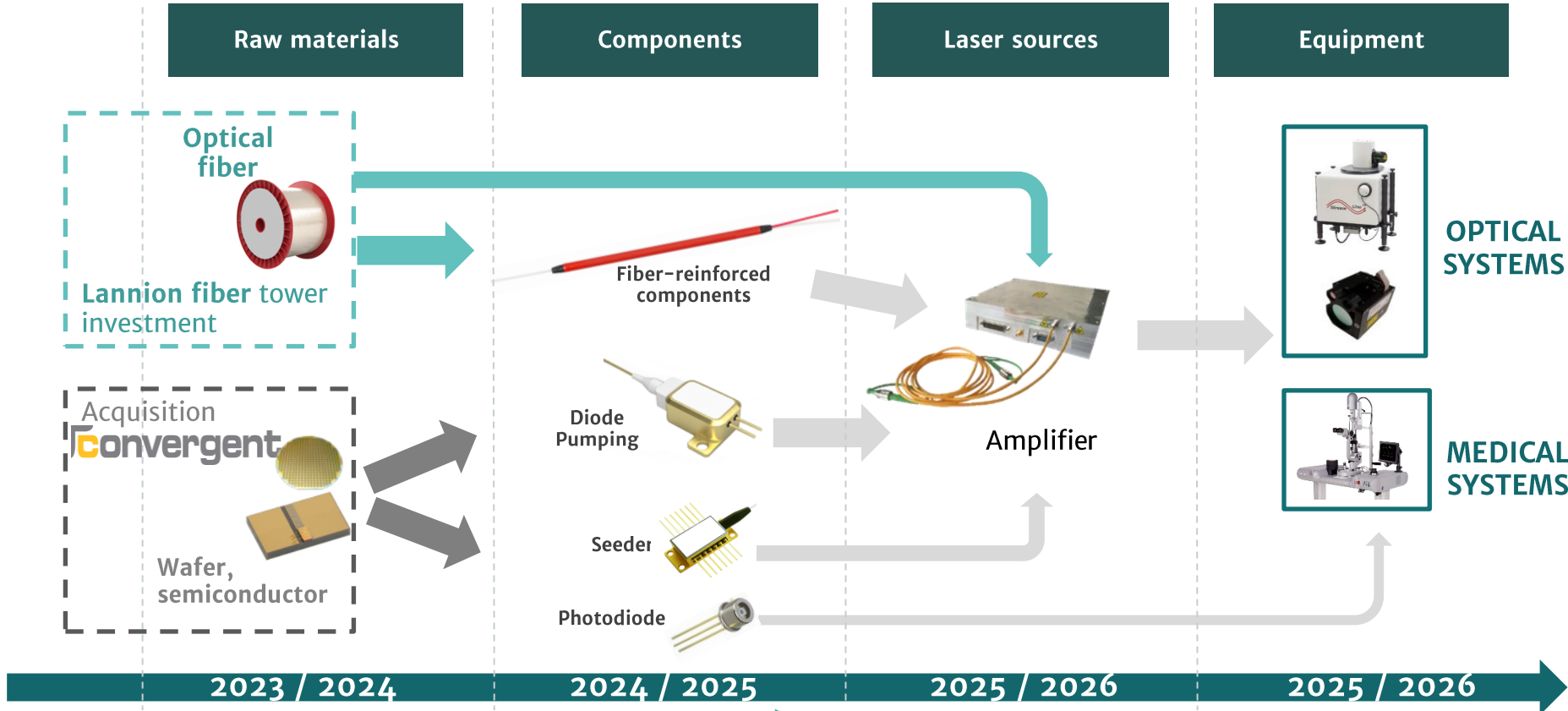


- **Defence & Space** (+23.2%): buoyed by strong demand and multi-year contracts.
- **Medtech** (+322%): Innovation is driving growth due to the increasingly widespread use of laser technology in numerous Medtech applications (diagnostics, treatments, measurement and activation of pharmaceutical molecules and biological analyses).
- **Industrial & Scientific** (-9.0%): context of reduced demand on customer distribution channels.
- **ETS** (-50%):
 - Temporary decrease due to inventory reduction by customers (wind power and 3D Scan).
 - Setting up a new industrial and commercial organization for Lidar systems
 - Topography: demand for a new generation of products - more efficient and less expensive - for which Lumibird is very well positioned with its breakthrough fiber laser technologies.
- Sales up slightly at constant exchange rates (+2.8% on a reported basis and -4.4% on a like-for-like basis - excluding the CONVERGENT acquisition)
- Strong growth in Europe was driven by business in the Defense/Space and Medtech markets.
- The decline in the Americas and Asia-Pacific regions was mainly due to applications and systems in the Environment, Topography and Security segment.

Sales breakdown by region



Lumibird: vertical integration strategy



Key figures H1-2024

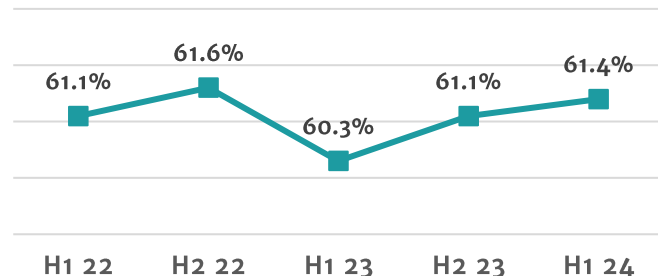
	Reported data (in €m)				Unaudited data (in M€)			
	H1-2023	H1-2024		H1-2024	H1-2024 (excluding Convergent)			
	Value	Value	Change	Convergent	Value	Change		
			%			%		
Sales revenue	97.2	98.0	+0.8	+1%	3.8	94.2	(3.0)	(3)%
Gross margin	60.8	59.5	(1.4)	(2)%	1.5	58.0	(2.9)	(5)%
%	62.6%	60.7%			39.0%	61.6%		
EBITDA⁽¹⁾	13.8	10.9	(2.9)	(21)%	(1.4)	12.3	(1.5)	(11)%
%	14.2%	11.2%			(37.0)%	13.1%		
ROC	6.0	1.6	(4.3)	(73)%	(2.6)	4.2	(1.7)	(29)%
%	6.2%	1.7%			(68.4)%	4.5%		
RO	2.7	2.2	(0.5)	(19)%				
Net financial income	(2.8)	(2.2)	+0.6	(21)%				
Taxes	+0.6	(0.1)	+0.7	(119)%				
Net income	0.5	(0.1)	(0.6)	(124)%				
%	0.5%	(0.1)%						
Cash flow from operations (CFO)	10.5	11.2	+0.7					
Net industrial Capex	14.0	8.9	(5.1)					
Net financial debt	67.4	90.0	+ 22.6					

MEDICAL / results

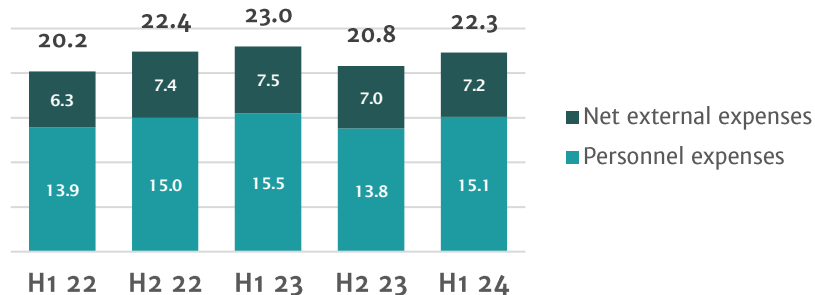
Reported data - €M

	2022			2023			2024
	H1	H2	FY	H1	H2	FY	H1
Sales revenue	45.4	52.1	97.5	51.3	51.5	102.8	50.8
Gross margin	27.7	32.1	59.8	30.9	31.5	62.4	31.2
Operating costs	(20.3)	(22.3)	(42.6)	(23.0)	(20.8)	(43.8)	(22.3)
. Personnel expenses	(13.9)	(15.0)	(28.9)	(15.5)	(13.8)	(29.3)	(15.1)
. Net external expenses	(6.3)	(7.4)	(13.7)	(7.5)	(7.0)	(14.5)	(7.2)
EBITDA	7.4	9.7	17.1	7.9	10.7	18.6	8.9
<i>In %sales</i>							
Gross margin	61.1%	61.6%	61.3%	60.3%	61.1%	60.7%	61.4%
Operating costs	(44.6%)	(43.0%)	(43.8%)	(44.9)%	(40.4)%	(42.6)%	(43.9)%
EBITDA	16.4%	18.6%	17.6%	15.4%	20.7%	18.1%	17.6%

Gross margin (in %CA)



Operating costs



❖ Gross margin: Back to a standardized 'BOM

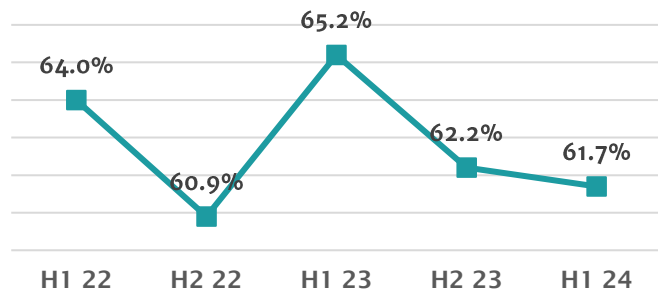
❖ Operating costs stabilized

PHOTONICS (excluding Convergent) /results

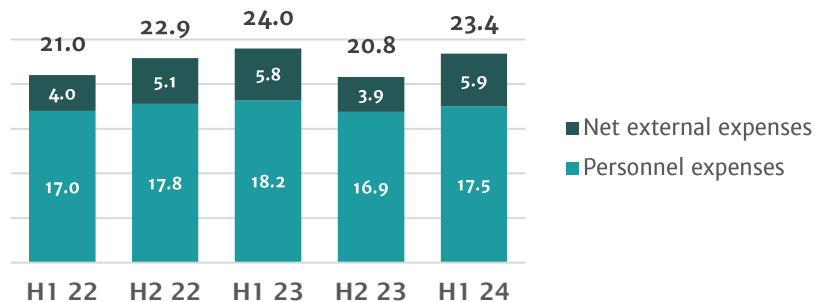
Reported data - €M

	2022			2023			2024
	H1	H2	FY	H1	H2	FY	H1
Sales revenue	38.7	54.9	93.5	45.9	52.2	98.1	43.4
Gross margin	24.7	33.4	58.1	29.9	32.4	62.3	26.8
Operating costs	(21.0)	(22.9)	(43.9)	(24.0)	(20.8)	(44.8)	(23.4)
. Personnel expenses	(17.0)	(17.8)	(34.8)	(18.2)	(16.9)	(35.1)	(17.5)
. Net external expenses	(4.0)	(5.1)	(9.1)	(5.8)	(3.9)	(9.7)	(5.9)
EBITDA	3.7	10.5	14.2	5.9	11.6	17.5	3.4
In %CA							
Gross margin	64.0%	60.9%	62.2%	65.2%	62.2%	63.6%	61.7%
Operating costs	(54.3)%	(41.8)%	(47.0)%	(52.3)%	(39.9)%	(45.7)%	(53.9)%
EBITDA	9.7%	19.1%	15.2%	12.9%	22.3%	17.9%	7.9%

Gross margin (in % sales)



Operating costs

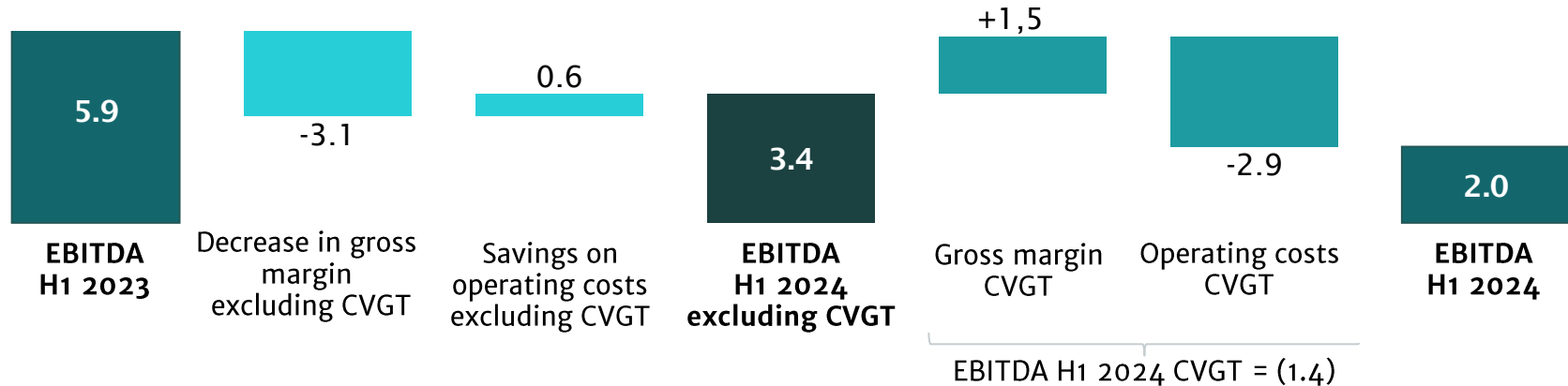


❖ Gross margin impacted by lower ETS sales

❖ Operating costs stabilized

PHOTONICS/results

	Photonics (in €M)					
	Reported data			Unaudited data		
	H1 2023	H1 2024	Change (%)	Convergent	2024 (excluding Convergent)	Change (%)
Figures business	45.9	47.2	+2.8%	3.8	43.4	(5.5)%
Gross margin (MB)	29.9	28.3	(5.5)%	1.5	26.8	(10.5)%
%	65.2%	59.9%		39.0%	61.7%	
EBITDA	5.9	2.0	(66.0)%	(1.4)	3.4	(42.2)%
%	12.9%	4.3%		(37.0)%	7.9%	



- The decline in gross margin was mainly due to :
 - o lower sales in the Industrial & Scientific and ETS markets, not offset by growth in other markets.
 - o the product mix of H1 2024 sales is more unfavorable than that of H1 2023 sales (fewer Lidar systems)
 - o the integration of Convergent, whose products currently sell at lower margins than Lumibird (> +60%).
- First effects of operational efficiency plans => Savings on operating costs

From EBITDA to net income (Group share)

In €M	H1 2023	H1 2024	Change in value
EBITDA	13.8	10.9	(2.9)
ROC	6.0	1.6	(4.3)
RO	2.7	2.2	(0.5)
Net financial income	(2.8)	(2.2)	+0.6
Taxes	0.6	(0.1)	(0.7)
Net income	0.5	(0.1)	(0.6)

H1 2024 current operating income - increase in depreciation + €1.3m vs 2023

- Impact of investment policy (R&D, buildings, equipment)

H1 2024 operating income - impact of non-recurring items: +€0.6m (vs. -€3.3m in H1 2023)

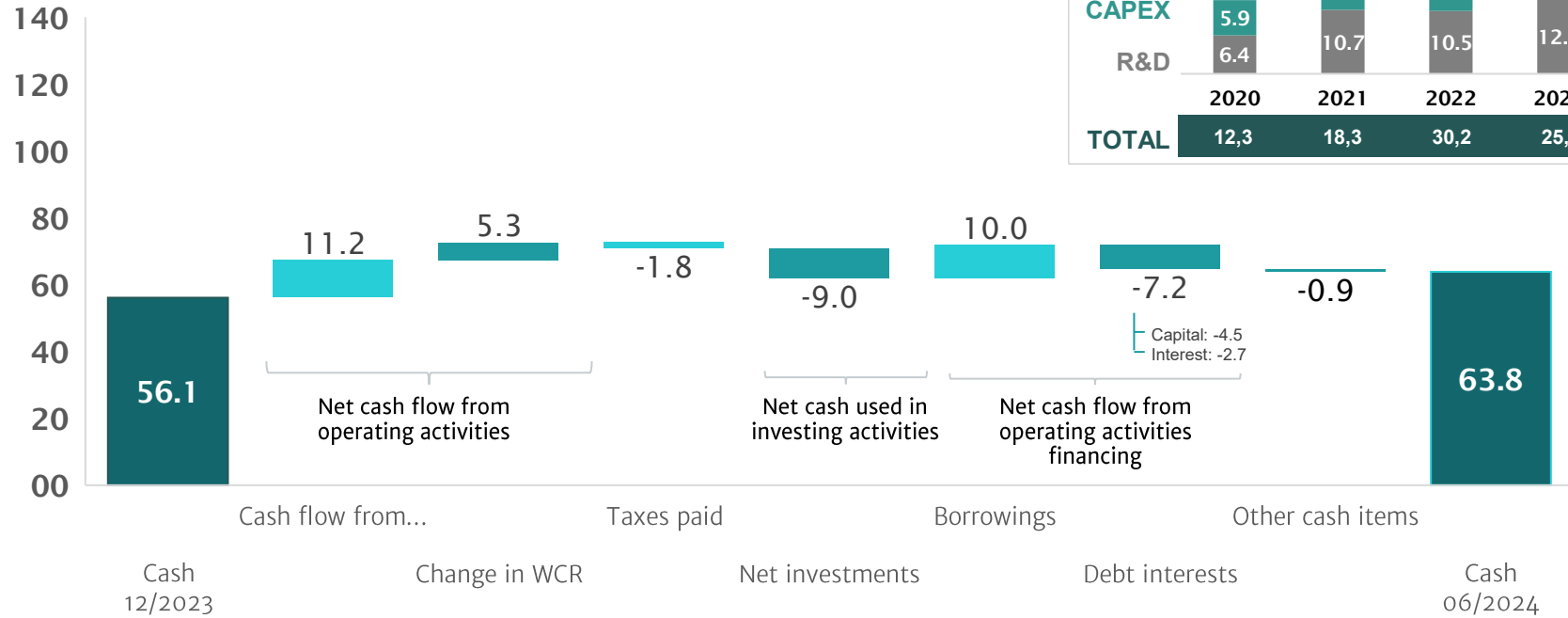
- Including exit from Les Ulis site: +€1.0m (versus -€1.8m in H1 2023)
- Of which reorganization costs: -€0.4m (versus NS in H1 2023)
- Of which "Scope effect" cost: NS (versus -€1.5m in H1 2023)

Net financial expense :

Change in net financial expense (reported data): +€0.6m

- -€1.1m: increase in net cost of debt due to higher average quantum (€149.5m vs €115.6m) and average annualized gross interest rate (2.92% in 2023, 3.69% in 2024)
- +€0.7m: increase in income from financial investments
- +€1.0m: currency effect on financial activities (intra-group current accounts - non-cash effect)

Cash flow



CAPEX (R&D - Plant and equipment)

	2020	2021	2022	2023	2024 H1
CAPEX	5.9	8.6	19.7	13.3	2.9
R&D	6.4	10.7	10.5	12.4	6.1
TOTAL	12,3	18,3	30,2	25,7	9,0

Capital: -4.5
Interest: -2.7

Reported data - €M

CAPEX

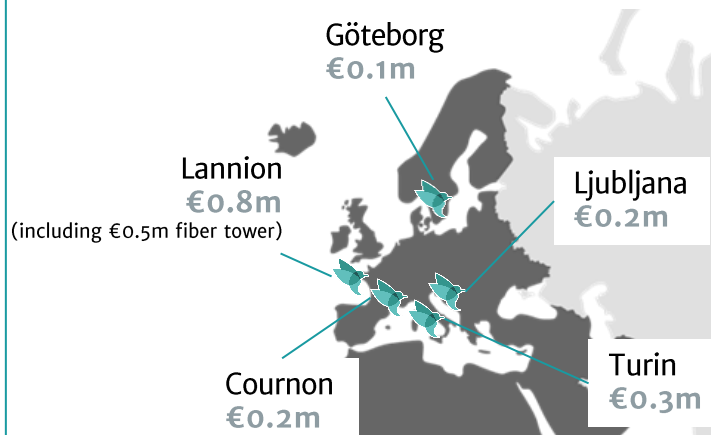
R&D: €6.1m

Objectives :

- Development of new technologies, products and applications that anticipate market demands, including price reductions.
- Improving the productivity of its manufacturing processes
- Development of high-quality, reliable products

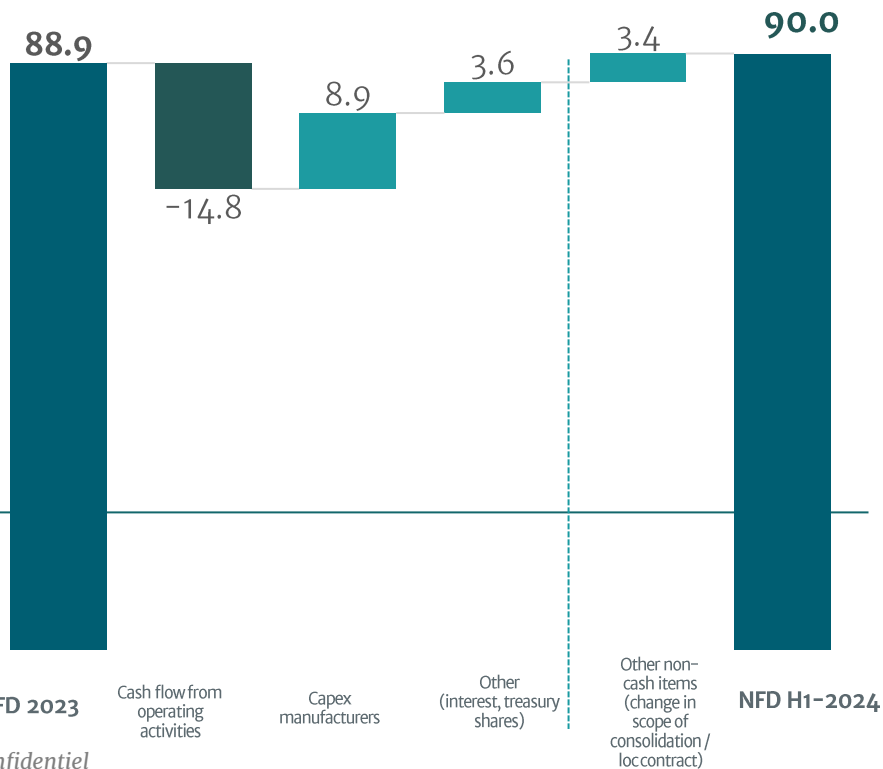
R&D	2023-H1	2023-H2	2024-H1	Change 23 H2->24 H1
GROSS R&D EXPENDITURE	€9.1M	€10.8M	€11.1M	+3%
<i>As % of sales</i>	9.4%	10.1%	11.3%	+11%
Of which capitalized expenditure net of subsidies	€6.2M	€6.6M	€6.1M	-2%
RESEARCH TAX CREDIT GENERATED	€1.9M	€1.6M	€1.8M	+12.5%

Industrial: €2.9m



- + USA – Minneapolis: €0.5m (New Medical Site)
- + Australia – Adelaide: €0.3m
- + Other capex: €0.6m (including €0.3m ERP rollout)

Net financial debt H1 2024



Liquidity situation

Gross debt: €153.9m

Cash assets: €63.9m

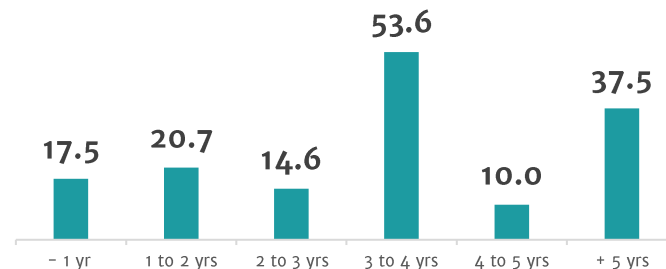
Net financial debt (NFD): €90.0m

Net gearing: 47.0%

Leverage ratio (rolling 12 months): 2.9 (< 3.50)

Available acquisition debt: €31.75m (reduction in usable budget)

Gross debt amortization schedule (in M€)



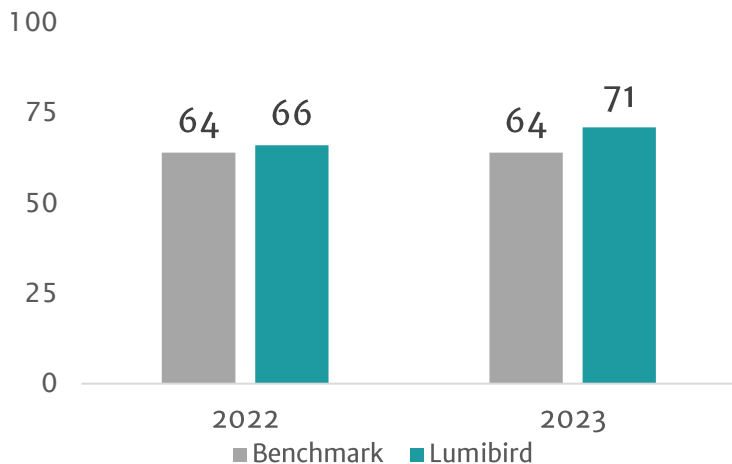
Balance sheet at June 30, 2024

ASSETS in €m	31/12/2023	30/06/2024	LIABILITIES in €m	31/12/2023	30/06/2024
Non-current assets	207.9	213.9	Shareholders' equity	193.3	193.5
<i>Goodwill</i>	72.6	73.1			
<i>Intangible assets</i>	58.5	62.8	Non-current liabilities	137.8	146.2
<i>Property, plant and equipment</i>	48.1	47.6	<i>Non-current financial liabilities</i>	128.6	136.4
<i>Other non-current assets</i>	28.7	30.4	<i>Non-current provisions (incl. ID)</i>	4.6	5.2
Current assets	197.3	200.9	<i>Other non-current liabilities</i>	4.6	4.6
<i>Stocks</i>	77.5	80.0	Current liabilities	74.1	75.1
<i>Customers</i>	52.3	43.4	<i>Current financial liabilities (1)</i>	16.5	17.5
<i>Other</i>	11.3	13.6	<i>Current provisions</i>	1.9	1.6
<i>Treasury</i>	56.2	63.9	<i>Other current liabilities</i>	55.7	56.0
TOTAL ASSETS	405.2	414.8	TOTAL LIABILITIES	405.2	414.8

	31/12/23	30/06/24
GFD (excluding passive cash)	145.0	153.9
Passive cash	0.1	Ns
Active cash flow	-56.2	-63.9
Treasury	-56.1	-63.9
DFN	88.9	90.0

ESG performance

Global score: trend & benchmark



- Valuation date: 26/06/2024
- Source : EthiFinance
- Assessment criteria: Company
- Fiscal year evaluated: 2023
- Number of ESG ratings / total: 2nd / 5
- Next scheduled evaluation: June 2025

Notation	2022	2023	Tendance (2022-2023)	Benchmark	Appreciation vs benchmark
Gouvernance	71	76	↗	57	●
Social	75	80	↗	65	●
Environment	42	57	↗	65	●
Parties Prenantes / externes	72	72	—	69	●

Guidance – Sales / EBITDA – Like-for-like

We are maintaining our **3-year** forecast.
2024-2026, continued **growth** thanks to :

- innovation,
- product launches,
- multi-year contracts in dynamic markets

Sales 2024 – 2026: CAGR > +8%.
EBITDA 2026: > +500bps (vs Ebitda 2023 at 17%)

However, **performance in 2024 will be mixed:**

- Growth in Medical Division sales and profitability
- Stable sales in Photonics division, resulting in lower profitability
- Convergent business: currently being integrated and negatively impacting EBITDA 2024

Sales 2024: > +5%.
EBITDA 2024: expected as % of sales , > 16%

Guidance 2024 - Sales / EBITDA

- The **Medical** division is expected to record **growth** in sales and EBITDA.
- **Sales** in the **Photonics** division are expected to **grow compared with 2023**.
 - Sales lag in ETS in H1 2024 will not be made up
 - Postponement of certain customer orders to 2025
 - Convergent integration over 12 months

EBITDA should be impacted by :

- an unfavorable product mix (fewer sales of high-margin Lidar systems)
 - a cost structure defined for a higher level of budgeted activity
 - Convergent integration over 12 months
- The acquisition of Convergent represents a long-term investment in technology and product development. Time-to-market for new products will be more gradual than expected.
 - OEM product sales are expected to be down in H2 2024, negatively impacting H2 2024 EBITDA on the Convergent perimeter.

Sales 2024: growth > +8%.
EBITDA 2024: significant improvement, as a % of sales, expected in 2024, vs. 2023 (18.1%)

Sales 2024: growth > +2%.
EBITDA 2024: lower as % of sales, expected in 2024, vs. 2023 (15.8%)

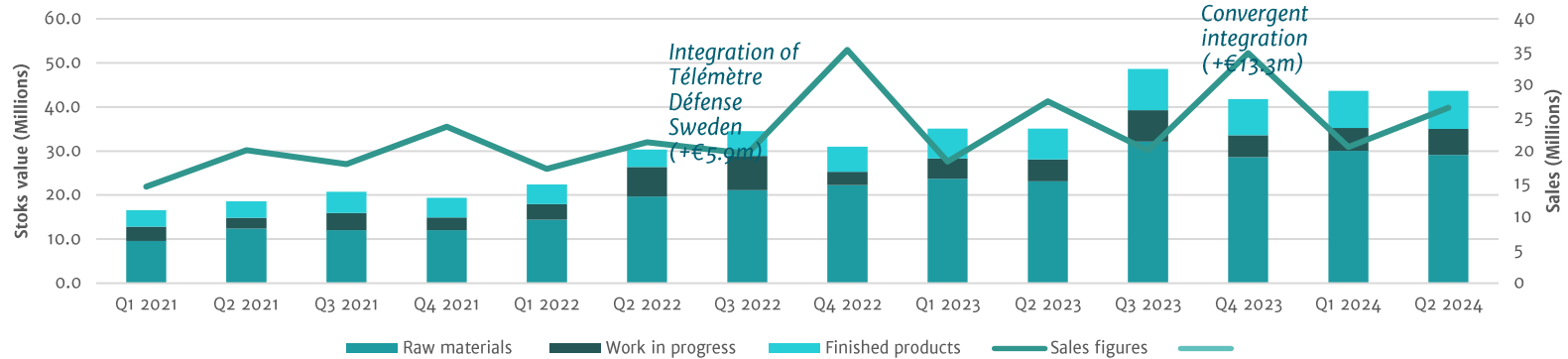
Convergent

Sales 2024: between €5.5 and €6.0 million
EBITDA 2024: significant widening of the loss in H2 2024 due to the expected decline in sales
(EBITDA 2023: -1.6 M€ over 4 months)

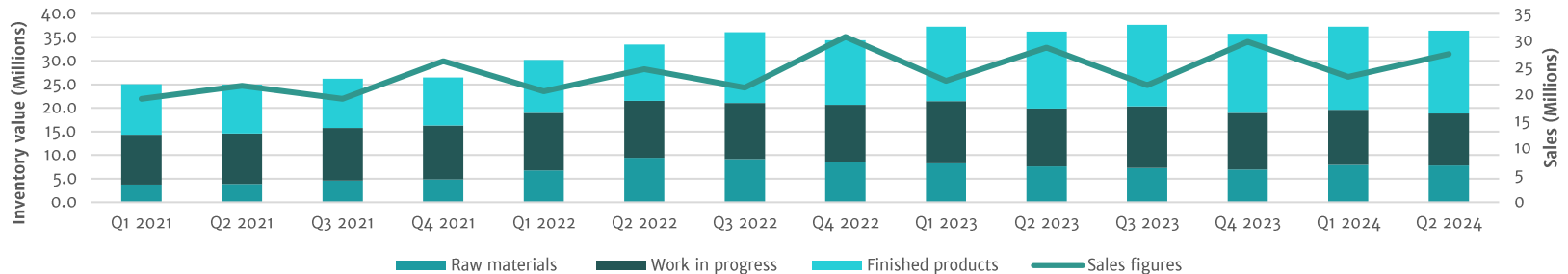
Q&A

Inventory analysis

Photonics



Medical



- Increase in work-in-progress and finished goods inventories due to lower-than-expected sales
- Increase in materials inventory in line with order backlog on defense contracts