



LUMIBIRD
MORE THAN LASERS

Investor presentation

April 2019

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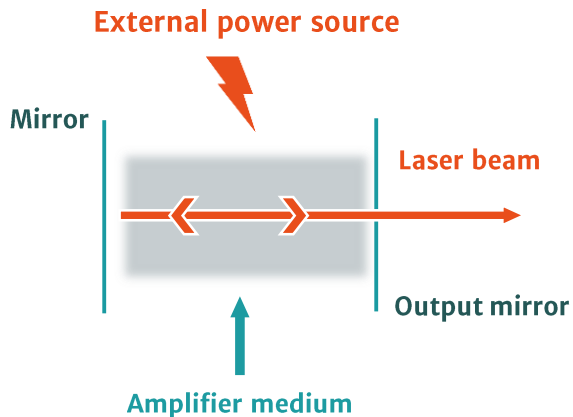
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Laser technologies specialist



Laser, a concentration of light



With multiple applications



Material processing

Instrumentation and metrics

Surgery, biomedical

Research and defense

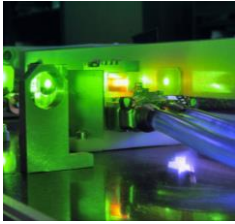
Information and telecommunications

3

Lumibird has expertise in the world's 3 most used laser technologies.

Because lasers perform an essential role in the development of tomorrow's technologies, Lumibird is developing a range of lasers adapted for applications in multiple areas, while industrializing the production of high-performance devices

Positioned on diverse markets



Industrial & Scientific

 Universities

 Laboratories

 Industrial integrators



LiDAR Sensors

 Autonomous vehicles

 Wind energy

 Drones



Defense and Space

 Research centers

 Defense industry

 Space



Medical

 Ophthalmologists

 Hospitals

 Specialist distributors

Created through the merger of two complementary longstanding operators



1970
2016 revenues: €63m
2016 headcount: 307

Solid-state laser and laser diode specialist



€30m of Medical revenues in 2016

Complementary products

Complementary markets

Fiber laser specialist



Strong competitive position on LiDAR for autonomous vehicles



1997
2016 revenues: €17m
2016 headcount: 101

Strengthening of vertical integration

Optimization of R&D investment programs

Critical mass for contracts on a significant scale

Sharing of distribution networks: US, China, Japan, Germany and UK

Pivotal player in the laser industry and synergies generating value creation.

International group that has achieved critical mass

Lumibird exports its solutions to over 110 countries



4 production sites

Bozeman (USA), Lannion, Les Ulis, Clermont-Ferrand (France)



Percentage of 2018 export revenues

515
2018 headcount

€6.8m
2018 R&D spending

+18.3%
2018 growth

Breakdown of 2018 revenues



€25.5m
(25.3% of revenues)



€15.4m
(15.3% of revenues)



€26.2m
(26% of revenues)



€33.6m
(33.4% of revenues)

€100.7m



MARKETS

ABILITY TO CAPTURE GROWTH ON BUOYANT MARKETS

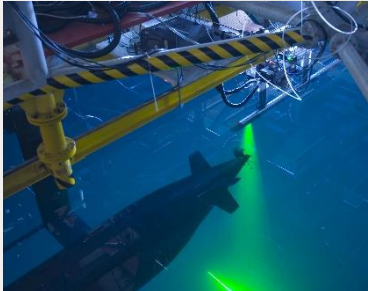
Product leadership
positioning



Diversified market risk

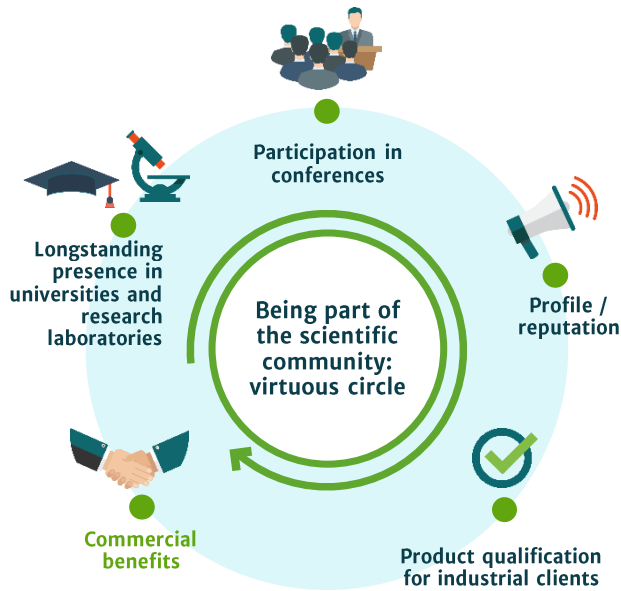


Industrialized
production



Industrial and Scientific division

OEM production

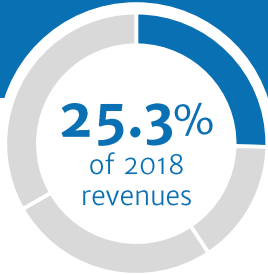


2018 highlights

Contract manufacturing

Viron, LAF ps 70W

New clients (labs, universities)



+0.8% YTD

Product leadership

Nanosecond pulsed solid-state lasers

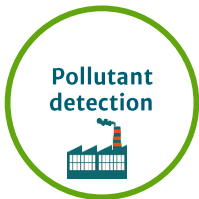
Core target markets

- > Flat screen repairs
- > Industrial production tools
- > Materials resistance metrics
- > Metrology
- > Telecoms

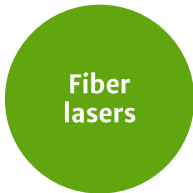
LiDAR Sensors

OEM
production

Lumibird: pioneer on the main
LiDAR markets



Product leadership



Lightweight, compact,
reliable and high frequency

+ rail industry, shipping, drones, for civil,
industrial and military applications

2018 highlights

Increased Lidar
capacity: 150 to
700 units/month
between
Jan and Dec 2018

Very sustained
demand



+33.8% YTD

Position as a world leader for fiber LiDAR



Markets

Defense and Space



State organizations



E.g. MEGAJOULE laser

- > 13 years developing and manufacturing the first series

Industrial groups



E.g. Rafale guiding laser

- > 1st research phase in 1999
- > Long-term contract

2018 highlights

New MEGAJOULE order for €20m over 4 years

Launch of ESA's AEOLUS satellite equipped with a Lumibird laser

Core target markets

- > Telemetry
- > Designation
- > Targeting
- > Obstacle detection

Product leadership



Shock, vibration and water resistant



+56.9% YTD

Longstanding positions with major operators

Medical division

Strong competitive positions on the
Ophthalmology market

Treatment



Diagnosis



Global sales network



110+
countries

90+
distributors

Global market share (excluding US and Japan) of **10% to 20%** for
Ophthalmological treatment
Particularly strong position on
Ophthalmological ultrasound

Benchmark operator with medical professionals worldwide

Finished
products

2018 highlights

Launch of new
products: Compact
Touch, Lacrydiag, Supra 810,
ABSolu

Acquisition of ECM

Geographic
expansion:
Polish subsidiary, Japan
marketing authorization for
Easyret

33.3%
of 2018
revenues

+6.3% YTD

11/30

Markets

FINANCIAL RESULTS:
GROWTH
AND PROFITABILITY

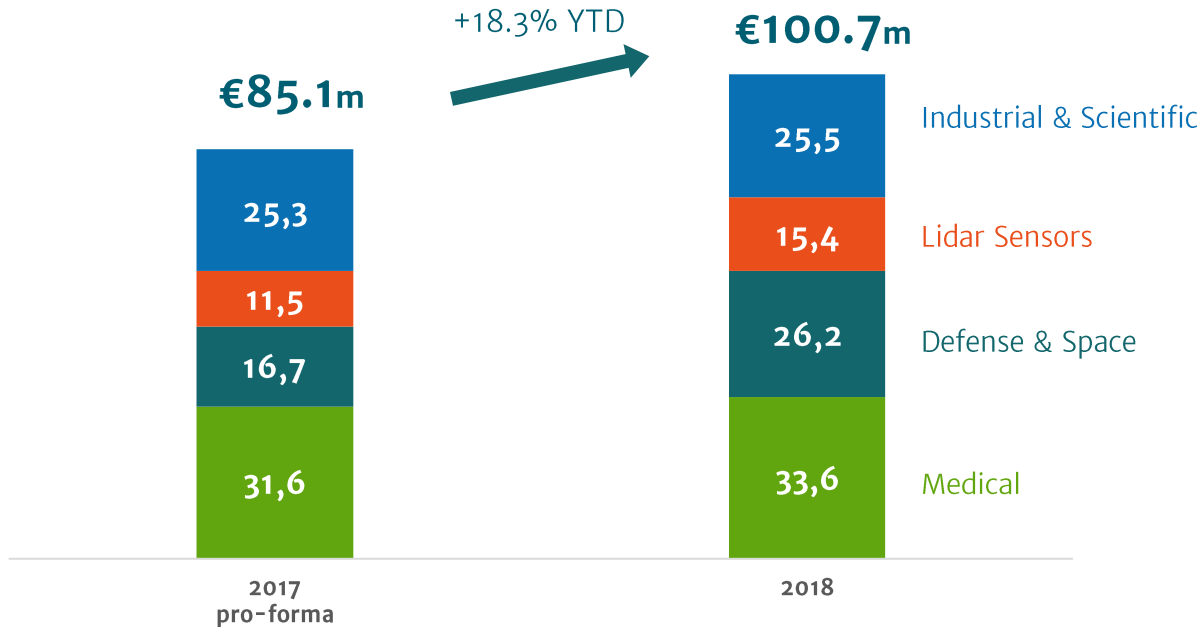
2018 key figures



€m	2017 Adjusted proforma ⁽¹⁾	2018 Consolidated	Change Proforma
Revenues	85.1	100.7	+18%
Purchases consumed	-35.1	-39.9	+9%
Gross margin	48.5	60.8	+22%
%	57%	60%	
EBITDA	10.2	16.5	+62%
%	12.0%	16.4%	
Income from ordinary operations	5.6	11.4	+104%
%	6.6%	11.4%	
EBIT	5.1	11.4	+125%
Financial income and expenses	-0.8	-0.5	-37%
Net income	3.5	8.1	+131%
%	4%	8%	
Cash-flow from operations	9.8	13.2	
Net industrial capex	7.1	10.5	
Net financial debt	12.0	3.0	

(1) Proforma: revenues including business for the Keopsys and Quantel Groups over the full year – not audited

2018 revenues: growth captured on buoyant markets

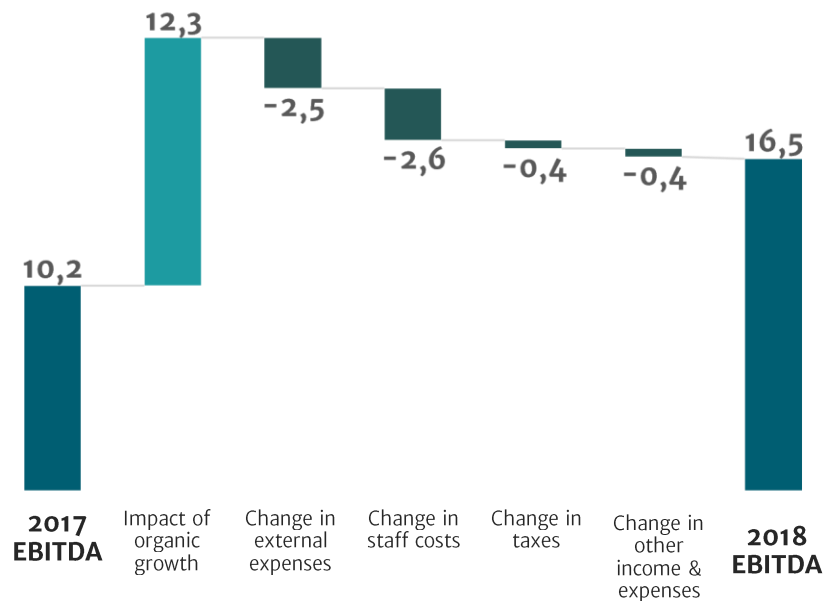


Revenues for each region



	2017	2018	%
France	21.9	30.9	+40.7%
Asia	19.9	20.0	+0.5%
Americas	15.3	19.6	+28.7%
Europe	14.3	18.3	+27.8%
Rest of world	13.7	11.9	-13.0%
Total	85.1	100.7	+18.3%

Breakdown of EBIT



€m	Laser	Medical	TOTAL
2017 EBITDA	7.5	2.7	10.2
<i>% of revenues</i>	14.1%	8.4%	12.0%
Impact of organic growth	9.1	3.2	12.3
Change in external expenses	-0.5	-2.0	-2.5
Change in staff costs	-1.2	-1.4	-2.6
Change in taxes	-0.2	-0.2	-0.4
Change in other income and expenses	-0.5	0.1	-0.4
2018 EBITDA	14.2	2.4	16.5
<i>% of revenues</i>	21.2%	6.9%	16.4%
Change	88%	-12.5%	62%
Impact of depreciation	-4.5	-0.8	-5.3
Other current operating income and expenses	0.0	0.2	0.2
2018 income from ordinary operations	9.7	1.7	11.4



From EBIT to net income



€m	2017	2018	Change Proforma
	Adjusted proforma ⁽¹⁾	Consolidated	
EBIT	5.1	11.4	+124%
Financial income and expenses	-0.8	-0.5	-37%
Tax	-0.9	-2.8	+211%
Net income	3.5	8.1	+132%

Balance sheet at December 31, 2018



ASSETS €m	Dec 31, 2018	Dec 31, 2017 Adjusted	LIABILITIES €m	Dec 31, 2018	Dec 31, 2017 Adjusted
Non-current assets	73.6	68.5	Shareholders' equity	90.8	74.6
<i>Goodwill</i>	31.4	31.4			
<i>Intangible assets</i>	22.7	19.5	Non-current liabilities	24.9	17.7
<i>Property, plant and equipment</i>	8.3	6.1	<i>Non-current financial liabilities</i>	16.9	11.4
<i>Other non-current assets</i>	11.1	11.5	<i>Non-current provisions (incl. deferred tax)</i>	5.2	4.1
			<i>Other non-current liabilities</i>	2.8	2.2
Current assets	77.4	52.6	Current liabilities	35.4	28.7
<i>Inventories</i>	22.8	18.4	<i>Current financial liabilities</i>	7.7	11.3
<i>Trade receivables</i>	26.4	18.3	<i>Current provisions</i>	0.5	1.1
<i>Other</i>	6.6	5.2	<i>Other current liabilities</i>	27.1	16.3
<i>Cash</i>	21.6	10.7			
TOTAL ASSETS	151.0	121.0	TOTAL LIABILITIES	151.0	121.0

Cash-flow statement

€m	2017 Reported	2018
Cash-flow from operations (before financial expenses and tax)	5.3	16.5
Change in working capital	2.6	-3.2
Taxes paid	-0.5	-1.3
Operating cash-flow	7.4	12.1
Net cash-flow from industrial capex	-4.1	-10.5
Financial investments (incl. external growth)		0.1
Cash-flow linked to capex	-4.1	-10.4
Balance before financing	3.3	1.7
Capital increase	0.0	7.8
Dividends / treasury shares	-1.2	0.0
Bank interest paid	-0.2	-0.5
Impact of capital from borrowings (receipts / payments)	6.8	2.7
Financing cash-flow	5.5	10.0
TOTAL CASH-FLOW	8.7	11.6
Cash at period-start (net of bank borrowings)	2.2	5.8
Cash at period-end (net of bank borrowings)	5.8	17.6

Of which:

- Change in inventories -€4.4m
- Change in other +€1.2m

Industrial capex

QUANTEL MEDICAL building	2.1
Technical facilities	1.0
R&D (incl. ECM acquisition)	6.7
Other	0.7

Total industrial capex 10.5



Healthy financial position

€m	Dec 31, 2017	Dec 31, 2018
Debt from credit institutions	9.1	15.7
Finance leases and financing	1.2	1.1
CIR ⁽¹⁾ and CICE ⁽²⁾ financing	3.7	2.7
Repayable advance / subsidies	1.1	1.1
Bank borrowings	4.9	4.0
MIKADO bond debt	2.8	-
Total gross financial debt	22.8	24.6
Cash assets	(10.7)	(21.6)
Total net debt	12.1	3.0
Shareholders' equity	74.6	90.8
Gearing	16%	3.3%
Net leverage ratio	1.15	0.1

(1) CIR: research tax credit / (2) CICE: tax credit for employment and competitiveness



OUTLOOK:
GROWTH ON
OUR KEY MARKETS
AND IMPROVED MARGINS

Post-balance sheet events



Launch of Merion



Extension to solid-state lasers for the industrial platform strategy

End of Iridex dispute



Effective management of industrial property risks

ABSolu™ FDA



Quantel Medical's world-leading position further strengthened for ultrasound

Organization sized for growth and developing synergies

Revenue synergies

- Pooling clients and sales networks
- Rolling out a vertical integration strategy
- Achieving critical mass to access larger markets

Operational synergies

- Improving industrial processes
- Merging the sales teams
- Pooling support services

Financial synergies

- Improving the financial structure
- Optimizing R&D and industrial investment programs



Defense / Space

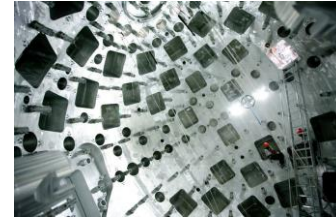
Market: €1,000m* 

Growth driven by major contracts

- Megajoule: 4th tranche over 3 to 4 years, before the start of the long-term maintenance phase
- Military contracts underway

Market share gains in Europe

- Enabling European manufacturers to free themselves up from dependence outside the EU for certain key components (e.g. high-energy guiding lasers)



Become a leader for defense optonics in Europe

LiDAR: strategic positions on hyper-growth markets

Markets: €1,000m*



Buoyant positioning in the wind energy and mapping sectors

- 30% of LiDAR revenues in 2018
- 80% market share for wind energy sensors
- Order visibility over 24 months

Recognized technological lead in the autonomous vehicles sector

- 40% of LiDAR revenues in 2018
- Advanced qualification phase with major global operators (OEMs, GAFA, startups)
- Order visibility over 12 months

Superiority of Lumibird's fiber LiDARs for the auto industry

- Range 10 times larger than diode LiDARs
- Better eye safety
- Beam quality



Medical: dynamic innovation and opening up new markets

Market: €1,000m* 

5 new products launched in 2018

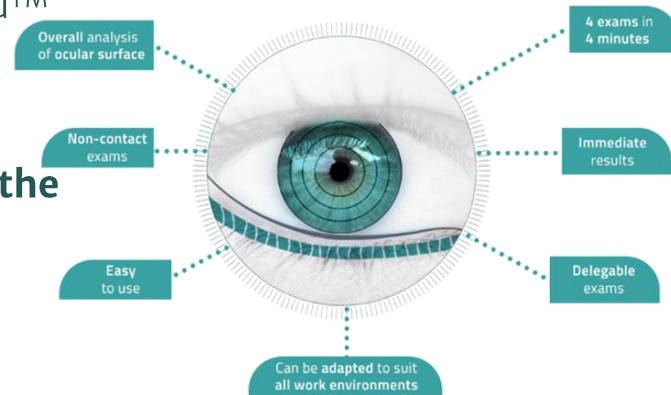
- Laser: VITRA 810™, SubCyclo®
- Ultrasound scans: Compact Touch 2™, ABSolu™
- Dry eye diagnosis: new market entered with Lacrydiag™

Diversification outside of ophthalmology with the acquisition of ECM

- Sport, hospital and general medicine

Geographic expansion

- New approvals obtained in the US and Japan
- Development of the sales teams



Drivers for improving margins

- 1 Vertical integration** Internalize the margin on strategic components through the integration of new technological components
- 2 Industrialization** Have less than 10 generic platforms to cover over 500 finished products
- 3 Increased percentage of direct sales** Exceed 80% of direct sales, compared with 60% today, by further strengthening the commercial structure
- 4 Scale effect** Optimize procurement and pool fixed costs



3-year strategic objectives

Maintain strong growth

- Capitalizing on the key positions held on the LiDAR and Medical markets
- Gaining Defense market shares for increased technological independence from the Europe of Defense
- Making targeted acquisitions to strengthen critical mass and address new markets

Increase profitability

- Capitalizing on the 4 drivers for improving margins

€150m

2021 target

> 20%

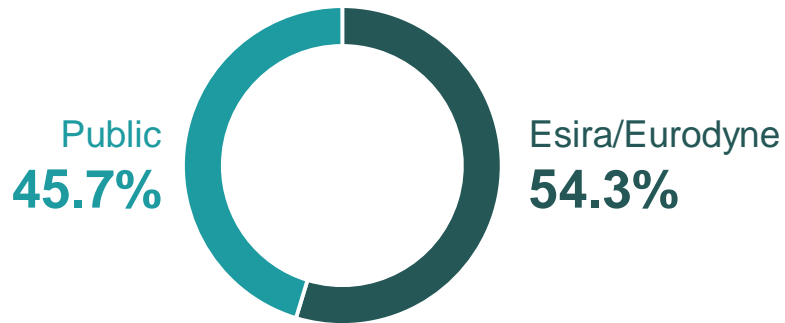
EBITDA margin
in 2021



Stock market profile

Share price at Apr 1, 2019 €15.30
Capitalization at Apr 1, 2019 €256m
Listed Compartment B
Eligibility Share-based savings schemes,
SME share-based savings schemes,
long-only deferred settlement

Shareholding structure



Share's performance since January 2017



QUESTIONS AND ANSWERS