

2017 FULL-YEAR EARNINGS

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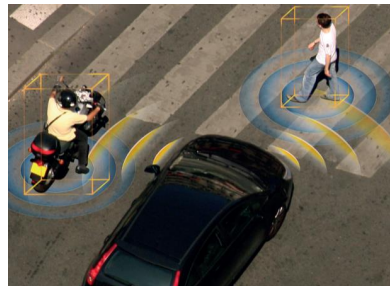
Quantel on the stock market

Questions and answers

Keopsys Quantel a new European champion for lasers



Medical



Lidar Sensors

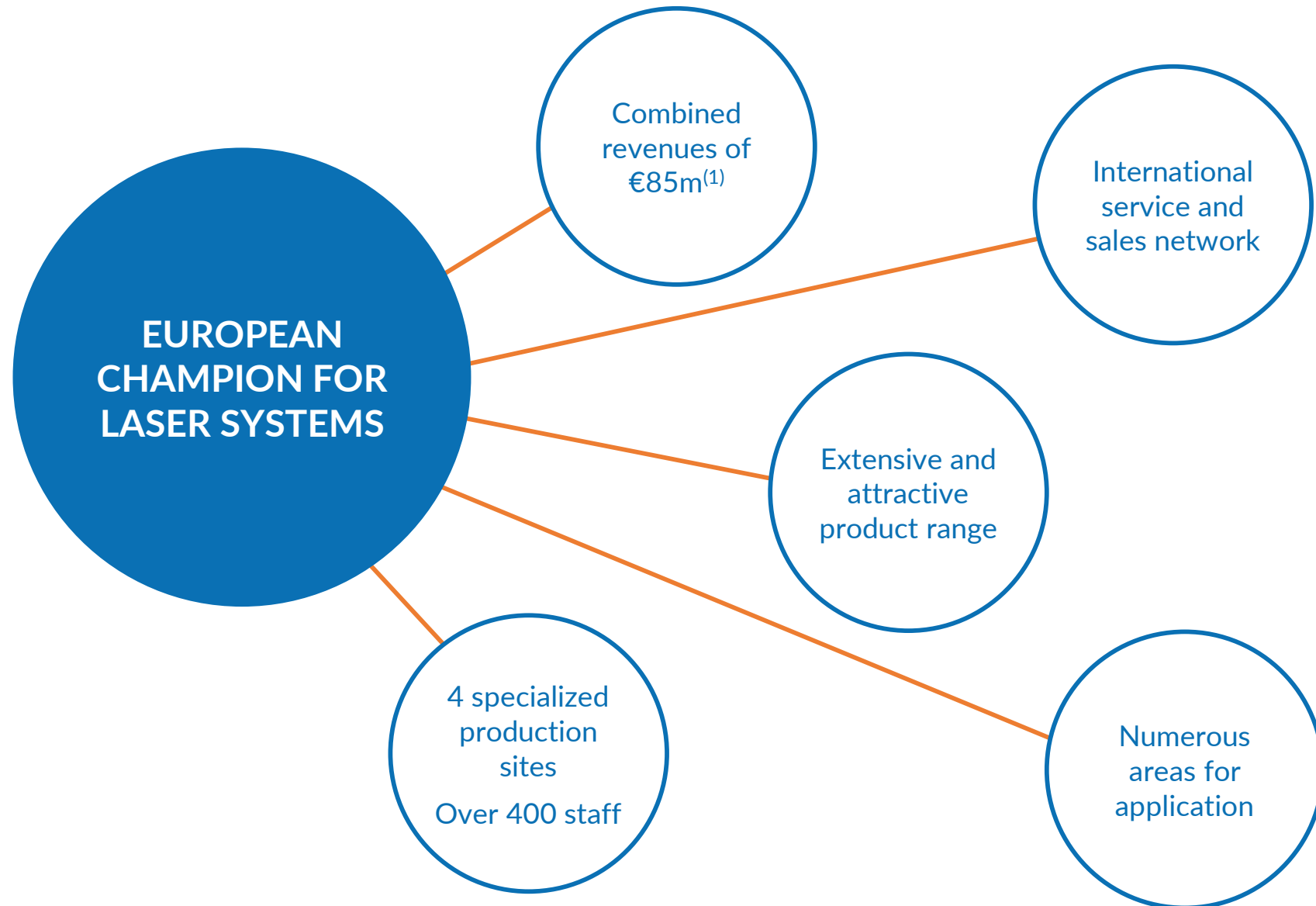


Defense



Industrial
& Scientific

A NEW CHAMPION



(1) 2017 proforma - audited data (statutory auditors' certification report currently being issued)

EXPERTISE IN HIGH-PERFORMANCE LASER TECHNOLOGIES

Solid-state lasers

- Highly powerful
- Maximum wavelength spectrum

Laser diodes

- Low energy consumption (electrical current)
- Compact

Fiber lasers

- Powerful
- Compact and lightweight

Proven know-how

- From quantic mechanics to industrial products
- Nearly 50 years' experience
- Ability to adapt in line with changes to applications

Portfolio of around 30 key patents

- Laser components
- Laser architecture
- Optronic features
- Medical

FIBER LASERS: LASER INDUSTRY'S MOST BUOYANT TECHNOLOGY



12%
annual growth

3.1bn\$
in 2022







(Source: Allied Market Research, Sep 2016
<https://www.alliedmarketresearch.com/fiber-laser-market>)

Key applications in high-growth sectors

Fiber lasers, technology of the future

Numerous advantages compared with other laser technologies:

- Competitively priced
- Compact
- Reliable, low maintenance
- Low energy consumption
- Simple manufacturing
- Higher power

TARGET MARKETS	APPLICATIONS
 Defense	Obstacle detection, guiding, targeting, telemetry
 Space & Aerospace	Telecommunications, guiding, telemetry
 Lidar Sensors	3D scanning, guiding, wind measurement, aerosol and pollutant detection
 Medical	Lasers for medical applications
 Telecoms	Amplifiers for broadband networks
 Scientific	Lasers for laboratory experimentation and analysis, metrology

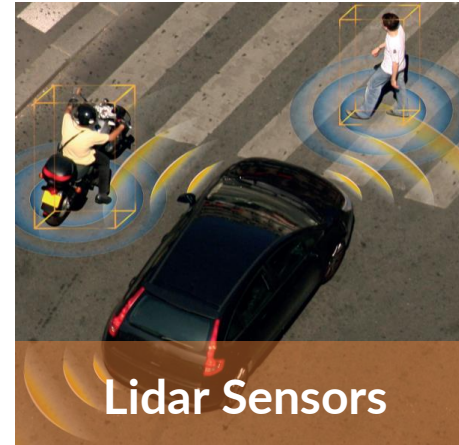
4 AREAS FOR APPLICATION



- Laboratory experimentation tools
- Industrial production tools
- Flat screens
- Photo-acoustics
- Material resistance metrics
- Spectroscopy
- Metrology



- Telemetry, targeting, obstacle detection
- MegaJoule laser (production of fiber amplifiers and solid amplifiers)



- Wind measurement for wind turbines
- Self-driving cars
- 3D scanning
- Transport security (rail, marine, drones)
- Pollutant detection

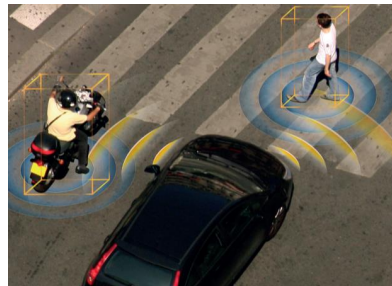


- Ophthalmology: diagnostic and treatment of major causes of blindness
- Other developments underway

2017 highlights



Medical



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REVENUES

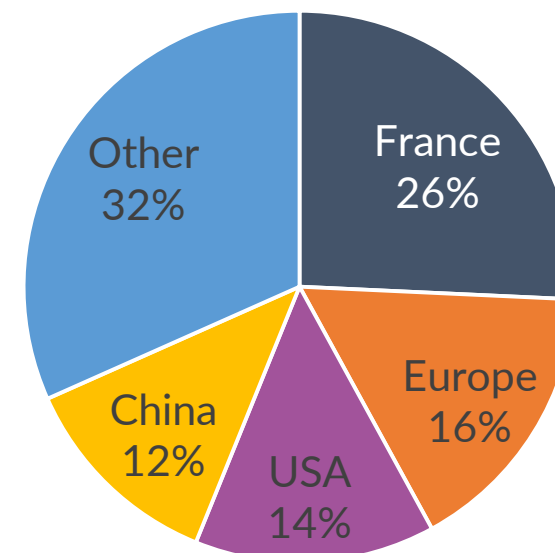
Per division

€m	2016 ⁽¹⁾	2017 ⁽²⁾	Change	Change excl. India
Industrial and Scientific	28.3	32.3	+14.5%	+14.5%
Defense and Major Contracts	12.6	10.4	-17.7%	-17.7%
Lidar Sensors	9.1	10.7	+17.9%	+17.9%
Medical	30.5	31.7	+3.9%	+14.9%
TOTAL	80.5	85.1	+5.8%	+9.8%

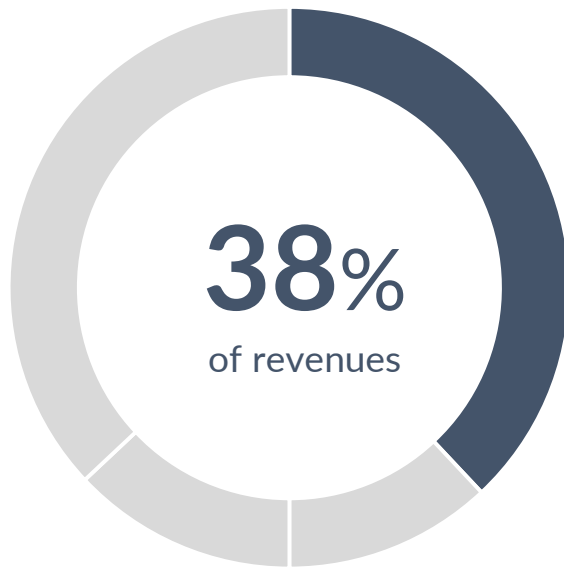
⁽¹⁾ 2016 proforma – figures not audited or reviewed by the statutory auditors

⁽²⁾ 2017 proforma – audited data (statutory auditors' certification report currently being issued)

Per region



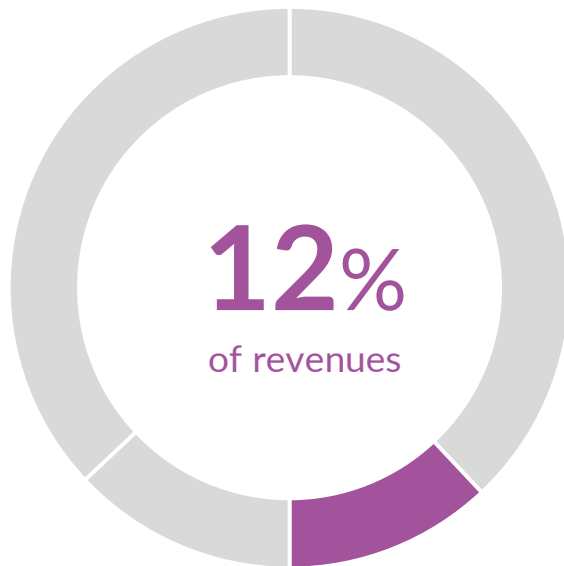
INDUSTRIAL AND SCIENTIFIC



Cycle upturn in 2017 (+14.5% to €32.3m)

- Upturn in cycle for lasers used to produce flat screens
- Strong demand for laser diodes, with a high level of orders and production ramped up
- Attractive scientific range making it possible to generate recurrent revenues

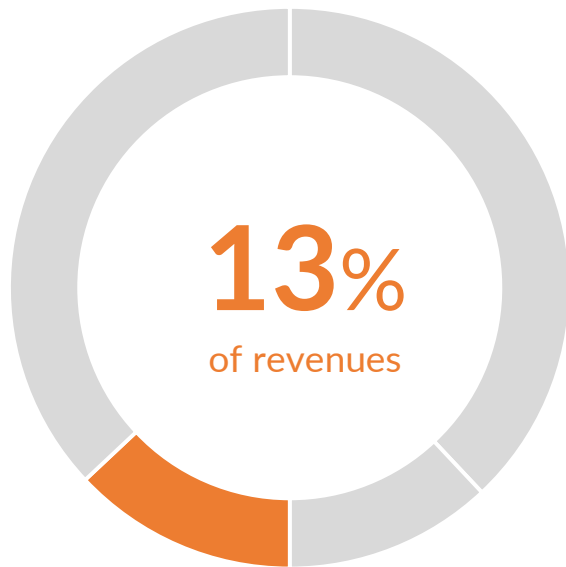
DEFENSE AND MAJOR CONTRACTS



Slowdown in line with forecasts (-17.7% to €10.4m)

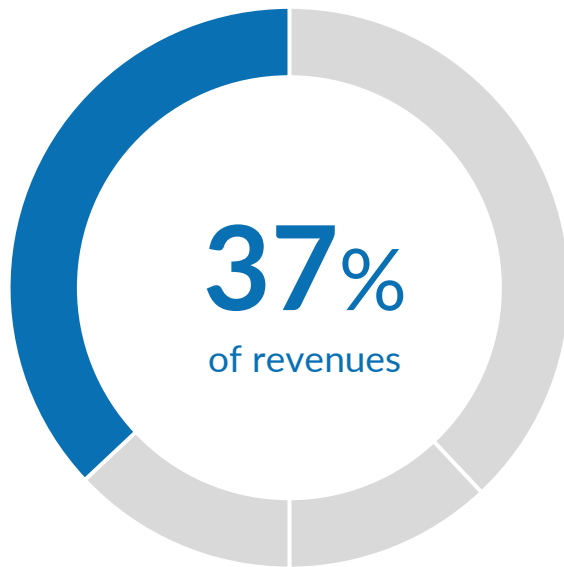
- Production and delivery levels down for the MegaJoule and military contracts
- In line with the schedules set at the start of the year
- Sustained level of commercial activity pointing to a strong upturn:
 - On existing contracts (MegaJoule and military)
 - On new contracts

LIDAR SENSORS



€10m milestone passed (+17.9% to €10.7m)

- Major investments in the development of self-driving vehicles
- Strong demand for turbine control for windfarms
- Pilot products being trialed with several operators, including GAFA
- First major orders planned for 2018



Driven by innovative products (+14.9% to €31.7m)

- Good commercial response and ramping up of production for the new Easyret laser
100 lasers sold in 2017, versus 33 in 2016
- Strong growth for treatment lasers (+23%*)
- 5.9% growth for diagnostic products
- 1st approval in the US and Brazil for Easyret in 2017
- 1st approval in South Korea for Optimis Fusion
- CE marking for Compact Touch T2

* Excluding Indian tender from 2016

KEOPSYS-QUANTEL BUSINESS COMBINATION



Business combination effective since October 6, 2017

- Keopsys' reverse takeover of Quantel approved by the general meeting

Industrial and commercial synergies rolled out over the past year

Sales / Marketing

- Consolidation of the sales teams
- Realignment of the sales approach focused on direct sales
- Commercial expansion with KPS Japan subsidiary created and sales office opened in China
- Recruitment of a Group Marketing Director

Industrial

- Optimization of industrial facilities within the Group, with Elba transferred to Lannion and Easyret to Clermont
- Improvement in productivity for the Elba, Compact Touch and Vitra II lines
- Limiting of the number of industrial platforms
- New production and development building in the US

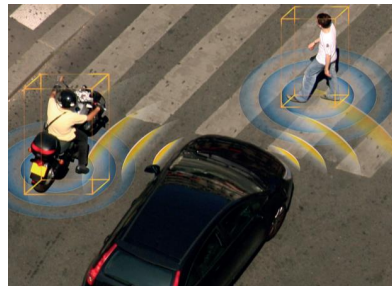
Organization

- Redeployment of Quantel Lannion teams at the Keopsys site
- Merger of the KPS, LEA and QTL teams in Lannion
- Consolidation of procurement
- Medical certification for Elba's production line in Lannion

Full-year earnings



Medical



Lidar Sensors



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EARNINGS



€m	2017 12 months proforma	2016 12 months proforma	Change 12 months proforma	2017 actual consolidated
Revenues	85.1	80.5	+5.8%	37.5
Income from ordinary operations	7.5	3.7	+99%	5.2
Operating income	6.5	3.7	+74%	4.2
<i>Operating margin</i>	7.7%	4.6%		11.6%
Net finance costs	(0.4)	(0.4)	-	(0.2)
Pre-tax earnings	5.7	3.3	+75%	3.8
Net income	4.3	2.3	+83%	2.5
<i>Net margin</i>	5.1%	2.9%		7.0%

Proforma: revenues including business for the Keopsys and Quantel Groups over the full year
 2016 proforma – figures not audited or reviewed by the statutory auditors
 2017 proforma – audited data (statutory auditors' certification report currently being issued)

The Keopsys-Quantel Group's actual 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

BALANCE SHEET



2017 actual consolidated / 2016 proforma

ASSETS €m	2017	2016	LIABILITIES €m	2017	2016
Non-current assets	67.5	56.3	Shareholders' equity	75.9	65.7
<i>Goodwill</i>	33.3	30.4	Non-current liabilities	14.9	11.5
Current assets	51.7	50.6	<i>Non-current financial liabilities</i>	9.9	8.6
<i>Inventories</i>	19.6	20.6	Current liabilities	28.5	29.7
<i>Trade receivables</i>	16.0	15.0	<i>Current financial liabilities</i>	10.8	8.7
<i>Other</i>	5.4	8.0	<i>Trade payables</i>	7.8	8.0
<i>Cash</i>	10.7	7.0	TOTAL LIABILITIES	119.2	106.9
TOTAL ASSETS	119.2	106.9			

FINANCIAL POSITION

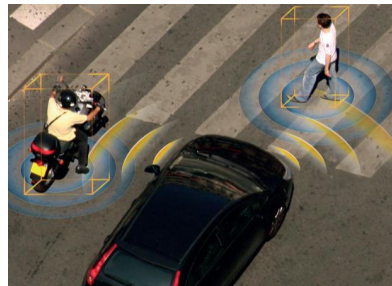


€m	Dec 31, 2017	Dec 31, 2016
Shareholders' equity	75.9	65.7
Net financial debt	10.0	10.4
Gearing	0.13	0.16

Strategies and outlook



Medical



Lidar Sensors



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TWO STRATEGIC DRIVERS TO CREATE A EUROPEAN CHAMPION FOR LASERS

1. Promote the widespread adoption of lasers for civil applications



Development of self-driving vehicles



Development of clean energies, particularly wind power



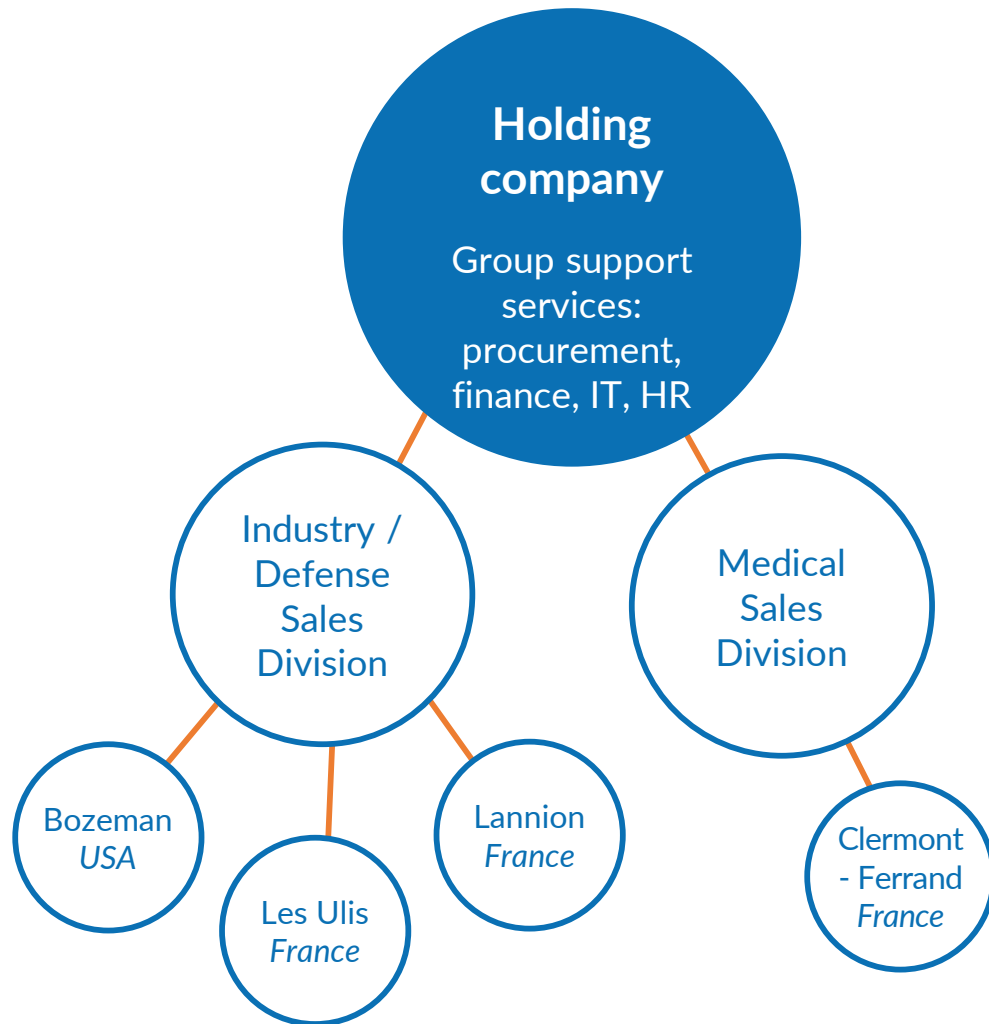
Development of real-time 2D/3D mapping



Development of medical, particularly ophthalmology, surgery, orthopedics

2. Help drive the creation of a defense optronics sector in France and Europe and become its market leader for laser technologies

NEW ORGANIZATION PLANNED TO ACCELERATE 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

2018 OBJECTIVES



Pass the symbolic milestone of €100m of revenues

- Catch-up with deliveries for major Defense contracts
- Medical: success of new products and new regions
- Automobile lidars: transition from pre-pilots to first major orders
- Global group dynamics

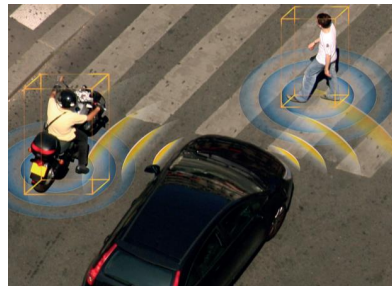
Improve profitability

- Benefiting from the reorganization and synergies

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STOCK MARKET PROFILE

- Share price at March 28, 2018 €7.58
- Capitalization at March 28, 2018 €120m
- Listed Compartment C
- Eligibility PEA and PEA PME (Share-based savings schemes for SMEs), SRD (deferred settlement facility)

Share's performance since January 2017



Shareholding structure



NEXT DATES



May 4, 2018

- Publication of 2018 first-quarter revenues

May 17, 2018

- General Meeting

July 27, 2018

- Publication of 2018 first-half revenues



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