



LUMIBIRD
MORE THAN LASERS



Investors presentation

Octobre 2018

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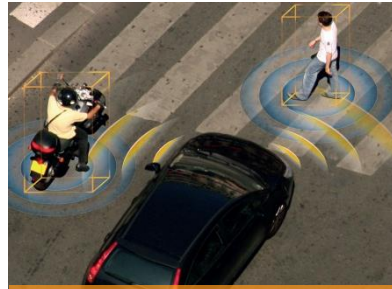
1. Presentation of the Group
2. H1 2018 highlights
3. 2018 first-half earnings
4. Strategies and outlook



Industrial
& Scientific



Defense



Lidar Sensors

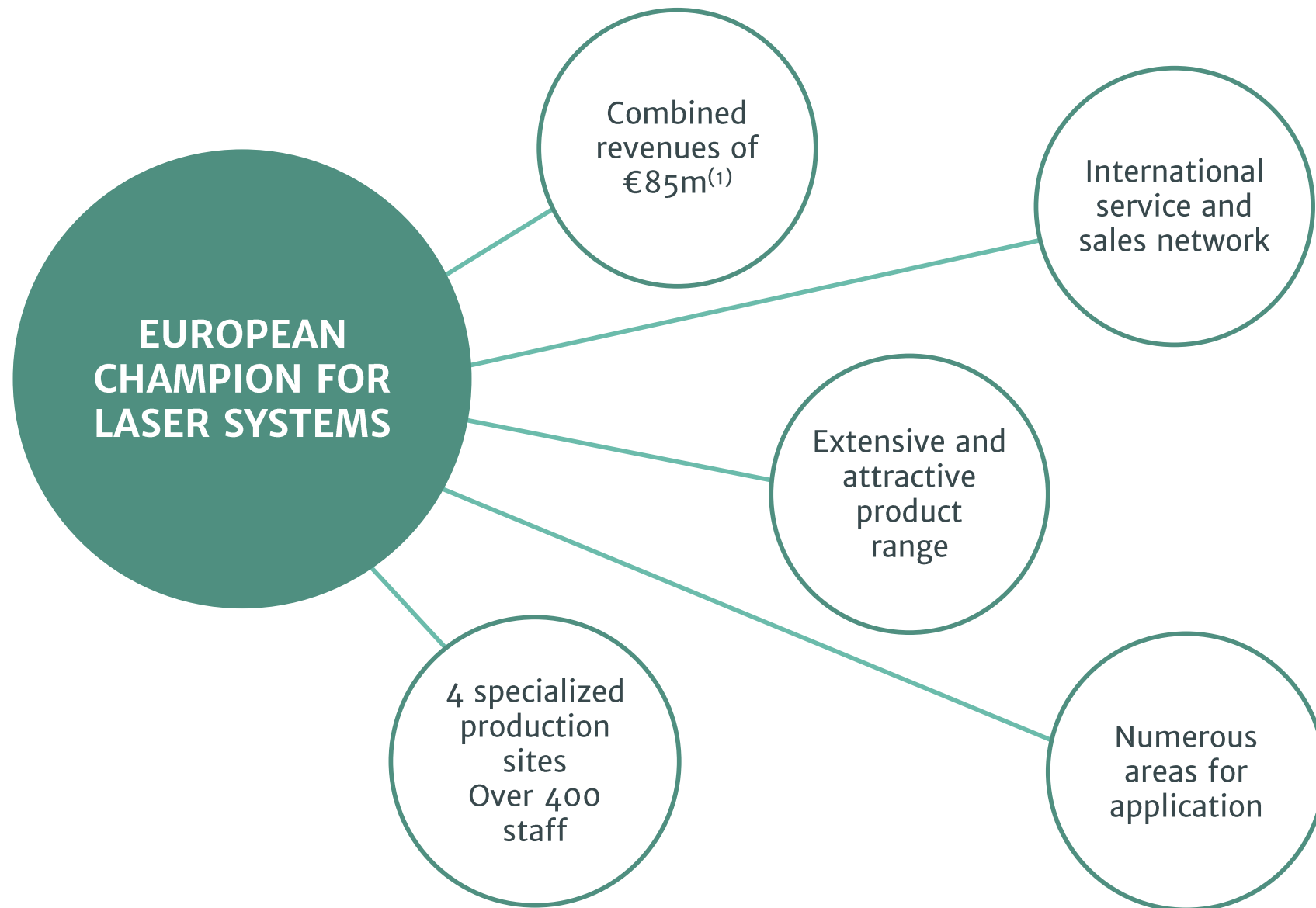


Medical

Lumibird a new European champion for lasers



A NEW CHAMPION



(1) 2017 proforma – unaudited data

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
 Défense	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



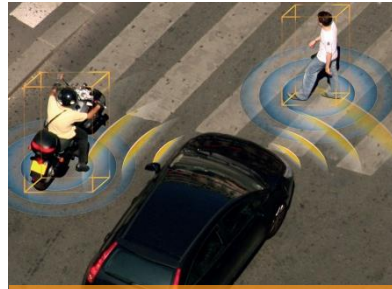
- Ophthalmology: diagnostic and treatment of major causes of blindness
- Other developments underway



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H1 2018 highlights

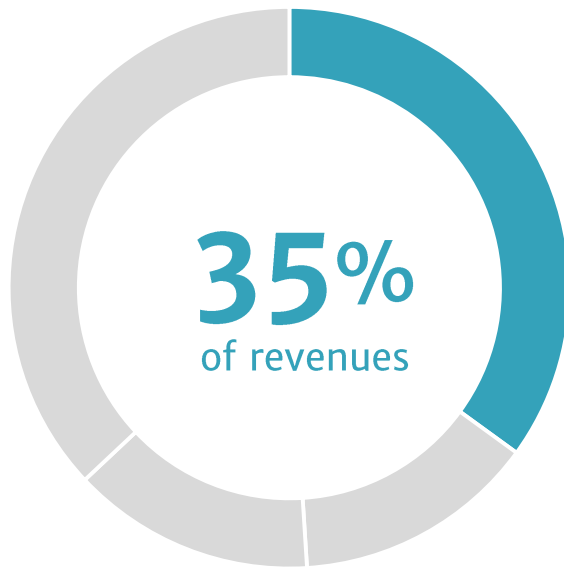


REVENUES

Per division

€m	H1 2017 ⁽¹⁾	H1 2018	change
Industrial and Scientific	15.2	14.6	-3.9%
Defense and Major Contracts	5.4	6.0	+11%
Lidar Sensors	4.2	6.0	+42%
Medical	15.6	15.7	+0.2%
TOTAL	40.5	42.3	+4.5%

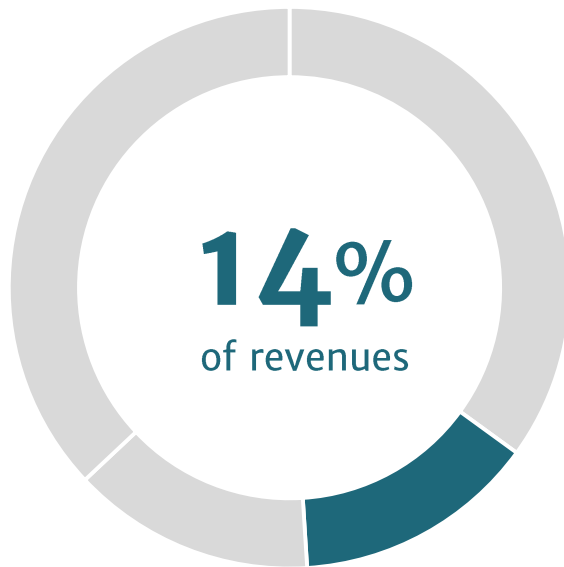
(1) Proforma information (unaudited): revenues including business for the Keopsys and Quantel Groups over the full year 2017



€14.6 m
-3.9% vs H1 2017

Return to growth in the second quarter

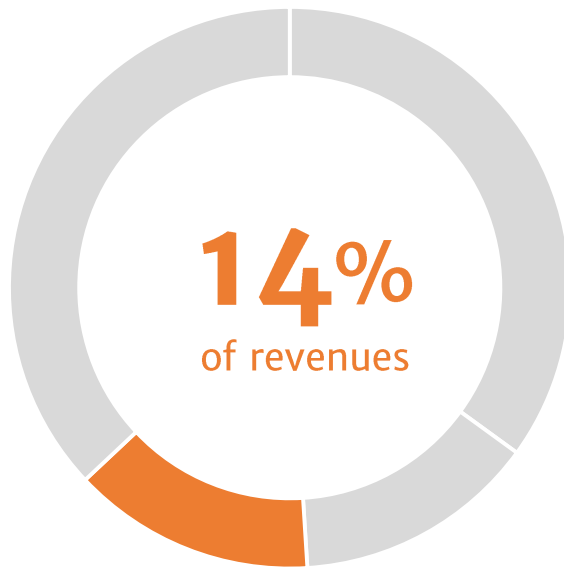
- Q1: -11.8% / Q2: +5.3%
- Sourcing delays resolved
- Strong demand for laser diodes
- Attractive scientific range making it possible to generate recurrent revenues



€6 m
+11% vs H1 2017

On track to meet its completion and delivery schedules

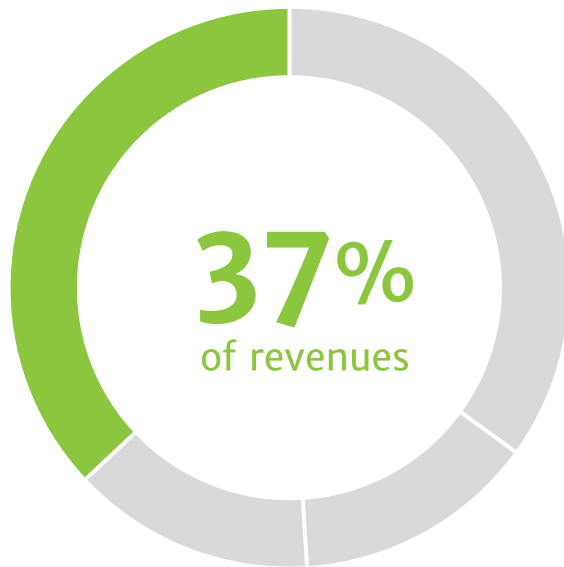
- 1st quarter delays made up for
- In line with the schedules set at the start of the year
- new €20m order for the Megajoule contract signed in June



€6 m
+42% vs H1 2017

Pursuing a strong growth (+42%)

- New production lines set up in March
- Strong demand in the transport sector
- Validation of Lumibird's fiber lasers from major clients in autonomous vehicle applications
- Orders of the first series



€15.7 m
+0.2% vs H1 2017

Launches of major new products in H1

- VITRA 2, Compact Touch 2, LacryDiag
- Temporarily limited growth
- Strong growth expected in H2

MEDICAL : A SCHEDULED GROWTH

New diagnostics products



New treatment products



New markets



New Horizons

- Subsidiaries
- Countries
- ECM acquisition



MEDICAL DIVISION EVOLUTION

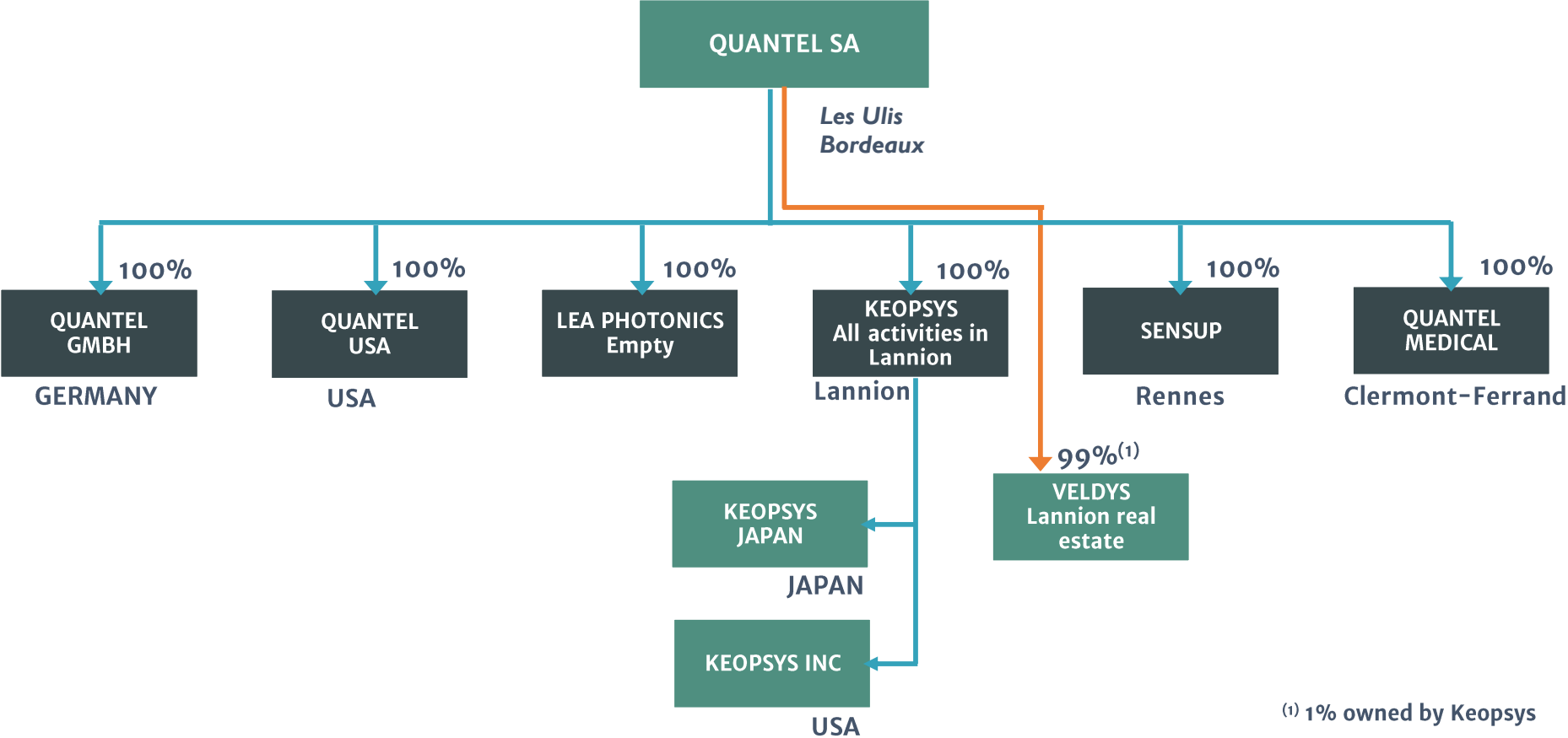
A first step in external growth

- Acquisition of the medical division of IMV
 - Rapid transfer of R&D and production activities
 - Acquisition of integrable technological skills
- Opening of important new “ POINT OF CARE” markets
 - Anesthesia / resuscitation
 - Emergency medicine
 - Sport medicine
 - Physical therapy
 - Telemedicine



DECISIVE STEPS IN REORGANISATION...

previous structure



...FOR A NEW GROUP STRUCTURE

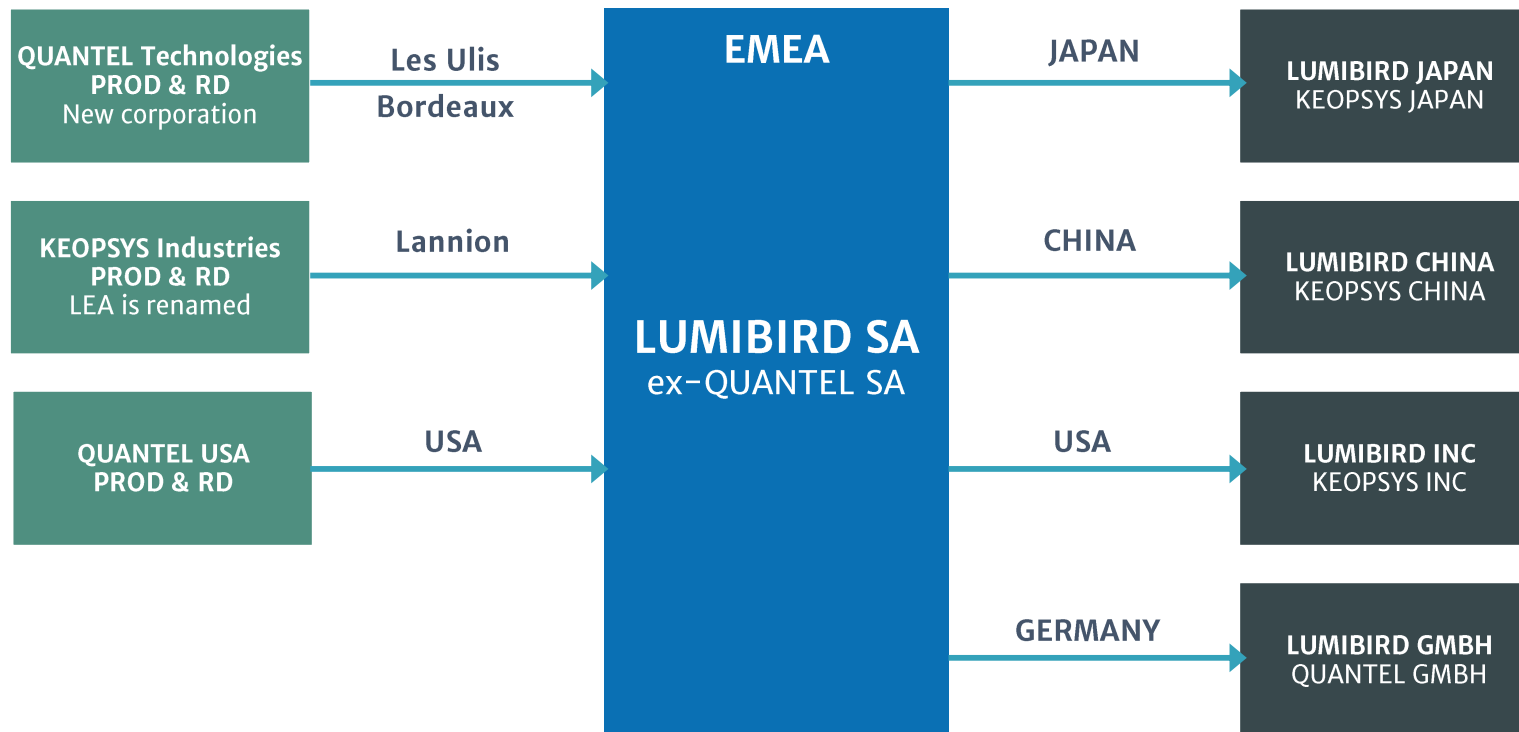


Production

Producers sell to LUMIBIRD SA

Sales

LUMIBIRD SA sell to distributors



Production & Sales



Target organigram

EXECUTIVE COMMITTEE



Marc LE FLOHIC
Chairman & CEO



Pierre VALLALTA
Chief
Financial Officer



Patrick MAINE
Chief
Technical Officer



Philippe METIVIER
Chief Marketing
and R&D



Olivier RABOT
Chief Defense &
Aerospace



Alan Boyd
Chief Operation
Officer



F. DI MAMBRO
VP
Customer Care



JM GENDRE
Quantel Medical
GM



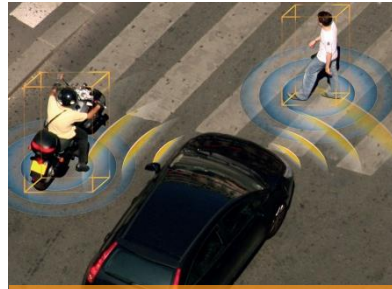
Gérard LE CAM
VP
APAC



Industrial
& Scientific



Defense



Lidar Sensors



Medical

2018 half-year earnings



EARNINGS AS OF JUNE 30



€m	H1 2018 consolidated	H1 2017 Actual consolidated	H1 2017 Pro-forma(1)	Change Pro-forma
Revenues	42.3	7.7	40.5	+4%
Operating income	3.5	1.2	2.5	+37%
<i>Operating margin</i>	8.3%	15.6%	6.2%	
Pre-tax earnings	3.3	1.0	2.1	+57%
Net income	2.6	0.7	1.9	+39%
<i>Net margin</i>	6.1%	9.1%	4.7%	

Proforma: revenues including business for the Keopsys and Quantel Groups over the full year

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 AS OF JUNE 30



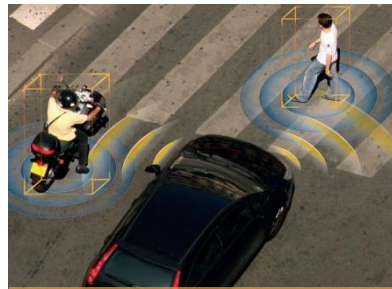
ASSETS €m	June 30 2018	Dec. 31 2017	LIABILITIES €m	June 30 2018	Dec. 31 2017
Non-current assets	70.4	67.5	Shareholders' equity	78.7	75.9
			Non-current liabilities	14.8	14.9
Current assets	52.0	51.7	<i>Non-current financial liabilities</i>	9.3	9.9
<i>Inventories</i>	24.3	19.6	Current liabilities	28.9	28.5
<i>Trade receivables</i>	17.7	15.8	<i>Current financial liabilities</i>	9.6	10.8
<i>Other</i>	5.5	5.6	<i>Trade payables</i>	8.7	7.6
<i>Cash</i>	4.5	10.7	<i>Other debt</i>	10.6	10.1
TOTAL ASSETS	122.5	119.2	TOTAL LIABILITIES	122.5	119.2



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Strategies and outlook



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

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

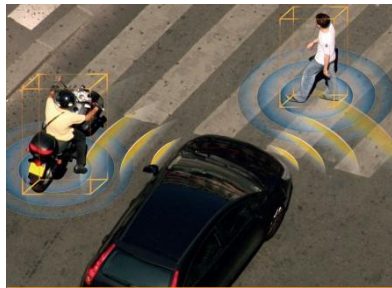
- Benefiting from the reorganization and synergies



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Lidar Sensors



Medical

Lumibird's stock



STOCK MARKET PROFILE

- Share price at Oct 4, 2018 €13.52
- Market cap at Oct 4, 2018 €215 m
- Listed Compartment C
- Eligibility PEA and PEA PME (Share-based savings schemes for SMEs), SRD (deferred settlement facility)

Shareholding structure



Share's performance since January 2017

