PRESS RELEASE
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H1 2024 RESULTS

STRONG GROWTH AND PROFITABILITY, FULLY ON TRACK TO DELIVER FY2024 GUIDANCE

- **Strong revenue growth of +50% to €186.9 million, driven by organic growth (+35% on a like for like basis) and successful integration of strategic acquisitions**
- **Adjusted gross margin of €91.1m in H1 2024, 48.8% of revenue (+350bps vs. H1 2023)**
- **Significant increase of the profitability, with the adjusted EBITDA reaching €56.1m in H1 2024 (vs. €34.0m in H1 2023), or 30.0% of revenue (vs 27.2% in H1 2023)**
- **Strong deleveraging with a net leverage of 1.3x as of 30 June 2024, following Exosens' successful IPO**
- **Fully on track to deliver full-year guidance for 2024**

Exosens (Euronext FR001400Q9V2 – EXENS), a high-tech company focused on providing mission and performance-critical amplification, detection and imaging technology, today announces its results for the half-year ended 30 June 2024.

"*The first six months of the year marked a turning point for Exosens, highlighted by a €180 million capital increase during our successful IPO in June 2024. Our revenues have grown by c.+50% versus last year, with both our segments growing strongly. This performance, accompanied by further increase in profitability, is the result of our successful operational and M&A strategies. Thanks to these achievements, we are fully on track to deliver our guidance for 2024. We are well-positioned to capitalize on future opportunities and to continue pursuing a highly profitable growth trajectory while achieving our mission to provide innovative components for a safer world*", said Jérôme Cerisier, Chief Executive Officer.

Continued growth momentum, revenues up 50%

Exosens experienced a strong start to the year with consolidated revenues reaching €186.9 million for H1 2024, marking a significant growth of +50% (+€61.9 million).

This robust performance was driven by substantial organic growth of +35%, which was bolstered by significant traction in group sales volume and favourable product mix.

Additionally, the successful integrations of Telops, El-Mul, and ProxiVision, acquired in October 2023, July 2023, and June 2023 respectively, have been key contributors. Sales and R&D teams are now collaborating effectively, showcasing Exosens' ability to cross-fertilize technology and expand its commercial reach globally.

Amplification revenue totalled €138.5 million, up +46.8% on a reported basis. This growth was driven by the positive impact of favourable product mix, alongside strong volume performance and flawless execution.

Detection & Imaging revenue totalled €50.4 million in the first half, up +60.2% on a reported basis. This performance was led by the positive effect of price evolution and controlled costs, coupled with improved yields and synergies extraction. The successful integrations of El-Mul and Telops have also supported the robust commercial performance of the segment.

Key financials

	H1 2023		H1 2024		Change
	In €m	***% of sales***	**In €m**	***% of sales***	***Total***
Revenue	**125.0**		**186.9**		***49.5%***
Adjusted gross margin	**56.6**	***45.3%***	**91.1**	***48.7%***	***61.0%***
Indirect costs	(22.6)	*(18.0%)*	(35.0)	*(18.7%)*	*55.1%*
Adjusted EBITDA	**34.0**	***27.2%***	**56.1**	***30.0%***	***64.9%***
Depreciation and amortization	(6.9)	*(5.5%)*	(10.0)	*(5.4%)*	*46.2*
Adjusted EBIT	**27.2**	***21.7%***	**46.1**	***24.7%***	***69.6***

Profitability increases significantly at group level and across both segments

Exosens recorded a significant increase of its profitability at group level and across both segments during H1 2024. This increase in profitability was driven by favorable product mix effects, volume increases resulting in better absorption of fixed costs, and the ongoing implementation of operational excellence measures.

Adjusted gross margin amounted to €91.1 million in H1 2024 (48.8% of revenue) compared to €56.6 million in H1 2023 (45.3% of revenue), representing an increase of 61% on a reported basis (+42.8% on a like for like basis).

By segment, adjusted gross margin breaks down as follows: for Amplification, adjusted gross margin reached €65.2 million (vs €42.1 million in H1 2023) representing a margin of 47.1% (vs 44.6% in H1 2023). For Detection & Imaging, adjusted gross margin totalled €25.8 million (vs €14.4 million in H1 2023), representing a margin of 51.1% (vs 45.8% in H1 2023).

Adjusted EBITDA grew by +64.8% reaching €56.1 million in H1 2024, compared to €34.0 million in H1 2023. This represents an adjusted EBITDA margin of 30.0% (vs 27.2% in H1 2023), an improvement of 278 basis points over H1 2023.

At group level, adjusted EBIT reached €46.1 million in H1 2024, up from €24.7 million in H1 2023, representing an adjusted margin of 24.7%, an improvement of 291 basis points compared to 21.8 % in H1 2023.

Solid cash flow generation during H1 2024

Exosens generated a robust free cash flow (FCF) of €23.6 million during the first half of 2024, of which €22.0 million is coming from organic growth and €1.6 million from the scope effect. This strong cash generation represents a significant increase from €1.8 million recorded in H1 2023 despite the one-time expenses related to the consulting fees related to the IPO.

With controlled capex, Exosens achieved a cash conversion rate of 75%, in line with the full year guidance of 75-80%.

Continued investment in R&D to remain at the edge of technology

During H1 2024, R&D expenses amounted to €14.7 million, representing 7.9% of sales, compared to €10.0 million (8.0% of sales) in H1 2023. This increase includes €1.9 million related to the scope effect from recent acquisitions and €1.6 million directed towards innovative projects at early stage of development . The company also benefited from an increase of €1.2 million in tax credits and customer funding, reflecting successful efforts to secure customer co-investments.

Capex optimization plan under way, now at 7% of sales

Exosens continues to optimize its capital expenditure, with Capex now representing 7.0% of sales in H1 2024, down from 8.8% in H1 2023. The company has increased its maintenance Capex to €5.9 million in H1 2024, up from €3.0 million in H1 2023, focusing on projects aimed at improving productivity and enhancing IT infrastructure. Growth Capex, totaling €7.2 million, has been directed towards facilities modifications to accommodate new equipment and investments in tools to secure the capacity plan and support new product development.

Our capital structure fully supports our growth strategy

Following Exosens' successful IPO, which included a capital increase of approximately €180 million, the Group has significantly deleveraged, reaching a total net debt to adjusted EBITDA ratio of 1. 3x as of 30 June 2024. This marks a strong reduction from the net debt of €302.3 million and a leverage ratio of 3.3x recorded as of 31 December 2023 and provides us ample capacity to pursue our investments in growth.

Key developments post H1 2024

Exosens successfully completed two synergistic bolt-on acquisitions following the close of the H1 2024 period. The acquisition of Centronics, a leader in radiation detection solutions, closed on 31 July 2024. This acquisition will further consolidate Exosens' position in the field of nuclear instrumentation, contributing to the development of product offering in the Nuclear field.

Additionally, on 1 September 2024, Exosens successfully completed the acquisition of LR Tech, which specializes in Fourier transform infrared spectroscopy applied in research, gas detection, and environmental monitoring. This acquisition is aimed at complementing Exosens' product portfolio in cooled infrared technology.

In August 2024, Exosens was awarded the EcoVadis Silver Medal, placing the company in the top 15% worldwide for its strategic CSR commitments.

Outlook for 2024

Exosens is fully on track to deliver its 2024 guidance communicated at IPO, notably expecting:

- High-teens organic revenue growth and around 30% total revenue growth including 2024 acquisitions.
- Adjusted EBITDA of at least €115 million (excluding 2024 acquisitions) and adjusted EBITDA margin slightly above the 2023 level.
- Adjusted EBIT margin between 24-25%, with an organic cash conversion rate of 75-80%.
- Net leverage around 1.6x by year-end, including recent and planned acquisitions.

Financial Calendar

- 28 October 2024 (before markets open): Third quarter revenue and gross margin 2024

The interim consolidated financial statements for the half-year ended 30 June 2024 were approved for issue by the Board of Directors on 2 September 2024, and have been subject to a limited review by the Company's auditors.

Webcast

The results will be presented on September 3, 2024 at 9:00 a.m. CET in a webcast and conference call accessible via this link. The half-year report and results presentation will be available on the corporate website at http://www.exosens.com.

ABOUT EXOSENS:

Exosens is a high-tech company, with more than 85 years of experience in the innovation, development, manufacturing and sale of high-end electro-optical technologies in the field of amplification, detection and imaging. Today, it offers its customers detection components and solutions such as travelling wave tubes, advanced cameras, neutron & gamma detectors, instrument detectors and light intensifier tubes. This allows Exosens to respond to complex issues in extremely demanding environments by offering tailor-made solutions to its customers. Thanks to its sustained investments, Exosens is internationally recognized as a major innovator in optoelectronics, with production and R&D carried out on 10 sites, in Europe and North America and with over 1,600 employees.
Exosens is listed on compartment A of the regulated market of Euronext Paris (Ticker: EXENS – ISIN: FR001400Q9V2) and is a member of Euronext Tech Leaders segment.

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Appendices

Income statement

In €m	H1 2023	H1 2024
Revenue	125.0	186.9
Purchases consumed	(30.5)	(45.6)
Other purchases and external expenses	(24.1)	(33.9)
Taxes	(0.9)	(1.2)
Personnel expenses	(38.9)	(55.5)
Other operating income / (expenses)	1.5	(0.6)
Depreciation and amortisation	(11.5)	(15.5)
o/w PPA amortization	*(4.2)*	*(5.9)*
Operating profit / (loss) from continuing operations	**20.5**	**34.5**
Operating profit / (loss) from continuing operations excluding PPA amortization	***24.8***	***40.4***
Other income / (expenses)	(1.4)	(3.9)
Operating profit / (loss) from operations	**19.2**	**30.7**
Operating profit / (loss) from operations excluding PPA amortization	***23.4***	***36.5***
Net financial result	(9.5)	(25.7)
Profit / (loss) before taxes	**9.7**	**5.0**
Profit / (loss) before taxes excluding PPA amortization	***14.0***	***10.8***
Corporate income taxes	*(1.4)*	*(2.1)*
Profit / (loss)	**8.3**	**2.9**
Profit / (loss) excluding PPA amortization	***12.5***	**8.7**

Cash flow statement

In €m	H1 2023	H1 2024
Profit / (loss)	8.3	2.9
Net financial result	9.5	25.7
Corporate income taxes	1.4	2.1
Depreciation and amortisation	11.5	15.5
Other income and expenses	1.3	2.9
Taxes paid	(3.0)	(1.6)
Change in net working capital	(13.2)	(7.7)
Cash flow from operating activities	**15.9**	**39.8**
Net investments in assets	(15.1)	(18.3)
Acquisition of equity stakes	(7.8)	(0.9)
Subsidies received and other flows	0.1	(0.0)
Cash flow from investment	**(22.8)**	**(19.2)**
Capital increase	-	180.0
Change in financial liabilities and IFRS 16 leases	2.9	(62.5)
Interest payments (including IFRS 16 leases)	(8.3)	(14.8)
Other	-	(15.6)
Cash flow from financing	**(5.4)**	**87.0**
FX impact	(0.1)	0.1
Change in cash and cash equivalents	**(12.4)**	**107.7**
Cash and cash equivalents at beginning of the period	**29.0**	**15.5**
Cash and cash equivalents at end of the period	**16.5**	**123.2**

Balance sheet – assets

In €m	31-Dec-2023	H1 2024
Goodwill	174.3	174.3
Intangible assets	202.4	198.8
Tangible assets	72.1	79.4
Right-of-use of leases	10.8	9.9
Investment in associates	3.4	3.4
Financial assets and other long-term investments	0.7	1.2
Deferred tax assets	0.0	1.5
Long-term assets	**463.7**	**468.5**
Inventory	78.5	94.9
Accounts receivable	69.2	60.3
Derivative financial instruments	0.2	0.6
Financial assets and other short-term investments	29.4	36.9
Cash and cash equivalents	15.5	123.2
Short-term assets	**192.7**	**315.9**
Total assets	**656.4**	**784.3**

Balance sheet – equity and liabilities

In €m	31-Dec-2023	H1 2024
Share capital	1.9	21.6
Additional paid-in capital	188.1	340.6
Retained earnings	14.1	19.8
Total equity	**204.1**	**382.0**
Long-term financial debt	300.8	249.0
Long-term lease liabilities	7.7	7.6
Pension liabilities	7.6	7.7
Provisions and other long-term liabilities	8.6	9.3
Deferred tax liabilities	17.6	17.0
Long-term liabilities	**342.3**	**290.6**
Short-term financial debt	7.0	1.7
Short-term lease liabilities	2.4	2.3
Derivative financial instruments	-	-
Accounts payable	32.3	35.2
Provisions and other short-term liabilities	68.4	72.5
Short-term liabilities	**110.1**	**111.7**
Total equity and liabilities	**656.4**	**784.3**

Reconciliation of operating profit to EBITDA, Adjusted EBITDA and adjusted EBIT

In €m	**H1 2023**	**H1 2024**
Operating Profit	19.2	30.7
Depreciation, amortisation and impairment - net	11.1	15.9
Other income and expenses	1.4	3.9
EBITDA	**31.6**	**50.4**
Share-based payments	0.8	2.9
One-off costs	1.6	2.8
Adjusted EBITDA	**34.0**	**56.1**
Depreciation, amortisation and impairment exc. PPA amortisation	(6.9)	(10.0)
Adjusted EBIT	**27.2**	**46.1**

Reconciliation of operating profit to cash conversion

In €m	H1 2023	H1 2024
Operating Profit	19.2	30.7
Depreciation, amortisation and impairment - net	11.1	15.9
Other income and expenses	1.4	3.9
EBITDA	**31.6**	**50.4**
Share-based payments	0.8	2.9
One-off costs	1.6	2.8
Adjusted EBITDA	**34.0**	**56.1**
Capitalized Research and Development costs	4.3	4.6
Capital expenditure	11.0	13.1
Adjusted EBITDA – capitalized Research and Development costs – capital expenditure	**18.7**	**38.4**
Adjusted EBITDA – capitalized Research and Development Costs	**29.7**	**51.5**
Cash conversion	**63%**	**75%**

Definitions

Organic growth is the growth in revenue achieved by the Group on a like-for-like basis, which corresponds to revenue achieved during period "n" by all the companies included in the Group's scope of consolidation at the end of period "n1" (excluding any contribution from companies acquired after the end of period "n-1"), compared with revenue achieved during period "n-1" by the same companies, regardless of when they entered the Group's scope of consolidation. Organic growth for the half-year ended 30 June 2024 therefore excludes the contribution of ProxiVision, El-Mul and Telops, acquired by the Group in June 2023, July 2023 and October 2023, respectively.

Adjusted gross margin is equal to the difference between the selling price and the cost price of products and services (including notably employee benefits).

Adjusted EBITDA means operating profit, less (i) additions net of reversals to depreciation, amortization and impairment of non-current assets; (ii) non-recurring income and expenses as presented in the Group's consolidated income statement within "Other income" and "Other expenses", and (iii) the impact of items that do not reflect ordinary operating performance (especially business reorganization, acquisition and external growth-related costs, as well as IFRS 2 share-based payment expense).

Adjusted EBIT corresponds to operating profit, after deducting (i) non-recurring income and expenses as presented in the consolidated income statement under "Other income" and "Other expenses"; and (ii) the impact of items that do not reflect the Group's core operating performance, such as costs relating to business reorganization and adaptation operations and expenses associated with share-based payments (IFRS 2). Depreciation, amortization and reversal of impairment losses on non-current assets, included in adjusted EBIT, exclude the amortization of the part of non-current assets corresponding to purchase price allocation.

Cash conversion is calculated using the following formula: (Adjusted EBITDA – capitalized Research and Development costs – capital expenditure)/(Adjusted EBITDA – capitalized Research and Development costs).

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Forward-Looking Statements

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Forward-looking statements speak only as of the date of this press release and the Group expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements included in this press release to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Forward-looking information and statements are not guarantees of future performances and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Group. Actual results could differ materially from those expressed in, or implied or projected by, forward-looking information and statements.