

# Half-year results 2024: current EBITDA margin of 19% and strong improvement in operating cash flows

## Key elements of the first half of 2024:

- **Strong commercial momentum:** +16% in order intake and a €60 million contract signed in July
- **Revenue growth of +5% and a current EBITDA margin of 19%**
- **Significant improvement in operational cash flow**
- **Objective of strong revenue growth in the third quarter of 2024**
- **Prospects for a high level of activity in the second half of 2024** on all indicators.

Exail Technologies achieved a good performance in the first half of 2024 given the announced stability of the Maritime robotics activity. Order intake continues to increase, with 16% growth. This strong commercial momentum continues in the second half with, in July, the largest order in the group's history in terms of the number of robots for €60 million. This marks the change in scale of the business to industrial production. The group's activity remains largely driven by exports, which represent nearly 90% of the company's orders.

The first half is also marked by an improvement in cash flow generated by the activity, which improves by €27 million compared to the first half of 2023.

## P&L statement of the first half 2024

<i>(in millions fn euros)</i>	<b>H1 2024</b>	<b>H1 2023 restated<sup>1</sup></b>	<b>Var M€</b>	<b>Variation %</b>
<b>Backlog at the end of the period</b>	<b>630</b>	<b>614</b>	+16	+3%
<b>Revenues</b>	<b>163</b>	<b>154</b>	+8	+5%
<b>Current EBITDA<sup>2</sup></b>	<b>30</b>	<b>33</b>	-3	-9%
<i>Current EBITDA margin (%)</i>	<i>19%</i>	<i>22%</i>	<i>-3 pts</i>	<i>-</i>
<b>Income from ordinary activities<sup>3</sup></b>	<b>17</b>	<b>21</b>	-4	-18%
Other elements of operating income	<b>-13</b>	<b>-20</b>	6	-
<b>Operating income</b>	<b>4</b>	<b>1</b>	3	-
Net cost of financial debt	-13	-12	-1	+7%
Taxes	4	1	2	<i>n.a</i>
Net income from discontinued activities	0	31	-31	<i>n.a</i>
<b>Consolidated net income</b>	<b>-5</b>	<b>22</b>	-27	<i>n.a</i>

The consolidated accounts presented below were approved by the Board of Directors, which met on September 25, 2024. The accounts have been subject to a limited review by the statutory auditors, and their reports are in the process of being issued. The financial statements are available in the appendix to this press release.

## Revenue of €163 million in the first half

Exail Technologies recorded revenue of €163 million in the first half, mainly generated by the Navigation & Maritime Robotics segment. The performance is generally in line with the group's expectations, which anticipated more sustained activity in the second half than in the first.

A dedicated press release on revenue and orders for the first half was published on July 25, 2024 ([link to the press release](#)).

## Current EBITDA of €30 million

Despite the disruptions announced and observed over the past 9 months, mainly related to a very high level of responses to calls for tenders, the group's current EBITDA margin stands at 19% in the first half of 2024, in line with the group's forecasts. These disruptions are now over and will not impact the second half.

<sup>1</sup> This income statement has been retrospectively restated in accordance with IFRS 3. Details of these restatements are given in the interim report.

<sup>2</sup> See the glossary in the appendix for definitions of alternative performance indicators.

### Income form ordinary activities by segment <sup>3</sup>

<i>(in €million)</i>		<b>H1 2024</b>	<b>H1 2023</b>	Var M€	Variation %
<b>Navigation &amp; Maritime robotics</b>	Revenues	124,2	117,1	7,1	+6%
	Current EBITDA	24,0	27,2	-3,2	-12%
	<i>Current EBITDA margin (%)</i>	19,3%	23,2%	-	-3,9 pts
	Income form ordinary activities	17,3	20,0	-2,7	-14%
<b>Advanced technologies</b>	Revenues	43,9	41,3	3	+6%
	Current EBITDA	7,2	7,7	-1	-7%
	<i>Current EBITDA margin (%)</i>	16,4%	18,7%	-	-2,3 pts
	Income form ordinary activities	4,4	5,5	-1	-20%

### Operating income

Depreciation and provisions amount to €13 million in the first half, a stable level compared to last year. The income from ordinary activities therefore stands at €17 million.

Other elements of the operating result represent a charge of €13 million, with almost no impact on cash flow. They include €9 million in amortization of assets recognized at fair value under IFRS 3R (see the dedicated paragraph in the half-year report) and €3 million related to employee incentive and retention plans.

As a result, the group's operating result is €4 million, improving compared to last year.

### Net financial debt cost: €13 million, half of which has no cash impact

The net financial debt cost recorded is €13 million, of which only €5.8 million in bank interest payments generated a cash outflow. This part is down 3% compared to last year thanks to debt reduction and interest rate variations. The balance of the financial charge is related to bonds held by ICG, whose interest is capitalized and therefore has no cash impact.

<sup>3</sup> The sum of the aggregates of the two divisions must be supplemented by intra-group eliminations, the impact of IFRS 16 and the structure to obtain the consolidated result presented above. Details of these items are available in the Half-Year Report 2024..

## **Operating cash flow: a net improvement of €27 million**

Exail Technologies generated operational cash flow of €22 million in the first half, an improvement of +€27 million compared to last year, thanks to a good level of collections. Working capital requirements (WCR) were particularly well controlled in this first half, contrary to the group's traditional seasonality.

In the first half of 2023, the group had exceptionally benefited from the sale of non-strategic activities.

## **Outlook**

The group's commercial momentum remains strong and reflects the good health of our activities and markets. Order intake increased by +16% in the first half to reach €162 million. A new significant drone order was also signed in July for €60 million for the Belgian and Dutch navies. In terms of the number of robots, this order is the largest in the group's history ([link to the dedicated press release](#)).

Given the already announced elements and the observed trend, Exail Technologies aims for very significant growth in its revenue and order intake in the third quarter. The company confirms its 2024 guidance with objectives of double-digit revenue growth and absolute value growth in current EBITDA.

## **Prochaines communications financières**

- 23 October 2024 : activity of the third quarter.



## About Exail Technologies

Exail Technologies is the new name of Groupe Gorgé, adopted after the transformation of the group at the end of 2022, now focused on the activities of its subsidiary Exail. Exail Technologies is an industrial company specializing in high technology in the field of autonomous robotics with a vertical integration of its businesses. The group offers complex drone and navigation systems, as well as products for the aerospace and photonics industries. Exail Technologies provides performance, reliability and safety to its civil and military customers operating in harsh environments and generates revenues in nearly 80 countries.

Exail technologies is listed on Euronext Paris Compartment B (EXA).  
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## APPENDIX

### Definitions of alternative performance indicators

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- **Current EBITDA** : Operating income before “depreciation, amortization and provisions”, “other items of operating income” and “Group share of the earnings of affiliated companies”.
- **Income from ordinary activities** : Operating income before “other items of operating income” and “Group share of the earnings of affiliated companies”.
- **Self-financing capacity**: Cash flow generated by the activity before changes in working capital and after neutralizing the cost of net financial debt and taxes.
- **Adjusted Net Debt**: Net debt excluding lease liabilities resulting from the application of IFRS 16 and including the value of treasury stock.

### IFRS 3R restatements

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IFRS 3R - Business Combinations stipulates that the fair value measurement of acquired assets and liabilities must be retrospectively modified as if the changes had been made at the date of acquisition. In connection with the acquisition of IXBLUE SAS, which entered the scope of consolidation on October 1, 2022, the valuations carried out in 2022 were provisional, and were finalized in 2023, after the closing of the 2023 interim financial statements. The financial statements for the first half of 2023 have therefore been adjusted to reflect the finalization of this work. The key element resulting from the valuation work is the identification of intangible assets linked to technology and customer relationships. Details of the valuations and changes made to the interim financial statements for 2023 are given in the notes to the interim report for 2024.

## Income statement H1 2024

<i>(in thousands of euros)</i>	H1 2024	H1 2023
<b>REVENUES</b>	<b>162 625</b>	<b>154 259</b>
Capitalized production	12 450	10 666
Inventories and work in progress	13 227	5 697
Other income from operations	11 599	9 884
Purchases and external charges	(93 646)	(78 043)
Personnel expenses	(74 452)	(66 860)
Tax and duties	(1 908)	(1 764)
Depreciation, amortization, and provision (net of reversals)	(13 377)	(12 659)
Other operating income and expenses	473	(389)
<b>INCOME FROM ORDINARY ACTIVITIES</b>	<b>16 992</b>	<b>20 790</b>
Group share of the earnings of affiliated companies	-	-
Other items in operating income	(13 188)	(19 524)
<b>OPERATING INCOME</b>	<b>3 804</b>	<b>1 266</b>
Interest on gross debt	(13 091)	(11 717)
Interest on cash and cash equivalents	141	88
<b>NET BORROWING COST (A)</b>	<b>(12 949)</b>	<b>(11 629)</b>
Other financial income (b)	393	187
Other financial expense (c)	(58)	(371)
<b>FINANCIAL INCOME AND EXPENSES (D=A+B+C)</b>	<b>(12 615)</b>	<b>(11 813)</b>
Income tax	3 661	1 168
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>(5 149)</b>	<b>(9 378)</b>
Net income from discontinued operations	-	31 365
<b>CONSOLIDATED NET INCOME</b>	<b>(5 149)</b>	<b>21 987</b>
<b>INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	<b>(3 705)</b>	<b>22 945</b>
<b>INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>(1 445)</b>	<b>(958)</b>
Average number of shares	17 008 518	17 066 447

**Consolidated balance sheet - Assets**

<i>(in thousands of euros)</i>	<b>30/062024</b>	<b>31/12/2023<sup>4</sup></b>
<b>ACTIFS NON COURANTS</b>	<b>512 949</b>	<b>514 303</b>
Goodwill	145 085	145 085
Other intangible assets	274 254	275 739
Property, plant and equipment	45 149	44 693
Rights of use	36 172	36 914
Other financial assets	10 059	9 739
Deferred tax assets	101	90
Other non-current assets	2 129	2 043
<b>CURRENT ASSETS</b>	<b>340 834</b>	<b>296 295</b>
Net inventories	86 333	72 913
Net trade receivables	50 393	63 295
Contract assets	66 347	75 134
Other current assets	28 697	27 204
Tax receivables	37 552	26 440
Other current financial assets	5 770	5 772
Cash and cash equivalents	65 741	25 538
Assets held for sale	-	-
<b>TOTAL ASSETS</b>	<b>853 782</b>	<b>810 599</b>

<sup>4</sup> The consolidated statement of financial position at December 31, 2023 has been modified as explained in note 1.3.2. of the interim report.



**Consolidated balance sheet – Liabilities**

<i>(in thousands of euros)</i>	<b>30/062024</b>	<b>31/12/2023<sup>5</sup></b>
<b>EQUITY ATTRIBUTABLE TO OWNER OF THE PARENT</b>	<b>127 624</b>	<b>130 441</b>
Stakes attributable to non-controlling interests	84 121	85 564
<b>NON-CURRENT LIABILITIES</b>	<b>378 625</b>	<b>369 837</b>
Long-term provisions	6 297	6 433
Long-term liabilities – portion due in more than one year	277 738	263 573
Lease liabilities – portion due in more than one year	31 625	32 110
Deferred tax liabilities	42 748	46 512
Commitments to buy minority interests	16 494	17 978
Other financial liabilities	3 723	3 232
<b>CURRENT LIABILITIES</b>	<b>263 411</b>	<b>224 755</b>
Short-term provisions	7 376	7 277
Long-term liabilities – portion due in less than one year	74 382	36 015
Lease liabilities – portion due in less than one year	7 309	7 212
Other current liabilities	3 506	4 248
Operating trade payables	51 465	58 476
Contract liabilities	46 751	39 706
Other financial current liabilities	72 457	71 165
Tax liabilities payable	167	655
Liabilities held for sale	-	-
<b>TOTAL LIABILITIES</b>	<b>853 782</b>	<b>810 599</b>

<sup>5</sup> The consolidated statement of financial position at December 31, 2023 has been modified as explained in note 1.3.2. of the interim report.

## Cash-flow statement

<i>(in thousands of euros)</i>	<b>S1 2024</b>	<b>S1 2023<sup>6</sup></b>
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	(5 149)	(9 378)
Accruals	23 460	23 255
Capital gains and losses on disposals	(689)	4 610
Group share of income of equity-accounted companies	-	-
<b>CASH FLOW FROM OPERATIONS (BEFORE NEUTRALIZATION OF THE NET BORROWING COST AND TAXES)</b>	<b>17 621</b>	<b>18 487</b>
Expense for net debt	12 949	11 629
Tax expense	(3 661)	(1 168)
<b>CASH FLOW (AFTER NEUTRALIZATION OF THE NET BORROWING COST AND TAXES)</b>	<b>26 909</b>	<b>28 948</b>
Tax paid	(420)	(1 177)
Change in working capital requirements	(4 070)	(32 060)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>22 420</b>	<b>(4 288)</b>
Investing activities		
Payments/acquisition of intangible assets	(11 140)	(10 135)
Payments/acquisition of property, plant and equipment	(5 007)	(3 544)
Proceeds/disposal of property, plant and equipment and intangible assets	742	56
Payments/acquisition & Proceeds/disposal of non-current financial assets	(234)	3 489
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	250	27 310
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(15 390)</b>	<b>17 177</b>
<b>Financing activities</b>		
Capital increase or contributions	-	-
Dividends paid	(251)	(1)
Other equity transactions	(2 452)	(1 757)
Proceeds from borrowings	59 370	23 352
Repayment of borrowings	(13 183)	(13 348)
Repayments of rental debts	(3 768)	(3 410)
Cost of net debt	(5 784)	(5 957)
Other funding streams	(804)	(498)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>33 129</b>	<b>(1 620)</b>
<b>CASH FLOW GENERATED BY CONTINUING OPERATIONS (D = A+B+C)</b>	<b>40 158</b>	<b>11 268</b>
Cash flow generated by discontinued operations	-	(7 520)
Effects of exchange rate changes of the year	45	(31)
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD</b>	<b>25 538</b>	<b>58 756</b>
<b>CHANGE IN CASH AND CASH EQUIVALENT</b>	<b>40 158</b>	<b>11 268</b>
Trésorerie des activités non poursuivies	-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>65 741</b>	<b>69 993</b>

<sup>6</sup> The June 30, 2023 column has been restated in accordance with IFRS 3R. See note 1.3.1. of the interim report..