



**EURONEXT
CORPORATE SOLUTIONS**

Exosens Full-Year 2025 Results

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Exosens Full-Year 2025 Results

Operator: Welcome to Exosens 2025 Full-Year Results Presentation. For the first part of the conference call, the participants will be in listen-only mode. During the questions and answer session, participants are able to ask questions by dialling pound key five on their telephone keypad.

Now I will hand the conference over to Laurent Sfaxi, Head of Investor Relations, to begin today's call.

Laurent Sfaxi: Good morning, everyone, and thank you for joining us today. I am Laurent Sfaxi, Head of Investor Relations at Exosens. I am joined by Jérôme Cerisier, CEO, and Quynh-Boi Demey, CFO, who will present Exosens' full-year performance and discuss our 2026 and new mid-term outlook.

This presentation will be followed by a Q&A session during which we will be happy to take your questions.

I will now hand over to Jérôme.

Jérôme Cerisier: Thank you, Laurent. In the second year following our IPO, we delivered a strong performance, exceeding our guidance across all metrics.

First, growth. Our revenues reached €468 million in 2025, up 22.1% compared with the previous year, outperforming our high teens growth guidance.

Second, profitability. Adjusted EBITDA amounted to €151.6 million, representing a 26.6% increase versus 2024, ahead of our expectation of low 20s EBITDA growth. Our EBITDA margin reached a record high of 32.4%.

Third, cash generation. We generated €57.3 million in free cash flow over the period, achieving a 73.6% of cash conversion, fully in line with our 70% to 75% guidance range. This strong performance enabled us to maintain a low leverage ratio of 1.3 times adjusted EBITDA.

In 2025, we continued to sustain growth in the Defence and Surveillance markets. We continued to invest in capacity expansion to preserve our leadership positions and also to invest in new R&D to remain at the edge of the technology. Altogether, this positions puts us strongly to sustain our growth in 2026 and over the mid-term and we'll be happy to go into more details.

We have, in the mid-term, beyond the ambition to reach €1 billion revenue.

Our end markets are still Defence, which represents now 75% of our sales, Life Sciences, 10%; Industrial Control, 11%; and Nuclear 4%. Defence and Surveillance is our largest market, is driven by the return of high-density conflicts, the growing need for advanced tactical capabilities, be it in night vision, but also in advanced optronics in new technologies requiring mass effects.

We benefit from short acquisition cycles, allowing us to have a fast ramp-up and rapid deployment with significant operational impact on the field.

Industrial Control, second, this market, our sensors create the data required to power artificial intelligence-driven industrial production. We contribute to enhanced product quality control to faster automation and to robotics.

Life Sciences is supported by increasing demand for advanced detection and imaging solutions for drug research, drug discovery. Nuclear is driven by global decarbonisation trend and renewed focus on nuclear energy. The market is also supported, as we speak, by rising needs driven by fast artificial intelligence development requiring more energy.

Overall, we are positioned in niche markets characterised by high technological barriers to entry.

Exosens is fully into the defence cycle. This defence cycle is fuelled over the long-term by geopolitical backdrop and rising tensions. We are seeing a proliferation of geopolitical tensions across multiple regions from Eastern Europe, of course, in the Middle East to Asia Pacific, alongside with terrorism risks and broader security threats that have not disappeared.

This environment is directly translating into higher spending in defence globally with a long-term view and long-term visibility for defence-related demand and Exosens is part of this movement.

This changing environment drives a profound transformation of global defence. First, the nature of warfare is changing, evolving towards high density, but also high attrition translates. There is more consumables and things that needs to be in mass consumed on the field. There is an increase in counter-drone and sensor-based, let's say, activities on the field with a greater emphasis on human machine teaming and digitally augmented soldiers, augmented warfare, augmented assets.

At the same time and as a consequence, the defence industry itself is reshaping, requiring high volume, scalability and technology at the same time simultaneously. Development cycles are accelerating, but Exosens is uniquely positioned by combining technology, scale and adaptability in an evolving environment.

In this defence paradigm, Defence and Surveillance represent about 75% of the Group's total revenue, be it in night vision, in portable optronics, in surveillance, in platform imaging or in drones and counter drones. We still have a lot of acumen in Europe with 64% of our revenues, and especially in Germany, which represents 25% of our total revenue in 2025.

Perhaps let me now dig a little bit more into our two segments. In Amplification, we had several successes this year. First, we secured the largest ever image intensifier tube contract with OCCAR, exceeding €500 million of revenues in image intensifier tubes, including and represented by a supply of over 200,000 16-millimeter tubes to be integrated into night vision goggles for the German Armed Forces and for the Belgian Armed forces.

More broadly, the demand remains strong across Europe with additional contracts in countries such as France, Spain, also with Northern and Eastern Europe. But the demand remains also strong in other parts of the world in Asia and, of course, in the US, where in the years to come, the market is expected to expand.

Second, we remain at the forefront of innovation with the launch of the 5G, which we launched last September and which is already seeing some nice commercial successes. This is a breakthrough technology. The 5G has seen rapid market adoption with three early adopters, THEON, Thales, and ACTinBlack and illustrated also by a major order for 7,000 units from ACTinBlack to equip European special forces over the next few years.

Finally, we strengthened our portfolio through the acquisition of NVLS, expanding our offering in night vision man-portable devices and integrated solutions. At the same time, also to be mentioned, we completed the divestment of Microwave Amplifiers in line with our strategy to focus on higher-value activities.

Overall, the Amplification segment demonstrates strong execution, sustained demand and continued technological leadership.

The night vision market, let me go quickly over it. Just mentioning here that Exosens is well positioned to capture market growth in Europe, in the Middle East, in Asia and gaining traction in the US with the announced decision to produce in the country. While night combat is becoming a necessity, equipment levels remain well below the one soldier, one goggle, the 1:1 level, and that creates massive equipment needs ahead of us.

Phasing growth, Exosens follows a strategy to expand capacity, allowing us to invest in additional capacity where it makes sense, step by step and while demand strengthens. Since 2020, we have more than doubled our output through successive expansions. In 2025, as a reminder, last year, we announced €37 million investment to expand production in both Europe and the US, targeting a total 40% increase by 2027 compared to 2024.

This plan is designed to further strengthen our global footprint, enabling us to meet growing demand in Europe, in Asia and also in the US.

Looking ahead, in response to accelerating global demand, we will continue to actively assess demand, assess the opportunity to increase further our capacity in staggered steps capture any additional revenue growth that we foresee.

In the US specifically, our plans are progressing as we wanted them to. The factory implementation is well underway. Key equipment has been ordered. The initial personnel hires has been completed, ensuring, let's say, a smooth operation for the current state. By 2027, we expect that the facility will represent 10% to 15% of the total. More importantly, it is a facility that is ready to scale further for further capacity expansion as the success on the market or the demand would require.

From there and from the US, we will have an ITAR-controlled production, positioning ourselves and Exosens to serve both the single largest market in the world, but also internationally the rest of our customers with both ITAR and ITAR-free products. We there are ready and will be ready to serve the DoD customers.

Let me now turn to the key highlights of our Detection & Imaging segment.

First, we continue to expand our customer base in Defence and Surveillance, working with leading unmanned vehicle OEMs, particularly in drone-based applications. We are also seeing a solid momentum in our commercial market with new wins in high-performance mass spectrometry, electron microscopy, semiconductor inspection, driven by our design-in approach where we co-develop with the customers the very specific component that they require for their high-end specific applications.

Second, innovation remains at the core of our strategy. We launched several cutting-edge products, particularly for defence, for surveillance, for homeland security applications. We launched Microcube XP, an ultra-compact thermal core optimised for drones for platforms. We launched Airborne Nano, a compact hyperspectral stabilised camera for drone integration for

ground surveillance and observation, both in environmental control, but also in general surveillance.

Finally, we completed, in 2025, two bolt-on acquisitions: Noxant, enhancing our capabilities in cooled infrared cameras and specifically for surveillance applications; and Phasics expanding our expertise in wavefront sensing technology.

Overall, D&I combines accelerating commercial momentum across Defence and Surveillance, continued innovation, disciplined strategic expansion of our portfolio.

To say a little bit more perhaps on the Defence part of the Detection & Imaging segment, which represents about 10% of our total revenue in 2025. This is a doubling, by the way, compared to 2024, where it represented around 5%.

Digital imaging is becoming increasingly important in mission-critical applications in high-density warfare. The armies require enhanced situational awareness, real-time threat detection, camouflage, decamouflage tracking and all of that is well served by high-end optronics equipment that we provide.

Our portfolio covers three main areas. First, the platforms, where we provide visible infrared UV sensors and cameras, including solutions for missile warning systems, a market which we see growing at about 8% over the medium term per year.

Second, drone and counter-drone applications, as battlefields become increasingly drone and sensor-based, demand for high-performance visible infrared imaging solutions continues to accelerate. In this market, we see with medium-term growth up to 17% CAGR over the next few years.

Third, surveillance, where we deliver advanced visible infrared systems for monitoring, detection and protection missions, where we see this market growing at 10% over the next few years.

Overall, digital imaging is becoming increasingly strategic and a strategic pillar within our Defence and Surveillance activities, a good combination with Amplification, which is more ground-based and soil-based, land forces based, which positions overall at the core of next-generation multi-domain operations using optronics as the key sensors and multi-sensor source of information on the battlefield.

Let me now turn to D&I Commercial Markets, starting with Industrial Markets. That represents about 11% of our 2025 revenue. We have, let's say, the artificial intelligence-enabled vision that is now percolating in the industries, in the factories, is creating a new paradigm for Industrial Markets. This drives increasing demand for real-time visual inspection for advanced imaging for predictive monitoring capabilities.

In Machine Vision and Process Monitoring, imaging systems are becoming more critical for real-time quality control and predictive maintenance.

In Semiconductor Inspection, the increasing chip complexity, the rise of 3D architectures, demands high-precision, lower wavelength, advanced imaging systems.

In Electrical Inspection, the artificial intelligence growth, and electrification are putting pressure on existing power grids, boosting the demand for more energy, but also boosting the demand

for having state-of-the-art well-maintained power grids as any other, let's say, critical infrastructure. This is where we provide critical cameras.

Overall, imaging is becoming a structural growth driver across all the industrial markets.

In Life Sciences, which represents about 10% of our revenue, we also have different markets.

Mass Spectrometry. Global inventory adjustments that we saw in 2025 and that drove a temporary slowdown in demand seem to be behind us, and we continue to see now a structural shift towards higher performance systems, together with high level growth.

Electron Microscopy remains under pressure partially due to academic funding in the issue that is constrained. But the private sector demand is growing, supported by increased R&D spending, low carbon materials, new discoveries, batteries, fuel cell manufacturing, semiconductor testing.

Overall, structural demand for higher-performance technologies, the most analysis tools, in fact, is there to support long-term growth prospects in our products.

Nuclear, our fourth pillar. It represents about 4% of our revenue. The rising demand for carbon-free energy fuelled by the rapid expansion of AI-driven data centres, but more generally by the electrification of many usages is driving unprecedented power needs and nuclear energy seems more and more seen as a reliable, scalable, low-carbon solution.

We hold positions across all segments, large reactors, small modular reactors, research reactors. We have a strong market recognition, a unique radiation detection technology. As an example, in SMR, we are actively engaged with leading players to hold technology leadership in high temperature-efficient chambers, a critical component for certain new generation reactors designs.

This concludes my remarks on our business performance and the overall, let's say, view of our business in Defence and Surveillance, in Industrial Markets, Industrial Control in Life Sciences and Nuclear.

I will now hand over you to Quynh-Boi, who will discuss our financial results.

Quynh-Boi Demey: Thank you, Jérôme. As a quick preliminary comment before we dive into the numbers. As of 31st December 2025, we completed the sale of our Microwave Amplification business in the US. Under IFRS 5, this activity is now reported as discontinued operations. So you will see its results and cash flow presented on a single line, separate from continuing operations for both 2024 and 2025. You will not find €394 million that we reported last year. We have €383 million now because we remove the Microwave Amplification that was sold.

Looking back at 2025 performance, we delivered both strong growth and margin expansion. First, on growth. We grew 22.1% on a reported basis and 12.7% on a like-for-like basis, so still a very solid underlying momentum.

Just a quick reminder on the scope effects to understand the like-for-like bridge. To be comparable with 2024, we need to exclude five months of Centronic, that we acquired in July 2024, and four months of LR Tech, that we acquired in September 2024. On top of that, we also need to exclude the 2025 acquisitions: Noxant in February, NVLS in July and Phasics in October, to present a clean like-for-like view versus last year.

What does this growth tell us? First, it confirms our ability to ramp up capacity and capture opportunities in a fast-growing Defence market, as Jérôme just outlined. In Amplification, this translated into roughly €50 million of additional revenue.

Second, it demonstrates our disciplined execution for our M&A strategy. We closed three acquisitions in 2025, contributing to the €33 million of additional revenue in Detection & Imaging, where we focused our external growth efforts.

On profitability, we achieved 24% growth in adjusted gross margin, reaching now 50% gross margin. This reflects, on the one hand, higher volumes, and on the other hand, margin expansion, which I will detail in the next slides.

Let me focus now on the performance by division, starting with Amplification.

Amplification mainly addresses the Defence market, and the growth this year was largely organic, as NVLS was only consolidated from mid-July. We delivered 18% growth overall, including an almost 15% organic growth, which is primarily volume-driven.

What is particularly strong here is that while ramping up volume significantly, we also improved gross margin by 187 basis points, reaching 50.5% gross margin. Most of this improvement comes from better yields.

The positive price/mix effect helped offset the dilutive impact from NVLS. This really demonstrates our operational excellence. We have been able to scale production significantly over the past few years while maintaining quality and improving efficiency.

Now turning to Detection & Imaging. D&I addresses Industrial and Commercial markets for about two-thirds of the business, while Defence now represents roughly one-third. We delivered 28% growth, including the contribution from acquisitions. On a like-for-like basis, growth was 5%, which marks an improvement compared to H1, when we were at minus 2.5%.

As a reminder from our half-year call, with the new US administration, we saw a slowdown in US scientific research investments, and uncertainty around tariffs also delayed purchasing decisions from some of our customers. We continue to face softness in Life Sciences, scientific research and Environmental markets. On top of that, we still face also uncertainty from tariffs

However, this is being offset by growing demand for imaging and protection systems in defence applications. As Jérôme outlined earlier, cameras on drones, long-range surveillance systems to detect large-scale drone attacks, and missile warning systems installed on aircraft or armoured vehicles.

This stronger momentum in Defence explains the acceleration we saw in the second half, with H2 growth reaching plus 11.3%. D&I's gross margin came in at 48.3%, which is broadly stable compared with 48.6% in 2024. The slight dilution mainly reflects the impact of acquisitions.

We delivered best-in-class EBITDA margin of 32.4% and EBIT margin of 27.3%, which are record-high for us. That reflects our strong positioning in a market with a high level of technology and industrial know-how.

While we delivered growth and margin expansion, we also controlled our cost structure, benefiting from scale effect. This resulted in 115 basis point improvement in EBITDA margin and 172 basis point in EBIT margin.

Let me briefly walk you through our net profit.

Bottom line, we delivered €42.7 million in net profit. This includes a €27.5 million net loss from the sale of our Microwave Amplifier assets. This loss is largely non-cash and triggered the activation of around €6 million of deferred tax assets in the US. Strategically, this transaction allows us to redeploy capital toward activities with strong growth, higher margins, and better synergies within the Group.

If we exclude this impact, net profit from continuing operations reached €70.2 million, more than double last year's €34 million. There are three key drivers behind this improvement. First, we grew our operating profit. But what we also had is last year, we had €40 million of one-off IPO-related consulting fees.

Second, following the IPO, we refinanced and restructured our debt, so significantly reducing our financing costs. And third, the higher tax charge simply reflects stronger performance. Our cash tax rate was about 18%, as we continue to benefit from tax loss carryforwards in France, which are available until the end of 2026.

Overall, this reflects a structurally stronger financial profile and solid operational momentum.

Let's go now to free cash flow, slide 36. We generated €57.3 million in free cash flow, which is consistent with the level we achieved in 2024. While EBITDA increased, the positive impact was partially offset by higher working capital needs, which is expected given our 22% growth in activity. A large part of this increase is tied to inventory built in response to sustained demand. That said, efficient inventory management allowed us to reduce our inventory days of sales by three days.

Importantly, we maintained tight control over CAPEX even as we scaled operations. As a result, we achieved a cash conversion ratio of 73.6%, which is stable versus last year and fully in line with our guidance of 70% to 75%.

Finally, let's turn to our leverage, as shown on the slide. Thanks to strong free cash flow and disciplined CAPEX, net debt remains well-controlled, keeping leverage at a comfortable 1.3 times EBITDA, preserving financial flexibility.

Given our strong financial performance and robust cash generation, the Board of Directors decided, at its meeting on 20th February, to propose a cash dividend of €0.30 per share for the 2025 fiscal year. This represents a payout ratio of 22%, which is fully in line with our dividend policy of 20% to 25%, reflecting our commitment to returning value to shareholders while maintaining financial flexibility.

I'd like to briefly touch on sustainability, which is fully embedded in how we manage and grow the Group. It is not a parallel agenda. It's integrated into strategy, risk management, and operational discipline. Our roadmap is built around four pillars: sustainable partnerships, social responsibility, environmental sustainability, and governance with purpose.

On climate, we set our 2030 and 2050 decarbonisation targets, aligned with Science Based Targets initiative, covering Scope 1, 2, and material Scope 3 emissions. We aim for 42% reduction in Scope 1 and 2 by 2030 and 90% across all scopes by 2050, using operational levers like energy efficiency, heat decarbonisation and renewable electricity. Action plan at site-level are already integrated into investment and CAPEX planning.

On the social and governance side, we strengthened our HR policy, health and safety, diversity and inclusion programmes, and expanded compliance and anti-corruption processes. These efforts were recognised with the EcoVadis Gold Medal, that places us in the top 5% globally.

Sustainability is fully embedded at Board and Executive level, with KPIs linked to executive compensation both on short-term and long-term incentive plans. In short, for us, sustainability means resilience, control and disciplined execution, which is fully aligned with our financial strategy.

Now on M&A. What we said at the time of the IPO is that our strategy combines both solid organic growth and targeted bolt-on acquisitions. Our ambition is to become the natural consolidation platform in electro-optics. We remain very disciplined in how we approach M&A.

First, we look for high-value technological assets that complement our portfolio. When developing a technology internally would be too slow or too risky, acquisitions allow us to accelerate while reducing execution risk.

Second, targets must operate within our four core verticals: Defence & Surveillance, Life Sciences, Industrial Control, and Nuclear, and expand our addressable market while strengthening our competitive positioning.

Third, we prioritise companies that have already reached industrial scale, with proven customer references and leadership in their niche markets. That said, we remain open to earlier-stage players when the technology is emerging and strategically critical for the future.

What do we bring to these targets? We bring a strong commercial platform to expand market reach, operational excellence in manufacturing and supply chain, and a powerful technology base with deep R&D expertise and a robust patent portfolio. The result of this is accelerated growth and a more diversified and resilient business model.

Our D&I segment, for example, has grown from €82.5 million pre-IPO to €150 million today. And beyond growth, these acquisitions support margin enhancement and stronger cash generation through synergies and operational leverage as you can see in the next slides.

Noxant for example, which we acquired in 2025, is a very good example of what we aim to do with M&A, with technology as a key decision criterion. It gives us double market expansion, both in Defence & Surveillance and in Scientific and Industrial markets, and it increased our addressable market by around €500 million. Noxant's revenue grew 52% versus 2024, benefiting from very strong tailwinds, particularly in long-range drone surveillance. So the momentum is clearly there.

What's important is that we were able to accelerate production capacity expansion thanks to Exosens' operational expertise and capital support. That's exactly where we add value, helping high-potential technologies scale faster and more efficiently.

This concludes my remarks, and I will now hand over to Jérôme, who will discuss our 2026 and new mid-term outlook.

Jérôme Cerisier: Thank you, Quynh-Boi.

Just briefly perhaps on our markets. We are positioned on different markets compared when we look at the different, let's say, segments or businesses we're serving. Importantly, these markets for the mid-term are seen to grow for Light Amplification and Portable Optronics from

10% to 12%; for Industrial Control, Life Sciences and Nuclear Instrumentation more in the high teens range.

Importantly, I wanted to underline that over the last acquisitions and the last business development initiatives we've taken, our addressable market has grown, which results in market share that, okay, for Amplification will remain as the number one position with 80% market share, a very high market share. But for the other ones, position us well on growing in market where we are expanding our addressable market. I think it's important to mention that acquisitions do allow us to expand our addressable market for the future.

This market growth have been embedded into our outlook, and which Quynh-Boi is now going to share.

Quynh-Boi Demey: On the back of our very strong 2025 results, we are upgrading our '24-'26 guidance, which we initially provided in early January 2025.

Clearly, the trajectory of the Group today is stronger than what we had anticipated at the time of the IPO. For 2026, we now expect revenue in the range of €520 million to €540 million; adjusted EBITDA between €168 million and €178 million. This implies a '24-'26 EBITDA CAGR of 18% to 22%, which is above the high-teens growth we indicated at the beginning of 2025.

On CAPEX, our industrial CAPEX rate will be around 9% in the period, reflecting the additional capacity expansion that we announced in October 2025 to meet higher global demand. In addition, we will continue to capitalise approximately 3% of sales to sustain our innovation and R&D efforts.

Now, looking beyond 2026, over the mid-term, we aim to grow sales organically on average up to the mid-teens. We expect adjusted EBITDA to grow above 15% per year on average, implying a gradual and disciplined improvement in EBITDA margin. And we plan to normalise industrial CAPEX at around 5% of sales, while maintaining R&D capitalisation at roughly 3%.

Overall, we are entering the next phase with sustained growth, improving profitability, and a disciplined capital allocation framework.

Since the IPO, we have built a very solid financial structure, which puts us in a strong position to fund both our organic growth and continued investment in our industrial assets and R&D innovation.

Today, with a leverage ratio of 1.3 times our EBITDA, we have significant financial flexibility. This gives us the firepower to accelerate growth through targeted, value-creating M&A across our four vertical markets. As always, we remain disciplined and technology-focused in our approach.

We have a clear ambition to reach €1 billion in revenue over the mid-term. To support that trajectory, we could temporarily increase our leverage ratio to around 2 times adjusted EBITDA during the period.

Finally, in line with our capital allocation framework, we intend to return between 20% and 25% of net income to our shareholders.

Jérôme Cerisier: Thank you, Quynh-Boi. Overall, we combine growth ambition with financial discipline with balanced capital allocation.

This concludes our presentation and we are now happy to take your questions.

Questions and Answers

Operator: Ladies and gentlemen, if you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from Aurélien Sivignon from ODDO BHF. Please go ahead.

Aurélien Sivignon (ODDO BHF): Good morning. Thanks for taking my question. A couple on my side. First, how should we think about growth by division in '26? I mean, do you expect Amplification to again outgrow the Group, or do you expect a more balanced profile given the stronger end performance in Detection & Imaging?

Quynh-Boi Demey: Usually, we don't guide by segment. Having said that, you know that our limitation today is capacity, and the investment that we announced in 2025 in January and in October will not have immediate effects in 2026. It will be rather at the end of 2026.

As you also saw during this year, second half was much better than the first half, with 11% growth in D&I in the second semester. What we expect is that, indeed, D&I will continue to grow at a higher pace than what we have seen in the previous years.

Aurélien Sivignon: Okay, thank you. Then on the medium-term plan. I was wondering whether your new supply growth target of 15%, or let's say up to 15% growth, can be achieved within the existing capacity expansion plan? I mean, the plus 40% increase by next year, or whether further investment will be required. And just to confirm, would you consider 2030 as a fair medium-term horizon for this plan?

Jérôme Cerisier: Our medium-term growth perspective in D&I is not affected by capacity. In Amplification, we have plans today, as you know, to grow and to increase capacity that will be fully in place in 2027. We do not expect to increase further our capacity in 2027 depending on market demand.

Aurélien Sivignon: Okay, thank you. Last one on M&A. Can you share more detail on the size of the assets you are mentioning? I mean, if I understood correctly, you could exceed 2 times the leverage threshold. But what would be the acceptable upper limit you would consider? Thank you.

Quynh-Boi Demey: Indeed, what we have done so far is smaller size targets, roughly between €10 million and €20 million of revenue. This is what we closed in the last acquisitions. What we are looking for today is acquisition of larger size. Typically, it could be around €50 million revenue or above. Knowing that we have a low leverage ratio of 1.3 times our EBITDA, we have the full financial flexibility to fund such large acquisitions with debt.

Aurélien Sivignon: Okay. Thank you very much. I go back in the queue. Thank you.

Operator: The next question comes from Aleksander Peterc from Bernstein. Please go ahead.

Aleksander Peterc (Bernstein): Yes. Good morning. Thanks for taking my questions, and congratulations for strong results and beating the guidance again. The first one was just on the phasing of your medium-term targets. When you give us the CAGR for the next, let's say, five years, would you expect growth to be stronger at the beginning of the period and then fade, or would you see a peak in revenue and EBITDA growth at a given point given your CAPEX phasing? That would be my first question.

The second, after the Microwave disposal, is your lineup of businesses now satisfactory, or do you see any other areas that may need attention that could be disposed of? Are you happy with your perimeter, so to say?

The third one, I'm just wondering what kind of opportunity would make you crank your leverage up to 2 times or even slightly above? Would this be a single large acquisition? Or would you see a string of acquisitions in short succession? While we talk about that, could you update us on your pipeline of M&A opportunities at the moment in terms of number and size of targets? Thank you very much.

Jérôme Cerisier: Okay. In terms of phasing of growth, obviously, we do not have exactly the same dynamics between our segments. D&I is seeing for its defence portfolio, a strong growth coming from counter-drones, but also missile warning systems that is there and in line with the different budget growth.

The industrial markets are very different dynamics which we will see continuing or growing together with the general economy, as the general economy is growing. And it is expanding, let's say, on a regular basis over the next few years.

Amplification is more driven by capacity. There, while we are still questioning ourselves as we do all the time, whether we have to increase more or we can increase more. Obviously, we have already achieved a huge increase in capacity and we do not foresee in the future the same level of growth than we had two, three years ago at 30%, 35%.

All in all, we think it's a balanced growth that we are seeing, but while the capacity increases will kick in, we will probably come on a more normalised level in that part of our business.

Quynh-Boi Demey: On Microwave Amplifier restructuring, there is not a single business that was at the level of Microwave Amplifier. So all our remaining business are profitable. But we will constantly review our portfolio to make sure we allocate capital on businesses that have the highest growth prospects and profitability prospects.

Jérôme Cerisier: On M&A, in fact, as we already stated in the past, we are constantly looking at different types of companies. We have a portfolio, smaller ones, larger ones. And we first drive it by technology. So we are very interested in developing business, enlarging our technological portfolio first.

Second, enlarging our markets in our four verticals and our accessible or addressable market in our verticals. And third, looking at companies that generate synergies with the Group. We will continue that strategy that encompasses, in fact, a larger, let's say, span of companies, smaller size but also larger size. They can be of any type as long as these criterias and very strict criterias are met.

Aleksander Peterc: Thank you very much.

Operator: As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. The next question comes from David Perry from JP Morgan. Please go ahead.

David Perry (JP Morgan): Hi, Jérôme, Quynh-Boi and Laurent. Congrats on a great year. A few questions. Sorry if I missed it. Can you just clarify what your definition of mid-term is, please? Apologies if you did say it, the line isn't so great.

Secondly, I'd be interested to know what percent of Detection & Imaging sales now or in '25 were actually to Defence? And how do you see that evolving? Because it feels like the D&I story has really changed quite a bit maybe since the IPO with a lot more defence in it.

Then just curious on the German contract for image intensifier tubes. I mean, it's absolutely huge for a three-year delivery programme. So it's quite a significant piece of the sort of expected sales over sorting Amplification. Does that limit your opportunities to sell to other customers or should we think of it more as a positive that you could do better overall? Thank you.

Jérôme Cerisier: So concerning our mid-term outlook, I think at the time of the IPO in 2024, we guided until 2027. 2027 is now much closer. Obviously, the world has changed. And so we thought it was time to change our perspective for mid-term in line with these changes. So we do not define mid-term precisely, but obviously, in 2024, we were guiding only until 2027. You were mainly telling us that you were expecting us to upgrade it, so we decided to do it.

Quynh-Boi Demey: So on D&I –

David Perry: Sorry, can I just follow-up? So I mean, a lot of your competitors or peers say the Germans, they define the mid-term as 2030. I mean could we assume that, or is that too much?

Jérôme Cerisier: As I stated in 2024, we guided until 2027. Though, we didn't define what mid-term was meaning exactly, we could assume that we show a certain consistency with our previous communications.

David Perry: Okay. That's clear. Thank you.

Quynh-Boi Demey: Defence accounted for one-third of D&I business. And contrary to Amplification, we have no capacity issues in this segment. If the bulk market is booming, then we will be able to meet market demand.

David Perry: Thanks. That's very clear. Defence being a third of D&I, to me, is a big change in the story of a few years ago. I mean, do you see that given all those opportunities you talked about in your slides, surveillance and drones and missile warning, I mean, do you see Defence going to 50% of D&I?

Jérôme Cerisier: No.

Quynh-Boi Demey: No, we don't believe so. Do remember that we were hit in the previous year with a slowdown in machine vision with China slowdown, also with tariffs uncertainty and research budget funding cuts. This is temporary. We know that the underlying market dynamics are still there. At one point in time, they will recover.

David Perry: Got it. Thanks a lot.

Jérôme Cerisier: Okay. And concerning your last question on German contracts, the last German contract, we were very happy we could secure with OCCAR and actually OCCAR secured it with THEON. We are the only provider of 16-millimeter tubes for them. They will represent about 35% around-ish, let's say, of our revenues on the horizon. That does not really limit the opportunities we have to develop any other type of businesses.

Of course, all opportunities are limited by capacity, but we can serve customers simultaneously. Importantly, also with the emergence of 5G and the continuation of a growing demand on 5G

and new technology, and we expect that this will allow us to develop more opportunities. We are developing these opportunities today, for example, with THEON, that is already a customer of 5G. So we really expect that this 5G will take more importance in the future as part of our portfolio while we are ramping up industrial learning curve.

David Perry: Thank you.

Operator: The next question comes from Aleksander Peterc from Bernstein. Please go ahead.

Aleksander Peterc: Apologies. Jumping back into the queue questions with a small detail on the gross margin in Amplification in Q4. It seems that it dipped from over 50% in previous quarters to low to mid-40s. Is that the effect of 5G, or is there anything going on there? And should we expect the same into the beginning of 2026 at least? Thank you.

Quynh-Boi Demey: No, it's the impact of NVLS, the acquisition that was fully loaded in Q4.

Aleksander Peterc: Okay. That's very clear. Thank you very much. So none of that effect coming into '26 then?

Quynh-Boi Demey: b

Aleksander Peterc: Thank you.

Operator: As a last reminder, if you wish to ask a question, please dial pound key five on your telephone keypad now. The next question comes from Sriram Krishnan from Deutsche Bank. Please go ahead. Sriram Krishnan, your line is now unmuted. Please go ahead.

Sriram Krishnan (Deutsche Bank): Can you hear me now?

Quynh-Boi Demey: Yes.

Jérôme Cerisier: Yes.

Sriram Krishnan: Great. Brilliant. Thank you. Thank you for the opportunity. I had a question with regards to the US Army by BiNOD programme. Can you give us a bit more colour on what is the size of this contract, which is being currently bid for? What's the time line? Who are you competing with as Exosens? Have you already tied up with someone like THEON? Can you give us a bit more colour around that entire programme? That's the first one.

Probably a very related one with regard to the CAPEX. Now we know that you are spending a lot more on the US part of the business as well. If you actually win a part of this BiNOD programme, how much CAPEX would more be required to address that kind of a demand going forward? Thank you.

Jérôme Cerisier: Okay. So the US Army BiNOD programme is ongoing as you stated it. It's in the process, and we are participating in this process. We expect that the final decision will be taken in the course of the year. We also expect that there will be more than one selected parties in the year end. BiNOD is a programme that is about 42,000 binoculars, I think, but it will be [inaudible] [00:58:55]. And as you know, you start these type of programmes being – well, knowing what the contract is about, but then every year it's different or, let's say, it can be different.

We expect that this programme will be a sizable programme for the coming years. However, the end of the, let's say, the decision process in our view will not be reached before, I would say, somewhere midyear.

The rest of your question was concerning CAPEX in the US. We set up the minimum viable size for a factory in the US. So with a capacity of 10% to 15% of the total. But it is a new factory that is scalable. So we are really there when time comes and when business is developing, also because of BiNOD, but not only because of BiNOD. If that ever comes, we are ready to invest more if we need to increase our capacity in the US. It can be scaled up.

Now I think in the past, you saw the type of investment we had to make to increase our capacity by a certain percentage. As a matter of fact, the big step was indeed to decide to set up something in the US. That was a big step. The following stages will be more similar to what we've been doing in any other factory, especially in Europe.

Sriram Krishnan: Sorry, the line wasn't great. Pardon for that one. So did you say 42,000 binoculars or 42,000 tubes?

Jérôme Cerisier: Binoculars. I said binoculars.

Sriram Krishnan: Okay, thank you.

Operator: The next question comes from Valentin-Paul Jahan from Stifel. Please go ahead.

Valentin-Paul Jahan (Stifel): Good morning, all. Do you hear me well?

Jérôme Cerisier: Yes.

Quynh-Boi Demey: Yes.

Valentin-Paul Jahan: Perfect. Thank you for taking my questions. Sorry, if I missed one of the answers, but the quality of the line wasn't very good. I have the three following questions, please. The first, can you give us more details regarding the growth in Amplification in Q4? It is only 2% organically achieved. Is it due to the fact that you have been limited in terms of capacity or mostly you delayed deliveries into Q1 2026?

The second question is around the gross margin in Amplification. Still in Q4. Can you elaborate a little bit on why it is only 45%, while it was 51% in Q4 last year? And while you divested the loss-making Microwave Amplification activity, it should have benefited from a positive product mix effect. What was the headwinds here?

Third, in terms of long-term strategy. Do you still want to develop the non-defence activities faster than defence activities, thanks to M&A to build a more balanced two-leg business model between defence and civil markets? I understand that it is no longer the priority given the current momentum in the defence sector. Am I right? Can you elaborate, please, on this also? Thank you.

Quynh-Boi Demey: So growth in Amplification, the 2% organic growth in Q4. As you know, we have reached our maximum capacity already at the end of 2024. As you remember, Q1 '25 was not showing growth versus Q4 of last year because we had already reached our limited capacity. This was expected.

The growth that we had in '25 versus '24 is due to the fact that we still had a ramp-up in 2024. So Q1 of 2024 was lower than Q4 of 2024. We also increased our volumes in 2025, thanks to yield improvement and thanks to operational processes improvement, but not coming from investment in capacity. The effects of the investment capacity will happen in 2026 and the second half.

And on top of that, you know that we also deliver equipment mostly based on point in time revenue recognition. When shipment is not complete, we cannot ship it. So it might happen as well that in Q4, we have produced equipment that we could not ship because of our import terms.

Gross margin amplification in Q4, the main reason for the decrease is the fact that almost all of NVLS sales was in Q4, so being dilutive to the rest of the Group. This is not coming from the divestment impact of macro amplifiers because we applied IFRS 5, which means that M&A was already restated from our 2024 gross margin.

The long-term strategy, D&I on defence or non-defence. This is not how we look at M&A. The first criteria to look at M&A is technologies. As you can see in the previous examples of deals that we closed, most of the time, these technologies are dual use. So they address both Amplification or Defence markets or Industrial and Commercial markets. What we aim for is really technology and to build a resilient model.

Valentin-Paul Jahan: Very clear. Thank you.

Operator: There are no more questions at this time. So I hand the conference back to the speakers for any closing comments.

Jérôme Cerisier: Thank you again for joining us today. Should you have any further questions, feel free to reach out to us. In the meantime, I wish you a very pleasant day. Thank you.

[END OF TRANSCRIPT]