

Annual results 2023: a solid profitability, EBE and net income highly increased

- Largely improved profitability: EBE multiplied by 4 to €4.1 million (€1.1 million in 2022) and operating income of €1.7 million (€0.2 million in 2022) for an annual net income of €1.8 million (€55 thousand in 2022), which represents 10% of the 2023 revenue.
- Revenue up 40% to €18.2 million, driven by international expansion, particularly in Europe and North America.
- A gross margin rate strongly progressing to 57% (51% in 2022).
- A sound financial structure, which allows to continue to finance growth, with a cash position of €3.7 million at December 31, 2023.
- For 2024, Arcure confirms its growth, aiming a revenue target of at least €20 million ahead of the forecast announced in 2021, combined with a continued improvement in operating income.

Arcure, a specialist in artificial intelligence for improving safety and productivity in industry, today announces its 2023 annual results. The financial statements for the year ended December 31, 2023 were approved by the Board of Directors on March 26, 2024. The audit procedures on the annual financial statements have been carried out and the statutory auditors' report is in the process of being issued.

SUMMARY OF 2023 RESULTS

In thousand euros	2023	2022	Change (€)
Revenue	18,200	13,035	5,165
Gross margin ¹	10,380	6,641	3,739
Gross margin rate	57%	51%	n/a
Other operating income ²	2,865	3,891	(1,026)
EBE ³	4,125	1,091	3,034
Amortization and provisions / Net of reversals ⁴	(2,416)	(877)	1,539
EBE – Capitalized production	2,082	(914)	2,996
Operating profit	1,709	214	1,495
Net financial income / (expense)	(593)	(259)	(334)
Net non recurring income / (expense)	190	100	90
Income tax	494		494
Net income	1,801	55	1,746

¹ Gross margin = revenue – costs of sold services and products.

² Including capitalized production for €2,005 thousand in 2022 and €2,043 thousand in 2023, as well as the Research tax credit for €763 thousand in 2022 and €752 thousand in 2023.

³ EBE (Gross operating surplus) corresponds to the Operating Profit restated of depreciation and amortization.

⁴ The first half of 2022 was not subject to R&D depreciation, which explains the small amount in 2022.

ARCURE

Franck GAYRAUD, Chairman and co-founder of Arcure, welcomes these very good results: *“With the 2023 financial year, Arcure now demonstrates a solid profitability, with EBE increased this year to more than €4 million, more than 22% of revenue, and a net profit of nearly 10% of the revenue. This level of profitability puts us in line with the best standards in the field. It also validates the effectiveness of our business model, which is based on a high value-added commercial offer combined with a controlled cost structure. The financial position at the end of the 2023 financial year is strengthened, with a cash position of €3.7 million, and a positive operational cash flow which allows us to finance our growth. For the coming years, we intend to further improve our profitability, amplifying our business development and expanding our offering to meet the growing needs of our customers. On the strength of these very good results, Arcure is now perfectly positioned to achieve its ambition to become the leading technological and economic player in the buoyant market for the digitalization of vehicles and industrial sites.”*

Jean-Gabriel POINTEAU, Chief Executive Officer at Arcure, adds: *“These results for 2023 validate our development model and reinforce our strategic vision for the future. Today, as a technological and commercial leader for the solutions improving the safety and productivity of industrial vehicles, we want to accentuate our lead and bring more and more innovative and efficient solutions to industrial players. After the success of pedestrian detection, we have already expanded our high-tech offering with new features, around fleet management for example, which will accelerate the digitalization of industrial vehicles. We intend to accentuate this dynamic of innovation, by refocusing our efforts on our core expertise and our added value: software and artificial intelligence.”*

SOLID RESULTS AND PROFITABILITY

Along with an increase in revenue, Arcure also recorded increased profitability in 2023. EBE came to €4.1 million, compared to €1.1 million in 2022, with personnel expenses contained at €6.2 million in 2023 (compared to €5.8 million in 2022). The commercial success associated with a controlled cost structure validates the performance of the business model.

Operating income was €1.709 million, compared with €0.2 million in 2022. The financial result amounted to €(0.6) million, compared to €(0.2) million in 2022. The Company generated a sharp increase in net income to €1.8 million, after a first profitable year in 2022 (€50 K), which underlines the strength of its growth model.

The gross margin rate improved from 51% in 2022 to 57%, in a context of sustained growth. This growth is partly explained by the commercial ramp-up of the Blaxtair Origin® in 2023, which has better margins compared to the previous generations of Blaxtair®.

ARCURE

A SOUND FINANCIAL STRUCTURE

The level of profitability recorded in 2023 now allows the Company to finance the growth of the business, in particular the increase in working capital. Net cash flows related to investment were under control at (€2.2 million) compared to (€2.5 million) in 2022. The company continued its deleveraging by reducing its bank debt by 24% in 2023, repaying €1.3 million in loans. As of December 31, 2023, the cash position amounted to €3.7 million. The Company's shareholders' equity increased to €6.8 million, compared with €5.1 million at the end of 2022.

40% INCREASE IN REVENUE, DRIVEN BY INTERNATIONAL EXPANSION

2023 revenue at Arcure hit a historic €18.2 million, up 40% compared to 2022, ahead of the target of €20 million in 2024. This dynamic growth over the year was mainly driven by excellent sales performance for Blaxtair Origin®, which has been on the market since the end of 2022.

The sales efforts have allowed to increase sales volumes in all sales channels. Business has been driven by strong sales trends with industrial key account customers who are equipping their fleets with Blaxtair® solutions. The share of sales to machinery manufacturers who offer Blaxtair® equipment in factory settings (Original Equipment Manufacturers - OEMs) on new automobiles accounted for 20% of our revenue, up from 26%.

The 2023 financial year accentuates Arcure's internationalization, with 84% of revenue now generated outside France (72.6% in 2022). The European region achieved major growth, spread out over an increasing diversity of countries, particularly in Spain, the United Kingdom, Italy and Luxembourg. North America (25% of revenue) achieved 22% growth. Business in the Asia-Pacific region (4% of revenues) grew by 40%.

GROWTH PROSPECTS CONFIRMED FOR 2024

At the end of 2023, the Company is ideally positioned in a high-potential market where the need for digitalization of forklifts and construction machinery to strengthen safety and productivity is increasingly significant.

Arcure continues to roll out its product roadmap with new features and high value-added embedded software solutions. The Company has announced the launch in March 2024 of its latest generation of Blaxtair®, a technological core of the digitalization of industrial vehicles with connected functionalities for safety and productivity. This evolution of the product mix will increase the number of Blaxtair® installed per machine and – thanks to the connected platform and its associated services – generate a growing share of recurring revenue.

Growth in activity will also be supported by solid demand from major industrial accounts and machine manufacturers, in France and abroad. Intensified discussions with vehicle manufacturers (OEMs), in particular, are expected to be a growth driver in 2025 and beyond.

The very good results recorded in 2023, the technological innovation, the international commercial establishment and the detailed knowledge of the needs of industrial players are all assets to support Arcure's growth momentum in the years to come.

ARCURE

Next meeting:

Webcast in English for international investors, March 27, 2024 at 5 p.m, CET.

Applications: investisseurs@arcure.net

Webcast in French for individual investors, March 27, 2024 at 6 p.m, CET.

Applications: investisseurs@arcure.net

Next publication:

H1 2024 revenue, July 17, 2024

About Arcure

Founded in 2009, Arcure is an international group, specialized in artificial intelligence applied to perception technology for the industry, which develops and markets solutions to enhance the autonomy and safety of industrial machines and robots.

In particular, Arcure has developed Blaxtair®, a state-of-the-art intelligent pedestrian detection solution, improving safety around commercial vehicles in many contexts, including the most difficult environments. Already sold in around several thousands of units in more than 50 countries, Blaxtair® is used by the world's leading manufacturers and is gradually being adopted by machine manufacturers.

Arcure is headquartered in the Paris area, has a subsidiary in the United States and has sales offices in Germany, Spain and Asia.

Arcure is listed on Euronext Growth (ISIN: FR0013398997 - Ticker: ALCUR). The group recorded an annual €18.2 million revenue in 2023 (84% of which was generated outside France), growing 40% compared to 2022.

More information at www.blaxtair.com

CONTACT

INVESTORS RELATIONS

Marc Delaunay
investisseurs@arcure.net

MEDIA RELATIONS

Marc Delaunay
marc.delaunay@blaxtair.com