

Amplitude Surgical - fiscal year 2023-24: 106.0 M€ sales and €27.1m EBITDA

- Consolidated sales of €106.0 million, up 6.3% at constant exchange rates
- EBITDA up to €27.1m (+3.7%), EBITDA rate at 25.6%.
- Current operating income of €12.7 million
- Cash position of €29.1m at June 30, 2024

Valence, October 23, 2024, 6:00 pm CEST - Amplitude Surgical (ISIN: FR0012789667, Mnemo: AMPLI, PEA-PME eligible), a leading French player on the surgical technologies market for lower-limb orthopedics, announces its annual results for 2023-24.

Olivier Jallabert, Chief Executive Officer of Amplitude Surgical, comments: "Group sales for the 2023-24 financial year were up +6.3% at constant exchange rates on the previous year. Sales were up both in France (+5%) and internationally (+9.9% at constant exchange rates). The increase in sales combined with tight control of operating expenses, despite a context of cost inflation, led to a +3.7% rise in EBITDA to €27.1 million. Current operating income rose to €12.7 million. Over the course of the 2024-25 financial year, the Group intends to pursue its dynamic sales development and investment in technological projects. "

Financial summary - data at current exchange rates:

The audit procedures have been completed and the certification audit report is being issued.

<i>In €m - IFRS</i>	2023-24	2022-2023	Change
Sales figures	106.0	100.2	5.8%
Gross margin	74.7	70.9	5.3%
As % of sales	70.4%	70.7%	-31bp
Sales & marketing expenses	31.1	29.7	4.9%
Administrative expenses	14.9	13.3	12.3%
R&D expenditure	1.5	1.8	-15.4%
EBITDA	27.1	26.1	3.7%
As % of sales	25.6%	26.1%	-51 bp
Current operating income	12.7	10.3	
Non-recurring operating income and expenses	-2.5	-2.3	
Operating income	10.3	8.0	
Net financial income	-8.6	-14.0	
Current and deferred taxes	-0.1	-0.8	
Income from discontinued operations, net of tax	0.0	45.3	
Net income - Group share	1.5	39.2	
Net financial debt	90.0	69.3	
Closing net cash position	29.1	37.2	



EBITDA up +3.7% with an EBITDA margin of 25.6%

In the 2023-24 financial year, Amplitude Surgical posted sales of €106.0 million, up +5.8% and +6.3% at constant exchange rates. The Group's business continued to grow both in France (+5%) and internationally (+9.9% at constant exchange rates).

Amplitude Surgical reported a gross margin of 70.4%, down -31 bp, mainly due to higher product costs.

Group operating expenses came to €47.6m, up 6.3% on the previous year, reflecting sales growth and the impact of inflation on certain costs.

Sales & marketing expenses rose by 4.9%, in line with business growth.

Administrative expenses rose by 12.3% to €14.9m, with higher personnel expenses and costs for quality and regulatory activities.

R&D expenditure expensed amounted to 1.4% of sales, compared with 1.8% in the previous year. However, including capitalized R&D expenditure, the Group's overall investment in R&D increased to €5.6 million in the 2023-2024 financial year, compared with €4.9 million in the financial year ended June 30, 2023. We consider that around €2.8m relates to exceptional projects for the first MDR (Medical Devices Regulation) certification of products and the development of the robotics project.

At the end of June 2024, Amplitude Surgical's headcount was virtually stable at 428, compared with 426 at the end of June 2023. Personnel costs are 7.3% higher than in the 2022-2023 financial year, impacted by the full-year effect of recruitment carried out in the previous financial year and salary adjustments of around 3.5%.

EBITDA thus amounted to €27.1 million, up 3.7%, giving an EBITDA rate of 25.6%, down 51 bp compared with FY 2022-23.

Operating income before non-recurring items came in at €12.7 million, compared with a profit of €10.3 million in FY 2022-23, boosted by favorable sales trends and tight control of operating expenses.

Operating income was positive at €10.3m, compared with a profit of €8.0m in FY 2022-23.

Net financial expense was negative at €8.6 million, mainly due to interest expense net of interest-rate hedging income of €8.7 million.

Overall, net income (Group share) came to a profit of €1.5 million, compared with €39.2 million the previous year, the latter having been favorably impacted by €45.3 million following the disposal of the Novastep business.

Financial structure: cash position of €29.1 million at June 30, 2024

Net cash flow from operating activities was positive at €4.0 million, compared with cash generation of €8.1 million in the 2022-23 financial year, given the growth in working capital requirements, particularly for inventory.

Capital expenditure before sale and leaseback amounted to €19.3m, compared with €19.4m the previous year.

As a result, at the end of June 2024, the Group had cash and cash equivalents of €29.1 million. Net financial debt stood at €90.0 million.



Highlights of the year

- **Acquisition of Ortho-Santé**

On April 30, 2024, Amplitude SAS acquired 100% of the shares of Ortho-Santé, its exclusive sales agent in the Nouvelle Aquitaine region.

- **URSSAF checks on medical device promotion tax**

On October 17, 2024, the French Supreme Court (Cour de cassation) upheld the decision of the Court of Appeal in the third audit of the tax on the promotion of medical devices, which had dismissed Amplitude SAS's claim for cancellation of the reassessment and for which the company had already paid the full €6.4 million. As a reminder, the company won the first two audits, and all risks relating to the periods audited or open to audit have been provisioned in their entirety.

Outlook

For the 2024-25 financial year, the Group anticipates sales growth of around 10%, with an EBITDA margin of around 26%.

Next press release:

Sales for 1st quarter 2024-25: Thursday November 21, 2024, after market close.

About Amplitude Surgical

Founded in 1997 in Valence, France, Amplitude Surgical is a leading French player in the global market for surgical technologies for lower limb orthopedics. Amplitude Surgical develops and markets high-end products for orthopedic surgery, covering the main pathologies affecting the hip and knee. Working in close collaboration with surgeons, Amplitude Surgical develops numerous high value-added innovations to best meet the needs of patients, surgeons and care facilities. A leading player in France, Amplitude Surgical is expanding internationally through its subsidiaries and a network of agents and exclusive distributors in over 30 countries. As of June 30, 2024, Amplitude Surgical employed 428 people and generated sales of nearly 106.0 million euros.

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APPENDIX TO PRESS RELEASE

Reconciliation of alternative performance indicators with IFRS consolidated financial statements

Amplitude Surgical uses selected alternative performance indicators (APIs) to monitor its operating indicators. The Group believes that these APIs provide additional information enabling users of financial information to assess the Group's performance more comprehensively. These APIs should be considered as complementary to the IFRS consolidated financial statements.

Income statement

The Group monitors operating performance by allocating expenses by destination and not by nature as in the IFRS accounts. The following APIs have been identified:

- Gross margin, corresponding to the difference between sales and cost of goods sold
- Sales and marketing expenditure
- Administrative expenses
- R&D expenditure
- EBITDA, which corresponds to the sum of gross margin plus sales and marketing expenses, administrative expenses and R&D expenditure.

The Group's APIs are tracked on the basis of a management income statement that is reconciled with the IFRS financial statements with a limited number of reclassifications. Profit from recurring operations in the IFRS and management accounts is strictly identical.

The reconciliation of the IFRS financial statements with the management accounts is as follows.

In €M	2023-24 IFRS financial statements	Reclassifications	2023-24 Accounts Management
Revenue	106,0		106,0
Inventories and capitalised production	9,7		9,7
Raw material, goods and other supplies	-20,4		-20,4
Subcontracting expenses	-11,2		-11,2
Other purchases and expenses	-30,7	0,4	-30,3
Taxes	-1,0	0,1	-0,9
Employee benefits expenses	-28,0	-0,1	-28,1
Depreciation and provisions, net of reversals	-11,1		-11,1
Other operating income	0,9	-0,4	0,5
Other operating expenses	-1,3	0,0	-1,4
Capital gain/losses on disposals of non-current assets	-0,1		-0,1
OPERATING INCOME BEFORE NON-RECURRING ITEMS	12,7	0,0	12,7

The allocation of the income statement to the various APIs is as follows

In €M	Sales figures (1)	Costs of goods sold (2)	Gross margin (3)= (1)+(2)	Sales and marketing expenditure (4)	Admin Expenses (5)	R&D expenditure (6)	EBITDA (7)=(3)+(4)+(5))+(6)	Depreciation and provisions, net of reversals (8)	Non-recurring items (9)	Management accounts (10)=(7)+(8)+(9)
Revenue	106,0		106,0				106,0			106,0
Inventories and capitalised production		4,9	4,9	0,0	2,9	1,9	9,7			9,7
Raw material, goods and other supplies		-19,4	-19,4		0,0		-19,4		-1,0	-20,4
Subcontracting expenses		-11,2	-11,2				-11,2			-11,2
Other purchases and expenses		-2,1	-2,1	-19,9	-6,7	-0,8	-29,6		-0,7	-30,3
Taxes				-0,1	-0,7		-0,8		0,0	-0,9
Employee benefits expenses		-3,5	-3,5	-11,1	-10,4	-2,7	-27,7		-0,5	-28,1
Depreciation and provisions, net of reversals							0,0	-11,1		-11,1
Other operating income						0,5	0,5			0,5
Other operating expenses				0,0	0,0	-0,4	-0,5		-0,9	-1,4
Capital gain/losses on disposals of non-current assets							0,0		-0,1	-0,1
OPERATING INCOME BEFORE NON-RECURRING ITEMS	106,0	-31,4	74,7	-31,1	-14,9	-1,5	27,1	-11,1	-3,2	12,7

Net financial debt

Net financial debt as defined by the Group corresponds to gross financial debt (bank overdrafts, bank borrowings and other financial debt) less cash and cash equivalents.

in €m IFRS	30/06/2024
Non-current borrowings	102,0
Bank overdrafts	0,0
Financing debts Factor	1,4
Current borrowings	15,7
Cash and cash equivalents	-29,1
Net financial debt	90,0