



Courtaboeuf, January 19, 2018

## LEXIBOOK Q3 2017-2018 TURNOVER:

- **-14.7 % decrease in revenues compared to Q3 2016/2017 essentially located on Toys R Us**
- **Refocusing on higher margin products and customers**
- **Rationalization of processes to accentuate the cost reduction initiated in 2016**
- **Remediation of tablet inventory and their after-sales treatment**
- **Relocation of head office and Hong-Kong subsidiary as part of the savings plan**
- **Continued decline in the level of inventory and financial debt**
- **Excellent reception of 2018/19 ranges in recent trade shows**

Lexibook (ISIN FR0000033599) today announced its revenues (unaudited) for a period ending December 31, 2017 (period 1 April to 31 December).

<b>Consolidated sales (€ million)</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>Var</b>
<i>Q1</i>	4.2	5.0	<b>+ 19%</b>
<i>Of which FOB</i>	1.4	1.9	
<i>Of which non FOB</i>	2.8	3.1	
<i>2 nd quarter</i>	11.8	8.3	<b>-30%</b>
<i>Of which FOB</i>	3.6	2.5	
<i>Of which non FOB</i>	8.2	5.8	
<i>3 rd quarter</i>	14,3	12.2	<b>- 14,7%</b>
<i>Of which FOB</i>	1	0.6	
<i>Of which nont FOB</i>	13.3	11.6	
<b>Total 9 months</b>	<b>30,3</b>	<b>25.5</b>	<b>- 15,8%</b>

Sales for the quarter followed the first semester trend and stood at € 12.2 million, down 14.7%. Cumulative since the beginning of the fiscal year, the Group's activity reached 25.5M € against 30.3M € the previous year. This evolution is mainly explained by the following factors:

- the drop in activity with Toys R Us, especially in the US, following the Chapter 11 procedure in September 2017, and to a lesser extent in the United Kingdom and France,
- the priority given to optimize the WCR and the savings plan,
- the discontinuation of unprofitable operations,
- a disappointing activity on licensed products, localized on Soy Luna, Avengers, Chica Vampiro, Finding Dory and Frozen properties, despite the outperformance of star licenses like Disney Cars, Spiderman and the take-off of Paw Patrol and PJ Masks.

The Group continued its efforts to streamline its processes and reduce costs. Destocking continued and the Group reached a historically low inventory level, particularly in the tablet segment. The after-sales service has also been optimized, especially on tablets whose treatment has been cleaned up.

Over the quarter, the Group moved its Hong Kong subsidiary and its headquarters without disrupting the business. This will generate a savings of around € 150K in a full year.

Decrease in the level of inventory and reinforcement of own funds further to the capital raise on November 30, 2017 for € 1 million helped to strengthen the cash position and reduce the financial expenses. The Financial result will nevertheless be impacted by accounting currency hedging, given the evolution of parity € / US \$, although this evolution will be beneficial to the Group's margins on the 2018/19 financial year.

## **Outlook**

Lexibook anticipates a trend in activity level for Q4 in line with the previous ones of its fiscal year, always focusing on savings, destocking and margin.

The Group presented its latest innovations at trade shows in recent weeks in France and Hong Kong. The welcome is very positive and suggests a return to growth in France and internationally for the year 2018/19.

## **2017/2018 Financial Calendar**

- 2017/2018 annual turnover : April 30, 2018
- Results for the 2017/2018 financial year : June 30, 2018

## **About Lexibook**

The LEXIBOOK company designs and markets a complete range of leisure electronics products: Owner of 43 registered trademarks, LEXIBOOK is the European leader in licensed leisure electronics products. The share capital of Lexibook is composed of 6.825.819 shares listed on the Alternext market in Paris (Euronext). ISIN: FR0000033599 - ALLEX; ICB: 3743 - Consumer electronics. For more information on Lexibook: [www.lexibook.com](http://www.lexibook.com).

## **Contacts**

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