

LEXIBOOK: Q3 2024-25 REVENUE AT €39.3M, GROWING BY 31.1%. OVER 9 MONTHS, REVENUE HAS INCREASED BY 23.43% THANKS TO SALES GROWTH IN FRANCE AND INTERNATIONALLY, PARTICULARLY THROUGH ITS NEW SMART TOYS AND LICENSED PRODUCTS. POSITIVE OUTLOOK FOR 2025-26, BUT WITH CAUTION REGARDING THE IMPACT OF A STRONG DOLLAR AGAINST THE EURO, AS WELL AS PERSISTENT FREIGHT TENSIONS THAT COULD PRESSURE MARGINS.

- Q3 2024-25 revenue exceeded expectations, growing by 31.1% to €39.3M compared to €30.0M in Q3 2023-24. Since the beginning of the 2024-25 fiscal year, cumulative revenue has increased by 23.43%, reaching €64.37M compared to €52.15M over 9 months.
- This quarter follows two consecutive quarters of growth, once again validating the Group's strategic choices to focus on promising segments, including electronic and musical toys, alarm clocks, educational products, and cameras. Lexibook thus strengthens its position as the European leader in its key segments.
- The Group conducted a large-scale communication campaign in Europe and the United States during the quarter. These campaigns significantly boosted sales and Christmas restocking, contributing to better-than-expected sales across all markets.
- The first sales of licensed products in the U.S. have supported strong business growth and indicate sustained sales growth in 2025.
- However, in 2024, maritime supply tensions resurfaced, particularly due to the Red Sea conflict, significantly impacting logistics costs.
- Q4 2024-25 is expected to be at a similar level to 2023-24, bringing Lexibook Group's total annual revenue for the full fiscal year to around €70M.

Lexibook (ISIN FR0000033599) today announces its (unaudited) revenue for the period ending December 31, 2024 (the period from April 1 to December 31).

Consolidated Revenue (€M)	2023/2024	2024/2025	Var FY24-FY25
1st Quarter	7,01	7,30	+4,14%
<i>FOB</i>	2,21	1,18	-46,61%
<i>Non FOB</i>	4,80	6,12	+27,50%
2nd Quarter	15,13	17,30	+14,34%
<i>FOB</i>	2,85	4,27	+49,82%
<i>Non FOB</i>	12,28	13,03	+6,11%
3rd Quarter	30,01	39,33	+31,06%
<i>FOB</i>	0,88	2,20	+150,00%
<i>Non FOB</i>	29,13	37,13	+27,46%
Total 9 Months	52,15	64,37	+23,43%

After a dynamic first half of fiscal year 2024-25 with a growth of 10.8%, the third quarter of 2024-25, traditionally the highest contributor to revenue for the year, shows an acceleration in growth, up by 31.06%.

The star products continued to perform well, and the Group benefited from the launch of many new products in its key segments. Product consumption was better than expected: Lexibook's product sales across all networks benefited from massive communication campaigns for the third consecutive year in the EMEA and USA regions, generating over a billion digital impressions in 2024 alone.

Growth is widespread across all the most profitable product families, including electronic and musical toys, educational products, cameras, watches, and walkie-talkies. Licensed products also contributed to this growth, both from very dynamic existing licenses like Frozen, Paw Patrol, and Spiderman, as well as new licenses like Super Mario, Miraculous, Harry Potter, and Stitch, which has shown exceptional performance. Sales of less profitable tablets are now being replaced by sales in higher-margin segments.

Beyond the French market, the strong sales growth is also widespread in all countries where the Group operates internationally. FOB revenue (revenue invoiced directly from HK on full-container FOB HK deliveries) has increased by 150%, thanks to historical clients and the conquest of new international accounts. Non-FOB revenue still represents the majority of sales in the quarter, growing by 27.46%, due to excellent resales of Lexibook products internationally.

Finally, the Group's digitalization is paying off: digital sales are growing significantly both in France and across European markets.

However, in 2024, tensions in maritime supply chains resurfaced due to the Red Sea conflict. This led to extended transit times and a 238% increase in freight costs compared to 2023, particularly for the average price of 40-foot containers, which rose from \$1500 to over \$5300. This trend is expected to continue into 2025 and could continue to pressure margins.

Following the completion of the Public Tender Offer, the concert composed of the members of the Le Cottier family group and the companies Doodle and Lawrence Rosen LLC now holds 6,101,028 LEXIBOOK shares representing 8,428,110 voting rights, or 78.59% of the company's capital.

Outlook

Q4 is traditionally a low-contributing quarter in terms of revenue and is expected to be at a similar level to last year. The Group's annual revenue for the full fiscal year is expected to be around €70M.

The Group has also showcased its 2025 collections at the London and Nuremberg Toy Fairs. The reception was positive and suggests that activity in 2025-26 will follow the trend of 2024-25.

As Lexibook is highly exposed to currency fluctuations, particular attention is being paid to exchange rate developments. Several factors, including the results of the US elections, severely impact the euro against the US dollar (a sharp drop from 1.12US\$ to 1.00€ at the end of September 2024 to 1.02US\$ on January 10, 2025), which could severely weigh on the Group's margins if the trend does not reverse quickly.

For 2025, Lexibook's room for adjusting its prices is limited, so the Group fears a deterioration of its margins if the dollar remains at this level or appreciates further.

Finally, a new concern arises from the Trump administration's decision on new 10% tariffs, effective February 4, 2025, on products manufactured in China entering the U.S. This will have a direct impact on sales and margins in the U.S. market starting in 2025.

Financial Calendar 2024/2025

- Q4 2024-2025 Revenue and Annual Results as of March 31, 2025: June 30, 2025
- Availability of the Universal Registration Document as of March 31, 2025: June 30, 2025

About Lexibook

Lexibook®, owner of over 22 registered international brands such as Powerman®, Decotech®, Karaoke Micro Star®, Chessman®, Cyber Arcade®, Lexitab®, iParty®, FlashBoom®, etc., Lexibook® is the leader in smart electronic entertainment products for children. This success is based on a proven strategy that combines strong international licenses with high-value-added consumer electronics products. This strategy, complemented by a constant innovation policy, allows the Group to thrive internationally and continuously develop new product ranges under its brand names. With more than 35 million products on the market, the company now sells a product every 10 seconds worldwide! Lexibook's share capital consists of 7,763,319 shares listed on the Alternext market in Paris (Euronext). ISIN: FR0000033599 – ALLEX; ICB: 3743 – Consumer electronics. For more information: www.lexibook.com and www.decotech-lights.com.

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