



2015 RESULTS

2016 first-quarter revenue and outlook

Trappes, April 6, 2016 - The results presented here are based on consolidated financial statements for 2015 as of yet unaudited though reviewed by the Audit Committee on April 4, 2016. While the annual closing is still in progress, no changes to the figures presented above are expected.

The 2015 accounts are presented on a pro forma basis which does not include expenses related to the HTCC ceramic plan at Egide USA to ensure comparable data with 2014.

IFRS (€m)	2014	2015 *	2015 * (Pro-forma excluding HTCC)
Revenue	19.97	20.59	20.59
Operating profit/(loss)	(0.94)	(1.48)	(0.81)
Net financial income/(loss)	+ 0.07	+ 0.11	+ 0.11
Net income/(loss)	(0.86)	(1.38)	(0.71)

* unaudited

Commenting on these 2015 financial highlights, James (Jim) F. Collins, Chairman of the Egide Group, stated: *"While reducing operating expenses across all sites, we have invested in business development to improve our order intake. Initial results of these measures led to a positive book-to-bill ratio, and increased backlog, though without impacting revenues for 2015. For 2016, we maintain our objective to achieve double-digit growth in revenues in order to improve our bottom line."*

2015 CONSOLIDATED FINANCIAL HIGHLIGHTS

Unaudited revenue

Egide Group had consolidated revenue (unaudited) in 2015 of €20.6 million compared to €20.0 million in 2014. At constant exchange rate, it would have been €19.2 million. The breakdown of revenue by business segment is as follows:

(€m)	2014			2015*			Change 2015 vs. 2014
	H1	H2	Total	H1	H2	Total	
Defense and space	6.6	5.9	12.5	6.9	7.7	14.6	+ 17 %
Telecoms	1.8	1.2	3.0	1.0	0.8	1.8	- 40 %
Industry and security	2.1	2.4	4.5	2.0	2.2	4.2	- 7 %
Total	10.5	9.5	20.0	9.9	10.7	20.6	+ 3 %

* unaudited

Pro forma operating results (excl. the HTCC project) unaudited

2015 showed a pro forma operating loss of €0.81 million (compared to a loss of €0.94 million in 2014). This result includes a Research Tax Credit of €0.24 million in 2015 compared to €0.32 million in 2014. Expenditures for raw materials and staff costs improved whereas fixed costs remained largely stable, excluding business development costs.

Net financial expense and pro forma net income

Net financial income in 2015 amounted to €0.11 million. This includes financing costs associated with use of the factor and borrowings (€0.18 million in 2014 and €0.21 million in 2015) as well as foreign exchange gains (+ €0.25 million in 2014 and + €0.32 million in 2015). The sharp fluctuation in the US dollar between 2014 and 2015 (average exchange rates of respectively 1.3288 vs 1.1096), did not impact results, with the effect limited to the conversion of Egide USA data from dollars into euros. For that reason, foreign exchange hedges were not required.

The above items resulted in a 2015 pro forma net loss of €0.71 million (compared to a loss of €0.86 million in 2014). With the startup costs for the ceramic project at Egide USA included, the net loss is €1.38 million.

Balance sheet highlights

At December 31, 2015, current cash amounted to €2.77 million, compared to €4.08 million at year-end 2014. Working capital represented 68 days of sales outstanding. Shareholders' equity stood at €6.99 million, including €1.05 million in proceeds from the capital increase carried out in November 2015. Group debt, excluding factoring amounted to €2.38 million (€2.19 million long-term and €0.19 million short term) and factoring commitments to €2.35 million.

2016 FIRST-QUARTER SALES:

Consolidated revenue (unaudited) for the 2016 first quarter amounted to €5.75 million, up 15.5 % year-on-year and 2.3% from the 2015 last quarter, with the €/€ exchange rate remaining steady over these two quarters.

(€m, unaudited)	2015	2016	Change
1st quarter	4.97	5.75	+ 15.5 %

In the 2016 first quarter, Egide SA contributed 63 % to total consolidated revenue (unaudited) and Egide USA 37 %.

Starting January 1, 2016, the Group adopted a new business segmentation. On this basis, the 2016 first-quarter sales break down as follows:

- Thermal imaging: 46 %
- Power management: 27 %
- Optronics: 11 %
- High-frequency: 10 %
- Other electronics: 6 %

2016 OUTLOOK

Commercial outlook

A long-term contract was signed with Sofradir at the beginning of the year for thermal imaging applications. Positive momentum for order intake will make it possible to achieve stable sales in the 2016 second quarter and maintain guidance for double-digit growth for the full-year. Commercial efforts will remain sustained throughout the year and the team will be strengthened by a new sales engineer joining Egide USA in mid-April to cover Texas and the Midwest region.

Within the framework of the HTCC project at Egide USA, the first order for prototypes will be completed in the second quarter. In addition, several quotes have been submitted to different customers for thermal imaging products subject to ITAR (International Trade in Arms Regulations).

Operating outlook

Investments in industrial equipment to improve the processes will continue. Our efforts will concentrate on achieving better yields for assembly, surface treatment and ceramics at the two production sites. Measures are also continuing to identify competitive suppliers at the Group level.

Jim Collins concluded: *"Our efforts remain focused on improving sales by deploying our new commercial organization, while working to reduce costs (improving yields and finding additional low-cost components). Our HTCC line at Egide USA will allow us to participate in the growing thermal imaging market in the United States. At the same time, we are ready to explore all potential acquisition opportunities to accelerate our ability to achieve our objectives."*

ABOUT EGIDE

Egide is a group with an international dimension, specialized in the manufacture of hermetic packages for sensitive electronic components. It operates in cutting edge markets with strong technology barriers to entry in all critical industry segments (Thermal Imaging, Optronics, High-Frequency, Power Management...). Egide is the only pure player in this market niche with manufacturing bases in France and the United States.

FIN'EXTENSO

All information on Egide is available at the new website:
www.egide-group.com