



Q4-17 REVENUE FY 2017 REVENUE

- 2017 revenue: €30.9 million, on track with guidance
- Robust growth in Q4: + 19.6% on a comparative basis¹
- Steady revenue growth at Santier

- Strong growth by Egide SA, offsetting a major program cancellation by US defense contractor at Egide USA
- Book-to-bill ratio for 2017: 1.09

Trappes, Bollène, Cambridge & San Diego January 9, 2018 - 7:00 am - Egide Group reported unaudited consolidated revenue of €30.9 million in 2017, up 39.4%, despite negative currency impact and a difficult market environment in the United States. Revenue rose by 3.5% in 2017 on a comparative basis and at constant currency. Santier's successful integration on March 1, 2017 accounted for 26.3% of the year's revenue and US dollar-denominated sales accounted for 49.7% of the Group's annual revenue vs 36.3% in 2016.

Revenue in Q4 reached €8.33 million, up 19.6% at current structure and exchange rates.

HIGHLIGHTS BY BUSINESS UNIT

(€m)	Q4 2016	Q4 2017*	Change %	Change on a CB	FY 2016	FY 2017*	Change %	Change on a CB
Egide SA	3,417.2	4,573.9	33.8%	33.8%	14,124.0	15,550.0	10.1%	10.1%
Egide USA	1,962.0	1,697.6	-13.5%	-5.2%	8,052.7	7,246.2	-10.0%	-8.2%
Santier	-	2,056.0	-	-	-	8,116.0	-	-
Group	5,379.2	8,327.5	54.8%	19.6%	22,176.7	30,912.2	39.4%	3.5%

* Unaudited

Change on a CB : Change on a comparative basis¹

As expected, **Egide SA** boosted Q4 sales with €4.57 million in revenue, up 33.8% from the same period in 2016. Egide USA's adverse performance was largely due to the cancellation of a significant defense program by a customer at the end of 2016 as well as the longer than expected qualification process for HTCC customers. Santier Q4 sales were in line with typical volume for the fourth quarter.

Despite volatility in Group sales from one quarter to the other, revenue for the year registered organic growth of 3.5% in 2017. The level of business of the Californian subsidiary contributed to improve the overall performance of the Egide Group. With average growth around 5%, Santier is continuing to exceed expectations.

In 2017, consolidated sales were impacted by the currency effect from translating sales of the US subsidiaries into euros at an average exchange rate for US dollars @1.129 compare to 1.05 for the budget (and 1.107 in 2016). For the fourth quarter alone, the impact of this negative currency effect on sales amounted to 3.9%.

REVENUE BY APPLICATION

(€m)	Q4 2016	Q4 2017*	Change %	Change on a CB	FY 2016	FY 2017*	Change %	Change on a CB
Power	1,345.2	1,588.6	18.1%	11.3%	5,618.7	6,540.7	16.4%	2.6%
Microwave/RF	809.5	1,730.0	113.7%	8.6%	2,551.3	5,960.4	133.6%	30.1%
Optronics	506.8	968.2	91.1%	-5.9%	2,476.5	4,162.1	68.1%	-19.9%
Thermal Imag.	2,060.8	3,257.8	58.1%	51.8%	9,972.8	10,948.4	9.8%	3.1%
Misc.	656.9	782.9	19.2%	-31.4%	1,557.4	3,300.6	111.9%	2.2%
Group	5,379.2	8,327.5	54.8%	19.6%	22,176.7	30,912.2	39.4%	3.5%

* Unaudited

Change on a CB : Change on a comparative basis¹

Egide USA sales in the thermal imaging sector (4.9% of 2017 revenue against 16.6% in 2016) were significantly impacted by the discontinuation of Textron Defense System's Sensor Fused Weapon program (-US\$1.2 million in 2017). Discounting the loss of this major program, Egide USA sales would have increased by 7.0% in 2017 compared to 2016.

The development of the HTCC business at the Cambridge site is based on main players of the US defense market, two of which have already approved its qualification and continue to receive ceramic products with orders into 2018. For two others, their qualification of Egide USA is continuing. The initial qualification programs currently in the final phase (which may exceed 18 months) were initiated at the end of the 2016, which corresponds with the launch of the HTCC line at the Cambridge site in Maryland.

The addition of the Santier business has increased the microwave market sector, primarily from major US defense contractors. It has also increased revenue in the power sector, although this was offset by customer delays in delivery to legacy programs at major customers in the US and Asia.

The miscellaneous sector was impacted by a medical application from Santier, which represents 11% of the revenue of the subsidiary.

OUTLOOK: Egide Group remains confident that it will be able to profit from a more positive environment, particularly in the US defense sector. Trends for the thermal imaging market remain positive in 2018, and Egide should maintain its leadership position in this market. Egide therefore expects similar growth in 2018 and is on track to meet its goals for 2020 plan.

The finalization of the qualification process with key customers should lead to an increase in orders for ceramic products at **Egide USA**. The company is now ready to capture growth from the investment of the HTCC process despite the limited visibility for the last 12 months.

Santier is expected to continue to register good performances in terms of business while contributing to reduced volatility for Egide Group's consolidated revenue.

Egide SA intends to focus on high added value for optoelectronic products such as very high capacity packages, a segment in which Egide has a solid reputation. The high frequency business should experience continuing growth and Egide Group, that is very well positioned in this market, should fully benefit from this trend.

FINANCIAL CALENDAR: End of March: 2017 results

To find out more about Egide: www.egide-group.com

Egide shares are eligible for the French tax incentivized PEA-PME, FCPI investment vehicles

¹ Comparative basis: at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date

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 (Infrared, Optronics, Microwave, Power,...). Egide is the only pure player in this market niche with manufacturing bases in France and the United States.

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Egide renewed OSEO certification as an innovative company (entreprise innovante) on July 30, 2015
ISO 9001:2008 and ISO 14001:2004 certified quality and environmental management systems