



- 2018 Q3 revenue: €7.65 million
- Temporary marked slowdown in sales for Egide Group
- Strong trend for Egide USA concerning HTCC products
- Growth revenue expected to be positive for the full year

*Bollène, October 10, 2018 - 7:00pm (CET)* - Egide Group reported unaudited consolidated revenue for the 2018 third quarter amounted to €7.65 million, -3.1% year-over-year. The exchange rate of the euro to dollar in Q3-18 (1.1638) has no significant impact on the third quarter revenue compared to Q3-17 (1.1622).

For the 9 first months of 2018, revenue amounted to 23.90m€, up 5.8% compared to the same period in 2017 on reported basis and to 23.25 m€ on a comparative basis.

(€m)	2017	2018	Change	Change on a comparative basis <sup>(3)</sup>
1 <sup>st</sup> quarter	6.45 <sup>(1)</sup>	8.03	24.5%	8.5%
2 <sup>nd</sup> quarter	8.24	8.22	-0.2%	4.3%
3 <sup>rd</sup> quarter	7.90	7.65 <sup>(2)</sup>	-3.1%	-3.9%
<b>Total 9 months</b>	<b>22.59</b>	<b>23.90</b>	<b>5.8%</b>	<b>2.9%</b>

<sup>(1)</sup> 1 month only for Santier in Q1 2017    <sup>(2)</sup> Unaudited    <sup>(3)</sup> At constant perimeter and exchange rates

## HIGHLIGHTS BY BUSINESS UNIT

In the third quarter 2018, the US subsidiaries contributed 58% of total consolidated revenue, compared to 57% in 2017.

(€m)	Q3 2017	Q3 2018 <sup>(2)</sup>	Change %	Change on a Comparative basis <sup>(1)</sup>	9 months 2017	9 months 2018 <sup>(2)</sup>	Change	Change on a Comparative basis <sup>(3)</sup>
Egide SA (France)	3.43	3.23	-5.8%	-5.8%	10.98	10.86	-1.1%	-1.1%
Egide USA (USA)	1.56	2.13	+36.5%	+35.3%	5.55	6.01	+8.3%	+16.3%
Santier (USA)	2.90	2.29	-21.3%	-22.9%	6.06	7.03	+16.1%	-2.0%
<b>Total revenue</b>	<b>7.89</b>	<b>7.65</b>	<b>-3.1%</b>	<b>-3.9%</b>	<b>22.59</b>	<b>23.90</b>	<b>+5.8%</b>	<b>+2.9%</b>

<sup>(1)</sup> At constant exchange rate    <sup>(2)</sup> Unaudited    <sup>(3)</sup> 7 months only for Santier in 2017 and at constant exchange rate

Egide SA is impacted by the decline in business of one of its key customers which recently modified its export policy in response to regulatory changes. Egide USA recorded a strong growth in revenue of ceramic products and a solid recovery after a difficult Q3 last year when its thermal imaging product line was negatively impacted by the closure of a key customer. The strong performance of Egide USA was not enough to offset the sharp slowdown of the growth at Santier due to a significantly more competitive environment over the past few months.

## REVENUE BY APPLICATION

(€m)	Q3 2017	Q3 2018 <sup>(2)</sup>	Change %	9 months 2017	9 months 2018 <sup>(2)</sup>	Change	Change on a Comparative basis <sup>(1)</sup>
Thermal Imag.	2.36	2.36	0.1%	7.69	7.85	2.0%	4.1%
Power	1.63	1.51	-7.6%	4.95	4.51	-8.8%	-4.8%
Optronics	1.47	1.61	9.7%	3.20	4.23	32.4%	24.6%
Microwave/RF	1.46	1.36	-6.8%	4.23	4.73	11.8%	-6.5%
Others	0.98	0.81	-17.0%	2.52	2.58	2.6%	2.9%
<b>Total Revenue</b>	<b>7.90</b>	<b>7.65</b>	<b>-3.1%</b>	<b>22.59</b>	<b>23.90</b>	<b>5.8%</b>	<b>2.9%</b>

<sup>(1)</sup> 7 months only for Santier in 2017 and at constant exchange rate    <sup>(2)</sup> Unaudited for Q3-18

On the first 9 months of the year, the company has continued the development of the HTCC ceramics business for the thermal imaging market in the US. Sales in the thermal imaging segment, the group's core business (32.8% of sales in 9 months 2018) illustrate the anticipated temporary softness in the EU for this segment. Growth of the optronics market in the first 9 months of 2018 was mainly driven by Santier's sales of high power laser modules.

## OUTLOOK

The difficult environments in which Egide SA and Santier operate should impact temporarily Group's revenue for the second half of the year compared with the same period in 2017. The HTCC ceramic project of Egide USA is continuing to make progress, as highlighted by more than US \$1 million in revenues expected for 2018. Additional sales are created by supplying Santier HTCC components for sale of legacy programs. Similar growth is expected in the future as the Cambridge site continues to identify and qualify new customers. The Bollène site is seeking to supplement its thermal imaging market by working on other technologies such as light amplification that could offer potential for generating additional revenue streams in future years. Santier is modernizing its production base by adding new equipment to reduce costs and better position itself within its newly competitive market environment.

Despite more moderate growth expected for Egide SA and Santier till the end of the year, Egide Group is confident it can continue to show a positive revenue growth at a group level for the full year and growth should continue to improve over the course of 2019, notably in response to organizational changes and the new expertise added to the Group.

## FINANCIAL CALENDAR

January 10, 2019: 2018 Revenue

To find out more about Egide: [www.egide-group.com](http://www.egide-group.com)

### ABOUT EGIDE

Egide is a group with an international dimension, specialized in the manufacture of hermetic packages and heat dissipation solutions 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 Units...). Egide is the only pure player in this market niche with manufacturing bases in France and the United States.

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Egide's eligibility for tax efficient French innovation-focused mutual funds (FCPI) was renewed on May 14, 2018