

EGIDE

Euronext C - FR0000072373 – GID

- ✓ Egidie benefits from its exposure to the Defense sector
- ✓ H1 sales + 16.1% (+ 14.3% cer)
 - o Egidie SA + 16.3% / USA + 20.8% / Santier + 10.7%
- ✓ H2 could suffer from difficulties in relaunching commercial approaches due to the Covid

During our last point, we indicated that the management is relatively confident due to its presence in key sectors and therefore partly protected. The figures prove it right with double-digit growth across all its entities.

For Egidie USA, this is the 4th consecutive semester of double-digit growth, due in particular to continued sustained demand for power products from historical customers. The development of HTTC ceramic, for its part, has made it possible to position itself on thermal imaging in the United States and must increasingly focus on RF/MW.

Santier recovered after 3 semesters of decline and returned to its highest values since its acquisition.

Egidie SA is benefiting from the return of thermal imaging but also of microwave frequencies (RF/MW), the order book of which began to recover in H2 2019.

Reduced to the book-to-build announced when the 2019 turnover was published, which was 1.09, Egidie is moving ahead, which consolidates our expectation for 2020 of 9% growth. On this basis, this makes an increase in H2 of 2.7% which may seem prudent. However, it is necessary to take into consideration, as mentioned by management, the difficulties caused by the Covid in the pursuit of commercial deployment and discussions with prospects. In addition, the fire in Cambridge will have a negative impact in Q3, while everything is "repaired". In the meantime, part of the plating has been switched to Santier and Egidie SA.

This first semester, which is the most important since the acquisition of Santier, even though the global economic environment has never been so disturbed, perhaps foreshadows what one could call the new Egidie.

Indeed, we were wondering about the group's ability to develop its commercial scope. We have here perhaps the first signals that it is finally taking. We should not extrapolate the H1 to the H2, the management having itself identified certain risks, but the lines are moving.

Furthermore, in the current context, the sectors addressed by the group are good shock absorbers. In addition, the difficulties induced by the Covid in getting around may lead some customers to fall back on proximity rather than going to China. Egidie being present in Europe and on both sides of the USA, this could be an asset. Finally, remember that management said it was optimistic a little over a month ago about the conclusion of contracts with new players in the next 12 months. These contracts could lead to production starts by mid-2021. If this is confirmed, it is a new element of visibility.

Conclusion.

Following this H1, we confirm our annual expectations, whereas we expected to revise them downwards due to the consequences of the health crisis. H2 will, of course, be disrupted compared to H1 for exogenous reasons, but this should not call into question the group's ability to approach equilibrium.

Overall, the signals are rather positive and the fact that the group addresses sectors such as Defense or Space is a supporting factor in the current context.

Opinion & target price

We take over the monitoring of Egidie with a Buy opinion and a price target of € 1.34.

BUY vs Under Review

H1 Sales + Conference Call

BPI Label – Innovative company- PEA-PME Eligible

TARGET **BEFORE**
€ 1.34 **Under Review**

SHARE PRICE (7.22.20) **POTENTIAL**
€ 0.76 **+ 76.4%**

CAPITALISATION **FLOTTANT**
€ 7.86m **€ 5.24m**

Ratios	2019	2020e	2021e
EV/Sales	0,5	0,5	0,4
EV/EBIT	nr	43,0	20,2
P/E	nr	-57,4	29,3
P/CF	-5,9	19,5	6,7
Dividend Yield	0,0	0,0	0,0

Data per share	2018	2019e	2020e	2021e
EPS	-0,29	-0,27	-0,01	0,03
%Change	nr	nr	nr	nr
FCF	-0,06	-0,21	-0,06	0,01
%Change	nr	nr	nr	nr
Dividend	0,00	0,00	0,00	0,00

Income Statement (€m)	2018	2019e	2020e	2021e
Net Sales	31,7	31,8	34,6	36,4
%Change	2,7%	0,1%	9,0%	5,0%
EBITDA	0,5	-0,2	1,4	1,9
% Sales	1,5%	-0,7%	4,1%	5,3%
EBIT	-1,5	-2,2	0,4	0,8
% Sales	-4,8%	-6,9%	1,0%	2,1%
Net Result	-2,3	-2,8	-0,1	0,3
% Sales	-7,2%	-8,9%	-0,4%	0,7%

Cash Flow Statement (€m)	2018	2019e	2020e	2021e
FCF	-0,5	-2,2	-0,6	0,1
Net Debt	4,6	8,6	7,8	7,7
Shareholder Equity	11,0	10,4	10,2	10,5
Gearing	41,7%	82,5%	75,7%	73,0%
ROCE	-6,3%	-7,3%	1,3%	2,7%

Shareholders	
Vatel Capital	19,2%
Sigma Gestion	13,2%
Ostrum AM	5,0%
J.F. Collins	0,9%
Free Float	61,8%

Performances	2020	3m	6m	1 Year
Egidie	-9,7%	15,2%	-11,2%	-23,5%
CAC Small	-14,2%	14,2%	-13,3%	-10,7%
12 months Low-High	0,41	1,12		

Liquidity	2020	3m	6m	1 Year
Cumulative volume (000)	4 141	2 768	3 984	5 317
% of capital	40,0%	26,7%	38,5%	51,4%
% of Free Float	60,1%	40,2%	57,8%	77,2%
€ Million	3,6	2,5	3,4	4,6

Next Event H1 results : 29th of september

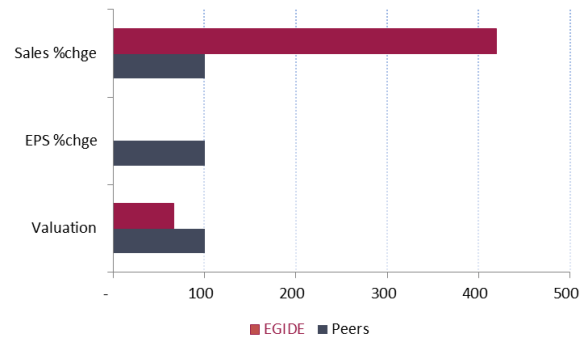
Snapshot Egide

Egide articulates its activity through two technologies that are glass-metal and ceramic cases which makes it one of the few actors in the world to control them. These housings make it possible to ensure perfect hermeticity in environments that may be subject to high thermal and / or atmospheric stresses. Egide provides highly resistant interconnection boxes in sensitive environments (Space, Defense, Security, Aeronautics, Telecommunications, Energy, ...), solutions that guarantee the optimal reliability of electronic systems or complex chips. In February 2017, the group acquired Santier, a US company specializing in the manufacture of dissipative components and materials.

Fondamental Matrix



Investment Profile



Target Price & rating history

Date	Type	Opinion	Price per share	Target Price
7/10/20	Company contact	Under Review	€ 0.912	
3/27/2020	Conf. Call	Under Review	€ 0.634	Under Review
3/26/2020	2019 Annual Results	Under Review	€ 0.66	Under Review
1/29/2020	2019 Sales	Neutral	€ 0.91	€ 1.3
12/12/2020	Contact	Neutral	€ 0.952	€ 1.49
9/27/2019	H1 resultats	Neutral	€ 0.928	€ 1.49
7/15/2019	H1 Sales	Neutral	€ 1.05	€ 1.49

Financial Data

Income Statement (€ m)	2016	2017	2018	2019	2020e	2021e
Revenues	22,2	30,9	31,7	31,8	34,6	36,4
Purchase	9,1	12,3	12,6	13,1	14,3	15,0
Externals costs	3,7	5,0	4,7	4,8	5,0	5,3
Personnals Costs	9,2	13,1	13,5	13,7	13,4	13,7
EBITDA	-0,2	0,0	0,5	-0,2	1,4	1,9
Amortization	0,7	1,0	1,8	1,4	0,9	1,0
other	0,3	0,1	-0,2	-0,5	0,2	0,2
EBIT	-0,6	-0,8	-1,5	-2,2	0,4	0,8
Financial Result	-0,1	-0,8	-0,6	-0,6	-0,5	-0,5
Tax	0,0	-1,2	0,1	0,0	0,0	0,0
Net Result	-0,7	-0,4	-2,3	-2,8	-0,1	0,3
Balance Sheet (€ m)	2016	2017	2018	2019	2020e	2021e
Fixed Assets	5,7	9,1	8,3	11,6	9,9	9,7
Stock Inventories	3,8	6,3	6,5	7,5	7,7	8,1
Accounts Receivable	5,2	7,0	5,9	6,5	6,7	7,1
Other Currents Assests	0,2	0,3	0,3	0,2	0,3	0,3
Cash & Equivalents	1,1	3,0	2,4	1,5	2,2	2,2
TOTAL Assets	16,0	25,7	23,4	27,2	26,8	27,3
Shareholders' Equity	6,2	12,7	11,0	10,4	10,2	10,5
Provisions	0,5	0,7	0,7	0,8	0,9	0,9
Financial Debt	5,4	7,0	6,9	6,9	6,8	6,7
Accounts Payables	3,9	5,3	4,8	5,9	5,8	6,1
TOTAL Liabilities	16,0	25,7	23,4	27,2	26,8	27,3
Cash Flow Statements (€ m)	2016	2017	2018	2019	2020e	2021e
Cash Flow from Operating Activities	-0,1	-0,5	-0,2	-1,1	1,1	1,6
Change in Net Working Capital	1,2	0,9	-0,7	0,2	0,7	0,4
Cash Flow from Operations	-1,3	-1,4	0,4	-1,3	0,4	1,2
Cash Flow from Investing	-1,0	-6,2	-0,9	-0,9	-1,0	-1,1
Capital Increase	0,0	7,7	0,0	2,4	0,0	0,0
Funding Flow	0,6	2,2	0,8	0,6	1,3	-0,1
Cash Flow from Financing	0,6	9,6	-0,2	1,3	1,3	-0,1
Net Change in cash position	-1,7	2,0	-0,6	-0,9	0,7	0,0
RATIOS	2016	2017	2018	2019	2020e	2021e
Ebitda Margin	-0,9%	0,1%	1,5%	-0,7%	4,1%	5,3%
EBIT Margin	-2,5%	-2,7%	-4,8%	-6,9%	1,0%	2,1%
Net Margin	-3,3%	-1,2%	-7,2%	-8,9%	-0,4%	0,7%
ROE	-11,8%	-2,9%	-20,8%	-27,1%	-1,3%	2,6%
ROCE	-3,4%	-3,1%	-6,3%	-7,3%	1,3%	2,7%
Gearing	69,2%	31,4%	41,7%	82,5%	75,7%	73,0%
FCF per share	-0,5	-0,3	-0,1	-0,2	-0,1	0,0
EPS (€)	-0,2	0,0	-0,3	-0,3	0,0	0,0
Dividend per share (€)	0,0	0,0	0,0	0,0	0,0	0,0
Dividen Yield	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Distribution rate	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

Estimates : GreenSome Finance
2019-2020-2021 with new shares

Rating Definition

BUY	NEUTRAL	SELL
Upside > +10%	-10% < Upside < +10%	Upside < -10%

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NO	NO	YES	YES	NO	NO

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