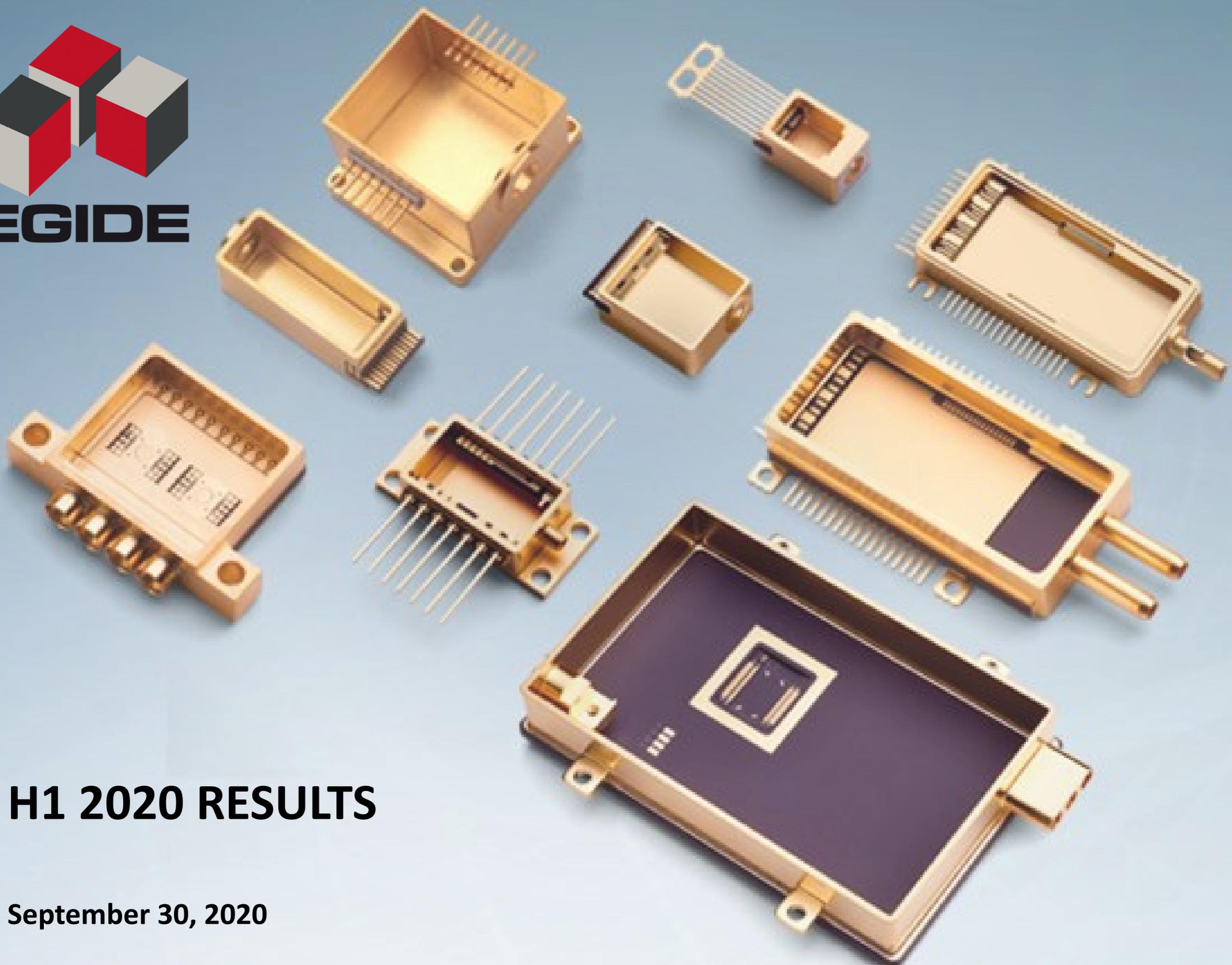
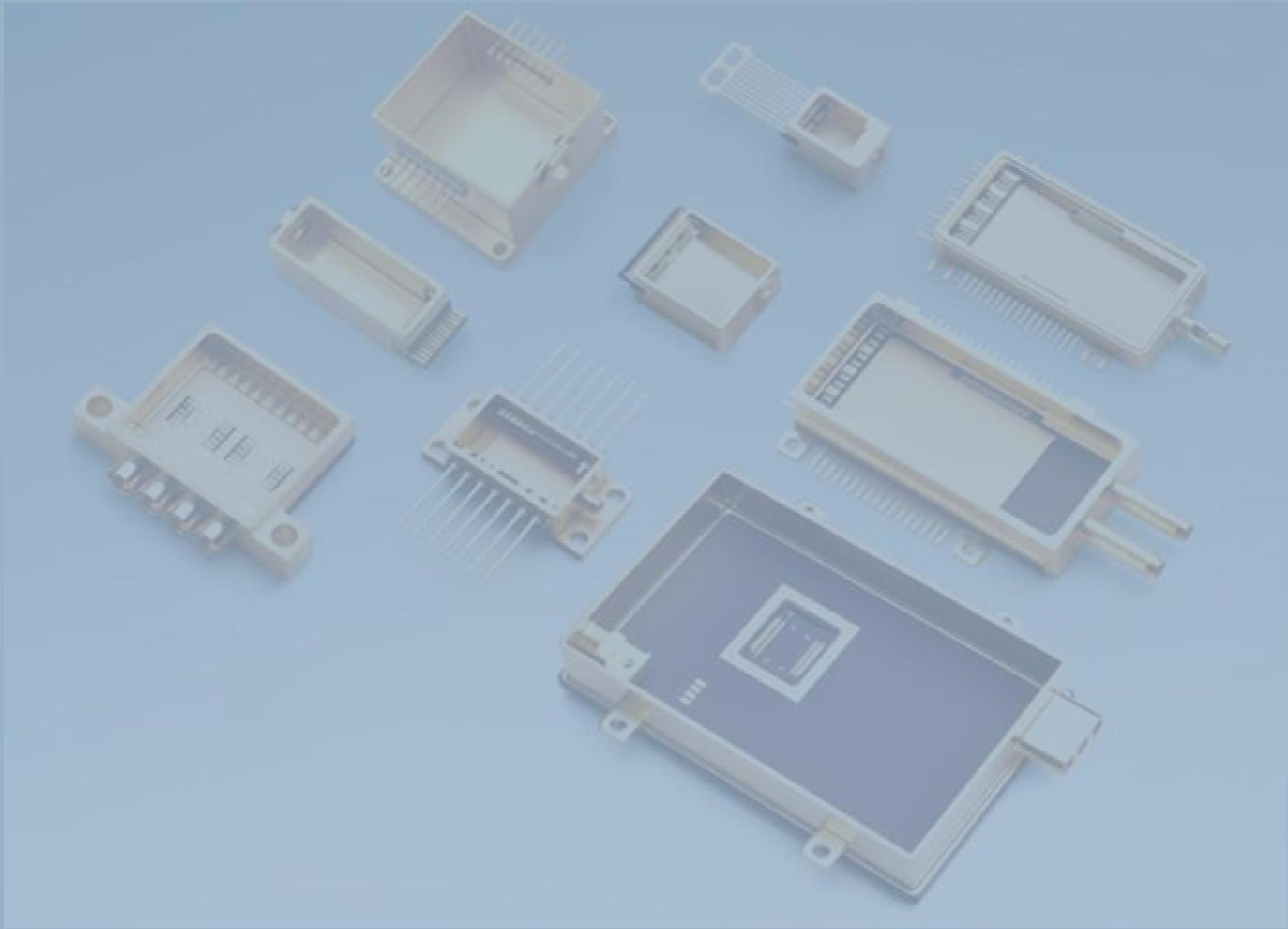




# H1 2020 RESULTS

September 30, 2020





# H1 2020 BUSINESS REVIEW

2020  
H1 - Results

# H1 2020 highlights

**€17,3m sales**

+16% YoY

**Break even  
Net profit**

**€0.93m EBITDA**

*corrected from IFRS 16*

(€- 0.18m in S1 2019)

**€16,2m order intake**

-11% YoY



## COVID : LOW IMPACT ON H1 2020 REVENUE

- €0.69m GRANT RECOGNIZED IN THE USA THANK TO PPP



NET PROFIT = 4K€ AFTER 215K€ INCOME TAX



FIRE IN CAMBRIDGE SHOULD HAVE LIMITED IMPACT ON THE 2020 BUSINESS AND NONE ON THE RESULT

# Egide Business at a glance

**Innovative** hermetic packages and thermal management materials...

	Thermal Imaging	Power	RF/Microwave	Optronics	Other Electronics
Sales H1 2020	€4.4m	€5.5m	€3.4m	€2.1m	€1.7m
Var YoY %	+6%	+29%	+70%	-25%	+6%

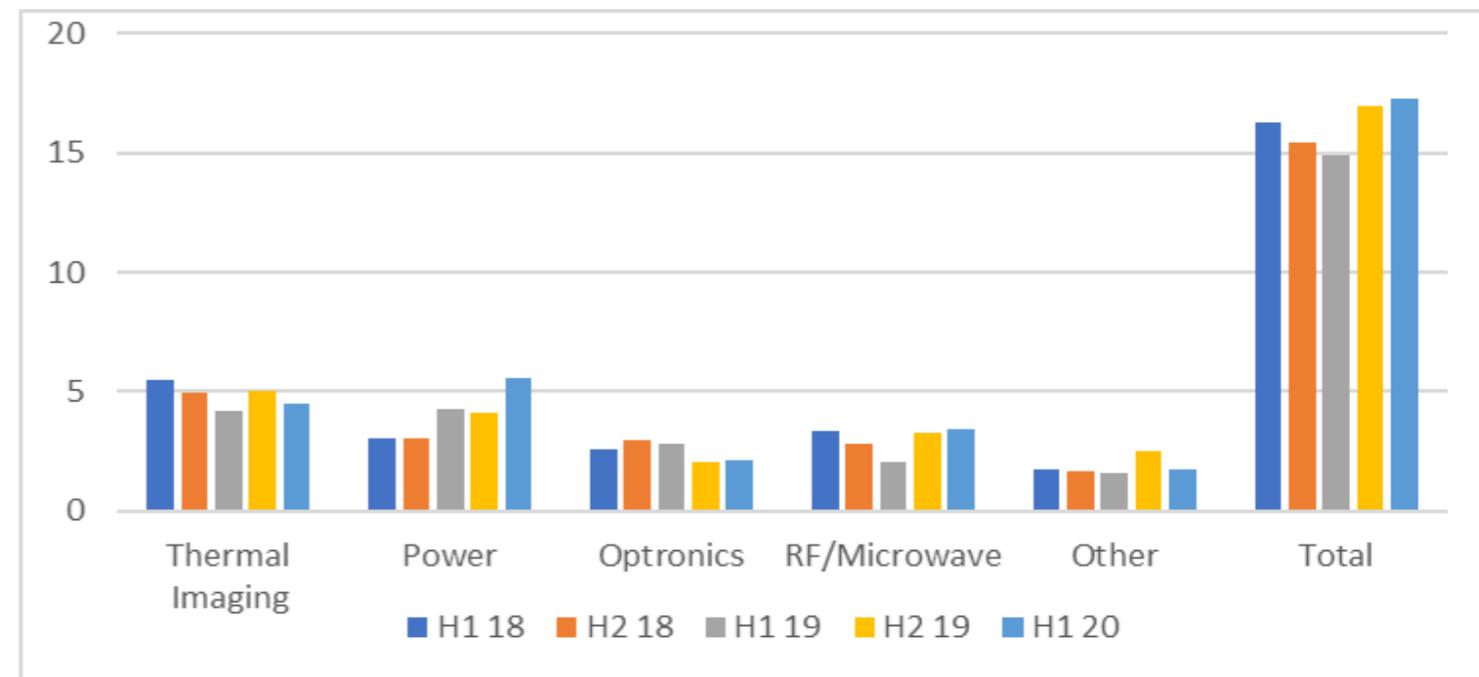
- Innovative** hermetic packages and thermal management materials...  
 €17,3m revenue in 2020 16% Year-on-Year

... for high value and **critical sensitive** electronic applications

<b>Infrared Vision</b>	<b>Radars</b>	<b>Avionics</b>	<b>Satellites</b>	<b>Positioning</b>	<b>Communication</b>	<b>Sensors</b>	<b>Batteries</b>

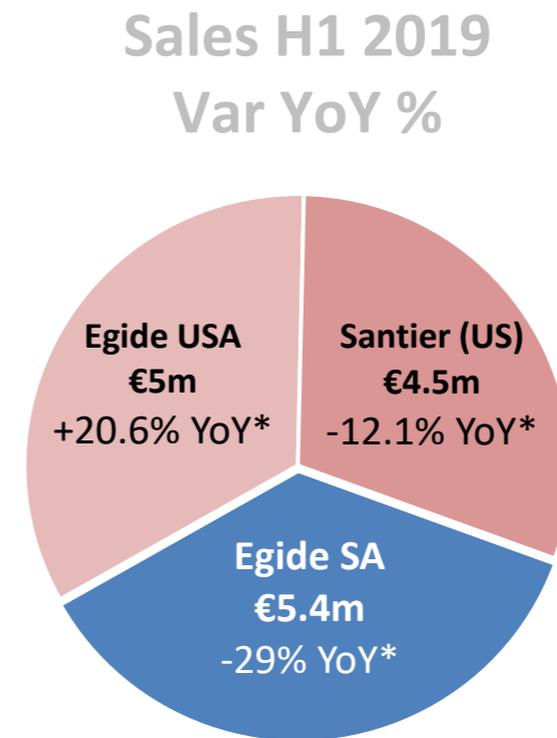
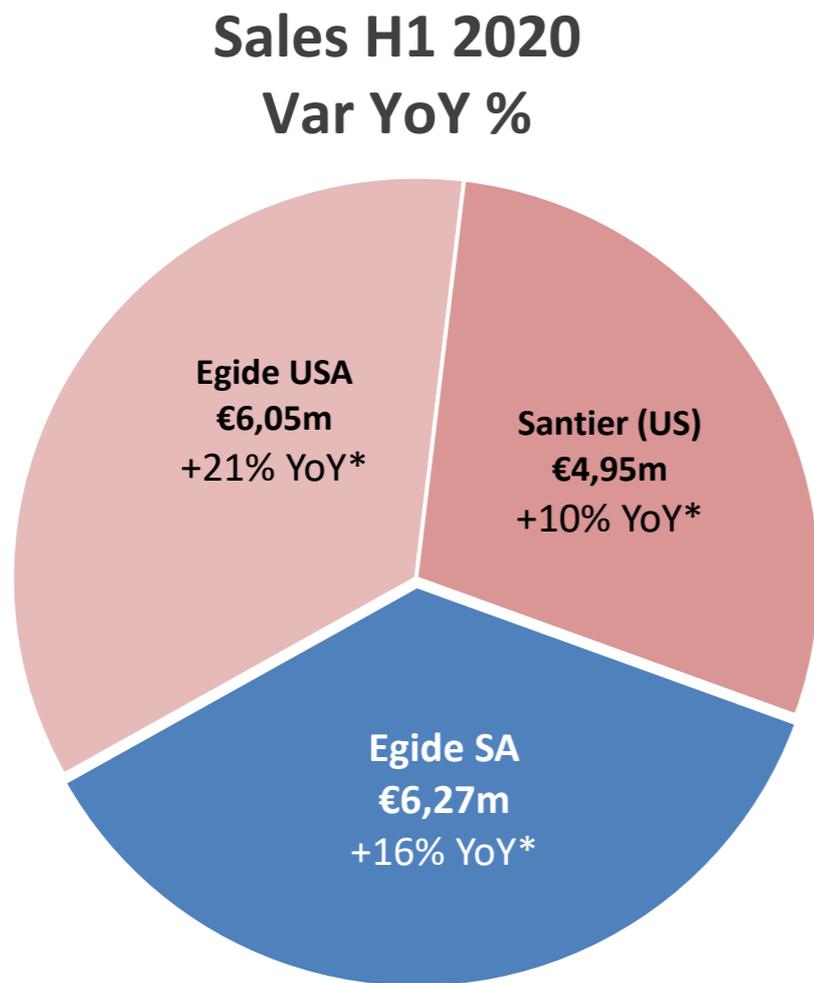
## Revenue by Markets

- Thermal imaging: Strong demand in Europe and Asia offset by slow-down in the USA due to customer's inventory.
- Power: Very strong increase in the USA in the defense, satellite and aerospace markets.
- Optronics: Slight decrease expected to stabilize quickly.
- RF/Microwave: Strong global demand of the military applications



# Egide Business at a glance

**US is now contributing to 64% to total revenues**



The two US facilities are ITAR (*International Traffic in Arms regulations*) compliant



\* At constant currency and perimeter

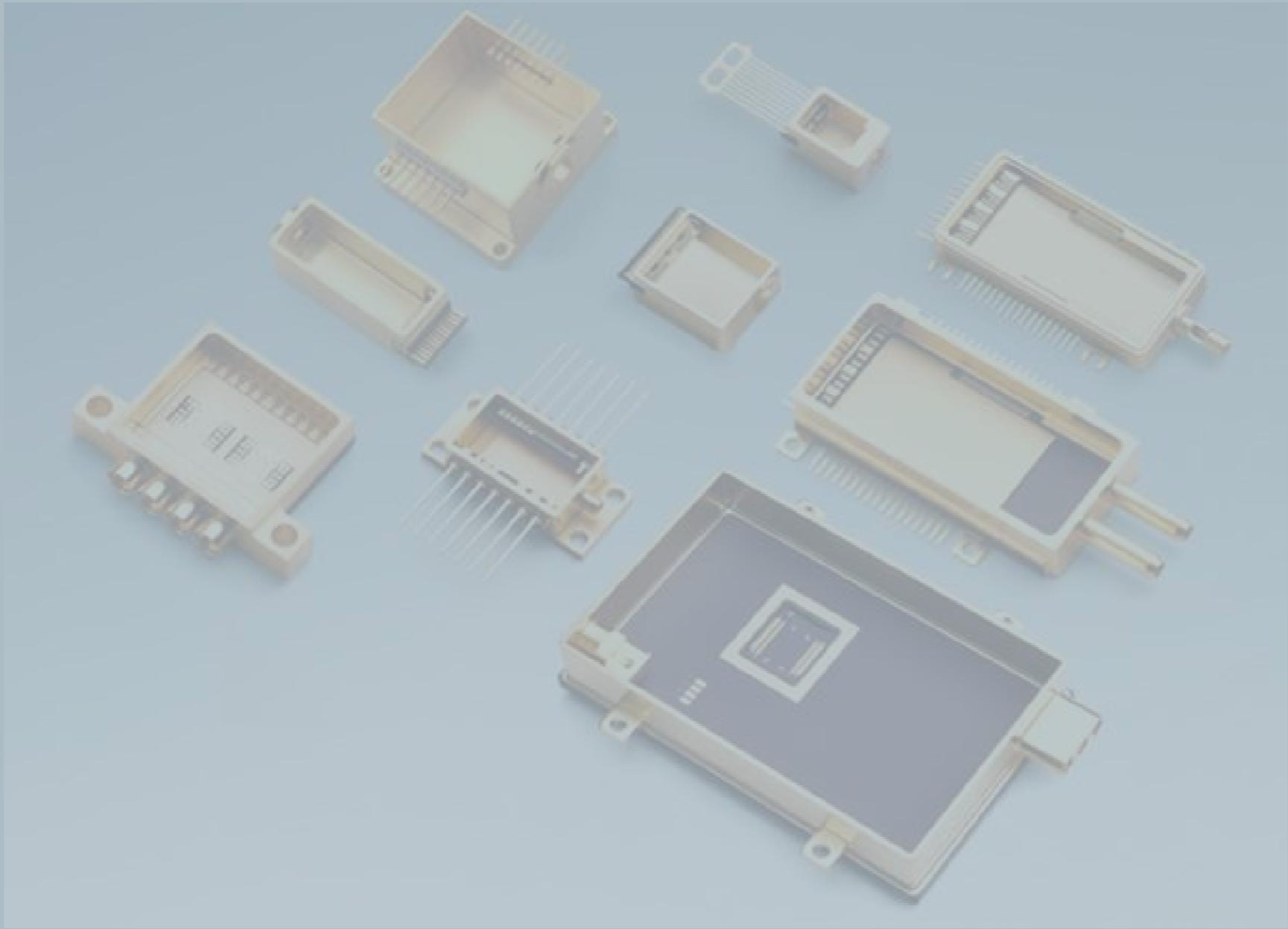
## Industrial transformation and diversification

### MIGRATION TO INDUSTRY 4.0

- ✓ Consolidation and digitalization of Egide SA machining activities successfully completed 1H20
- ✓ On-going modernization of Cambridge plating line rebuilt after July fire
- ✓ Resumed project to migrate Egide SA to industry 4.0 best standards. The project entails new production technologies including robotization, artificial vision, clean room automation, MES ...and intends to leverage use of French and European public aid.

### DIVERSIFICATION

- ✓ Regional diversification: New demand creation and distribution channel implemented in Germany and Russia
- ✓ Delivered products and new customer business identified in Sensors/MEMS segment
- ✓ Accelerated exchanges in the Clean hydrogen European Ecosystem with ambition to create a dedicated new activity.
- ✓ New technology has been successfully prototyped to expand business in natural resources exploration
- ✓ New inks have been developed with promising performance to further differentiate in RF and Hyper frequencies growing markets



# H1 2020 FINANCIAL REVIEW



**2020**  
H1 - Results

# H1 Sales



In millions	Real H1-2018	Real H1-2019	Real H1-2020	Budget H1-2020	Variation /Budget
Egide SA	7.63	5.39	6.27	6.26	0 %
Egide USA	3.87	5.01	6.05	6.62	-9 %
Santier	4.75	4.47	4.93	4.68	+ 5 %
Group	16.25	14.87	17.28	17.56	- 1.6 %
Egide USA (\$)	4.69	5.66	6.66	7.29	- 9 %
Santier (\$)	5.75	5.05	5.45	5.15	+6 %
Parity €/ \$	1.210	1.129	1.102	1.10	

2020  
H1 - Results

# H1 2020 Results vs H1 2019



In €M		S1-2019		S1-2020		
<b>REVENUE</b>		<b>14,87</b>	<b>100 %</b>	<b>17,27</b>	<b>100 %</b>	
Consumed purchases		-6.50	-44%	-6.94	-40%	
Inventory changes		0.65	4%	-0.23	-1%	
Personnel costs		-7.05	-47%	-7.31	-42%	
External costs		-2.07	-14%	-2.22	-13%	
Taxes		-0.19	-1%	-0.18	-1%	
Other expenses & indemnities	€690k PPP	0.47	3%	0.74	4%	
<b>CURRENT EBITDA</b>		<b>0.19</b>	<b>1%</b>	<b>1.13</b>	<b>7%</b>	
Depreciation, amortization, and provisions		-1.57	-11%	-0.61	-4%	
<b>OPERATING INCOME (Ebit)</b>		<b>-1.38</b>	<b>-9%</b>	<b>+0.52</b>	<b>3%</b>	
Financial items		-0.33	-2%	-0.30	-2%	
		<b>NET INCOME</b>	<b>-1.71</b>	<b>-12%</b>	<b>+0.22</b>	<b>1%</b>
Income Taxes	No cash			-0.21	-1%	
<b>NET RESULT</b>		<b>-1.71</b>	<b>-12%</b>	<b>4k€</b>	<b>0%</b>	
<b>Ebitda corrected from IFRS16</b>		<b>-0.18</b>		<b>+ 0.93</b>		

# Consolidated balance sheet as of June 30, 2020

ASSETS	H1 2019	H1 2020
Intangible assets	1.17	1.10
Tangible assets	5.23	5.23
Right to use assets	2.95	2.64
Other financial assets	0.93	0.84
Other non-current assets	1.32	1.00
Inventories and outstanding	7.34	7.76
Trade and other receivables	6.59	6.38
Cash	3.87	2.93
Other current assets	0.39	0.46
<b>TOTAL</b>	<b>29.79</b>	<b>28.34</b>

- Intangible assets (€1,17m) : Created with Santier
- Tangible assets : building, production equipment and HTCC line at Egide USA, software
- Financial assets : rent deposit + 0,5 \$ loan for Santier
- Working capital requirements: 85 days of revenue (**w/o R&D Tax Credit**) (101 days in 2019)

# Consolidated balance sheet as of June 30, 2020

LIABILITIES	H1 2019	H1 2020
Shareholders' Equity	11.42	10.41
Debt (over 1 year)	2.19	4.00
Rent debt (over 1 year)	2.85	2.40
Non-current provisions	0.68	0.80
Debt (under 1 year)	5.88	4.93
Rent debt (under 1 year)	0.47	0.49
Suppliers and other creditors	5.67	5.31
Other liabilities	0.63	0
<b>TOTAL</b>	<b>26.62</b>	<b>28.34</b>

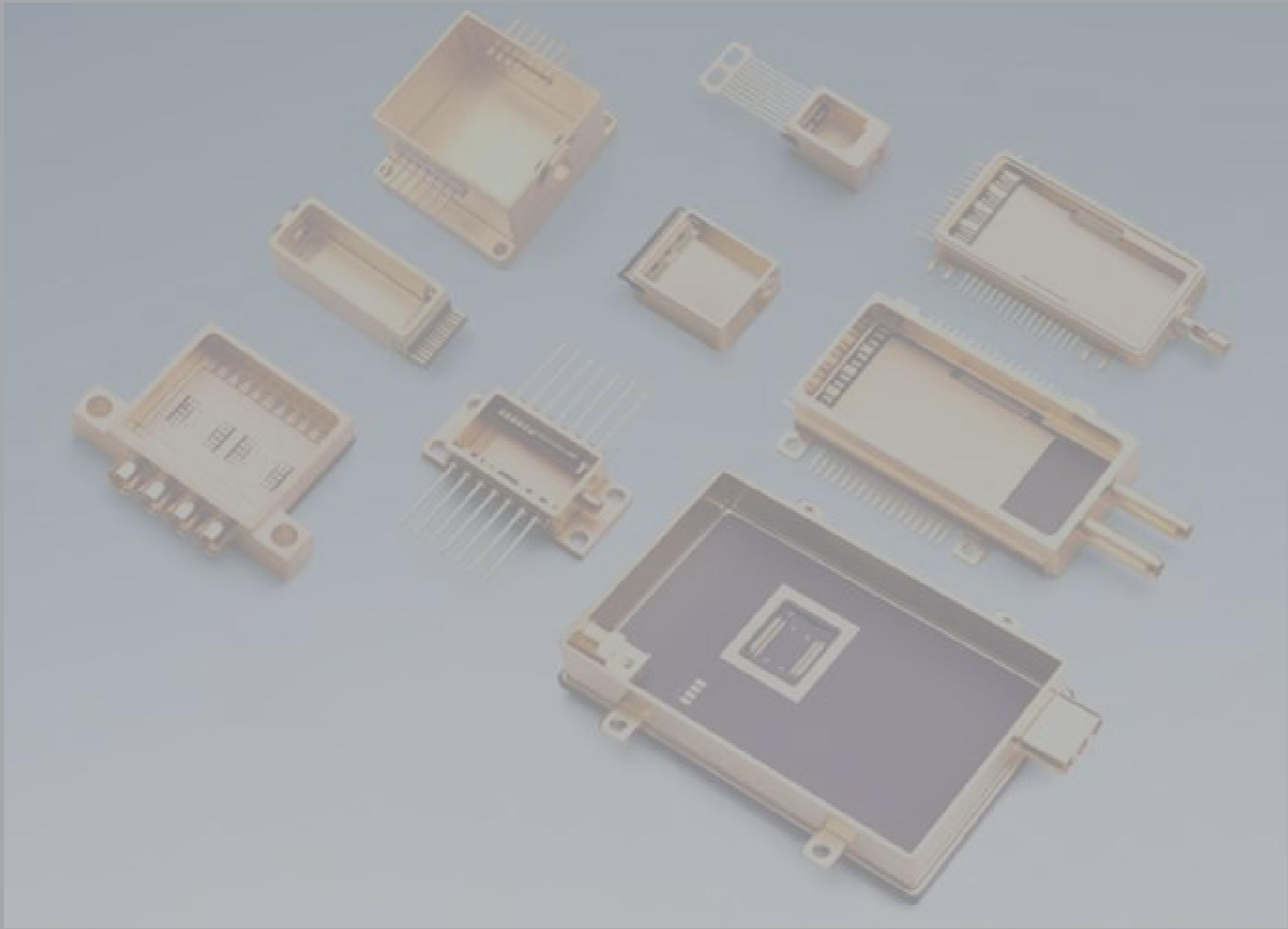
- Debt > 1 year: The Covenants are respected. New loans: PGE of €400k for Egide SA. The Cambridge PPP of \$794k has been turned into a grant, except for \$33k. Moratorium of 2 months on Vatel and 3 months on BPI.
- Provisions : employee benefits and litigation.
- Debt <1 year: Vatel bond (€0,26m), Egide USA loan (0,35 M€) + revolving (€0,84k), Santier loan (€0,60m), ½ PPP Santier (€0,38m), factoring (€1,97m), Sofired loan Egide SA (€0,12m), new PPP loan for Santier (\$0,85m).

**2020**  
H1 - Results

# Consolidated Cash Flow Statement



In €m	June 30, 2019	June 30, 2020
Starting cash balance	2.36	1.46
Cash flow from operations	- 0.43	+1.00
Working capital variation	- 0.79	- 1.06
Fixed assets variation	- 0.27	- 0.22
Financial assets variation	- 0.44	0
Debt variation	+ 1.03	+ 1.76
Capital increase	+ 2.41	0
<b>Ending cash balance</b>	<b>3.87</b>	<b>2.93</b>



# OUTLOOK



2020

H1 - Results

# OUTLOOK



## H2 2020

### ACTIVITY

- S2 Revenue will be impacted by the fire in Cambridge.
- Backlog for H2 in Santier and Egide SA below hopes but « sufficient »,



### **SANTIER : Positive impact of a new PPP loan**

- Additional waiver of the PPP loans obtained previously: 850k\$ expected



### **CAMBRIDGE FIRE:**

- Production has resumed, plating shop will resume in later part of this year
- 3 months late at year end in delivery.
- Balanced by Business Interruption insurance.
- Accounting treatment of the replacement of destroyed assets will create some profits, with no cash flow effect.

2020

H1 - Results

# OUTLOOK



## Longer Term

The following items should help to curb the crisis' impact on the Group's results and financial position:



### EGIDE SA

- Capex projects, frozen until now, should be reactivated during the second half of the year.
- Use of French and European public aid to companies to encourage recovery in the markets that the Group addresses



### EGIDE USA

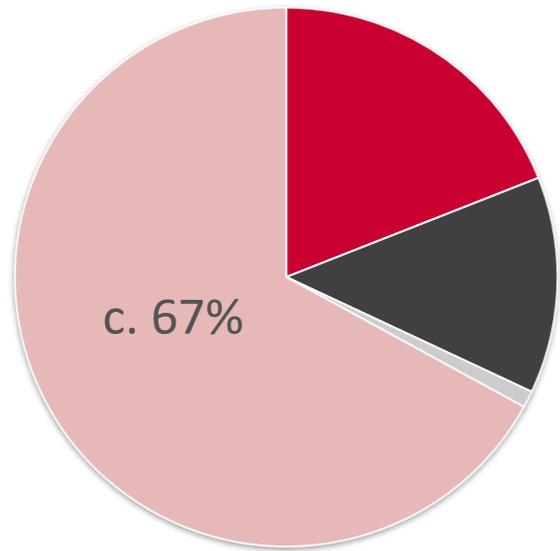
- Modernization of the industrial tool of the Cambridge facility along with reconstruction.
- In 2021, Catching up on the postponement of deliveries of S2 due to fire (almost no order cancellation)
- Refocusing of sales teams on long-term strategic customers and markets



### SANTIER

- High business volatility due to the current situation
- But favorable customer trend and strong resilience of the Defense sector from which Santier should benefit

## Shareholding structure \*



- Vatel
- Sigma Gestion
- Management
- Flottant

\* Estimate at the time of AGM (June, 2020)

## Share Price (€) & Traded volumes



25 <sup>th</sup> September 2020	
Market Capitalisation	€8m
Highest share price in last 12 months	€1.12
Lowest share price in last 12 months	€0.41
50-day volume average	31k shares
Annual volume average	25k shares



**Thank you for your attention**

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