

EGIDE

Euronext C - FR0000072373 – GID

- ✓ 2020 revenue -5.8%: € 29.96m vs. € 31.1m expected
 - o EGIDE SA € 13.4m + 11%,
 - o EGIDE USA € 8.13m -28% strongly penalized in H2 by the fire
 - o Santier € 8.42m + 0.7%
- ✓ Growth expected in 2021

You have to read between the lines to properly analyze Egide's activity in 2020. First of all, customer requests have not or only slightly been affected by the Covid because Egide addresses "protected" sectors (military, space, etc.). Its production was however somewhat disrupted for logical reasons of absenteeism, mainly in H1 (infected people, childcare, etc.).

To this was added the main disruptive factor, the fire at the Cambridge factory in H2. The impact is immediate with sales down 67% vs. an increase of 21% in H1 in €. Management has estimated the shortfall at € 5 million.

On this basis, the activity would then have posted an increase in H2 of 12%, in line with our estimate excluding the fire effect.

Over the year, we would then have had an annual turnover of € 13 million, which shows an increase of + 15.9%. Thus, excluding the "fire" impact, Egide USA would have posted the 4th consecutive double-digit half-year increase.

Regarding Santier, activity fell by 3.4% in \$ in H2 after an increase of 7.7% in H1 which amounts to + 2.6% over the year (stable in €). Management indicates that activity is picking up with an order book offering 5 months of visibility vs. a low of 4 reached in 2020, the objective being to return to 6 months.

The good surprise comes from EGIDE SA, which we expected to decline in H2 and which ultimately continues to grow with an increase of 6.6%, + 11% over the year. Even though the group has not yet recovered to its levels before the abrupt end of orders from its main customer, it is gradually getting closer to it as it is no longer in a situation of over-storage.

Outlook.

EGIDE USA should recover all its industrial capacities by the end of February. Santier is gradually rebuilding its order book to get closer to its historical standards. EGIDE SA should benefit from the launch of new activities, particularly in the power segment and high-end HTTC units.

All of these elements and the low impact of the pandemic on Egide's business confirm that the group will be able to post growth in 2021. On the other hand, it will be necessary to monitor the evolution of the order book. Indeed, the slightest travel induced by the pandemic will necessarily have impacts in terms of commercial development. Like most players, Egide must adapt its commercial approach. Also, what was one of the major projects is becoming even more so.

Conclusion.

The least we can say is that Egide is unlucky. 2020 could have been the year of both growth and profitability.

Despite everything, this will be the year of profitability without exogenous elements (taking into account the US subsidy ...).

We will be monitoring Egide SA's results in particular, as this will give a strong signal on the group's ability to finally be able to self-finance its investments.

Opinion & Price Target.

Price target of € 1.34 and Buy opinion confirmed.

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BUY

2020 Annual Sales + contact

BPI Label – Innovative company- PEA-PME Eligible

TARGET **BEFORE**
€ 1.34 **€ 1.34**

SHARE PRICE (1.25.21) **POTENTIAL**
€ 1.125 **+ 19.1%**

CAPITALISATION **FLOTTANT**
€ 11.6m **€ 7.75m**

Ratios	2020e	2021e	2022e
EV/Sales	0,6	0,5	0,5
EV/EBIT	11,1	139,2	26,4
P/E	11,4	-31,0	72,6
P/CF	4,2	23,5	12,4
Dividend Yield	0,0	0,0	0,0

Data per share	2019	2020e	2021e	2022e
EPS	-0,27	0,10	-0,04	0,02
%Change	nr	nr	nr	-1,43
FCF	-0,21	0,18	-0,04	-0,01
%Change	nr	nr	nr	-0,82
Dividend	0,00	0,00	0,00	0,00

Income Statement (€m)	2019	2020e	2021e	2022e
Net Sales	31,8	30,0	31,7	34,1
%Change	0,1%	-5,7%	5,7%	7,7%
EBITDA	-0,2	2,8	1,4	2,1
% Sales	-0,7%	9,2%	4,5%	6,1%
EBIT	-2,2	1,5	0,1	0,7
% Sales	-6,9%	5,1%	0,4%	1,9%
Net Result	-2,8	1,0	-0,4	0,2
% Sales	-8,9%	3,4%	-1,2%	0,5%

Cash Flow Statement (€m)	2019	2020e	2021e	2022e
FCF	-2,2	1,9	-0,5	-0,1
Net Debt	8,6	5,3	5,7	5,8
Shareholder Equity	10,4	11,4	11,0	11,2
Gearing	82,5%	46,2%	51,9%	51,9%
ROCE	-7,3%	5,8%	0,5%	2,5%

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

Performances	2021	3m	6m	1 Year
Egide	-5,2%	20,7%	45,4%	29,1%
CAC Small	2,3%	25,4%	27,7%	10,8%
12 months Low-High	0,41	1,30		

Liquidity	2021	3m	6m	1 Year
Cumulative volume (000)	1 730	7 020	10 014	14 076
% of capital	16,7%	67,8%	96,8%	136,0%
% of Free Float	25,1%	101,9%	145,3%	204,3%
€ Million	2,0	7,7	10,2	13,7

Next Event

2020 Results : March 30

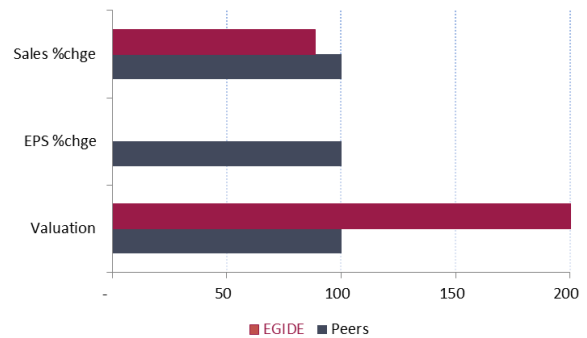
Snapshot Egide

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	Price Target
9/30/20	H1 Results	Buy	€ 0.76	€ 1.34
7/24/20	H1 Sales	Buy	€ 0.76	€ 1.34
7/10/20	Company contact	Under Review	€ 0.912	Under Review
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

Financial Data

Income Statement (€ m)	2017	2018	2019	2020e	2021e	2022e
Revenues	30,9	31,7	31,8	30,0	31,7	34,1
Purchase	12,3	12,6	13,1	12,4	12,9	13,7
Externals costs	5,0	4,7	4,8	4,3	4,4	4,9
Personnals Costs	13,1	13,5	13,7	12,4	12,7	13,2
EBITDA	0,0	0,5	-0,2	2,8	1,4	2,1
Amortization	1,0	1,8	1,4	0,8	0,9	1,0
other	0,1	-0,2	-0,5	2,3	0,2	0,2
EBIT	-0,8	-1,5	-2,2	1,5	0,1	0,7
Financial Result	-0,8	-0,6	-0,6	-0,5	-0,5	-0,5
Tax	-1,2	0,1	0,0	0,0	0,0	0,0
Net Result	-0,4	-2,3	-2,8	1,0	-0,4	0,2
Balance Sheet (€ m)	2017	2018	2019	2020e	2021e	2022e
Fixed Assets	9,1	8,3	11,6	9,7	9,4	9,0
Stock Inventories	6,3	6,5	7,5	6,7	7,0	7,6
Accounts Receivable	7,0	5,9	6,5	5,8	6,2	6,6
Other Currents Assests	0,3	0,3	0,2	0,2	0,3	0,3
Cash & Equivalents	3,0	2,4	1,5	4,7	4,1	3,9
TOTAL Assets	25,7	23,4	27,2	27,1	26,9	27,4
Shareholders' Equity	12,7	11,0	10,4	11,4	11,0	11,2
Provisions	0,7	0,7	0,8	0,7	0,8	0,9
Financial Debt	7,0	6,9	6,9	6,8	6,7	6,6
Accounts Payables	5,3	4,8	5,9	5,0	5,3	5,7
TOTAL Liabilities	25,7	23,4	27,2	27,1	26,9	27,4
Cash Flow Statements (€ m)	2017	2018	2019	2020e	2021e	2022e
Cash Flow from Operating Activities	-0,5	-0,2	-1,1	2,3	0,9	1,6
Change in Net Working Capital	0,9	-0,7	0,2	-0,5	0,4	0,6
Cash Flow from Operations	-1,4	0,4	-1,3	2,7	0,5	0,9
Cash Flow from Investing	-6,2	-0,9	-0,9	-0,9	-1,0	-1,0
Capital Increase	7,7	0,0	2,4	0,0	0,0	0,0
Funding Flow	2,2	0,8	0,6	1,3	-0,1	1,9
Cash Flow from Financing	9,6	-0,2	1,3	1,3	-0,1	-0,1
Net Change in cash position	2,0	-0,6	-0,9	3,2	-0,6	-0,2
RATIOS	2017	2018	2019	2020e	2021e	2022e
Ebitda Margin	0,1%	1,5%	-0,7%	9,2%	4,5%	6,1%
EBIT Margin	-2,7%	-4,8%	-6,9%	5,1%	0,4%	1,9%
Net Margin	-1,2%	-7,2%	-8,9%	3,4%	-1,2%	0,5%
ROE	-2,9%	-20,8%	-27,1%	9,0%	-3,4%	1,4%
ROCE	-3,1%	-6,3%	-7,3%	5,8%	0,5%	2,5%
Gearing	31,4%	41,7%	82,5%	46,2%	51,9%	51,9%
FCF per share	-0,3	-0,1	-0,2	0,2	0,0	0,0
EPS (€)	0,0	-0,3	-0,3	0,1	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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