

EGIDE

Euronext C - FR0000072373 – GID

- ✓ H1 revenue € 17.3 million -3.9% (+ 1.1% at constant exchange rates);
- ✓ Egide SA + 16.6% / Egide USA -11.6% (-3.3% cr) / Santier -20.5% (-13.1% cr);
- ✓ Annual turnover objective confirmed at € 34 million + 13%

The first half of 2021 was marked by the sustained growth of Egide SA with a turnover of € 7.3m (+ 16.6%) which makes it the highest level since H1 2018. It is the third half of the year consecutive increase. This good performance can be attributed to new thermal imaging customers in China. Thermal imaging is also the most dynamic application with an increase of 32.1% to € 5.9 million.

The USA, in addition to a significant negative currency effect (1.21 in H1 2021 vs. 1.10 in H1 2020), suffered from an unfavorable base effect for Egide USA and delays in defense or satellite programs for Santier.

Egide USA nevertheless managed to stabilize its activity with a drop of "only" -3.3% at constant exchange rates (\$ 6.45m / € 5.35m).

Santier, which is down -13% at constant exchange rates (\$ 4.7m / € 3.9m), is more affected by the effects of the Covid because most of its contracts have shorter cycles than for Egide USA. Also, the current context having caused delays but also limiting, among other things, travel makes it less easy to win new contracts, which penalizes Santier's activity.

Overall this H1 is good for Egide SA, which is ahead of our annual expectations.

For USA, the fact of having been able to use a subcontractor while recovering all of its industrial facilities made it possible to regain a good level of activity in view of the context.

Concerning Santier, the typology of its contracts makes its activity more volatile. However, the level posted in H1 2021 corresponds to the average half-year turnover achieved since its acquisition and is -3.7% lower than that observed for the first half.

Outlook.

The management reiterates its annual growth objective, i.e. a turnover of € 34m. This induces a H2 up by 37% which will benefit from a very favorable base effect with Egide USA, whose activity was virtually shut down last year following the fire.

The USA will therefore be quite logically the main engine of growth in H2 thanks to the return to normal of industrial facilities.

Beyond the current financial year, in addition to the ability to position itself in new markets, the group's ability to establish synergies between Egide USA and Santier should be observed.

Indeed, since the acquisition, it is still difficult to perceive the latter, the scope of Santier having finally changed little with an annual turnover stabilized around \$ 9.5 million. This is one of the areas that we believe must be tackled by Gary Waterhouse, who was appointed director of business development for North America last May.

As a reminder, during the acquisition of Santier, management had quite logically put forward that this would make it possible to offer Egide USA solutions to Santier customers and vice versa.

Conclusion.

The exogenous events undergone by Egide have enabled it or will enable it to have a deeply modernized or optimized industrial tool, whether in France or the USA. This is a significant asset that should allow the group to position itself in new markets, which should ultimately help to change the appearance of the group. 2021 is therefore perhaps the last transitional exercise ...

Opinion & price target confirmed.

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BUY

H1 Sales + Conf Call

BPI Label – Innovative company- PEA-PME Eligible

TARGET **BEFORE**
€ 1.74 **€ 1.74**

SHARE PRICE (7.23.21) **POTENTIAL**
€ 1.56 **+ 11.5%**

CAPITALISATION **FLOTTANT**
€ 16.1m **€ 13.4m**

Ratios	2021e	2022e	2023e
EV/Sales	0.6	0.6	0.5
EV/EBIT	73.0	23.7	15.3
P/E	10.1	56.9	22.5
P/CF	4.7	4.1	12.1
Dividend Yield	0.0	0.0	0.0

Data per share	2020	2021e	2022e	2023e
EPS	0.10	0.15	0.03	0.07
%Change	nr	0.62	-0.82	1.52
FCF	0.05	0.28	0.02	0.08
%Change	nr	4.18	-0.91	2.15
Dividend	0.00	-	-	-

Income Statement (€m)	2020	2021e	2022e	2023e
Net Sales	30.0	33.5	36.0	37.6
%Change	-5.7%	11.9%	7.4%	4.2%
EBITDA	1.1	1.9	2.6	2.9
% Sales	3.5%	5.6%	7.2%	7.7%
EBIT	-0.5	0.3	0.9	1.3
% Sales	-1.6%	0.9%	2.4%	3.5%
Net Result	1.0	1.6	0.3	0.7
% Sales	3.3%	4.8%	0.8%	1.9%

Cash Flow Statement (€m)	2020	2021e	2022e	2023e
FCF	0.6	2.9	0.3	0.8
Net Debt	7.7	4.9	4.6	3.8
Shareholder Equity	10.6	12.2	12.4	13.2
Gearing	72.9%	40.0%	37.1%	29.1%
ROCE	-1.7%	1.1%	3.3%	4.9%

Shareholders	
Vatel Capital	10.0%
Sigma Gestion	5.0%
Management	2.0%
Free Float	83.0%

Performances	2021	3m	6m	1 Year
Egide	33.9%	20.0%	38.7%	98.0%
CAC Small	15.0%	-0.5%	12.8%	45.5%
12 months Low-High	0.69	1.69		

Liquidity	2021	3m	6m	1 Year
Cumulative volume (000)	11,113	6,665	13,507	19,807
% of capital	107.4%	64.4%	130.5%	191.4%
% of Free Float	129.4%	77.6%	157.3%	230.6%
€ Million	13.8	8.9	16.6	22.3

Next Event

Results H1 : September, 23

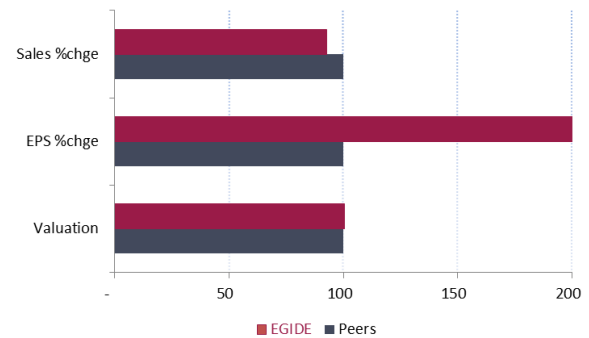
Snapshot Egide

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
6/25/21	General Assembly	Buy	€ 1.475	€ 1.74
3/30/21	2020 Annual Results	Buy	€ 1.18	€ 1.74
1/26/21	Sales 2020	Buy	€ 1.125	€ 1.34
9/30/20	H1 Results	Buy	€ 0.76	€ 1.34
7/24/20	H1 Sales	Buy	€ 0.76	€ 1.34

Financial Data

Income Statement (€ m)	2018	2019	2020	2021e	2022e	2023e
Revenues	31.7	31.8	30.0	33.5	36.0	37.6
Purchase	12.6	13.1	11.6	13.6	14.4	15.0
Externals costs	4.7	4.8	3.3	4.5	5.2	5.4
Personnals Costs	13.5	13.7	13.6	13.8	13.6	14.0
EBITDA	0.5	-0.2	1.1	1.9	2.6	2.9
Amortization	1.8	1.4	1.6	1.2	1.3	1.2
other	-0.2	-0.2	-0.1	0.6	0.2	0.2
EBIT	-1.5	-1.9	-0.5	0.3	0.9	1.3
Financial Result	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6
Tax	0.1	0.0	-0.4	0.5	0.0	0.0
Net Result	-2.3	-2.8	1.0	1.6	0.3	0.7
Balance Sheet (€ m)	2018	2019	2020	2021e	2022e	2023e
Fixed Assets	8.3	11.6	10.0	9.0	8.5	8.0
Stock Inventories	6.5	7.5	8.1	8.4	9.0	9.4
Accounts Receivable	5.9	6.5	5.0	6.5	7.0	7.3
Other Currents Assests	0.3	0.2	3.2	0.5	0.5	0.5
Cash & Equivalents	2.4	1.5	1.4	5.0	5.1	5.8
TOTAL Assets	23.4	27.2	27.8	29.4	30.1	31.0
Shareholders' Equity	11.0	10.4	10.6	12.2	12.4	13.2
Provisions	0.7	0.8	0.8	0.8	0.9	0.9
Financial Debt	6.9	6.9	6.6	7.3	7.2	7.1
Accounts Payables	4.8	5.9	7.2	6.5	7.0	7.3
TOTAL Liabilitites	23.4	27.2	27.8	29.4	30.1	31.0
Cash Flow Statements (€ m)	2018	2019	2020	2021e	2022e	2023e
Cash Flow from Operating Activities	-0.2	-1.1	4.5	3.7	2.0	2.3
Change in Net Working Capital	-0.7	0.2	1.1	-0.2	0.7	0.4
Cash Flow from Operations	0.4	-1.3	3.4	3.9	1.3	1.9
Cash Flow from Investing	-0.9	-0.9	-2.9	-1.0	-1.1	-1.1
Capital Increase	0.0	2.4	0.0	0.0	0.0	0.0
Funding Flow	0.8	0.2	0.3	0.6	-0.1	-0.1
Cash Flow from Financing	0.4	1.3	-0.6	0.6	-0.1	-0.1
Net Change in cash position	-0.6	-0.9	-0.1	3.6	0.1	0.7
RATIOS	2018	2019	2020	2021e	2022e	2023e
Ebitda Margin	1.5%	-0.7%	3.5%	5.6%	7.2%	7.7%
EBIT Margin	-4.8%	-5.9%	-1.6%	0.9%	2.4%	3.5%
Net Margin	-7.2%	-8.9%	3.3%	4.8%	0.8%	1.9%
ROE	-20.8%	-27.1%	9.3%	13.1%	2.3%	5.4%
ROCE	-6.3%	-6.3%	-1.7%	1.1%	3.3%	4.9%
Gearing	41.7%	82.5%	72.9%	40.0%	37.1%	29.1%
FCF per share	-0.1	-0.2	0.1	0.3	0.0	0.1
EPS (€)	-0.3	-0.3	0.1	0.2	0.0	0.1
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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