

## EGIDE

Euronext C - FR0000072373 – GID

- ✓ Half-year results: Egide SA confirms its takeover, USA in the starting blocks, Santier in expectation;
- ✓ H1 revenue -3.9%, stable operating profit € 0.5m (margin 3.1%), net income € 0.2m (margin 1.4% vs 0%), gearing excluding rents 64% vs 49% at 12/31;

The 3rd consecutive semester of growth in activity of Egide SA is accompanied by a pronounced increase in profit with an operating profit of € 277K vs. € 38K in H2 2020 and - € 700K in H1 2020. Egide SA thus posted a margin of 3.8%. The reorganization put in place 18 months ago pays and validates a lasting drop in breakeven point which is between € 6.9m and € 7m per half-year vs. € 8m previously.

Egide USA posted an operating profit of € 395,000 (margin of 7.4%), but it is difficult to read it because the fire made it necessary to heavily outsource its activity in order not to lose customers. It is only since July that Egide USA can once again fully rely on its industrial facilities, as management anticipated a faster recovery. The use of subcontracting resulted in an additional cost of € 2.7m, an additional cost which was only compensated in the amount of € 0.5m. On the other hand, the new fixed assets making it possible to restore all of the production tool showed an accounting profit of € 2.2m. These elements thus make it possible to post a profitable semester in terms of accounting.

Santier, whose activity fell by 20% in euros and 13% in dollars, fell into the red with an operating profit of - € 0.15m vs € 0.2m in H1 2020. This is the direct result of a lack of business volume, charges being met.

What to remember from the 1st semester? 1 / Egide SA seems to have structurally reduced its break-even point, 2 / Egide USA has retained its customers despite a significant cost, 2 / Santier seems to lack a source of growth.

### Outlook

When the H1 turnover was published, the management aimed for a turnover of € 34m. From now on, it is aiming for activity in H2 equivalent to H1, ie an annual turnover of € 33.2m. We were expecting € 33.5m. We therefore agree with this scenario which is justified by a greater inertia than expected at the level of Santier. It should also be remembered that Egide SA benefited from an exceptional contract in H1 which will not be fully offset in H2. Finally, the fact that Egide USA was unable to dispose of its industrial facilities necessarily had consequences in prospecting for customers. In view of the cycles which are relatively long, the time lost cannot be made up in 1 semester.

In terms of results, Egide USA will benefit in H2 for € 660,000 from PPP (Paycheck Protection Program). It had benefited from it to the tune of € 690,000 in H1 2020. Its annual operating profit should therefore be close to € 1.2m according to our estimates. Santier, whose perimeter is unlikely to change or only slightly, should post a H2 result close to that of H1, which induces an operating profit of around - € 0.3m. Regarding Egide SA, the non-replacement of the exceptional contract noted in H1 will logically have a negative effect on the basis of a breakeven point of between € 6.9m and € 7m. We can therefore expect an annual loss of around - € 0.15m.

### Conclusion.

Although reading the results is complicated, the signals are quite good for Egide SA and Egide USA. One has a new industrial tool and therefore offers better competitiveness, the other is modernizing while having lowered its breakeven point. These elements must be commercially favorable factors. Also with regard to cycles, it is from H2 2022 that we should observe an inflection "without accounting artifice". These projects being well advanced, it is now time to tackle Santier. With American flexibility helping, here too we should have answers by the end of H1 2022. Much remains to be done, but we can see that the lines are moving in the right direction. We must now transform commercially and with a real culture of prices.

**Opinion & price target confirmed : € 1,74 – Buy.**

**Arnaud Riverain**

**+ 33 (0)1 76 70 35 34**

**ariverain@greensome-finance.com**

## BUY

### H1 Results + Conf Call

BPI Label – Innovative company- PEA-PME Eligible

**TARGET** **BEFORE**  
**€ 1.74** **€ 1.74**

**SHARE PRICE** (9.29.21) **POTENTIAL**  
**€ 1.415** **+ 23%**

**CAPITALISATION** **FLOTTANT**  
**€ 14.6m** **€ 12.1m**

Ratios	2021e	2022e	2023e
EV/Sales	0,6	0,6	0,5
EV/EBIT	-9,5	27,2	14,7
P/E	58,4	95,9	19,3
P/CF	8,7	6,1	13,1
Dividend Yield	0,0	0,0	0,0

Data per share	2020	2021e	2022e	2023e
EPS	0,10	0,02	0,01	0,07
%Change	nr	-0,75	-0,39	3,97
FCF	0,08	0,20	0,01	0,04
%Change	nr	1,48	-0,97	7,13
Dividend	-	-	-	-

Income Statement (€m)	2020	2021e	2022e	2023e
Net Sales	30,0	33,2	35,4	37,6
%Change	-5,7%	10,8%	6,4%	6,4%
EBIT	2,0	0,8	0,7	1,4
% Sales	6,6%	2,5%	2,1%	3,6%
Net Result	1,0	0,3	0,2	0,8
% Sales	3,3%	0,8%	0,4%	2,0%

Cash Flow Statement (€m)	2020	2021e	2022e	2023e
FCF	0,9	2,1	0,1	0,5
Net Debt	7,7	5,7	5,6	5,2
Shareholder Equity	10,6	10,8	11,0	11,7
Gearing	72,9%	52,7%	51,4%	44,2%
ROCE	6,9%	3,2%	2,8%	5,0%

Shareholders	
Vatel Capital	10,0%
Sigma Gestion	5,0%
Management	2,0%
Free Float	83,0%

Performances	2021	3m	6m	1 Year
Egide	21,5%	-4,7%	20,4%	79,1%
CAC Small	18,6%	1,9%	6,5%	49,6%
12 months Low-High	0,75	1,69		

Liquidity	2021	3m	6m	1 Year
Cumulative volume (000)	6 006	1 973	7 621	20 544
% of capital	58,0%	19,1%	73,7%	198,6%
% of Free Float	69,9%	23,0%	88,7%	239,2%
€ Million	8,5	2,8	10,6	24,6

**Next Event**

Sales 2021 : January, 26

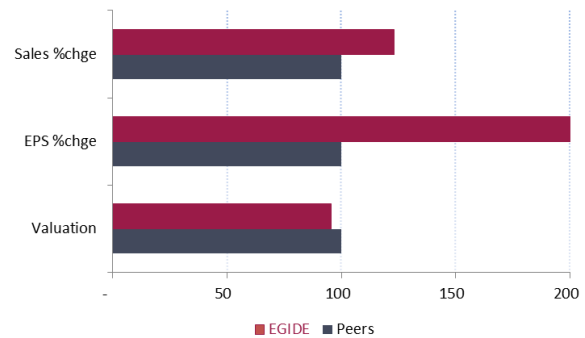
## Snapshot Egide

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
7/24/21	H1 Sales	Buy	€ 1.56	€ 1.74
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

## Financial Data

Income Statement (€ m)	2018	2019	2020	2021e	2022e	2023e
Revenues	31,7	31,8	30,0	33,2	35,4	37,6
Purchase	12,6	13,1	12,5	13,1	14,1	15,0
Externals costs	4,7	4,8	2,3	6,4	5,1	5,5
Personnals Costs	13,5	13,7	13,6	13,7	13,5	14,0
Amortization	1,8	1,4	1,6	1,4	1,5	1,4
other	-0,2	-0,3	2,3	3,0	0,0	0,0
EBIT	-1,5	-2,2	2,0	0,8	0,7	1,4
Financial Result	-0,6	-0,6	-0,6	-0,6	-0,6	-0,6
Tax	0,1	0,0	-0,4	0,0	0,0	0,0
Net Result	-2,3	-2,8	1,0	0,3	0,2	0,8
Balance Sheet (€ m)	2018	2019	2020	2021e	2022e	2023e
Fixed Assets	8,3	11,6	10,0	8,6	8,2	7,9
Stock Inventories	6,5	7,5	8,1	8,3	8,8	9,4
Accounts Receivable	5,9	6,5	5,0	6,5	6,9	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	4,1	4,1	4,4
TOTAL Assets	23,4	27,2	27,8	27,9	28,4	29,6
Shareholders' Equity	11,0	10,4	10,6	10,8	11,0	11,7
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	6,9	7,3
TOTAL Liabilitites	23,4	27,2	27,8	27,9	28,4	29,6
Cash Flow Statements (€ m)	2018	2019	2020	2021e	2022e	2023e
Cash Flow from Operating Activities	-0,2	-1,1	2,5	2,1	1,7	2,2
Change in Net Working Capital	-0,7	0,2	0,8	-0,3	0,6	0,6
Cash Flow from Operations	0,4	-1,3	1,7	2,4	1,1	1,6
Cash Flow from Investing	-0,9	-0,9	-0,8	-0,3	-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	-0,8	0,6	-0,1	-0,1
Net Change in cash position	-0,6	-0,9	-0,1	2,7	-0,1	0,3
RATIOS	2018	2019	2020	2021e	2022e	2023e
Ebitda Margin	1,5%	-0,7%	3,9%	-0,9%	6,4%	7,4%
EBIT Margin	-4,8%	-6,9%	6,6%	2,5%	2,1%	3,6%
Net Margin	-7,2%	-8,9%	3,3%	0,8%	0,4%	2,0%
ROE	-20,8%	-27,1%	9,3%	2,3%	1,4%	6,5%
ROCE	-6,2%	-7,3%	6,9%	3,2%	2,8%	5,0%
Gearing	41,7%	82,5%	72,9%	52,7%	51,4%	44,2%
FCF per share	-0,1	-0,2	0,1	0,2	0,0	0,0
EPS (€)	-0,3	-0,3	0,1	0,0	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%

## Disclosures

Corporate Finance operation in progress or completed during the last 12 months	GreenSome Consulting and affiliate owns common equity securities of this subject company	Financial Analysis Contract	Notice to the company before publication	Liquidity Contract	Liquidity Provider
NO	NO	YES	YES	NO	NO

This publication was prepared by Greensome Finance on behalf of GreenSome Consulting. It is issued for informational purposes only and does not constitute a solicitation of orders to buy or sell securities mentioned therein.

The information contained in this publication and all opinions contained therein are based on sources believed reliable. However Greensome Consulting does not warrant the accuracy or completeness of this information and no one can rely. All opinions, projections and / or estimates contained in this publication reflect the decision of Greensome Consulting on the date and may be subject to change without notice. This publication is for informational purposes only to professional investors who are supposed to develop their own investment decisions without relying improperly on this publication. Investors must make their own judgments about the appropriateness of investing in any securities mentioned in this publication taking into account the merits and risks attached to them, their own investment strategy and their legal status, fiscal and financial. Past performance is by no means a guarantee for the future. Because of this publication, neither Greensome Consulting nor any of its officers or employees, cannot be held responsible for any investment decision. In accordance with the regulations and to prevent and avoid conflicts of interest with respect to any investment recommendations, Greensome Consulting has developed and maintains an effective operational management of conflicts of interest. The system for managing conflicts of interest is to prevent, with reasonable certainty, any breach of the principles and rules of professional conduct. It is constantly updated to reflect regulatory changes and changes in the activity of Greensome Consulting. Greensome Consulting intends at all times, act with respect for the integrity of the market and the primacy of the interests of its customers. To this end, Greensome Consulting has set up an organization's business and the procedures commonly called "Chinese Wall" whose purpose is to prevent the improper circulation of confidential information, and organizational and administrative arrangements to ensure transparency in situations likely to be perceived as conflicts of interest by investors. This publication is in terms of its distribution in the UK, only for people considered persons licensed or exempt under the Financial Services Act 1986 in the United Kingdom or any regulations passed under it or to persons as described in section 11 (3) of the Financial Services Act 1986 (Investment Advertisement) (Exemptions) Order 1997 and is not intended to be distributed or communicated, directly or indirectly, to any other type of person. The distribution of this publication in other jurisdictions may be restricted by applicable law, and anyone who would come to be in possession of this book should learn and observe such restrictions.