

EGIDE

Euronext C - FR0000072373 – GID

✓ Credit lines extended until September 30 for Santier and Egide USA

When publishing the 2021 results, Egide announced that due to non-respected covenants, Banc of California had given until June 30 to find a financial partner in the USA. The financial institution agreed to postpone this deadline to September 30 at the request of management.

Initially Egide expected approval in mid-June.

Two projects are under study:

- The refinancing of the Cambridge building for \$6 million by World Business Capital, financing repayable over 20 years at the rate of 6.91%, the first use of which will be the repayment of long-term loans;

- The refinancing of the revolving lines of credit which finance the WCR of Egide USA and Santier, WCR which amounted to \$2.4 M at 31/12/21. Egide would obtain a line of credit of up to \$6 million from Gibraltar Business Capital at the Prime Rate +2.5%.

Even if Egide sells a non-negligible asset, this will allow it to have greater financial latitude and will significantly improve its balance sheet in terms of financial debt excluding rental debt.

After a highly disrupted year in 2021 in the USA following the fire that occurred in 2020 at Egide USA and the difficulties encountered by Santier in passing on the cost of materials, 2022 should mark a significant change.

This will involve 1/ the reconstitution of the teams within Egide USA, the US job market having been very tense for several months and 2/ the necessary adaptation of Santier to the fact that it operates in short cycles which imposes know how to quickly pass on the cost of materials to avoid having a strong negative impact on profitability.

Opinion & price target.

From a stock market point of view, the stock underwent a sharp correction following the publication of the annual results and a further correction after an initial rebound following the announcement of the postponement of the publication of the annual financial report; The postponement was linked to the difficulties encountered by the American auditors to certify the accounts, difficulties resulting from the withdrawal of Banc of California. To this was added a market that has lost more than 10% since the end of March.

Thus, our target price of €1.78 induces a potential greater than 100%. We are on €1.5 per DCF with a discount rate of 10%, an average annual growth rate over the period 2021-2031 of +6.6% and a normative operating margin of 6%.

By peers we are at €2.10 after a size discount of 30%.

Egide therefore presents a clear discount, but the current context is not favorable to "technological" stocks. In addition, the news has often disappointed the market, which historically weighs on the stock.

After a year 2021 which demonstrated that Egide SA could finally be profitable, 2022 should confirm the "recovery" in the USA. If this is the case and Egide SA continues its momentum, then the image of the group with investors should change positively.

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BUY

Amendment to credit agreements

BPI Label – Innovative company- PEA-PME Eligible

TARGET **BEFORE**
€ 1.78 **€ 1.78**

SHARE PRICE (6.17.22) **POTENTIAL**
€ 0.87 **+ 105%**

CAPITALISATION **FLOTTANT**
€ 9m **€ 7.9m**

Ratios	2022e	2023e	2024e
EV/Sales	0,5	0,4	0,3
EV/EBIT	21,3	11,6	7,4
P/E	22,8	9,0	6,2
P/CF	8,3	4,6	2,5
Dividend Yield	0,0	0,0	0,0

Data per share	2021	2022e	2023e	2024e
EPS	0,02	0,04	0,10	0,14
%Change	nr	0,97	1,53	0,46
FCF	-0,03	0,00	0,08	0,26
%Change	nr	nr	nr	2,26
Dividend	-	-	-	-

Income Statement (€m)	2021	2022e	2023e	2024e
Net Sales	32,5	36,3	38,5	40,9
%Change	8,4%	11,6%	6,2%	6,2%
EBIT	0,8	0,8	1,4	1,9
% Sales	2,5%	2,2%	3,7%	4,6%
Net Result	0,2	0,4	1,0	1,5
% Sales	0,6%	1,1%	2,6%	3,6%

Cash Flow Statement (€m)	2021	2022e	2023e	2024e
FCF	-0,4	0,0	0,8	2,7
Net Debt	8,3	8,3	7,5	4,9
Shareholder Equity	11,4	11,8	12,8	14,3
Gearing	73,0%	70,6%	58,7%	34,2%
ROCE	2,6%	2,6%	4,4%	6,2%

Shareholders	
Vatel Capital	5,0%
Sigma Gestion	5,0%
Management	2,0%
Free Float	88,0%

Performances	2022	3m	6m	1 Year
Egide	-39,2%	-35,1%	-32,3%	-41,0%
CAC Small	-19,0%	-10,8%	-15,1%	-14,5%
12 months Low-High	0,78	1,75		

Liquidity	2022	3m	6m	1 Year
Cumulative volume (000)	10 319	3 851	10 580	15 287
% of capital	99,7%	37,2%	102,3%	147,7%
% of Free Float	113,3%	42,3%	116,2%	167,9%
€ Million	13,6	4,3	14,0	20,3

Next Event H1 Sales :July, 21

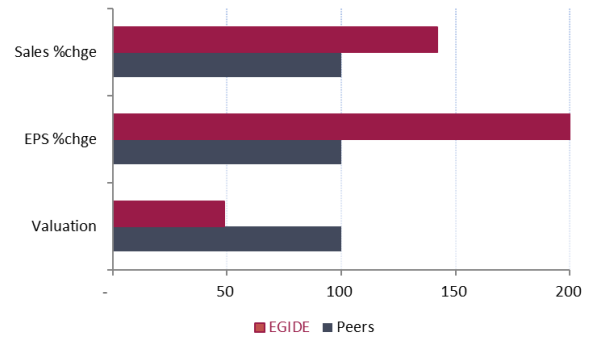
Snapshot Egide

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
3/30/22	2021 Annual results	Buy	€ 1.44	€ 1.78
1/26/22	2021 Annual Sales	Buy	€ 1.595	€ 1.78
12/13/21	Press Release	Buy	€ 1.26	€ 1.85
9/29/21	H1 Results	Buy	€ 1.415	€ 1.76
7/24/21	H1 Sales	Buy	€ 1.56	€ 1.74
6/25/21	General Assembly	Buy	€ 1.475	€ 1.74

Financial Data

Income Statement (€ m)	2019	2020	2021	2022e	2023e	2024e
Revenues	31,8	30,6	32,5	36,3	38,5	40,9
Purchase	13,1	12,5	12,7	14,5	15,4	16,4
Externals costs	4,8	2,3	6,5	5,3	5,6	5,9
Personnals Costs	13,7	13,6	14,0	13,7	14,2	14,7
Amortization	1,4	1,6	1,5	1,7	1,6	1,6
other	-0,3	2,3	3,4	0,0	0,0	0,0
EBIT	-2,2	2,0	0,8	0,8	1,4	1,9
Financial Result	-0,6	-0,6	-0,4	-0,4	-0,4	-0,4
Tax	0,0	-0,4	-0,2	0,0	0,0	0,0
Net Result	-2,8	1,0	0,2	0,4	1,0	1,5

Balance Sheet (€ m)	2019	2020	2021	2022e	2023e	2024e
Fixed Assets	11,6	10,0	12,6	11,5	11,2	10,6
Stock Inventories	7,5	8,1	7,6	9,1	9,6	9,1
Accounts Receivable	6,5	5,0	4,9	7,0	7,5	8,0
Other Currents Assests	0,2	3,2	1,4	0,5	0,5	0,6
Cash & Equivalents	1,5	1,4	1,6	1,5	2,2	4,6
TOTAL Assets	27,2	27,8	28,1	29,6	31,1	32,9
Shareholders' Equity	10,4	10,6	11,4	11,8	12,8	14,3
Provisions	0,8	0,8	0,9	0,9	1,0	1,0
Financial Debt	6,9	6,6	7,7	7,6	7,5	7,3
Accounts Payables	5,9	7,2	5,3	7,0	7,5	8,0
TOTAL Liabilitites	27,2	27,8	28,1	29,6	31,1	32,9

Cash Flow Statements (€ m)	2019	2020	2021	2022e	2023e	2024e
Cash Flow from Operating Activities	-1,1	2,5	-1,2	2,1	2,6	3,0
Change in Net Working Capital	0,2	-0,8	0,7	1,0	0,6	-0,5
Cash Flow from Operations	-1,3	1,7	-0,5	1,1	2,0	3,6
Cash Flow from Investing	-0,9	-0,8	0,1	-1,1	-1,2	-0,9
Capital Increase	2,4	0,0	0,0	0,0	0,0	0,0
Funding Flow	0,2	0,3	0,7	-0,1	-0,1	-0,2
Cash Flow from Financing	1,3	-0,8	0,5	-0,1	-0,1	-0,2
Net Change in cash position	-0,9	-0,1	0,2	-0,1	0,7	2,5

RATIOS	2019	2020	2021	2022e	2023e	2024e
Ebitda Margin	-0,7%	3,9%	-3,2%	6,9%	7,7%	0,0%
EBIT Margin	-6,9%	6,4%	2,5%	2,2%	3,7%	4,6%
Net Margin	-8,9%	3,2%	0,6%	1,1%	2,6%	3,6%
ROE	-27,1%	9,3%	1,8%	3,3%	7,8%	10,2%
ROCE	-7,3%	6,9%	2,6%	2,6%	4,4%	6,2%
Gearing	82,5%	72,9%	73,0%	70,6%	58,7%	34,2%
FCF per share	-0,21	0,08	-0,03	0,00	0,08	0,26
EPS (€)	-0,27	0,10	0,02	0,04	0,1	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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NO	NO	YES	YES	NO	NO

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