

EGIDE

Euronext Growth - FR0000072373 – ALGID

- ✓ 2022 Sales: Asia drives growth.
- Groupe sales €33.8m +4% (€33.2m expected) / -2.1% cer;
 - Egide SA €15.5m +8.9% / USA €9.6m -6.5% / Santier €8.7m +8.8%.

2022 is marked by the dynamism of the Asia-Middle East zone, which increased by +40.4% to €8.75 million, which mainly benefits Egide SA, whose activity accelerated in H2 with growth of +13.6%. Egide SA thus posted its second best semester in H2 at €7.8m after €8m in H2 2017 and ended the year with sales of €15.46m (+8.9%) vs €14.9m expected. The growth is essentially linked to Microwave, which rose by +44.1% to €4.28 million, which is the result of new commercial outlets.

Egide USA fell by -6.5% while Santier rose by +8.8%, but at constant exchange rates the two entities fell by -16.7% and -3.1% respectively. They mainly suffered from recruitment difficulties, which logically penalized the capacity of the industrial tool. Nevertheless, the drop in activity in H2 slowed considerably compared to H1 at constant exchange rates with -4% vs -27.9% for Cambridge and -1.3% vs -4.8% for Santier. This is linked to a gradual return to normal in terms of human resources.

By activity, Egide was penalized by Power, which fell by -17.3% to €6.97 million due to the problems encountered in the USA to have sufficient teams. Apart from Hyperfrequency (+44%), the rest of the activities are up slightly (between +1.5% and +5.6%).

Concerning the USA, the lack of manpower was the main point penalizing the activity because it led to delays in terms of production and therefore delivery.

Outlook.

The management is confident in terms of activities for 2023 in view of its order book which already represents 60% of its budget. The key will be 1/ to stabilize the US teams to meet demand and 2/ to manage the factors affecting the cost price (salaries, energy, etc.).

Conclusion.

We will retain from this financial year the beginning of new business opportunities in Asia-Middle East. This is a positive signal concerning the commercial efforts that have been made, whereas until now this was, in our opinion, one of the weak points of the group.

For 2023, we will have to be vigilant about managing production costs. It will be key for Egide to be able to pass on the increase in the latter and even be able to better value its products, e.g. demonstrate better “pricing power”. This is one of the keys, in our opinion, to the sustainability of the group. Its position within certain sensitive sectors (military, etc.) should enable it to revise its price policy upwards.

To caricature, Egide should no longer position itself below certain prices. It is better to “miss” certain markets than to win them without guarantee of being profitable in the medium to long term.

Egide must take advantage of this period of inflation to turn a corner. Is it possible, that is the question.

Opinion & price target.

Does Egide have pricing power? This is one of the key questions, especially in a context of high wage inflation, particularly in the USA, but also material for the entire group. This question justifies that we confirm our Speculative Buy opinion because there is great uncertainty in the ability to compensate for the increase in production costs.

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SPEC. INV

Sales 2022

BPI Label – Innovative company- PEA-PME Eligible

TARGET **BEFORE**
€ 0.85 **€ 0.85**

SHARE PRICE (12.30.22) **POTENTIAL**
€ 0.538 **+58 %**

CAPITALISATION **FLOTTANT**
€ 5.57m **€ 4.9m**

Ratios	2022e	2023e	2024e
EV/Sales	0,5	0,5	0,4
EV/EBIT	-8,0	55,1	12,0
P/E	-1,7	-46,6	6,3
P/CF	-2,7	6,5	3,3
Dividend Yield	0,0	0,0	0,0

Data per share	2021	2022e	2023e	2024e
EPS	0,02	-0,32	-0,01	0,09
%Change	nr	nr	nr	nr
FCF	-0,03	-0,11	-0,02	0,08
%Change	nr	nr	nr	nr
Dividend	-	-	-	-

Income Statement (€m)	2021	2022e	2023e	2024e
Net Sales	32,5	33,8	36,0	38,8
%Change	8,4%	4,0%	6,3%	8,0%
EBIT	0,8	-2,0	0,3	1,3
% Sales	2,5%	-6,0%	0,8%	3,4%
Net Result	0,2	-3,3	-0,1	0,9
% Sales	0,6%	-9,7%	-0,3%	2,3%

Cash Flow Statement (€m)	2021	2022e	2023e	2024e
FCF	-0,4	-1,1	-0,2	0,8
Net Debt	8,3	10,8	11,0	10,1
Shareholder Equity	11,6	8,3	8,2	9,1
Gearing	72,0%	129,6%	134,2%	111,9%
ROCE	2,6%	-6,8%	1,0%	4,3%

Shareholders	
Sigma Gestion	5,0%
Pleiade Invest	3,0%
Vatel	2,0%
Management	2,0%
Free Float	88,0%

Performances	2023	3m	6m	1 Year
Egide	1,9%	-9,5%	-21,4%	-61,1%
Euronext Growth	5,6%	-0,5%	4,0%	-11,0%
12 months Low-High	0,43	1,71		

Liquidity	2023	3m	6m	1 Year
Cumulative volume (000)	676	1 658	2 898	11 941
% of capital	6,5%	16,0%	28,0%	115,4%
% of Free Float	7,4%	18,2%	31,8%	131,1%
€ Million	0,4	0,9	1,8	13,0

Next Event 2022 Annual results : April, 19

Egide has signed a research contract with GreenSome.

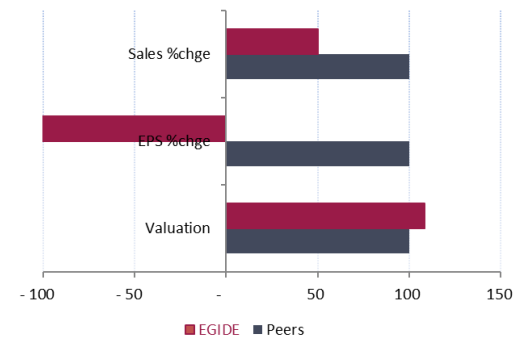
Snapshot Egide

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
1/2/23	Funding Agreement	Speculative Buy	€ 0.54	€ 0.85
10/24/22	H1 Results	Neutral	€ 0.717	€ 0.78
9/27/22	Focus	Speculative Buy	€ 0.63	€ 1.13
7/21/22	H1 Sales	Buy	€ 0.863	€ 1.45
7/1/22	Sale/lease back agreement	Buy	€ 0.94	€ 1.78
6/17/22	Amendment	Buy	€ 0.87	€ 1.78
3/30/22	2021 Annual results	Buy	€ 1.44	€ 1.78
1/26/22	2021 Annual Sales	Buy	€ 1.595	€ 1.78

Financial Data

Income Statement (€ m)	2019	2020	2021	2022e	2023e	2024e
Revenues	31,8	30,0	32,5	33,8	36,0	38,8
Purchase	13,1	12,5	12,7	13,7	14,0	15,1
Externals costs	4,8	2,3	6,5	4,7	4,7	4,9
Personnals Costs	13,7	13,6	14,0	15,1	15,1	15,6
Amortization	1,4	1,6	1,5	2,0	1,5	1,6
other	-0,3	2,3	3,4	0,0	0,0	0,0
EBIT	-2,2	2,0	0,8	-2,0	0,3	1,3
Financial Result	-0,6	-0,6	-0,4	-0,4	-0,4	-0,4
Tax	0,0	-0,4	-0,2	-0,8	0,0	0,0
Net Result	-2,8	1,0	0,2	-3,3	-0,1	0,9

Balance Sheet (€ m)	2019	2020	2021	2022e	2023e	2024e
Fixed Assets	11,6	10,0	12,8	11,0	10,6	9,9
Stock Inventories	7,5	8,1	7,4	8,5	9,0	9,7
Accounts Receivable	6,5	5,0	4,9	6,6	7,0	7,5
Other Currents Assests	0,2	3,2	1,6	0,5	0,5	0,5
Cash & Equivalents	1,5	1,4	1,6	-1,2	-1,8	-1,5
TOTAL Assets	27,2	27,8	28,3	25,3	25,2	26,2
Shareholders' Equity	10,4	10,6	11,6	8,3	8,2	9,1
Provisions	0,8	0,8	0,9	0,8	0,9	1,0
Financial Debt	6,9	6,6	7,7	6,0	5,6	5,1
Accounts Payables	5,9	7,2	5,4	6,6	7,0	7,5
TOTAL Liabilitites	27,2	27,8	28,3	25,3	25,2	26,2

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

RATIOS	2019	2020	2021	2022e	2023e	2024e
Ebitda Margin	-0,7%	3,9%	-3,2%	-0,1%	5,1%	0,0%
EBIT Margin	-6,9%	6,6%	2,5%	-6,0%	0,8%	3,4%
Net Margin	-8,9%	3,3%	0,6%	-9,7%	-0,3%	2,3%
ROE	-27,1%	9,3%	1,7%	-39,5%	-1,5%	9,8%
ROCE	-7,3%	6,9%	2,6%	-6,8%	1,0%	4,3%
Gearing	82,5%	72,9%	72,0%	129,6%	134,2%	111,9%
FCF per share	-0,21	0,08	-0,03	-0,11	-0,02	0,08
EPS (€)	-0,27	0,10	0,02	-0,32	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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NO	NO	YES	YES	NO	NO

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