

## 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%.

We have been talking about the difficulties encountered in the USA for some time, with for Cambridge the problem linked to the difficulty of recovering all its teams and for Santier an activity which has never really progressed since its acquisition.

The American perimeter has failed to “recover” 1/ from the fire in Cambridge and 2/ from the consequences of the Covid which caused a drain of skills and great difficulty in finding them. This last element seems to have profoundly modified the American “barycentre”, making its prospects for a return to profitability more than uncertain. Indeed, the situation deteriorated sharply in H2 with losses of more than € 3.8m for a turnover of € 9.9m after having lost € 1.9m in H1 for a turnover of € 8.3m. Ultimately, the American activities, which are now considered as discontinued operations, made a net loss of €5.96m over the year, a level never seen before.

Egide USA most certainly encounters a problem of attractiveness, which is a factor limiting its development capacities. Its scope is probably too narrow to continue in this way, especially in view of the new environment in terms of employment in the United States, which has led to very significant wage inflation.

To sustain the group's activity, the decision was therefore made to sell the American entities. Exclusive negotiations for this sale have now been initiated. The fact that the investments made in Egide SA are beginning to pay off makes the momentum for such an operation opportune.

Indeed, Egide SA is profitable for the second year in a row Turnover increased by 8.9% to €15.46m, the Ebitda margin improved to 6.7% vs 5.6% in 2021, operating income was stable (€0.6m / operating margin 3.8% vs. 4.3%), net income fell but remained in positive territory (€0.34m vs. €0.64m). Note that in H2, the operating margin was 8%, which is a level not reached since 2000.

The “new entity” finds itself benefiting from more favorable ratios with a gearing of 61% whereas we anticipated 130% for the entire scope. Moreover, if there is a sale, we bet that the operation could be positive in terms of cash.

### Outlook.

Henceforth, everything rests on Egide SA. The entity that was the weak point of the group almost 5 years ago seems to have changed and has become viable even if it is necessary to continue commercial efforts.

Moreover, the fact of now being seen as a European and French player could help in the context of certain military contracts deemed to be sensitive. This may therefore be an opportunity, especially in a context of massive reinvestment in the European defense sector.

Moreover, the fact of no longer having to compensate for American difficulties will free up resources.

### Conclusion.

A page turns but probably “for the good cause”. However, this does not detract from the fact that commercial efforts must continue and demonstrate better pricing power. As we have already said, “Egide must take advantage of this period of inflation to turn a corner”.

### Opinion & price target.

From now on, we are reasoning on the Egide SA perimeter.

The decision to sell the USA leads us to lower our risk premium in the DCF model, as the new perimeter seems less risky to us than before. We now discount 10.5% vs 11%. By DCF we arrive at a value per share of €0.84 and by peers after size discount of €1.02. The new target price stands at €0.91 (60% DCF / 40% comparable).

So, we go to Neutral.

**Arnaud Riverain**  
 + 33 (0)6 43 87 10 57  
 ariverain@greensome-finance.com

## Neutral vs Spec. Inv

### Annual Results

BPI Label – Innovative company- PEA-PME Eligible

**TARGET** **BEFORE**  
**€ 0.91** **€ 0.85**

**SHARE PRICE** (4.27.23) **POTENTIAL**  
**€ 0.893** **+2.2%**

**CAPITALISATION** **FLOTTANT**  
**€ 9.24m** **€ 8.13m**

Ratios	2022	2023e	2024e
EV/Sales	0,8	0,4	0,3
EV/EBIT	21,4	12,3	8,5
P/E	27,2	21,1	19,0
P/CF	-19,3	6,3	6,0
Dividend Yield	0,0	0,0	0,0

Data per share	2021	2022	2023e	2024e
EPS	0,02	0,03	0,04	0,05
%Change	nr	0,69	0,29	0,11
FCF	-0,03	0,10	0,09	0,11
%Change	nr	nr	-0,03	0,20
Dividend	-	-	-	-

Income Statement (€m)	2021	2022	2023e	2024e
Net Sales	32,5	15,5	16,5	17,4
%Change	8,4%	-52,4%	7,0%	5,0%
EBIT	0,8	0,6	0,6	0,6
% Sales	2,5%	3,8%	3,6%	3,7%
Net Result	0,2	0,3	0,4	0,5
% Sales	0,6%	2,2%	2,6%	2,8%

Cash Flow Statement (€m)	2021	2022	2023e	2024e
FCF	-0,4	1,0	1,0	1,2
Net Debt	8,3	3,4	-1,9	-3,7
Shareholder Equity	11,6	6,7	7,1	7,6
Gearing	72,0%	50,6%	-26,7%	-48,8%
ROCE	2,6%	5,1%	4,1%	4,7%

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	66,3%	65,7%	55,1%	-16,9%
Euronext Growth	-3,3%	-8,6%	-8,9%	-12,9%
12 months Low-High	0,43	1,30		

Liquidity	2023	3m	6m	1 Year
Cumulative volume (000)	7 327	6 651	8 308	11 808
% of capital	70,8%	64,3%	80,3%	114,1%
% of Free Float	80,5%	73,0%	91,2%	129,7%
€ Million	6,7	6,4	7,2	10,1

Next Event

*Egide has signed a research contract with GreenSome.*

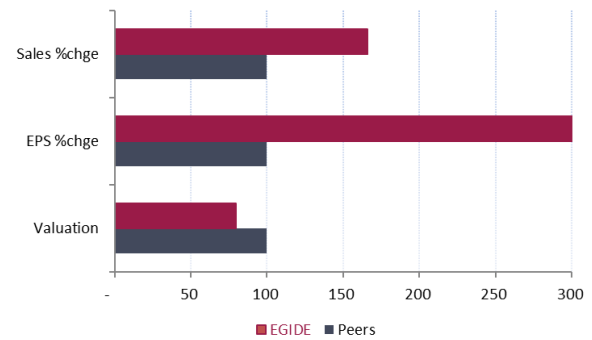
## Snapshot Egide

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
1/26/23	2022 Annual Sales	Speculative Buy	€ 0.538	€ 0.85
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

## Financial Data

Income Statement (€ m)	2019	2020	2021	2022e	2023e	2024e
Revenues	31,8	30,0	32,5	15,5	16,5	17,4
Purchase	13,1	12,5	12,7	5,7	6,1	6,4
Externals costs	4,8	2,3	6,5	2,4	2,5	2,6
Personnals Costs	13,7	13,6	14,0	6,4	6,8	7,1
Amortization	1,4	1,6	1,5	2,0	1,4	1,3
other	-0,3	2,3	3,4	0,0	0,0	0,0
EBIT	-2,2	2,0	0,8	0,6	0,6	0,6
Financial Result	-0,6	-0,6	-0,4	-0,2	-0,2	-0,2
Tax	0,0	-0,4	-0,2	-0,1	0,0	0,0
Net Result	-2,8	1,0	0,2	0,3	0,4	0,5

Balance Sheet (€ m)	2019	2020	2021	2022e	2023e	2024e
Fixed Assets	11,6	10,0	12,8	2,5	4,3	3,4
Stock Inventories	7,5	8,1	7,4	8,3	8,9	9,4
Accounts Receivable	6,5	5,0	4,9	0,0	0,0	0,0
Other Currents Assests	0,2	3,2	1,6	0,0	0,0	0,0
Cash & Equivalents	1,5	1,4	1,6	0,7	3,1	3,8
<b>TOTAL Assets</b>	<b>27,2</b>	<b>27,8</b>	<b>28,3</b>	<b>27,6</b>	<b>16,3</b>	<b>16,5</b>
Shareholders' Equity	10,4	10,6	11,6	6,7	7,1	7,6
Provisions	0,8	0,8	0,9	0,8	0,4	0,4
Financial Debt	6,9	6,6	7,7	4,8	4,3	3,9
Accounts Payables	5,9	7,2	5,4	3,2	3,4	3,6
<b>TOTAL Liabilitites</b>	<b>27,2</b>	<b>27,8</b>	<b>28,3</b>	<b>27,6</b>	<b>16,3</b>	<b>16,5</b>

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

RATIOS	2019	2020	2021	2022e	2023e	2024e
Ebitda Margin	-0,7%	3,9%	-3,2%	6,6%	6,3%	0,0%
EBIT Margin	-6,9%	6,6%	2,5%	3,8%	3,6%	3,7%
Net Margin	-8,9%	3,3%	0,6%	2,2%	2,6%	2,8%
ROE	-27,1%	9,3%	1,7%	5,1%	6,1%	6,4%
ROCE	-7,3%	6,9%	2,6%	5,1%	4,1%	4,7%
Gearing	82,5%	72,9%	72,0%	50,6%	-26,7%	-48,8%
FCF per share	-0,21	0,08	-0,03	0,10	0,09	0,11
EPS (€)	-0,27	0,10	0,02	0,03	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%

## 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 'n 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.