

EGIDE

Euronext Growth - FR0000072373 – ALGID

✓ Clearings appear!.

- H1 revenue €8.62m +12.8% / above our expectations.
- USA €10.57m +26.1%.
- H2 expected equivalent to H1.

With double-digit growth, Egide posted an H1 above our expectations both in France and in the American scope, which is considered as a discontinued activity because the decision was made to sell it due to the difficulties in making it profitable regarding the current scope.

Egide SA H1 turnover is the highest volume semester since H1 2011 and the third consecutive semester of increase. Egide SA has thus succeeded in posting growth 6 times over the last 7 semesters. The group managed to post an average growth rate in H1 since H1 2019 of +12.5%. We can therefore see that a commercial dynamic seems to have taken hold, which was a structural weakness of Egide.

The dynamic during this semester is essentially based on Thermal Imaging with an increase of +18.9%, which is a good signal because it represents 74.7% of Egide SA turnover. Apart from Microwave, which fell by 19.8% (8.9% of sales), all applications are growing. Europe, which is Egide's main market (58.8% of turnover), is logically very dynamic with an increase of 20.2%, while Asia and the Rest of the World, which has more exposure to microwave significant decline of 3.7%.

Regarding the American subsidiaries that have entered the disposal phase, Egide USA is clearly recovering with an increase in its activity of 49% to €6.35 million, which is the highest level ever recorded and this for more than 15 years.

Cambridge, which had been heavily penalized by staff-related issues after those related to the fire, has regained its industrial capacity and can therefore respond to the order book, which has improved significantly.

Santier, for its part, with a stable turnover of €4.22 million, is still unable to regain momentum and remains on its historical average for an H1.

Outlook.

Management estimates that the level of activity in H2 will be equivalent to that of H1. On this basis, this induces an annual turnover of more than €17m vs. €16.5m expected, i.e., the highest level since 2011. We are therefore adjusting our forecasts accordingly.

Concerning the USA, the dynamism of Cambridge is of good quality given that Egide is trying to give it up. Beyond that, the group working to optimize the economic performance of American entities, if it succeeds very quickly, could ask itself the question of keeping it. This could only be considered on the condition that the measures taken show their effectiveness this year, because Egide's financial strength is too light to maintain entities that are too far from profitability.

In view of the history of Cambridge and Santier, we have more doubts about the future of Santier, which has failed to grow and which has lost more than €1 million in the last two years.

Conclusion.

We thought the American page turned, maybe it's not that simple. The lines are moving in the right direction. Egide SA maintains a very good momentum and Egide USA is recovering clearly. Management therefore seems to have more "cartridges" than one could imagine following the publication of the annual results.

Opinion & price target.

The scope of Egide is set to evolve in the coming months. Economic signals are improving. It is now necessary that the signals of the intermediate balances follow.

In this very changing context, we are returning to Speculative Buy with a target of €0.91.

It will nevertheless be necessary to be very careful because, unless announced on the scope of the group, no communication is planned with the half-year results on October 26. So, we won't have any indicators until then.

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Spec. Buy. vs Neutral

Annual Results

BPI Label – Innovative company- PEA-PME Eligible

TARGET **BEFORE**
€ 0.91 **€ 0.91**

SHARE PRICE (4.27.23) **POTENTIAL**
€ 0.632 **+44%**

CAPITALISATION **FLOTTANT**
€ 6.54m **€ 6.21m**

Ratios	2023e	2024e	2025e
EV/Sales	0,6	0,5	0,4
EV/EBIT	16,4	13,5	8,5
P/E	13,5	12,2	8,4
P/CF	5,3	4,2	3,8
Dividend Yield	0,0	0,0	0,0

Data per share	2022	2023e	2024e	2025e
EPS	0,03	0,05	0,05	0,08
%Change	0,67	0,44	0,11	0,45
FCF	0,19	0,07	0,11	0,13
%Change	nr	nr	0,62	0,16
Dividend	-	-	-	-

Income Statement (€m)	2022	2023e	2024e	2025e
Net Sales	15,5	17,2	18,0	18,9
%Change	-52,4%	11,0%	5,0%	5,0%
EBIT	0,6	0,6	0,7	0,9
% Sales	3,8%	3,7%	3,8%	4,9%
Net Result	0,3	0,5	0,5	0,8
% Sales	2,2%	2,8%	3,0%	4,1%

Cash Flow Statement (€m)	2022	2023e	2024e	2025e
FCF	2,0	0,7	1,2	1,3
Net Debt	4,9	3,8	2,7	1,3
Shareholder Equity	6,5	7,0	7,5	8,3
Gearing	75,8%	55,0%	35,7%	16,1%
ROCE	4,6%	3,3%	3,8%	5,3%

Shareholders	
Pleiade Invest	3,0%
Management	2,0%
Free Float	95,0%

Performances	2023	3m	6m	1 Year
Egide	17,0%	-28,9%	17,9%	-25,6%
Euronext Growth	-1,7%	-0,8%	-7,1%	-2,0%
12 months Low-High	0,43	1,30		

Liquidity	2023	3m	6m	1 Year
Cumulative volume (000)	9 608	2 371	9 177	12 067
% of capital	92,9%	22,9%	88,7%	116,6%
% of Free Float	97,7%	24,1%	93,4%	122,8%
€ Million	8,2	1,6	8,0	9,8

Next Event H1 Results : October, 26

Egide has signed a research contract with GreenSome.

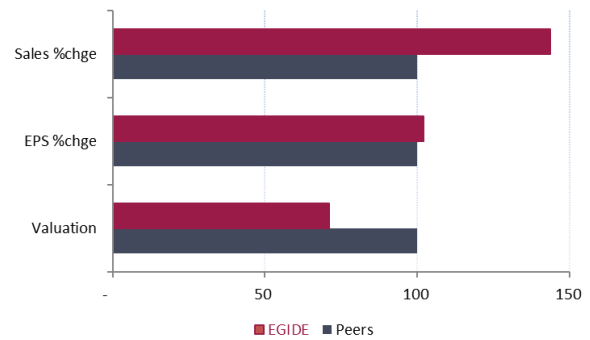
Snapshot Egide

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
4/27/23	Annual Results	Neutral	€ 0.893	€ 0.91
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)	2020	2021	2022	2023e	2024e	2025e
Revenues	30,0	32,5	15,5	17,2	18,0	18,9
Purchase	12,5	12,7	5,7	6,3	6,7	6,9
Externals costs	2,3	6,5	2,4	2,6	2,7	2,7
Personnals Costs	13,6	14,0	6,3	7,0	7,4	7,8
Amortization	1,6	1,5	0,5	0,5	0,5	0,6
other	2,3	3,4	0,1	0,0	0,0	0,0
EBIT	2,0	0,8	0,6	0,6	0,7	0,9
Financial Result	-0,6	-0,4	-0,2	-0,1	-0,1	-0,1
Tax	-0,4	-0,2	-0,1	0,0	0,0	0,0
Net Result	1,0	0,2	0,3	0,5	0,5	0,8

Balance Sheet (€ m)	2020	2021	2022	2023e	2024e	2025e
Fixed Assets	10,0	12,8	2,5	6,0	5,1	4,2
Stock Inventories	8,1	7,4	3,5	3,9	4,1	4,3
Accounts Receivable	5,0	4,9	3,4	3,7	3,9	4,1
Other Currents Assests	3,2	1,6	1,9	2,1	2,2	2,3
Cash & Equivalents	1,4	1,6	0,7	1,4	2,0	3,1
TOTAL Assets	27,8	28,3	27,9	17,1	17,3	18,0
Shareholders' Equity	10,6	11,6	6,5	7,0	7,5	8,3
Provisions	0,8	0,9	0,7	0,8	0,9	0,9
Financial Debt	6,6	7,7	4,6	4,2	3,7	3,4
Accounts Payables	7,2	5,4	2,7	3,0	3,2	3,3
TOTAL Liabilities	27,8	28,3	27,9	17,1	17,3	18,0

Cash Flow Statements (€ m)	2020	2021	2022	2023e	2024e	2025e
Cash Flow from Operating Activities	2,5	-1,2	0,9	1,9	1,9	2,1
Change in Net Working Capital	-0,8	0,7	-1,4	0,7	0,3	0,4
Cash Flow from Operations	1,7	-0,5	-0,5	1,2	1,6	1,7
Cash Flow from Investing	-0,8	0,1	-0,1	-0,5	-0,4	-0,4
Capital Increase	0,0	0,0	0,0	0,0	0,0	0,0
Funding Flow	0,3	0,2	0,9	0,0	-0,5	-0,3
Cash Flow from Financing	-0,8	0,5	0,8	0,0	-0,5	-0,3
Net Change in cash position	-0,1	0,2	-0,9	0,7	0,7	1,1

RATIOS	2020	2021	2022	2023e	2024e	2025e
Ebitda Margin	3,9%	-3,2%	5,9%	6,3%	6,3%	7,3%
EBIT Margin	6,6%	2,5%	3,8%	3,7%	3,8%	4,9%
Net Margin	3,3%	0,6%	2,2%	2,8%	3,0%	4,1%
ROE	9,3%	1,7%	5,2%	6,9%	7,1%	9,4%
ROCE	6,9%	2,6%	4,6%	3,3%	3,8%	5,3%
Gearing	72,9%	72,0%	75,8%	55,0%	35,7%	16,1%
FCF per share	0,08	-0,03	0,19	0,07	0,11	0,13
EPS (€)	0,10	0,02	0,03	0,0	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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