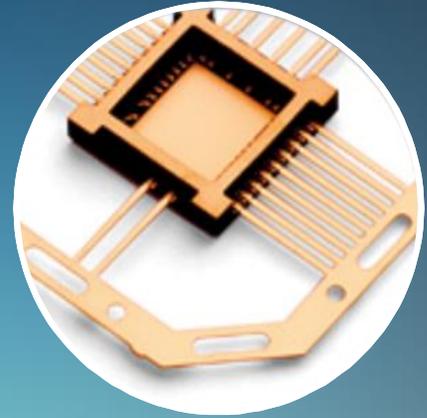


EGIDE

H1 2018 RESULTS PRESENTATION

2nd October 2018



H1 2018 BUSINESS REVIEW

H1 2018

€16.25m sales

+10.6% reported sales

+6.3%

*on a comparative basis**

€0.84m EBITDA

+€0.72m YoY



SOLID ORGANIC REVENUE GROWTH AND PROFITABILITY INCREASE IN H1

- ✓ Good performance primarily driven by the US markets
- ✓ Return to profitability in H1 at Net Income level



SALES ACCELERATION INITIATIVES & CUSTOMER-CENTRIC APPROACH

- ✓ Strengthened organisation & new processes implemented
- ✓ Focus on new business segments



CONTINUOUS EFFORT TO INCREASE PROFITABILITY IN OPERATIONS

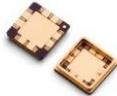
- ✓ Acceleration in yield and productivity improvements

EGIDE BUSINESS: H1 2018 AT A GLANCE



INNOVATIVE
HERMETIC
SOLUTIONS

Specialist for hermetic packages and thermal management materials...

	Thermal Imaging	Power	Microwave	Optronics	Other Electronics
					
Sales H1 2018	€5.49m	€3.01m	€3.36m	€2.62m	€1.77m
Var YoY % (*)	+5.8%	-2.9%	-6.0%	+36.3%	+16.3%

€16.25m revenue in H1-2018 +6.3% Year-on-Year on a comparative basis*

... for high value and critical electronic applications



A business evenly spread between Europe and the US

	Egide SA	Egide USA	Santier (US)
Sales H1-2018	€7.63m	€3.87m	€4.75m
Var YoY %	+1.1% YoY *	+8.8% YoY *	+15.8%*

* At constant currency and perimeter

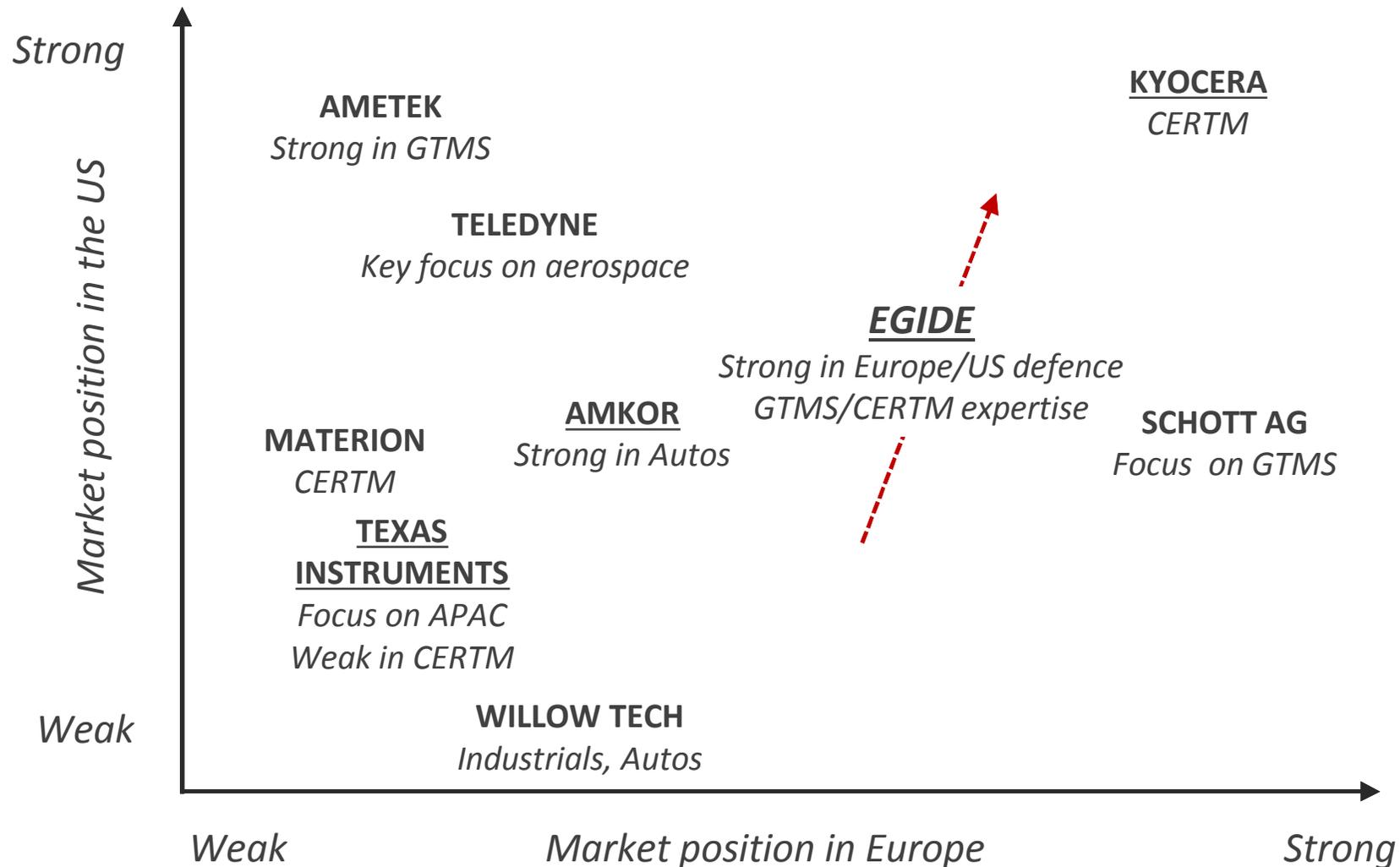
STRENGTHENED COMPETITIVE POSITION



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TRANSFORMATIONAL INITIATIVES IN THE US MARKET

HERMETIC PACKAGING COMPETITIVE ENVIRONMENT



Significant growth opportunities in the Europe and US markets



\$500m+ addressable market for Egide - 50% in the US



> +5% market growth per annum estimated until 2020

Military and Defense



Aeronautics and Space



Telecom



- ✓ **Structural growth** driven by new electronics applications and components innovation

Market share gain opportunities in the US ceramic market

- ✓ **€75m** Thermal Imaging market growing at **+6.6% over the next 3 years***
- ✓ Egide strongly positioned to capture **new programs** in the US market



BECOME A WORLDWIDE 1ST CHOICE PARTNER FOR HERMETIC PACKAGING

CLEAR VALUE PROPOSITION

- ✓ Agility with complex « mid-small » projects, thanks to technical leadership and highly qualified labour
- ✓ Competitive volume manufacturing

STRENGTHEN CUSTOMER CULTURE

- ✓ Delivery excellence
- ✓ Quality of service
- ✓ Responsiveness to customer demands

ACCELERATE INNOVATION

- ✓ Solutions to complex problems for clients

Strengthened **SALES** organization:

- ✓ Assigned VP to lead sales and added senior sales director in the **US**
- ✓ Assigned a senior sales director for **Asia** and **Middle-east**.
- ✓ More focus on **direct sales** where appropriate

New Sales **PROCESS** in place

- ✓ Reinforced drive of representative sales networks – monthly reviews & incentives
- ✓ New reporting system, New incentive program for sales team

Increased focus on **NEW KEY ACCOUNTS** in **KEY SELECTED MARKETS**

**Results already starting to
materialise**

- ✓ Pipeline of new projects in Defense & Space in Europe/Middle-East/India
- ✓ Opportunities to gain market shares in new market segments such as **Light Amplification** and **Thermal Batteries**

MOVING FROM QUALIFICATION TO DELIVERABLE ORDERS



✓ : Qualifications completed; starting firm deliverable orders



Accelerating momentum in the US ceramic market in 2018

- ✓ Ceramic package deliverable backlog ramping up to **\$1.3m (*)** in 2018 and book-to-bill ratio rising to **1.5**
- ✓ Ceramic qualifications leading to **GTMS new program revenue opportunities**

BUSINESS PIPELINE GROWING UP



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ACCELERATING PACE OF ENGAGEMENT WITH NEW CLIENTS IN 2018

A large, light green arrow pointing upwards and to the right, with a white outline, positioned behind the client logos.

2018 -
2019



US sites of **San Diego** and **Cambridge** qualified to become **AS9100** during Q3-2018



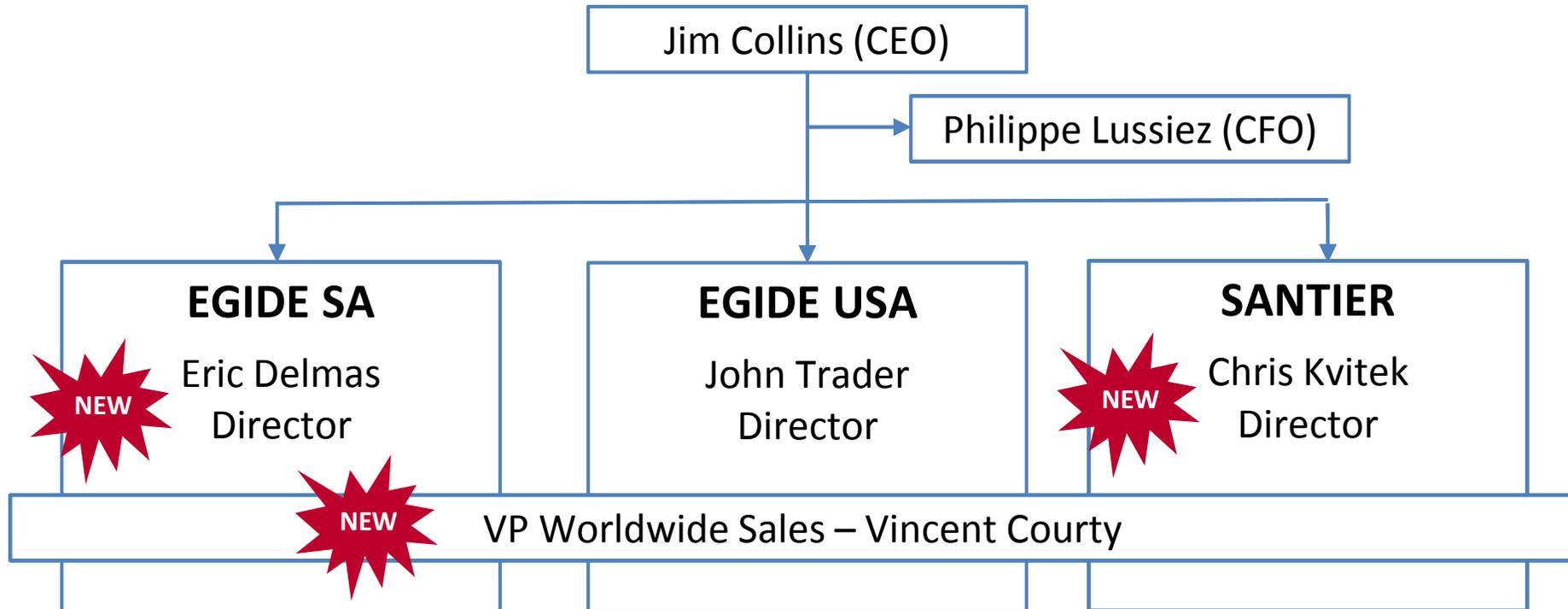
Improved manufacturing processes in Bollène

- ✓ Significant **improvement in yields** (both Ceramic & Assembly) already achieved these past months vs. 2017
- ✓ Line now running at **> 13% better efficiency** vs. 2017



On Time Delivery ratio already progressed by over **+10pts** vs. 2017 in Bollène

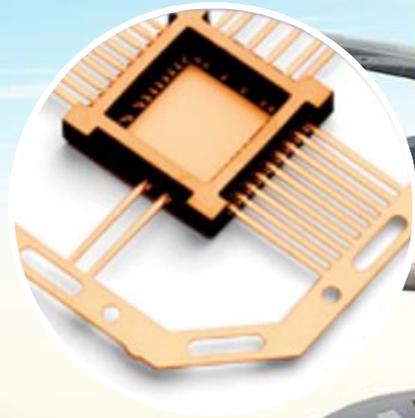
BRINGING NEW SKILLS AND EXPERTISE



- ✓ **Business Units director - Egide SA: Eric DELMAS**
 - Former Texas Instruments General Manager in Dallas, TX
 - Managing the **Bollène** facility as well as marketing and R&D in France



- ✓ **VP Worldwide Sales - Egide Group: Vincent COURTY**
 - Former Acal BFI France Managing Director
 - **VP Worldwide sales** – starting June 2018



H1 2018 FINANCIAL REVIEW

SOLID GROWTH IN H1 REVENUES



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In €m	Egide SA	Egide USA	Santier	Total
H1-2017	7.55	3.99	3.15	14.69
H1-2018	7.63	3.87	4.75	16.25
Reported growth (€m)	+0.08	- 0.12	+ 1.60	+1.56
Organic growth (%)*	+1.1%	+8.8%	+15.8%	+6.3%

* At constant currency and perimeter

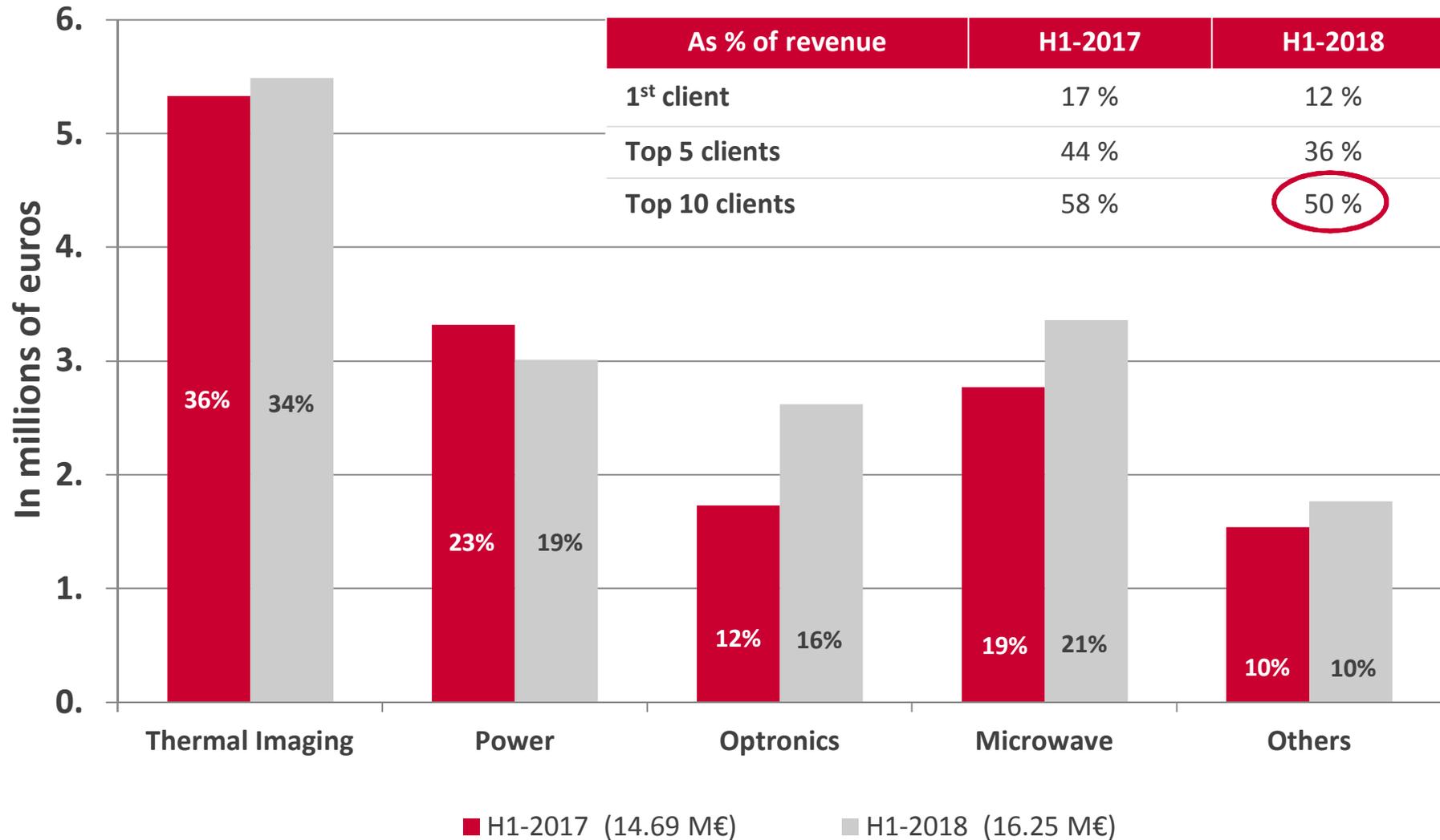


- ✓ Organic growth reported in all units
- ✓ US subsidiaries (Egide USA + Santier) now accounting for **53%** of total revenues

AN INCREASINGLY DIVERSIFIED REVENUE BASE



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P&L: CONTINUED POSITIVE EBITDA



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in €m	H1-2017	H1-2018
REVENUE	14.69	16.25
Consumed purchases	-6.06	-6.55
Change in WIP & finished goods	+0.64	+0.41
Personnel costs	-6.37	-6.73
External charges, taxes and other	-2.56	-2.54
Non recurring items ⁽¹⁾	-0.22	0.00
EBITDA	0.12	0.84
Depreciation, amortization and provisions	-0.48	-0.40
OPERATING RESULT (EBIT)	-0.36	0.43
Financial items	-0.41	-0.22
Non recurring financial items ⁽²⁾	-0.13	0.00
Tax income	0.00	-0.13
NET RESULT	-0.90	0.09

(1) Acquisition costs of Santier

(2) Initial financing costs for Egide USA

A STRENGTHENED BALANCE SHEET STRUCTURE



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Consolidated balance sheet as of 30th June 2018 (€m)

ASSETS		LIABILITIES	
Assets	8.18	Shareholders' Equity	13.15
Other non-current assets	1.27	Debt (over 1 year)	1.14
Inventories	6.91	Non-current provisions	0.73
Account receivables and others	6.87	Debt (under 1 year)	6.20
Cash	2.77	Suppliers and other creditors	5.26
Other current assets	0.48	Other non current liability	0.00
TOTAL	26.48	TOTAL	26.48

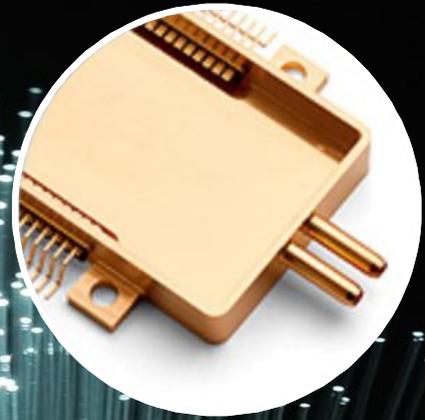
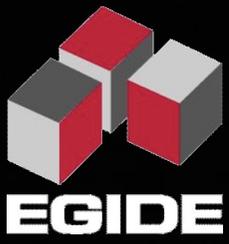
- **Intangible assets:** €1.26 (created with Santier)
- **Tangible assets:** €6.44 (building and HTCC line at Egide USA, production equipment all sites)
- **Financial assets:** €0.48 (rent deposits)
- **Other non current assets:** differed tax
- **Working capital requirements:** 89 days of revenue
- **Debt >1 year:** Sofired Egide SA loan, Bond, lease contracts
- **Provisions:** employee benefits
- **Debt <1 year:** Egide USA loan, Santier loan, Bond, factoring, Sofired loan, lease contracts

CONSOLIDATED CASH-FLOW STATEMENT



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In €m	31 st Dec 2017	30 th June 2018
Starting cash balance	1.08	2.99
Cash flow from operations	-0,53	+0.69
Working capital variation	-0,89	-0.60
Fixed assets variation	-1.13	-0.59
Change in perimeter (Santier)	-5.05	0.00
Debt variation	+1.81	+0.28
Capital increase	+7.70	0.00
Ending cash balance	2.99	2.77



OUTLOOK

MARKET

- ✓ **Good medium-term visibility in the US defense sector**
- ✓ **EU defense sector** affected by stricter enforcement of export rules
- ✓ Positive trends and market share gains in selected sub-markets:
 - Thermal imaging : **+6.6% CAGR 2018-2020**
 - Light Amplification
 - Thermal Batteries

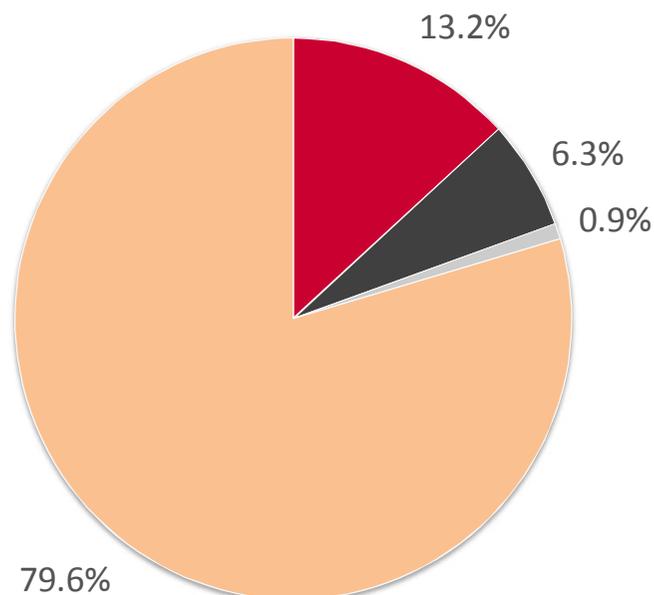
OPERATIONS

- ✓ Solid ceramic backlog in the US for the rest of the year with a **book-to-bill at 1.5**
- ✓ Santier facing a very competitive environment in thermal management components
- ✓ Pipeline of new projects in **Defense & Space in Europe/Middle-East/India**

OVERALL

- ✓ Anticipating a slowdown in growth for the full year due to a temporary softness in H2 following a strong start of the year
- ✓ Confirming the long term objectives of profitable growth for next year

Shareholder structure



- Sigma Gestion
- Natixis Actions Euro Micro Caps
- Management
- Free Float

Share price (€) and traded volumes



09/30/2018

Market capitalisation	€16.8m
Highest (last 12 months)	€2.74
Lowest (last 12 months)	€2.00
50-day-average volumes	3,8k shares
Annual average volumes	14k shares



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