

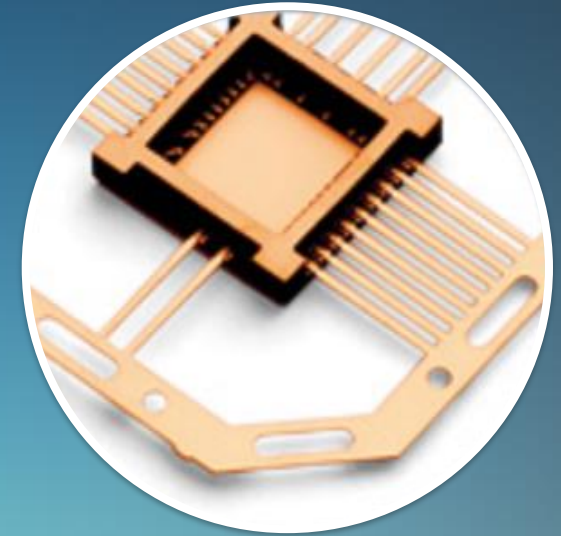
**EGIDE**

**H1 2019 RESULTS**



**27<sup>th</sup> September 2019**





# H1 2019 BUSINESS REVIEW

**H1 2019**

**€14.9m sales**  
-8.5% YoY

**€0.19m EBITDA**  
-€0.65m YoY

**€18.8m order intake**  
+23% YoY

%

## EBITDA POSITIVE DESPITE A TEMPORARY SLOWDOWN IN ORGANIC GROWTH IN H1

- ✓ Strong performance of US market partially offset the reduced European revenue
- ✓ **+23%** YoY rebound in H1 order intake with positive implications for H2 and 2020

€

## ACCELERATION OF BUSINESS DEVELOPMENT INITIATIVES

- ✓ Acceleration of business diversification into new applications & clients
- ✓ **€2.6m** capital increase allowing for financial flexibility & investment capacity



## ACTION PLAN TO REORGANISE AND MODERNISE OPERATIONS IN FRANCE

- ✓ Reorganisation plan prepared, and initiated in H2
- ✓ Planned investment and modernisation of operations

**Innovative** hermetic packages and thermal management materials...

Thermal Imaging



Sales H1 2019  
Var YoY %

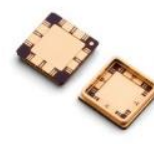
€4.2m  
-23%

Power



€4.3m  
+43%

RF/Microwave



€2m  
-40%

Optronics



€2.8m  
+6%

Other Electronics



€1.6m  
-11.5%

€14.9m revenue in 2018    -8.5% Year-on-Year

... for high value and **critical sensitive** electronic applications

Infrared Vision



Radars



Avionics



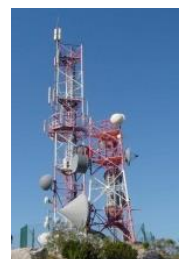
Satellites



Data Centers



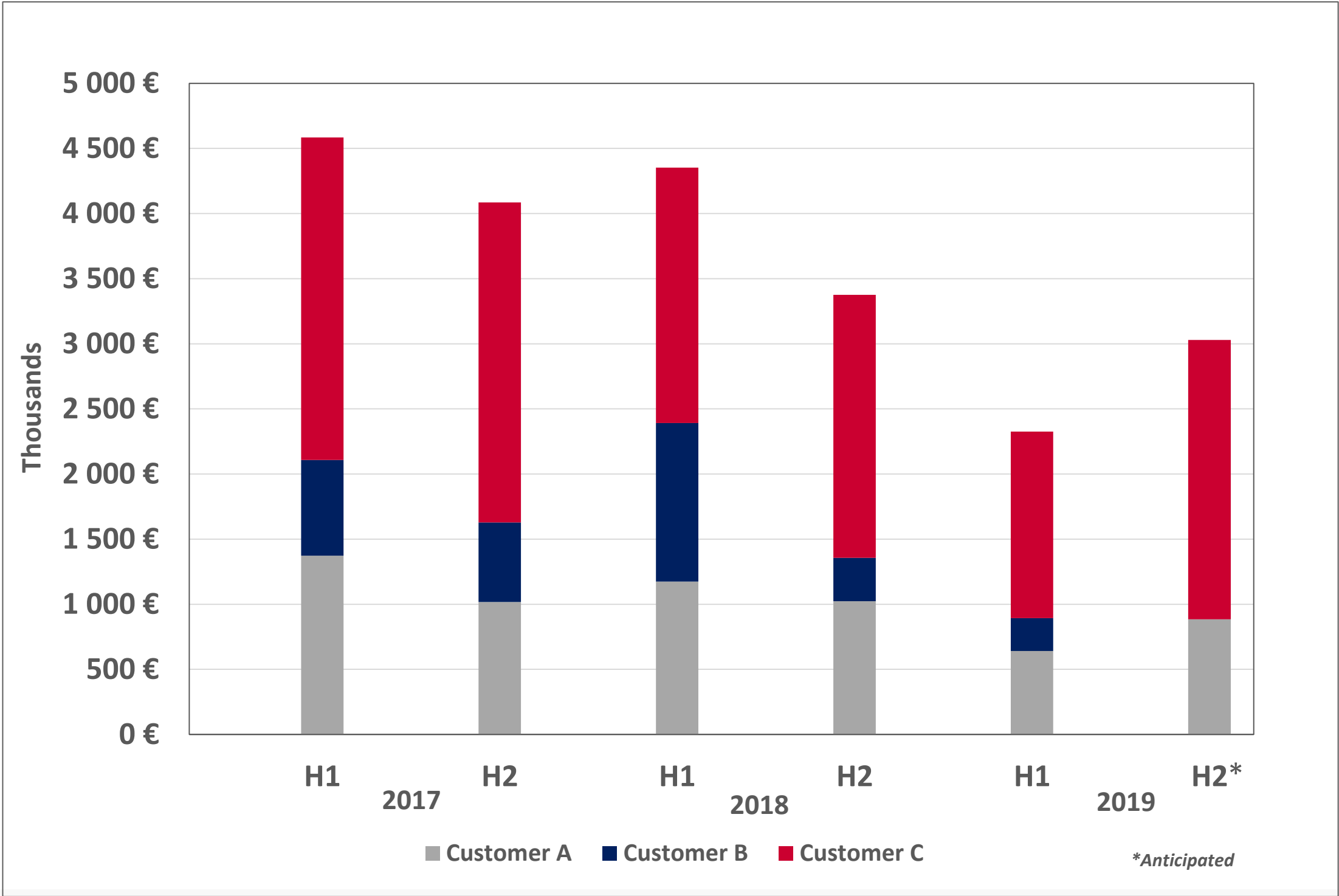
Communication





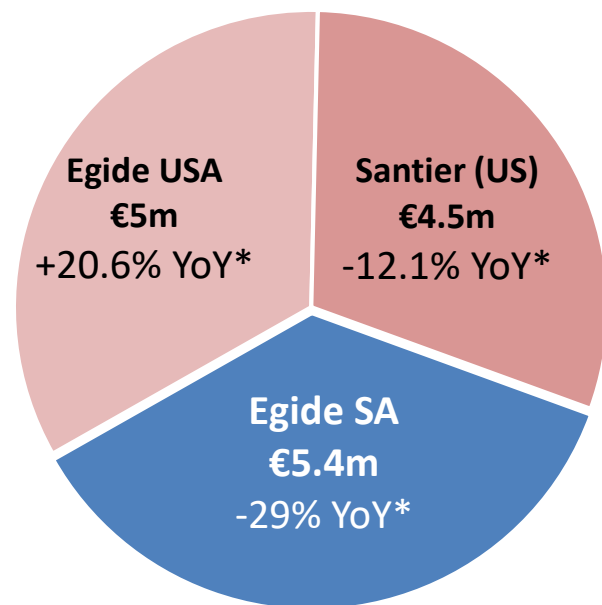


## Temporary Impact of European Thermal Imaging Market on Revenues

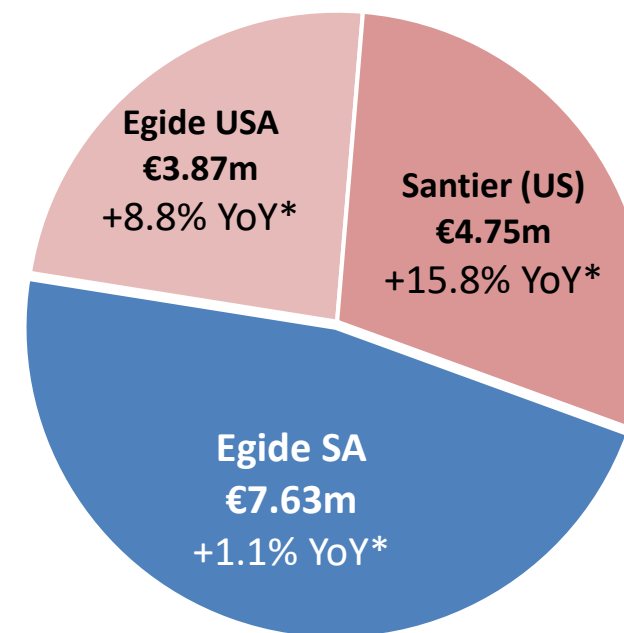


US is now contributing to 64% to total revenues

Sales H1 2019  
Var YoY %



Sales H1 2018  
Var YoY %



The two US operations are ITAR (*International Traffic in Arms regulations*) compliant



\* At constant currency and perimeter

# ACCELERATING CHANGES WITHIN THE GROUP



INNOVATIVE  
HERMETIC  
SOLUTIONS

CONTINUATION DURING H1 OF INITIATIVES STARTED IN 2018

## Actions initiated in 2018...

New management team in Europe

Strengthening of commercial teams  
in Europe and the US

New distribution agreement in Asia

Qualification of US HTCC with multiple  
companies

New processes implemented

## ... showing results And being pursued in H1 2019

Eric Delmas nominated Deputy CEO

### Penetration to new segments

- ✓ Light amplification
- ✓ Thermal batteries (defense)
- ✓ Sensors/MEMs
- ✓ Oil exploration

### Increased efficiency at Egide SA

- ✓ Increased ceramic and assembly yields
- ✓ Quality control efficiency improved by 20%

New larger HTCC (Ceramic) size format to  
increase productivity at Egide SA

CONTINUOUS PROCESS OF SELF-HELP

# ACCELERATING CHANGES: REORGANISATION PLANS FOR EGIDE SA



INNOVATIVE  
HERMETIC  
SOLUTIONS

## Reorganization of Egide SA

TRANSFER OF GRAPHITE MACHINING OPERATIONS AND ALL SUPPORT FUNCTIONS FROM TRAPPES TO BOLLENE

**€580K** EXPECTED SAVINGS BY 2020

EXTRA SAVINGS EXPECTED IN 2021

**€730K** ESTIMATED REORGANISATION COSTS ACCRUED IN JUNE 2019

FURTHER OPERATING AND MARKETING EFFICIENCIES EXPECTED FROM COMBINING OPERATIONS IN ONE LOCATION

POSITIVE CULTURAL CHANGES ANTICIPATED TO THE BENEFIT OF THE CUSTOMERS

**EGIDE WELL POSITIONNED FOR NEXT PHASE OF GROWTH**



## CAPEX PROJECTS IMPROVED OPERATIONNAL FLEXIBILITY FOR:

- Tooling for seven-inch format processing of ceramic
- High speed CNC milling machine for ceramic and graphite
- Upgrade of ceramic sintering furnaces
- 3D visual inspection equipment

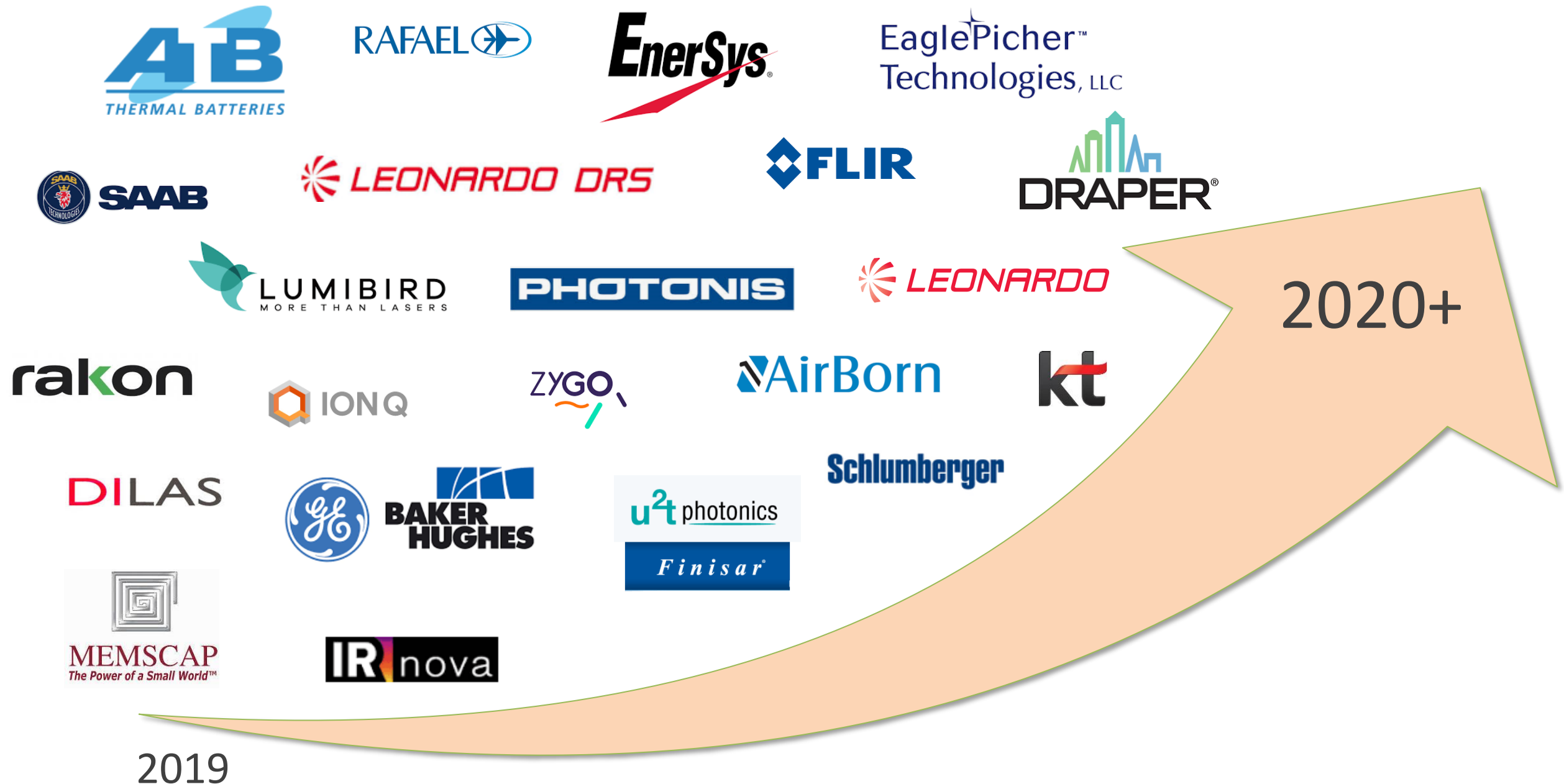
**EGIDE WELL POSITIONNED FOR NEXT PHASE OF GROWTH**

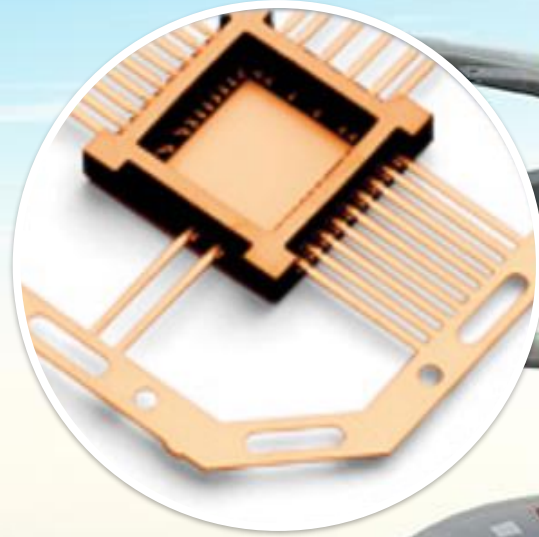
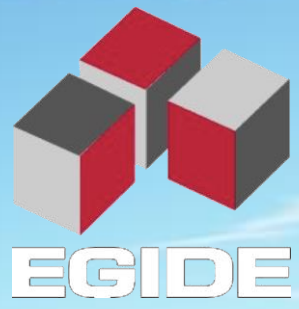
# EXPANDING CUSTOMER BASE PIPELINE



INNOVATIVE  
HERMETIC  
SOLUTIONS

23 new customers in 2019





# H1 2019 FINANCIAL REVIEW

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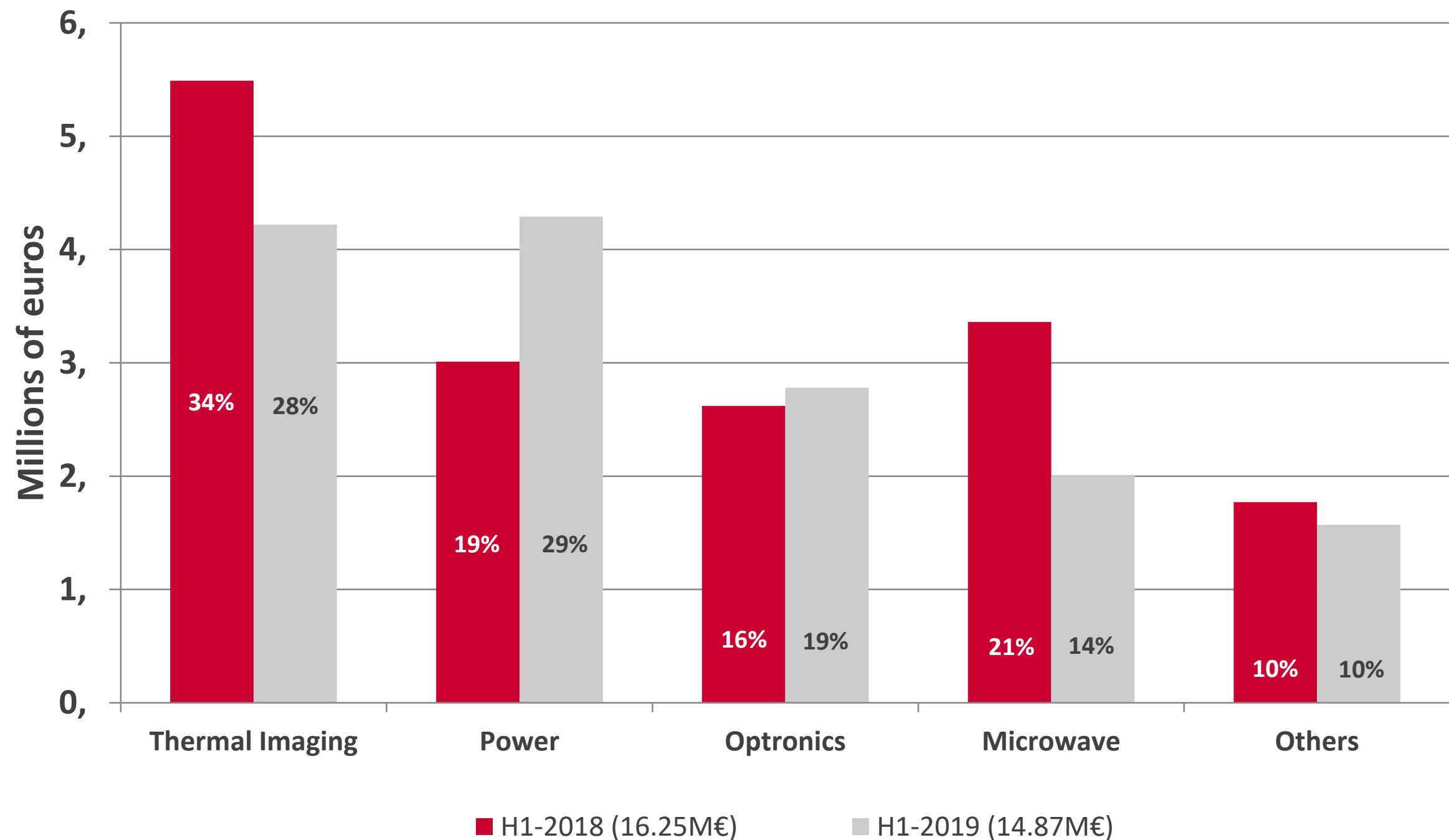
In €m	Real S1-2018	Real S1-2019	Budget S1-2019	Variation /Budget
Egide SA	7.63	5.39	6.25	- 13.8 %
Egide USA	3.87	5.01	4.98	+ 0.6 %
Santier	4.75	4.47	4.34	+ 3.0 %
Group	16.25	14.87	15.57	- 4.49 %
Egide USA (\$)	4.69	5.66	5.93	- 4.6 %
Santier (\$)	5.75	5.05	5.16	- 2.1 %
Parity €/ \$	1.2107	1.1293	1.19	

# REVENUE BY APPLICATIONS



INNOVATIVE  
HERMETIC  
SOLUTIONS

EGIDE SA + EGIDE USA + SANTIER



# CONSOLIDATED P&L H1-2019 VS H1-2018



INNOVATIVE  
HERMETIC  
SOLUTIONS

In €m	S1-2018		S1-2019	
<b>REVENUE</b>	<b>16.25</b>	<b>100 %</b>	<b>14.87</b>	<b>100 %</b>
Consumed purchases	- 6.55	-40 %	-6.50	-44%
Change in WIP & Finished goods	0.41	3 %	0.65	4%
Personnel Costs	- 6.73	-41 %	-7.05	-47%
External charges	- 2.28	-14 %	-2.07	-14%
Taxes	- 0.20	-1 %	-0.19	-1%
Other operating income and expenses	- 0.06	0 %	0.47	3%
<b>EBITDA*</b>	<b>0.84</b>	<b>5 %</b>	<b>0.19</b>	<b>1%</b>
Depreciation, amortization and provisions	- 0.40	- 2 %	-1.71	-11%
<b>OPERATING RESULT (EBIT)</b>	<b>0.43</b>	<b>3 %</b>	<b>-1.52</b>	<b>-10%</b>
Financial items	- 0.22	- 1 %	-0.33	-2%
<b>NET INCOME</b>	<b>0.22</b>	<b>1 %</b>	<b>-1.85</b>	<b>-12%</b>
Other comprehensive income	0.28	2 %	0.06	0%
<b>NET RESULT</b>	<b>0.50</b>	<b>3 %</b>	<b>-1.79</b>	<b>-12%</b>

*\* EBITDA includes Excédent brut d'exploitation + variation in inventory depreciation.*



# CONSOLIDATED BALANCE SHEET AS OF JUNE 31, 2019 (in €m)



INNOVATIVE  
HERMETIC  
SOLUTIONS

ASSETS	H1-2018	H1-2019
Intangible assets	1.26	1.17
Tangible assets	6.44	5.23
Financial assets	0.48	0.93
Right to use assets	0	2.95
Other non-current assets	1.41	1.32
Inventories and outstanding	6.91	7.34
Trade and other receivables	6.87	6.59
Cash	2.77	3.87
Other current assets	0.48	0.39
<b>TOTAL</b>	<b>26.62</b>	<b>29.79</b>

- **Intangible assets (€1.17m)** : created with Santier
- **Tangible assets** : building and HTCC line at Egide USA, software
- **Financial assets**: rent deposit + 0,5 \$ loan for Santier
- **Working capital requirements**: 105 days of revenue (w/o R&D Tax Credit) (89 days in 2018)

# CONSOLIDATED BALANCE SHEET AS OF JUNE 31, 2019 (in €m)



INNOVATIVE  
HERMETIC  
SOLUTIONS

LIABILITIES	H1-2018	H1-2019
Shareholders' Equity	13.29	11.28
Debt (over 1 year)	1.14	2.21
Rent debt (over 1 year)		2.85
Non-current provisions	0.73	0.66
Debt (under 1 year)	6.20	5.88
Rent debt (under 1 year)		0.47
Suppliers and other creditors	5.26	5.67
Other liabilities	0.00	0.77
<b>TOTAL</b>	<b>26.62</b>	<b>29.79</b>

- **Debt > 1 year:** Vatel bond (€0.35m), Sofired loan Egide SA (€0.33m), new loan for Santier of \$1m of which €0.67m are over 1 year as of June 30, other Santier loans (€0.83m)
- **Provisions :** employee benefits
- **Dettes <1 year:** Vatel bond (€0.25m), Egide USA loan (€0.4m), Santier loan (€0.48m), factoring (€1.60m), Sofired loan Egide SA (€0.12m), Egide USA loan reclassified <1 year du to failure of covenants: (€2.62m), CIR & CICE founding (€0.4m)

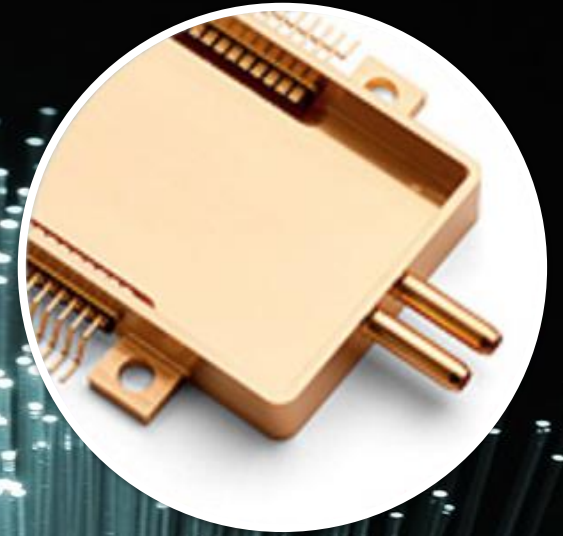
# CONSOLIDATED CASH FLOW STATEMENT



INNOVATIVE  
HERMETIC  
SOLUTIONS

In €m	2018	H1-2019
Starting cash balance	3.06	2.36
Cash flow from operations	- 0.21	- 0.43
Working capital variation	0.65	- 0.79
Fixed assets variation	- 0.93	- 0.27
Financial assets variation		- 0.44
Debt variation	- 0.21	+ 1.03
Capital increase		+ 2.41
Ending cash balance	2.36	3.87





OUTLOOK

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## GROUP

- ✓ The group expects slight growth in 2019 despite the tough H1.
- ✓ Continuous growth of the US operations
- ✓ Return to positive growth at Egide SA despite a challenging market in Europe.

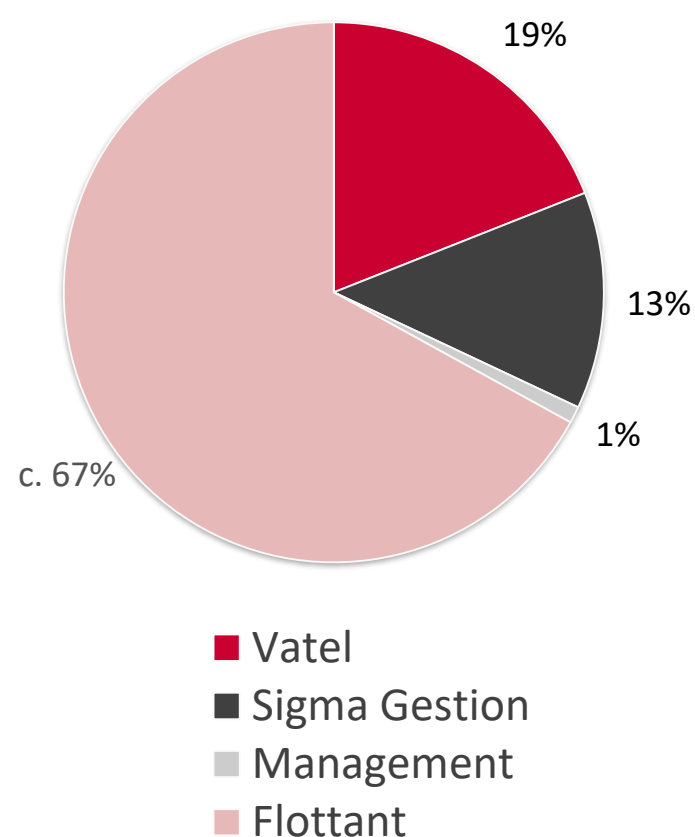
## EGIDE SA

- ✓ The reorganization of Egide SA launched at the start of H2 and expected to be completed by the end of the year,
- ✓ Operational impact being felt from Q1 2020.

## OPERATIONS

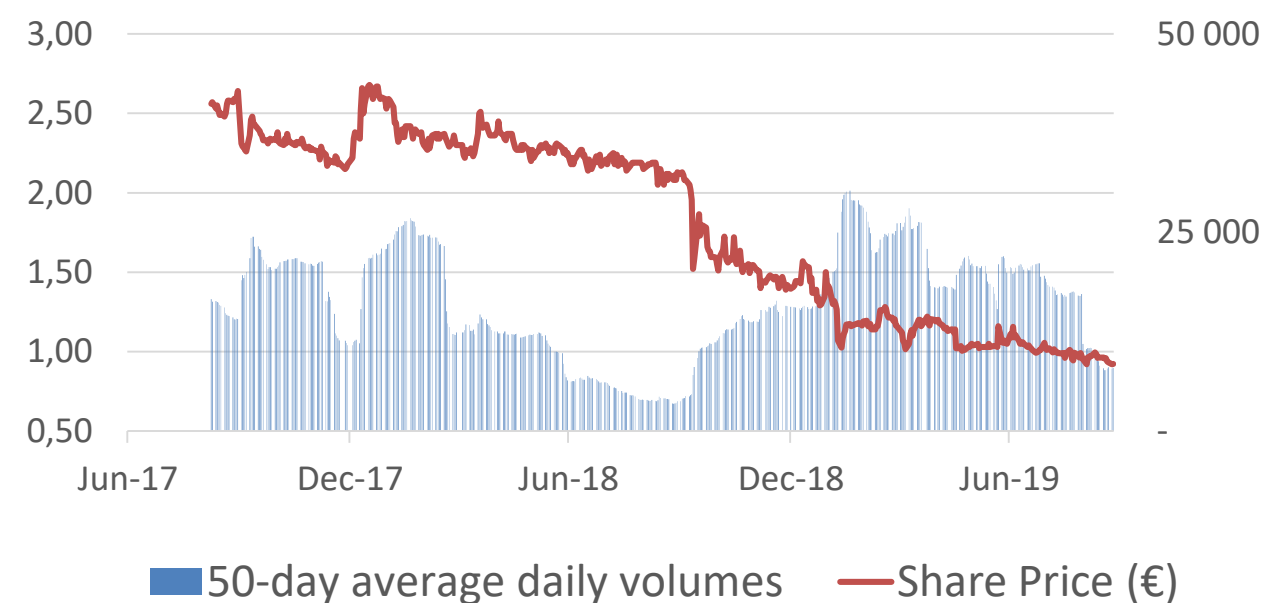
- ✓ New product offerings in thermal battery applications, oil exploration, RF/MW applications and light amplification, sensors/MEMs to provide opportunities for revenue growth in the coming years.
- ✓ Strong ceramic backlog in the US to support the expected growth in HTCC
- ✓ Developing: Titanium brasing, 3D printing capabilities (with a 3<sup>rd</sup> party)

## Shareholding structure \*



\* Estimate at the time of AGM (June)

## Share Price (€) & Traded volumes



24<sup>th</sup> September 2019

Market Capitalisation	€9.5m
Highest share price in last 12 months	€2,13
Lowest share price in last 12 months	€0.92
50-day volume average	15k shares
Annual volume average	18k shares



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