

EGIDE

2019 ANNUAL RESULTS

26th March 2020



2019	Sales €31.8 M <i>+0.1% YoY</i>	Order intake €34.8 M <i>+25% YoY</i>	EBITDA - €0.1 M *	Operating Results - €1.4 M
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A TRANSITIONAL YEAR 2019 WITH POSITIVE DEVELOPMENTS FOR 2020

%

+13% growth in H2 after a difficult H1 helping stabilise revenues in 2019

- ✓ **Defense market** showing signs of improvement for Egide SA
- ✓ Dynamics of growth for **HTCC Ceramics** in the **US**
- ✓ Commercial initiatives with **new clients** in new and existing markets
- ✓ Positive developments for 2020 mainly blurred by a single risk factor: **Covid 19**

€

Improving outlook for profitability in 2020

- ✓ **Break-even point lowered by €2m revenue at Egide SA's** after completion of restructuring
- ✓ **Egide USA** back to first positive profitability in 7 years driven by strong momentum
- ✓ New management at **Santier** after losses in 2019

Sales Growth Strategy deployed in 2019

- ✓ **Enlarge deeper prospection on all key Continents**
 - **Asia** : Increase our footprint by adding one Representative in **China** for Optronics market, and by exploring new customers in **India** in Defence market
 - **Europe & Middle-East** : **New sales team in place** focusing on increasing market share with customers in the Defence and High Technology
 - **Central Europe / Germany** with the help of a new Representative
 - **Middle East** with focus on **Israel**, very dynamic high tech country
 - **Russia** : Explore possibilities and find the right distribution network
 - **North America** : Intensify prospection in high-end applications and consider new hiring for more field presence in Texas region
- ✓ **Diversify sales into new markets and sub-markets** : Optical Test equipments and Gyroscopes, Thermal batteries, Sensors for Oil exploration, Positioning (GPS), Space Vision applications, New Energy fuel cells, Quantum Computers, Lidar...
- ✓ Take the benefit of **increasing demand to qualify European or US manufacturers like Egide to complement Asian suppliers in key domains (Telecom, Defence, Aerospace)**

Restructuring of Egide SA completed in December 2019

- ✓ **Transfer to Bollène:**
 - **Machining operations**
 - Combined transfer and modernisation of Machining helping generate significant **industrial efficiency above expectations**
 - **Administrative services:** purchasing, accounting and marketing
- ✓ **Luc Ardon appointed Administrative and Financial Director**
- ✓ **Launch of the new ERP tool for H1 2020**
- ✓ **€580k** savings expected in 2020 and **€660k** on a full year basis
- ✓ **€930k** of reorganisation costs provisioned
 - **€682k** redundancy costs – already expensed
 - **€248k** provisioned for future litigations

Impact of Covid-19 still minimal on customers' global production and delivery requirements – 90% of H1 revenue budget within the current order backlog

Customer requirements still strong due to underlying demand for their products which are insulated from Covid-19

Challenge: to keep manufacturing capacity to support this demand, given the current cultural climate due to Covid-19

Initiatives to mitigate risks :

- Supply chain with a 2nd qualified source on at least 2 continents
- Strict sanitary rules in all factories, reduced travel and visitor access restrictions
- Team working from home where possible
- 2-shift process implemented to limit social contact and respect social distancing

Evolution of the situation closely monitored

- Regular contacts with critical suppliers and strict monitoring of delivery schedules
- No major supply disruption in Europe and in the USA identified to date
- Supply chain in China steadily improving

REVENUE/EBITDA BREAKDOWN BY BUSINESS UNIT



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CA & EBITDA PAR ENTITES (M€)

	2019	2018	Var%
Chiffre d'affaires			
Egide SA	12.08	14.38	-16%
Egide USA + Santier	19.68	17.35	13%
CA Groupe	31.76	31.73	0.1%
EBITDA			
Egide SA	-1.0	-0.3	
Egide USA + Santier	0.9	1.0	
EBITDA Groupe	-0.1	0.7	
 Cours moyens €/ \$	 1.12	 1.18	

2019 CONSOLIDATED P&L



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(€M)	2019	2018	Variations
Revenue	31.76	31.74	0.1%
Consumed purchases	-14.01	-12.65	11%
Inventory changes	0.85	0.17	x5
Personnel costs	-13.70	-13.52	1%
External costs	-4.79	-4.68	2%
Taxes	-0.39	-0.41	-4%
Other expenses & indemnities	0.22	0.03	~ x7
Current EBITDA	-0.07*	0.67	ns
Provision for reorganisation - spent	-0.68		Ns
Provision	-0.25		Ns
Depreciation of fixed assets	-1.32	-2.20 **	-40%
Operating Income	-2.32	-1.53	ns
Financial Result	-0.48	-0.64	ns
Income Taxes	-0.00	-0.11	ns
Net result	-2.81	-2.28	ns

* Positive impact of IFRS16: €689k rent eliminated

** Includes €936k additional depreciation from impairment test

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2019



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ASSETS (€m)	2019	2018	LIABILITIES (€m)	2019	2018
Intangible assets	1.13	1.22	Shareholders' equity	10.46	10.97
Tangible assets	5.45	5.44			
Right of usage of leased assets	2.88		Provisions	0.85	0.73
Other Financial assets	0.89	0.48	Loans & financial debt (>1 year)	1.80	4.39
Other non-current assets	1.29	1.19	Rent debt	2.62	
Non-current assets	11.65	8.33	Non-current liabilities	5.27	5.12
inventories	7.47	6.53	Loans & financial debt (<1 year)	4.50	2.57
Trades & other receivables	5.95	6.20	Rent debt (< 1 year)	0.52	
Cash	1.46	2.36	Suppliers & other creditors	5.80	4.77
Current assets	14.89	15.09	Current liabilities	10.81	7.34
TOTAL	26.54	23.42	TOTAL	26.54	23.42

2019 CONSOLIDATED CASH FLOW STATEMENT



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(€m)	2019	2018
Starting cash	2.36	2.99
EBITDA	-0.08	0.67
Financial results	-0.48	-0.64
Restructuring	-0.68	
Working capital variation	0.29	0.41
Capital expenditure	-0.94	-0.93
Financial deposit	-0.41	
Financial debt variation	-1.04	-0.21
Capital Increase	2.41	
Exchange rate impact	0.03	0.07
Ending cash position	1.46	2.36

Additional borrowing base available from US banks: €800k

GROWTH OPPORTUNITIES WITH NEW CUSTOMERS



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20+ new customers since 2018



EaglePicher™
Technologies, LLC



SAAB



rakon



Schlumberger

DILAS



2020+

€3.5m

Order intake
with new clients

2018

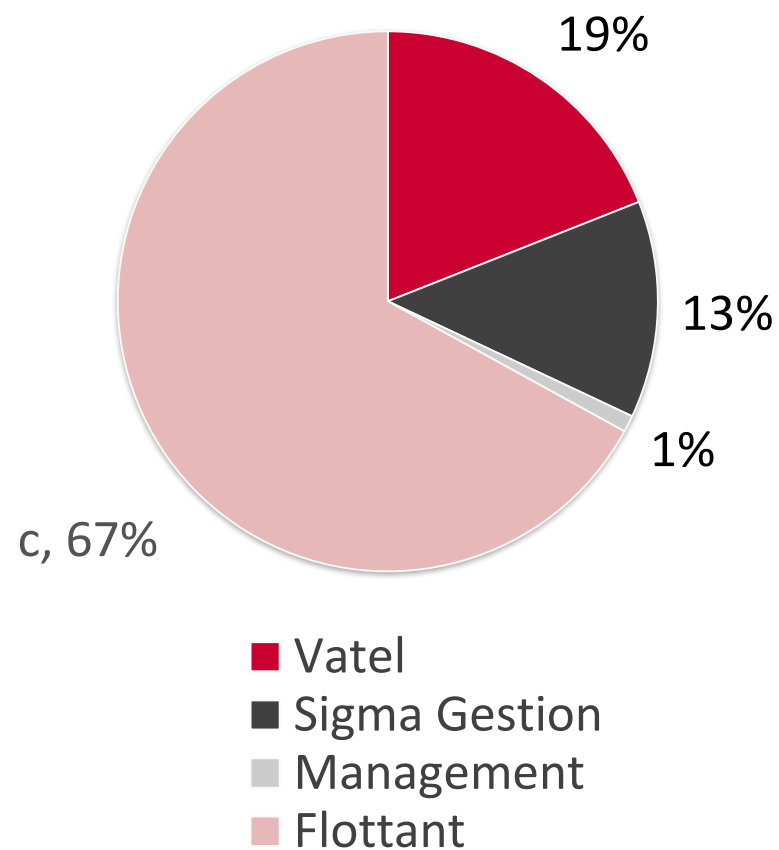
CONTINUED EFFORTS TO DIVERSIFY REVENUES IN NEW MARKETS WITH NEW PRODUCTS

- ✓ **Growth opportunities in new countries in Europe and in India**
- ✓ **New Applications:**
 - ✓ Thermal Batteries – **defense and aerospace**
(prototype and production orders received)
 - ✓ Sensors - **oil exploration, aerospace transducers, space vision**
 - ✓ Solid Oxide Fuel Cells – **Zirconia Electrolyte for clean energy**
 - ✓ Optronics high-end application - **gyroscopes, high speed communication**
 - ✓ Microwave applications (radars,...) - **defense and aerospace**

GROUP STRENGTHS IN THIS NEW WORLDWIDE ENVIRONMENT

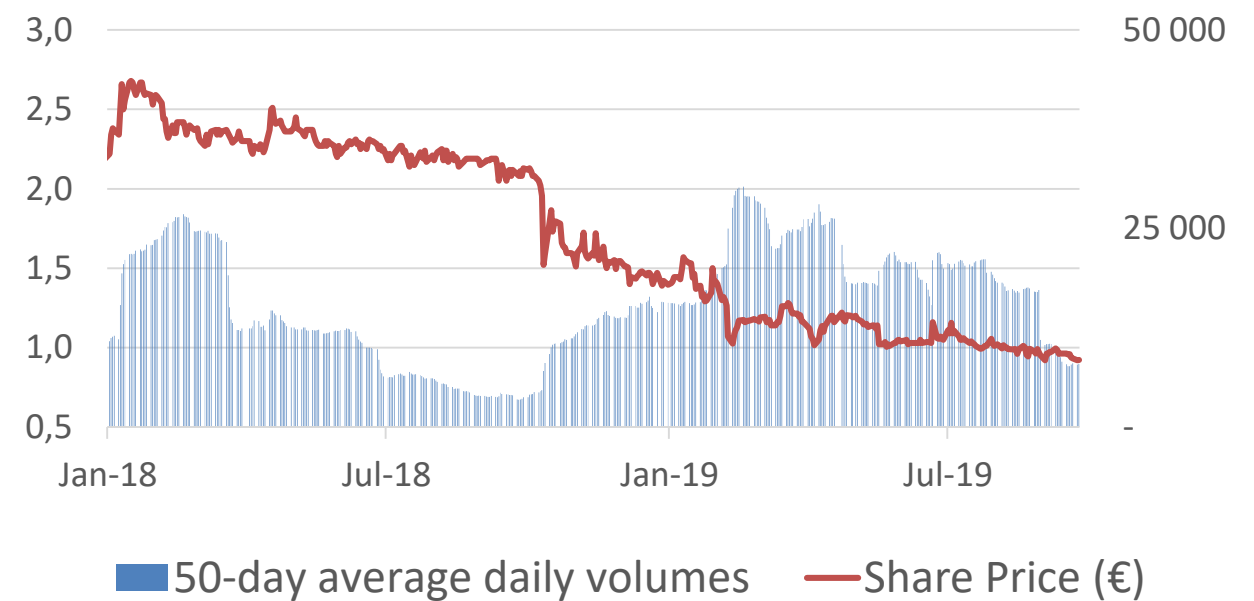
- ✓ **€34.8m order intake vs. €31.8m sales in 2019 provides a solid backlog to achieve a strong sales growth in 2020**
- ✓ **Egide customers from Defense and Telecom markets are considered Essential by governments in all countries, and confirm strong underlying demand although the Covid 19**
- ✓ **Clients from these Essential markets now rethink their procuring strategies from sourcing in Asia to the benefit of EGIDE who can offer both European and American manufacturing capabilities**
- ✓ **All 3 Business Units are now structured to be profitable and cash positive**

Shareholding structure *



* Estimate at December 2019

Share Price (€) & Traded volumes



23rd March 2020

Market Capitalisation	€6m
Highest share price in last 12 months	€1.28
Lowest share price in last 12 months	€0.45
50-day volume average	25.5k shares
Annual volume average	15.3k shares

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