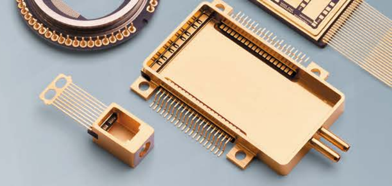
EGIDE



2019 FIRST HALF RESULTS

- **H1 2019 sales: €14.9m (-8.5% YoY)**
- **Net income: -€1.85m impacted by a restructuring reserve of €0.73m**
- **Strong rebound in order intake in H1: +23% YoY at €18.8m**
- **Reorganization plan to improve operations in France under implementation**

Bollène, September 27, 2019 - 7:00 am (CET) - The interim financial statements for the six-month period ended June 30, 2019 have been approved by the audit committee and the board of directors. The auditors performed a review of these interim financial statements and their report thereon was issued in accordance with the provisions of the law.

Egide Group's consolidated EBITDA* for the six-month period ended June 30, 2019 came at €0.19m, down €0.65m YoY, impacted by the marked slowdown in H1 revenue (-8.5% YoY).

** EBIDTA definition: includes EBE + variation in inventory depreciation*

FIRST-HALF RESULTS

€m - IFRS	H1 2019	H1 2018
Revenue	14.87	16.25
Gross operating surplus / (EBE)	(0.15)	0.84
Operating profit / (loss)	(1.52)	0.43
Net financial income (expense)	(0.33)	(0.22)
Net income/(loss)	(1.85)	0.09

The sharp drop in sales of ceramic products related to the weakness of both the thermal imaging and microwave markets led to a 29% fall in Egide SA's sales and accounts for most of the slowdown in the Group's revenue during the 1st half.

US revenues (Egide USA + Santier) are up +10% (+2.5% at constant exchange rate) vs. H1-2018, even though market environment was still difficult at Santier. USA HTCC ceramics sales more than doubled in H1 (+119%) but from an insufficient basis to offset the sharp drop in sales at Egide SA and the slowdown in Santier at S1. Sales of Glass to Metal products at Egide USA also recorded a good performance and supported Group sales in H1-2019.

Egide recorded a strong rebound in its order intake in H1, +23% YoY at €18.8m, which was driven by both the US and European operations and should have positive implications for revenues in the second half of the year.

The first application of IFRS 16 as of January 1, 2019 (relating to leases) resulted in the increase in depreciation and amortization for €231k and in financial interests for €103k. This was almost entirely offset by a decrease in rents for €324k, with a positive impact on the computation of the EBITDA under the new rules.

The pre-tax income for the first half of 2019 showed a loss of €1,851k compared to a profit of €217k in the first half of 2018. Excluding the restructuring provision for €0.73m, the pre-tax loss amounted to €1,121k.

The gains related to the translation of the financial statements of subsidiaries denominated in dollars compared to the end of 2018 had a positive impact of €56k on the overall result, bringing the loss to €1,795k as of June 30, 2019.

CONSOLIDATED BALANCE SHEET HIGHLIGHTS AT JUNE 30, 2019 (in €m)

ACTIF		PASSIF	
Non-current assets	11.60	Shareholders' equity	11.28
Inventory, trade and other receivables	14.32	Financial debt and provisions	12.81
Cash	3.87	Trade and other payables	5.70
TOTAL	**29.79**	**TOTAL**	**29.79**

IFRS 16 application resulted in an increase of non-current assets by €2.95k corresponding to a right to use the assets. It also resulted in an increase of liabilities of €2.84k long term and €0.47k short term, corresponding to the actualized rents to be paid until the end of the leases.

The acquisitions of property, plant and equipment for the first half of the year amounted to €0.27m, including €0.01m for Egide SA, €0.01m for Egide USA and €0.01m for Santier. The right to use assets whose contracts started in the first half of 2019 amounted to €0.08m. The working capital requirement (inventories + trade receivables + other current assets - trade payables - other current liabilities) was 105 days of turnover, compared with 89 days at June 30, 2018. Other non-current assets mainly represent taxes. reported in 2017 in US subsidiaries.

Shareholders' equity amounts to €11.28m, or 38% of the balance sheet total. Non-current provisions are related to benefits to Egide SA staff (pensions, long-service awards, seniority). The financial debts consist mainly of the bond loan, the Santier loan, the Egide USA revolving loan, the Sofired loan and the Egide SA debt.

KEY EVENTS OF THE FIRST HALF: CAPITAL INCREASE & EGIDE SA REORGANIZATION

Capital Increase

At the beginning of June, Egide successfully completed a €2.6m capital increase by issuing new shares. The transaction, carried out with shareholders' preferential subscription rights, was oversubscribed at 103.2% and raised a total of €2.6m. The objectives of this operation were to allow the financing of industrial investments and the reorganization of operations, in order to improve the performance of the teams. particularly in France.

Egide SA reorganization

The reorganization of Egide SA consists in transferring the graphite machining activity from Trappes to Bollène, as well as the administrative services (purchasing, accounting and marketing).
Egide SA restructuring will cost approximately €730k, which is provisioned as of June 30, 2019. The expected gains are €580k in 2020 and €660k on a full year basis afterwards.

Almost all the restructuring costs relate to redundancy payments to members of staff who decided not to move from the Paris region to Vaucluse (South of France).

OUTLOOK

The group expects slight growth in 2019 despite the tough H1.

The second half of the year will show continuous growth of the US operations and a return to positive growth at Egide SA despite a challenging market environment, especially in Europe.

The reorganization of Egide SA launched at the start of H2, is expected to be completed by the end of the year, with most of its operational impact being felt from Q1 2020.

New product offerings in thermal battery applications, oil exploration, RF/MW applications and light amplification, sensors/MEMs will provide opportunities for revenue growth in the coming years.
Some technological developments are under way such as Titanium brasing or 3D printing capabilities to enable the group to develop relevant products in niche markets identified as being profitable in the long term.

Jim Collins, Chairman and CEO, comments: *" The results of H1 2019, while disappointing, were expected as the previously announced slowdown in the European thermal imaging market came to fruition. These variations in revenue make the decision to lower fixed costs at our French operation more important, and as such, we are committed to complete our reorganization in H2. On the bright side, bookings have improved, resulting in an increase in firm order backlog. Improved revenue performance, along with the decrease in fixed costs, will improve our bottom-line performance moving forward. "*

FINANCIAL CALENDAR

2019 Annual Revenue: January 29, 2020 (after French market closure)

To find out more about Egide:
www.egide-group.com

ABOUT EGIDE

Egide is a group with an international dimension, specialized in the manufacture of hermetic packages and heat dissipation solutions for sensitive electronic components. It operates in cutting edge markets with strong technology barriers to entry in all critical industry segments (Thermal Imaging, Optronics, High-Frequency, Power Units...). Egide is the only pure player in this market niche with manufacturing bases in France and the United States.

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Egide's eligibility for tax efficient French innovation-focused mutual funds (FCPI) was renewed on May 14, 2018.