Bollène, March 26, 2020 – 07 :00 a.m. (CET)
Press Release

2019 ANNUAL RESULTS

- **2019 Turnover: €31.8m (+0.1% YoY),**
- **2019 Order Book: €34.8m (+25% YoY)**
- **2019 EBITDA: -€0.1m* vs €0.67m in 2018**
- **2019 Operating Results: -€1.4m**
- **A transitional year 2019 with positive developments for 2020: +13% growth in H2 after a difficult H1**
- **2020: Focus on profitability and growth**
- **To this day, impact of Covid-19 still minimal on customers' global production and delivery requirements**
- **Restructuring of Egide SA completed in December 2019**

* *Excluding restructuring*

The results presented below are unaudited consolidated financial statements for 2019 but reviewed by the Audit Committee on March 24, 2020; certification of accounts is expected in the coming weeks.

2019 Consolidated P&L (In €M)	**FY 2018**	*As a percentage of revenues*	**FY 2019**	*As a percentage of revenues*
Sales	31.7		**31.8**	
Material	(12.5)	*-39%*	**(13.2)**	*-41%*
Personnel costs	(13.5)	*-43%*	**(13.7)**	*-43%*
External charges & others	(5.1)	*-16%*	**(5.0)**	*-16%*
EBITDA from operation	0.7	*2%*	**(0.1)**	*0%*
Restructuring expenses			**(0.7)**	
Restructuring reserve			**(0.3)**	
Depreciation, amort. & reserves	(2.2)		**(1.3)**	
EBIT	(1.5)	*-5%*	**(2.3)**	*-7%*
Financial items	(0.6)		**(0.5)**	
Income Taxe	(0.1)		**0.0**	
Net result	(2.3)	*-7%*	**(2.8)**	*-9%*

CONSOLIDATED FINANCIALS 2019

REVENUE

Egide Group's unaudited consolidated revenue grew slightly to € 31.8 million in 2019, in line with the forecasts published at the time of the publication of the H1. North American sales account for 62% of the group's total turnover.

The second half of the year showed a marked improvement with a 13.8% growth in revenue, as previously announced. Compared to H2 2018, there was 9.3% increase at real exchange rate (5.8 % at constant exchange rate). The difficult environment in which Egide SA operated in H1 2019 has impacted the group's turnover for the year with key customers delaying contracts into 2020. Santier was impacted in H2 2019 due to the cancellation of two radar systems by the US Defense industry. Egide USA continues to see growth in the power market, both using GTMS and HTCC components.
Order intake for the year was €34.8 M, resulting in a book to bill ratio of 1.09.

For information, the average euro / dollar parity in 2019 was 1.12, against 1.18 in 2018. Given that, the US subsidiaries saw an increase in revenues of 7.6% in US Dollars.

RESULTS AS OF DECEMBER 31, 2019

2019 did not see any positive impact yet from the restructuring.
The material costs increased by 2% because of unfavorable product mix and lower revenue generated by Santier in San Diego where the material portion of costs is lower than in the rest of the group.

The restructuring was reserved at €730K in June 2019 and €682K have been spent; the remainder is still reserved for and will be spent in 2020. An additional reserve of €200K was booked for social litigation linked to the restructuring.
The depreciation of assets is back to normal after exceptional €936K depreciation in 2018 because of an impairment test.

2019 numbers take into account the new IFRS16 regarding rents and 2018 have not been restated. The impact on 2019 P&L is as follows: elimination of Rent expenses for €689K, increase of depreciation for €407k and increase of financial charges for €213K. This also impacts the Ebitda computation.

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2019

ASSETS			LIABILITIES		
	2018	**2019**		**2018**	**2019**
Fixed assets	6.7	6.6	Equity	11.0	10.5
Usage rights of leased assets		2.9			
Other financial fixed assets	0.5	0.9	Accruals	0.7	0.8
Differed tax assets	1.2	1.3	Financial debt	6.9	6.3
Inventory, AR and other assets	12.7	13.4	Rent debts		3.1
Cash	2.4	1.5	AP & other	4.8	5.8
TOTAL	**23.4**	**26.5**	**TOTAL**	**23.4**	**26.5**

The fixed assets include €945k of Capex for the year spread over the 3 factories and relates essentially to production equipment.

IFRS16 created the usage rights and rent debts for similar amounts around €3M on both sides of the Balance Sheet.
The deferred tax assets is only liked to the US operations and is actually in USD. It grew from year to year only because of the exchange rate. A tax planning based on future business expectations in the US shows the usage of this tax asset within 4 to 5 years. Therefor no impairment was booked.

The Equity takes into account a Share capital increase performed in June 2019 for €2.5M which enabled to finance the restructuring.

The inventory is growing from €6.5M to €7.5M essentially in preparation for a strong H1 in 2020 anticipated with the good bookings.

The working capital represents 88 days of revenue.

2020 OUTLOOK

IMPACT COVID-19
For the time being, the impact of the Covid-19 remains minimal on the production and delivery requirements from customers worldwide. The Group operates in structurally resilient markets such as Defense, Telecom or Medical. The industrial facilities in Cambridge and San Diego are considered essential for defence as they provide products for DX/DO rated programs. Similarly, the Bollène site produces and contributes to advanced research projects for the French and European defence and aeronautics sectors. The French ministries concerned have been in close contact to support the Bollène teams since the beginning of the crisis.

The Egide Group has taken the necessary initiatives to minimise future risks, in particular by securing its supply chain with a 2nd qualified source on at least 2 continents and by implementing strict health rules in all its plants, with increased restrictions on travel and reduced visitor access to its sites, as well as a two-shift production organisation at Bollène facility and home working for administrative teams.

Developments are being closely monitored. The purchasing department is in regular contact with key suppliers and strictly monitors delivery times. To date, no major supply disruptions in Europe and the United States have been seen. The supply chain in China is constantly improving

OPERATIONS
Egide Group forecast growth in 2020, supported by €34.8 million in new orders registered at the end of 2019, compared to €31.8 million in revenues in 2019.
The Group anticipates growth in profitability at all its sites.

In 2020, Egide Group intends to continue its efforts to diversify its revenues. In particular, the priority will be to develop our presence in additional geographical markets in Europe for microwave applications used in defence markets and to meet new demands such as thermal batteries, solid oxide fuel cells (clean energy), optical gyroscopes, sensors, etc.

In addition, the Covid-19 crisis and the questioning of the supply chain strategy by companies are opening up new prospects for Egide in traditional optoelectronic applications.

At the same time, the Egide Group will continue its strategy of continuous optimisation of its activities in France and the United States. This will be achieved by accelerating the modernising of the Bollène plant to continue to optimise operations in order to produce more efficiently and at lower cost. The implementation of a new ERP system is planned at Bollène for H1 and of the CRM software Salesforce for the commercial activities in Q1.

Egide USA and Santier will be integrated under a single operational and legal structure to reduce costs and enable better cash management.
The Cambridge unit will intensify its expertise of HTCC ceramics for microwave applications in order to reach other markets other than the thermal imaging one.

Jim Collins, Chairman and CEO, comments: "*For the Egide Group, the number one priority is the safety of our staff during this Covid-19 pandemic. Each of our factories is following the recommended protocol for a safe working environment and social distancing. We continue to operate each of our facilities because our products are essential to the government programs for which they are intended*. ».

He adds, "*2019 has been a year of transition for the company. We restructured our French operations to improve efficiency and reduce costs. In this context, the profitability of Groupe Egide has been impacted in 2019. While we continue to feel the volatility in some of our markets, particularly in the European and US thermal imaging markets and some defense contracts in the United States, the completion of the restructuring in France, as well as the significant improvement in order intake at the end of 2019, allow us to remain confident for the year 2020*. »

Financial Agenda:
2019 H1 revenue: July 23, 2020

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.

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

Egide is listed on Euronext Paris™- Segment C - ISIN code: FR0000072373 – Reuters: EGID.PA – Bloomberg : GID

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