



## 2021 FIRST HALF RESULTS

- **H1 2021 turnover: €16.60 million (+ 30.7% vs. S2 2020) thanks to Cambridge unit plating line progressive recovery during the semester and thanks to strong YoY growth at Egide SA.**
- **Consolidated operating income at €0.52 million**
- **Net Income: €0.24 million (vs. €0,004M in H1 2020) despite exceptional temporary plating subcontracting charges in USA over that period.**
- **Outlook:**
  - The Group expects to maintain comparable level of activity in H2 2021
  - The Group should quickly benefit from its new services and industrial capacities: new plating line in the USA and industrial modernization at the Bollène site.

The Audit Committee and the Board of Directors met to approve the interim financial statements for the six months ended June 30, 2021. The Statutory Auditors conducted a limited review of these financial statements and issued their report in accordance with legal requirements.

Egide Group's consolidated EBITDA (corrected from IFRS16) for the six-month period ended June 30, 2021, came at €1.19 million.

<b>First-half Results consolidated P&amp;L (In €m)</b>	<b>H1 2020</b>	<i>As a percentage of revenues</i>	<b>H1 2021</b>	<i>As a percentage of revenues</i>
<b>Sales</b>	17.27		<b>16.60</b>	
<b>Current EBITDA *</b>	0.93	7%	<b>1.19</b>	7%
<b>Operating Income (Ebit)</b>	0.52	3%	<b>0.52</b>	3%
<b>Net Income</b>	0,004	0%	<b>0.24</b>	1%

*\*Ebitda corrected from IFRS16*

### CONSOLIDATED FINANCIALS AS OF JUNE 30, 2021

The [Egide group's](#) consolidated revenues for the first half of the year amounted to €16.60 million, representing a decrease of 3.9% compared to H1 2020 but a +30.7% rebound in growth compared to H2 2020. Egide SA's significant 16.6% increase in sales did not fully compensate for the decline in sales of its American subsidiaries, which was accentuated by the exchange rate effect. At constant exchange rates, the group's growth would have been positive by 1.1%.

Sales prospection activity remained slowed down by health constraints, macroeconomic uncertainties, and especially manufacturing delays caused by the time required to rebuild Egide USA's plating line in Cambridge (following the July 2020 fire).

Therefore, the activity profile in the first half of 2021 varies across the different business units:

- Egide SA reinforced its position in the thermal imaging market in Europe, Asia and in the Middle East. Egide SA also recorded significant growth thanks to the new strategy focused on the development of high-performance packages for power, optronic, RF/microwave and high frequency communication applications, and sensors.
- Egide USA largely met demand and preserved its customers by involving plating subcontracting, which was required by delays in new plating line installation. Plating subcontracting protected customer base but adversely impacted the income.
- Santier's activity recorded a +14% sequential growth but a 13% decrease (both variations are expressed in \$), compared to H1 2020, mainly explained by the impact of the aerospace industry. Indeed, some satellite programs led by main players in the defense sector have been delayed, due to the reduction in staffing levels caused by the pandemic. However, the dynamics of this last half-year of recovery shows good momentum with 2 of the 3 best billing months since 2018. Santier's client mix remains diversified although not favorable for the margin and financial results over the period.

Dollar-denominated sales accounted for 56% of total group revenues in H1 2021.

## **RESULTS AS OF JUNE 30, 2021**

Egide SA, continues to improve its profitability thanks to the positive combination of the impact of continued operations on the one hand, the increase in revenues on the other, and finally, an improvement in the gross margin with the more rigorous selection of markets served and strict control of expenses.

For Egide USA, the Cambridge facility managed to resume activity to satisfy its customers. However, it used more plating subcontracting than anticipated due to the delay in rebuilding the plating workshop. The additional cost represents €2,657k of plating subcontracting charges, of which €498k was compensated by the insurance. In addition, the new fixed assets financed by the insurance amounted to 2,268k and represents an operating profit.

Santier results were affected by an insufficient level of activity and by several manufacturing difficulties, resulting for some part from the COVID crisis, which have generated additional material and labor costs.

The group's consolidated operating profit, at €0.52 million, was directly impacted by the additional costs related to Egide USA's plating subcontracting during the first half.

The IFRS16 standard has reclassified 347k€ of rent into 255k€ of depreciation and 92k€ of interest, for H1 2021.

Note that the net result is calculated after a tax charge of 50 k€, which consumes the deferred tax asset that appears in the assets.

## CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2021

ASSETS			LIABILITIES		
	H1 2020	H1 2021		H1 2020	H1 2021
Non-current assets	10.81	<b>12.23</b>	Shareholders' Equity	10.40	<b>11.12</b>
Inventory, trade, and other receivables	14.6	<b>17.66</b>	Financial debt and provisions	12.62	<b>12.25</b>
Cash	2.93	<b>2.01</b>	Trade and other payables.	5.31	<b>6.53</b>
<b>TOTAL</b>	<b>28.34</b>	<b>29.90</b>	<b>TOTAL</b>	<b>28.34</b>	<b>29.90</b>

Acquisitions of property, plant and equipment for the half-year were €2,556k, including €97k at Egide SA, €2,444k at Egide USA and €18k at Santier. The working capital requirement (inventories + customer receivables + other current assets - supplier debts - other current liabilities) is 95 days of revenues, compared to 105 days on June 30, 2020.

The financial debts are mainly composed of 2 State guaranteed loan (French PGE) for €900k from Egide SA, a real estate loan of €1 191k from Egide USA and equipment loans of €736k and €562k respectively for Egide USA and Santier. These American loans do not comply with the Covenants and have all been reclassified as short term.

Finally, the Vatel bond will be fully completed by December 31, 2021, and a Santier loan originally for \$1 million, 50% of which was counter-guaranteed by a deposit, was fully paid in January 2021.

### OUTLOOK

The Group intends to maintain its activity in the second half of 2021 at a comparable level as the first half.

The economic rebound in the markets addressed by the Group is favorable and certain issues experienced by some competitors (semiconductor supply crisis) do not affect the markets served by Egide.

In addition, new business development initiatives have been launched to take advantage of the Group's new services and industrial capacities as quickly as possible: a new plating line in the USA and industrial modernization at the Bollène site.

In terms of profitability, the second half of 2021 should be in line with the Management's initial expectations as it should no longer include items related to the consequences of the Cambridge fire and it should record the forgiveness of the PPP (American Covid support plan) for €0.6m.

This means that for the entire 2021 year, the net result gap with the ambitions communicated in the past should be limited to the additional costs of plating subcontracting incurred in the first half at Egide USA and estimated at €1 million.

Despite the exceptional events of the last 18 months, the Group believes that it remains on track to consolidate its position on a profitable and sustainable growth trajectory.

Jim Collins, President and CEO of Egide, comments: *"It has been a difficult time for Egide between the Covid pandemic and the industrial fire at Cambridge. But in both cases, we have overcome these difficulties and are able to achieve our internal growth target in the coming years. We are constantly improving our business operations through new human resources and business development, which should benefit the company in the near future. Our new plating facility in Cambridge, and the modernization of our facility in Bollène are continuing the transformation of the company started in 2018. The future is bright for EGIDE. »*

## FINANCIAL CALENDAR

Half Year 2021 Results presentation to analysts & Investors	September 30, 2021 – 11 :30am
Availability of the 2020 Half-Year Financial Report	October 1, 2021
2021 full year sales	January 26, 2022

## CONTACTS

**EGIDE – Luc Ardon – CFO** - +33 4 90 30 35 94 – [luc.ardon@fr.egide-group.com](mailto:luc.ardon@fr.egide-group.com)

**FIN'EXTENSO – Press Relations - Isabelle Aprile** - +33 1 39 97 61 22 – [i.aprile@finextenso.fr](mailto:i.aprile@finextenso.fr)

### **About Egide** - [www.egide-group.com](http://www.egide-group.com)

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

Keep up to date with all the Group's news online: [www.egide-group.com](http://www.egide-group.com) and [LinkedIn](https://www.linkedin.com/company/egide-group)