

EGIDE

Euronext Growth - FR0000072373 – ALGID

✓ **The US recovery is delayed**

- ✓ **H1 Revenue: €15.4M, down 19.6%**
- Egide SA: €7.04M, down 18%
 - Egide USA: €5.15M, down 19%
 - Santier: €3.24M, down 23%

At the end of April, management expected stable activity for the entire year due to growth in the USA, thanks to the qualification of new products for thermal batteries and ignition devices for missiles. The decline in Egide SA was anticipated due to a significant drop in orders from one of its main clients. Ultimately, based on H1, the group will show a decline in activity in 2024, with the USA unable to compensate for the drop in France. In addition to longer-than-expected delays in qualifying new products, Egide is experiencing:

A decline in orders from its top client in the USA, who has overstocked. Technical manufacturing problems and failures from some of Santier's suppliers in terms of "quality and lead times."

Egide is once again suffering from its insufficient client diversification, making it very vulnerable. This structural issue has often been mentioned. To reduce this dependency, management has embarked on a policy of diversifying products and clients, but the target markets require long certification periods. However, some signals are positive, such as the Asia/Rest of the World region, which is up 21% to €4.75M, becoming the second-largest revenue area behind the Americas (€7.28M, down 25%) and Europe (€3.4M, down 39%).

Outlook

Based on H1 and the anticipated slightly better H2, we are revising our expectations with an estimated 2024 revenue of €32.2M (down 12.5%) versus a stable revenue of €36.7M. The main discrepancy comes from the American segment. Additionally, we maintain our growth sequences for 2025 and 2026, but the expected decline in 2024 versus stability leads to a shift in volume and thus in results. Logically, the lower activity leads us to lower our 2024 estimated ROP expectation, with a loss of €-3.6M versus €-2.3M previously.

The level of losses that Egide is expected to incur, the need to finance Santier's working capital, and the continuation of investments, particularly increasing automation of assembly through the use of robots, raise the question of a necessary recapitalization to support 2025. This is also a consequence of the difficulties in diversifying the client portfolio.

Opinion & Price Target: Neutral vs Buy / €0.50 vs €0.87

The downward revision of our estimates negatively impacts our price target obtained through DCF. With a discount rate of 11.7%, the price target is €0.50.

If we consider comparable companies, the value per share would rely solely on the EV/Revenue ratio. Based on this, we reach €3.3 per share, but the size and profitability profile of the considered companies are significantly different from Egide's current profile. This is why we do not adopt this approach for now.

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NEUTRAL vs Buy

H1 Sales

BPI Label – Innovative company- PEA-PME Eligible

TARGET **BEFORE**
€ 0.50 **€ 0.87**

SHARE PRICE (7/16/24) **POTENTIAL**
€ 0.497 **+0%**

CAPITALISATION **FLOTTANT**
€ 8.1m **€ 6.2m**

Ratios	2024e	2025e	2026e
EV/Sales	0,55	0,51	0,47
EV/EBIT	nr	nr	nr
P/E	nr	nr	nr
P/CF	-3,1	-4,2	-15,6
Dividend Yield	0,0	0,0	0,0

Data per share	2023	2024e	2025e	2026e
EPS	-0,19	-0,28	-0,19	-0,10
%Change	nr	nr	nr	nr
FCF	0,14	-0,21	-0,17	-0,09
%Change	nr	nr	nr	nr
Dividend	-	-	-	-

Income Statement (€m)	2023	2024e	2025e	2026e
Net Sales	36,7	32,2	35,1	38,2
%Change	137,4%	-12,4%	9,0%	9,0%
EBIT	-2,1	-3,5	-1,9	-0,5
% Sales	-5,6%	-10,8%	-5,6%	-1,4%
Net Result	-3,1	-4,6	-3,0	-1,6
% Sales	-8,5%	-14,2%	-8,7%	-4,2%

Cash Flow Statement (€m)	2023	2024e	2025e	2026e
FCF	2,3	-3,4	-2,8	-1,5
Net Debt	9,8	8,6	11,8	13,7
Shareholder Equity	7,0	2,5	-0,6	-2,2
Gearing	138,7%	348,7%	nr	nr
ROCE	-7,4%	-14,1%	-7,8%	-2,0%

Shareholders	
iXcore	8,5%
Pleiade Venture	8,0%
Vatel Remploi	7,4%
Free Float	76,1%

Performances	2024	3m	6m	1 Year
Egide	-31,8%	-18,5%	-37,9%	-21,4%
Euronext Growth	-6,2%	-0,8%	-4,5%	-14,5%
12 months Low-High	0,42	0,99		

Liquidity	2024	3m	6m	1 Year
Cumulative volume (000)	6 773	1 577	5 615	10 759
% of capital	41,7%	9,7%	34,5%	66,2%
% of Free Float	54,8%	12,8%	45,4%	87,0%
€ Million	4,9	0,9	3,9	7,6

Next Event H1 Results : October, 22

Egide has signed a research contract with GreenSome.

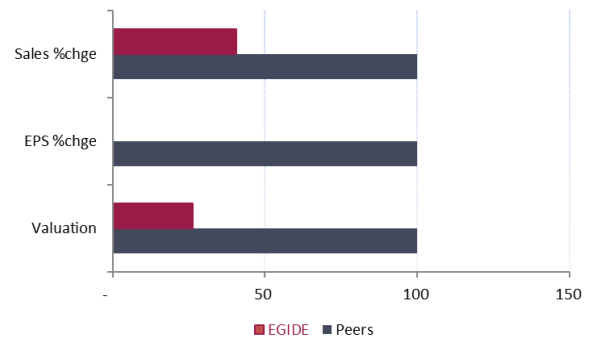
Snapshot Egide

Egide articulates its activity through two technologies that are glass-metal and ceramic cases which makes it one of the few actors in the world to control them. These housings make it possible to ensure perfect hermeticity in environments that may be subject to high thermal and / or atmospheric stresses. Egide provides highly resistant interconnection boxes in sensitive environments (Space, Defense, Security, Aeronautics, Telecommunications, Energy, ...), solutions that guarantee the optimal reliability of electronic systems or complex chips. In February 2017, the group acquired Santier, a US company specializing in the manufacture of dissipative components and materials.

Fondamental Matrix



Investment Profile



Target Price & rating history

Date	Type	Opinion	Price per share	Price Target
4/30/24	2023 Annual Results	Buy	€ 0.608	0.87 €
1/29/24	Sales 2023	Neutral	€ 0.972	€ 0.95
12/12/23	Capital Increase Result	Speculative Buy	€ 0.64	€ 1.16
11/21/23	Capital Increase	Speculative Buy	€ 0.591	€ 1.16
10/24/23	H1 Results	Speculative Buy	€ 0.54	€ 1.16
9/21/23	General Assembly Erratum	Speculative Buy	€ 0.621	€ 0.97
9/14/23	General Assembly debriefing	Speculative Buy	€ 0.642	€ 0.97
9/5/23	Capital Increase Result	Speculative Buy	€ 0.752	€ 0.91
8/19/23	Capital Increase	Subscribe	€ 0.67	€ 0.91
7/17/23	H1 Sales	Speculative Buy	€ 0.632	€ 0.91

Financial Data

Income Statement (€ m)	2021	2022	2023	2024e	2025e	2026e
Revenues	32,5	15,5	36,7	32,2	35,1	38,2
Purchase	12,7	5,7	14,9	13,2	14,0	15,1
Externals costs	6,5	2,4	5,1	4,5	4,9	5,4
Personnals Costs	14,0	6,3	16,3	15,7	15,7	15,9
Amortization	1,5	0,5	2,2	1,9	1,9	2,0
other	3,4	0,1	0,0	0,0	0,0	0,0
EBIT	0,8	0,6	-2,1	-3,5	-1,9	-0,5
Financial Result	-0,4	-0,2	-1,1	-1,1	-1,1	-1,1
Tax	-0,2	-0,1	0,0	0,0	0,0	0,0
Net Result	0,2	0,3	-3,1	-4,6	-3,0	-1,6

Balance Sheet (€ m)	2021	2022	2023	2024e	2025e	2026e
Fixed Assets	12,8	2,5	9,5	7,5	6,9	6,4
Stock Inventories	7,4	3,5	7,0	6,7	7,3	8,0
Accounts Receivable	4,9	3,4	6,3	6,3	6,8	7,4
Other Currents Assests	1,6	1,9	2,1	1,8	1,9	2,1
Cash & Equivalentents	1,6	0,7	3,2	-0,1	-2,9	-4,3
TOTAL Assets	28,3	27,9	28,2	22,1	20,1	19,6
Shareholders' Equity	11,6	6,5	7,0	2,5	-0,6	-2,2
Provisions	0,9	0,7	0,8	0,7	0,8	0,9
Financial Debt	7,7	4,6	0,0	4,7	5,1	5,6
Accounts Payables	5,4	2,7	6,5	5,8	6,3	6,9
TOTAL Liabilites	28,3	27,9	28,2	22,1	20,1	19,6

Cash Flow Statements (€ m)	2021	2022	2023	2024e	2025e	2026e
Cash Flow from Operating Activities	-1,2	0,9	-1,0	-2,7	-1,1	0,4
Change in Net Working Capital	0,7	-1,4	-4,3	-0,1	0,8	0,9
Cash Flow from Operations	-0,5	-0,5	3,2	-2,6	-1,9	-0,5
Cash Flow from Investing	0,1	-0,1	-0,9	-0,8	-0,9	-1,0
Capital Increase	0,0	0,0	3,8	0,0	0,0	0,0
Funding Flow	0,2	0,9	-4,0	0,5	0,0	0,0
Cash Flow from Financing	0,5	0,8	-0,2	0,5	0,0	0,0
Net Change in cash position	0,2	-0,9	2,2	-3,0	-2,7	-1,4

RATIOS	2021	2022	2023	2024e	2025e	2026e
EBIT Margin	2,5%	3,8%	-5,6%	-10,8%	-5,6%	-1,4%
Net Margin	0,6%	2,2%	-8,5%	-14,2%	-8,7%	-4,2%
ROE	1,7%	5,2%	-44,4%	-185,2%	529,8%	73,7%
ROCE	2,6%	4,6%	-7,4%	-14,1%	-7,8%	-2,0%
Gearing	72,0%	75,8%	138,7%	348,7%	nr	nr
FCF per share	-0,03	0,19	0,14	-0,21	-0,17	-0,09
EPS (€)	0,02	0,03	-0,2	-0,3	-0,2	-0,1
Dividend per share (€)	0,0	0,0	0,0	0,0	0,0	0,0
Dividen Yield	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Distribution rate	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

Estimates : GreenSome Finance

Rating Definition

BUY	NEUTRAL	SELL
Upside > +10%	-10% < Upside < +10%	Upside < -10%

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