

## 2022 FY results

- **Deterioration in profitability**

- The Group's profitability has been deteriorated by the underperformance of the US entities despite efforts to increase production post industrial fire and Covid.
- The sale-leaseback of the Cambridge facility in June 2022 was not sufficient enough to strengthen the cash position as the backlog is strong and requires a lot of working capital to meet customer demand.
- Not being able to finance both the French and the US operations, the Board of Directors made the choice, at the end of 2022, to favor the French business and to seek solutions as set out below.

- **Project to sell Egide SA's American subsidiaries.**

- The Group has decided to sell 100% of its US operations. Among potential opportunities, the group has signed on April 20<sup>th</sup> an exclusive, non-binding, Letter Of Intent with a major player in the business. Exclusivity will end on May 31<sup>st</sup>. These discussions may or may not result in a future sale.
- In the meantime, a restructuring of the US businesses has been launched in order to achieve breakeven point quickly.

- **2022 results:** *presented in accordance with IFRS 5, which makes it possible to identify on the balance sheet operations held for sale and on the income statement, the net income from discontinued operations, which is presented on a single line.*

- **Consolidated 2022 revenues: € 33.86 million (+4%/2021)**
  - **Revenues from continuing operations: €15.46 million (+8.9%/2021).**
  - **Revenues from discontinued operations: €18.40 million –10.7% in USD/2021).**
- **EBITDA: -€2.9m in total; €0.6m for continued operations**
- **Net result group share: - €5.62 m (vs. €0.20 m in 2021).**
  - **Net result from continuing operations: € 0.34 m (vs. € 0.65 m in 2021).**
  - **Net result of discontinued operations: - €5.96m (vs. - €0.44m in 2021).**

- **Philippe BRINGUIER: New Chief Financial Officer**

- Succeeds Luc ARDON, who is retiring.

- **Outlooks**

- The potential sale of the American subsidiaries would allow:
  - To strengthen its financial structure,
  - The simplification of Egide's organization,
  - A clear affiliation to the European defense electronics industry,
  - A return to profitability.

For various reasons related to this publication, which has recently been approved, the audits have not yet been completed. The audit reports are expected by end of May. The figures presented below are therefore unaudited but were presented to the Board of Directors at its meeting on April 25, 2023.

## CONSOLIDATED FINANCIALS 2022

### REVENUE

<i>In M€</i>	FY 2022	H2 2022	H1 2022	FY 2021
<b>Revenues from continuing operations</b>	15.46	7.82	7.64	14.19
<b>Revenues from discontinued operations</b>	18.40	10.01	8.39	18.31
<b>Consolidated revenues</b>	33.86	17.83	16.03	32.50

[Egide Group's](#) unaudited consolidated revenue for 2022 was €33.86 million, up 4 % compared to 2021. The euro/dollar exchange rate is favorable, since on a constant dollar basis, revenue in 2022 would be 2.2% lower.

Due to the potential sale of the American activities, it is necessary to analyze separately the revenue of Egide SA's activities from those of its American subsidiaries which are sold. The analysis of revenue is as follows:

- **Revenue from continuing operations: Egide SA (€15.46 m)**
  - Revenues are up 8.9%, increasing from €14.19 million in 2021 to €15.46 million in 2022. The growth of the activity comes from the Middle East countries. The Power and Radio Frequency activities have driven Egide SA's growth in 2022 and the thermal imaging activity remains preponderant with 69% of the turnover.
  - Egide SA generated 42% of its 2022 revenues (excluding the group) in France, compared to 45% in 2021. Europe (excluding France) represents 11% and North America 3% of sales for the year. The rest of the world will account for 42% of sales in 2022, compared with 35% in 2021, mainly in Israel, China and South Korea.
  
- **Revenue from discontinued activities :**
  - **Egide USA (€9.64 m)** is down 16.9% in USD and down 6.5% in euros compared to 2021. After a year 2021 affected in Cambridge by delays in the installation of the new plating line ("after fire"), 2022 was disrupted by manufacturing delays due to supply chain and staffing difficulties, whereas the backlog should have helped to do better than 2020.
  - **Santier (€8.76 m)** is down 3.1% in USD and up 8.8% in euros. The California subsidiary is experiencing the same supply and staffing difficulties as Egide USA in 2022, which have also led to manufacturing and delivery delays.

## RESULTS AS OF 12/31/2022 – UNAUDITED

<i>In €M - unaudited</i>	FY 2022		H2 2022		H1 2022		FY 2021	
<b>REVENUE</b>	15.46	100%	7.82	100%	7.64	100%	14.19	100%
Consumed purchases	-5.72	-37%	-2.62	-33%	-3.10	-41%	-5.30	-37%
Inventory changes	0.02	0%	-0.14	-2%	0.17	2%	0.43	3%
Personnel costs	-6.35	-41%	-3.05	-39%	-3.30	-43%	-6.10	-43%
External costs	-2.35	-15%	-1.14	-15%	-1.21	-16%	-2.15	-15%
Taxes	-0.15	-1%	-0.06	-1%	-0.09	-1%	-0.20	-1%
Other exp. & indemn.	0.13	1%	0.004	0%	0.12	2%	-0.08	-1%
<b>EBITDA</b>	<b>1.04</b>	<b>7%</b>	<b>0.81</b>	<b>10%</b>	<b>0.23</b>	<b>3%</b>	<b>0.80</b>	<b>6%</b>
Depreciation. Amort.& provisions	-0.45	-3%	-0.19	-2%	-0.26	-3%	-0.18	-1%
<b>OPERATING INCOME (Ebit)</b>	<b>0.59</b>	<b>4%</b>	<b>0.63</b>	<b>8%</b>	<b>-0.04</b>	<b>0%</b>	<b>0.61</b>	<b>4%</b>
Financial items	-0.16	-1%	-0.14	-2%	-0.02	0%	-0.12	-1%
Income Taxes	-0.09	-1%	-0.07	-1%	-0.02	0%	0.15	1%
<b>Net result from continuing operations</b>	<b>0.34</b>	<b>2%</b>	<b>0.42</b>	<b>5%</b>	<b>-0.08</b>	<b>-1%</b>	<b>0.64</b>	<b>5%</b>
<b>Net result of discontinued activities</b>	<b>-5.96</b>	<b>-39%</b>	<b>-4.03</b>	<b>-51%</b>	<b>-1.93</b>	<b>-25%</b>	<b>-0.44</b>	<b>-3%</b>
<b>Net result group share</b>	<b>-5.62</b>	<b>-36%</b>	<b>-3.61</b>	<b>-46%</b>	<b>-2.01</b>	<b>-26%</b>	<b>0.20</b>	<b>1%</b>

*in €M – Unaudited*

Results from continuing operations, i.e. the French parent company, remain slightly positive since the 2019 restructuring and net profit amounts to 2% of revenue.

The results of the discontinued operations are heavily impacted by a deterioration of margins and the rising labor costs. The level of loss was deemed too high to allow for a remediation through traditional restructuring methods.

As a result, the Group has started preliminary discussions and due diligences with a U.S. partner for the sale of 100% of the capital of Egide USA LLC, which in turn owns 100% of Egide USA Inc. and Santier Inc. These discussions may or may not result in a future sale.

As mentioned at the time of the press release of the 2022 revenues (on January 26, 2023), the activity of the group's American entities was seriously challenged throughout 2022 and the situation deteriorated in the second half. This led the Board of Directors to decide in December 2022 to seek solutions for the sale of the American subsidiaries, in particular because the cash situation was becoming strained despite the lease-purchase transaction for the Cambridge plant carried out in June 2022.

**Egide USA Inc.** (Cambridge site, MD – USA).

Formerly Electronic Packaging Products (EPP), Egide USA has been part of the Group since 2000. It ensures, mainly for the American market, the assembly, the control and the surface treatment of glass-metal or ceramic-metal packaging, all these products being subject to ITAR (International Trade in Arms Regulations) controls. Since mid-2015, the site is equipped with a clean room (class 10 000) of 300 m<sup>2</sup> and production equipment for the treatment of raw ceramic received from Egide SA.

The fire in July 2020 had repercussions until the 3rd quarter of 2021 because of the delay in the reconstruction of the plating line and its certification by the customers.

**Santier Inc.** (San Diego site, CA – USA).

Part of the Egide Group since February 2017, Santier mainly provides metal components and heat dissipation solutions for the US market. It also provides some assemblies incorporating HTCC ceramic components purchased externally or supplied by Egide USA.

**CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2022**

ASSETS*			LIABILITIES *		
	2022	2021		2022	2021
Fixed assets	1.06	9.73	Equity	6.76	11.57
Usage rights of leased assets	0.86	1.97			
Other financial fixed assets	0.46	0.46	Accruals	0.23	0.87
Differed tax assets	0.16	0.69	Financial debt	4.75	7.71
Inventory, AR and other assets	8.33	13.86	Rent debts	1.01	2.22
Cash	0.68	1.59	AP & other	3.46	5.93
Assets classified as held for sale	15.93	-	Liabilities classified as held for sale	11.27	-
<b>TOTAL</b>	<b>27.48</b>	<b>28.30</b>	<b>TOTAL</b>	<b>27.48</b>	<b>28.30</b>

\* in €M – Unaudited

In accordance with IFRS 5, the opening balance sheet has not been restated.

In the continuing operations, inventories and receivables increased by approximately €1.3m, while the rest of the assets remained relatively stable and financial debts increased by €0.8m, due to the new €1m bond loan subscribed during the year.

For the discontinued activities, in June 2022, the Cambridge factory was sold and lease back immediately, which creates from an accounting standpoint a “usage right of leased assets” and a “rent debt”. In parallel, the mortgage loan was reimbursed for 1,2M€. In addition, following the change in banking partner, all the loans were reimbursed in December 2022 and replaced with Amerisource by 2 lines of credit with the Accounts Receivable and the Inventory as guaranty, for 2,6M€.

**Philippe BRINGUIER is appointed Chief Financial Officer**

Philippe BRINGUIER, who has been appointed Chief Financial Officer of the Group, has entered this position on March 20, 2023.

His responsibilities include leading the current sale discussions, but also improving the Group's performance and seeking financing in the USA. With 34 years of experience in financial management in companies and in international audit firms, Philippe BRINGUIER will bring to the Group his extensive expertise in leadership and financial management, including of listed companies, but also in the sale and purchase of companies (M&A) and in the improvement of company performance.

He succeeds Luc ARDON, who is retiring after nearly 4 years within the Group.

## 2023 OUTLOOK

The prospect of selling all the U.S. subsidiaries is a major decision to simplify Egide's organization, improve the company's performance and return to profitability, and will have no commercial or operational impact since the entities were operating very independently.

On the strategic level, this reorganization of the group will enable it to strengthen its financial structure and refocus on its position as a key player in France and Europe in the defense and aerospace sectors. By becoming once again a French and European player with a strong presence in the Middle East and Asia, the group will be able to strengthen its positions and address more effectively some opportunities linked to the relocation of strategic manufacturing, in particular in electronics.

Egide SA, through its Bollène site, is continuing to modernize its production tools and to seek volume markets. As expected, more emphasis is put on R&D in order to work on technological innovations to find competitive advantages.

As regards governance, the sale of the American subsidiaries would have consequences concerning the management, which the Group anticipates positively, given the simplification at all levels that this would involve. An appropriate communication will be made to the market at the relevant time.

As in the past, the Egide Group's approach regarding its new structure will remain focused on the profitable and sustainable future of the company.

### FINANCIAL CALENDAR

Annual Financial Report:	should be released by end of May
General Meeting :	June 30, 2023
2023 HY Revenue :	July 19, 2023

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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 Euronext Growth Paris™- ISIN : FR0000072373 - Mnémo : ALGID**