



2019 2nd Half Revenue 2019 Revenue

- 2019 revenue was 31.79 million euros, in line with expectations
- A good overall yearly performance for the US Entities
- Significant growth in H2 - 2019
- Reorganization of French operation completed in H2
- Growth of revenues in 2020 expected in all business units.

[Egide Group](#)'s unaudited consolidated revenue grew slightly to € 31.79 million in 2019, in line with the forecasts published at the time of the publication of the H1. Sales denominated in dollars now account for 62% of the group's total turnover.

Second Half sales amounted to € 16.92 million, which was a 13.8% increase over the previous semester. Compared to H2 2018, there was 9.3% increase at real exchange rate (5.8 % at constant exchange rate).

HIGHLIGHTS BY BUSINESS UNIT

Millions of euros	H2 2018	H1 2019	H2 2019*	HoH Var. %	YoY Var. %	Comp. Var. % **	FY 2018	FY 2019*	YoY Var. %	Comp. Var. %
Egide SA	6.75	5.39	6.70	24.3%	-0.7%	24.3%	14.38	12.09	-15.9%	-15.9%
Egide USA	4.55	5.01	6.33	26.3%	31.8%	25.2%	8.42	11.34	34.7%	27.6%
Santier	4.18	4.47	3.89	-13.0%	-11.8%	-13.8%	8.93	8.36	-6.4%	-11.3%
Group	15.48	14.87	16.92	13.8%	5.8%	13.2%	31.73	31.79	0.2%	-3.1%

* unaudited ** At constant exchange rates

HoH : half-year on half-year comparison YoY : year-on-year comparison

The second half of the year showed a marked improvement with a 13.8% growth in revenue, as previously announced. The difficult environment in which Egide SA operated in H1 2019 has impacted the group's turnover for the year. 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.

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.

Order intake for the year was €34.8 M, resulting in a book to bill ratio of 1.09.

Reorganization of Egide SA

The reorganization plan of Egide SA was completed in December 2019, with the transfer and modernization of the graphite and ceramic machining activity, and administrative services (purchasing, accounting and marketing) to Bollène.

Launched in July 2019, this restructuring was accompanied by a major change in administrative and financial services lead by Luc Ardon, recently appointed as Chief Financial Officer. The reorganization plan is meant to align costs with current revenue projections and optimize operations for Egide SA. Most of its operational impact are expected to be felt beginning in Q1 2020.

REVENUE PER APPLICATION

<i>Millions of euros</i>	H1 2019	H2 2019*	Var. %	FY 2018	FY 2019*	Var. %	<i>Change on a comparative basis **</i>
Power	4.29	4.11	-3.2%	6.05	8.40	38.8%	32.1%
RF/MW	2.01	3.24	61.2%	6.15	5.25	-14.6%	-18.0%
Optronics	2.78	2.01	-27.7%	5.62	4.79	-14.8%	-17.3%
Thermal Imaging	4.22	5.03	19.2%	10.44	9.25	-11.4%	-12.5%
Others	1.57	2.53	68.7%	3.47	4.10	18.2%	13.3%
Group	14.87	16.92	13.8%	31.73	31.79	0.2%	-3.1%

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Thermal Imaging

The downturn of revenue in 2019 compared to 2018 was primarily due to a dip in two major customers' activity in the EU and the middle east, which was partially offset by new customers in Asia. Both of these customers have recovered in H2, and this continues into 2020. This market is stable in the US with current customers, as the team works to be qualified on additional programs and customers. Egide technical and operational teams are working on methods to improve productivity to increase market share in this market segment.

RF/MW

The decrease in revenues for 2019 was evenly split between the EU and US, over a large number of companies. As the year progressed, the demand for these parts has increased, and the backlog of orders indicates that it will continue into 2020. Capital expenditures in 2018 and 2019 have provided new equipment to provide better quality and more cost-effective solutions to our customers.

Power

Demand at Egide USA for power products increased dramatically as the two major customers have seen significant growth in demand and needed to fill their respective pipelines. This has been accomplished in 2019. In 2020, the demand will rationalize to the normal demand.

Optronics

This market segment was strongly impacted by the reorganization of Santier's largest customer, which included partial relocation of facilities. This resulted in more than 50% decline in revenue for this customer in 2019. A new contract is currently being negotiated with this client to secure our market share. The revenue at Egide SA and USA in this market segment was stable in 2019. Egide will continue to provide high technology solutions to emerging programs by working with the technical teams at our key customers.

Others

The increase in activity in this market segment is mainly due to the offer of new products for new customers. The objective is to capitalize on these new opportunities and turn them into sustainable growth for the Group in the coming years.

OUTLOOK

For 2020, the group expects revenue growth at all three business units compared to 2019. The company's backlog at the end of the year has increased by 3.1 million euros compared to year end 2018. The HTCC team in Cambridge is working alongside with the technical team in Bollène to improve its ceramic processes. This should allow the Cambridge facility to increase its product offering beyond its Thermal Imaging success. The reorganization in France has allowed Egide SA to make changes to its commercial group. The renewal of the client portfolio and the numbers of projects for which Egide is solicited, grew significantly in 2019 and this trend is expected to continue in 2020.

FINANCIAL CALENDAR

End of March 2020: 2019 financial results

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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