



1ST HALF 2020 REVENUE

- **1st half 2020 revenue at €17.27m (+16.1% YoY)**
- **All subsidiaries are growing:**
 - Egide SA: + 16.3%
 - Egide USA: + 20.8%
 - Santier: + 10.7%
- **OUTLOOK**
 - Current backlog for S2 2020 is firm and similar to S1.
 - Uncertainty of the market forces due to the COVID-19 crisis make it difficult to predict the situation for S2 2020 and 2021.

Egide Group's unaudited consolidated revenue grew to €17.27 million, an increase of 16.1% compared to H1 2019.

The Egide group's unaudited consolidated revenue for the first half of 2020 benefited in particular from growth in the thermal imaging market in Europe, and from Egide's performance in the power market in the US.

Commercial activity has been heavily impacted by the COVID-19 crisis, as since February there has been no ability to visit customers in person, and no trade show activity. This has adversely affected our order intake, relative to the revenues in S1. As a gradual opening of the economy is observed, Egide is preparing for new commercial activity. In the frame of its worldwide sales strategy to develop Egide's export business, Egide has relaunched in June its actions to increase its international network coverage, particularly in Russia with the signing of a new distribution agreement for this area. It has brought on a new representative in Germany, plan a similar in Spain and has added an additional sales manager in the US.

The impact of the Covid-19 remained 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 defense 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 defense and aerospace sectors.

From the beginning of the crisis, the Egide Group has taken the necessary initiatives to minimize the 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.

The purchasing department is still in regular contact with key suppliers and strictly monitors delivery times. For the 1st half and to date, no major supply disruptions in Europe and the United States have been seen.

Sales denominated in dollars now account for 63.7% of the group's total turnover in the first half of 2020.

HIGHLIGHTS BY BUSINESS UNIT

<i>In Million of Euros</i>	H1 2019	H1 2020 *	Var. %	Comp. Var. % **
Egide SA	5.38	6.27	+16.3%	16.3%
Egide USA	5.01	6.05	+20.8%	17.7%
Santier	4.47	4.95	+10.7%	7.7%
Group	14.87	17.27	+16.1%	14.3%

* unaudited ** At constant exchange rates

For information, the average euro / dollar parity in H1 2020 was 1.102 compared to 1.1298 in H1 2019.

REVENUE PER APPLICATION

<i>In Million of Euros</i>	H1 2019	H1 2020 *	Var. %	Comp. Var.% **
Power	4.29	5.54	+29.1%	26.2%
RF/MW	2.01	3.41	+69.7%	66.1%
Optronics	2.78	2.13	-23.4%	-24.7%
Thermal Imaging	4.22	4.46	+5.7%	5.6%
Others	1.57	1.73	+10.2%	7.9%
Group	14.87	17.27	+16.1%	14.3%

* unaudited ** At constant exchange rates

Thermal Imaging

Major customers in the EU and the middle east, in difficulty in 2019, recovered in the late H2 2019, and continued to in S1 2020. In the U.S., demand decreased due to realignment of our customers priorities from defense related to commercial applications. The US sites are currently working on next generation commercial applications, while keeping current on the defense applications. For the full year 2020, we anticipate worldwide, good market conditions in this business segment.

RF/MW

As anticipated, after a difficult year 2019 due to the postponement of some satellite programs in both Europe and the United States, the market picked up again in H1 2020. As expected, these applications are not affected by the Covid-19 crisis.

Power

Strong demand from Egide customers in this business sector was supported by both revenue growth and the recovery in orders. Demand growth was seen in all Egide's product segments: transport, defense and satellite. This trend is expected to continue in 2020.

Optronics

While demand on few legacy telecom projects is slowing down, the key metro and long-distance fiber optic programs, on which Egide is qualified, performed as promised and generated additional revenues. In the optical telecommunications market, we are seeing a real trend to qualify new sources such as Egide. The full impact of this new trend is expected from 2021 (usual and lengthy qualification process).

Others

Revenue in new markets grew from entries in new applications such as industrial equipment, sensors, etc.... Commercial activities focus in these diversification areas remains a priority to generate new revenue streams.

MAIN EVENTS SINCE JUNE 30, 2020

On July 1, 2020, there was a fire at the EGIDE USA facility in Cambridge, Maryland, USA which was contained within the plating department. Priority was given to remediation of the various hazard materials associated with the plating operation. The hazardous material has been removed and contained without release to the surrounding community.

During the week of July 20, a partial opening of the facility with assembly and cleaning operations is underway. The reconstruction of the plating operation has necessitated that plating processes will need to be transferred to our affiliated companies – Santier, Inc. which is AS9100 certified and NADCAP certified for plating; and EGIDE SA, which is ISO 9001 certified. Replacement equipment for the plating operation is underway with the cooperation of our engineering team and vendors.

OUTLOOK

The impact of the fire in Cambridge will adversely affect Q3, but there will be a rebound in Q4. Remediation efforts in the facility are on track and a fully new and more efficient operation is expected by the 4th quarter.

Due to the Covid-19 crisis, commercial activity continues to be by video or telephone conference, and we are seeing a slight slowdown from a relatively few customers.

The group is not currently able to precisely quantify these various potential impacts. Based on these elements, Egide Group remains prudent on the full-year outlook, however, the PPP (Payroll Protection Plan) loan forgiveness in the USA and the insurance coverage in Cambridge will help mitigating the risks from a profitability stand point.

FINANCIAL CALENDAR

September 29, 2020: Press release 2020 Half-year results (after French market closure)

September 30, 2020: Half Year 2020 Results presentation to analysts - By Visio conference - Login information will be provided later.

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About Egide - 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'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