

EGIDE

Euronext Growth - FR0000072373 – ALGID

✓ Sales 2023 + Contact: The USA continues to disrupt the game.

- ✓ Sales 2023 €36.75 million +8.7% (expected €39.2 million)
 - Egide SA €17.5 million +13% (expected €17.1 million)
 - Egide USA €11.6 million +21% (expected €13.8 million)
 - Santier €7.6 million -13% (expected €8.8 million)
- ✓ Expected stable sales in 2024.

After a dynamic first semester (sales +20%), the second semester sees a slight decrease of -1.3%. The reversal in trend comes from the USA, which declined by -13% in H2, mainly due to Santier, which dropped by -26%, while Egide USA is almost stable at -1.5%. Egide SA maintains a very good momentum with a H2 growth of +13.5%, marking the third consecutive quarter of double-digit growth.

We anticipated a slowdown in the USA in the second semester due to difficulties in financing the BFR, but not to this extent. Indeed, it is mainly this point that led to the decline in activity, as the group did not have sufficient liquidity to meet the increase in its order book. Additionally, recruitment difficulties persisted, weighing on Egide USA. It was the lack of liquidity that motivated the launch of two capital increases in August and December, operations that raised net €3.6 million.

We underestimated the inertia related to BFR financing difficulties, which largely explains the significant gap between our expectations for the American scope and what has been achieved (€19.3 million vs expected €22 million). However, it is worth noting that the activity level achieved in dollars by Egide USA is the highest since 2019.

Regarding France, Egide demonstrates a positive momentum driven by thermal imaging applications that meet various needs in the military domain. The last time such an activity level was observed was in 2011. Since the reorganization in 2019, which marked the lowest activity level since 2010 due to a tightening of European defense export rules, the average annual growth rate is +9.7%.

By applications, Thermal Imaging in the Defense sector is the most dynamic, with a growth of +27% to €15 million (41% of CA), with 2/3 being realized by Egide SA and 1/3 by Egide USA.

The annual sales being 6.3% lower than our expectation logically leads to a revision of our results estimate. We now target an Operating Profit (EBIT) of -€2.4 million (SA +€0.4 million / USA + Santier -€2.8 million) vs -€1 million.

Outlook:

The management aims for stable activity in 2024, whereas we expected growth of just over 8%, particularly driven by the USA, benefiting from a good order book (thermal batteries for the military...). This caution is explained by uncertainties related to Egide SA, which is expected to suffer from unfavorable "geopolitical factors" leading to a decline in its activity, offset by the expected progress in the America region due to new contracts.

Egide still suffers from too much concentration among its largest clients. The top 5 clients represent more than 60% of the group's sales. This exposure is therefore a structural weakness. Diversifying clients remains one of the management's priorities to minimize such external events.

Opinion & Target Price: Neutral vs Speculative Buy / €0.95 vs €1.16

The revision of our results expectations for 2023 and those of 2024 leads to a decrease in our target price to €0.95.

We move to Neutral, an opinion strengthened by the uncertainties now surrounding Egide SA.

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NEUTRAL vs Spec. Buy

Contact + Sales 2023

BPI Label – Innovative company- PEA-PME Eligible

TARGET **BEFORE**
€ 0.95 **€ 1.16**

SHARE PRICE (01/29/24) **POTENTIAL**
€ 0.972 **-1.8%**

CAPITALISATION **FLOTTANT**
€ 15.8m **€ 12m**

Ratios	2023e	2024e	2025e
EV/Sales	0,64	0,63	0,59
EV/EBIT	nr	nr	38,5
P/E	nr	nr	136,6
P/CF	23,8	10,4	19,7
Dividend Yield	0,0	0,0	0,0

Data per share	2022	2023e	2024e	2025e
EPS	0,03	-0,19	-0,10	0,01
%Change	0,67	nr	nr	nr
FCF	0,19	-0,02	0,04	-0,01
%Change	nr	nr	nr	-1,33
Dividend	-	-	-	-

Income Statement (€m)	2022	2023e	2024e	2025e
Net Sales	15,5	36,8	36,7	39,9
%Change	-52,4%	137,7%	-0,3%	8,9%
EBIT	0,6	-2,4	-1,2	0,6
% Sales	3,8%	-6,5%	-3,3%	1,5%
Net Result	0,3	-3,1	-1,7	0,1
% Sales	2,2%	-8,3%	-4,6%	0,3%

Cash Flow Statement (€m)	2022	2023e	2024e	2025e
FCF	2,0	-0,3	0,6	-0,2
Net Debt	4,9	7,9	7,3	7,9
Shareholder Equity	6,5	12,4	10,7	10,8
Gearing	75,8%	63,6%	68,0%	73,1%
ROCE	4,6%	-7,3%	-4,0%	2,0%

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

Performances	2024	3m	6m	1 Year
Egide	33,3%	60,7%	32,3%	83,0%
Euronext Growth	-2,1%	5,1%	-12,0%	-17,4%
12 months Low-High	0,50	1,27		

Liquidity	2024	3m	6m	1 Year
Cumulative volume (000)	2 538	3 773	6 248	15 550
% of capital	15,6%	23,2%	38,4%	95,6%
% of Free Float	20,5%	30,5%	50,5%	125,8%
€ Million	2,1	3,0	4,7	12,7

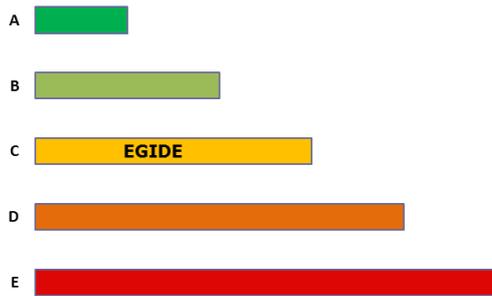
Next Event 2023 annual Sales : April, 26

Egide has signed a research contract with GreenSome.

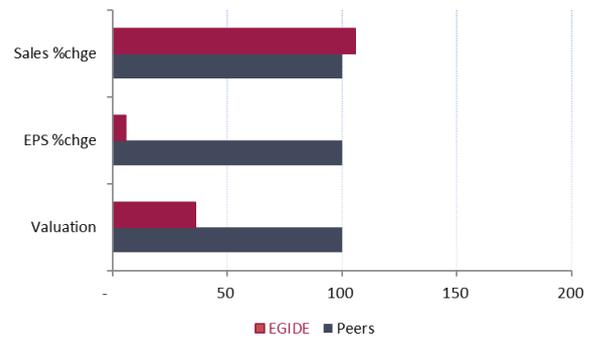
Snapshot Egide

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
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
4/27/23	Annual Results	Neutral	€ 0.893	€ 0.91
1/26/23	2022 Annual Sales	Speculative Buy	€ 0.538	€ 0.85

Financial Data

Income Statement (€ m)	2020	2021	2022	2023e	2024e	2025e
Revenues	30,0	32,5	15,5	36,8	36,7	39,9
Purchase	12,5	12,7	5,7	14,7	14,6	15,6
Externals costs	2,3	6,5	2,4	5,5	5,5	5,6
Personnals Costs	13,6	14,0	6,3	16,4	15,8	16,2
Amortization	1,6	1,5	0,5	2,2	1,6	1,6
other	2,3	3,4	0,1	0,0	0,0	0,0
EBIT	2,0	0,8	0,6	-2,4	-1,2	0,6
Financial Result	-0,6	-0,4	-0,2	-0,8	-0,5	-0,5
Tax	-0,4	-0,2	-0,1	-0,1	0,0	0,0
Net Result	1,0	0,2	0,3	-3,1	-1,7	0,1

Balance Sheet (€ m)	2020	2021	2022	2023e	2024e	2025e
Fixed Assets	10,0	12,8	2,5	10,3	9,5	9,4
Stock Inventories	8,1	7,4	3,5	8,2	8,1	8,9
Accounts Receivable	5,0	4,9	3,4	7,1	7,1	7,8
Other Currents Assests	3,2	1,6	1,9	3,1	1,5	1,7
Cash & Equivalents	1,4	1,6	0,7	4,5	5,1	5,0
TOTAL Assets	27,8	28,3	27,9	33,2	31,5	32,7
Shareholders' Equity	10,6	11,6	6,5	12,4	10,7	10,8
Provisions	0,8	0,9	0,7	0,7	0,7	0,8
Financial Debt	6,6	7,7	4,6	9,1	9,1	9,5
Accounts Payables	7,2	5,4	2,7	6,6	6,6	7,2
TOTAL Liabilitites	27,8	28,3	27,9	33,2	31,5	32,7

Cash Flow Statements (€ m)	2020	2021	2022	2023e	2024e	2025e
Cash Flow from Operating Activities	2,5	-1,2	0,9	-0,8	0,0	1,7
Change in Net Working Capital	-0,8	0,7	-1,4	-1,5	-1,6	0,9
Cash Flow from Operations	1,7	-0,5	-0,5	0,7	1,5	0,8
Cash Flow from Investing	-0,8	0,1	-0,1	-0,9	-0,9	-1,0
Capital Increase	0,0	0,0	0,0	3,8	0,0	0,0
Funding Flow	0,3	0,2	0,9	0,3	0,0	0,0
Cash Flow from Financing	-0,8	0,5	0,8	4,1	0,0	0,0
Net Change in cash position	-0,1	0,2	-0,9	3,9	0,6	-0,1

RATIOS	2020	2021	2022	2023e	2024e	2025e
Ebitda Margin	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
EBIT Margin	6,6%	2,5%	3,8%	-6,5%	-3,3%	1,5%
Net Margin	3,3%	0,6%	2,2%	-8,3%	-4,6%	0,3%
ROE	9,3%	1,7%	5,2%	-24,7%	-15,9%	1,1%
ROCE	6,9%	2,6%	4,6%	-7,3%	-4,0%	2,0%
Gearing	72,9%	72,0%	75,8%	63,6%	68,0%	73,1%
FCF per share	0,08	-0,03	0,19	-0,02	0,04	-0,01
EPS (€)	0,10	0,02	0,03	-0,2	-0,1	0,0
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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NO	NO	YES	YES	NO	NO

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