Paris, September 22, 2020

Keywords: Antenna Measurement | H1 2020 Results

PRESS RELEASE

CONTACT

News Agency
Anne-Pauline Petureaux
Tel. 01 53 67 36 72
apetureaux@actus.fr
www.actus.fr

ACTUS
finance & communication

2020 HALF-YEAR RESULTS ON THE RISE

- **Revenues: +22% (+19.7% at constant exchange rates)**
- **EBITDA margin: 15.7% (+4.1 points)**
- **Net cash: €25.4 million (+€16.9 million vs. 12/31/2019)**

In millions of euros	**S1 2019 6 months**	**S1 2020 6 months**	**Var %**
Turnover	**37,9**	**46,1**	**+21,8%**
EBITDA	**4,4**	**7,2**	**+65,0%**
Marge	*11,6%*	*15,7%*	
Profit from recurring operations	**1,7**	**4,3**	**+161%**
Marge	*4,4%*	9,4%	
Operating income	**1,2**	**4,3**	**+271%**
Financial result	(0,5)	-	
Taxes	(0,6)	(0,5)	
Net income (loss)	**0,0**	**3,7**	**NA**

The interim financial statements were approved by the Board of Directors on September 18, 2020.
September 18, 2020.

The Group published improved half-year results on its economic indicators, reflecting intense production activity and good expense management over the period.

The impact of the Covid-19 health crisis on economic performance remained limited overall, as the postponement of certain installations on the sites of certain clients was offset in terms of results by the significant reduction in travel costs.

First half activity

Revenues for the first half of 2020 amounted to €46.1 million compared to €37.9 million for the first half of 2019, up +21.8% (+19.7% at constant exchange rates).

Sectorally, Aerospace/Defense and Civil Telecommunications are perfectly balanced at 50%. Geographically, the United States is predominantly one-off activities (51%), while Europe and Asia account for 27% and 22% of revenues respectively.

The AMS division contributed €37.6 million to revenues for this half year (+23.0% growth compared to the first half of 2019). This division benefited from a strong contribution from the United States. The two major contracts (each worth more than €30 million signed in early 2019 and early 2020) contributed €6.1 million to revenues for the period.

Revenues for the EMC division amounted to €7.3 million (+13.1% growth compared to H1 2019 revenues) driven by a good business momentum in Europe.

Finally, the EIC division posted revenues of €1.2 million (+46%) thanks to new contract wins in Europe and the United States.

Growth in EBITDA

Gross margin was €28.1 million in the first half of 2020, up +17.6%. The gross margin rate was 60.9% as of June 30, 2020 (vs. 63% as of June 30, 2019), a change that can be explained by the product mix (more all-mechanical contracts versus all-electronic (multi-sensor) contracts) and the business mix, with a more sustained production during this half-year than on-site installation services.

Recurring operating expenses were perfectly controlled and are growing less rapidly than revenues. External expenses were down by €1.7 million due to the effect of IFRS 16 on rental expenses (-€0.6 million) and to lower travel costs related to the sanitary environment (€1.1 million). Personnel expenses increased by €3.1 million due to the effect of recruitment to cope with the growth in activity and take into account a €994 K charge related to the AGM plan (IFRS2) (no AGM charge was recorded in H1 2019).

As a result, EBITDA increased to €7.2 million at June 30, 2020 compared to €4.4 million at June 30, 2019, an increase of +65%. Currency impact was limited to €0.2 million for the six months ended June 30, 2020.
The EBITDA margin was a good 15.7% compared with 11.6% in H1 2020 (14.4% at December 31, 2019). Restated for IFRS2 (AGA), the EBITDA margin would have been 17.8% at June 30, 2020.
After recording depreciation, amortization and provisions of €(2.9) million, current operating income was €4.3 million in the first half of 2020 compared to €1.7 million in the first half of 2019.

The Group does not recognize any significant non-current expenses during the period, unlike the first half of 2019, and therefore operating profit was €4.3m at June 30, 2020, compared to €1.2m at June 30, 2019.

Net financial income was not material over the period, as the foreign exchange gains on the revaluation of the ORBIT/FR debt in euros offset the cost of the debt over the six-month period. After taking into account a tax charge of €(0.5) million, net income was €3.7 million at June 30, 2020.

Increase in cash flow from operations - Free cash flow of €38.8 million as of June 30, 2020

At June 30, 2020, total shareholders' equity amounted to €80.5 million.

Cash flow from operations before changes in working capital increased to €8.1m over the period, compared to €3.5m in H1 2019. WCR improved by €9.7m, benefiting in particular from the rigorous management of trade receivables and significant down payments received on major contracts.

In the end, cash flow generated by the activity increased to €19.5 million at June 30, 2020 compared to €3.2 million at June 30, 2019, largely covering investments for the period (€1.3 million). Free cash flow was €18.0 million.

As a result, the Group had available cash of €38.8m at 30 June 2020, compared to €22.1m at 31 December 2019. Net cash at June 30, 2020 was €25.4m, an increase of nearly €17m in six months.

Confirmation of the 2020 objectives

Commercial activity also remained dense during this half-year despite the pandemic context. The Group has thus reiterated its very good commercial performance in H1 2019 by recording €71 million in new orders between January 2020 and June 2020 (including more than €30 million linked to the signature of a major new contract in the Aerospace/Defense sector).

The order book **now stands at €134.7 million at June 30, 2020,[1] an increase of 27.3% compared to June 30, 2019.** The Aerospace/Defense sector remains particularly dynamic, boosted by the new major contract won in April 2020. The Civil Telecommunications sector continues to show sustained demand, particularly for new products related to 5G.

With good visibility, the Group intends to continue its growth momentum in the coming months.

[1] Euro/USD exchange rate of 1.1015 as of June 30, 2020

Signature of a SPA with HLD Europe and planned mandatory simplified tender offer

On September 10, 2020, the Group announced the signature of a Share Purchase Agreement (SPA) with HLD Europe.

Founded in 2010, HLD is a private equity firm specializing in acquiring stakes in growth companies, with 12 companies to its credit in France and Europe (including Tessi, Kiloutou, Coyote, Santé Cie, Rafaut, etc.), representing cumulative revenues of nearly €3 billion and 17,000 employees.

Under the terms of this agreement, HLD Europe, through a dedicated vehicle, intends to acquire several blocks representing a total of 55.56% of the capital of MICROWAVE VISION, at a price of 26 euros per share. This price represents premiums of 7.9% compared to the share price on July 29, 2020 and 11.2% and 41.0% compared to the weighted average share prices of the last 3 and 12 months.

The transfer of the blocks should be completed by the end of 2020 and is subject to obtaining prior regulatory approvals in France and abroad.

Following this transfer, HLD Europe will file a simplified tender offer for all remaining outstanding shares.

Next appointment : Publication of 3rd quarter revenue on November 17, 2020

About MVG | MICROWAVE VISION GROUP

Since its creation in 1987, MVG has been developing a unique know-how in the visualization of electromagnetic waves. These waves are at the heart of our daily lives: Smartphones, computers, tablets, cars, trains, airplanes - all these devices and vehicles would not work without them. Year after year, the Group markets and perfects systems that make the waves visible. They enable our customers to measure their antennas during the development phases of their products.

The Group's mission is to extend this unique know-how to all sectors where it can bring high added value. In 2012, MVG is structured around 4 departments: AMS (Antenna Measurement Systems), EMC (Electro-Magnetic Compatibility), EIC (Environmental & Industrial Control) and NSH (National Security & Healthcare).

MVG is established in 10 countries and 90% of its turnover comes from exports. The Group has more than 350 employees and a loyal clientele of international key accounts. In 2019, it achieved a turnover of 87.4 M€. MVG is certified by Bpifrance as an "Innovative Company" and is eligible for the PEA-SME program.

Euronext: ALMIC | Euronext Growth, ISIN code FR0004058949 | For more information: http://www.mvg-world.com