



Paris, Thursday, September 27, 2018

Keywords: Antenna Measuring | First-Half 2018 Earnings

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PRESS RELEASE

EARNINGS AT JUNE 30, 2018: **GOOD OPERATIONAL PERFORMANCE IN THE FIRST** **HALF OF 2018**

- **Revenue: +2.2% (+9.3% at constant exchange rates)**
- **EBITDA: +19%**
- **Current operating income: +29%**

In millions of euros	First half 2017 6 months	First half 2018 6 months	Change (%)
Revenue	34.4	35.1	+2.2%
EBITDA	3.1	3.7	+19.1%
<i>Margin</i>	9.0%	10.5%	
Current operating income	1.6	2.0	+28.8%
<i>Margin</i>	4.6%	5.8%	
Operating income	1.4	1.7	+23.5%
<i>Margin</i>	4.1%	4.8%	
Net financial income	(1.1)	0.1	ns
Taxes	(0.6)	(0.7)	ns
Net income	(0.3)	1.1	

The financial statements for the first half of the year were approved by the Board of Directors on September 21, 2018.

MVG had a good first half of the year, once again demonstrating the Group's ability to combine growth and optimization of operational efficiency. Net income was positive and up from the first half of 2017 thanks to a favorable product mix.

Further improvement of economic indicators - Double-digit EBITDA margin - Positive net income

The Group posted revenue of €35.1 M in the first half of 2018 compared with €34.4 M, an increase of 2.2%. At constant exchange rates, the change was +9.3%.

The gross margin rose to €22.2 M from €21.5 M in the first half of 2017. The gross margin rate increased to 63.2% compared with 62.7% at the same time last year, benefiting from a favorable “all electronics” versus “all mechanical” product mix.

Thanks to good control of current operating expenses and the Group's natural hedging against exchange rate fluctuations, EBITDA amounted to €3.7 M compared with €3.1 M last year, an increase of 19.1%. MVG therefore posted a double-digit EBITDA margin for the first half (10.5% versus 9% in the first half of 2017). After accounting for amortization, depreciation, and provisions, current operating income totaled €2.0 M, up 28.8% from the first half of 2017.

Operating income totaled €1.7 million compared with €1.4 M in the first half of 2017. It includes a non-recurring expense of €0.3 M related to legal expenses incurred for the buyout of minority shareholders of ORBIT/FR.

Financial income also improved to €0.1 M compared with €(1.1) M in the first half of 2017. Last year, the Group posted a loss of €982 K directly related to the periodic revaluation of ORBIT/FR's debt in euros with MVG.

After taking into account a tax expense of €(0.7) M, net income was €1.1 M compared with €(0.3)M in the first half of 2017.

A continued sound financial structure

As of June 30, 2018, shareholders' equity totaled €64.9 M after accounting for the purchase of the ORBIT/FR minority holdings, which has an impact of €(6.2) M.

Operating cash flow saw a sharp increase of 71.6% to €3.5 M from €2.0 M in the first half of 2017. As of June 30, WCR (+€6.2 M) increased due to the one-time increase in trade receivables stemming from a large volume of invoicing at the end of the first half.

Investments during the period amounted to €6.9 M, mainly corresponding to the buyout of the remaining 37% of shares held by the minority shareholders of ORBIT/FR for €6.2 M. MVG also made €0.7 M in loan repayments.

All told, MVG has a comfortable net cash position of nearly €10 M.

A year-over-year increase in the order book and new prospects for profitable growth

Following the first half of 2018, Microwave Vision's level of new orders is steady at €33.3 M, up 5.4% at constant exchange rates (-2% at current exchange rates).

Civil Telecommunications accounted for 60% of new orders in the first half of the year, driven by very strong demand on the 5G market. Three of the largest mobile telephony manufacturers placed orders in excess of €1 M for systems dedicated to testing the infrastructure (relay stations) of tomorrow and measurement bases for future 5G smartphones. Demand also remains strong in the Aerospace/Defense sector, which is expected to grow in the coming months.

As of June 30, 2018, the order book amounts to €68.0 M, up 8% compared with June 30, 2017.

Boosted by these favorable factors, MVG is confirming its ambitions for revenue and margin growth for 2018.

MVG has managed to gain an early position on its strategic, competitive, high-potential markets thanks to the quality of its technological solutions in the face of the industry's key challenges. The Group is continuing to expand its product offering in order to strengthen this positioning and take full advantage of the growth in wireless solutions in the coming years.

2018 third quarter revenues will be published on november 21, 2018.

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About MICROWAVE VISION

Since its creation in 1986, The Microwave Vision Group (MVG) has developed a unique expertise in the visualization of electromagnetic waves. These waves are at the heart of our daily lives: Smartphones, computers, tablets, cars, trains and planes -- all these devices and vehicles would not work without them. Year after year, the Group develops and markets systems that allow for the visualization of these waves, while evaluating the characteristics of antennas, and helping speed up the development of products using microwave frequencies. The Group's mission is to extend this unique technology to all sectors where it will bring strong added value. Since 2012, MVG is structured around 3 departments: AMS (Antenna Measurement Systems), EMC (Electro-Magnetic Compatibility), EIC (Environmental & Industrial Control). MVG is present in 10 countries and generates 90% of sales from exports. MVG has over 300 employees and a loyal customer base of international companies. The Group generated revenues of € 71.0 million in 2017. MVG has received the BPI "Innovative Enterprise" award, and is eligible for PEA-PME.

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