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PRESS RELEASE

Distinct improvement in 2017 half-year results

- 13% organic growth in revenue
- Strong increase in operating income
- Net cash flow: €18 million

In million Euro	HY1 2016 6 months	HY1 2017 6 months	change	2016 12 months
Total sales	30.5	34.4	+13%	66.0
EBITDA	2.0	3.1	+55%	6.3
<i>Margin</i>	6.4%	9.0%		9.5%
Current operating income	0.8	1.6	+100%	3.7
<i>Margin</i>	2.7%	4.6%		5.6%
Net operating income	(0.5)	1.4	n/a	2.0
<i>Margin</i>	n/a	4.1%		3.0%
Net financial income	(0.2)	(1.1)*		(0.5)
Taxes	(0.5)	(0.5)		(1.3)
Net earnings	(1.1)	(0.3)	n/a	0.2
Net income, Group share	(0.9)	(0.1)	n/a	1.0

(*) of which -€1 million attributable to the impact of changes in Euro/dollar parity on intra-Group loans
The financial statements were approved by the Board of Directors on September 25, 2017.

The 2017 half-yearly results posted by the MVG Group are significantly higher than those achieved in the first half of 2016, with a two-fold increase in current operating income. This performance was driven by dynamic business growth and sound management of current operating expenses.

12.7% organic growth in revenue

The MVG Group earned €34.4 million in total sales in the first half of 2017 compared to €30.5 million for the same period in 2016, for purely organic growth of 12.8%. At a constant exchange rate, growth was virtually identical (12.7%) because of offsetting currency effects.

Growth was especially propelled by the Civil Telecommunications sector, which accounted for 47% of total sales over the period (versus 44% in HY1 2016). The Aerospace and Defense sector continued the robust trend observed over the last few semesters, making up 53% of revenue.

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In geographic terms, business was brisk in the EMEA zone and the United States. Both regions posted 26% growth rates and respectively they accounted for 39% and 34% of total sales during the reporting period. Asia, which makes up 27% of revenue, saw an isolated decrease of 12% in the first half, but all three geographic zones should be more balanced at the end of the year.

Growth in all the Group's business units

The AMS division (79% of total revenue) generated €27.0 million in revenue, up +12.2% compared with June 30, 2016. The Group continued to operate at record production levels in Aerospace and Defense and successfully delivered the PitRadwar project (€9 million contract signed in 2016) during the period. Civil Telecommunications business was also on sound footing, with particularly vigorous growth in the Automobile segment.

The EMC division (18% of total revenue) posted revenue of €6.4 million, up +9.6% compared with the same period last year. The Group managed to match and even add to last year's performance (44% growth in HY1 2016) with major achievements in the United States.

Finally, the revenue of the EIC business unit (3% of total revenue) totaled €1 million in the first half, compared to €0.4 million in the first half of 2016. Sales of several products, especially the EME Guard XS, were on the rise thanks to the surge among American distributors.

EBITDA up 55%/COI 100%

The gross margin was €21.6 million against €19 million a year prior, for an increase of €2.6 million. The gross margin ratio rose to 62.7% against 62.2% in HY1 2016. The proportion of "all mechanical" continued to outweigh "all electronic" contracts.

The Group continued to focus its efforts on reining in current operating expenses, yielding EBITDA of €3.1 million – a 55% jump. The half-yearly EBITDA margin was 9.0% compared to 6.4% in the first half of 2016. After recognition of depreciation, amortization, and provisions, current operating income was double the figure recorded in the first half of 2016 at €1.6 million.

There was a significant reduction in non-operating expenses compared to 2016 (€0.2 million versus €1.3 million), due mainly to the conclusion of the intellectual property suit in the United States. **The result was a distinctly profitable operating income figure of €1.4 million, versus the operating loss of €0.5 million posted in the first half of 2016.**

However, financial expenses rose sharply (€1.1 million versus €0.2 million) because intra-Group loans were reevaluated at the end of the reporting period following a change in Euro-dollar parity. The impact of this unrealized foreign exchange loss is -€1 million.

Consequently, the Group share of net income at the half-year mark is essentially balanced. It would have been well in the black without this currency translation impact.

Positive free cash flow and net cash position of €18 million

Shareholders' equity stood at €69.2 million on June 30, 2017. Cash flow generated by operations grew by €1.5 million (versus €1 million) while incorporating a strategic increase in inventory to meet the needs of future growth. This flow easily covered net investments over the period (€1 million), which resulted in free cash flow of €0.5 million. Cash net of debts was stable at €18 million on June 30, 2017, compared to December 31.

Outlook:

The Group is still enjoying very good visibility of its operations over the next 18 months. Thanks to very healthy order intake in the first half (€34 million), on June 30, 2017, the Group had €62.8 million in orders on the books (compared to €54 million on June 30, 2016).

In addition, as planned, the Group began marketing the StarLab 50GHz, the first multi-probe antenna measurement and testing system in the world that can test high-frequency ranges up to 50 GHz, which are notably used in 5G technology. The Group, which plans to gradually expand its offer in this segment, is now well poised to take advantage of the expansion of 5G in both the Aerospace and Defense sector and in Civil Telecommunications.

In the short term, the Group remains confident in its ability to deliver another financial year of growth as it continues to improve its economic performance.

Third-quarter revenue for 2017 will be published on November 29, 2017.

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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 € 66.0 million in 2016. MVG has received the BPI "Innovative Enterprise" award, and is eligible for PEA-PME.

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