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PRESS RELEASE

Significant growth in earnings in 2016

- Organic growth in revenues: +10%
- EBITDA margin: 9.5%
- Return to a net profit

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In millions of euros	2015	First half 2016	Second half 2016	2016	Var. 15-16
Revenue	60.1	30.5	35.5	66.0	+9.8%
EBITDA	5.5	1.9	4.3	6.3	+12.7%
<i>Margin</i>	9.1%	6.4%	12.1%	9.5%	
Current operating income	3.2	0.8	2.9	3.7	+15.6%
<i>Margin</i>	5.3%	2.7%	8.2%	5.6%	
Operating income	0.4	(0.5)	2.5	2.0	+400%
Net financial income	(0.7)	(0.2)	(0.3)	(0.5)	
Taxes	(0.5)	(0.5)	(0.8)	(1.3)	
Net income	(0.8)	(1.1)	1.3	0.2	
Net income, Group share	(0.1)	(0.9)	1.9	1.0	ns

The financial statements were approved by the Board of Directors on Friday, April 21, 2017. Consolidated account audit procedures were carried out. The certification report will be released after certain procedures are completed that are necessary for publishing the annual financial report.

2016 was a dynamic financial year for the MVG Group, and was notable for an improvement in all its economic essentials. This performance was particularly apparent in the second half of the year due to the high level of activity over the period and tight control of expenses, both current and non-recurring. The group re-established a net profit over the entire financial year, illustrating the potential for profitability and cash flow generation in its model.

An organic growth in revenues of +10%

Thanks to a record level of orders produced over this financial year, the MVG Group recorded revenues of €66.0 M in 2016 against €60.1 M in 2015. All divisions in the group contributed to this performance. At constant exchange rates, total revenues rose by +11%. The Aeronautics/Defense sector was particularly dynamic, accounting for 56% of revenues. The geographical distribution remained balanced (Europe and Asia 35%, United States 30%).

EBITDA growth of +15%

The gross margin totaled €41.5 M against €39.4 M on December 31, 2015, an increase of €2.1 M. As expected, the gross margin showed a downturn over the year (62.9% against 65.6% in 2015), taking account of the higher proportion in 2016 of “all mechanical” compared with “all electronic” contracts. However, the group continues to work at reducing the difference in margins between these two types of contract.

Thanks to the very tight control of current operational expenses, the group recorded a very solid EBITDA of €6.2 M, a growth of +15.6%. The group is thus starting to reap the benefits of its reorganization, resulting in greater operational efficiency. The EBITDA margin reached 9.5% over the year, with 12.1% over the second half alone.

Non-recurring expenses also saw a net reduction compared with 2015 (€1.7 M against €2.8 M). The group benefited from the end of the intellectual property procedure in the United States, which resulted in the signing of an agreement with ETS-Lindgren on the exchange of patents in the first quarter of 2017. The group thus recorded an operating income of €2.0 M, compared with €0.4 M in 2015.

In the end, after recognition of financial expenses, taxes and minority interests (Orbit/FR), the group share net income totaled €1.0 M (against a loss of €0.1 M last year).

Largely positive operational cash flow levels and a net cash position of €18 M

Shareholders' equity stood at €70.4 M on December 31, 2016. Operational cash flows made strong progress at €4.7 M (against €0.8 M on December 31, 2015). These broadly cover the year's net investments (€3.5 M) as well as financial interest paid over the fiscal year (€0.7 M). Finally, free cash flows stood at +€1.1 M (against €2.3 M in 2015). Cash net of debts was stronger at €18.0 M on December 31, 2016 (against €17.4 M on December 31, 2015).

The group is in a very strong financial situation for seizing new external growth opportunities, while at the same time remaining highly selective.

Outlook for 2017: On the road to a new financial year of growth

Building on an order intake that achieved a new record in 2016 (€74 M), the group started the 2017 financial year with an order book worth €63.2 M (96% of the 2016 revenue).

This high level of visibility on activity should allow the group to deliver a new financial year of growth by maintaining a sustained focus on controlling and optimizing costs, and consequently economic performance.

The group, therefore, intends to continue consolidating its positioning and visibility as a benchmark player, in particular for major customers in the antenna systems market. With its new product on 5G (marketing launch of the StarLab 5G in June 2017), the group will benefit

from a solid technological lead and a high-quality product that fully meets the expectations of the Telecom market.

2017 first quarter sales will be published on Wednesday, May 24, 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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