



MEMSCAP – Q4 2018:

QUARTERLY SALES AT 3.1 MILLION EUROS LEADING TO ANNUAL REVENUE OF 13.0 MILLION EUROS

Annual sales growth of +11% in euro and +16% in US dollar

Net and operating profitability over the quarter and the 2018 financial year

EBITDA at 1.5 million euros for the 2018 financial year

Grenoble, France and Durham, North Carolina, January 25, 2019 - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the fourth quarter ending December 31, 2018.

Analysis of the consolidated income statement

Consolidated revenue for the fourth quarter of 2018 was 3.1 million euros (3.6 million US dollars) compared to 3.6 million euros (4.2 million US dollars) for the fourth quarter of 2017.

The (non-audited) revenue for the 2018 financial year amounted to 13.0 million euros (15.3 million US dollars) against 11.7 million euros (13.2 million US dollars) for the previous year. Consolidated sales growth reached +11% in euro and +16% in US dollar over the 2018 financial year. It is recalled that most of the Group's sales are made in US dollar.

Consolidated revenue distribution by market segment, over the fourth quarter of 2018, is as follows:

<i>Market segments / Revenue (M€) – Non-audited</i>	Q1+Q2+Q3 2018	Q4 2018	FY 2018	Q1+Q2+Q3 2017	Q4 2017	FY 2017	Var. FY 2018 vs FY 2017 (M€)	Var. FY 2018 vs FY 2017 (%)
Aerospace	4.8	1.4	6.2	4.4	1.8	6.2	--	+1%
Optical communications / Adaptive optics	3.1	1.0	4.1	1.6	1.0	2.6	+1.5	+58%
Medical / Biomedical	1.6	0.5	2.1	1.5	0.5	2.0	+0.1	+3%
Others	0.4	0.2	0.6	0.6	0.3	0.9	-0.3	-34%
Total	9.9	3.1	13.0	8.1	3.6	11.7	+1.3	+11%

(Any apparent discrepancies in totals are due to rounding.)

In continuity with the previous quarters, the Group benefited from the strong momentum of the optical communications sector, as well as from the robustness of the avionics and medical / biomedical sectors, during the last quarter of the 2018 financial year.

MEMSCAP's consolidated earnings for the fourth quarter of 2018 are given within the following table:

<i>In million euros – Non-audited</i>	Q1+Q2+Q3 2018	Q4 2018	FY 2018	Q1+Q2+Q3 2017	Q4 2017	FY 2017
Revenue	9.9	3.1	13.0	8.1	3.6	11.7
Standard products*	6.3	2.0	8.3	5.6	2.4	8.0
Custom products	3.6	1.1	4.7	2.5	1.2	3.7
Cost of revenue	(6.4)	(2.1)	(8.5)	(5.9)	(2.4)	(8.3)
Gross margin	3.4	1.0	4.4	2.2	1.2	3.4
% of revenue	35%	32%	34%	27%	33%	29%
Operating expenses**	(3.0)	(1.0)	(3.9)	(3.0)	(1.0)	(4.0)
Operating profit / (loss)	0.4	0.1	0.5	(0.8)	0.2	(0.6)
Financial profit / (loss)	0.0	0.1	0.2	(0.0)	0.0	0.0
Income tax expense	(0.3)	(0.1)	(0.3)	(0.1)	(0.1)	(0.2)
Net profit / (loss)	0.2	0.1	0.3	(1.0)	0.2	(0.8)

(Any apparent discrepancies in totals are due to rounding.)

* Including the dermo-cosmetic segment.

** Net of research & development grants.

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In accordance with the sales volume for the quarter, the Group's gross margin rate stood at 32% of the consolidated sales compared to 33% for the fourth quarter of 2017.

The amount of operating expenses at 1.0 million euros remained in line with the previous quarters. Consequently, the operating profit amounted to 0.1 million euros in the fourth quarter of 2018 compared to an operating profit of 0.2 million euros for the fourth quarter of 2017.

The financial profit for the fourth quarter of 2018, at 0.1 million euros, benefited from a positive currency effect over the period. The income tax expense at 0.1 million euros for the fourth quarter of 2018 corresponded to the variation of the deferred income tax over the period, with no impact on the Group's cash position.

The Group posted a consolidated net profit of 0.1 million euros for the fourth quarter of 2018 versus a consolidated net profit of 0.2 million euros for the fourth quarter of 2017. The net profit for the 2018 financial year amounted to 0.3 million euros compared to a net loss of 0.8 million euros for the 2017 financial year.

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Analysis and perspectives

MEMSCAP confirms net and operating profits for the fourth quarter of 2018 and over the 2018 financial year. In line with this net and operating profitability, the Group recorded a (non-audited) EBITDA at 0.3 million euros for the fourth quarter of 2018 and 1.5 million euros for the 2018 financial year.

MEMSCAP pursues its strategy focused on avionics, medical and optical communications segments as well as the development of an increased flexibility of its production capacities.

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FY 2018 financial statements: March 18, 2019.

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP's products and solutions include components, component designs (IP), manufacturing and related services.

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MEMSCAP is listed on Euronext Paris™ - Segment C - ISIN: **FR0010298620** - **MEMS**.

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