

MEMSCAP

THE POWER OF A SMALL WORLD

MEMSCAP - Q1 2023 :

STRONG PROFITABLE GROWTH AS TARGETED BY THE 4G PLAN

- Revenue from continuing operations up +60.8%
- Positive quarterly EBITDA at EUR 741 thousand
- Quarterly operating profit of EUR 505 thousand
- Quarterly net profit of EUR 470 thousand
- Immediate materialization of the 4G plan goals

Grenoble (France) – April 26, 2023 – 06:30 PM.

MEMSCAP (Euronext Paris: MEMS), leading provider of high-accuracy, high-stability pressure sensor solutions for the aerospace and medical markets using MEMS technology (Micro Electro Mechanical Systems), today announced its earnings for the first quarter of 2023 ending March 31, 2023.

Analysis of the consolidated revenue

Consolidated revenue from continuing operations (non-audited) for the first quarter of 2023 was EUR 3,668 thousand compared to EUR 2,282 thousand for the first quarter of 2022, thus a growth of 60.8%.

Over the first quarter of 2023, the distribution of the consolidated revenue from continuing operations by market segment is as follows:

Market segments / Revenue (In thousands of euros) – Non-audited	Q1 2022	Q1 2022 (%)	Q1 2023	Q1 2023 (%)
Aerospace	1,680	74%	2,389	65%
Medical	574	25%	681	19%
Optical communications	--	--	558	15%
Others (Royalties from licensed trademarks)	28	1%	40	1%
Total revenue from continuing operations	2,282	100%	3,668	100%

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

Sales from aerospace and medical businesses respectively increased by 42.2% and 18.7% compared to the first quarter of 2022 and confirmed the growth momentum related to the Group's markets segments. The optical communications segment also posted high sales volumes in the quarter.

Analysis of the consolidated income statement

MEMSCAP's consolidated earnings for the first quarter of 2023 are given within the following table:

<i>In thousands of euros – Non-audited</i>	Q1 2022	Q1 2023
Revenue from continuing operations	2,282	3,668
Cost of revenue	(1,441)	(2,146)
Gross margin	841	1,522
<i>% of revenue</i>	<i>36.8%</i>	<i>41.5%</i>
Operating expenses*	(810)	(1,017)
Operating profit / (loss)	31	505
Financial profit / (loss)	(80)	(1)
Income tax expense	0	(34)
Net profit / (loss) from continuing operations	(49)	470
Profit / (loss) after tax from discontinued operations	(394)	--
Net profit / (loss)	(443)	470

* Net of research & development grants.

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

The growth of the sales volumes as well as the favourable evolution of the product mix in the first quarter of 2023 led to a significant increase of the gross margin rate, which stood at 41.5% against 36.8% for the first quarter of 2022. The gross margin thus amounted to EUR 1,522 thousand for this quarter compared to EUR 841 thousand for the first quarter of 2022.

Operating expenses, net of research and development grants, amounted to EUR 1,017 thousand compared to an amount of EUR 810 thousand for the first quarter of 2022. This evolution reflected the increase of R&D and Sales & Marketing expenses in line with the Group's 4G growth plan.

For the first quarter of 2023, the Group posted an operating profit from continuing operations of EUR 505 thousand compared to an operating profit of EUR 31 thousand for the first quarter of 2022. The tax expense recognized over the first quarters of 2022 and 2023 corresponded to the change in deferred tax assets. This tax expense is a non-cash item.

Net profit after tax from continuing operations thus amounted to EUR 470 thousand in the first quarter of 2023 compared to a loss of EUR 49 thousand in the first quarter of 2022.

The Group therefore reported a net profit of EUR 470 thousand in the first quarter of 2023 compared to a net loss of EUR 443 thousand in the first quarter of 2022 including discontinued operations related to the financial year 2022.

Analysis and perspectives

The significant increase of the consolidated sales in the first quarter of 2023 confirmed the growth momentum of the Group's aerospace and medical businesses in accordance with the previously announced 4G development plan.

Following the completion of the FABLITE program, MEMSCAP also benefited from the fabless organization servicing the variable optical attenuators (VOA) niche segment of the fiber optic market. Due to this organization, MEMSCAP strongly improved the profitability of this business as well as the consolidated profit of the Group.

MEMSCAP posted a quarterly EBITDA of EUR 741 thousand, i.e. 20.2% of the consolidated revenue, in the first quarter of 2023 (compared to EUR 266 thousand for the first quarter of 2022) and a quarterly operating profit of EUR 505 thousand. The Group remains fully focused on carrying out the 4G plan aiming at a consecutive, competitive, profitable, and responsible growth.

Individual shareholder webinar: Thursday, April 27, 2023 – 6:00 p.m.

Thank you for registering and sending your questions in advance using the following link:
<http://www.memscap.com/news-and-events/webinar>

MEMSCAP general shareholders' meeting: May 31, 2023.

Q2 2023 earnings: July 26, 2023.

About MEMSCAP

MEMSCAP is a leading provider MEMS based pressure sensors, best-in-class in term of precision and stability (very low drift) for two market segments: aerospace and medical.

MEMSCAP also provides variable optical attenuators (VOA) for the optical communications market.

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