

MEMSCAP

THE POWER OF A SMALL WORLD

MEMSCAP – Q4 2023:

**GROWTH OF 47.0% FOR
QUARTERLY REVENUE AND BY
50.7% FOR FY 2023 REVENUE**

**HYPER GROWTH AND
PROFITABILITY IN 2023**

(Non-audited data)

- 47.0% quarterly revenue growth
- 50.7% revenue growth in FY 2023
- Quarterly adjusted EBITDA¹ of EUR 970 thousand (24.4% of revenue), bringing the adjusted EBITDA¹ for FY 2023 to EUR 3,263 thousand (23.2% of revenue)
- Quarterly operating profit of EUR 818 thousand (20.6% of revenue), with a cumulative operating profit of EUR 2,477 thousand for FY 2023 (17.6% of revenue)
- Quarterly net profit of EUR 702 thousand (17.7% of revenue), resulting in a cumulative net profit of EUR 2,140 thousand for FY 2023 (15.2% of revenue)
- Increased available cash to EUR 6,237 thousand as of December 31, 2023
- A year that secures the trajectory of the 4G Plan and strengthens the overall assets of the Group
- Shareholders and investors video conference - Wednesday, January 24, 2024 at 09:30 a.m.

Grenoble (France) – January 23, 2024 – 06:30 p.m.

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 fourth quarter of 2023 ending December 31, 2023.

Analysis of consolidated revenue

Consolidated revenue from continuing operations (non-audited) for the fourth quarter of 2023 was EUR 3,973 thousand compared to EUR 2,703 thousand for the fourth quarter of 2022, thus a growth of 47.0% and 50.7% for FY 2023.

The distribution of consolidated revenue (non-audited) from continuing operations by market segment for the fourth quarter of 2023 and for FY 2023 is as follows:

<i>Market segments / Revenue (In thousands of euros) – Non-audited</i>	Q4 2022 (3 months)	Q4 2022 (%)	Jan.-Dec. 2022 (12 months)	Jan.-Dec. 2022 (%)	Q4 2023 (3 months)	Q4 2023 (%)	Jan.-Dec. 2023 (12 months)	Jan.-Dec. 2023 (%)
Aerospace	1,849	68%	6,729	72%	2,323	58%	8,801	63%
Medical	821	30%	2,480	27%	1,066	27%	3,589	26%
Optical communications	--	--	--	--	548	14%	1,555	11%
Others (<i>Royalties from licensed trademarks</i>)	33	1%	128	1%	36	1%	128	1%
Total revenue from continuing operations	2,703	100%	9,336	100%	3,973	100%	14,073	100%

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

Consolidated sales for the fourth quarter of 2023 confirmed the strong momentum across all of the Group's businesses.

The aerospace segment, the Group's largest market, increased by 25.7% compared to the fourth quarter of 2022. Sales in the medical segment increased by 29.9% during the same period.

The optical communications business generated a strong level of activity with a revenue of EUR 548 thousand for this quarter.

Analysis of consolidated income statement

MEMSCAP's consolidated earnings (non-audited) for the fourth quarter of 2023 and FY 2023 are given within the following table:

<i>In thousands of euros – Non-audited</i>	Q4 2022 (3 months)	Jan.-Dec. 2022 (12 months)	Q4 2023 (3 months)	Jan.-Dec. 2023 (12 months)
Revenue from continuing operations	2,703	9,336	3,973	14,073
Cost of revenue	(1,588)	(5,659)	(2,279)	(8,033)
Gross margin	1,115	3,677	1,694	6,040
% of revenue	41.3%	39.4%	42.6%	42.9%
Operating expenses*	(925)	(3,441)	(876)	(3,563)
Operating profit / (loss)	190	236	818	2,477
Financial profit / (loss)	(99)	7	(132)	(304)
Income tax expense	(35)	(92)	16	(33)
Net profit / (loss) from continuing operations	56	151	702	2,140
Profit / (loss) after tax from discontinued operations	1,623	897	--	--
Net profit / (loss)	1,679	1,048	702	2,140

* Net of research & development grants.

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

The gross margin rate, representing 42.6% of consolidated revenue compared to 41.3% in the fourth quarter of 2022, increased by 1.3 percentage point and continued to benefit from the growth in sales volumes and the favourable evolution of the product mix during the quarter. The gross margin thus amounted to EUR 1,694 thousand compared to EUR 1,115 thousand for the fourth quarter of 2022.

Operating expenses, net of research and development grants, amounted to EUR 876 thousand compared to an amount of EUR 925 thousand for the fourth quarter of 2022.

For the fourth quarter of 2023, the Group posted an operating profit from continuing operations of EUR 818 thousand (20.6% of consolidated revenue) compared to an operating profit of EUR 190 thousand for the fourth quarter of 2022.

The financial income for the fourth quarter of 2023 was mainly affected by an unfavourable exchange rate effect during this quarter. The tax expense /gain recognized over the fourth quarters of 2022 and 2023 corresponded to the change in deferred tax assets. This tax expense / gain is a non-cash item.

Net profit after tax from continuing operations thus amounted to EUR 702 thousand in the fourth quarter of 2023 compared to a net profit of EUR 56 thousand in the fourth quarter of 2022.

The Group therefore reported a net profit of EUR 702 thousand in the fourth quarter of 2023 (17.7% of consolidated revenue) compared to a net profit of EUR 1 679 thousand in the fourth quarter of 2022 including discontinued operations. It is recalled that the net profit for the fourth quarter of 2022 included the exceptional capital gain of EUR 1,754 thousand related to the sale of the foundry business assets (Custom products) of the Group's US subsidiary.

MEMSCAP reported an adjusted EBITDA¹ of EUR 970 thousand for the fourth quarter of 2023 and EUR 3,263 thousand for FY 2023 (non-audited), representing 23.2% of consolidated revenue. It is noted that research and development costs were fully recognized as expenses and were not capitalized in the Group's balance sheet.

Over the fourth quarter of 2023, the Group reported increased available liquidities (cash and related investments), totalling EUR 6,237 thousand as of December 31, 2023, compared to EUR 5,456 thousand as of December 31, 2022. At December 31, 2023, the total amount of financial borrowings, excluding lease obligations, was limited to EUR 128 thousand.

The increase in available cash reflected the Group's ability to generate a strong operational cash flow in a context of hyper-growth and associated working capital requirements.

¹ Adjusted EBITDA means operating profit before depreciation, amortisation, and share-based payment charge (IFRS 2) and including foreign exchange gains/losses related to ordinary activities.

Perspectives

MEMSCAP's operational and financial achievements for FY 2023 confirm the trajectory to 2026 outlined in the 4G plan focused on achieving an average annual hyper-growth rate of 20% coupled with high levels of profitability.

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Thank you for registering and sending your questions in advance using the following link:

[Registration for the video conference](#)

FY 2023 financial statements: March 29, 2024.

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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