

MEMSCAP

THE POWER OF A SMALL WORLD

MEMSCAP – Q2 2024:

**DOUBLE-DIGIT GROWTH IN AEROSPACE AND
OPTICAL COMMUNICATIONS**

**GROWTH IN CONSOLIDATED REVENUE DESPITE
THE SIGNIFICANT DECREASE IN IMPLANTABLE
SOLUTIONS REVENUE IN MEDICAL**

**MEMSCAP CONFIRMS ITS TRAJECTORY AND
DRIVERS FOR PROFITABLE GROWTH**

- Strong growth in aerospace activities, the Group's largest market, up by +11%
- Quarterly consolidated revenue of EUR 3,442 thousand, up by +1%, despite the decrease in implantable solutions revenue affecting medical activities (-29%)
- Robust performance in optical communications activities, up by +36%
- Quarterly adjusted EBITDA¹ of EUR 582 thousand (17% of consolidated revenue)
- Quarterly operating profit of EUR 390 thousand euros (11% of consolidated revenue)
- Quarterly net profit of the consolidated entity of EUR 384 thousand euros (11% of consolidated revenue)
- Intensification of efforts related to the "Engine Control" development and industrialization program
- Planned emphasis on the Group's technical programs reflected in operating expenses expected to decrease over the coming quarter

Grenoble (France) – July 29, 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 second quarter of 2024 ending June 30, 2024.

Analysis of consolidated revenue

Consolidated revenue from continuing operations (non-audited) for the second quarter of 2024 was EUR 3,442 thousand compared to EUR 3,421 thousand for the second quarter of 2023, thus a growth of 1%.

Over the second quarter of 2024, the distribution of consolidated revenue from continuing operations by market segment is as follows:

Market segments / Revenue (In thousands of euros) – Non-audited	Q1 2023 (3 months)	Q2 2023 (3 months)	Q2 2023 (%)	H1 2023 (6 months)	Q1 2024 (3 months)	Q2 2024 (3 months)	Q2 2024 (%)	H1 2024 (6 months)
Aerospace	2,389	2,126	62%	4,515	2,536	2,363	69%	4,899
Medical	681	1,028	30%	1,709	929	735	21%	1,664
Optical communications	558	240	7%	798	341	326	9%	667
Others (Royalties from licensed trademarks)	40	27	1%	67	27	18	1%	45
Total revenue from continuing operations	3,668	3,421	100%	7,089	3,832	3,442	100%	7,275

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

Consolidated sales for the second quarter of 2024 remain driven by the strong dynamism of aerospace activities, which grew by 11% compared to the second quarter of 2023. Representing 69% of the consolidated revenue from continuing operations for the second quarter of 2024, the Aerospace activity is the Group's leading market segment.

The significant growth in aerospace sales in the second quarter of 2024 offsets the decrease in revenue from the Medical sector (-29% compared to the second quarter of 2023) impacted by the drop in sales in the implantable solutions segment (-225 thousand euros compared to the second quarter of 2023).

Furthermore, sales from the Optical communications activity demonstrated solid performance, with a 36% increase compared to the second quarter of 2023.

Analysis of consolidated income statement

MEMSCAP's consolidated earnings for the second quarter of 2024 are given within the following table:

In thousands of euros – Non-audited	Q1 2023 (3 months)	Q2 2023 (3 months)	H1 2023 (6 months)	Q1 2024 (3 months)	Q2 2024 (3 months)	H1 2024 (6 months)
Revenue from continuing operations	3,668	3,421	7,089	3,832	3,442	7,275
Cost of revenue	(2,146)	(1,884)	(4,030)	(2,298)	(2,041)	(4,339)
Gross margin	1,522	1,536	3,059	1,534	1,402	2,936
% of revenue	41.5%	44.9%	43.2%	40.0%	40.7%	40.4%
Operating expenses*	(1,017)	(883)	(1,901)	(1,026)	(1,011)	(2,037)
Operating profit / (loss)	505	653	1,158	508	390	899
Financial profit / (loss)	(1)	24	23	109	2	110
Income tax expense	(34)	(13)	(47)	(9)	(9)	(17)
Net profit / (loss)	470	664	1,134	608	384	992

* Net of research & development grants.

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

The gross margin rate was 40.7% of consolidated revenue compared to 44.9% in the second quarter of 2023. It is noted that the gross margin rate for the second quarter of 2023 benefited from a particularly favourable product mix. The gross margin increased by 0.7 percentage points compared to the first quarter of 2024, amounting to EUR 1,402 thousand versus EUR 1,536 thousand for the second quarter of 2023.

Operating expenses, net of research and development grants, amounted to EUR 1,011 thousand compared to EUR 883 thousand for the second quarter of 2023. In the second quarter of 2024, these expenses reflected the emphasis on the Group's technical programs. The Group anticipates a decrease in operating costs over the coming quarter following the non-recurrence of some of these expenses linked to this significant effort during the first half.

For the second quarter of 2024, the Group posted an operating profit from continuing operations of EUR 390 thousand (11% of consolidated revenue) compared to an operating profit of EUR 653 thousand for the second quarter of 2023. The tax expense recognized over the second quarters of 2023 and 2024 corresponded to the change in deferred tax assets. This tax expense is a non-cash item.

The Group therefore reported a net profit of EUR 384 thousand in the second quarter of 2024 (11% of consolidated revenue) compared to a net profit of EUR 664 thousand in the second quarter of 2023.

Perspectives

Recording a quarterly adjusted EBITDA¹ of EUR 582 thousand in the second quarter of 2024, representing 17% of the consolidated revenue (compared to EUR 936 thousand in the second quarter of 2023), and a quarterly net profit of EUR 384 thousand, MEMSCAP continues to steadily implement its 4C plan, demonstrating the strength of its business model.

With a recognized expertise and driven by promising and high-visibility markets, MEMSCAP reaffirms its trajectory through 2026, focused on achieving an average annual hyper-growth rate of 20%. 4G stands for **consistent** growth, **competitive** growth, **profitable** growth, and **responsible** growth. The Company is now concentrating on finalizing its "Engine Control" development and industrialization program, which is expected to accelerate growth in the coming years and propel MEMSCAP beyond 2026.

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.

Individual shareholder webinar: Tuesday, July 30, 2024 – 10:00 a.m.

Thank you for registering and sending your questions in advance using the following link:
<https://memscap.com/fr/visio/>

Half-year 2024 revenue and earnings (including statement of financial position and cash flow): September 2, 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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