



MEMSCAP Q1 2020:

**CONSOLIDATED SALES UP +10%**

*Significant sales growth despite a deteriorated macroeconomic environment*

*Net and operating earnings at the break-even point*

*Positive EBITDA at EUR 0.3 million*

*Consolidated available cash at EUR 3.4 million as of March 31, 2020*

**Grenoble (France) – April 27, 2020 – 07:30 AM.**

MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the first quarter ending March 31, 2020.

**Analysis of the consolidated income statement**

Consolidated revenue for the first quarter of 2020 was EUR 3.4 million (US\$ 3.7 million) compared to EUR 3.1 million euros (US\$ 3.5 million) for the first quarter of 2019. It is recalled that the Group's sales made in US dollar represented 83% of consolidated sales over the previous year. Consolidated sales for this quarter benefited from the dynamism of the optical communications segment and the continued high level of the avionics business.

Consolidated revenue distribution by market segment, over the first quarter of 2020, is as follows:

<i>Market segments / Revenue (In million euros) – Non-audited</i>	Q1 19	%	Q1 20	%
Aerospace	1.7	54%	1.8	54%
Optical communications / Adaptive optics	0.8	25%	1.1	33%
Medical / Biomedical	0.5	16%	0.4	11%
Others	0.1	5%	0.1	2%
Total	3.1	100%	3.4	100%

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

MEMSCAP's consolidated earnings for the first quarter of 2020 are given within the following table:

<i>In million euros – Non-audited</i>	Q1 19	Q1 20
Revenue	3.1	3.4
Standard products*	2.1	2.2
Custom products	1.0	1.2
Cost of revenue	(2.2)	(2.4)
Gross margin	0.9	1.0
% of revenue	30%	29%
Operating expenses**	(1.0)	(1.0)
Operating profit / (loss)	(0.1)	(0.0)
Financial profit / (loss)	(0.0)	0.0
Income tax expense	(0.0)	(0.0)
Net profit / (loss)	(0.1)	(0.0)

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

\* Including the royalties from the dermo-cosmetics segment.

\*\* Net of research & development grants.

\* \* \*



**MEMSCAP**  
The Power of a Small World™



The Group's gross margin rate stood at 29% of consolidated sales compared to 30% for the first quarter of 2019. Despite the increase in sales over this quarter, the gross margin rate was impacted by an unfavourable reduction in inventory levels at March 31, 2020, caused by maintenance operations disrupting production of the US site.

Operating expenses amounted to EUR 1.0 million, in line with the previous quarters.

The Group therefore reported breakeven operating and net earnings for the first quarter of 2020 compared to operating and net losses at EUR 0.1 million for the first quarter of 2019.

For the first quarter of 2020, the Group posted a positive EBITDA at EUR 0.3 million compared to EUR 0.2 million for the first quarter of 2019.

At March 31, 2020, the Group reported available cash at EUR 3.4 million including cash investments (Corporate bonds) recorded under non-current financial assets. In addition to this amount, the available unused credit lines amounted to EUR 0.3 million at March 31, 2020.

\* \* \*

### Analysis and perspectives

Over the first quarter of 2020, MEMSCAP reported a significant growth of its sales based on its optical communications and avionic businesses despite a severely deteriorated macroeconomic context.

Following the spread of the Covid-19 pandemic in the United States, the Group's US site experienced a temporary closure of 2 weeks at the beginning of April 2020. MEMSCAP's business being qualified as "*Essential Businesses and Operations*" by the State of North Carolina, the US Group's operations have resumed gradually from April 16, 2020. Production at the Group's Norwegian site has so far faced no significant impact resulting from the Covid-19 pandemic.

The potential impact of the pandemic remains very uncertain based on the current available information. MEMSCAP will continue to regularly assess the impact of Covid-19 on its business.

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

\* \* \*

**MEMSCAP general shareholders' meeting: May 28, 2020.**

**Q2 2020 earnings: July 29, 2020.**

#### 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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