



MEMSCAP Q1 2019:

QUARTERLY REVENUE AT 3.1 MILLION EUROS

Sales growth of +4% in euro

Strong dynamism of the avionics business

Positive EBITDA at 0.2 million euros

Grenoble, France and Durham, North Carolina, April 26, 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 first quarter ending March 31, 2019.

Analysis of the consolidated income statement

Consolidated revenue for the first quarter of 2019 was 3.1 million euros (3.5 million US dollars) compared to 2.9 million euros (3.6 million US dollars) for the first quarter of 2018. Consolidated sales for the first quarter of 2019 benefited from the dynamism of the avionics segment, up +0.3 million euros compared to the first quarter of 2018.

Consolidated revenue distribution by market segment, over the first quarter of 2019, is as follows:

<i>Market segments / Revenue (M€) – Non-audited</i>	Q1 18	%	Q1 19	%
Aerospace	1.4	49%	1.7	54%
Optical communications / Adaptive optics	0.9	30%	0.8	25%
Medical / Biomedical	0.5	17%	0.5	16%
Others	0.1	4%	0.1	5%
Total	2.9	100%	3.1	100%

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

MEMSCAP's consolidated earnings for the first quarter of 2019 are given within the following table:

<i>In million euros – Non-audited</i>	Q1 18 <i>(Released)</i>	Q1 18 <i>(Restated IFRS 16)</i>	Q1 19
Revenue	2.9	2.9	3.1
<i>Standard products*</i>	1.9	1.9	2.1
<i>Custom products</i>	1.0	1.0	1.0
Cost of revenue	(2.1)	(2.0)	(2.2)
Gross margin	0.9	0.9	0.9
<i>% of revenue</i>	30%	31%	30%
Operating expenses**	(1.0)	(1.0)	(1.0)
Operating profit / (loss)	(0.2)	(0.1)	(0.1)
Financial profit / (loss)	(0.0)	(0.1)	(0.0)
Income tax expense	(0.0)	(0.0)	(0.0)
Net profit / (loss)	(0.2)	(0.2)	(0.1)

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

* Including the dermo-cosmetic segment.

** Net of research & development grants.

Financial items stated in column "Q1 18 (Restated IFRS 16)" were adjusted for restatements due to the application of IFRS 16, mandatory from January 1st, 2019.

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(Financial items related to FY 2018 were adjusted for restatements due to the application of IFRS 16, mandatory from January 1st, 2019.)

The Group's gross margin rate stood at 30% of consolidated sales compared to 31% for the first quarter of 2018.

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

As a result, the operating and net losses amounted to 0.1 million euros in the first quarter of 2019 compared to respectively 0.1 million euros and 0.2 million euros for the first quarter of 2018. The net loss is thus down by 0.1 million euros compared to the first quarter of 2018.

The Group's positive EBITDA for the first quarter of 2019 amounted to +0.2 million euros compared with an amount of +0.1 million euros for the first quarter of 2018.

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Analysis and perspectives

During the first quarter of 2019, MEMSCAP continued to benefit from the ramp-up of its avionics business, up +15% compared to the first quarter of 2018. Despite an unfavourable seasonal effect on sales during the first quarter 2019, the Group posted a positive and increased EBITDA. Consequently, MEMSCAP's net earnings were significantly improved compared to the first quarter of 2018. In addition, MEMSCAP kept its operating costs at the same level as in the previous quarters while investing to make its US production capacity more flexible.

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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MEMSCAP general shareholders' meeting: May 24, 2019.

Q2 2019 earnings: July 24, 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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