



**RIBER**

**General presentation**

**October 2018**



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Profile



# RIBER in brief /1

## ■ Semiconductor industry equipment specialist

- Develops, designs, manufactures and markets MBE machines and evaporation sources

## ■ Riber's clients

- Universities or semiconductor and/or electronics research centers
- Industrial firms:
  - Manufacturers of electronic components on MBE wafers for: **microwave circuits, optoelectronics, sensors** (MBE machines)
  - Manufacturers of machines for: **photovoltaic panels, signal lamps, TV, tablet and smartphone screens**, etc. (evaporation sources)

## ■ Global presence developed over more than 30 years

- Europe, Americas (USA, Canada, Mexico), Southeast Asia (Japan, China, South Korea, etc.)
- 362 clients in 38 countries
- Largest total installed base of MBE machines in operation: over 730



## RIBER in brief /2

### Recognized technological leader

- Numerous global innovations
- Partnerships with universities or industrial firms: development of new applications

### ■ Efficient, high-quality industrial facilities

- 3,500 sq.m plant in Bezons (France), with a 1,000 sq.m clean room
- Design and assembly of machines and components in the plant  
Component outsourcing and procurement
- Global information system covering all the company's departments

### Business model built around 3 value propositions

- Research laboratories
- Industrial firms
- Clients from the installed base

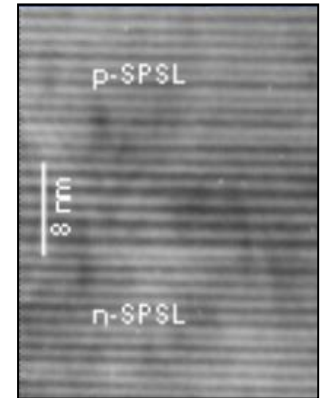
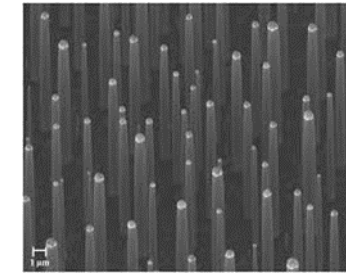
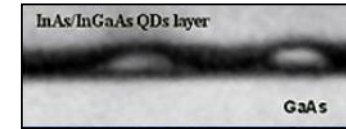


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Value propositions

## Clients: research centers and laboratories

- Growth of semiconductor alloy crystals with MBE: AsGa, InP, GaN, InSb, ZnSe, CMT, oxides, metals
- Fields: nanotechnologies, quantum electronics, lasers, LEDs, UV and infrared detectors, power circuits, etc.



## Their needs

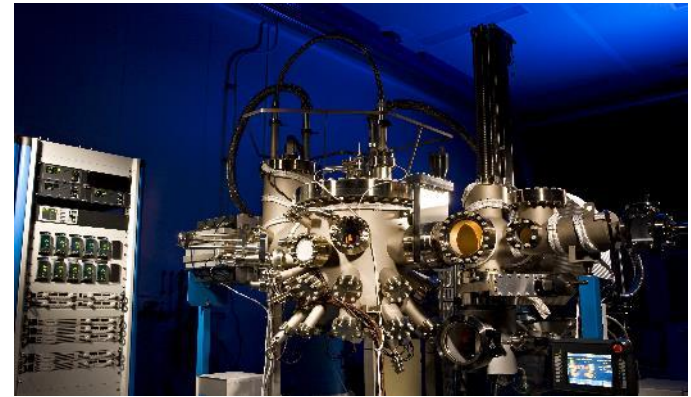
- Acquisition of an MBE machine: technical specifications and process (types of alloys)

## Market:

- Relatively stable: estimated at 10-15 purchases / year
- Competitors: Veeco (USA), Omicron (DE), MBE Komponenten (DE), DCA (FN), Eiko (JP)
- Riber's market share in 2017: 56%
- Market picking up again following a slowdown in 2015/2016

## Riber's solutions

- Market's widest range of solutions for processes (types of alloys) and numbers of sources:  
Compact12,  
Compact 21T, Compact21DZ, Compact21EB,  
MBE412,  
MPVD300



## Distribution

- Global (>38 countries) through subsidiaries (USA, KR, CN), distributors (JP) or agents (other)
- Response to requests for projects and calls for tenders



## Clients: semiconductor industry operators

- Manufacturing of semiconductor alloy epitaxy wafers with MBE: AsGa, InP, ZnSe, CMT, etc.
- End markets:
  - Microwave circuits (radio frequency):  
Telecoms networks: terrestrial (5G, 4G, wifi), satellite (transmitting-receiving antennae), smartphones, tablets, etc.
  - Optoelectronics circuits:  
Terrestrial (FTTH, LAN) and submarine (long-haul) fiber optic networks,  
Laser cutting; LIDAR, medical;  
Infrared detectors (thermography, medical, vegetation mapping),
  - Magnetic sensors, Hall effect: contactors

## Their needs

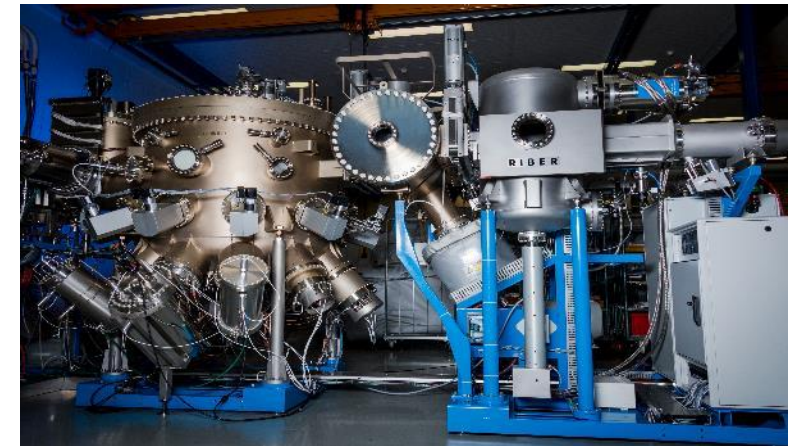
- Acquisition of MBE machines to launch a production line or increase their capacity: wafer specifications, production output, yield, cost of ownership, services and maintenance

## Market

- Cyclical: estimated at 3-5 purchases / year, depending on investment cycles
- Competitors: Veeco (USA)
- Riber's market share in 2017: >75%
- Market picking up through investments in optoelectronics and sensors

## Solutions

- Market's largest range for treatment capacity and processes  
Microwaves: MBE6000 (4x6", 7x4"), MBE8000 (8x6")  
Optoelectronics and sensors: MBE49 (4x4")  
Laser passivation: MBE412



## Distribution

- Global (>10 countries) through subsidiaries (USA, KR, CN), distributors (JP) or agents (other)
- Monitoring clients, identifying targets, promoting performance capabilities, supplying demonstration units

## Clients: semiconductor industry operators

- Manufacturing of machines for producing thin films
  - Depositing of thin films of chemical elements with online machines
  - End markets
    - CIGS alloy photovoltaic cells: electrical energy production
    - OLED TV, tablet and smartphone screens
    - OLED lighting and signals

## Their needs

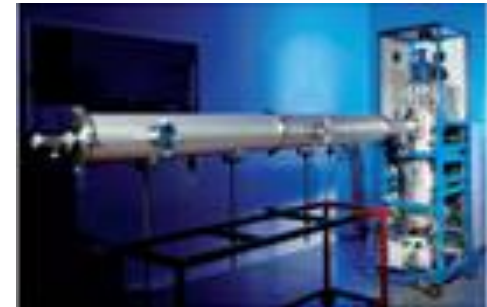
- Acquisition of industrial evaporators for large areas (x sq.m) adapted for their machine to launch a production line or increase their capacity: deposit specifications, production output, yield, cost of ownership, services and maintenance

## Market

- Cyclical: estimated at several thousand ad hoc evaporators / year, depending on investment cycles
- Competitors: 2 Asian companies
- Riber's market share in 2017: around 10%
- Rapidly developing market with investment in OLED and solar, and penetration of new applications

## Solutions

- Ad hoc evaporators: defined by the evaporation time: SH100, SH500
- Linear evaporators: defined by the width of substrate plates: JETSE, JETX



## Distribution

- Locally (Europe, Asia) through subsidiaries (KR, CN), distributors (JP) or agents (other)
- Identifying targets, promoting performance capabilities, supplying demonstration units

## Clients: clients from the installed base for laboratories and industrial firms

- Laboratories: 320 clients in 38 countries, around 620 machines in operation
- Industrial firms: MBE: 42 clients in 10 countries, around 110 machines in operation  
Manufacturers of thin-film machines: 9 clients in 4 countries

## Their needs

- Equipment availability
- Technical and scientific support
- Improvement of performance levels (components) and ergonomics (automation and software)
- Fitting of new components or replacement of obsolete components
- Preventative or remedial maintenance operations

## Market:

- Captive and recurrent: around €8-9m / year



# Services and accessories /2

## Solutions

- Catalogue of spare parts, accessories and sources
- Retrofits sales and on-site upgrades
- In-factory component repairs
- Preventative or remedial operations at client sites
- On-site maintenance

## Distribution

- Locally (Europe, Asia) through subsidiaries (KR, CN), distributors (JP) or agents (other)
- Monitoring clients, responding to technical and scientific requests, sending quotes

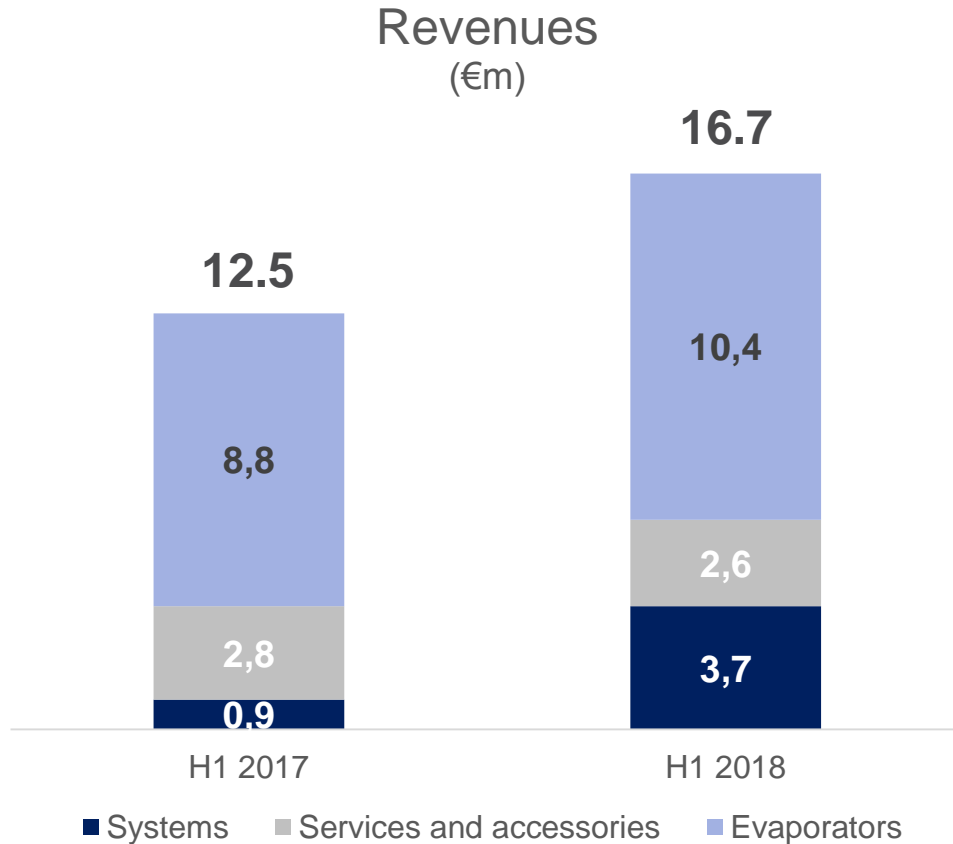


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**2018 first half earnings**



# Strong revenue growth: +34%



- Strong growth supported by the major deliveries of evaporators for the screen industry during H1 2018
- Delivery of 4 MBE systems, including 1 production system, compared with 1 research system in H1 2017
- Stable sales for services and accessories
- H1 2018 revenues by geographic area : Asia 74%, Europe 20%, United States 6%

\* After the application of IFRS 15. Negative impact of € 0,3m on revenues for H1 2018.





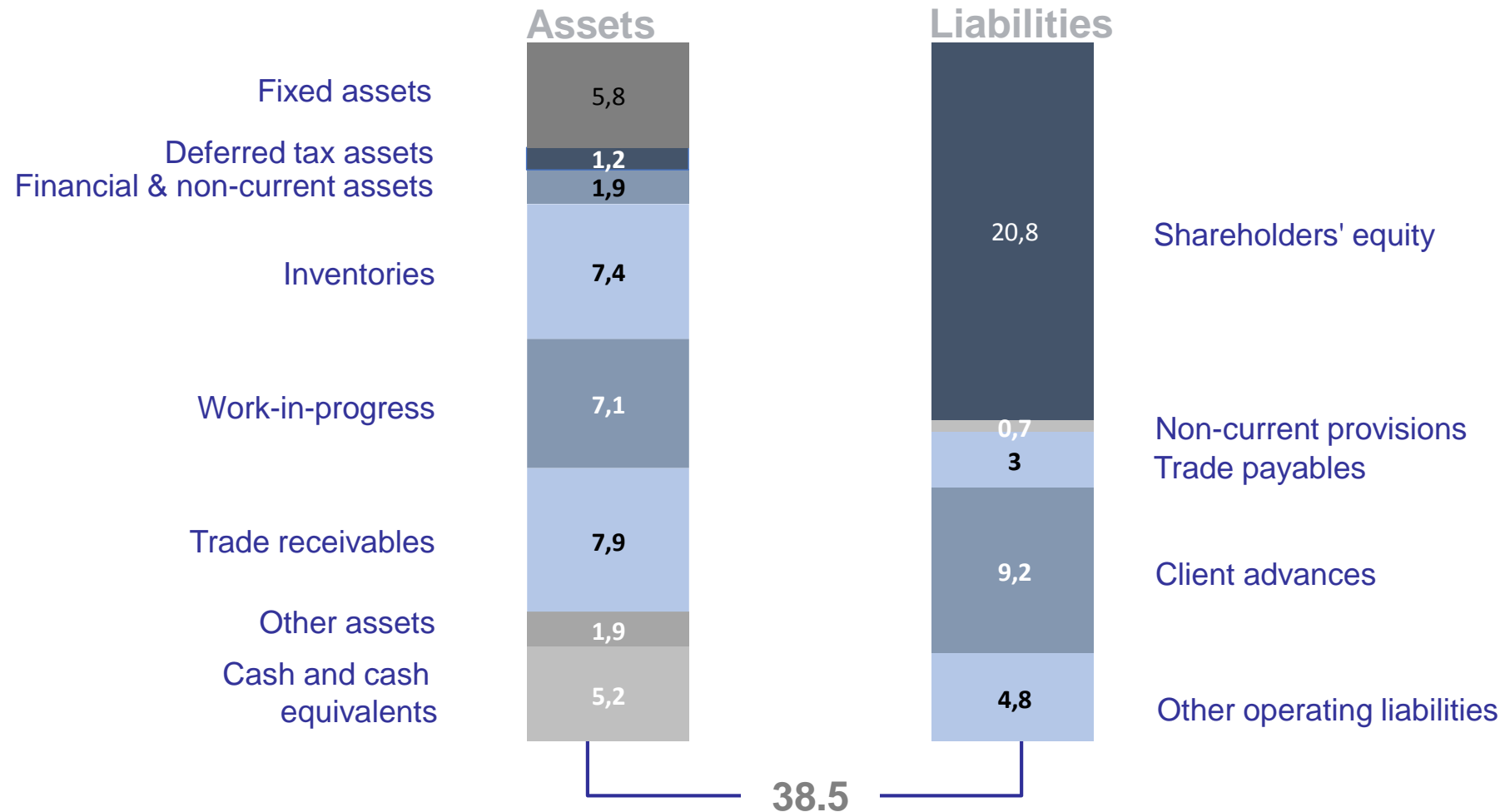
# Strong earnings for the first half of 2018

(€m - IFRS)	H1 2018 (6 months)	H1 2017 (6 months)	△	2017 (12 months)
<b>Revenues</b>	<b>16.7</b>	<b>12.5</b>	<b>+34 %</b>	<b>30.6</b>
<b>Gross margin</b> % of revenues	<b>8.2</b> 48.8 %	<b>5.8</b> 46.2 %	<b>+42 %</b>	<b>13.6</b> 44.5 %
Sales	(2.1)	(2.1)		(4.3)
Research and development	(1.7)	(1.1)		(2.5)
<i>Of which, gross expenditure</i>	(1.6)	(1.0)		(2.4)
<i>Of which, other items (research tax credit, subsidies, IFRS capitalization, etc.)</i>	(0.1)	(0.1)		(0.1)
Administration	(1.6)	(1.3)		(2.2)
<b>Income from ordinary operations</b> % of revenues	<b>2.8</b> 16.8 %	<b>1.3</b> 10.6 %	<b>+112 %</b>	<b>4.6</b> 15.2 %
Other operating income and expenses	0.0	(0.8)		(0.9)
<b>Operating income</b> % of revenues	<b>2.8</b> 17.0 %	<b>0.5</b> 4.2 %	<b>+441 %</b>	<b>3.8</b> 12.4 %
<b>Net income</b> % of revenues	<b>2.4</b> 14.4 %	<b>0.1</b> 0.6 %	<b>+2.3 M€</b>	<b>4.1</b> 13.4 %
<b>EBITDA</b> % of revenues	<b>3.8</b> 22.6 %	<b>2.3</b> 18.5 %	<b>+64 %</b>	<b>7.2</b> 23.4 %



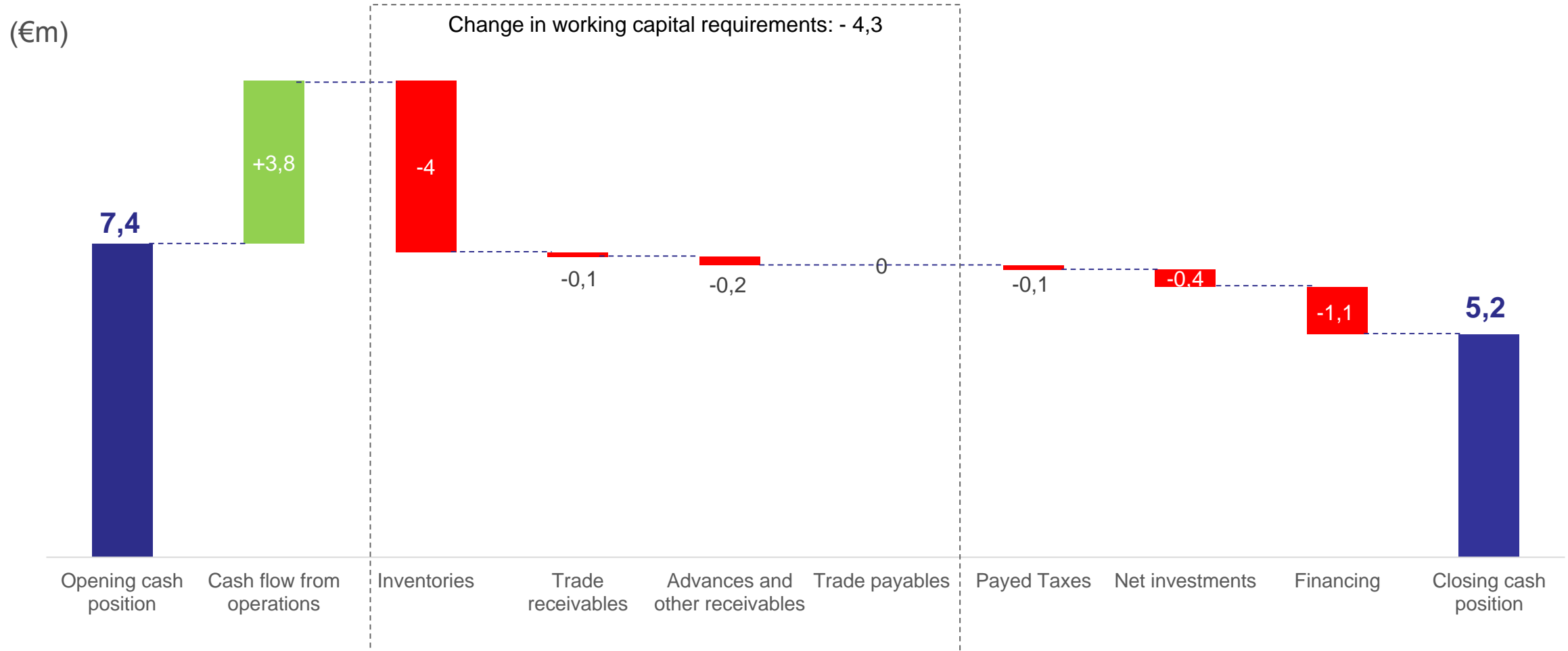
# Solid and healthy balance sheet

(June 30, 2018 - €m)





# Change in the cash position





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**Strategy and outlook**



## Key strategic areas (1/2)

- **Buoyant environment driven by information technology innovations over the coming years**
  
- **Research laboratories**
  - Increase the market share by further strengthening competitive advantages, targeting > 50%
  - Continue innovating : Dream MBE
  - Promote Riber's new processes through partnerships with laboratories
  
- **Industrial firms**
  - Production MBE: prepare the new markets through R&D partnership, demonstrators supply:
    - UV diodes for water purification and AlN/Si wafer
    - Lidar for self-driving vehicles
    - VCSEL for data com, smart phone, COO
  - Industrial evaporators:
    - Sales and marketing actions to expand the client portfolio and applications
    - Development of a next-generation linear evaporator for future applications



## Key strategic areas (2/2)

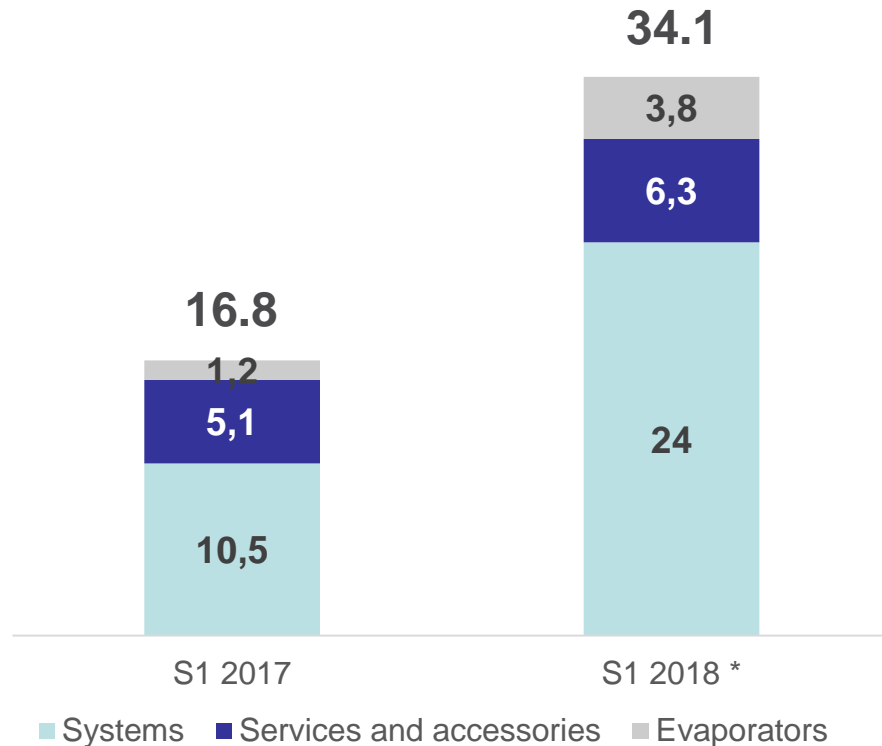
### ■ Services and accessories

- Double revenues from the installed base to provide a significant recurring contribution to consolidated revenues through investments:
  - Marketing: identify new attractive products through innovation
  - Sales: increase the recurrence of coverage for our clients

### ■ Operations

- Strengthening of the Quality, Safety and Environment management system
- Deployment of operational excellence
- Staff training

Order book at June 30  
(€m)



\* Under the previous standard. €34,3 m after the application of IFRS 15.

- **Good visibility for 2018 and 2019 with an order book up 103% at June 30, 2018**
- **2018 Objectives: full-year revenues of €35m and at least 15% year-on-year growth for income from ordinary operations**
- **Enhanced outlooks with the opening of a fully-owned subsidiary in China in July 2018 and several high-potential projects currently being negotiated**

A close-up, slightly blurred photograph of a metal engine block, likely made of aluminum or steel. The image shows several hexagonal bolts arranged in a circular pattern around a central opening. The lighting is soft, highlighting the metallic texture and the circular patterns of the engine's internal components.

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**Stock market data**



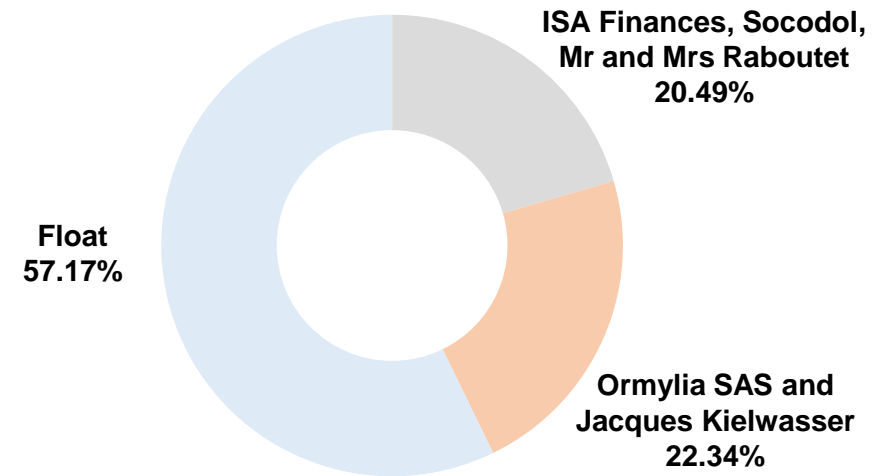


# Shareholding structure

- Listed on Euronext Paris since 2000
- Part of the CAC Small, CAC Technology and CAC T. HARD. & EQ. indices
- ISIN: FR0000075954
- Reuters: RIBE.PA
- Bloomberg: RIB:FP
- Bpifrance approval (FCPI French innovation mutual fund status)

## Shareholders

Source: custodian filings at Dec 31, 2017



Price ● RIB variation: +435.34%



Source: Euronext

■ **Market capitalization: €66m (€3.10 per share at September 25, 2018)**

A close-up, slightly blurred photograph of a metal engine block. Several hexagonal bolts are visible, arranged in a pattern. The lighting is soft, highlighting the metallic texture and the circular heads of the bolts. The overall tone is industrial and technical.

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Questions and answers