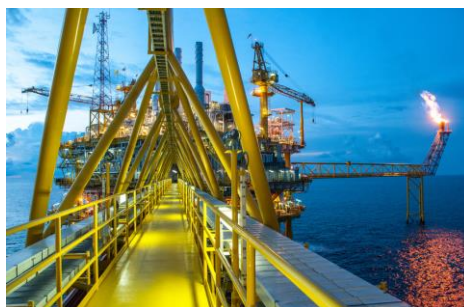




Smart Safety Systems



Protection of High-Risk Installations



3D Printing

## Increase in Groupe Gorgé's revenue in the fourth quarter of 2017, strong growth in 3D printing division

Groupe Gorgé (GOE on Euronext Paris) announced its 2017 fourth quarter and full-year revenue today.

### Adjusted figures<sup>(1)</sup>

| <i>(in € millions)</i>                | Q4 2017 <sup>(2)</sup><br>adjusted <sup>(1)</sup> | Q4 2016<br>adjusted <sup>(1)</sup> | Change      | 2017 <sup>(2)</sup><br>adjusted <sup>(1)</sup> | 2016<br>adjusted <sup>(1)</sup> | Change      |
|---------------------------------------|---|------------------------------------|-------------|--|---------------------------------|-------------|
| Smart Safety Systems                  | 34.8  | 33.5                               | 4.1%        | 109.3  | 103.4                           | 5.6%        |
| Protection of High-Risk Installations | 32.7  | 34.5                               | (5.1)%      | 131.6  | 144.9                           | (9.2)%      |
| 3D Printing                           | 13.0  | 7.5                                | 74.3%       | 34.8   | 25.2                            | 38.1%       |
| Structure & disposals                 | (0.6)   | (0.3)                              | n/a         | (1.6)  | (1.4)                           | n/a         |
| <b>Adjusted revenue</b>               | <b>79.9</b>                                       | <b>75.1</b>                        | <b>6.4%</b> | <b>274.0</b>                                   | <b>272.1</b>                    | <b>0.7%</b> |

### Reported figures

| <i>(in € millions)</i>                | Q4 2017 <sup>(2)</sup><br>reported <sup>(1)</sup> | Q4 2016<br>reported | Change      | 2017 <sup>(2)</sup><br>reported | 2016<br>reported | Change        |
|---------------------------------------|---|---------------------|-------------|---------------------------------|------------------|---------------|
| Smart Safety Systems                  | 35.5  | 36.9                | (3.8)%      | 112.0                           | 112.5            | (0.5)%        |
| Protection of High-Risk Installations | 32.7  | 34.5                | (5.1)%      | 131.6                           | 144.9            | (9.2)%        |
| 3D Printing                           | 13.0  | 7.5                 | 74.3%       | 34.8                            | 25.2             | 38.1%         |
| Structure & disposals                 | (0.6)   | (0.3)               | n/a         | (1.6)                           | (1.4)            | n/a           |
| <b>Consolidated revenue</b>           | <b>80.6</b>                                       | <b>78.5</b>         | <b>2.6%</b> | <b>276.7</b>                    | <b>281.2</b>     | <b>(1.6)%</b> |

(1) Elimination of the contribution of subsidiaries that will be deconsolidated in 2018

(2) Unaudited figures

For 2017, revenue adjusted from the contribution of two subsidiaries that will be deconsolidated in 2018 was €274.0 million, slightly higher than the bracket announced on December 22, 2017. These two subsidiaries, which show a loss, are part of the Robotics and Simulation businesses of the Smart Safety Systems division. Groupe Gorgé's reported revenue was €276.7 million, down 1.6% from 2016.

#### About Groupe Gorgé

Founded in 1990, Groupe Gorgé is an independent group that specializes in high-tech industries. Today, the Group is active in the fields of security and protection in extreme environments, as well as in the 3D printing sector. In its more than twenty-five year history, Groupe Gorgé has always developed and driven the latest technological and industrial innovations.

#### Smart Safety Systems:

Developing complete, innovative technological solutions for complex missions in hostile and confined environments.

#### Protection of High-Risk Installations:

Protecting people and ensuring the active and passive protection of installations for energy markets and industrial and tertiary sectors in France. Ensuring the maintenance of these protection systems.

#### 3D Printing:

Enabling major industry players to find new routes to successful innovation and production processes by providing 3D printers, premium material, software and 3D printed parts.

In 2017, the Group reported revenue of €276.7 million. It is backed by 2,000 employees and operations in over ten countries.

More information available on [www.groupe-gorge.com](http://www.groupe-gorge.com)

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In the fourth quarter of 2017, the adjusted revenue of **Groupe Gorgé** was €79.9 million, up by 6.4% over the same period in 2016. The decline in the business of the Protection of High-Risk Installations division was more than offset by the growth of the Smart Safety Systems division and by the solid performance of the 3D Printing division.

The adjusted revenue of the **Smart Safety Systems** division in the fourth quarter of 2017 was €34.8 million, up by 4.1%. The increase in revenue illustrates the growth dynamic of Aerospace, which was up by 16.7% over the period with the full-year contribution from ELTA, and that of the Simulation business, which was up by 18.8% thanks to the execution of the contract for military vehicle driving simulators (MVS) ([see February 21, 2017 press release](#)). In the Robotics business, adjusted revenue fell by 4.7%. Several major contracts in ground robotics and underwater robotics for Oil & Gas that were expected in the fourth quarter began to materialise only in early 2018.

The revenue of the **Protection of High-Risk Installations** division was €32.7 million in the fourth quarter of 2017, a 5.1% drop over the same period in 2016. This decline resulted from the combination of slow progress with major new nuclear construction projects and a slowdown in the division's business in Oil & Gas in the past several months.

Revenue from the **3D Printing** division was €13.0 million in the fourth quarter of 2017, a sharp increase of 74.3% compared to the same period in 2016. In the Systems business (+106.7%), the contribution from AvenAo, whose seasonality picked up sharply in the final months of the year, exceeded expectations. Machine sales fell compared to the busy last quarter of 2016, but sales of 3D printing materials to Prodways customers rose by 74% on the quarter and 51% on the financial year, driven by the increase in the installed base and the success of the new polyurethane introduced during the year. The Products business (+45.2%) was driven by continued strong sales of parts on demand, bolstered by the acquisition of Interson Protac, which for the first time contributed on a full quarter. Medical applications recorded a good growth which surged by more than 300% for Scientifeet® 3D-printed insoles.

### A good medium-term outlook

Groupe Gorgé started 2018 with a solid adjusted backlog of €204 million as at December 31, 2017, up slightly from the year before.

In the **Smart Safety Systems** division, two major commercial successes were announced in early 2018. The SMINEX order ([see January 10, 2018 press release](#)) for €30 million including optional tranches marked a major step forward for the Group. This is the first substantial order for IGUANA ground robots, which were developed over the past few years. In addition, the partnership with the oil services company Petrus will generate a minimum combined revenue of €6 million over the next four years and position the ECA Group's A18D autonomous underwater robot on the Oil & Gas services market ([see February 15, 2018 press](#)

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[release](#)). These two successes offer further evidence of the trend in robot use for an increasing number of civil and military applications.

During the year, the division is expected to continue to grow as it markets products developed in recent years, and it expects to advance initiatives relating to improving its profitability, with an emphasis on enhancing operating efficiency and reducing costs. In this context, the Smart Safety Systems division aims to generate slightly higher revenue in 2018 compared with 2017.

In the **Protection of High-Risk Installations** division, the new Vigians brand identity, unveiled in early 2018 ([see January 8, 2018 press release](#)), marks a major milestone in the division's development. Following the merger in late 2016 of the Industrial Projects and Services and Protection in Nuclear Environments divisions, Vigians unifies and strengthens the division around a brand that embodies its full range of expertise and drives its ambition in France and abroad: namely to become a reference player in the design, installation and maintenance of protection systems.

The visibility of Nuclear business improved with the signature of a €20 million contract for the two EPR<sup>TM</sup> nuclear reactors at Hinkley Point in the United Kingdom ([see May 15, 2017 press release](#)) and a first contract for almost €20 million to be performed in partnership with Prezioso Linjebygg, a subsidiary of the Altrad group, for cable-trays wrapping ([see January 11, 2018 press release](#)). New major orders expected this year should contribute to the medium-term rebound of the nuclear business. This rebound will also be facilitated by the improved operating efficiency of the Oil & Gas business, which adjusted to the drop in business recorded in 2017 but whose outlook continues to improve as oil prices climb and investment in the sector gradually resumes.

In the **3D Printing** division, at end-2017 and based on unaudited figures, the Group can confirm that it achieved the goal of a balanced EBITDA in the fourth quarter. This first-time event since the founding of Prodways Group was achieved in a quarter that is traditionally very busy but does confirm the earnings turnaround apparent since the first half of 2016.

With the combination of the full-year consolidation of the acquisitions made in the second half of 2017 and the organic growth of its businesses, the 3D Printing division has set a goal of surpassing €50 million in revenue in 2018.

In this context, Groupe Gorgé is aiming for adjusted revenue between €285 and €295 million in 2018, with improved profitability as a prime objective.

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## Next release

### Publication of full year revenue on Tuesday 3 April 2018 before market opening.

Raphaël Gorgé, Chairman and CEO, as well as Loïc Le Berre, Deputy CEO and Group CFO, will comment on Groupe Gorgé's results and answer questions from the financial community on the same day during a conference call starting at 11:00am.

Conference call details will be available one week before the conference on Groupe Gorgé's investor website <http://www.groupe-gorge.com/en/blog/category/finance-space/financial-press-releases/>

The conference call will also be available via a simultaneous webcast on Groupe Gorgé's website. A replay will be available following the conference call on Groupe Gorgé's website.

#### Disclaimer

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