

## Groupe Gorgé: first quarter 2019 revenue

Groupe Gorgé (Euronext Paris: GOE) reports today its first quarter 2019 revenue.

(€ million)	Q1 2019 <sup>1</sup>	Q1 2018	Change
<b>Backlog at end of period</b>	<b>241.5</b>	<b>217.4</b>	<b>+11.1%</b>
Smart Safety Systems	21.2	22.8	-6.9%
Protection of High-Risk Installations	32.6	32.3	+1.1%
3D printing	17.4	13.5	+28.9%
<i>Structure and disposals</i>	<i>(0.2)</i>	<i>(0.5)</i>	<i>Nm</i>
<b>Consolidated revenue</b>	<b>71.0</b>	<b>68.0</b>	<b>+4.3%</b>

For the first quarter 2019, **Groupe Gorgé** reported growth of 4.3% in revenue, amounting to €71 million, versus €68 million in first quarter 2018, reflecting the growth from the 3D Printing division (+28.9%) and a continued improvement for the Protection of High-Risk Installations division (+1.1%), both offsetting the decline in Smart Safety Systems division.

First quarter 2019 revenue for the **Smart Safety Systems** division was €21.2 million compared to €22.8 million in 2018, down 6.9%. On a like-for-like basis, excluding contributions from SSI and EN Moteurs subsidiaries disposed of in 2018, the decrease was 4.0%. Revenue from the Robotics and Aerospace businesses (down 5.3% and 5.4% respectively) is still not benefitting of the very strong business momentum seen over the last 6 months. Orders are still in design phase and yet little contributing to revenue. The division should record a catalyst effect as orders enter production stage.

Over the course of the quarter, the consortium Belgium Naval & Robotics, which brings together Naval Group and ECA Robotics, was awarded an order by the Belgian navy to supply 12 mine hunting vessels equipped with a total of one hundred drones. Six vessels are destined for the Belgian navy. Six others will be delivered to the Dutch navy.

ECA Group's share of this contract represents an amount of about €450 million, or four years of revenue. The 10-year program will begin with a design stage of about 3 years before entering the production stage and delivery of drone systems. The contract should generate revenue starting 2019. Final notification of this historic contract for ECA Group is expected in the second quarter after handling any potential appeals.

<sup>1</sup>Unaudited figures

First quarter 2019 revenue for the **Protection of High-Risk Installations** business stands at €32.6 million, up 1.1% year-over-year and up 5.9% on a like-for-like basis, excluding AI Group subsidiary, disposed of in 2018. The division is benefiting from a buoyant industrial robotics business and relatively stable nuclear and fire protection businesses.

In **3D Printing**, first quarter 2019 revenue came to €17.4 million, up 28.9% year-over-year. This momentum is due to solid organic growth, particularly in sales of materials, software distribution and parts manufacturing, boosted by the contribution from acquisitions completed in 2018 and early 2019. Systems business reported growth of 35.2%, reflecting the upturn in sales of materials and in software distribution. This momentum is further boosted by the contribution of €1.8 million from the US machine maker Solidscape, acquired in third quarter 2018. Product business is up by 21.6%, benefitting from a growing demand for parts production, sales in the podiatry sector, and acquisitions, which this quarter contributed some €0.9 million to revenue.

### **2019 outlook and objectives**

As at March 31, 2019, **Groupe Gorgé's** backlog had reached its highest level ever at €241.5 million, up by 11.1% compared to March 31, 2018.

The backlog for the **Smart Safety Systems** division reached €129.8 million, up 26.4% versus March 31, 2018, and up by 7.9% versus December 31, 2018, driven by growing order intakes for both Robotics and Aerospace businesses.

In this favorable business environment, the division's profitability should continue to improve, benefiting from efforts to cut costs and improve operational efficiency, and boosted in the medium term by the volume and a series effects of mine clearance contracts. Several major navies, including France, India and Britain, will be renewing their mine hunting fleet in the years ahead. Additionally, ECA Group believes that many countries will be equipped with transportable drone systems that can be used from the coast.

**For 2019, the Group confirms its revenue growth target in excess of 5%. This objective does not include yet the contract worth around €450 million to supply 12 mine hunters to the Belgian and Dutch navies.**

In the **Protection of High-Risk Installations** division, the backlog is still high at 105.8 million euros as at March 31, 2019, up by 2.7% compared to December 31, 2018.

The recovery observed throughout 2018 is expected to continue in 2019 for all the division's businesses. In the Nuclear and Oil & Gas activities, which together represent one-third of the division's revenue, the outlook for sales and business is expected to be at a higher level than in 2018.

**Within the present scope and excluding new external growth operations, the 3D Printing division is confirming its 2019 revenue growth target of at least 15%.**

This increase will be especially pronounced in the Systems business, which will be driven by the launch of new machines: ProMaker V10, ProMaker LD-20 and Solidscape DL. In the Products business, the Group continues to prepare for the digital transition of medical activities, which is expected to show rewards in the medium term.

For 2019, the R&D effort will be sustained, even though, in relative terms, it is down in relation to revenue. The division will pursue its investment in future applications for 3D printing (Rapid Additive Forging technology, the digitalization of processes in the medical sector, etc.) These investments, creating value for the future, will continue to weigh on the division's income statement. They will be increasingly offset by already profitable businesses where growth is strong.

As part of the review of its strategic assets, in April the Group disposed of NTS and Hoekstra subsidiaries in the Protection of Risk Facilities division. These activities contributed €3.8 million to 2018 revenue.

**Groupe Gorgé confirms its 2019 revenue growth target of 10% with an improvement to profitability for all divisions.**

**Next report:**

Publication of second quarter 2019 revenue on July 25, 2019, after market closing.

#### **About Groupe Gorgé**

Created 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 systems, 3D printers and new premium material.

In 2018, the Group reported revenue of €296 million. It is backed by 2,000 employees and operations in around 10 countries.

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

Groupe Gorgé is listed on Euronext Paris  
ISIN code: FR0000062671  
Ticker code: GOE

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