

Groupe Gorgé: first-half 2019 revenue

- Record backlog of €640.2 million
- Revenue up +18.5% in the second quarter of 2019

Groupe Gorgé (Euronext Paris: GOE) announces its 2019 second quarter and first-half revenue today.

(in € millions)	H1 2019 ¹	H1 2018 ²	Change	Q2 2019 ¹	Q2 2018 ²	Change
Smart Safety Systems	58.1	50.4	+15.2%	36.9	27.7	+33.4%
Protection of High-Risk Installations	43.5	45.2	-3.9%	22.9	23.5	-2.4%
3D Printing	35.3	27.6	+28.1%	17.9	14.1	+27.3%
Structure and disposals	(0.5)	(0.2)	<i>n.m.</i>	(0.4)	0.1	<i>n.m.</i>
Consolidated revenue	136.4	123.0	+10.9%	77.4	65.3	+18.5%
Backlog at end of period	640.2	195.2	+228.0%			

Revenue in the first half of 2019 increased by 10.9%, in line with the annual targets. This increase was driven by the strong second-quarter performance of the Robotics and Aerospace operations in Smart Safety Systems and all the business in the 3D Printing division. At June 30, 2019, Groupe Gorgé's backlog reached its highest level ever, €640.2 million, close to triple what it was at March 31, 2019.

First-half 2019 revenue for the **Smart Safety Systems** division was €58.1 million, a marked increase of 15.2%. On a like-for-like basis, excluding contributions from the subsidiaries SSI and EN Moteurs, which were disposed of in 2018, the increase was 18.5%. Second-quarter 2019 revenue increased by above 30%. This acceleration is related to the performance of the Robotics (+66.7%) and Aerospace (+25.5%) businesses, which offset the drop in revenue for Simulation. These businesses benefited from the commercial vibrancy recorded since the beginning of the year and the start of the mine-hunter contract for the Belgian and Dutch navies. During the quarter, the division accounted a portion of the revenue that may be recognized this year for this contract, the staff has been recruited and the project's design phase is underway.

At June 30, 2019, the division's backlog reached a historic high: €544.5 million, 4 times higher than its level at March 31, 2019. It included the major order from the Belgian and Dutch navies for twelve mine-hunting vessels and offers excellent visibility for the coming years.

In the **Protection of High-Risk Installations** division, revenue was €43.5 million in first-half 2019, a slight decrease of 3.9% compared to first-half 2018, and up 8.6% on a like-for-like

¹ Unaudited figures

² In the Protection of High-Risk Installations division, Cimlec and its subsidiaries (Cimlec Group) were disposed of on July 9, 2019. In accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, 2019 revenue and historical data do not include the Cimlec Group's contribution. For information, these activities represented €20.5 million in first-half 2018 and €22.0 million in first-half 2019.

basis, demonstrating the strong performance of the Nuclear and Engineering businesses, as well as the continued improvement in Oil & Gas. Following the disposal of the Cimlec Group, the division now represents 32% of Groupe Gorgé's half-year revenue.

The division's backlog was €89.2 million at June 30, 2019, up 1.5% from March 31, 2019.

First-half 2019 revenue from the **3D Printing** division was €35.3 million, a 28.1% jump from first-half 2018. The Systems business was up 33.1% compared to first-half 2018. Activity remained strong, particularly in sales of materials and the distribution of SOLIDWORKS software. This trend was reinforced by the contribution of Solidscape, which was acquired in the third quarter of 2018 and whose revenue was €3.6 million in the first half. The Products business posted 19.7% growth in first-half 2019 and benefited from the robust performance of parts production, particularly metal parts. Sales in the medical segment remained strong and the €1.7 million contribution from Surdifuse-L'Embout Français, which was acquired in the first quarter of 2019, backed up this trend.

Strategic progress

In the second quarter, the Group disposed of the subsidiaries NTS and Hoekstra, which were in the Protection of High-Risk Installations division. These businesses contributed €3.8 million to 2018 revenue.

The disposal of the Cimlec Group, a specialist in automation, robotics, electricity and metalworking, to Spie was finalized on July 9. This business posted 2018 revenue of €42 million and it is accounted in the 2019 financial statements in accordance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*.

In addition, on June 25 Groupe Gorgé announced the restructuring of the share capital of the Fire Protection France business (CLF Satrem, AMOPSI and SVF) with the disposal of 30% of the share capital to its management.

The important financial resources generated by these operations (more than €33 million in cash available) may be allocated to the development of new technological activities. Alternatively, they could also be used to strengthen the control of the robotics or 3D printing activities depending on market conditions.

The Group now operates in value-added high-technology businesses, with a focus on strong growth and substantial profitability.

2019 outlook

For 2019, the **Smart Safety Systems** division is confirming that that its target revenue growth of over 5% should be clearly exceeded.

The division's profitability is expected to continue to improve, thanks to cost-reduction efforts and steps to improve operating efficiency. In the medium term, this trend is expected to be accentuated by the impact of volumes and series of mine-hunter contracts.

Several large navies, including those of France, India, Australia and England, will be renewing their mine-hunting fleet or acquiring mine-hunting vessels in the coming years. Additionally, the

division believes that many countries will procure transportable drone systems that can be used from the coast. The company feels it is well positioned to capture a substantial share of these markets.

In the **Protection of High-Risk Installations** division, the recovery seen throughout full-year 2018 is expected to continue in 2019 across the division's businesses. In the Nuclear and Oil & Gas businesses, the commercial outlook and business are expected to be better than in 2018.

The restructuring of the share capital of the Fire Protection France business (CLF Satrem, AMOPSI and SVF) will boost the growth of these businesses, whose performances have decreased in recent years. The leveraged transaction in which management control 30% of the share capital of the business was finalized on July 25, 2019. The business will remain consolidated in the Group's financial statements.

The **3D Printing** division is demonstrating the value of its model, which is grounded in diversified businesses and the development of plastic additive manufacturing technologies that offer strong recurrence and a superior business model compared to metal additive technologies. After a start to the year dedicated to integrating the recently acquired companies, the division's structure and financial performances have made it possible to relaunch an external growth momentum in a context more favorable to acquisitions.

In the current scope and excluding new acquisitions, the 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. In the Products business, the Group continues to prepare for the digital transition of medical activities, which is expected to show results in the medium term.

The disposal of the Cimlec Group changed the outlook of the revenue for the Protection of High-Risk Installations division, but the **Group** confirms that it is aiming for a growth target of 10% for 2019.

Next report:

2019 half-year results released on Wednesday, September 18, 2019, before market opening.

Raphaël Gorgé, Chairman and CEO, as well as Loïc Le Berre, Deputy CEO in charge of Finance, 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.

Details about the conference call will be available one week in advance in the Investor Relations section of Groupe Gorgé's website: <http://www.groupe-gorge.com/en/blog/category/finance-space/financial-press-releases/>

A replay of the conference call will be available on Groupe Gorgé's website at www.groupe-gorge.com.

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.

The Group reported revenue of €296 M in 2018. It is backed by 2,000 employees and operations in close to 10 countries.

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Forward Looking Statement

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