

Groupe Gorgé: Strong organic growth in all three divisions in third quarter 2019

<i>(in € millions)</i>	Q3 2019 ¹	Q3 2018 ²	Change (organic)	9M 2019 ¹	9M 2018 ²	Change (organic)
Smart Safety Systems	22.5	18.9	+19.1 % (+22.7 %)	79.6	69.3	+14.8 % (+18.2 %)
Protection of High-Risk Installations	21.6	21.7	-0.2 % (+11.8 %)	65.1	66.9	-2.7 % (+8.3 %)
3D Printing	16.0	13.9	+14.7 % (+9.1 %)	51.3	41.5	+23.6 % (+9.2 %)
<i>Structure and disposals</i>	<i>(0.2)</i>	<i>(0.2)</i>	<i>n.s.</i>	<i>(0.7)</i>	<i>(0.4)</i>	<i>n.s.</i>
Consolidated revenue	59.9	54.3	+10.3 % (+14.9 %)	195.3	177.3	+10.1 % (+12.3 %)
Backlog at end of period	623.9	195.8	+218.7 % (+233.5 %)			

Groupe Gorgé's revenue for the first nine months of 2019 rose by 10.1%, in line with annual targets. The Group's revenue was up 10.3 % in third quarter 2019 to €59.9 million (+14.9 % at constant scope). This remarkable performance was driven by all divisions.

At September 30, 2019, Groupe Gorgé's backlog was €623.9 million, more than tripled compared with September 30, 2018.

In third quarter 2019, revenue for the **Smart Safety Systems** division was up 19.1 % (+22.7 % at constant scope, excluding EN Moteurs sold in 2018), driven by the strong performance of the Robotics (+19.1 %) and Aerospace (+28.2 %) activities, which offset the decline in Simulation. In addition to the execution of the mine hunting contract for the Belgian and Dutch navies, the activities were bolstered by the business momentum recorded in the first half.

At September 30, 2019, the division's backlog was €539 million, increasing more than fivefold compared with September 30, 2018. It offers exceptional visibility over the next few years. During the third quarter, the Robotics activity was awarded two contracts to supply ground robots to Canada and France, totaling more than €3 million. These were the first successful orders of CAMELON LG robots, for which marketing began in 2019.

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*, revenue for 2019 and historical data do not include the Cimlec Group's contribution.

In the **Protection of High-Risk Installations** division, the disposal to Spie of the Cimlec Group, a specialist in automation, robotics, electricity and metalwork, was finalized on July 9. The division's revenue does not include the contribution of Cimlec Group, in either 2019 or 2018, which was restated in accordance with IFRS 5 - *Non-current assets held for sale and discontinued operations*.

In third quarter 2019, the division's revenue was €21.6 million, stable compared with third quarter 2018, but up 11.8 % like-for-like, excluding AI Group and Hoekstra, which contributed until the end of 2018. As expected, this reflects the continued improvement of all activities.

The division's backlog stood at €79.7 million at September 30, 2019, down 11.9 % compared with September 30, 2018, but only 3.7 % like-for-like.

Revenue for the **3D Printing** division maintained a high growth rate of 14.7 % in third quarter 2019 to €16 million, versus €13.9 million in third quarter 2018. This predominantly organic growth (+9.1 %) was boosted by a favorable scope effect due to the consolidation of the audiologist Surdifuse-l'Embout Français in January 2019. In third quarter 2019, the Systems (+12.3 %) and Products (+18.7 %) activities benefited from the strong momentum of all activities.

2019 outlook

For 2019, the **Smart Safety Systems** division confirms its revenue growth target in excess of 5%.

The Robotics activities should continue to perform very well. New opportunities for mine hunting contracts have already been identified in several countries.

In Aerospace, the high backlog forecasts strong performance in the second half. The business momentum remains favorable, especially in the Automated Guided Vehicles sector, which applies the Group's expertise to drones and land vehicles. ECA Group is anticipating significant medium-term potential for these new developments, which are generating considerable interest, in particular in the aeronautics sector.

Lastly, in Simulation, the Group is expecting significant calls for tender that should help the activity's recovery. The Simulation has developed its Defense activity in recent years. Its activities for the benefit of robotics are expected to grow, in particular with the Belgian-Dutch contract. In this context, the division plans to merge the Robotics and Simulation activities in order to develop synergies between these two divisions more easily and quickly.

In the **Protection of High-Risk Installations** division, the positive trend observed in the third quarter is expected to continue in the final quarter of the year.

The France Fire Protection activities (CLF Satrem, AMOPSI and SVF) saw a decline in their performance in recent years. The activity's capital structure has been reorganized and management has held 30 % of the capital since July 25, 2019. The activity remains consolidated in the Group's financial statements.

The **3D Printing** division has been working for several years on industrialization projects involving 3D Printing in various business sectors. These projects would involve a large number of machines dedicated to production applications consuming several tons of material. The division has observed a positive trend in some markets and significant progress has been made over the last few months on several projects. The division expects a first order intake of this type in the next six months.

For 2019, the **Group** confirms that it is targeting 10 % revenue growth in the current scope, excluding the Cimlec Group.

Net income for the year is expected to show a very strong increase compared with the previous year, without taking into account the disposal of the Cimlec Group, which took place on July 9, 2019 and which will increase net income for the year by more than €20 million. Together, these factors should enable the Group to reach a record net income in 2019. Proceeds from the disposal of Cimlec will also significantly improve the Group's net debt.

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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