



Growth in revenue for Groupe Gorgé in Q1 2018, strong upsurge in 3D printing

Groupe Gorgé (Euronext Paris: GOE) is today publishing revenue figures for the first quarter 2018.

<i>(in € millions)⁽¹⁾</i>	Q1 2018	Q1 2017	Change
Smart Safety Systems	22.8	24.8	-8.3%
Protection of High-Risk Installations	32.3	34.2	-5.7%
3D printing	13.5	7.4	+81.1%
<i>Structure and eliminations</i>	<i>(0.5)</i>	<i>(0.3)</i>	NS
Consolidated revenue	68.0	66.2	+2.7%
Adjusted revenue ⁽²⁾	67.9	65.2	+4.0%

In the Smart Safety Systems division, ECA Sindel is no longer controlled by the Group; the company was removed from the scope of consolidation on January 1, 2018. Accordingly, it did not contribute to revenue in the first quarter of 2018, but contributed €0.9 million in the first quarter of 2017. On a like-for-like basis in scope (excluding ECA Sindel), consolidated revenue for Smart Safety Systems is down by 5.9%.

(1) *Unaudited figures*

(2) *In order to assess the performance of ongoing activities, the Group has decided to present and comment on the adjusted results, in addition to the reported figures. In the Smart Safety Systems division, these adjustments concern: the removal from scope of ECA Sindel and the ongoing disposal or closure of the SSI subsidiary. The figures in this press release are not expressed as adjusted figures, unless otherwise specified.*

In the first quarter 2018, revenue posted by **Groupe Gorgé** amounted to €68.0 million, an increase of 2.7% over the first quarter 2017. This growth is down to very good performance from the 3D Printing Division, whose increase in revenue was greater than the drop in business from the two divisions Protection of High-Risk Installations and Smart Safety Systems. Adjusted for the contribution of subsidiaries of the Smart Safety Systems division that have been closed or whose closure or disposal is on-going, the group's revenue comes to €67.9 million, i.e. growth of 4.0% compared to the 1st quarter 2017.

In the first quarter 2018, revenue for the **Smart Safety Systems** division was €22.8 million, down by 5.9% compared to the first quarter 2017 on a like-for-like basis, excluding ECA Sindel. This drop reflects the insufficient level of order intake recorded in the fourth quarter 2017. The good performance of the Simulation business and the high level of order intake that doubled compared to the first quarter 2017, particularly for Robotics, was not able to offset the downturn in Robotics (-12.9%) and Aerospace (-12.4%) businesses.

Major business successes resulting from R&D projects in 2015 and 2016 were announced in the first quarter and confirm the trend toward the use of robots in a growing number of both civil and military applications. The SMINEX order ([see January 10, 2018 press release](#)) for €30 million, including optional tranches, represented the first major order for IGUANA ground robots, which were developed over the last few years. In addition, the partnership with the Petrus oil services company will generate minimum combined revenue of €6 million over the next four years and position the ECA Group's brand new A18D autonomous underwater robot on the Oil & Gas services market ([see February 15, 2018 press release](#)). Lastly, three export contracts were announced in naval robotics for €12 million; they concern the supply of underwater mine counter measure (MCM) robots and surface ship automation systems enabling their transformation into unmanned surface vehicles ([see April 19, 2018 press release](#)).

Revenue for the **Protection of High-Risk Installations** division came to €32.3 million in the first quarter 2018, down by 5.7% compared to the first quarter 2017. This downturn is the result of low order intakes in the fourth quarter of 2017 and should gradually recover in the course of the year.

In the first quarter 2018, the division announced the signing of a partnership deal with Prezioso Linjebygg, a subsidiary of the Altrad group, designed to offer a range of solutions for passive fire protection in nuclear environments. An first contract for almost €20 million, to be performed in partnership with Prezioso Linjebygg, was won for cable-tray wrapping at a third generation power plant ([see January 11, 2018 press release](#)).

Finally, revenue from the **3D Printing** division amounted to €13.5 million as at first quarter 2018, a sharp increase of 81.1% over the first quarter 2017. This strong upsurge in sales reflects sustained growth from the Group's two divisions, buoyed notably by the contribution from new acquisitions made in the third and fourth quarters of 2017. Systems activity (+98.2%) benefited from the good performance seen with Software business. Performance from the Products division (+54.8%) was once again driven by sustained growth in sales of parts on demand, with the increase in series production. Capacities for this business activity have been ramped up to meet demand. Medical applications have also produced strong growth with the integration of Interson Protac and the growing success of the 3D printing solution for orthopedic and comfort insoles whose sales were tripled compared to the first quarter of 2017.

At the end of the first quarter, the division gained control of a 70% equity stake in Varia 3D service bureau, in which it bought a minority interest in 2015 ([see September 23, 2015 press release](#)). Based in Texas, USA, Varia 3D offers service bureau activities, machine maintenance and also machine technical upgrading with advanced expertise in the field of laser sintering. This acquisition has strengthened the operations of the 3D Printing division in the American market and its

international production capacities for parts on demand. In 2017, Varia 3D reported revenue of €558,000 and will be consolidated as from the second quarter 2018.

A good medium-term outlook

Groupe Gorgé started 2018 with a solid adjusted backlog of €217 million as at March 31, 2018, up by 5.2% compared to December 31, 2017.

In the **Smart Safety Systems** division, the backlog had grown by 5.1% to €103 million as at March 31, 2018, compared to €98 million the previous year. Order taking during the quarter has doubled compared to the first quarter 2017, due particularly to major orders placed with the Robotics division over this period.

During 2018, the division expects to continue to grow as it markets products developed in recent years, and advances initiatives relating to improving its profitability, with an emphasis on enhancing operating efficiency and reducing costs. The Group thus aims to generate full-year savings of €4 million, as from 2019.

In this context, the Smart Safety Systems division is restating its objective of a slight increase in 2018 revenue over the 2017 figure, and of improved profitability.

In the **Protection of High-Risk Installations** division, the backlog is up by 5.2% compared to December 31, 2017, and currently stands at €109 million. New major orders are expected this year and will contribute to the medium-term rebound of the nuclear business. The division's rebound will also be facilitated by the improved operating efficiency of the Oil & Gas business, which adjusted to the drop in activity recorded during the year but whose outlook is continuing to improve as oil prices climb and investment in the sector gradually resumes. Accordingly, the AI Group subsidiary, specializing in active protection for the Oil & Gas sector and which recorded a drop in business in 2017, is showing the first signs of recovery in terms of both order intake and revenue, a trend that should gradually take root with the division's other subsidiaries.

With the full-year consolidation of the acquisitions made in the second half of 2017 and the organic growth of its activities, the **3D Printing** division is restating its ambition to exceed revenue of €50 million in 2018, representing growth of more than 43%. Given these very good first quarter figures, Prodways Group will deliver its objectives at the publication of its half-year revenues. New acquisitions could reinforce this growth momentum. The division is reviewing transactions for both activities and has the financial resources to match its ambitions.

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

Next key date:

Publication of half-year revenue due Friday July 27, 2018 before market opening.

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. It employs around 1,700 people, is located in eight countries and directly exports around 40% of its activity. 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 2017, the Group reported revenue of €277 million. It is backed by 2,000 employees and operations in over ten countries.

More information available on www.groupe-gorge.com

Groupe Gorgé is listed on Euronext Paris.

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