

## Revenues of the first quarter 2022: growth in revenues and order intake in Drones & Systems

Groupe Gorgé posted revenues of €46 million in the first quarter 2022, essentially generated by the Drones & Systems division. This activity continues to accelerate, with strong revenue growth in the naval and maritime sector (+22% in Q1 2022), where the group benefits from its technological leadership. The commercial successes of the quarter in this division, which resulted in an order intake of €27 million (+98% compared with Q1 2021) enable the Group to consolidate its substantial backlog of nearly €490 million at the end of March 2022. The merger between ECA Group and iXblue will also enable Groupe Gorgé to increase its capacity and prospects in these high-tech activities.

### Revenues by division

<i>(in €million)</i>	Q1 2022	Q1 2021	Variation <sup>1</sup> (%)
Drones & Systems	30.3	27.2	+11.1%
Engineering & Protection systems	16.1	15.0	+7.0%
<i>Structure and intra-group eliminations</i>	-0.4	-0.2	<i>n.s</i>
<b>Consolidated revenues</b>	<b>46.0</b>	<b>42.1</b>	<b>+9.3%</b>
<b>Backlog at the end of the period</b>	<b>543.7</b>	<b>570.9</b>	<b>-4.8%</b>

<sup>1</sup> The organic change is equal to the change at current scope due to the application of IFRS 5 (discontinued activities) to the 3D printing business (Prodways Group) and the technical doors business for the nuclear sector (Baumert), whose contribution to revenues has been restated including in the historical figures.

## Drones & Systems (through ECA Group)

Strong growth in the naval and maritime domain (c.70% of Drones & Systems revenues): +22% in Q1 2022

The increase in revenues in Q1 2022 reflects the strength of ECA Group's positioning in the naval and maritime domain, the result of 10 years of R&D efforts to develop a complete autonomous drone system. **The flagship program with the Belgian and Dutch navies is proceeding according to plan and constitutes the main growth driver for Q1 2022.** In total, this program is expected to contribute nearly €45 million in 2022. The inauguration of the new assembly site in Ostend, Belgium, will be another important step forward in this program in the second quarter 2022.



Underwater drone A9

In addition, sales of drones and integrated systems in this field have also contributed, particularly in the defense sector. These revenues are generated by a diversified client base in France and abroad. They include **modernization programs** for underwater mine-hunting (such as the program for the Latvian Navy), **sales of equipment and services with high technological added value** (piloting systems, energy conversion, naval architecture, etc.), as well as **recurring revenues from the operational maintenance** of all this equipment over the long term.

On-board equipment and associated solutions for the aerospace sector (c.20% of Drones & Systems revenues): +8%

The reliability and quality of the on-board equipment offered by ECA have enabled it to consolidate its leadership in the **emergency beacons market**. The group equips new aircrafts and also replaces beacons in existing fleets, with a customer base that continues to expand worldwide, particularly in Asia and the Americas.



Balise ELITE SC

In addition, the group is benefiting from the expansion of the New Space industry, which contributed to the growth of this segment this quarter, with the sale of ground equipment for satellite communications.

Other activities, notably industrial, which account for less than 10% of Drones & Systems revenues, are down -34%, particularly in connection with aeronautical production lines (maintenance equipment, production tooling, etc.).

## Engineering & Protection Systems: +7% growth

This division accounted for €16m of revenues in Q1 2022, generated by two activities: fire protection and consulting in engineering and technology.

Revenue growth is being driven by the continued development of the consulting in engineering, which is beginning to reach critical mass with nearly 200 consultants, mainly in the field of operational safety.

Revenues from the fire protection business are relatively stable compared with Q1 2021, with good performance in active protection (sprinklers, water mist) offset by a slowdown in sales of passive protection (fire doors, etc.).

As a reminder, the nuclear door business is now classified as discontinued operations and its contribution is restated from sales, including in the historical figures. Groupe Gorgé had previously announced during the 2021 annual results that it plans to withdraw from this activity.

## Stable Drones & Systems backlog of nearly €490 million, thanks to a doubling of order intake

The backlog is mainly driven by the **Drones & Systems division, which represents nearly €490 million, relatively stable compared with the end of 2021**. It includes in particular autonomous robotics equipment, such as the program with the Belgian and Dutch navies, whose last delivery is scheduled for 2027.

Commercial activity in the first quarter of 2022 consolidated this backlog with **€27 million in new orders, up 98% compared with the first quarter of 2021**. This strong acceleration comes from several new diversified orders, notably in the Defense sector, and a favorable base effect. These orders include a significant portion related to underwater mine hunting and another portion related to the operational maintenance of drones and other high value-added systems.

In the civil maritime sector, for example, ECA Group has obtained the first commercial success for its new R7 underwater drone. The latest addition to the ROV family (Remotely Operated Vehicle), the R7 is designed for oceanographers, hydrographers and operators of submerged structures for all their underwater missions up to a depth of 300 m.



## Outlook

### Update of the Australian robotic mine-hunting program schedule

ECA Group is engaged in several mine countermeasures competitions, including the SEA 1905 program. This program was announced in April 2019 by the Australian Navy to acquire new mine countermeasures and maritime surveillance capabilities. Australia had initiated a Request for Information (RFI) process in 2021, after which ECA Group was selected, among other players, to participate in the tender.

As a first step, Australia is looking to acquire an initial capability that would consist of drone systems associated with ships of opportunity or deployed from shore. The Australian Navy is about to launch the RFP (Request for Proposal) process: responses from bidders, including ECA Group, will be expected in the summer, with a view to a decision in late 2022 or early 2023. This first stage would represent an order of around €50 million to €150 million. A larger overall capacity is expected later, around 2024.

### Combination of ECA Group and iXblue expected in mid-2022

Groupe Gorgé recently announced the operation of combination between ECA Group and iXblue to create a world-class player in advanced technologies for critical missions, including defense, space and maritime operations. A presentation of the operation took place in early April with the management teams of both companies to explain the strategy and growth prospects ([link to the presentation](#)). The closing of the transaction is expected in the third quarter of 2022, between July and September.



### **About Groupe Gorgé**

Groupe Gorgé is a high-tech industrial group driven by a strong entrepreneurial culture. The Group is present in drones, engineering and protection systems. The Group generated revenue of €178 million in 2021.

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

Groupe Gorgé is listed on Euronext Paris Compartment B (GOE).

### **Contacts:**

#### **Investor Relations**

Hugo Soussan  
Tel. +33 (0)1 44 77 94 86  
[h.soussan@groupe-gorge.com](mailto:h.soussan@groupe-gorge.com)

Claire Riffaud  
Tel. +33 (0)1 53 67 36 79  
[criffaud@actus.fr](mailto:criffaud@actus.fr)

#### **Media Relations**

Manon Clairet  
Tel. +33 (0)1 53 67 36 73  
[mclairret@actus.fr](mailto:mclairret@actus.fr)

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