

Groupe Gorgé: full-year 2018 revenue

- Full-year 2018 revenue reaches €296 million (+6.4%), in line with expectations
- Growth acceleration in the fourth quarter (+7.6%)
- Backlog hits highest level ever
- 2019 objective: revenue growth of 10%

Groupe Gorgé (Euronext Paris: GOE) announces its 2018 fourth quarter and full-year revenue today.

<i>(in € millions)</i>	2018 ¹	2017 restated IFRS 15 ²	Change	2017 reported	Q4 2018 ¹	Q4 2017 restated IFRS 15 ²	Change	Q4 2017 reported
Backlog at end of period	230.4	204.7	+12.6%	205.9				
Smart Safety Systems	102.1	113.5	-10.1%	112.0	32.8	36.3	-9.6%	35.5
Protection of High-Risk Installations	134.3	131.6	+2.1%	131.6	35.9	32.7	+9.8%	32.7
3D printing	60.9	34.8	+75.0%	34.8	19.4	13.0	+49.0%	13.0
<i>Structure and eliminations</i>	<i>(1.3)</i>	<i>(1.6)</i>	<i>n.m</i>	<i>(1.6)</i>	<i>(0.5)</i>	<i>(0.6)</i>	<i>n.m</i>	<i>(0.6)</i>
Consolidated revenue	296.0	278.2	+6.4%	276.7	87.6	81.4	+7.6%	80.6
Adjusted revenue³	295.7	275.5	+7.3%	274.0	87.6	80.7	+8.5%	79.9

For 2018, **Groupe Gorgé** posted revenue of €296.0 million, in line with expectations and a 6.4% increase. This performance was driven by sharp growth in the 3D Printing division (+75.0%) and the steady improvement in the Protection of High-Risk Installations division (+2.1%) over the course of the financial year, which offset the decline in the Smart Safety Systems division.

Revenue for the **Smart Safety Systems** division was €102.1 million, compared with €113.5 million in 2017, down 10.1% for the financial year and 9.6% in the fourth quarter. The fourth quarter of 2018 showed a turnaround in the Robotics business (+4.8%), which had been impacted during the first nine months of the year by the insufficient order intake level in 2017. Aerospace business fell by 11.5% in 2018, due mainly to a slowdown in assembly line business, while revenue for Simulation rose by 1.5%. Order intake in 2018 posted strong growth of 45.3%, to €128.0 million, reflecting the excellent commercial activity of the Robotics business (+72.3%), where several significant successes were recorded at the end of the year.

¹ Unaudited 2018 figures

² As of January 1, 2018, the Group applies IFRS 15 "Revenue from Contracts with Customers." All changes and comments appearing in this press release are compared to the 2017 figures restated from the application of this standard.

³ In order to assess the performance of its ongoing activities, the Group will present and comment on the adjusted results in addition to the reported figures. The adjustments concern the contribution of ECA Sindel and SSI in the Smart Safety Systems division. The figures in this press release are not expressed as adjusted figures, unless otherwise specified.

Revenue for the **Protection of High-Risk Installations** division was €134.3 million in 2018, up 2.1% for the financial year and up 9.8% in the fourth quarter. After a disappointing 2017, the division steadily turned its performance around in 2018 thanks to the gradual recovery of the Fire Protection business. The Nuclear business improved markedly in the fourth quarter thanks to the ramp-up of major contracts, which was made possible by the business's reorganization that took effect in late 2017.

Finally, the revenue of the **3D Printing** division was €60.9 million in 2018, versus €34.8 million in 2017. This was a 75.0% jump over one year and surpassed the most recent objective, which had already been revised to €58 million. This surge reflects the growth of all the division's operations, bolstered by the contributions of Solidscape and Varia 3D during the financial year. In the fourth quarter of 2018, the Systems business was up 85.5% and benefited from the integration of Solidscape, a US 3D printer maker, which contributed approximately €2 million to quarterly revenue, as well as strengthened marketing and sales efforts and the release of new machines (ProMaker LD-20 and ProMaker V10). The Products business was up 2.9% compared to a strong fourth quarter in 2017.

Withdrawal from nonstrategic operations

As part of the review of its strategic assets, in December the Group disposed of EN Moteurs, which constituted the Smart Safety Systems division's motor and special electric generator production operations. This company contributed €2.3 million to the 2018 revenue.

In the Protection of High-Risk Installations division, the Group sold in November the AI Group subsidiary to its management. AI Group is a specialist in fire protection for major industrial risks. This company contributed €6.8 million to the 2018 revenue.

The disposal proceeds from these two companies will contribute several hundred thousand euros to the Group's 2018 income.

2019 outlook

At December 31, 2018, **Groupe Gorgé's** backlog had reached its highest level ever, €230.4 million, up 12.6% year-on-year.

The **Smart Safety Systems** division's backlog was €120.3 million at December 31, 2018, versus €96.5 million in 2017, driven by a 45.1% surge in the Robotics backlog, which was a record-breaking €94.5 million.

Full-year 2018 stood out for its exceptionally high order intake. Continuing this trend, 2019 will feature growth in operations, particularly Aerospace and Robotics, which are supported by the strong backlog at the start of the year and the commercial outlook of these businesses in the first half.

In 2019, the Group is targeting full-year revenue growth above 5% in this division. This outlook does not factor in the potential success of the structuring tender submitted to the Belgian and Dutch navies ([see press release from October 9, 2018](#)).

In the **Protection of High-Risk Installations** division, order intake remained high at €103.0 million at December 31, 2018, which was stable compared to the previous financial year even though it no longer includes AI Group subsidiary, which was disposed during the period.

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

At December 31, 2018, the **3D Printing** division's backlog was €7.5 million, up 54.9% year-on-year; this was driven by the Systems business (+82.5%).

In January 2019, the division completed the acquisition of Surdifuse-L'Embout Français, a major French player in audiology. Thanks to the merger between Surdifuse-L'Embout Français and Interson-Protac, which was acquired in 2017, the Group's ambition is to create the French leader and one of the European leaders in customized hearing aid eartips. This acquisition is expected to generate more than €3 million in revenue in 2019 and to have a positive impact on the Group's income.

In the current scope and excluding new acquisitions, the Group expects to increase revenue for the division by at least 15% in 2019. 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 bear fruit in the medium term.

In this context, **Groupe Gorgé** expects for the full year 2019 revenue to grow by 10%.

Next report:

Annual results released on Wednesday, April 3, 2019, before market opening.

Raphaël Gorgé, Chairman and CEO, as well as Loïc Le Berre, Deputy CEO and Group CFO, 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 recording 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.

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.

In 2018, the Group reported revenue of €296M. 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
Compartment C.
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