



Smart Safety Systems



Industrial Projects and services



Protection in Nuclear Environments



3D Printing

About Groupe Gorgé

Established in 1990, Group Gorgé is an industrial group operating in different areas of expertise:

Smart Safety Systems – Using technology to work in risk environments;

Protection in Nuclear Environments – Protecting people and securing buildings operating with radioactive materials;

Industrial Projects & Services Conducting Robotics and Fire protection systems projects for industry and service-sector player;

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 2015, the Group reported revenue of €264.8 million. It is backed by 1,550 employees and operations in over ten countries.

More information available on www.groupe-gorge.com

Groupe Gorgé is listed on Euronext Paris and on the US OTC market in the form of ADR.

Euronext Paris:
Compartment B.
ISIN code: FR0000062671
Ticker code: GOE

US OTC market:
CUSIP NUMBER: 399451 103
ISIN NUMBER: US3994511034
Ticker Code: GGRGY / GGRGF

Increase in Net income in the second half

In € millions	H2 2015	H2 2014 ⁽²⁾	Chg. H2 2015/H2 2014 (%)	2015	2014 ⁽²⁾	Change 2015 - 2014 (%)
Revenue	150.8	121.9	+23.7%	264.8	223.3	+18.6%
EBITDA⁽¹⁾	16.1	15.2	+6.0%	22.0	22.7	-3.0%
Current operating income	10.8	11.8	-8.6%	12.3	15.7	-21.7%
Current operating margin	7.1%	9.7%	-	4.7%	7.1%	-
Operating income	8.1	10.5	-22.9%	7.9	13.0	-39.4%
Tax	(1.3)	(2.3)	NA	(1.6)	(2.7)	NA
Net income	5.5	4.5	+21.5%	4.2	4.8	-13.1%
Net income - Group share	2.8	2.1	+31.8%	1.6	2.6	-38.1%

(1) EBITDA: Current operating income before depreciation, amortization and provisions

(2) Restated accounts 2014

The 2015 financial statements were approved by the Board of Directors on March 31, 2016. Audit procedures were performed by the statutory auditors, and the audit report is currently being issued.

Contacts

Groupe Gorgé - Raphaël GORGÉ – CEO & Chairman - Tél. : +33 1 44 77 94 77 - E-mail : contact@groupe-gorge.com
 Actus Finance – Natacha MORANDI – Analysts/Investors Relations - Tél. : +33 1 53 67 36 72 - E-mail : nmorandi@actus.fr
 Actus Finance – Jean-Michel MARMILLON – Press Relations - Tél. : +33 1 53 67 36 73 - E-mail : jmmarmillon@actus.fr
 Image 7 – Lauranne Guirlinger – Press relations – Tél. : +33 1 53 70 74 18 – E-mail : lguirlinger@image7.fr

In 2015, three divisions out of four (**Smart Safety Systems, Industrial Projects and Services and 3D Printing**) posted revenue growth. Overall growth which was 12.5% during the first half-year, accelerated during the second half-year to reach 18.6% for the whole financial year. All the divisions experienced significantly higher levels of activity during the second half-year.

Revenue for the second half-year was up 23.7% (vs. H2 2014). EBITDA for the second half-year also grew by 6.0%, with contrasting situations for the different divisions. The Group continued its development, whilst at the same time financing significant investments in the 3D Printing division, which holds considerable growth prospects for the future.

Detailed performance by division

The **Smart Safety Systems** and **Protection in Nuclear Environments** divisions saw a much higher level of activity during the second half-year compared to the first half-year 2015 and the second half-year 2014: +13.9% and +19.6% (vs. H2 2014). The current operating income for these divisions also saw significant growth over the half-year: +28.0% and +27.0% (vs. H2 2014).

The **Smart Safety Systems** division thus posted combined growth of its revenue and current operating income for the full financial year, whilst the second half-year did not enable the **Protection in Nuclear Environments** division to completely recover the drop during the first half-year.

The **Industrial Projects and Services** division saw a decrease in its current operating income over the second half-year and the full year due to sales costs supported to accelerate revenue growth, and the decline in the performance of the AI Group subsidiary. The division posted revenue growth of +26.5% vs. H2 2014 and +25.7% over the financial year. The commercial development allows this division to face 2016 with confidence.

Lastly, the **3D Printing** division continued its very strong growth. Revenue was 2.6x higher over the second half-year and nearly four times as high for the full financial year. The acquisition of Initial during the first half-year contributed €7 million to revenue. Current operating income is still negative, due to the growth in sales and marketing expenses (hiring, participation in trade shows), hirings and a considerably higher research and development effort compared to 2014 (22 people are affected to R&D to date).

Financial structure and Dividend

The Group has substantial cash and cash equivalents of €35.7 million. Net debt/equity is less than 40%.

Net debt amounted to €37.8 million. This €12.8 million increase in 2015 can be explained by the significant investments and the increase in the working capital requirement. The working capital requirement grew over the financial year by €11.5 million of which €4.4 million for the operating working capital requirement (customers, stocks and suppliers), although this is managed compared to revenue growth. Tax receivables (CIR and CICE) explain a significant portion of the increase in the working capital requirement excluding operations.

To reserve all its financing capacity for investments and growth, the Board of Directors will propose to the Annual General Meeting of Shareholders not to distribute a dividend with respect of 2015.

Outlook

2015 was marked by very strong revenue growth. In 2016, the Group's efforts will focus on improving its margins, whilst maintaining good growth. The Group began 2016 with an order book of €191 million.

In addition, the Group's management began to implement a procurement optimization program for both direct purchases and general costs.

The **Smart Safety Systems** division has shown a positive trend for the last three financial years. Over the last two years, efforts have concentrated on improving sales performance, and these were rewarded in 2015 by significant revenue growth.

Profitability also progressed, in particular during the second half-year. For 2016, the Group needs to concentrate on consolidating its positions in its core markets, drones (with a particular focus on the airborne robotics market in which the division has already won several promising successes), robot systems and simulation. This division benefits from a number of favorable factors, particularly the growth in the advanced robotics markets and increased recourse to simulation in training courses.

The order book for the **Smart Safety Systems** division was €94 million at the start of 2016. The Group is aiming to achieve revenue of €110 million in this division for the 2016 financial year.

The **Industrial Projects and Services** division continues to develop fire protection and safety systems, which now account for around 70% of the division's business. The division benefits from a favorable trend in this market, especially in the energy sector. The share of revenue for the export market is growing and now reaches 28%.

After a phase of commercial conquest that penalized the division's profitability, the Group's efforts in 2016 will concentrate on maintaining this favorable commercial dynamic and on improving profitability.

Lastly, a new management team was installed in the AI Group subsidiary. The efforts should gradually show results throughout 2016.

The order book for the **Industrial Projects and Services** division reached €49 million at the start of 2016.

For the **Protection in Nuclear Environments** division, 2016 began with a sustained level of activity, both on international projects, in particular the NOVARKA project on which the Group works at a high rate of activity, and also on projects in France, in particular the "DUS" project (back-up diesel generators), which potentially offers at least 24 months of development opportunities in France. The post-Fukushima program should continue to expand in scope internationally.

Lastly, the Group indicates that it announced at the start of the year a project to acquire one of its historical competitors in this market, the PORTAFEU company. This transaction could be completed during the first half-year.

The **Protection in Nuclear Environments** division, therefore, shows a very positive medium-term outlook with an order book of €45 million at the start of 2016.

Continued growth for the "3D Printing" division

Since entering the 3D printing market, the Group has already achieved several milestones with robust growth in business over the last two years. This trend should continue for 2016.

Today, the Group benefits from global credibility and confirms the relevance of its positioning on professional 3D printing applications (rapid manufacturing).

In 2015, the focus was on the structuring of the company to provide it with the necessary means for its development. Today, this phase is almost completed. 2016 will focus on the consolidation of the acquisitions completed and the partnerships signed (acquisitions of Initial, Norge Systems and Exceltec, extension of the plastic and metal powder sintering technology offer, investment in Varia 3D) and should, therefore, show lower growth in expenses and fixed costs, and still very significant revenue growth, well above that of the market. This combination of revenue growth and stabilization of expenses should allow the Group to reach a monthly operational balance during the year.

In light of the trends observed over the first few months, the Group's initial revenue target of €280 million seems conservative.

A commented presentation is available in "Results presentation slideshows":

<http://www.groupe-gorge.com/en/blog/category/finance-space/documents/>

or on our YouTube channel :

<https://youtu.be/k2yugwBvWeg>

Next publication:

Publication of revenue for first-quarter 2016 on April 26, 2016

Disclaimer

This press release could contain statements on past events and forward-looking statements including statements regarding future goals or targets. Forward-looking statements reflect current expectations for results and future events.

Such forward-looking statements and targets depend on known and unknown risks, uncertainties and other factors that may cause actual results, performance or events to differ materially from those anticipated herein. All these risks and uncertainties could affect the Group's future ability to achieve its targets. Risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements and targets include, among other things: the risks and uncertainties possibly mentioned in this press release; the strength of competition; the growth of the market; currency fluctuations; interest rate fluctuations; raw materials and freight price fluctuations; armed conflicts or political instability; control of costs and expenses; changes in tax legislation, rules, regulation or enforcement; our ability to successfully keep pace with technology changes; our ability to attract and retain qualified personnel and key-men; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements; supply chain bottlenecks; the performance of our business partners (subcontractors, agents, suppliers, etc.).

Some of these risk factors are set forth and detailed in our Document de Référence (Registration Document including the annual financial report filed with the French Autorité des Marchés Financiers). This list of risks, uncertainties and other factors is not limitative. Other non-anticipated, unknown or unforeseeable factors could also have material adverse effect on our targets. The Group expressly disclaims any obligation or undertaking to update or revise any forward-looking statements or targets potentially contained in this press release to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based.

Follow us on Twitter for live updates
from Groupe Gorgé!



@GroupeGorge