

## Current operating income multiplied by 6; solid sales outlook for the second half-year

In € millions	H1 2016	H1 2015 <sup>(2)</sup>	H2 2015 <sup>(2)</sup>	Chg H1 2016/H1 2015 (%)
<b>Revenue</b>	<b>53.0</b>	43.1	62.1	+23.0%
<b>EBITDA<sup>(1)</sup></b>	<b>5.3</b>	3.5	10.6	+54.0%
<b>Current operating income</b>	<b>3.4</b>	0,6	8.3	x6
<i>Current operating margin</i>	<b>6.4%</b>	1.3%	13.4%	-
<b>Operating income</b>	<b>3.0</b>	(0.7)	6.7	-
Tax	<b>(0.8)</b>	0.3	0.4	-
<b>Net income</b>	<b>2.2</b>	(0.2)	6.9	-
<b>Net income - Group share</b>	<b>2.2</b>	(0.2)	6.9	-

The consolidated financial statements were subject to a limited review by the statutory auditors and were approved by the Board of Directors on September 7.

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

(2) Restated 2015 financial statements





Revenue for the first half-year was up +23.0% compared with the first half of 2015, at €53.0 million. The second quarter was particularly high with revenue of €33.5 million, a level never before reached by the ECA Group for a second quarter.

The three core businesses saw strong growth: +17% for the [Robotics and Integrated Systems division](#), +20.5% for the [Aerospace](#) division and +62% for the [Simulation](#) division.

In particular, due to a favorable volume effect, the Group posted EBITDA up +54.0% at €5.3 million. This year, the seasonality that generally affects the Group's businesses with higher second-half results should be less marked.

The Group's current operating income was multiplied by 5.9. This result is mainly due to the good performance of the [Robotics and Integrated Systems](#) division which posted a deficit during the 1<sup>st</sup> half of 2015, and which contributed €2.3 million during the 1<sup>st</sup> half of 2016. The [Simulation](#) division also posted an increased current operating income, which reached €1.0 million. That of the [Aerospace](#) division declined to €0.1 million but should recover during the second half of the year.

## Financial structure

The Group's cash saw a significant fall: from €4.5 million at the beginning of the financial year, including treasury shares, it became negative at -€7.1 million at June 30, 2016. There is now a net debt.

The decline in the working capital requirements in the amount of €10 million is due to the growth in business that mainly occurred during the second quarter.

A confirmed 5-year €10 million credit line was installed at the beginning of July, notably to deal with this volatility in the working capital requirements.



## A positive outlook for the second half-year

The Group should continue the growth experienced over several half-years by focusing on an increase in its sales and an improvement of its profitability. A good sales momentum is shown for a few semesters with numerous successes since the start of the 2016 financial year: sale of eleven [UAV IT180 aerial drones](#) at the beginning of the year in Europe and the Middle East ([see press release of February 15, 2016](#)), sale of three [naval simulators](#) for Asian countries ([see press release of March 9, 2016](#)), delivery of an aerial drone-based security system for the Eurotunnel Company ([see newsletter of June 28, 2016](#)), sale of three remotely-operated anti-mine drone systems for €10 million ([see press release of July 12, 2016](#))...

The [Aerospace](#) division has shown good momentum. The 1<sup>st</sup> half of 2016 saw the rapid pace of the ramp-up at Airbus continue. In parallel, the Group continues, on the one hand, the commercial development of the "T Concept" product ([see newsletter of September 21, 2015](#)), a modular test product that can be adapted to aeronautics and industry, and on the other, its partnership with [Prodways](#) ([see press release of November 26, 2015](#)), subsidiary of the [Groupe Gorgé](#), for the development of 3D printing production tools.

The Group has also announced the signature of a unilateral promise to purchase ELTA (company with 2015 revenue of €15.6 million), subsidiary of AREVA SA and AREVA TA ([see press release of August 5, 2016](#)). The aim is to complete the acquisition before the end of 2016.

The excellent performance achieved by the [Simulation](#) business in the first half of 2016 (revenue growth of +62.0%) is expected to continue during the second half of the year. This division has a positive outlook across its markets (Civil and Defense) and notably that of Defense (increasing development of tactical training requirements). The Group, which launched its [training simulators for the operation of light military land vehicles](#) at the end of last year, wishes to reinforce its position in tactical land training for "force commander" and "[damage control](#)" training...



Lastly, the [\*Robotics and Integrated Systems\*](#) division continues to market its first integrated drone-based maritime solutions for [maritime surveillance](#), [underwater demining](#), [hydrography and oceanography](#). The Group announced the delivery during H12016 of its first solutions in Kazakhstan and Russia. These solutions integrate [autonomous underwater robots \(AUV\)](#), [surface drones \(USV\)](#) and remotely-operated systems that enable the [identification](#) and [destruction](#) of underwater mines.

In parallel, in the field of autonomous underwater robots, the Group continues the certification of the [AUV A18-D](#) and has finished the development of the [AUV A18-M](#) robot, essentially destined for underwater demining.

Lastly, in the field of aerial drones, the Group launched a captive version of its [UAV IT180](#) type drone, the [UAV IT180-999](#) during H1 2016. This drone, which has the specific feature of being attached to the ground by a cable, has the ability to remain in the air for a considerable time. A number of armies and navies expressed interest in this solution during the Eurosatory trade show that took place in Paris at the end of June ([see video](#)).

A commented presentation is available at the following link:  
<https://youtu.be/sKZTKRX2edI>

Next report

Publication of revenue for the third quarter on October 25, 2016

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## Publication of the half-year financial report at June 30, 2016

ECA announced today that its half-year report at June 30, 2016 had been published.

It is available at:

ECA's website: <http://www.ecagroup.com>

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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.

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#### ECA Group

The ECA Group is renowned for its expertise in robotics, automated systems, simulation and industrial processes. Ever since 1936, it has been developing complete innovative technological solutions to perform complex missions in hostile or restrictive environments.

Its products are used by a demanding international clientèle requiring the highest levels of safety and efficiency, mainly in the sectors of defence, maritime, aerospace, simulation, energy and industrial equipment.

In 2015, the Group reported revenue of 105.2 M€ for its three Departments: Robotics, Aerospace and Simulation.

ECA Group is a Groupe Gorgé company.

ECA Group is listed on Euronext Paris Compartment C.

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