



ECA Group: first quarter 2018 revenue of 22.8 million euros; good order intake

Today, ECA Group (Euronext Paris: ECASA) reports its first quarter 2018 revenue

<i>(in € millions)</i> ¹	Q1 2018	Q1 2017	Change
Robotics	12.9	14.8	-12.9%
Aerospace	7.8	8.9	-12.4%
Simulation	2.0	1.1	+86.9%
Consolidated revenue	22.8	24.8	-8.3%
<i>Adjusted revenue</i> ²	<i>22.6</i>	<i>23.9</i>	<i>-5.2%</i>

¹Unaudited figures

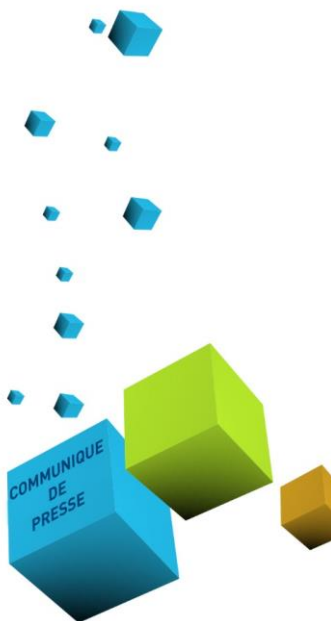
ECA Sindel (Robotics division) is no longer controlled by the Group; the company was removed from the scope of consolidation on January 1, 2018. Accordingly, it did not contribute to revenue in the first quarter of 2018, but contributed €0.9 million in the first quarter of 2017. On a comparable basis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

²In order to assess the performance of its ongoing activities, the Group has decided to present and comment on the adjusted results in addition to the reported figures. These adjustments concern the removal of ECA Sindel from the scope of consolidation, and the subsidiary in the process of disposal or closure within the Simulation division. The figures in this press release are not expressed as adjusted figures, unless otherwise specified.

In the first quarter of 2018, ECA Group's **revenue** was €22.8 million, down 5.9% compared with the first quarter of 2017 on a comparable basis, excluding ECA Sindel. This decline can be attributed to the insufficient level of order intake recorded in the fourth quarter 2017. The good performance of the Simulation business and the good order intake momentum in the first quarter do not offset the performance of the Robotics and Aerospace divisions.

The **Robotics** division recorded revenue of €12.9 million, down 12.9% compared with the first quarter of 2017 and 8.8% on a comparable basis, excluding ECA Sindel, of which the division divested itself in the first quarter of 2018. The first quarter of 2017 represents a high basis of comparison, and delays in orders expected for end-2017 further penalized the first quarter of 2018.

In the first quarter, the division announced major commercial successes resulting from R&D projects undertaken in 2015 and 2016: the SMINEX order ([see press release of January 10, 2018](#)) 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 press release of February 15, 2018](#)).





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 press release of April 19, 2018](#)). These successes confirm the trend of robot use in an increasing number of civil and military applications.

The **Aerospace** division recorded revenue of €7.8 million, down 12.4% compared with the first quarter of 2017, reflecting the end of aerospace programs in the assembly line activity, despite the strong performance of the embedded equipment activity.

Lastly, **Simulation** recorded growth of 86.9% compared with the first quarter of 2017, at €2.0 million, driven by the fulfillment of the second order for military vehicle driving simulators. The disposal or closure of the division's subsidiary, which had become non-strategic, is under way and should be finalized in the second quarter of 2018. Adjusted for the contribution of this subsidiary, the division's revenue was €1.8 million in the first quarter of 2018, versus €1.0 million for the same period last year.

Outlook

At March 31, 2018, ECA's **backlog** was up 5.1% to €103 million, versus €98 million at December 31, 2017. Order taking during the quarter has doubled compared with the first quarter of 2017, due particularly to major orders placed in the Robotics division in the first quarter.

During the 2018 financial year, the ECA Group is expected to continue to grow as it markets products developed in recent years, and it expects to ramp up initiatives aimed at increasing its profitability, with an emphasis on improving operating efficiency and reducing costs. The Group thus aims to generate full-year savings of €4 million, as from 2019.

In this context, the ECA Group confirms its target of slightly higher revenue in 2018 compared with 2017, and of improved profitability.

Next release

Publication of first semester 2018 revenue on Friday July 27, 2018 before the stock market opening.



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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.

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 mentioned in the press release; the strength of competition; the continuing growth of the market; currency fluctuations; interest rate fluctuations; raw material 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 personnel; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements; supply chain and manufacturing 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 ECA Group

Recognized for its expertise in robotics, automation systems, simulation and industrial processes, the ECA Group has been developing complete, innovative technological solutions for complex missions in hostile and confined environments since 1936. Its product offering is designed for an international client base that is demanding, both in terms of safety and effectiveness. The Group's main markets are in the defense, maritime, aeronautics, simulation, industrial and energy sectors.

In 2017, the Group reported revenue of €112.0 million across its three divisions: Robotics, Aeronautics and Simulation.

The ECA Group is a Groupe Gorgé company.

The ECA Group is listed on Euronext Paris Compartment B.
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Contact

Actus Finance

Anne-Pauline PETUREAUX
Analysts/Investors
Relations
Tel: +33 (0)1 53 67 36 72
apetureau@actus.fr

Jean-Michel MARMILLON
Press Relations
T : +33(0)1 53 67 36 73
jmmarmillon@actus.fr

ECA Group

Raphaël GORGE
Chairman
T : +33 (0)1 44 77 94 80

Guenaël GUILLERME
Chief Executive Officer
T : +33 (0)4 94 08 90 00

www.ecagroup.com