

Resilient activity in first quarter 2020

<i>(in € millions)</i>	Q1 2020 ¹	Q1 2019	Change <i>(organic)</i>
Smart Safety Systems	22.6	21.2	+6.4%
Protection of High-Risk Installations	20.7	20.6	+0.7% (+2.0%)
3D Printing	15.5	17.4	-11.0%
<i>Structure and disposals</i>	<i>(0.2)</i>	<i>(0.1)</i>	<i>n.s.</i>
Consolidated revenue	58.5	59.0	-0.9% (-0.4%)
Backlog at end of period	601.7	224.0	+168.7%

Groupe Gorgé posted revenue of €58.5 million in first quarter 2020, down slightly by 0.9% on a reported basis and by 0.4% on a like-for-like basis compared to first quarter 2019. The Group's business has proven to be resilient despite the unprecedented crisis which has weighed to varying degrees on the Group's different divisions.

Revenue for the **Smart Safety Systems** division (39% of revenue) was €22.6 million in first quarter 2020, up by 6.4%. This excellent performance was driven by the Robotics business (up by 12.8%) which benefited from a strong backlog, and notably the execution of the sea mine hunting contract with the Belgian and Dutch navies that continued this quarter. The COVID-19 pandemic has had a significant impact on the Aerospace business starting in the second half of March and has resulted in a fall in revenue of 5.3%.

The division's backlog was significant, at €515.2 million as at 31 March 2020. The level of orders intake for the first quarter fell significantly, extending the trend seen at the end of the 2019 financial year. It was impacted by delayed orders but does not reflect the solid commercial outlook expected by the Group.

Revenue for the **Protection of High-Risk Installations** division (35% of revenue) came to €20.7 million, up by 0.7% on a reported basis and by 2.0% like-for-like². The growth in revenue reflects the good performance and resilience of the Fire Protection business, which accounts for most of the division's revenue, and the stability of the Nuclear business. These activities offset the decrease in revenue from Oil & Gas activity, which accounted for only 2.6% of the Group's business in the first quarter of 2020.

The division had a backlog of €81.1 million as at 31 March 2020. Order intake was up by 27.4% in first quarter 2020, driven by the sales momentum of the Fire Protection and Oil & Gas divisions during the first months of the year.

¹ Unaudited figures

² Hoekstra-Suwald Techniek BV was sold in April 2019

Revenue for the **3D Printing** division (26% of revenue) was €15.5 million, down by 11%. This division's activities operate on short business cycles. The COVID-19 pandemic has had a direct and immediate impact on the medical businesses (audiology, podiatry and dental), resulting in the complete shut-down of our client-practitioners' activities in mid-March. The Systems business fared better (down by 6.3%) thanks to the strong performance of Materials, up by 25%, which benefited from the virtuous dynamic of recurrence as the installed base of printers dedicated to production applications is growing.

A Group focused on quick adaptation to a new environment

Groupe Gorgé implemented a global adjustment plan to protect the health of its employees and safeguard cash in the early days of the crisis.

Activities were swiftly reconfigured at its sites to protect employee health, notably by resorting to remote work as quickly as possible; a business continuity plan was also implemented.

The Group implemented a cost adjustment plan and nearly 50% of the workforce was in total or partial reduction in activity. This trend should continue during the second quarter of 2020, to varying degrees depending on the business.

In Europe and North America, Prodways Group teams quickly took up the challenge of contributing to the effort to fight COVID-19 using 3D printing. Prodways provided its professional 3D printers, in collaboration with its customer network, to manufacture face shields to meet the medical staff's most urgent needs. Several thousand face shields for medical staff have been manufactured with a dozen customers.

The Group's financial position is strong, with available cash and cash equivalents of over €100 million as at 31 March 2020. It has drawn on its confirmed credit lines in the amount of €57 million. The Group will use State-Guaranteed Loans to fully secure its liquidity while preserving confirmed credit lines.

Cancellation of the dividend increase planned in 2019

Given the crisis situation, and despite the Group's exceptional results in 2019 and a strong cash position, the Board of Directors decided not to propose a 10% per share increase in the dividend and, consequently, changed its proposed resolution, which will be submitted to the Shareholders' Meeting of 8 June 2020, to decrease the dividend amount from €0.35 to €0.32 per share, identical to that paid in 2019.

2020 outlook

The crisis will impact the Group's performance in 2020, particularly in the second quarter.

The Group remains extremely confident over its prospects and potential in the medium term. End-customers are diversified and, with the exception of the Aerospace division, should not be lastingly impacted by the current crisis. This market accounts for 10% of the Group's revenue. It has been impacted by the collapse of global air traffic and the decision by major manufacturers to suspend or significantly decrease the production of commercial aircraft.

Despite this unprecedented environment, Groupe Gorgé has major assets: diversified activities which are not highly impacted by cycles, a firm backlog equivalent to over two years of revenue, and a solid financial structure allowing to pursue its external growth strategy and, depending on market conditions, to strengthen its position in its existing divisions.

Financial agenda

8 June 2020	Combined General Shareholders' Meeting (behind closed doors)
28 July 2020 (after market close)	Second-quarter 2020 revenue
16 September 2020 (after market close)	2020 half-year results
28 October 2020 (after market close)	Third-quarter 2020 revenue

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.

The Group reported revenue of €274,6 M in 2019. It is backed by close to 1,800 employees and operations in 7 countries.

Groupe Gorgé is listed on Euronext Paris compartment B
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