

Revenue recovery in third-quarter 2020

<i>(in € millions)</i>	Q3 2020 ¹	Q3 2019	Change	Change (organic) ²	9M 2020 ¹	9M 2019	Change	Change (organic) ²
Smart Safety Systems	21.0	22.5	-6.4%	-6.4%	64.1	79.6	-19.4%	-19.4%
Protection of High-Risk Installations	19.8	21.6	-8.3%	+4.9%	58.3	65.1	-10.5%	-2.0%
3D Printing	13.1	16.0	-18.3%	-18.3%	39.9	51.3	-22.2%	-22.2%
Structure and disposals	0.4	(0.2)	<i>n.m</i>	<i>n.m</i>	0.0	(0.7)	<i>n.m</i>	<i>n.m</i>
Consolidated revenue	54.3	59.9	-9.3%	-5.0%	162.3	195.3	-16.9%	-15.0%
Backlog at end of period	614.9	623.9	-1.4%	-0.2%				

Groupe Gorgé revenue was down 5.0% in third-quarter 2020 on an organic basis and 9.3% on a reported basis, reflecting a marked improvement in trends compared to the first half, notably a return to growth in the Protection of High-Risk Installations division and the Robotics activity of the Smart Safety Systems division. In the first nine months of 2020, Groupe Gorgé generated revenue of €162.3 million, down 16.9% compared to the first nine months of 2019. On an organic basis, revenue was down 15% compared with the same period in 2019. Since the start of the year, the Group has demonstrated good resilience in an economic environment severely disrupted by the serious health crisis.

The Group's backlog remained high at €614.9 million as of September 30, 2020. Compared with June 30, 2020, the backlog was up 1.7% on an organic basis.

The **Smart Safety Systems** division recorded revenue of €21.0 million in third-quarter 2020, down only €1.5 million compared with third-quarter 2019. The Robotics activity recorded a strong recovery in the third quarter with double-digit growth (+25.8%), driven by the increased contribution of the naval robotics contract for the Belgian and Dutch navies. This performance partially offset the decline in Aerospace (-50.6%), notably in commercial aviation, heavily affected by the crisis.

As of September 30, 2020, the division's backlog was up 1.7% compared with June 30, 2020, and remained high at €539.7 million. Order intake was up 87.9% compared with third-quarter 2019, bolstered by a new mine countermeasure contract worth more than €20 million for the Latvian navy.

This quarter, Groupe Gorgé announced its plan to strengthen its position in this division through the contemplated merger of ECA with Groupe Gorgé. This project is preceded by a proposed simplified tender offer (OPAS) on ECA shares under its share buyback program. The public tender offer relating to 10% of the share capital opened on October 16, 2020, and will close on the evening of October 29. The AMF and Euronext Paris will publish the notice of the results of the offer on

¹ Unaudited figures.

² On a like-for-like basis, in particular adjusted for Van Dam BV, disposed of in July 2020 in the Protection of High-Risk Installations division.

November 4, 2020. The press releases relating to these operations are available on the Groupe Gorgé website under “Press releases”.

In the **Protection of High-Risk Installations** division, third-quarter 2020 showed a strong recovery in activity, with revenue up 4.9% on a organic basis. All the division’s activities recorded a strong improvement in the third quarter, reflecting the resilience of these activities. The Group finalized the refocus of the division through the capital merger of Van Dam with its competitor InterDam in early July. This merger will result in a gain on disposal of around €3 million, recognized in second-half 2020. The Nuclear activity posted double-digit growth and recently won a new contract worth more than €6 million for the supply of special doors as part of a project to build a nuclear power plant in Western Asia. The engineering consultancy activity grew this quarter and launched StedY, a digital service offer that redefines engineering and technologies consulting services.

As of September 30, 2020, the division’s backlog was €70.3 million, up 3.2% compared with June 30, 2020 on an organic basis, driven in particular by good business momentum in the Nuclear sector.

In third-quarter 2020, the **3D Printing** division generated revenue of €13.1 million. After a second-quarter 2020 heavily impacted by the health crisis, the division’s activity began to recover in third-quarter 2020 with a decline limited to €2.9 million over the period. The division was affected by the wait-and-see attitude of industrial customers in the software distribution and machine sales activities. However, the good use of the installed base of machines enabled sustained sales of materials. Medical activities (audiology, chiropody and dental), which were severely hit by the total closure of practitioners’ offices during lockdown, continued to recover and reached close to normal levels this quarter.

2020 outlook

While remaining cautious in light of the uncertainties surrounding the health and macroeconomic environment, the Group is confident in its outlook and expects a recovery in revenue in second-quarter 2020. Groupe Gorgé’s end customers are diversified and should not be most affected by the current crisis in the long term, with the exception of civil aviation (which contributes less than 10% of Group revenue). The Group’s financial situation and available cash allow it to continue its ambitious growth with confidence.

Based on the current health and economic environment, the Group expects the following trends in its markets:

- In the 3D Printing division, the gradual recovery started in June is expected to continue in the coming months, although macroeconomic uncertainty persists in the short term.
- In the Smart Safety Systems division, the continued upward trend of the Robotics activity is expected to generate fourth-quarter 2020 revenue comparable to that of 2019.
- In the Protection of High-Risk Installations division, the momentum should remain at a good level in the fourth quarter.

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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