

ECA Group: Organic revenue growth of +22.7 % in third quarter 2019

<i>(in € millions)</i>	Q3 2019 ¹	Q3 2018	Change <i>(organic)</i>	9M 2019 ¹	9M 2018	Change <i>(organic)</i>
Robotics	12.3	10.3	+19.1 % <i>(+25.9 %)</i>	48.1	38.0	+26.7 % <i>(+32.6 %)</i>
Aerospace	9.5	7.4	+28.2 % <i>(+28.2 %)</i>	28.3	24.3	+16.4 % <i>(+16.4 %)</i>
Simulation	0.7	1.1	-39.7 % <i>(-39.5 %)</i>	3.2	7.0	-53.8 % <i>(-52.0 %)</i>
Structure & disposals	(0.0)	(0.0)	n.s.	(0.1)	(0.0)	n.s.
Consolidated revenue	22.5	18.9	+19.1 % <i>(+22.7 %)</i>	79.6	69.3	+14.8 % <i>(+18.2 %)</i>
Backlog at end of period	539.0	99.8	+440.3 % <i>(+446.0 %)</i>			

In the first nine months of 2019, ECA Group's **consolidated revenue** was €79.6 million, a sharp increase of 14.8 % and 18.2 % at constant scope, excluding the contribution of SSI and EN Moteurs sold in 2018. Revenue was up 19.1 % in third quarter 2019, and nearly 23 % at constant scope, totaling €22.5 million, versus €18.9 million in third quarter 2018. This acceleration was underpinned by the excellent performance of the Robotics and Aerospace divisions, which continued to benefit from the strong business momentum recorded in the first half.

At September 30, 2019, the Group's backlog stood at €539 million, multiplied by 5.4 compared with September 30, 2018, and brings exceptional visibility over the next few years.

Revenue for the **Robotics** division was €12.3 million in third quarter 2019, up 19.1 % compared with third quarter 2018 (+25.9 % at constant scope, excluding EN Moteurs). The division once again recorded a remarkable performance in the third quarter, mainly due to the strong backlog, along with the commencement of the contract to supply mine hunters to the Belgian and Dutch navies.

The backlog of the Robotics division was multiplied by 7.2, standing at €512.6 million at September 30, 2019, versus €71.6 million at September 30, 2018. During the third quarter, the division was awarded two contracts to supply ground robots to Canada and France, totalling more than €3 million. These orders were the first commercial success of CAMELON LG robots, for which marketing began in 2019.

¹ Unaudited figures

Revenue for the **Aerospace** division was up 28.2 % to €9.5 million in third quarter 2019. This remarkable performance is due to the execution of contracts awarded in the first half, and to good momentum in on-board equipment.

The backlog stood at €24.9 million at September 30, 2019, up 5.1 % compared with September 30, 2018.

Revenue for the **Simulation** division was €0.7 million in third quarter 2019, versus €1.1 million in third quarter 2018, adversely affected by the completion of a major contract for military driving simulators. Simulation accounted for 4 % of the Group's revenue in the first nine months of the year.

The division's backlog was €1.5 million at September 30, 2019, versus €4.5 million at September 30, 2018.

2019 outlook

For 2019, the Group confirms its revenue growth target in excess of 5 %.

The Robotics division should continue to perform very well. New opportunities for mine hunting contracts have already been identified in several countries.

In the Aerospace division, the high backlog forecasts strong performance in the second half. The business momentum remains favorable, especially in the Automated Guided Vehicles sector, in which the Group's expertise is applied to drones and land vehicles. ECA Group is anticipating significant medium-term potential for these new developments, which are generating considerable interest, in particular in the aeronautics sector.

Lastly, in Simulation, the Group is expecting significant calls for tender that should help the activity's recovery. The division has developed its Defense activity in recent years. Its activities for the benefit of robotics are expected to grow, in particular with the Belgian-Dutch contract.

In this context, the Group plans to merge the Robotics and Simulation divisions in order to develop synergies between these two divisions more easily and quickly.

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Forward looking-statement

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.

ECA Group

Recognized for its expertise in robotics, automation systems, simulation and industrial processes, 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 2018, the Group reported revenue of €102.1 million across its three divisions: Robotics, Aerospace and Simulation.

ECA Group is a Groupe Gorgé company.

The ECA Group is listed on Euronext Paris Compartment C.
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