

## Activity of the first half 2022 : €60 million of order intake in Drones & Systems and +16% revenue growth in naval and maritime activities

Groupe Gorgé realized €97 million of revenues in the first half of 2022, 2/3 of which were generated by the Drones & Systems division. This activity continues to accelerate, with strong revenue growth in the naval and maritime sector (+16% in the first half of the year) in a context of rising defense budgets worldwide. The commercial successes of the first half of the year for this division are reflected in new orders of more than €60 million (+84% compared with the first half of 2021) across several defense programs. The end of the half-year was marked by an acceleration of commercial efforts. More than €200 million in tenders are underway for underwater mine hunting programs on which the Group is positioned and which should be decided within the next 18 months.

At the same time, the execution of the merger between ECA Group and iXblue is proceeding as planned and should be completed by the end of the third quarter 2022.

### Revenues by division

<i>(in €million)</i>	H1 2022	H1 2021	Var. (%) <sup>1</sup>
Drones & Systems	62.9	58.8	+7.1%
Engineering & Protection systems	34.1	32.2	+6.0%
<i>Structure and intra-group eliminations</i>	-0.5	-0.6	n.s
<b>Consolidated revenues</b>	<b>96.6</b>	<b>90.4</b>	<b>+6.9%</b>
<b>Backlog at the end of the period</b>	<b>559.7</b>	<b>559.0</b>	<b>+0.1%</b>

<sup>1</sup> The organic change is equal to the change on the basis of the current scope due to the application of IFRS 5 (discontinued operations) to the 3D printing business (Prodways Group) and the technical doors business for the nuclear sector (Baumert), whose contribution to sales has been restated including in the historical data.

## Drones & Systèmes (ECA Group)

A ramping-up commercial activity: +84% order intake and more than €200 million in ongoing tender offers

During the first half of 2022, ECA Group has once again demonstrated its ability to leverage its strengths to build up its backlog. Relying on its long-term partnerships with its clients, the quality of its solutions and its track record in executing complex long-term programs, **the Group won €62 million in orders, particularly in France, representing an increase of +84% compared to the first half of 2021**. This performance is all the more noteworthy as it does not include any major contracts for drone systems.



### Additional orders within existing contracts

This solid order intake is primarily the result of ECA's business model, which consists of proposing systems and maintaining them in operational condition, thereby generating recurring revenues. A significant proportion of orders in the first half of the year concerned the expansion of existing contracts: additional options for our systems, support services for customers, spare parts, etc.

As an example, the program for the Belgian and Dutch navies, initially worth nearly €450 million in 2019, now represents nearly €500 million in orders. This already significant amount will continue to grow in the future, with orders for consumables, maintenance and other possible future requirements.



### New orders for strategic programs

ECA Group also knows how to leverage its technological bricks used in robotics to bring its value to other programs in the naval defense field. The group has won several orders in the first half of the year for strategic programs that will last several years or even decades. These contracts may also generate additional orders in the future.



### A significant order potential in underwater mine-hunting

ECA Group has positioned itself as a key player on a global scale in the fight against underwater mines thanks to its autonomous robot systems. Several tenders are underway, notably in Australia and the Middle East. They represent a total of more than €200 million in potential orders for which the group is positioned and which should be decided within the next 18 months. These different processes have mobilized significant teams since the beginning of the year.

Strong revenue growth in the naval and maritime sector (more than 70% of Drones & Systems revenues): +16% growth

The increase in revenues in the first semester 2022 reflects the good execution of ongoing programs. **The flagship program for the Belgian and Dutch navies is proceeding according to plan and is the main growth driver for the first semester**. The new drones assembly site in Ostend, Belgium, was inaugurated in June and constitutes another important milestone.

In addition, revenues generated by the other drones and integrated systems programs in the naval and maritime domains have also increased compared to the first semester 2021. These revenues are generated by a diversified base of orders in France and abroad. **They include modernization programs for underwater mine-hunting** (such as the program for the Latvian Navy), **the sale of equipment and services with high technological added value** (piloting systems, energy conversion, naval architecture, etc.) as well as **recurring revenues from the operational maintenance** of all this equipment over long periods.

On-board equipment and associated solutions for the aerospace sector (c.20% of Drones & Systems revenues): +15% growth

The recovery in air traffic over the last few months has generated a **significant order flow for emergency beacons**. ECA Group has secured several major orders for the replacement of equipment in existing fleets with its ELITE beacon range. These retrofit programs involve several hundred beacons for major airlines, such as American Airlines.

In addition, the new ELITE-SC beacon, the latest addition to the ELITE range, is also attracting interest from many customers in different parts of the world. The commercial prospects for this product are significant and will fuel growth in the coming years.

Other activities, notably industrial, which account for less than 10% of Drones & Systems revenues, are down 41%, particularly in connection with aeronautical production lines (maintenance equipment, production tooling, etc.).

## Engineering & Protection Systems

This division now represents €34 million of revenues in the first half of 2022, generated by two activities: fire protection and consulting in engineering and technology. As a reminder, the technical doors business for the nuclear industry is now classified as discontinued operations (IFRS 5) and does not contribute to the published revenues, including in the historical data. Groupe Gorgé had previously announced during its 2021 annual results the plan to withdraw from this activity, which is still loss-making.

Revenue growth was driven by the continued development of the consulting in engineering business, whose specialized expertise in operational safety is valued by key players in several industrial sectors.

Revenues from the fire protection business are down slightly compared with the first half of 2021, with good sales momentum for active protection (sprinklers, water mist) offset by a slowdown in sales of passive protection (fire doors, etc.). The latter activity is penalized by certain projects that are complex to execute.

At the same time, order intake in this division remains at a good level and continues to fuel the backlog.

## Q2 2022 revenues: a new record for a second quarter

Revenues for the second quarter of 2022 amounted to €51 million, up 5% compared to the second quarter of 2021 (see table with figures by division in the appendix). This solid performance surpasses the record second quarter of 2021 on a comparable scope (as a reminder, Groupe Gorgé had achieved organic growth of 52% during this period to reach €48 million).

## Outlook

### Update on the timetable for the operation of combination of ECA Group and iXblue

In March, Groupe Gorgé announced the operation of combination of ECA Group and iXblue in order to create a world leader in cutting-edge technologies for critical applications, particularly in the defense, space and maritime sectors. A presentation of the operation took place at the beginning of April with the management teams of both companies to explain the strategy and the growth perspectives ([link to the presentation](#)). As a reminder, the new ECA Group-iXblue entity has the ambition to achieve revenues of more than €500 million and an EBITDA margin of around 25% by 2025-2026.

In accordance with the timetable announced during this presentation, Groupe Gorgé and iXblue signed a Sale & Purchase Agreement in April. The closing of the transaction is still subject to a final foreign administrative approval which should be obtained without difficulty. The closing of the transaction is thus expected at the end of the third quarter of 2022. The ECA Group and iXblue teams are now preparing to work together from the day after the closing in order to implement the numerous synergies between the two companies. As an example, a joint demonstration for the Polish Naval Academy took place in July to show the capabilities of subsea asset tracking by combining an ECA underwater drone with an iXblue acoustic positioning system ([link to the dedicated press release](#)).

Groupe Gorgé will communicate more information on the 2022 guidance once the transaction is closed.

### **Next financial meeting: publication of the results for the first half of 2022 on September 19 (after the close of trading)**

On this occasion, Raphaël Gorgé, Chairman and CEO, and Loïc Le Berre, Deputy CEO in charge of Finance, will comment on Groupe Gorgé's results to the financial community and answer analysts' questions during a video webcast.

## About Groupe Gorgé

Groupe Gorgé is a high-tech industrial group driven by a strong entrepreneurial culture. The Group is present in drones, engineering and protection systems. The Group generated revenue of €178 million in 2021.

### More information on [www.groupe-gorge.com](http://www.groupe-gorge.com)

Groupe Gorgé is listed on Euronext Paris Compartment B (GOE).

## Contacts:

### Investor Relations

Hugo Soussan  
Tel. +33 (0)1 44 77 94 86  
[h.soussan@groupe-gorge.com](mailto:h.soussan@groupe-gorge.com)

Claire Riffaud  
Tel. +33 (0)1 53 67 36 79  
[criffaud@actus.fr](mailto:criffaud@actus.fr)

### Media Relations

Manon Clairet  
Tel. +33 (0)1 53 67 36 73  
[mclairret@actus.fr](mailto:mclairret@actus.fr)

Follow Groupe Gorgé on :  
[groupe-gorge.com](http://groupe-gorge.com)



### Appendix

#### Revenues of the second quarter by division

<i>(in €million)</i>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>variation (%)</b>
Drones & Systems	32.7	31.5	+3.6%
Engineering & Protection systems	18.0	17.1	+5.2%
<i>Structure and intra-group eliminations</i>	-0.1	-0.4	n.s
<b>Consolidated revenues</b>	<b>50.6</b>	<b>48.3</b>	<b>+4.8%</b>
<b>Backlog at the end of the period</b>	<b>559.7</b>	<b>559.0</b>	<b>+0.1%</b>