

Groupe Gorgé finalizes the acquisition of iXblue and launches the rapprochement of its teams with those of ECA Group

Groupe Gorgé announces today a major turning point in its history with the completion of the acquisition of iXblue. The combination of iXblue and ECA Group, a subsidiary of Groupe Gorgé, will lead to the rise of a champion in cutting-edge technologies in order to offer the most effective solutions to its civilian and defense partners.

The combination of ECA Group and iXblue creates a major player in the French DITB¹, with 1,500 employees and revenues generated in over 80 countries. It will rank among the world's leading players in the following fields:

- Maritime autonomous robotic systems, particularly for underwater mine-hunting;
- Very high performance inertial navigation solutions;
- Products and equipment for aerospace, photonics and quantum sectors.

The preparation of the joint work between the two companies' teams, which has been underway since the signing of the acquisition agreement in March, will enable the various stages of the combination to be implemented rapidly. The similar corporate cultures focused on innovation and entrepreneurship, as well as the geographical proximity of the French sites, will facilitate the integration. The commitment of the current managers of both companies to the joint project will also contribute to the successful completion of the operations.



The collaboration between the teams has already resulted in a joint demonstration with a DriX surface drone from iXblue and an underwater drone from ECA in September 2022 ([link to the video of the demonstration](#)).

¹ Defence Technological and Industrial Base

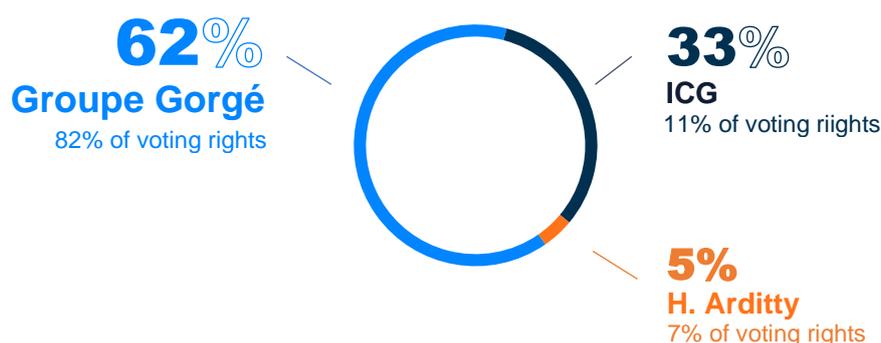
A financial structure with multiple advantages for Groupe Gorgé

The acquisition of iXblue, for an enterprise value of €410 million, was carried out by a holding company which now owns 100% of iXblue and ECA Group. This acquisition was financed by:

- a €185 million syndicated loan, half of which is amortizable over 6 years and the other half *in fine* over 6.5 years.
- An *in fine* financing of €230 million provided by the investment fund ICG (Intermediate Capital Group), of which one third in the form of bonds and two thirds in the form of preferred shares. The accounting treatment of these financial instruments will be clarified at the time of the first consolidation of the new group, which will take place in the fourth quarter of 2022.
- €24 million contributed by Hervé Arditty, iXblue's founding shareholder, through his holding company iXcore.

As part of this transaction, €60 million will be used to repay Groupe Gorgé's pre-existing syndicated loan.

As a result, the capital of the new group is distributed as follows at the end of September:



Groupe Gorgé thus holds 62% of the capital and has the possibility of buying all of the financial instruments held by ICG within a period of between 4 and 7 years, at a price for which the calculation formula has already been determined.

In addition, in the context of the implementation of a long-term incentive plan after the closing of the transaction, this shareholding structure could change marginally as employees and managers gradually enter into the share capital.

Outlook

The good performance of iXblue's activities since the beginning of the year confirms the guidance published when the transaction was announced in the first half of the year: a revenue growth between +10% and +20% for the combined companies over the year 2022.

Combining the sustained growth expected for the two companies and the identified synergies, which could represent tens of millions of euros of current EBITDA by 2025, the ECA-iXblue group aims to achieve revenues of more than €500 million and an EBITDA margin of around 25% by 2025-2026.

More details on the two companies, identified synergies and growth ambitions are available in the dedicated presentation that took place in the first half of 2022 ([link to the presentation](#)).

Upcoming events

Groupe Gorgé's third quarter 2022 activity will be published on October 26 after the close of trading. The results of iXblue will be consolidated as of October 1st and announced at the time of Groupe Gorgé's annual results.



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 and employs close to 2,000 people. The Group generated revenue of €178 million in 2021.

More information on www.groupe-gorge.com

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

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