

Groupe Gorgé achieves +22% revenue growth in the third quarter 2022

Groupe Gorgé achieved a 22% increase in revenues in the third quarter, accelerating after a 7% increase in the first half. Order intake for the quarter was also well oriented in all sectors of activity, bringing the total for the first nine months of the year to €77m (+77%).

Following the announcement on October 24 of the proposed simplification of activities, which will be put to a shareholder vote on December 8, the Engineering & Protection Systems division is now classified as a discontinued activity¹, and its contribution has been restated from revenues, including in the historical figures.

At the end of the third quarter, Groupe Gorgé finalized the acquisition of iXblue, which will be consolidated as of the fourth quarter. This third-quarter publication therefore only presents the activities within the scope of consolidation up to 30 September (i.e. only the Drones & Systems division). Groupe Gorgé's publication is thus refocused on critical high-tech systems, notably in the field of autonomous robotics.

Performance of the third quarter and first 9 months 2022

<i>(in €million)</i>	Q3 2021	Q3 2022	change (%)	9 months 2021	9 months 2022	change (%)
Order intake	9.8	15.1	+53.3%	43.3	76.7	+77.2%
Revenues	23.2	28.2	+21.6%	81.9	91.1	+11.2%
Backlog at the end of the period	500	475	-5%	-	-	-

¹ In accordance with IFRS 5 standard

Sustained commercial activity: +53% order intake in Q3

The Drones & Systems division has continued to gain new orders despite the traditionally less active months of July and August. Thanks to the €15 million in new orders signed in the third quarter (+53% compared with last year), **the group's total order intake for the year has risen by 77% to €77 million**. This performance is all the more noteworthy as it does not include any major contract for drone systems.

Half of this quarter's order intake includes additional orders within existing contracts, including the maintenance of the previous demining system deployed by the group several decades ago (the PAP drone). The other half concerns orders for equipment or high value-added services based on technologies developed for drone systems (onboard equipment, naval architecture, piloting and energy conversion).

The order backlog thus remains at a high level of €475 million, representing more than three years of revenues. This significant amount does not include additional orders to come on systems to be delivered in the coming years (maintenance contracts, purchases of consumables, spare parts, additional options, etc.).

The good performance of the quarter illustrates the business model for revenue generation of the group, based on its complete mastery of the technological and industrial value chain:

- 1- Deploying complex drone systems through major programs over several years,
- 2- Maintaining these systems in operational conditions over the long term, thus generating recurring revenues,
- 3- Leverage the innovative components and products integrated into our systems to generate additional revenues.

Revenues up +22% this quarter

Revenue growth in the quarter was driven by all of the Group's sectors of activities, with:

- ▶ **+22% growth in naval and maritime activities (c.70% of revenues).** This performance was first driven by the contribution of the contract with the Belgian and Dutch navies, which was significantly higher in the third quarter 2022 compared to the third quarter 2021 (+19%). Other programs involving drone systems (such as the one with the Latvian Navy) as well as the supply of naval equipment are also up sharply.
- ▶ **+21% achieved in onboard equipment and associated solutions for the aerospace sector (c.20% of revenues).** This dynamism is the result of the recovery in air traffic and the sustained commercial activity of previous quarters, which led to the signing of significant contracts, notably with Airbus. These successes are due in particular to the reliability and technical performance of the Group's products, such as the Elite range of emergency beacons.
- ▶ **+17% in other activities, notably industrial** (less than 10% of revenues). This segment, whose activities had slowed down in the second half of last year, remains at the level of previous quarters.

ECA Group and iXblue join forces and become Exail

Following the acquisition of iXblue by Groupe Gorgé at the end of September, ECA Group, subsidiary of Groupe Gorgé, and iXblue have announced that the two companies will operate under a new common brand: Exail. With this alliance, Exail becomes a global high-tech industrial champion specializing in robotics, maritime navigation, aerospace and photonics.

This announcement took place during the Euronaval exhibition, where Exail teams received more than 100 official delegations from different countries around the world to present the new group's high-performance products and systems.

[Link to the video presentation of the new group](#)

Strategic refocusing of activities: Groupe Gorgé plans to sell the Engineering & Protection Systems division and adopt a new identity, Exail Technologies

Groupe Gorgé announced on October 24 its plan to sell its Engineering & Protection Systems division to its main shareholder, the Gorgé family, for an equity value of €27 million, implying an enterprise value of €47 million. The group would thus increase its clarity and focus on robotics and critical high-tech systems. On this occasion, Groupe Gorgé would be renamed Exail Technologies, to reflect the completion of its transformation. This proposed transaction has been the subject of a report on the value of the division and the fairness of the sale price by an independent expert and will be submitted to shareholders for approval at a Combined General Meeting to be held on 8 December 2022.

More details on the transaction are available in the dedicated press releas [\(link\)](#).



About Groupe Gorgé

Groupe Gorgé is a high-tech industrial group driven by a strong entrepreneurial culture. The Group generated revenue of €178 million in 2021. It is present in drones, engineering and protection systems and now employs around 2,000 people.

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

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

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