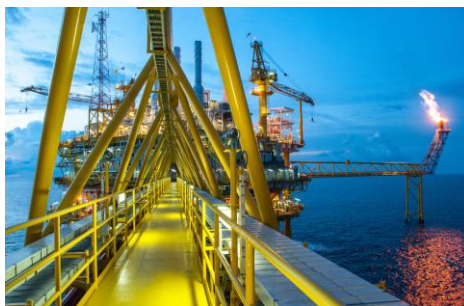




Smart Safety Systems



Protection of High-Risk Installations



3D Printing

Groupe Gorgé: guidance update

About Groupe Gorgé

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. It employs around 1,900 people, is located in eight countries and directly exports around 40% of its activity. In its more than twenty-five year history, Groupe Gorgé has always developed and driven the latest technological and industrial innovations.

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 systems, 3D printers and new premium material.

In 2016, the Group reported revenue of €281.2 million. It is backed by 1,900 employees and operations in over ten countries.

More information available on www.groupe-gorge.com

Groupe Gorgé is listed on Euronext Paris Compartment B.
ISIN code: FR0000062671
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Smart Safety Systems division

In the third quarter of 2017, Groupe Gorgé stressed that decision-making with respect to several major calls for tender within Smart Safety Systems division had been regularly postponed by the clients over the last few months. This trend continued over the last two months. As a result, the pace of orders received this quarter will not allow to reach the fourth quarter's ambitious revenue target and, consequently, the division's annual revenue target.

The division is now expecting 2017 revenue of about €105 to €110 million (excluding subsidiaries held for sale), compared with 2016 revenue of €103.4 million. Although current operating profitability in the second half is expected to exceed that of the first half, it is expected to show a significant decline over the full year.

As a result, it has been decided to intensify the measures aimed at improving its operational efficiency and reducing its costs, while maintaining its strategic direction. In particular, the Smart Safety Systems division aims to reduce its costs by €4 million per year. It also considers is considering the disposal of loss-making foreign subsidiaries that have become non-strategic and whose revenue is not material at division level.

Protection of High-Risks Installations division

In the Protection of High-Risk Installations division, the effect of delays in Nuclear and Oil & Gas, coupled with the launch of more closely contested projects with lower margins in Nuclear, will have a significant impact on revenue and the division's profitability, which will both be significantly down over the financial year.

The division has initiated the introduction of a new organisation, the development of a more integrated offering and improvements in the competitiveness of the product portfolio. In the Nuclear business, a change of management and an

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operational turnaround plan have been put in place to ensure that current projects are properly executed and that there is a steady improvement in profitability. Business related to Oil & Gas is expected to recover in 2018 as the market stabilises.

In Nuclear, the signature of an initial contract of nearly €20 million for the two EPR™ reactors at Hinkley Point in the United Kingdom ([press release dated 15 May 2017](#)) provides visibility for the nuclear business over the coming years. Major new contracts are expected in the next few months. These will help the business to bounce back in the medium term.

3D Printing division

The 3D Printing division's objective remains unchanged, with the integration of Interson Protac and AvenAo Industrie boosting the division's ability to achieve its target of balanced EBITDA in the fourth quarter of 2017.

Group guidance update

However, given market conditions and the performance of these two divisions, the Group now expects 2017 revenue to be between €260 and €270 million, excluding subsidiaries held for sale in the Smart Safety Systems division, compared with €272.0 million in 2016 at constant scope.

The performance of the Protection of High-Risk Installations and Smart Safety Systems divisions will impact strongly on the Group's profitability. Exceptional non-cash items related in particular to the expected disposals in the Smart Safety Systems division could also impact on net impact.

Overall, Groupe Gorgé remains confident of its medium-term business prospects. The Group is well positioned on several calls for tender, including at least one that is expected to firm up in the next few weeks. These calls for tender relate to products developed in recent years, notably in the robotics and nuclear sectors.

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