



Smart Safety Systems



Protection of High-Risk Installations



3D Printing

## Groupe Gorgé Q3 2017 revenue: strong performance of the 3D Printing division

Groupe Gorgé (Euronext Paris: GOE) today announces its revenue for the third quarter of 2017.

<i>(In € millions)</i>	9M 2017 <sup>(1)</sup>	9M 2016	Change	Q3 2017 <sup>(1)</sup>	Q3 2016	Change
Smart Safety Systems	76.4	75.6	1.1%	22.0	22.6	-2.3%
Protection of High-Risk Installations	98.8	110.4	-10.5%	30.5	33.3	-8.4%
3D Printing	21.8	17.7	22.8%	7.1	5.3	33.4%
<i>Structure &amp; disposals</i>	<i>(1.0)</i>	<i>(1.1)</i>	<i>n/a</i>	<i>(0.4)</i>	<i>(0.5)</i>	<i>n/a</i>
<b>Consolidated revenue</b>	<b>196.1</b>	<b>202.6</b>	<b>-3.2%</b>	<b>59.3</b>	<b>60.7</b>	<b>-2.3%</b>

(1) Unaudited figures

In the third quarter of 2017, **Groupe Gorgé's consolidated revenue** was €59.3 million, down 2.3% compared with the third quarter of 2016. This contraction is due to lower level of activity in the Protection of High-Risk Installations division, which was not fully offset by the very strong performance of the 3D Printing division.

Over the first nine months of 2017, consolidated revenue for the **Smart Safety Systems** division totalled €76.4 million, up 1.1%. The growth in revenue reflects the strong momentum enjoyed by the Aerospace division, up 35.8% over the period, together with the recovery of the Simulation business, up 4.1% in the third quarter following the decline recorded in the first half of the year. Robotics and Integrated Systems was down 3.4% over the first nine months of the year, due to long project cycles and delays registered in the first half of the year. Several material contracts, some of which should be finalized soon, are under negotiation.

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#### 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 1,700 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 1,800 employees and operations in over ten countries.

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

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Revenue for the **Protection of High-Risk Installations** division amounted to €30.5 million in the first nine months of 2017, down 10.5% compared with the first nine months of 2016, which enjoyed excellent performance. This decline is the combined result of weak progress in major international nuclear projects, and of dwindling activity in the Oil & Gas for several months now.

In the third quarter of 2017, consolidated revenue for the **3D Printing** division came to €7.1 million, up sharply by 33.4% compared with the third quarter of 2016, driven by the strong performance of its two activities. The Systems activity recorded growth of 24.0% compared with the third quarter of 2016. The Products activity enjoyed strong growth of 42.6%, driven by strong sales of on-demand parts and the growing contribution of medical sector activities, in particular podiatry.

During the quarter, the division announced the acquisition of AvenAo Industrie, an expert in integrating 3D design and development applications ([1 August 2017 press release](#)). This acquisition, which is expected to be finalised by mid-November, did not contribute any revenue to the Systems activity this quarter. The consolidation as from 1 August of Interson Protac, a French leader in custom earmolds ([6 September 2017 press release](#)), has strengthened the Products activity's strong momentum.

## Outlook

The **Smart Safety Systems** division should continue to grow through the marketing of products developed during recent years, and is pursuing initiatives to improve profitability. The division is participating in several significant calls for tender, in particular in the Robotics & Integrated Systems division. Although these contracts have been pending for several months, some of them could be awarded in the fourth quarter. The Group expects a very high level of business in the fourth quarter, which should enable it to achieve the targeted revenue of €120 million for 2017.

Annual revenue for the **Protection of High-Risk Installations** will be down, affected by delays and lower margins for nuclear and Oil & Gas projects. This drop in activity will have a significant negative impact on the division's profitability for the financial year. In the nuclear sector, the signature of the contract for the two Hinkley Point EPRs™ in the United Kingdom ([15 May 2017 press release](#)) increases visibility for nuclear activity for the coming years, and new nuclear projects are expected in the coming months. This will contribute to the activity's rebound in the medium term. This rebound will also be bolstered by the gradual recovery of investments in the Oil & Gas sector.

Thanks to its successful IPO, the **3D Printing** division has the financial resources necessary to ramp up its R&D investments and commercial development, and to finance its targeted acquisitions in the 3D printing sector. The integration of Interson Protac and AvenAo Industrie reinforces the Group's ability to reach its target of balanced EBITDA in the fourth quarter of 2017. Furthermore, solid organic growth combined with the integration of acquisitions should guarantee very strong revenue growth for the division in 2018.

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The target of **consolidated revenue** nearing €300 million in 2017 is maintained, but subject to achieving very high revenue in the Smart Safety Systems division during the fourth quarter, and to resilience in the Protection of High-Risk Installations division. While this trend will not extend to the Protection of High-Risk Installations division, the Group's improved profitability in the second half of the year compared with the first half is confirmed.

### Acceleration of the development of Rapid Additive Forging technology for metal 3D printing

Following the launch of a new metal 3D printing technology for large parts, announced on [15 June 2017](#), Prodways Group, Groupe Gorgé's 3D Printing division, announces the acceleration of the development of Rapid Additive Forging technology (RAF Technology).

This programme, launched nearly two years ago by Prodways Group in collaboration with Commercys Robotique, a Groupe Gorgé subsidiary, recently entered its industrial phase.

After approving the technology's productivity and capabilities, Prodways Group had two independent laboratories perform two series of tests to approve the metal quality of the 3D-printed parts. These tests revealed a high quality level, meeting the most stringent market requirements, especially in the aeronautical sector. Accordingly, the tests highlight the quality of the material: there is almost no porosity (<0.02%), i.e. much better than the porosity obtained through standard metal 3D printing. The mechanical resistance is greater than that of standard metal 3D printing, and under certain conditions greater than that of a foundry and comparable to forged metal.

Bolstered by these very positive results, Prodways Group has accelerated the development of Rapid Additive Forging technology, for which Prodways Group filed a patent in June 2017. As such, the teams have been strengthened and more resources have been allocated.

The acceleration of this programme should support the introduction of an industrial machine in February 2018. This printer, whose selling price will be much higher than that of the current Prodways Group range, will be able to produce titanium parts of 1,200x800x500mm. This machine operates in a controlled atmosphere and is intended to produce series parts, particularly for the aeronautical sector. Several aircraft and engine manufacturers have already ordered test parts and specimens to approve the relevance of this technology.

Contrary to what had been announced during the IPO, Prodways Group now believes the acceleration of this programme could generate revenue as from 2018 for both the Systems division (machine sale or rental) and the Products division (sale of parts manufactured with Rapid Additive Forging technology).

#### Disclaimer

GROUPE GORGE press releases may contain forward-looking statements regarding GROUPE GORGE's targets. These forward-looking statements reflect GROUPE GORGE's current expectations. Such forward-looking

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*statements and targets depend on known and unknown risks, uncertainties and other factors that could cause actual results, performance or events to differ materially from those anticipated herein. The risks and uncertainties that could affect the Group's future ability to achieve its targets include, in addition to those indicated in the press release: the strength of competition; the development of markets in which the Group operates and notably the 3D printing division; currency fluctuations; obtaining the export authorizations that may be required for certain activities; control of costs and expenses; changes in tax legislation, laws, regulations or their enforcement; our ability to successfully keep pace with technological advances; our ability to attract and retain qualified personnel and key staff; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements; manufacturing and supply chain 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), available on our website [www.groupe-gorge.com](http://www.groupe-gorge.com). This list of risks, uncertainties and other factors is not limitative. Other unanticipated, unknown or unforeseeable factors, such as changes in the economic situation or financial markets, could also have a material adverse effect on our targets.*

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