



Smart Safety Systems

Protection in Nuclear Environments

Industrial Projects and Services

3D Printing

About Groupe Gorgé

Established in 1990, Group Gorgé is an industrial group operating in different areas of expertise:

Smart Safety Systems – Using technology to work in risk environments;

Protection in Nuclear Environments – Protecting people and securing buildings operating with radioactive materials;

Industrial Projects & Services
Conducting Robotics and Fire protection systems projects for industry and service-sector player;

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 2014, the Group reported revenue of €223.3 million. It is backed by 1,370 employees and operations in over ten countries.

More information available on www.groupe-gorge.com

Groupe Gorgé is listed on NYSE Euronext Paris and on the US OTC market in the form of ADR.

NYSE Euronext Paris:
Compartment B.
ISIN code: FR0000062671
Ticker code: GOE

US OTC market:
CUSIP NUMBER: 399451 103
ISIN NUMBER: US3994511034
Ticker Code: GGRGY / GGRGF

Current operating margin increases for historical activities and loftier ambitions for 3D printing

(in € millions)	2014	H2 2014	H1 2014	2013	Change (%)
Revenue	223.3	121.9	101.4	214.5	+4.1%
EBITDA	21.7	14.7	7.0	23.3	
Restated operating income from ordinary activities ⁽¹⁾	18.2	13.0	5.1	17.2	+5.5%
Restated current operating margin ⁽¹⁾	8.3%	11.0%	5.1%	8.0%	
Operating income from ordinary activities	15.8	11.8	4.0	16.8	-6.20%
Current operating margin	7.1%	9.7%	3.9%	7.8%	
Operating income	13.1	10.6	2.5	16.1	
Restated net income ⁽²⁾	10.2	8.3	1.9	10.1	+1.1%
Net income	4.7	4.4	0.3	9.1	
Net income - Group share	2.6	2.1	0.5	6.6	

⁽¹⁾ restated for the contribution of the 3D printing business

⁽²⁾ restated in 2014 for the contribution of the 3D printing business, the provision of €2.7 million and €0.9 million set aside against the REDHALL interest; restated in 2013 for 3D printing, the contribution of REDHALL, and the positive impact of the resolution of the dispute with BAe, as well as its tax impact.

The 2014 financial statements were approved by the Board of Directors on 31 March 2015. Audit procedures were performed by the statutory auditors, and the audit report is currently being issued.

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Groupe Gorgé grew revenue 4.1% in the 2014 financial year to €223.3 million, with growth across all divisions during the year.

At €122 million, revenue in the second half was far higher than first-half revenue again this year (up 20.2% half-on-half), and the current operating margin was a strong 9.7%, up from 3.9% in the first-half.

For historical activities, operating income from ordinary activities (excluding 3D printing) rose 5.5% to €18.2 million and accounted for 8.3% of revenue vs. 8.0% in 2013. The recently created 3D printing business had a negative impact in the amount of €(2.4) million, due to the expenditure required to ramp up the activity. Operating income from ordinary activities came in at €15.8 million, down 6.2%.

As announced on publication of 2014 revenue on 27 February last, a provision was booked against the REDHALL interest acquired in 2011 following a prolonged drop in its share price, which impacts negatively on net income by €(2.7) million, in addition to the €(0.9) million in the first half. This impact has no impact on the Group's cash position. After this €(3.6) million, net income stood at €4.7 million and net income - Group share amounted to €2.6 million. Restated for the impacts of the 3D printing business, REDHALL, and the positive impact in 2013 of the resolution of the dispute with BAe, net income was up 1.1% to €10.2 million, relative to 2013 restated net income of €10.1 million.

Detailed performance by division

Revenue for **Smart Safety Systems** edged up by a slight 0.7% during the year; however the division's operating income from ordinary activities saw a robust rise of close to 9.5%. The marked effects of the restructuring drive under way in the Group's divisions and the favourable trends in the mobile robotics and training simulation markets in particular are starting to show through in terms of the order backlog and margins.

Industrial Projects and Services put in a very strong performance in the second half with €45.2 million in revenue and a current operating margin of almost 10%. These excellent results in second-half 2014 will partially offset the decline in the first half, especially in fire protection systems. Operating income from ordinary activities was down slightly compared with 2013 at €5.4 million for full-year 2014.

Growth was a strong 11% of operating income from ordinary activities for the **Protection in Nuclear Environments** division. A fine performance in the first half (up 24.2%) offset the slight contraction in second half, with the result that growth for full-year 2014 was positive at 2.7%.

3D printing posted a remarkable performance with a 50-fold increase in revenue. The division reported an operating loss of €(2.4) million for the year for €5 million in revenue. The loss stems from the Group's substantial investment to structure this new division, and to prepare and support its growth.

Financial structure and Dividend

Groupe Gorgé has substantial cash and cash equivalents of almost €30 million. Despite a steep rise in working capital requirements in Q4 2014, in line with the exceptionally high business volumes for this period, net debt is contained at €25 million and gearing is less than 30%. Working capital requirements have already fallen significantly in the first two months of 2015.

The Board of Directors meeting will propose a dividend per share of €0.32 for the approval of the Annual General Meeting of Shareholders.

Outlook

Smart Safety Systems remains focused on consolidating its position in its core markets, i.e. drones, robotic systems and simulation. There are several factors in the division's favour, notably growth in the advanced robotic markets, needs associated with the ramp up in the aerospace market, and increased use of simulation tools in training applications. Investments have already been committed in sales, marketing and communication and will start to bear fruit and allow ECA to consolidate its position in the export market.

The **Smart Safety Systems** division's order backlog amounted to €94 million in early 2015, the equivalent of its 2014 revenue. €100 million is the target revenue for Smart Safety Systems for the 2015 financial year.

Industrial Projects and Services continues to develop fire protection and safety systems, which now account for 70% of the division's business. Trends remain very favourable in this market, especially in the energy sector. We expect to see strong growth in export revenue share.

At the start of 2015, the IPS division's order backlog totalled €56 million, up from €37 million in early-2014, representing growth of almost 53%.

Protection in Nuclear Environments is expected to deliver excellent results again this year. Groupe Gorgé's leading position in the market for special doors for EPR and AP1000 technologies place it in an ideal position to benefit from strong growth in the nuclear market in emerging economies. Moreover, there is

potential for the post-Fukushima programme in France and elsewhere to gain further momentum.

The order backlog for **Protection in Nuclear Environments** amounted to €43 million at the start of 2015 and was up again in the first quarter, illustrating the very positive medium-term outlook for the division.

3D printing picks up pace

Since entering the very high-growth 3D printing market (more than 30% per year), the Group has already achieved several milestones with robust growth in business in little more than a year. Groupe Gorgé's revolutionary MOVINGLight® technology provides it with global visibility as it aims to accelerate the development of this business. Its plans are ambitious: to become the third-largest player to offer a range of multi-technological 3D printing services to its customers (*see press release dated 26 March*).

The Group is implementing a two-pronged strategy: expand the portfolio of technologies and coverage of all general additive manufacturing industries, especially parts manufacturing.

Groupe Gorgé has already made significant advances in implementing the strategy, first with the consolidation in PRODWAYS of NORGE Systems, a start-up specialised in the development of additive manufacturing machines using selective laser sintering (SLS). This transaction marks the Group's first foray beyond technologies using liquid resins and will open access to substantial new 3D printing market share.

At the same time, it completed the strategic acquisition of INITIAL, the leading independent French "service bureau". The acquisition not only provides coverage of the entire range of additive manufacturing activities, but also enables the Group to offer its customers a comprehensive range of services from the manufacture of a single prototype to the design of a complete 3D printing studio dedicated to a specific client application.

Groupe Gorgé's ambitious plans will be driven by market growth and supported by ramping up the distribution network and expanding its reach to new international locations, in addition to the subsidiary opened in the United States in March 2015.

Revenue could grow four-fold to close to €20 million in 2015 compared with 2014. The medium-term target for this division is an operating margin in excess of 20%.

A commented presentation is available in “Results presentation slideshows”:

<http://www.groupe-gorge.com/en/blog/category/finance-space/documents/>

or on our YouTube channel :

<https://youtu.be/JoPxE73pgW8>

Next key date:

Publication of revenue for first-quarter 2015 on 27 April 2015.

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