



Smart Safety Systems



Industrial Projects & Services


 Protection in Nuclear
Environments


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 2015, the Group reported revenue of €264.8 million. It is backed by 1,600 employees and operations in over ten countries.

More information available on www.groupe-gorge.com

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

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

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

Strong growth in revenue in Q2: +33.5%

€M	2016 ⁽¹⁾	2015	Var. (%)
Smart Safety Systems			
Q1	19.5	17.7	+10.4%
Q2	33.5	25.4	+31.7%
H1 Total	53.0	43.1	+23.0%
Industrial Projects and Services			
Q1	25.7	24.1	+6.4%
Q2	30.7	22.7	+35.4%
H1 Total	56.4	46.8	+20.4%
Protection in Nuclear Environments			
Q1	9.5	8.6	+9.9%
Q2	11.3	7.9	+43.5%
H1 Total	20.8	16.5	+26.0%
3D Printing			
Q1	5.9	2.9	+105.9%
Q2	6.2	5.1	+20.6%
H1 Total	12.1	8.0	+51.3%
Revenue between the divisions and structure			
Q1	(0.3)	(0.2)	n.a
Q2	(0.4)	(0.2)	n.a
H1 Total	(0.7)	(0.4)	n.a
Consolidated revenue			
Q1	60.3	53.1	+13.6%
Q2	81.3	61.0	+33.5%
H1 Total	141.7	114.0	+24.2%

(1) Unaudited figures

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The Group's quarterly revenue has increased for the thirteenth consecutive time year over year. After achieving +13.6% growth in the 1st quarter of 2016, the 2nd quarter showed much more sustained growth (+33.5%).

Groupe Gorgé's consolidated revenue amounted to €141.7 million at June 30, 2016, compared with €114.0 million (+24.2%) at June 30, 2015, boosted by the strong results of all of the Group's divisions.

Revenue of the **Smart Safety Systems** division showed very strong growth in Q2: +31.7% (vs. Q2 2015). Trade momentum for all divisions in the business, particularly *Simulation* and *Aeronautics*, was confirmed in the 2nd quarter, posting growth of +89.8% for *Simulation* (vs. Q2 2015) and +27.1% for *Aeronautics* (vs. Q2 2015). The *Robotics and Integrated Systems* division saw its growth increase sharply between the 1st and 2nd quarters (+8.2% in Q1 2016 vs. +22.6% in Q2 2016).

After 2015 turned in a significant performance (+25.7% vs. 2014), the **Industrial Projects and Services** division continued to grow in 2016, reaffirming the positive momentum of its activity with growth of +20.4% over the first half of 2016 (€56.4 million in revenue) of which +35.4% growth in the 2nd quarter of 2016.

The division's fire protection activity made a significant contribution to this growth of +25.8% compared with the previous first half.

This positive trend should decline in the second half. **Industrial Projects and Services** had a satisfactory order backlog at June 30, 2015.

Protection in Nuclear Environments confirmed a return to growth for its activity after 2015, which was marked by many project overruns that strongly affected its volume of activity. Revenue for the first half stood at €20.8 million compared to €16.5 million in the first half of 2015, with particularly strong growth in Q2 (+43.5%) and consequently also a good level over the half-year (+26.0%).

Finally, **3D Printing** had a satisfactory first half, with €12.1 million in revenue, and still turned in the top performance for the group over the half-year period: +51.3% (vs. H1 2015). This division will continue to grow over the second half.

A solid outlook for all group activity

The group is enjoying good prospects across all its divisions.

Smart Safety Systems showed powerful trade momentum rewarded by many successes since the start of the financial year, specifically on *Robotics and Integrated Systems*, which has just delivered an aerial-drone-based security system to the Eurotunnel company, as the newest addition to the network of 500 cameras and 300 security agents deployed on the trans-Channel site. As a reminder, in 2016 the **Smart Safety Systems** division began marketing the UAV IT180-999 (captive version of the IT180 drone) and is planning on ramping up sales of its aerial drones for civilian applications, i.e. monitoring sensitive sites, monitoring fires, and looking for missing persons, as well as land geophysics.

In 2016, this division also began marketing its first drone-based integrated maritime solutions and has just announced a contract totaling €10 million for the delivery of three underwater remote-controlled anti-mine drones. Thus, the group will supply three INSPECTOR Mk2 USV - Unmanned Surface Vehicles, which will be equipped with the very latest underwater robotics systems designed by the ECA Group in 2015 (see *July 12th 2016 press release*).

Prospects are also significant on **Industrial Projects and Services**, which is expected to continue its positive trend. Growth for the division is strong, and far better than the market. This is the result of combining an aggressive sales strategy to conquer new markets, which has been ongoing since 2014, and an operational reorganization of the division, now complete, which should soon result in greater operating efficiency during the financial year. One of the division's entities (AI Group) is still underperforming and penalizing profitability for the period.

Protection in Nuclear Environments is in a positive medium-term trend, due to the resumption of major construction projects on new power plants internationally, and substantial investments in the existing stock of nuclear power plants. In the

short term, revenue stabilization and the lack of major export contracts have penalized the margin.

Over the 2nd quarter, the group finalized the acquisition of the PORTAFEU company, the group's historic competitor on this market. With this acquisition, the group intends to increase the resources it has to respond even more effectively and sustainably to its clients' needs.

For the **3D Printing** division, 2016 represents a major phase in the development, and it is concentrating on consolidating the acquisitions made and partnerships formed in 2015. Today, the division is focusing its efforts on optimizing its fixed costs and expenses, while aiming for significant growth in revenue, much better than the market.

The group is confident in its strategic positioning, professional industrial 3D printing, used for rapid manufacturing and not just in prototyping. Prodways is one of the few actors in the world to have begun this process of adopting this new mode of production with industrial clients. Several of these long approaches should result in large-scale industrial rollouts. Therefore, the group is structuring its products and services on offer by appealing to specific markets to serve them better. In this environment, the group launched its Aeronautics and Space division in late 2015 (*see November 26th 2015 press release*) and most recently a division dedicated to the Luxury, Art, Design, and Architecture business lines (*see May 19th 2016 press release*).

And it is in this strategy of supporting the transformation of traditional manufacturing methods toward additive manufacturing that the group has just finalized the purchase of the assets of a French dental laboratory to strengthen its position in this promising segment and launch a division dedicated to podiatry internally. Thus, the group continues to give absolute priority to rapid development of its products and services in this promising segment.

This vertical development strategy should enable the group to develop specific know-how about each industrial application impacted by 3D printing.

The annual revenue target will likely be exceeded. The second half should see even more activity, even though the seasonal effect, which is usually good for H2, should be quite a bit less prominent this year.

Next key date:

Half-year results released on September 9, 2016

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This press release could contain statements on past events and forward-looking statements including statements regarding future goals or targets. Forward-looking statements reflect current expectations for results and future events.

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