



# 2020 ANNUAL RESULTS

17 March 2021

# Summary

- I. Introduction: Groupe Gorgé, a high-tech specialist with presence in 3 activities**
- II. 2020: numerous successes in a challenging environment**
- III. 2020 results: significant improvement in profitability in the second half of 2020**
- IV. Solid outlook in the short & medium-term**
- V. Key takeaways & guidance**

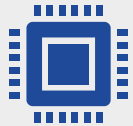
# I. Introduction



# A unique business model in high-tech sectors



## 3 STRATEGIC PILLARS



**Reinforcement on high-tech activities with high added value**

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▶ **3 activities with control over the whole value chain**

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**Focus on sectors with strong growth prospects**

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▶ **Deep and structurally sound markets**

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**A leading player in its activities**

▶ **Strong ambition for international development**

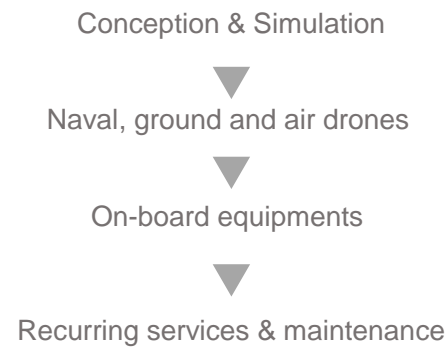
# 3 activities with control over the whole value chain

Operated under brands well recongized for their expertise



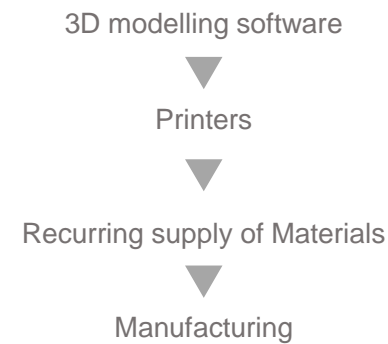
## Drones & Systems

**Robotics and Security  
for the Defence and Aeronautics sectors**  
Since 1992



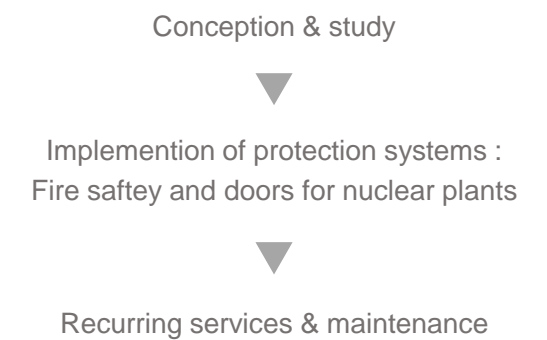
## 3D Printing<sup>1</sup>

**Turnkey 3D Printing solutions  
for industrial production**  
Created in 2013



## Engineering & Protection Systems

**Consulting in Engineering and Technology  
& Protections for high-risk sites**  
Since 2009



<sup>1</sup> Activity owned at 57%



II.

## 2020: numerous successes in a challenging environment



# Successful strategic refocusing



## Reinforcement in the Drones & Systems activity

### ► Merger by absorption of ECA by Groupe Gorgé finalized end-2020

Previously owned at 62%

- ✓ Reinforcement on an activity with very strong growth potential
- ✓ Simplification of the group structure

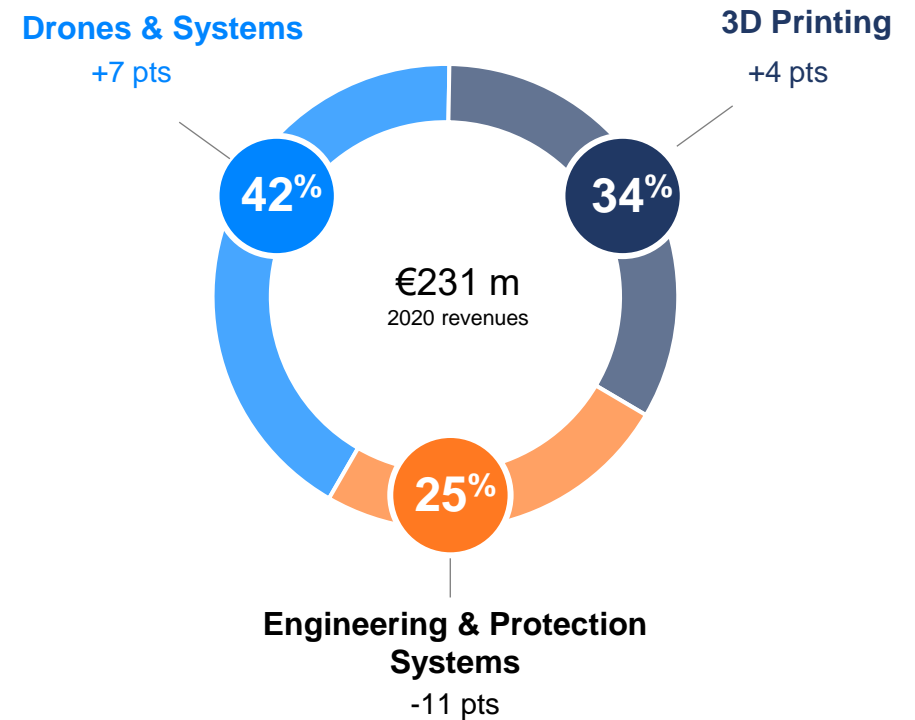
## Strategic refocusing of the Engineering & Protection Systems activity since 2018

### ► Exit from activities with lower technological content

Disposal of AI Group in 2018 / CIMLEC in 2019 and withdrawal from the Oil & Gas sector in 2020 (Van Dam)

### ► Reinforcement in the Consulting in Engineering in 2020 with the launch of StedY

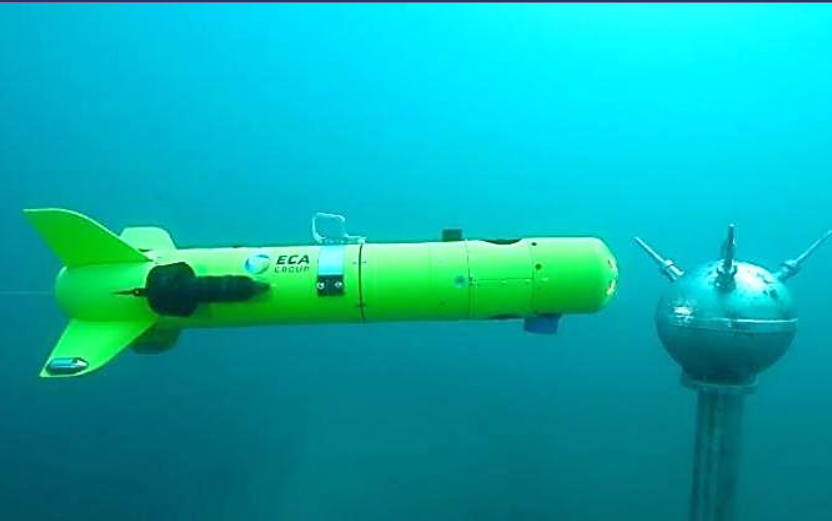
Consolidated revenue breakdown  
(since end-2018)



# Major commercial successes



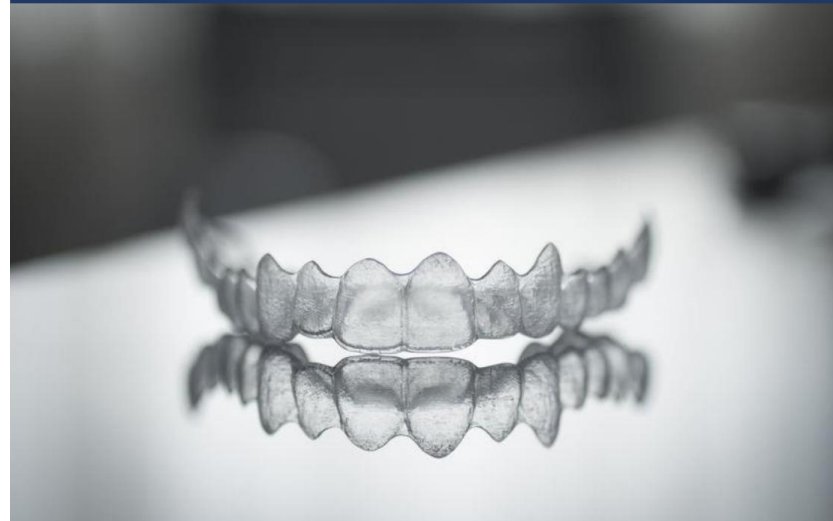
## 3 new contracts of more than €20 m



### Growing success of the UMIS solution (Unmanned Mine countermeasures Integrated System)

- ▶ **2 international tenders** won of 20 M€ chacun
- ▶ **1 complementary solution** for the Dutch navy worth €20 m

## New partnerships in 3D printing



### Acceleration of medical applications

- ▶ **3 partnerships with European and global players**
- ▶ **Dozens of tons of 3D resins** per year once their production is stabilized
- ▶ **Commercial successes** in jewellery applications, 3d modelling software and powder sintering printers

[\(see dedicated press release of Prodways Group for more details\)](#)

## Important contracts in Protection of high-risk sites



### Success of solutions offered

- ▶ **Record contract of €7 m for the fire safety system** of the largest site equipped with sprinklers in Europe
- ▶ **1<sup>st</sup> contract on a site using the Russian VVER technology** for a project to build a nuclear power plant in West Asia (6 M€)



# Acceleration of ESG strategy supported by activities with structurally positive contribution



**Innovative solutions with low carbon intensity...**

Solutions **powered with electricity** (robotics, 3D Printers) or **very low energy consumption** (drones) replacing conventional gas-guzzling systems

Reduction of stocks, savings of raw materials (3D Printing)



**...improving the security of goods and persons...**

**Dronization** of high-risk operations

Aerospace **safety**

Fire and nuclear **safety**



**...and contributing to the progress in the health sector**

Development of numerous applications **in the medical field** (dental, audiology, chiropdy, etc.)



III.

## Financial results 2020

# Significant improvement in profitability in the second half of 2020



(in millions of euros)	H2 2019	H2 2020	Change (organic change as a %)	FY 2019	FY 2020	Change (organic change as a %)
Backlog at end of period	-	-	-	606.2	623.2	+3%
Revenue	139.3	123.1	-12% (-8%)	274.6	231.1 <sup>1</sup>	-16% (-14%)
EBITDA <sup>2</sup>	17.4	17.0	-2% (-1%)	31.7	24.1	-24% (-22%)
EBITDA margin (%)	12.5%	13.8%	+1.3 pts	11.5%	10.4%	-1.1 pts
Income from ordinary activities <sup>3</sup>	6.3	6.8	+€0.5 m	9.5	2.5	-€6.9 m
Operating income	4.9	5.2	+€0.3 m	4.9	-9.0	-€14.0 m
Financial income	-0.9	-1.2	-€0.3 m	-1.1	-1.7	-€0.5 m
Tax	0.0	-0.8	-€0.8 m	-2.2	0.2	+€2.4 m
Net income from discontinued activities	21.2	0.0	-€21.2 m	21.6	-1.0	-€22.6 m
Net income	25.3	3.1	-€22.1 m	23.1	-11.5	-€34.6 m
Profit (loss) for the period attributable to the owners of the parent	23.0	4.2	-€18.7 m	20.9	-5.8	-€26.7 m
Cash flow from operating activities				30.4	37.5	+€7.1 m

► Very limited decrease of EBITDA in H2 despite the decrease in revenues

► Improvement of the margin, a trend set to continue

► Solid generation of cash in a context of crisis

<sup>1</sup> Adjustment of €2 million compared to the unaudited revenue reported on 25/02/2021 due to cut-off adjustments.

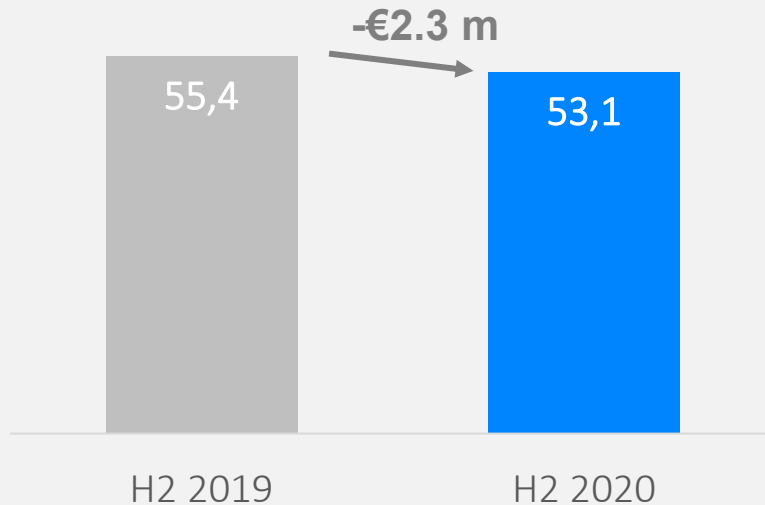
<sup>2</sup> Operating income before "depreciation, amortization and provisions", "non-recurring items in operating income" and "Group share of the earnings of affiliated companies".

<sup>3</sup> Operating income before "non-recurring items in operating income" and "Group share of the earnings of affiliated companies".

# Drones & Systems: better profitability thanks to the ramp-up of the BENL contract

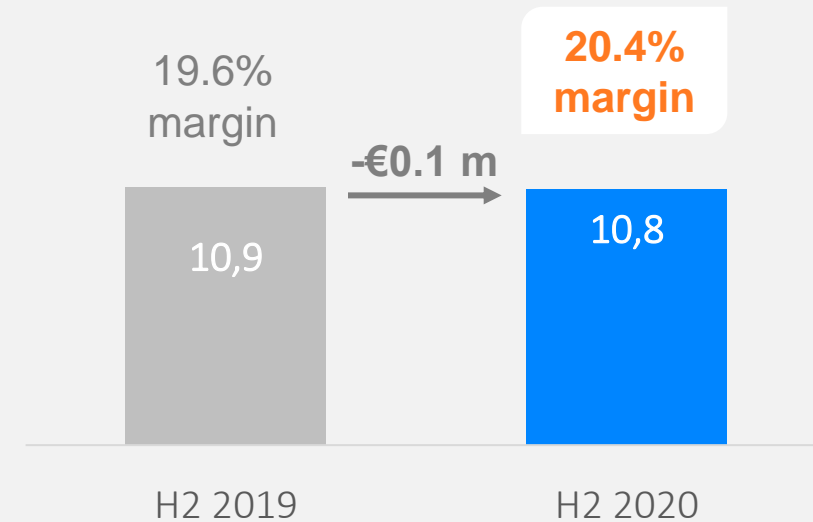


## Revenues (€m)



- **Mixed trends** within the activity:
  - ▶ Decreasing revenues in aerospace...
  - ▶ ...offset by a strong increase in the drone business

## EBITDA (€m) and EBITDA margin



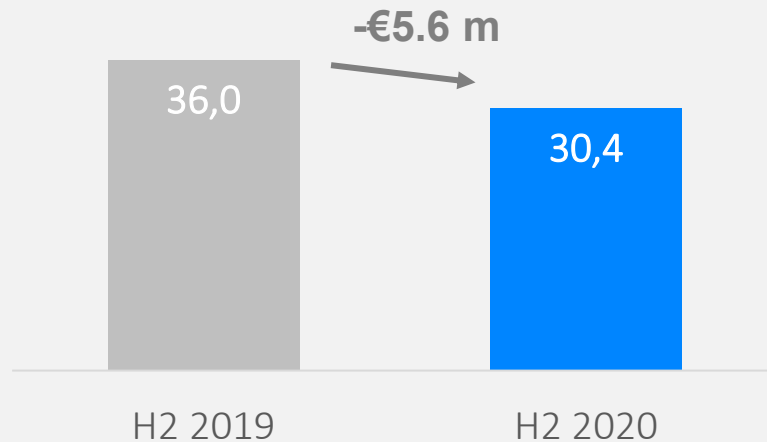
- **Decrease of costs** and implementation of government support measures, especially in the aerospace division
- Improvement of the **margin >20%**



# 3D Printing: recovery in the second half of 2020 despite the second lockdown

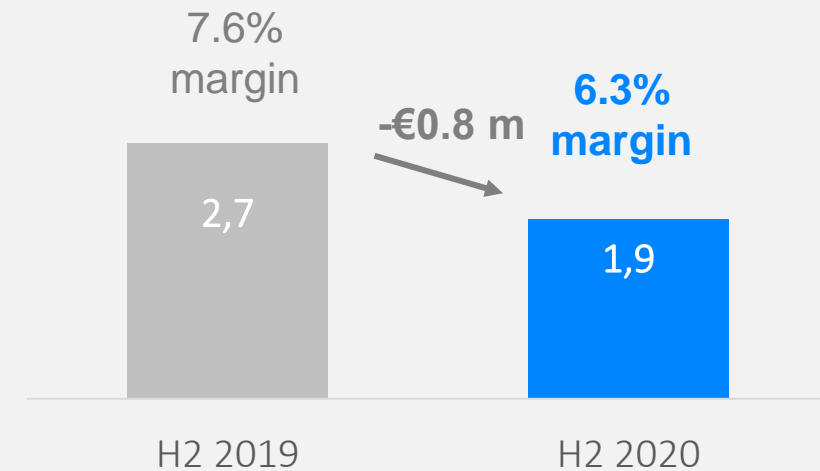


## Revenues (€m)



- **Recovery in H2 vs H1** (-16% in revenues vs -24% in H1)
- **Dynamic end of the year:**
  - ▶ Good performance of **Materials** (+26% in Q4)
  - ▶ And **medical applications** (back to 2019 level)

## EBITDA (€m) and EBITDA margin



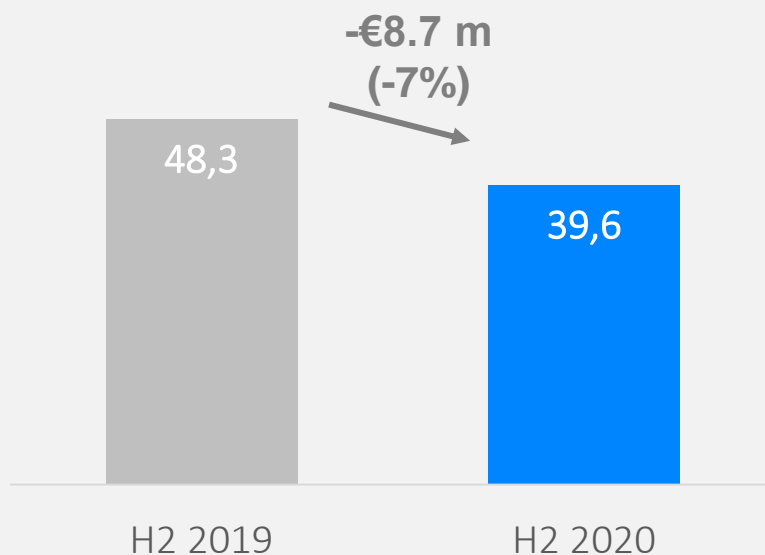
- **Limited decrease of EBITDA (-€0.8 m) despite the impact on revenues (-€5.6 m)**

# Engineering & Protection Systems: profile transformation thanks to strategic refocusing



## Revenues (€m)

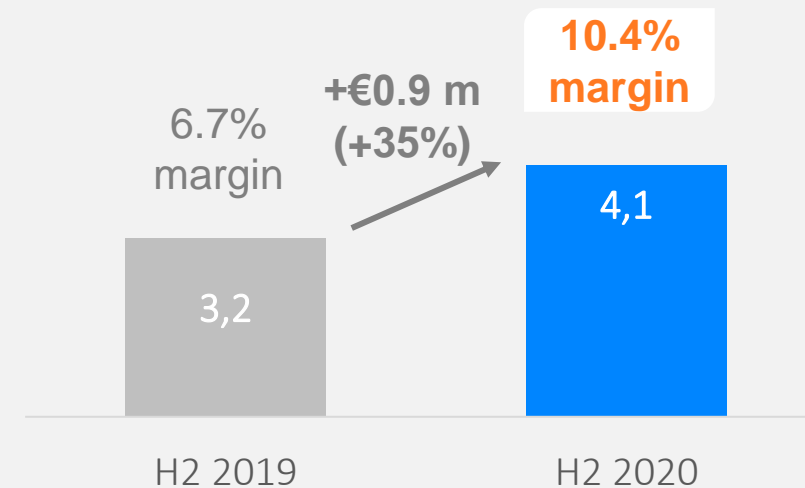
% change on an organic basis<sup>1</sup>



- **Strategic refocusing** with the exit of the Oil & gas sector in 2020
- **Ramp-up of the Consulting in Technologies**
- **Limited decrease on an organic basis**

## EBITDA (€m) and EBITDA margin

% change on an organic basis<sup>1</sup>



- **Strong improvement of the EBITDA and the margin with:**
  - ▶ Impact of the sanitary crisis and launching of StedY...
  - ▶ ...offset by the contribution of disposal gain on one asset

<sup>1</sup> Disposal of the Van Dam company in July 2020

# A sound & strenghtened balance sheet to accompany the development of the Group



€81.0 m

**Cash available**  
+€22 m since end-2019

€30,6 m

**Net debt<sup>1</sup>**  
+€22 m, after €32 m of share buyback

24%

**Gearing**  
Net debt<sup>1</sup> on equity

<sup>1</sup> Net debt excluding lease liabilities resulting from the application of IFRS 16 and including the value of treasury stock.

**Dividend: €0.32 per share**



**€0.32 per share<sup>1</sup>**

**Stable dividend vs 2020**

**23/06/2021**

Detachment of  
coupon



**25/06/2021**

Payment in cash

<sup>1</sup> Subject to the approval of the General Assembly of 18 June 2021





IV.

Solid outlook in the short  
& medium-term

# Markets with strong growth potential



## Ramping-up of underwater mine-hunting programs



Numerous tenders to come  
for complete new systems  
or the modernisation of aging fleets

## 3D Printing: a fast growing market



of global market  
estimated in 2029<sup>1</sup>

Positive trends supporting a strong valuation of 3D printing  
companies in the US

+300% on average on one year<sup>2</sup>,

Uptake not yet materialized in Europe

Strong potential through the  
development of applications  
to an industrial scale

## Digitalization of consulting in technologies



Ambition to grow the revenues to  
several dozens of €m  
in a 3-year horizon

<sup>1</sup> Source : Wohlers report 2020

<sup>2</sup> Average share price growth of major US 3D Printing players since 16/03/2020

# Drones & Systems : major opportunities to be seized



## Ramp-up of existing contracts

**540 M€** backlog

+

**Recurring services & maintenance to come**



UMIS toolbox



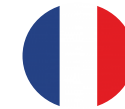
Expendable robot (K-Ster)

## Major tenders ongoing

To be decided in the next 36 months

### 6 countries

With tenders ongoing or to be launched

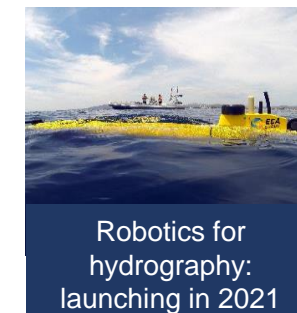


## Development of new offers

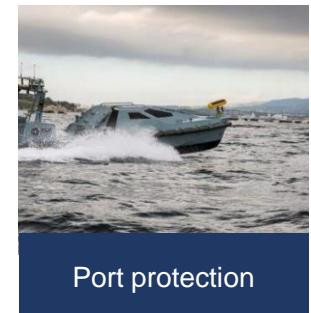
Markets with strong potential that can be addressed with existing solutions



AGV : 2<sup>nd</sup> contract Signed in 2020



Robotics for hydrography: launching in 2021



Port protection

# 3D Printing: strong strategic position to benefit from supporting trends



1

## **A differentiating offer**

Solutions on the whole value chain of 3D printing

Software, Printers, Materials, Manufacturing

2

**1<sup>st</sup> grade performance for industrial production  
for mass customized applications**

Technologies offering unique precision & speed on the market

3

## **Development of new partnerships**

for new applications with significant potential

R&D with Essilor for manufacturing lenses,  
R&D with a leading dental player for new products  
Opportunities in precision casting



# Engineering & Protection Systems : growth dynamic on all the divisions



**Good commercial dynamic on Sprinklers solutions**



**Growth of the Consulting in Technology division**

Exceeding the threshold of €10 m revenues (vs €9 m in 2019)

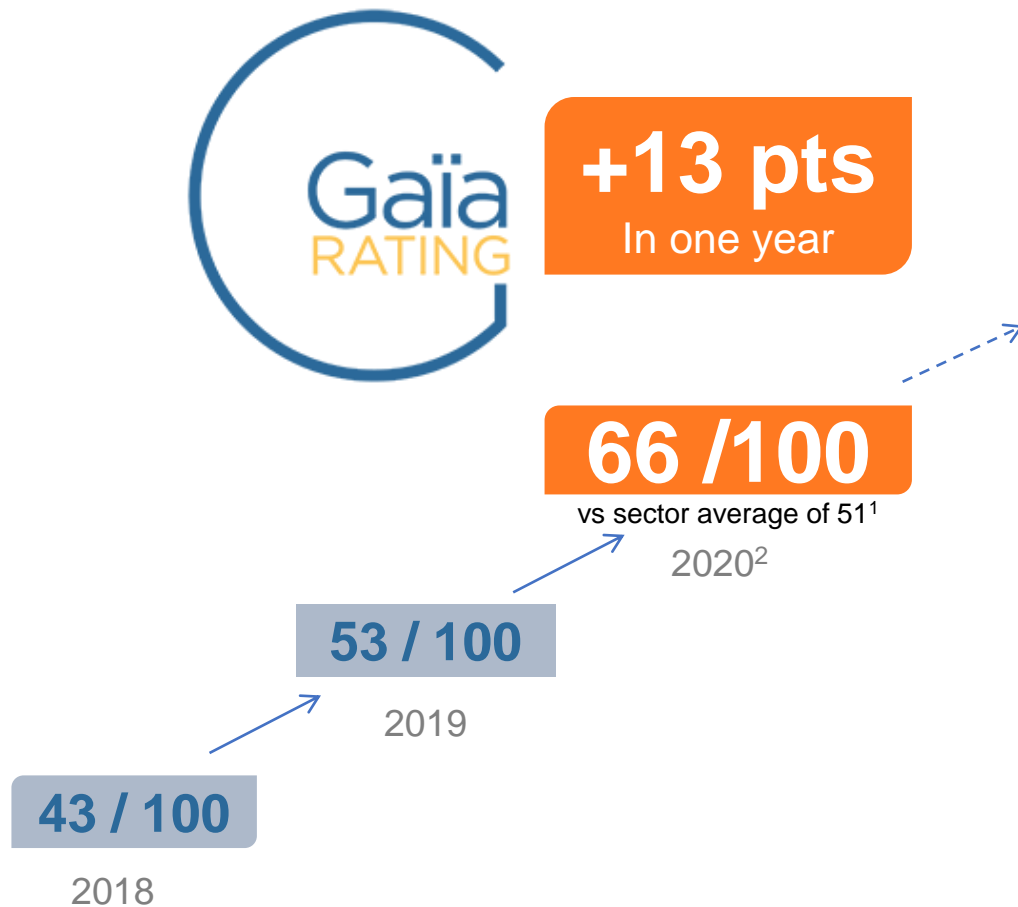


**Nuclear doors: strong visibility thanks to the backlog and recurring maintenance**

# ESG strategy: improvement dynamic well engaged



## Significant progress rewarded in 2020...



## ...to be continued in the years to come

**Reduce the group's carbon footprint**

► Quantitative objectives to be set under review

**Improve wage equity**

► Contribution of the StedY offer to the consulting sector

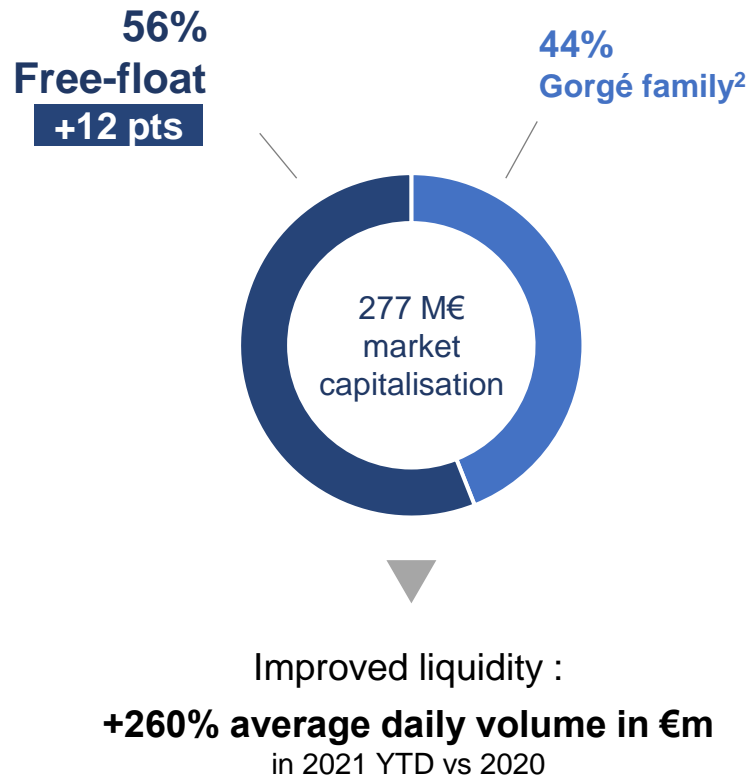
**Increasing commitment of the Board**

► Regular review of the action plan  
► Introduction of ESG criteria in the compensation of top management

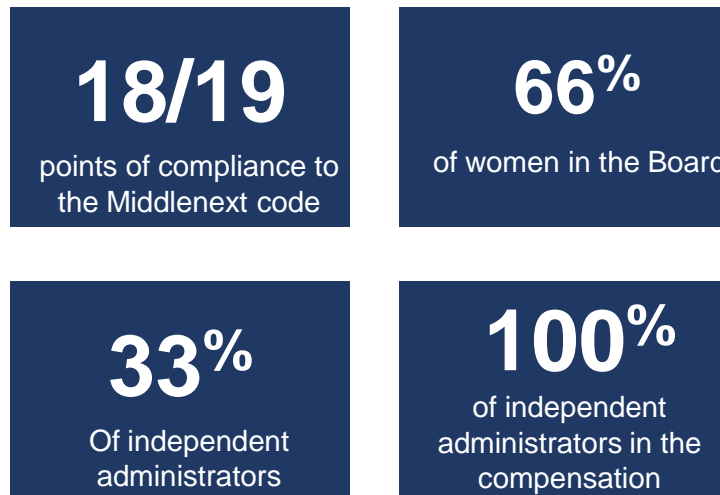
# Simplification of the structure, supported by a responsible governance



**Free-float value: +180%**  
in one year<sup>1</sup>



**A responsible governance...**



**...to be strengthened in 2021**

**Nomination of Hervé Guillou  
proposed at the AGM 2021**



Vice-president of the French General Council of Armament  
President of the GICAN and the CSF  
Ex-CEO of Naval group

Appointed chairman of the Board of ECA Group early 2021



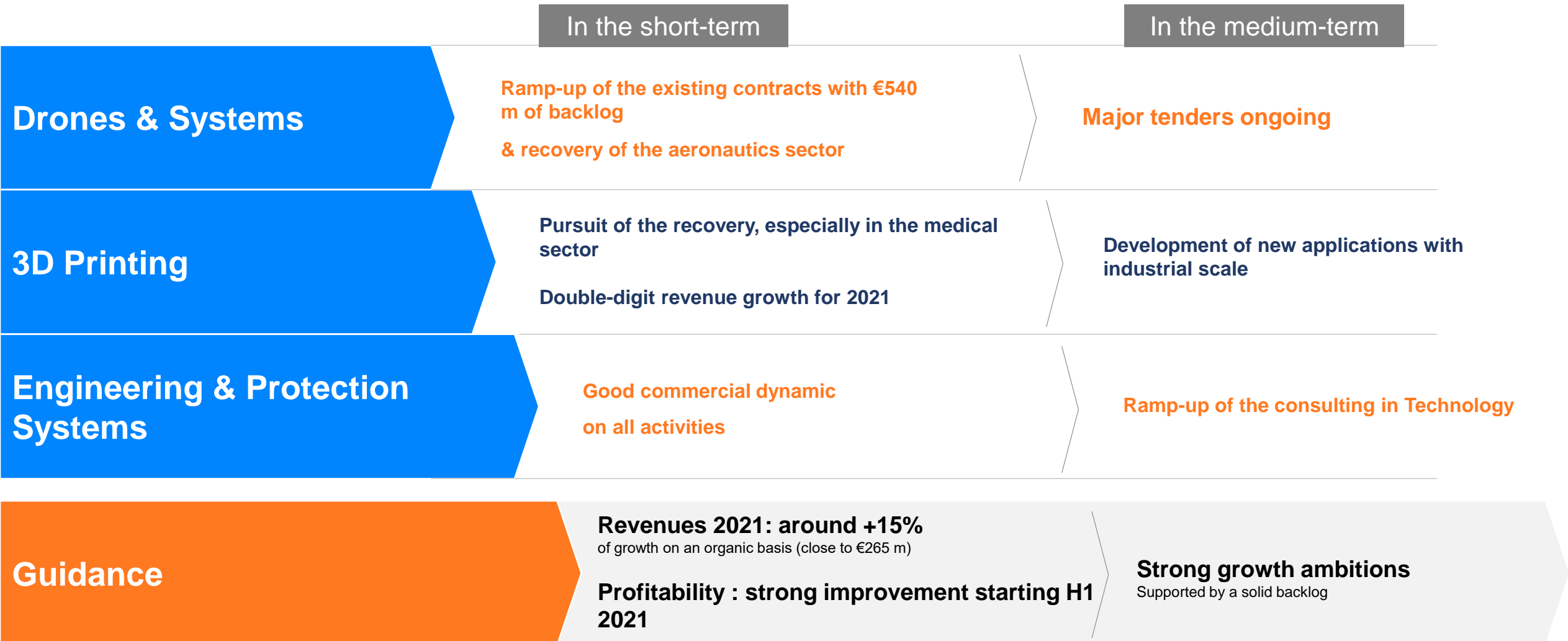


V.

## Key takeaways & guidance



# Key takeaways & guidance



# Financial agenda

28/04/2021 : Revenues of the 1st quarter 2021  
18/06/2021 : General Meeting of shareholders  
28/07/2021 : Revenues of the 2nd quarter 2021

# Q&A