

## 2021 revenues: good growth dynamic in strategic activities

Groupe Gorgé has achieved a robust end to 2021, marked by the good progress of the various robotics programs underway and solid commercial activity, enabling the company to take multiple equipment orders. Following the distribution of Prodways Group shares at the end of December 2021, Groupe Gorgé benefits from improved visibility with a clear focus on the Drones & Systems activity (through its subsidiary ECA Group), which is the company's main growth driver. The performance of this division in 2021 confirms the relevance of the strategic choices implemented and demonstrates the group's ability to execute them efficiently.

Groupe Gorgé achieved revenues of €58 million in the fourth quarter 2021, bringing total revenues for the year 2021 to €202 million, an increase of +16% and +18% on an organic basis. This performance is the combined result of:

- ▶ **The strong growth dynamic of the Drones & Systems activity, up +20% in 2021 compared to 2020, which combines:**
  - **Successes in the naval sector**, where the Group relies on major competitive advantages and which now represents 70% of Drones & Systems revenues: +40% growth.
  - The consolidation of the **leadership in on-board equipment** for the aerospace sector (around 20% of revenues): +6% growth.
  - The decrease in revenues in **products and systems of lesser strategic interest**, a mechanical consequence of a reduction in allocated resources (approximately 10% of revenues): -24% in revenues.
- ▶ **The exit from the scope of consolidation of Prodways Group (3D Printing division)**, now classified as "discontinued operations" in the income statement<sup>1</sup>.
- ▶ The return to growth in the Engineering & Protection Systems division: +12% in 2021.

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<sup>1</sup> In application of IFRS 5 standard concerning discontinued operations, Prodways Group no longer contributes to revenue for 2021 or for the past years.

(in €million)	Q4 2020 <sup>1</sup>	Q4 2021	Var. (%)	Organic var. (%)	FY 2020 <sup>1</sup>	FY 2021	Var. (%)	Organic var. (%)
Drones & Systems	32.1	33.4	+4.1%	+4.1%	96.2	115.3	+19.9%	+19.9%
Engineering & Protection Systems <sup>2</sup>	19.8	24.4	+22.8%	+22.8%	78.1	87.4	+11.8%	+17.6%
Structure & intra-group eliminations	-0.4	0.0	n.s.	n.s.	-0.1	-1.0	n.s.	n.s.
<b>Consolidated revenues</b>	<b>51.6</b>	<b>57.8</b>	<b>+12.0%</b>	<b>+12.0%</b>	<b>174.3</b>	<b>201.7</b>	<b>+15.7%</b>	<b>+18.3%</b>
<b>Backlog at the end of the period</b>	<b>616.7</b>	<b>575.6</b>	<b>-6.7%</b>	<b>-6.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> 2020 revenues adjusted for the contribution of Prodways Group, in application of IFRS 5 standard concerning discontinued operations

<sup>2</sup> The change in scope concerns the disposal of Van Dam in July 2020

## Drones & Systems (ECA Group subsidiary): performance generated by several drivers

Strong revenue growth in the naval sector (c.70% of Drones & Systems revenues): +40% increase

The growth in revenues in 2021 reflects the good health of the autonomous robotics and integrated systems activities. This increase is notably due to **the good execution of the large-scale contract with the Belgian and Dutch navies, which contributed €40 m in 2021** (compared with €20 m in 2020), in line with expectations.

A major milestone in the design phase of this contract was reached in early 2022, with the customer's validation of the Critical Design Review, in line with the initial schedule. The production of the drones will be carried out at the Ostend plant in Belgium, which is currently being completed, for presentation to the customer for acceptance operations at the end of 2023. The year 2022 will thus be largely devoted to the continuation of the manufacture of the various prototypes, as well as to their sea trials. In this respect, the first tests of the Launch & Recovery System (LARS) for the Inspector 125 surface drone were successfully carried out at the beginning of January 2022 ([link to the video of the sea trials](#)).



Modeling of an integrated LARS on a ship



Sea trials with a USV Inspector 125

In parallel with this major program, **sales of autonomous drones and integrated systems in the naval sector also increased in 2021, by around +8%**. These revenues are generated by a diversified base of orders for various types of customers, both civilian and military. **In particular, they include modernization programs for underwater mine-hunting** (such as the Latvian Navy's program) and **the sale of equipment and services with high technological added value** (piloting systems, energy conversion, naval architecture, etc.).

**On-board equipment and associated solutions for the aerospace sector (c.20% of Drones & Systems revenues): +6% growth**

In 2021, ECA Group strengthened its position as world leader in the niche market for **emergency beacons**, with significant market share gains, particularly for the renewal of equipment for air fleets in Asia. This summer, the group delivered its 35,000<sup>th</sup> beacon since the beginning of its history and is currently pursuing the development of the latest generation of beacons, in compliance with the latest regulations concerning on-board batteries.



*Balise ELITE SC*

Recognized for the reliability and high performance of its products, ECA Group leverages its technological expertise in **digital signal processing and radio frequency** to strengthen sales to its existing customer base in the aerospace sector (over 350 customers). In particular, the group offers In-Flight Entertainment systems (on-board wifi access points, aWAP) as well as satellite communication processing equipment, thus responding to the growing digitalization of airlines and the New Space industry.

**Other integrated systems of lesser strategic interest (c.10% of Drones & Systems revenues): a 24% decrease in revenues, the mechanical consequence of a reduction in allocated resources**

The strategic allocation of resources towards sectors in which ECA Group enjoys a strong position, in deep and well oriented markets (such as the naval sector), has resulted in a decrease in revenues in activities that are less interesting from a strategic point of view. These include revenues generated by products with low unit-value sold to diversified industrial customers (maintenance equipment, production tooling, etc.).

### **Engineering & Protection Systems: +12% growth in 2021**

This division now accounts for €87 million in revenues from three activities: fire protection, technical doors for the nuclear industry and consulting in engineering and technology.

Revenue growth of +12% and +18% on an organic basis is being driven by the continued development of engineering consulting, with an increase in the workforce and in the number of missions underway. The good performance of the fire protection business also contributed to revenue growth in 2021.

Revenues from the technical doors business for the nuclear industry are stable compared to 2020. This division continues to underperform and the turnaround has been revived by a new CEO who arrived in early October 2021.

### A backlog representing almost 3 years of revenues

The backlog remains at a high level of €576 million, providing Groupe Gorgé with a solid revenue base and a good level of visibility on its future growth.

This backlog is mainly driven by the **Drones & Systems activity, for nearly €490 m**. It includes autonomous robotics equipment, such as the program with the Belgian and Dutch navies, whose last delivery is scheduled for 2027. Commercial activity in 2021 has allowed to renew this backlog with nearly **€70 million in order intake, mainly in the naval sector** where the group enjoys major competitive advantages.

The solid commercial activity at the end of 2021 in Drones & Systems has notably helped to feed the backlog with **multiple equipment orders for €24 million in the fourth quarter**, reinforcing the robust revenue base of this activity.

### Outlook and guidance 2022

The good progress of ongoing programs in the Drones & Systems activity, together with the solid backlog base, constitute the essential fundamentals for continuing the strong growth trajectory in the short, medium and long term. The contribution of the Belgian-Dutch program, which is entering the pre-production phase, is estimated at around €40 million for 2022. Overall, Groupe Gorgé's objective for the Drones & Systems activity is to achieve revenue growth between 10% and 20% in 2022. In addition, for the Engineering & Protection Systems division, the group is aiming for a continuation of the current trajectory.



### **About Groupe Gorgé**

Groupe Gorgé is a high-tech industrial group driven by a strong entrepreneurial culture. The Group is present in drones, engineering and protection systems. The Group generated revenue of €202 million in 2021.

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

Groupe Gorgé is listed on Euronext Paris Compartment B (GOE).

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