

ECA Group: Revenue of €50.4 million in the first half of 2018

ECA Group (Euronext Paris: ECASA) reports its 2018 second quarter and first half year revenue today.

<i>(in € millions)</i> ¹	H1 2018	H1 2017 restated IFRS 15 ²	H1 2017 reported	Change ²	Q2 2018	Q2 2017 restated IFRS 15 ²	Q2 2017 reported	Change ²
Robotics	27.7	33.7	32.9	-17.9%	14.7	18.9	18.1	-21.9%
Aerospace	16.8	17.7	17.7	-4.7%	9.0	8.8	8.8	+3.1%
Simulation	5.9	3.8	3.8	+54.2%	3.9	2.8	2.8	+41.6%
Consolidated revenue	50.4	55.2	54.4	-8.6%	27.7	30.3	29.6	-8.8%
<i>Adjusted revenue</i> ³	50.1	53.5	52.7	-6.3%	27.5	29.7	28.8	-7.2%

¹ Unaudited 2018 figures

² As of January 1, 2018, the Group applies IFRS 15 "Revenue from Contracts with Customers." All the changes referred to in this press release are calculated in relation to the restated figures for 2017 in application of this standard. Detailed reconciliations will be given in the financial report for the first half of 2018

³ In order to assess the performance of its ongoing activities, the Group has decided to present and comment on the adjusted results in addition to the reported figures. The adjustments concern the contribution of ECA Sindel (deconsolidated at January 1, 2018) and the contribution of SSI, currently being disposed of, within the Simulation division. The figures in this press release are not expressed as adjusted figures, unless otherwise specified.

In the first half of 2018, ECA Group **revenue** was €50.4 million, down 8.6% compared with the first half of 2017 restated under IFRS 15. This decline can be attributed to the insufficient level of order intake recorded before the end of 2017. The strong performance of the Simulation division since the start of the year and that of the Aerospace division in the second quarter partially offset the performance of the Robotics division. Adjusted for the contribution of a deconsolidated subsidiary in 2018 and one being disposed of, the Group's revenue was €50.1 million, down 6.3% compared with the first half of 2017.

In the first half year, revenue of the **Robotics** division was €27.7 million, down 17.9% compared with the first half of 2017 and 14.4% at comparable scope (deconsolidation of ECA Sindel at January 1, 2018). This performance is the result of delays in orders before the end of 2017 that penalized the first months of 2018.

During the second quarter, the division announced that it had been awarded a contract to supply static converters for four submarines for the Peruvian navy ([see the press release of June 18, 2018](#)).



Revenue from the **Aerospace** division was €16.8 million, a decrease of 4.7% compared with the first half of 2017. Nevertheless, revenue was up 3.1% over the second quarter, sustained by the robust performance of the on-board equipment activity.

Lastly, **Simulation** posted growth of 54.2% compared with the first half of 2017, at €5.9 million, driven by the execution of the second contract for military vehicle driving simulators, which will continue over the second half year. The disposal or closure of the division's subsidiary, which had become non-strategic, is under way and should be finalized in the third quarter of 2018. Adjusted for the contribution of this subsidiary, the division's revenue was €5.6 million in the first half of 2018, versus €3.6 million for the same period last year.

Outlook

At June 30, 2018, ECA Group's **backlog** stood at €97 million compared with €96 million at December 31, 2017. The level of order intake in the half year was up close to 50% compared with the same period last year, particularly due to the strong order intake recorded in the Robotics division during the period.

During the 2018 financial year, ECA Group is expected to continue to grow as it markets products developed in recent years, and it expects to ramp up initiatives aimed at increasing its profitability, with an emphasis on improving operating efficiency and reducing costs. The Group thus aims to generate full-year savings of €4 million starting 2019. The Group is responding to significant calls for tenders in the Robotics and Aerospace divisions

In this context, ECA Group confirms its target of slightly higher revenue in 2018 compared with 2017 and, above all, a target of improved profitability over the year.

Next release

Half-year results released on Friday, September 14, 2018 before market opening.



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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.

Such forward-looking statements and targets depend on known and unknown risks, uncertainties and other factors that may cause actual results, performance or events to differ materially from those anticipated herein. All these risks and uncertainties could affect the Group's future ability to achieve its targets. Risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements and targets include, among other things: the risks and uncertainties mentioned in the press release; the strength of competition; the continuing growth of the market; currency fluctuations; interest rate fluctuations; raw material price fluctuations; armed conflicts or political instability; control of costs and expenses; changes in tax legislation, rules, regulation or enforcement; our ability to successfully keep pace with technology changes; our ability to attract and retain qualified personnel and key personnel; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements; supply chain and manufacturing 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). This list of risks, uncertainties and other factors is not limitative. Other non-anticipated, unknown or unforeseeable factors could also have material adverse effect on our targets.

The ECA Group

Recognized for its expertise in robotics, automation systems, simulation and industrial processes, the ECA Group has been developing complete, innovative technological solutions for complex missions in hostile and confined environments since 1936. Its product offering is designed for an international client base that is demanding, both in terms of safety and effectiveness. The Group's main markets are in the defense, maritime, aeronautics, simulation, industrial and energy sectors.

In 2017, the Group reported revenue of €112 million across its three divisions: Robotics, Aerospace and Simulation.

The ECA Group is a Groupe Gorgé company.

The ECA Group is listed on Euronext Paris Compartment B.
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