

Fourth quarter 2022 : very good level of activity and order intake

A simplified group, focused on Exail's activities

Exail Technologies publishes for the first time its revenues in its new simplified perimeter, now focused on Exail's activities. The consolidated revenues for the 4th quarter thus include the contribution of the company iXblue. Exail Technologies also indicates a proforma 2022 revenue, including the contribution of iXblue for the whole year 2022.

The activities of the former Engineering & Protection Systems division, the sale of which was approved by the General Meeting of December 8, 2022, are classified as discontinued operations (IFRS 5) and no longer contribute to revenues, including in the historical figures. The last effective disposal will take place before the end of the first quarter, in accordance with the announced schedule.

Revenues and backlog

<i>(in €million)</i>	Q4 2021	Q4 2022	variation (%) ¹	FY 2021	FY 2022	variation (%)	FY 2022 proforma ²
Revenues	33,9	88,3	+161%	115,9	179,8	+55%	279,8
Backlog at the end of the period	-	-	-	489,9	633,7	+29%	633,7

¹ Q4 2021 includes only the ECA Group. Q4 2022 includes in addition the iXblue Group. The company is not able to communicate an organic variation given the organizational changes and the interweaving of the activities of ECA Group and iXblue, which occurred in the fourth quarter. A proforma revenue is communicated for the year 2022. Future financial publications will include revenues and operating results by division as soon as possible.

² Proforma revenues including iXblue activities for the full year instead of only the last quarter.

An excellent level of revenues, particularly strong at the end of 2022

Exail Technologies achieved particularly strong revenues in the last quarter of 2022, at €88 million. This excellent level of activity is explained by the favorable seasonality of the fourth quarter (the largest of the year) and the strong performance of navigation and positioning systems sales. These products, which have a relatively short sales cycle, quickly benefited from the supportive context of the defense market for naval and land equipment.

Proforma 2022 revenues, including iXblue for the full year, amount to €280 million, illustrating the change in Exail's dimension. The contribution of the BENL program represents approximately €45 million, in line with what was announced at the beginning of 2022, and reflects the successful execution of this first major mine countermeasure project. This contract remains the group's largest, but its relative weight is declining significantly in favor of product sales to a very diversified client base.

Strong and accelerating commercial activity: €104 million in new orders in the fourth quarter 2022, growing by around +40%.

The volume of orders booked in the fourth quarter is a major success for the end of 2022. It illustrates the momentum of the group, with order intake growing faster than revenues. Exail Technologies won €104 million in orders in the 4th quarter 2022, representing an increase of around +40% compared to the volume of orders for the same period last year on a comparable basis³.

The activity was notably driven by numerous orders for positioning and navigation systems, for nearly €50 million ([link to the dedicated press release](#)). In addition, Exail also won three major orders for a total of nearly €25 million, including the first joint sale of ex-ECA drones and ex-iXblue products. The rest of the sales concern in particular on-board equipment as well as photonic and quantum components used by the group and also sold to external customers.

The order backlog at the end of the year thus amounts to €633 million, representing more than two years of revenues.

Outlook: strong growth in the short and medium term

The sustained activity of the fourth quarter allows Exail Technologies to start the year 2023 with a very good momentum. The favorable geopolitical context, which was not anticipated at the time of the agreement to acquire iXblue a year ago, has had a positive impact on the group's activities. The increase in Defense spending is materializing both in the short term, through sales of navigation and positioning systems, and in the medium term, for major mine-hunting projects or the protection of underwater infrastructure using drones.

Significant tenders are underway in the field of underwater mine hunting, with some notifications expected in 2023. In addition, the revenue generated by the BENL program should continue to grow in 2023.

Consequently, revenue growth should accelerate this year: Exail Technologies has set a revenue growth target of more than +15% in 2023 compared to proforma 2022 revenues. This objective is supported by the favorable context of the group's activities, confirming both the revenue development trajectory and the capacity to maintain a good level of profitability.

³ All activities of formerly ECA Group and iXblue



About Exail Technologies

Exail Technologies is the new name of Groupe Gorgé, adopted after the transformation of the group at the end of 2022, now focused on the activities of its subsidiary Exail. Exail Technologies is an industrial company specializing in high technology in the field of autonomous robotics with a vertical integration of its businesses. The group offers complex drone and navigation systems, as well as products for the aerospace and photonics industries. Exail Technologies provides performance, reliability and safety to its civil and military customers operating in harsh environments and generates revenues in nearly 80 countries.

Exail Technologies is listed on Euronext Paris Compartment B (EXA).

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