



**The leading partner  
for major aerospace  
manufacturers**

*FIGEAC AERO*

**First-half results 2023/24**  
*December 2023*

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01



# FIGEAC AÉRO Group profile

# The FIGEAC AÉRO Group

Our mission: sustainably enable today's and tomorrow's aerospace

## A SUSTAINABLE GROWTH STRATEGY BASED ON 3 KEY PILLARS



### A critical partner for aerospace manufacturers

- Leader of the industrialization of aerospace metal parts,
- Covering all of the value chain
- Global presence, ever closer to customers
- Critical role in the production of the main programmes



### Focus on industrial excellence and customer satisfaction

- Over 250 machines
- Unique combination of the know-how, technological expertise and capacity for innovation to offer the best industrial solutions
- Customer satisfaction a top priority



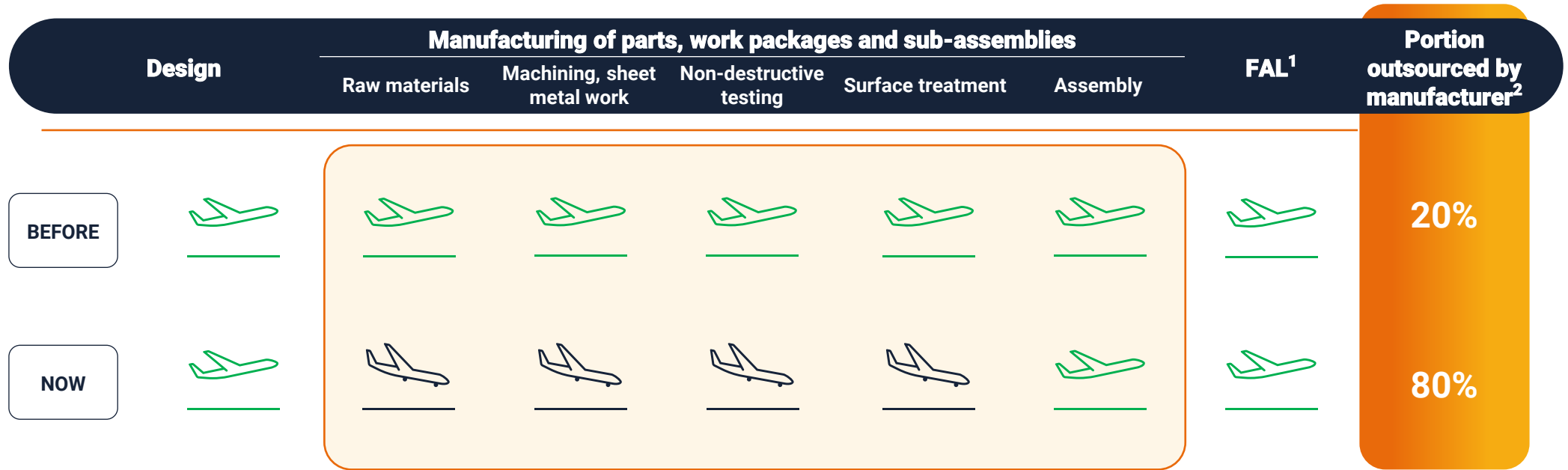
### Strong commitment towards sustainable industry and zero-carbon aviation

- Definition of new CSR objectives (health & security, reduction of the carbon footprint, diversity...)
- Collaborative research projects with customers on tomorrow's industrial processes



# A key player in the aerospace supply chain

Simplified view of the evolution of major aircraft manufacturers' positioning in the aircraft production value chain

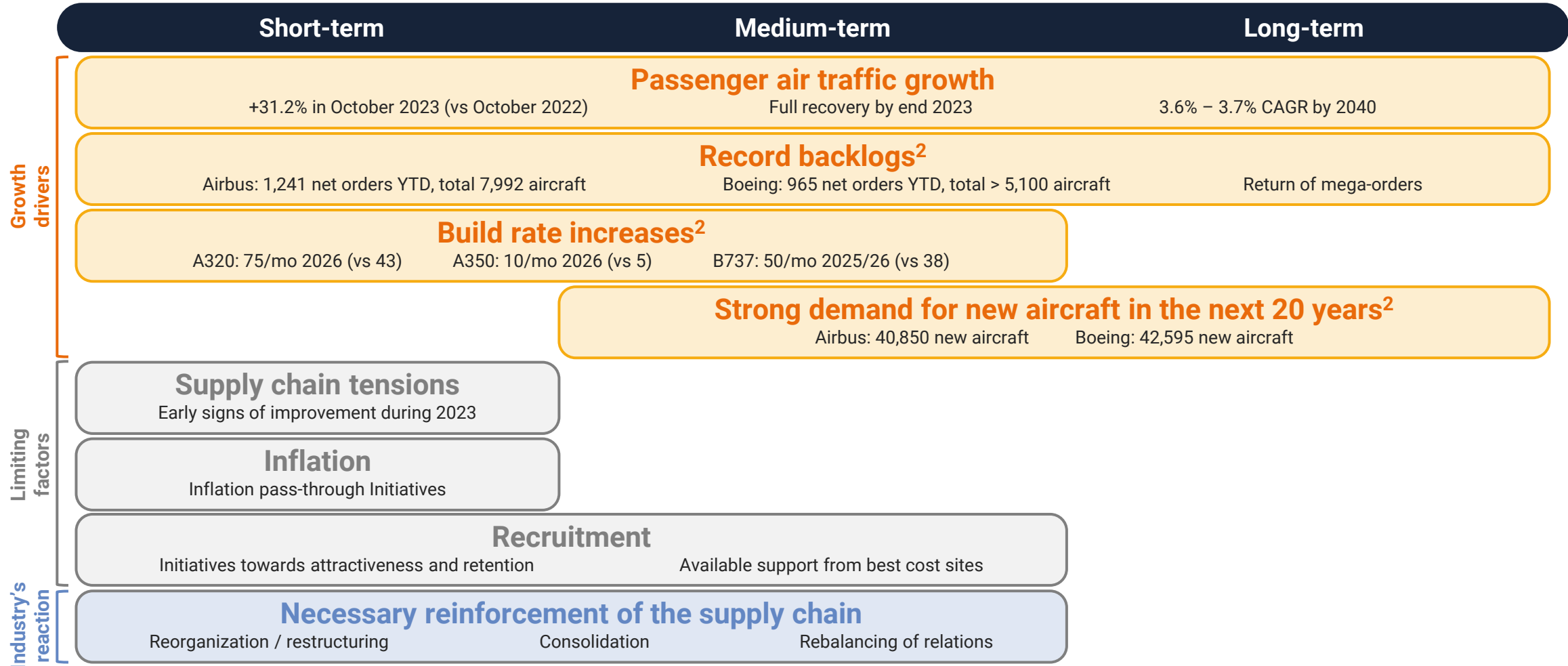


**FIGEAC AÉRO'S HISTORICAL BUILD-TO-PRINT POSITIONING  
TIER-1 & -2 SUPPLIER**

**FIGEAC AÉRO is a critical supplier for the main commercial aerospace programmes**

<sup>1</sup> FAL : Final Assembly Line  
<sup>2</sup> Management estimates

# Update on the commercial aerospace sector



<sup>1</sup> IATA, Air Passenger Market October 2023, data in revenue passenger-kilometres (RPK)

<sup>2</sup> Airbus and Boeing, backlog as at 30 September 2023, build rate objectives as last disclosed vs 2022 average

## Strengthening of the supply chain in a post-COVID context: A true change in paradigm

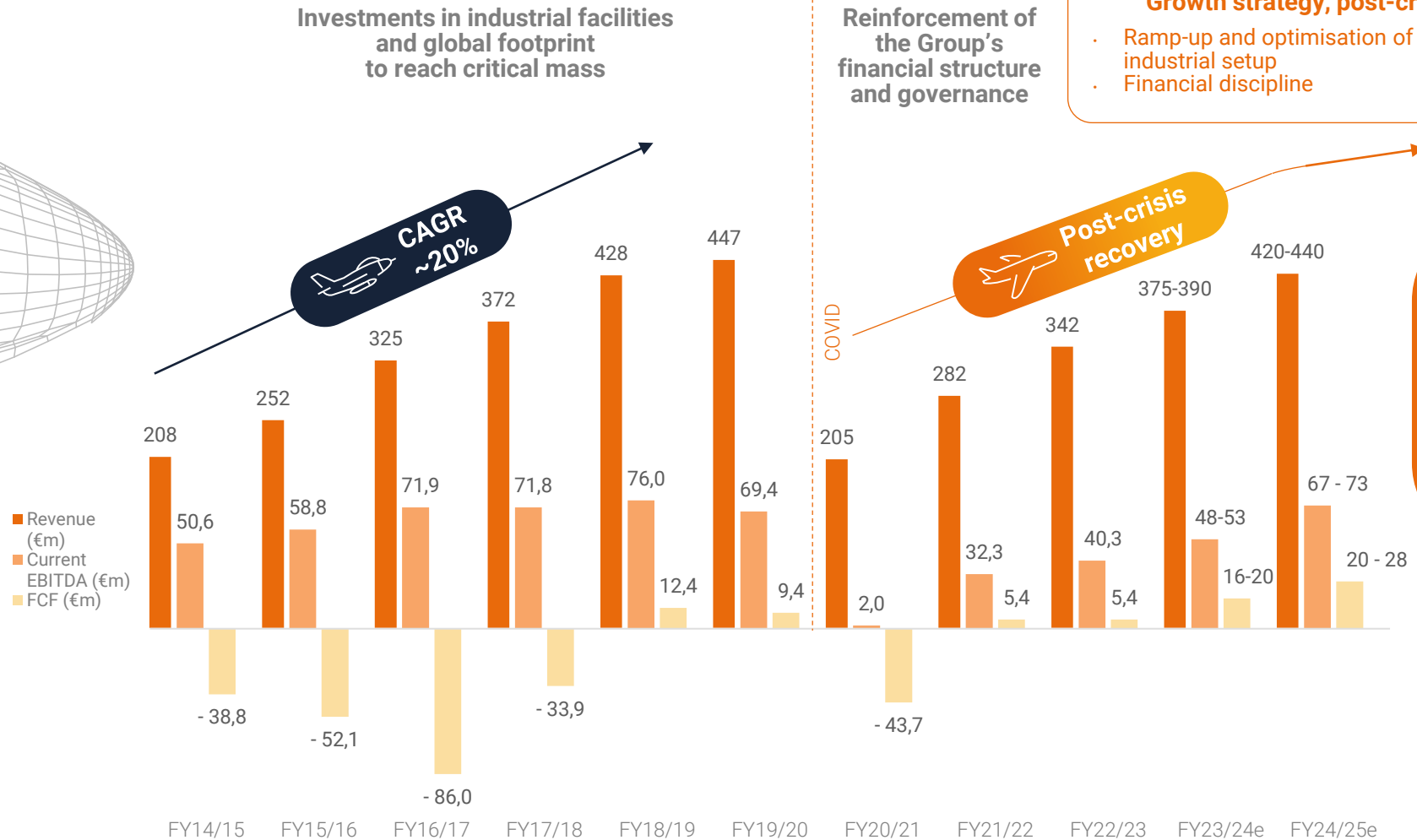
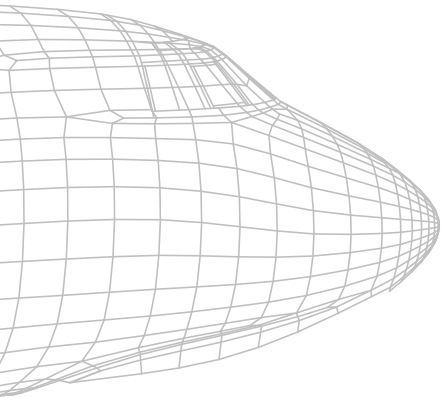
	Pre-COVID	Post-COVID
<b>Build rates</b>	Very high	Moderate but increasing
<b>Inflation</b>	Very weak / inexistent	High but slowing down
<b>Interest rates</b>	Very low	High
<b>Supply chain's investment capacity</b>	Strong	Constrained

Reductions in price  
Increases in volume



Upward price adjustments  
Production ramp-up through  
client financing

# A solid trajectory of profitable growth



Note: modified revenue scale for the purpose of visibility

## Investment case



**VERY FAVORABLE  
COMMERCIAL AEROSPACE  
SECTOR OUTLOOK**



**FIGEAC AÉRO'S CRITICAL  
POSITION WITHIN THE  
SUPPLY CHAIN**



**SIGNIFICANT UPSIDE  
POTENTIAL**

**An attractive opportunity for exposure to aerospace  
within the small & midcap segment**



02



## Key figures

## A solid first half



### Adaptation

to dynamic yet  
demanding context

**+24.9%**

organic revenue  
growth  
(€181.2m)

**+33.3%**

current EBITDA  
(€19.9m)

**+110 bp**

current EBITDA  
margin  
(11.0%)

**€9.3m**

Free Cash Flow  
vs €(2.2)m

**-21 days**

WCR  
(111 days,  
vs 31 March  
2023)

**€287.3m<sup>1</sup>**

net debt

**€91.7m**

cash at hand

<sup>1</sup> excluding non-interest bearing debt



03



## **Business highlights**

# Industrial performance



## Roll-out of Route 25 plan

- Utilization rate: 75%
- 2 transfer of work projects out of 3 completed  
Expanded scope (Tunisia)
- Ongoing automation initiatives in Figeac
- ERP upgrade



## Recruitment

- 395 hires during H1 (1,702 since April 2021)
- Reduction of turnover
- Recruitment pool development through training school and best cost sites



## Supply tensions

- Early trend towards improvement on raw materials
- Reduced dependency on Russian titanium
- Reduced production cycle in surface treatment through re-internalization



## Performance & customer satisfaction

- Continued increase in OTD
- Adequate quality levels maintained

## Sales performance



**€170m**

New contracts with the  
SAFRAN group



**€30m**

Annual revenue of contracts  
being renewed



**€3.7bn**

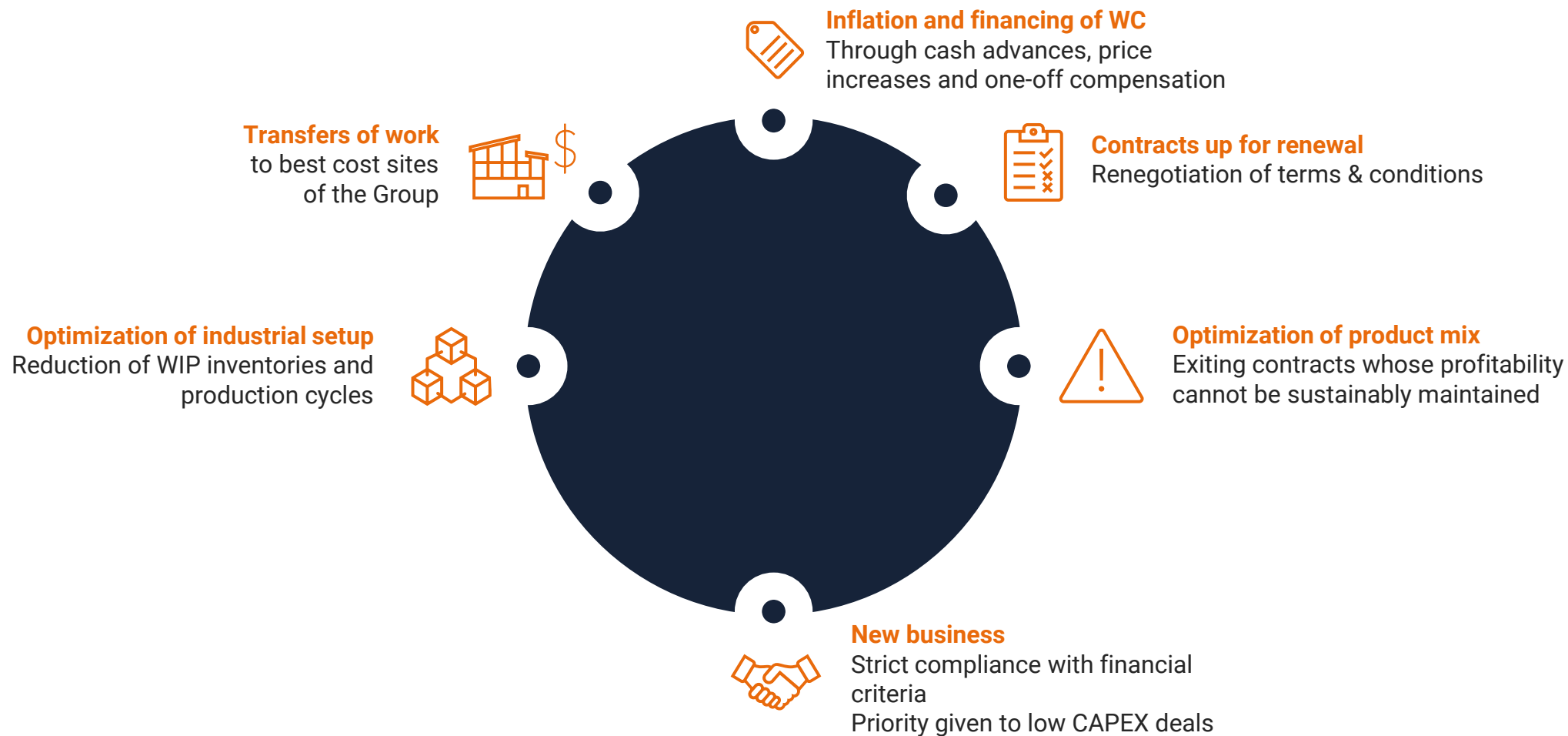
(backlog  
as at 30 September 2023)  
+€300m vs 31 March 2023



**Strong potential**

in terms of business  
development

## Focus on maximizing cash generation from contracts



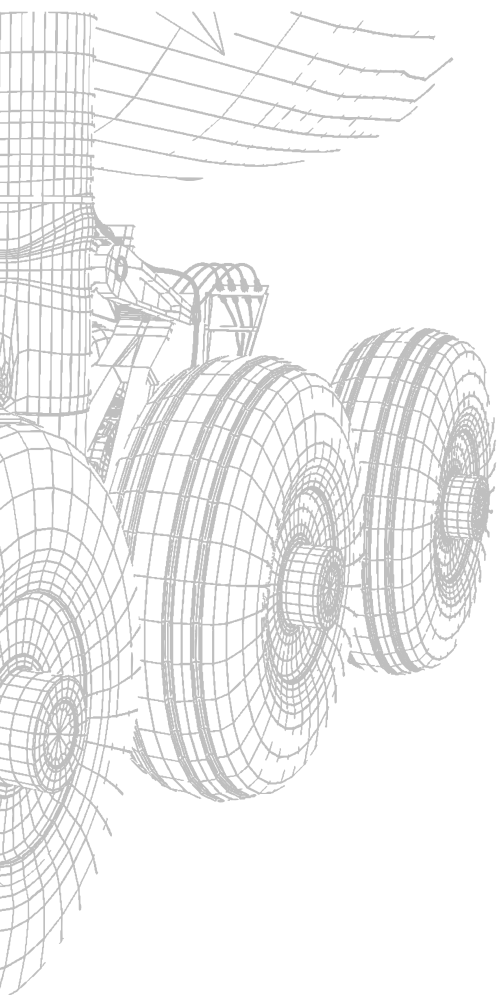


04

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## **Financial performance**

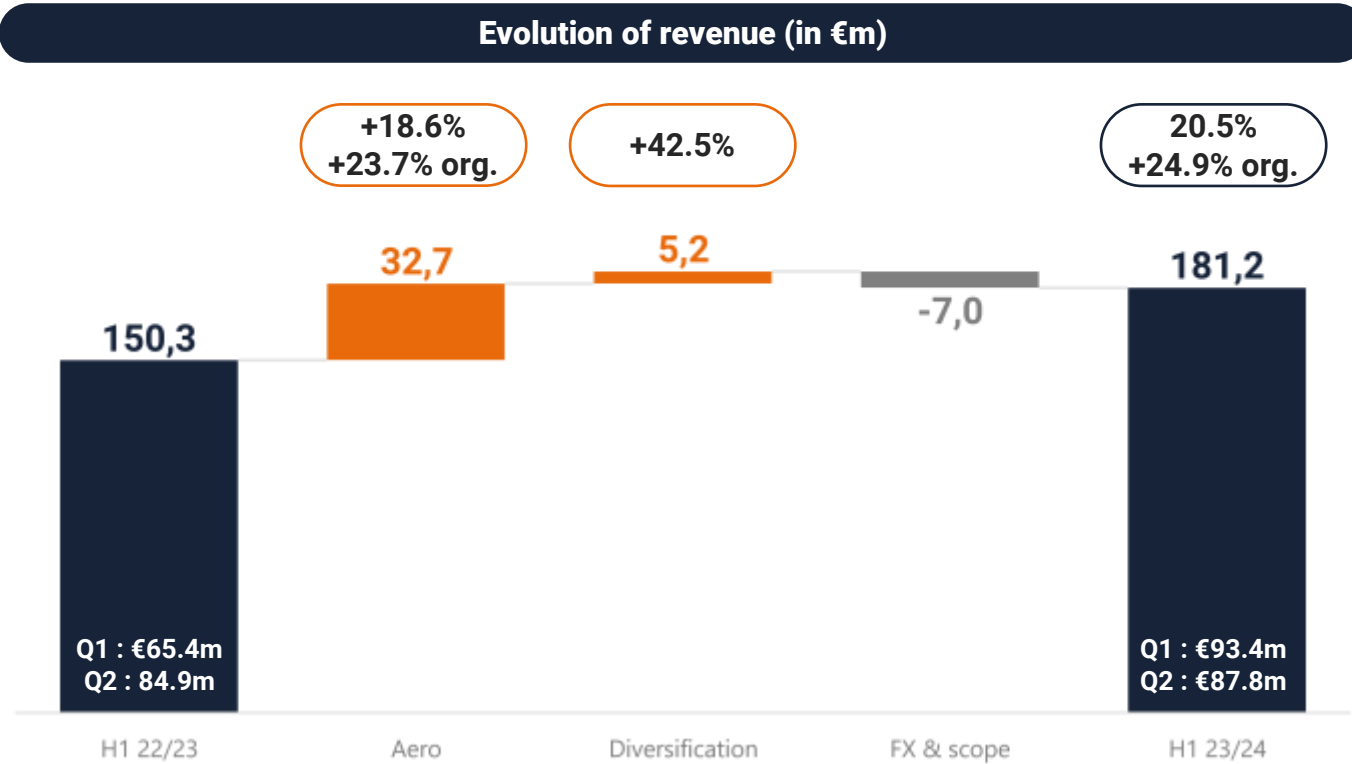
# P&L – Key points



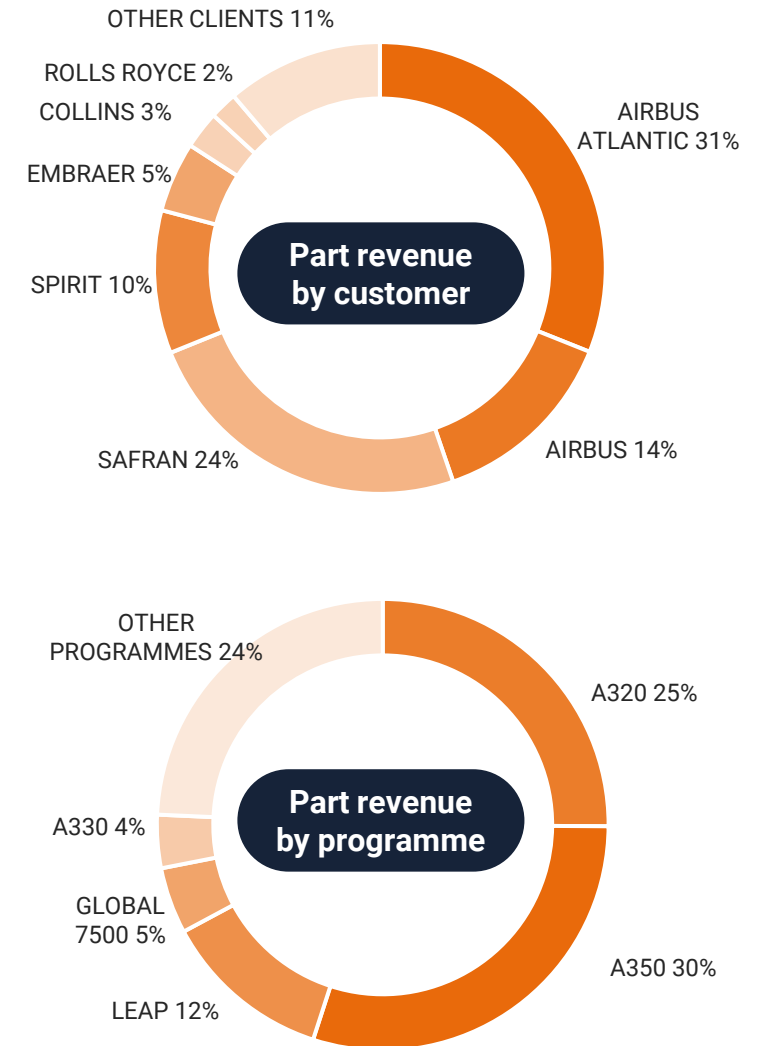
IFRS, in €m	H1 23/24	H1 22/23	Chg.	Org. chg.
<b>Revenue</b>	181.2	150.3	+20.5%	+24.9%
<b>Current EBITDA</b>	19.9	14.9	+33.3%	
<b>Current EBITDA margin</b>	11.0%	9.9%	+110 bp	
<b>Current operating income</b>	(3.9)	(9.6)	-58.8%	
<b>Operating income</b>	(4.9)	(0.2)	ns	
<b>Financial income</b>	1.0	(10.1)	ns	
<b>Net income, Group share</b>	(5.3)	(6.7)	-21.2%	

Note: a P&L table is available in the appendices to this document

# Healthy revenue growth in the first half

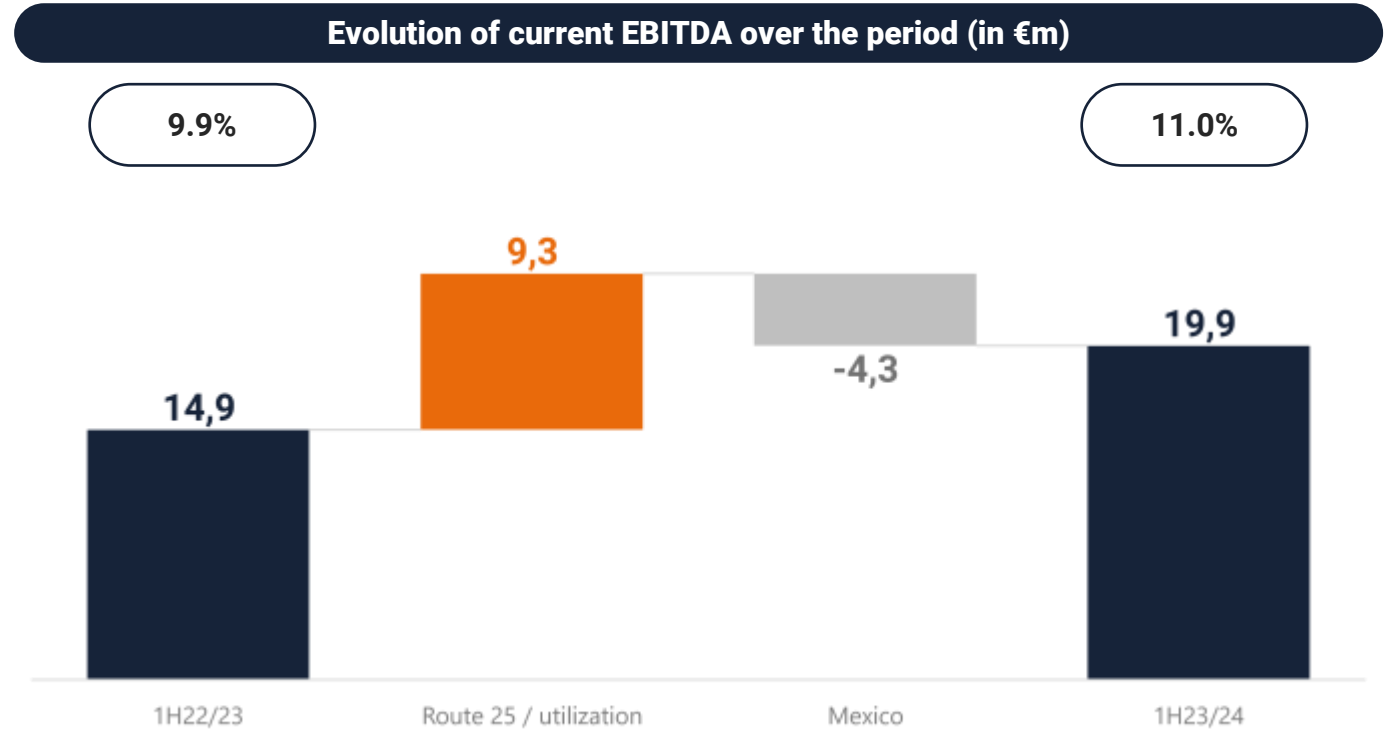


H1 activity in line with annual target (€375m – 390m)



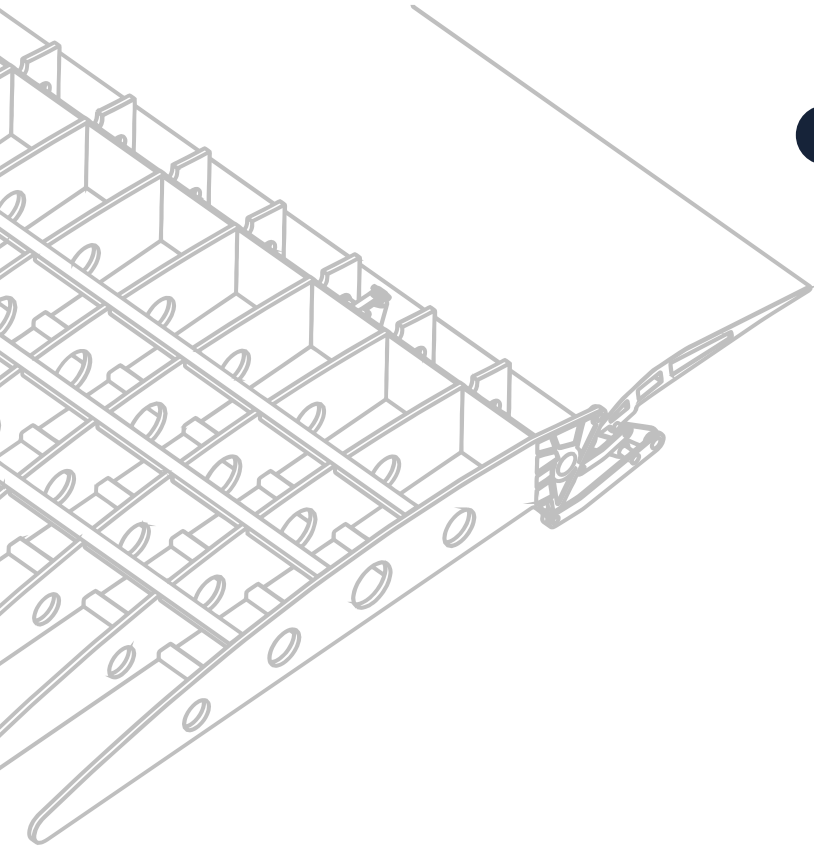
## Sharp increase in profitability

- ▶ Current EBITDA: €19.9m, +33.3% related to utilization rate increase and Route 25 optimizations
- ▶ Current EBITDA margin: 11.0%, +110 bp
- ▶ Situation in Mexico under control, H2 impact expected to be significantly lower
- ▶ Expected full-year inflation impact: c. €2.6m related to slowdown in inflation

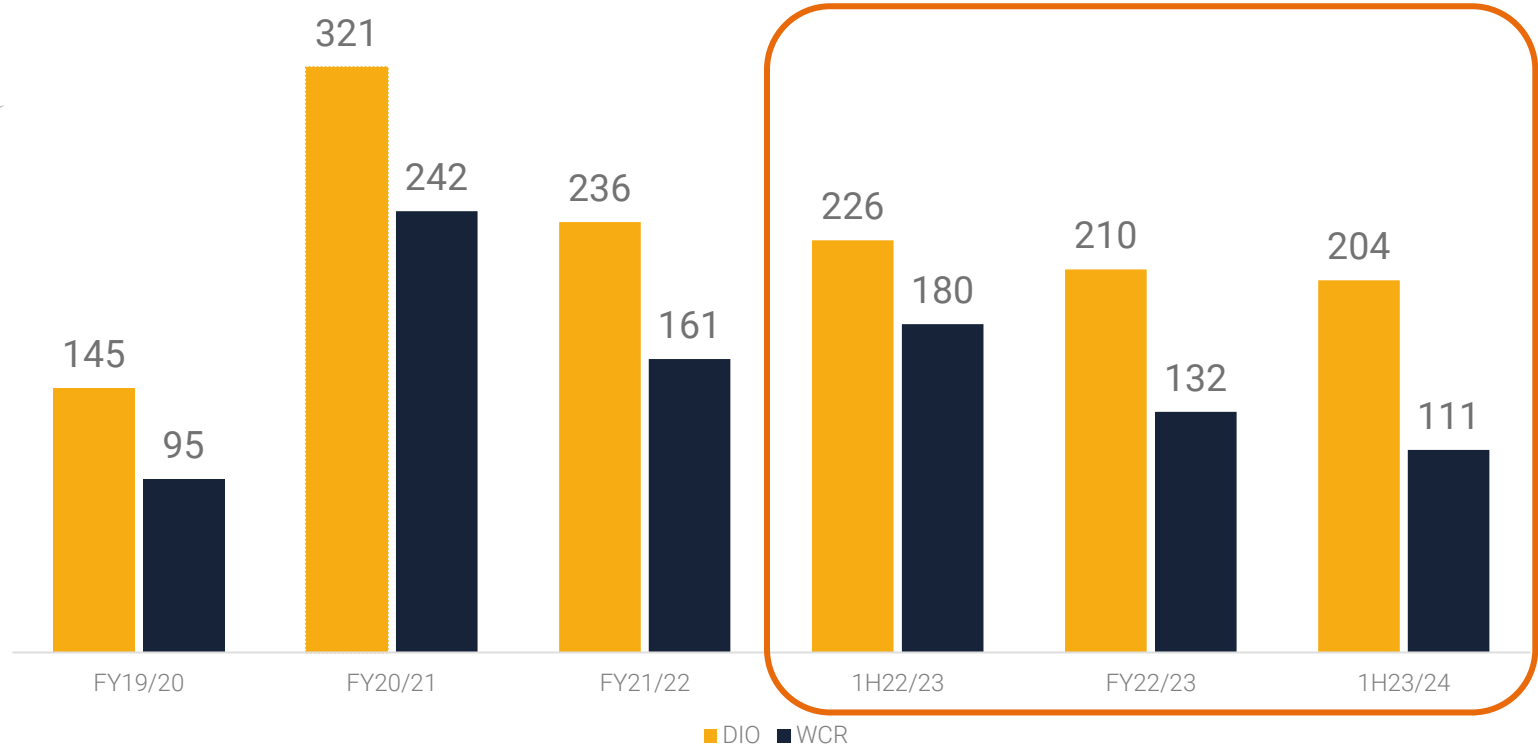


In line with our current EBITDA target, despite non-recurring impacts

# Update on working capital

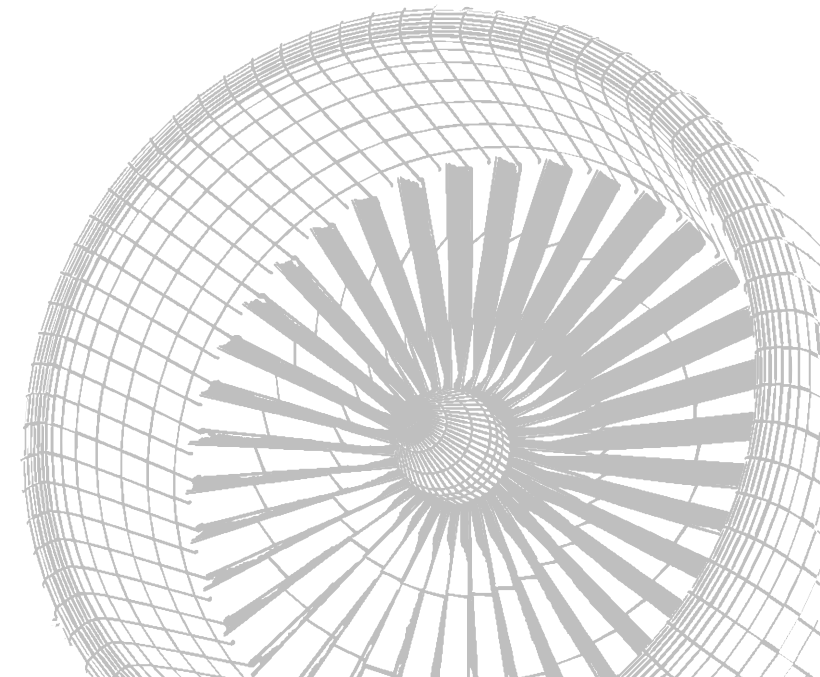
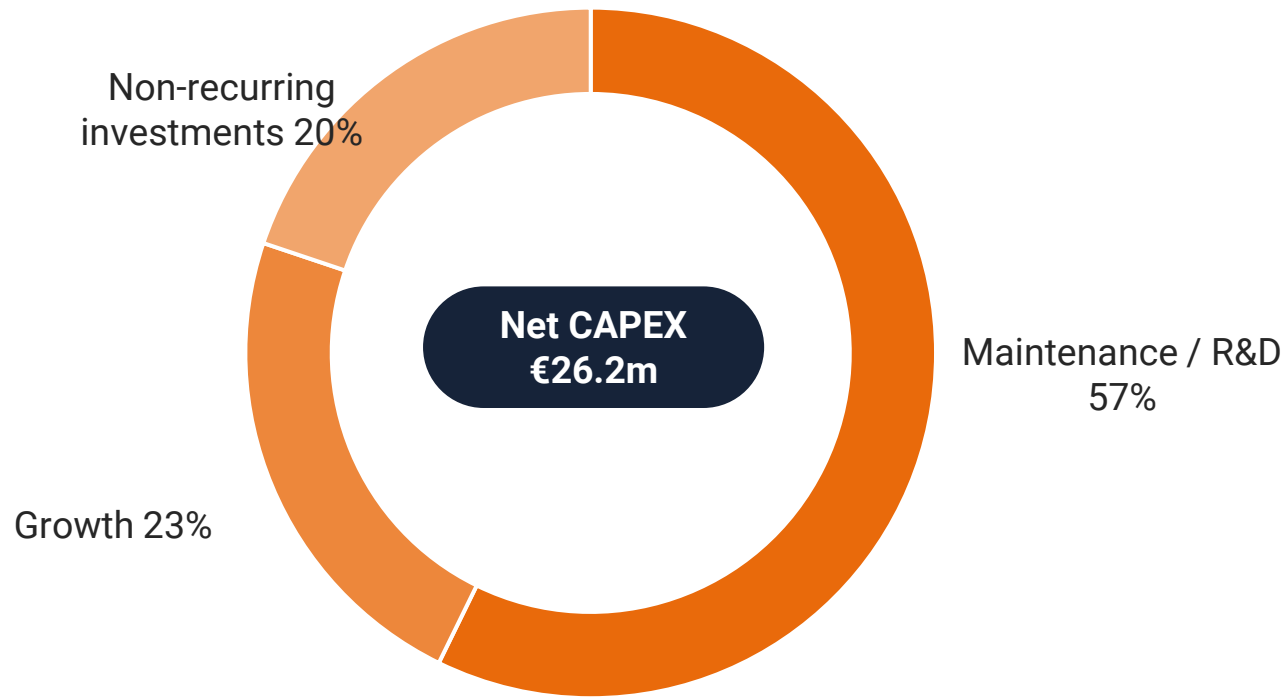


Evolution of WCR and DIO (in number of days of revenue)



# Update on investments

## Breakdown of CAPEX over the period



**Confirmation of CAPEX targets:  
- €48m in FY2023/24**

## Major improvement in cash generation

IFRS, in €m	H1 23/24	H1 22/23	Chg.
<b>Cash flow<sup>1</sup></b>	22.4	11.0	+103.6%
<b>Change in WCR</b>	13.7	(14.5)	ns
<b>Cash flow from operating activities</b>	36.2	(3.4)	ns
<b>Cash flow from investing activities</b>	(26.9)	1.2	ns
<b>Free Cash Flow<sup>1</sup></b>	9.3	(2.2)	ns
<b>Cash flow from financing activities</b>	(26.0)	64.4	
o/w interest expense	(6.8)	(3.5)	

- ▶ Cash flow doubled
- ▶ Good control on working capital
- ▶ FCF +€11.5m vs H1 2022/23

**FY2023/24 & 2024/25 targets confirmed  
€16 – 20m & €20 – 28m**

<sup>1</sup> Before cost of financial debt and taxes  
Note: a cash-flow statement is available in the appendices to this document

# Financial structure



Cash  
€91.7m



Net debt  
€287.3m<sup>1</sup>

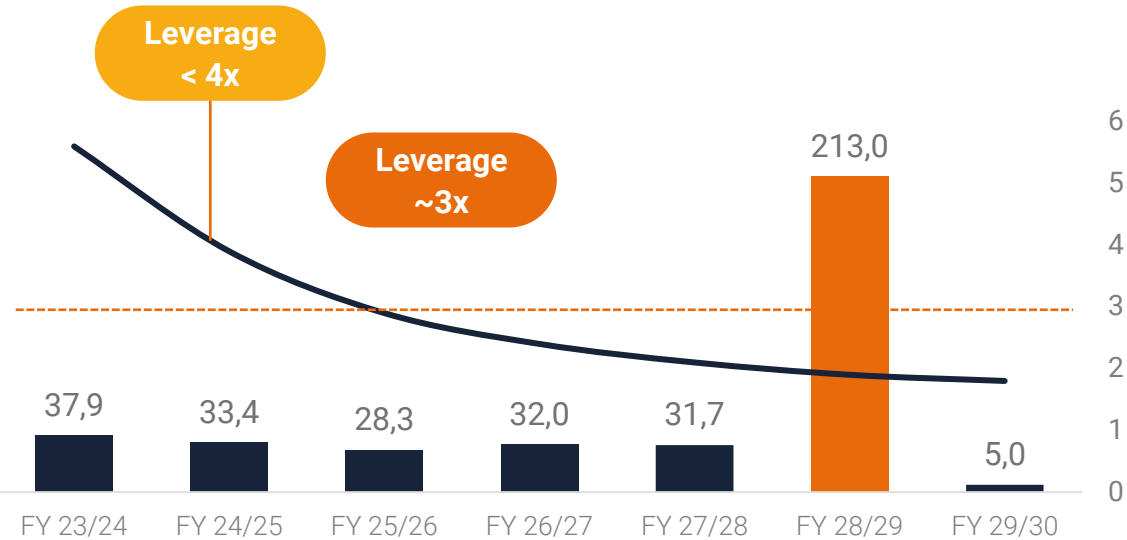


Fixed rate debt  
~ 78%



Average cost  
5.2%<sup>1</sup>

## Debt amortization schedule & leverage



- ▶ Relative stability of net debt vs 31 March 2023 thanks to improved cash generation
- ▶ Increase of average cost of debt linked to full-year impact of :
  - Reinforced financial structure
  - Interest rate environment

**Deleveraging accelerated with positive net FCFs<sup>2</sup> over the full-year**

<sup>1</sup> excluding non-interest bearing debt  
<sup>2</sup> FCFs after cost of financial debt and taxes  
 Note : the balance sheet and debt structure are available in the appendices to this document



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## Outlook

## Confirmation of short-term targets

### Short-term Route 25 targets

Revenue <sup>1</sup>	€375 – 390m	€420 – 440m
Current EBITDA	€48 – 53m	€67 – 73m
FCF	€16 – 20m	€20 – 28m
Net debt	stable	€270 - 280m
Leverage		≤ 4

FY 2021/22

FY 2022/23

FY 2023/24

FY 2024/25



**Targets achieved for the 2<sup>nd</sup> consecutive year**

<sup>1</sup> FY23/24: based on a EUR/USD exchange rate of 1.13, FY24/25: 1.16

<sup>2</sup> Based on net debt expected at approximately €270m

# PILOT 28, FIGEAC AÉRO's next strategic plan

## PILOT 28



**Consolidation & development  
of leadership**



**Acceleration of deleveraging**



**Active participation in  
low-carbon aviation**

## Conclusion



1

**A CRITICAL ROLE WITHIN THE SUPPLY CHAIN**

2

**A CONTEXT OF REBALANCING OF RELATIONS**

3

**STRONGLY POSITIONED TO CAPTURE GROWTH OPPORTUNITIES IN THE AEROSPACE INDUSTRY**

4

**A REINFORCED FINANCIAL STRUCTURE & GOVERNANCE**

5

**A GROUP EMBARKED UPON A PERFORMANCE & DELEVERAGING ROADMAP OUT TO MARCH 2028**



**Q&A**

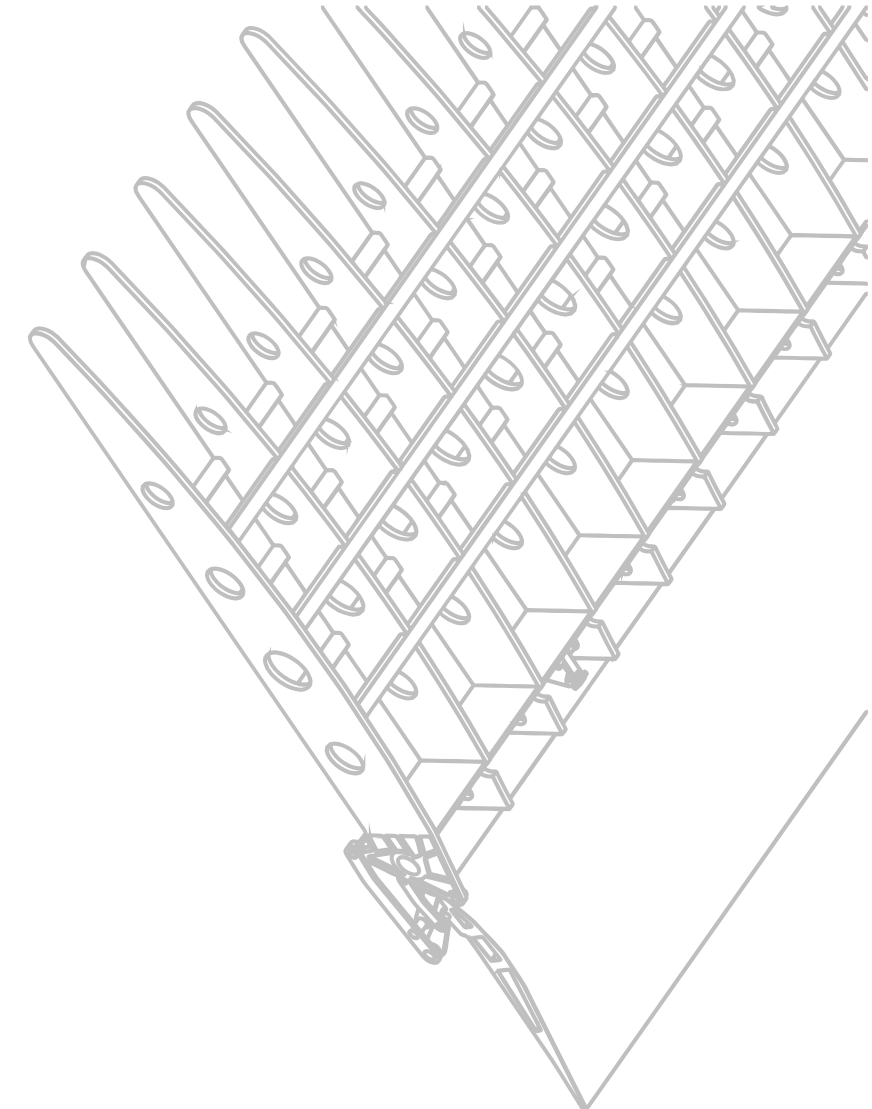


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# Appendices

## Consolidated P&L

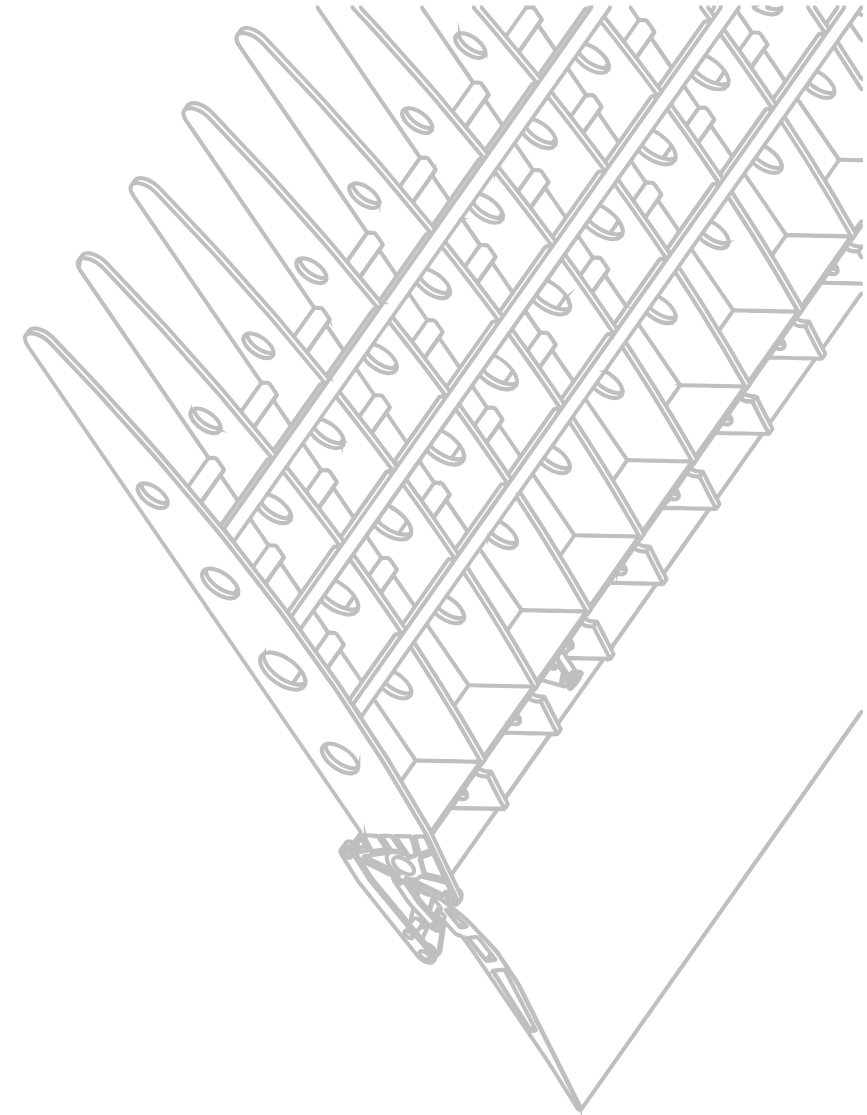
IFRS, €m (audit currently being finalized)	H1 23/24	H1 22/23	Chg.
<b>Revenue</b>	<b>181.2</b>	<b>150.3</b>	<b>+20.5%</b>
Other finished products and WIP	6.7	(13.2)	ns
Cost of bought-in goods and services and external expenses	(121.1)	(76.0)	+59.5%
Personnel expenses	(46.7)	(45.6)	+2.6%
Taxes and duties	(0.8)	(1.4)	-59.3%
Net depreciation, amortisation and provisions	(23.1)	(23.8)	-2.8%
<b>Current operating income (loss)</b>	<b>(3.9)</b>	<b>(9.6)</b>	<b>-58.8%</b>
Other non-recurring operating income & expenses	(1.8)	9.8	Ns
Share of net income (loss) of joint ventures	0.9 <sup>1</sup>	(0.5)	-73.9%
<b>Operating income (loss)</b>	<b>(4.9)</b>	<b>(0.2)</b>	<b>ns</b>
Cost of net financial debt	(10.0)	(5.6)	+79.1%
Foreign exchange gains and losses	5.4	9.8	-45.0%
Unrealised gains and losses on derivative instruments	5.7	(14.5)	ns
Other financial income and expenses	(0.1)	0.2	ns
<b>Financial income (loss)</b>	<b>1.0</b>	<b>(10.1)</b>	<b>ns</b>
<b>Profit before tax</b>	<b>(3.8)</b>	<b>(10.3)</b>	<b>-62.7%</b>
Tax income (expense)	(1.5)	3.5	ns
<b>Consolidated net income (loss)</b>	<b>(5.3)</b>	<b>(6.7)</b>	<b>-21.3%</b>
<b>Net income (loss), Group share</b>	<b>(5.3)</b>	<b>(6.7)</b>	<b>-21.2%</b>
Non-controlling interests	(0.0)	(0.0)	-51.4%



<sup>1</sup> In accordance with IAS 28, the FIGEAC AÉRO Group has restated its obligations towards Sami Figeac Aero Manufacturing (SFAM). At period-end, the Group estimated that it had no legal, contractual or implicit obligation to meet the company's liabilities or participate in a capital increase carried out by the company. The carrying amount of equity-accounted securities in SFAM was therefore reduced to zero, implying a positive impact of €1.3 million.

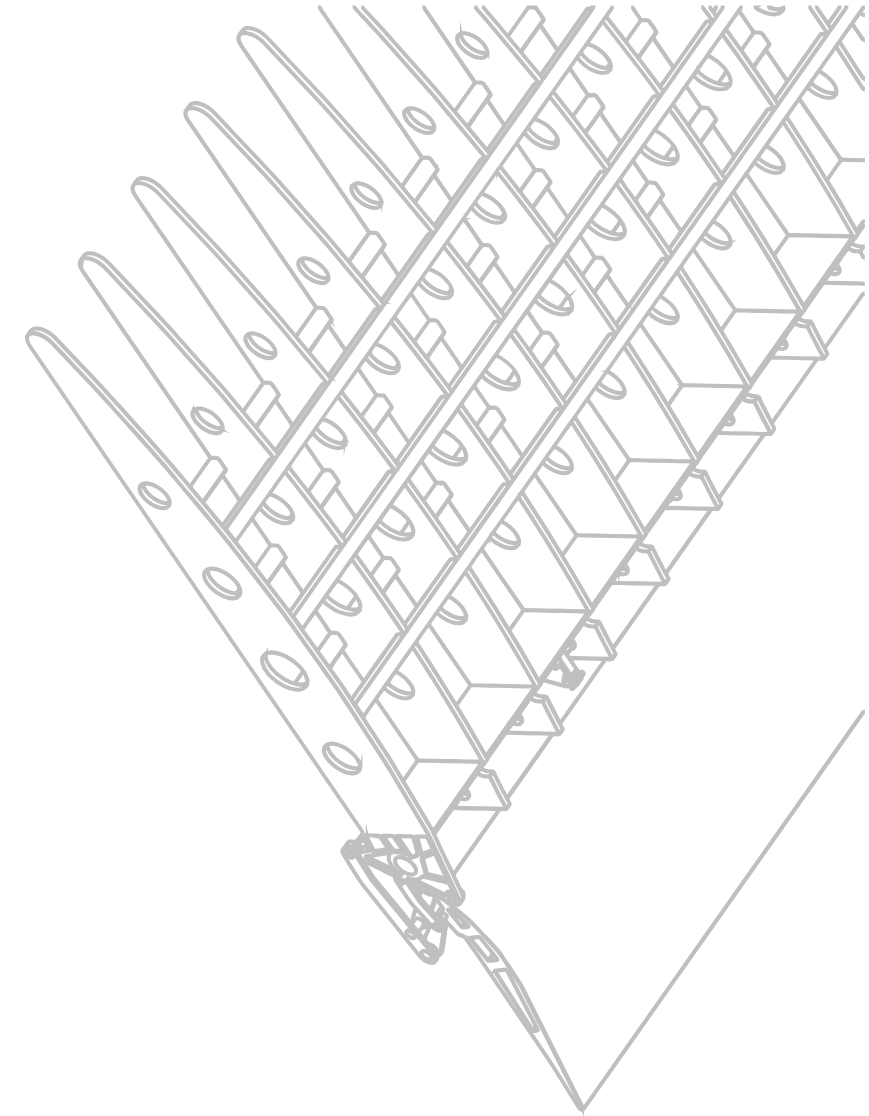
## Consolidated balance sheet (simplified)

IFRS, €m (audit currently being finalized)	30 Sep 23	31 Mar 23
Fixed assets	265.3	265.9
Other non-current assets	8.3	5.5
Inventory	202.8	196.2
Contract assets	28.2	24.4
Trade receivables	35.8	59.9
Current tax assets	7.5	7.9
Other current assets	24.1	26.7
Cash & cash equivalents	91.7	115.5
<b>TOTAL ASSETS</b>	<b>663.6</b>	<b>702.0</b>
Shareholders' equity	60.7	70.0
Non-current interest-bearing financial liabilities	336.8	355.5
Non-current liabilities	25.5	30.7
Current portion of interest-bearing financial liabilities	50.6	54.4
Trade payables and related accounts	86.0	83.2
Contract liabilities	31.0	14.3
Other current liabilities	73.0	93.8
<b>TOTAL LIABILITIES</b>	<b>663.6</b>	<b>702.0</b>



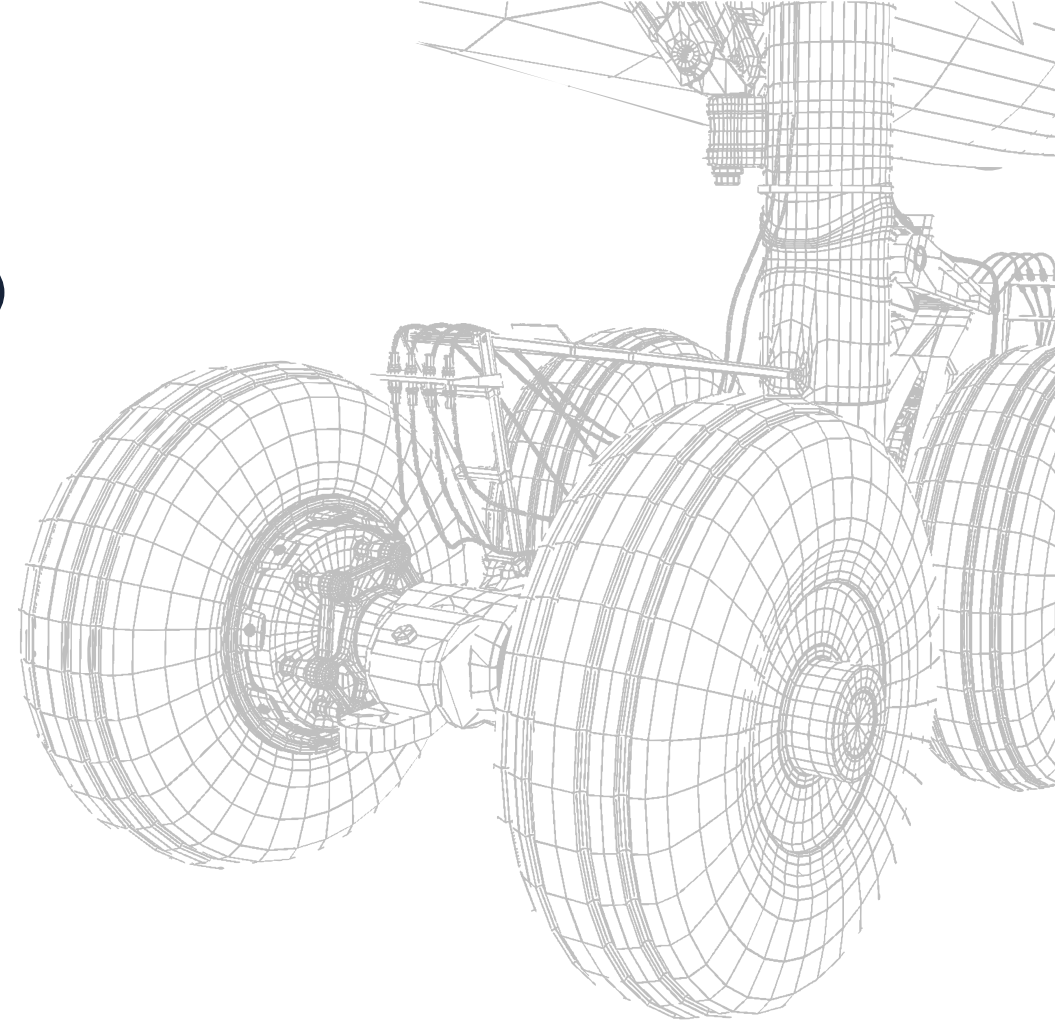
## Consolidated cash flow statement (simplified)

IFRS, €m (audit currently being finalized)	H1 23/24	H1 22/23
Net income	(5.3)	(6.7)
Depreciations and amortizations	23.1	23.8
Other non-cash adjustments	(2.3)	(9.9)
Tax expense	0.1	0.4
Interest paid	6.8	3.5
<b>Cash flow</b>	<b>22.4</b>	11.0
Change in working capital requirement	13.7	(14.5)
<b>Cash flow from operating activities</b>	<b>36.2</b>	(3.4)
<b>Cash flow from investing activities</b>	<b>(26.9)</b>	1.2
Disposals (acquisitions) of treasury shares	(0.1)	(0.1)
Change in borrowings and repayable advances	(13.4)	33.5
Repayment of lease liabilities	(5.8)	(8.8)
Interest paid	(6.8)	(3.5)
Debt restructuring fees	-	(5.7)
Capital increase	-	53.5
Inventory carrying transaction with Aerotrade	-	(4.5)
<b>Cash-flow from financing activities</b>	<b>(26.0)</b>	64.4
<b>Change in cash position</b>	<b>(16.7)</b>	62.2
Cash position - opening date	94.4	33.0
Change in translation adjustment	0.2	0.5
Cash position - closing date	77.9	95.7



## Financial debt structure

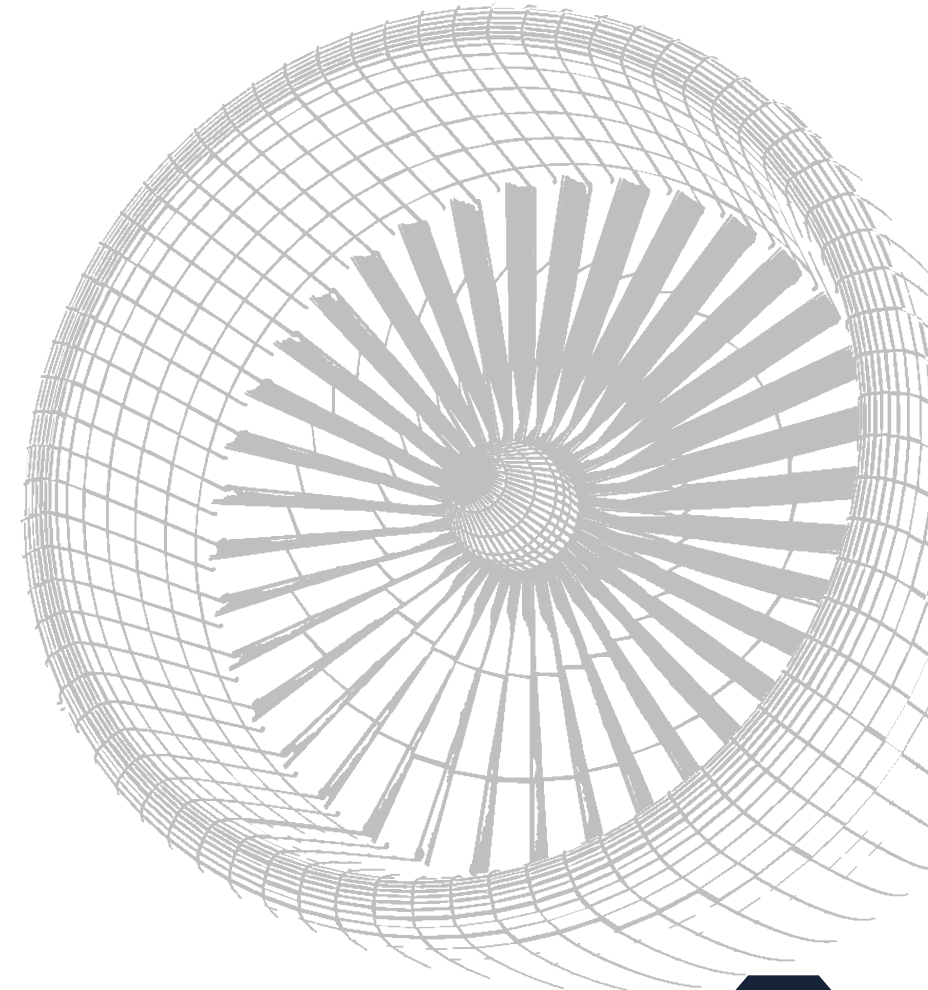
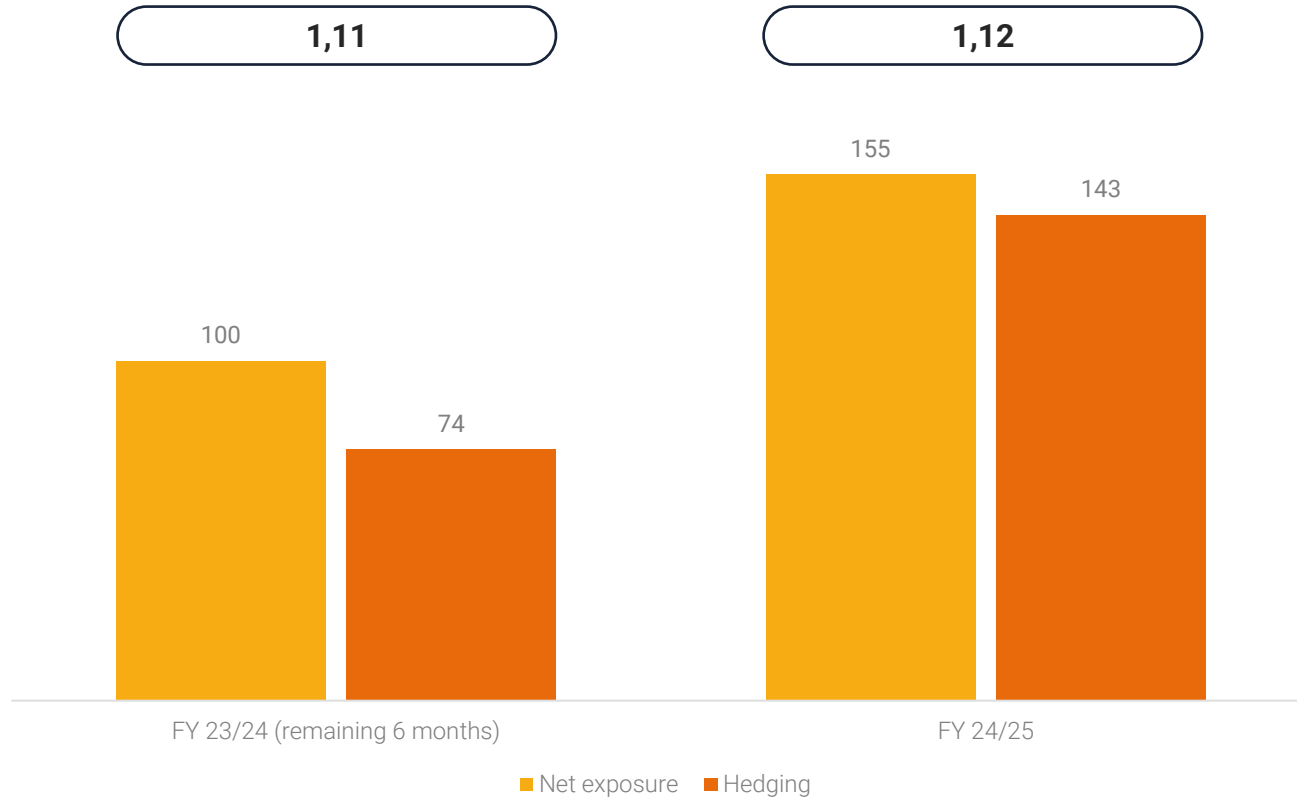
Debt	Amount	Type <sup>1</sup>	Rate
State-guaranteed loan (PGE)	145.8	A	Fixed
Bonds	68,0	B	Fixed
Bonds	13.0	B	Variable
Bank debt	57.5	A	Variable
Bank debt	52.2	A	Fixed
Leases	23.2	A	Fixed
Others	13.9	A	
Factoring	13.8	ns	Variable
<b>Gross debt<sup>2</sup></b>	<b>387.4</b>	~80% amort.	78% fixed
<b>Average cost</b>			5.2% <sup>2</sup>
<b>Net debt<sup>2</sup></b>	<b>287.3</b>		



<sup>2</sup> A : amortizing, B : bullet  
<sup>2</sup> excluding non-interest-bearing debt

# EUR/USD hedging

## Net USD exposure and hedging

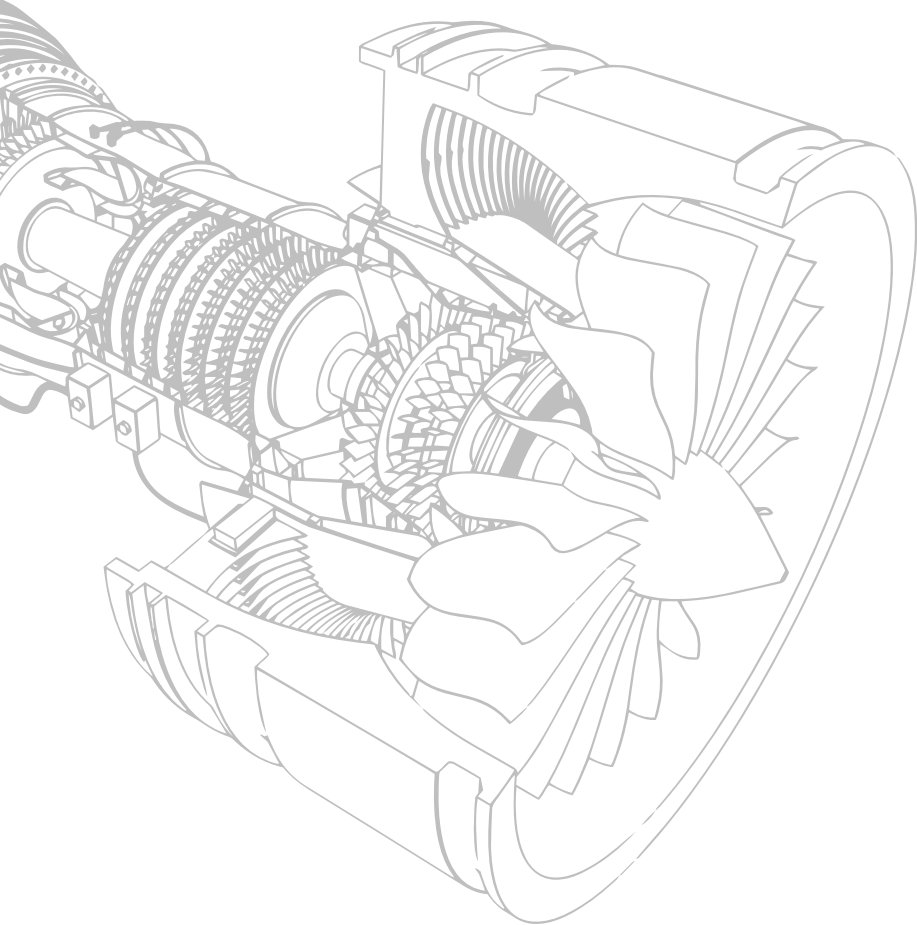


# Our strategic positions on the main aircraft programmes



<sup>1</sup> Includes revenue generated from the engines equipping this programme

# Glossary



Term / indicator	Definition
▶ OEM	Aircraft manufacturers, engine manufacturers and other airframers
▶ Build-to-Print	The manufacture of parts and sub-assemblies by a sub-contractor based on plans and specifications provided by the client
▶ OTD (On-Time Delivery)	Percentage of line items in a purchase order delivered to the client on time
▶ Current EBITDA	Current operating income (loss) adjusted for net depreciation, amortisation and provisions before the breakdown of R&D expenses capitalised by the Group by type
▶ Backlog	Sum of orders received and to be received extrapolated over a 10-year period for each contract and request for proposals won, based on build rates announced and then projected and a EUR/USD exchange rate of 1.12
▶ Organic	At constant scope and exchange rates
▶ DIO (Days of Inventory Outstanding)	Average number of days of revenue for which an item of inventory is held
▶ Leverage	Ratio of net debt to current EBITDA
▶ Capex	Investments in fixed assets
▶ ORNANE	Bonds redeemable into cash and/or new and/or existing shares
▶ Free cash-flow / Net Free Cash Flow	Net cash-flow from operating activities before cost of financial debt and taxes, minus net cash-flow from investing activities / after cost of financial debt and taxes



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