



FIGEAC AERO Group



LE PARTENAIRE
DES GRANDS INDUSTRIELS
DE L'AÉRONAUTIQUE



HALF-YEAR FINANCIAL REPORT
AT 30 SEPTEMBER 2019



Table of contents

Responsibility statement for the half-year financial report	4
Half-year financial report	5
1. FINANCIAL INFORMATION ON THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS	7
1.1 Condensed consolidated half-year financial statements	7
1.1.1 PREAMBLE	7
A. Entity presenting the financial statements	7
B. Statement of compliance	7
C. Basis of preparation of the financial statements	7
D. Use of estimates and judgements	7
1.1.2 CHANGES IN IFRS	8
1.1.3 CHANGES IN ACCOUNTING POLICY	8
1.1.4 CONSOLIDATED BALANCE SHEET	10
1.1.5 INCOME STATEMENT	12
1.1.6 STATEMENT OF COMPREHENSIVE INCOME	13
1.1.7 CHANGE IN SHAREHOLDERS' EQUITY	14
1.1.8 CONSOLIDATED CASH FLOW STATEMENT	15
1.2 Notes to the consolidated financial statements	16
1.2.1 ACCOUNTING PRINCIPLES	16
A. Translation of financial statements of subsidiaries denominated in foreign currencies	16
B. Closing dates	16
C. Seasonal effects	16
1.2.2 SCOPE OF CONSOLIDATION	17
1.2.2.1 Non-consolidated entities	18
1.2.3 INTANGIBLE ASSETS	19
1.2.4 PROPERTY, PLANT AND EQUIPMENT	21
1.2.5 NON-CURRENT FINANCIAL ASSETS	22
1.2.6 INVENTORY AND WORK IN PROGRESS	23
1.2.7 TRADE AND OTHER RECEIVABLES	24
1.2.8 CASH, CASH EQUIVALENTS AND FINANCIAL INSTRUMENTS AT FAIR VALUE	25
1.2.8.1 Cash and cash equivalents	25
1.2.8.2 Financial instruments	25
1.2.9 DEFERRED TAXES	27
1.2.10 FINANCIAL ASSETS AND LIABILITIES	28
1.2.10.1 Financial assets	28
1.2.10.2 Financial liabilities	29
1.2.11 FINANCIAL DEBT	30
1.2.12 SHAREHOLDERS' EQUITY	32
1.2.13 EARNINGS PER SHARE	33
1.2.13.1 Basic earnings per share	33
1.2.13.2 Diluted earnings per share	33
1.2.14 PROVISIONS	34
1.2.15 OTHER CURRENT DEBT	35
1.2.16 REVENUE	36
1.2.17 BUSINESS SEGMENTS	36
	2



1.2.18	INCOME TAX	39
1.2.19	NOTE ON OTHER INCOME FROM OPERATIONS	40
1.2.20	NOTE ON OTHER OPERATING INCOME AND EXPENSES	40
1.2.21	NOTE ON THE COST OF NET DEBT	41
1.2.22	RELATED PARTY TRANSACTIONS	41
1.2.22.1	With MP Usicap	41
1.2.22.2	With Avantis Engineering	41
1.2.22.3	With the subsidiaries	42
1.2.22.4	With senior executives	42
1.2.23	WORKFORCE	42
1.2.24	OFF-BALANCE SHEET COMMITMENTS	43
1.2.25	RISK FACTORS	44
1.2.26	SUBSEQUENT EVENTS	44



RESPONSIBILITY STATEMENT FOR THE HALF-YEAR FINANCIAL REPORT

I hereby confirm that, to the best of the my knowledge, the condensed consolidated financial statements for the past half-year comply with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all its consolidated entities, and that the half-year business report provides a fair view of the significant events that occurred in the first six months of the financial year and of their impact on the interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year.

Figeac,
31 December 2019

Jean-Claude Maillard
Chairman of the Board of Directors



Half-year business report

The results at 30 September 2019 reflect the first-time application of IFRS 16 at 1 April 2019.

€k - IFRS at 30/09/2019	2019/20	2018/19	Change	LFL change [1]
Revenue	224,483	202,018	11.10%	8.40%
Current EBITDA [2]	38,941	36,695	6.10%	-
<i>Current EBITDA / Revenue</i>	<i>17.30%</i>	<i>18.20%</i>		
EBITDA	36,021	34,035	5.80%	-0.80%
<i>EBITDA / Revenue</i>	<i>16.00%</i>	<i>16.80%</i>		
Depreciation and amortisation	-21,335	-17,025		
Net provisions	-1,037	-20		
Current operating income	13,649	16,990		
<i>COI / Revenue</i>	<i>6.10%</i>	<i>8.40%</i>		
Other operating income	358	511		
Other operating expenses	-1,502	-322		
Share of net income of equity affiliates	48			
Operating income	12,553	17,179		
Cost of net financial debt	-4,828	-4,636		
Realised currency gains & losses	-5,681	-289		
Unrealised gains & losses on financial instruments	-4,208	-387		
Other financial income and expenses	43	-198		
Income tax	1,541	-2,673		
Net income adjusted for unrealised currency effects	2,324	10,187		
Net income including unrealised currency effects	-580	8,996		
Net income group share, incl. unrealised currency effects	-636	9,168		

Results reflecting a transition year

The Group continued to grow in the first half of 2019/20, with revenue increasing by +8.4% at constant scope and exchange rates to a total of €224.5 million.

The Aerostructures division accounts for 87% of the Group's revenue and remains its overall growth driver (+12.2% reported and +9.2% like-for-like). The other activities³ also delivered revenue growth (+4.1% reported and +3.1% LFL).

The Group's current EBITDA expanded by +6.1% to €38.9 million (€38.0 million excluding the IFRS 16 effect), including a €/€/\$ forex impact (+€2.3 million); this resulted in a 90bp decrease in the margin rate to 17.3%.

The Aerostructures division's current EBITDA amounted to €36.5 million (€35.8 million excluding the IFRS 16 effect), with the margin rate shrinking by 120bp to 18.6%. The division was penalised by a slowdown in long-standing contracts on account of a challenging aerostructures market (slower production rates, programmes discontinued, etc.), a situation to which the Group will adapt by adjusting its cost base accordingly; it was also affected by new contracts which are still in the process of ramping

¹ LFL; at constant scope and exchange rates

² Current EBITDA = current operating income + depreciation and amortisation + net provisions – Before the breakdown of R&D expenses capitalised by the Group by type, i.e. €2,920k at 30/09/2019

³ Oil & Gas, Mechanical Engineering, Surface Treatment and Assembly



up. The Group's other activities achieved 17.7% growth in current EBITDA to €2.4 million (€2.2 million excluding IFRS 16), driven mainly by our oil-related activities which are recovering.

Current operating income stood at €13.6 million at 30 September 2019 (€11.4 million LFL), implying a margin rate of 6.1% and reflecting high amortisation charges.

After incorporating the financial result and taxes, net income in the first half of 2019/20 adjusted for unrealised currency effects (with no impact on the cash position) totalled €2.3 million.

Balance sheet

Free Cash-Flow⁽¹⁾ amounted to -€6.6 million over the half year owing to a deferred payment (VAT and Research Tax Credit) of €6 million. Restated for this one-off effect, free cash-flow would have come out almost flat. Our cash generation was also affected by more operational factors, such as the margin and high net investments, although such spending will decrease considerably over the coming years. The Working Capital Requirement improved further as measured by the number of days of revenue (125 days versus 127 the previous year); this was largely thanks to effective control over inventory and WCR measures taken on trade receivables against a backdrop of increased activity.

Net investments totalled €33.7 million over the period and were allocated primarily to business development (new contract wins), maintenance, R&D and expenses incurred in implementing the new ERP.

The Group made its first withdrawal from the BERD facility (€27.7 million) to finance investments in the Maghreb.

- (1) Free cash-flow = net cash flow from operating activities +/- net cash flow from investing activities, as presented in the consolidated cash flow statement.

Outlook for 2019/20: a transition year

FIGEAC AÉRO is set to grow at a faster pace than the sector in 2019/20 thanks to new contract wins, despite challenging market conditions; its current EBITDA should hold steady.

The current year will be affected by a series of related temporary factors:

- new contracts (MHI, Bombardier, Triumph, Embraer, Rolls Royce) in the process of ramping up,
- delayed certification of the Boeing 777X, for which OPEX and CAPEX commitments have already been made,
- the crisis surrounding the 737 Max, with production rates falling short of expectations and production being terminated completely in Q4,
- a recent downward revision to B787 production rates,
- operational adjustments relating to the ramp-up of the A350,
- discontinuation of the A380 and CRJ, resulting in capacity under-utilisation and incurring reorganisation costs,
- movements in the euro/dollar exchange rate.

Free cash-flows are expected to remain under control in 2019/20 and benefit from lower CAPEX as of next year (a full-year decrease of 30% to 40%) under the 2021/24 business plan.

Related party transactions

Transactions with related parties continued in the 1st half of 2019 on the same bases as those applied at 31 March 2019.



1. FINANCIAL INFORMATION ON THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS

1.1 Condensed consolidated half-year financial statements

1.1.1 PREAMBLE

A. Entity presenting the financial statements

FIGEAC AÉRO is registered in France. The Company's registered office is located at Zone Industrielle de l'Aiguille, 46100 FIGEAC, France. The Company's consolidated financial statements cover the Company and its subsidiaries (together referred to as "the Group"). The Group's main business activities are the production of structural parts for the aerospace industry, the assembly of sub-assemblies, general engineering and sheet metal manufacturing, and surface treatment.

B. Statement of compliance

The condensed consolidated financial statements were prepared in accordance with IFRS as issued by the IASB and as adopted by the European Union; this includes the definitions and the accounting and valuation methods recommended by IFRS as well as all the information mandated by the standards. In accordance with IAS 34 "Interim Financial Reporting", they do not include all the information required for the annual financial statements and must be read jointly with the Group's financial statements for the financial year ended 31 March 2019.

C. Basis of preparation of the financial statements

The accounting policies and calculation methods were applied in an identical manner for all periods presented, except for the new IFRS 16 "Leases" standard applicable since 1 April 2019.

Unless otherwise indicated, the amounts noted in these financial statements are expressed in thousands of euros (€k).

D. Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires Management to exercise its judgement and make estimates and assumptions that affect the application of accounting policies and recognised amounts of assets and liabilities, income and expenses. The underlying estimates and assumptions are based on past experience and other factors considered reasonable given the circumstances. They also form the basis for exercising the judgement required to determine the book values of certain assets and liabilities that cannot be directly obtained from other sources. Actual values may differ from estimated amounts.

Underlying estimates and assumptions are re-examined on an ongoing basis. The impact of changes in accounting estimates is recognised during the period in question when only that period is affected, or during the period and any subsequent periods where the latter are also affected by the change.

The main balance sheet items affected by these estimates are capitalised development costs (see 1.2.3: "Intangible assets"), the fair value of derivative financial instruments (see 1.2.8: "Cash, cash equivalents & financial instruments at fair value through profit or loss"), deferred tax assets (see 1.2.9: "Deferred tax") and provisions (see 1.2.14: "Provisions").

1.1.2 CHANGES IN IFRS

The new IAS/IFRS texts and interpretations that became effective on 1 April 2019 and were applied by the Group when preparing its consolidated financial statements at 30 September 2019 are as follows:

- IFRS 16 “Leases”
- Amendments to IFRS 9 “Financial Instruments”
- Amendments to IAS 19 “Employee Benefits”
- Amendments to IAS 28 “Investments in Associates and Joint Ventures”
- Annual improvements to IFRS Standards 2015-2017 Cycle
- IFRIC 23 “Uncertainty over Income Tax Treatments”

The impacts of implementing IFRS 16 are presented in Note 1.1.3 “Change in accounting policy”.

New standards, interpretations and amendments to IFRS standards published and adopted early by the Group from 1 April 2019: N/A.

New standards, interpretations and amendments to IFRS standards published but not yet applicable and not adopted early by the Group:

- IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Presentation of financial statements” and to IAS 8 “Accounting policies, changes in accounting estimates and errors”
- Amendments to IAS 28 “Investments in Associates and Joint Ventures” and to IFRS 10 “Consolidated financial statements”
- Amendments to IFRS 3 “Business combinations”

These new texts have not yet been adopted by the European Union and cannot, therefore, be applied early, even though this is authorised by the standard.

1.1.3 CHANGES IN ACCOUNTING POLICY

- IFRS 16 “Leases”

The FIGEAC AÉRO Group applied the IFRS 16 “Leases” standard starting from 1 April 2019. This standard replaces IAS 17 and the IFRIC 4, SIC 15 and SIC 27 interpretations.

For lessees, accounting is now based on a single model as a distinction is no longer made between operating leases and finance leases.

IFRS 16 introduces an accounting method for all leases in the lessee’s balance sheet. The lessee is required to recognise an asset (representing its right to use the leased asset during the duration of the lease) and a liability (representing its obligation to make lease payments).

The assumptions used by the FIGEAC AÉRO Group among the transition and treatment options authorised under IFRS 16 are as follows:

Transition measures:

- Use of the simplified retrospective approach;
- At 1 April 2019, an exemption is allowed for the reclassification of existing leases recognised under IAS 17;
- The lease liability is measured at the present value of the remaining outstanding lease payments. The Group uses knowledge acquired ex-post, for instance to determine the duration of a lease that includes renewal or termination options;

- The duration of a lease is determined based on the provisions contained in the agreement and those established by the current legislative framework. In France, the initial duration of so-called “3/6/9” commercial leases is typically 9 years;
- The right-of-use on the transition date is equal to the lease liability adjusted for the amount of lease payments made in advance or outstanding;
- The discount rate applied on the transition date corresponds to the incremental borrowing rate determined for the remaining duration of the lease;
- An exemption applies to existing leases for which the remaining term is 12 months or less at 1 April 2019 and to leases of low-value items (less than \$5,000) held by the Group.

On their commencement date, leases as defined under IFRS 16 “Leases” are recognised:

- Under assets (right-of-use), referring to the amount of the lease liability (determined above), plus advance payments made to the lessor, initial direct costs incurred, advance payments received under the lease, and an estimate of the cost of decommissioning or rehabilitating the leased asset under the terms of the agreement, if applicable; and
- Under financial liabilities, referring to the amount of lease payments over the duration of the lease as determined above, discounted at the rate as determined above.

Reconciliation between lease payments on operating leases at 31 March 2019 and lease liabilities at 30 September 2019

<i>In thousands of euros</i>	31-03-19
Payments on operating leases at 31 March 2019	-4,377
Of which payments for low-value and short-term leases at 1 January 2019	-2,375
Of which payments for lease liabilities under IFRS 16	-2,002
<i>In thousands of euros</i>	30-09-19
Debt on lease liabilities at start of period (first application of IFRS 16)	8,890
New lease liabilities at end-September	359
Repayment of lease liabilities at end-September	-843
Translation adjustment	13
Debt on lease liabilities at end of period	8,419

Application of IFRS 16 had a €953 thousand impact on EBITDA over the half year.



1.1.4 CONSOLIDATED BALANCE SHEET

CONSOLIDATED ASSETS	Notes	September 2019	March 2019
Development costs	1.2.3	122,058	111,638
Goodwill	1.2.3	0	0
Other intangible fixed assets	1.2.3	2,942	2,761
Total intangible fixed assets		125,000	114,399
Land	1.2.4	11,515	5,036
Buildings	1.2.4	59,024	60,127
Plant machinery	1.2.4	141,288	140,266
Other property, plant and equipment	1.2.4	15,115	11,283
Total property, plant and equipment		226,942	216,711
Equity-accounted investments		2,667	2,702
Deferred taxes	1.2.9	19,890	14,792
Other financial assets	1.2.5	3,468	3,572
Other non-current assets		0	2,326
Contract assets		31,543	29,238
Total non-current assets		409,509	383,741
Inventory and work in progress	1.2.6	186,930	178,272
Trade receivables	1.2.7	68,161	85,150
Tax receivables	1.2.7	10,540	13,923
Other current assets	1.2.7	33,995	26,959
Cash and cash equivalents	1.2.8	119,933	122,418
Total current assets		419,559	426,722
TOTAL ASSETS		829,068	810,463



CONSOLIDATED LIABILITIES	Notes	September 2019	March 2019
Share capital	1.2.12	3,821	3,821
Share premium	1.2.12	118,455	118,455
Reserves	1.2.12	74,737	67,562
Currency translation reserve	1.2.12	-1,390	-2,370
Net income (loss) for the period	1.2.12	-588	11,058
Share capital issued and reserves attributable to owners of the parent company		195,035	198,526
Non-controlling interests	1.2.12	17	-203
Non-controlling interests		17	-203
Total consolidated shareholders' equity		195,052	198,323
Loans from credit institutions	1.2.11	263,309	250,350
Repayable advances	1.2.11	17,261	16,432
Finance lease liabilities	1.2.11	46,398	43,686
Other financial liabilities	1.2.11	1,703	1,595
Total non-current financial liabilities		328,671	312,063
Provisions	1.2.14	7,361	7,245
Deferred tax liabilities	1.2.9	18,027	15,789
Derivative financial instruments	1.2.8.2	22,416	17,211
Other non-current liabilities		1,076	960
Contract liabilities		15,835	15,320
Non-current portion of deferred income		7,774	8,079
Total non-current liabilities		401,160	376,666
Short-term financial liabilities	1.2.11	42,415	49,467
Current portion of long-term financial liabilities		49,209	36,006
Repayable advances		5,858	6,514
Total current financial liabilities		97,481	91,987
Trade payables	1.2.15	93,882	92,142
Tax liabilities	1.2.15	8,918	14,654
Other current liabilities	1.2.15	23,939	26,319
Deferred income		8,636	10,372
Total current liabilities		232,856	235,474
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		829,068	810,463



1.1.5 INCOME STATEMENT

Consolidated income statement	Notes	September 2019	September 2018
Revenue	1.2.16	224,483	202,018
Other income from operations	1.2.19	2,062	1,819
Change in inventories of finished products and WIP		2,570	8,427
Cost of goods used		-119,089	-113,001
Personnel expenses		-52,074	-48,472
External expenses		-19,183	-14,501
Taxes and duties		-2,748	-2,256
Depreciation and amortisation		-21,335	-17,025
Net provisions		-1,037	-20
Current operating income		13,649	16,990
Other operating income	1.2.20	358	511
Other operating expenses	1.2.20	-1,502	-322
Share of net income of equity affiliates		48	
Operating income	1.2.20	12,553	17,179
Financial income		44	73
Financial expenses		-4,871	-4,709
Cost of net debt	1.2.21	-4,828	-4,636
Realised currency gains / losses		-5,681	-289
Unrealised gains / losses on financial instruments		-4,208	-387
Other realised financial income and expenses		43	-198
Tax	1.2.18	1,541	-2,673
NET INCOME (LOSS) FOR THE PERIOD		-580	8,996
Net income, Group share		-588	9,168
Income attributable to minority interests		8	-172
NET EARNINGS (Group share) PER SHARE			
Basic earnings	1.2.13	-0.02	0.29
Diluted earnings	1.2.13	-0.02	0.29

1.1.6 STATEMENT OF COMPREHENSIVE INCOME

September 2019 September 2018

(€k)

Statement of comprehensive income	Appendix notes	End of period	End of period
Net income (loss) for the period	10	-580	8,996
Items not reclassifiable as net income			
Post-employment liabilities - actuarial gains / losses		88	-78
Deferred taxes - post-employment liabilities - actuarial gains / losses		0	27
Items reclassifiable as net income			
Cash flow hedges - portion of change in fair value deemed effective		-3,342	-12,485
Deferred taxes - change in fair value of hedging instruments		1,036	3,870
Translation adjustment		980	-822
Total comprehensive income (loss) for the period		-1,818	-492
* Attributable to owners of the parent company		-1,826	-320
* Non-controlling interests		8	-172

1.1.7 CHANGE IN SHAREHOLDERS' EQUITY

€k	Share capital	Share premium	Treasury shares	Revaluation of hedging instruments	Translation adjustments	Other reserves	Actuarial gains / losses on pension liabilities	Net income (loss)	Capital issued and reserves attributable to owners of the parent company	Non-controlling interests	Total
<i>Financial period ended March 2018</i>	3,821	118,455	-1,285	7,939	-1,214	52,554	-1,856	21,790	200,204	43	200,247
Gains / losses recognised in shareholders' equity				-8,615	-822	-26	-51		-9,514	-2	-9,516
Comprehensive income (loss) for the period								9,168	9,168	-172	8,996
Acquisitions/disposals of treasury shares			-110						-110		-110
Dividends											
Buyout of minority interests											
Other variations, o/w appropriation of income						21,790		-21,790			
<i>Financial period ended September 2018</i>	3,821	118,455	-1,395	-676	-2,036	74,318	-1,907	9,168	199,748	-131	199,617
<i>Financial period ended March 2019</i>	3,821	118,455	-3,254	-1,116	-2,370	73,819	-1,885	11,058	198,526	-203	198,323
Gains / losses recognised in shareholders' equity				-2,306	980	266	88		-971		-971
Comprehensive income (loss) for the period								-588	-588	7	-580
Acquisitions/disposals of treasury shares			-1,717						-1,717		-1,717
Dividends											
Buyout of minority interests						-213			-213	213	0
Other variations, o/w appropriation of income						11,058		-11,058			
<i>Financial period ended September 2019</i>	3,821	118,455	-4,971	-3,422	-1,390	84,927	-1,797	-588	195,035	17	195,052



1.1.8 CONSOLIDATED CASH FLOW STATEMENT

	September 2019	March 2019
Cash flows from operations		
Net income (loss) from consolidated companies	-588	10,871
Share of income (loss) of equity affiliates	-48	-27
Share of subsidies allocated to income	-586	
Depreciation and amortisation	24,843	41,084
Provisions	542	
Other items not affecting cash	315	649
Elimination of revaluation gains (losses) (fair value)	6,185	6,695
Cash flow after cost of net debt and taxes	30,663	59,272
Tax expense	-1,833	-845
Cost of debt	3,282	5,510
Cash flow before cost of net debt and taxes	32,112	63,937
Change in operating working capital requirement		
Change in inventories	-7,550	-3,327
Change in trade and other receivables	12,309	12,374
Change in trade and other payables	-9,788	12,651
NET CASH FLOW FROM OPERATING ACTIVITIES	27,083	85,635
Cash flows from investing activities		
Acquisitions of fixed assets (1)	-37,880	-81,774
Disposals, reductions in fixed assets	4,679	8,526
Change in fixed asset receivables and liabilities	-515	-2,640
Impact of scope changes on the cash position	0	0
NET CASH FLOW FROM INVESTING ACTIVITIES	-33,716	-75,888
Cash flows from financing activities		
Loan issues (2)	35,630	110,153
Loan repayments	-19,810	-64,805
Acquisitions or disposals of treasury shares	-1,717	-1,969
Other financial liabilities	0	-11,435
Interest paid	-3,282	-5,510
NET CASH FLOW FROM FINANCING ACTIVITIES	10,821	26,434
CHANGE IN CASH POSITION	4,188	36,181
Cash position - opening date	72,951	37,165
Change in translation adjustment	380	-395
Other	0	0
Cash position - closing date	77,519	72,951
CHANGE IN CASH ACCOUNTS	4,188	36,181

(1) Of which at 30 September 2019: (17.2) million euros of acquisitions of intangible fixed assets; (20.6) million euros of acquisitions of property, plant and equipment.

(2) Of which at 30 September 2019: 35.3 million euros of bank loans; 0.3 million euros of repayable advances



1.2 Notes to the consolidated financial statements

1.2.1 ACCOUNTING PRINCIPLES

The accounting principles applied by the Group to prepare its half-year financial statements are identical to those applied by the Group at 31 March 2019 for its annual financial statements (see Notes to the financial statements for the financial year ended 31 March 2019), with the exception of application of IFRS 16.

A. Translation of financial statements of subsidiaries denominated in foreign currencies

The financial statements of foreign companies (outside the euro zone) that operate in currencies other than the euro are translated in the following manner:

- Assets and liabilities, including fair value adjustments due to consolidation, are translated at the closing exchange rate;
- Income statement items are translated at the exchange rate applicable on the transaction date or, in practice, at an approximately close rate corresponding to the average rate for the financial year, unless exchange rates have fluctuated significantly. For business activities in countries with high inflation, the income statement items of the subsidiary concerned would be translated at the closing exchange rate in accordance with IAS 29 and the IFRIC 7 interpretation;
- The translation difference is recorded in a separate item under shareholders' equity (translation adjustment in the statement of other comprehensive income items, and in the translation reserve included in shareholders' equity) and does not impact on income.

B. Closing dates

FIGEAC AÉRO (the parent company) along with FIGEAC AÉRO PICARDIE, FGA NORTH AMERICA, MECABRIVE INDUSTRIES, FGA Saint Nazaire, FGA TUNISIE, FGA MAROC, Casablanca Aéronautique, FIGEAC AÉRO AUXERRE, Société Nouvelle Auvergne Aéronautique, SCI Mexique, FGA USA, FGA TUNISIA PROCESS, TOFER HOLDING, ATELIER TOFER, TSI, MTI, MAT and NANSHAN are consolidated based on their balance sheet entries for the 6-month period ended 30 September 2019.

SCI REMSI, TES and EGIMA are consolidated based on their balance sheet entries for the 9-month period ended 30 September 2019 restated to reflect significant transactions or transactions having an impact on the preparation of their consolidated financial statements occurring between 1 January and 31 March 2019.

C. Seasonal effects

The Group experienced no significant seasonal effects that might hinder an understanding of its business during the first half year. However, the number of working days and the amount of leave taken (which is higher in the first half of the year) may have had an impact on the Group's business.

1.2.2 SCOPE OF CONSOLIDATION

Consolidated entities

Entity and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			September 2019	March 2019	September 2019	March 2019	September 2019	March 2019
ATELIERS TOFER	700802135	Z.A.de Bogues, 31750 ESCALQUENS	Fully consolidated	Fully consolidated	100,00	75,50	100,00	75,50
CASA AERONAUTIQUE	3304831	Aéropole de l'aéroport Mohammed V, CASABLANCA, MOROCCO	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
EGIMA	1087305	Aéropole de l'aéroport Mohammed V, CASABLANCA, MOROCCO	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FIGEAC AERO SA	349357343	Z.I. de l'Aiguille, 46100 FIGEAC	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FGA AUXERRE	824264030	Z.I. Plaine des Isles, 89000 AUXERRE	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FIGEAC AERO GROUPE SERVICES	832847248	Z.I. de l'Aiguille, 46100 FIGEAC	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FGA MAROC	328973	Lotissement Mauritania, Z.I Bernoussi, CASABLANCA	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FIGEAC AERO NORTH AMERICA INC	N/A	9313 E 39th St N Wichita, KS, 67226 USA	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FGA SAINT NAZAIRE	818093577	ZI de Cadréan, 44550 MONTOIR DE BRETAGNE	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FGA PICARDIE SAS	533995684	Rue Maryse Bastie, 80300 MEAULTE	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FGA TUNISIE SARL	N/A	ZI M'Ghira III, Rue de Gafsa, 2082 FOUCHANA	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FGA AERO USA INC	N/A	2701 South Bayshore Drive, 33133 MIAMI	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
FIGEAC TUNISIA PROCESS	1358165	122 avenue du Koweit, 8050 HAMMAMET	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
MAT FORMATION	830183257	1, Imp. Langevin, 19108 BRIVE	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
MECA BRIVE INDUSTRIE SAS	453806267	1, Imp. Langevin, 19108 BRIVE	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
MTI SAS	394223804	Z.I. du Combal, 12300 DECAZEVILLE	Fully consolidated	Fully consolidated	95,64	95,64	95,64	95,64
NANSHAN FIGEAC AERO INDUSTRY	N/A	QUTAN VILLAGE, YANTAI, SHANDONG, CHINA	Equity accounted	Equity accounted	50,00	50,00	50,00	50,00
SCI REMSI	791581994	Z.I. de l'Aiguille, 46100 FIGEAC	Full consolidation	Fully consolidated	100,00	100,00	100,00	100,00
SCI MEXIQUE	N/A	Guillermo Prieto N°6, Hermosillo Sonara, Mexico	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
STE NOUVELLES AUVERGNE AERONAUTIQUE	824245104	1 rue Touira Chaoui, 63510 AULNAT	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
SCI TOFER IMMOBILIER	841174873	Z.I. de l'Aiguille, 46100 FIGEAC	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
TOFER EUROPE SERVICES	N/A	ZI Dibo Hala10, PRAHOVA, ROMANIA	Fully consolidated	Fully consolidated	100,00	100,00	86,53	86,53
TOFER HOLDING	442692406	Z.A.de Bogues, 31750 ESCALQUENS	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00
TOFER SERVICES INDUSTRIES	797707593	135 Avenue de Toulouse, 31750 ESCALQUENS	Fully consolidated	Fully consolidated	100,00	100,00	100,00	100,00

SCI REMSI, owned by Jean Claude Maillard, Chairman and CEO of FIGEAC AÉRO Group, is consolidated because it is considered a special purpose entity. This company owns a specific asset (an industrial building) that is rented by the parent company (FIGEAC AÉRO). This SCI (real estate partnership) was created as part of a Group investment initiative (to establish a workshop separately from the rest of the plant).



Under IFRS 10, the parent company (FIGEAC AÉRO) is deemed to control this entity because:

- it has control over the entity through its power to govern its financial and operating policies;
- it is exposed or has rights to the entity's variable returns as a result of its involvement with it;
- it can use its power over the entity to affect the value of these returns.

1.2.2.1 NON-CONSOLIDATED ENTITIES

Entity and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			September 2019	March 2019	September 2019	March 2019	September 2019	March 2019
SAS AEROTRADE	520459876	23 Av Edourad Belin, 31400 TOULOUSE	Not consolidated	Not consolidated	1.00%	1.00%	1.00%	1.00%

1.2.3 INTANGIBLE ASSETS

March-19

September-19

(€k)

Intangible assets	Start of period	Increase	Decrease	Transfer from item to item & other changes	Translation adjustment	Change in consolidation scope	End of period	Notes
Gross values								
Startup costs and similar	0	0	0	0	0	0	0	
Development costs	68,160	368	0	18,167	36	0	86,731	
Goodwill	0	0	0	0	0	0	0	
Concessions, patents & licences	1,885	228	0	325	16	0	2,453	
Software	8,591	481	0	-162	59	0	8,969	
Goodwill	510	0	0	0	0	0	510	
Intangible assets in progress	70,782	16,219	-525	-18,330	1	0	68,147	
Intangible assets in progress - leases	4,090	0	0	0	0	0	4,090	
Advances/intangible assets	0	0	0	0	0	0	0	
Gross intangible fixed assets	154,017	17,295	-525	0	112	0	170,900	
Depreciation and amortisation								
Start-up costs – amort.	0	0	0	0	0	0	0	
Development costs – amort.	-31,021	-5,079	0	0	-1	0	-36,100	
Research costs – amort.	0	0	0	0	0	0	0	
Concessions, patents, licences – amort.	-1,573	-2	0	0	-8	0	-1,583	
Software – amort.	-6,640	-703	0	0	-53	0	-7,395	
Other intangible assets – amort.	-11	0	0	0	0	0	-11	
Intangible assets in progress – deprec.	-373	-436	0	0	0	0	-810	
Advances/intangible assets – deprec.	0	0	0	0	0	0	0	
Amortisation and depreciation of intangible assets	-39,618	-6,220	0	0	-62	0	-45,900	
Net values								
Startup costs and similar	0	0	0	0	0	0	0	
Research costs	37,139	-4,711	0	18,167	35	0	50,631	
Goodwill	0	0	0	0	0	0	0	
Concessions, patents & licences	312	226	0	325	7	0	869	1
Software	1,951	-222	0	-162	7	0	1,574	1
Goodwill	499	0	0	0	0	0	499	1
Intangible assets in progress	70,409	15,782	-525	-18,330	1	0	67,337	2
Intangible assets in progress - leases	4,090	0	0	0	0	0	4,090	2
Advances/intangible assets	0	0	0	0	0	0	0	
Intangible assets	114,399	11,075	-525	0	50	0	125,000	

Development costs 111,638
Other intangible assets 2,761

122,058
2,942



At 30 September 2019, there was no depreciation due to impairment losses.

New intangible assets were:

- generated internally (capitalised development costs) for +€14.6 million (+€17 million in September 2018)
- acquired externally for +€2.6 million (+€2.6 million in September 2018)

They included:

- the acquisition of software programmes: €872 thousand
- spending to implement the Group's new ERP, which totalled €24,084 thousand at 30 September 2019 having increased by €4,690 thousand over the half year. The Group deployed the ERP's accounting module on 1 April 2019 within the following entities: FIGEAC AÉRO, FGA Tunisie, FGA Picardie and FGA Saint Nazaire.
- the amount of R&D expenditure recognised: €11,733 thousand

The Group's R&D investment policy focuses on new machining systems (aerostructures and engines), material coatings, sheet metal processes and welding processes for aerospace parts.

In this area, FIGEAC AÉRO Group must prepare for the arrival of new products on the market and make use of the most cutting-edge technologies.

FIGEAC AÉRO Group's R&D expenditure is substantial. Over the last three years, this spending has averaged 5.9% of consolidated revenue. Its pro-active R&D policy in France entitles it to a research tax credit and significant subsidies (research tax credit of €2.1 million in 2018).

1.2.4 PROPERTY, PLANT AND EQUIPMENT

	Mar-19						Sept-19		
(€k)									
Property, plant and equipment	Start of period	Increase	Decrease	Change in accounting method - IFRS 16	Transfer from item to item	Translation adjustment	End of period	Notes	
Gross values									
Land	5,850	0	0	0	0	56	5,907		
Land - leases	0	40	0	6,939	0	13	6,992		
Buildings	77,641	188	0	0	376	720	78,925		
Buildings - leases	5,011	0	0	0	0	0	5,011		
Plant machinery, equipment and tools	126,825	8,113	-664	0	6,025	1,852	142,151		
Plant machinery, equipment and tools - leases	102,977	2,986	-46	0	0	5	105,921		
Fixtures, fittings	16,403	1,946	-19	0	571	165	19,067		
Transport equipment	429	32	0	0	0	1	462		
Transport equipment - leases	0	74	0	452	0	1	527		
Office and IT equipment	5,626	595	-11	0	0	138	6,347		
Office and IT equipment - leases	2	0	0	0	0	0	2		
Other property, plant and equipment	775	40	0	0	0	3	818		
Other property, plant and equipment - leases	0	244	0	1,499	0	0	1,744		
Plant, property and equipment in progress	17,876	9,105	-5,017	0	-6,679	119	15,405		
Advances/property, plant and equipment	2,085	61	0	0	-293	2	1,855		
Gross value of property, plant and equip.	361,501	23,425	-5,757	8,890	0	3,074	391,134		
Depreciation and amortisation									
Land – amort.	-728	-20	0	0	0	0	-748		
Land - leases – amort.	-87	-547	0	0	0	-1	-635		
Buildings – amort.	-18,353	-1,987	0	0	0	-126	-20,466		
Buildings - leases – amort.	-4,172	-274	0	0	0	0	-4,446		
Plant machinery, equipment & tools – amort.	-67,805	-8,343	276	0	0	-565	-76,437		
Plant machinery, equipment & tools - leases – amort.	-41,693	-5,939	26	0	0	-2	-47,608		
Fixtures, fittings – amort.	-7,658	-995	1	0	0	-45	-8,698		
Transport equipment – amort.	-338	-26	0	0	0	0	-364		
Transport equipment - leases – amort.	0	-120	0	0	0	0	-120		
Office and IT equipment – amort.	-3,925	-364	3	0	0	-79	-4,364		
Office and IT equipment - leases – amort.	0	0	0	0	0	0	0		
Other property, plant & equipment – amort.	-32	-49	0	0	0	-2	-82		
Other property, plant & equipment - leases – amort.	0	-224	0	0	0	0	-224		
Property, plant & equipment in progress – deprec.	0	0	0	0	0	0	0		
Advances/property, plant & equipment – deprec.	0	0	0	0	0	0	0		
Amort. & deprec. of property, plant & equip.	-144,790	-18,887	305	0	0	-820	-164,193		
Net values									
Land	5,123	-20	0	0	0	56	5,159	1	
Land - leases	-87	-507	0	6,939	0	12	6,357	1	
Buildings	59,287	-1,799	0	0	376	594	58,458	2	
Buildings - leases	840	-274	0	0	0	0	566	2	
Plant machinery, equipment and tools	59,021	-230	-388	0	6,025	1,287	65,714	3	
Plant machinery, equipment and tools - leases	61,284	-2,953	-21	0	0	3	58,314	3	
Fixtures, fittings	8,745	951	-18	0	571	120	10,369	4	
Transport equipment	91	6	0	0	0	0	97	4	
Transport equipment - leases	0	-46	0	452	0	1	406	4	
Office and IT equipment	1,701	231	-8	0	0	59	1,983	4	
Office and IT equipment - leases	2	0	0	0	0	0	2	4	
Other property, plant and equipment	743	-8	0	0	0	1	736	4	
Other property, plant and equipment - leases	0	20	0	1,499	0	0	1,520	4	
Plant, property and equipment in progress	17,876	9,105	-5,017	0	-6,679	119	15,405	3	
Advances/property, plant and equipment	2,085	61	0	0	-293	2	1,855	3	
Plant, property and equipment	216,711	4,538	-5,452	8,890	0	2,254	226,942		
Land	5,036						11,516		
Buildings	60,127						59,024		
Plant machinery	140,266						141,288		
Other property, plant and equipment	11,283						15,115		

Property, plant and equipment pledged as guarantees are described in detail in 1.2.24: “Off-balance sheet commitments” in the notes to the consolidated financial statements.

The largest acquisitions included:

- investments in the production equipment of the Group’s various entities, amounting to €20.2 million
- investments in various fixtures and fittings and in other fixed assets, amounting to €2.8 million

1.2.5 NON-CURRENT FINANCIAL ASSETS

(€k)		March-19	September-19		
Financial fixed assets	Start of period	Increase	Decrease	Translation adjustment	End of period
Gross values					
Non-consolidated investments	61	0	0	0	61
Loans and receivables at amortised cost	1,346	4	-31	1	1,320
Other financial fixed assets	2,165	73	-166	16	2,088
Gross financial fixed assets	3,572	77	-197	17	3,468
Impairment					
Other financial fixed assets - impairment	0	0	0	0	0
Impairment of financial fixed assets	0	0	0	0	0
Net values					
Non-consolidated investments	61				61
Loans and receivables at amortised cost	1,346	4	-31	1	1,320
Other financial fixed assets	2,165	73	-166	16	2,088
Financial fixed assets	3,572	77	-197	17	3,468

Non-consolidated investments are measured at fair value offset against other comprehensive income items.

Other financial fixed assets are measured at amortised cost.

The Group examined the values of other financial assets individually to determine whether there was a need to recognise impairment losses based on all the information available.

No significant impairment losses were recognised at 30 September 2019.

1.2.6 INVENTORY AND WORK IN PROGRESS

		March-19	September-19			
(€k)						
Inventory and work in progress	Start of period		Net change	Translation adjustment	Transfer from item to item	End of period
Gross values						
Inventories of raw materials	34,548	517	200	-1,027	34,238	
Inventories of other supplies	28,556	3,274	369	0	32,200	
Production and services in progress	64,449	6,349	459	0	71,256	
Inventories of finished goods	58,744	-1,708	91	1,027	58,154	
Inventory - gross value	186,297	8,432	1,119	0	195,848	
Provisions						
Inventories of raw materials - depreciation	-710	253	-2	0	-459	
Inventories of other supplies - depreciation	-28	-93	-3	0	-124	
Production and services in progress - depreciation	-2,198	-986	-2	0	-3,185	
Inventories of finished goods - depreciation	-5,089	-58	-4	0	-5,151	
Inventory - depreciation	-8,025	-883	-11	0	-8,919	
Net values						
Inventories of raw materials	33,837	771	198	-1,027	33,779	
Inventories of other supplies	28,528	3,181	366	0	32,076	
Production and services in progress	62,251	5,363	457	0	68,071	
Inventories of finished goods	53,655	-1,766	87	1,027	53,004	
Inventory and work in progress	178,272	7,550	1,108	0	186,930	

The gross value of inventories increased by €8.4 million (excluding translation adjustments) in the first half of 2019/20 versus +€2.2 million in the period running from 1 April 2018 to 30 September 2018. Measured in days of revenue, inventories corresponded to 159 days of revenue (as was the case at 31 March 2019).

1.2.7 TRADE AND OTHER RECEIVABLES

A breakdown of **trade and other current receivables** is provided in the table below:

(€k)	March-19		September-19	
	Start of period	End of period	< 1 year	
Advances & down-payments paid on orders	428	990	990	
Trade and other receivables	85,150	68,161	68,161	
Other receivables	16,706	33,990	33,990	
Tax receivables	6,231	10,540	10,540	
Prepaid expenses	3,594	3,881	3,881	
TOTAL	112,109	117,563	117,563	

The Group sells trade receivables to a factoring company.

At 30 September 2019, trade receivables transferred to the factoring company amounted to €48.5 million versus €46.8 million at 31 March 2019.

After the contractual terms were renegotiated, in the first half-year only those sales involving the transfer of rights to future cash flows from receivables and the transfer of almost of all the risks and benefits associated with ownership of receivables (payment default, risk of late payment and other reasons) resulted in the derecognition of these assets from the balance sheet to the tune of €14.4 million.

At 30 September 2019, the payment schedule for net trade receivables was as follows:

(€k)	September-19			
	End of period	< 6 months	6 months - 12 months	> 12 months
Trade and other receivables	68,161	64,589	1,711	1,861
TOTAL	68,161	64,589	1,711	1,861

No significant **losses on bad debts** were recognised during this or the previous financial year.

1.2.8 CASH, CASH EQUIVALENTS AND FINANCIAL INSTRUMENTS AT FAIR VALUE

1.2.8.1 CASH AND CASH EQUIVALENTS

Changes in this item were as follows:

	March-19	September-19	
(€k)			
Cash and cash equivalents	Start of period	End of period	Change
Marketable securities	115	100	-15
Available cash	122,302	119,833	-2,469
Bank overdrafts	-2,669	-8,272	-5,603
Total cash and cash equivalents	119,749	111,662	-8,087

	March-19	September-19	
	Start of period	End of period	Change
Outstanding invoices	-46,798	-34,143	12,655
Changes in exchange rates			-380
TOTAL	-46,798	-34,143	12,275

Bank facilities are included as “Financial liabilities < 1 year” in Current Liabilities. Bank facilities consist primarily of the collateralisation of a portion of the trade receivables portfolio through factoring.

Changes in cash and cash equivalents during the financial year are explained in 1.1.10 “Consolidated cash flow statement”.

1.2.8.2 FINANCIAL INSTRUMENTS

These consist primarily of the currency hedging instruments presented in the table below:

In thousands of euros (excluding tax effect), cumulative effect	Sept-19		Mar-19		Change
	Fair value recognised in OCI	Fair value recognised in profit or loss	Fair value recognised in OCI	Fair value recognised in profit or loss	OCI
FX forward contracts and swaps	-1,918		1,445		-3,363
Options	-960	-2,211	-981	-936	21
Accumulators		-16,872		-13,343	0
TARFs					0
Faders					0
Total	-2,878	-19,083	464	-14,279	-3,342

€k	
Interest rate swap	93

In thousands of euros (excluding tax effect)	Sept-19	Mar-19
Impact on income (loss) for the period	-4,804	-8,661



A breakdown of financial instruments is presented in the table below:

€k	30/09/2019	31/03/2019
Currency hedging	-21,962	-16,141
Interest rate hedging	-311	-218
MTM of ORNANE	-143	-851
Total	-22,416	-17,210

Most of the hedging instruments subscribed by the FIGEAC AÉRO Group are "trading" instruments not eligible for hedge accounting. Their fair value is thus recorded directly in the income statement.

For financial instruments classified as "cash-flow hedges" (currency futures and certain options), hedging instruments are measured at their fair value in the balance sheet offset against:

- shareholders' equity for the effective portion of the hedge until the hedged cash flows affect profit or loss;
- the financial income statement for the ineffective portion.

In thousands of euros	Sept-19	Mar-19
<i>Shareholders' equity - hedging instruments at year start</i>	<i>1,212</i>	<i>10,268</i>
Fair value adjustment of the effective portion	-4,304	-14,912
Reclassification in the income statement	961	1,788
Declassification of held-for-trading contracts - reversed into income		
Tax effect on changes during the financial year	1,036	4,068
<i>Shareholders' equity - hedging instruments at year end</i>	<i>-1,094</i>	<i>1,212</i>

A reclassification via the income statement involves an adjustment to revenues.

- (1) When hedged items have an impact on income for a given financial year, the deferred amounts in shareholders' equity are subject to reclassification.

1.2.9 DEFERRED TAXES

(€k)	March-19	September-19
	Start of period	End of period
Deferred taxes		
Deferred tax assets	8,750	14,792
Deferred tax liabilities	-14,649	-15,788
Deferred taxes at start of period	-5,899	-996
Deferred tax income (expense) for the period	845	1,833
Change in deferred taxes recognised in shareholders' equity	4,082	1,036
Other	-24	-9
Deferred taxes at end of period	-996	1,863
of which deferred tax assets	14,792	19,890
of which deferred tax liabilities	-15,788	-18,027

Deferred tax assets are recognised when their recovery is likely. Tax losses or temporary differences must be charged to future taxable profits. Deferred tax assets are reduced when it is no longer likely that sufficient taxable profit will become available.

(€k)	March-19	September-19
	Start of period	End of period
Analysis of deferred taxes		
Accelerated depreciation	-198	-198
Leases	-3,838	-4,404
Employee benefits	647	648
Valuation of tax losses carried forward	702	2,003
Tax timing differences	36	36
IFRIC 21	0	0
Subsidies	87	130
Construction contracts	926	379
Financial instruments	4,350	6,904
ORNANE	-1,881	-1,803
Revaluation of Groupe Auvergne	-1,706	-1,567
Other	-120	-265
Net deferred tax liabilities	-996	1,863

1.2.10 FINANCIAL ASSETS AND LIABILITIES

The Group distinguishes between three categories of financial instruments according to the effects their characteristics have on the valuation method used and on which it bases its presentation of some of the information required under IFRS 13:

- Level 1 category, ‘market price’’: financial instruments that are listed on an active market;
- Level 2 category, ‘model with observable inputs’’: financial instruments measured using valuation techniques based on observable inputs;
- Level 3 category, ‘model with unobservable inputs’’: financial instruments measured using valuation techniques based for all or part on unobservable inputs; an unobservable input being defined as an input whose value is the result of assumptions or correlations that are based neither on transaction prices observable in markets for the same instrument on the valuation date, nor on observable market data available on the same date.

1.2.10.1 FINANCIAL ASSETS

The table below shows the book value of financial assets by category.

Fair value is identical to the value recognised in the consolidated financial statements with respect to all financial assets.

(€k)

Financial assets	Loans and receivables at amortised cost	Financial assets at fair value through profit or loss	Derivatives designated as hedging instruments	Total at 30/09/2019
Non-current financial assets	3,468			3,468
Financial instruments	0	0		0
Trade and other receivables	68,161			68,161
Other current assets	33,995			33,995
Cash and cash equivalents	119,833	100		119,933
Total financial assets	225,457	100	0	225,557

(€k)

Financial assets	Level 1	Level 2	Level 3	Fair value
Cash and cash equivalents	100			100
Derivative financial instruments		0		0

At 31 March 2019, financial assets at fair value were classified as follows:

(€k)

Financial assets	Loans and receivables at amortised cost	Financial assets at fair value through profit or loss	Derivatives designated as hedging instruments	Total at 31/03/2019	of which assets measured at fair value
Non-current financial assets	3,572			3,572	
Financial instruments	0	2,326		2,326	
Trade and other receivables	85,150			85,150	
Other current assets	26,959			26,959	
Cash and cash equivalents	122,302	115		122,418	115
Total financial assets	237,983	2,441	0	240,425	115

(€k)

Financial assets	Level 1	Level 2	Level 3	Fair value
Cash and cash equivalents	115			115
Derivative financial instruments		2,326		2,326

1.2.10.2 FINANCIAL LIABILITIES

The table below shows the book value of financial liabilities by category:

(€k)

Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives designated as hedging instruments	Other financial liabilities at amortised cost	30-09-19	Fair value
Loans from credit institutions (1)			295,246	295,246	295,246
Borrowings - finance leases			63,670	63,670	63,670
Repayable advances			23,119	23,119	23,119
Other financial liabilities			9,975	9,975	9,975
Factoring			34,143	34,143	34,143
Derivative financial instruments (2)	22,416			22,416	22,416
Trade and other payables			126,740	126,740	126,740
TOTAL FINANCIAL LIABILITIES	22,416	0	552,893	575,309	575,309

	Level 1	Level 2	Level 3	Fair value
Derivative financial instruments		22,416		

(*) Fair value is close to the value recognised in the consolidated financial statements with respect to financial liabilities

(1) o/w €93,640 thousand concerns the ORNANE bond component

(2) €143 thousand represents the fair value of the derivative component of the ORNANE bond at 30 September 2019



At 31 March 2019, financial liabilities at fair value were classified as follows:

(€k)

Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives designated as hedging instruments	Other financial liabilities at amortised cost	31-03-19	Fair value
Loans from credit institutions (1)			267,401	267,401	267,401
Borrowings - finance leases			60,534	60,534	60,534
Repayable advances			22,946	22,946	22,946
Other financial liabilities			5,221	5,221	5,221
Factoring			46,798	46,798	46,798
Derivative financial instruments (2)	16,360		851	17,211	17,211
Trade and other payables			134,445	134,445	134,445
TOTAL FINANCIAL LIABILITIES	16,360	0	538,196	554,556	554,556

	Level 1	Level 2	Level 3	Fair value
Derivative financial instruments		17,211		

(1) o/w €93,080 thousand concerns the ORNANE bond component

(2) €851 thousand represents the fair value of the derivative component of the ORNANE bond at 31 March 2019

Fair value is close to the value recognised in the consolidated financial statements with respect to financial liabilities.

	Level 1	Level 2	Level 3	Fair value
Derivative financial instruments		22,416		

1.2.11 FINANCIAL DEBT

Financial debt breaks down as follows by type of credit and by maturity:

March-19

September-19

(€k)

Financial liabilities	Start of period	September-19								
		Increase	Decrease	Change in accounting method	First-time consolidation	Other movements	End of period	< 1 year	1 to 5 years	> 5 years
Loans from credit institutions	267,401	35,238	-10,425	0		3,032	295,246	31,937	245,598	17,711
Borrowings - finance leases	60,534	3,345	-9,159	8,890		60	63,670	17,271	35,362	11,037
Repayable advances	22,946	391	-218	0		0	23,119	5,858	17,261	0
Total	350,881	38,974	-19,802	8,890	0	3,092	382,035	55,066	298,221	28,748

(€k)		March-19		September-19					
Other financial liabilities	Start of period	Increase	Decrease	First-time consolidation	Other movements	End of period	< 1 year	1 to 5 years	> 5 years
Other financial liabilities	2,669	5,603	0	0	0	8,272	8,272	0	0
Other liabilities	2,552	0	-849	0	0	1,703	0	1,703	0
Total	5,221	5,603	-849	0	0	9,975	8,272	1,703	0

Bank loans and overdrafts are generally granted for a term of one year and are renewable in the middle of a financial year. They are impacted by the amount of trade receivables financing (Daily assignments, discounted bills not yet due, factoring): €8.2 million at 30 September 2019 versus €2.6 million at 31 March 2019.

The breakdown of debt between fixed rate and variable rate was as follows:

€k	30/09/2019			31/03/2019		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Loans from credit institutions	145,354	149,892	295,246	145,232	122,169	267,401
Other debt	9,975	0	9,975	2,552	0	2,552
Finance lease liabilities	62,815	855	63,670	58,885	1,649	60,534
Bank lending and overdrafts	0	8,272	8,272	0	2,669	2,669
Factoring	0	34,143	34,143	0	46,798	46,798
TOTAL	218,144	193,162	411,306	206,669	173,285	379,954
Percentage of total	53%	47%		61%	39%	

The Group arranged interest rate hedges to protect it against a sharp rise in the benchmark index. The amount of capital thus guaranteed was €57.4 million, i.e. 30% of the amount of variable-rate debt.

All covenants on bank loans and overdrafts must be audited at the end of each half-year period. They apply to 30.38% of borrowings, i.e. €112.18 million.



Covenants at 30 September 2019 are described in the table below:

Loans subject to a covenant				Covenant		Compliance (3)
Category (1)	Year of subscription	Balance at 30/09/2019 in €k	Final maturity	Ratios	Calculation basis (2)	30-Sep-19
<u>Loans</u>						
L	2,018	95,637	July 2024	Net debt / Ebitda < 4	CFS	C
L	2,019	26,545	June 2025	Net debt / Ebitda < 3.85	CFS	C
				Ebitda / debt servicing > 1.15	CFS	C
				Annualised free cash flow > 0	CFS	C
				Net debt / Equity < 1.5	CFS	C
				Cash > €75m		
Total		122,182				

L = Loan

CFS = Consolidated financial statements

C = Compliant

NC = Non compliant

Covenant ratios were complied with at 31 March 2019.

The guarantees given on loans and financial debt are listed in 1.2.25: "Guarantees on assets" in the Notes to the consolidated financial statements.

1.2.12 SHAREHOLDERS' EQUITY

The Group's primary objective in terms of managing its share capital is to maintain a balance between shareholders' equity and debt in order to support its business activity and increase shareholder value.

To maintain or adjust the structure of its shareholders' equity, the Group may propose to pay out dividends to shareholders or carry out further capital increases.

The main ratio monitored by the Group to manage its shareholders' equity is the debt/equity ratio.

The objectives, policies and procedures for managing share capital remain unchanged.

The number of shares changed over the period as follows:

	Number	Par value
Shares outstanding at the start of the period	31,839,473	0.12
Shares outstanding at the end of the period	31,839,473	0.12

At 30 September 2019, the share capital consisted of 31,839 473 shares, of which 24,042,172 had double voting rights. The par value of one share stood at €0.12.

1.2.13 EARNINGS PER SHARE

1.2.13.1 BASIC EARNINGS PER SHARE

At 30 September 2019, basic earnings per share were calculated on the basis of consolidated income for the period attributable to Group shareholders. The elements used in the calculation are as follows:

	March 2019	September 2019 6 months
(€)		
	Start of period	End of period
<i>Consolidated income attributable to Group shareholders</i>	<i>10,844,000</i>	<i>-588,102</i>
Weighted average number of shares	31,839,473	31,839,473
Treasury shares held at end of period	266,369	410,078
<i>Weighted average number of shares</i>	<i>31,573,104</i>	<i>31,429,395</i>
<i>Basic earnings per share</i>	<i>0.34</i>	<i>- 0.02</i>

Number of treasury shares:	September-19
Liquidity contract	76,655
Share buyback plan	333,423
<i>Total number of treasury shares</i>	<i>410,078</i>

1.2.13.2 DILUTED EARNINGS PER SHARE

Diluted earnings per share at 30 September 2019 were calculated based on consolidated income for the period attributable to Group shareholders adjusted for the impact of stock option plans. The weighted average number of potential ordinary shares for the period was 31,429,395.

	March 2019	September 2019
(€)		
	Start of period	End of period
Weighted average number of potential shares		
Weighted average number of ordinary shares	31,573,104	31,429,395
Impact of stock option plans	0	0
TOTAL	31,573,104	31,429,395
<i>Diluted earnings per share</i>	<i>0.34</i>	<i>- 0.02</i>

1.2.14 PROVISIONS

The change in provisions was as follows:

Provisions	Start of period	September 2019					End of period
		Allocations	Reversals used	Reversals not used	Translation adjustment	Change in consolidation scope	
Provision for litigation	1,363	330	0	0	7	0	1,700
Provision for loss-making contracts	3,411	0	-289	0	0	0	3,122
Provision for pension liabilities	2,087	65	0	0	0	0	2,152
Other provisions	384	0	-2	0	5	0	387
Total provisions	7,245	395	-291	0	12	0	7,361

Other non-current provisions mainly consisted of:

- Provisions for labour litigation: €1,700 thousand
- Provisions for tax litigation: €237 thousand
- Other provisions: €150 thousand
- Provisions for loss-making contracts: €3,122 thousand

With the IAS 11 model for assessing provisions for construction contract losses having been withdrawn, and in the absence of any specific provisions in IFRS 15, the Group has chosen to set aside provisions for loss-making customer contracts according to the general model stipulated in IAS 37 applicable to onerous contracts. Provisions set aside correspond to the surplus of unavoidable costs over and above the economic benefits expected from the contract.

EMPLOYEE BENEFITS: provisions for retirement and service awards

Pursuant to IAS 19 "Employee benefits", the purpose of the provision for pensions recognised as liabilities in the balance sheet is to record the pension benefits of employees vesting at the end of the period. The full amount of pension liabilities is provisioned and not hedged by dedicated plan assets.

At 30 September 2019, provisions for pensions and other long-term employee benefits increased by €66 thousand to **€2,152 thousand**. This increase in provisions corresponded to:

- service costs: €129 thousand
- financial costs: €18 thousand
- actuarial gains or losses: -€81 thousand

The actuarial gain or loss recognised in OCI (other comprehensive income items) was the result of a change in:

- the discount rate of 0.47% (1.04% at 31 March 2019)

The other assumptions used in the calculations remained unchanged:

- a retirement age of 67
- an average salary increase rate of 1.5%
- mortality table: INSEE 2018

Age	20 years	30 years	40 years	50 years	60 years	65 years
Men's mortality table	99,285	98,624	97,600	95,224	89,275	84,313
Women's mortality table	99,471	99,242	98,787	97,532	94,604	92,274



- a low or high staff turnover rate depending on the company and employee status (manager or non-manager):

Age	20 years	30 years	40 years	50 years	60 years	65 years
Low turnover rate	8.38%	7.70%	5.22%	5.43%	3.99%	0.00%
High turnover rate	22.33%	11.50%	6.38%	10.29%	5.44%	0.00%

A sensitivity analysis of changes in the discount rate shows that:

- a change of +0.5% in the discount rate would have a positive impact of €202 thousand on provisions;
- a change of <0.5%> in the discount rate would have a negative impact of <€183 thousand> on provisions.

Provisions for pension liabilities stood at:

	30/09/2019	31/03/2019
- For all the Group's French subsidiaries	€2,152 thousand	€2,086 thousand

1.2.15 OTHER CURRENT DEBT

A breakdown of **other current debt** is provided in the table below:

	March 2019	September 2019	
(€k)		End of period	< 1 year
Other current debt	Start of period		
Trade payables	89,708	91,964	91,964
Liabilities on fixed assets and related accounts	2,434	1,918	1,918
Trade and other payables	92,142	93,882	93,882
Advances and down-payments received on orders	1,056	886	886
Social security liabilities	21,408	20,042	20,042
Other current liabilities	3,855	3,011	3,011
Other current liabilities	26,319	23,939	23,939
Tax liabilities	14,654	8,918	8,918
TOTAL	133,115	126,740	126,740

1.2.16 REVENUE

September 2018		September 2019	
By business segment	End of period	End of period	Change
Manufacturing of structural parts for the aerospace industry	174,731	196,065	12.21%
General engineering and heavy sheet metal manufacturing	7,746	8,665	11.87%
On-site assembly	4,753	4,492	-5.49%
Machining and surface treatment	14,789	15,260	3.19%
TOTAL	202,018	224,483	11%

September 2018		September 2019	
By region	End of period	End of period	Change
FRANCE	155,537	188,506	21.20%
EXPORT	46,481	35,977	-22.60%
ALL REGIONS	202,018	224,483	11%

1.2.17 BUSINESS SEGMENTS

In accordance with IFRS 8, the information provided by business segment is based on Management's approach, meaning the manner in which Management allocates resources depending on how well the different segments perform. The Group presents information on four segments which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies. Operations performed in each of the segments presented are summarised as follows:

- the aerostructures segment: manufacturing of structural parts for the aerospace industry, including the Auvergne Aéronautique entity;
- the assembly segment: on-site and workshop assembly of aerospace sub-assemblies;
- the general engineering and heavy sheet metal manufacturing segment, including the TOFER workshop;
- the precision machining and surface treatment segment.



In September 2019, the key indicators for each business segment were as follows:

		September 2019							
(€k)									
BUSINESS SEGMENTS	TOTAL	Aerostructures	%	On-site assembly	%	Precision machining and surface treatment	%	General engineering and sheet metal manufacturing	%
Revenue	224,483	196,066	87.34%	4,492	2.00%	15,260	6.80%	8,665	3.86%
Other income from operations	2,062	1,988	96.41%	31	1.50%	0	0.00%	43	2.09%
Change in inventories of finished products and WIP	2,570	114	4.44%	13	0.51%	676	26.30%	1,767	68.75%
Cost of goods used	-119,089	-108,461	91.08%	-494	0.41%	-5,278	4.43%	-4,856	4.08%
Personnel expenses	-52,074	-38,779	74.47%	-2,978	5.72%	-6,898	13.25%	-3,419	6.57%
External expenses	-19,183	-15,027	78.33%	-480	2.50%	-2,142	11.17%	-1,534	8.00%
Taxes and duties	-2,748	-2,174	79.11%	-96	3.49%	-236	8.59%	-242	8.81%
Depreciation and amortisation	-21,335	-18,932	88.74%	-396	1.86%	-1,477	6.92%	-529	2.48%
Net provisions	-1,037	-1,082	104.34%			-39	3.76%	84	-8.10%
Current operating income	13,649	13,713	100.47%	92	0.67%	-134	-0.98%	-21	-0.15%
	6.08%	6.99%		2.05%		-0.88%		-0.24%	
Other operating income	406	395	97.29%	0	0.00%	11	2.71%	0	0.00%
Other operating expenses	-1,502	-1,388	92.41%	-29	1.93%	-84	5.59%	-1	0.07%
Operating income	12,553	12,720	101.33%	63	0.50%	-207	-1.65%	-22	-0.18%
Realised financial gains / losses	-4,828	-4,565	94.55%	-10	0.21%	-202	4.18%	-51	1.06%
Unrealised financial gains / losses	-4,208	-4,208	100.00%	0	0.00%	0	0.00%	0	0.00%
Net income (loss) for the period	-580	-151	26.03%	53	-9.14%	-409	70.52%	-73	12.59%
	-0.26%	-0.08%		1.18%		-2.68%		-0.84%	
Total intangible fixed assets	125,000	119,197	95.36%	72	0.06%	3,668	2.93%	2,064	1.65%
Total property, plant and equipment	226,942	189,859	83.66%	4,314	1.90%	27,397	12.07%	5,372	2.37%
Financial fixed assets	3,468	3,213	92.65%	10	0.28%	133	3.85%	112	3.22%
Total fixed assets	355,410	312,269	87.86%	4,395	1.24%	31,198	8.78%	7,548	2.12%
Inventory and work in progress	186,930	164,518	88.01%	873	0.47%	15,365	8.22%	6,173	3.30%
Trade and other receivables	102,156	137,178	134.28%	-2,024	-1.98%	-31,052	-30.40%	-1,946	-1.90%
Trade and other payables	135,306	115,738	85.54%	2,313	1.71%	8,135	6.01%	9,120	6.74%
Financial debt	382,035	372,375	97.47%	2,255	0.59%	4,686	1.23%	2,719	0.71%

In September 2018, the key indicators for each business segment were as follows:

(€k)

BUSINESS SEGMENTS	TOTAL	Aerostructures	%	On-site assembly	%	Precision machining and surface treatment	%	General engineering and sheet metal manufacturing	%
Revenue	202,018	174,732	86.50%	4,753	2.35%	14,788	7.32%	7,745	3.83%
Other income from operations	1,819	1,765	97.04%	24	1.33%	1	0.06%	29	1.57%
Change in inventories of finished products and WIP	8,427	7,155	84.90%	-56	-0.66%	36	0.43%	1,292	15.33%
Cost of goods used	-113,001	-103,183	91.31%	-570	0.50%	-4,821	4.27%	-4,427	3.92%
Personnel expenses	-48,472	-35,185	72.58%	-3,217	6.64%	-6,693	13.81%	-3,377	6.97%
External expenses	-14,501	-11,539	79.58%	-488	3.36%	-1,513	10.43%	-961	6.63%
Taxes and duties	-2,256	-1,743	77.26%	-107	4.75%	-163	7.24%	-243	10.75%
Depreciation and amortisation	-17,025	-15,399	90.45%	-229	1.34%	-1,022	6.00%	-375	2.21%
Net provisions	-20	32	-158.45%	0	0.00%	69	-345.89%	-121	604.34%
Current operating income	16,990	16,636	97.91%	110	0.65%	684	4.03%	-440	-2.59%
	8.41%	9.52%		2.31%		4.63%		-5.68%	
Other operating income	511	349	88.27%	104	7.53%	0	0.00%	58	4.20%
Other operating expenses	-322	-258	98.32%	0	0.00%	0	-2.80%	-65	4.48%
Operating income	17,179	16,733	97.41%	213	1.24%	799	4.65%	-566	-3.30%
Realised financial gains / losses	-5,123	-4,824	95.69%	-55	0.79%	-174	2.51%	-70	1.01%
Unrealised financial gains / losses	-387	-387	100.00%	0	0.00%	0	0.00%	0	0.00%
Net income (loss) for the period	8,996	8,848	18.33%	148	1.03%	606	6.74%	-606	-6.73%
	4.45%	5.06%		3.11%		4.10%		-7.82%	
Total intangible fixed assets	102,068	95,389	93.46%	103	0.10%	2,697	2.64%	3,879	3.80%
Total property, plant and equipment	212,966	179,140	84.12%	4,367	2.05%	24,950	11.72%	4,509	2.11%
Total financial fixed assets	2,968	2,730	91.98%	2	0.07%	163	5.49%	73	2.46%
Total fixed assets	318,002	277,259	87.19%	4,472	1.41%	27,810	8.75%	8,461	2.65%
Inventories and work in progress	176,738	160,201	90.64%	915	0.52%	10,476	5.93%	5,146	2.91%
Trade and other receivables (1)	122,019	107,907	88.43%	2,745	2.25%	6,746	5.53%	4,621	3.79%
Trade and other payables	-132,342	-115,886	87.57%	-3,258	2.46%	-6,311	4.77%	-6,887	5.20%
Financial debt	-371,597	-361,343	97.24%	-2,422	0.65%	-4,094	1.10%	-3,738	1.01%

1.2.18 INCOME TAX

A breakdown of the Group's **income tax** is as follows:

	March-19	September-19
(€k)		
Corporate income tax	Start of period	End of period
Tax due	2,488	238
Change in deferred taxes	-845	-1,833
Apprenticeship tax credit	0	0
Provisions for tax	104	55
Net tax expense	1,747	-1,541

The parent company, FIGEAC AÉRO, has established a tax consolidation agreement with FGA Picardie.

The table below explains the taxes shown in the consolidated financial statements.

Deferred taxes are described in 1.2.9: "Deferred tax" of the notes to the consolidated financial statements.

	Sep-19
(€k)	
€ thousands	End of period
Income (loss) of consolidated companies before income tax and goodwill amortisation	-580
Income tax rate applicable to the parent company	31.00%
Theoretical tax expense	-180
Effective income tax expense	-1,541
DIFFERENCE BETWEEN THEORETICAL / EFFECTIVE INCOME TAX	1,361
Impact of rates applicable to foreign subsidiaries that differ to the French tax rate	410
Unactivated tax losses	-1,048
Activated tax losses	1,301
Impact of permanent differences	
Tax credits (CICE & CIR)	999
Other items that are non-deductible / non-taxable locally	
Impact of differences in tax rates	100
Other	-401
TOTAL	1,361

1.2.19 NOTE ON OTHER INCOME FROM OPERATIONS

Other income from operations is shown in the table below:

(€k)

Other income from operations	September 2018	September 2019	Change
Other income from operations	1,819	2,062	13%
Research tax credit	1,692	1,892	11.82%
Operating subsidies	109	60	-44.95%
Other income from operations	18	110	116.36%
Total	1,819	2,062	13%

1.2.20 NOTE ON OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are shown in the table below:

(€k)

Other operating income and expenses	September 2018	September 2019
Other operating income	511	406
Disposal of asset components	0	0
Other non-recurring income	511	329
Reversals of provisions for non-recurring risks and charges	0	77
Total	511	406
Other operating expenses	-322	1,502
Allocations for non-recurring risks and charges	0	831
NBV of asset sales	-143	315
Other non-recurring expenses	-179	356
Total	-322	1,502

Breakdown of operating expenses in 2019:

- Provisions for labour and tax litigation and other impairments: €831 thousand
-
- One-off adjustment: €70 thousand
- Other operating items: €216 thousand

1.2.21 NOTE ON THE COST OF NET DEBT

The cost of debt is shown in the table below:

(€k)

Cost of debt	September 2018	September 2019
Interest and financial expenses	4,709	4,871
of which interest on borrowings	2,605	3,282
Other financial income	-73	-44
Cost of net debt	-4,636	-4,828

Interest expenses incurred on the ORNANE (bond redeemable in cash and/or new and/or existing shares) had an impact of €0.96 million on the financial statements at 30/09/2019.

1.2.22 RELATED PARTY TRANSACTIONS

Related parties of the FIGEAC AÉRO Group are defined in accordance with IAS 24 and are presented below with details of the transactions carried out during the 2019 financial year.

Related parties are defined as such due to the equity investments made by Jean Claude Maillard in MP Usicap and Avantis Engineering.

1.2.22.1 WITH MP USICAP

Permanent services cover the following areas:
 - machining services for aerospace parts,
 - legal, accounting and administrative assistance.

The 30 September 2019 **figures** are as follows:

(€k)

	Purchases excl. tax	Trade payables	Sales excl. tax	Trade receivables
Transactions with related parties	2,009	-717	47	35

1.2.22.2 WITH AVANTIS ENGINEERING

Permanent services cover the following areas:
 - programming services for production equipment,
 - sub-assembly study services.



The 30 September 2019 figures are as follows:

(€k)

	Purchases excl. tax	Trade payables	Sales excl. tax	Trade receivables
Transactions with related parties	450	42	0	0

1.2.22.3 WITH THE SUBSIDIARIES

These are companies included in the Group's consolidation scope.

Transactions with subsidiaries are entirely eliminated from the consolidated financial statements, as are all transactions between fully consolidated Group entities. These can be of different types:

- purchase or sale of goods and services,
- leasing of premises,
- transfer of research and development,
- purchase or sale of non-current assets,
- management fees,
- current accounts,
- loans.

1.2.22.4 WITH SENIOR EXECUTIVES

These relate to compensation paid to corporate officers of FIGEAC AÉRO S.A.:

By Figeac Aéro:

€	September 2019	March 2019
Compensation of corporate officers		
Of which		
Fixed	74,400	102,000
Variable		
Exceptional		
Benefits in kind (company car)	1,064	2,146
Other remuneration of non-executive corporate officers		
Directors' fees		30,000
Total	75,464	134,146

To date, there are no stock option or share buyback plans underway at FIGEAC AÉRO S.A. or at the Group's other entities.

1.2.23 WORKFORCE

	March 2019	September 2019
In number of employees	Start of period	End of period
Headcount - France	1,967	1,806
Headcount - outside France	1,487	1,416
TOTAL	3,454	3,222



A breakdown of the workforce by business segment at 30 September 2019 is as follows:

In number of employees	Managers	Non-managers	Total
Aerostructures	320	2,427	2,747
On-site assembly	8	103	111
Machining and surface treatment	31	211	242
General engineering and sheet metal manufacturing	20	102	122
TOTAL	379	2,843	3,222

1.2.24 OFF-BALANCE SHEET COMMITMENTS

Commitments received:

(€k)	Mar-19		Sep-19	
	Start of period	End of period	Start of period	End of period
€k				
<u>Commitments received</u>				
BPI France guarantee	60,009	60,773	60,009	60,773
TOTAL	60,009	60,773	60,009	60,773

A commitment to inject \$7 million of capital into NANSHAN FIGEAC AÉRO INDUSTRY.

Asset guarantees:

(€k)	March-19				September-19			
	FIGEAC AERO	MECABRIVE	SCI REMSI	MTI	FIGEAC AERO	MECABRIVE	SCI REMSI	MTI
Investments in consolidated companies	1,400	0	0	0	1,200	0	0	0
Pledged trade receivables	0	0	0	0	0	0	0	0
Pledged tax credits (CIR & CICE)	2,299	476	0	0	2,299	476	0	0
Pledged inventories	0	0	0	0	0	0	0	0
Other pledged receivables	0	0	0	1,038	0	0	0	1,038
Pledged equipment	0	0	0	0	0	0	0	0
Mortgages/Pledges (land/buildings)	18,727	0	2,385	0	18,045	0	2,220	0
TOTAL	22,426	476	2,385	1,038	21,544	476	2,220	1,038

The above information does not cover:

- outstanding finance leases which are covered in 1.2.11: "Financial debt" in the Notes to the consolidated financial statements;
- loan interest payments which are covered in 1.2.11: "Financial debt" in the Notes to the consolidated financial statements;
- commitments to forward sales of currencies and interest rate swaps, which are covered in 1.2. 8 "Financial instruments at fair value through profit or loss" in the Notes to the consolidated financial statements.



1.2.25 RISK FACTORS

No new risks were identified in the half year; all existing risks are described in the annual report at 31 March 2019 (see Note 1.2.26.4 “Operational risks”).

1.2.26 SUBSEQUENT EVENTS

The company held an investors day on 21 November to present the Group’s strategic changes planned for the 2021/24 period, with a particular focus on improving its financial aggregates:

- a ROCE¹ target of over 10%, and
- deleveraging towards a Net Debt/EBITDA target of 2.5x (at constant exchange rates).

1 ROCE: current operating income – taxes / total intangible and tangible fixed assets + working capital requirement