



LE PARTENAIRE
**DES GRANDS INDUSTRIELS
DE L'AÉRONAUTIQUE**



52nd INTERNATIONAL PARIS AIR SHOW
LE BOURGET | 52^e SALON INTERNATIONAL
DE L'AÉRONAUTIQUE ET DE L'ESPACE
PARIS LE BOURGET
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FIGEAC AÉRO Group

A player at the heart of the value chain

ENGINE EQUIPMENT MANUFACTURERS



MANUFACTURERS



AIRBUS



SUB-CONTRACTING

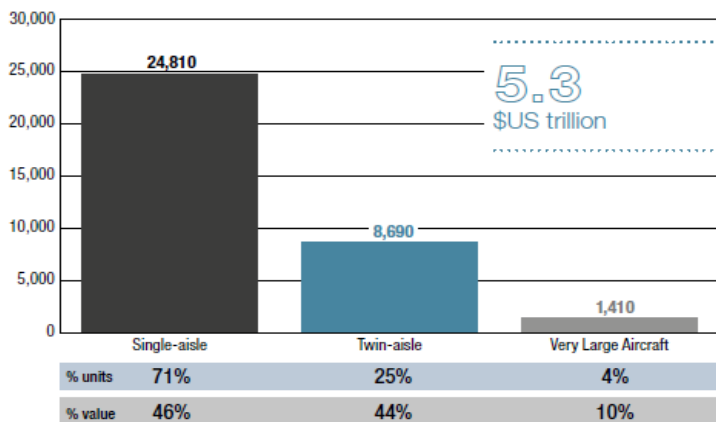
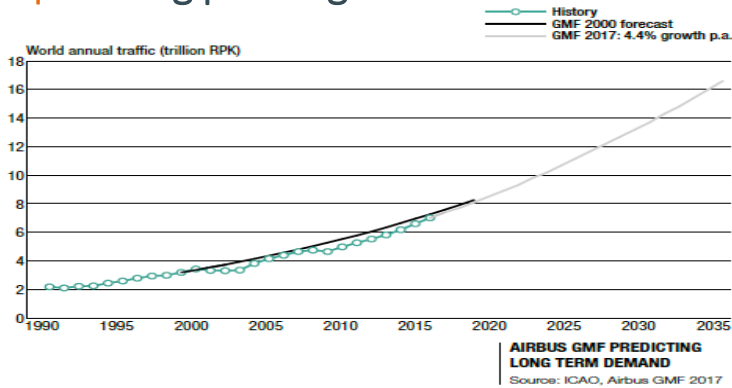


SUB-ASSEMBLERS



In an expanding market

Strong passenger-air-traffic demand



20-YEAR NEW DELIVERIES OF PASSENGER AND FREIGHTER AIRCRAFT: 34,900 UNITS

Source: Airbus GMF 2017
Rounded figures to the nearest 10

Figeac Aero, a pure aerospace player, is the second largest in Europe

Production

#1 in France¹

#2 in Europe¹

Located in 5 countries

More than 3,000 employees

3 main players Europe¹

#1

asco

#2

FIGEAC AERO GROUPE

#3

MECACHROME

(1) Source: the Company, based on 2014 turnover figures (Asco: €412M, Mecachrome: €335M – Aeronautics + Automotive)

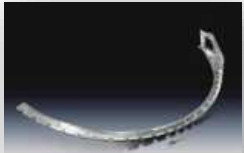
34,900 aircraft (+ 100 seats) to be delivered over 20 years

N°1 in France / N°2 in Europe

Structural parts

Aluminium

Hard metals



26 mm



26 m



Components

Engine

Precision



Sheet metal work

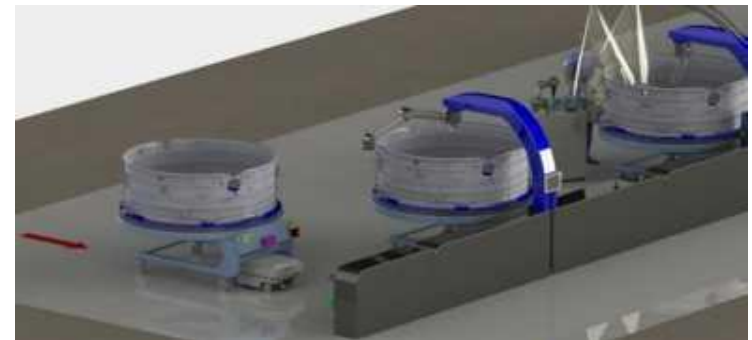
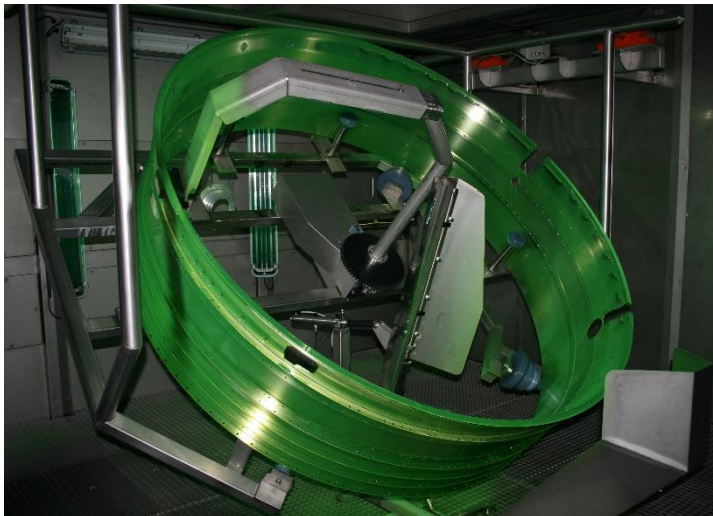


Assembly

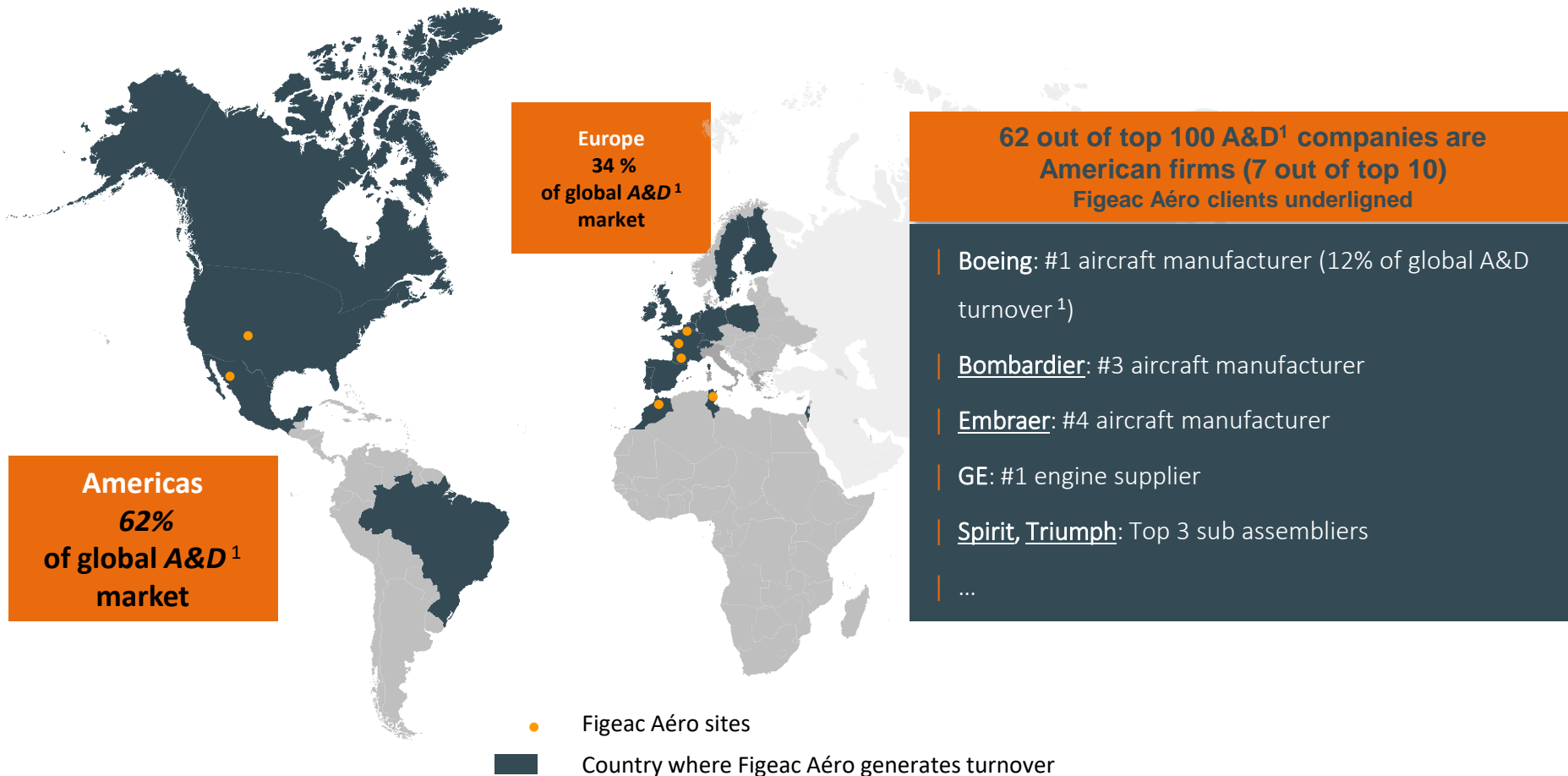


Awarded the "Factory of the Future Showcase" label

- | Dedicated to the LEAP contract (Long Term Agreement valued at USD 500 million)
- | €37 million investment in a 7,500 m², robotised and fully connected plant delivering optimised costs and reducing cycles from 10 weeks to 10 days



Figeac Aéro has started to duplicate on the American continent (60%+ of global Aerospace & Defense market) what made it successful in Europe

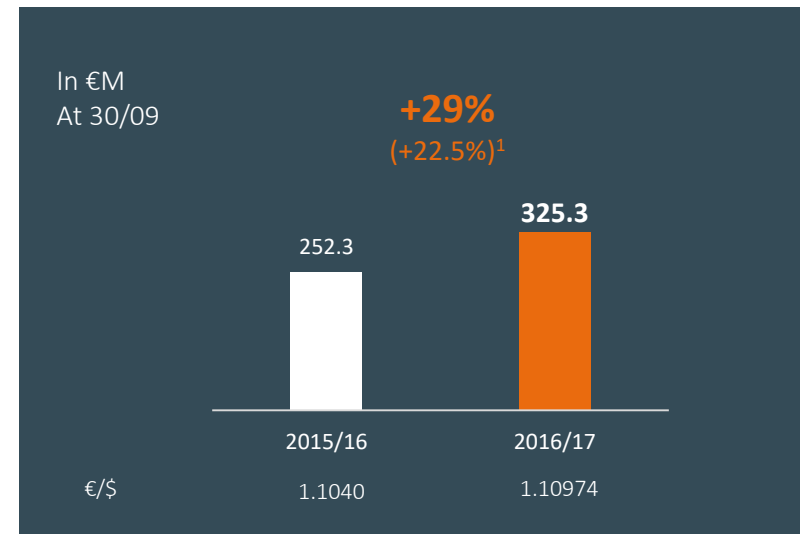




2016/2017 highlights

2016/17: record business growth of +29%

- | A business dynamic in line with the development plan
- | Acceleration of growth dynamic over Q4: +33.8%
- | Aerostructures: +32.9% and on-site assembly: +65%
- | Auvergne Aéro 2016/17 revenue €14.8



¹ at constant scope and exchange rates

A good commercial dynamic



| A contract valued at **US\$16M**

Production of titanium structural engine parts

Delivery

- | 2017: first parts
- | 2022: full capacity

TIER 1 SUPPLIERS



| 1 "Long-term agreement" contract

Complete production of aerospace parts > up to 10 metres long



BOEING 777X

Biggest contract in the Group's history

Production

Sub-assemblies

Aerostructure parts: small, medium and large-sized aluminum and titanium mechanical components

Main programmes concerned

Airbus A350 XWB

Boeing B737, B747-8, B767 and B777

Production sites concerned

France

Morocco

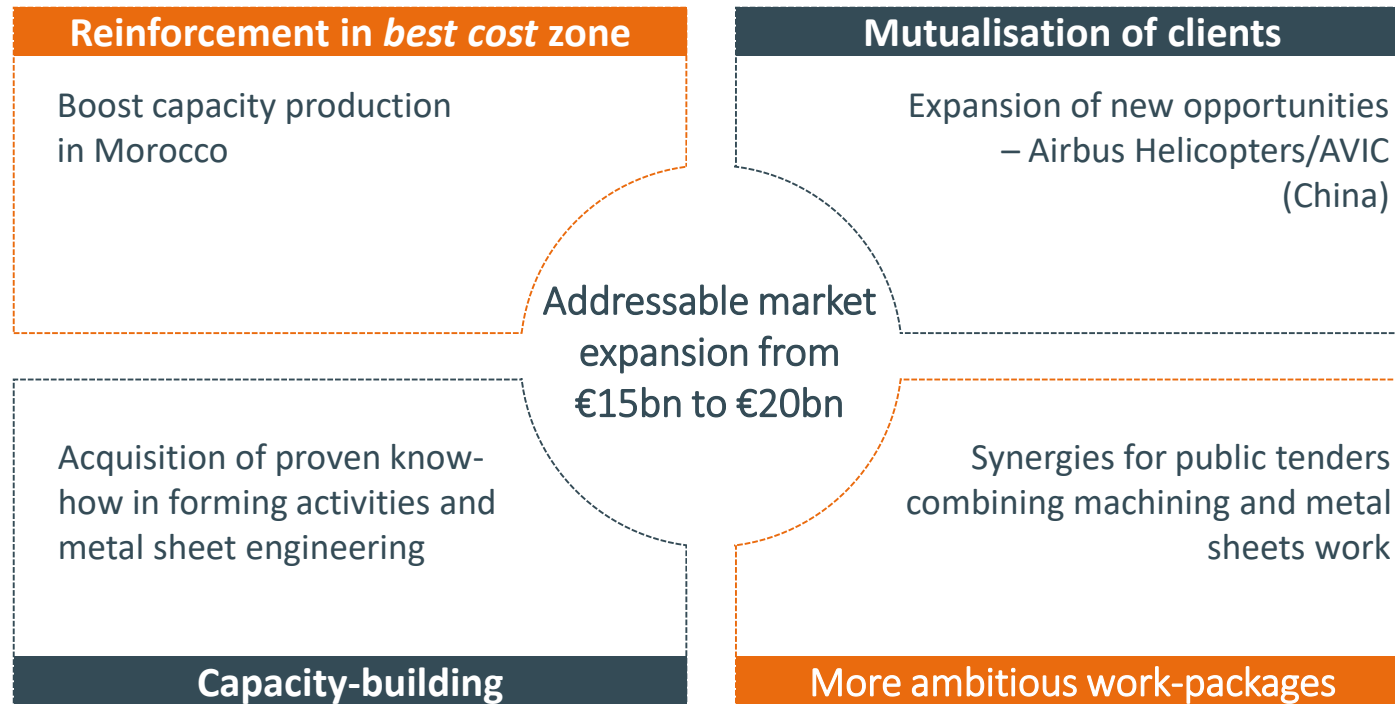
Tunisia

Wichita



FULLY CONTRIBUTION TO GROUP 2019/2020 REVENUE

Acquisition of Auvergne Aéro Group



CURRENTLY BECOMING THE EUROPEAN LEADER IN AEROSPACE SUB-CONTRACTING

The keys to growth



Renewing the top management team and taking over 97% of its employees



Reorganisation of production with synergies among certain business units



Streamlining of purchases and production costs



Support for a Best Cost site already under operation and profitable with integrated surface treatment



Investment of €5M over the next 3 years



Auvergne Aéro benefits from the Group's commercial dynamic



Outlook and strategy



2020 targets: robust growth with EBITDA margin¹ maintained at current levels

Change in revenue growth



2017
revenue
+35%



1: EBITDA = earnings before interest + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type
2: Average annual growth rate

Position and objectives for Auvergne Aéronautique

Contribution of Auvergne Aéronautique (estimated revenue and EBITDA)

at 31 March, in €M



1: Auvergne Aéro integrated at prorata temporis as of 25 November 2016

Drivers to improve cash flow

Industrial partnership with Bodycote plc for thermal treatment and welding operations

WCR improvement of €5.4 million/year from 2018

Insourcing of surface treatment function

WCR improvement of 1.5 to 2 weeks of revenue from 2018

Set-up of the new integrated plant dedicated to LEAP housing units

WCR improvement of €5 million at full capacity

New Business Line for the A380

WCR improvement across all BLs equivalent to 1 week of revenue from 2017

TARGET: POSITIVE FREE CASH FLOW IN 2019

Lever 1: Industrial excellence

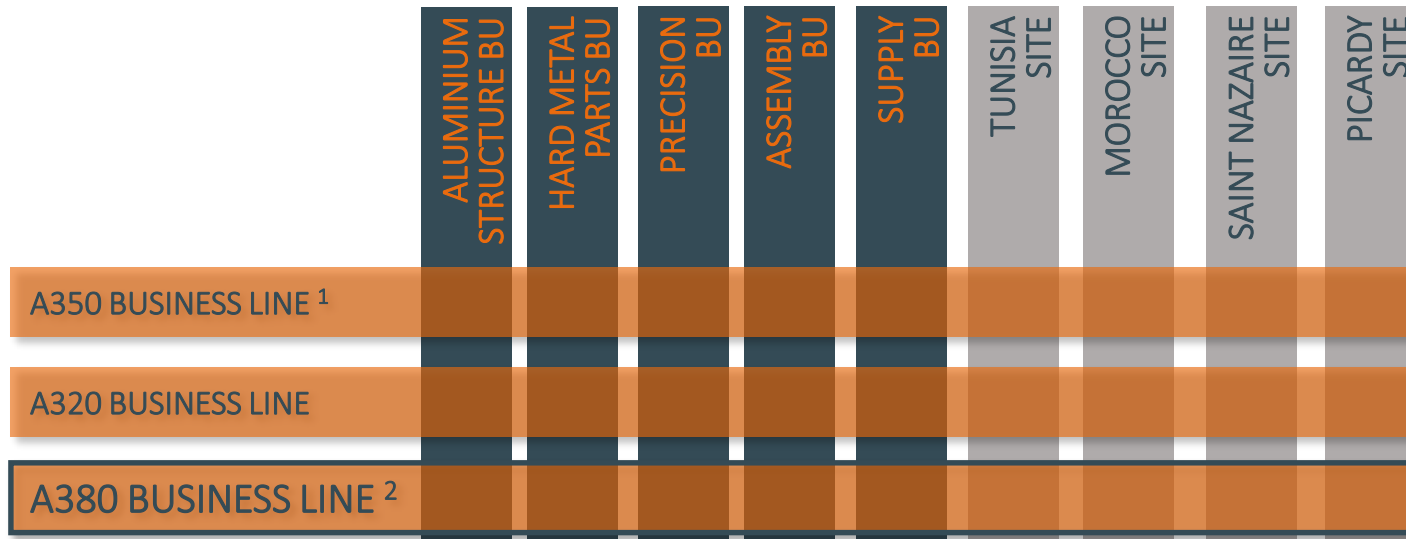


- | Bring large-dimension SNK aluminium structure machines on stream (the fastest machines on the market)
- | Carnaghi unit to come on stream: delivery of six LEAP housing units per week
- | Bring large-dimension hard metal machining machines on stream (the most powerful machines on the market)
- | Customer-driven industrial management of production and the supply chain
- | New assembly workshop: the best way of adopting the Lean Management approach

Industrial performance in the period 2016 to 2018

Since 2016, the roll-out of cross-functional Business Lines addressing major aerospace programs, coordinated in the different Business Units

Optimised management of cross-sector fields in the Group, improved synchronisation of operations between sites and BUs



Significant impact of OTD and ramp-up on control of WCR

¹: established in May 2016
²: established in September 2016

BL: Business Line
 BU: Business Unit

Lever 2: Close customer relations

Greater production capacities in key aerospace regions

SAINT NAZAIRE

3rd largest aerospace hub in France

- | A Long-Term Agreement valued at USD 60 million with Spirit Aerosystems for the A350
- | Develop production of sub-assemblies
- | Become the benchmark aerospace subcontractor



MEAULTE

Working closely with STELIA Aerospace

- | Intensification of the site's activity following signature of the memorandum of understanding with Stelia Aerospace, valued at nearly USD 400 million (Long-Term Agreement)



Lever 3: Competitiveness

Development projects in *best cost* and dollar regions

BEST COST REGION

Tunisia

- Acquisition of 30,000 m² of land: Start-up of hard metal machining and non-destructive testing activity
- Acquisition of PECISS: accelerated industrialisation process

Morocco

- Consolidation of the Auvergne Aéro subsidiary
- Almost 500 employees in Morocco

DOLLAR REGION

Figeac Wichita, American centre of excellence

- Workforce: X3 in 2 years
- Significant productivity gains
- 4 machines in production for machining

Figeac Mexico: Dreamliner B787

- Investments totalling €20 million in the long term
- 4 machines already in production
- 3,000 m² operational in August 2016
- Committed deliveries



First-half 2016/2017 results

*Financial statements approved by the Board of Directors' meeting on 23 December 2016
A limited review of these financial statements has been conducted by the Statutory Auditors*

H1 2016/2017: Highlights

A new period of growth

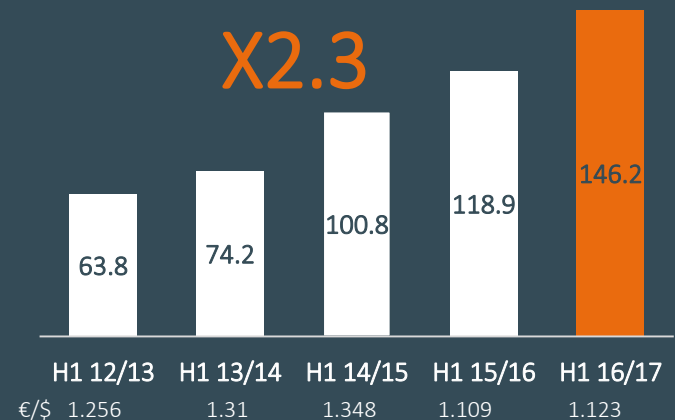
- H1 2016/2017 revenue up 23% (up 24% at constant exchange rates)
- Business volume reflects the slowdown in the production rate (A350, A380 and 7X)

Profitability remains high, with an EBITDA margin¹ of 23%, or €33 million, despite:

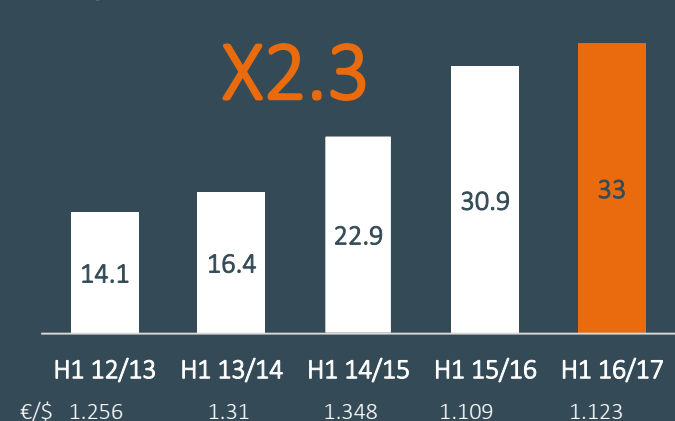
- An unfavourable base effect in the US zone due to non-recurring billing
- Activity in Morocco in start-up phase
- An oil crisis impact for our MTI subsidiary
- An adverse foreign exchange impact of 0.5 pt
- A negative one-time adjustment of €2.8 million related to the revision of margin on completion

¹ EBITDA = current operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

Change in H1 Revenue - In € millions



Change in H1 EBITDA¹ - In € millions



H1 2016/2017: Highlights

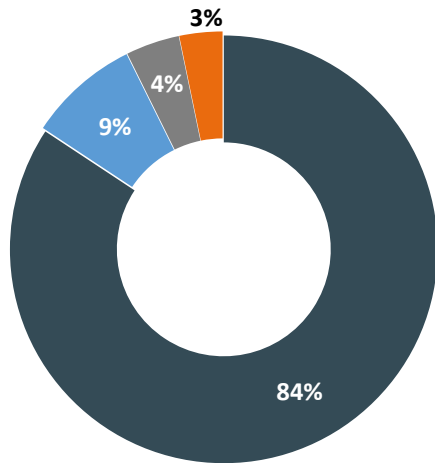
- | An exceptional provision of €5.2 million due to the revision of the margin on completion of certain contracts
- | COI excl. non-recurring items: €20.9 million representing 14.3% of revenue, an improvement of €1.1 million

In K€ - IFRS	30/09/2016	30/09/2015
Current operating income (COI)	15,614	19,719
Non-recurring items COI impact	5,263	0
COI excl. non-recurring items	20,877	19,719
<i>In % of revenue</i>	14.3%	16.6%

¹ EBITDA = current operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

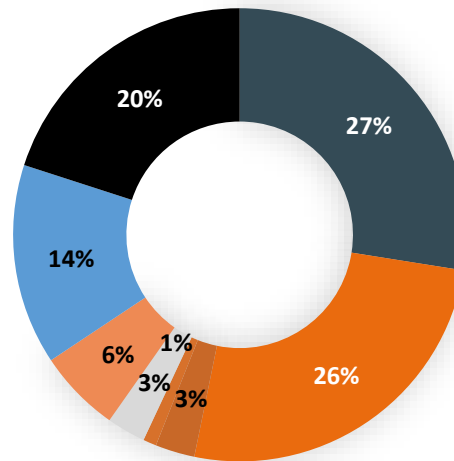
H1 2016/2017 revenue rose 23% to €146.2 million

Revenue by business line



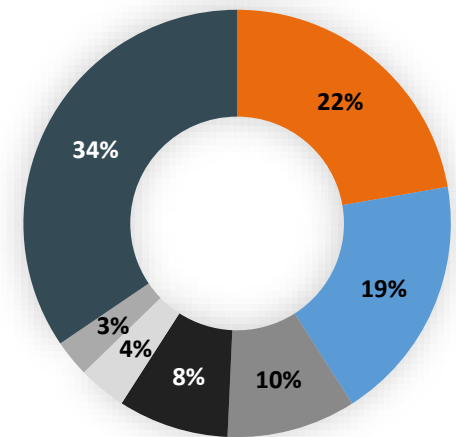
- Aerostructure
- Machining and surface treatment
- General engineering and forming activities
- On site assembly

Revenue by program



- A350
- Other Airbus programs
- CF 34
- CAMERON
- BOEING
- Engine programs
- Other aerostructure programs
- Various

Revenue by customer



- STELIA
- AIRBUS
- Safran group
- Spirit France
- Latécoère
- Triumph Aero
- Other customers

H1 2016/2017

Investment and financial structure

We are pursuing our investment policy for a total of €49 million:

- New machining process (aerostructure and engines)
- Construction of six buildings spanning 23,000 m²:
 - Three covering an area of 14,000 m² at FIGEAC
 - Purchase of one 1,500 m² building from MTI
 - Construction of one machining building in Wichita (USA)
 - Construction FGA Mexico
- 13 new machines (machining and turning/milling)

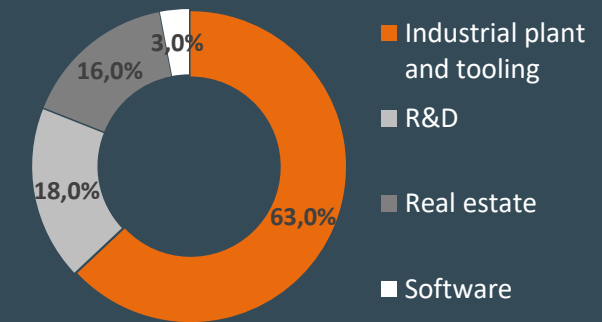
Although increased to reflect capital expenditure and growth, net debt remains under control

Ratio of net debt² to corrected EBITDA¹:
2.26x vs. 2.47x in H1 2015/2016

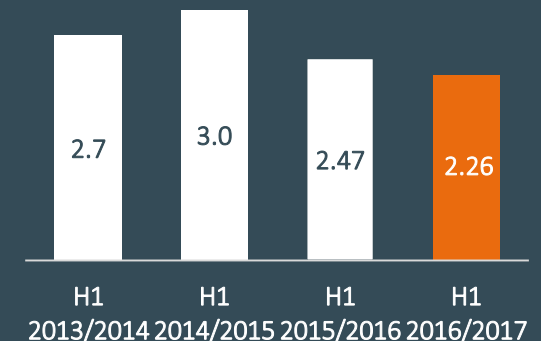
¹ EBITDA = earnings before interest + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

²: net debt, see slide 17

Breakdown of investments in H1 2016/2017



Change in ratio of net debt²/EBITDA¹



H1 2016/2017

Simplified income statement

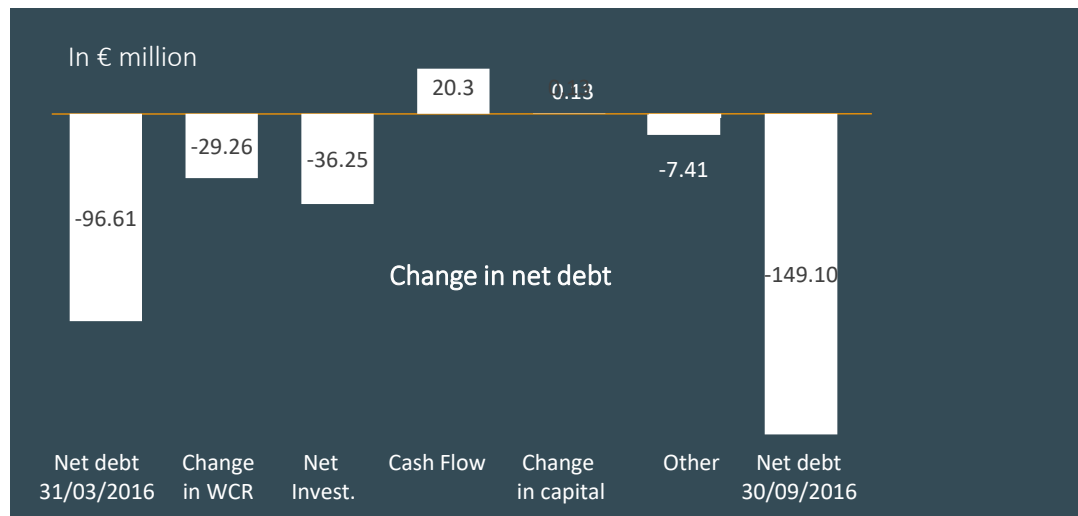
In €K - IFRS	30/09/2016	30/09/2015	
Revenue ¹	146,234	118,930	
corrected ³ EBITDA ²	32,996	30,869	
<i>Corrected EBITDA/revenue</i>	22.6%	26.0%	The EBITDA supported a negative one-time adjustment of €2.8 million relating to the revision of margin on completion and an adverse foreign exchange impact of 0.5 pt
EBITDA	31,873	30,869	
<i>EBITDA/revenue</i>	21.8%	26.0%	
Current operating income	15,614	19,719	
<i>COI/revenue</i>	10.7%	16.6%	COI excl. non-recurring items (€5.3 million) of € 20.9 million, representing 14.3% of revenue
Operating income	15,637	19,003	
Cost of net financial debt	(2,062)	(1,667)	
Foreign exchange gains and losses	(10,809)	(8,462)	
Unrealized gains and losses on financial instruments	16,394	22,267	The after-tax impact of foreign exchange income was
Realized other financial charges and income	(257)	(23)	+€9.2 million in H1 2015 compared to +€3.4 million in H1 2016
Income tax expense	(5,795)	(10,069)	
Net income (Group share)	13,016	21,048	
Net income attributable to non controlling interests	93	77	

¹ 2016/2017 revenue is calculated using the average monthly EUR/USD rate of 1.1230 for the period, and 2015/2016 revenue is calculated using the average monthly EUR/USD rate of 1.109 for the period

²: EBITDA = current income + depreciation and amortisation + net provisions

³: before the breakdown of R&D expenses capitalised by the Group by type

Financial structure



Improved gearing and net debt/corrected EBITDA² ratio

In € thousands

	30/09/15	30/09/16
Shareholders' equity with mark to market (MTM) ¹	85,985	196,818
Shareholders' equity restated for MTM	118,335	209,800
Net financial liabilities	152,817	149,099
Gearing	1.78	0.76
Gearing restated for MTM	1.29	0.71
Net debt/corrected EBITDA ²	2.47	2.26

¹: shareholders' equity after eliminating the impact of the value of financial instruments (restated in accordance with IAS 39 with no impact on cash)

²: Corrected EBITDA = earnings before interest + depreciation and amortisation + net provisions, before the breakdown of R&D expenses capitalised by the Group by type

Simplified balance sheet

€ thousands, IFRS	30/09/2016	31/03/2016	30/09/2015
Fixed assets	184,602	152,280	127,512
Other non-current assets (1)	3,179	6,024	3,311
Inventories	198,503	180,592	158,461
Trade receivables	65,792	60,431	61,145
Tax receivables	5,158	5,163	2,926
Other current assets	16,197	10,138	11,207
Cash and cash equivalents	53,771	101,834	9,357
TOTAL ASSETS	527,202	516,461	373,920
Shareholders' equity	196,818	184,011	85,985
Non-current financial liabilities	124,584	124,886	115,029
Non-current liabilities (2)	53,638	60,140	64,498
Short term borrowings	41,711	40,995	31,511
Current portion of financial liabilities	36,921	32,560	15,634
Trade payables and related accounts	49,678	50,253	39,994
Current liabilities (3)	23,851	23,617	21,270
TOTAL EQUITY AND LIABILITIES	527,202	516,461	373,920

- (1) *Equity investments + deferred taxes + financial instruments + other financial assets + other non-current assets.*
- (2) *Other provisions + deferred taxes + provisions for retirement + financial instruments + other non-current liabilities + non-current portion of deferred income*
- (3) *Fiscal liabilities + tax liabilities + financial instruments + other current liabilities + derivatives income.*

H1 2016/2017

Simplified cash flow statement

€ thousands, IFRS	30/09/2016	31/03/2016	30/09/2015
Cash flow before borrowings costs and taxes	20,337	39,564	21,345
Changes in working capital requirements	(29,258)	(38,695)	(28,315)
Net cash flow from operating activities	(9,021)	869	(6,970)
Net cash flow related to investment activities	(36,248)	(52,912)	(24,854)
Capital increases and subsidies received	125	85,079	1,280
Changes in loans and repayable advances	(3,555)	23,537	4,093
Net cash flow from finance activities	(3,431)	108,616	5,373
Other changes			
Change in cash flows	-48,700	56,573	-26,450
Net cash position	12,060	60,838	-22,153

Significant capital expenditure and working capital requirements
to meet 2020 targets



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