



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

**LARGE & MIDCAP EVENT
4 & 5 OCTOBER 2017**



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FIGEAC AÉRO Group

A player at the heart of the value chain

ENGINE EQUIPMENT MANUFACTURERS



MANUFACTURERS



AIRBUS



SUB-CONTRACTING

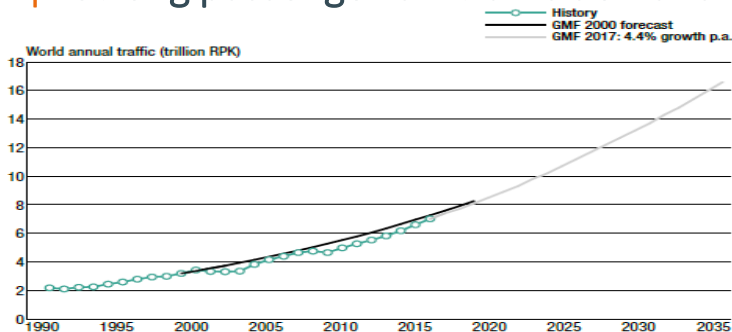


SUB-ASSEMBLERS

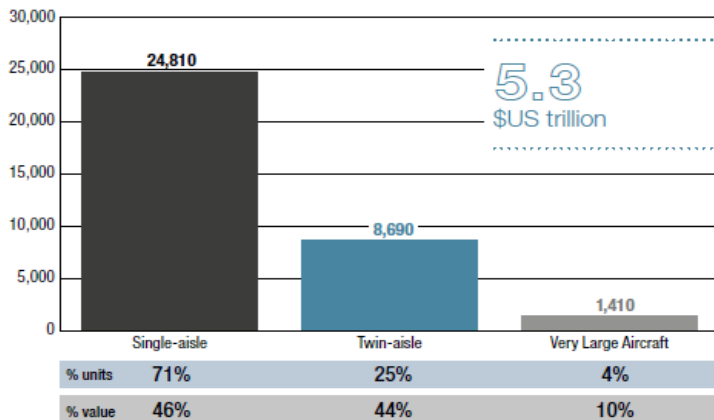


In an expanding market

Strong passenger-air-traffic demand



AIRBUS GMF PREDICTING LONG TERM DEMAND
Source: ICAO, Airbus GMF 2017



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

Source: Airbus GMF 2017
Rounded figures to the nearest 10



Figec Aero is a pure aeronautics player, No. 2 in Europe

Production

#1 in France¹

#2 in Europe¹

Located in 5 countries

> 3,000 employees

3 main players in Europe¹

#1



#2



#3



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

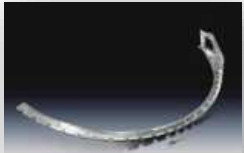
34,900 aircraft (>100 seats) to be delivered over 20 years

1 in France / # 2 in Europe

Structural parts

Aluminium

Hard metals



26 mm



26 m



Parts

Motors

Precision



Sheet metal parts



Assembly





Highlights

A good commercial dynamic



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

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 > more than 10 metres long



BOEING 777X

Record contract for the Group



Production

Programmes

Production sites

Sub-assemblies

Airbus A350 XWB

France

Boeing B737, B747-8, B767 and
B777

Morocco

Small, medium and large
aluminium and titanium
parts

Tunisia

Wichita

FULL CONTRIBUTION TO REVENUE IN 2019/2020

Figeac Aéro selected on all versions of the E-Jets E2 program



- | «Long term agreement» contract valued at US\$300 M
- | Production of large-sized aluminum and titanium components

E175-E2

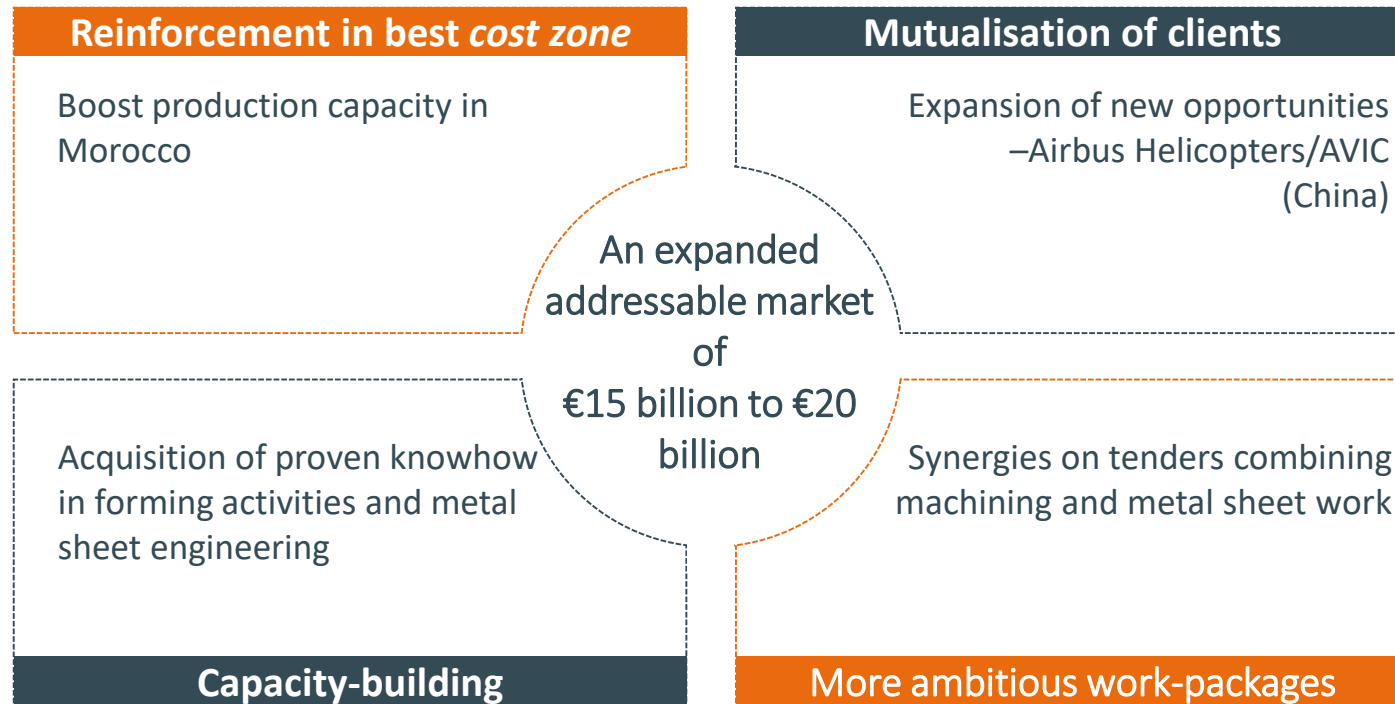
E190-E2

E195-E2



PRODUCTION AT FULL CAPACITY BY 2020

Acquisition of Auvergne Aéro Group



CURRENTLY BECOMING THE EUROPEAN LEADER IN AEROSPACE SUB-CONTRACTING

The keys to growth



New top management
and 97% of employees taken on



Reorganisation of production, with synergies
between 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 €5 M for the next 3 years



Auvergne Aéro benefits from the Group's commercial dynamic

New contract on the A320neo program



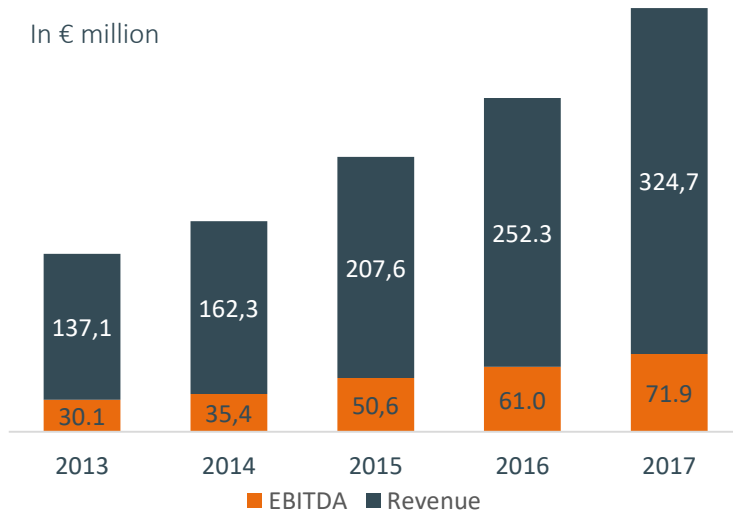
- | Contract valued at US\$21 M over 3 years
- | Manufacture of titanium metal sheet parts
- | Production at the Aulnat site





Outlook and strategy

Value-creating development



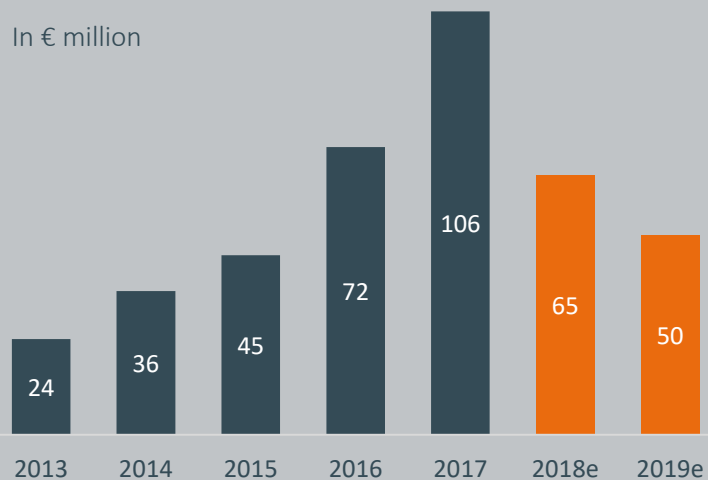
Contract gains announced over the last four years

Amount

SAFRAN: LEAP, CFM	US\$540 M
LATECOERE: 787	
Embraer: E-Jet E2	US\$300 M
SAFRAN: landing gear	€16 M
STELIA: A320/A350/Bombardier G7000/8000	US\$400 M
ROLLS-ROYCE – engine	US\$16 M
IAI – B777X	
SPIRIT AERO – A350, B737, B747-8, B767, B777	> US\$600 M
AIRBUS: A320neo	US\$21 M

Investments aimed at securing industrial excellence

In € million



Saint Nazaire

Wichita

Factory of the Future + Figeac extension

Morocco

Mexico

Auvergne Aéro



2020 targets: robust growth with EBITDA¹ margin maintained at current levels

Change in revenue growth



1: EBITDA = recurring operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type
2: Average annual growth rate
3: 2017/18 revenue is calculated using the average monthly EUR/USD rate of 1.10 for the period, and 2016/17 revenue is calculated using the average monthly EUR/USD rate of 1.129 for the period
4: Based on a euro/dollar exchange rate of 1.18

Target of positive free cash flow in 2019

Maintenance of the EBITDA margin

Reduction in capex

2018e: ± €65 million

2019e: < €50 million

Gain of 60 days on WCR

from construction contract inventories

from inventories of raw materials through a better expression of needs

from inventories of finished goods through the in-sourcing of surface treatment

2019: Positive FCF



Appendices

2016/17 Highlights

Record business growth

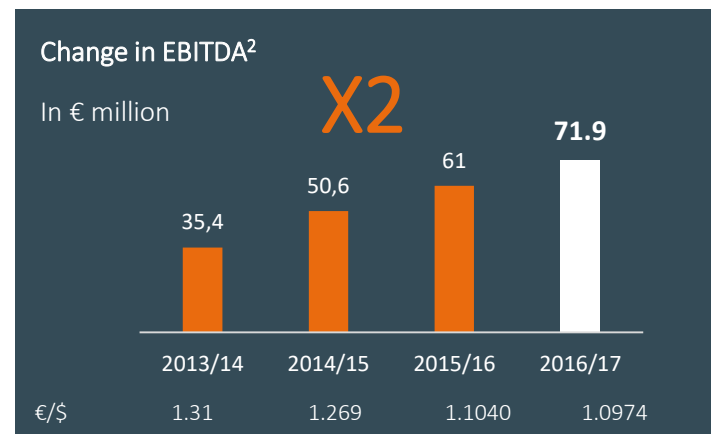
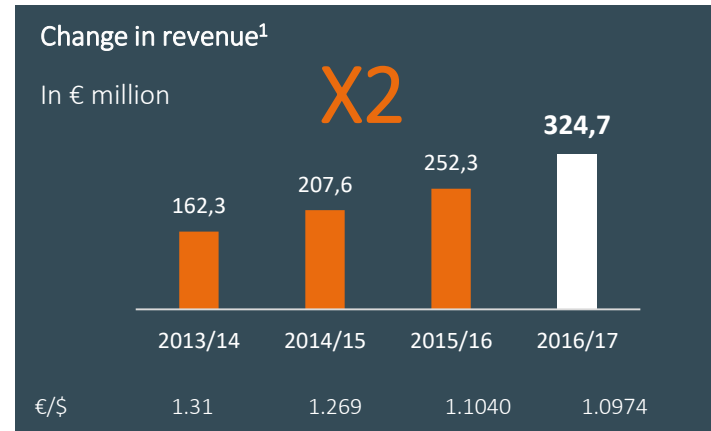
- Consolidated revenue totalled €324.7 million, up 29% (+22.5% at constant scope and exchange rates)
- Growth driven by Aerostructures (+32.9%, +25.2% at constant exchange rate) and on-site assembly activity up 65%
- Auvergne Aéro delivered revenue of €14.8 million, beating targets
- An unequaled level of business despite slower production on some programmes (A380, F7X, Embraer Legacy, Gulfstream G280 and G650), and slower-than-expected ramp-ups for new programmes

Profitability remains high for the 6th consecutive year

- Corrected EBITDA² of €71.9 million, or 22.1% of revenue
- Recurring operating income: €43 million, up 12.7%

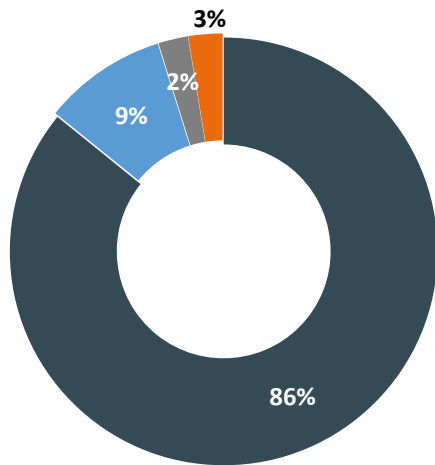
¹ 2016/17 revenue is calculated using the average monthly EUR/USD rate of 1.1230 for the period, and 2015/16 revenue is calculated using the average monthly EUR/USD rate of 1.109 for the period.

² EBITDA = recurring operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type



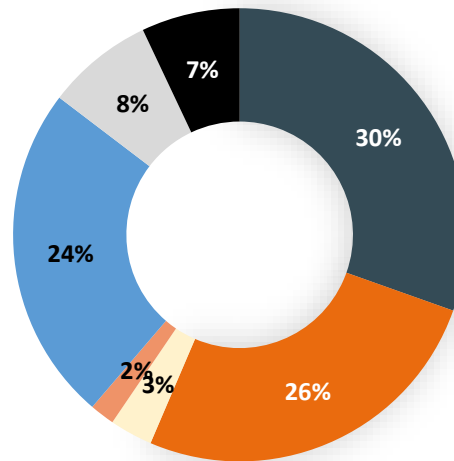
2016/17: revenue of €324.7 million

Revenue by business line



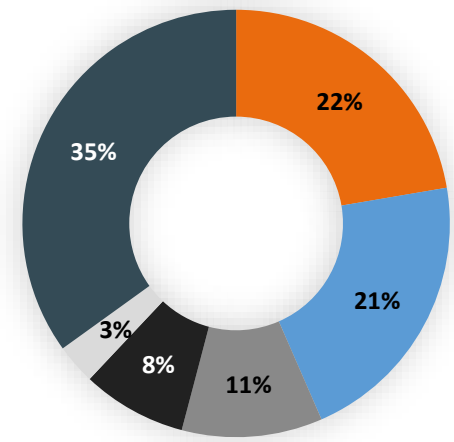
- Aerostructures
- Machining and surface treatment
- General engineering and forming activities
- Assembly on site

Revenue by program



- A350
- Other Airbus programs
- Boeing programmes
- LEAP
- Other aerostructure programs
- Other engine programmes
- Other

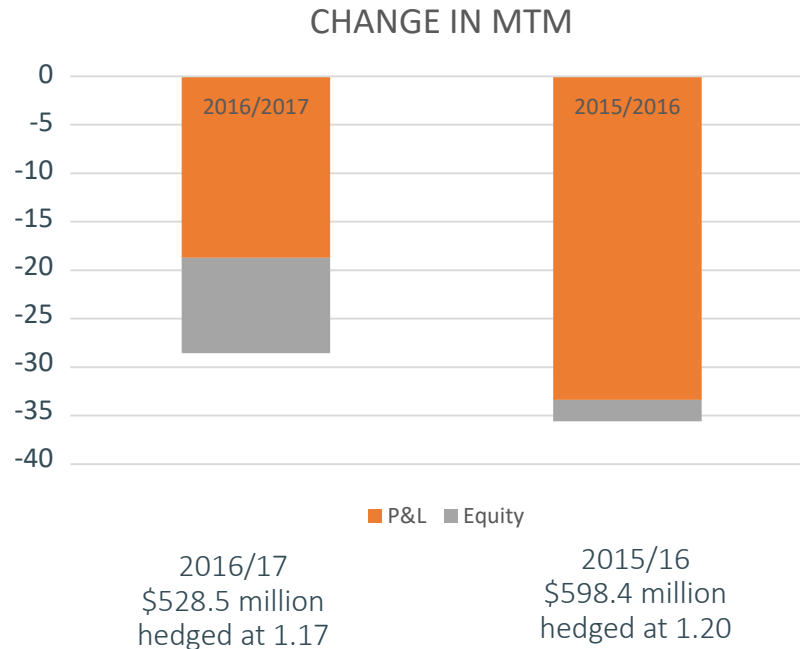
Revenue by customer



- STELIA
- AIRBUS
- Safran group
- Spirit France
- TRIUMPH Aerostructures
- Other customers

2016/17: change in marked-to-market

Mark To Market (MTM) generated by the Group's currency hedging positions was -€28.6 million at 31 March 2017 vs. -€35.6 million in March 2016.



2016/17: ambitious investments to prepare for future growth

Robust capex policy maintained in the amount of **€106.3 million**

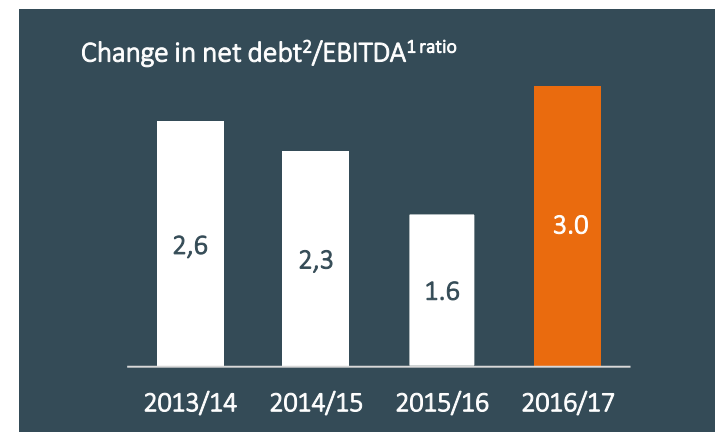
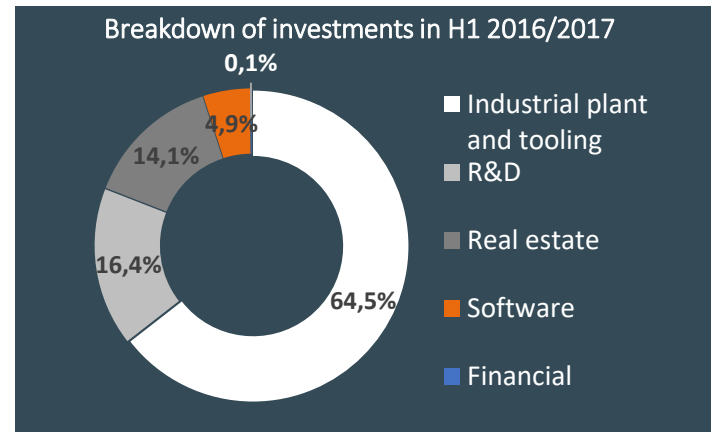
- New machining process (aerostructure and engines)
- Software purchases
 - ✓ Implementation of new ERP software
- Construction of 6 buildings covering 23,000 m²:
 - 3 covering an area of 16,000 m² at FIGEAC
 - Purchase of one 1,500 m² building from MTI
 - Construction of 1 machining building in Wichita (USA)
 - Construction of FGA Mexico
- 36 new machines (machining and turning/milling)

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

Net debt²/EBITDA¹ ratio:
3x vs 1.6x as at 31/03/16

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

² net debt, see slide 18



2016/17

Simplified income statement

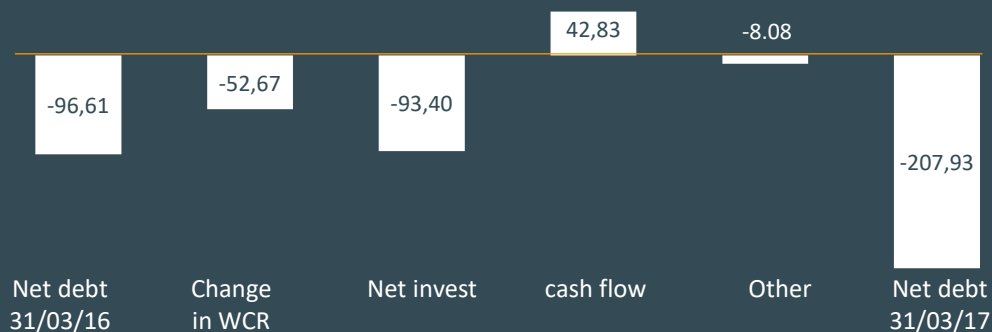
€ thousands, IFRS	31/03/2016	31/03/2017	
Revenue ¹	252,344	324,732	
Corrected EBITDA ²	61,004	71,926	EBITDA includes a negative adjustment of €1.9 million related to the revision of the completion margin of certain contracts
<i>EBITDA²/Revenue</i>	24.2%	22.1%	
EBITDA	58,829	69,088	Consolidation of Auvergne Aéro
<i>EBITDA/Revenue</i>	23.3%	21.3%	
Recurring operating income	38,168	43,025	Recurring operating income corrected for provisions for non-recurring losses (€2.68 million) amounted to €45.7 million, or 14.1% of revenue
<i>COI/revenue</i>	15.1%	13.2%	
Other operating income	62	10,711	
Other operating expenses	(1,607)	(1,203)	
Operating income	36,623	52,533	Impact of Auvergne Aéro negative goodwill €9,9 million
Cost of net financial debt	(3,008)	(4,192)	
Foreign exchange gains and losses	(16,163)	(22,802)	
Unrealised gains and losses on financial instruments	32,860	14,649	
Other financial income and expenses	(54)	(23)	The impact of foreign exchange transactions on net profit was a negative €8.1 million, compared with a positive impact of €16.7 million in 2015/16
Income tax expense	(17,023)	(7,615)	
Net income (Group share)	33,260	32,545	

¹ revenue is calculated using the average monthly EUR/USD rate of 1,0974 for the period, and 2016/17 revenue is calculated using the average monthly EUR/USD rate of 1,104 for the period.

²: EBITDA = recurring operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

Financial structure

Change in net debt in € million



Change in WCR

- Strong business growth
- WCR calculated in days of sales: 261.5 days in March 17, vs 258 days in March 16
- Increase in finished and semi-finished products: supply chain and customer deliveries secured

In € thousands

	March-15	March-16	March-17
Shareholders' equity	61,067	184,011	210,635
Net financial liabilities	113,788	96,608	207,932
Gearing ¹	1.86	0.53	0.98
Net debt/EBITDA ²	2.30	1.59	3.00

¹ Gearing: net financial debt/equity

² EBITDA = recurring operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

2016/17

Simplified cash flow statement

€ thousands, IFRS	31/03/16	31/03/17
Cash flow before borrowing costs and taxes	39,564	42,829
Change in working capital requirements	(38,695)	(52,666)
Net cash flow from operating activities	869	(9,837)
Net cash flow related to investing activities	(52,912)	(76,033)
Capital increases and subsidies received	85,079	131
Change in loans and repayable advances	23,537	1,825
Net cash flow from financing activities	108,616	1,956
Change in cash flows	56,573	(83,914)
Net cash position	60,838	(23,068)

| Improvement in cash flow before borrowings costs and taxes: +8%

| Increase in working capital requirement related to higher production rates

| Significant volume of investments in production tools

Ambitious capex and WCR
to deliver the 2020 revenue target

Simplified balance sheet

€ thousands - IFRS	31/03/16	31/03/17
Fixed assets	152,280	239,415
Other non-current assets (1)	6,024	2,819
Inventories	180,592	238,119
Trade receivables	60,431	90,708
Tax receivables	5,163	12,319
Other current assets	10,138	16,817
Cash and cash equivalents	101,834	30,543
TOTAL ASSETS	516,461	630,739
Shareholders' equity	184,011	211,310
Non-current financial liabilities	124,886	145,162
Non-current liabilities (2)	60,140	66,553
Short term borrowings	40,995	53,611
Current portion of financial liabilities	30,452	36,012
Trade payables and related accounts	50,253	81,003
Current liabilities (3)	25,725	37,087
TOTAL EQUITY AND LIABILITIES	516,461	630,739

- (1) *Equity investments + Deferred taxes + Financial instruments + Other financial assets + Other non-current assets.*
- (2) *Other provisions + Deferred taxes + Provision for retirement + Financial instruments + Other non-current liabilities + Non-current portion of deferred income.*
- (3) *Fiscal liabilities + Tax liabilities + Financial instruments + Other current liabilities + Derivative income.*

Strong leverage

A close-up photograph of a metalworking process, likely turning on a lathe. A metal workpiece is being machined, and a large volume of coolant is being sprayed onto the cutting area, creating a misty, high-speed environment. The background is slightly blurred, focusing attention on the machining process.

#1: Industrial excellence

#2: Proximity to customers

#3: Competitiveness



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