LE PARTENAIRE
DES GRANDS INDUSTRIELS DE L'AÉRONAUTIQUE

2017/18 ANNUAL RESULTS
JULY 2018

FIGEAC AERO

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2017/18 Key points

Contracts awarded in 2017/18 to continue our growth strategy

BOEING

- First contract as a direct supplier
- Production: large aluminium structural parts for the 777X program

Jean-Claude Maillard, CEO & Founder, Figeac Aéro
Jean-Marc Fron, Managing Director, Boeing France
©Boeing

EMBRAER

- A new US$70 million contract and total value of US$300 million for the E-Jet E2 program
- Production of large titanium and aluminium parts

AIRBUS

- Contract valued at US$21 million over 3 years
- Production of titanium sheet metal parts for the A320neo

Expansion within the oil & gas and aerospace industries

TOFER
GROUPE FIGEAC-AERO

Reinforcement in best *cost zone*

Acquisition of a new production site in Romania

Synergies with MTI

Additional capacity within the oil & gas industry: drilling, coating and wellheads

Target revenue of €14 million over the next 3 years

Acquisition of proven know-how in thermal surface treatment processes

Reinforcement of expertise

Machining of cylindrical, cubic and eccentric parts with diameters of between 2 mm and 2,100 mm

Expansion of the range

CAPTURE NEW MARKETS BOTH IN AEROSPACE AND OIL & GAS INDUSTRIES

Priorities for 2017/18

2017/18 Revenue of €370.3 million, a growth of +19.1%[1]

+26.2%[2] excluding materials procurement and at constant exchange rates

Corrected EBITDA margin maintained at a high level +21.1%[1]

TARGETS ACHIEVED

Reduction in net capex to €71 million

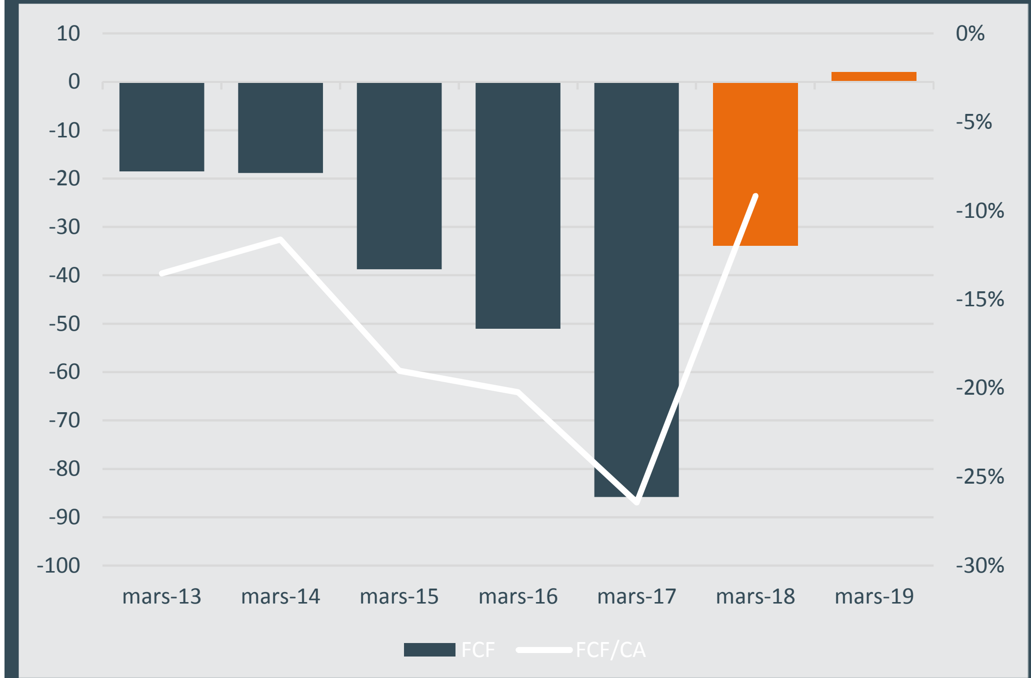
Significant improvement in FCF to -€34 million of which €37.4 million in cash flow from operating activities

1 At constant exchange rates

2 Restated revenue growth: €370.3 million + €16.5 million exchange rate impact + €23.0 million from the impact of the policy of materials transfer to customers

Strong improvement in FCF in 2017/18

In € millions **Evolution des FCF mars 13 – mars 19**



Noteworthy effort on this financial indicator between 2017 & 2019

- FCF at 31 March 2018 shows a **vast improvement to -€34 million** vs -€86 million at 31 March 2017
- **Target for 2018/19: positive FCF at 31 March 2019**

2019: positive and recurring FCF




2017/18 Annual results

Financial statements currently being audited for the financial year ended March 2018.
The Audit Committee met on 4 July 2018 and the financial statements will be approved by the Board of Directors' Meeting of 25 July 2018

2017/18 Highlights

EXTERNAL FACTORS

€/$

Highly unfavourable exchange rates

- Impact on revenue of **€16.5 million**
- **2.66 points** on corrected EBITDA margin

No impact on FCF

INTERNAL FACTORS

Raw materials returned to our customers

- Impact on revenue of **€23 million**

Improvement in WCR: +€6 million

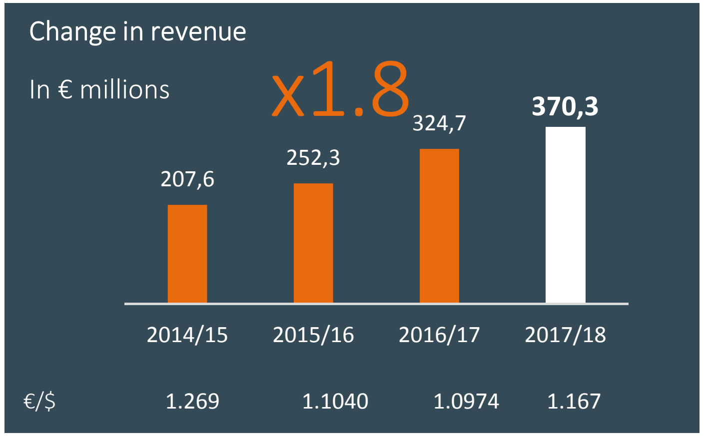
2017/18: Profitable growth

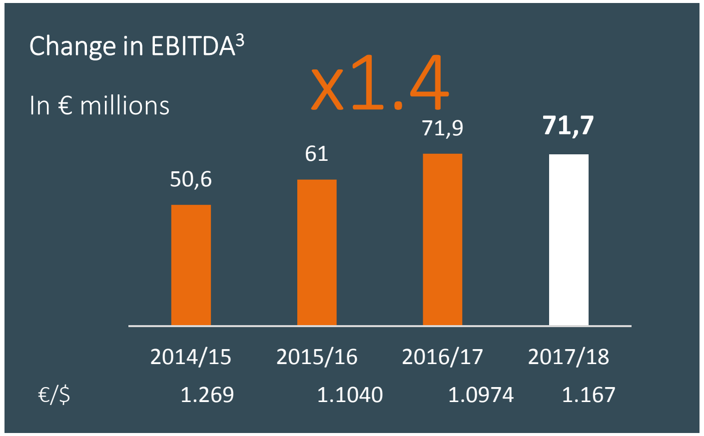
Another growth year

- Annual revenue of €370.3 million[1], representing growth of +19.1% at constant exchange rates (+14% on a reported basis)
- Growth of 26.2%[2] excluding material procurement and at constant exchange rates
- Growth driven by Aerostructures: +16.5%
- Continued increase in production of the A350 (+33.5%); strong acceleration in the LEAP (+118%) and the Global 7/8000 (+110%)

High profitability for the 7th consecutive year

- Corrected EBITDA[3] of €71.7 million, i.e. 19.37% of revenue and 21.1% of revenue at constant exchange rates
- Current operating income: €36.8 million, representing 10% of revenue and 12.1% at constant exchange rates

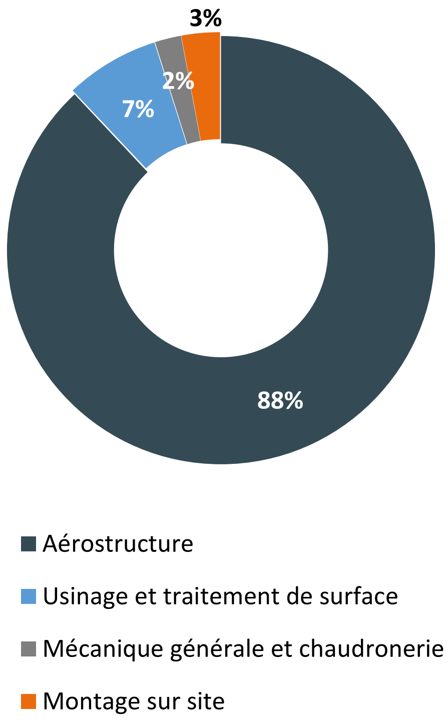




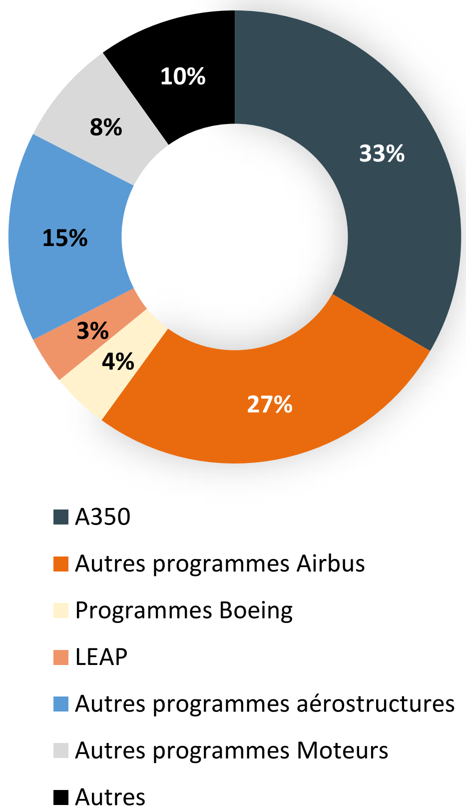
[1] 2017/18 revenue is calculated using the average monthly EUR/USD rate of 1.167 for the period, and 2016/17 revenue is calculated using the average monthly EUR/USD rate of 1.0974 for the period
[2] Restated revenue growth: €370.3 million + €16.5 million exchange rate impact + €23.0 million from the impact of the policy of materials transfer to customers
[3] EBITDA: Current operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

2017/18: Revenue of €370.3 million

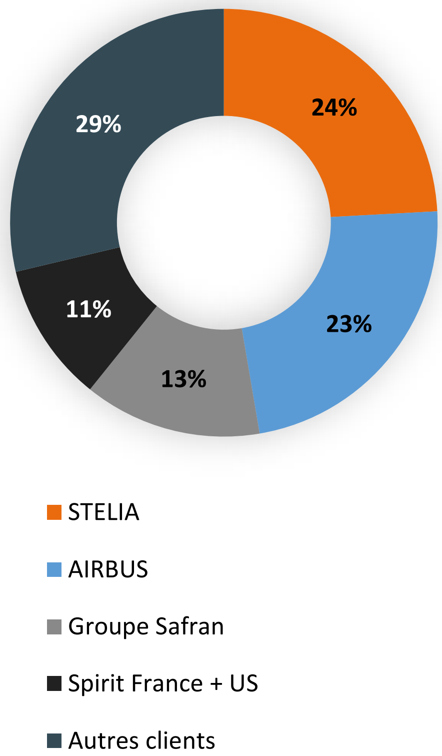
Revenue by business line



Revenue by program



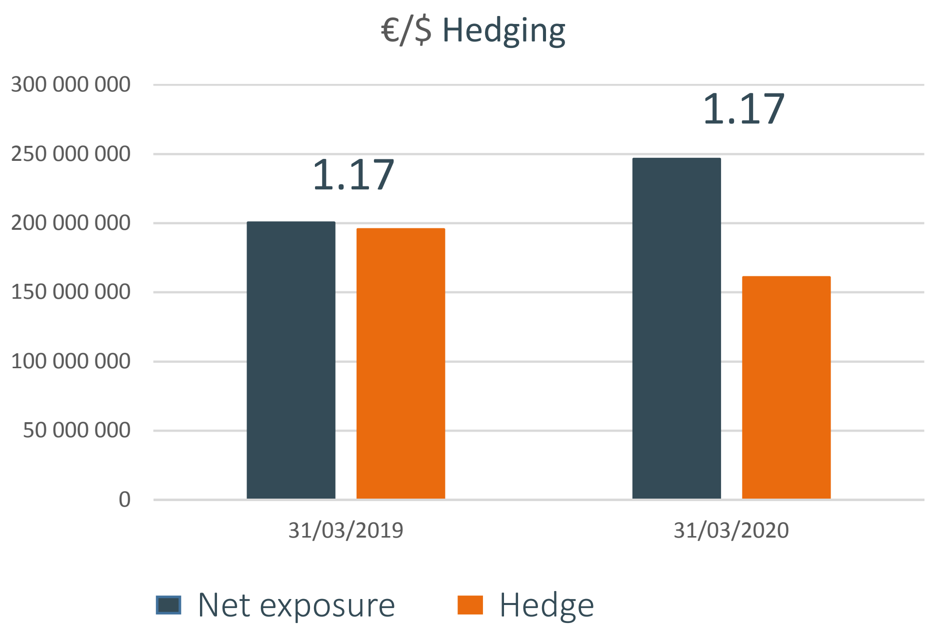
Revenue by customer



Exchange rate policy

The Mark-to-Market (MTM) generated by the Group's currency hedging position is +€7.9 million, versus -€28.5 million in March 2017, most reclassification of positions occurring directly in shareholders' equity.

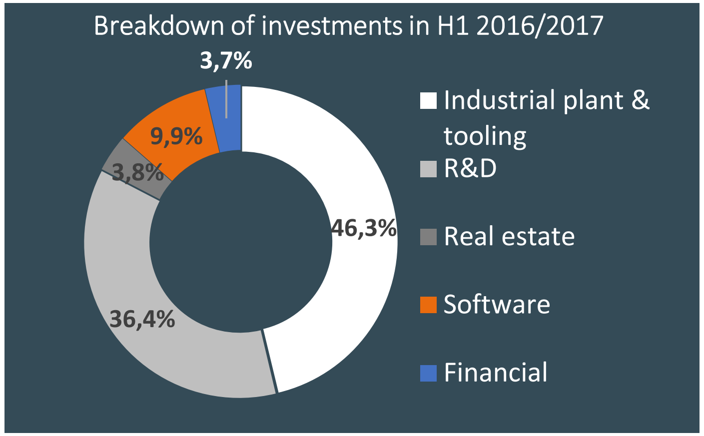
Dollar risk exposure is hedged at 100% for the 2018/19 financial year and at 65% for the 2019/20 financial year at an average exchange rate of €1 = US$1.17. The Group uses in the region of 50% of its hedging options.



2017/18: Reduction in capital expenditure

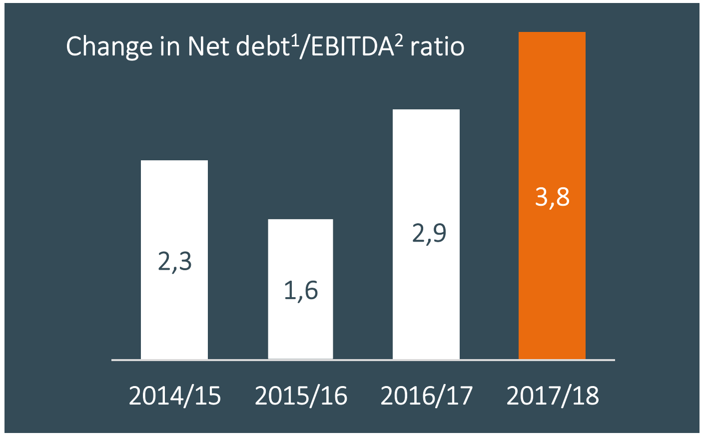
2017/18 Investment: **€77.2 million**

- New machining process (aerostructure and engines)
- Software purchases
  - ✓ Ongoing installation of a new ERP
- Real estate: extension of the Mexico building:
  - Continuation, at a slower pace, of investment in production methods



Increased net debt to reflect capital expenditure and growth

Net debt[1]/EBITDA[2] ratio: 3.8x vs 2.9x at 31/03/17 (3.3x at constant exchange rates)



[1] Net debt, see slide 15
[2] EBITDA: Current operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

2017/18
Simplified income statement

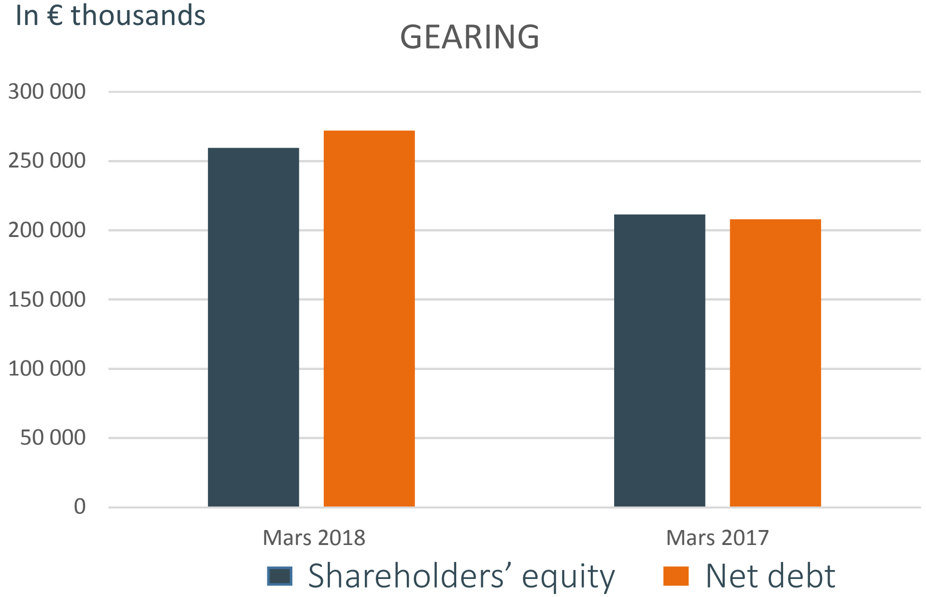
€ thousands, IFRS	31/03/2017	31/03/2018
Revenue[1]	324 732	370 270
Corrected EBITDA[2]	71 926	71 735
Corrected EBITDA [2]/revenue	*22,1%*	*19,4%*
EBITDA	69 088	67 504
EBITDA/Revenue	*21,3%*	*18,2%*
Current operating income	43 025	36 808
COI/revenue	*13,2%*	*9,9%*
Other operating income	10 711	1 381
Other operating expenses	(1 203)	(3 837)
Operating income	52 533	34 352
Cost of net financial debt	(4 192)	(6 120)
Foreign exchange gains and losses	(22 802)	(6 085)
Unrealised gains and losses on financial instruments	14 649	16 668
Other financial income and expenses	(23)	(112)
Income tax expense	(7 615)	(8 452)
Net income (Group share)	32 545	30 289

- Impact of the change in the euro/dollar parity on the EBITDA and EBIT is -€9.9 million
- At constant exchange rate, EBITDA would be €81.6 million, i.e. 21.1% of revenue
- At constant exchange rate, current operating income would be €46.7 million, i.e. 12.1% of revenue
- Operating income at 31 March 2017 included a badwill associated with the acquisition of Auvergne Aéro assets for €9.9 million

[1] 2017/18 revenue is calculated using the average monthly EUR/USD rate of 1.167 for the period, and 2016/17 revenue is calculated using the average monthly EUR/USD rate of 1.0974 for the period
[2] EBITDA: Current operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

Financial structure

In € thousands



In € thousands

	March 2018	March 2017	March 2016	March 2015
Shareholders' equity	259,507	211,310	184,011	61,147
Net debt	271,967	207,932	96,607	113,788
Gearing	1.05	0.98	0.53	1.86
Net debt/EBITDA	3.8	2.9	1.6	2.3

Gearing is stable at 1.0, having been negatively affected by the impact of the change in the euro/dollar parity - 3.3 at constant exchange rates

[1] Gearing: net financial debt/shareholders' equity
[2] EBITDA: Current operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

2017/18
Simplified cash flow statement

€ thousands - IFRS	31/03/17	S1 17/18	S2 17/18	31/03/18
Cash flow before borrowing costs and taxes	42 829	27 379	42 888	70 267
Change in working capital requirements	(52 666)	(22 932)	(9 934)	(32 866)
Net cash flow from operating activities	(9 837)	4 447	32 954	37 401
Net cash flow related to investing activities	(76 033)	(28 761)	(42 579)	(71 340)
Capital increases and subsidies received	131	-	6	6
Change in loans and repayable advances	1 825	3 106	91 331	94 437
Net cash flow from financing activities	1 956	3 106	91 337	94 443
Change in cash flows	(83 914)	(21 207)	81 712	60 504
Net cash position	(23 068)	(44 418)	37 165	37 165

- Strong improvement in cash flow before borrowing costs and taxes: **+64%**
- Slowdown in WCR growth in H1: +€10 million vs €22.9 million in H1 with business growing more strongly
- Cash flow from operating activities **+€37.4 million** of which €32.9 million generated over H2
- Significant volume of investments in production tools
- FCF in 2nd HY: **-€9.6 million**

Confirmation of positive FCF by March 2019, boosted by H2 2017/18

FIGEAC AERO GROUPE

Simplified balance sheet

€ thousands - IFRS	31/03/17	31/03/18
Fixed assets	239 415	290 108
Other non-current assets (1)	2 819	17 781
Inventories	238 119	272 587
Trade receivables	90 708	95 572
Tax receivables	12 319	12 315
Other current assets	16 817	28 787
Cash and cash equivalents	30 543	107 906
TOTAL ASSETS	630 739	825 055
Shareholders' equity	211 310	259 507
Non-current financial liabilities	145 162	256 205
Non-current liabilities (2)	66 553	56 294
Short term borrowings	53 611	70 742
Current portion of financial liabilities	36 012	47 715
Trade payables and related accounts	81 003	81 165
Current liabilities (3)	37 087	53 428
TOTAL EQUITY AND LIABILITIES	**630 739**	**825 055**

(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.

2018/19 impacts of IFRS 15

- The Group has analysed its contract types in order to comply with the new IFRS 15 standard.
  - Recognition of revenue
    - Pre-production activity - non-recurring costs in the context of series production
    - Development activity excluding series production
    - Series production of parts and sub-assemblies

➔ No impact on the current revenue recognition methods

  - Treatment of the learning curve:
    - Today in the balance sheet, the Group recognises the performance costs recorded during the start-up phase of contracts between observed returns and standard production profitability, as costs that are recycled in income in accordance with the decrease actually observed. Application of standard IFRS 15 will lead to these costs related to the series production performance obligation being immediately booked under income.

➔ This treatment will have an effect on the rate of margin contracts recognition

Application of the standard: the standard will be applied from the financial year beginning 1 April 2018 using the full retrospective method.

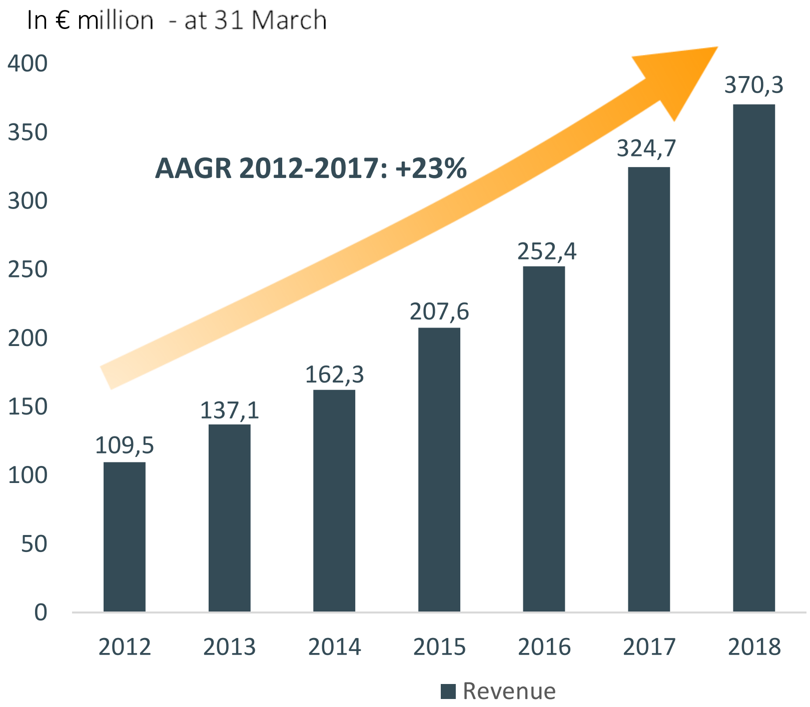
Impact of this application on the opening balance sheet: application of IFRS 15 will have an estimated negative impact on Group shareholders' equity of €70 million (mainly due to the curve impact), net of consideration of associated deferred taxes. This estimate may change as work is finalised.

Free cash flow: application of the standard will have no impact on the Group's cash flows.

Outlook and strategy

Retrospective

Strong unabated growth



- From 2012 to 2017, the Group's strategy focused on the priority of growth
- Goal: to become the European leader for aerospace subcontracting: achieved in 2018

- In 2017, a change in Group strategy to secure positive FCF by March 2019
- Goal: to establish sustainable company development

2023 targets: double-digit growth

Change in revenue growth

Positive and recurring FCF: from March 2019

Variables that influence future growth

1) Free Cash Flow strategy initiated in 2017
   - Transfer of material purchases to customers
   - More selective commercial screening for new businesses (criteria: material portage/cycle/total WCR)

2) Variation of program ramp-up

3) External growth
   An attractive aerospace market with demanding valuations

[1] *Based on a €/$ exchange rate of 1.18 and current capacity of manufacturers*

Strong leverage

#1: Industrial excellence

#2: Close customer relations

#3: Competitiveness

The Group is preparing for the future

Signing of a cooperation agreement in Saudi Arabia

- An ambitious collaborating partnership
- Leading partners: Al Salam Aerospace Ind., TASNEE and NICDP
- Development opportunities for an industrial production site
- A dedicated salesforce

Agreement to build a plant in China

- Joint Venture with capital of US$20 million (50% co-ownership)[1]
- Production of medium and large-sized machined aluminium parts
- A win-win industrial partnership
- Pooling of networks to capture shares in the offset and domestic market

NANSHAN ALUMINUM

1: The creation of the joint venture remains subject to the approval of local authorities




Appendix

Positioning at the heart of the value chain

ENGINE EQUIPMENT MANUFACTURERS

GE, Rolls-Royce, SAFRAN, Pratt & Whitney (A United Technologies Company), cfm (The Power Of Flight), lisi AEROSPACE

MANUFACTURERS

BOEING, AIRBUS, EMBRAER, ATR, Gulfstream (A General Dynamics Company), BOMBARDIER, DAHER-SOCATA, PILATUS, PIAGGIO AERO, DASSAULT AVIATION, HondaJet

SUB-CONTRACTING

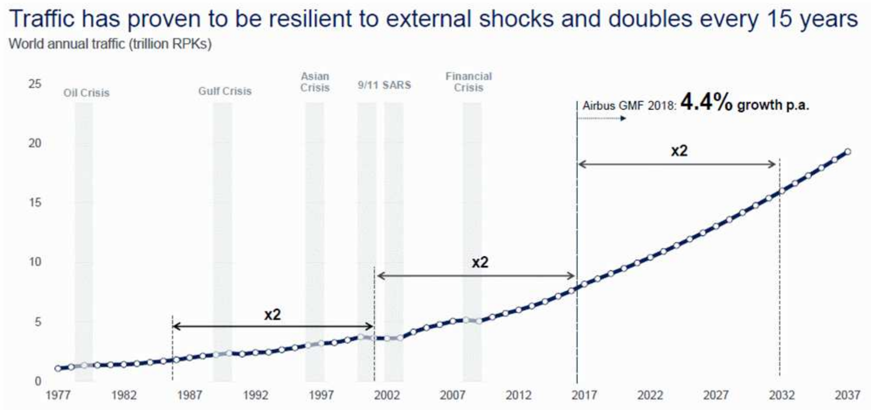
FIGEAC AERO GROUPE, asco, ADI, Ducommun Incorporated, MAGELLAN AEROSPACE, MECACHROME

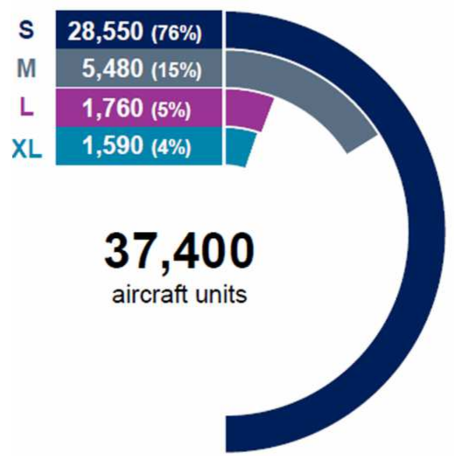
SUB-ASSEMBLERS

GROUPE LATECOERE, STELIA, ZODIAC AEROSPACE, SPIRIT AEROSYSTEMS, GKN AEROSPACE, ALKAN, PREMIUM AEROTEC, Triumph Group, Inc., DAHER-SOCATA

In an expanding market

Strong passenger-air-traffic demand





FIGEAC AERO is a pure player in the aerospace industry, ranked No. 1 in Europe

Production	3 main players in Europe[1]
#1 in Europe[1]	#1 FIGEAC AERO GROUPE
Presence in 6 countries	#2 asco
3,300 employees	#3 MECACHROME

(1) Source: company, based on 2018 revenue figures (Asco: €330m, Mecachrome: €330m – Aeronautics)

37,400 aircraft (100+ seats) to be delivered over 20 years

FIGEAC AERO GROUPE

No. 1 in France and in Europe

Structural parts

Aluminium	Hard metals

26 mm

26 m

Parts

Motors	Precision

Sheet metal parts

Assembly

Issue of ORNANE

Success of the €100 million ORNANE issue

- ORNANE: bond redeemable in cash and/or new and/or existing shares
- Nominal value: €25.70, i.e., a 30% issue premium
- Annual interest rate: 1.125%
- Maturity: 2022
- Low dilution compared to a traditional convertible bond

Continuation of growth strategy both internally and externally and diversification of financing sources

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