The leading partner for major aerospace manufacturers

PRESS RELEASE

Figeac, 11 December 2024

HALF-YEAR RESULTS 2024/25:
A VERY SOLID PERFORMANCE
DESPITE SOME SHORT-TERM HEADWINDS

- **Organic revenue growth of 12.0%**
- **Current EBITDA margin expanded by 190bp to 12.9%**
- **Record Free Cash Flow totals €28.3 million, guidance raised to €30-35 million**
- **FIGEAC AÉRO well-placed to meet its financial targets for the 4th consecutive year**

FIGEAC AÉRO (FR0011665280 – FGA:FP), a leading partner for major aerospace manufacturers, has today released its half-year results for financial year 2024/25, ended 30 September 2024. These are provisional figures as the statutory auditors are in the process of completing their audit assignment and the Board of Directors meeting convened to approve the financial statements is to be held on 19 December 2024.

Jean-Claude Maillard, Chairman and CEO of the FIGEAC AÉRO Group, made the following statement: *"These first-half results show just how relevant our strategy is. With an extensive offering across all the main aircraft programmes, we are able to leverage the aerospace industry's solid fundamentals despite its short-term challenges, driving sustained revenue growth. In addition, FIGEAC AÉRO is able to reinforce strategic partnerships with its customers thanks to its existing production capacity and solid industrial performance, allowing it to keep pace with the industry's rising build rates. Such close ties have enabled us to manage inflation more effectively and thus minimise its impact.*

We continue to make headway thanks to the Group's solid interim performance and record-high cash generation. We are therefore well on track to meet our revenue and profitability targets and have raised our cash generation guidance. We will successfully showcase our capacity to deliver profitable growth for the 4th year running.

Longer term, and in contrast with other industries, FIGEAC AÉRO and France's aerospace industry enjoy unprecedented visibility thanks to growing air traffic, sizeable backlogs and a necessary increase in build rates. The Group also continues to record progress on all the strategic pillars of its PILOT 28 business plan, and we are therefore more confident than ever that we will meet our business development and deleveraging targets."

€m - IFRS (audit in the final stages)	2024/25 6 months	2023/24 6 months	Chg.	Org. chg.
Revenue	**200.0**	181.2	+10.3%	+12.0%
Current EBITDA	**25.8**	19.9	+30.0%	
Current EBITDA margin	***12.9%***	*11.0%*	*+190 bp*	
Net depreciation, amortisation and provisions[1]	**(20.3)**	(23.1)	-12.0%	
Current operating income (loss)	**4.9**	(3.9)	ns	
Current operating margin	***2.5%***	*ns*	*ns*	
Other non-current operating income (expenses)	**(2.3)**	(1.8)	+28.5%	
Share of net profit (loss) of equity affiliates	**(0.2)**	0.9[2]	ns	
Operating income (loss)	**2.4**	(4.9)	ns	
Cost of net debt	**(9.7)**	(10.0)	-2.9%	
Realised currency gains (losses)	**(2.6)**	5.4	ns	
Unrealised gains (losses) on financial instruments	**1.0**	5.7	ns	
Other financial income (expenses)	**(0.5)**	(0.1)	ns	
Financial income (loss)	**(11.8)**	1.0	ns	
Income tax	**5.1**	(1.5)	ns	
Consolidated net income (loss)	**(4.4)**	(5.3)	-17.0%	
Net income (loss), Group share	**(4.4)**	(5.3)	-16.9%	

ORGANIC REVENUE GROWTH REACHES 12.0% IN THE FIRST HALF

Revenue grew by 12.0% organically (10.3% on a reported basis) in the first half of financial year 2024/25 (ended 30 September 2024) to €200.0 million, compared with €181.2 million in the first half of financial year 2023/24. The currency effect was negative at €(3.1) million.

Revenue growth during the period was driven by the Group’s Aero activities. This was mostly attributable to higher build rates on Airbus’ commercial aircraft programmes (especially its single-aisle programmes) and to the relative stability of the LEAP engine programme (despite the difficulties affecting the Boeing 737 MAX

[1] At the close of the first half of its financial year, the FIGEAC AÉRO Group was required to adjust its amortisation methods for certain assets. Under accounting standard IAS 8, it appeared that the expected useful lifetime of intangible assets relating to the capitalisation of Research & Development expenses had risen above previous estimates, implying longer amortisation periods and, consequently, lower amortisation charges recognised on these intangible assets. Net depreciation, amortisation and provisions amounted to €20.3 million in the first half of financial year 2024/25. The amount recognised would have been €22.2 million without the change in this accounting estimate, corresponding to a €1.9 million decrease. The change has no impact on the revenue or current EBITDA figures reported by the Group. It does, however, have an impact corresponding to the same amount on current operating income and on downstream income statement aggregates.

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

and its LEAP-1B engine). Group revenue was also boosted by the positive effects of measures taken to offset inflation and the rebalancing of inventories.

OPERATING PROFITABILITY IMPROVES FURTHER

The Group's operating performance improved further in the first half of 2024/25. FIGEAC AÉRO's current EBITDA for the period jumped by 30.0% year-on-year to €25.8 million, i.e. roughly three times faster than the revenue growth rate. The current EBITDA margin thus expanded by 190 basis points to 12.9%, compared with 11.0% at 30 September 2023.

This positive momentum was driven by revenue growth and a carefully controlled cost base, which was about 8.5% higher than during the previous period. The Group also notes that its Mexican subsidiary's operating performance is returning to a relative degree of normality; this was expected after an industrial solution was found to a situation that had been generating heavy losses (€(1.6) million, compared with €(4.3) million the previous year). Last of all, inflation was a minor drag on half-year performance of around €2.8 million.

All the Group's divisions contributed positively to its profitability: the Aerostructures & Aeroengines division's current EBITDA totalled €25.1 million in H1 2024/25 (versus €18.7 million in H1 2023/24), while the Diversification Activities contributed €0.7 million (having turned in positive current EBITDA since H1 2023/24).

After factoring in a 12.0% decrease in amortisation, depreciation and provisions to €20.3 million (of which a €1.9 million reduction in amortisation charges on capitalized R&D expenses), current operating income came out positive at €4.9 million compared with a €(3.9) million loss the previous year.

As further evidence of the Group's improving performance, operating income came out positive in the first half of 2024/25 at €2.4 million.

The Group's financial result was negative at €(11.8) million, compared with €1.0 million the previous year; this was mostly due to currency effects of €(2.6) million (vs a positive €5.4m a year before) and a negative non-cash variation of €4.8 million on financial derivatives. The cost of financial debt fell by 2.9% to €9.7 million, including a very slight increase in interest expense payments and a positive IFRS 9 impact.

All in all, after factoring in the use of tax loss carry forwards in the amount of €5.0 million, FIGEAC AÉRO's net result, Group share totalled €(4.4) million, compared with €(5.3) million the previous year.

RECORD-HIGH CASH GENERATION

The Group's solid operating performance also included an improvement in its cash generation.

FIGEAC AÉRO's cash-flow from operating activities totalled €43.4 million in the first half of the year, up 19.9% year-on-year. It improved as cash-flow (before cost of debt and taxes) increased slightly at €23.9 million (vs €22.4 million a year before) and working capital requirement (WCR) decreased by €19.5 million (compared with €13.7 million in the 1st half of 2023/24). WCR decreased largely thanks to lower receivables and customer advances, partly offset by higher inventories due to increased business activity and disruptions along the supply chain.

Net investments amounted to €15.1 million, a vast improvement on their 30 September 2023 level of €26.9 million, which included large-scale investments made to extend the Casablanca site. Investments are also expected to slightly decrease in the second half of the year (compared with the second half of last year), in accordance with the strict investment control policy implemented under the PILOT 28 plan to optimise cash generation.

So, with more operating cash-flow and investments under control, FIGEAC AÉRO was able to report Free Cash Flow in the amount of €28.3 million in the first half of 2024/25, the highest level ever recorded.

The Group's net debt at 30 September 2024 was lower at €275.5 million (versus €288.4 million at 31 March 2024 and €287.3 million at 30 September 2023), while shareholders' equity amounted to €57.3 million (compared with €57.7 million at 31 March 2024). Last of all, the cash position at 30 September 2024 stood at €86.5 million.

DOUBLE-DIGIT GROWTH IN AIR TRAFFIC YEAR-TO-DATE

Air traffic levels have been going from record to record since the start of the year. At 31 October 2024, passenger traffic was again up by 10.8% relative to the first 10 months of 2023, whereas freight traffic was 12.2% higher.

Domestic passenger traffic has risen at a good pace during this period and is now returning to a relative degree of normality (+5.9%), whereas international traffic continues to grow by a very solid 14.1%. Respectively, these two components of global passenger traffic are served mainly by single-aisle aircraft (particularly the A320 and B737 MAX families) and widebodies (the A350, A330, B777 and B787).

Excluding purchase options, Airbus and Boeing posted a record joint backlog of more than 14,900 aircraft at 30 October 2024, of which 84% single-aisle aircraft (7,287 from the A320 family and 4,797 from the B737 MAX family) and 16% widebodies (717 A350 and 220 A330)[3]. So, the world's two leading aircraft manufacturers have backlogs comprising aircraft programmes to which FIGEAC AÉRO is heavily exposed.

Such visibility is reinforced not only by the backlog of firm orders but also by forecasts from the two aircraft manufacturers, which anticipate demand for new commercial aircraft (passenger and freight) exceeding 42,000 units over the next 20 years.

ROLL-OUT OF PILOT 28: COMMERCIAL MOMENTUM REMAINS ROBUST

FIGEAC AÉRO enjoys an unprecedented degree of visibility for the short, medium and long term thanks to its industry's market fundamentals, which remain as robust as ever. This is reflected in its own backlog, which stood at a record high of €4.7 billion at 30 September 2024 (versus €4.2 billion at 30 June 2024). The backlog is expanding not only because build rates are projected to rise but above all because of price increases and new business wins, both of which are initiatives at the heart of the PILOT 28 strategic plan.

The Group confirmed that the PILOT 28 plan's strategic priorities are on track or even ahead of plan:

- **Business development:** FIGEAC AÉRO is aiming for full-year revenue from new business of between €80 million and €100 million and has already secured 36% of this target just 11 months after launching the plan, which means it is ahead of schedule.

  Some 90% of the business volumes expected in March 2028 from the 17 new contracts that the Group has signed since January concern commercial aviation activities and consist mostly of single-aisle aircraft and the A320 family; the remaining 10% concern defence aviation activities based on the agreements signed with KNDS and with a new customer in the USA, Textron Aviation Defense.

[3] Airbus and Boeing, excluding military aircraft, at 31 October 2024

The Group currently boasts a very sizeable business project portfolio in both the commercial and defence segments and is also pursuing advanced talks on a range of industrial services in Asia. Its commercial momentum remains steady thanks to its existing capacity and solid industrial performance. It therefore feels more confident than ever that it will meet the business development target set under the PILOT 28 plan.

- **Financial performance:** FIGEAC AÉRO has made great strides on the financial front since launching the plan. These include (i) measures to optimise its contract margins, such as efforts to offset inflation and renegotiate contracts (higher prices agreed with many of its customers and applied to many of its contracts; high renewal rates), (ii) an optimised working capital requirement thanks to a down payment system and cash advances set up with the Group's major customers, and lastly (iii) strict control over investments (€15.1 million at 30 September 2024 versus €26.9 million the previous year).

  FIGEAC AÉRO expects its financial performance to continue improving over the coming months and years, not only on the back of higher utilisation rates but also thanks to further progress on its targeted initiatives. These include the recently negotiated price increases applicable to the Group's two most important customers (due to come into effect in the fourth quarter of this year) and the growing contribution of new business to the Group's product mix.

- **Extra-financial performance:** As previously mentioned, three of the Group's sites have already obtained ISO 14001 certification for their environmental management systems (Figeac, Meaulte and Saint-Nazaire); another major site, Fouchana in Tunisia, will be certified by the end of this financial year and the Aulnat site in the first half of next financial year, which means that close to 70% of the Group's operations will be covered by then[4]. FIGEAC AÉRO is also in the process of completing the roll-out of a carbon accounting system across all its sites, which will soon enable it to issue precise carbon footprint targets. These efforts, alongside those focused on enhancing the Group's attractiveness and promoting sustainable mobility, have been met with an increase to its EthiFinance ESG Rating to 64 (from 56 a year previously).

  The Group intends to pursue such efforts in the second half of this year and beyond, focusing primarily on a supplier incentive programme (i.e. encouraging suppliers to calculate an initial carbon footprint) and on a collaborative project geared towards the circularity of raw materials (i.e. aimed at reusing raw materials during the production of aircraft parts). This initiative will initially concentrate on titanium, the aim being to derisk the supply chain and significantly reduce upstream Scope 3 emissions.

- **Innovation and transformation of model:** These initiatives mostly involve continued long-term efforts on the R&D front, the optimisation and automation of production lines, and a drive to standardise production management across all the Group's subsidiaries.

OUTLOOK

FIGEAC AÉRO has thus turned in a very robust interim performance, with revenue growth coming out in line with the full-year target (despite Boeing's problems and some disruption along the supply chain) combined with operating profitability and free cash-flow generation improving sharply.

The second half of the year should benefit not only from the usual seasonal effects but also from an overall increase in build rates and to a lesser extent, at the end of the financial year, price increases and partial

[4] In terms of business volumes

contributions from some of the new business that were signed in the first half. So, with the second half expected to contribute positively, FIGEAC AÉRO can confirm its full-year revenue and profitability targets.

Given the record-high Free Cash Flows recorded in the first half, alongside a second half whose contribution should be moderated by a negative impact on inventories from supply chain disruptions, the Group is raising its Free Cash Flow target for the 2024/25 financial year (ending 31 March 2025).

Full-year objectives are therefore as follows:

- Revenue between €420 million and €440 million[5],
- Current EBITDA between €67 million and €73 million,
- Free cash-flow between €30 million and €35 million (versus an initial target of between €20 million and €28 million).

Looking beyond the current financial year, business activity should continue benefiting from the rise in build rates projected by the Group's customers and supported by growing air traffic, and also from the ramp-up of new business. These impacts are feeding into the backlog, which stands at a record €4.7 billion. The Group's particularly large project portfolio will further support the gain of new business. Last of all, the Group expects that Boeing's output and the aerospace industry's ability to speed up its supply chain will both gradually return to normal.

The Group thus also confirms the medium-term targets set out in its PILOT 28 plan:

- Revenue between €550 million and €600 million[6],
- Significant deleveraging, with the financial leverage ratio expected at between 2x and 2.5x.

FIGEAC AÉRO TO ADDRESS ITS RETAIL SHAREHOLDERS

FIGEAC AÉRO will present its interim results during a webinar dedicated to retail investors (in French only) at 6pm CET on Thursday 12 December 2024:

Click here to register for the webinar

REGISTER HERE IF YOU WISH TO RECEIVE THE FIGEAC AÉRO GROUP'S LATEST NEWS

Upcoming events (after trading)

- 12 December 2024, 6pm CET: webinar dedicated to retail investors (in French only)
- 5 February 2025: revenue for the 3rd quarter of FY 2024/25

[5] Based on a EUR/USD exchange rate of 1.13
[6] Based on a EUR/USD exchange rate of 1.12

About FIGEAC AÉRO

The FIGEAC AÉRO Group, a leading partner for major aerospace manufacturers, specialises in producing light alloy and hard metal structural parts, engine parts, landing gear and sub-assemblies. FIGEAC AÉRO is a global group operating in France, the USA, Morocco, Mexico, Romania and Tunisia. The Group generated annual revenue of €397.2 million in the year to 31 March 2024.

FIGEAC AÉRO CONTACTS

Jean-Claude Maillard
Chairman and Chief Executive Officer
Tel.: +33 (0)5 65 34 52 52

Simon Derbanne
VP Investor Relations, Corporate Communications, Public Affairs
Tel.: 05 81 24 63 91
E-mail: simon.derbanne@figeac-aero.com / communications.group@figeac-aero.com

APPENDICES

Simplified consolidated balance sheet

€m - IFRS (audit in the final stages)	30/09/2024	31/03/2024
Fixed assets	**265.2**	269.6
Other non-current assets	**26.8**	18.5
Inventory	**203.6**	190.6
Contract assets	**14.2**	37.2
Trade receivables	**34.3**	49.6
Current tax assets	**4.2**	7.1
Other current assets	**17.1**	20.4
Cash & cash equivalents	**86.5**	88.7
TOTAL ASSETS	**649.0**	681.5
Shareholders' equity	**57.3**	57.7
Non-current interest-bearing financial liabilities	**310.1**	334.3
Other non-current liabilities	**18.1**	23.7
Current interest-bearing financial liabilities	**56.4**	49.9
Trade payables and related accounts	**89.7**	88.7
Contract liabilities	**32.4**	42.2
Other current liabilities	**88.1**	84.9
TOTAL LIABILITIES	**649.0**	681.5

Consolidated cash-flow statement

€m - IFRS (audit in the final stages)	H1 24/25	H1 23/24
Net income (loss)	**(4.4)**	(5.3)
Depreciation, amortisation and provisions	**20.3**	23.1
Other non-cash adjustments	**0.6**	(2.3)
Tax expense	**0.4**	0.1
Cost of financial debt	**6.9**	6.8
Cash-flow before cost of financial debt and taxes	**23.9**	22.4
Change in working capital requirement	**19.5**	13.7
Net cash-flow from operating activities	**43.4**	36.2
Net cash-flow from investing activities	**(15.1)**	(26.9)
FREE CASH-FLOW	**28.3**	9.3
Acquisitions or disposals of treasury shares	**0.0**	(0.1)
Change in borrowings and repayable advances	**(20.8)**	(13.4)
Repayment of lease liabilities	**(5.0)**	(5.8)
Interest paid	**(6.9)**	(6.8)
Net cash-flow from financing activities	**(32.7)**	(26.0)
Change in cash position	**(4.4)**	(16.7)
Cash position - opening date	**77.1**	94.4
Change in translation adjustment	**(0.0)**	0.2
Cash position - closing date	**72.7**	77.9

GLOSSARY

Term / indicator	Definition
Current EBITDA	Current operating income (loss) adjusted for net depreciation, amortisation and provisions before the breakdown of R&D expenses capitalised by the Group by type
Backlog	Sum of orders received and to be received extrapolated over a 10-year period for each contract and request for proposals won, based on build rates announced and then projected and a EUR/USD exchange rate of 1.12
Organic	At constant scope and exchange rates
DIO (Days of Inventory Outstanding)	Average number of days of revenue for which an item of inventory is held
Net debt	Debt net of cash, excluding non-interest-bearing debt
Debt leverage	Ratio of net debt excluding non-interest-bearing debt to current EBITDA
Capex	Investments in fixed assets
ORNANE	Bonds redeemable into cash and/or new and/or existing shares
Free cash-flow	Net cash-flow from operating activities before cost of financial debt and taxes, minus net cash-flow from investing activities
Net free cash-flow	Net cash-flow from operating activities after cost of financial debt and taxes, minus net cash-flow from investing activities