



**The leading partner for
major aerospace
manufacturers**

FIGEAC AERO

Investor presentation
January 2025

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Flight plan



- 1. GROUP PROFILE**
- 2. MARKET DYNAMICS**
- 3. FINANCIAL HIGHLIGHTS**
- 4. PILOT 28 ONE-YEAR UPDATE**
- 5. OUTLOOK**



01



Group profile

A leader in the industrialization of metal parts for the aerospace industry

Our mission: sustainably enable today's and tomorrow's aerospace industry

A SUSTAINABLE GROWTH STRATEGY BASED ON 3 KEY PILLARS



A critical partner for aerospace manufacturers

- Covering the entire value chain
- Positions worldwide, in best cost regions, close to customers
- A critical role in the main aircraft programmes



A focus on industrial excellence and customer satisfaction

- Over 350 machines
- A combination of know-how, technological expertise and innovation



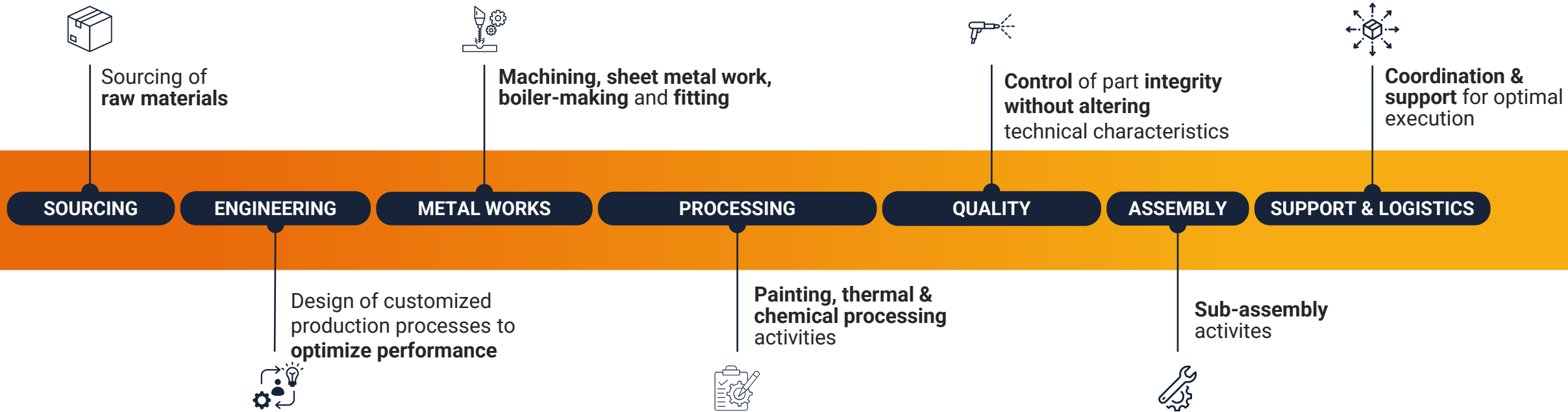
A strong commitment to sustainable industry and zero-carbon aviation

- A reinforced CSR approach
- R&D geared towards the industrial processes of tomorrow

¹ Including part-time FTEs

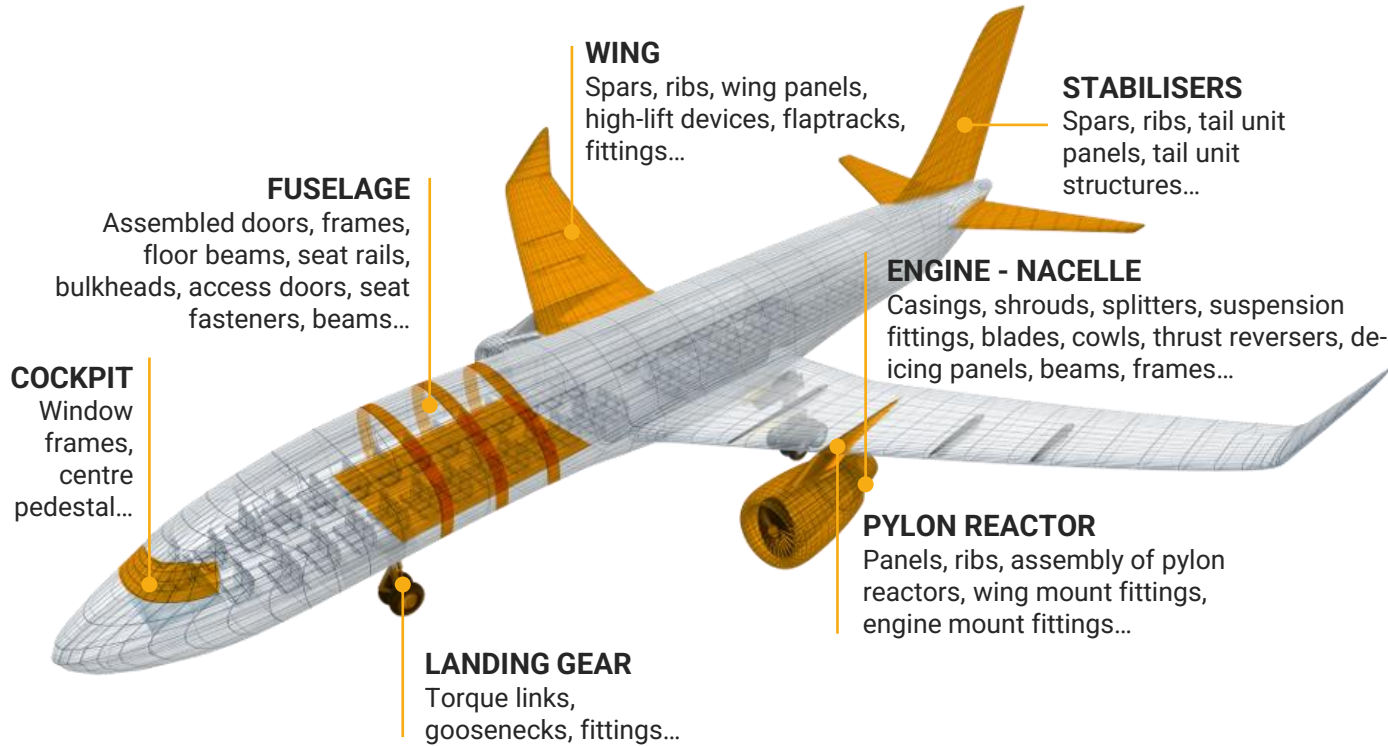


A one-stop shop for all metallic aerospace parts & sub-assemblies



A comprehensive product & service range

We manufacture anything metallic that flies



Elementary parts small & medium-size



Elementary parts large size



Profiles



Turned parts



Metal sheet forming



Processing



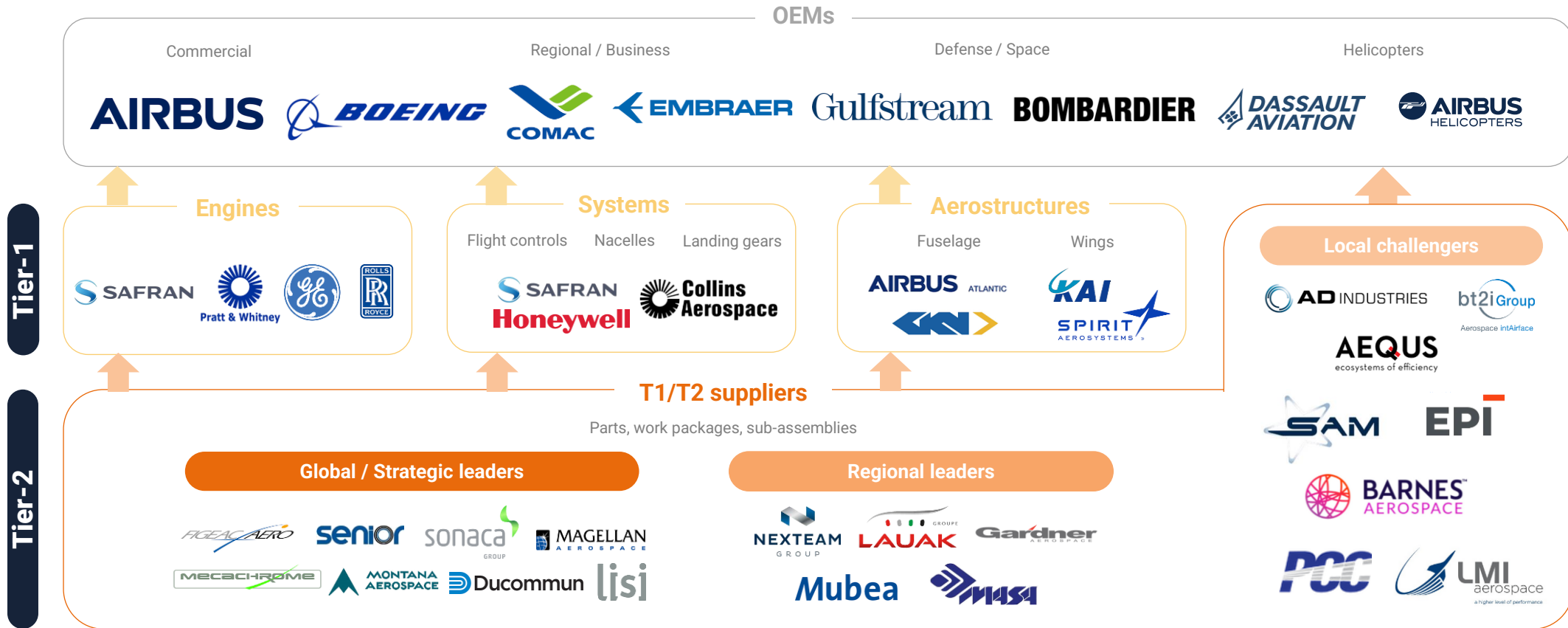
Simple assembly



Complex assembly

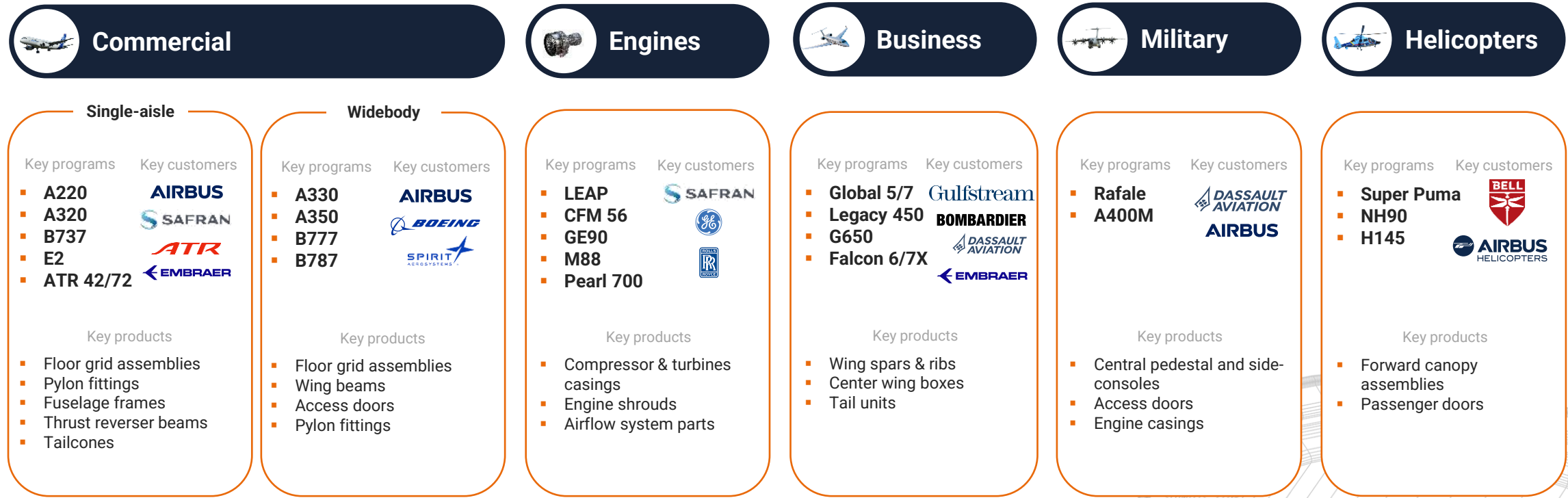


FIGEAC AÉRO among the strategic suppliers for aerospace OEMs



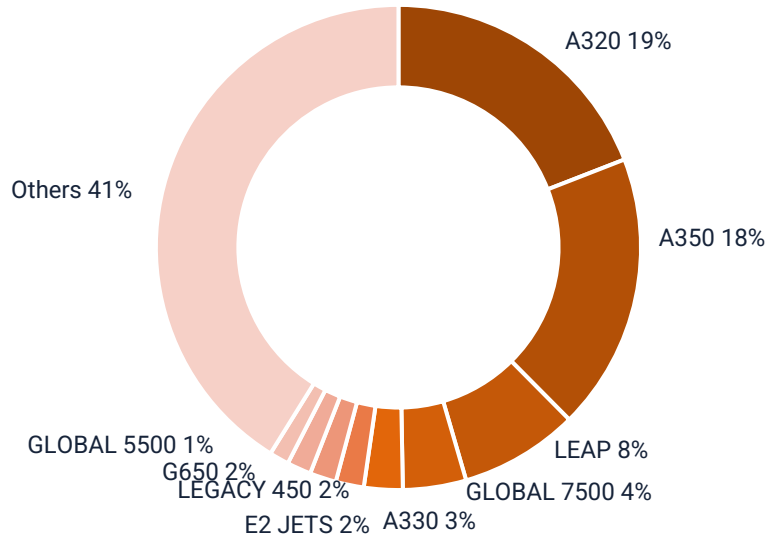
Source: management estimates, based on revenue, geographical coverage and business diversity

Strategic positions on all the main aerospace programmes

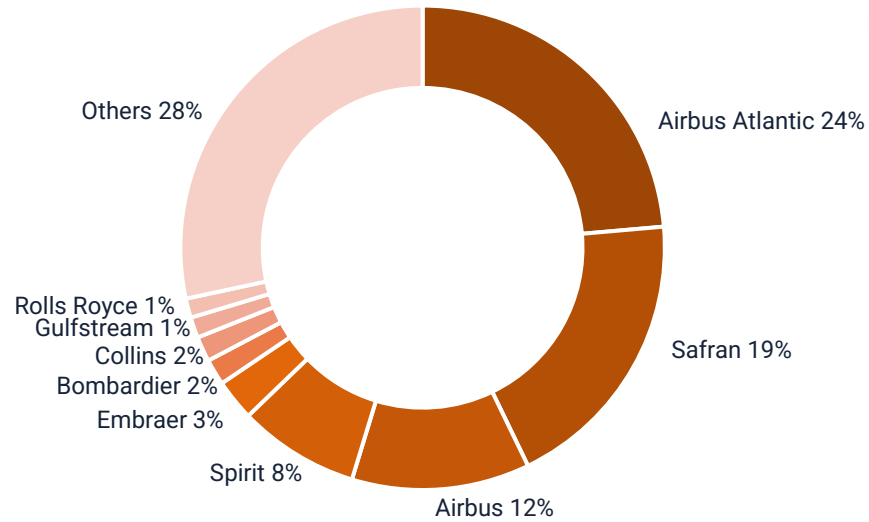


Key programmes, customers and industries

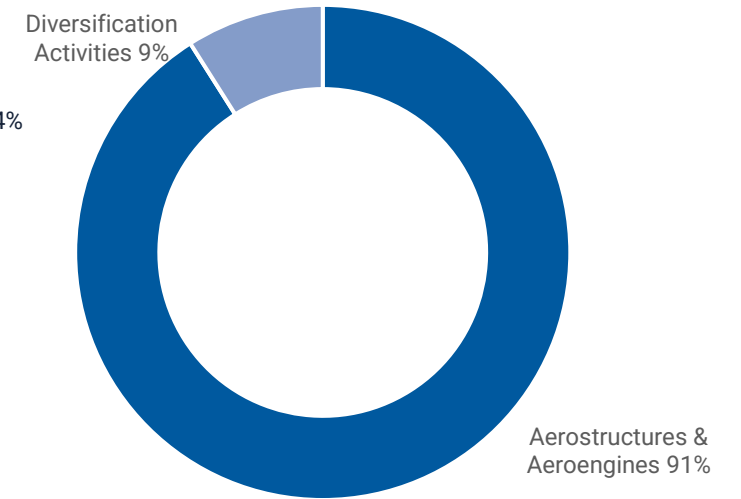
Revenue breakdown by programme



Revenue breakdown by customer



Revenue breakdown by industries



Based on FY2023/24, and identifiable revenue across programmes, customer and technology

A strong commitment to net-zero aviation



Short & medium term objectives



Improve environmental performance of all facilities across the Group



Track and decrease operation carbon footprint



Improve overall extra-financial performance

Long-term objectives



Actively take part in the manufacturing of clean aircraft



Position the Group on a 2050 net-zero trajectory

Ratings FY2023/24



D

(vs F in FY2021/22)



64

(vs 56 in FY2022/23, 45 in FY2021/22)

A steadily improving financial performance over time

Reach critical size

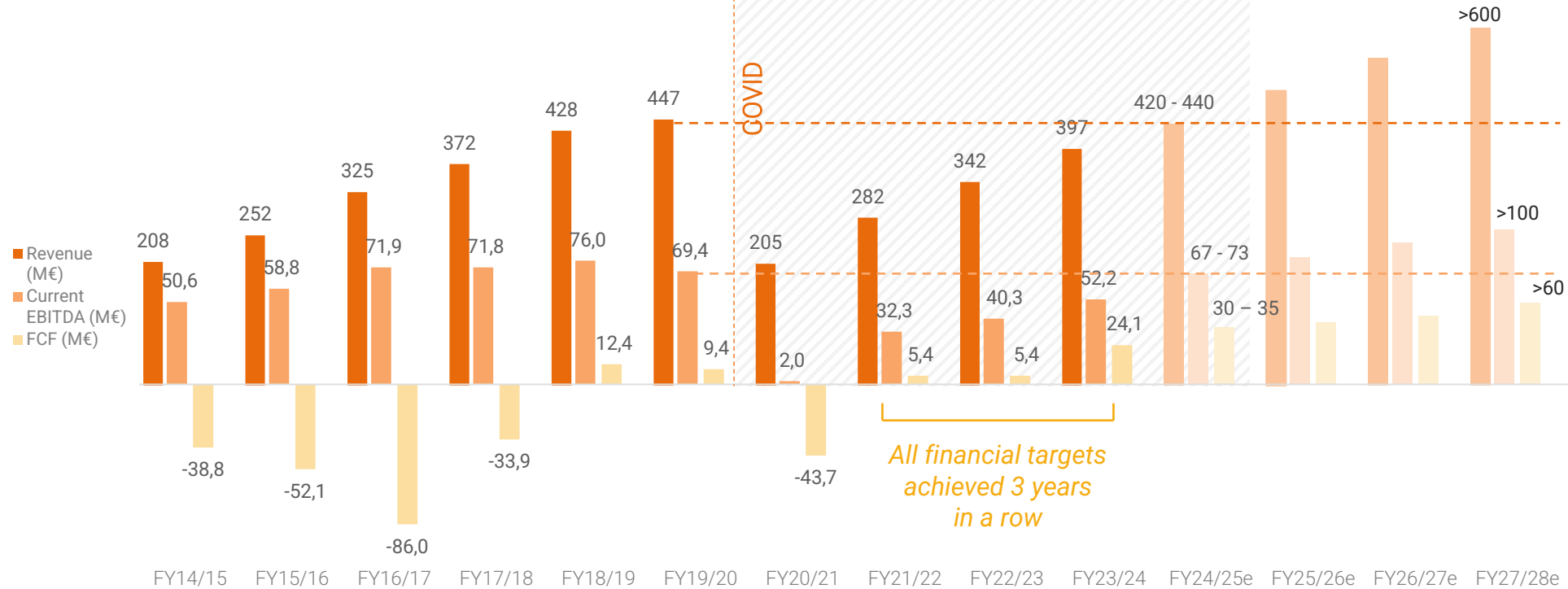
- Heavy investment phase
Over €600 millions invested in new capacity & global footprint
- Revenue growth +20% CAGR

Transformation 21 + Route 25

- Adaptation of cost and capital structure & governance
- Return to pre-crisis levels, with increased cash flow generation

PILOT 28

- Higher-than-market revenue growth
- Accelerated deleveraging of balance sheet



Note: modified scale for visibility purposes

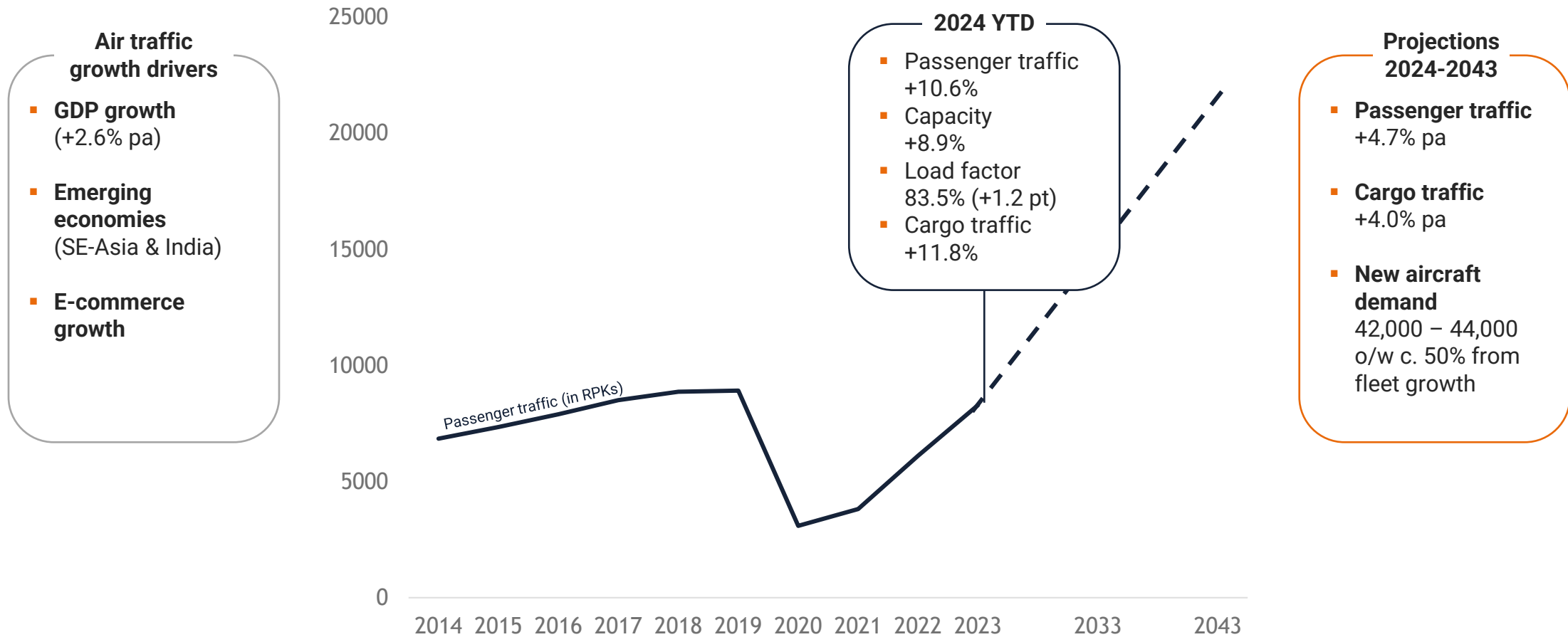


02

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Market dynamics

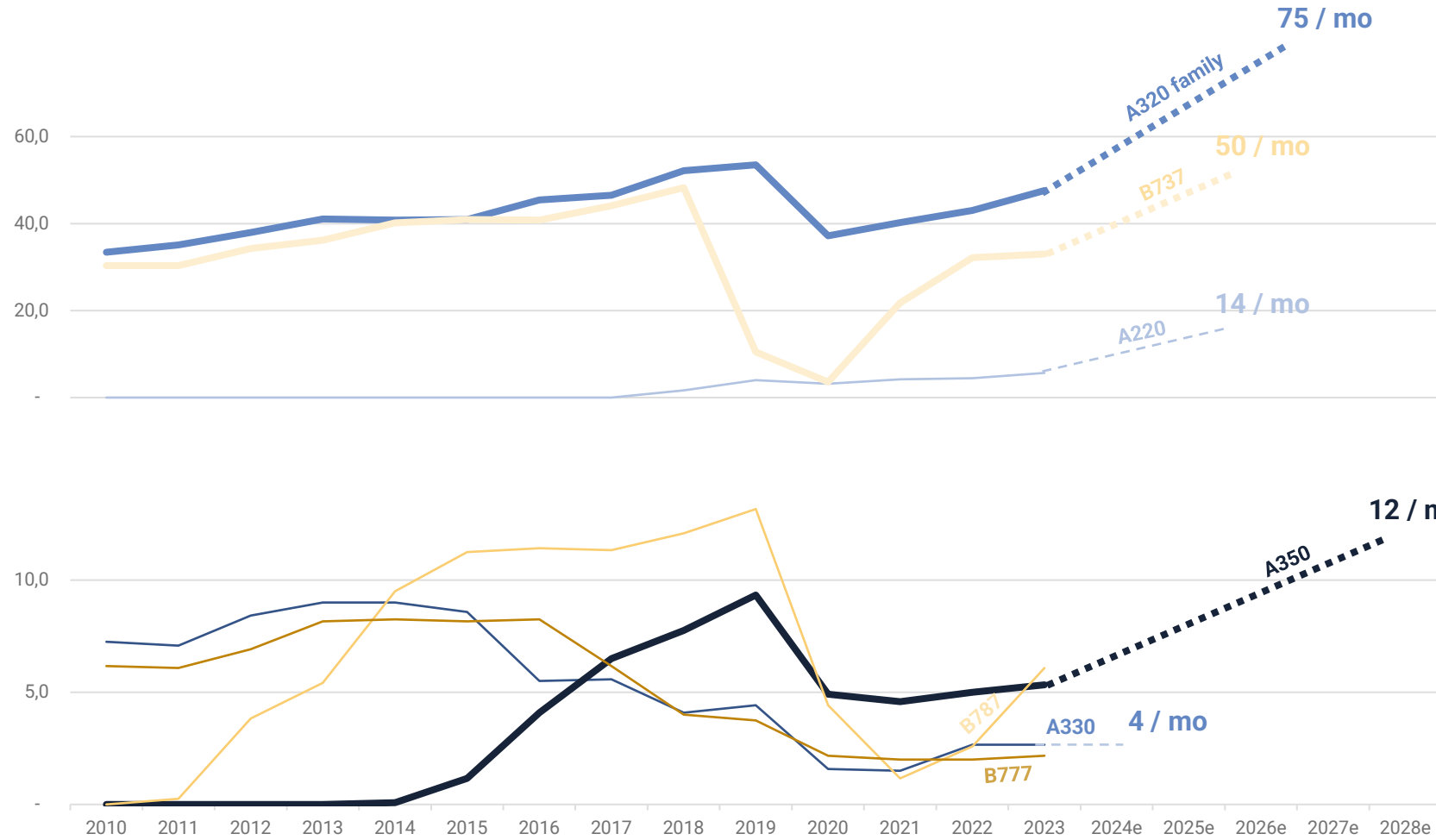
Air traffic resiliency supported by mega-trends



Source: IATA, data as at 30 November 2024, Airbus, Boeing

Driving ever increasing projected production rates

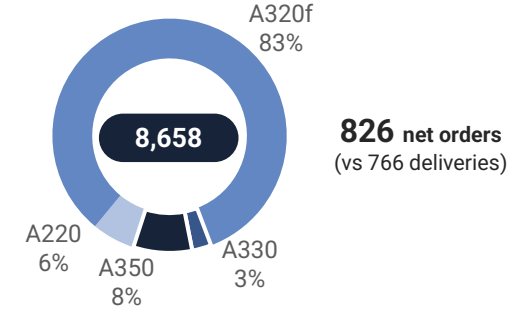
Narrowbody



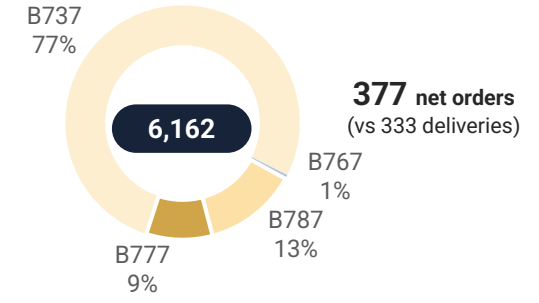
Widebody

Net orders & backlog 2024

AIRBUS



BOEING



Source: Airbus, Boeing, excluding military aircraft, data as at 31 December 2024

A paradigm change in OEM / subcontractor relations



OEM

- Increased reliance on outsourcing
 - Promotion of supply chain competition
- Optimized prices and cash profile



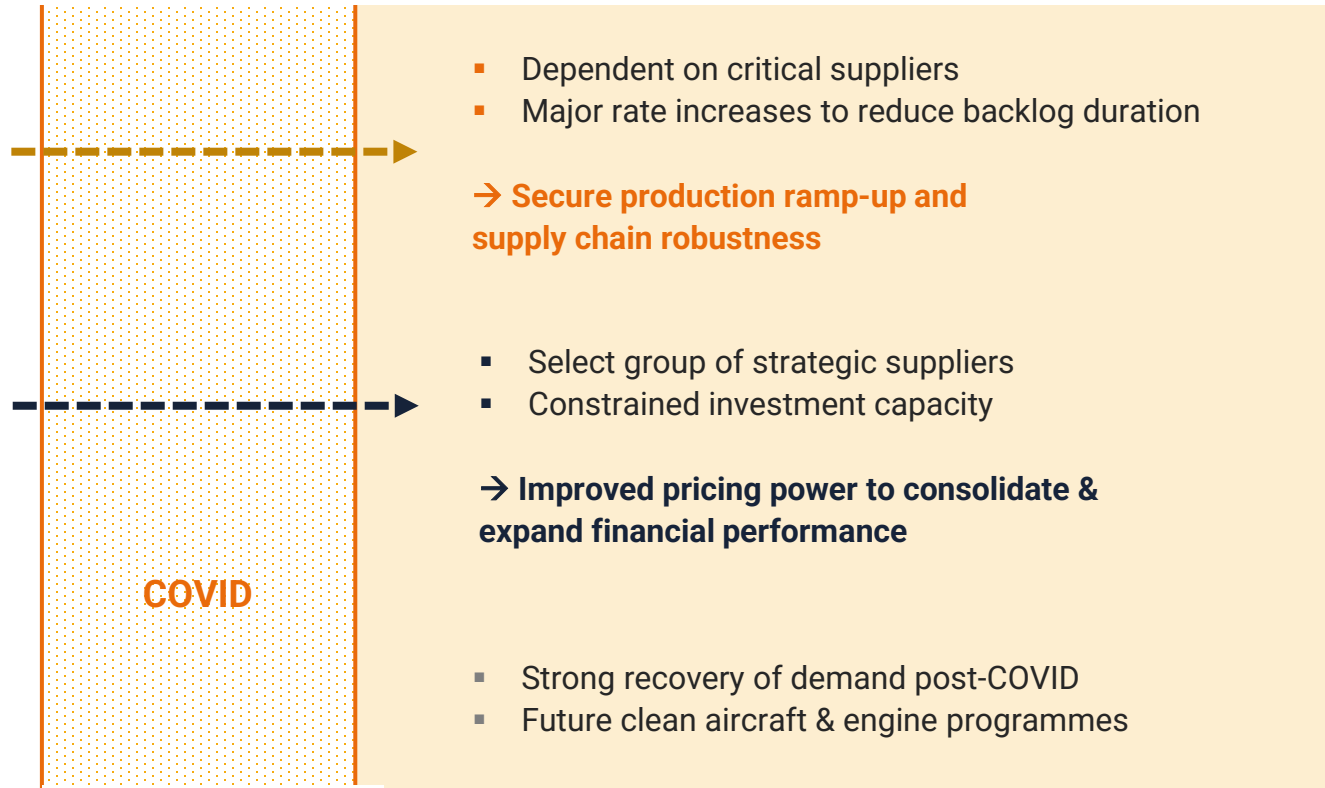
Subcontractors

- Numerous small players
 - Heavy investments required
- Reach critical size in a low pricing setting



Market drivers

- Steady increase in air traffic
- New aircraft programmes



Post-COVID relations are marked with much more favorable terms & conditions



03



Financial highlights

1H24/25 - P&L

IFRS, €m (audit in the final stages)	1H24/25	1H23/24	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%	+190bp	
Current operating income (loss)	4.9¹	(3.9)	ns	
Operating income (loss)	2.4	(4.9)	ns	
Financial income (loss)	(11.8)	1.0	ns	
Net income (loss), Group share	(4.4)	(5.3)	(16.9)%	

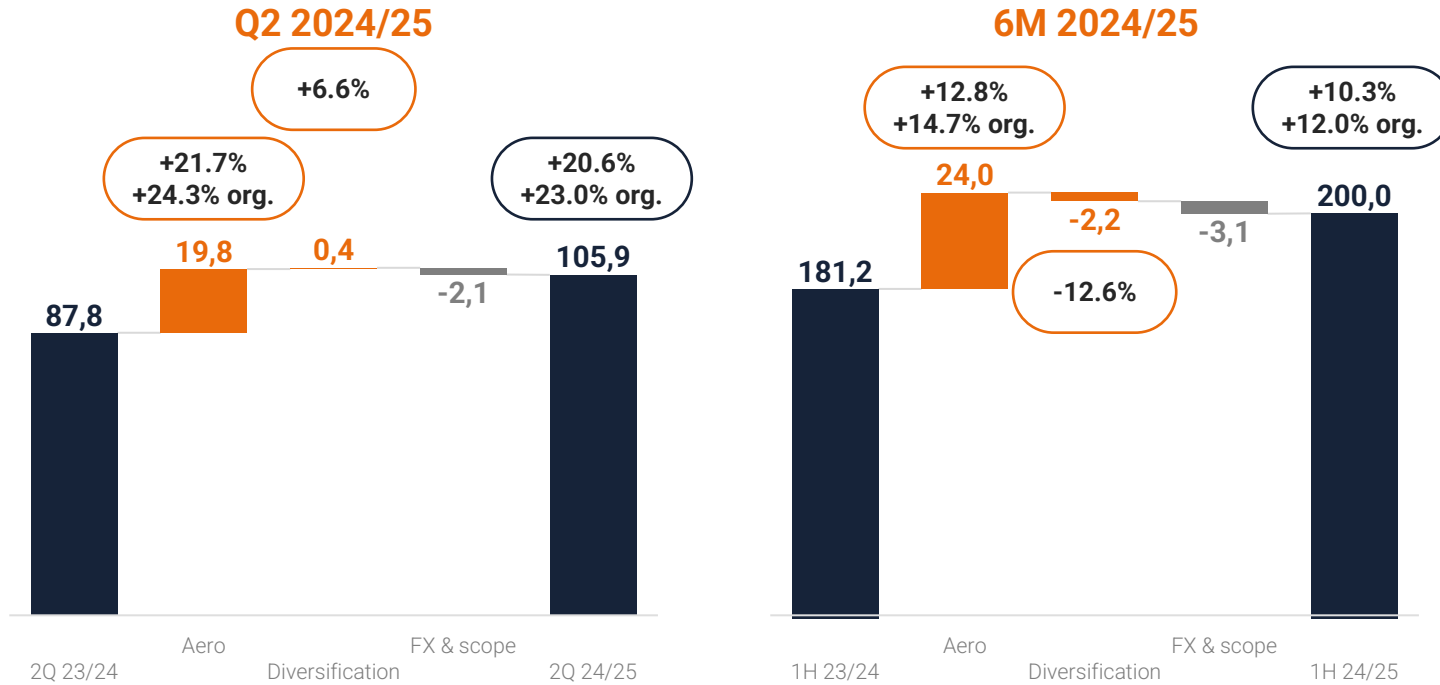
- ▶ +12.0% organic revenue growth
- ▶ EBITDA margin up 190bp
- ▶ Current operating income & operating income now positive
- ▶ Financial income:
 - Stability of interest expense
 - €(8.0)m variation in realized currency gains/losses
 - €(4.8)m variation in non-cash unrealized gains/losses on derivative instruments
- ▶ €5.0m activation of tax loss carry-forwards

Note: a P&L table is available in the appendices to this document

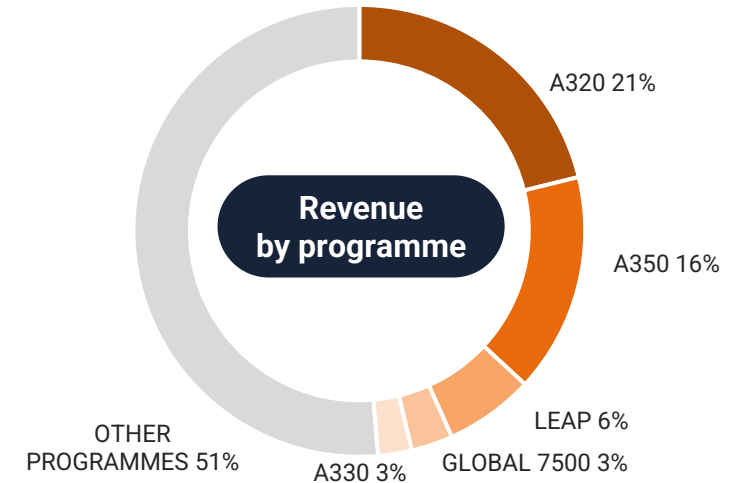
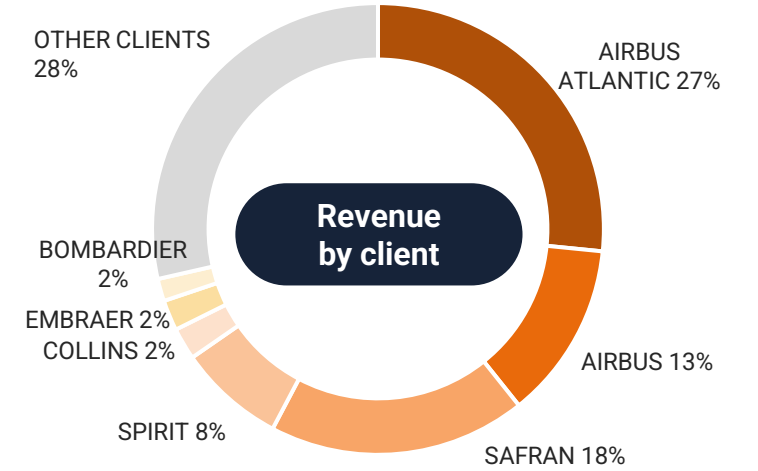
¹ At the close of the first half of its financial year, the FIGEAC AÉRO Group was required to adjust its amortisation methods for certain assets. Under accounting standard IAS 8, it appeared that the expected useful lifetime of intangible assets relating to the capitalisation of Research & Development 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.

1H24/25 - Q2 & H1 revenue

Revenue over the period (in €m)

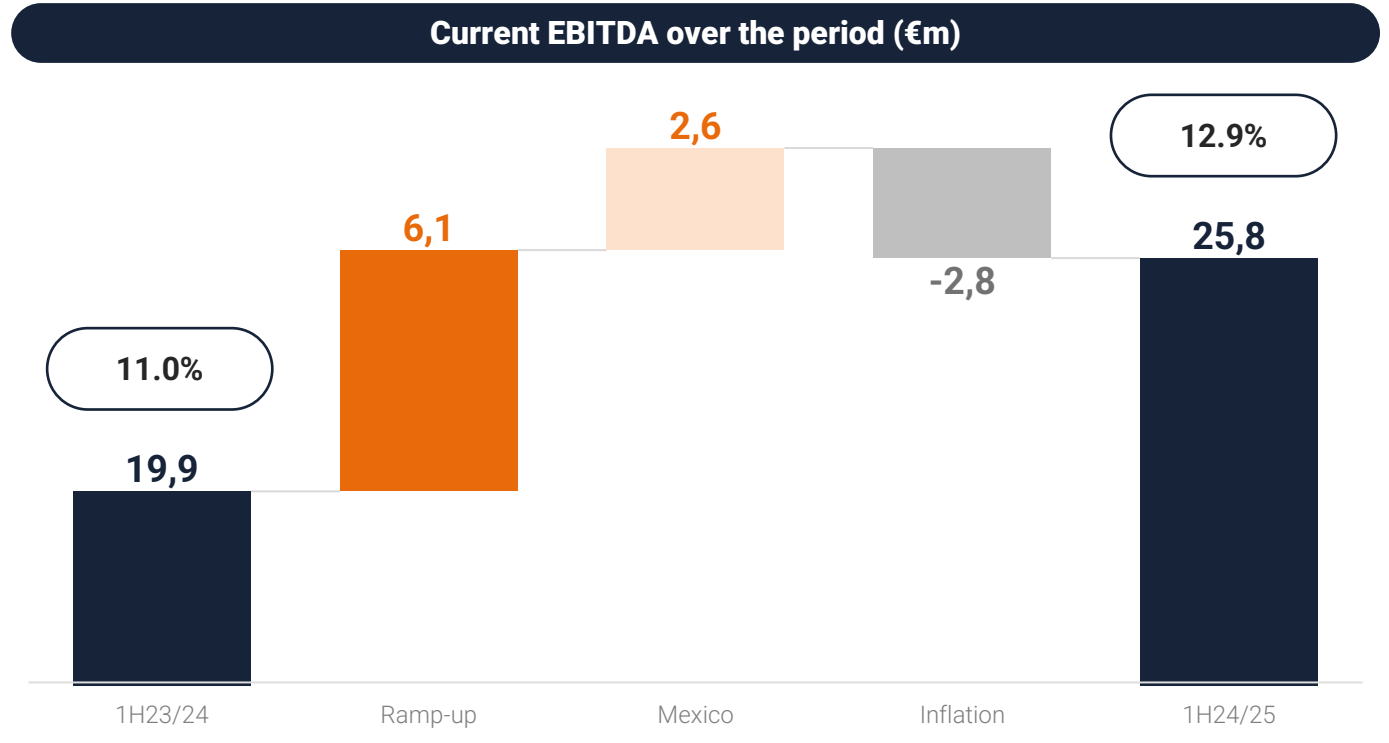


Driven by commercial jets, LEAP stability, inflation & inventory
In line with annual objective (€420 – 440m)



1H24/25 – Current EBITDA

- ▶ Current EBITDA €25.8m, +30.0%
 - Increased revenue
 - Tight cost control
 - Improvements in Mexico
- ▶ Current EBITDA margin 12.9%, +190bp
- ▶ Stronger contribution expected in H2:
 - Increased revenue
 - Impact of price increases



In line to reach full-year target (€67 – 73m)

1H24/25 – Cash flows

IFRS, €m (audit in the final stages)	1H24/25	1H23/24	Chg.
Cash-flow¹	23.9	22.4	+6.3%
Change in WCR	19.5	13.7	
Cash-flow from operating activities	43.4	36.2	+19.9%
Cash-flow from investing activities	(15.1)	(26.9)	(44.0)%
Free cash-flow	28.3	9.3	
Cash-flow from financing activities	(32.7)	(26.0)	+25.9%
o/w interest expense	(6.9)	(6.8)	
o/w debt amortization (net)	(21.4)	(13.5)	

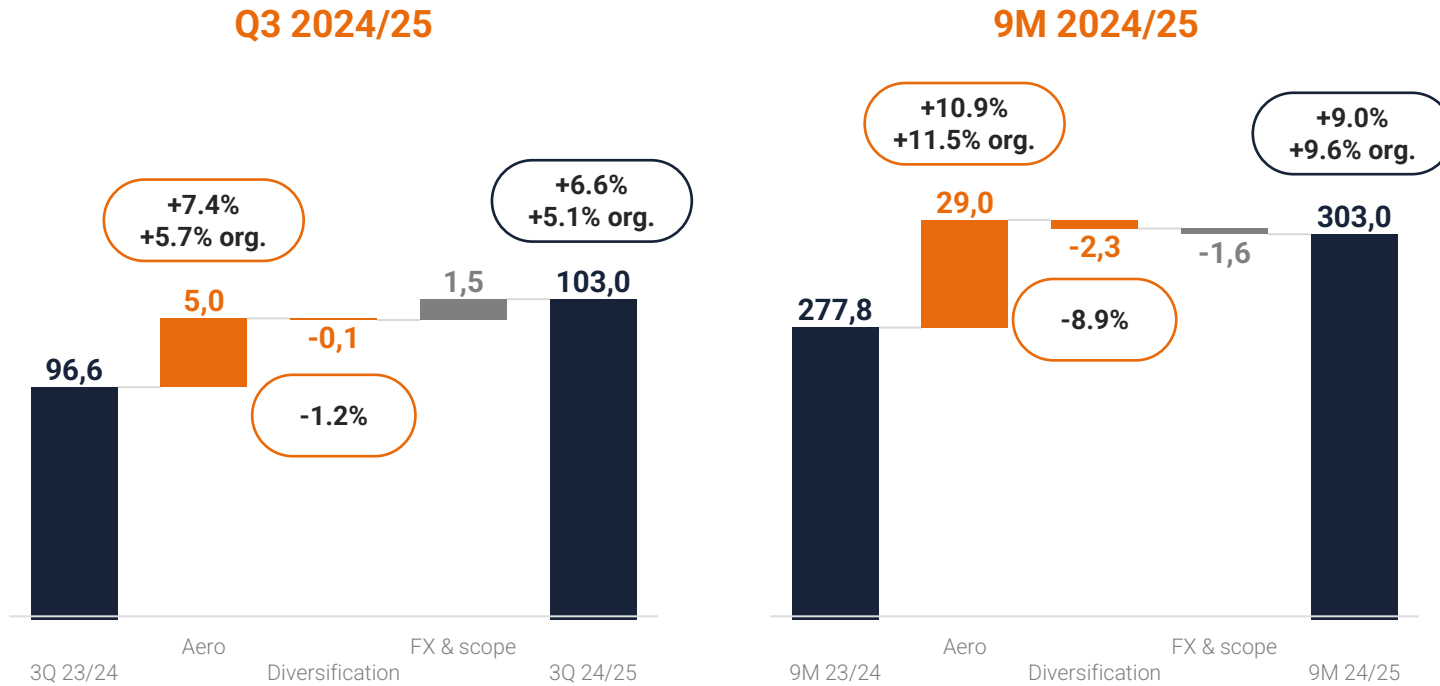
- ▶ Increase in cash flow
- ▶ Very positive impact from WCR:
 - Improved receivables
 - Cash advances
 - Negative impact of inventories
- ▶ FCF at €28.3m, thanks to working capital and reduced investments

FCF at record level, already at upper range of full-year target

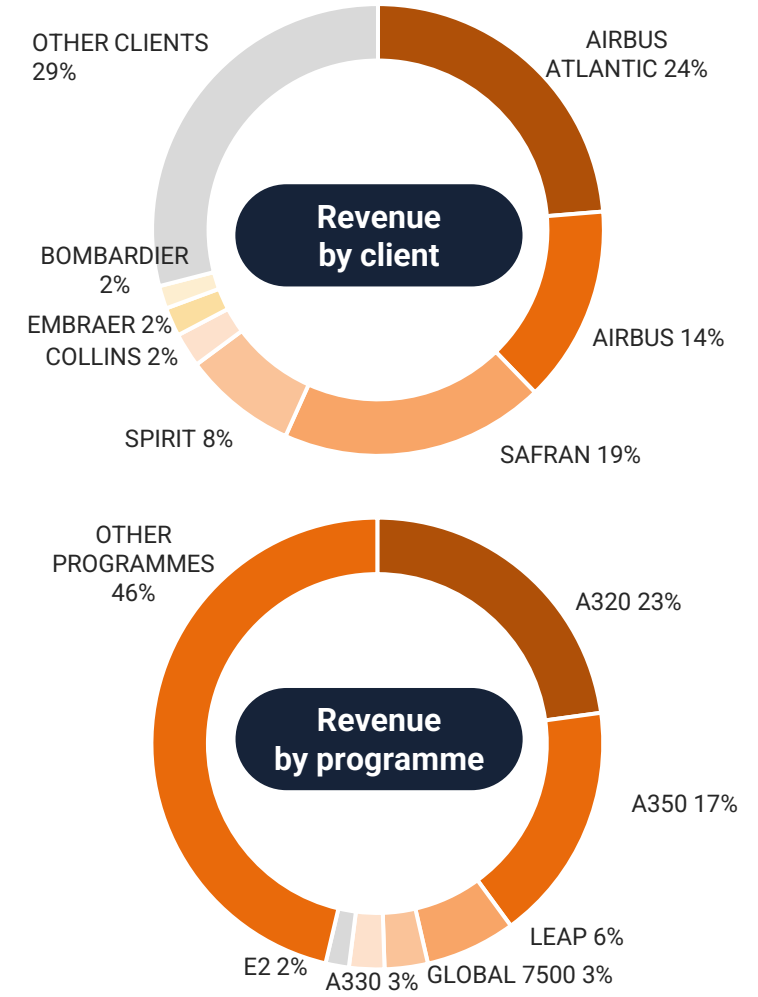
¹ Before cost of financial debt and taxes
 Note: a cash-flow statement is available in the appendices to this document

Q3 & 9M revenue

Revenue over the period (in €m)



9M driven by single-aisle, slight A350 growth & LEAP resistance
In line with annual target (€420 – 440m)



Based on 9M identifiable revenue across programmes and customer



04



PILOT 28 one-year update

PILOT 28 one year after launch



Performance of sales

- 17 new agreements (civil & defense)
- Significant pipeline
- Several new contracts imminent

New business secured



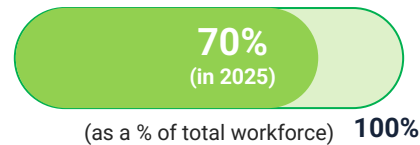
Innovation

- Continued R&D efforts
- Ongoing collaborative projects

Lower impact

- 3 major facilities ISO14001 certified
- Carbon accounting solution deployed
- Nomination of a Board Director in charge of CSR

Environmental certification



Optimisation of financial performance

- Cost base and CAPEX maintained under control
- Strong WC contribution
- Price increases
- Reduction of inventories

FCF generation

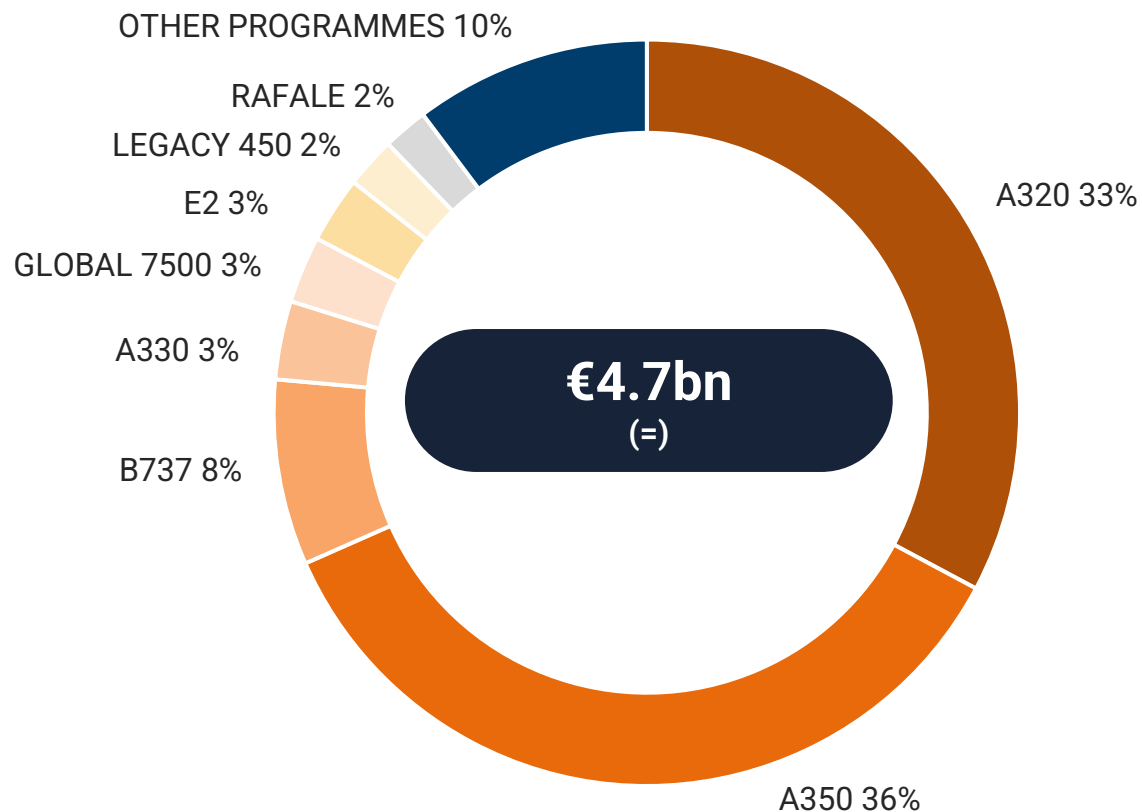


Transformation of model

- Reinforcement of executive committee capabilities and internal control
- Implementation of Figeac Aero Operating System

Progress on all pillars in line or ahead of schedule

Order backlog at record level



Main highlights

- Higher medium-to-long-term rates on main commercial jet programmes
- Potential for better price and more favorable FX not yet priced in
- Strong development potential from new business

As at 31 December 2024, data includes revenue from engine parts related to the corresponding programme

A more favorable economic environment overall



Contract margin optimization

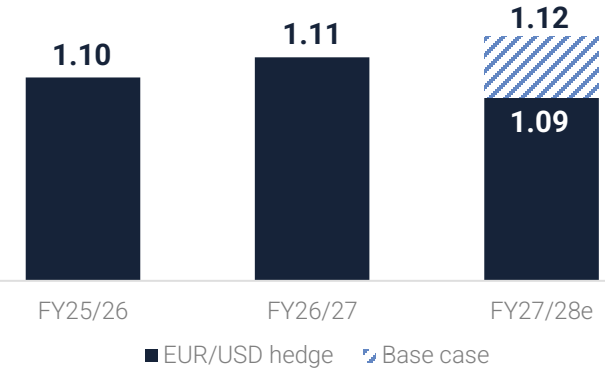
- Price increase agreements
- Slighter price attrition
- Other sources of revenue optimization

Lower inflation

- Cost base growth slower than expected

EUR / USD

- More favorable USD hedging cost



Significant revenue & EBITDA margin expansion expected



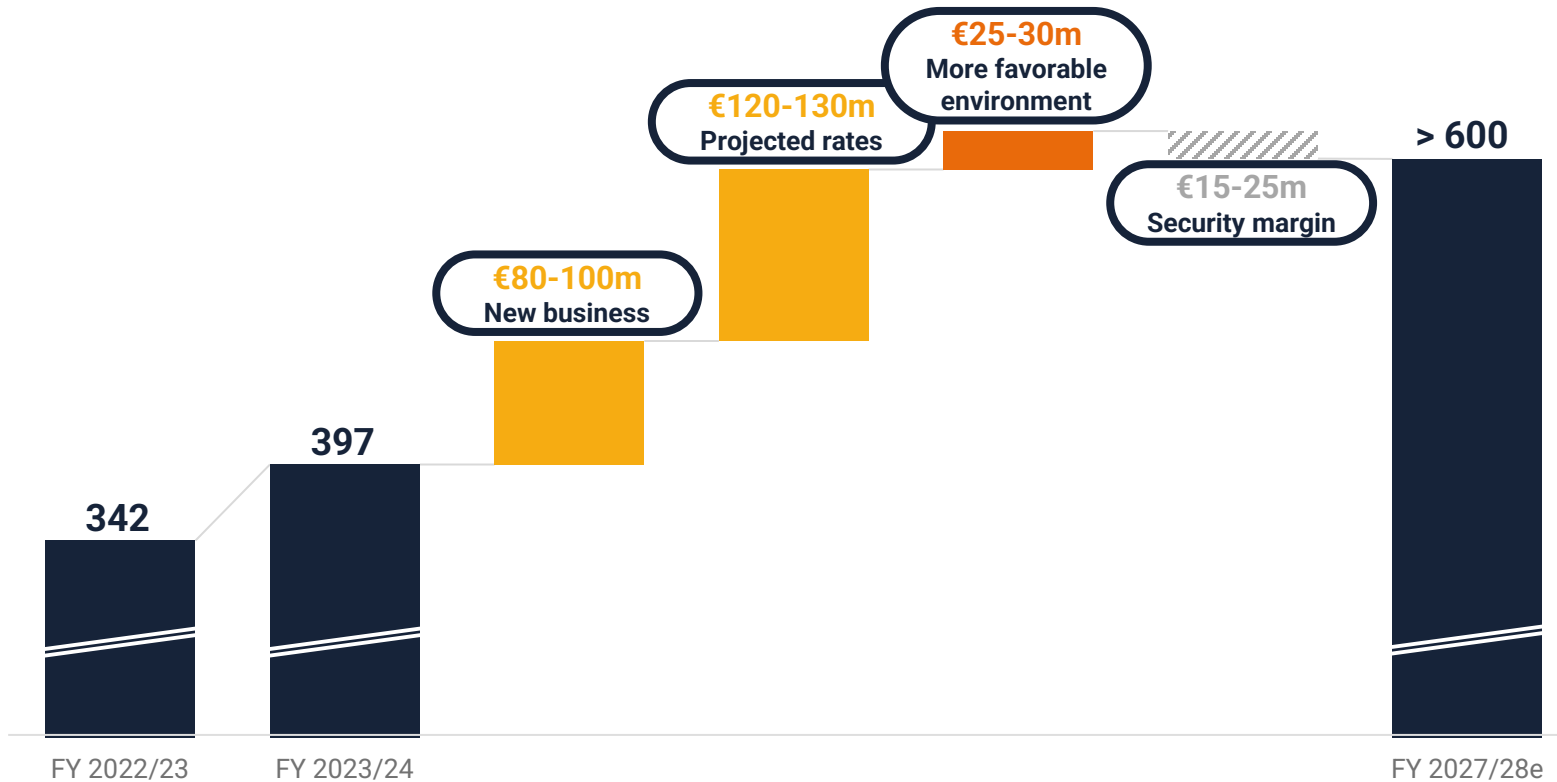
05



Outlook

PILOT 28's new revenue trajectory

Revenue growth projection FY23/24 – FY27/28 (€m)



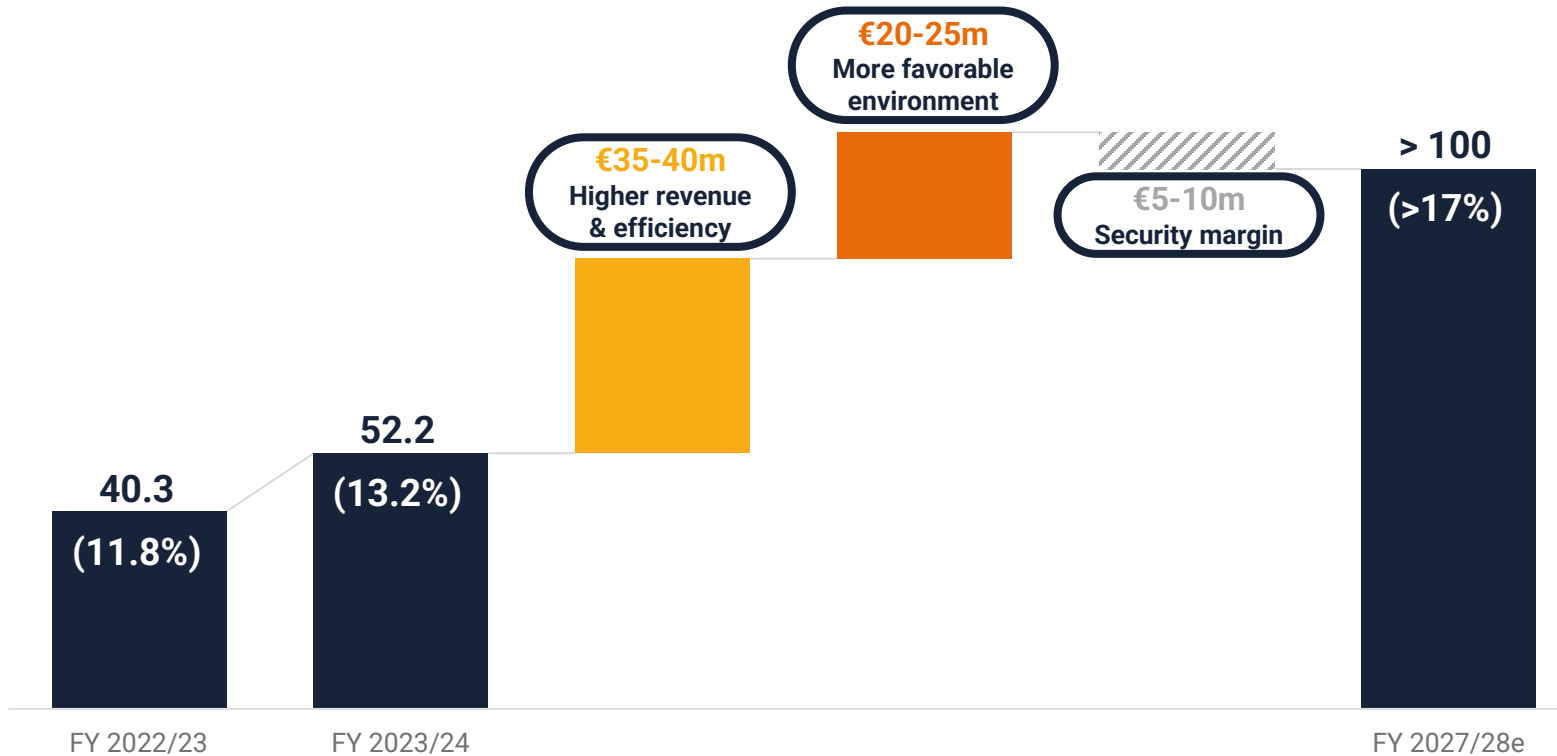
**FY 2027/28 revenue target now above €600m
(vs €550m-600m previously)**

- **New business**
Commercial, defense & services
- **Projected build rates**
Revenue increase from rate increases (c. 80% based on A320 & A350)
- **More favorable economic environment**
 - Higher prices on average
 - More favorable FX
- **Security margin**
 - Contract losses & strategic exits
 - Potential lags in build rate increases

Note: financial targets presented here are based on the following assumptions: realisation of build rates projected by aircraft manufacturers, a EUR/USD exchange rate of 1.13 for 2023/24, 1.11 for 2024/25, 1.10 for 2025/26, 1.11 for 2026/27, and 1.09 for 2027/28, and no deterioration in the economic climate, notably in terms of sourcing, inflation, hiring and customer financial support

PILOT 28's new current EBITDA trajectory

Current EBITDA growth projection FY23/24 – FY27/28 (€m)



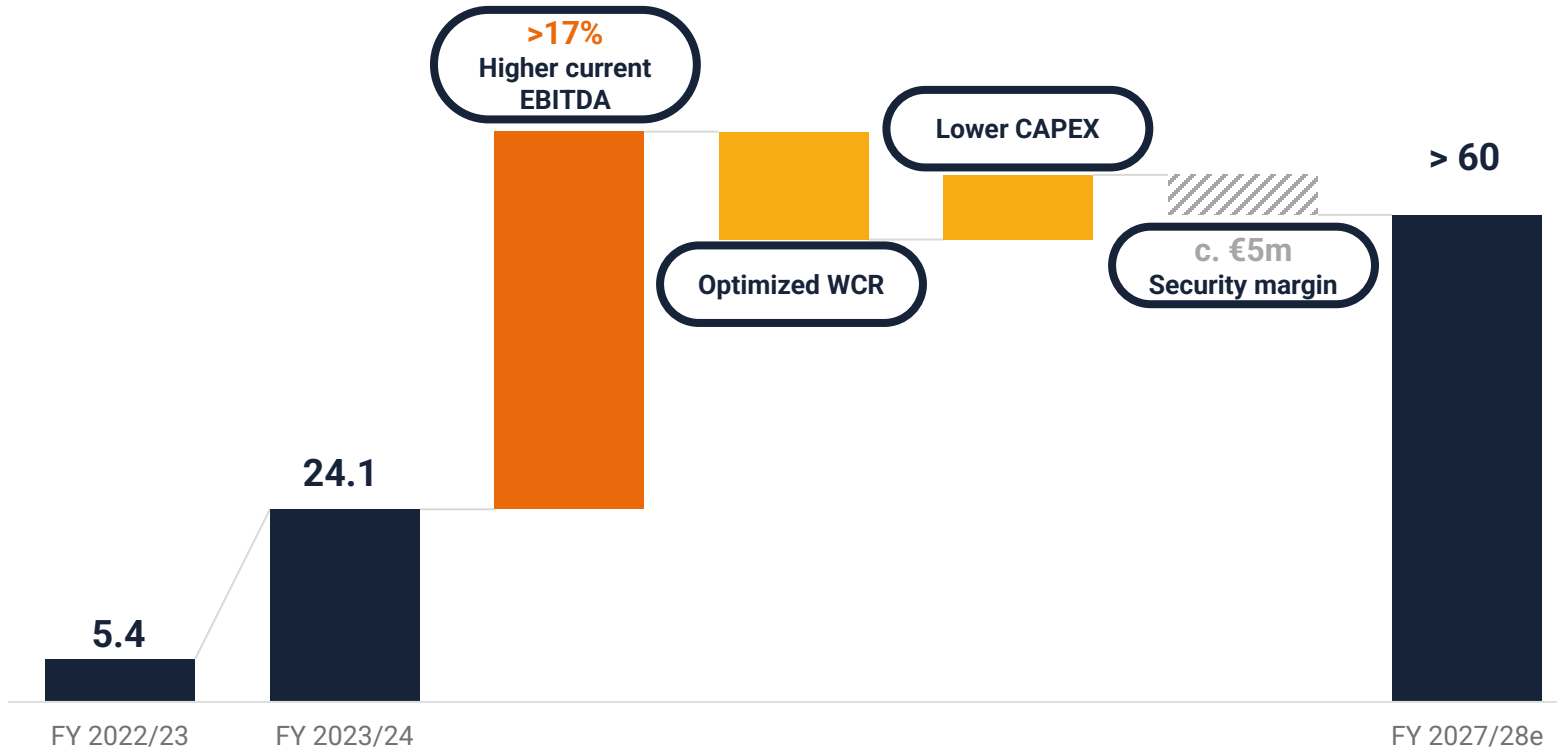
- **Higher revenue & efficiency**
 - Operational leverage
 - Efficiency initiatives
- **More favorable economic environment**
 - Higher prices on average
 - More favorable FX
 - Lower inflation than expected

**FY 2027/28 current EBITDA target now above €100m & 17% margin
(vs >16% previously)**

Note: financial targets presented here are based on the following assumptions: realisation of build rates projected by aircraft manufacturers, a EUR/USD exchange rate of 1.13 for 2023/24, 1.11 for 2024/25, 1.10 for 2025/26, 1.11 for 2026/27, and 1.09 for 2027/28, and no deterioration in the economic climate, notably in terms of sourcing, inflation, hiring and customer financial support

PILOT 28's new Free Cash Flow trajectory

FCF growth projection FY23/24 – FY27/28 (€m)



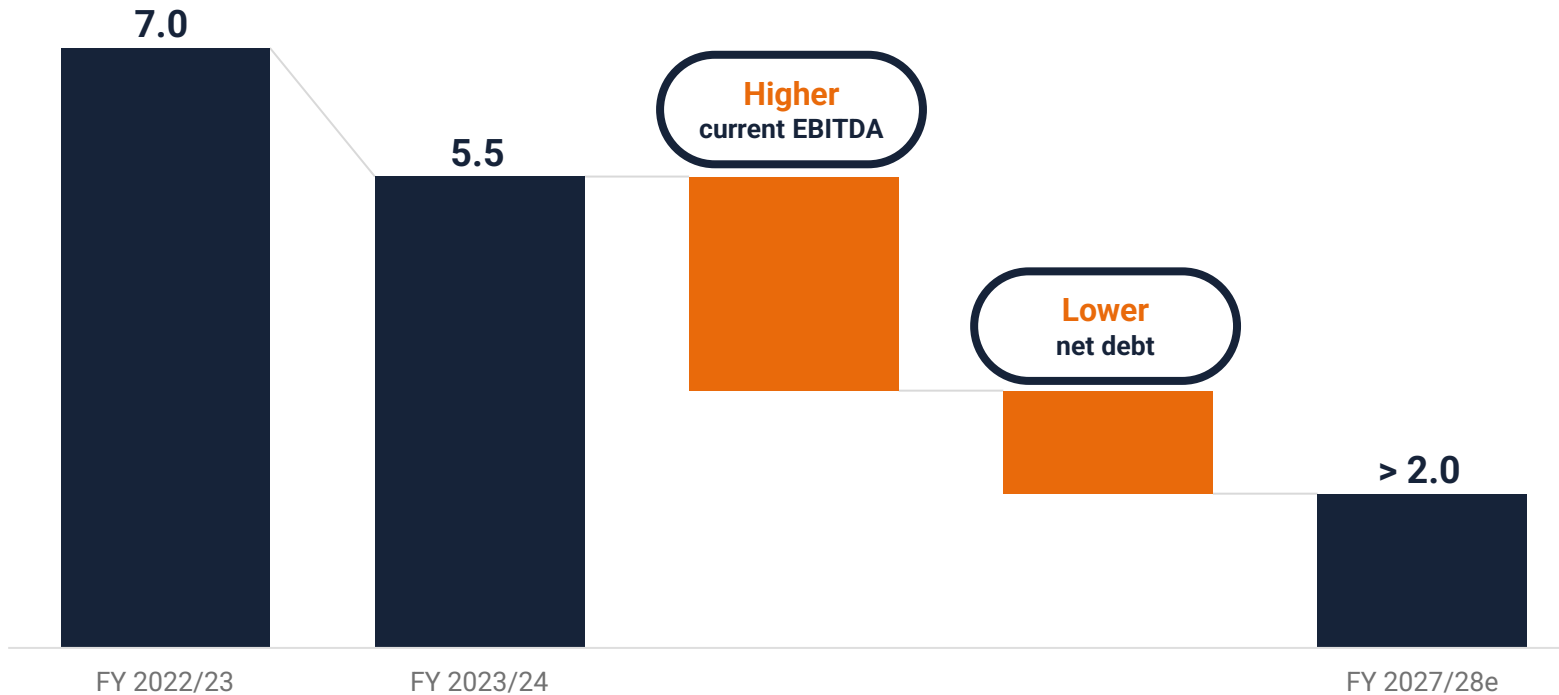
- Increased cash flow generation from higher profitability
- Stable assumptions on WC and CAPEX
 - Inventories down to 140 days of revenue
 - CAPEX down to 6% of revenue

**FY 2027/28 FCF target now above €60m
(vs c. €50m previously)**

Note: financial targets presented here are based on the following assumptions: realisation of build rates projected by aircraft manufacturers, a EUR/USD exchange rate of 1.13 for 2023/24, 1.11 for 2024/25, 1.10 for 2025/26, 1.11 for 2026/27, and 1.09 for 2027/28, and no deterioration in the economic climate, notably in terms of sourcing, inflation, hiring and customer financial support

PILOT 28's new financial leverage trajectory

Financial leverage projection FY23/24 – FY27/28 (€m)



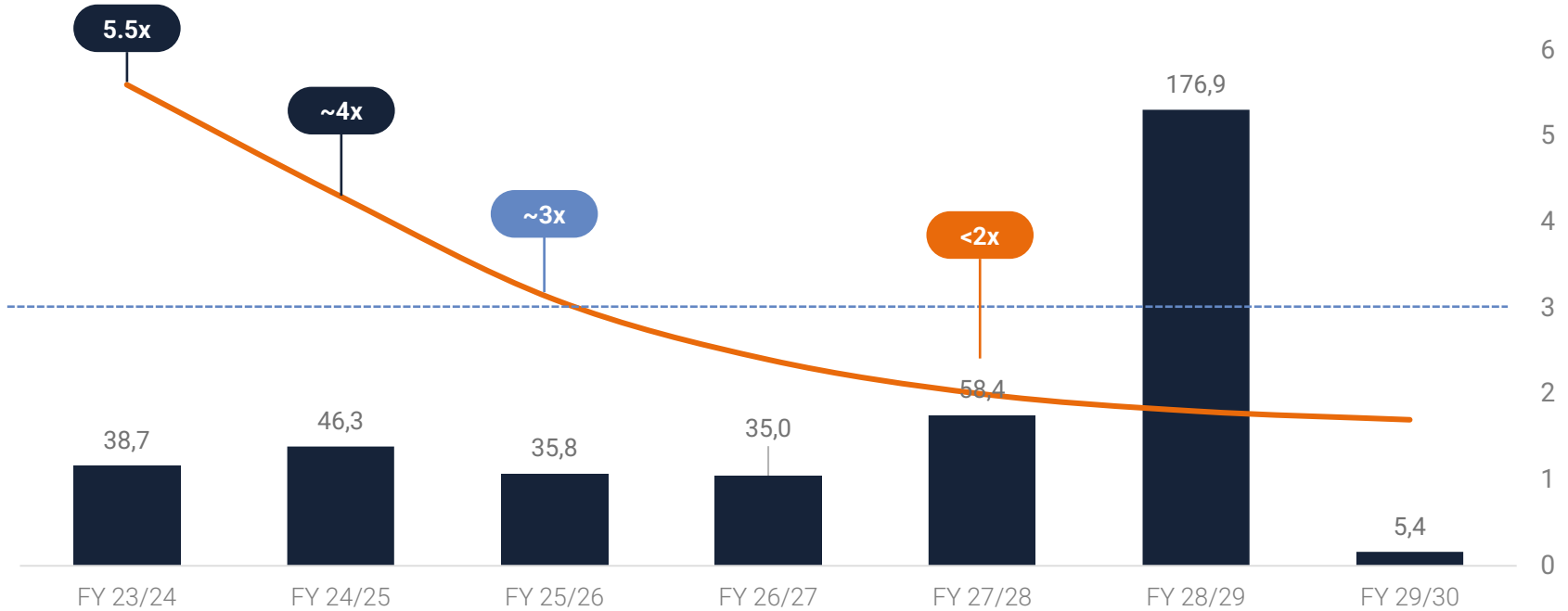
- **Accelerated deleveraging**
 - Higher profitability
 - Lower net debt through higher cash generation

**FY 2027/28 financial leverage target now below 2.0x
(vs 2x – 2.5x previously)**

Note: financial targets presented here are based on the following assumptions: realisation of build rates projected by aircraft manufacturers, a EUR/USD exchange rate of 1.13 for 2023/24, 1.11 for 2024/25, 1.10 for 2025/26, 1.11 for 2026/27, and 1.09 for 2027/28, and no deterioration in the economic climate, notably in terms of sourcing, inflation, hiring and customer financial support

Financial situation⁴

Debt amortization schedule & projected leverage³



	
Cash €86.5m	Net debt €275.5m¹
	
Fixed rate debt ~ 77%	Average cost 5.5%¹

¹ excluding non-interest bearing debt
² FCFs after cost of financial debt and taxes
³ Leverage is calculated by dividing net debt excluding non-interest bearing debt by current EBITDA
⁴ Data as at 30 September 2024
 Note : the balance sheet and debt structure are available in the appendices to this document

Short-term guidance confirmed & medium-term guidance revised upwards



Consolidate FIGEAC AÉRO's position as a leading aerospace contractor with a low debt structure



Q&A

FIGEAC AÉRO ideally positioned to continue to deliver profitable growth in foreseeable future



Strong market fundamentals

- Long-term air traffic growth
- Sizeable existing backlogs
- Increasing build rates



Unique competitive positioning

- Aerospace pure player
- One-stop shop for metal aerospace parts
- Global industrial footprint
- Combination of expertise / state-of-the-art technology / innovation
- Critical partner for OEMs



Solid execution

- Excess capacity
- Optimized industrial performance / customer satisfaction
- Financial robustness



Revenue growth

- Increasing production rates on existing scope
- New business
- **Better pricing terms overall**



Improved financial performance

- Increased activity
- **Margin optimization**
- Rebalancing of OEM relations
- WC & CAPEX control

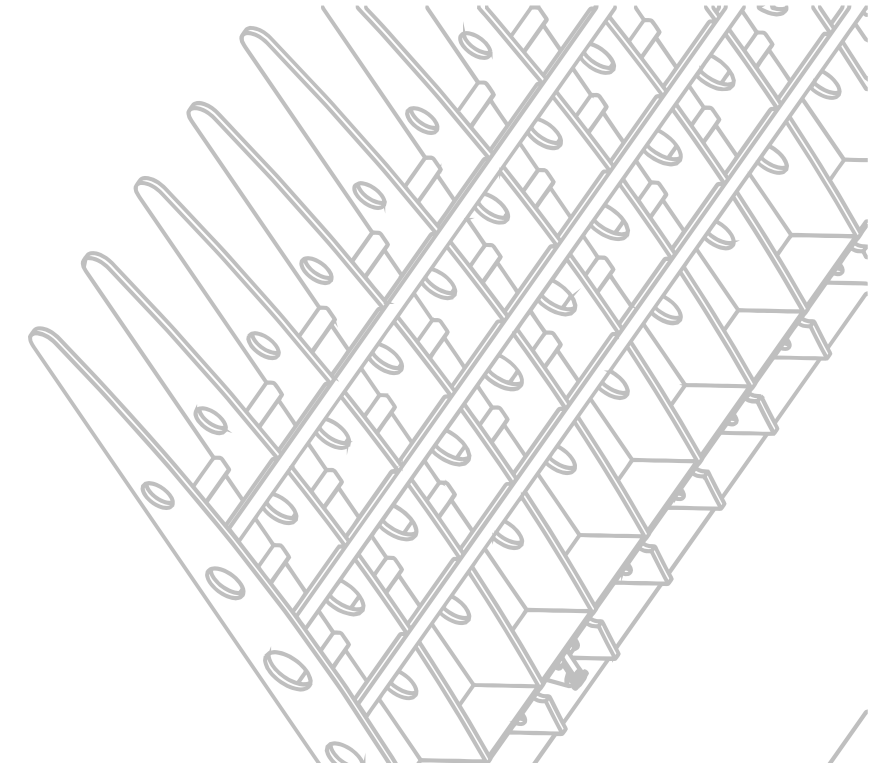


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Appendices

Consolidated P&L

IFRS, €m (audit in the final stages)	1H24/25	1H23/24	Chg.
Revenue	200.0	181.2	+10.3%
Other finished products and WIP	8.8	6.7	+32.7%
Cost of bought-in goods and services and external expenses	(132.1)	(121.1)	+9.1%
Personnel expenses	(50.0)	(46.7)	+7.1%
Taxes and duties	(1.4)	(0.8)	+62.3%
Net depreciation, amortisation and provisions ¹	(20.3)	(23.1)	(12.0)%
Current operating income (loss)	4.9	(3.9)	ns
Other non-recurring operating income & expenses	(2.3)	(1.8)	ns
Share of net income (loss) of joint ventures	(0.2)	0.9 ²	ns
Operating income (loss)	2.4	(4.9)	ns
Cost of net financial debt	(9.7)	(10.0)	(2.9)%
Foreign exchange gains and losses	(2.6)	5.4	ns
Unrealised gains and losses on derivative instruments	1.0	5.7	ns
Other financial income and expenses	(0.5)	(0.1)	ns
Financial income (loss)	(11.8)	1.0	ns
Profit before tax	(9.5)	(3.8)	+146.7%
Tax income (expense)	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)%
Non-controlling interests	(0.0)	(0.0)	ns

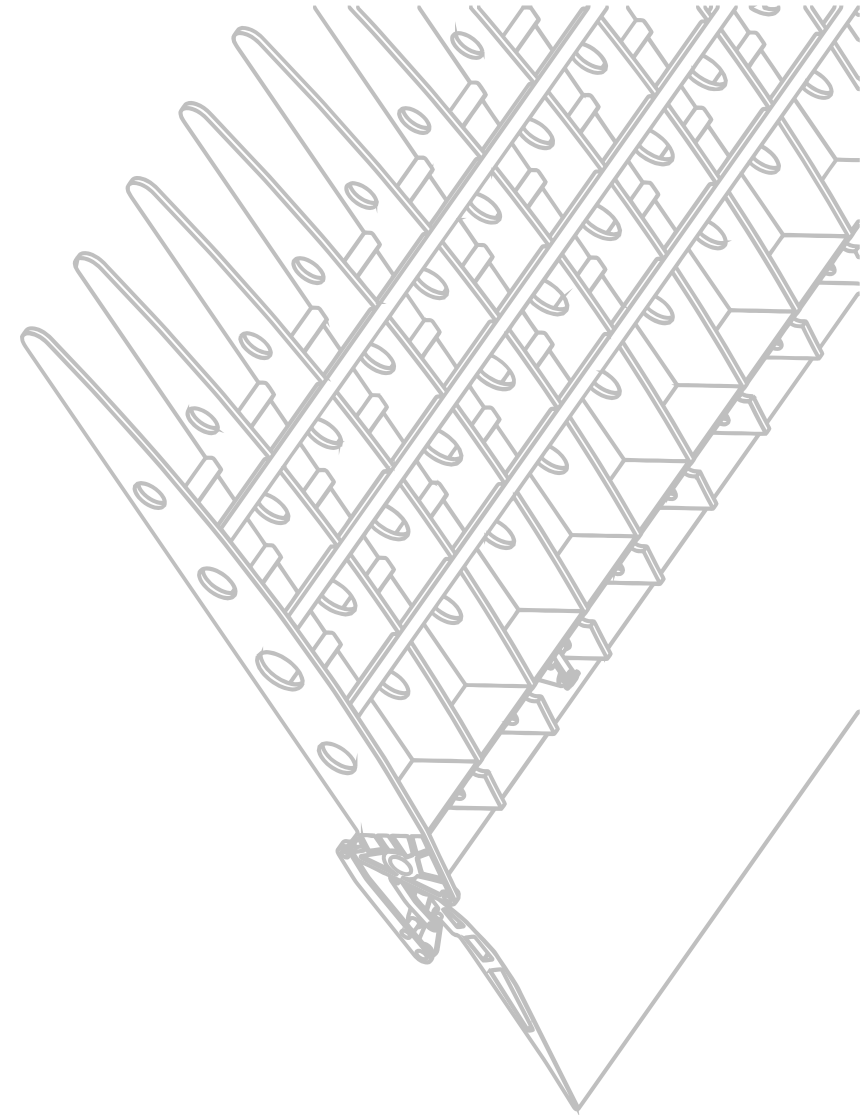


¹ At the close of the first half of its financial year, the FIGEAC AÉRO Group was required to adjust its amortisation methods for certain assets. Under accounting standard IAS 8, it appeared that the expected useful lifetime of intangible assets relating to the capitalisation of Research & Development 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.

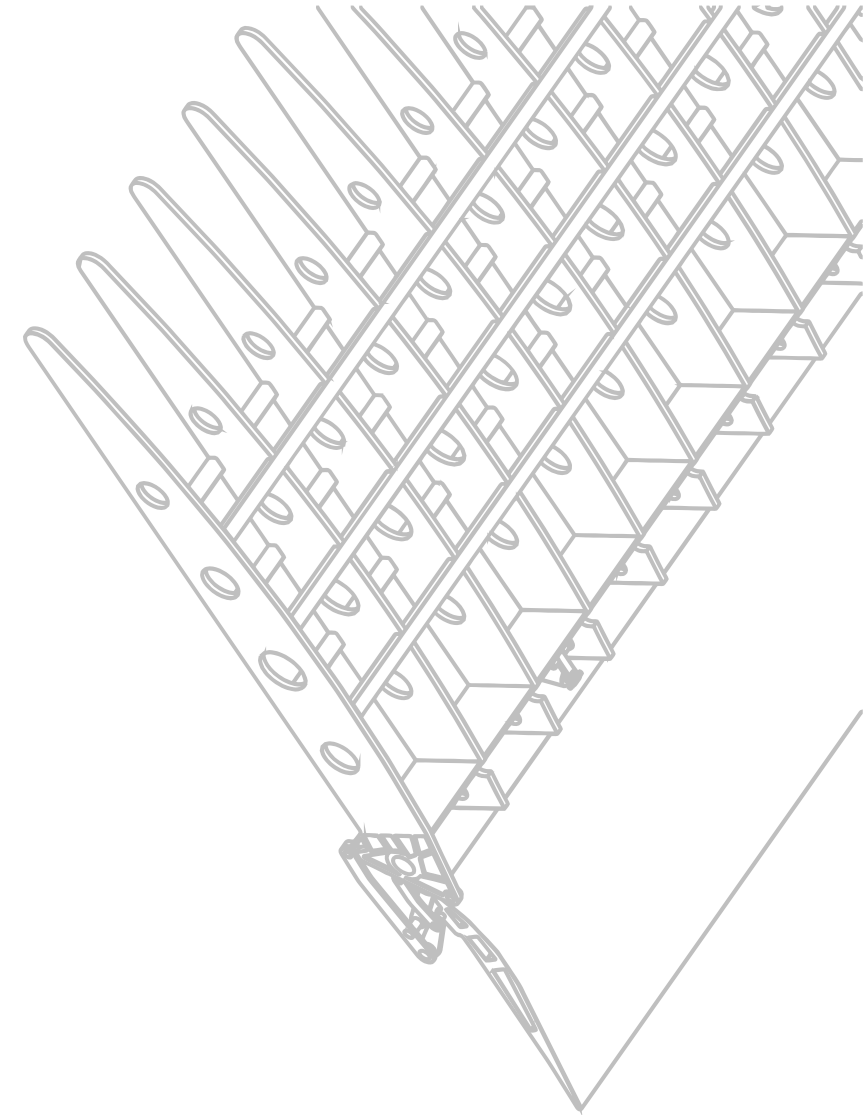
Consolidated balance sheet (simplified)

IFRS, €m (audit in the final stages)	30/09/24	31/03/24
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 financial liabilities	310.1	334.3
Non-current liabilities	18.1	23.7
Current portion of 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



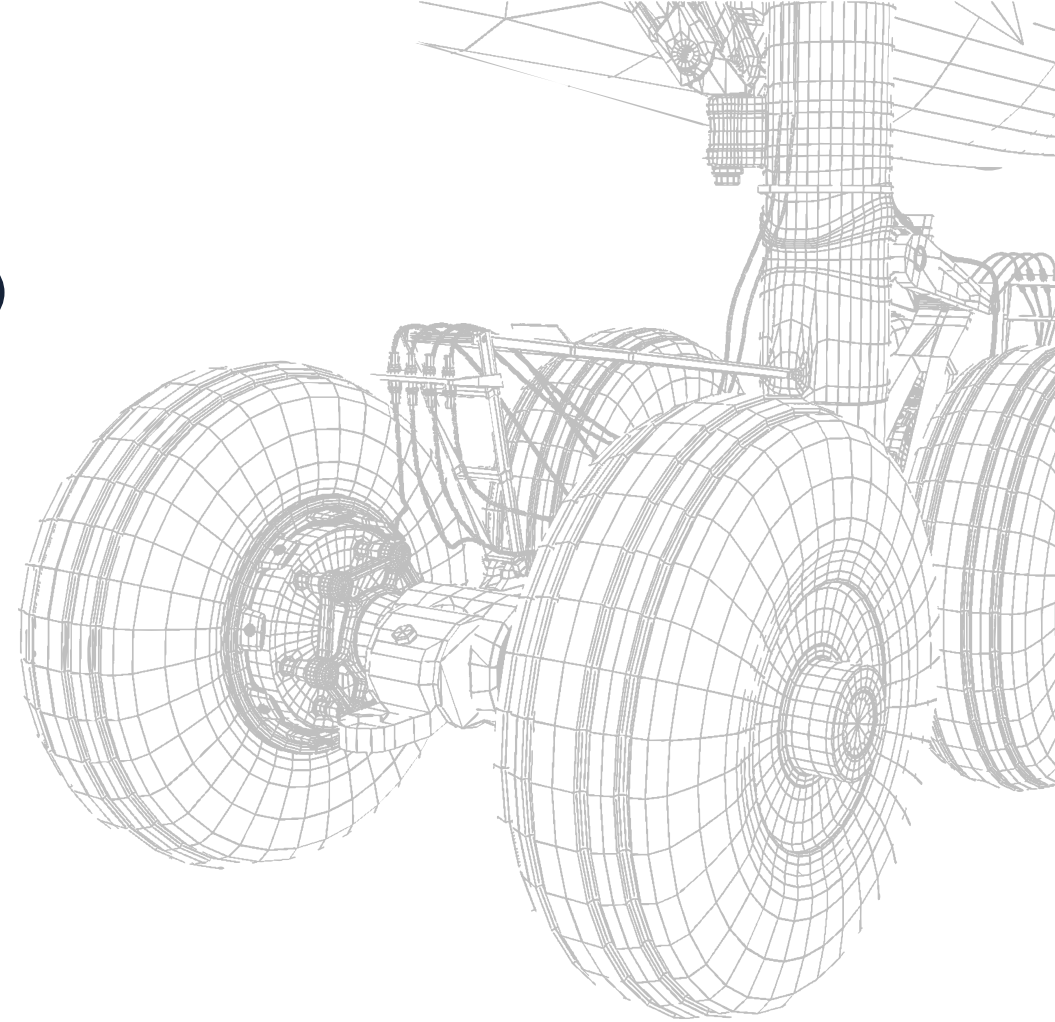
Consolidated cash flow statement (simplified)

IFRS, €m (audit in the final stages)	1H24/25	1H23/24
Net profit	(4.4)	(5.3)
Depreciation, amortization and provisions	20.3	23.1
Other non-cash adjustments	0.6	(2.3)
Tax expense	0.4	0.1
Cost of debt	6.9	6.8
Cash-flow before cost of debt and taxes	23.9	22.4
Change in working capital requirement	19.5	13.7
Cash-flow from operating activities	43.4	36.2
Cash-flow from investing activities	(15.1)	(26.9)
Free cash-flow	28.3	(9.3)
Disposals (acquisitions) 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)
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



Financial debt structure

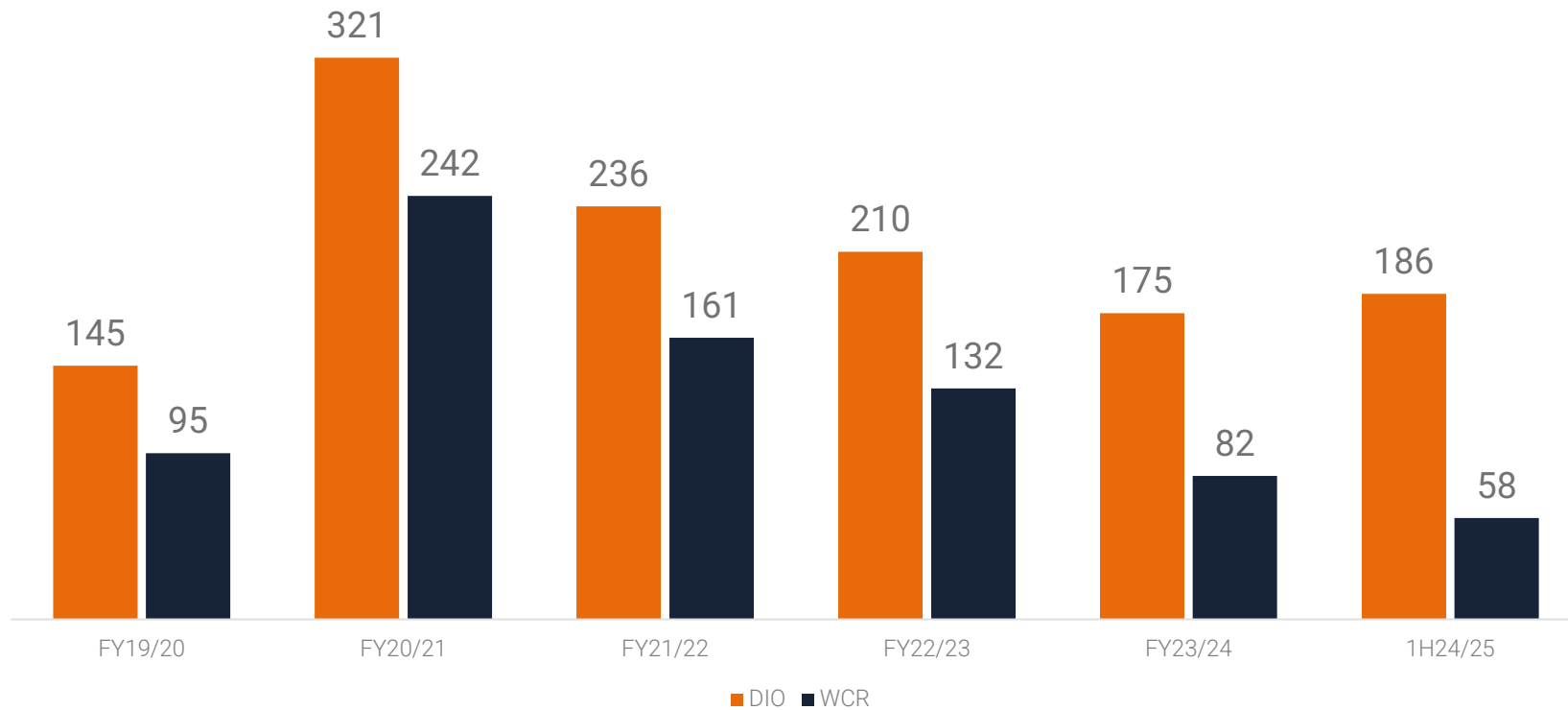
Debt	Amount	Type ¹	Rate
State-guaranteed loan (PGE)	127.1	A	Fixed
Bonds	69.1	B	Fixed
Bonds	16.5	B	Variable
Bank debt	53.1	A	Fixed
Bank debt	51.5	A	Variable
Leases	18.7	A	Fixed
Others	12.3	A	
Factoring	13.6	ns	Variable
Gross debt²	361.9	~80% amort.	77% fixed
Average cost			5.5% ²
Net debt²	275.5		



² A : amortizinge, B : bullet
² excluding non-interest-bearing debt

WCR update (1H24/25)

WCR and DIO over the financial year (in number of days of revenue)

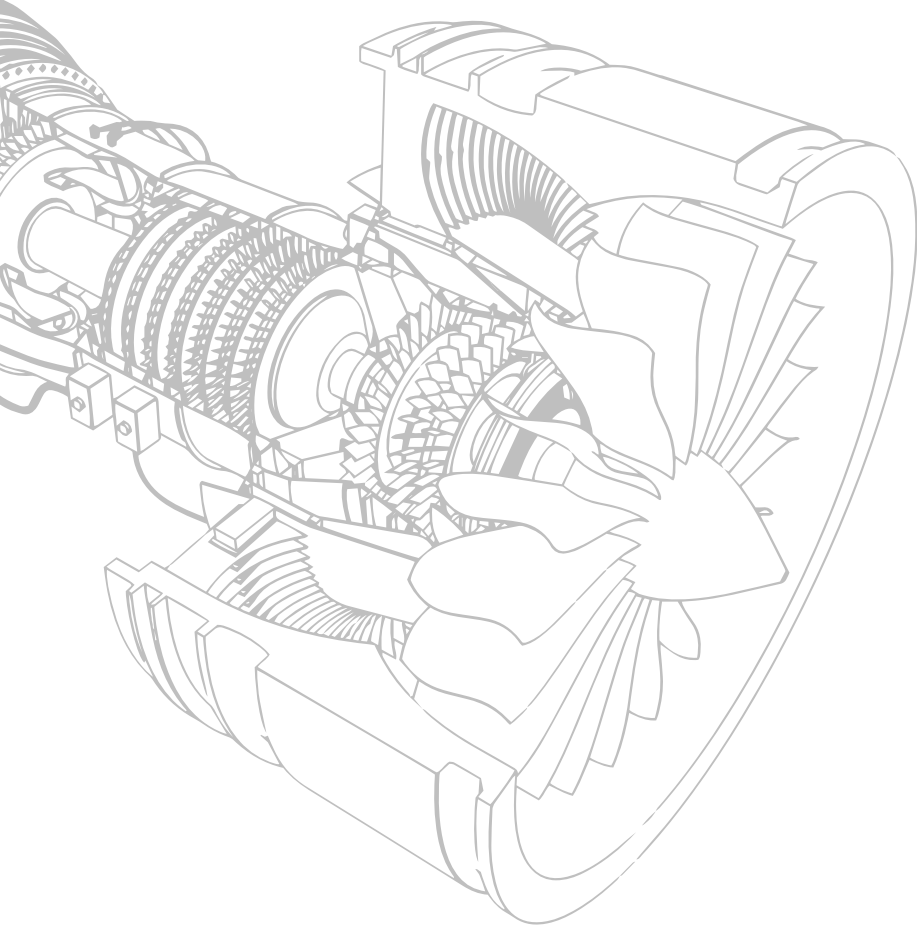


Our strategic positions on the main aircraft programmes

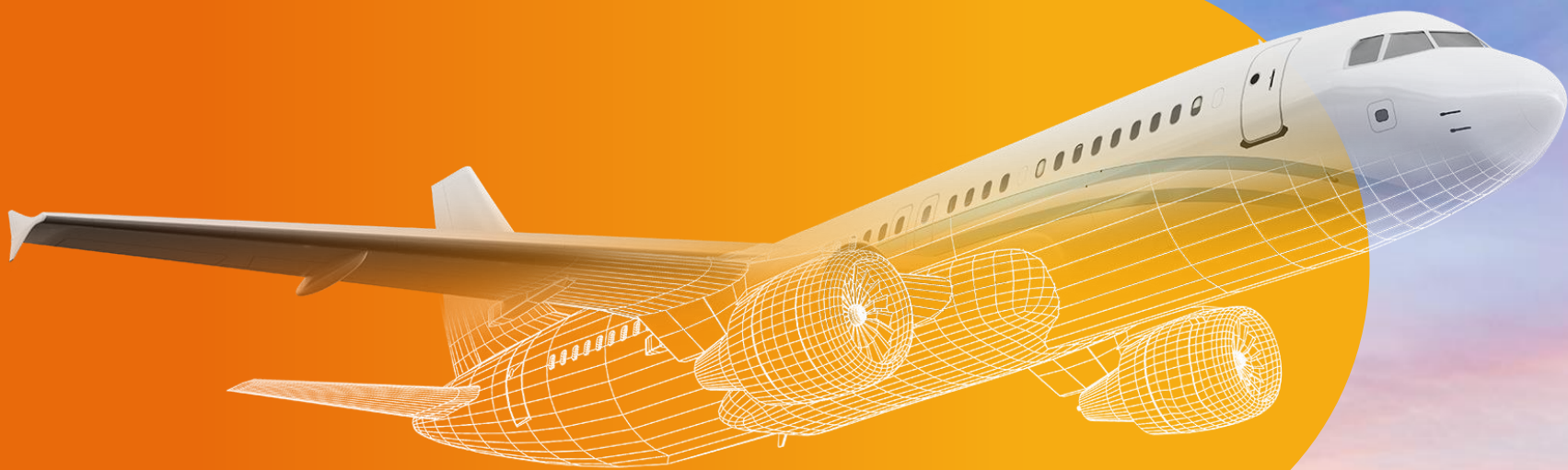


¹ Includes revenue generated from the engines equipping this programme

Glossary



Term / indicator	Definition
▶ OEM (Original Equipment Manufacturer)	Aircraft manufacturers, engine manufacturers and other airframers
▶ Build-to-Print	The manufacture of parts and sub-assemblies by a sub-contractor based on plans and specifications provided by the client
▶ OTD (On-Time Delivery)	Percentage of line items in a purchase order delivered to the client on time
▶ Current EBITDA / EBITDAc	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
▶ Leverage	Ratio of net debt to current EBITDA
▶ Capex	Investments in fixed assets
▶ ORNANE	Bonds redeemable into cash and/or new and/or existing shares
▶ EBITDA-to-FCF	Free Cash Flows divided by current EBITDA
▶ ROCE	(Return On Capital Employed) Net operating income after taxes (NOPAT) divided by the economic assets (fixed assets and working capital)
▶ Free cash-flow / net	Net cash-flow from operating activities before cost of financial debt and taxes, minus net cash-flow from investing activities / after cost of financial debt and taxes



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