



2019/20 REVENUE: +3.2%

- Growth held back by the impact of the Covid-19 crisis in the 4th quarter
- 2019/20: current EBITDA¹ expected in line with market forecasts, free cash-flow under control
- A comfortable cash position

The FIGEAC AÉRO Group (ticker: FGA), a leading partner for major aerospace manufacturers, has today released its annual revenue figures for financial year 2019/20.

Unaudited figures in €m	Q4 2018/19	Q4 2019/20	Chg. (%)	Org. chg. (%)	12 months 2018/19	12 months 2019/20	Chg. (%)	Org. chg. (%)
Aerostructures	101.29	88.4	-12.8%	-14.6%	372.2	387.5	4.1%	1.3%
Other business activities	12.77	10.4	-18.4%	-19.4%	55.7	54.1	-2.9%	-3.6%
Total revenue	114.06	98.8	-13.4%	-15.2%	427.9	441.6	3.2%	0.7%

Annual growth exceeds that of the aerospace sector

The 4th quarter got off to a good start, but business activity then slowed down considerably in March when the Covid-19 virus began to spread and the governments of countries in which the Group operates began to introduce quarantine measures.

So, in the midst of this unprecedented public health crisis, FIGEAC AÉRO's business volumes contracted by 25% in March and revenue for the 4th quarter of financial year 2019/20 came to €98.8m, which is 13.4% lower year-on-year. At constant scope and exchange rates, the Group's quarterly revenue fell by 15.2% (-14.6% for the Aerostructures division).

FIGEAC AÉRO's full-year 2019/20 revenue thus amounted to €441.6m, reflecting an increase of +3.2% (0.7% at constant scope and exchange rates). The Aerostructures division, which accounts for 87.7% of the Group's total revenue, generated €387.5m revenue and remains the overall growth driver (+4.1% reported), while the Group's other business activities² turned in revenue of €54.1m (-2.9% reported and -3.6% like-for-like).

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

² Oil & Gas, Mechanical Engineering, Surface Treatment and Assembly

The Group therefore proved resilient even as the aerospace sector was already being hit hard by:

- the crisis surrounding the Boeing 737 Max, which is unprecedented in the history of aerospace,
- the delayed certification of the Boeing 777X,
- slower production rates on aircraft such as the Boeing B787 and Airbus A330,
- the fact that production rates have levelled off on the Airbus A350,
- the discontinuation of the Airbus A380 and Bombardier's CRJ.

Covid-19, production sites gradually ramping up

While lockdowns were being imposed worldwide to curb the Covid-19 pandemic, affecting FIGEAC AÉRO's business activity, the Group introduced all the precautionary and social distancing measures needed and reinforced its health and safety protocols so that its employees could resume their work in safe and secure conditions.

Production sites are now gradually ramping up and the Group hopes to reach the production rates announced by its clients as quickly as possible. As a subcontractor, FIGEAC AÉRO remains dependent on aircraft deliveries which are still uncertain given the financial health of airlines at present and the time it will take for air traffic to pick up again.

Outlook

Profitability in financial year 2019/20 will automatically be affected by the decline in business activity in March, but FIGEAC AÉRO still expects EBITDA to be roughly in line with consensus forecasts. Free cash-flow at 31 March 2020 remained under control thanks to the performance action plans launched at the start of the financial year and that had already begun to pay off in the second half.

Given the uncertainty about the duration and severity of the Covid-19 pandemic, and its impact on the aerospace sector, FIGEAC AÉRO is suspending the medium-term guidance set out in its 2021/24 business plan and is currently unable to issue any guidance for financial year 2020/21.

In such challenging circumstances, we continue to hold trade talks even though trade itself has slowed down somewhat. FIGEAC AÉRO still has full confidence in its business model and in its ability to gain market share, especially in North America.

Cash preservation a priority

The Group is determined to lower its operating breakeven point and maximise its cash position:

- permanent adjustments to the workforce thanks to part-timework arrangements,
- payroll taxes and bank payments postponed (government measures),
- tight control over the working capital requirement (inventory adjusted, supply chain secured, strict control over trade receivables),
- an OPEX and CAPEX reduction plan (non-essential spending and investment projects either postponed or cancelled, outsourced services brought back in-house where possible),
- an ongoing plan to repatriate parts manufactured by suppliers.

Other measures are being considered to adapt our production facilities and cost base in response to this lasting crisis.

As part of the GIFAS (Groupement des Industries Françaises Aéronautiques et Spatiales, representing the French aerospace sector), the Group is also taking part in the preparation of specific support measures for the sector, including an industry-wide plan geared particularly to aerospace suppliers, that the government is set to announce by 1 July.

As far as liquidity is concerned, the Group's cash position stood at €120m at the end of the first half and will still be very comfortable at end-2019/20, thereby enabling it to refinance its debt and remain a going concern.

The Group has nevertheless submitted an application to its banks for a state-guaranteed loan (Prêts Garantis par l'État - PGE) to benefit from favourable terms and conditions on offer and to shore up its cash position to face this lasting crisis.

FIGEAC AÉRO is confident it can renew relations with its long-standing banking partners and thus secure its continued development.

A strengthened cash position combined with a comfortable cash cushion at 31 March 2020 will give the Group at least 2 years of visibility for its activities and planned refinancing arrangements.

Agenda:

- 7 July 2020, 2019/20 full-year results (after trading)

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 €442m in the year to 31 March 2020.

FIGEAC AÉRO

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