



REVENUES FOR THE FIRST QUARTER OF 2020/21

- First quarter affected by the Covid-19 crisis, as expected
- Structural fixed cost-cutting plan amounting to €30 million
- Continued efforts to secure long-term resources with an additional €15 million
- New contracts wins corresponding to full-year revenue of €20 million
- Sector consolidation under consideration

The FIGEAC AÉRO Group (ticker: FGA), a leading partner for major aerospace manufacturers, has today released its revenue figures for the 1st quarter (1st April to 30th June 2020).

Unaudited figures €m	Q1 2019/20	Q1 2020/21	Chg.	Organic chg.
Aerostructures	98.1	39.3	-59.98%	-59.94%
Other business activities	14.1	10.9	-22.66%	-23.20%
Total revenue	112.2	50.2	-55.29%	-55.32%

Discontinued deliveries to clients took a heavy toll on activity

The aerospace market felt the full effects of the Covid-19 crisis as global air traffic plummeted during the lockdown period, forcing aircraft manufacturers everywhere to reduce their production programmes considerably and draw down their inventory. FIGEAC AÉRO's revenue thus reached €50.2 million in the 1st quarter of financial year 2020/21 (from 1st April to 30th June 2020), which is 55.29% lower year-on-year. At constant scope and exchange rates, the Group's quarterly revenue fell by 55.32%.

Having already been affected by the discontinuation of production on the Boeing 737 Max programme, the Aerostructures division saw a steep drop in its activity (-59.98% reported, -59.94% like-for-like) on account of the Covid-19 crisis. The Group's other business activities registered a €3.2 million drop in revenue.

Plans to adjust the headcount in response to an unprecedented economic crisis

As announced in the press release issued on [27th August](#), the Group is having to adjust its workforce in response to the ongoing economic downturn in the air traffic sector in order to safeguard its competitive standing and protect itself from the difficulties looming on the horizon as well as their impact on employment.

Talks with all the Group's social partners continue, particularly at the Figeac site, the aim being to reach agreements so that they can come into effect in January 2021. Other measures are also being examined in France and overseas.

All the measures taken under the operational optimisation plan should reduce fixed and structural costs by approximately €30 million, and almost the full effects of this plan will be visible in financial year 2021/22. These cost savings will make the Group more competitive and generate significant operating leverage when volumes pick up again, which will allow for cash-flow generation over the long term.

Meanwhile, the plan is expected to incur one-off costs estimated at between €20 million and €23 million, most of which will be provisioned this financial year (ending 31/03/2021).

“Atout” loan obtained from Bpifrance

FIGEAC AÉRO has been granted a €15 million “Atout” loan from Bpifrance; this is in addition to the State-Guaranteed Loans (amounting to a total of €80 million) obtained from its long-standing banking partners. These funds will secure the Group’s future.

Furthermore, the Group is in talks with its banking partners to ease the terms and conditions of its financial covenants for the year ending March 2021. The negotiations are expected to be finalised in the coming weeks, i.e. before the end of the first half of 2020/21.

New contracts wins, in line with the Group’s strategy to expand in North America and diversify in the engines segment

FIGEAC AÉRO has been awarded a ‘programme life’ contract worth USD250 million (at current production rates) to produce detail parts and sub-assemblies for the A320, A321 and B787 programmes. This new client has selected the Group to manufacture small, medium and large aluminium and titanium mechanical parts, as well as sub-assemblies, primarily thanks to a successful strategy deployed across its entire global footprint. The Group has been awarded this major contract largely because of its industrial and commercial positions in the USA, its critical size and the know-how it has developed in Europe over the past 30 years. The contract is set to contribute fully to the Group’s revenue base as of 2022, with USD17 million, following an initial ramp-up phase.

FIGEAC AÉRO has also reached a Long-Term Agreement worth around USD50 million with a major engine manufacturer. The Group’s ‘Usine du Futur’ (Plant for the Future) in France will produce complex engine parts for the A350 programme based on the expertise it has acquired with other engine manufacturers. Following an initial ramp-up phase, this contract will contribute USD5 million to the Group’s full-year revenue base as from 2022.

“My staff and myself are hugely proud to have been awarded these major contracts by tier-1 clients, ranking among the industry’s leading customers worldwide, and for such considerable amounts”, says Thomas Girard, VP Sales & Marketing at FIGEAC AÉRO. “This crisis is creating opportunities and will bolster the positions of systemic suppliers in the industry. We are confident that we will win further contracts like these, that will not require substantial capex, as per the roadmap set out by the Board of Directors and Executive Committee.”

Outlook

It is difficult to establish forecasts for the short term as there is little visibility on a resumption in global air traffic and on the repercussions this will have for deliveries by aircraft manufacturers. FIGEAC AÉRO believes it is not in a position to issue guidance targets for financial year 2020/21, which is likely to be affected by a steep drop-in activity and by one-off restructuring costs.

For the past 30 years, FIGEAC AÉRO has successfully established itself as a leading partner in the aerospace sector and developed considerable expertise and a solid foothold in Europe as well as, more recently, the USA; these strengths will help it maintain its commercial momentum.

The Group is also examining the role it might play in the consolidation of the aerospace suppliers market; it stands to be a major participant thanks to its leading position in Europe, international footprint, technological leadership and diversified client mix and product mix (fuselage, wings, tail units and engines). The Group will explore all avenues to secure its long-term viability and develop its activities.

Agenda:

- 16th December 2020: revenues for the 2nd quarter of 2020/21 and earnings for the 1st half of 2020/21 (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 €447m in the year to 31st March 2020.

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