FIGEAC AÉRO




PRESS RELEASE

Figeac, 3 July 2019

FULL-YEAR 2018/19 RESULTS

- **Revenue growth at constant scope and exchange rates: +13.6%**
- **Growth in current EBITDA margin at constant scope and exchange rates: 18.1%**
- **Increase in net income adjusted for unrealised currency effects to €14.3m**
- **Positive growth in cash flow from operations to €85.6m**
- **Target met, with positive free cash-flows reaching €12.4m**

The FIGEAC AÉRO Group (ticker: FGA), a leading partner for major aerospace manufacturers, has today released its full-year 2018/19 results (year ended 31 March 2019), which are currently being audited. The Audit Committee met on 28 June 2019 and the accounts will be approved by the Board of Directors on 30 July 2019.

€k - IFRS at 31/03	2017/18[1]	2018/19	LFL change[2]
Revenue[3]	**370,705**	**427,956**	**13.6%**
Current EBITDA[4]	**61,028**	**75,957**	**25.0%**
Current EBITDA / Revenue	***16.46%***	***17.75%***	
EBITDA	**56,797**	**69,709**	
EBITDA / Revenue	***15.30%***	***16.29%***	
Depreciation and amortisation	(30,890)	(35,840)	
Net provisions	227	(1,034)	
Current operating income	**26,134**	**32,835**	
COI / Revenue	***7.05%***	***7.67%***	
Other operating income	1,381	1,066	
Other operating expenses	(4,111)	(3,464)	
Operating income	**23,404**	**30,437**	
Cost of net financial debt	(6,132)	(9,733)	
Realised currency gains & losses	(6,085)	(2,729)	
Unrealised gains & losses on financial instruments	16,668	(4,824)	
Other financial income and expenses	(115)	(563)	
Income tax	(5,987)	(1,747)	
Net income adjusted for unrealised currency effects	**10,641**	**14,313**	
Net income including unrealised currency effects	21,753	10,840	
Net income group share, including unrealised currency effects	21,790	11,058	

[1] After incorporating IFRS 15
[2] At constant scope and exchange rates
[3] The 2018/19 revenue figure is calculated based on the monthly average EUR/USD exchange rate of 1.1638 for the period, and the 2017/18 revenue figure is calculated based on the monthly average EUR/USD exchange rate of 1.167 for the period
[4] Current EBITDA = current operating income + depreciation and amortisation + net provisions - Before the breakdown of R&D expenses capitalised by the Group by type

An improved operating performance

The Group continued to grow in 2018/19, with revenue growth at constant scope and exchange rates reaching +13.6% and total revenue coming to €428m.

The Aerostructures division accounted for 87% of the Group's revenue and remained the overall growth driver (+13.7% reported and +13.5% lfl). The other business activities delivered a growth rate of 14.5% lfl (+28.1% reported).

The strong revenue momentum went hand in hand with an increase in current EBITDA to €76.0m, which included a dilutive impact following the acquisition of TOFER (-€0.8m) and an impact resulting from a variation in the €/$ exchange rate (+€0.5m). At constant scope and exchange rates, current EBITDA expanded by 25% to €76.3m, pushing the margin up by 170bp to 18.1%.

Current EBITDA for the Aerostructures division reached €72.7m, corresponding to an increase of 90bp on the back of improved productivity. Current EBITDA for the other business activities jumped to €3.2m, primarily thanks to positive momentum in the surface treatment business.

At constant scope and exchange rates, current operating income came to €33.4m on 31 March 2019, corresponding to a margin of 7.9%.

2018/19 operating income improved by 32.7% at constant scope and exchange rates.

After incorporating the financial result and taxes, 2018/19 net income adjusted for unrealised currency effects increased by 34.5% to €14.3m.

Balance sheet: positive free cash-flows at €12.4m

Shareholders' equity stood at €198.3m at 31 March 2019 and net financial debt[5] at €262.2m, which meant that the gearing ratio remained under control at 1.32.

Cash flows from operations soared over the period to €85.6m versus €35.3m at 31 March 2018.

This reflects a sizeable 11.5% improvement in the Group's cash flows (before the cost of financial debt and taxes) to €63.9m (€57.3m a year previously) as well as a positive WCR contribution of €21.7m largely thanks to more effective management of inventory and trade receivables amid an increase activity.

Net investments amounted to €73.2m over the period. They were allocated to R&D and expenses incurred in setting up the new ERP, increased activity, maintenance and the remainder to various other investments.

All the measures introduced by the Group are paying off. In keeping with its targets for 2018/19, the Group reported positive free cash-flows of €12.4m (versus -€33.9m at 31 March 2019).

[5] Excluding financial liabilities not bearing interest

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Contract wins: momentum intact

An expansion strategy was launched in North America following the large contract awarded by Spirit Aerosystems in January 2017, and $200m of contracts have been won over the past 18 months with Triumph, Mitsubishi Canada, Bombardier and Boeing. These market share gains have been achieved thanks to competitive manufacturing facilities in Wichita and Mexico benefiting from the whole range of FIGEAC AÉRO's expertise.

The Group was also awarded a new contract as a tier-1 supplier to manufacture shrouds for the Rolls-Royce Trent engines powering the A350 XWB 900 and 1000. This was thanks to its experience in the engines sector and especially its Plant for the Future dedicated entirely to Safran's LEAP engine.

Last of all, FIGEAC AÉRO's long-standing customers continued to place their trust in the Group, with the contract renewal rate reaching close to 100%, market share gains on ongoing contracts worth around €100m over the last 12 months (nacelles, engines, landing gear and structures) and talks to bring in new business at an advanced stage.

Outlook and growth strategy

The Group's growth strategy for the years ahead has three priorities:

- to consolidate its critical mass in Europe;
- to continue expanding in North America;
- to shore up its 'best cost' sites, which are essential growth drivers for the future.

The Group remains upbeat about its business model thanks to its many competitive advantages (a dominant industrial footprint, innovative capacity, renowned know-how and a robust corporate culture):

- in financial year 2019/20, despite the detrimental impact of production rates on certain programmes, the Group's growth is set to outperform the sector thanks to new contract wins, its current EBITDA should expand, and it stands to deliver positive free cash-flows,
- in the medium term, the aerospace market will remain healthy and FIGEAC AÉRO will continue to work towards its goals by outperforming the market in terms of revenue growth, generating positive and recurring free cash-flow, and delivering solid profitability levels.

Next release

31 July 2019 after trading: consolidated accounts for the year ended 31 March 2019 approved by the Board of Directors

ABOUT FIGEAC AÉRO

The FIGEAC AERO 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 AERO is a global group operating in France, the USA, Morocco, Mexico, Romania and Tunisia. The Group generated annual revenue of €428m in the year to 31 March 2019.

FIGEAC AÉRO

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APPENDICES

Simplified consolidated balance sheet at 31 March

€k - IFRS	31/03/2018	31/03/2019
Fixed assets	290,504	331,110
Other non-current assets (1)	50,191	52,597
Inventory	174,603	180,382
Trade receivables	95,565	82,077
Tax receivables	14,180	13,923
Other current assets	26,666	26,959
Cash and cash equivalents	107,906	122,418
TOTAL ASSETS	759,615	809,467
Shareholders' equity	200,247	198,323
Non-current financial liabilities	229,599	294,162
Non-current liabilities (2)	55,040	62,573
Short-term financial liabilities	70,742	49,467
Current portion of financial liabilities	47,566	35,880
Debt not bearing interest	22,407	17,792
Repayable advances	4,659	5,154
Trade payables and related accounts	81,165	92,142
Current liabilities (3)	48,191	53,975
TOTAL LIABILITIES	759,615	809,467

(1) *Equity-accounted shareholdings + deferred taxes + financial instruments + other financial assets + other non-current assets + contract assets*

(2) *Other provisions + deferred taxes + pension provisions + financial instruments + other non-current liabilities + differed income for the non-current portion + contract liabilities*

(3) *Tax liabilities + tax debt + financial instruments + other current liabilities + derivative products.*

Simplified consolidated cash-flow statement at 31 March

€k IFRS	31/03/2018	31/03/2019
Cash flow before cost of financial debt and taxes	57,647	63,937
Change in working capital requirement	(22,031)	21,698
WCR in days of net sales	**170.76**	**127.20**
Net cash flow from operations	**35,316**	**85,635**
Net cash flow from investment activities	**(69,257)**	**(73,248)**
FREE CASH FLOW	**(33,941)**	**12,387**
Scope effect	-	(2,640)
Capital increase and subsidies received	6	(1,969)
Change in borrowings and repayable advances	94,439	28,403
Net cash flow from financing activities	**94,445**	**26,434**
Change in cash position	**60,504**	**36,181**
Net cash position	**37,165**	**72,951**