

THE GROUP'S LATEST NEWS IN A FEW LINES



**COME ON BOARD
THE LEADING AEROSPACE
SUB-CONTRACTOR**



Jean-Claude Maillard
Chairman Founder

Dear Shareholders,

FIGEAC AÉRO delivered another very solid performance in 2019, as it did in 2018. The Group maintained excellent momentum in the Aerostructures market thanks to its growth strategy while also improving its operational execution, culminating in a higher current EBITDA margin¹ and enabling us to achieve our goal of positive free cash flow.

Our organic sales growth came out close to 14% amid favourable macroeconomic conditions. This performance was achieved thanks to the continued loyalty of our current clients, market share gains, higher production rates on certain programmes and our expansion in North America where new clients came on board. This shows just how capable we are of replicating our know-how across all our plants and all our markets.

The year also showcased the Group's innovative capacity and profitable investments. We inaugurated our Plant for the Future at Figeac fully dedicated to the manufacture of casings for Safran's LEAP engine, which powers the Airbus A320, Boeing 737 and Comac C919. This fully automated and highly integrated plant keeps us at the technological forefront for large-scale complex parts. Moreover, this LEAN model is to be implemented in all the Group's plants.

We also expanded in North America over the course of the year. Our strategy paid off handsomely thanks to our highly competitive and complementary production facilities (in Wichita, USA, and in Hermosillo, Mexico). We have won contracts worth close to \$200m over the last 18 months.

FIGEAC AÉRO's industrious teams were instrumental in pushing our EBITDA margin considerably higher, an improvement driven primarily by continued optimisation of our productivity. Another of the year's highlights was rapid growth in our net income excluding unrealised currency effects (+33%).

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

- **consolidate our critical mass in Europe;**
- **continue expanding in North America;**
- **shore up our 'best cost' sites as they are an essential growth driver for the future.**

The Group remains upbeat about its business model thanks to its many competitive advantages (a dominant industrial footprint, considerable innovative capacity, renowned know-how and a robust corporate culture); it thus expects to grow faster than the sector over the coming years while continuing to deliver solid profitability and generate positive free cash flow so as to optimise its balance sheet.

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

Revenue growth at constant scope and exchange rates

+13.6%

Growth in current EBITDA¹ at constant scope and exchange rates

+25%

Increase in net income adjusted for unrealised currency effects

+33.2%

Growth in cash flow from operations

+142%

Significant improvement in positive free cash flow to **€12.4m**

+€46.3m

Joël Malleval, Chief Financial Officer

"I am very proud to announce that we have delivered positive free cash flow for the first time since we listed. It was essential for the Group to prove that our business model is capable of generating cash flow. Our revenue grew strongly without compromising our current EBITDA margin which expanded by 170 bps to 18.1% at constant scope and exchange rates, i.e. an increase of 25%. Our net income jumped by 33.2% to €14.2m. This figure reflects the truly solid financial performance achieved by the company excluding unrealised losses on financial instruments arranged as part of our currency hedging strategy relating mainly to the dollar. These items have no impact on our cash position.

We will continue in the years ahead to take a strict approach to financial discipline without jeopardising our critical mass or competitive positioning, in keeping with our ongoing strategy."

SPOTLIGHT ON OUR TUNISIAN SITE



Our Tunisian site now employs close to 700 people and is our largest facility outside France. Our incredible experience in Tunisia began back in 2011, just before the Arab Spring, thanks to our main client Stelia and the support of the Tunisian authorities. FIGEAC AÉRO is now part of a unique ecosystem consisting of all the main participants within the value chain. The El M'Ghira industrial park lies very close to the capital city Tunis and hosts an almost fully integrated value chain (materials distribution, machining, sheet metal manufacturing, tooling, surface treatment, assembly). The hub applies preferential customs duties for intra-park business flows and is located close

to the port of Rades and the airport to ease trade. Our plant stretches over 20,000 m², of which 16,000 m² is covered, and it is continually expanding.

The facility has built up considerable expertise in various fields. It boasts an engineering department that programmes and designs detail parts for AIRBUS programmes, especially for the floors of the A320 and A350, but also for other clients such as SPIRIT, BOMBARDIER, BOEING and LATECOERE. Driven by such strong momentum, the park is in the process of expanding with a first phase of 80,000 m² at the preparation stage.



PLANT FOR THE FUTURE INAUGURATED ON 28 MARCH 2019

The site has already been awarded the "Vitrine pour l'Industrie du Futur" ("Showcase for the Industry of Tomorrow") label. It was inaugurated on 28 March before a large audience to present our innovative and competitive industrial concept for producing titanium VCI casings for the LEAP 1A and 1B engines made by Safran Aircraft Engines.

This engine is the "star" model powering the world's best-selling aircraft: the A320 Neo and the B737 Max.

Thanks to considerable resources and careful planning, we were able to welcome around 200 guests including many clients, partners as well as state officials and representatives from local authorities.

Our guests included Olivier Andries - CEO of Safran Aircraft Engines, Yannick Assouad - CEO of Latécoère, Agnès Pannier-Runacher - Minister of State attached to the Minister of Economy and Finance, Huguette Tiegna - MP for the Lot department, and Vincent Labarthe - Regional Vice-President and President of the Grand Figéac area.

The event was an opportunity for us to present the industrial processes we have designed to manufacture high value-added and series-produced parts before a large number of representatives

from Safran Aircraft Engines, Airbus, Daher, Safran Landing Systems, Stelia Aerospace, Boeing and Safran Nacelles.

During the presentation of our workshop we were delighted to show our partners the tangible results achieved by FIGEAC AÉRO's ambitious investment policy in France and to present the technological breakthroughs that have transformed the Group into a leading supplier for the aerospace market worldwide, including the "Pietro Carnaghi" automated machining line and the "Aerospline" cobotic assembly line. The plant is a global benchmark for the manufacture of engine parts in the aerospace sector.

The event was also a marvellous experience for:

- the sales department which has successfully bolstered our ability to work with clients on large-scale projects involving the machining and assembly of aerospace parts;
- the teams who work on these products. Our clients gave them the acknowledgement they deserved by praising them for the work accomplished and efforts made in recent months.

We would like to thank all those in the Engine and Precision Parts BU who worked so hard to make this site visit a real success.



PARIS AIR SHOW A MAJOR COMMERCIAL OCCASION

The Paris Air Show was held from 17 to 23 June in Paris. The trade fair takes place every 2 years and is always a key moment for FIGEAC AÉRO's commercial activity.

Aerospace firms from around the world attend the event. It is therefore a great opportunity to talk business with our main business contacts, clients and suppliers, and to make progress on ongoing projects.

Our sales staff and representatives from the procurement departments at Figéac, SN Auvergne Aéronautique and Mécabrive Industries were in attendance throughout the trade fair.

For almost a whole week, we made good use of our 150 m² stand and also had access to 5 meeting rooms where we were able to hold a series of meetings with industry representatives and investors.

Meanwhile, much of our stand space was dedicated to showcasing our achievements. We presented some of our most recent products, including a LEAP 1A VCI casing along with its cobot in operation, an Embraer E-Jets E2 spar and A350 underwing fitting, two titanium parts produced at Figéac, and sub-assemblies such as the A330 Pax floor and Boeing 787 door mechanism.

SHAREHOLDER'S
HANDBOOK

Share price performance (in euros) since 1 January 2019



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Stock information

Stock exchange: Euronext Paris
(compartment B)
Ticker code: FGA
ISIN code: FR0011665280
Reuters code: FGA.PA
Number of shares: 31,839,473
Share price at 27/08/2019: €11.74
Market capitalisation at 27/08/2019: €374m

**Financial calendar**

- General Meeting of Shareholders: 20 September 2019
- 2019/20 Q1 revenue: 5 September 2019
- 2019/20 H1 revenue: 20 November 2019
- 2019/20 H1 results: 17 December 2019
- 2019/20 Q3 revenue: 4 February 2020
- 2019/20 annual revenue: 26 May 2020
- 2019/20 annual results: 7 July 2020

Figures are released at the market close.

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