



## PROVISIONAL FIRST-HALF 2018/19 RESULTS

- Another half-year of strong growth: +20%
- Increase in corrected EBITDA margin at constant scope and exchange rates to 19.9%
- Increase in current operating income at constant scope and exchange rates: +30%
- Positive cash flows generated by activity of €33.1 million, the Group's all-time record for a first half
- Marked improvement in free cash flow over the period to -€3.3 million, the best performance since the IPO, in line with the 2019 targets

The FIGEAC AÉRO Group (ticker: FGA), a leading partner of major aerospace industry companies, announces its 2018/19 interim results, which are currently being audited, for the period ended 30/09/2018. The Audit Committee met on 13/12/2018, and the accounts will be approved by the Board of Directors on 24/12/2018. The 2017/18 financial statements restated for the application of IFRS 15 are provided at the end of this press release.

In €K - IFRS at 30/09	H1 2017/2018 IFRS 15	H1 2018/2019 IFRS 15	H1 2018/2019 IFRS 15 and LFL <sup>1</sup>	Change LFL
Revenue <sup>2</sup>	169,987	202,018	204,075	+20.0%
Corrected EBITDA <sup>3</sup>	32,632	36,695	40,164	+23.1%
<i>Corrected EBITDA/Revenue</i>	19.2%	18.2%	19.9%	+0.7pts
EBITDA	31,612	34,035		
<i>EBITDA/Revenue</i>	18.6%	16.8%		
Depreciation and amortisation	(15,467)	(17,025)		
Net allocations to provisions	(384)	(20)		
Current operating income	15,761	16,990	20,482	+30.0%
<i>COI/Revenue</i>	9.3%	8.4%	10.1%	+0.8pts
Other operating income	511	130		
Other operating expenses	(322)	(936)		
Operating income	14,955	17,179		
Cost of net financial debt	(2,347)	(4,636)		
Foreign exchange gains and losses	(6,916)	(289)		
Unrealised gains and losses on financial instruments	7,981	(387)		
Other financial income and expenses	(29)	(198)		
Income tax expense	(1,023)	(2,673)		
Net income adjusted for unrealised currency impact	7,301	10,187	12,515	+71.4%
Net income including unrealised currency impact	12,621	8,996		
Net income, Group share, including unrealised currency impact	12,620	9,168		

<sup>1</sup> At constant scope and exchange rates

<sup>2</sup> 2018/19 revenue is calculated using the average monthly EUR/USD exchange rate of 1.1785 for the period, and 2017/18 revenue is calculated using the average monthly EUR/USD exchange rate of 1.1392 for the period.

<sup>3</sup> Corrected EBITDA = current operating income + depreciation and amortisation + net provisions, before the breakdown of R&D expenses capitalised by the Group by type

### Solid growth in 2018/19 interim results

In the first half of its 2018/19 financial year, FIGEAC AÉRO posted revenue of €202 million, an increase of 18.8%. At constant scope and exchange rates, revenue grew by 20.0% in the six months to 30 September 2018.

This strong buoyant was accompanied by an increase in corrected EBITDA to €36.7 million, which includes a dilutive effect resulting from the consolidation of the Tofer Group (-€0.8m) and an impact from the unfavourable change in the €/€ exchange rate (-€2.7m). At constant scope and exchange rates, corrected EBITDA amounted to €40.2 million up 23.1%, representing a margin of 19.9%, an improvement of 0.7 points.

At constant scope and exchange rates, current operating income was €20.5 million in the six months to 30 September 2018, a sharp increase of 30.0%, representing a current operating margin of 10.1%, an improvement of 0.4 points.

Operating income for H1 2018/19 improved by 15% to €17.2 million.

After taking into account net financial income and income tax, net profit for the six months to 30 September 2018, adjusted for unrealised currency impact and at constant scope and exchange rates, was €12.5 million, an increase of 71.4%.

### Financial structure: very strong increase in cash flows generated by activity

FIGEAC AÉRO has obtained a €96 million loan granted by a pool of banks (CM-CIC, BNP, HSBC, ARKEA) and 50% guaranteed by Bpifrance, the French financing and development organisation for mid-size companies. This six-year loan, on favourable terms for the Group, will for the most part fund new investments allocated following the gain of the largest contract in FIGEAC AÉRO's history, announced in January 2017. Concluded with Spirit AeroSystems, this contract covers the production of aluminium and titanium mechanical parts, as well as sub-assemblies for the Airbus A350 XWB and Boeing B737, B747-8, B767 and B777 programs.

With shareholders' equity of €199.6 million as of 30 September 2018 and net financial debt of €278.2 million, the gearing ratio is under control at 1.39, compared with 1.32 as of 31 March 2018.

Cash flows generated by activity for the period increased sharply to €33.1 million, almost equivalent to those posted over 12 months in the previous financial year (€35.3 million in the year ended 31 March 2018 and €4.5 million in the first half of 2017/18).

This reflects a significant 49.4% improvement in cash flow (before cost of debt and taxes) to €36.2 million (€24.2 million in the previous year) and a sharp decline of more than €16.7 million in the WCR against a backdrop of business growth.

Net investments for the period were €36.4 million, 33.4% of which was devoted to R&D, 15.4% to ERP project, 34.8% to production equipment, 9.6% to real estate investments and the balance for various other investments.

The actions implemented within the Group have started to show results. For the first half of 2018/19 (ended 30 September 2018), free cash flow improved by a significant 86.5% to -€3.3 million (compared with -€24.3 million in the six months to 30 September 2017).

### Short- and medium-term targets confirmed

In line with the trend observed in this first half, the Group confirms its target of achieving positive and recurring **free cash flow over the current financial year (closing March 2019)**.

The growth seen in the first half enables FIGEAC AÉRO to anticipate **revenue of €425 million in the year to 31 March 2019**, representing double-digit growth.

Confident in its growth, FIGEAC AÉRO confirms its goal of posting €520 million<sup>4</sup> in revenue in 2020 and €650 million<sup>4</sup> in 2023.

Next release:

- 30 January 2019 (after stock market closing), Q3 2018/19 revenue

### ABOUT FIGEAC AÉRO

The FIGÉAC AÉRO Group, a leading partner of major aerospace manufacturers, specialises in the production of light alloy and hard metal structural parts, engine parts, landing gear parts and sub-assemblies. An international group with a workforce of over 3,300 employees, FIGEAC AÉRO operates in France, the United States, Morocco, Mexico, Romania and Tunisia. In the year ended 31 March 2018, the Group reported annual revenue of €372 million.

#### FIGEAC AÉRO

Jean-Claude Maillard  
Chief Executive Officer  
Tel: +33 (0)5 65 34 52 52

#### ACTUS finance & communication

Corinne Puissant - Analyst/Investor Relations  
Tel: 01 53 67 36 77 / [cpuissant@actus.fr](mailto:cpuissant@actus.fr)

Jean-Michel Marmillon - Press Relations  
Tel.: 01 53 67 36 73 / [jmmarmillon@actus.fr](mailto:jmmarmillon@actus.fr)

<sup>4</sup> Based on a €/\$ exchange rate of 1.18 and current capacity of manufacturers

## **IFRS 15 - “Revenue from contracts with customers”**

Figéac Aero Group has applied IFRS 15 “Revenue from Contracts with Customers” since the financial year beginning on 1 April 2018, using the full retrospective method.

This standard replaces IAS 11 and IAS 18.

The main impacts are as follows:

### **1. Recognition of revenue**

The Group's revenue is mainly generated by three activities:

- a. Pre-production activity - “Non recurring costs” as part of series production:  
The analysis carried out to date by the Group has led it to believe that the pre-production activities implemented prior to series production do not represent a performance obligation, as control over these activities is not transferred to the final customers. Consequently, revenue from these activities will be deferred according to the schedule for recognition of the main performance obligation.  
This treatment requires the recognition of NRCs invoiced at the beginning of the contract to be spread over the life of the contract. The resulting impact was €443 thousand in the six months to 30 September 2017 and €1,309 thousand in the year ended 31 March 2018.
- b. Activity of development outside of series production  
Revenue from development activities will be recognised at the date of transfer of control. This treatment does not have a significant impact on existing revenue recognition methods.
- c. Series production of parts and sub-assemblies  
This activity constitutes a distinct performance obligation. Revenue is recognised at the date of transfer of control corresponding to the delivery of the parts and sub-assemblies to the final customers.  
This treatment does not have a significant impact on existing revenue recognition methods.

### **2. Treatment of the learning curve:**

IFRS 15 results in the immediate recognition in the income statement of the performance costs recorded during the start-up phase of contracts between observed returns and standard production profitability, costs that were previously recycled in income according to the actual decreases observed.

### **Impact of this application on the opening balance sheet**

The application of IFRS 15 had a negative impact of €50.3 million on Group shareholders' equity (mainly due to the curve impact), net of consideration of associated deferred taxes.

### **Free Cash Flow**

The application of the standard will not have an impact on the Group's cash flows.

CONSOLIDATED ASSETS in € thousands	30/09/2017 Reported	Impact IFRS 15	30/09/2017 Restated
Development costs	64,045		64,045
Other intangible assets	3,385		3,385
Total intangible assets	67,430		67,430
Land	5,423		5,423
Buildings	50,588		50,588
Plant machinery	130,158		130,158
Other property, plant and equipment	6,808		6,808
Total property, plant and equipment	192,976		192,977
Deferred tax	1,374	2,576	3,950
Other financial assets	2,904	0	2,904
Other non-current assets	627		627
Contract assets		20,473	20,473
Total non-current assets	265,311	23,050	288,362
Inventories and work in progress	264,112	-88,609	175,503
Customers and other receivables	73,116		73,116
Tax receivables	12,501		12,501
Other current assets	24,224		24,224
Cash and cash equivalents	12,320		12,320
Total current assets	386,272	-88,609	297,664
<b>TOTAL ASSETS</b>	<b>651,583</b>	<b>-65,560</b>	<b>586,024</b>

CONSOLIDATED LIABILITIES in € thousands	30/09/2017 Reported	Impact IFRS 15	30/09/2017 restated
Share capital	3,815		3,815
Premiums	118,455		118,455
Reserves	105,031	-50,342	54,689
Foreign currency translation reserve	-1,116		-1,116
Net income for the year	15,727	-3,106	12,621
<i>Share capital issued and reserves attributable to owners of the parent company</i>	241,912	-53,448	188,463
Non-controlling interests	162		162
<i>Non-controlling interests</i>	162		162
Total consolidated shareholders' equity	242,074	-53,448	188,626
Loans from credit institutions	83,234		83,234
Repayable advances	21,902		21,902
Finance lease liabilities	43,233		43,233
Other financial liabilities	1,699		1,699
<i>Total non-current financial liabilities</i>	150,067		150,068
Other provision	5,809		5,809
Deferred tax liabilities	25,416	-21,757	3,659
Provision for pensions and other long-term employee benefits	3,316		3,316
Derivative financial instruments	0		0
Other non-current liabilities	1,184		1,184
Contract liabilities		9,645	9,645
Non-current portion of deferred income	7,923		7,923
<i>Total non-current liabilities</i>	193,715	-12,112	181,604
Short-term borrowings	56,738		56,738
Current portion of financial liabilities	48,652		48,652
Repayable advances	5,348		5,348
<i>Total current financial liabilities</i>	110,738		110,738
Trade payables	70,887		70,887
Fiscal liabilities	8,156		8,156
Other current liabilities	20,320		20,320
Deferred income	5,692		5,692
<i>Total current liabilities</i>	215,794	-12,112	215,794
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>651,583</b>	<b>-65,560</b>	<b>586,024</b>

CONSOLIDATED ASSETS in € thousands	31/03/2018 Reported	Impact IFRS 15	31/03/2018 Restated
Development costs	80,491		80,491
Goodwill	2,397		2,397
Other intangible assets	3,074		3,074
<b>Total intangible assets</b>	<b>85,961</b>		<b>85,961</b>
Land	4,409		4,409
Buildings	58,091		58,091
Plant machinery	134,379		134,379
Other property, plant and equipment	7,664		7,664
<b>Total property, plant and equipment</b>	<b>204,543</b>		<b>204,543</b>
Deferred tax	3,784	4,966	8,750
Other financial assets	3,182		3,182
Other non-current assets	15,079		15,079
Contract assets		23,178	23,178
<b>Total non-current assets</b>	<b>312,550</b>	<b>28,144</b>	<b>340,694</b>
Inventories and work in progress	272,587	-97,984	174,603
Customers and other receivables	95,565		95,565
Tax receivables	14,180		14,180
Other current assets	26,666		26,666
Cash and cash equivalents	107,906		107,906
<b>Total current assets</b>	<b>516,904</b>	<b>-97,984</b>	<b>418,920</b>
<b>TOTAL ASSETS</b>	<b>829,455</b>	<b>-69,840</b>	<b>759,615</b>

CONSOLIDATED LIABILITIES in € thousands	March 2018 Reported	Impact IFRS 15	March 2018 restated
Share capital	3,821		3,821
Premiums	118,455		118,455
Reserves	107,693	-50,342	57,351
Foreign currency translation reserve	-1,214		-1,214
Net income for the year	30,275	-8,485	21,790
<b>Share capital issued and reserves attributable to owners of the parent company</b>	<b>259,031</b>		<b>200,204</b>
Non-controlling interests	43		43
<b>Non-controlling interests</b>	<b>43</b>		<b>43</b>
<b>Total consolidated shareholders' equity</b>	<b>259,074</b>	<b>-58,827</b>	<b>200,247</b>
Loans from credit institutions	180,781		180,781
Repayable advances	21,855		21,855
Finance lease liabilities	47,062		47,062
Other financial liabilities	1,756		1,756
<b>Total non-current financial liabilities</b>	<b>251,454</b>		<b>251,454</b>
Other provision	6,331		6,331
Deferred tax liabilities	36,173	-21,524	14,649
Provision for pensions and other long-term employee benefits	1,856		1,856
Derivative financial instruments	12,040		12,040
Other non-current liabilities	1,629		1,629
Contract liabilities		10,511	10,511
Non-current portion of deferred income	8,024		8,024
<b>Total non-current liabilities</b>	<b>317,507</b>	<b>-11,013</b>	<b>306,494</b>
Short-term borrowings	70,742		70,742
Current portion of financial liabilities	47,566		47,566
Repayable advances	5,211		5,211
<b>Total current financial liabilities</b>	<b>123,519</b>		<b>123,519</b>
Trade payables	81,165		81,165
Fiscal liabilities	14,161		14,161
Other current liabilities	26,390		26,390
Deferred income	7,640		7,640
<b>Total current liabilities</b>	<b>252,875</b>	<b>0</b>	<b>252,875</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>829,455</b>	<b>-69,840</b>	<b>759,615</b>

Consolidated Income Statement in € thousands	30/09/2017 reported	IFRS 15 impact	30/09/2017 restated
<b>Revenue</b>	<b>170,430</b>	<b>-443</b>	<b>169,987</b>
Other income from operations	2,560		2,560
Change in inventories of finished products and work in progress	17,186	-3,188	13,998
Raw materials and consumables	-91,332	300	-91,032
Personnel expenses	-46,597	101	-46,496
External expenses	-15,281	65	-15,216
Taxes	-2,196	8	-2,188
Depreciation and amortisation	-15,519	52	-15,467
Net provisions	-384		-384
<b>Current operating income</b>	<b>18,868</b>	<b>-3,106</b>	<b>15,761</b>
Other operating income	130		130
Other operating expenses	-936		-936
<b>Operating income</b>	<b>18,062</b>		<b>14,955</b>
Financial income	22		22
Financial expenses	-2,369		-2,369
<b>Cost of debt</b>	<b>-2,347</b>		<b>-2,347</b>
Foreign exchange gains and losses	-6,916		-6,916
Unrealised gains and losses on financial instruments	7,981		7,981
Other financial income and expenses	-29		-29
Share of profit of equity affiliates	0		0
Income tax	-1,023		-1,023
<b>Net income (loss) for the period</b>	<b>15,728</b>	<b>-3,106</b>	<b>12,621</b>
Net income attributable to owners of the parent company	15,727		
Net income attributable to non-controlling interests	1		

#### Calculation of EBITDA 30/09/2017

Consolidated Income Statement in € thousands	30/09/2017 reported	IFRS 15 impact	30/09/2017 restated
Current operating income	18,868	-3,106	15,761
Reinstatement of depreciation and amortisation and net provisions	15,903	-52	15,851
Accounting EBITDA	34,771	-3,159	31,612
Capitalized depreciation related to R&D operations	1,020	0	1,020
<b>CORRECTED EBITDA</b>	<b>35,791</b>	<b>-3,159</b>	<b>32,632</b>

Consolidated Income Statement in € thousands	31/03/2018 reported	IFRS 15 impact	31/03/2018 restated
Revenue	372,014	-1,309	370,705
Other income from operations	3,214		3,214
Change in inventories of finished products and work in progress	16,687	-10,937	5,750
Raw materials and consumables	-188,697	1,169	-187,528
Personnel expenses	-94,507	194	-94,313
External expenses	-34,819	124	-34,695
Taxes	-6,352	15	-6,337
Depreciation and amortisation	-30,991	101	-30,890
Net provisions	227		227
			0
<b>Current operating income</b>	<b>36,776</b>	<b>-10,642</b>	<b>26,134</b>
			0
Other operating income	1,381		1,381
Other operating expenses	-4,111		-4,111
			0
<b>Operating income</b>	<b>34,046</b>	<b>-10,642</b>	<b>23,404</b>
			0
Financial income	99		99
Financial expenses	-6,231		-6,231
			0
<b>Cost of debt</b>	<b>-6,132</b>	<b>0</b>	<b>-6,132</b>
			0
Foreign exchange gains and losses	-6,085		-6,085
Unrealised gains and losses on financial instruments	16,668		16,668
Other financial income and expenses	-115		-115
Share of profit of equity affiliates	0		0
Income tax	-8,144	2,157	-5,987
			0
<b>Net income (loss) for the period</b>	<b>30,237</b>	<b>-8,485</b>	<b>21,752</b>
<b>Net income (loss) attributable to owners of the parent company</b>	<b>30,275</b>		
<b>Net income attributable to non-controlling interests</b>	<b>-38</b>		

#### Calculation of EBITDA 31/03/2018

Consolidated Income Statement in € thousands	31/03/2018 reported	IFRS 15 impact	31/03/2018 restated
Current operating income	36,776	-10,642	26,134
Reinstatement of depreciation and amortisation and net provisions	30,764	-101	30,663
Accounting EBITDA	67,540	-10,743	56,797
Capitalized depreciation related to R&D operations	4,231		4,231
<b>CORRECTED EBITDA</b>	<b>71,771</b>	<b>-10,743</b>	<b>61,028</b>



CONSOLIDATED STATEMENT OF CASH FLOWS IN € THOUSANDS	30/09/2017 reported	IFRS 15 impact	30/09/2017 restated
<b>Cash flows from operating activities</b>			
Net income (loss) from consolidated companies	15,728	-3,106	12,622
Dep., amort., provisions and share of subsidies allocated to income	16,189	-52	16,137
Elimination of revaluation gains (losses) (fair value)	-7,959		-7,959
Other items not affecting cash	629		629
<b>Cash flow after cost of debt, net of tax</b>	<b>24,587</b>	<b>-3,159</b>	<b>21,428</b>
Tax expense	1,023	0	1,023
Cost of net financial debt	1,769		1,769
<b>Cash flow before cost of debt, net of tax</b>	<b>27,379</b>	<b>-3,159</b>	<b>24,220</b>
<b>Change in working capital requirements for operations</b>	<b>-22,932</b>	<b>3,158</b>	<b>-19,774</b>
Changes in inventories	-26,975	3,106	-23,869
Change in trade and other receivables	12,761	52	12,813
Change in trade and other payables	-8,719		-8,719
Tax paid	0		0
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>4,447</b>	<b>0</b>	<b>4,448</b>
<b>Cash flows from investing activities</b>			
Acquisition of assets	-38,867		-38,867
Disposal of assets	10,106		10,106
Impact of changes in scope	0		0
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-28,761</b>	<b>0</b>	<b>-28,761</b>
<b>Cash flows from financing activities</b>			
Capital increases	0		0
Increases in subsidies	0		0
Bond issues and advances	28,836		28,836
Repayment of bonds and advances	-23,961		-23,961
Deferred expenses			
Interest paid	-1,769		-1,769
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>3,106</b>	<b>0</b>	<b>3,106</b>
<b>CHANGE IN CASH</b>	<b>-21,207</b>	<b>0</b>	<b>-21,206</b>
Cash - opening	-23,068		-23,068
Cash - change in foreign exchange rates	-143		-143
Cash - other changes	0		0
Cash - closing	-44,419		-44,419
<b>CHANGE IN CASH FLOWS</b>	<b>-21,207</b>	<b>0</b>	<b>-21,207</b>

CONSOLIDATED STATEMENT OF CASH FLOWS IN € THOUSANDS	31/03/2018 reported	IFRS 15 impact	31/03/2018 restated
<b>Cash flows from operating activities</b>			
Net income (loss) from consolidated companies	30,237	-8,485	21,752
Dep., amort., provisions and share of subsidies allocated to income	35,603	-101	35,502
Elimination of revaluation gains (losses) (fair value)	-11,868		-11,868
Other items not affecting cash	2,742		2,742
<b>Cash flow after cost of debt, net of tax</b>	<b>56,714</b>	<b>-8,586</b>	<b>48,128</b>
Tax expense	7,119	-2,157	4,962
Cost of net financial debt	4,257		4,257
<b>Cash flow before cost of debt, net of tax</b>	<b>68,090</b>	<b>-10,743</b>	<b>57,347</b>
<b>Change in working capital requirements for operations</b>	<b>-32,774</b>	<b>10,743</b>	<b>-22,031</b>
Changes in inventories	-33,728	10,642	-23,086
Change in trade and other receivables	-7,494	101	-7,393
Change in trade and other payables	8,448		8,448
Tax paid	0		0
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>35,316</b>	<b>0</b>	<b>35,316</b>
<b>Cash flows from investing activities</b>			
Acquisition of assets	-75,137		-75,137
Disposal of assets	5,895		5,895
Impact of changes in scope	-15		-15
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-69,257</b>	<b>0</b>	<b>-69,257</b>
<b>Cash flows from financing activities</b>			
Capital increases	6		6
Increases in subsidies	0		0
Bond issues and advances	132,305		132,305
Repayment of bonds and advances	-45,044		-45,044
Other financial liabilities	11,435		11,435
Interest paid	-4,257		-4,257
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>94,445</b>	<b>0</b>	<b>94,445</b>
<b>CHANGE IN CASH</b>	<b>60,504</b>	<b>0</b>	<b>60,504</b>
Cash - opening	-23,068		-23,068
Cash - change in foreign exchange rates	-272		-272
Cash - other changes			0
Cash - closing	37,165		37,165
			0
<b>CHANGE IN CASH FLOWS</b>	<b>60,504</b>		<b>60,504</b>