PRESS RELEASE

Figeac, 27th August 2020

FIGEAC AÉRO PLANNING NEW MEASURES TO ADAPT TO A PERSISTENTLY CHALLENGING MARKET ENVIRONMENT

- **Operations at the Group's main production unit (the Figeac site) are being reorganised in response to the new market reality under a Voluntary Redundancy Plan to be followed by an Employment Protection Plan**
- **Other measures are being considered for the Group's other facilities so that it can adapt its cost base in response to this lasting crisis**
- **Such measures are essential as they will enable the Group to plan for its future**

The FIGEAC AÉRO Group (ticker: FGA), a leading partner for major aerospace manufacturers, announces that it is planning to rescale operations at its Figeac site, the Group's main production facility in France, in response to the economic crisis triggered by the Covid-19 health crisis.

France's aerospace industry expanded considerably up until 2020 and the need for adequate production capacity grew rapidly, encouraging FIGEAC AÉRO to adapt its production facilities and resources to production rates which were increasing at varying speeds. Then the global coronavirus crisis arrived in March 2020, bringing the air transportation industry to an abrupt halt with air traffic plummeting as the epidemic gradually spread.

The main aircraft manufacturers have therefore had to reduce their production rates substantially (by more than a third) for the foreseeable future, particularly for long-haul aircraft such as the A350; this is taking an even heavier toll on the Group.

FIGEAC AÉRO launched an operational optimisation plan at the very start of the crisis, including:

- permanent adjustments to the workforce depending on site capacity utilisation rates as confirmed by our clients: short-time working arrangements in France, staff cutbacks in low-cost subsidiaries and the USA (over 30% of our workforce outside France), less use of temping staff and non-renewal of short-term employment contracts,
- tight control over the working capital requirement: inventory adjusted, supply chain secured, strict control over trade receivables,
- a CAPEX and OPEX reduction plan: non-essential spending either postponed or cancelled, outsourced services brought back in-house where possible,
- insourcing of parts previously manufactured by suppliers.

However, the economic downturn in the air traffic industry is likely to continue over the coming years, and its repercussions are forcing FIGEAC AÉRO to reorganise its operations in France on a large scale so that it can safeguard its competitive standing and protect itself from the economic difficulties looming on the horizon as well as their impact on employment.

This Employment Protection Plan applies to the Figeac plant (46) and is expected to include the following measures:

- the Operations Department Figeac is to be reorganised and rescaled according to the latest business activity forecasts,
- a certain number of the Group's support and central functions are to be reorganised and rescaled.

Thanks to the various government support measures for the aerospace industry and the short-time work scheme, which is being extended for up to two years, FIGEAC AÉRO should be able to limit its staff cutbacks to 320 jobs out of a total of 966 at the Figeac site, which accounts for over 70% of the Group's revenue.

FIGEAC AÉRO will work alongside its social partners to limit the fallout of this plan and will introduce a series of measures such as voluntary redundancy as well as long-term part-time work in activities suited to such arrangements.

The Group is already engaged in management-labour dialogue and hopes to finalise agreements so that they can come into effect in January 2021.

The Group continues to explore all avenues and does not rule out other measures that could be brought in at its other sites, the aim being to adapt its cost structure to the ongoing crisis.

"The Group is facing an unprecedented economic downturn triggered by the Covid-19 health crisis", says Jean-Claude Maillard, Chairman and Chief Executive Officer of FIGEAC AÉRO. "*The Group has managed to take decisions rapidly, temporarily enabling it to mitigate the operational and financial consequences of this crisis. I am aware of the implications that the plan's measures will have for all our staff members. They are, however, crucial if we want to ensure that our Group remains viable and resilient for the long run and enable it to plan for its future."*

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 €447m in the year to 31st March 2020.

FIGEAC AÉRO

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