PRESS RELEASE

Figeac, 28 December 2021

PROVISIONAL 2021/22 HALF-YEAR RESULTS

- **A strong rebound in the first half of the year: +27% (+30.4% like-for-like[1])**
- **A sharply improved operating performance: current EBITDA[2] positive at €11.7 million**
- **Free cash-flow up by +€33.8 million**
- **2021/22 financial targets confirmed**
- **A medium-term performance plan "Route 25" to bring revenue back up to pre-crisis levels with enhanced profitability**

The FIGEAC AÉRO Group (ticker: FGA), a leading partner for major aerospace manufacturers, has today released its 2021/22 half-year results (period ended 30th September 2021), which are currently being audited. The accounts will be approved by the Board of Directors in mid-January 2022

On announcing the results for this first half of financial year 2021/22, Jean-Claude Maillard, Chairman & Chief Executive Officer and founder of FIGEAC AÉRO, made the following statement: "*We are confident about the future as the Group's activities in the first half of 2021/22 confirm that the aerospace industry is gradually recovering. Moreover, all the initiatives taken under our "Transformation 21" performance plan are paying off and have enabled us to greatly improve our operating profitability. Based on this good start to the year and the latest announcements made by aircraft manufacturers, we are able to reiterate our revenue, profitability and free cash-flow targets for the current financial year.*"

€k - IFRS (1st April to 30th September)	H1 2020/21	H1 2021/22	Change
Revenue	94,412	**119,903**	**+27%**
Current EBITDA	(6,684)	**11,681**	**+€18.4m**
Current EBITDA / Revenue	-	***9.7%***	
EBITDA	(7,447)	**10,895**	**+€19.3m**
EBITDA / Revenue	-	***9.1%***	
Net depreciation, amortisation and provisions	(23,771)	(25,940)	
Current operating income (loss)	(31,218)	**(15,045)**	**+€16.2m**
COI / Revenue	-	-	
Other non-recurring operating income & expenses	(19,565)	(3,748)	
Share of net income (loss) of joint ventures	(21)	(101)	
Operating income (loss)	(50,804)	**(18,894)**	
Cost of net financial debt	(4,112)	(2,971)	
Realised currency gains & losses	(2,945)	678	
Unrealised gains & losses on financial instruments	11,822	(621)	
Other financial income & expenses	(25)	(16)	
Income tax	(5,029)	(123)	
Consolidated net income (loss)	(51,093)	**(21,947)**	
Net income (loss), Group share	(51,079)	**(21,919)**	**+€29.2m**

1 At constant scope and exchange rates
2 Current EBITDA = current operating income + depreciation and amortisation + net provisions – before the breakdown of R&D expenses capitalised by the Group by type

A vibrant start to the year with growth reaching 27%

Amid the various announcements made by aircraft manufacturers, particularly Airbus, FIGEAC AÉRO showed encouraging signs of an upturn in its activity in the first half of financial year 2021/22. Not only have new aircraft deliveries soared in the past six months (Airbus expects 600 deliveries by end-2021), but also airlines (Air France KLM, Delta, Indigo Partners, etc.) are placing new orders on a large scale in the single-aisle segment and for the new A350 freighter.

FIGEAC AÉRO's 2021/22 half-year revenue thus reached €119.9 million, reflecting an increase of +27% (+30.4% like-for-like). The Aerostructures division, which accounts for 81.7% of the Group's total revenue, generated €89 million revenue and was the overall growth driver (+30% reported and +33.8% like-for-like), while the Group's other business activities[3] turned in revenue of €21.9 million (+15.3% reported and 16.9% like-for-like).

The Transformation 21 plan is delivering: a very sharp improvement in current EBITDA to €11,7 million

All the measures taken under the operational optimisation plan – a reduction in personnel expenses and general and administrative expenses, a drive to streamline the Group's production sites, selective insourcing of some of the purchases that were previously outsourced, optimised use of raw materials, streamlined general purchases – are already paying off and are set to achieve annual structural fixed cost savings of approximately €30 million, with almost the full effects becoming visible in the second half of this financial year (ending 31 March 2022).

Buoyed up by the upturn in its activity and the positive effects of its performance plan, the Group's current EBITDA in the first half of 2021/22 thus amounted to €11.7 million versus -€6.7 million the previous year, putting the margin rate at 9.7% of revenue.

The Aerostructures division generated current EBITDA of €13.5 million while the other business activities reported current EBITDA of -€1.8 million.

After factoring in depreciation, amortisation and provisions (-€25.9 million), the current operating result increased by €16.2 million to -€15 million.

Last of all, after incorporating the financial result and taxes, the net result (Group share) in the 1st half of 2020/21 rose sharply by €29.2 million to -€21.9 million.

Balance sheet: free cash-flow has improved for the past two consecutive half-years

Cash-flow from operations soared over the period to €8 million versus -€18.1 million on 30 September 2020.

This reflects a sizeable improvement in the Group's cash-flow (before the cost of financial debt and taxes) to €7.7 million (-€12.4 million the previous year) as well as a positive WCR contribution achieved largely thanks to more effective management of inventory and trade receivables amid an increase in activity.

In accordance with the commitments made by the Group, net investment over the period amounted to €9.6 million which is €7.7 million less than in the 1st half of last year. The investment budget was mostly allocated to R&D, the costs of setting up the new ERP, and maintenance.

Free cash-flow over the period thus remained under control at -€1.6 million, reflecting a sequential improvement (-€8.3 million in the 2nd half of 2020/21 and -€35.4 million in the 1st half of 2020/21) including a negative cash-flows contribution of €3 million tied to the Group redundancy plan.

At 30 September 2021, FIGEAC AÉRO had available cash of €46.1 million, enabling it to meet its near-term payment deadlines. The Group continues to work on managing its cash position with the aim of stabilising its available cash at above the €35 million threshold at year-end.

Net financial debt[4] totalled €344 million (€337.2 million ex-IFRS 16).

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[3] Oil & Gas, Mechanical Engineering, Surface Treatment and Assembly

[4] Excluding financial liabilities not bearing interest

The Group's long-standing banking partners agreed to ease the terms and conditions of its financial covenants for the financial year ending March 2022.

As previously announced, FIGEAC AÉRO needs to adapt its balance sheet and financial debt burden so as not to hinder its return to growth while maintaining its leading position in the market for sub-contracted metal aircraft parts. During talks with its main financial partners and, the Group was able to negotiate a standstill on the repayment of principal on its bank debt as of October 2021; this puts it in a more comfortable position when it comes to finalising these negotiations, expected for the end of the current financial year. On completion of these negotiations, the capital increase and bond issue to be carried out with Tikehau Ace Capital will shore up the Group's cash position.

To recap, as part of this process, FIGEAC AÉRO announced on 9 September that it had signed a binding agreement with Tikehau Ace Capital under which the latter will acquire a minority share of the Group's capital. Finalisation of this agreement should bolster FIGEAC AÉRO's equity, diversify the Group's shareholder base and help its business activity rebound with the long-term backing of Tikehau Ace Capital (which specialises in the aerospace industry).

The Company nevertheless pointed out in its press release that the agreement remains subject to the satisfactory fulfilment of several conditions precedent, namely that:

(i) FIGEAC AÉRO reaches an agreement with its creditors to reschedule its main bank loans, and

(ii) adjusts its convertible bond (ORNANE) redemption profile, bearing in mind that redemption is scheduled for October 2022,

(iii) the Autorité des Marchés Financiers grants an exemption from the obligation to make a mandatory buyout offer under the transactions agreed with Tikehau Ace Capital in FIGEAC AÉRO's share capital.

These balance sheet measures should enable FIGEAC AÉRO to adapt its bank loan and convertible bond repayment schedule to its operating cash-flow generation.

2021/22 outlook confirmed

As far as production rates are concerned, Airbus recently announced ambitious plans to rapidly increase production of its A320 family to approximately 60 aircraft per month - its pre-crisis level - as of the 1st half of 2023 versus 45 aircraft per month currently. In addition, the aircraft manufacturer confirmed that it will increase production of the A350 to 6 aircraft per month as of 2022. Over in the USA, meanwhile, Boeing's announcements are more nuanced but the Boeing 737 Max is well and truly recovering and production should pick up rapidly over the coming months. All this news naturally bodes very well indeed for FIGEAC AÉRO given that Airbus programmes alone account for over 50% of its revenue.

Furthermore, Airbus and Boeing have both confirmed that they do not see the pandemic having a long-term impact on demand for new aircraft; some 40,000 new aircraft are expected to be sold between now and 2040. Air traffic is still being disrupted by new waves of infection with Covid-19 variants, but the industry is clearly recovering and the market is adapting to the new global public health situation.

FIGEAC AÉRO thus remains confident that it will meet the following targets for financial year 2021/22:

- revenue within the €250 / €300 million range, implying between 22.2% and 46.6% growth,
- double-digit current EBITDA,
- positive free cash-flow.

As an extension of its "Transformation 21" optimisation plan, FIGEAC AÉRO has established a new business plan called "Route 25" that aims to generate fresh impetus for the Group and establish a trajectory that will ensure it can once again achieve pre-Covid revenue levels and deliver a robust and profitable economic performance.

Route 25 is built on 4 structural pillars:

- sustainable and non-capital-intensive revenue growth achieved on the back of existing contracts, new market share gains and increased sales of services,
- an optimum industrial footprint with pre-established processes for the Group's France and Best Cost facilities, the ramp-up of its Best Cost facilities (Tunisia, Morocco and Mexico), and increased automation based on the Industry 4.0 model,
- optimised operating and production costs,
- improved management systems thanks to the roll-out of the Group's new ERP and its digitalisation drive.

The top-quality 2021/22 half-year results and gradual upturn in air traffic put FIGEAC AÉRO Group in a good position to capture the aerospace industry's growth momentum thanks to its leading market positions, its industrial excellence, and the commitment of its workforce.

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 €204.6 million in the year to 31st March 2021.

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APPENDICES

BALANCE SHEET - €k - IFRS	31/03/2021	30/09/2021
Fixed assets	308,165	294,009
Other non-current assets	10,089	10,805
Inventory	179,952	178,379
Contract assets	27,518	26,466
Trade receivables	36,327	35,532
Tax receivables	7,063	7,840
Other current assets	22,522	20,674
Cash and cash equivalents	80,470	46,118
TOTAL ASSETS	672,106	619,823
Shareholders' equity	84,688	62,168
Non-current financial liabilities	249,259	307,659
Non-current liabilities	33,663	30,169
Short-term financial liabilities	18,930	15,237
Current portion of financial liabilities	142,708	64,313
Debt not bearing interest	13,098	11,716
Repayable advances	4,214	3,131
Trade payables and related accounts	44,812	48,839
Current liabilities	80,734	76,591
TOTAL LIABILITIES	672,106	619,823

Cash-flow statement - €k IFRS	30/09/2020	30/09/2021
Cash-flow before cost of financial debt and taxes	(12,434)	7,658
Change in working capital requirement	(5,641)	312
Net cash-flow from operating activities	**(18,075)**	**7,970**
Net cash-flow from investing activities	**(17,303)**	**(9,553)**
FREE CASH-FLOW	**(35,378)**	**(1,583)**
Acquisitions or disposals of treasury shares	682	(24)
Change in borrowings and repayable advances	51,102	-29,102
Net cash-flow from financing activities	**51,784**	**-29,126**
Change in cash position	**16,406**	**-30,709**
Change in translation adjustment	**(204)**	**50**
Net cash position	**82,994**	**30,881**