PRESS RELEASE

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2023/24 FULL-YEAR RESULTS: FIGEAC AÉRO MEETS OR BEATS ALL ITS FINANCIAL TARGETS FOR THE THIRD CONSECUTIVE YEAR

- **Organic growth comes to 19.3%, pushing revenue above the initial target to €397.2 million**
- **Current EBITDA at the high end of the range at €52.2 million, margin +140bp to 13.2%**
- **Free cash-flow exceeds the revised target at €24.1 million**

FIRST PAYOFFS FROM THE PILOT 28 PLAN AND OUTLOOK CONFIRMED

FIGEAC AÉRO (FR0011665280 – FGA:FP), a leading partner for major aerospace manufacturers, has today released its full-year results for financial year 2023/24 ended 31 March 2024. These are provisional figures as the statutory auditors are in the process of completing their audit assignment and the Board of Directors meeting convened to approve the financial statements is to be held on 18 July 2024.

Jean-Claude Maillard, Chairman and Chief Executive Officer of the FIGEAC AÉRO Group, gave the following statement on the results:

"We delivered an excellent performance in FY 2023/24 during which we managed to meet or beat all our financial targets for the third year running.
As expected, the year was affected by continued strains on various aspects of the supply chain, including hiring and the sourcing of raw materials. But our agile organisation now enables us to better anticipate and keep them under control. Notwithstanding these issues, the aerospace market is more dynamic than ever. This is the case in the commercial aerospace segment on the back of passenger air traffic which has been rising steadily for 36 months now[1], driving strong demand for short, medium and long-haul aircraft alike. It is also the case in the defence aerospace segment for geopolitical reasons.
Our performance was fully consistent with our commitment to deliver profitable and sustainable growth, achieve stronger cash generation and accelerate deleveraging. These goals are at the very heart of our PILOT 28 strategic plan, launched this January. We've already making significant progress, while also addressing the decarbonisation challenges we face. We are thus more confident than ever that we will be able to achieve our ambitious objectives, taking FIGEAC AÉRO's business to a whole new level".

[1] Source: IATA

€m - IFRS (audit in the final stages)	2023/24 12 months	2022/23 12 months	Chg.	Org. chg.
Revenue	**397.2**	341.6	+16.3%	+19.3%
Current EBITDA	**52.2**	40.3	+29.6%	
Current EBITDA margin	***13.2%***	*11.8%*	+140bp	
Net depreciation, amortisation and provisions	**(46.4)**	(41.7)	+11.3%	
Current operating income (loss)	**4.7**	(2.6)	ns	
Current operating margin	***1.1%***	*(0.8)%*	*ns*	
Other non-current operating income (expenses)	**(2.6)**	4.6	ns	
Share of net profit (loss) of equity affiliates	**0.6**	(2.6)	ns	
Operating income (loss)	**2.8**	(0.6)	ns	
Cost of net financial debt	**(18.3)**	(13.2)	(38.8)%	
Realised currency gains (losses)	**(6.7)**	(8.9)	+24.6%	
Unrealised gains (losses) on financial instruments	**1.6**	6.9	(76.9)%	
Other financial income (expenses)	**(0.5)**	(1.0)	+45.9%	
Financial income (loss)	**(24.0)**	(16.2)	(48.3)%	
Income tax	**9.0**	(1.3)	ns	
Consolidated net income (loss)	**(12.2)**	(18.1)	+32.4%	
Net income (loss), Group share	**(12.2)**	(18.1)	+32.3%	

STRONG ORGANIC REVENUE GROWTH

FIGEAC AÉRO's revenue reached €397.2 million in full-year 2023/24 (ended 31 March 2024), corresponding to +19.3% organic growth (+16.3% reported growth) year-on-year and including an unfavourable currency impact of €(10.5) million.

The momentum already achieved in the first half of the year continued apace, with business activity being driven by the entire Group: organic growth reached +19.3% (+16.0% reported growth) in the Aerostructures & Aeroengines division, mostly thanks to higher build rates in the commercial aerospace segment, and +19.4% in the Diversification Activities division.

This revenue performance therefore slightly exceeded the full-year target (of between €375 million and €390 million) and corresponded to the 3rd year and 12th quarter of growth in a row.

CURRENT EBITDA MARGIN PICKING UP

Current EBITDA came out at the high end of the full-year guidance range (of between €50 million and €53 million) at €52.2 million, pointing to a 29.6% increase over the year and growing much faster than revenue. The current EBITDA margin therefore improved by 140 basis points to 13.2% of revenue.

This solid performance was driven primarily by increased revenue and a well-managed cost base, despite being penalised by poor performance related to litigation in Mexico (€7.4 million over the full year versus €4.3 million in the first half) and inflation not being passed on (€3.8 million).

The Aerostructures & Aeroengines division was once again the biggest contributor to the Group's operating profitability. The division's current EBITDA came to €50.1 million in FY 2023/24 versus €41.5 million the previous year. The Diversification Activities division, meanwhile, recorded positive current EBITDA of €2.2 million (versus a loss of €(1.2) million in FY 2022/23).

Net depreciation, amortisation and provisions increased by 11.3% to €46.4 million due to lower provision reversals (+€2.6 million vs €13.0 million in FY2022/23) and despite a €5.7 million decrease in the depreciation and amortisation charge.

As announced, the current operating result came out positive for the full-year, for the first time since 2020, improving by €7.3 million to €4.7 million from a loss of €(2.6) million the previous year.

Factoring in non-current operating income (which last year had benefited from capital gains generated by the redeployment in Mexico and from the Group's share of net income of joint ventures), the operating result moved back up into positive territory in FY 2023/24 at €2.8 million versus a loss of €(0.6) million the previous year.

Financial income came to €(24.0) million compared with €(16.2) million the previous year. This was largely attributable to an €7.6 million increase of interest expense to €12.5 million, mostly because of interest expense recognised on the €66 million PGE (state-guaranteed loan) since June 2023, and fewer unrealised gains recognised on derivative instruments (non-cash impact).

A €9.0 million tax income was recognized, versus €(1.3) million the previous year, due to the use of tax loss carryforwards totalling €10.2 million.

All in all, FIGEAC AÉRO's net result, Group share, came to €(12.2) million, a €5.9 million improvement from last year.

FREE CASH-FLOW ALMOST MULTIPLIED BY 5

The sharp improvement in FIGEAC AÉRO's operating performance in FY 2023/24 enabled it to generate cash-flows before cost of debt and taxes of €42.1 million, up 84.8% on the previous year.

Despite an economic environment still under pressure, Working Capital Requirement (WCR) contributed a positive €28.1 million; this was mostly thanks to more effective management of inventory (DIO reduced by 35 days of revenue) and trade receivables (reduced by 18 days) despite the sharp increase in business activity. It reflected the benefits of setting up a down payment upon order system with some strategic customers.

The Group's excellent full-year performances enabled it to deliver a big jump in cash-flow from operating activities to €70.2 million, which is more than twice as much as the previous year (€31.1 million).

Cash-flow from investing activities over the financial year came to €(46.1) million, in line with the Group's forecast. It included close to €30.5 million in capitalised R&D and maintenance expenditure as well as growth capex, such as approximately €9.4 million spent on the new building at the Casablanca site dedicated to manufacture parts for the LEAP-1A nacelle and €2.5 million invested to ramp up the new Chihuahua site in Mexico.

In total, FIGEAC AÉRO's free cash-flows were well into positive territory, having improved by €18.7 million to €24.1 million, surpassing set objectives.

And as previously announced, FIGEAC AÉRO's net debt at 31 March 2024 was stable at €288.4 million (versus €287.3 million at 30 September 2023), while the cash position remained at a solid €88.7 million (versus €91.7 million at 30 September 2023).

THE COMMERCIAL AEROSPACE MARKET'S MOMENTUM CONTINUES APACE

Passenger air traffic increased by 36.9% in 2023, exceeding pre-crisis levels, and has continued to rise since the start of 2024 by a further 15.5% (in terms of revenue passenger-kilometres, as at 30 April 2024). Other key indicators, like available capacity and load factors, are also trending upwards.

The post-Covid recovery initially boosted short and medium-haul flights, benefiting single-aisle aircraft (which accounted for 86.7% of Airbus's 2,094 net orders in 2023); but the catch-up continues for international traffic which is a segment generally served by widebodies. Widebodies as a share of total order intake have therefore been on the increase since 1 January (accounting for 40.0% of Airbus's 237 net orders YTD).

Such aircraft have thus enjoyed very strong momentum over the past 12 months, notably the A350 which is the Group's leading programme (generating close to €1.4 million of revenue per aircraft). The A350 backlog at 31 May 2024 stood at 676 aircraft, corresponding to around 10 years of visibility (based on 2023 delivery rates). Its recent commercial success has prompted Airbus to revise its build rate projections upwards from 10 A350 per month in 2026 (i.e. its pre-crisis level) to 12 per month in 2028.

Boeing, meanwhile, has experienced some turbulence following Alaska Airlines's 737 MAX incident back in January. Boeing has since focused its efforts on enhancing its quality management system under the close supervision of the FAA (Federal Aviation Authority). Its B737 MAX deliveries have plummeted since the start of the year and it plans to cap output at its end-2023 level of 38 single-aisle aircraft per month until the end of 2024, implying a mostly short-term impact, before then increasing output in 2025.

FIGEAC AÉRO is exposed to this programme as it produces parts for the LEAP engine that powers this aircraft. Safran and GE have revised their delivery growth forecasts for LEAP engines downwards from +20-25% to +10-15%, and FIGEAC AÉRO expects a negative revenue impact of around €4 million this year as a result. For the time being, however, the Group remains particularly confident about the outlook for the B737 MAX and its LEAP-1B engine.

As evidence of the market's solid fundamentals, it is worth noting that the two main aircraft manufacturers, Airbus and Boeing, had a combined backlog at 31 May 2024 of close to 15,000 commercial aircraft.

In light of these various indicators, FIGEAC AÉRO will continue to benefit from the market's strong momentum, particularly for the A350 widebody, while also reaping the first rewards of its new PILOT 28 plan.

PILOT 28: FIRST ADVANCES

The PILOT 28 plan launched in January 2024 seeks to transform the Group between now and March 2028 on the back of 10% annual revenue growth and faster deleveraging. Only six months in, PILOT 28 has already started to show progress across the board:

- **Business development:** FIGEAC AÉRO has already secured more than 16% of its annual new revenue target of between €80 million and €100 million by March 2028, mostly in the commercial aerospace segment, with new contracts for commercial narrowbodies (A220, A320 and B737 MAX) and business jets in both Europe and the United States. And it has achieved its first success in the defence segment with KNDS.

  Meanwhile, the Group confirms that there is still a great deal of RFQ activity in progress is expected to generate further gains.

- **Non-financial performance:** three of the Group's main sites have obtained ISO 14001 certification and another two are in the process of being certified. This will bring the total number of certified sites to five, corresponding to more than 70% of the Group's workforce (the aim is to reach 100% by 2028).

Moreover, the Group has begun rolling out a carbon accounting solution across all its sites, a solution that can accurately measure the outcomes of its efforts to decarbonise its operations. The solution will be operational across 75% of its sites by the end of this year.

FIGEAC AÉRO has also become involved in collaborative projects with its core customers to develop raw material reuse capacity, the priority being titanium which has a higher carbon footprint.

- **Optimised financial performance:** the Group is focusing its efforts on optimising its contract margins and production organisation, and on ensuring efficiency in its costs, WCR and investments.

  As far as its existing contracts are concerned, FIGEAC AÉRO has managed to pass on most of the inflation either through one-off compensations or by raising prices. It is also optimising performance through its new contracts, which generally contribute positively to the margin, and by discontinuing some underperforming contracts. The Group endeavours to maintain its competitive standing by continuing to locate its production capacity in strategic best-cost zones and by setting up workshops or plants specifically dedicated to certain production flows.

  Besides improving its inventory and WCR levels significantly, the Group has also met its capex commitments. It aims to continue optimising its investments from more than 10% of revenue at present to 8% in 2026 and 6% by 2028; one of the priorities for the new business is to work with existing capacity.

2024/25 GUIDANCE AND 2028 OUTLOOK CONFIRMED

Although the operating environment was difficult to navigate, FIGEAC AÉRO has been able to show considerable execution capacity by either meeting or beating all its financial targets for the 3rd consecutive year.

In the very short term, the Group is keeping a particularly close eye on developments surrounding the B737 MAX and the LEAP-1B and the impact of the slight reduction in Airbus' forecasts for the A320neo. These two factors mark the beginning of the current financial year, but do not call into question the growth forecast for the 2024/25 financial year as a whole.

FIGEAC AÉRO is therefore maintaining its financial targets for FY 2024/25:

- Revenue between €420 million and €440 million
- Current EBITDA between €68 million and €73 million
- Free cash-flow between €20 million and €28 million
- Leverage ratio of approximately 4 (i.e. net debt between €270 million and €280 million).

The Group will continue enjoying excellent momentum in its market over the long term, in both the commercial and defence segments. This is apparent in its solid and expanding backlog, which stood at €3.9 billion at 30 April 2024 thanks to the commercial success of the Airbus A350. Besides, the important portfolio of new business currently under negotiation should soon enable us to exceed the €4bn threshold.

FIGEAC AÉRO remains highly confident that it will achieve the objectives set out in its PILOT 28 plan:

- Revenue between €550 million and €600 million
- Free cash-flow of approximately €50 million
- Leverage ratio between 2 and 2.5.

Upcoming events (after trading)

- 4 September 2024: revenue for the 1st quarter of FY 2024/25

About FIGEAC AÉRO

The FIGEAC AÉRO 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 AÉRO is a global group operating in France, the USA, Morocco, Mexico, Romania and Tunisia. The Group generated annual revenue of €397.2 million in the year to 31 March 2024.

FIGEAC AÉRO

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APPENDICES

Simplified consolidated balance sheet

€m - IFRS (audit in the final stages)	31/03/24	31/03/23
Fixed assets	269.6	265.9
Other non-current assets	18.5	5.5
Inventory	190.6	196.2
Contract assets	37.2	24.4
Trade receivables	49.6	59.9
Current tax assets	7.1	7.9
Other current assets	20.4	26.7
Cash & cash equivalents	88.7	115.5
TOTAL ASSETS	681.5	702.0
Shareholders' equity	57.7	70.0
Non-current interest-bearing financial liabilities	337.9	355.5
Other non-current liabilities	23.7	30.7
Current portion of interest-bearing financial liabilities	46.3	54.4
Trade payables and related accounts	88.7	83.2
Contract liabilities	42.2	14.3
Other current liabilities	84.9	93.8
TOTAL LIABILITIES	681.5	702.0

Consolidated cash-flow statement

€m - IFRS (audit in the final stages)	FY 23/24	FY 22/23
Net income (loss)	(12.2)	(18.1)
Depreciation, amortisation and provisions	47.0	45.7
Other non-cash adjustments	(7.1)	(13.9)
Tax expense	1.3	0.9
Cost of debt	13.2	8.1
Cash-flow before cost of financial debt and taxes	42.1	22.8
Change in working capital requirement	28.1	8.3
Net cash-flow from operating activities	70.2	31.1
Net cash-flow from investing activities	(46.1)	(25.7)
FREE CASH-FLOW	24.1	5.4
Acquisitions or disposals of treasury shares	0.5	(0.1)
Change in borrowings and repayable advances	(17.6)	37.2
Repayment of lease liabilities	(11.2)	(16.0)
Interest paid	(13.2)	(8.1)
Debt restructuring fees	-	(5.7)
Capital increase	-	53.5
Inventory carrying transaction with Aerotrade	-	(4.5)
Net cash-flow from financing activities	(41.5)	56.2
Change in cash position	(17.4)	61.6
Cash position - opening date	94.4	33.0
Change in translation adjustment	0.1	(0.2)
Cash position - closing date	77.1	94.4

GLOSSARY

Term / indicator	Definition
Current EBITDA	Current operating income (loss) adjusted for net depreciation, amortisation and provisions before the breakdown of R&D expenses capitalised by the Group by type
Backlog	Sum of orders received and to be received extrapolated over a 10-year period for each contract and request for proposals won, based on build rates announced and then projected and a EUR/USD exchange rate of 1.12
Organic	At constant scope and exchange rates
DIO	(Days of Inventory Outstanding) Average number of days of revenue for which an item of inventory is held
Net debt	Debt, net of cash, excluding non-interest bearing debt
Debt leverage	Ratio of net debt excluding non-interest-bearing debt to current EBITDA
Capex	Investments in fixed assets
ORNANE	Bonds redeemable into cash and/or new and/or existing shares
Free cash-flow	Net cash-flow from operating activities before cost of financial debt and taxes, minus net cash-flow from investing activities
Net free cash-flow	Net cash-flow from operating activities after cost of financial debt and taxes, minus net cash-flow from investing activities