

Toulouse, Friday 25th September 2020

Latécoère presents transformation plan to ensure long term business sustainability and future development in Covid-19 environment

The Latécoère Group today presented to its employee representative bodies the strategic plan for its transformation and organization in France which was approved by its Board of Directors on 24 September 2020.

This plan entails specific actions that are intended to safeguard the Group's future as it navigates this deep crisis. Specifically, it is focused on aligning its manufacturing footprint to meet the Group's strategic challenges and ensure that its engineering and industrial capabilities in France are maintained in the long term. In order to adapt its workforce to the volume of activity and the slow recovery expected in air traffic in the coming years, the plan will result in the reduction of 475 positions out of the 1504 that the Group has in France at 31 July 2020.

The information-consultation process of Latécoère's employee representative bodies should continue until the beginning of 2021.

Notwithstanding positive commercial dynamics in 2019, Latécoère was managing major financial challenges in a competitive market environment prior to the Covid crisis. With the onset of the Covid crisis in March 2020, the -40% drop in production rates of our main customers resulted in a corresponding -40% decrease in the Group's activity. This is expected to continue into next year, with no return to pre-Covid levels expected before 2025. To secure the company's future, the Group took immediate action to reduce operating costs and adjusted its workforce outside France to this new level of activity.

Further to these actions, Latécoère is announcing today a transformation plan to align its organization in France with this new level of activity while preserving its industrial presence. It is intended to reinforce the Group's agility by increasing the autonomy and competitiveness of its manufacturing sites in order to capture new markets, diversify its activities, participate in the consolidation process at work in the aeronautics sector, and participate in the design of the decarbonated aircraft.

The transformation plan as presented today to Latécoère's employee representative bodies takes into account the results of extensive work with the ministries responsible for employment, industry and transport to make the best use of the measures resulting from the recovery plan. This joint work has enabled Latécoère to preserve more than 150 jobs and avoid site closures.

This transformation plan allows Latécoère to maintain its industrial footprint in France while enabling the increased specialization of its sites in order to make them European centers of excellence in areas such as space and after-sales. These changes will position Latécoère to increase production and competitiveness necessary for its future development when market conditions improve.

Philip Swash, CEO of Latécoère said, “We know we are making strong decisions. They are necessary. Everyone at Latécoère’s has a role to play to make this transformation plan an opportunity to strengthen the Group’s competitiveness. These actions allow us to continue investments in our facilities, R&T activities and the development of our people while also providing great value and service to our clients. We are determined to be part of tomorrow’s aircraft adventure.”

Latécoère is deeply committed to the culture of social dialogue and wishes to encourage exchanges with the social partners in order to reach an agreement on accompanying social measures, in accordance with the spirit of the Employment Security Act, while limiting the impact on employment by maximizing the use of State support measures.

About Latécoère

Latécoère is a tier 1 partner to major international aircraft manufacturers (Airbus, Embraer, Dassault, Boeing, Bombardier and Mitsubishi Aircraft), in all segments of the aeronautical market (commercial, regional, corporate and military aircraft), specializing in two fields:

- Aerostructures (58% of total revenue): fuselage sections and doors.
- Interconnexion systems (42% of total revenue): onboard wiring, electrical harnesses and avionics bays.

At 30 June 2020, Latécoère employed 4,714 people in 13 different countries. Latécoère, a French corporation (société anonyme) with capital of €189,637,036 divided into 94,818,518 shares with a par value of €2, is listed on Euronext Paris - Compartment B. ISIN codes: FR0000032278 - Reuters: LAEP.PA - Bloomberg: LAT.FP

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