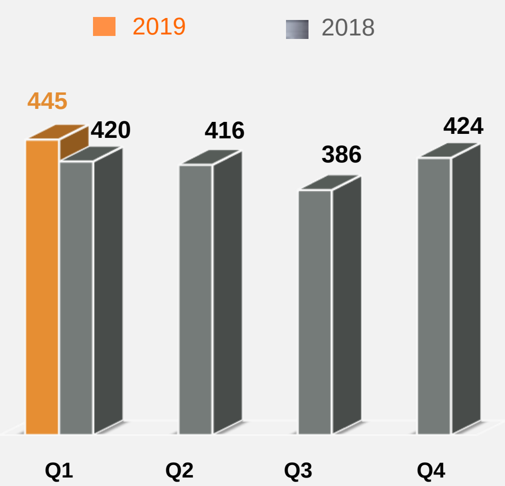
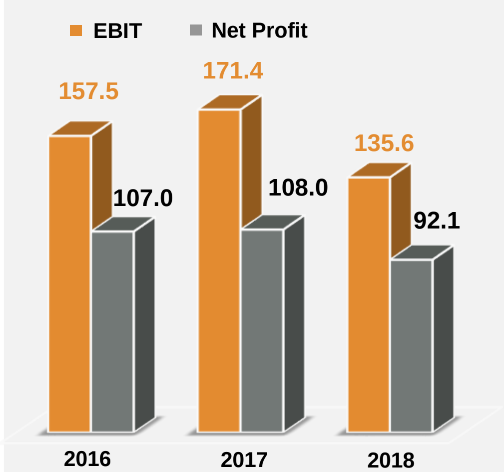
FINANCIAL INFORMATION

Quaterly Consolidated Sales

In million euros



EBIT* & Net Profit in €M



** After participation and profit-sharing expenses*

The LISI Group generated sales of € 445.0 million in the first quarter of 2019, up +6.1% compared to 2018

- **LISI AEROSPACE**: +7.2% (Q1 2018: - 15.1 %)
  - Strengthening of the "Fasteners" market in Europe
  - Consolidation confirmed in non-commercial aviation segments in the United States; a more moderate increase in activity with Boeing (before adjustments to the 737 production rates)
  - Sustained ramp-up of new engine programs in the "Structural Components" segment
  - Significant exchange rate effect related to the strengthening of the dollar, which represents +4.0% of Q1 sales
- **LISI AUTOMOTIVE**: +1.4% (Q1 2018: + 19.4 %)
  - European and global markets decline in line with Q4 2018
  - Integration of the US company Hi-Vol in accordance with the plan
  - Disposal of Beteo (Germany) since December 31, 2018
- **LISI MEDICAL**: +21.2% (Q1 2018: -20.3%)
  - Sales increase driven by the minimally invasive surgery sector
  - Significant exchange rate effect related to the strengthening of the dollar, which represents +3.8% of Q1 sales

in €M			Changes	
	2019	2018	2019/2018	2019 / 2018 on a like-for-like basis[1]
1st quarter ended March 31,	445.0	419.5	+ 6.1 %	+ 1.0 %

1 The change on a like-for-like basis is calculated by:
- *Converting the sales revenues of companies whose accounts are denominated in foreign currencies to the average rate of year N-1 or month M-1*
- *Converting sales revenue invoiced in currencies other than the local currency to the average rate of year N-1 or month M-1*
- *Restoring the consolidations and deconsolidations in order to find a comparable base.*

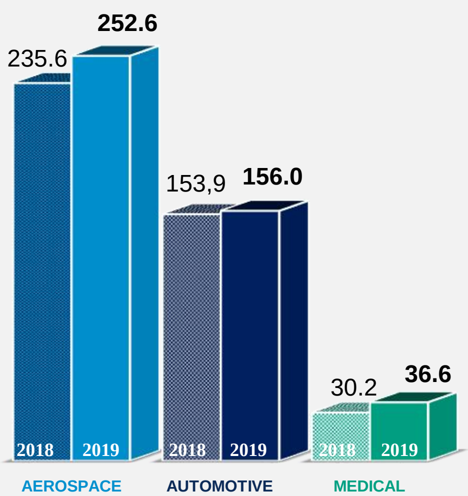
At € 445.0 million, consolidated sales for Q1 2019 were up +6.1% and reflect the following elements:

- a favorable currency effect of +€ 12.8 million (or +2.9% of sales)
- a scope effect of +€ 8.6 million (i.e. +1.9% of sales) corresponding to:
  - +€ 9.7 million from the integration into LISI AUTOMOTIVE of the US company Hi-Vol as of October 1, 2018,
  - +€ 1.1 million reflecting the disposal of Beteo (Germany) on December 31, 2018.

As a result, on a constant scope and exchange rate basis, sales increased by +€ 4.2 million, an organic growth of +1.0% compared to Q1 2018.

Sales in million euros

End of March



COMMENTS BY DIVISION

LISI AEROSPACE (57 % of consolidated sales)

in €M			Changes	
	2019	2018	2019 / 2018	2019 / 2018 on a like-for-like basis[1]
1st quarter ended March 31,	252.6	235.6	+ 7.2 %	+ 3.0 %

Market and business

Markets remained generally positively oriented in Q1, with confirmed recovery of the segments excluding commercial aviation (business, military, helicopters) in the United States. Nevertheless, uncertainties about the consequences of the Boeing B737-Max incidents generated volatility toward the end of the quarter. The B777X program has had a slightly delayed launch, but is generating needs that are entering the industrialization phase. The effects of the decline in the A380 program are limited, with most of the impact already recorded in previous years.

At € 252.6 million, sales of the LISI AEROSPACE division are up +7.2% compared to the same period last year (Q1 2018: -15.1%). The "Europe Fasteners" activity benefited from the strengthening of the market driven by the increases in single-aisle production rates, which are confirmed. The order of magnitude remains however limited and the level of sales is thus equal to that of Q4 2018. The "North American Fasteners" business benefited fully from the dynamism of non-commercial aviation markets with remarkable levels of activity in the City of Industry (United States) and Montreal (Canada) plants. Growth with Boeing continues, although it is more moderate than that seen with other customers. The "Structural Components" activity remains driven by the ramping up of new programs, including the LEAP engine.

The division's sales growth benefited from a favorable exchange rate linked to the strengthening of the dollar. On a constant scope and exchange rate basis and restated for the currency effect, sales were up +3.0%.

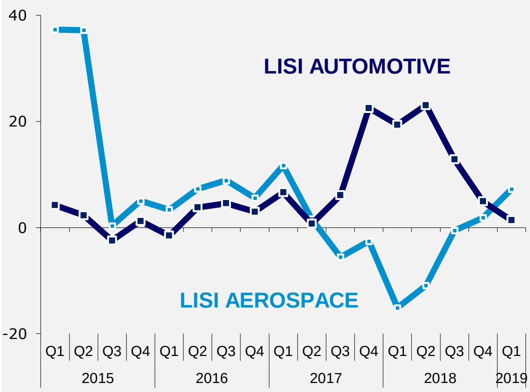
Comments on performance and outlook

The division operates broadly in line with the targets set, thanks in particular to the cost adjustment measures that were taken in 2018.

The order books of LISI AEROSPACE's main aircraft manufacturer customers remain solid in the medium term. The level of order intake remains strong on single-aisle aircraft with visibility levels close to eight years. In the short term, the main uncertainty concerns the B737Max program and the duration of the adjustment of the production rate.

The industrialization of some new programs (B777X; C919; GE9X; CJ1000) remains an important area of focus in the months to come. In addition, the division remains strongly involved in the ongoing negotiations to finalize the sale of the Argenton and Casablanca sites (annual sales of around € 60 million with 750 people). The objective is twofold: refocus operations on more targeted specialties and technologies in the "Structural Components" activity, on the one hand, and better target efforts and investments, on the other.

% Sales Variation per division / N-1





LISI AUTOMOTIVE (35 % of consolidated sales)

in €M			Changes	
	2019	**2018**	**2019 / 2018**	**2019 / 2018 on a like-for-like basis[1]**
1st quarter ended March 31,	**156.0**	**153.9**	**+ 1.4 %**	**- 5.1 %**

Market and business

The developments in the automotive market remain roughly comparable to the trends of Q4 2018 and show no signs of recovery in the short term. Disruptions related to the entry into force of a new procedure for the approval of vehicles according to the WLTP-Euro 6 standards on polluting discharges, the decline of the Chinese market, discussions on the establishment of customs barriers (United States - China), and the lack of a solution for Brexit are issues that maintain a high level of uncertainty and disruption in the global automotive market.

At €156.0 million, the LISI AUTOMOTIVE division's sales rose by +1.4% compared to the same period last year (Q1 2018: +19.4%) thanks to the integration of the US company Hi-Vol since October 2018 (+€ 9.7 million in Q1) and, to a lesser extent, the strengthening of the dollar compared to the euro (+€ 1.4 million).
The disposal of Beteo (Germany) since December 31, 2018 has reduced sales by - € 1.1 million.

On a constant scope and exchange rate basis and restated for the currency effect, sales were down -5.1%. Nevertheless, they remain above world production levels (-7.9%) (source: ACEA). The comparison basis effect with the previous year is also unfavorable (stocking in Europe and an additional day of production in Q1 2018).

Comments on performance and outlook

In Europe, the effects linked to the implementation of the new anti-pollution standards could gradually fade and the Chinese market should benefit from the VAT reduction measures on vehicles initiated since April 1st.

While calls for delivery remain low in the short term, the division will continue to implement the cost adjustments measures (notably for fixed costs) initiated at the end of the 2018 financial year.

The teams also remain focused on the ever-increasing number of projects under development in the "Safety Mechanical Components" and "Clipped Solutions" segments, by leveraging in particular the synergies with US companies Termax in "Clipped Solutions" and Hi-Vol in "Safety Mechanical Components".

CONTACT

Emmanuel VIELLARD
CEO
Mail: emmanuel.viellard@lisi-group.com

☎ : +33 3 84 57 00 77 - Fax : +33 3 84 57 02 00
Website: www.lisi-group.com

LISI MEDICAL (8 % of consolidated sales)

in €M			Changes	
	2019	2018	2019 / 2018	2019 / 2018 on a like-for-like basis[1]
1st quarter ended March 31,	36.6	30.2	+ 21.2 %	+ 16.6 %

Market and business

The market developments in the short term remain in line with the trends observed over the last five years (+4.0%). The minimally invasive surgery sector is positively oriented. The concentration movement continues.

Sales increased strongly (+21.2%) due to the new LISI MEDICAL Remmele products, boosted by a favorable base and currency effects. On a constant scope and exchange rate basis and restated for the currency effect, sales were up +16.6%. They benefit from the acceleration of the industrialization phase for new products in the United States in the minimally invasive surgery sector (LISI MEDICAL Remmele). This ramp-up nevertheless involves some additional costs (especially labor). LISI MEDICAL Orthopedics, the division's other major site, enjoys good business momentum with its main client, Stryker.

Comments on performance and outlook

In the short term, the main challenges for the division are to control the ramp-up of new products at LISI MEDICAL Remmele and the negotiation of the renewal of the Stryker contract for the LISI MEDICAL Orthopaedics site.

OUTLOOK AND COMMENTS ON THE FINANCIAL IMPACT OF BUSINESS

On March 28, 2019, the Group announced that it had entered into negotiations with the Quantum fund for the sale of the Argenton-sur-Creuse and Casablanca sites. These entities generated sales of just over € 60 million in 2018 with 750 employees and had a negative contribution to operating income. The impacts of this divestment on the current fiscal year's financial performance will be assessed once the transaction has been completed.
After a thorough analysis, the Group believes that the consequences of a "no-deal Brexit" would be limited and that it has internal solutions to protect its customers.

The outlook for the Aerospace Division, after a difficult year 2018, should see an improvement in the division's contribution, as previously announced. On the other hand, the situation in the Automotive Division is more difficult in its traditional markets of threaded fasteners in France and in Germany. Rising costs in an inflationary environment as well as depreciation combined with a drop in production weigh heavily on the operating margin. Lastly, despite a significant increase in sales, the Medical Division is facing additional production costs for new products.

Assuming stability in most of its end markets the Group aims in 2019 to return to positive organic growth and to exceed its financial performance of 2018 thanks to the management measures already taken and to generate a largely positive Free Cash Flow[1].

[1] *Free Cash Flow: cash flow from operations minus net capital expenditures and changes in working capital requirements*