

The LISI Group achieved sales of € 342.4 million in Q1 2022, up 10.7 % compared to 2021

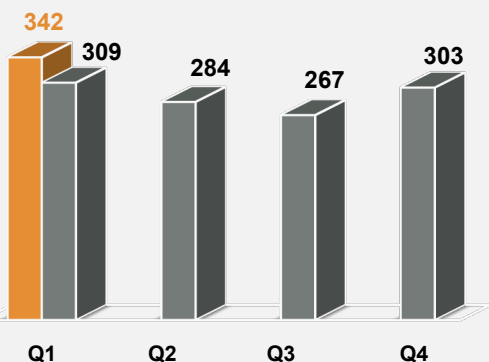


Q1 2022 sales up + 10.7 % compared to 2021. All three divisions are up compared to the same period of the previous year:

## Quarterly Consolidated Sales

In €m

■ 2022 ■ 2021



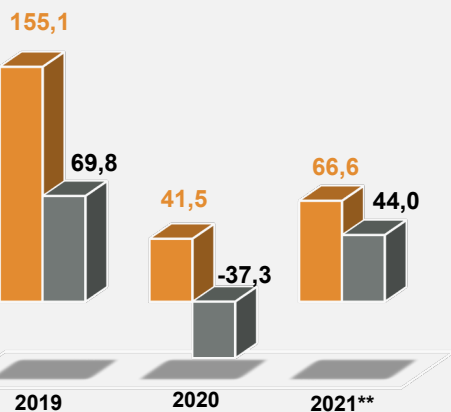
■ **LISI AEROSPACE:** + 20.5 %, sustained growth since H2 2021, driven by the increase in the division's order book as well as the rise of the dollar,

■ **LISI AUTOMOTIVE:** + 0.6 %, market share gains in a context still disrupted by the global shortage of electronic components among all manufacturers and equipment suppliers,

■ **LISI MEDICAL:** + 12.0 %, growth in sales driven by rising demand.

## EBIT\* and net profit in €M

■ EBIT ■ Net profitRN



\* After participation and profit-sharing expenses

\*\* after the extension of depreciation periods (cf. Press release of 07/22/2021)

<sup>1</sup> The change at constant scope and exchange rates is calculated:  
 • by converting the sales of the companies whose financial statements are denominated in foreign currencies at the average rate of the year N-1 or the month M-1;  
 • by converting the sales invoiced in currencies other than the local currency at the average rate of the previous year or previous month M-1;  
 • by restating the entries into or exits from the scope to ensure comparability of data.

In €m	Changes			
	2022	2021	2022 / 2021	2022 / 2021 on a like-for-like basis <sup>1</sup>
1 <sup>st</sup> Quarter ended March 31,	342,4	309,4	+ 10,7 %	+ 5,5 %

Consolidated sales at the end of March 2022 reached €342.4 million, taking the following items into account:

- a scope effect of + €3.9 million resulting from the following transactions in the LISI AEROSPACE division:
  - deconsolidation of LACE (France) on March 4, 2021, i.e. an impact of -€1.7 million (- 0.5 % of sales),
  - acquisition of B&E Manufacturing, a U.S. company that had been consolidated since August 1, 2021, i.e. a contribution of + €5.6 million (+ 1.6 % of sales);
- a favorable currency effect of + €10.5 million (i.e. + 3.1 % of sales), mainly tied to the appreciation of the average US dollar exchange rate against the euro.

On a like-for-like basis and restated for the currency effect, sales were up + 5.5 % over the first three months of the year.

## COMMENTS BY LINE OF BUSINESS

### LISI AEROSPACE (49% % of the consolidated total)

In €m	Changes			
	2022	2021	2022 / 2021	2022 / 2021 on a like-for-like basis <sup>1</sup>
<b>1<sup>st</sup> Quarter ended March 31,</b>	<b>167,9</b>	<b>139,4</b>	<b>+ 20,5 %</b>	<b>+ 13,7 %</b>

After 25 months of aeronautical crisis with a historic drop in traffic, the global aeronautical market confirms its gradual recovery initiated since the end of Q2 2021. This positive trend comes along with a progressive recovery in regional traffic driven by the positive performance of the market for maintenance and single-aisle aircraft. According to IATA<sup>2</sup>, the impact of the war in Ukraine and the economic sanctions since its outbreak have so far remained relatively limited on Europe and international traffic has been preserved.

The acceleration of single-aisle production rates announced by aircraft manufacturers will result in an increase to 65 Airbus A320 aircraft per month at the mid of 2023 against 45 aircraft currently and 42 Boeing B737 MAX aircraft within the same time horizon against 24 currently.

LISI AEROSPACE's sales amounted to €167.9 million at the end of March 2022, up + 20.5 % compared to the same period of 2021 and confirming the sequential improvement observed over the past year. The division also benefits from the rise of the dollar.

Sales for Q1 2022 in the "Fasteners" business in Europe increased by + 12.5 %, confirming the return to growth initiated in Q4 2021 (+ 4.8 %). The "Fasteners" business in the United States saw the strongest growth over the quarter (+ 28.7 %), also benefiting from the ramp-up of single-aisle aircraft from its main client.

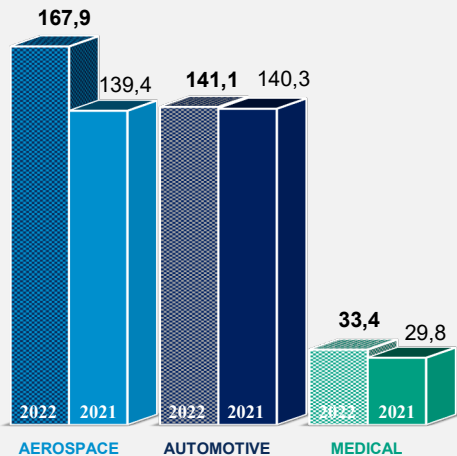
The "Structural Components" business maintains the good momentum initiated at the start of the 2021 financial year. It benefits from the anticipated needs for basic parts intended for long-cycle equipment (engines) to meet the increase in production rates among aircraft manufacturers as well as for those intended for maintenance. The segment's sales for the quarter were thus up + 19.2 % compared to the same period in 2021.

On a like-for-like and constant exchange rate basis, LISI AEROSPACE's sales increased by + 13.7 % over the first three months of the year.



### Sales in million euros

End of March



<sup>2</sup> IATA: International Air Transport Association

## LISI AUTOMOTIVE (45% of the consolidated total)



In €m	Changes			
	2022	2021	2022 / 2021	2022 / 2021 on a like-for-like basis <sup>1</sup>
<b>1<sup>st</sup> Quarter ended March 31,</b>	<b>141,1</b>	<b>140,3</b>	<b>+ 0,6 %</b>	<b>- 1,9 %</b>

The end of the quarter was again marked by major disruptions caused by the shortage of electronic components. Thus, the global automotive market as a whole is the one experiencing repeated shutdowns of production lines by all manufacturers. Global vehicle sales once again fell by - 6.3%<sup>3</sup> in the quarter compared to the same period in 2021.

In a market marked by the - 8.3 % decline in the worldwide production its ecosystem over Q1 2022, LISI AUTOMOTIVE's sales (€141.1 million) increased by + 0.6 % compared to the same period in the previous year. The division once again confirms its ability to gain market share. This mainly concerns new products that meet the growing needs in terms of electromobility (powertrain and related functions).

At constant exchange rates, LISI AUTOMOTIVE's sales are down - 1.9 % over the first three months of the year.

## LISI MEDICAL (10% of the consolidated total)

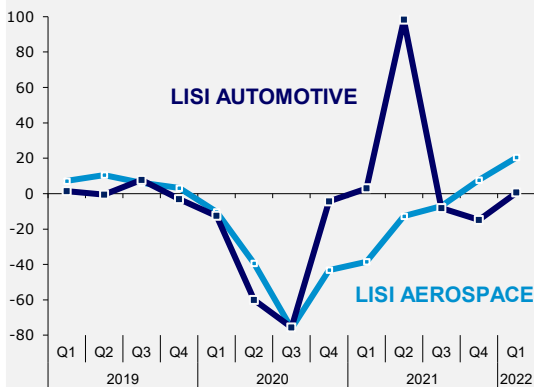
In €m	Changes			
	2022	2021	2022 / 2021	2022 / 2021 on a like-for-like basis <sup>1</sup>
<b>1<sup>st</sup> Quarter ended March 31,</b>	<b>33,4</b>	<b>29,8</b>	<b>+ 12,0 %</b>	<b>+ 7,6 %</b>

Demand remained strong overall in the market for implants and instruments for minimally invasive surgery. LISI MEDICAL's sales amounted to €33.4 million at the end of March 2022, up + 12.0 % compared to the same period in the previous financial year, confirming the improvement trend observed in Q4 2021 (+ 19.3 % compared to the last quarter of 2020).

Sales growth is driven by market share gains for new products developed over the past four years and by increased volumes for flagship products.

On a like-for-like and constant exchange rate basis, LISI MEDICAL's sales are up by + 7.6 % over the first three months of the year.

### % Sales Variation per division / N-1



<sup>2</sup> Source LMCA and Marketlines

<sup>3</sup> Source ACEA: European Automobile Manufacturers' Association

## OUTLOOK AND COMMENTS ON THE FINANCIAL IMPACT OF BUSINESS

### LISI AEROSPACE

The civil aircraft manufacturing market is not expected to return to its 2019 levels until 2025 at the earliest, demand for wide-bodies civil aircraft not being visible at this stage. At present, only single-aisle production rates are showing real recovery and order book depth (6,300 aircraft on order at Airbus, for example). The other market segments, i.e. helicopters, the military and business jets, are well oriented. The LISI AEROSPACE division is therefore experiencing a notable firming up of its order book, which is totally focused on these segments.

Despite possible shortages of certain supplies in the aerospace sector, the division is looking to the coming quarters with some confidence as to the robustness of demand.

### LISI AUTOMOTIVE

The global automotive market will remain disrupted for several more months before the conditions for a return to normalized supply of electronic components are met. This situation will cause further disruptions throughout the supply chain.

In the short term, the division must also deal with the increase in the cost of raw materials (steel and plastic) and all production consumables.

Against this backdrop, the LISI AUTOMOTIVE division will continue its efforts to adapt its production capacities to fluctuations in customer demand and will strengthen the actions taken to neutralize the effects of inflation on manufacturing costs.

Meanwhile, the division will continue to focus its efforts on the development and industrialization of new products with high added value intended for the growing needs of the market in terms of electromobility.

### LISI MEDICAL

The market for minimally invasive surgery, like that for orthopedic reconstruction, is well oriented and is benefiting from the resumption of more standardized activity in hospitals. The division's priority will be to the continued development of new products and to ramping up production volumes.

### LISI Consolidated

In a context where the Ukrainian crisis and the upheavals of the COVID-19 crisis are making the global economic environment uncertain, the LISI Group is facing multiple challenges. After eight weeks of conflict in Ukraine, the LISI Group's operations have not been directly affected, whether regarding the supply of raw materials or components. Nevertheless, the Group notes a general increase of inflationary pressures.

The Group is pursuing the actions initiated a long time ago in an effective and well-organized approach, in order to lower the break-even point of its activities, make its production capacities more flexible, digitize and automate both industrial and administrative processes, as well as deploy an objectified policy in terms of social and environmental responsibility (CSR). This is what encourages it to remain confident that it will achieve its objectives for 2022 as disclosed on February 17: return to positive organic growth, improvement of the main financial indicators and keep of a positive operating Free Cash Flow<sup>4</sup>, while ensuring the expected increase in investments in equipment and productivity.



# lisi



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<sup>4</sup> Free Cash Flow: net operating cash flow minus net CAPEX and changes in working capital requirements