PRESS RELEASE

Figeac, 14th August 2020

AVAILABILITY OF THE ANNUAL FINANCIAL REPORT AT 31ST MARCH 2020

The FIGEAC AÉRO Group (ticker: FGA), a leading partner for major aerospace manufacturers, announces that its annual financial report at 31st March 2020 is available to the public and has been filed with the Autorité des Marchés Financiers (the French financial markets authority).

The consolidated financial statements have been approved by the Board of Directors, which met on 5th August 2020, and the statutory auditors submitted their reports on 14th August 2020.

The final 2019/20 full-year results for the year ended 31st March 2020 include the conclusions of the asset valuation review (IAS 36[1]) conducted especially on the Group's intangible assets given the ongoing nature of the crisis currently affecting the aerospace sector. In order to reflect slower production rates at the Group's clients on account of the Covid-19 crisis, the Group has recognised a non-cash asset impairment charge of €40.1m, mainly concerning its Aerostructures business.
Furthermore, on 31st July the EBRD granted FIGEAC AÉRO a waiver of a contractual covenant (gearing threshold) it had breached owing to its asset impairments (IAS 36).

FIGEAC AÉRO would like to specify that certain financial aggregates have changed since it published its press release on the provisional 2019/20 results on 7th July 2020 (link to the press release); below is the updated press release in full.

[1] Definition in the appendices

- **Positive free cash-flows for the second year running, despite a heavily disrupted year**
- **Revenue proved resilient, +4.4% in a challenging aerostructures market**
- **Current EBITDA came to €69.5m, affected primarily by the Boeing 737 crisis and a downturn in activity in March (Covid-19)**
- **Cash position strengthened with a €80m PGE (state-guaranteed loan)**

€k - IFRS	2018/19	2019/20 (provisional)	2019/20[2] (audited)	LFL change[3]
Revenue	**427,956**	**445,115**	**446,714**	**+1.37%**
Current EBITDA[4]	**75,957**	**69,036**	**69,448**	**-15.8%**
Current EBITDA / Revenue	***17.7%***	***15.5%***	***15.5%***	
EBITDA	**69,709**	**62,788**	**63,200**	**-17.3%**
EBITDA / Revenue	***16.29%***	***14.1%***	***14.1%***	
Depreciation and amortisation	(35,840)	(46,779)	(46,779)	
Net provisions	(1,034)	(854)	(2,174)	
Current operating income	**32,835**	**15,244**	**14,246**	
COI / Revenue	***7.7%***	*3.4%*	*3.2%*	
Other operating income	1,066	1,753	1,754	
Other operating expenses	(3,464)	(4,677)	(44,989)[5]	
Operating income	**30,437**	**12,289**	**(29,020)**	
Cost of net financial debt	(9,733)	(9,602)	(9,602)	
Realised currency gains & losses	(2,729)	(16,257)	(16,257)	
Unrealised gains & losses on financial instruments	(4,824)	1,708	1,348	
Other financial income and expenses	(563)	(22)	(22)	
Income tax	(1,747)	(1,939)	(1,955)	
Consolidated net income	10,844	(13,822)	(55,508)	
Net income, Group share	11,058	(13,813)	(55,465)	

Annual growth exceeds that of the aerospace sector

FIGEAC AÉRO's 2019/20 revenue amounted to €446.7m, reflecting an increase of +4.4% (+1.4% at constant scope and exchange rates). The Aerostructures division, which accounts for 87.9% of the Group's total revenue, generated €392.6m revenue and remains the overall growth driver (+5.5% reported), while the Group's other business activities[6] turned in revenue of €54.1m (-2.9% reported).

The Group thus proved resilient in a sluggish aerospace sector (B737 Max crisis, delayed certification of the B777X, slower production rates on the B787 and A330, production rates levelling off on the A350, discontinuation of the A380 and CRJ) and with the end of the financial year impacted by the Covid-19 health crisis.

[2]For the record, the results at 31st March 2020 reflect the first-time application of IFRS 16 - The Group has opted to apply the so-called transition "simplified retrospective" method, so the financial statements at 30th September 2018 and at 31st March 2019 have not been restated for the impact of applying IFRS 16
[3] At constant scope and exchange rates
[4] Current EBITDA = current operating income + depreciation and amortisation + net provisions - Before the breakdown of R&D expenses capitalised by the Group by type
[5] Of which a €40.1m non-cash asset impairment charge
[6] Oil & Gas, Mechanical Engineering, Surface Treatment and Assembly

Current EBITDA at 31st March 2020 stood at €69.5m (€67.3m excluding the IFRS 16 effect), pulling the margin rate down by 220bp to 15.5% due to the €/$ exchange rate (€5.6m), the grounding of the B737 Max (€3m) and the forced downturn in activity in March triggered by Covid-19 (€3m). The margin was penalised by a slowdown in long-standing contracts on account of a challenging Aerostructures market and by new contracts that are still in the process of ramping up.

Current operating income stood at €14.2 million at 31st March 2020, implying a margin rate of 3.2% and reflecting high amortisation charges.

In addition, FIGEAC AÉRO recognised a non-cash asset impairment charge of €40.1m, primarily attributable to the impact of the Covid-19 pandemic on the Aerostructures business.

Last of all, after incorporating the financial result and taxes, the Group's net result for full-year 2019/20 amounted to -€55.5m as it was heavily impacted by the asset valuation review under IAS 36.

Positive free cash-flows

The initial effects of the measures taken during the course of 2019/2020 have shown up already, with 2019/20 free cash-flows coming out positive at €9.4m thanks to a very strong second half (vs. -€6.6m in H1). The Working Capital Requirement improved further as measured by the number of days of sales (95 days versus 130 the previous year); this was largely thanks to effective management of inventory and trade receivables against a backdrop of increased activity.

In keeping with the established trajectory, net investments made over the period were €15.9m lower at €57.3m. They were allocated primarily to business development, such as new contract wins, maintenance, R&D, and expenses incurred in implementing the new ERP.

Last of all, on the back of a solid cash position of €106.8m, net financial liabilities[7] totalled €282.4m (€274m ex-IFRS 16). The Net Debt/Current EBITDA leverage ratio came to 4.06x.

Update on industrial operations and the measures taken by the Group to deal with an unprecedented crisis

Business activity remains heavily disrupted and the Group is still operating at around 40% capacity. With aircraft deliveries globally on the decline, FIGEAC AÉRO has launched an operational optimisation plan. The plan seeks above all to cut costs and lower the Group's operating breakeven point, with:

- permanent adjustments to the workforce depending on site capacity utilisation rates as confirmed by our clients: short-time working arrangements in France, staff cutbacks in low-cost subsidiaries and the USA (-600 people, i.e. -30% of our workforce outside France), less use of temping staff and non-renewal of short-term employment contracts,
- tight control over the working capital requirement: inventory adjusted, supply chain secured, strict control over trade receivables,
- a CAPEX and OPEX reduction plan: non-essential spending either postponed or cancelled, outsourced services brought back in-house where possible,
- insourcing of parts previously manufactured by suppliers.

The Group is looking into measures to adapt its cost structure to the ongoing crisis and will announce its decisions when it releases its revenue figures for the 1st quarter of 2020/21 (7th September 2020).

Furthermore, after the end of its financial year, FIGEAC AÉRO secured its long-term resources by obtaining PGEs (state-guaranteed loans) totalling €80m. The Group still has the backing of its long-standing banking partners which thereby reiterate their full confidence in FIGEAC AÉRO's ability to rebound.

[7] Excluding financial liabilities not bearing interest

The loans are 90%-guaranteed by the French state and form part of the government's PGE (state-guaranteed loan) scheme (decrees dated 23rd March and 17th April 2020 providing state guarantees to credit institutions and financing companies, in accordance with article 6 of law n°2020-289 of 23rd March 2020); they have been subscribed for an initial 1-year period and can then be amortised over up to 5 years.

Thanks to this funding and FIGEAC AÉRO's comfortable cash position at 31st March 2020 (€106.8m), the Group's business continuity and refinancing deadlines have been secured for the next 2 years.

FIGEAC AÉRO also intends to apply for various innovation and training aid packages made available to the sector by the state and regional authorities and will make use of its right to apply short-time working arrangements over the long term.

Strategy and developments

FIGEAC AÉRO boasts a unique industrial footprint, technological leadership and significant industrialisation capabilities, as evidenced by Airbus' ranking which places FIGEAC AÉRO in the world's TOP 9 suppliers for its performance and strategy; the Group is thus convinced that it will be able to strengthen its competitive position on emerging from the Covid-19 crisis.

Negotiations continue on important new business contracts but also to renew major contracts already underway. FIGEAC AÉRO has reached an agreement with an important client to extend a contract for 7 years post-Covid and expects to renew other contracts for the years ahead. The Group's future is secured thanks to the confidence of its clients and its comfortable cash position.

However, it will be difficult to establish forecasts for the short term as there is little visibility on a resumption in global air traffic and on the repercussions this will have for deliveries by aircraft manufacturers. FIGEAC AÉRO therefore believes it is not in a position to issue guidance for financial year 2020/21.

Jean-Claude Maillard, Chairman and Chief Executive Officer of FIGEAC AÉRO: "*Didier Roux, Deputy Chief Executive Officer, and the entire Executive Committee are by my side doing their utmost to mitigate the operational and financial consequences of the economic crisis triggered by the Covid-19 health crisis. Our priorities have been clearly identified and we remain as attentive as ever to our clients' needs. In its 30 years of existence, FIGEAC AÉRO has already weathered various crises and has always proved capable of bouncing back.*"

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 €447m in the year to 31st March 2020.

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APPENDICES

2019/20 full-year results

The purpose of the IAS 36 “Impairment of Assets” standard is to:
- recommend procedures for entities to apply to ensure that assets are carried at values that do not exceed their recoverable amounts
- require an entity to recognise an impairment charge if an asset is carried at a value that exceeds its recoverable amount

This impairment test may be conducted for an individual asset or for a cash-generating unit.

BALANCE SHEET - €k - IFRS	31/03/2019	31/03/2020
Fixed assets	331,110	323,681
Other non-current assets	23,392	26,666
Inventory	178,272	183,591
Contract assets (1)	29,238	29,406
Trade receivables	85,150	50,937
Tax receivables	13,923	7,917
Other current assets	26,959	23,302
Cash and cash equivalents	122,418	106,811
TOTAL ASSETS	**810,462**	**752,311**
Shareholders’ equity	198,323	138,553
Non-current financial liabilities	294,036	269,402
Non-current liabilities	50,879	55,990
Short-term financial liabilities	49,466	40,133
Current portion of financial liabilities (3)	36,006	75,441
Debt not bearing interest	17,792	15,370
Repayable advances	5,154	4,211
Trade payables and related accounts	92,142	92,764
Current liabilities (2)	66,665	60,447
TOTAL LIABILITIES	**810,462**	**752,311**

(1) reclassification of contract assets as current assets
(2) reclassification of contract liabilities as current liabilities: €15.3m
(3) following the covenant breach, the >1-year portion of the EBRD loan has been classified as <1 year, with an impact of €19,620k

Cash-flow statement - €k IFRS	31/03/2019	31/03/2020
Cash flow before cost of financial debt and taxes	63,937	43,303
Change in working capital requirement	21,698	22,542
WCR in days of net sales	**130**	**95**
Net cash flow from operations	**85,635**	**65,845**
Net cash flow from investing activities	**(73,248)**	**(56,443)**
FREE CASH-FLOWS	**12,387**	**9,402**
Scope effects	(2,640)	847
Acquisitions or disposals of treasury shares	(1,969)	1,302
Change in borrowings and repayable advances	28,403	(17,169)
Net cash flow from financing activities	**26,434**	**(15,867)**
Change in cash position	**36,181**	**(6,465)**
Net cash position	**72,951**	**66,792**