


Figeac, 7th July 2021

PROVISIONAL FULL-YEAR 2020/21 RESULTS

- **Results affected by an unprecedented public health crisis which took a heavy toll on the global aerospace industry**
- **Decisive measures taken to counter the effects of the crisis, secure liquidity and improve operational efficiency for the long run**
- **A sharp improvement in H2 2020/21 compared with H1 2020/21: revenue +16.8%, current EBITDA in positive territory at €8.7 million, free cash-flows under control**
- **New business plan: Route 25**
- **2021/22 targets**

The FIGEAC AÉRO Group (ticker: FGA), a leading partner for major aerospace manufacturers, has today released its provisional full-year 2020/21 results (year ended 31st March 2021), which are currently being audited. The accounts will be approved by the Board of Directors on 29th July 2021.

Commenting on the 2020/21 results, FIGEAC AÉRO's Chairman and Chief Executive Officer Jean-Claude Maillard made the following statement: "*Over the course of the past year, our Group and indeed the entire industry have had to weather an unprecedented global crisis with air traffic plummeting due to lockdowns and travel restrictions enforced worldwide. Having first secured the health and safety of our staff, we adapted to these new circumstances by demonstrating our agility and resilience with a view to safeguarding the Group's competitiveness.*

From a financial perspective, the Covid-19 crisis dealt a very heavy blow to our performance in FY 2020/21. Nonetheless, the Group was quick to introduce structural cost-cutting measures which enabled it to generate positive current EBITDA in the 2nd half of the financial year ended 31st March 2021. As far as cash burn is concerned, the Group's financial discipline and drastic reduction in growth capex are beginning to pay off, with cash-flows managed effectively in the second half of the financial year.

This crisis forced us to take some tough decisions and reorganise our global production facilities, and I would like to thank all of FIGEAC AÉRO's staff for the commitment they have shown during this extremely difficult period.

Our competitive advantages remain intact despite the economic difficulties encountered by the aerospace industry: we are Europe's leading supplier of aerospace parts with a dominant and global industrial footprint scaled to deliver revenues of €550 million, vast innovative capabilities, renowned expertise and a robust corporate culture. Despite the ongoing uncertainties and difficulties, we should emerge from this crisis on a stronger footing thanks to the series of initiatives taken and the Route 2025 business plan drawn up. And I am convinced that we are now poised to benefit fully from post-crisis economic conditions thanks to the agility, commitment and professionalism of the teams I work with."

€k - IFRS (1st April to 31st March)	2019/20[1] (audited)	H1 2020/21	H2 2020/21	2020/21 (provisional)	LFL change[2]
Revenue	446,714	**94,412**	**110,237**	**204,649**	**-52.8%**
Current EBITDA[3]	69,448	**(6,684)**	**8,723**	**2,039**	**-92.1%**
Current EBITDA / Revenue	*15.5%*	-	***7.9%***	***1.0%***	
EBITDA	63,200	**(7,447)**	**8,345**	**898**	**-93.1%**
EBITDA / Revenue	*14.1%*	-	***7.6%***	-	
Net depreciation, amortisation and provisions	(48,953)	(23,771)	(23,078)	(46,849)	
Current operating income	14,246	**(31,218)**	**(14,733)**	**(45,951)**	
COI / Revenue	*3.2%*	-	-	-	
Other non-recurring operating income & expenses	(43,266)[4]	(19,586)	1,406	(18,180)	
Operating income	(29,020)	**(50,804)**	**(13,327)**	**(64,131)**	
Cost of net financial debt	(9,602)	(4,112)	(1,345)	(5,457)	
Realised currency gains & losses	(16,257)	(2,945)	1,398	(1,547)	
Unrealised gains & losses on financial instruments	1,348	11,822	67	11,889	
Other financial income & expenses	(22)	(25)	(2)	(27)	
Income tax	(1,955)	(5,029)	7,128	2,099	
Consolidated net income	(55,508)	**(51,093)**	**(6,081)**	**(57,174)**	
Net income, Group share	(55,465)	**(51,078)**	**(6,066)**	**(57,145)**	

Full year hit hard by the public health crisis but benefiting from a rebound in H2 2020/21

In financial year 2020/21, the aerospace industry had to face not only the grounding of the Boeing 737 MAX but also the biggest crisis in its history, with air traffic plummeting on account of the lockdowns and travel restrictions enforced worldwide.

FIGEAC AÉRO's 2020/21 revenue thus amounted to €204.6 million, reflecting a decrease of 54.2% (-52.8% at constant scope and exchange rates). Business in the Aerostructures division fell steeply (-57.6% reported and -56.2% LFL) while the other business activities recorded a decline of €15.8 million. Growth in the Aerostructures division reached around 20% in the 2nd half of the year, a clear and encouraging sign that business is picking up.

In FY 2020/21, the Group was able to reduce its operating expenses by €205.4 million following the many resilience measures rolled out rapidly to offset the steep drop in production and lower the breakeven point. These measures included:

- a reduction in personnel expenses thanks to adjustments made to the payroll (of which a targeted plan to lower the headcount) and economic support measures granted by the public authorities (of which short-time working arrangements),
- savings generated on production costs and overheads.

Current EBITDA thus came to +€2.0 million in FY 2020/21, reflecting the initial effects of the plan adopted to optimise the cost structure; it reached +€8.7 million in H2 2020/21. The Aerostructures division generated current EBITDA of +€6.3 million, while the other business activities reported -€4.3 million.

The Group managed to reverse its operating performance in the 2nd half of the year thanks to the resilience measures it adopted so rapidly.

[1]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
[2] At constant scope and exchange rates
[3] Current EBITDA = current operating income + depreciation and amortisation + net provisions - Before the breakdown of R&D expenses capitalised by the Group by type
[4] Of which a €40.1m non-cash asset impairment charge

After factoring in depreciation and amortisation charges and provisions (-€46.8 million), current operating income came to -€46.0 million (-€14.7 million in H2 2020/21).

Non-recurring items (–€18.2 million) consisted mainly of €11.7 million of restructuring expenses (France and overseas), penalties for breach of capex orders (€0.95 million) and a non-cash impairment charge on certain assets within the Aerostructures division.

The operating result for FY 2020/21 thus came to –€64.1 million (-€13.3 million in H2 2020/21). Last of all, after incorporating the financial result and taxes, the net result (Group share) for FY 2020/21 was -€57.1 million (-€6.1 million in H2 2020/21).

Balance sheet

Free cash-flows remained under control over the period and amounted to -€43.7 million (-€8.3 million in H2 2020/21, or +€1.85 million after restating for the €10.2 million resale of inventory to AEROTRADE recognised as a financing transaction). This reflects a significant improvement in the Group's cash-flows in the second half of the year (up from -€12.4 million in H1 to +€11.5 million in H2 2020/21).

In keeping with the trajectory drawn up by the Group, net investments were halved over the period compared with the previous year and totalled €29.4 million, including a recoverable deposit guarantee to the tune of €4.1 million and some remaining investments that the Group was unable to cancel during the crisis. Investments were mainly allocated to:

- continued efforts to roll out the new ERP so as to pursue the Group's digitalisation drive,
- the maintenance of production facilities,
- optimisation of the Group's industrial footprint post-Covid.

The Group signed a number of new loan agreements over the year amounting to €94 million in order to secure enough liquidity to roll out its transformation plan, safeguard its competitive standing and assure its long-term growth. It consisted of €79.3 million of PGEs (state-guaranteed loans) and a €14.8 million "Atout" loan from Bpifrance.

Net financial liabilities[5] thus totalled €347.7 million (€340.9 million excluding IFRS 16) and the Group reported a healthy amount of available cash at end-March 2021 of €80.5 million. The Group is already negotiating with its long-standing banking partners to ease the terms and conditions of its financial covenants for the year ending March 2022, along the lines of those negotiated last year.

Commercial momentum intact

Despite the crisis, FIGEAC AÉRO continued to roll out its commercial strategy throughout the year and was awarded a number of major contracts, including:

- a 'programme life' contract with Collins Aerospace worth a total of USD250 million (at current production rates) to produce structural parts for high-precision nacelles and sub-assemblies for the A320, A321 and B787 programmes,
- a Long-Term Agreement worth roughly USD50 million with Rolls Royce to supply casings to be fitted on the A350's engines,
- a 5-year contract with STELIA (the Group's top client) totalling approximately €20 million under which the Group will supply a sizeable package of detail machining and sheet metal parts specifically for the Airbus 220 programme,

[5] Excluding financial liabilities not bearing interest

- a first services contract signed in Saudi Arabia for the joint venture currently being finalised to set up a machining activity for aerospace parts in order to meet the Kingdom's requirements,
- a closer partnership at the Hermosillo facility in Mexico with Latécoère on the Boeing 787 programme.

Paradoxically, given the mechanical impact the crisis has had on the Group's business activity, its commercial momentum has remained robust with business volumes (in the process of being quantified) exceeding pre-crisis levels and good progress being made on consultations on which FIGEAC AÉRO remains confident in its ability to finalise them over the coming months.

New business plan: Route 25

For the past 30 years, FIGEAC AÉRO has successfully established itself as a leading partner in the aerospace industry and developed solid positions as an aerospace supplier. This crisis has thrown business models into upheaval. FIGEAC AÉRO has thus drawn up a new business plan -Route 25- to continue expanding and emerge from this situation on a stronger footing. The plan aims to generate fresh impetus for the Group and establish a new trajectory that will ensure it can once again achieve pre-Covid revenue levels and deliver a robust and profitable economic performance.

The strategic roadmap is therefore geared towards the following:

- sustainable and non-capital-intensive revenue growth achieved on the back of existing contracts, new market share gains and increased sales of services,
- an optimum industrial footprint with pre-established processes for the France and Best Cost facilities, the ramp-up of Best Cost facilities and increased automation based on the Industry 4.0 model,
- optimised operating and production costs,
- improvements to our management systems through the roll-out of our ERP and the Group's digitalisation.

FIGEAC AÉRO has also closely examined its economic and financial situation in order to assess its financing needs between now and the financial year ending March 2025. Talks are already well underway with several financial partners to adjust existing financing arrangements and also to set up additional financing, including the following options:

- a capital increase,
- recourse to the various institutional economic stimulus mechanisms introduced both in France and in other countries in which the Group operates,
- support from the Group's long-standing financial partners, for instance in the form of additional waivers of this year's covenants along the lines of those agreed for the Group's covenants last year (for the financial year ended 31st March 2021),
- the arrangement of other alternative types of funding,
- an adjustment to the terms and conditions applicable to the Group's ORNANEs (bonds redeemable into cash and/or convertible into new and/or exchangeable existing shares) of a nominal amount of €91 million[6] and expiring on 18th October 2022.

By the end of this process, the Group's balance sheet will be healthier and better suited to its strategy, thus enabling it to remain securely on the path towards value-creating development.

[6] The company has redeemed approximately €9m of its ORNANEs and is in the process of cancelling them

2021/22 targets

FIGEAC AÉRO's targets for FY 2021/22 are based on the assumptions that the global public health situation improves and that the aerospace industry recovers very gradually.

Furthermore, the Group will be able to rely on its performance plan (a reduction in personnel expenses and general & administrative expenses, a drive to streamline the Group's production sites, selective insourcing of some of the purchases that were previously outsourced, optimised use of raw materials, streamlined general purchases), which will achieve structural fixed cost savings of approximately €30 million, with almost the full effects becoming visible in H2 of this financial year (ending 31st March 2022).

FIGEAC AÉRO has thus set the following targets for FY 2021/22:

- revenues within the €250 / €300 million range, implying between 22.2% and 46.6% growth,
- double-digit EBITDA,
- positive free cash-flows.

Agenda

2021/22 half-year results on 15th December 2021.
The Group does not intend to publish its Q1 and Q3 2021/22 revenue.

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 €204.6 million in the year to 31st March 2021.

FIGEAC AÉRO
Jean-Claude Maillard - Chairman and Chief Executive Officer
Tel.: +33 (0)5 65 34 52 52

Camille Traineau
Corporate Development Director
Institutional Relations / IR
Tel.: +33 (0)5 81 24 61 90 / camille.traineau@figeac-aero.com

ACTUS Finance & Communication
Corinne Puissant - Analyst/Investor Relations
Tel.: +33 (0)1 53 67 36 77 / cpuissant@actus.fr

Manon Clairet - Press Relations
Tel.: +33 (0)1 53 67 36 73 / mclairet@actus.fr

APPENDICES

BALANCE SHEET - €k - IFRS	31/03/2020	31/03/2021
Fixed assets	323,681	297,591
Other non-current assets	26,666	17,587
Inventory	183,591	179,952
Contract assets (1)	29,406	27,518
Trade receivables	50,937	36,327
Current tax assets	7,917	7,063
Other current assets	23,302	22,522
Cash and cash equivalents	106,811	80,470
TOTAL ASSETS	**752,311**	**669,030**
Shareholders' equity	138,553	84,688
Non-current financial liabilities	269,402	351,406
Non-current liabilities	55,990	30,587
Short-term financial liabilities	40,133	18,930
Current portion of financial liabilities (3)	75,441	40,561
Debt not bearing interest	15,370	13,098
Repayable advances	4,211	4,214
Trade payables and related accounts	92,764	44,812
Current liabilities (2)	60,447	80,734
TOTAL LIABILITIES	**752,311**	**669,030**

(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 €19.6m

€k IFRS	31/03/2020	H1 2021	H2 2021	31/03/2021
Cash flow before cost of financial debt and taxes	43,303	-12,434	11,479	-955
Change in working capital requirement	22,542	-5,641	-7,735	-13,376
WCR in days of net sales	**95**			
Net cash flow from operating activities	**65,845**	**-18,075**	**3,744**	**-14,331**
Net cash flow from investing activities	**-56,443**	**-17,303**	**-12,087**	**-29,390**
FREE CASH-FLOWS	**9,402**	**-35,378**	**-8,343**	**-43,721**
Scope effects	847			
Acquisitions or disposals of treasury shares	1,302	682	-567	115
Change in borrowings and repayable advances	-17,169	51,102	-22,749	28,353
Inventory carrying transaction with Aerotrade			10,193	10,193
Net cash flow from financing activities	**-15,867**	**51,784**	**-13,123**	**38,661**
Change in cash position	**-6,465**	**16,406**	**-21,466**	**-5,060**
Change in translation adjustment	**306**	**-204**	**12**	**-192**
Net cash position	**66,792**	**82,994**	**61,540**	**61,540**
FCF including the Aerotrade transaction			**1,850**	**-33,528**