



PROVISIONAL 2022/23 HALF-YEAR RESULTS

- Half-year revenue up sharply by +25.4% (+17.6% LFL¹)
- Current EBITDA² up by +27.5% to €14.9 million, with the EBITDA margin expanding to 9.9% despite a very complicated global economic climate
- Net result impacted by non-cash effects
- 2022/23 guidance: revenue of around €330 million, current EBITDA between €38 million and €42 million, and free cash-flow in positive territory

The FIGEAC AÉRO Group (ticker: FGA), a leading partner for major aerospace manufacturers, has today released its provisional 2022/23 half-year results for the period ended September 30, 2022, which are currently being audited. The financial statements will be approved by the Board of Directors at its meeting on January 12, 2023.

On announcing the results for this first half of financial year 2022/23, Jean-Claude Maillard, Chairman & Chief Executive Officer and founder of FIGEAC AÉRO, made the following statement:

“We delivered a resilient performance in the first half even though market conditions were disrupted by steep inflation, the Ukraine crisis and hiring difficulties; this reflects the Group’s capacity to rise to the challenges it faced during the period. We are confident that we will improve on our H1 performances in H2, and we fully stand by our full-year objectives of growth, profitability and free cash-flow generation.”

¹ LFL: like-for-like (at constant scope and exchange rates)

² Current EBITDA = current operating income + depreciation and amortisation + net provisions - before the breakdown of R&D expenses capitalised by the Group by type

€k - IFRS (1st April to 30th September)	H1 2021/22	H1 2022/23	Change
Revenue	119,903	150,334	+25.4%
Current EBITDA	11,681	14,888	+€3.2m
<i>Current EBITDA / Revenue</i>	9.70%	9.90%	
EBITDA	10,895	14,175	+€3.3m
<i>EBITDA / Revenue</i>	9.10%	9.43%	
Net depreciation, amortisation and provisions	-25,940	-23,761	
Current operating income (loss)	-15,045	-9,586	+€5.5m
Other non-recurring operating income & expenses	-3,748	9,825	
Share of net income (loss) of joint ventures	-101	-409	
Operating income (loss)	-18,894	-170	
Cost of net financial debt	-2,971	-4,125	
Realised currency gains & losses	678	9,825	
Unrealised gains & losses on financial instruments	-621	-28,753	
Other financial income & expenses	-16	234	
Income tax	-123	6,837	
Consolidated net income (loss)	-21,947	-16,152	
Net income (loss), Group share	-21,919	-16,114	+€5.8m

Revenue growth reaches 25.4%

The FIGEAC AÉRO Group's 2022/23 half-year revenue reached €150.3 million, having increased by +25.4% (+17.6% LFL) amid operating conditions affected by labour shortages. The sequential improvement achieved over the period continues, with major contractors raising their production rates and air traffic approaching its pre-crisis levels.

The Aerostructures division, which accounts for 82.2% of Group revenue, thus generated €123.6 million revenue and was the overall growth driver (+26.1% reported and +17.6% LFL), while the Group's other business activities³ turned in revenue of €26.7 million (+22.1% reported and +17.5% LFL).

A resilient current EBITDA margin in an inflationary climate

Although economic conditions were less favourable, with supplies and production costs under a great deal of inflationary pressure, current EBITDA in the first half of 2022/23 amounted to €14.9 million versus €11.7 million the previous year, putting the EBITDA margin rate at 9.9% of revenue. The Group felt the effects of widespread inflation over the course of the first half on:

- transport,
- energy, and
- personnel costs, following 2 years of the Covid crisis and with the aim of continuing to attract talent, for which demand is on the increase.

This significant inflationary pressure has been partly offset by measures taken to streamline production facilities under the Transformation 21 plan and to pass higher costs on to selling prices.

³ Oil & Gas, Mechanical Engineering, Surface Treatment and Assembly

The Aerostructures division generated current EBITDA of €16.2 million, while the other business activities reported current EBITDA of -€1.3 million.

After factoring in depreciation, amortisation and provisions (-€23.8 million), the current operating result improved by €5.5 million in the first half of 2022/23 to -€9.6 million.

Non-recurring items (+€9.8 million) included, among other things, the cost of implementing the Group's financial restructuring programme and the net gains generated from the redeployment of its Mexican operations (capital gain from the sale of the Hermosillo site and cost of acquiring the Kaman Aerospace site in Chihuahua). The operating result for the first half of 2022/23 thus improved by €18.7 million to -€0.2 million.

Last of all, after incorporating the financial result and taxes, the net result (Group share) in the first half of 2022/23 came to -€16.1 million.

Adjusted for non-cash items relating to financial instruments (Mark-to-Market valuations⁴ and ORNANES⁵), the net result (Group share) in the first half of 2022/23 was +€5.6 million.

Financial structure under control

Cash-flow from operating activities at September 30, 2022 was negative at -€4.2 million, of which positive cash-flow (before cost of debt and taxes) of €10.2 million and an increased Working Capital Requirement of €14.3 million.

This WCR trend was driven primarily by:

- a catch-up effect on social security charges which had been deferred during the Covid crisis;
- the settlement of trade payables which had been affected in March by preparations to switch to the new ERP;
- the build-up of strategic stocks to secure rising production rates (A320 Neo family, Boeing 737 Max) and thus delivering on our sizeable backlog.

Net cash-flow from investing activities over the period was positive at €0.9 million. It comprised the proceeds from disposals made as part of the Group's operational redeployment in Mexico, which cover R&D efforts, the expenses incurred due to the implementation of the new ERP, the acquisition of new machines and maintenance.

Deployment of the new ERP has been completed in four of the Group's companies corresponding to 75% of its revenue base.

Free cash-flow over the period therefore came out negative at -€3.3 million, although this does not undermine the Group's target to generate positive free cash-flow over full-year 2022/23.

The Group's available cash at September 30, 2022 stood at €118.7 million, thanks not only to the financing agreements it has reached and the new bank loans it has obtained, but also the increase in equity resulting from Ace Aéro Partenaires' entry into the Company's share capital and the Partial Redemption of its ORNANES. Net financial debt⁶ amounted to €293.4 million while shareholders' equity totalled €54.8 million.

Trends and outlook

Despite the global economic uncertainty, production rates on single-aisle aircraft have well and truly recovered in recent months and the commercial momentum over the half-year remained firm. The FIGEAC AÉRO Group was therefore able to renew one of its most major contracts up until 2030 - for the machining

⁴ The FIGEAC AÉRO Group has arranged hedging against the €/€ exchange rate over the medium term (2 to 3 years). A Mark-to-Market valuation is an accounting entry recorded when financial statements are closed and does not reflect the company's economic reality. It has no cash-effect and is an indication of the opportunity cost between the average rate of existing hedges and the average rate that could be obtained based on the rate at 30 September.

⁵ Change in the fair value of the ORNANE's equity component (derivative)

⁶ Excluding financial liabilities not bearing interest

and assembly of the floors for section 15 of the A350, alongside Spirit AeroSystems. Meanwhile, its sales teams successfully extended this long-term contract to the cargo version of these same floors. Furthermore, the Company is currently finalising a number of transformational agreements which are to be announced over the coming weeks for its systems and engine activity. Last of all, FIGEAC AÉRO benefits from a very solid backlog which stood at €3.1 billion⁷ at end-September 2022 and will span the next 10 years.

FIGEAC AÉRO has clearly identified its priorities for the second half of 2022/23 and continues to do its utmost to:

- negotiate cash advances with its key clients, particularly in order to secure its titanium supplies,
- secure contracts for its energy and other key supplies,
- significantly improve its free cash-flow, thanks to measures to optimise its Working Capital Requirement and an increase in its cash-flow.

The Group has confidence in its fundamentals and therefore issues the following guidance for full-year 2022/23:

- revenue of around €330 million,
- current EBITDA between €38 million and €42 million,
- positive free cash-flow.

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 €282 million in the financial year to March 31, 2022.

FIGEAC AÉRO

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⁷ Based on a €/\$ exchange rate of 1.12

APPENDICES

Income statement - €k - IFRS	H1 2022/23 reported	Restatements	H1 2022/23 restated
Mark-to-Market		+15,658	
Change in fair value of ORNANE derivative		+13,305	
Income tax		-7,240	
Net income (loss), Group share	-16,114	21,723	+5,609

BALANCE SHEET - €k - IFRS	31/03/2022	30/09/2022
Fixed assets	275,902	265,334
Other non-current assets	17,579	21,968
Inventory	182,223	186,010
Contract assets	25,289	23,517
Trade receivables	61,083	58,465
Current tax assets	7,688	8,483
Other current assets	21,711	24,186
Cash and cash equivalents	49,303	118,723
TOTAL ASSETS	640,777	706,685
Shareholders' equity	41,296	54,836
Non-current financial liabilities	207,738	343,165
Non-current liabilities	30,146	77,963
Short-term financial liabilities	16,167	23,002
Current portion of financial liabilities	156,400	41,570
Debt not bearing interest	10,202	9,779
Repayable advances	4,153	4,378
Trade payables and related accounts	87,943	79,311
Current liabilities	86,732	72,682
TOTAL LIABILITIES	640,777	706,685

Cash-flow statement - €k - IFRS	30/09/2021	30/09/2022
Cash-flow before cost of financial debt and taxes	7,658	10,186
Change in working capital requirement	312	-14,352
Net cash-flow from operating activities	7,970	-4,167
Net cash-flow from investing activities	-9,553	884
FREE CASH-FLOW	-1,583	-3,282
Acquisitions or disposals of treasury shares	-24	-72
Change in borrowings and repayable advances	-24,287	25,257
Interest paid	-2,195	-3,478
Debt restructuring fees		-5,739
Capital increases		53,500
Inventory carrying transaction with Aerotrade	-2,620	-4,521
Net cash-flow from financing activities	-29,126	64,948
Change in cash position	-30,709	61,665
Cash position - opening date	61,540	33,025
Change in translation adjustment	50	920
Net cash position	30,881	95,610