

Regulated information, under embargo until 7:00 am CET on January 29th, 2020

Latécoère 2019 revenue up 8.2% to € 713.1 million

- Strong organic growth in FY19 of 7.0%
- Q4 2019 revenue in line with expectations at €179.4 million
- 2019 guidance confirmed
- 2020 revenue outlook unveiled

Toulouse, France, January 29th, 2020 – Latécoère, a tier 1 partner to major international aircraft manufacturers, announces the publication of its revenue for the fourth quarter and fiscal year 2019.

Unaudited data, in € millions	Fourth Quarter				FY			
	2019	2018	Change (%)	Organic ¹ change (%)	2019	2018	Change (%)	Organic ¹ change (%)
Aerostructures	104.5	114.1	-8.5%	-6.6%	411.4	384.2	7.1%	5.8%
Interconnection Systems	74.9	74.6	0.5%	2.4%	301.7	275.0	9.7%	8.5%
Total revenue	179.4	188.7	-4.9%	-3.0%	713.1	659.2	8.2%	7.0%

As of December 31st, 2019, Latécoère's revenue increased by +8.2% to €713.1 million on a reported basis, or by +7.0% at constant exchange rates. By division, Aerostructures revenue has grown organically by +5.8% compared to last year, reaching a revenue of €411.4 million. The Interconnection Systems division recorded revenue of €301.7 million, up +8.5% on an organic basis.

Fourth quarter of 2019 revenue in line with expectations

Latécoère's Aerostructures division revenue decreased by -6.6% organically in the last quarter of 2019, or -8.5% on a reported basis. In addition to a high comparison basis due to catch-up effects experienced in the fourth quarter of 2018, the division's higher deliveries for Boeing programs in the fourth quarter of 2019 did not fully compensate for lower deliveries from certain programs, including Embraer E1 and Airbus A320.

Revenue from the Interconnection Systems division increased +2.4% organically to €79.4 million, and +0.5% on a reported basis. The division benefitted during the fourth quarter of the solid demand from Airbus' A350 program.

¹ Organic variations exclude changes in scope if any and currency impacts for the period

Transformation 2020 plan was completed

In 2019, Latécoère completed the supply chain and manufacturing improvement initiatives identified under its Transformation 2020 plan launched in 2016, which are expected to contribute in full in 2020. The extension of the Toulouse-Montredon plant is ready to run its automated surface protection and painting production lines. The lines will enhance the site's industrial assets and will offer end-to-end part manufacturing solutions. The last transfers between the Czech and Bulgarian sites have also been completed. In 2020, the ramp-up of the Bulgarian site will continue with additional transfers from Gimont and the internalization of electrical rack structures. The construction of the new headquarters in Toulouse Périole is going according to plan and it will welcome the corporate and divisions' central functions before the end of the year.

In 2020, the Group will launch an improvement plan, BEYOND, to be executed over two years with the objective to improve its indirect cost structure and production costs.

Key business highlights

In the last quarter of 2019, Latécoère's Aerostructure division signed an agreement with Boeing, extending the delivery of 787 doors until 2029 in exchange for a price decrease partly conditioned on the granting of new contracts.

The Interconnection Systems division signed a five-year contract with Boeing to deliver electrical wiring interconnection system (EWIS) harnesses for the B777X program.

Latécoère to acquire Bombardier's EWIS assets in Mexico

On 31st December 2019, Latécoère has entered into a definitive agreement to acquire Bombardier's electrical wiring interconnection system (EWIS) assets in Querétaro, Mexico for \$50 million to be paid in cash. The two companies also concluded a long-term supply agreement. The transaction is subject to customary conditions and approvals and is expected to close in the first half of 2020. The annual turnover of the business is anticipated to be around \$80 million.

Outlook

2019 guidance reiterated

Latécoère confirms its outlook for 2019. The Group will generate a low single-digit recurring operating margin and a negative operating free cash flow after capital expenditures due to start-up costs in the Interconnection Systems division, and completion of the Transformation 2020 plan in the Aerostructures division.

Outlook for 2020 revenue

In 2020, the Group expects sales to decline by circa 5% at constant exchange rates, in a context of soft demand on twin aisle programs both at Airbus and Boeing, some contractual price reduction on Airbus programs in both divisions, combined with lower production rates for the Embraer E1 and Dassault F7X/F8X programs, partly offset by increased rates for the Embraer E2 and Airbus A320 family and Interconnection Systems' new business. The Group is not impacted by the B737 MAX crisis.

Upcoming publications

FY 2019 results on March 10th, 2020.

First quarter 2020 revenue on April 22nd, 2020

Annual shareholder general assembly on May 13th, 2020

About Latécoère

Latécoère is a tier 1 partner to major international aircraft manufacturers (Airbus, Embraer, Dassault, Boeing and Bombardier), in all segments of the aeronautical market (commercial, regional, corporate and military aircraft), specializing in two fields:

- *Aerostructures (58% of total revenue): fuselage sections and doors.*
- *Interconnection systems (42% of total revenue): onboard wiring, electrical harnesses and avionics bays.*

At 31 December 2018, Latécoère employed 4,958 people in 13 different countries. Latécoère, a French corporation (société anonyme) with capital of €189,637,036 divided into 94,818,518 shares with a par value of €2 per share, is listed on Euronext Paris - Compartment B. ISIN codes: FR0000032278 - Reuters: LAEP.PA - Bloomberg: LAT.FP

Latécoère

Michel Abaza
Chief Financial Officer
+33 (0)5 61 58 77 00

michel.abaza@latecoere.aero

Thierry Mahé
Head of Brand & Communication
+33 (0)5 61 58 77 00

thierry.mahe@latecoere.aero

FTI Consulting

Arnaud de Cheffontaines / Investor Relations
Tel. +33 (0)1 47 03 69 48

Mathilde Jean / Relations Media
Tel. : +33 (0)1 47 03 69 54
latecoere@fticonsulting.com