

Latecoere Reports FY 2024 Results

- Strong revenue growth of +13.4%, driven by the continued ramp-up of production and the execution of commercial initiatives to partially mitigate inflation.
- Recurring EBITDA of €25.7 million; a significant improvement from FY2023 loss of €(18.5) million. This reflects the operational leverage coming from volume growth, and execution of the commercial measures tackling inflation.
- Latecoere invests in its platform, people, and a resilient business model, aligning with customer needs through quality and on-time delivery.

Toulouse, March 20, 2025 – Latecoere, a Tier 1 supplier to major international aircraft manufacturers, announced that the Board of Directors approved Latecoere's financial statements for the twelve-month period ended December 31, 2024, noting that the work on its sustainability report is still ongoing whilst not anticipating any material impacts. Therefore, Latecoere is pleased to present below its unaudited financial statements.

André-Hubert Roussel Group Chief Executive Officer, stated: *"If I had to sum up the daily work of Latecoere's teams today, I would highlight three key priorities. First, as OEM volume growth accelerates across commercial, business jet, and defense markets, we are fully committed to supporting this ramp-up while tackling the associated challenges. Second, we are excited with the development and growth prospects of our customer service and after-market business. Finally, we continue to push forward in research & technology; whether it's advancing metallic and composite materials, optical wiring, preparing for More Electric Aircraft, or embracing a digital-first approach to the design, manufacturing, and operation of aerospace products. We are determined to play a key role in shaping the future of air transport."*

FY 2024 Results

Group (€ million)	Dec 31, 2023	Dec 31, 2024
Revenue	622,3	705,8
<i>Reported growth</i>	<i>32,9%</i>	<i>13,4%</i>
Recurring EBITDA	(18,5)	25,7
<i>Recurring EBITDA margin on revenue</i>	<i>-3,0%</i>	<i>3,6%</i>
Operating free cash flows from continuing operations	(118,2)	(7,4)
Net Cash Flow	11,2	(25,6)
Cash and cash equivalents	85,1	59,4
Net Debt¹	125,2	170,9

¹ Net debt is stated before consideration of RMF

Latecoere's unaudited financial results for 2024 reflect the general increased level of production in the aeronautical sector as a whole. Revenues amounted to €705.8 million, up €83.5 million or +13.4%. The increase in revenues was driven by higher production rates from OEMs, additional revenue from new business wins and the conclusion of commercial initiatives to offset inflation.

The Group reported a recurring EBITDA for 2024 of €25.7 million, a significant improvement compared to the €(18.5) million reported in 2023. This turnaround was mainly driven by operating leverage from increased volumes, and the positive benefits coming from both operational and commercial initiatives undertaken by the Group. These positive benefits are still being offset however by continued inflationary pressures on the material cost base and ongoing supply chain disruptions during the ramp up of the operations.

Latecoere's net financial result amounted to €(14.8) million in 2024, compared with €148.5 million 2023, reflecting net interest cost on the PGE loans and other indebtedness outstanding during the year.

The Group's net result for 2024 amounted to €(61.9) million, compared with €6.2 million for 2023.

Operating free cash flow from continuing operations amounting to cash flow losses of €(7.4) million primarily reflects:

- The recurring EBITDA of €25.7 million;
- Non-recurring cash costs of €17.7 million primarily related to the ongoing transfers of work and related restructuring;
- Further investments of €17.9 million into capital expenditures, particularly in North America and;
- A net reduction in total working capital of €7.7 million.

At the end of 2024, cash and cash equivalent stood at €59.4 million. The net debt at the end of 2024 stood at €170.9 million (excluding the RMF obligation).

To date, the hedging portfolio amounted to \$611.1 million at an average EUR/USD rate of 1.128. Since December 31, 2024, the Group has continued to put in place hedges for 2025 and 2026 at attractive terms.

Aerostructures

Revenue for Latecoere's Aerostructures Division increased by +10% on a reported basis vs 2023. The segment's activity benefited from increased production rates and the benefit of commercial initiatives concluded in 2024.

The division's recurring EBITDA amounted to €(1.8) million, representing a significant turnaround from the €(18.8) million loss incurred in the prior year. This reflects the operating leverage from the volume increase, tight costs control, and better commercial terms and conditions achieved with customers.

The division's operating free cash-flows amounted to (€31.0) million, impacted primarily by the improving EBITDA and working capital reduction of €6.8 million; but offset by the incurrence of non-recurring cash costs for €16.9 million primarily related to work package transfers and related restructuring, and capital expenditures of €16.5 million.

Aerostructures (€ million)	Dec 31, 2023	Dec 31, 2024
Consolidated revenue	381,0	419,4
<i>Reported growth</i>	<i>47,1%</i>	<i>10,1%</i>
Recurring EBITDA	(18,7)	(1,8)
<i>Recurring EBITDA margin on revenue</i>	<i>-4,9%</i>	<i>-0,4%</i>

Interconnection Systems

Revenues of €286.5 million were up by +19% on a reported basis compared with €241.3 million in 2023. This growth is primarily driven by increased volumes, notably for the A320 program and from the benefit of commercial initiatives concluded in 2024.

Recurring EBITDA for the Interconnection Systems division reached €27.5 million, a turnaround from the €0.1 million from the prior year, reflecting operating leverage from volume increase, tight costs control, and better commercial terms and conditions achieved with customers.

The division's operating free cash-flows from continuing operations amounted to €23.7 million, improving by +€38.6 million compared to 2023. This improvement reflects the stronger EBITDA, working capital release of €0.9 million; non-recurring costs of €0.8 million and capex of €1.4 million

Interconnection Systems (€ million)	Dec 31, 2023	Dec 31, 2024
Consolidated revenue	241,3	286,5
<i>Reported growth</i>	<i>15,4%</i>	<i>18,7%</i>
Recurring EBITDA	0,1	27,5
<i>Recurring EBITDA margin on revenue</i>	<i>0,1%</i>	<i>9,6%</i>

FY 2025 Outlook

FY 2024 was a challenging year for the aerospace supply chain industry in general and for Latecoere in particular. These challenges will continue into FY 2025, with inflationary pressures and challenges arising from operating within a constrained aerospace supply chain. OEM volume growth for commercial, business jet and defense market sub-segments continues to improve overall revenue, but the ramp-up in activity results in challenges and cost pressures for the whole industry. To alleviate these challenges, Latecoere continues to invest in its operating platform, people and geographic footprint, creating a more resilient business model better positioned to grow with customer requirements. We expect to see further improvements in profitability and cash flow resulting from increased volumes and the focus on improving operational efficiency across all parts of the business. We are also convinced that the business is well positioned to capitalise on the continuing, strong market demand for civil, military and space products and from the strong prospects for our customer services and after-market business. Latecoere's outlook for FY 2025 includes:

- Volume growth across most major programs
- A full year effect of the operational and commercial initiatives started in 2024
- Continued cost inflation across bill of materials and labor cost, but largely counterbalanced by **(i)** a reduction in operating expenses and over-costs experienced in 2024, being avoided in 2025; **(ii)** holding indirect operating costs flat whilst accommodating volume growth; and **(iii)** delivering cost savings from our value creation programs. Our value creation programs are focused on **(i)** cost improvement from optimization of our industrial operations; **(ii)** improving direct labour efficiency across our manufacturing sites and **(iii)** driving purchasing related savings across both direct materials and indirect cost centre spending;
- Overall growth in EBITDA, resulting from the above realization of operational and commercial initiatives, an improving supply chain situation and increased activity across key commercial, business jet and defense market sub-segments; and
- Improvements in operational free cash flow reflecting the improvements in operational and commercial initiatives partially offset by restructuring costs, increased working capital due to sales growth and key investments to strengthen Latecoere's competitive position.

Significant Events in the Period

On Sunday February 4, 2024, a fire broke out at the Latecoere elementary parts production site in Hermosillo, Mexico. The Hermosillo fire department extinguished the blaze with no injuries. Damage was limited to the surface treatment and painting building. Machining and sheet metal operations were unaffected. Latecoere set up a dedicated team to deal with the consequences of this incident. To date, the estimated financial impact is €(2.7) million mainly composed as follows:

- Inventory write-downs of €4.1 million;
- Depreciation of damaged industrial assets for around €1.4 million;

- Insurance profit received in advance for €5 million;
- Postponed deliveries of the B787 program from February 2024 to May 2024, while the supply chain was reorganized, resulting in additional production costs.

A claim has been filed with the Group's insurance companies to cover the property damage suffered and business interruption operating losses. The financial consequence of these events, including receiving a down payment from the insurance coverage, has been fully recognized in the financial statements for FY 2024.

Post-closing events

None to report.

Annual General Meeting

Latecoere informs that its Annual General Meeting will be held in Toulouse on 6th June 2025. Appropriate notices will be published accordingly.

About Latecoere

Tier 1 to the world's leading OEMs (Airbus, BAE Systems, Boeing, Bombardier, Dassault Aviation, Embraer, Honda Aircraft Company, Lockheed Martin, RTX, Thales), Latecoere serves aerospace with innovative solutions for a sustainable world. The Group operates in all segments of the aerospace industry (commercial, regional, business, defense and space) in three business areas:

- Aerostructures Europe and Americas: doors, fuselage, wings and empennage, rods;
- Interconnection Systems: wiring, avionics racks, on-board systems;
- Special Products and Services: customer services, on-board equipment, electronic systems.

As of December 31, 2024, the Group employed 5,400 people in 14 countries. Latecoere is listed on Euronext Paris - Compartment B, ISIN Code: FR001400JY13 - Reuters: AEP.PA - Bloomberg: AT.FP

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Consolidated financial statements (IFRS)

Consolidated Income statement

<i>In thousands of euros</i>	Dec. 31, 2023	Dec 31, 2024
Sales figures	622 335	705 825
Other operating income	432	2 907
Stocked production	-8 169	20 824
Purchases and external charges	-396 817	-424 915
Personnel expenses	-234 644	-268 371
Taxes	-6 510	-7 965
Depreciation, amortization and impairment	-47 664	-37 036
Net additions to operating provisions	-17 968	735
Net additions to current assets	-2 481	-8 590
Other products	26 614	17 978
Other expenses	-3 428	-12 840
OPERATING INCOME RECURRING	-68 301	-11 450
Other non-recurring operating income	12 608	6 900
Other non-current operating expenses	-92 582	-36 500
OPERATING INCOME	-148 275	-41 050
Cost of net financial debt	-25 874	-12 600
Foreign exchange gains and losses	-1 817	-1 719
Unrealized gains and losses on derivative financial instruments	-144	5 520
Other financial income and expense	176 292	-6 032
FINANCIAL RESULT	148 458	-14 831
Income tax	4 569	-6 025
NET INCOME FROM CONTINUING OPERATIONS	4 752	-61 906
NET INCOME FROM DISCONTINUED OPERATIONS	1 406	0
NET INCOME	6 159	-61 906

Consolidated Balance sheet

<i>In thousands of euros</i>	Dec. 31, 2023	Dec 31, 2024
Goodwill	17 970	17 970
Intangible assets	132 422	119 949
Property, plant and equipment	113 421	104 559
Other financial assets	6 151	6 402
Deferred taxes	3 078	6 260
Derivative financial instruments	3 618	0
Other long-term assets	8	0
TOTAL NON-CURRENT ASSETS	276 669	255 140
Inventories and work-in-progress	215 622	246 396
Trade and other receivables	116 540	124 146
Tax receivables	11 810	4 380
Derivative financial instruments	3 710	119
Other current assets	4 647	3 651
Cash and cash equivalents	85 423	59 791
TOTAL CURRENT ASSETS	437 751	438 483
TOTAL ASSETS	714 420	693 624

<i>In thousands of euros</i>	31 Dec 2023	31 Dec 2024
Capital	124 968	126 198
Additional paid-in capital	327 251	326 021
Treasury stock	-440	-443
Other reserves	-294 134	-286 608
Derivative financial instruments - effective portion	1 532	-32 223
Net income / loss for the period	6 159	-61 906
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	165 335	71 038
NON-CONTROLLING INTERESTS	0	0
TOTAL SHAREHOLDERS' EQUITY	165 335	71 038
Borrowings and financial liabilities	183 186	208 226
Repayable advances	20 694	20 543
Commitments to employees	12 429	12 763
Non-current provisions	33 229	25 785
Deferred taxes	7 826	8 594
Derivative financial instruments	1 097	16 235
Other non-current liabilities	6 853	22 044
TOTAL NON-CURRENT LIABILITIES	265 312	314 189
Borrowings and bank overdrafts	34 808	29 061
Repayable advances	2 254	2 360
Current provisions	1 151	9 075
Trade and other payables	173 070	191 303
Tax payable	5 597	3 513
Contract liabilities	25 720	22 953
Other current liabilities	36 974	30 721
Derivative financial instruments	4 200	19 412
TOTAL CURRENT LIABILITIES	283 774	308 397
TOTAL LIABILITIES	549 086	622 586
TOTAL EQUITY AND LIABILITIES	714 420	693 624

Consolidated cash flow statement

<i>In thousands of euros</i>	Dec. 31, 2023	Dec 31, 2024
Net income for the period	6 159	-61 906
Adjustment for :	0	0
Depreciation and provisions	85 885	35 940
Elimination of revaluation gains/losses (fair value)	144	-184
(Gains)/losses on asset disposals	-628	2 304
Other non-cash items	-179 725	2 446
Other	947	5 074
CASH FLOW AFTER COST OF NET DEBT AND TAX	-87 219	-16 326
<i>Of which cash flow from discontinued operations</i>	-11 045	0
Income tax expense	-4 569	6 025
Cost of debt	25 966	12 598
CASH FLOW FROM OPERATIONS BEFORE COST OF DEBT AND TAX	-65 823	2 298
Change in inventories net of provisions	-172	-34 444
Change in trade and other receivables net of provisions	-21 129	1 651
Change in trade and other payables	2 591	20 342
Tax paid	-4 613	-6 194
CASH FLOW FROM OPERATING ACTIVITIES	-89 145	-16 347
<i>Of which cash flow from operating activities related to discontinued operations</i>	8 220	0
Impact of changes in scope of consolidation	0	0
Acquisitions of tangible and intangible fixed assets (including change in fixed asset suppliers)	-34 320	-22 067
Acquisition of financial assets	0	0
Change in loans and advances	-193	322
Disposal of property, plant and equipment and intangible assets	13 031	3 650
Dividends received	0	0
CASH FLOW FROM INVESTING ACTIVITIES	-21 482	-18 094
<i>Of which cash flow from investing activities related to discontinued operations</i>	-598	0
Capital increase	124 432	0
Purchase or sale of treasury shares	45	-4
New loan and advances	88 876	36 283
Loan repayments	-54 826	-14 605
Repayment of lease obligations	-10 351	0
Interest paid	-26 024	-12 911
Cash flow from repayable advances	-423	-50
Other flows from financing activities	0	0
CASH FLOW FROM FINANCING ACTIVITIES	121 729	8 714
+/- impact of exchange rate fluctuations	103	0
CHANGE IN NET CASH AND CASH EQUIVALENTS	11 205	-25 728
<i>Of which net cash from discontinued operations</i>	7 622	-
Opening cash and cash equivalents (net of bank overdrafts)	73 897	85 102
Closing cash and cash equivalents (net of bank overdrafts)	85 102	59 374