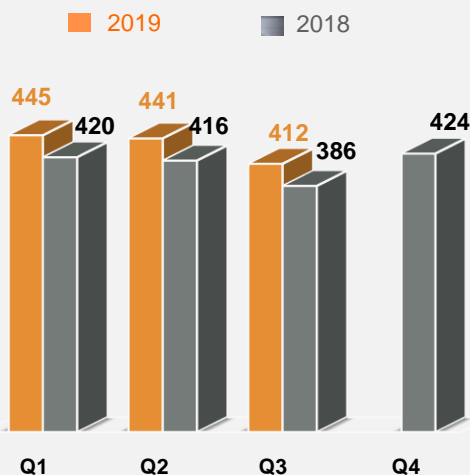


The LISI Group posted sales of € 1.3 billion in the first nine months of 2019, up +6.3% versus the comparable 2018 period, with +5.7% organic growth in Q3

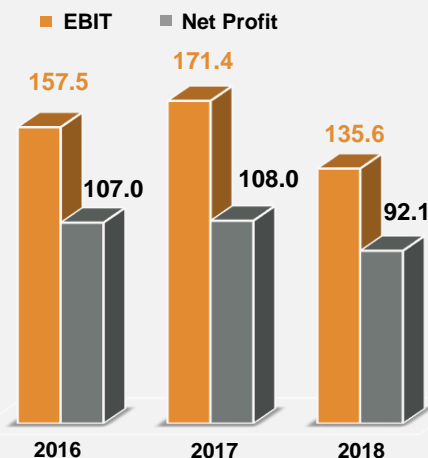


Quarterly Consolidated Sales

In million euros



EBIT* & Net Profit in €M



* After participation and profit-sharing expenses

¹ The change on a like-for-like and constant exchange rate basis is calculated by:

- Converting sales of companies whose accounts are denominated in foreign currencies to the average rate of year N-1 or month M-1
- Converting sales invoiced in currencies other than the local currency to the average rate of year N-1 or month M-1
- restated to reflect consolidation scope entries and exits to allow for period-to-period comparison.

- **LISI AEROSPACE:** +8.5% cumulative and +9.3% organic growth in Q3
 - Accelerated demand for "Fasteners" in Europe and good momentum in North America,
 - "Structural Components" segment continuing to benefit from ramp-up of new engine programs,
 - Initial effects of lower Boeing B737-Max rates, offset by the dynamism of the other segments in Q3,
 - Favorable currency effect, especially the US dollar,
 - Deconsolidation since July 1st of the two subsidiaries INDRAERO SIREN and LISI AEROSPACE Creuzet Morocco whose main activities are sheet metal primary parts and assembly of aerostructures.
- **LISI AUTOMOTIVE:** -4.0% cumulative and +0.6% organic growth in Q3
 - Persisting weakness of European and global markets, in line with H1-2019,
 - Return to organic growth with a more favorable base effect at the end of the quarter,
 - Continued market share gains in high value-added activities,
 - Negotiations with AFF GROUPE for the sale of chassis screws and steering pivots.
- **LISI MEDICAL:** +7.7% cumulative and +3.3% organic growth in Q3
 - Accelerated growth in the minimally invasive surgery sector,
 - Strong instability of business at the two small sites of the division.

In €m	Changes			
	2019	2018	2019 / 2018	On a like-for-like and constant exchange rate basis ¹
Q1	445.0	419.5	+ 6.1 %	+ 1.0 %
Q2	441.3	415.6	+ 6.2 %	+ 1.6 %
Q3	411.9	386.3	+ 6.6 %	+ 5.7 %
3rd quarter ended September 30,	1,298.1	1,221.4	+ 6.3 %	+ 3.9 %

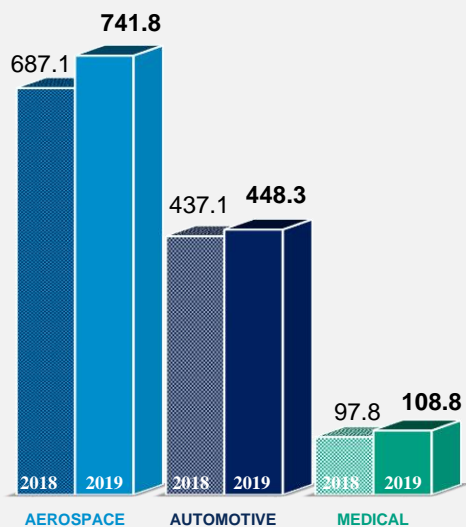
At € 1.3 billion, consolidated sales for the first nine months of 2019 are up by +6.3% and take into account the following elements:

- a favorable currency effect of +€ 32.6 million (or +2.5% of sales),
- a scope effect of + €12.5m corresponding to:
 - +€ 28.9 million from the integration into LISI AUTOMOTIVE of the US company Hi-Vol as of October 1, 2018,
 - -€ 3.4 million reflecting the disposal of the German company Beteo (LISI AUTOMOTIVE) on December 31, 2018,
 - -€ 13.0 million from the deconsolidation of Indraero Siren and LISI AEROSPACE Creuzet Morocco completed on June 30, 2019.



Sales in million euros

End of September



At constant scope and exchange rates, consolidated sales increased by +3.9% over the first nine months of the year. The Group confirms the return to positive organic growth since the beginning of the year (Q1 2019: +1.0%; Q2: +1.6%; Q3: + 5.7%), driven by the LISI AEROSPACE and LISI MEDICAL divisions. LISI AUTOMOTIVE began to benefit in Q3 from the development of new products and a less adverse comparison base effect versus 2018.

COMMENTS BY DIVISION

LISI AEROSPACE (57 % of consolidated sales)

In €m	Changes			
	2019	2018	2019 / 2018	On a like-for-like and constant exchange rate basis ¹
Q1	252.6	235.6	+ 7.2 %	+ 3.0 %
Q2	254.4	230.1	+ 10.6 %	+ 6.7 %
Q3	234.8	221.4	+ 6.1 %	+ 9.3 %
3rd quarter ended September 30,	741.8	687.1	+ 8.0 %	+ 8.5 %

Markets remained buoyant in Q3 with aircraft manufacturers remaining confident in their long-term growth prospects. In the short term, the uncertainties related to the return of the Boeing B737-Max are still a major area of concern. The consequences of the fall in production rates since March 2019 began to be felt in Q3.

At € 234.8 million, the LISI AEROSPACE division's third quarter sales are up +6.1% compared to the same period last year despite the deconsolidation of INDRAERO SIREN and LISI AEROSPACE Creuzet Morocco since July 1, 2019, which represents a decrease in sales of - € 13.0 million.

The "Europe Fasteners" segment benefits from the increase in single-aisle production rates after several quarters of disruptions caused by the supply chain adjustments. In North America, a sustained level of activity in non-commercial aviation markets (business jets, defense, helicopters) continues to offset the decline in B737-Max program rates.

Growth with Boeing is continuing, reflecting market share gains in recent years and the contribution of new products. The "Structural Components" segment benefits from the continued ramp-up of engine programs. The decrease in LEAP-1B engine production rates for the Boeing B737-Max was partially offset by higher LEAP-1A engine production rates.

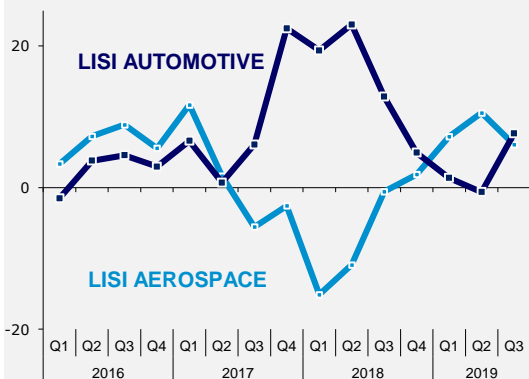
At constant scope and exchange rates, sales are up +9.3% in the quarter and +8.5% in the first nine months of the year.

From an operational point of view, the division is in line with objectives, thanks in particular to the increase in volumes and measures to improve industrial productivity.

LISI AUTOMOTIVE (35 % of consolidated sales)



% Sales Variation per division / N-1



In €m	Changes			
	2019	2018	2019 / 2018	On a like-for-like and constant exchange rate basis ¹
Q1	156.0	153.9	+ 1.4 %	- 5.1 %
Q2	151.2	152.1	- 0.6 %	- 6.7 %
Q3	141.2	131.1	+ 7.7 %	+ 0.6 %
3rd quarter ended September 30,	448.3	437.1	+ 2.6 %	- 4.0 %

Developments in the global automotive market remain broadly in line with the trends observed since Q4 2018 and show no signs of recovery in the short term. The level of global sales thus stands at -2.7% for the quarter, down -5.6% over the first nine months of the year. The Chinese market continues to decline (-6.3% in Q3, or -10.3% over nine months). Europe is doing better (Q3 2019: +2.2%, - 1.6% over nine months) with a base effect that became favorable from September (entry into force of the WLTP standards on September 1, 2018).

At € 141.2 million, third quarter sales of the LISI AUTOMOTIVE division is up +7.7% compared to the same period of the previous fiscal year thanks in particular to the integration of the American company Hi-Vol since October 2018 (+€ 9.6 million in Q3). The disposal of the German company Beteo on December 31, 2018 represents a decrease in sales of - € 1.2 million. At constant scope and exchange rates, sales are back in positive territory in the quarter and are up +0.6%.

Over the first nine months of the year, sales were down -4.0%, compared to a fall in global production of -8.0% over the period. The scope effect of Hi-Vol's consolidation and the divestment of Beteo was +€ 25.5 million. The division thus confirms gains in market share, particularly in high value-added markets such as "Safety Mechanical Components" and "Clipped Solutions".

In terms of operations, the LISI AUTOMOTIVE division continues to adapt its cost structure to lower activity levels in still difficult market conditions.

LISI MEDICAL (8 % of consolidated sales)

In €m	Changes			
	2019	2018	2019 / 2018	On a like-for-like and constant exchange rate basis ¹
Q1	36.6	30.2	+ 21.2 %	+ 16.6 %
Q2	36.0	33.6	+ 7.1 %	+ 4.2 %
Q3	36.2	34.0	+ 6.7 %	+ 3.3 %
3rd quarter ended September 30,	108.8	97.8	+ 11.3 %	+ 7.7 %



Market developments in the short term remain in line with the trends observed over the last five years (+ 4.0%). The concentration movement continues both for contractors and their suppliers.

At € 36.2 million, sales for the quarter were up +6.7% compared to the same period last year. The division benefited from the ramp-up of new products in the area of minimally invasive surgery (LISI MEDICAL Remmele) and a favorable currency effect.

At constant scope and exchange rates cumulative sales are up +3.3% with an unfavorable base effect compared to Q3 2018 (+9.3%). The volatility of the LISI MEDICAL division's sales is particularly affecting the two small sites of Escondido (United States) and Neyron (France). On the other hand, the situation is very clearly stabilizing at LISI MEDICAL Remmele (United States), which is seeing acceleration in growth in minimally invasive surgery.

From an operational point of view, the division has difficulty generating the targeted level of margin.

OUTLOOK AND COMMENTS ON THE FINANCIAL IMPACT OF BUSINESS

LISI AEROSPACE

Long-term growth prospects for the global aerospace market remain strong. Short-term uncertainty remains regarding the date and conditions for returning the Boeing 737-Max to service. The impact on LISI AEROSPACE division's sales is estimated at between € 15 and € 20 million in 2019, assuming stable production rates are maintained. The strong momentum of LISI AEROSPACE's various activities should nonetheless offset this impact, as well as the impact of the disposals of Indraero-Siren and LISI AEROSPACE Creuzet Morocco.

LISI AUTOMOTIVE

The Automotive division will benefit from a favorable base comparison effect in Q4, but the market environment will remain difficult. Efforts will remain focused on cost reduction plans and execution of the strategy aiming at changing the product portfolio mix. The successful implementation of the ramp-up of new products in the "Safety Mechanical Components" and "Clipped Solutions" segments is expected to accelerate this transformation, as well as the divestment of chassis fasteners and steering pivots segments upon completion on the negotiations initiated with AFF Groupe in Q3.

LISI MEDICAL

The main challenges facing the division include controlling the ramp-up of new products at LISI MEDICAL Remmele and adapting the cost structure in the division's two small sites. Positive relations with LISI MEDICAL's major customers reinforce the current strategic choices.

LISI CONSOLIDE

The Group's annual consolidated outlook should be a natural extension of the first half. Aerospace performance is expected to largely offset the specific situation of the automotive market in 2019 as well as the production imbalance between the LISI MEDICAL division's sites.

The Group thus confirms its annual objectives of posting largely positive organic growth, exceeding its financial performance of 2018 and generating excellent Free Cash Flow¹.



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¹ Free Cash Flow: cash flow from operations minus net capital expenditures and changes in working capital requirements