PRESS RELEASE

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FOR IMMEDIATE RELEASE

HÉROUX-DEVTEK COMPLETES THE ACQUISITION OF CESA AND UPDATES ITS GUIDANCE

Longueuil, Quebec, October 1st, 2018 - Héroux-Devtek Inc. (TSX: HRX) ("Héroux-Devtek" or the "Corporation"), a leading international manufacturer of aerospace products, is pleased to announce that it has successfully completed the acquisition of Compañia Española de Sistemas Aeronáuticos, S.A. ("CESA"), a subsidiary of Airbus SE (PA: AIR) for a purchase price of 137 million euros (approximately $206 million) enterprise value, including CESA's net outstanding debt of 23 million euros (approximately $35 million), subject to customary closing adjustments.

"We are very pleased to have completed this acquisition which is the largest in our history and represents an important milestone in our international expansion," said Héroux-Devtek President & CEO, Gilles Labbé. "CESA will allow us to increase our market presence in Europe, gain important content on several key aircraft programs and leverage customer relationships with Airbus and other key customers. We are honoured to welcome the CESA team to the Héroux-Devtek family."

"The acquisition also expands Héroux-Devtek's product and service offering into the actuation and hydraulic systems and adds new technology, such as electromechanical actuation, to our portfolio. Our product mix will also evolve with 42% of revenues being generated from proprietary products," continued Mr. Labbé. "Partnered with the complementary addition of Beaver's expertise in ball screws, we see great opportunity to grow the business in the actuation market, which is significantly larger than the landing gear market," he concluded.

"We look forward to continuing our close business relationship with CESA, which remains a key supplier for Airbus," said Fernando Alonso, Head of Military Aircraft at Airbus Defence and Space. "CESA and its employees are set to benefit from the new strategic owner's strong industrial plan over the coming years."

The transaction was funded through a combination of a $50 million seven-year unsecured subordinated term loan provided by Fonds de solidarité FTQ, the Corporation's revolving credit facility and available cash on hand. In connection with this acquisition, the Corporation's credit facility was amended, increasing the borrowing limit to $250 million from $200 million.

Headquartered in Madrid, Spain, CESA is a leading European provider of fluid mechanical and electromechanical systems for the aerospace industry. Its main product lines include actuation and hydraulic systems as well as landing gear products. CESA provides an integrated product and service offering comprised of design and development engineering, certification, manufacturing, assembly and fleet support to a broad range of customers and aircraft programs. It operates a 366,000 square foot state-of-the-art industrial complex in Madrid, as well as another facility in Seville. CESA employs a skilled workforce of approximately 300 employees.

UPDATED GUIDANCE

Management is updating its sales guidance for fiscal 2019 to reflect the CESA acquisition. Management now expects sales for fiscal 2019 to be in the range of $460 million to $470 million, representing an increase of approximately 20% over last year. Capital expenditures are expected to be approximately $20 million.

Management is also issuing new long-term sales growth guidance reflecting both the Beaver acquisition completed last July and the CESA acquisition. Management expects fiscal 2022 sales in the range of $620 million to $650 million.

Please see “Forward-Looking Statements” below for further details regarding the material assumptions underlying the foregoing guidance.

PROFILE

Héroux-Devtek Inc. (TSX: HRX) is an international company specializing in the design, development, manufacture and repair and overhaul of landing gear and actuation systems and components for the Aerospace market. The Corporation is the third largest landing gear company worldwide, supplying both the commercial and defence sectors of the Aerospace market with new landing gear systems and components, as well as aftermarket products and services. The Corporation also manufactures, hydraulic systems, fluid filtration systems and electronic enclosures. Approximately 90% of the Corporation's sales will now be outside of Canada, including about 50% in the United States. The Corporation's head office is located in Longueuil, Québec with facilities in the Greater Montreal area (Longueuil, Laval and St-Hubert); Kitchener, Cambridge and Toronto, Ontario; Springfield and Strongsville, Ohio; Wichita, Kansas; Everett, Washington; Livonia, Michigan; Runcorn, Nottingham and Bolton, United Kingdom; and now Madrid and Seville, Spain.

FORWARD-LOOKING STATEMENTS

Except for historical information provided herein, this press release contains information and statements of a forward-looking nature concerning the future performance of the Corporation. Forward-looking statements are based on assumptions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Corporation's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results. Such forecasts and guidance are provided for the purpose of assisting the reader in understanding the Corporation’s financial performance and prospects and to present management’s assessment of future plans and operations, and the reader is cautioned that such statements may not be appropriate for other purposes.

Management has prepared the guidance included in the “Guidance” section above using the best information available upon preparing this press release, and based it on assumptions and sources of information including, but not limited to:

- Héroux-Devtek’s backlog, long-term sales contracts and estimated future order intake, including those of CESA and Beaver but no other material acquisition;
- Existing OEM backlogs, production rates and disclosed production and delivery expectations;
- Stability of government defence budget, spending climates, trends and expectations;
- Stability of overall economic conditions;
- Stability of foreign exchange rates;
- The Corporation’s ability to deliver on key contract initiatives; and,
- The successful deployment of integration and cross-selling initiatives.

Please see the Risk Management section in the Corporation’s MD&A for the fiscal year ended March 31, 2018 for a discussion of other factors that may cause future results to differ from this guidance.

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