



Q2 FY 2020 RESULTS CONFERENCE CALL

For the three-month period ended September 30, 2019
Friday, November 8, 2019

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements which are mainly about, but may not be limited to, Héroux-Devtek's future financial performance, expectations, objectives or possible events. The predictive nature of such statements makes them subject to risks, uncertainties and other important factors that could cause the actual performance or events to differ materially from those expressed in or implied by such statements.

Such factors include, but are not limited to: the impact of worldwide general economic conditions; industry conditions including changes in laws and regulations; increased competition; the lack of availability of qualified personnel or management; availability of commodities and fluctuations in commodity prices; financial and operational performance of suppliers and customers; foreign exchange or interest rate fluctuations; and the impact of accounting policies issued by international standard setters. For further details, please see the Risk Management section of the Corporation's MD&A. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive, and undue reliance should not be placed on forward-looking statements.

Héroux-Devtek provides such forward-looking statements 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. The reader is cautioned that such statements may not be appropriate for other purposes.

Although management believes in the expectations conveyed by the forward-looking statements and although they are based on information available to it on the date such statements were made, there can be no assurance that such expectations will prove to be correct. All subsequent forward-looking statements, whether written or orally attributable to the Corporation or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements. Unless otherwise required by applicable securities laws, the Corporation expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

FY20 Q2 FINANCIAL HIGHLIGHTS

✈️ Solid results on all fronts.

SALES	\$145.5 M + 52.1%	ADJUSTED EBITDA*	\$21.5 M 14.8%
OPERATING INCOME	\$10.5 M 7.2%	CASH FLOWS OPERATING ACTIVITIES	\$12.5 M

*This is a non-IFRS financial measure which does not have a standardized meaning prescribed by IFRS and may therefore not be comparable to similar measures presented by other issuers. Refer to the "Non-IFRS measures slide on page 11"

Q2-20 COMMERCIAL AND OPERATIONAL HIGHLIGHTS

✈ Growing backlog from the Defence sector and acquisition of Alta Precision.

- ✈ Sales of \$145.5 million in Q2, up 52.1% from \$95.7 million last year, including 14.3% organic growth
- ✈ Operating income of \$10.5 million in Q2, up 98.9% from \$5.3 million last year
- ✈ Adjusted EBITDA* of \$21.5 million in Q2, up 63.3% from \$13.2 million last year
- ✈ Adjusted EBITDA* margin of 14.8% in Q2, up from 13.8% last year
- ✈ Funded backlog** increased to a record-level of \$769 million at the end of Q2, from \$747 million in Q1
- ✈ Successful completion by Boeing of the first test flight for the **MQ-25** unmanned aerial refueler for which Héroux-Devtek provides complete landing gear systems

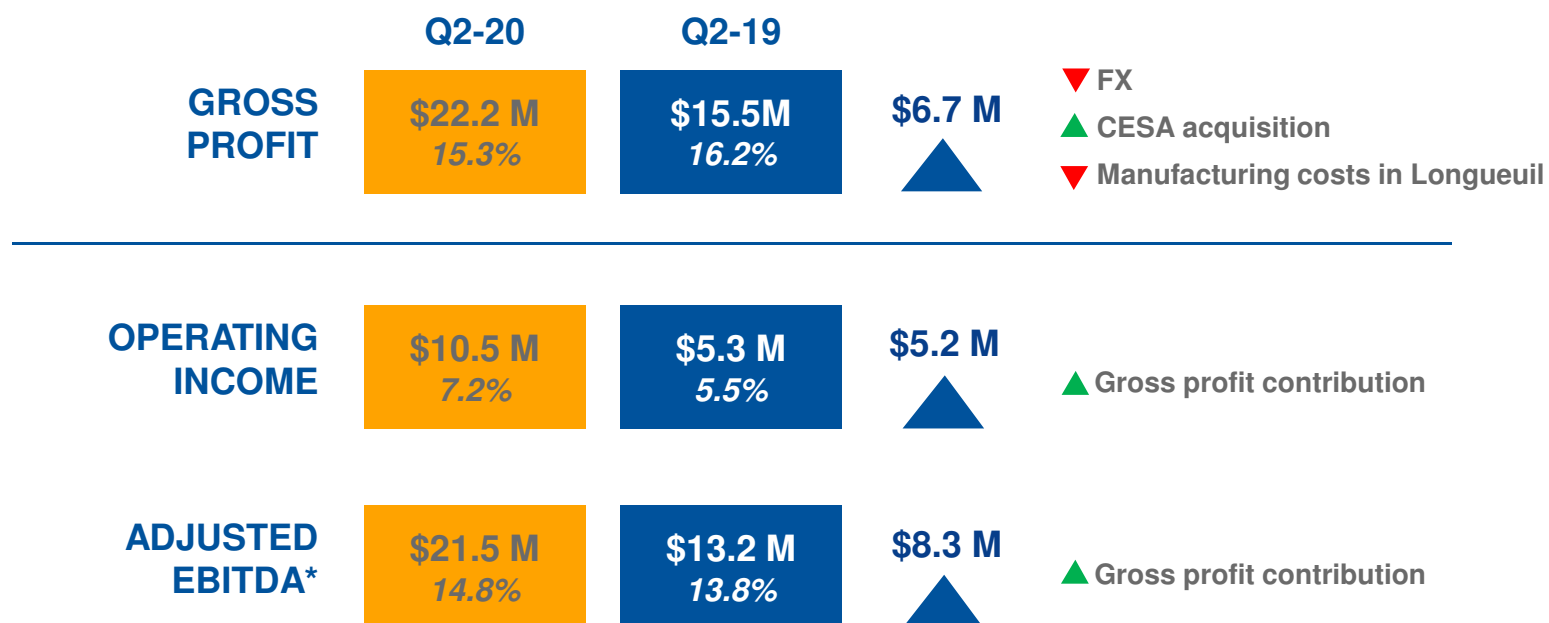
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**Represents firm orders.

Q2-20 GROWING REVENUES

	Q2-20	Q2-19		
CONSOLIDATED SALES	\$145.5 M	\$95.7 M	52.1% ▲	<ul style="list-style-type: none"> ▲ Recent acquisitions' solid performance ▲ Héroux-Devtek Legacy 14.3%
COMMERCIAL	\$64.9 M	\$47.0 M	38.1% ▲	<ul style="list-style-type: none"> ▲ (B777/777x ramp-up)
DEFENCE	\$80.6 M	\$48.6 M	65.7% ▲	<ul style="list-style-type: none"> ▲ C-130 KC-135 aftermarket demand ▲ Leonardo C-27J ▲ Sikorsky H-60

Q2-20 HIGHER ADJUSTED EBITDA



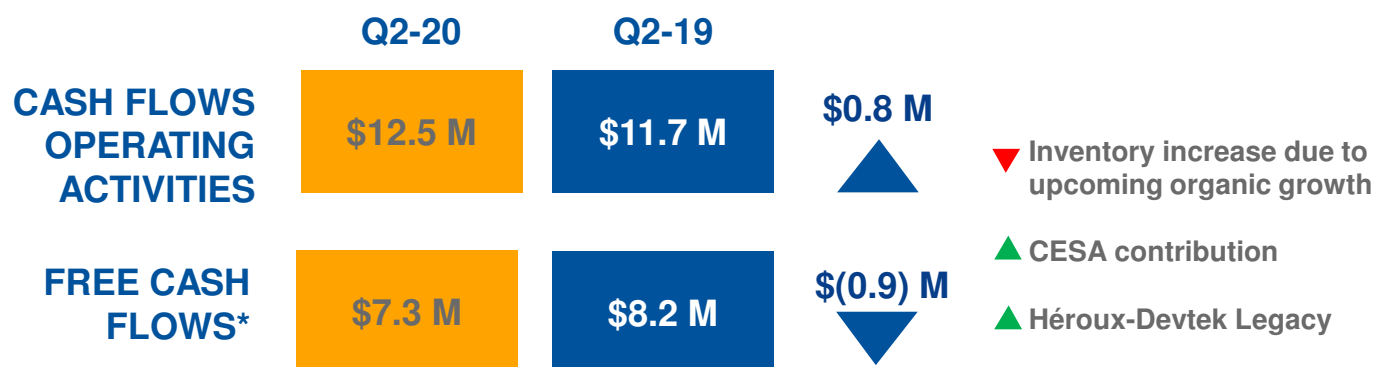
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Q2-20 HIGHER ADJUSTED NET INCOME

	Q2-20	Q2-19	
NET INCOME	\$6.3 M	\$3.3 M	\$3.0 M ▲
EPS	\$0.18	\$0.09	\$0.09 ▲
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ADJUSTED NET INCOME*	\$6.3 M	\$4.4 M	\$1.9 M ▲
ADJUSTED EPS*	\$0.18	\$0.12	\$0.06 ▲

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Q2-20 CASH FLOW GENERATION



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Q2-20 HEALTHY FINANCIAL POSITION

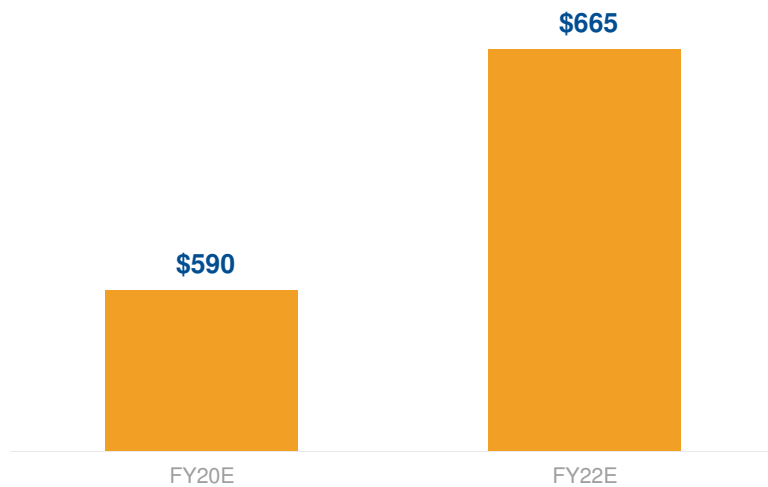
	Q2-20	April 1, 2019*		
LONG-TERM DEBT	\$284.3 M	\$278.2 M	\$6.1 M	▲ US\$12 million (\$15.9 million) repayment
			▲	▼ Alta acquisition
CASH	\$19.6 M	\$35.1 M	\$15.5 M	
			▼	

	Q2-20	April 1, 2019*	
NET DEBT POSITION	\$264.7 M	\$243.0M	\$21.7 M
			▲

*Pro-forma including the effect of the adoption of IFRS 16, Leases.

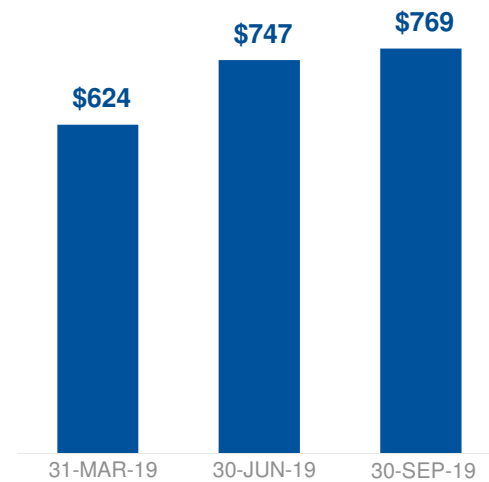
CURRENT GUIDANCE (REVISED IN Q1-20)

SALES GUIDANCE AT SEPTEMBER 30, 2019
(in millions)



FIGURES ARE MIDDLE RANGE GUIDANCE

FIRM ORDER BACKLOG NEW HIGH
(in millions)



NON-IFRS MEASURES

The information included in this presentation contains certain financial measures* that are not prescribed by International Financial Reporting Standards (“IFRS”) and are not likely to be comparable to similar measures presented by other issuers.

MEASURE	DEFINITION
EBITDA	Earnings before financial expenses, income tax expense and amortization expense.
Adjusted EBITDA	EBITDA as defined above excluding non-recurring items.
Adjusted net income	Net income excluding non-recurring items net of taxes.
Adjusted earnings per share	Diluted earnings per share calculated on the basis of adjusted net income.
Free cash flow	Cash flows related to operating activities, less additions to property, plant and equipment and net increase in finite-life assets.

* Refer to the Corporation’s MD&A for further details.