



Q1 FY23 RESULTS CONFERENCE CALL

For the three-month period ended June 30, 2022
August 5th, 2022

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements subject to risks, uncertainties and other important factors that could cause the Corporation's actual performance to differ materially from those expressed in or implied by such statements. These statements 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. The reader is cautioned that such statements may not be appropriate for other purposes.

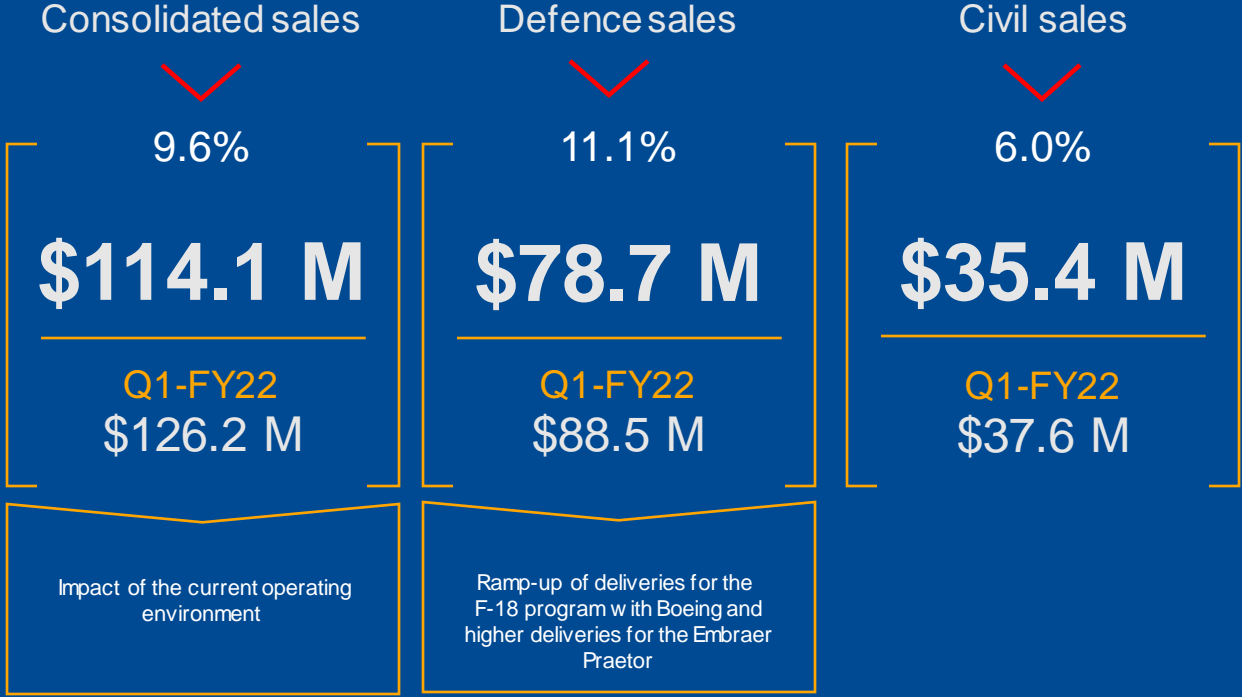
They may be impacted by factors including, but not limited to: the effect of the ongoing COVID-19 pandemic on Héroux-Devtek's operations, customers, supply chain, the aerospace industry and the economy in general; the impact of other worldwide geopolitical and general economic conditions; the war in Ukraine, 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 for the fiscal year ended March 31, 2022. 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.

Although management believes the expectations conveyed by these statements, and while they are based on information available on the date such statements were made, there can be no assurance that such expectations will prove to be correct, and readers are advised that actual results may differ from expected results. 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.

MACROECONOMIC ENVIRONMENT

- ✈️ Passenger traffic is continuing to recover from the pandemic
- ✈️ Demand for Business Jet aircraft has remained robust
- ✈️ NATO countries reaffirmed their commitment to spend at least 2% of their GDP in Defence spending
- ✈️ COVID-19 pandemic continued to contribute to higher absenteeism
- ✈️ Labour shortage

Q1-FY23 FINANCIAL HIGHLIGHTS



Q1-FY23 FINANCIAL HIGHLIGHTS



Gross profit

Q1-FY23	Q1-FY22
\$12.5 M 11.0%	\$21.6 M 17.1%

Lower throughput and higher production inefficiencies

Operating income

Q1-FY23	Q1-FY22
\$2.6 M 2.3%	\$10.8 M 8.6%

Decreased gross profit as well as a marginal decline in SG&A expenses

Q1-FY23 FINANCIAL HIGHLIGHTS



Adjusted EBITDA*

Q1-FY23

Q1-FY22

\$11.4 M
10.0%

\$20.0 M
15.9%

Net income

Q1-FY23

Q1-FY22

\$1.0 M

\$6.7 M

Earnings per share – diluted

Q1-FY23

Q1-FY22

\$0.03

\$0.19

*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 10 for further details.

FINANCIAL POSITION



Cash flows related to operating activities

Q1-FY23

\$12.0 M

Q1-FY22

\$19.1 M

Lower net income in the quarter

Net Debt

Q1-FY23

\$150.0 M

Q4-FY22

\$152.1 M

OUR FUTURE

1 Growing demand for our products and services

2 Significant agreement with Boeing for the repair and overhaul of the F-18 Super Hornet landing gear and side braces

3 Growth opportunities





THANK YOU

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
Adjusted EBITDA	Operating Income excluding amortization expense and non-recurring items
Adjusted earnings per share	Diluted earnings per share calculated on the basis of adjusted net income.

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