

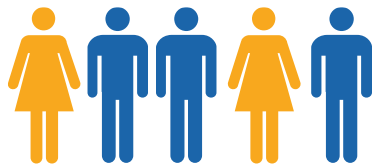
Doing MRO Business in Canada

Dominique Dallaire
Vice-President Eastern Region
April 2016

HEROUX DEVTEK | Key Numbers



- Publicly traded company on the Toronto Stock Exchange



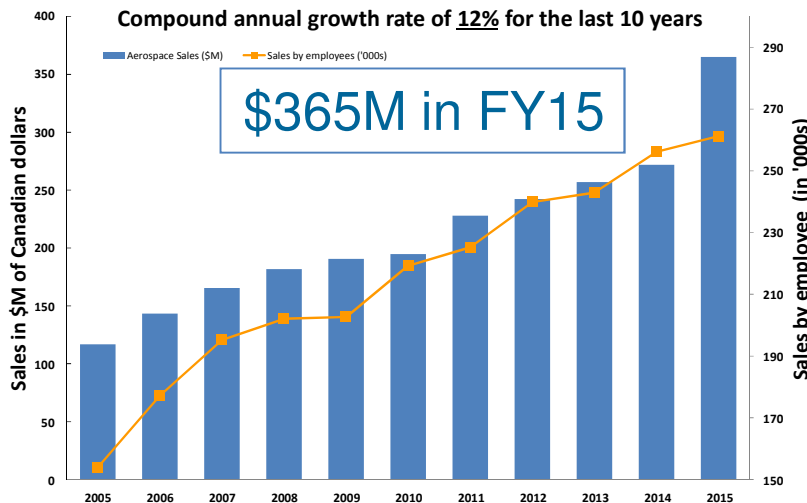
1,400

Employees



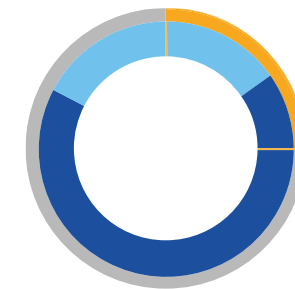
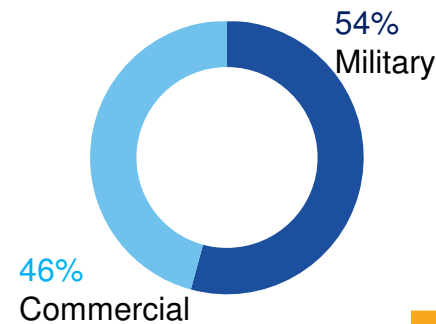
14

Facilities



Sales

SALES | BY SEGMENT



- 25% Proprietary Products
- 75% Built-to-Print
- 32% Aftermarket
- 68% OEM

HEROUX DEVTEK | Corporate Office



Gilles Labbé
C.E.O.

Réal Bélanger

EVP, Business Development
and Special Projects



Stéphane Arsenault

C.F.O.



Martin Brassard

C.O.O.



HEROUX DEVTEK | Major Customers



END USERS



O.E.M.s



LOCKHEED MARTIN



TIER I



PRODUCT OVERVIEW COMMERCIAL MARKET



Business/Regional Jets/Turboprops and Helicopters



Legacy 450/500



Learjet 45



Advance Light Helicopter



Jetstream 31/32/41

PRODUCT OVERVIEW COMMERCIAL MARKET



Large Commercial Jets



Boeing B-777 Landing Gears



PRODUCT OVERVIEW DEFENCE MARKET



C-130J



CH-47



KC-390



F-35



Gripen NG



KC-135



C-27J



Hawk



CH-53K



AW-101

BOEING 777 LANDING GEAR CONTRACT



- Long-term contract signed with Boeing in December 2013 to supply complete landing gear systems for the B-777 and B-777X programs
- Deliveries should begin in early calendar 2017, with an option to extend the contract through 2028
- The B-777 is the world's most successful twin-engine, airplane with 1,891 orders and a backlog of 524 aircraft as at January 31, 2016

Capital investment plan

- Investments of \$105 million, including deposits, through December 31, 2015 related to the Boeing B-777 and B-777X contract
- Main elements:
 - Expansion of the existing facility network
 - Investments in leading-edge machinery and equipment (automation)

LANDING GEAR DESIGN PROGRAMS



- **Two programs proceeded to production ramp-up in fiscal 2015**
 - Embraer Legacy 450/500
 - Airbus Helicopters EC-175
- **Factory roll-out of Dassault Falcon 5X on June 2, 2015**
 - Made first landing gear deliveries in preparation for future production ramp-up
 - Current expectations are for a first flight in 2017 and initial aircraft delivery in 2020



LANDING GEAR DESIGN PROGRAMS



- **Other programs moving forward**

- Saab Gripen NG
- Sikorsky CH-53K; first flight in October 2015
- Korean KF-X Fighter

- **Target to derive 30% of sales from proprietary products by 2020**

- 23% in fiscal 2015
- Should further grow in fiscal 2016



HEROUX DEVTEK | Our Milestones



1942 – Foundation



1966 – MFG of the Lunar module L.G.



1970 – USAF Warm Base R&O of L.G.



1985 – Management Buy Out



1999 – Creation of the Aerostructure Product line



2000 – Merger with Devtek Corporation

HEROUX DEVTEK | Our Milestones



2006+ successful development programs



2012 Divestiture of Aerostructure and Industrial



2013 – 777 777X Landing Gear Contract



2014 – Acquisition of APPH

HEROUX DEVTEK

Growing from MRO to System Integration



1980's

Repair & Overhaul :

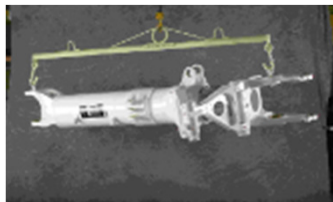
- Finishing
- Assembly
- Performance knowledge

Product improvement

- One piece forging
- Corrosion Protection
- Credibility

MFG of Spare parts

- Equipment
- Programming
- Know-how of critical part



1990's

Build To Print Assy

- C130 Assy to Lockheed
- KC-135 and P3 to US Government

Landing Gear Design

- Design / Manufacture the Learjet 45 and RQ4A & B



2000's

Design Development and Qualification

- X45, BA 609, F-35 uplocks, Legacy 450 and LJ 85



2010's

Systems Design and integration

- W&B, Steering, Retraction
- CH53K and Dassault



HEROUX DEVTEK | Mission



Proprietary Products

- The Leader for platform between 20,000 and 100,000 pounds
- Provide a complete solution to our customers
 - Design / Manufacture / Tests and Qualification (including system integration)



Original Equipment Manufacturer (Build-To-Print)

- The preferred landing gear supplier for Boeing platforms
- Provide complete solutions with 100% OTD and Quality to all customers
 - Boeing / Lockheed / Northrop / Embraer / Bell



Military Aftermarket

- Be the number one supplier for the US Government
 - Provide a complete service including Repair and Overhaul
- Be a supplier of choice for all governments flying with our products



Product Support

- Provide the Best In Class for our proprietary products
 - Minimize retrofit
 - Customer to fully benefit from the performance of our products
 - Technical support / fleet availability / rapid TAT

HEROUX DEVTEK | Strategic Objectives



- /// To be a world-class organization in our core Landing Gear market**
- /// Leverage our engineering skills to provide customers with integrated solutions**
- /// Focus on value-added products and services:**
 - Design and development programs / Complete and complex sub-assemblies
- /// Be an active industry consolidator**
- /// Achieve a balanced product mix between:**
 - Civil and Defense/ New component manufacturing and aftermarket products and services / Built-to-print vs. proprietary products

IN CONCLUSION



- **We are a world-class player in the landing gear market with a world-class team. Our personality is forged from MRO material**
- **MRO business is a gateway to Field knowledge(data) and Core product engineering**
- **MRO customers and OEMs favor technical collaboration and field knowledge embodiment in improved designs – Win-Win-Win**

THANK YOU



HÉROUX DEVTEK 

www.herouxdevtek.com