PRESS RELEASE
FOR IMMEDIATE RELEASE

HÉROUX-DEVTEK REPORTS RECORD FOURTH QUARTER RESULTS

Highlights

- Sales of $184.1 million, up 18.0% from $156.0 million a year ago
- Operating income of $27.6 million, compared to $9.9 million a year ago
- Adjusted EBITDA[1] of $33.1 million or 18.0% of sales, compared to $19.6 million or 12.6% of sales a year ago
- Earnings per share increased to $0.61 compared to $0.18 last year and to $0.49 from $0.18 on an adjusted[1] basis
- Cash flows related to operating activities increased to $19.7 million compared to $4.5 million last year
- Backlog reached a record $951.0 million, bolstered by both civil and defence orders, up from $864.0 million last year

Longueuil, Québec, May 22, 2024 – Héroux-Devtek Inc. (TSX: HRX) ("Héroux-Devtek" or the "Corporation"), a leading international manufacturer of aerospace products and the world's third-largest landing gear manufacturer, today reported its financial results for the fourth quarter ended March 31, 2024. Unless otherwise indicated, all amounts are in Canadian dollars.

"I am proud to announce a very strong quarter of sales and profitability. These results were driven by the many measures put in place over the last two years to improve productivity through automation, the stabilization of our production systems and pricing initiatives. I am confident that this marks the beginning of a sustainable trend of improving performance propelled by our great teams who are now better equipped to manage the persistent supply chain issues," said Martin Brassard, President and CEO of Héroux-Devtek.

"As we look ahead, the current macroeconomic environment is favourable for Héroux-Devtek, especially in the defence sector. The demand from prime contractors around the world for our products has never been higher, which demonstrates the trust and recognition our clients place in the quality, safety, and excellence of our products" added Mr. Brassard.

FINANCIAL HIGHLIGHTS	**Quarters ended March 31,**		**Twelve months ended March 31,**	
(in thousands, except per share data)	**2024**	**2023**	**2024**	**2023**
Sales	**$ 184,053**	**$ 155,978**	**$ 629,767**	**$ 543,622**
Operating income	**27,612**	**9,879**	**59,763**	**26,198**
Adjusted EBITDA[1]	**33,069**	**19,595**	**92,184**	**61,366**
Net income	**20,693**	**6,288**	**38,271**	**13,825**
Adjusted net income[1]	**16,732**	**6,288**	**34,310**	**12,606**
Cash flows related to operating activities	**19,743**	**4,518**	**2,933**	**30,060**
Free cash flow[1]	**10,267**	**(8,740)**	**(31,501)**	**(1,718)**
In dollars per share				
EPS – diluted	**$ 0.61**	**$ 0.18**	**$ 1.13**	**$ 0.40**
Adjusted EPS[1]	**0.49**	**0.18**	**1.01**	**0.37**

[1] This is a non-IFRS measure. Please refer to the "Non-IFRS Measures" section at the end of this press release.

FOURTH QUARTER RESULTS

Consolidated sales increased 18.0% to a record $184.1 million from $156.0 million in the same period last year, largely as a result of the actions taken to better navigate the challenges of the current environment.

Civil sales were up 55.0% to $75.8 million, mainly driven by increased deliveries for the Boeing 777, Embraer Praetor and E2 programs. Defence sales were slightly up at $108.2 million, a 1.1% increase compared to the same quarter last year, mainly due to higher aftermarket business for legacy programs and higher deliveries for the Sikorsky CH-53K and Lockheed Martin F-35 programs, partly offset by lower demand for Boeing F-18 production.

Gross profit increased to $39.4 million from $22.7 million or to 21.4% of sales from 14.6% last year due to the positive impact of higher volume and pricing initiatives, partly offset by the effects of inflation on costs.

As a result, operating income increased to $27.6 million, or 15.0% of sales, from $9.9 million, or 6.3% of sales last year. Adjusted EBITDA[1], for the same reasons, rose 68.8% to $33.1 million, or 18.0% of sales, from $19.6 million or 12.6% of sales last year.

Net income increased to $20.7 million, or $0.61 per diluted share compared to $6.3 million or $0.18 per diluted share in the corresponding quarter last year. On an adjusted[1] basis, net income increased to $16.7 million or $0.49 per share compared to $6.3 million or $0.18 last year.

FISCAL 2024 RESULTS

Consolidated sales increased 15.8% to a record $629.8 million, from $543.6 million last year, exceeding pre-pandemic levels through growth in both civil and defence market segments as well as the 2.8% positive impact of foreign exchange.

Civil sales were up 42.6% to $243.4 million, mainly driven by increased deliveries for the Boeing 777, Embraer Praetor and E2 programs. Defence sales were up 3.6% at $386.4 million,mainly due to higher aftermarket business for legacy programs as well as higher deliveries for the Sikorsky CH-53K and Lockheed Martin F-35 programs. These positive elements were partly offset by lower demand for Boeing F-18 production.

Gross profit was $111.1 million or 17.6% of sales compared to $73.5 million or 13.5% of sales last year. This is mainly due to the positive impact of higher volume and pricing initiatives, partly offset by the effects of inflation on costs.

As a result, operating income increased to $59.8 million or 9.5% of sales from $26.2 million or 4.8% of sales last year. Adjusted EBITDA[1], for the same reasons, rose 50.2% to $92.2 million, or 14.6% of sales, from $61.4 million or 11.3% last year.

Net income for the fiscal year stood at $38.3 million, or $1.13 per diluted share, up from $13.8 million, or $0.40 per diluted share last year. Adjusted net income rose to $34.3 million or $1.01 per share, up from $12.6 million or $0.37 last year.

FINANCIAL POSITION

Cash flows related to operating activities reached $19.7 million in the fourth quarter compared to $4.5 million during the corresponding period last year that reflects the impact of higher throughput. For the fiscal year, cash flows related to operating activities stood at $2.9 million, compared to $30.1 million last year, mainly resulting from a lower increase in customer advances and progress billings.

As at March 31, 2024, net debt stood at $209.9 million an increase as compared to $165.0 million as at March 31, 2023 mainly as a result of the investments in inventory. The improved profitability over the fiscal year offset the effects of increasing net debt on the net debt to adjusted EBITDA[1] ratio, which decreased to 2.3x from 2.7x at March 31, 2023.

CONFERENCE CALL

Héroux-Devtek Inc. will hold a conference call to discuss these results on Wednesday, May 22, 2024, at 8:30 AM Eastern Time. Interested parties can join the call by dialing 1-888-390-0549. The conference call can also be accessed via live webcast on Héroux-Devtek's website, https://investors.herouxdevtek.com/events-webcasts or at https://app.webinar.net/mDa5YWkYKq4.

If you are unable to call in at this time, you may access a tape-recording of the meeting by calling toll-free 1-888-390-0541 and entering the passcode 291322 on your phone. Local dial-in number is 1-416-764-8677. This recording will be available from Wednesday, May 22, 2024, as of 11:30 AM, until 23:59 PM on Wednesday, May 29, 2024.

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, including sales volume and profitability. 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, and the reader is cautioned that such statements may not be appropriate for other purposes

Forward-looking statements are based on assumptions and on management's best possible evaluation of future events and are subject to risks, uncertainties and other important factors that could cause the Corporation's actual performance to differ materially from expected results expressed in or implied by such statements. Such factors include, but are not limited to customers, supply chain, the aerospace industry and the economy in general; the impact of other worldwide geopolitical and 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 under Additional Information in 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

As a result, readers are advised that actual results may differ materially from expected results. 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.

NON-IFRS FINANCIAL MEASURES

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA, adjusted net income, adjusted earnings per share and free cash flow are financial measures not prescribed by International Financial Reporting Standards ("IFRS") and are not likely to be comparable to similar measures presented by other issuers. Management considers these to be useful information to assist investors in evaluating the Corporation's profitability, liquidity and ability to generate funds to finance its operations. Refer to Non-IFRS Financial Measures section under Operating Results in the Corporation's MD&A for definitions of these measures and reconciliations to the most comparable IFRS measures.

ABOUT HÉROUX-DEVTEK

Héroux-Devtek Inc. (TSX: HRX) is an international company specializing in the design, development, manufacture, repair and overhaul of aircraft landing gear, hydraulic and electromechanical actuators, custom ball screws and fracture-critical components for the Aerospace market. The Corporation is the third-largest landing gear company worldwide, supplying both the defence and commercial sectors. Approximately 94% of the Corporation's sales are outside of Canada, including about 57% in the United States. The Corporation's head office is located in Longueuil, Québec with facilities in Canada, the United States, the United Kingdom and Spain.

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