

A stylized image of a planet's horizon on the right side of the slide, with a bright sun or star rising behind it, creating a lens flare effect.

BEYOND HORIZONS

Investor presentation // Q1 2020

May 12, 2020

FACC BUSINESS HIGHLIGHTS

CEO Robert Machtlinger

Q1 2020 – BUSINESS SNAPSHOT

Results in line with PRE COVID-19 plans



- > Revenues: EUR 193.7 mill.
- > EBIT: EUR 13.1 mill.
- > Equity Ratio: 40%
- > Net Debt: EUR 223 mill.
- > Cost Reduction program leads to positive EBITs in all segments.
 - Interior get well plan on track
 - Vertical Integration milestones achieved
- > “Rolls-Royce Best Practice Company” Award Winner
- > 1.000th Ship Set of B787 Wing Parts delivered to Boeing
- > FACC is member of Boeing’s Premier Bidder Program

50 MILL. FIXED COST REDUCTION PLAN

Status: program is progressing and delivers cost savings as planned

SAVINGS AS LOCATED IN THREE TARGET AREAS ARE PROGRESSING

MATERIAL AND PROCUREMENT COST

€ 25 mill.

- Vertical Integration Projects on track**
- Metal part machining ongoing
 - Business Jet production set up on track

MANUFACTURING

€ 15 mill.

- Interior Get Well Plan performing**
- Learning curve effects on new projects
 - A350 lines with increased efficiency
 - Material cost reductions

FIXED COST

€ 10 mill.

- Findings confirm planned saving**
- EUR 10 mill. savings effective 2020 (partial) and 2021 (full)

AEROSPACE MARKET

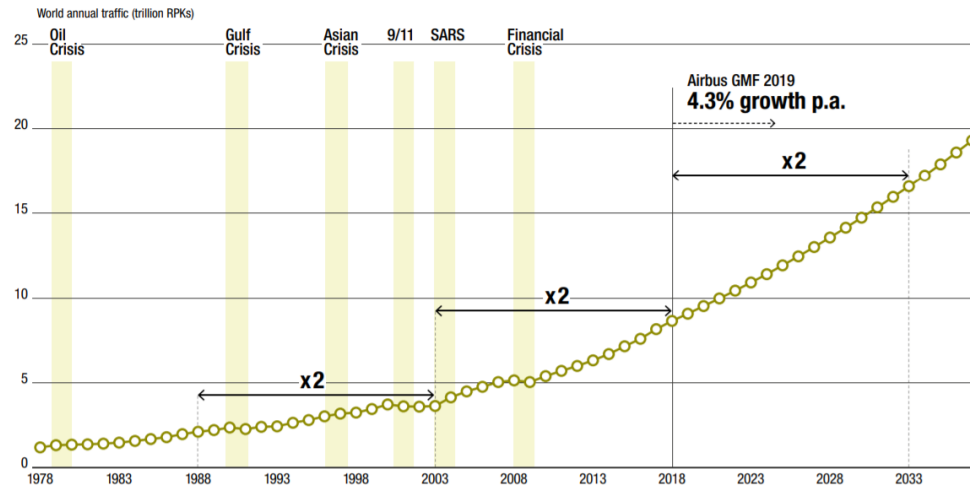
CEO Robert Machtlinger



THE OVERALL AEROSPACE MARKET

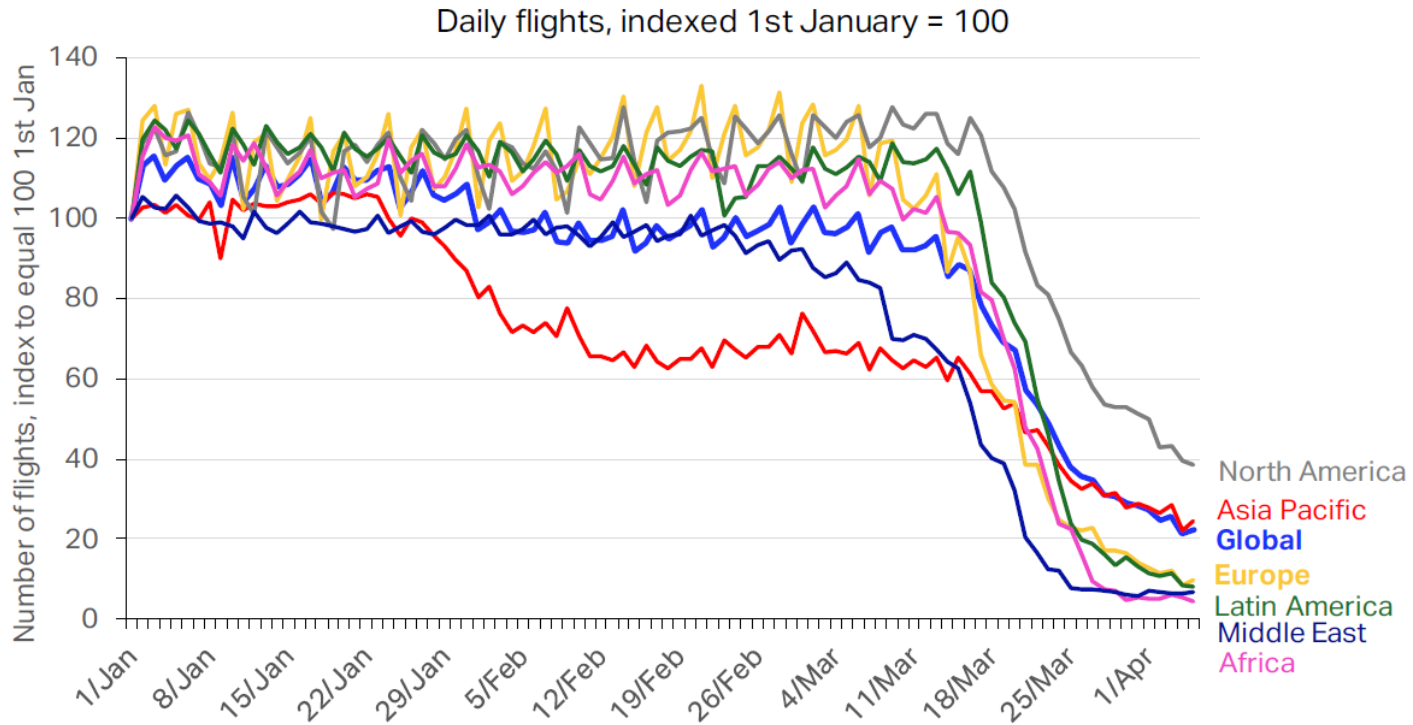
Aerospace has proven to be very resilient during past crises

- > Today, the Aerospace market is one of the most hit industries as a result from the COVID-19 pandemic.
- > Shortterm demand forecasts (3 month) are in place.
- > The midterm development is pending on a national harmonization of COVID-19 protection measures.
 - but
- > Between 1988 and 2008 five (5) global shocks impacted GDP's
 - Aerospace was impacted too
 - Independent from those global events, RPKs increased four times



DAILY FLIGHTS DOWN ALMOST 80%

With the global spread of COVID-19, the airline industry is almost grounded

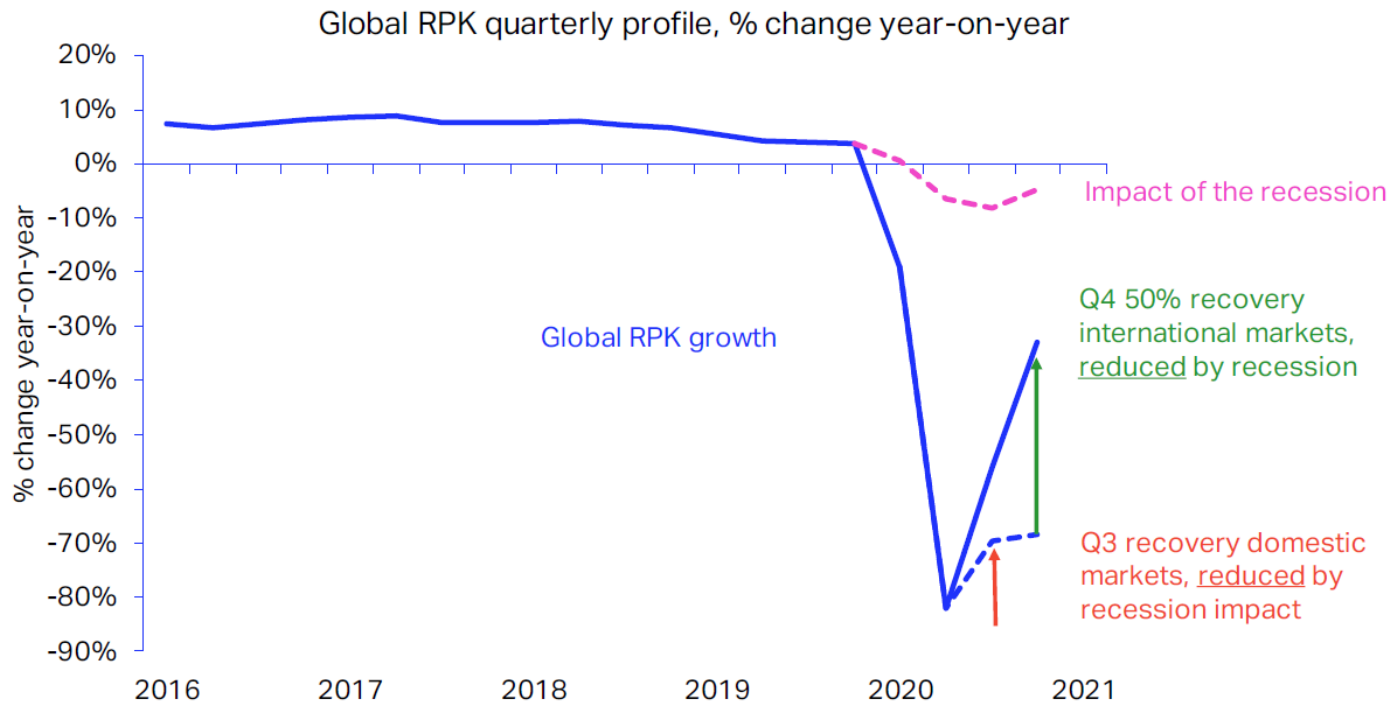


Source: IATA Economics analysis based on data provided under license by FlightRadar 24. All rights reserved.



H2 2020 RESTART LEAVING RPKS DOWN 33% YOY

Domestic markets assumed to open in Q3, international markets much slower



Source: IATA Economics using data and forecasts from Oxford Economics and IATA

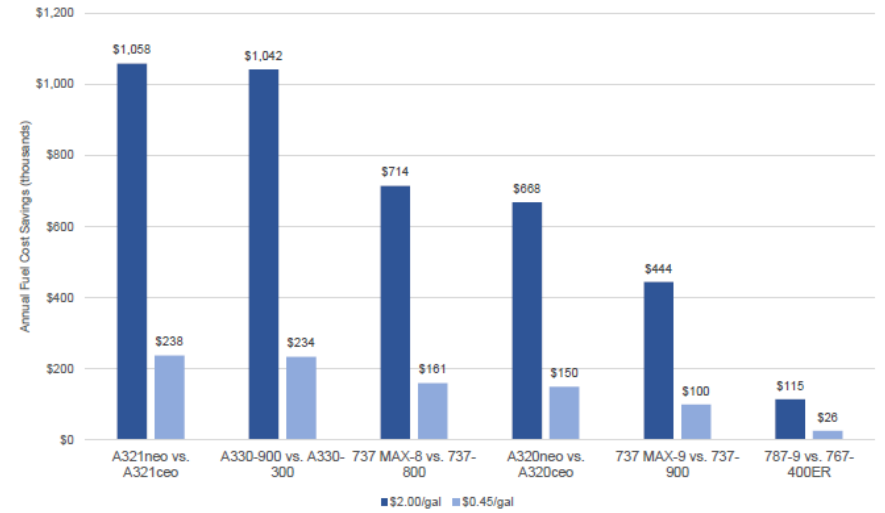
COVID-19 / AIRPLANE DEMAND SNAPSHOT

FACC assumption - industry might need 2 to 3 years to recover

Travelling influence on specific airplane programs

- > We are expecting a 30% demand adjustment for the single aisle market in 2020.
- > Driven by national COVID-19 restrictions, international travelling will have a larger impact on wide-body markets. We are expecting a 40-50% adjustment in demand for the short term.
- > Business Jet demands are shifting due to local shut downs by some months. Airline travel restrictions could support business jet demands in the short – and mid-term.
- > Travel recovery strongly pending on international COVID-19 way forwards.

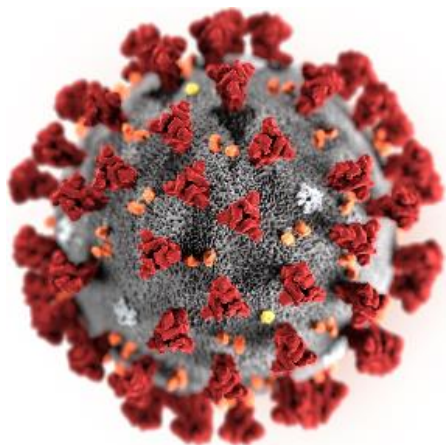
Annual Fuel Savings on newer airplanes drops with lower fuel price, this can impact A/C demand too



Source: BTS, Jefferies estimates

COVID-19 / FACC SNAPSHOT

FACC Mitigations, Top Level Summary and 2020 Business Simulations



FACC Task Force

to balance health & safety with financial stability


Short-Work Time


agreement in place with entire FACC staff


40 % Reduction


in Q2/2020 product demand compared with Q1/2020 output


15 mil EUR Cost Savings Program Launched 

28 mil EUR Government Support Package approved 

60 mil EUR KRR Credit Line to secure financial strengths 

-30% Simulation in Revenue decline results in 

Break Even On Operating Cash Flow *(Simulation only – represents no guidance)* 

Break Even On Operating Results *(Simulation only – represents no guidance)* 

2020 KEY PRIORITIES



- > Retain the ability to continue operations in a safe environment and fully support customer needs
- > Preserve liquidity
- > Match short term demand with production and cost structure; execute EUR 15 mill CORONA cost savings program
- > Stick to long term cost structure improvements
- > Increase FACC Utilization from SOW inloading (VI)
- > Win market share on key airplane platforms
- > Continue FACC Innovation Projects to secure future growth
- > Explore new markets and / or MRO

FINANCIALS

ALES STAREK



FACC GROUP

Revenues

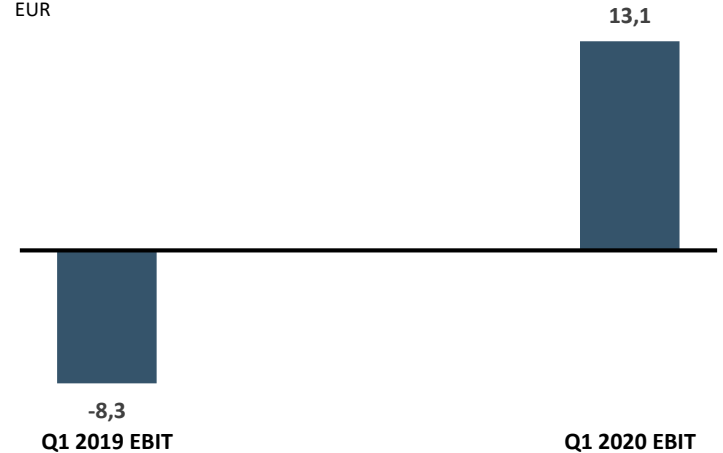
in million
EUR



- Revenues from product deliveries almost constant
- Reduction mostly due to revenues from development activities
- Cabin Interiors continues to be a growth driver for FACC

EBIT

in million
EUR



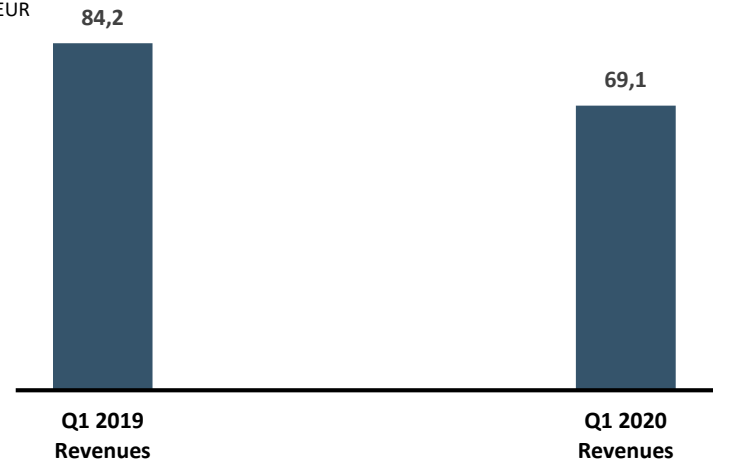
- Negative one-off effect due to A380 aircraft cancellation in calendar year 2019
- Aerostructures and Engines & Nacelles continue to stay within the margin corridor
- Improvements in Cabin Interiors EBIT contribution clearly visible

AEROSTRUCTURES

Program phase out drags on revenues

Revenue

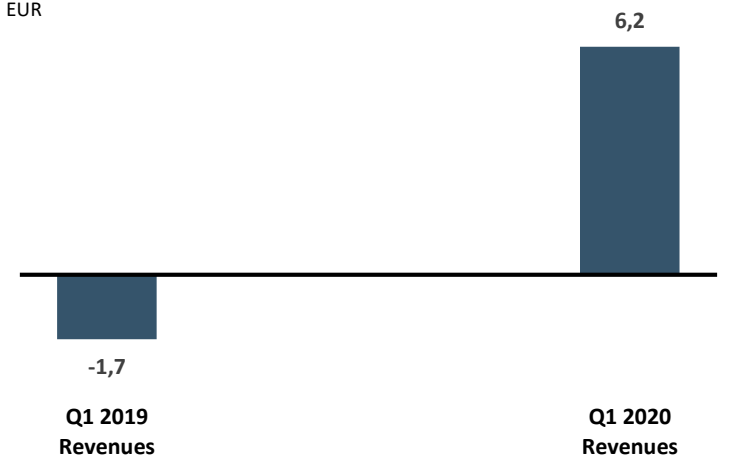
in million
EUR



- Program phase outs of Airbus A380 and Boeing B737 cannot be compensated by other programs entirely

EBIT

in million
EUR



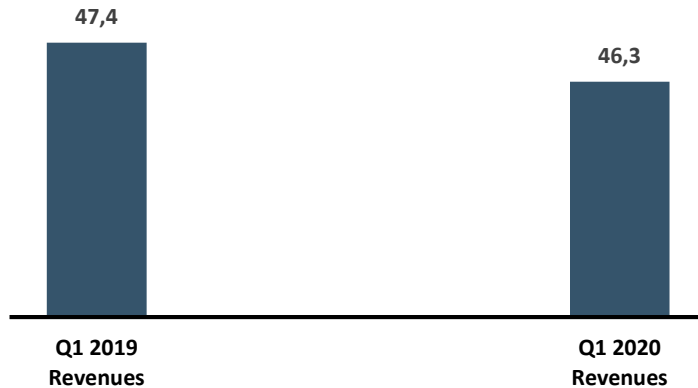
- Negative one-off effect due to A380 aircraft cancellation of EUR 8,3 million in calendar year 2019

ENGINES & NACELLES

Revenues from product deliveries almost stable

Revenue

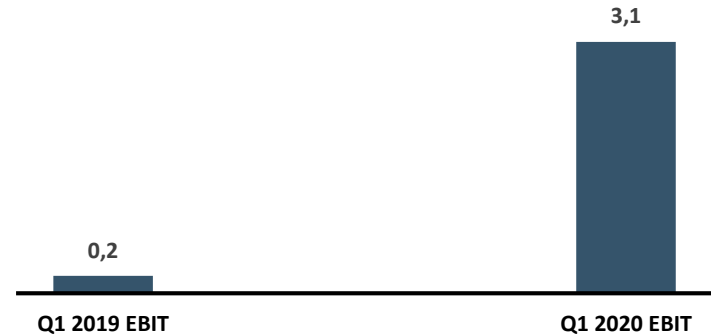
in million
EUR



- Engines & Nacelles segment almost constant development

EBIT and EBIT-Margin

in million
EUR



- Negative one-off effect due to A380 aircraft cancellation of EUR 1,2 million in calendar year 2019

CABIN INTERIORS

Efficiency and learning improvements drive higher contribution

Revenue

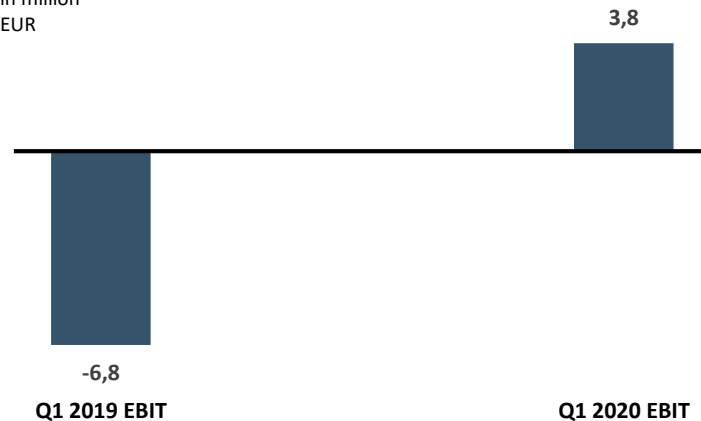
in million
EUR



- Demand from A32F and ARJ21 drives revenues

EBIT and EBIT-Margin

in million
EUR



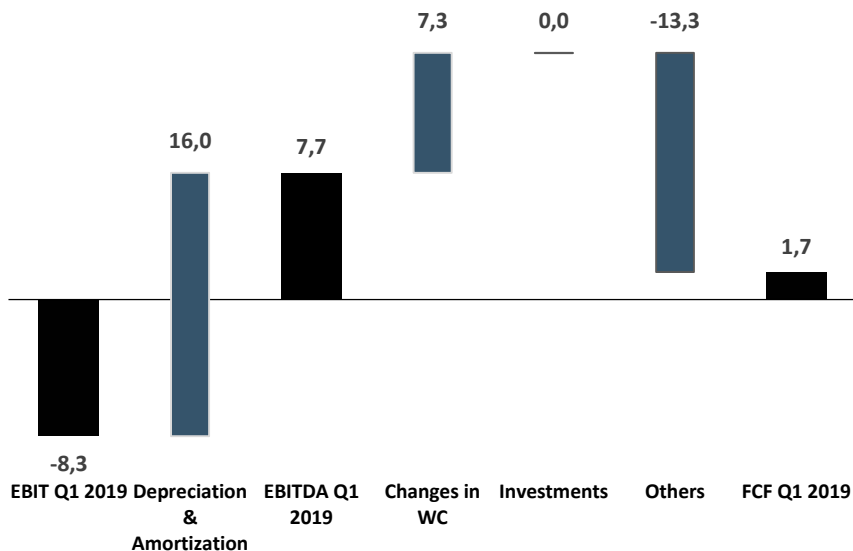
- Negative one-off effect due to A380 aircraft cancellation of EUR 2,0 million in calendar year 2019
- Learning curve improvements clearly visible

FREE CASHFLOW

Higher inventories and trade receivables drag on free cashflow

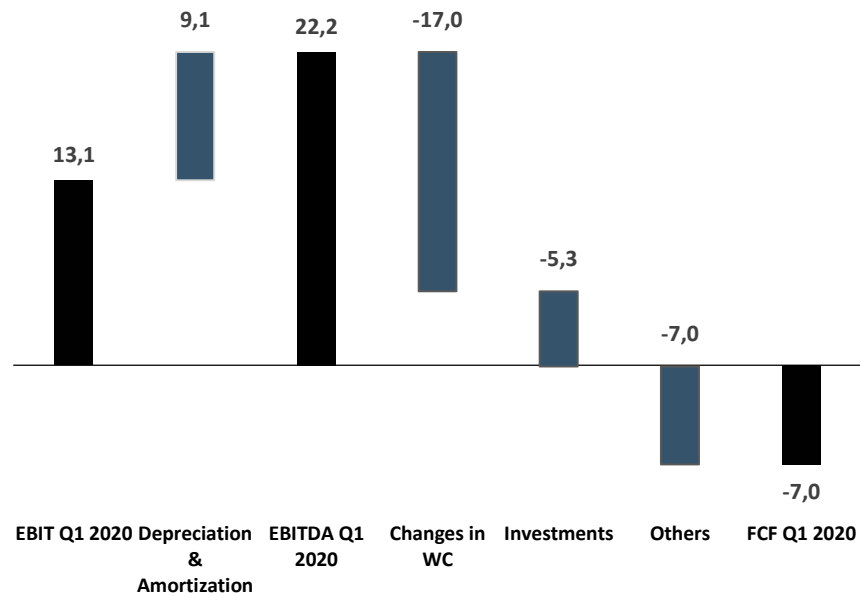
Free cashflow – Q1 2019

in EUR mill.



Free cashflow – Q1 2020

in EUR mill.



FINANCIAL STATUS AS OF MARCH 31, 2020

- Net Debt/EBITDA covenant had been changed from 3.5 to 4.0 effective 31.08.2019
- All covenants in line as of 31.08.2019 and 31.12.2019
- Next testing (semi-annual): 30.06.2020

Senior Debt and Cash (Key Elements)

	31.12.2019	31.03.2020
Bond	89 916	89 959
Promissory Notes	70 000	70 000
Cash	75 790	109 174
Net Debt (incl. IFRS16)	213 232	222 898
Gross Debt/Assets	0.39	0.42

Committed Syndicated Loan Facilities

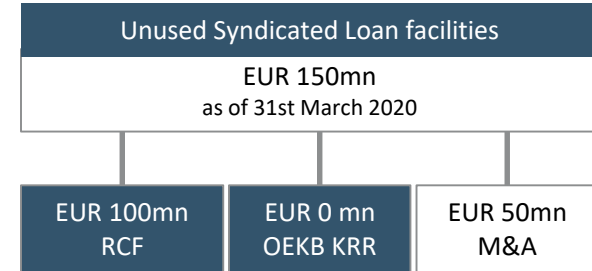
	Total 31.12.2019	Used 31.03.2020	Available 31.03.2020
Revolving Credit Facility	100 000	0	100 000
KRR Facility (OEKB)	50 000	50 000	0
M&A Facility	50 000	0	50 000
Term Loan Facility (OEKB)	22 916	22 916	0
	222 916	72 916	150 000

CORONA CRISIS

OEKB emergency funding facility provides additional liquidity safety net

Repayment obligations of FACC in 2020

- Repayment of EUR 110mn in funding instruments in 2020
 - 90mIn Bond (June 2020)
 - Rest in leasing and bank loan repayments
- Bank cash of EUR 109mn and EUR 100mn unused money market credit facilities as of 31st March 2020 (excl. M&A facility)
- Total available liquidity reserve of over EUR 200mn for debt repayment and operational business as of 31st March



Update OEKB emergency funding facility (OEKB COVID-19 KRR)

- To be on the safe side liquidity reserve will be extended by additional EUR 60mn
- Application granted for special COVID-19 related EUR 60mn KRR facility with government guarantee of 50%
- Contract negotiations with core banks already started
- Targeted contract closing: 30th June 2020

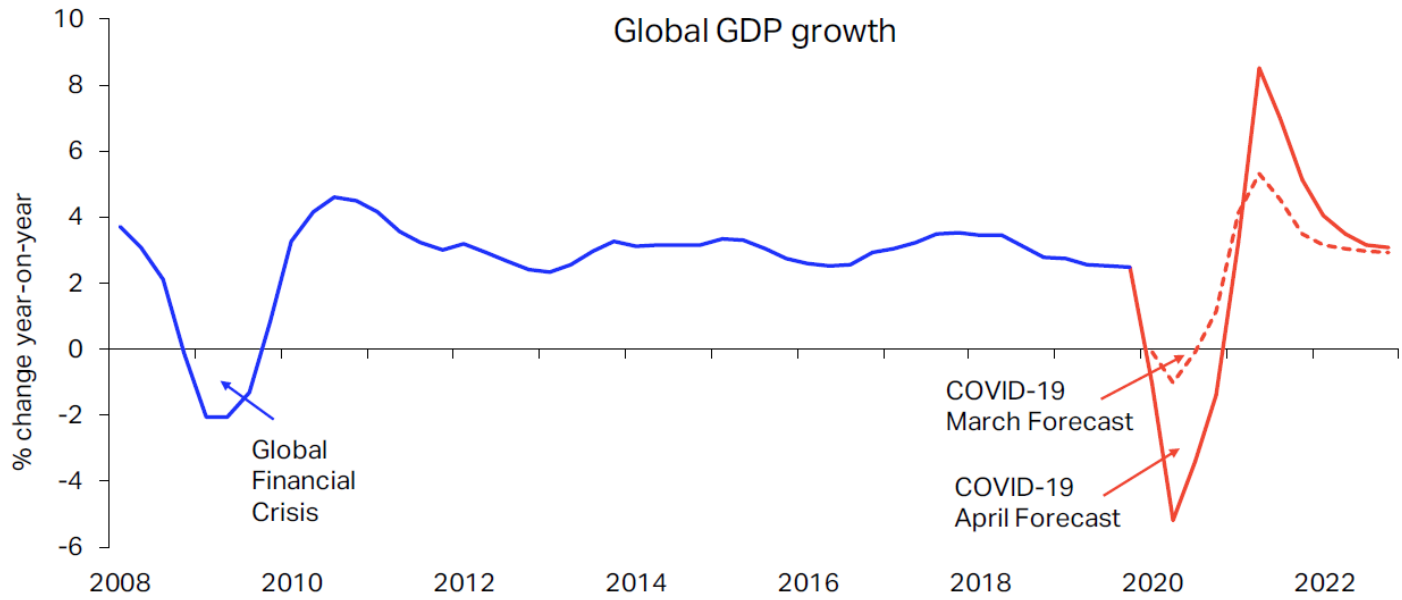
OUTLOOK

CEO Robert Machtlinger

CFO Ales Starek

SIZE OF GLOBAL RECESSION

Economics are updating GDP forecasts regularly

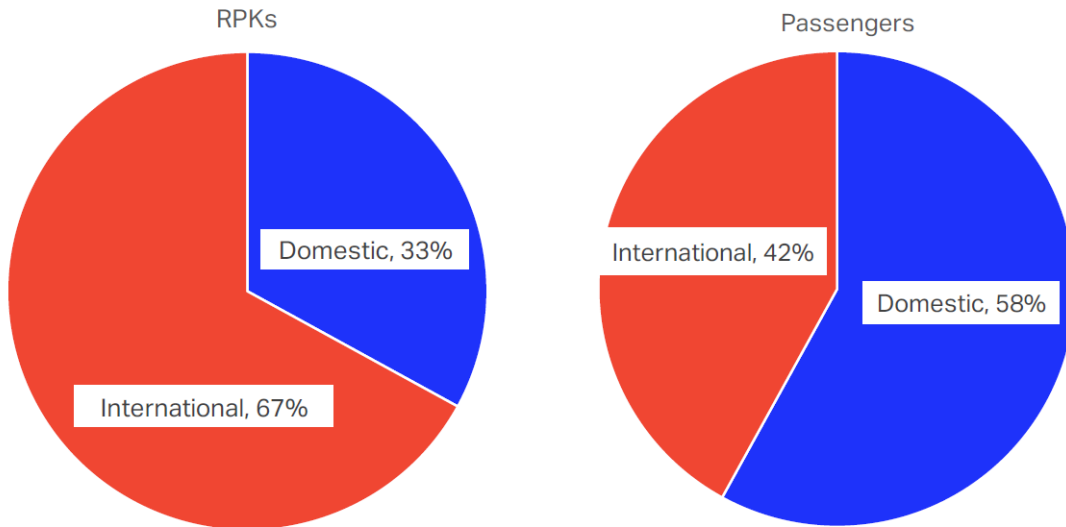


Source: IATA Economics using data and forecasts from Oxford Economics

POST COVID 19 RPKS TO COME IN STAGES

Domestic markets might open in Q3, international travel slower to open

Share of global air travel in 2019



Source: IATA Economics using data from IATA Statistics

IMPLIES HALVING OF GLOBAL RPKS IN 2020

Lower yields means a \$ 314 billion or 55% fall in passenger revenues

Region of airline registration	RPKs 2020 (vs 2019 year-on-year change)	Passenger revenue \$ billion 2020 vs. 2019 levels
Asia-Pacific	-50%	-113
North America	-36%	-64
Europe	-55%	-89
Middle East	-51%	-24
Africa	-51%	-6
Latin America	-49%	-18
Industry	-48%	-314

Note: This assumes, as in the previous impact assessment, that the domestic lock-down lasts 3 months, until the end of Q2. But international travel restrictions are assumed in this assessment to be reduced more slowly, with only 50% of pent-up international RPKs recovered by Q4 (after reduction due to recession impact).

Source: IATA Economics



2020 - FULL YEAR OUTLOOK

- The further course of the COVID-19 crisis cannot currently be assessed today.
- Due to global COVID-19 restrictions and a lack of the overall industry visibility, a serious or reliable outlook for the 2020 financial year is currently not possible.
- Effects and forecasts regarding the FACC will be announced at a later date after the market situation has been ascertained.

DISCLAIMER

- > This document contains forward-looking statements. Words such as 'outlook', 'believe', 'intend', 'anticipate', 'plan', 'expect', 'objective', 'goal', 'estimate', 'may', 'will' and similar expressions often identify these forward-looking statements.
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