



WE ARE FACC



INVESTOR PRESENTATION

01-2018 // FACC GROUP

FACC

A partner of the global aerospace industry



PILOT: “We find and offer the best solution”
PASSION: “We are driven by passion”
PARTNERSHIP: “We are a reliable partner”

“FACC, an Austrian company with global engineering and manufacturing networks, is a partner of choice in the aircraft supply industry.

We develop `turn-key` solutions for our customers by demonstrating innovation leadership combined with the highest quality and efficiency, and are considered reliable partners of our stakeholders.“

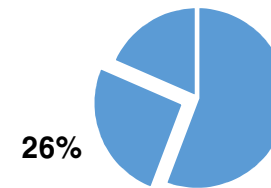
Three divisions focused on a defined product portfolio

Revenue 2016/17 Listed Peers

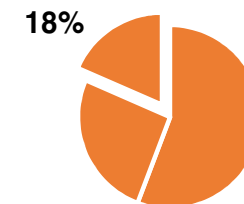
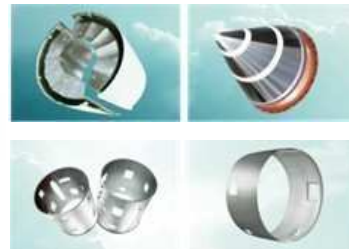
AEROSTRUCTURES



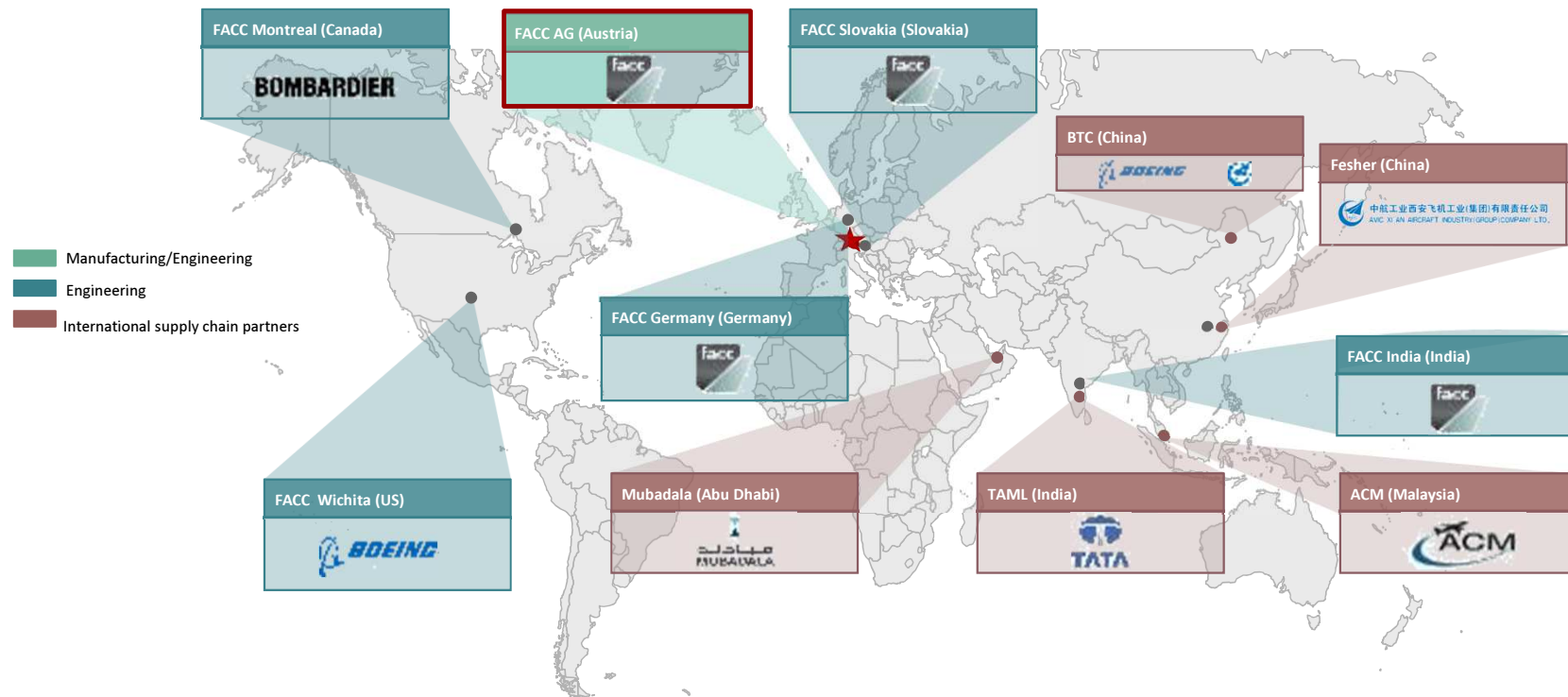
INTERIORS



ENGINES & NACELLES



Global footprint to meet customer demands



FACC strategy „Vision 2020“

Growth through innovation and global networks

- Sustainable and **profitable growth** in order to increase the company size to **EUR 1 billion** by the 2020/21 fiscal year
- Consistent processing of the order backlog with **continuously increasing efficiency**
- **Strategic Tier 1 partner** of the aerospace industry by investing in technology, innovation and production expertise and the highest quality standards
- **Expansion** of the present global FACC network
- Continuation of the balanced **customer and platform strategy**



FACC program portfolio

... we supply products for all modern aircraft models

CIVIL AEROSPACE

A320 Family



A330/A330neo



A350XWB



A380



Boeing 737



Boeing 747



Boeing 757



Boeing 767



Boeing 777



Boeing 787



CSeries



ERJ Family



E-Jet E2



SSJ100



FACC program portfolio

... we supply products for all modern aircraft models

BUSINESS JETS & HELICOPTER

Challenger 350



Learjet 40/45



Global 5000



Global 7000/8000



Legacy 450/500



Lineage 1000E



Phenom 100/300



Gulfstream G350/
450/550/650



Cessna Citation



Cessna Mustang



Falcon 900



Falcon 2000



Falcon 7X



Hawker 800



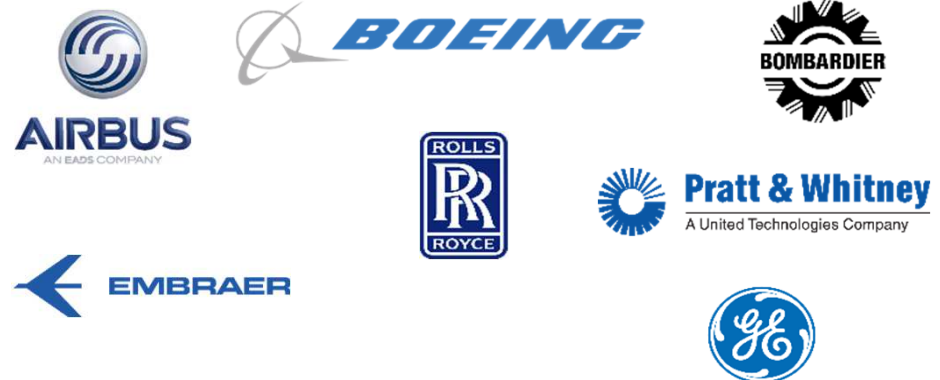
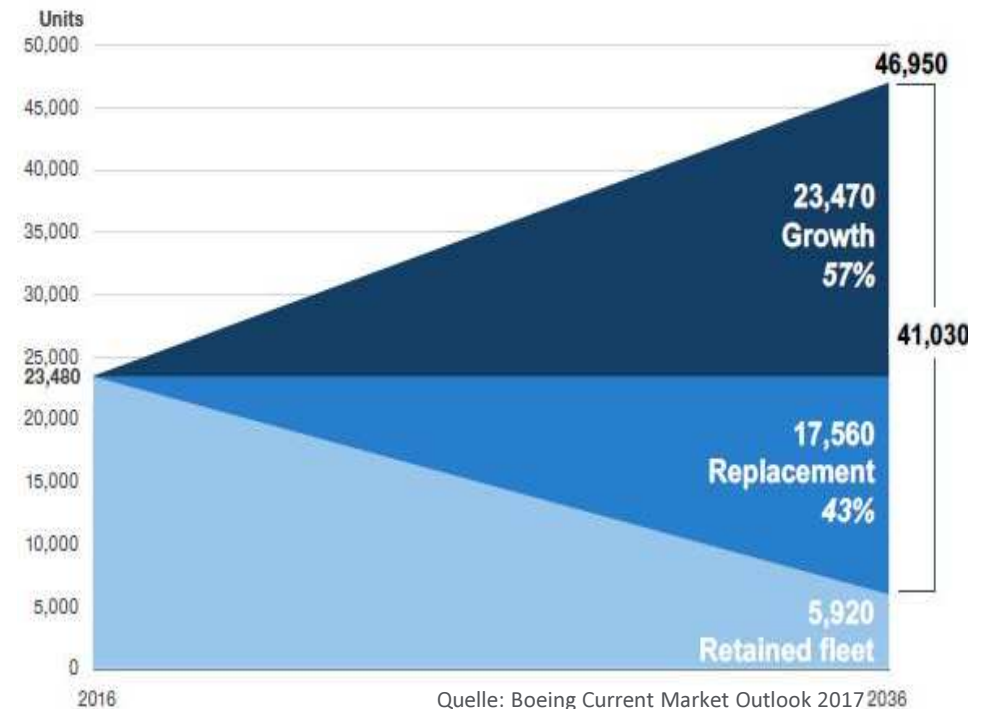
EC135/EC145



Overview of the aerospace market

Economic environment of the sector

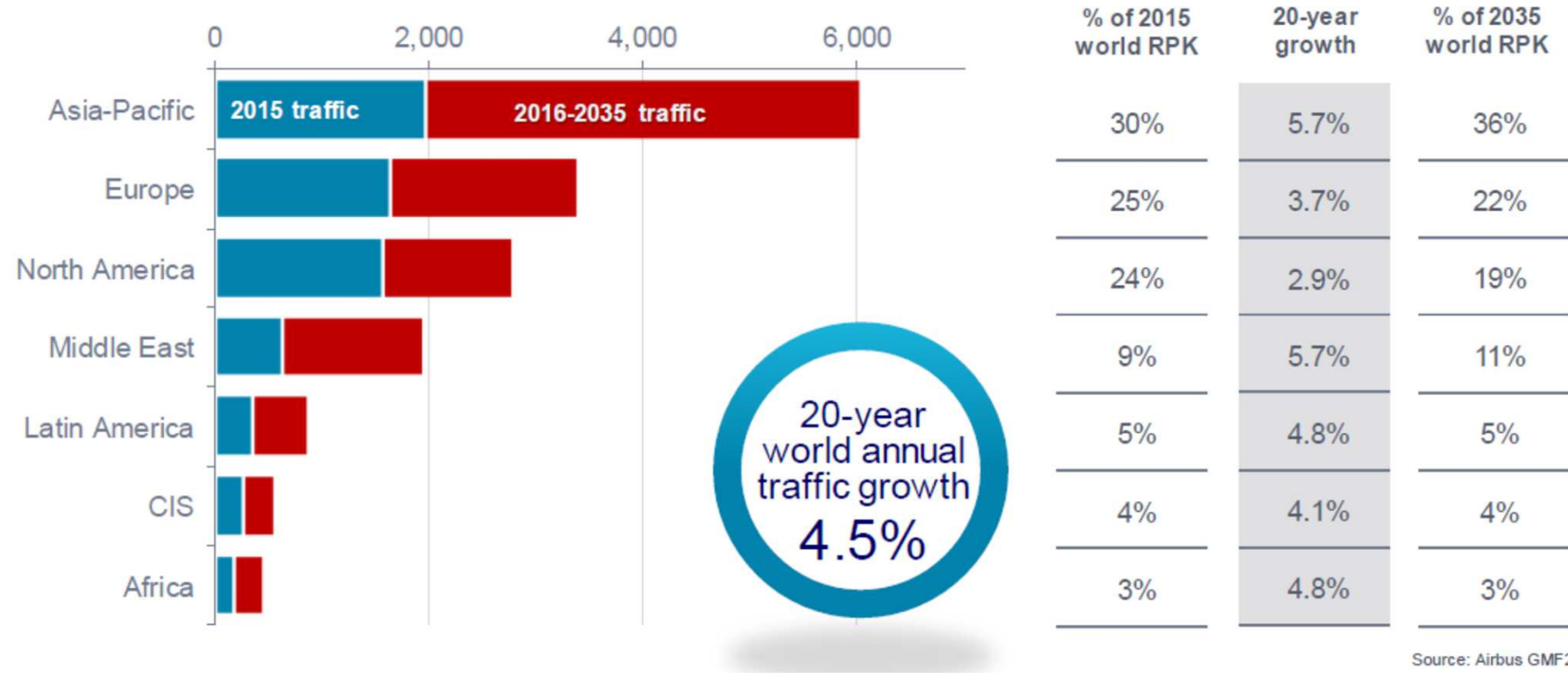
- **OEM's confirmed long-term outlook**
- Until 2036
 - Annual growth of revenue passenger kilometer (RPK) at 5%
 - Demand for more than 41,000 aircraft (new and replacements)
- **8.300 Business Jets** within the next ten years required
- Growth markets for the aerospace industry remain **China & India** – strong FACC footprint already established



Growth market Asia

Changes in travel volume according to region

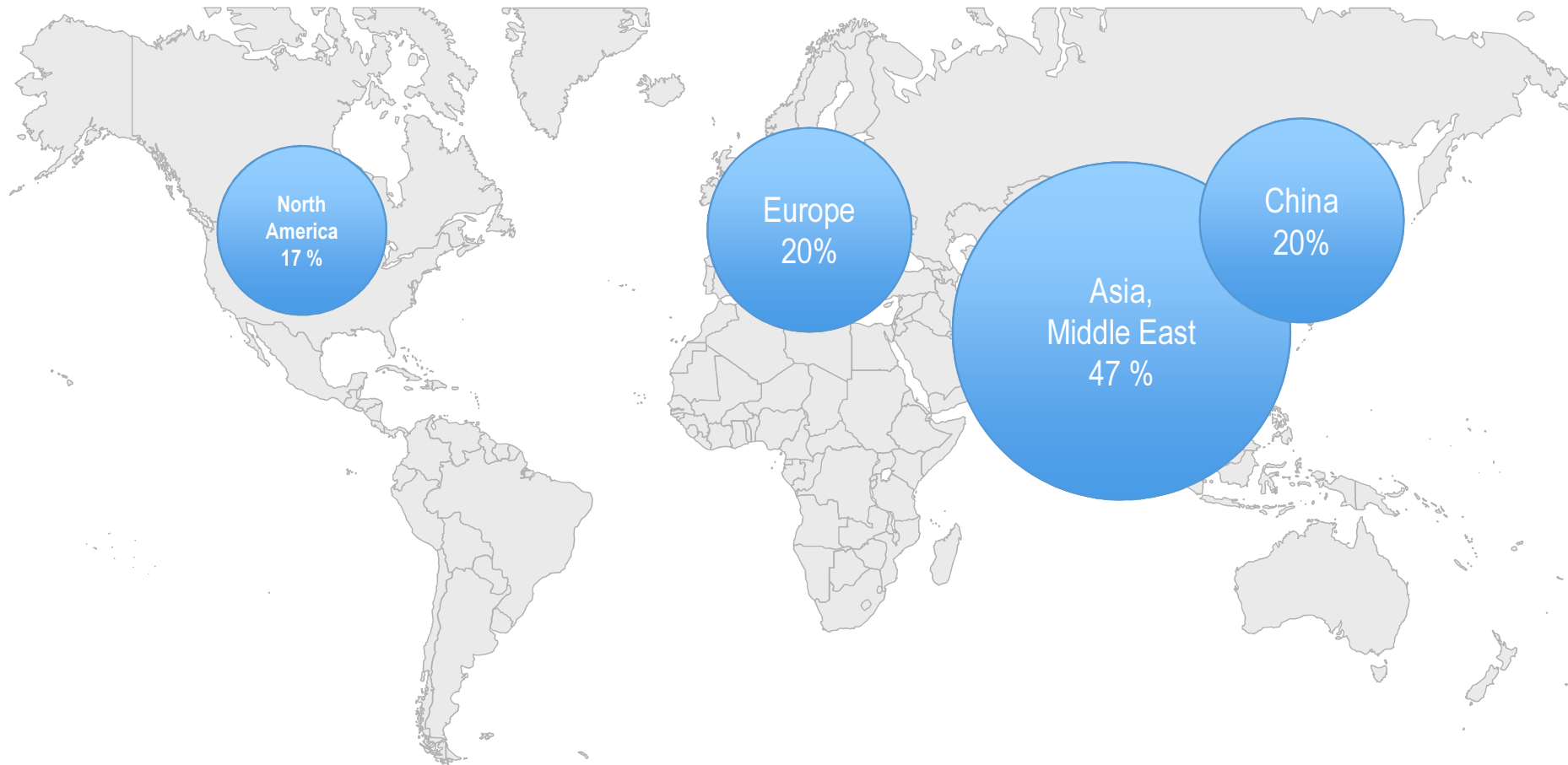
RPK traffic by airline domicile (billions)



Source: Airbus GMF2016

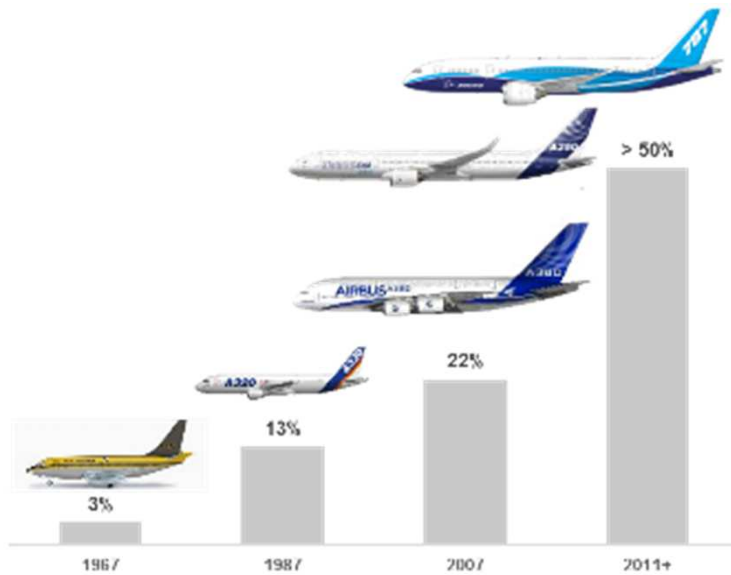
Future growth markets

China requires 20% of all new aircraft



Efficiency through lightweight construction

Increasing share of composite applications



- Lightweight components increase the efficiency of modern aircraft
- Composite components account for around 50% of the total weight of modern aircraft
- The aircraft are 25 % more efficient, emit 60% less noise and are easier to service

Today: Existing technologies allow 10-12 aircraft to be built per month.



Future: Composite applications in narrow-body aircraft (A320 or B737) have to be repeated 60 times a month. New technologies are necessary in order to equip the next generation of these aircraft with a high percentage of composite components from the year 2025.

Constantly growing order backlog

- FACC benefits from an increasing demand for more efficient aircraft.
- Since January 2017 FACC Group increased its order backlog from new customer contracts by more than EUR 600 mill.



- FACC is the single source partner for the new **Airbus A320 „Airspace –Cabine“**
- Contract volume – EUR 500 mill.



- FACC is a strategic partner of **Bombardier** and is the single source supplier of wing-to-body fairings. The new **C Series** regional aircraft will feature lightweight components produced by FACC
- Contract volume – EUR 100 mill.



- **Rolls-Royce extends the partnership** with FACC to a new engine platform. The contract underlines the strong long lasting partnership between both companies.
- Contract volume – EUR 35 mill.

Aerospace market - Summary

The outlook is positive for the aerospace market in the long run

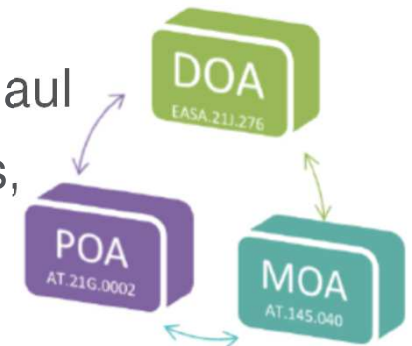
- OEM's improving their profits through a modern fleet structures, increased efficiency & low fuel cost
- A320, A350, B787 rate increases confirmed by customers
- High market potential for MRO business
- New developments to come – eg. Comac C929
- FACC participates in global market growth
 - Established Tier 1 partner of the industry
 - Long-term contracts for new aircraft & engines
 - Existing presence in Europe / Austria, North America, China, India and UAE



MRO business & design services

To enhance our product & service portfolio

- Significant fleet growth until 2035
- Steadily increasing composite material share on new aircraft requires different approach to aircraft maintenance and overhaul
- High demand on cost-efficient repair designs, cabin upgrades, refurbishments and conversions requested from Airlines
- FACC benefits from its original part manufacturing know how can offer faster turn around time with quality and performance.



FACC CURRENT PROJECTS

- **jetBlue** A320 cabin retrofit for 110 aircraft
- **Lufthansa Technik** A330 cabin conversion & winglet
- A320 classic cabin with bigger doors – 2.000 aircraft market
- Retrofit campaigns with OEMs and operators
- Test witnessing on various projects





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ANALYST PRESENTATION

1-9 // 2017/18

January 16, 2018 // FACC GROUP

Highlights – 1-9 // 2017/18

Further significant improvements in Sales, EBIT and Cash Flow

Sales increased by 8,8% to EUR 546.0 mill.

Operating income (EBIT) at record level of EUR 40.1 mill.

Total income (EBIT) at EUR 61.7 mill incl. one off effects

Free cash flow improvement (LTM) of EUR 75.5 mill.

Positive trend in sales & profitability in all segments continued

Major milestones on track at program level & operational set up



The Aerospace Market

The outlook remains positive for the aerospace market

- Strong year end performance in the overall Book to Bill ratio for both, Airbus & Boeing.
- FACC order back log now above 5,5 billion USD.
- A320, A350, B737, B787 rate increases confirmed.
- Very large aircraft production rates under pressure. Well balanced FACC product / customer portfolio is over compensating those reductions.
- Airbus C-Series engagement recognized positive within the industry.
- A330neo first flight in September 2017.
- Long term stable Aerospace Industry growth re-confirmed.



Program Highlights

Growth through innovation, new programs and global networks

- Upper Austrian Innovation Award Winner
- I 4.0 Innovation Award winner for digital transformation in the procurement processes.
- A350-1000 program milestones accomplices, all testing completed and ramp up on going.
- A330 neo first flight with FACC components on board – production ramp up ongoing.
- Production offload to China facility on track.
 - Aerostructure programs at production rates.
 - ARJ 21 Interior ramp up progressing.
- MA 700 primary structure contract signed.



Operational Highlights

Preparation for upcoming industry growth

- Nacelle facility extension ongoing to support
 - 50 % A350 rate increases.
 - 25 % B787 rate increases.
 - A330 neo program ramp up.
- Interior facility extension ongoing to support
 - 50 % A350 rate increases.
 - A320 rates increases and retrofit demands.
 - Support production in-loads to further increase interior profitability.
- New equipment set up (autoclaves, CNC, Automation) ongoing



Summary

- Q3 results as expected with earnings situation further improved.
- Major program milestones executed.
- Growth in all segments continued.
- Facility set up's progressing to support upcoming rate increases and new contract set ups.
- China production content increasing supporting FACC's strategy to increase presence in single largest Aerospace market.



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**THE FIRST NINE MONTHS 2017/18
IN NUMBERS**

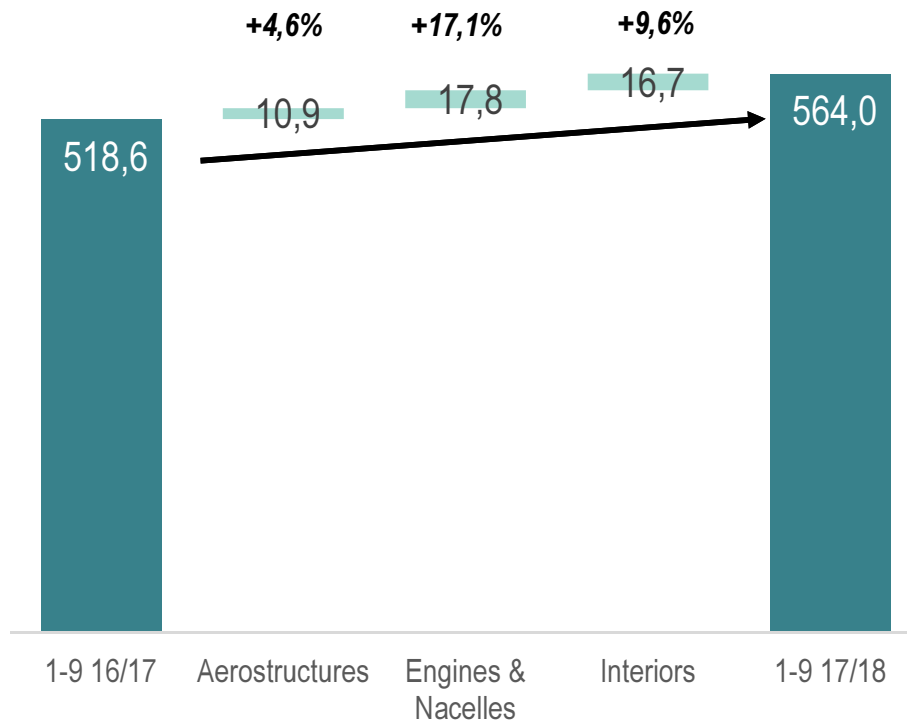


1-9 2017/18 // Revenue & EBIT development

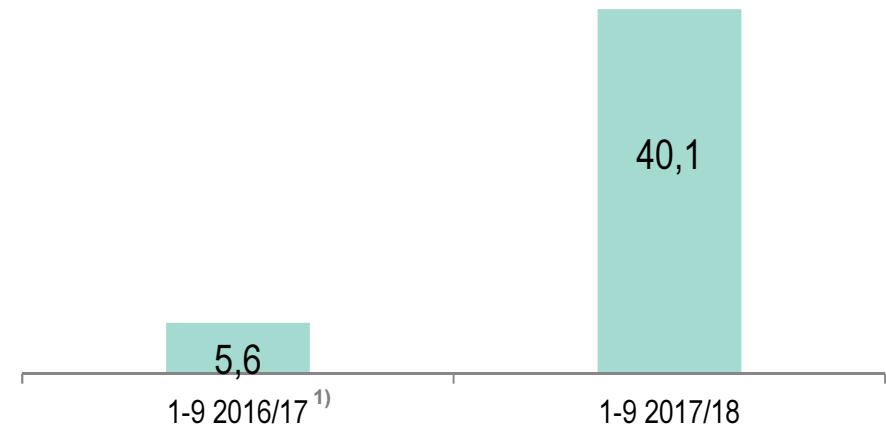
Overall increase in revenues of 8,8 % across FACC

In million EUR

REVENUES *(Reported)*



Operating EBIT *(w/o on off effects)*



HIGHLIGHTS

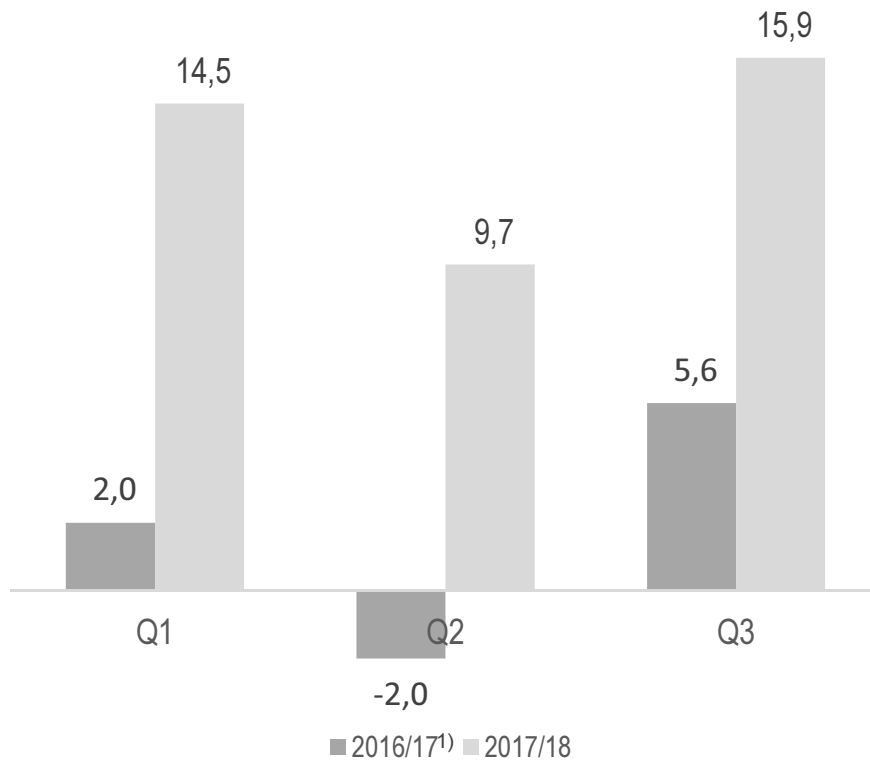
- Increase in product revenues by 11.4 % to EUR 527,7 mill. Engineering revenues at planned level of EUR 36,3 mill. The reported Sales include EUR 5.6 mill. in one-time effects.
- EBIT reflects the positive impact of the profit improvement execution.
- On top, EUR 21.6 mill. one-time effects are reported. Reported EBIT at EUR 61.7 mill.

1) Adjusted according to IAS 8 – see http://www.facc.com/content/download/5477/45015/file/20170929_Ver%C3%B6ffentlichung_RLKG.pdf

1-9 2017/18 Earnings (EBIT) per Segment

Continuous improvements in operational excellence

In million EUR



EBIT (Recurring)	Q3 ¹⁾ 2016/17	Q3 2017/18	1-9 ¹⁾ 2016/17	1-9 2017/18
Aerostructures	14.4	10.3	28.6	29.6
Engines & Nacelles	-5.9	1.8	-14.2	4.5
Interiors	-2.8	3.8	-8.8	6.0

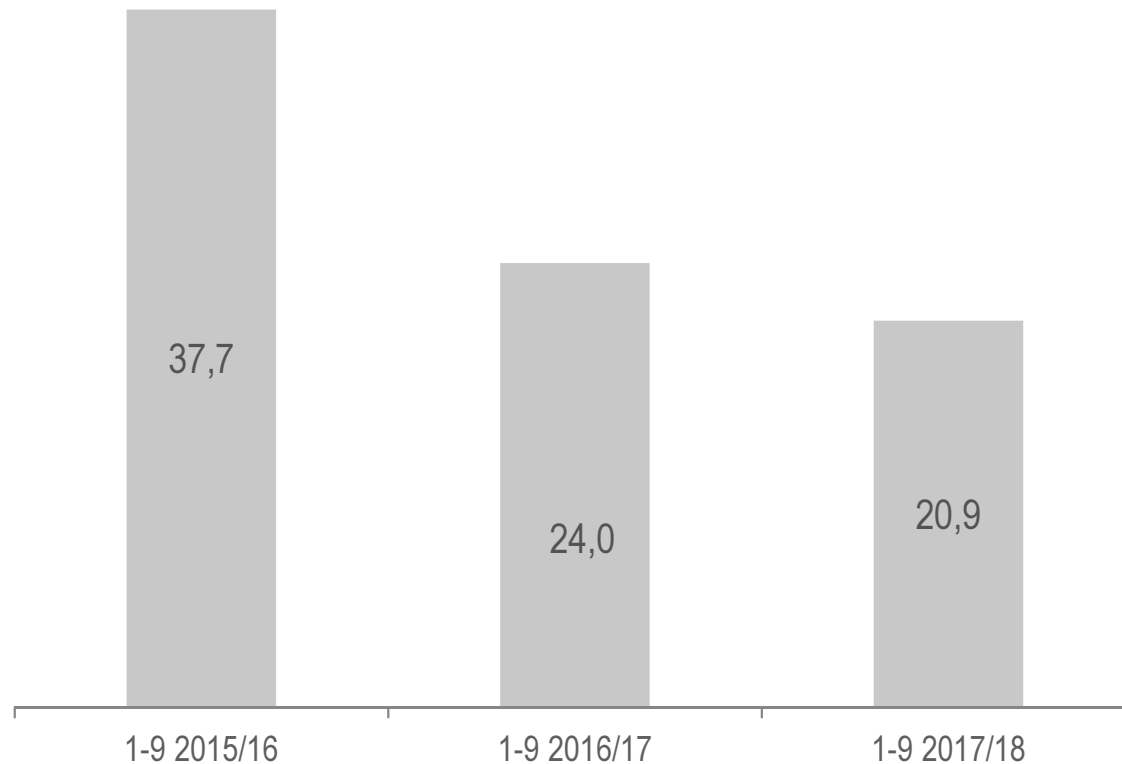
HIGHLIGHTS

- All three divisions profitable since Q2.
- Aerostructures division maintain a double digit EBIT margin.
- Transition to from program ramp up to serial production executed as planned.

CAPEX – 1-9 2017/18

Execution of investment plan for growth on track

In million EUR



HIGHLIGHTS

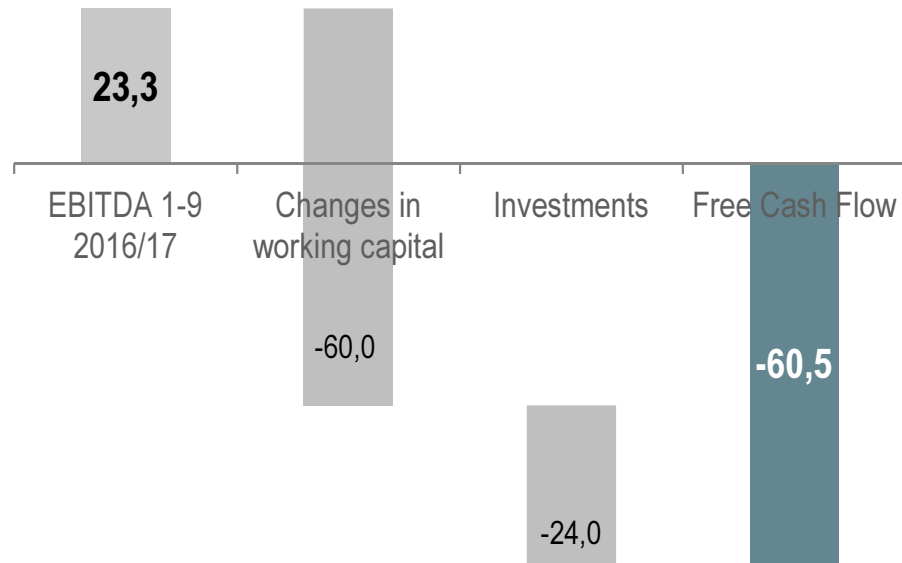
- Project investments:
 - Airbus A350-1000
 - Airbus A330 neo
 - A320 New Aerspace Cabin
 - Bombardier C Series
- Investments in technology, automation & capacity increases
- Annual investments will reach the same levels as in FY16/17.

Free cash flow – First nine months 2017/18

Significant improvement of EUR 75.5 million in cash generation

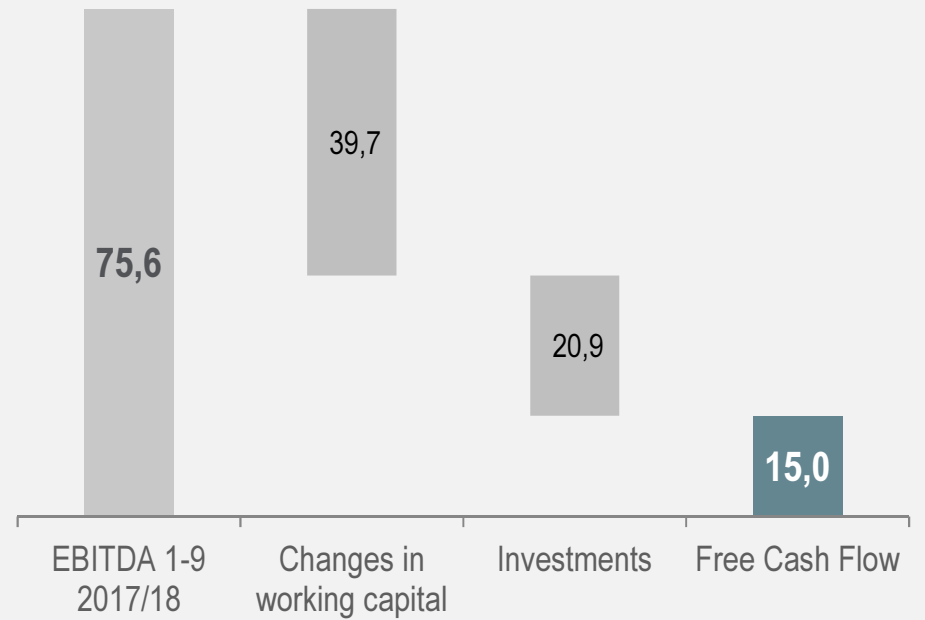
Half year 2016/17

EUR mill.



Half year 2017/18

EUR mill.



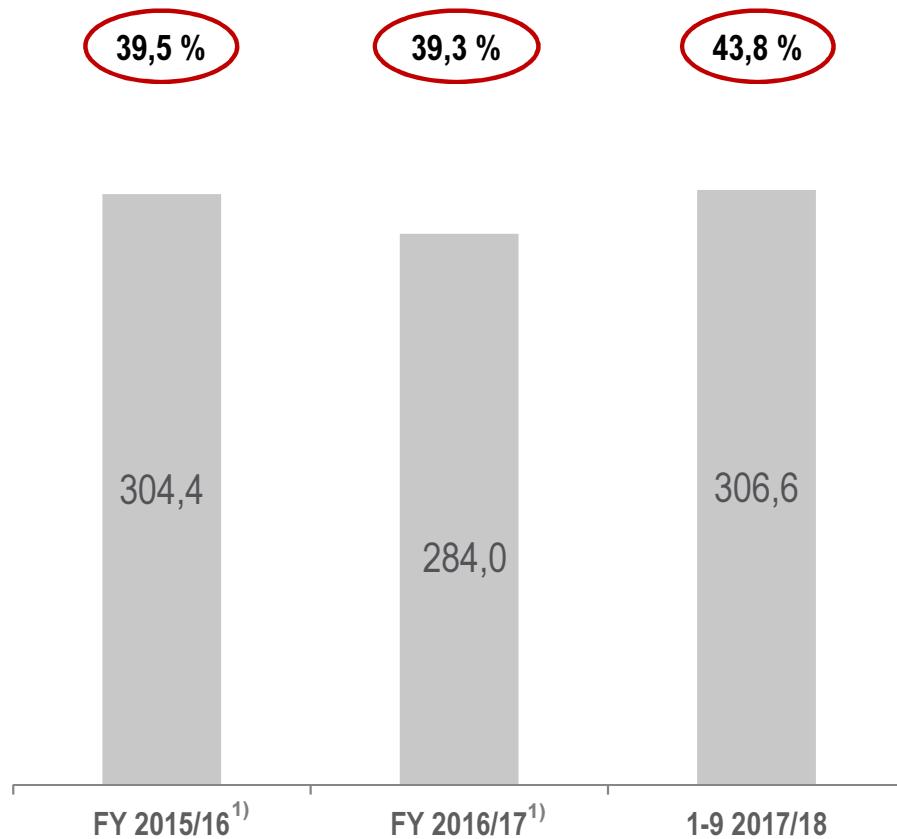
+ EUR 75,5 million

Balance sheet – First nine months 2017/18

Continuous improvement of equity ratio as well as net debt

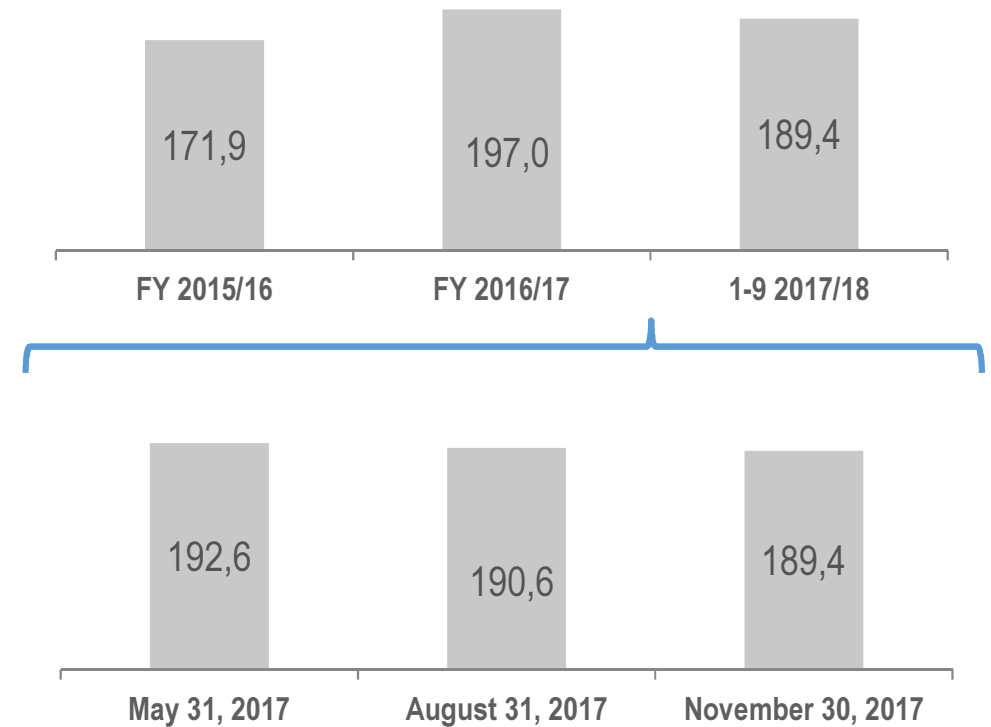
Equity / equity ratio

In million EUR



Net financial liabilities

In million EUR



1) Adjusted according to IAS 8 – see http://www.facc.com/content/download/5477/45015/file/20170929_Ver%C3%B6ffentlichung_RLKG.pdf

2017/18 fiscal year - Outlook

- Trend within the aerospace industry confirmed
- Order Backlog further increased to EUR 5.5 bln equals a utilisation of 7 years.
- Financial key figures on track and in line with management expectations.
- Full year order book shows new record sales of approx. EUR 740 – 750 million.
- Management EBIT expectations for full year close to EUR 45 - 50 million (without one-off effects) or an EBIT margin of approx. 6 %.
- FACC GROUP 2020 Vision on track considering current market environments and customer long term forecasts.





APPENDIX

Management of FACC AG

The management board has been further extended with industry specialists.



Robert Machtlinger / CEO
Chairman of the
Management Board



Ales Stárek / CFO
Member of the
Management Board

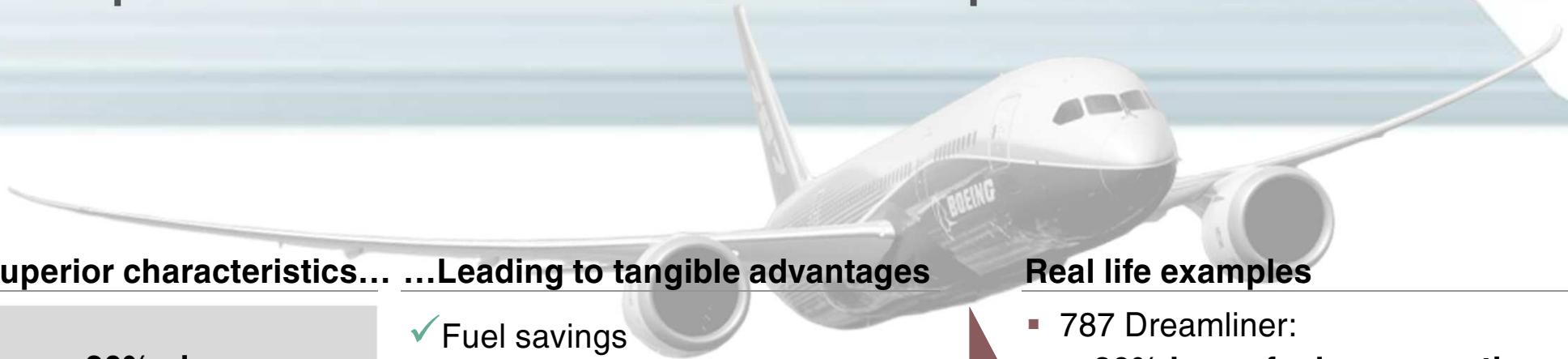


Yongsheng Wang / CCO
Member of the
Management Board



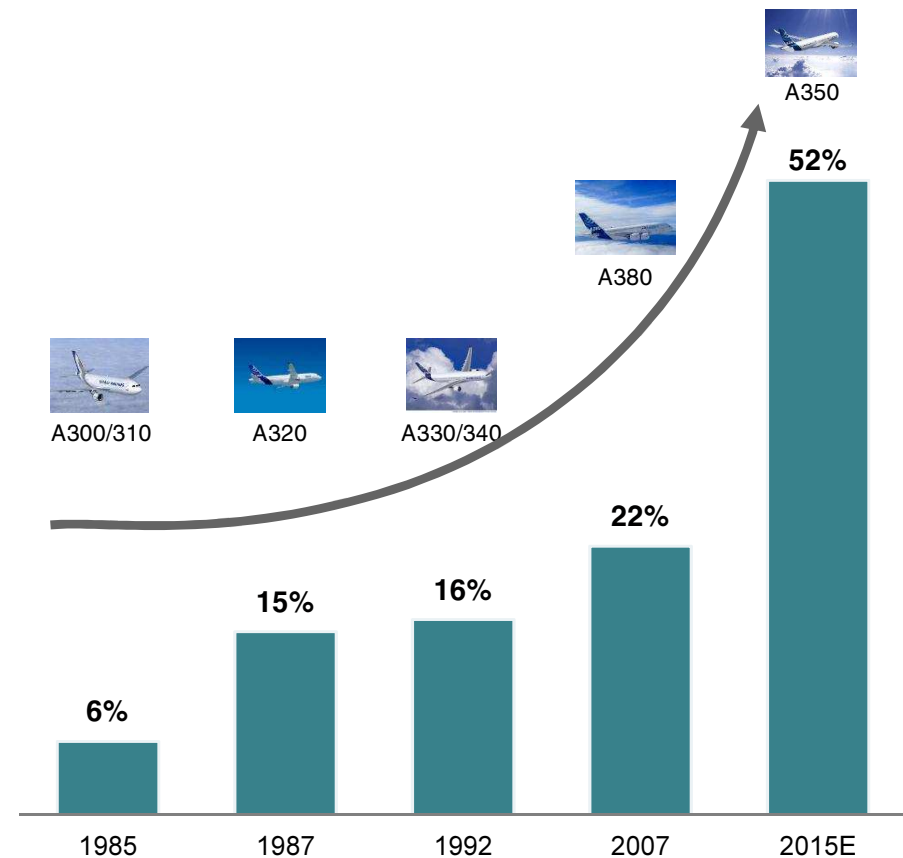
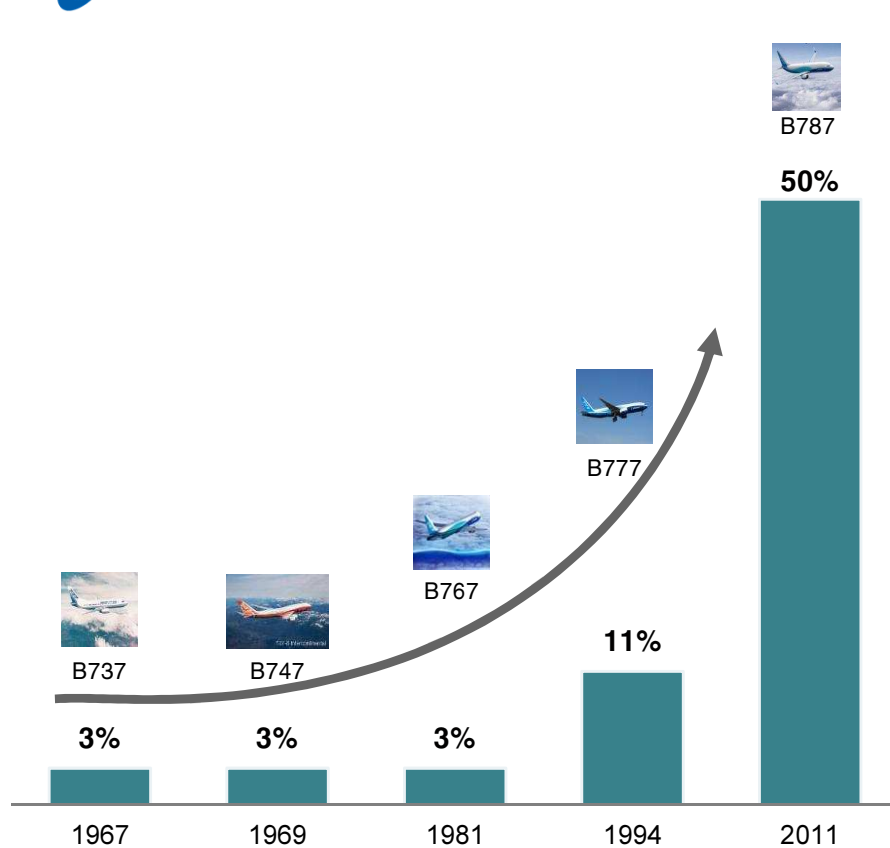
Andreas Ockel / COO
Member of the
Management Board

Superior characteristics of composites...



Superior characteristics...	...Leading to tangible advantages	Real life examples
20%+ lower weight	<ul style="list-style-type: none"> ✓ Fuel savings ✓ Lower emissions 	<ul style="list-style-type: none"> ▪ 787 Dreamliner: <ul style="list-style-type: none"> ▪ 20% lower fuel consumption vs. old generation WB's ▪ 30% lower emissions than 767
Corrosion free	<ul style="list-style-type: none"> ✓ Lower cost of airframe maintenance 	<ul style="list-style-type: none"> ▪ A350XWB: <ul style="list-style-type: none"> ▪ Service intervals - 6 to 12 years ▪ Lower need for fatigue related inspections
Better vibration absorption	<ul style="list-style-type: none"> ✓ Noise reduction 	<ul style="list-style-type: none"> ▪ 787 Dreamliner noise footprint 60% smaller vs. old generation WB's
Design flexibility	<ul style="list-style-type: none"> ✓ Absence of scrap materials reducing manufacturing costs 	<ul style="list-style-type: none"> ▪ 90% of raw aluminium used to create airplane parts is turned into scrap during manufacturing process

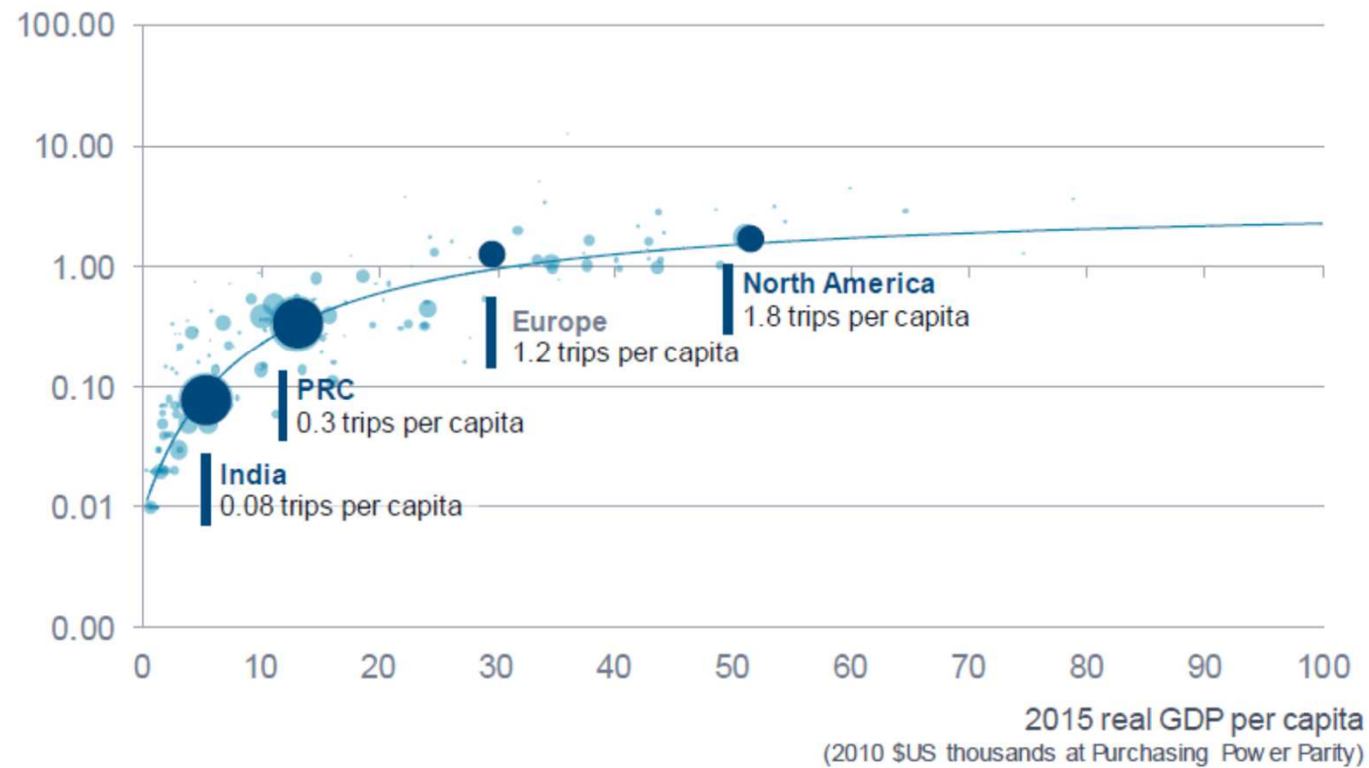
Use of composite materials as % of weight



Overview of the aerospace market

North America & Europe are leaders in travelling

2015 trips per capita



WILLINGNESS TO TRAVEL

25%

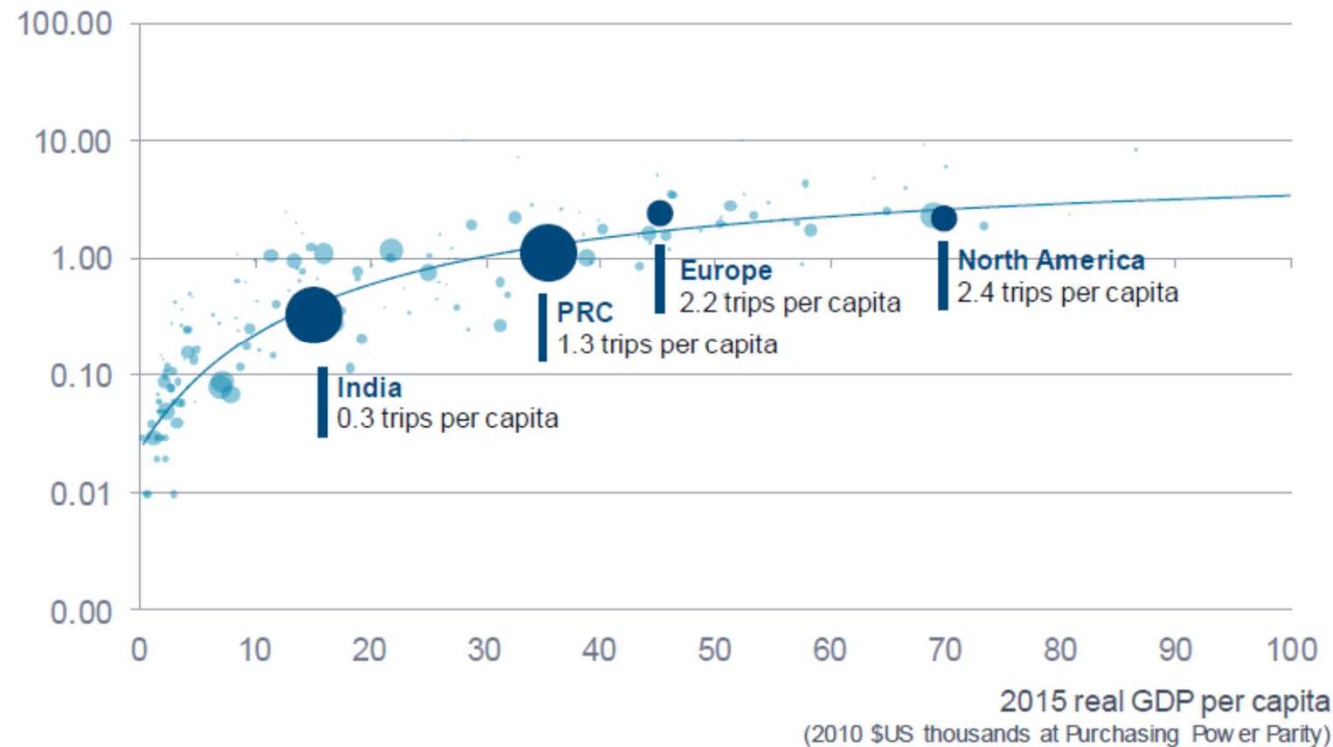
of the population of emerging countries travelled once in

2015

Overview of the aerospace market

China`s travel volume will reach the European level by 2035

2035 trips per capita



WILLINGNESS TO TRAVEL

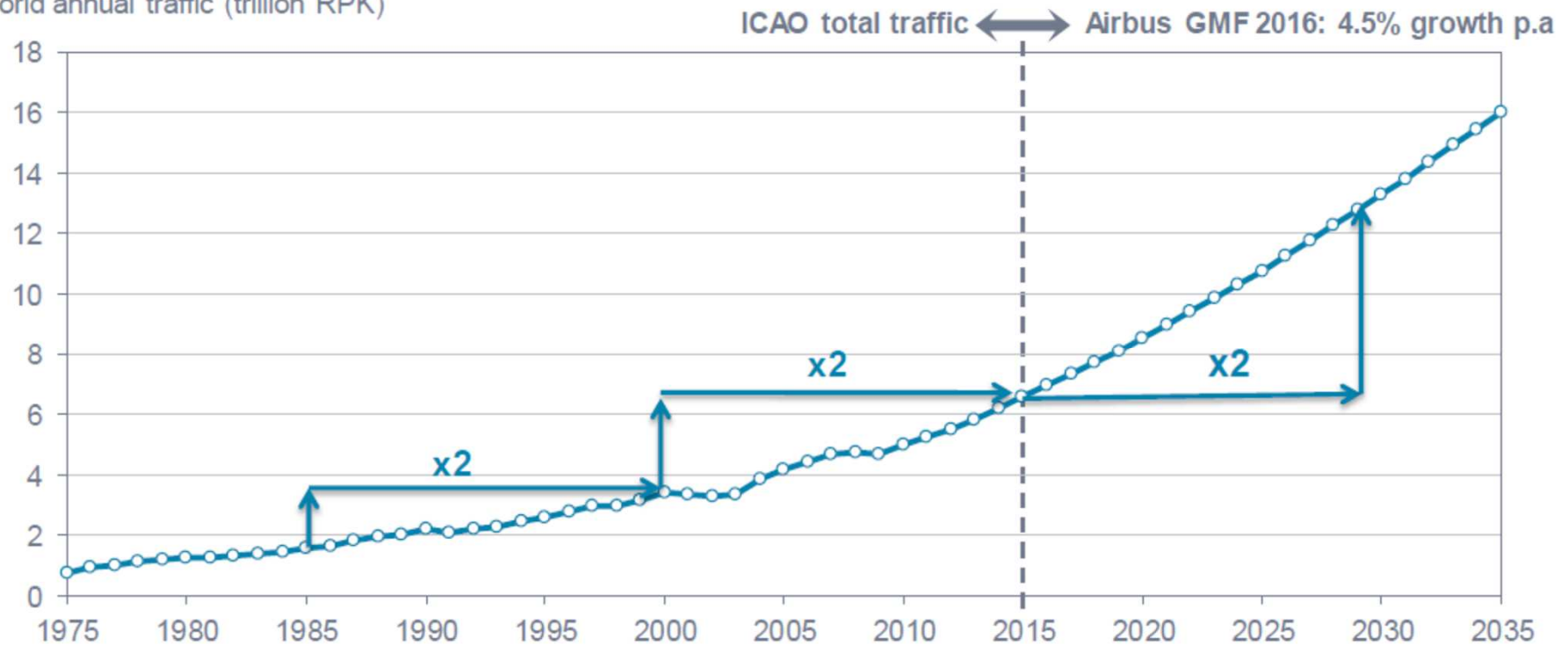
75%

of the population of emerging countries will travel in **2035**

Overview of the aerospace market

The number of passengers doubles every 15 years on average

World annual traffic (trillion RPK)





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THE 2016/17
FISCAL YEAR
IN NUMBERS

2016/17 fiscal year

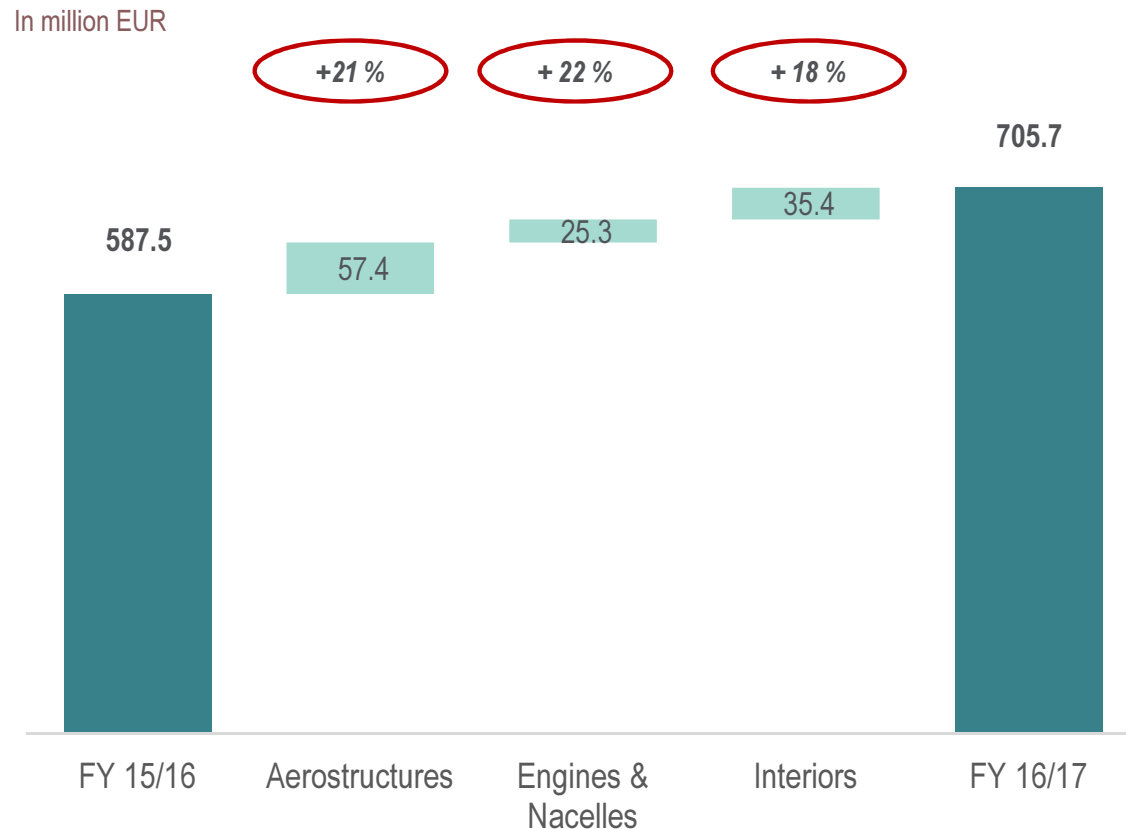
Group highlights

- Substantial increase in revenue of 21.6 % to 705.7 million EUR
- EBIT increased by 46% to 26.9 million EUR
- Turning point regarding liquidity in Q3
- Innovation front runner, 35 million EUR invested in technology & growth
- 331 highly qualified & sustainable jobs created
- Order backlog of USD 5.2 billion
- Positive stock price development



2016/17 fiscal year

20.1 % growth supported by dynamic market development



HIGHLIGHTS

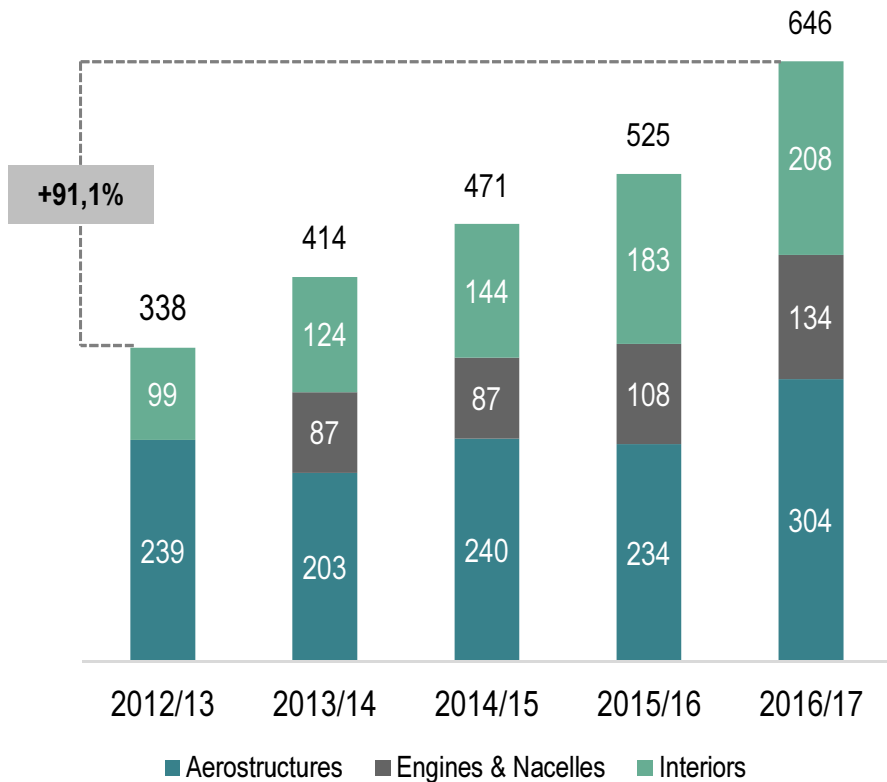
- **Aerostructures** – Start-up of the Airbus A350 projects, increased production of the Airbus A321 components and Bombardier C Series substantially increase revenue.
- **Engine & Nacelles** – Additional revenue from Airbus A350 as well as an increase in orders received for engine composites.
- **Interiors** profited from the start of Airbus A350 as well as increased Airbus A320 numbers.

2016/17 fiscal year

Strong growth of RC revenue by 23% - stable NRC

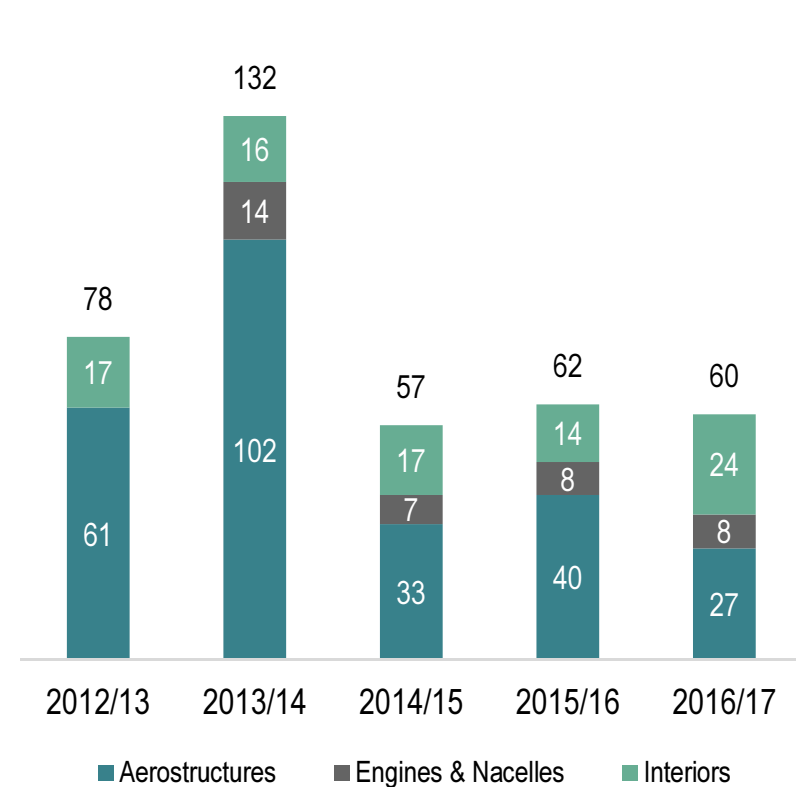
RC revenue according to divisions

in million EUR



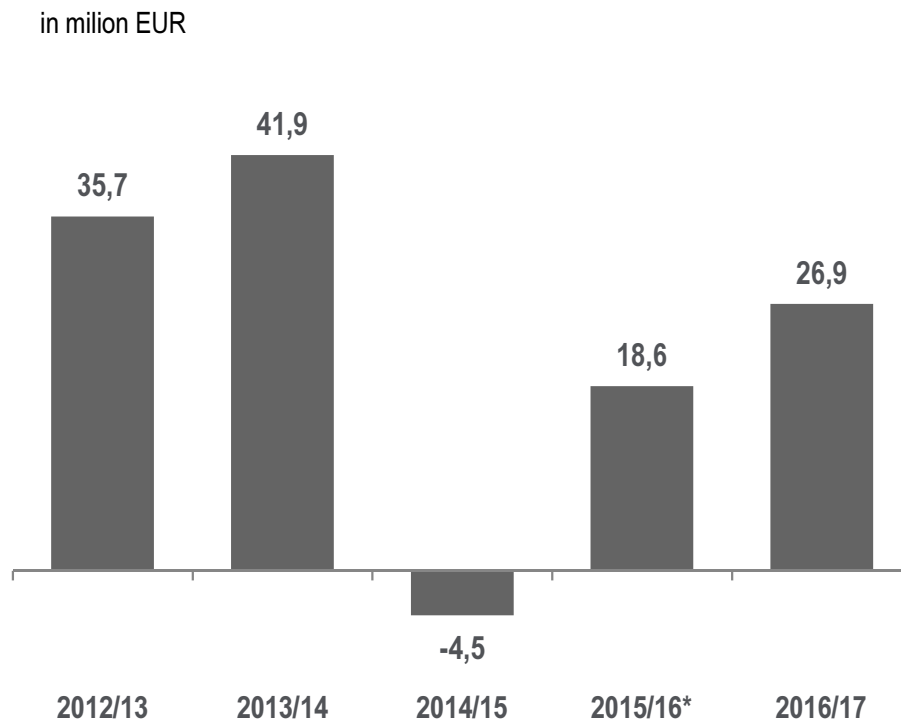
NRC revenue according to divisions

in million EUR



2016/17 fiscal year

Operative EBIT significantly increased



- Substantive increase of operative income in the 2016/17 fiscal year from EUR 18.6 million* to EUR 26.9 million
- Noticeable increase in operative efficiency in the second semester.

* Without the impact from the „Fake President Incident“

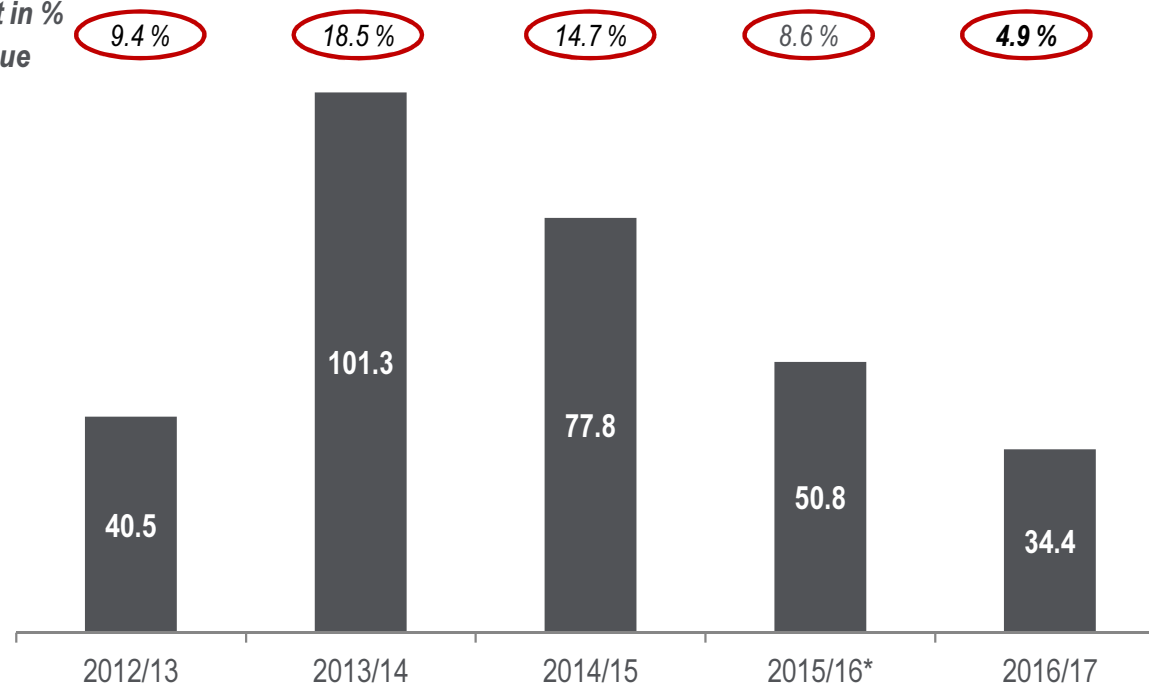
2016/17 fiscal year

Cash flow from investments

Cash flow from investments

In million EUR

Investment in %
of revenue



HIGHLIGHTS

- Project investments:
 - Airbus A350-1000
 - Airbus A330neo
 - Bombardier C Series
 - Embraer E2

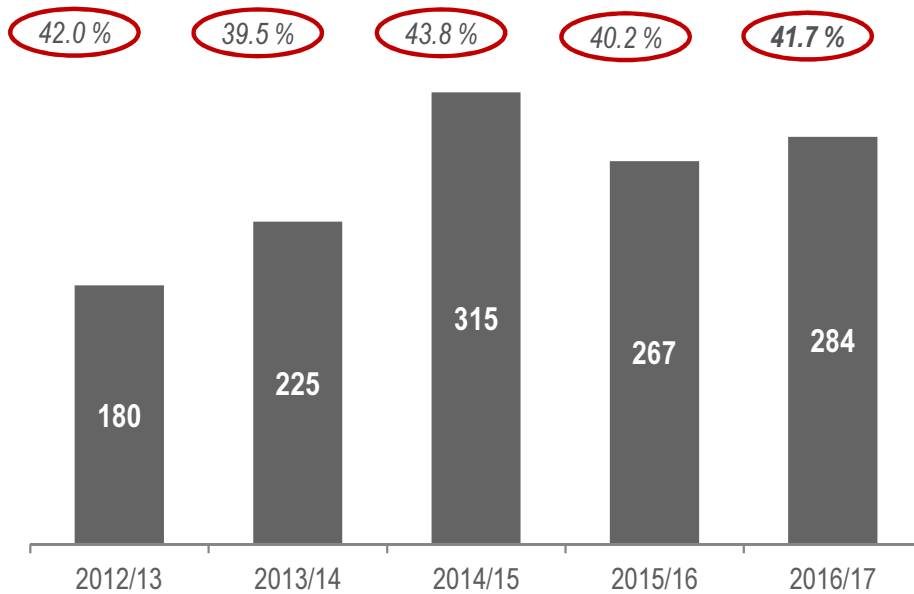
- Investments in technology, automation & capacity increases

2016/17 fiscal year

Equity and net financial liabilities

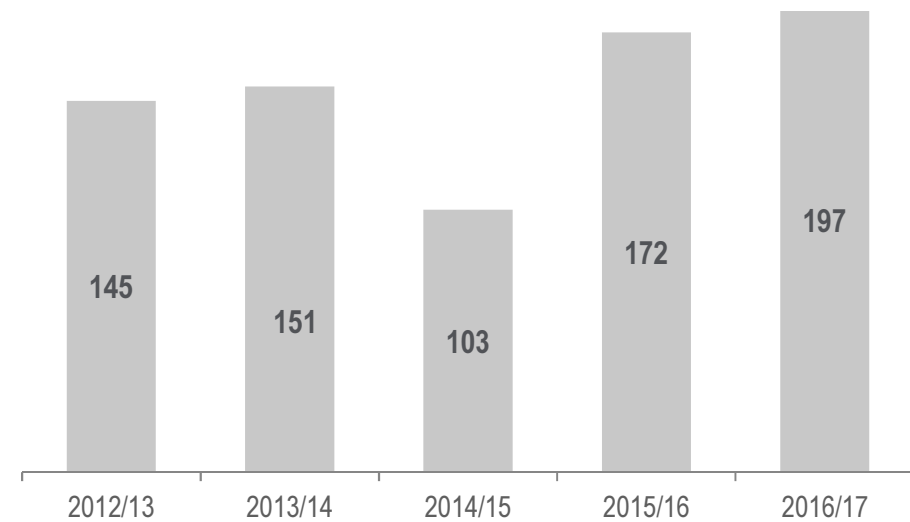
Equity / equity ratio

In million EUR



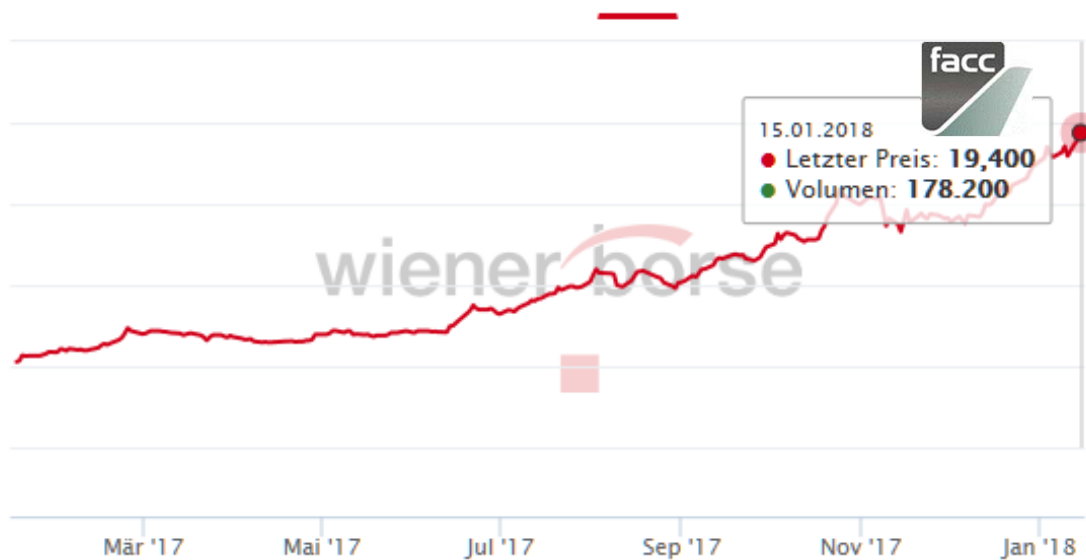
Net financial liabilities

In million EUR



Investor Relations Summary

Share Performance "LTM"



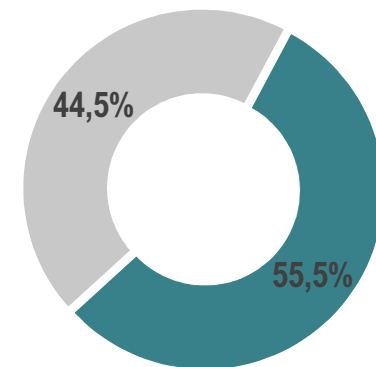
Volumen



Analyst Reports

ERSTE GROUP	ACC.	EUR 15.0
RCB	HOLD	EUR 15.0
HAUCK AUFFHÄUSER	BUY	EUR 16.0
Kepler Cheuvreux	BUY	EUR 22.0

Shareholder Structure



■ FACC International ■ Free Float



Contacts & share information

Share Information

ISIN	AT00000FACC2
Official Market	Vienna Stock Exchange / prime-market
Ticker Symbol	FACC
Reuters	FACC.VI
Bloomberg	FACC AV
Shares Outstanding	45,790,000
Market Capitalisation	~ 600 EUR mill.

IR Contact

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