

A dark, curved horizon of a planet or moon is shown against a black background. A bright sun is rising or setting behind the horizon, creating a lens flare effect with several rays of light extending outwards.

BEYOND
HORIZONS

ANALYST PRESENTATION

BUSINESS AND MARKET OVERVIEW

- Tier 1 supplier with blue chip customers
- Well positioned on growth platforms
- Strong and growing demand in key markets

- New structure and value drivers
- Improved business fundamentals
- Invested in technology and global footprint
- Margin improvement

REACHING OUR FULL POTENTIAL

A TURN KEY INDUSTRY PARTNER

FACC has innovated the aerospace composite industry



CORE STRENGTHS OF FACC

- Strategic Tier 1 Partner to all Aerospace OEMs
- Industry frontrunner in technology, innovation and production expertise at highest quality standards
- Product portfolio with long term planning visibility
- Positioned to grow alongside with global mobility trends and in commercial aerospace markets (>5% yoy growth)
- Strongly positioned to support sales in key growth markets (Asia-Pacific-Region / APAC)

AN INDUSTRY UNIQUE PORTFOLIO SET-UP

FACC has a well established product offering

AEROSTRUCTURES



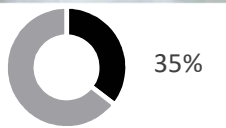
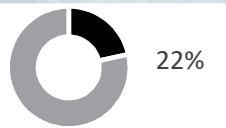
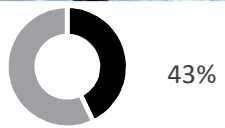
ENGINES & NACELLES



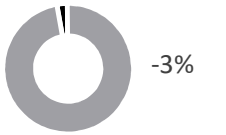
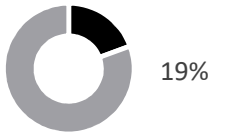
CABIN INTERIORS



Revenues of
781,6 EUR mill



EBIT of
55,1 EUR mill



Overall growth perspectives

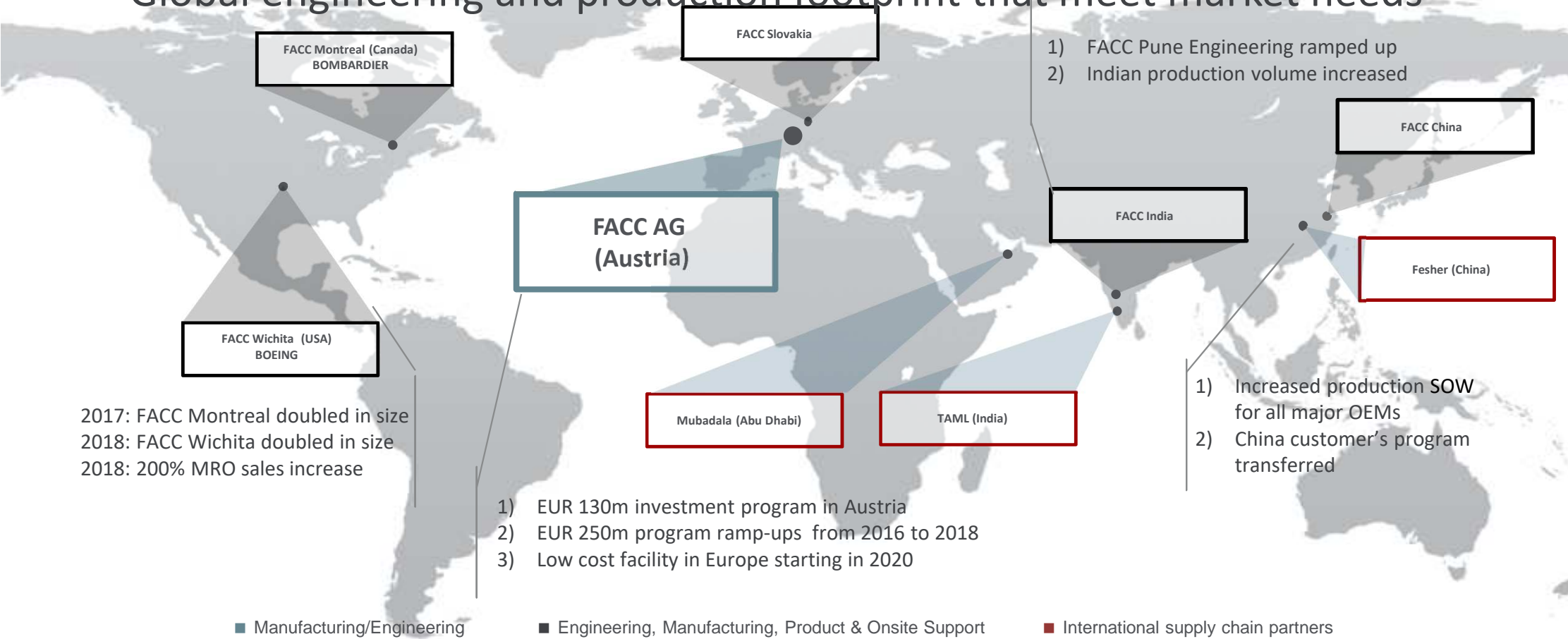
Growth in line with market / single digit

Growth above market / high single

Growth above market / Low double digit

FROM AUSTRIA TO THE WORLD

Global engineering and production footprint that meet market needs



2017: FACC Montreal doubled in size
 2018: FACC Wichita doubled in size
 2018: 200% MRO sales increase

- 1) EUR 130m investment program in Austria
- 2) EUR 250m program ramp-ups from 2016 to 2018
- 3) Low cost facility in Europe starting in 2020

- 1) FACC Pune Engineering ramped up
- 2) Indian production volume increased

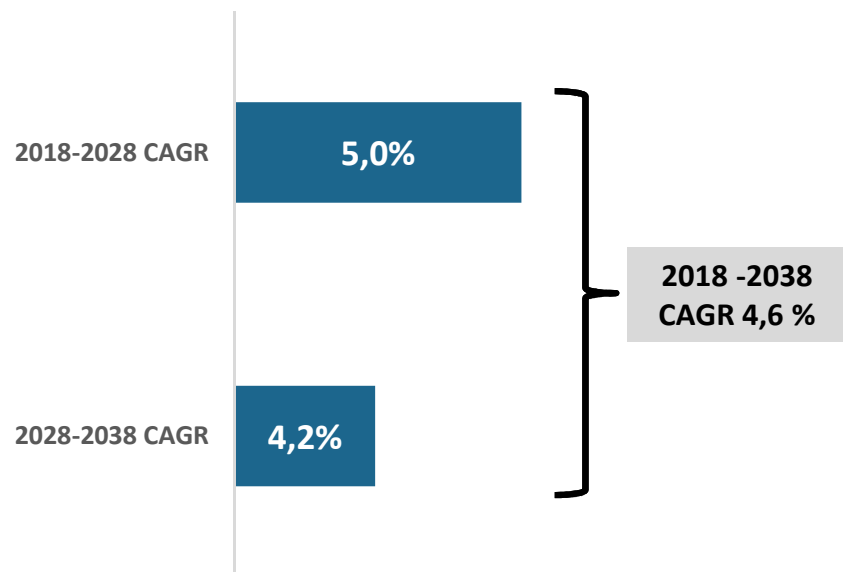
- 1) Increased production SOW for all major OEMs
- 2) China customer's program transferred

MARKET DYNAMICS

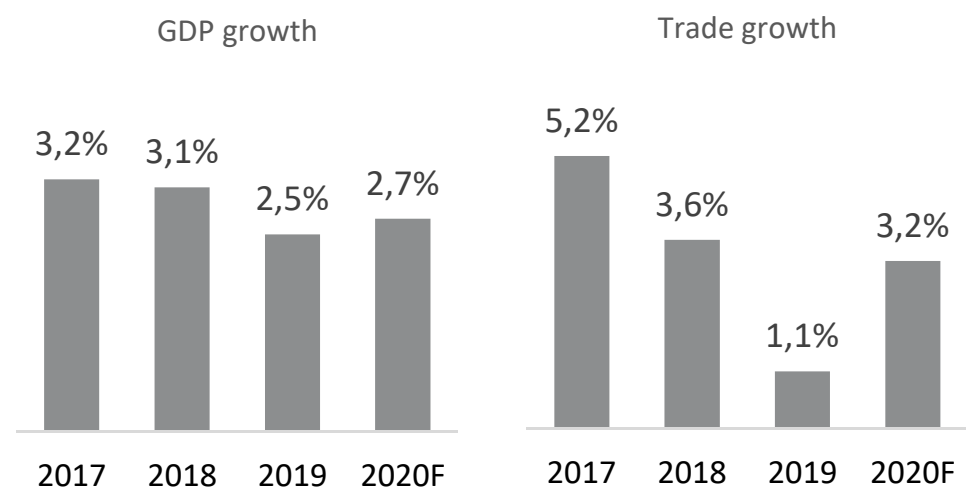
Economic growth and air travel underpin long term industry outlook

Air traffic growth forecast

(Global RPK's, CAGR)



Global GDP and Trade development



Source: Airbus Global Market Forecast 2019, OECD, IMF

GLOBAL AEROSPACE MARKET

Positive market outlook with a demand of 40.000 new airplanes by 2038

STRONG FIRM ORDER BACKLOG

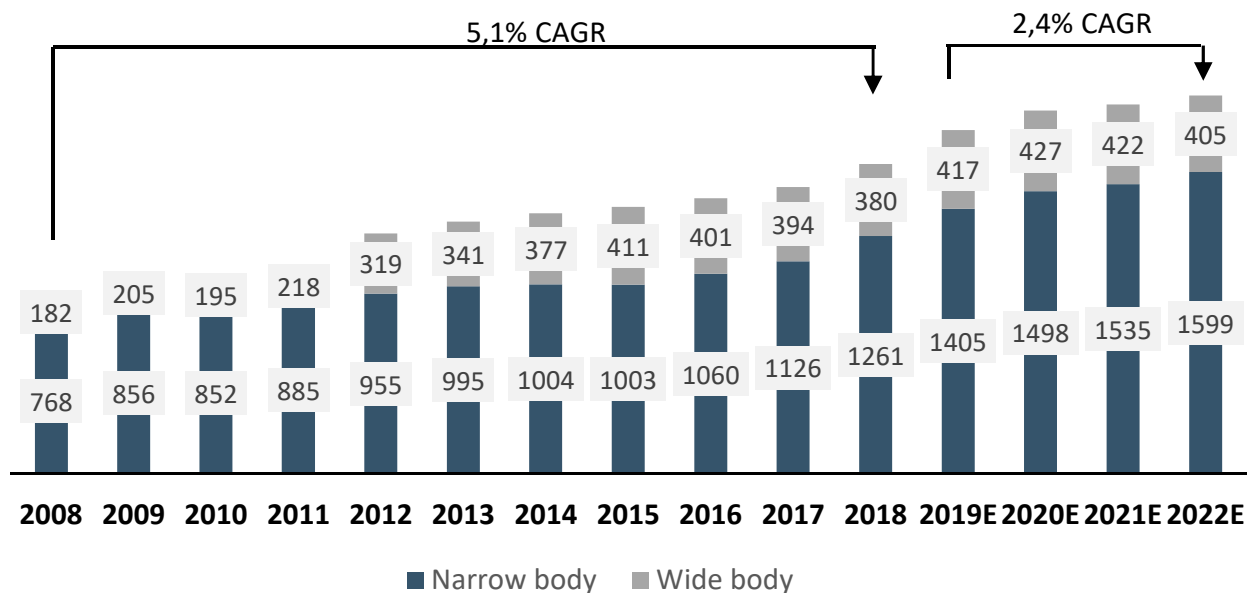
- A220 → 7.5 years
- A320 → 9 years
- A350 → 5 years
- A330 → 6 years
- B787 → 4 years

INDUSTRY BENEFITS OF THE AEROSPACE MARKET

- High predictability
- Stable long-term growth potential
- Strong customer/supplier relationship
- Long contract cycles

NUMBER OF AIRCRAFT DELIVERIES (historical & forecast)

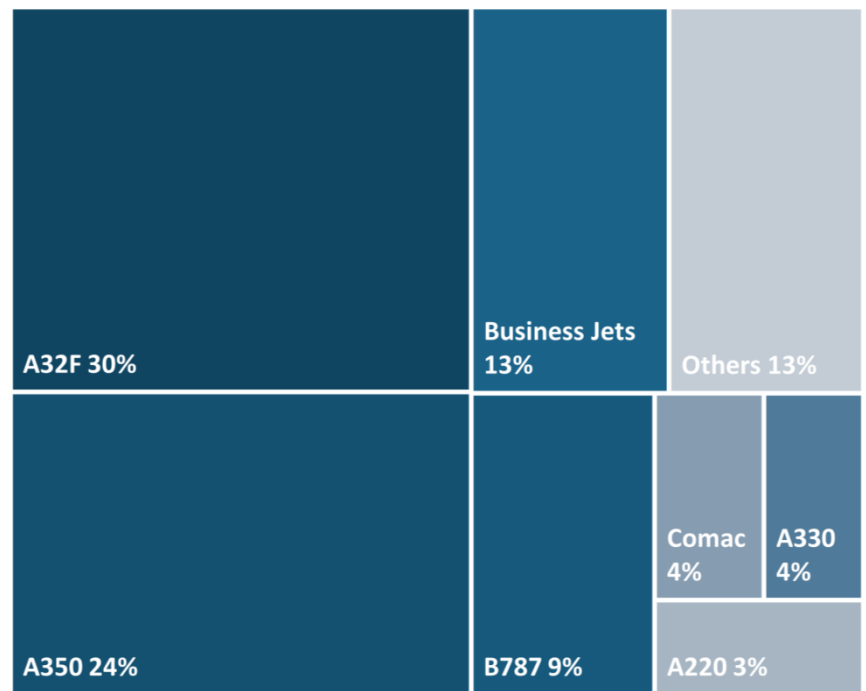
- The market continues to grow, however the past growth rates will not continue.



REVENUE COMPOSITION

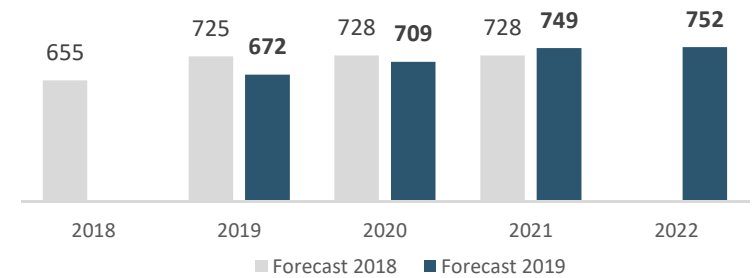
Production rate expectations for FACC's most important platforms

Revenues composition at H1 2019



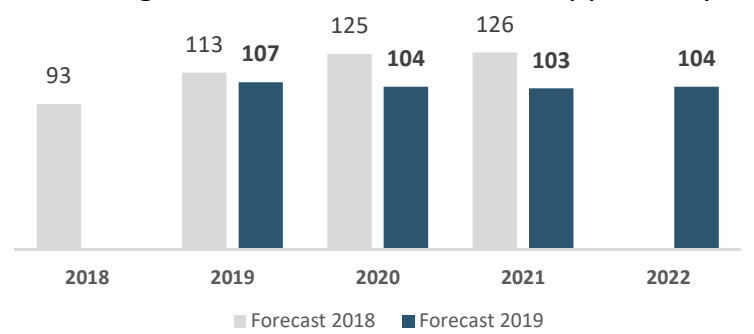
A32F Rate forecast

- Backlog based on 2019 deliveries approx. 9 years



A350 Rate forecast

- Backlog based on 2019 deliveries approx. 5 years



MARKET TRENDS

Changing trends are influencing business models for the next decade



ENVIRONMENTAL
SUSTAINABILITY



TECHNOLOGY
TRANSFORMATION



MARKET SHIFT &
CONSOLIDATION



OEM BUSINESS
MODEL

MARKET TRENDS

Implications on FACC's business model and strategy



Innovation to meet technologies demands

Ensure a competitive cost base

Leading edge equipment and facilities

Global footprint with turn key capability

Attract the best talents

INNOVATION FOR THE NEXT GENERATION

We invent new technology our customers are asking for

Airbus Innovation Award for FACC “Wing of Tomorrow” Development

- New Composite Wing Solution
- Material & Process (FACC „MARI“patent)
- Target to reduce cycle time and cost
- Technology for high rate production



FACC PERFORMANCE TARGETS

- > **Sustainable growth** that outperformed the market with „**Best in Class**“ from
 - Innovation
 - Efficiency
 - Global Presence
- > **Gaining market share** on existing platforms and entering new markets
- > Increase in financial performance to meet shareholder expectations

REVENUE GROWTH

> 5 %

- Outperformance of the market
- With strong program portfolio and high order backlog

EARNINGS (EBIT margin)

8 - 10 %

- Sustainable efficiency gains from favorable product mix
- Fixed & variable cost reductions

NET DEBT / EBITDA

~ 2.5x

- Strict cost control
- Focus on a stable capital structure
- Impact of new IFRS standards

DIVIDEND POLICY

20 -30 %

- Dividend policy established in course of the IPO
- Based on distributable profits

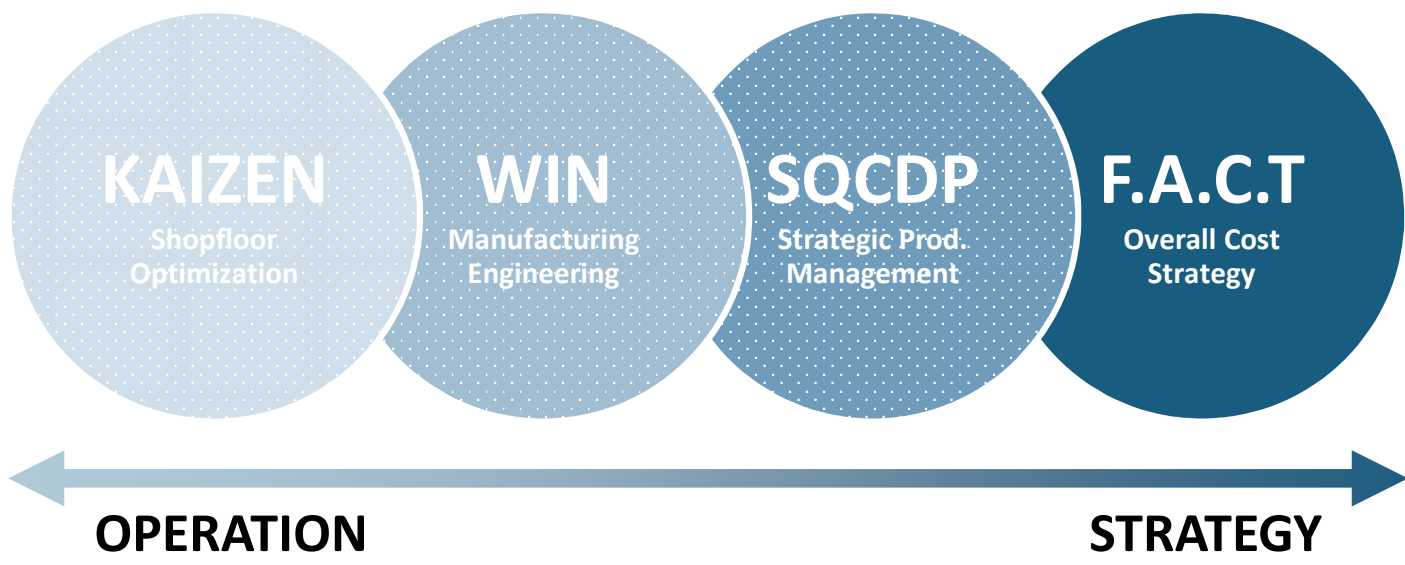
FACC COST OPTIMIZATION PROJECTS

What is F.A.C.T. and how does it fit into the current structure



- Define target areas for improvements to reduce overall costs to reach **8 - 10% EBIT target**
- Ensure that cost improvements are sustainable (Performance & Quality)
- Base improvements on process analysis “Form follows Function”

INTEGRATION



AREAS OF ACTION

ALL COSTS ARE LOCATED IN THREE MAIN AREAS

POTENTIALS ARE LOCATED IN THREE TARGET AREAS

Supply Chain
63%

Value Add
18%

Value Add
19%

**MATERIAL AND
PROCUREMENT COST**

**€ 25
Mio.**

MANUFACTURING

**€ 15
Mio.**

FIXED COST

**€ 10
Mio.**

**8-10 %
Overall group
margin target**

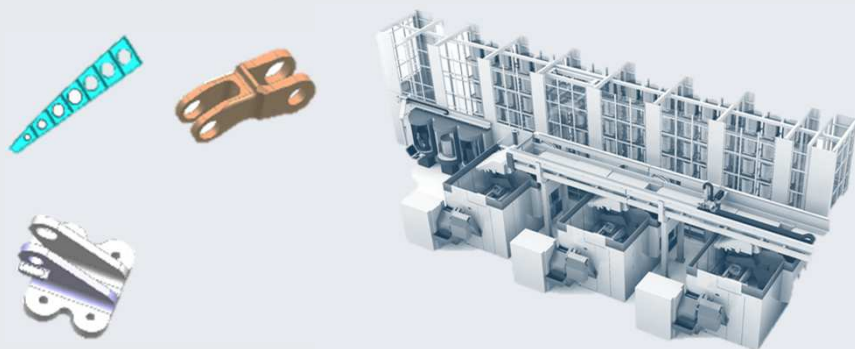
Margin improvement only requires limited sales growth, therefore the required actions are largely within our control

VERTICAL INTEGRATION

Integrate new processes and products into the FACC value stream

MACHINING HARDWARE

- Integration of a plannable, highly automated, state of the art process with a scalable system.
- Additional to cost savings we generate a risk reduction for supply chain performance issues.



PREMIUM BUSINESS JET INTERIOR

- Integration of a growing market for premium aircraft interior and customized projects.
- Additional to cost savings we generate a risk reduction for supply chain performance issues.



FACC SOLUTIONS CROATIA

Plot Size of 128.000 m² allow Expansion

Facility Size of 19.000 m² to support 1 Million labor hours p.a.



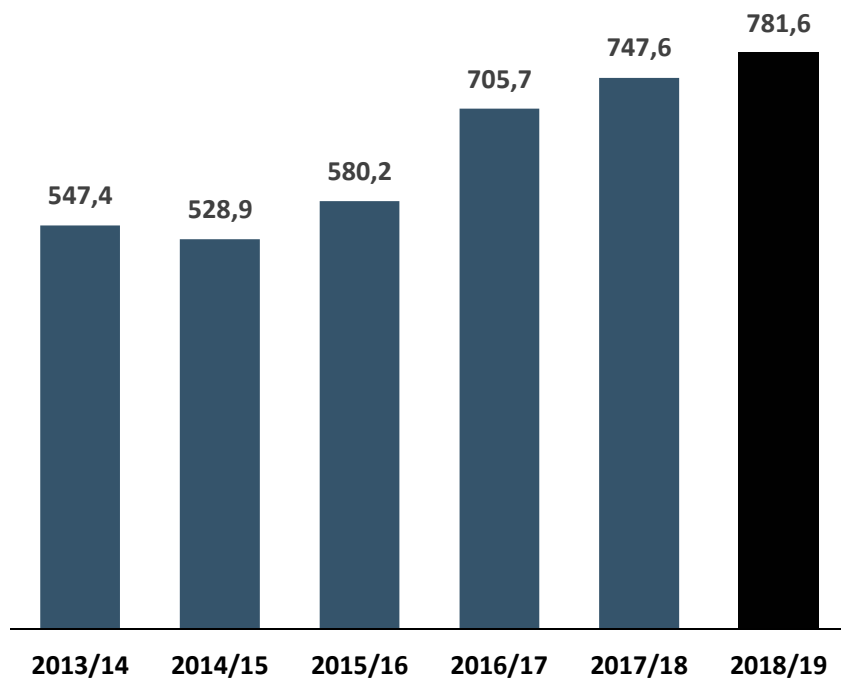
Timeline: 05/19 Plot acquisition - 07/19 Foundation of FSC d.o.o - Q1/20 Ground braking - Q2/21 Start production

REVENUE AND EBIT GROWTH

Dynamic growth since IPO (7,4% CAGR)

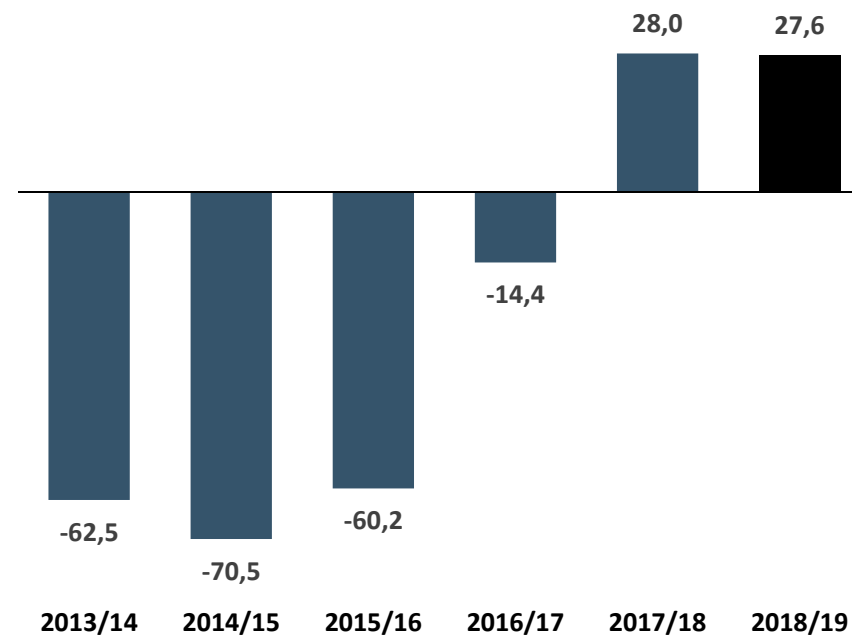
Revenue

in million
EUR



EBIT

in million
EUR



KEY CAPITAL STRUCTURE CONSIDERATIONS

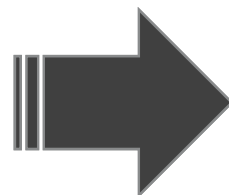
As of 01.01.2020

Current position

Equity ratio of 40 %

Net Debt/EBITDA ~3,5

Non-investment grade rating



Target

Net Debt/EBITDA in the range of 2,0-2,5

Obtain investment grade rating

Maintain flexibility for investments in new programs or organic growth opportunities

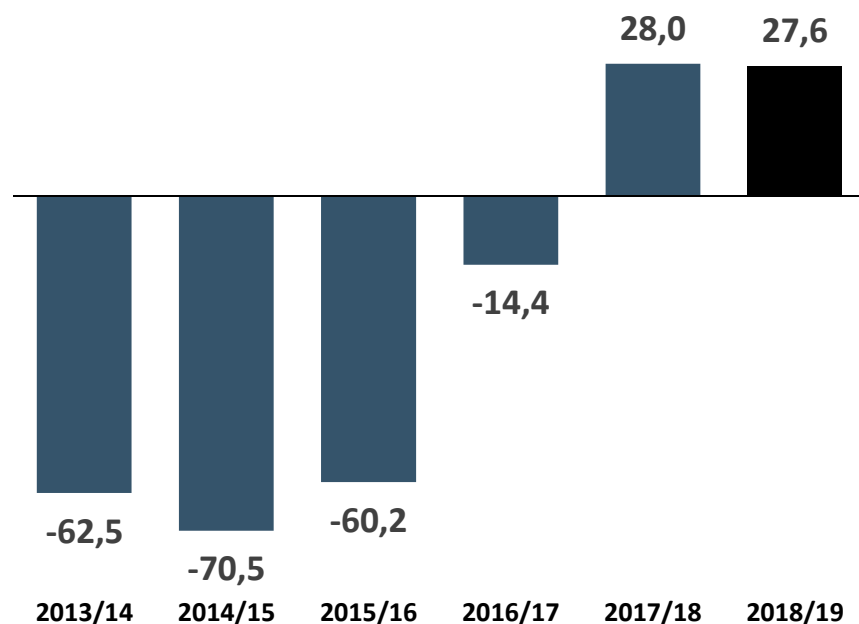
Increase shareholder returns

CASH FLOW & BALANCE SHEET

Solid improvement in FCF , net debt impacted by IFRS16 reclassification

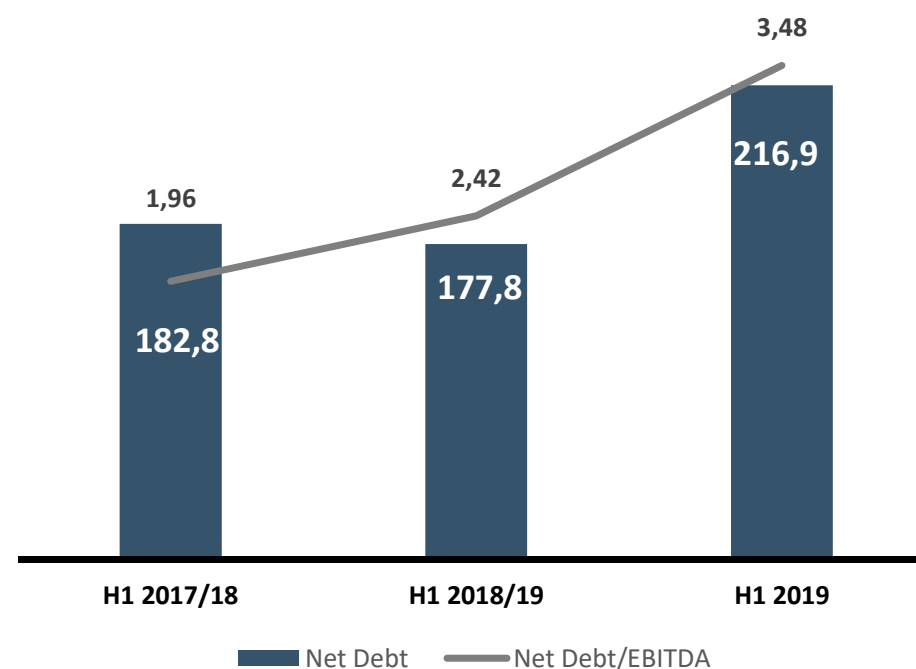
Free cash flow

in EUR mill.



Net debt and Net debt / EBITDA ratio

in EUR mill.



THANK YOU

