

A dark blue background featuring a large, dark planet on the right side. A bright sun is rising behind the planet's horizon, creating a lens flare effect with several rays of light extending outwards.

FACC // CAPITAL MARKETS DAY

DAY 2 – November 23, 2018

Presentations

A large, dark, curved shape representing a planet or moon is positioned on the right side of the slide. A bright sun is rising behind its horizon, creating a lens flare effect with several rays of light extending outwards.

FACC // CAPITAL MARKETS DAY

Aftermarket Services

Christian Mundigler

TIER-1 PARTNER WITH A WIDE RANGE OF SERVICES

From the product idea to custom-tailored solutions



AEROSTRUCTURES



ENGINES & NACELLES



CABIN INTERIORS

A NEW BUSINESS SEGMENT

- Genuine one-stop shop
- Expertise as an OEM
- Aircraft part-specific know-how
- High-performance infrastructure in America, Asia and Europe
- Fast and cost-efficient service

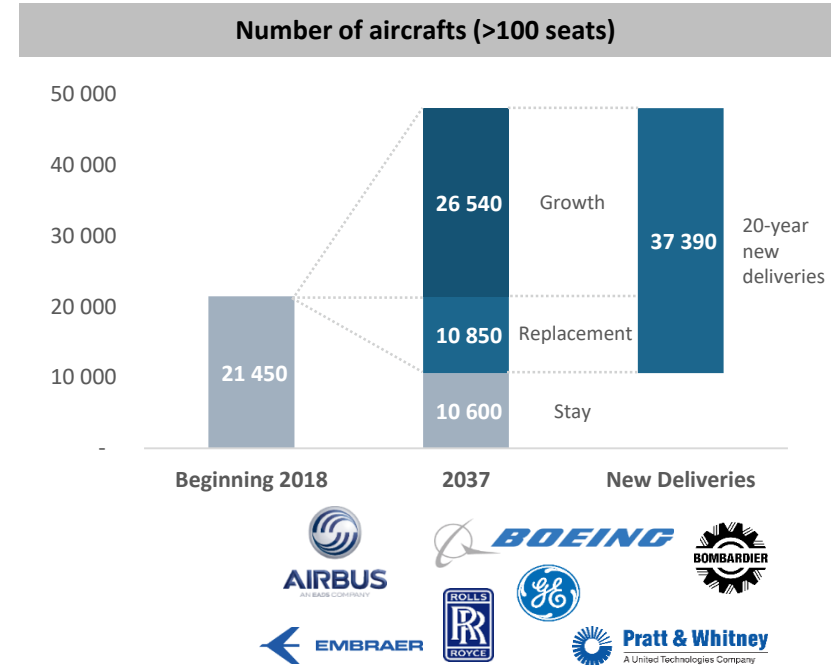


AFTERMARKET SERVICES

REPAIR | REFURBISH | REPLACE

GROWING AEROSPACE MARKET

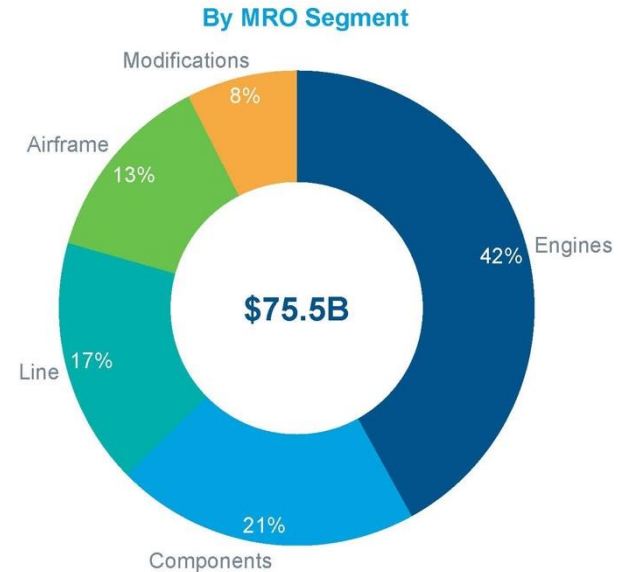
- OEMs confirmed long-term outlook until 2037
 - Demand for more than 37,400 aircraft (new and replacements)
- Transition from metal to composite components
 - Lightweight components increase the efficiency of modern aircraft
- New airline interior strategy
 - Change or upgrade of the aircraft interior 2 to 3 times per aircraft lifetime



MRO – A MARKET WITH HIGH POTENTIAL

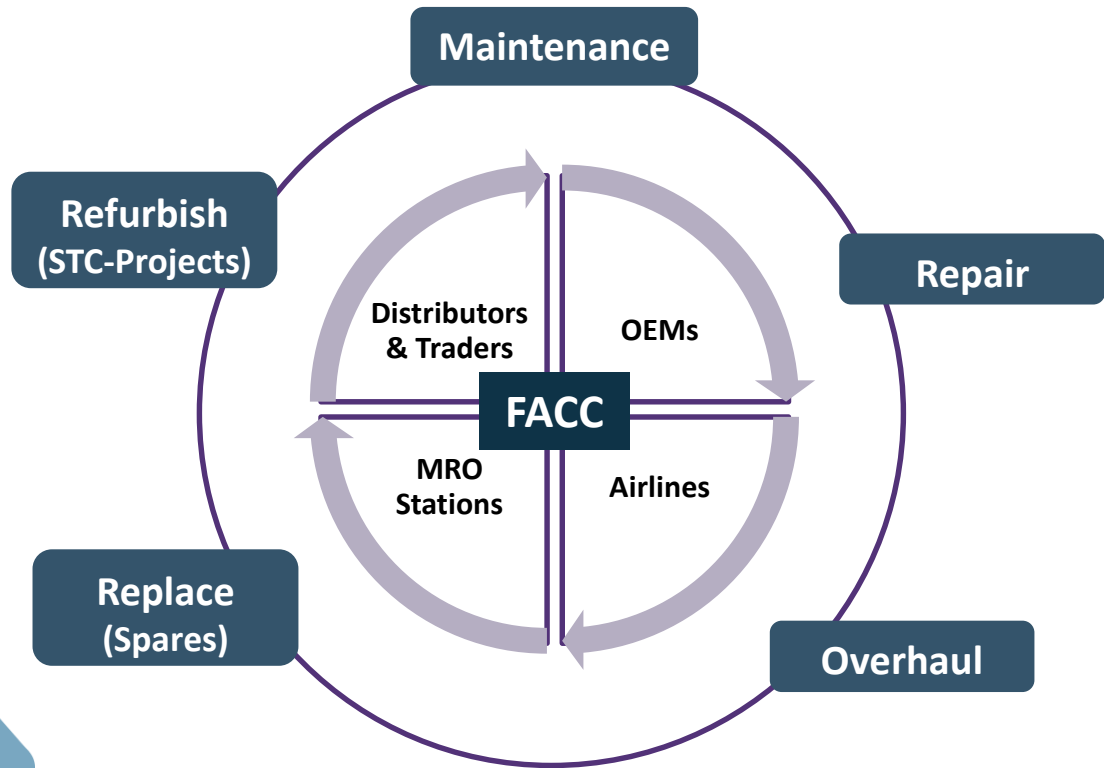
FACC Aftermarket Services

- Significant fleet growth with a demand for 37,400 new aircraft until 2037
- Steadily increasing share of composite material on modern aircraft
- High demand for cost-efficient repair designs, cabin upgrades, refurbishments and conversions
- MRO market to grow by 4.6% p.a. and to reach some USD 118 bn by 2027



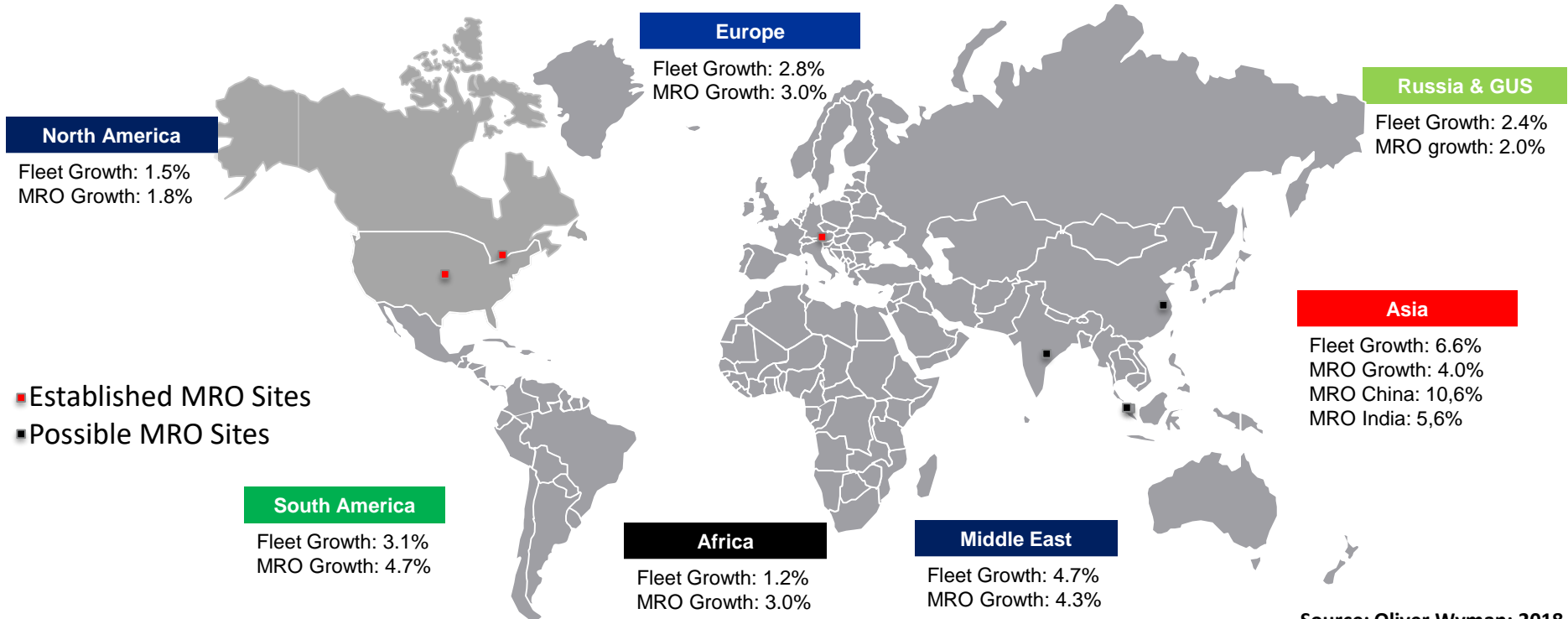
SERVICES AT A GLANCE

Repair / Refurbish / Replace



WORLD MARKET OUTLOOK

Market Forecast predict an above average growth for global MRO business



SUPPORT FOR ALL DIVISIONS

Aerostructures, Cabin Interiors, Engines & Nacelles



A TRUE ONE-STOP SHOP

FACC is an original component manufacturer with 30 years of aerospace experience holding EASA, FAA and TCCA approvals.

MRC

SERVICES

Benefit from

- Original component manufacturer
- Exceptional turn times
- Favourable pricing

DESIGN

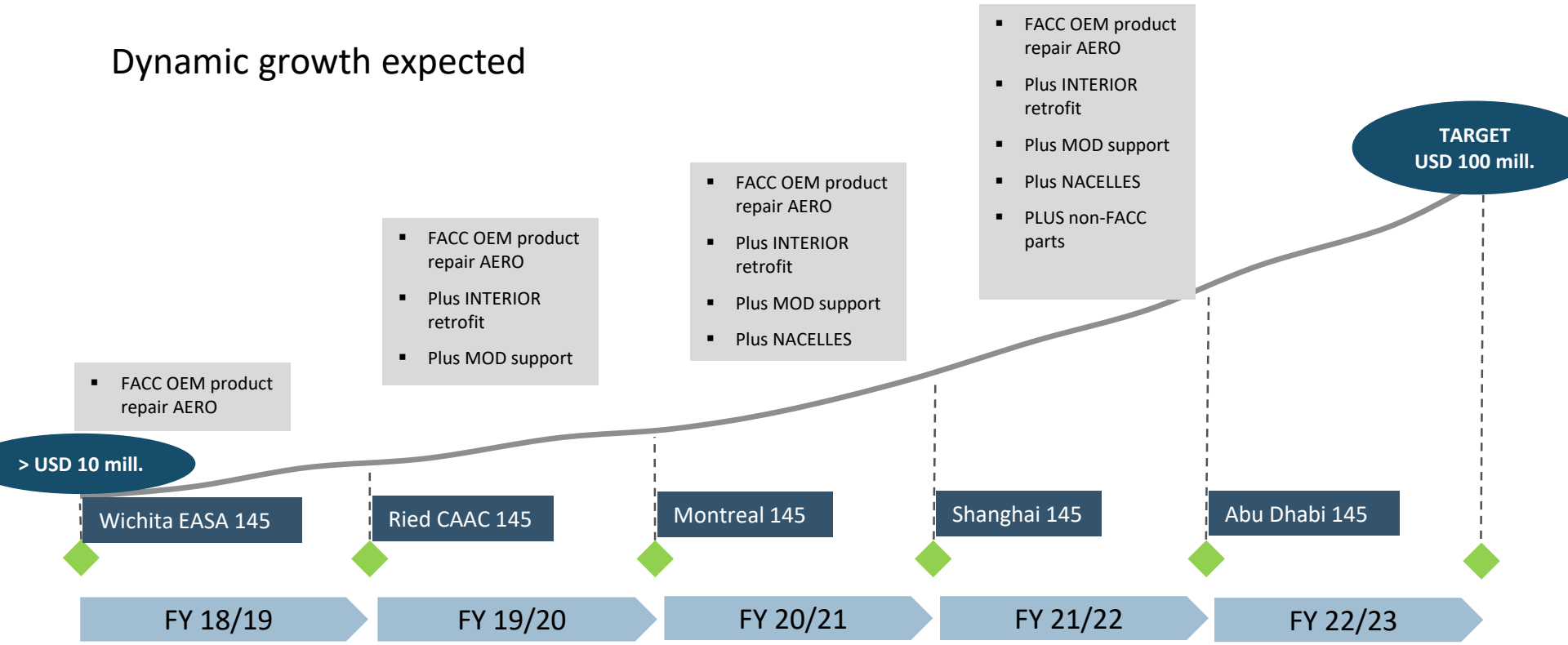
SERVICES

Benefit from

- Comprehensive engineering know-how
- Innovative design solutions
- Simply certified

PRODUCT & SERVICE ROAD MAP

Dynamic growth expected



BUILDING ON THE COMPETENCE OF AN OEM

- Deep and skilled resources in composite manufacturing and repair
- Access to tooling assures the original contours are maintained for flight-critical surfaces
- Comprehensive know-how in NDT services: thermography, ultrasonic, X-ray, etc.



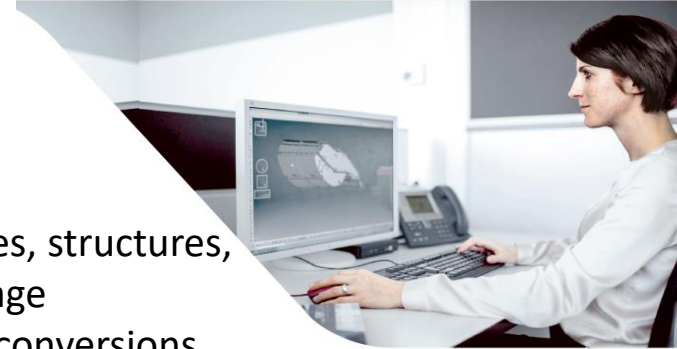
SPECIFIC INTERIOR OFFERS

- Design, manufacturing and finishing of business jet interior products
- Assembly and integration of all cabin systems
- Extensive cabin finishing and repair capabilities

CAPABILITIES

Design organisation approvals

- **Refurbishment**
Surfaces (paint, leather, decor),
mechanism, cushions
- **Retrofit & Cabin Upgrade**
Passenger luggage space upgrade,
business jet cabin layout changes
- **Repair Design**
Aerostructures, Interiors
components, Engines & Nacelles
- **Modification**
Aerodynamic surfaces, structures,
cabin interiors, luggage
compartments, P2F conversions
- **Minor AFM Changes**
- **Minor OSD Changes**
Flight crew data and master
minimum equipment list



REPAIR & MODIFICATION CAPABILITIES

Optimized composite repair solutions

Scope & Capabilities

- One-stop repair shop
- Full MRO service
- Full modification and repair solutions (incl. approved design)



Expertise

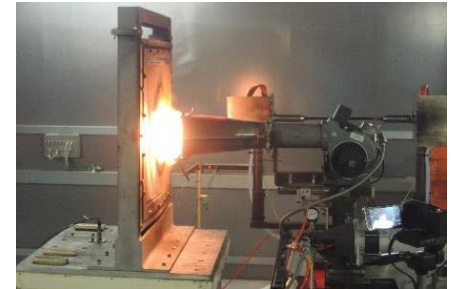
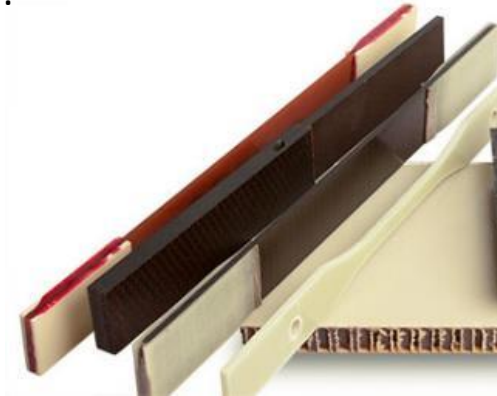
- Winglet & sharklet commercial & business jets
 - B737 “blended winglet” to “split scimitar winglet” modifications
 - B737/ 757 winglet heavy repairs
- Wing control surfaces
- Flap track fairings
- Engines & Nacelles components
- Interiors

TESTING CAPABILITIES

Design organisation approvals

FACC Design Service provides an experienced team of engineers with specialized knowledge in:

- Design engineering
- Stress
- Fatigue analysis
- Flammability
- Full-scale testing
- Material qualification and certification



of lightweight composite aircraft components and associated systems.

APPROVALS AS AN ENTRY POINT

Maintenance & Design Organisation

FACC part 145 maintenance approvals

- FACC Operations GmbH, AT:
 - EASA AT.145.040
 - TCCA 813-40
 - FAA 6FOY865C
 - CAAC in processScope: C5, C6, C7, C8, C20
and D1 for non-destructive testing
- FACC Solutions, Inc., US:
 - FAA FSOR210X
 - EASA.145.6792Scope / rating: Limited airframe
(see capability list)

FACC Part 21J Design Organisation approval

- FACC Operations GmbH, AT:
 - EASA.21J.276
 - Privilege to design repairs and modifications

FACC AFTERMARKET SERVICES

Customer approvals

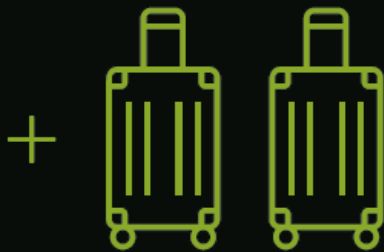
FSI Wichita, US

- AeroMexico
- Alaska Airlines
- Aviation Partners
- Boeing
- Boeing
- Bombardier
- Delta Airlines
- Embraer
- GOL
- Southwest Airlines
- Spirit
- SunCountry
- SunWing
- United Airlines
- WestJet

FACC Ried, AT

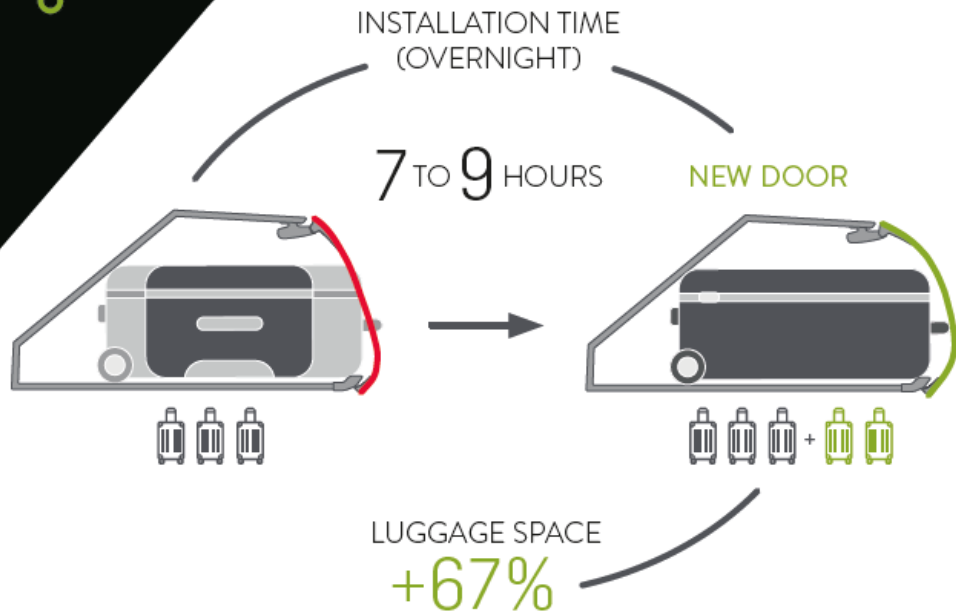
- Airbus
- Aviation Partners
- Boeing
- Bombardier
- Embraer
- FlyDubai
- GOL
- JetAviation
- OrenAir
- Quantas
- Ryan Air
- SAS Group
- Sun Express
- TUI Group
- Turkish Airlines

GET MORE SPACE



PASSENGER LUGGAGE SPACE UPGRADE

The new retrofit doors for classic cabin interior of A318, A319, A320, A321 aircrafts to increase overhead baggage capacity. For other aircraft types available on request.



AUSTRIAN AIRLINES // LAUNCH CUSTOMER

Official launch customer for new “Passenger Luggage Space Upgrade”

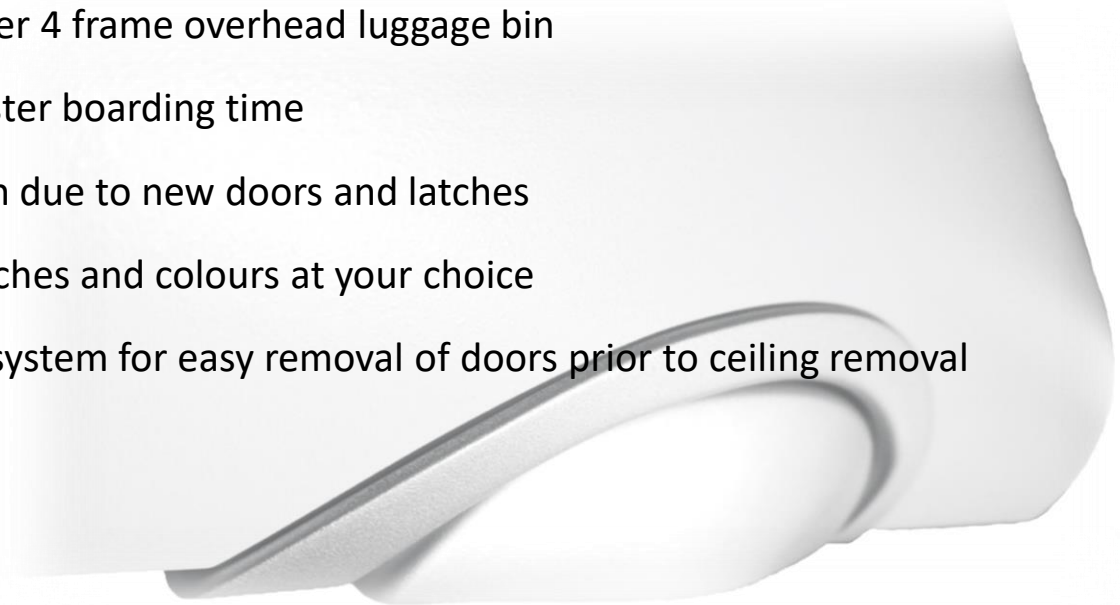


Austrian 

ADVANTAGES

Passenger Luggage Space Upgrade

- Fast and easy retrofit overnight
- Allows 5 instead of 3 roller bags per 4 frame overhead luggage bin
- More space for luggage means faster boarding time
- Modern appearance of main cabin due to new doors and latches
- Bin decor and colour, different latches and colours at your choice
- Robust hinges with quick release system for easy removal of doors prior to ceiling removal





THE FUTURE REQUIRES
PERFORMANCE
WE GUARANTEE IT

The background of the slide is a dark, almost black space. On the right side, there is a large, dark, curved shape representing the horizon of a planet. A bright sun is rising behind the planet's horizon, creating a lens flare effect with several rays of light extending outwards. The overall scene is atmospheric and futuristic.

FACC // CAPITAL MARKETS DAY

NEW TECHNOLOGIES AND
MATERIALS IN AEROSPACE

Rene Adam

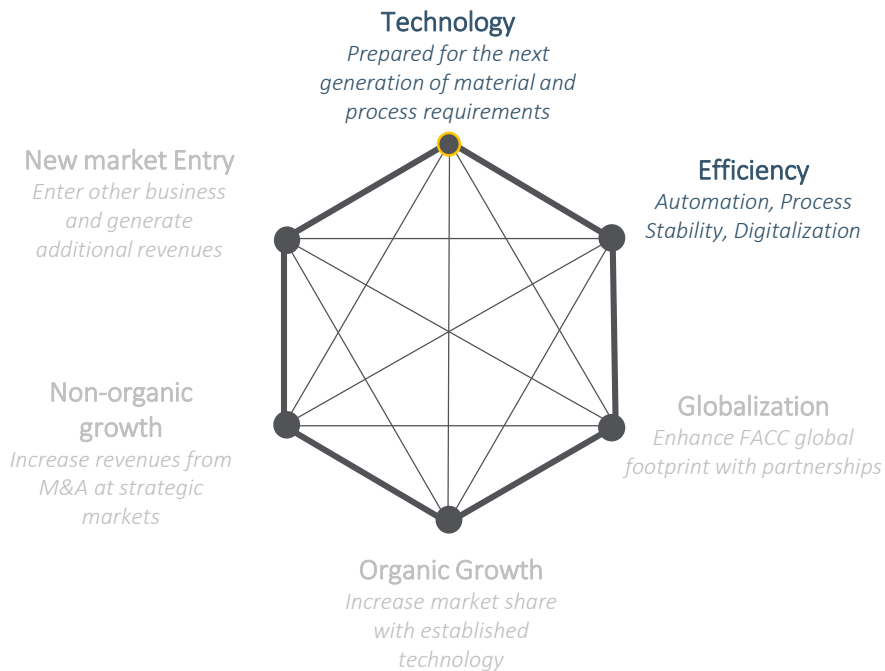
OUR RESEARCH MISSION

INNOVATION IS OUR DESTINATION

STRATEGIC TOPICS AT FACC

■ Technology targets

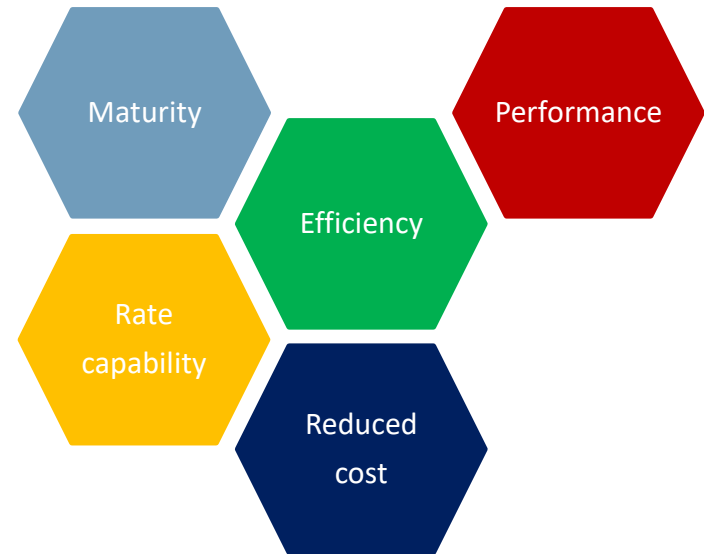
- One step ahead in technology development
- Get ready for next generation technology and efficiency requirements
- New patents to secure future FACC USP
- New processes available and mature for 2022+ applications



FOCUS ON CUSTOMER REQUIREMENTS

Next-generation aircraft technology

- **Efficiency** improvement & electrical systems
 - Bionic surfaces, electrical engines
- **Rate capability** & automation
 - Design for automation, digitalisation
 - Life cycle monitoring
- **Cost reduction** from new technologies
 - Materials: Thermoplastics, SMC
 - Processes: Oven, presses, 3D printing



STRONGER TOGETHER

Research partnerships



NEXT-GENERATION AIRPLANE TECHNOLOGY

FACC innovation projects

- **New materials & processes**
 - Pilot factory for thermoplastic part production
 - Fast curing composite materials
 - Natural based material systems for interior part production
- **Part performance & aerodynamics**
 - Bionic & morphing part geometries
 - Life cycle health monitoring
- **Automation & digitalization**
 - Thermographic inspection methods replacing NDI
 - Self-learning robotic systems
 - Artificial intelligence engineering tools



Image credits: FACC

UPCOMING TRENDS

- Urban mobility
 - E-mobility
 - Connectivity
 - Performance, safety, cost
- USD 32 bn business in 2030+
- Bolt-on mobility to state-of-the-art transportation



Image credits: Airbus, Ital Design, Audi



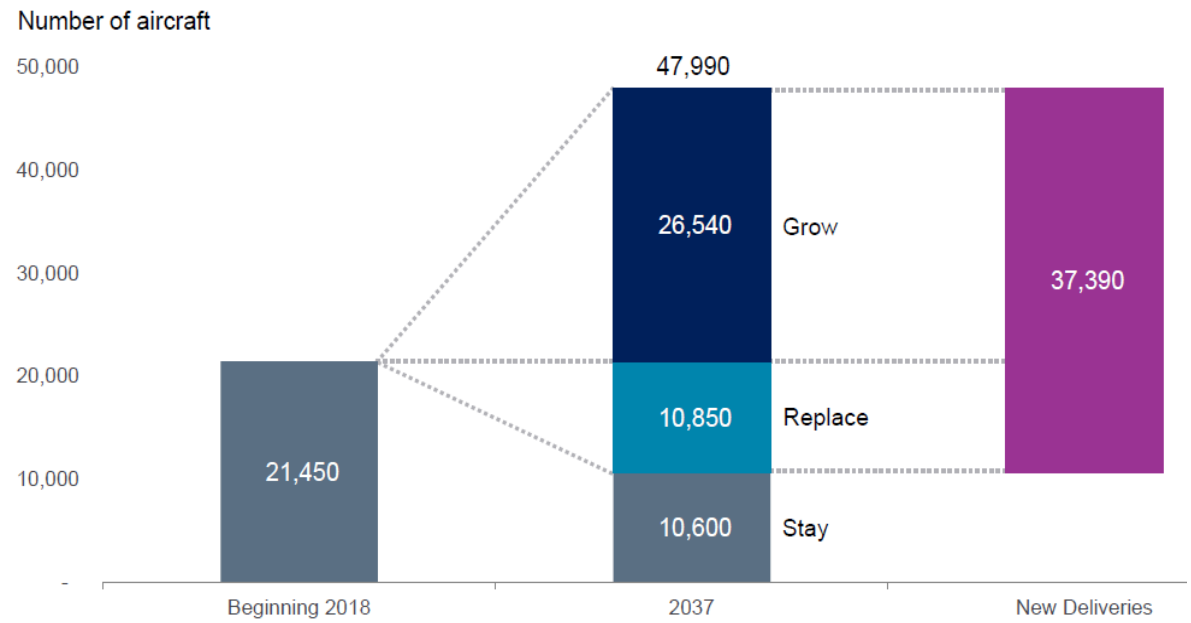
Image credits: EHang

#1
GLOBAL
MARKET
FORECAST



GLOBAL MARKET FORECAST – 2018 UPDATE

Airplane demand increased from 34,900 to 37,400



#2

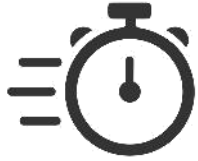
100 AIRCRAFT / MONTH*

SINGLE AISLE



A320 was designed for 14 aircraft / month

Image credits: airliners.net



FAST CURING



SUSTAINABILITY



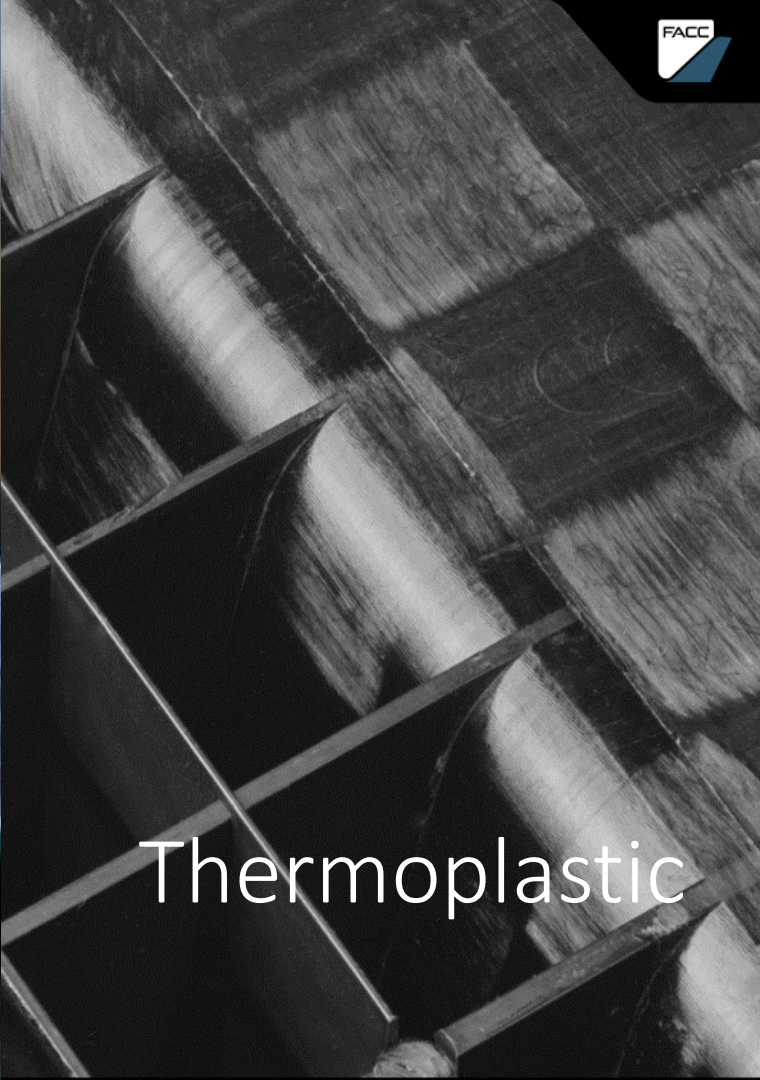
LOW COST



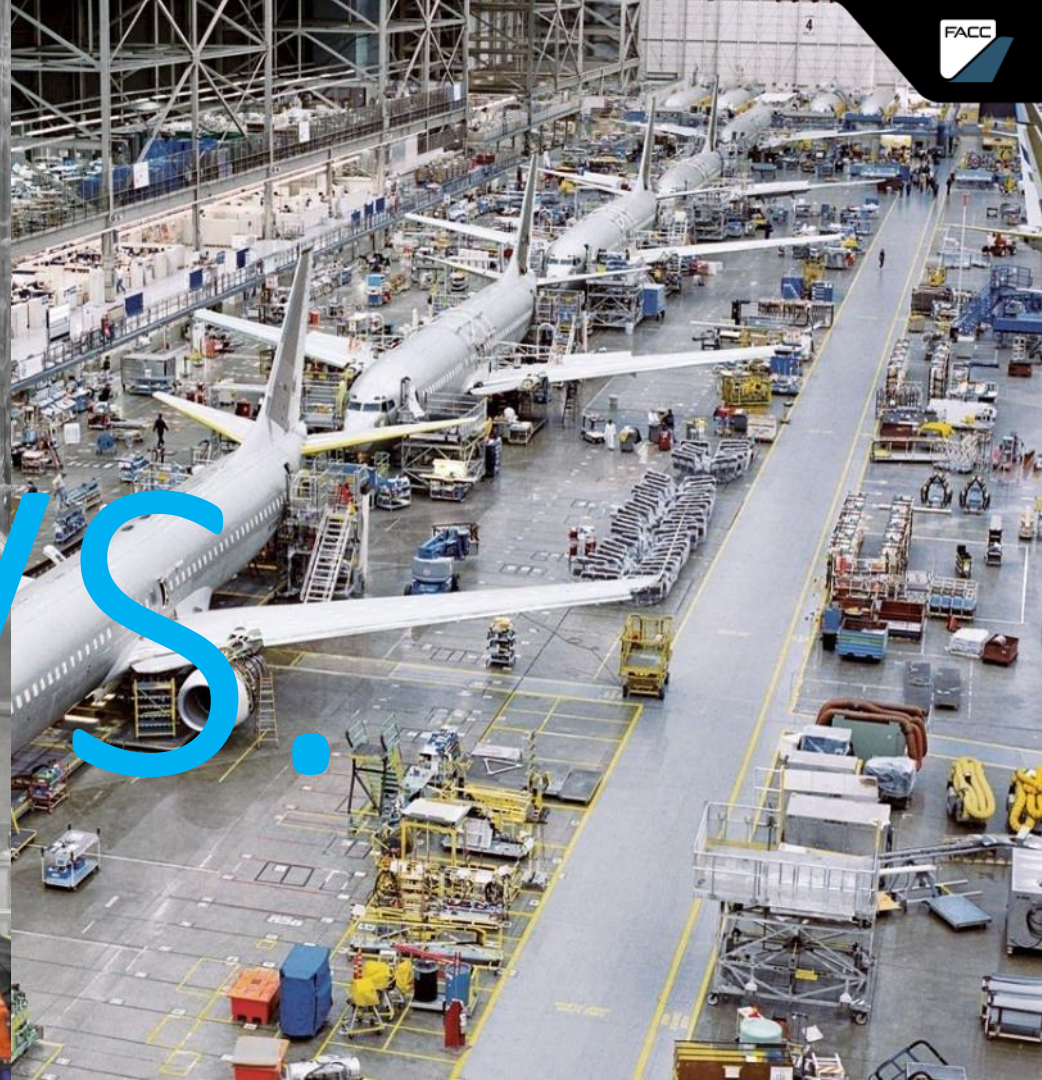
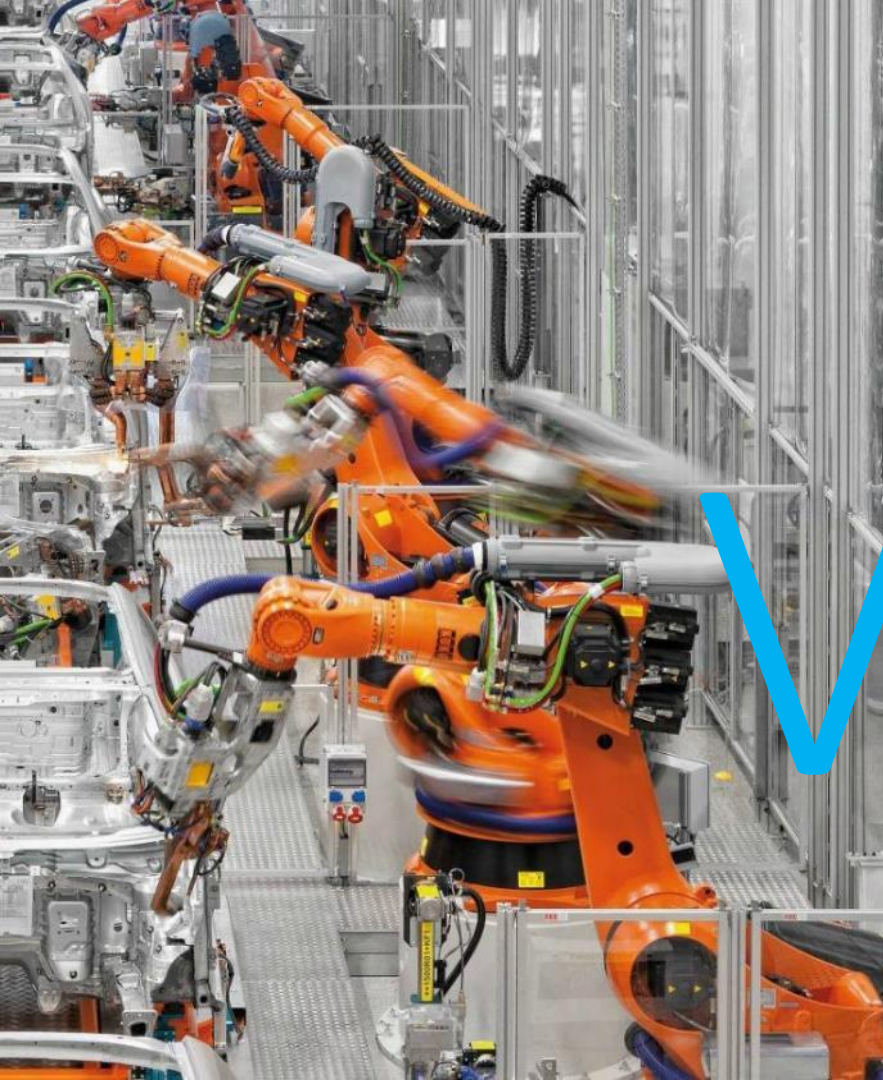
Thermoset



Metal

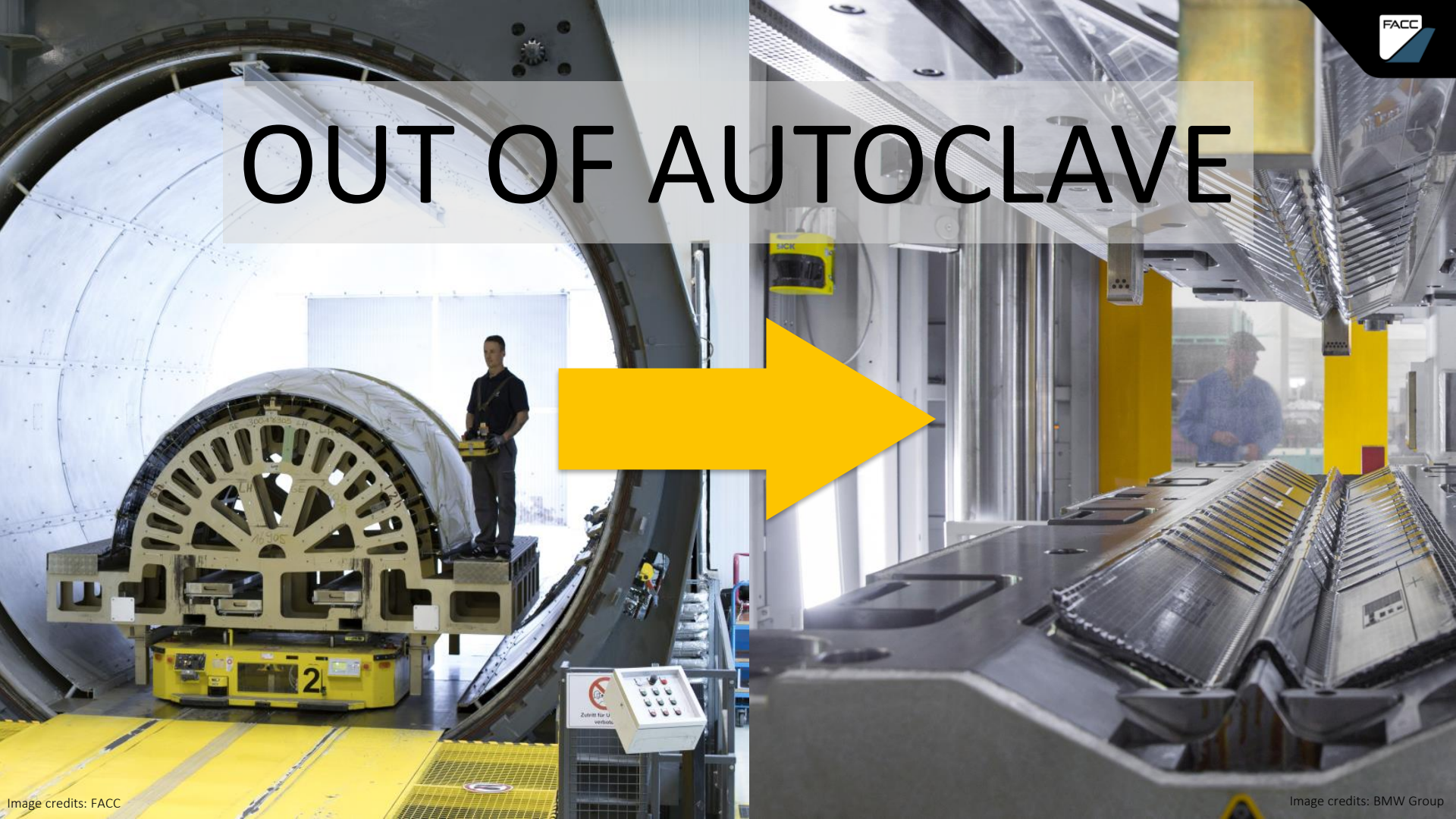


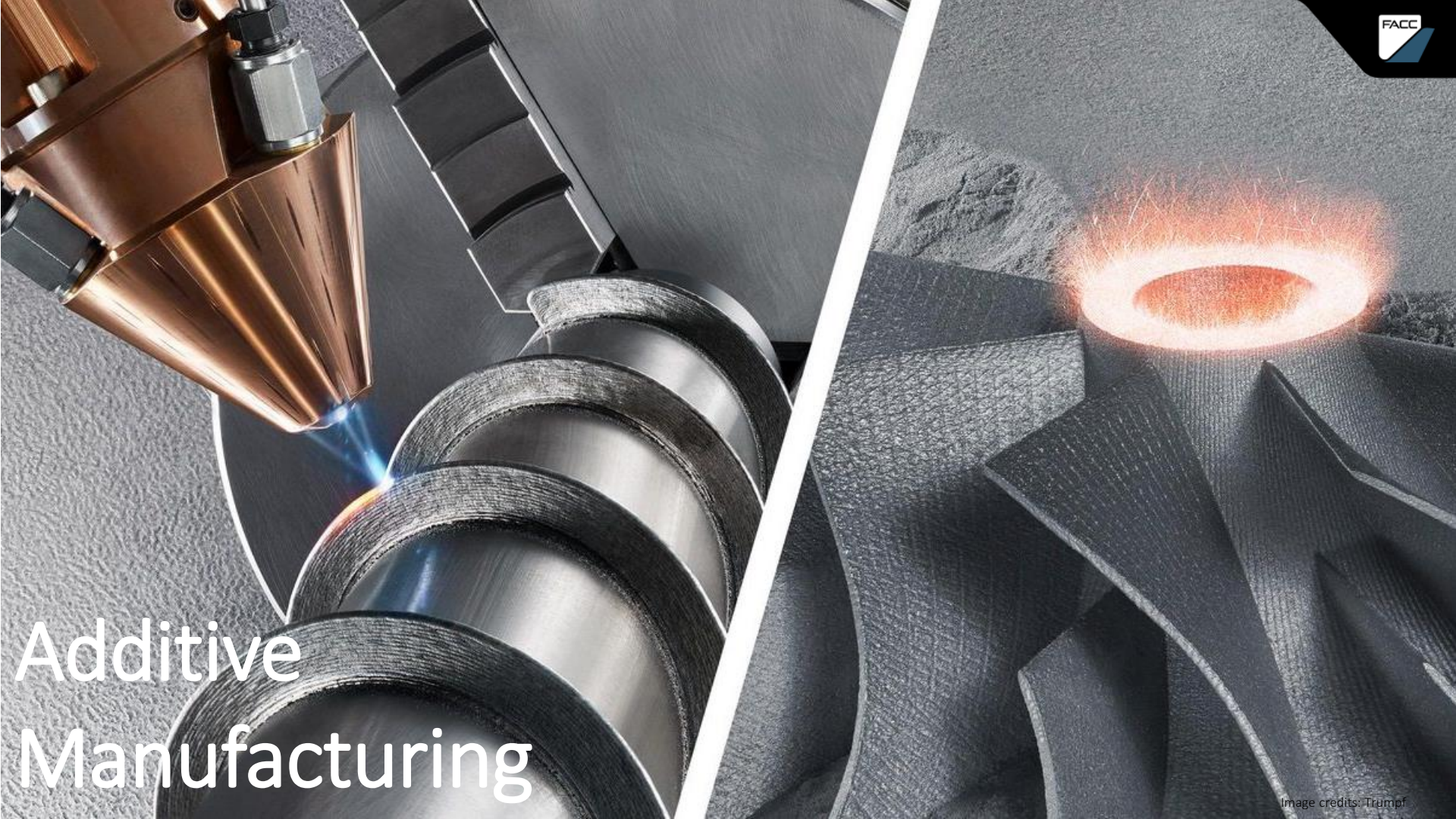
Thermoplastic



VS.

OUT OF AUTOCLAVE

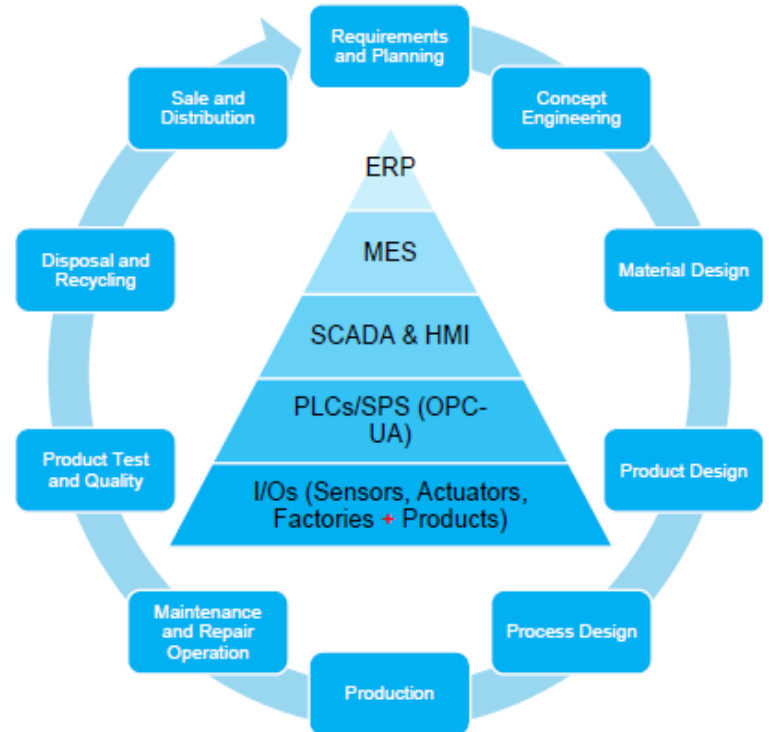




Additive Manufacturing

LIT FACTORY WITH FACC PARTNERSHIP

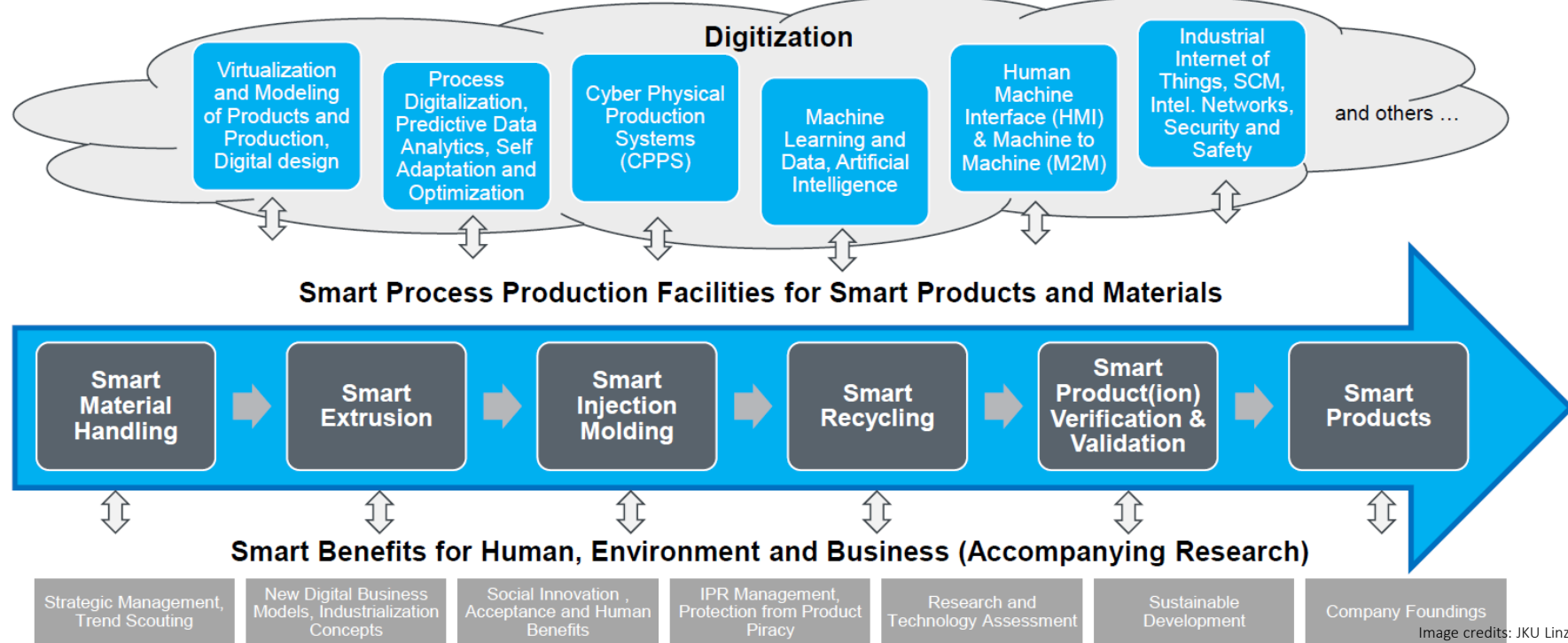
Facility for I 4.0 and thermoplastic composites with turn key capability



LIT FACTORY (START 2019)

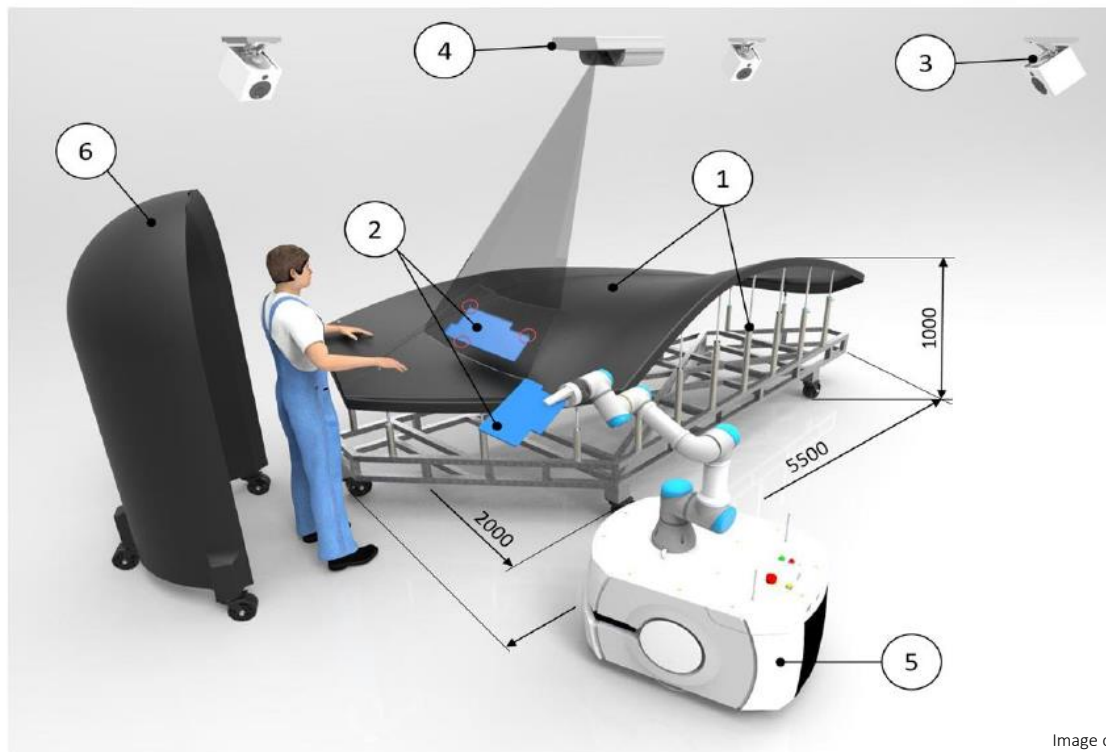
Future facility for I 4.0 and thermoplastic composites

Smart, networked, adaptive, cognitive, self-optimizing, resilient, green processing technologies!



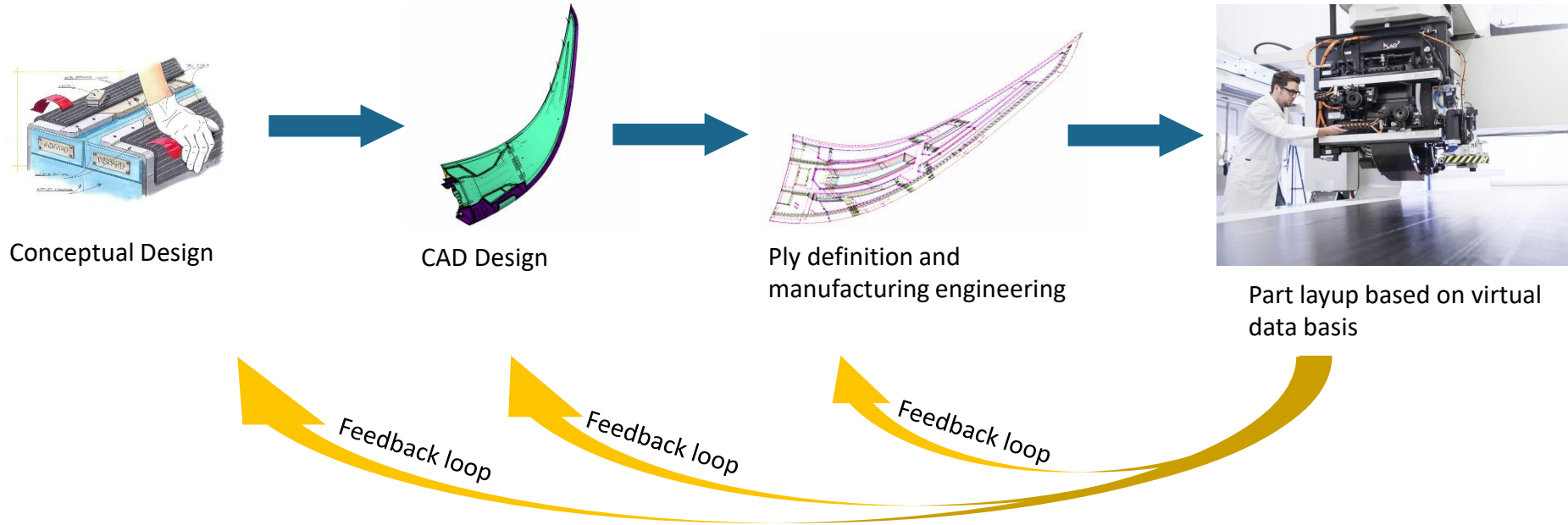
ENDOWED PROFESSORSHIP

Future facility for I 4.0 and Digitalization TU Vienna



DIGITAL TWIN

Consistent process chain from first scratch up to final assembly




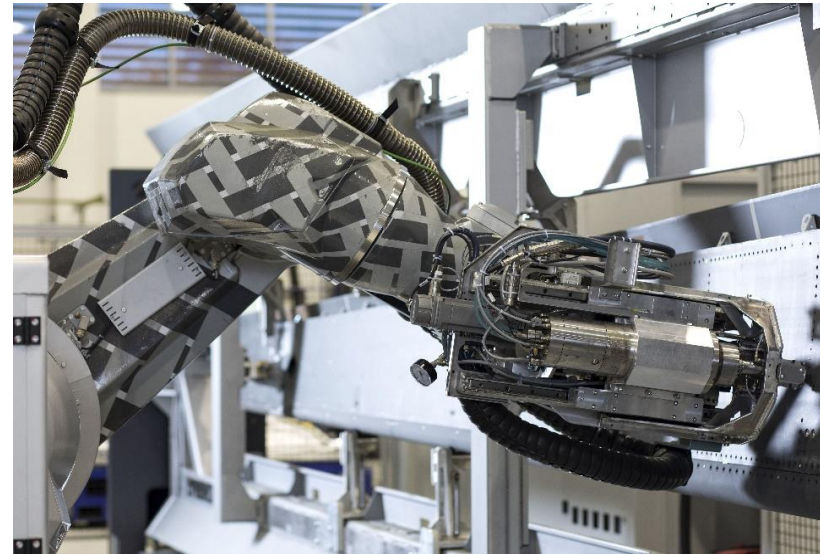
ENVIRONMENTAL VS. MANUFACTURING DATA

Find correlations between environmental data and part manufacturing conditions



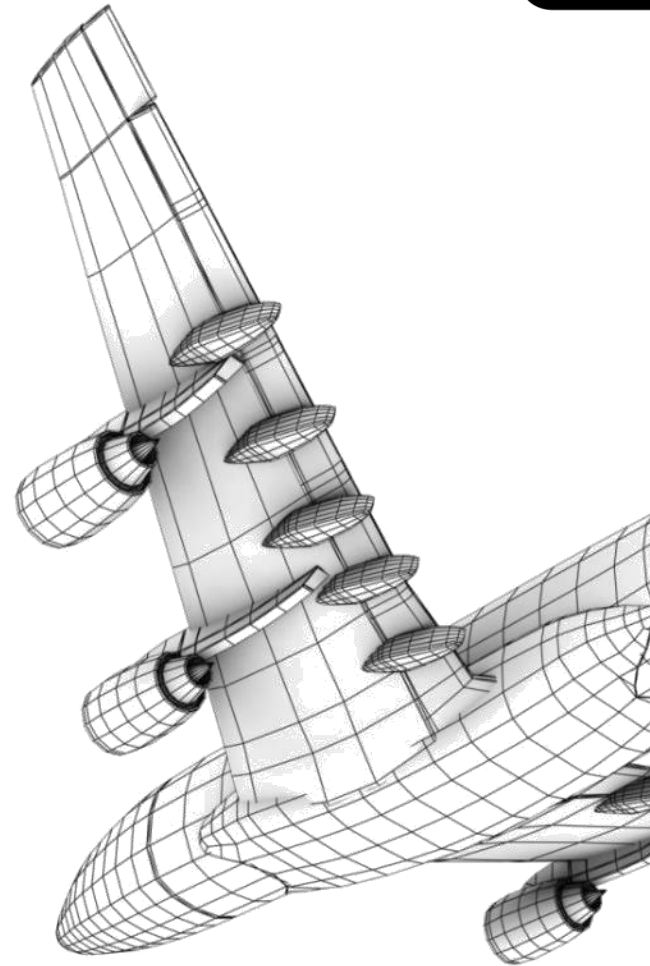
Temperature, Humidity, climate conditions ...

Find correlations

 using Big / Smart Data

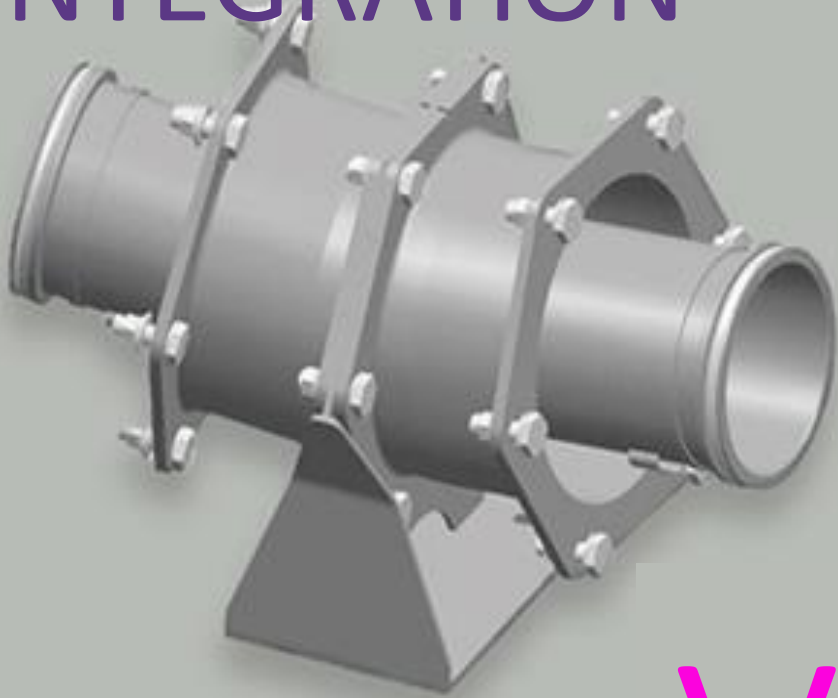


.... Impacting part quality

#3 PRODUCT DEVELOPMENT

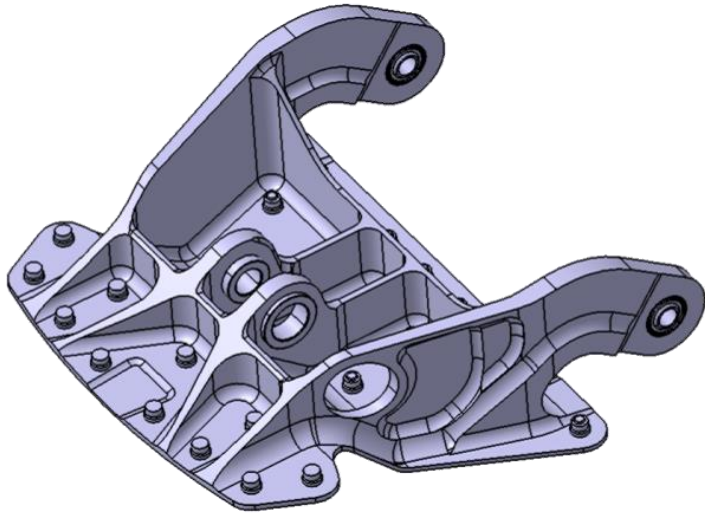


INTEGRATION

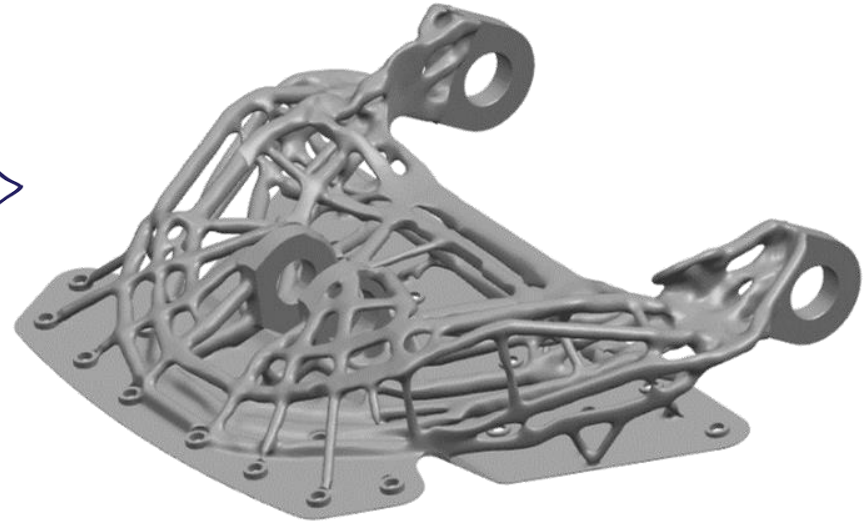
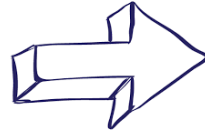


VS.

WEIGHT REDUCTION



CURRENT DESIGN FOR MILLING

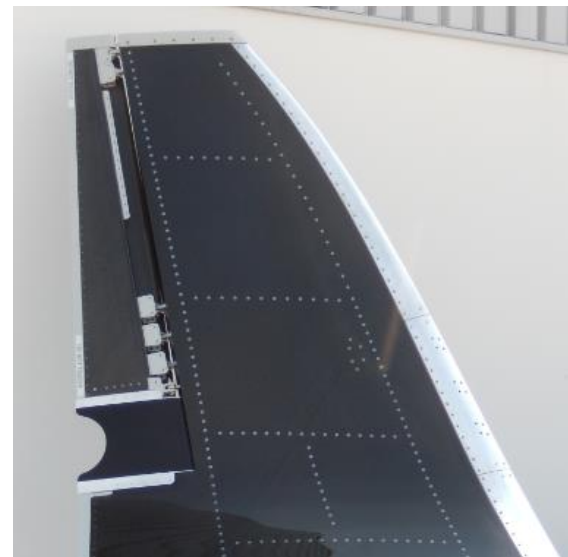


DESIGN FOR ADDITIVE MANUFACTURING

MORPHING SURFACES / WATE

Winglet with active trailing edge

- **State-of-the-art winglet**
 - Improves aircrafts' aerodynamic efficiency (reduce induced drag)
- **Winglet with active trailing edge (WATE)**
 - Reduces induced drag (as state-of-the-art winglet)
 - Simultaneously reduces loads of outer wing structure at critical flight points
 - Load reduction leads to lightweight composite parts
 - Allows optimum aerodynamic flight shape under different flight conditions

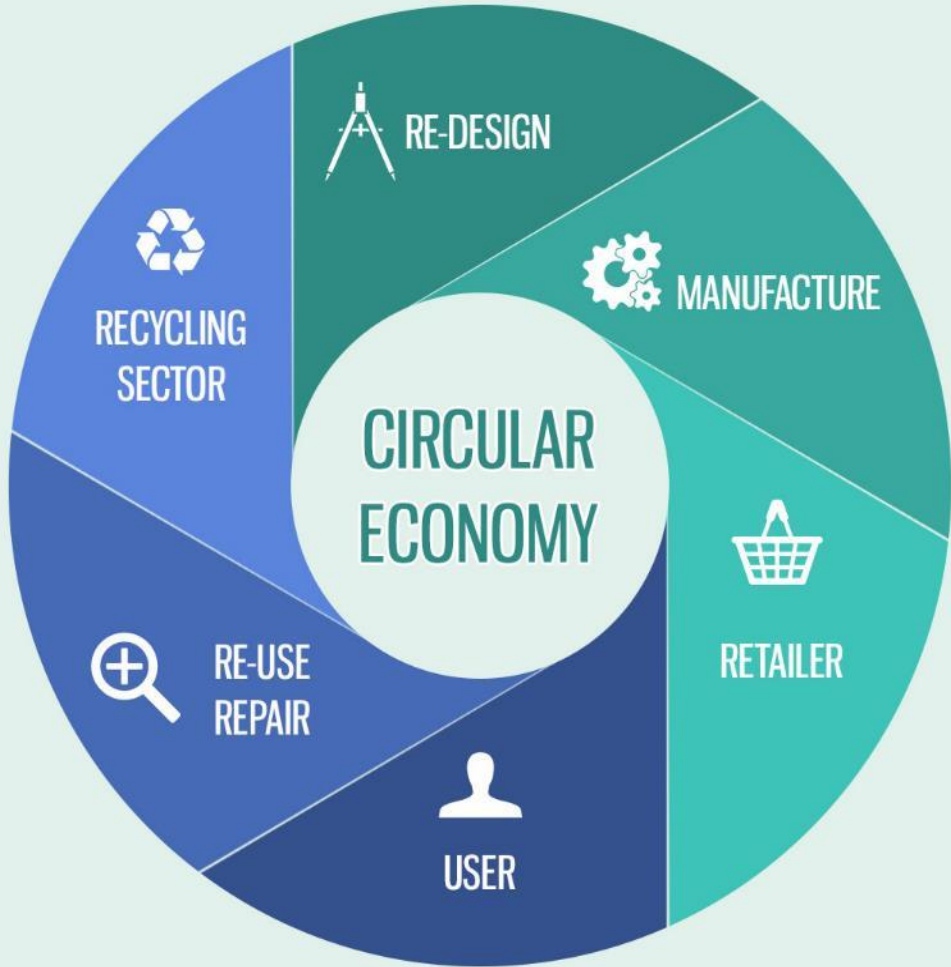


BIONIC DESIGN





GREEN MATERIALS



RE-DESIGN

MANUFACTURE



RETAILER



USER

RE-USE
REPAIR

RECYCLING
SECTOR

CIRCULAR
ECONOMY

STRUCTURAL STRENGTH MONITORING

- **Baseline: Human nervous system**

- The brain detects intensity and location of a pain and estimates the necessity of a medical investigation

- **Monitoring of structure condition**

- The system monitors the structure and detects structural damages

- **Structural strength control**

- The system rates the remaining capacity and suggests maintenance procedures



#4 THE CHALLENGE





THE THIRD DIMENSION

URBAN AIR MOBILITY

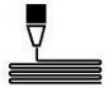
URBAN AIR MOBILITY

- Positive and enthusiastic customer feedback generates strong emotional pull for UAM
- **Possible use cases**
 - Airport-city transportation, urban taxi or commute traffic
- **Challenges**
 - Innovation is faster than regulatory / government
 - High level of safety needed / public acceptance
 - Noise generation and technology (e.g. energy density of battery)
 - Transportation cost



SUMMARY

Technology roadmap



Additive manufacturing

(metal and plastics, topology optimization, DFM ...)



Material and process development

(e.g. PUR resin systems, fast curing resin systems, CF-SMC, green materials)



Integral-monolithic composite structures

(e.g. empennage, wingbox cover ...)



Automation and digitalization

(e.g. cyber physical systems, IoT, I4.0 ...)



Technology and knowledge management



UPCOMING CHALLENGES

A series of horizontal, overlapping pink brushstrokes of varying lengths and opacities, creating a textured, hand-painted effect. The strokes are contained within a thin, light pink rectangular border.

PEOPLE- CENTERED PRODUCT DESIGN



“WE DESIGN THE FUTURE OF
MOBILITY WITH THE MATERIALS
OF TOMORROW.”

A large, dark planet is shown in the background, partially obscured by a bright sun on the right side. The sun creates a lens flare effect, with several rays of light extending outwards. The planet's surface is dark and textured, suggesting a celestial body.

FACC // CAPITAL MARKETS DAY

Financials & Financing

Ales Starek – CFO

Florian Heindl - Treasury

HIGH FOCUS ON FINANCIAL EXCELLENCE

Constant growth in revenues since 2014 with a CAGR of almost 10%

Substantial deleveraging of the balance sheet to a range of 2 to 2.5

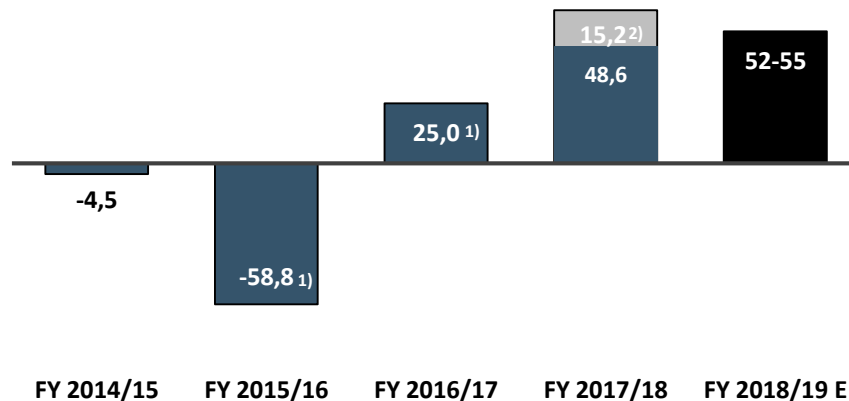
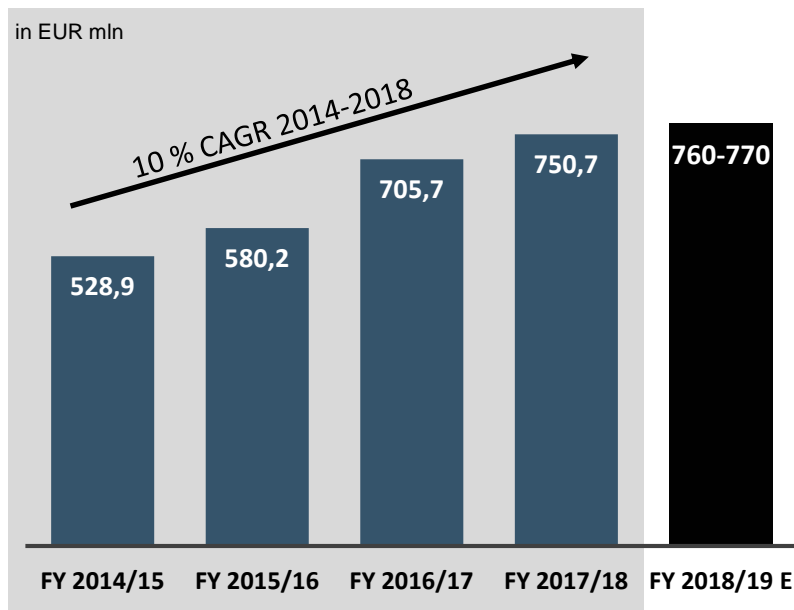
**SIGNIFICANT
IMPROVEMENT OF KEY
FINANCIAL INDICATORS**

Significant improvement in Free Cash Flow to EUR 28 mill.

Sustainable improvement in operating result.

CONTINUOUS STRONG PERFORMANCE

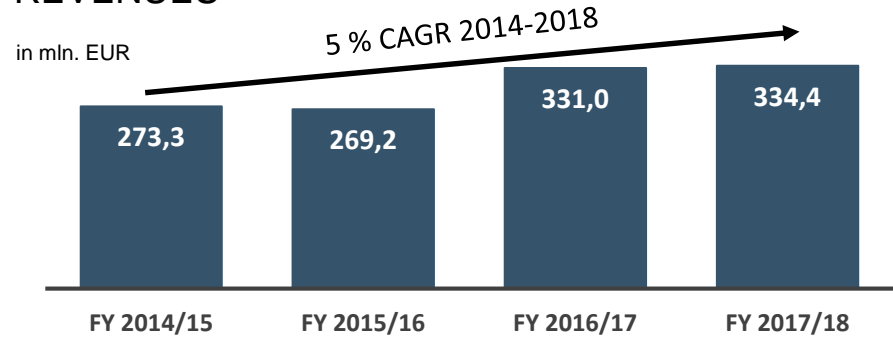
Significant growth of 10% and operational turnaround since IPO



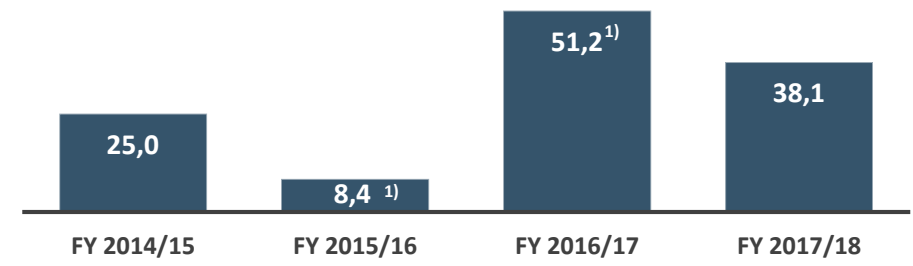
- 1) Due to a correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3 of the Annual Report 2017/18)
- 2) The one-time effects in the amount of EUR 15.2 million were largely due to the conclusion of customer negotiations. As a consequence of the amendments to IAS 8, the relevant receivables were value-adjusted or provisions were established in previous periods.

AEROSTRUCTURES

REVENUES



EBIT



CONTROL SURFACES



FAIRINGS



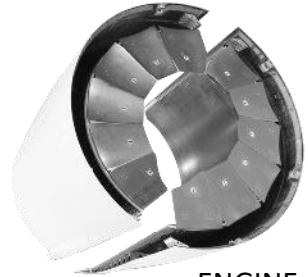
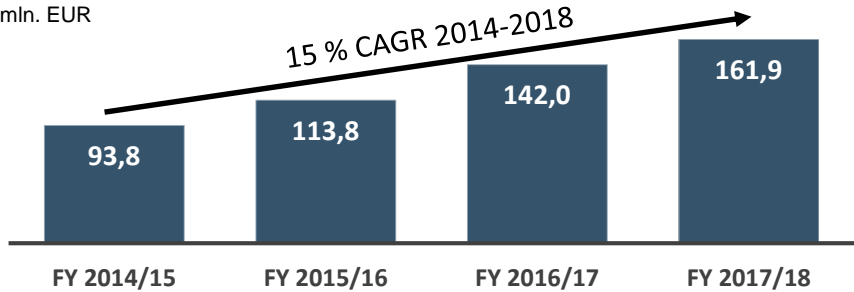
WING COMPONENTS

1) Due to a correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3 of the Annual Report 2017/18)

ENGINES & NACELLES

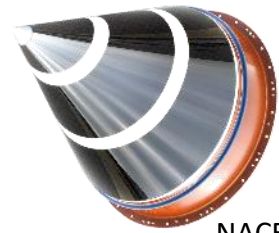
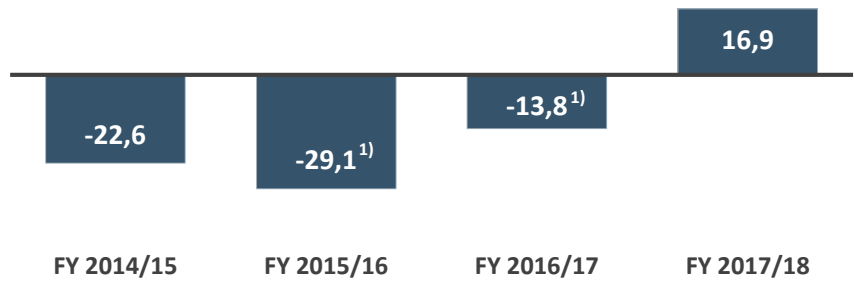
REVENUES

in mln. EUR



ENGINE COMPONENTS

EBIT



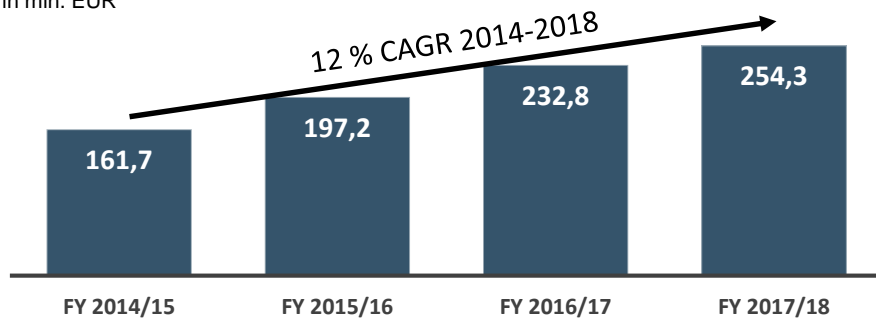
NACELLE COMPONENTS

1) Due to an error correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3 of the Annual Report 2017/18)

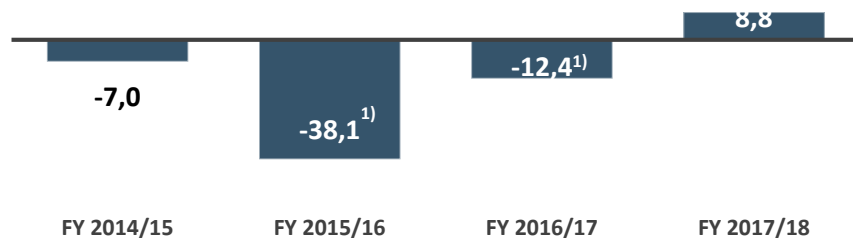
CABIN INTERIORS

REVENUES

in mln. EUR



EBIT



FLOOR-TO-FLOOR



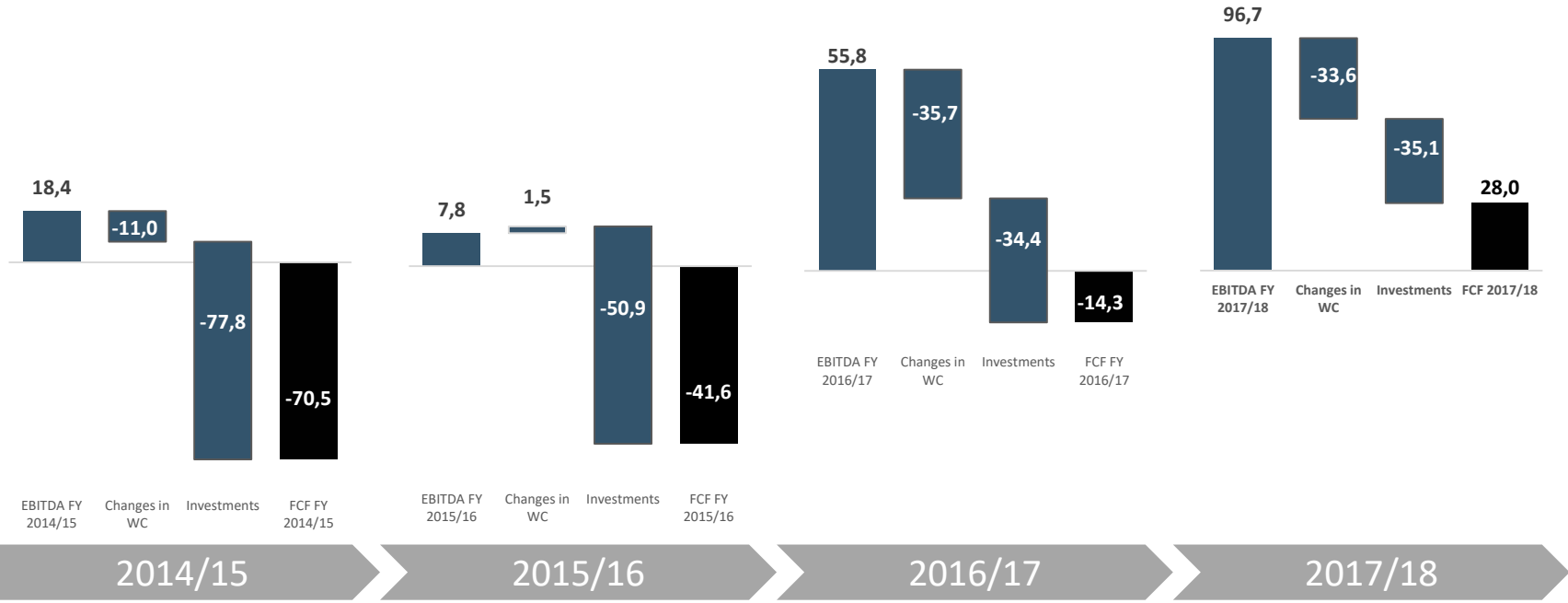
CABIN PANEL

1) Due to a correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3 of the Annual Report 2017/18)

STRONG IMPROVEMENT IN FCF IN 2017/18

Strong improvement of Free Cash Flow due to EBITDA and Working Capital improvement as well as investment control

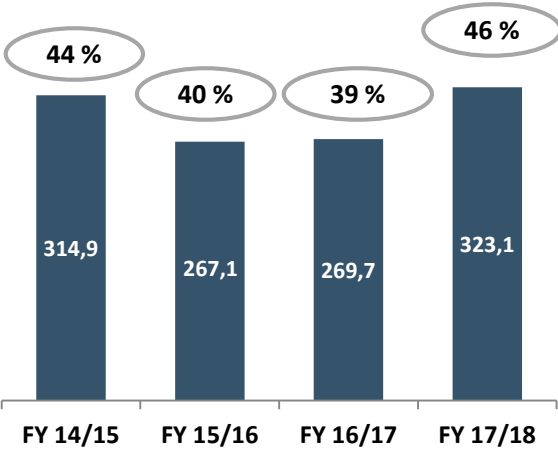
in EUR mln



BALANCE SHEET FIGURES

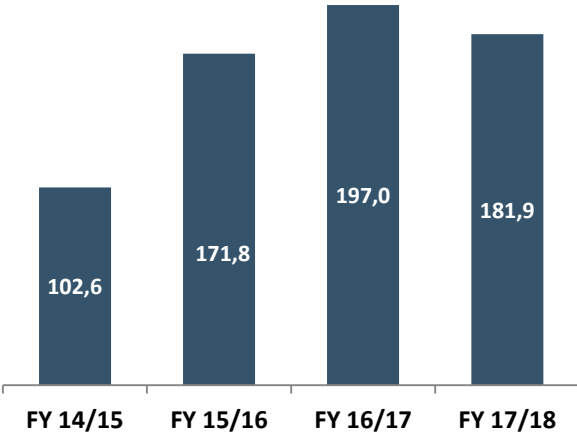
EQUITY

in EUR mln

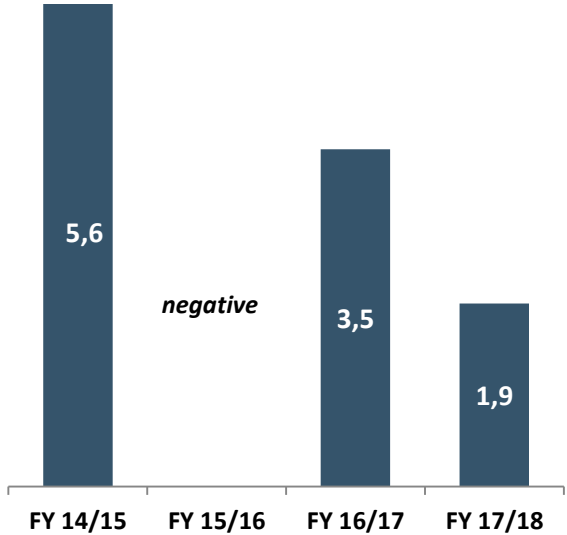


NET DEBT

in EUR mln



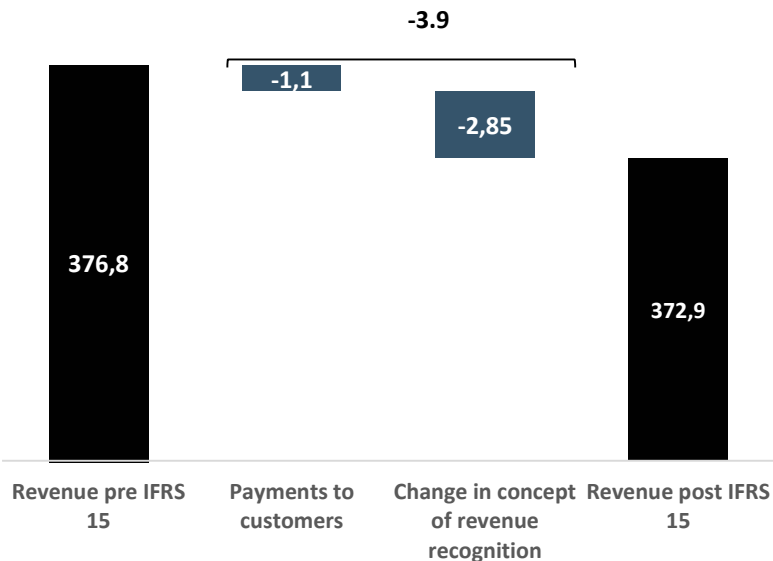
NET DEBT / EBITDA



IFRS 15 – REVENUE RECOGNITION

REVENUE H1 2018/19

in mln EUR



- FACC has analyzed its contract types in order to comply with the new IFRS 15 accounting standard as of March 1, 2018
- Under IFRS 15, revenue is recognized either at a point in time or over time as soon as the control over the goods or services has passed to the customer.
- Provided that a significant financing component is determined in the case of long-term amortization via series deliveries, sales revenues are only recognized in the amount of the present value of the agreed payments.
- As compounding effects are recognized as income in the financial result, the payments received are not fully allocated to sales revenues, as was previously the case.

IFRS 15 - RECONCILIATION

The adjustment effects on Group equity to the Consolidated Financial Statement of 28 February 2018 were modified as a result of further analyses.

	Feb. 28, 2018	Adaptation IFRS 15	March 1, 2018
ASSETS			
Intangible assets	147 660	-127 335	20 325
Property, plant and equipment	173 704	-48 457	125 246
Contract receivables	0	100 021	100 021
Contract costs	0	38 251	38 251
Deferred taxes	0	13 016	13 016
Non-current assets	351 185	-24 504	326 681
Inventories	130 562	40 395	170 957
Trade receivables	86 061	0	85 816
Receivables from construction contracts	17 212	-17 212	0
Current assets	352 373	23 184	375 311
BALANCE SHEET TOTAL	703 558	-1 320	701 992
EQUITY AND LIABILITIES			
Retained earnings	55 644	-42 786	12 612
Equity	323 094	-42 786	280 062
Deferred taxes	1 246	-1 246	0
Non-current liabilities	211 101		209 855
Advance payments received from customer related Engineering	7 907	42 711	50 619
Current liabilities	169 363		212 074
BALANCE SHEET TOTAL	703 558	-42 786	701 992

IFRS 15 - DEFINITIONS

Contract assets

Development services and customized tools, which represent contractual obligations on the part of the Group and have already been partially recognized as revenue, are reported as contract assets. If development services or tool developments are not paid immediately or in full but are charged to the customer as price premiums on series components, actual sales revenues may depend on whether the planned quantity of series products has been achieved. This constitutes a variable remuneration which is recognized as a contract asset on the basis of a prudent estimate and is reassessed on a regular basis. Payments to customers are treated as advance discounts and are reported under contract assets. They are recognized as a reduction in revenue according to the expected duration of the program. When assessing the impairment of contract assets, the regulations on financial assets must be observed.

Contract costs

In the absence of an enforceable contractual claim to remuneration for the provision of development services and the development of tools pursuant to IFRS 15, the associated expenses shall be capitalized as contract costs. The services rendered together with the subsequent series production constitute a single unit. In this case, the cost of development and the price of tools are added to the price of the series components and recognized as sales revenue once the serial parts have been delivered. The contract costs are spread over the duration of the program and recognized as expenses.

INVESTMENTS



INVESTMENTS

Preparing to fulfill future customer demands

- Investments in automation, capacity and logistics
- i4.0 and automated processes as key elements of FACC's investment plan
- Customers demand for higher automation and rate increases
- Investments led to significant increase in capacity at the Engines/Nacelles (Plant 4) and Cabin Interior segment (Plant 2)



FACC - SUSTAINABLE GROWTH

Multi year investment program

Phase One – Execution since 2017:

EUR 35 mln

6.400

Total volume

square meters

- Capacity extensions at Plant 1 (Aerostructures) and Plant 4 (Engine & Nacelles)
- Doubling the floor space in Wichita (USA) for aftermarket services
- Investments into new programs for further growth



FACC - SUSTAINABLE GROWTH

Phase Two: Execution since 2018

EUR 45 mln

Total volume

2019

Completion

- Extension of plant 3 (Aerostructures): building and equipment
- Further automation and I4.0 initiatives
- Investments into new programs



A low-angle photograph of a bright blue sky with a white airplane flying in the distance. The sun is shining brightly, creating a lens flare effect. The tops of green trees are visible at the bottom of the frame. A large black curved shape is overlaid on the left side of the image.

FUNDING STRATEGY

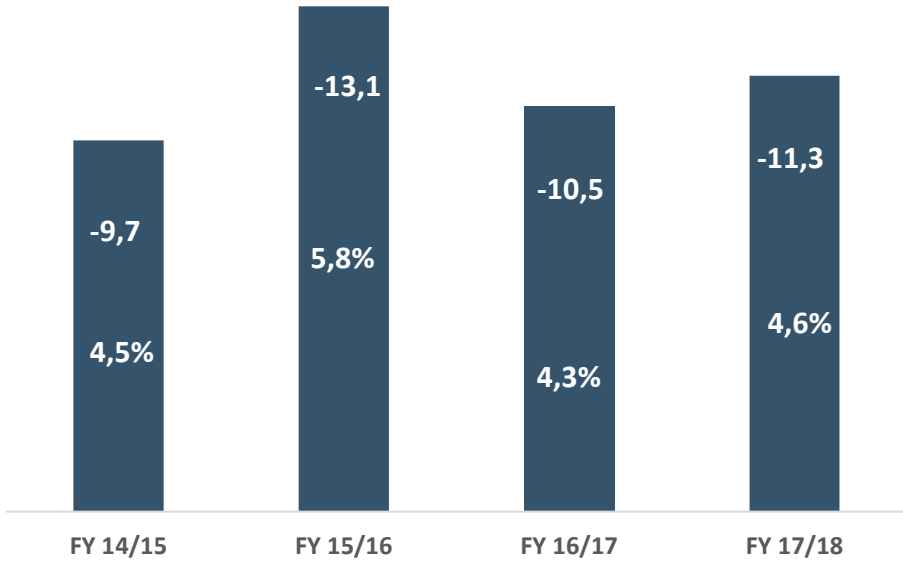
FUNDING STRATEGY

- Reduce the number of financing instruments and bilateral contracts and hence reduce complexity and contractual compliance risk
- Implement USD funding component to reduce translation risk in financial statements
- Stable Financial Backbone: Syndicated loan provides flexibility for further organic and non-organic growth, a safety net and reduces complexity
- Flatten FACC long term maturity profile (*EUR 34 mln promissory note (2019) and EUR 90 mln bond (2020)*)
- Improve investor perception by improvement of credit rating to raise equity and debt capital market potentials
- Medium term target leverage ratio: 2,0 - 2,5 (Net financial debt / EBITDA)

FINANCIAL DEBT

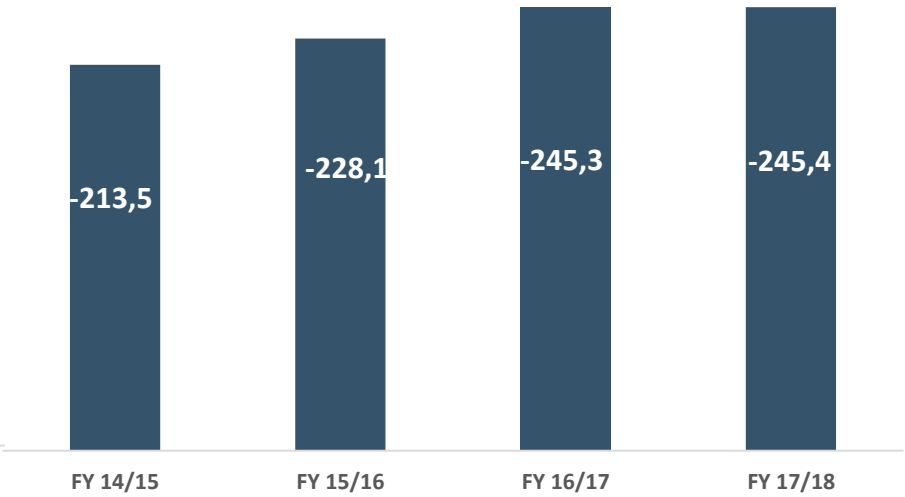
NET INTEREST INCOME

in mln. EUR



GROSS FINANCIAL DEBT

in mln. EUR



FINANCIAL DEBT

Syndicated Loan (Total EUR 225,0 Mln.)

- Syndicated loan signed by seven European banks



- Four different credit facilities with a long term commitment: 5 years plus 2 year extension options

Volume	Agreed Purpose
100 mill.	Revolving credit facility (EUR or USD)
50 mill.	M&A term loan (EUR or USD)
50 mill.	OEKB framework loan „KRR“ for export receivables (EUR)
25 mill.	OEKB loan „Exportinvest“ for export related investments (EUR)

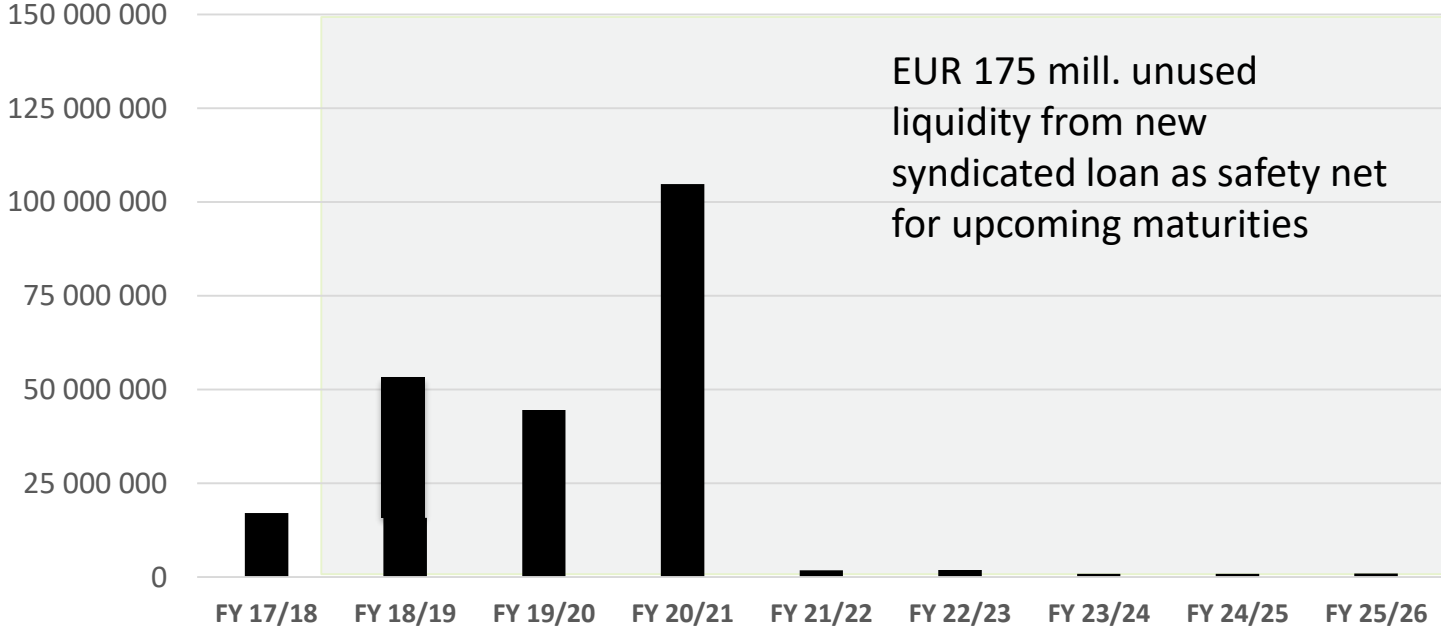
FINANCIAL DEBT

Benefits of the new syndicated loan structure

- Sustainable, long-term and confirmed funding contract
- Stable basis for supporting FACC's organic and strategic growth opportunities
- Improvement of external credit rating, maturity profile and equity investor perception
- Improvement in documentary, collateral and covenant transparency
- Stable basis for funding activities in 2019/2020 (*bond + promissory note refinancing*)
- Sustainable long-term involvement of strategic core banks

FINANCIAL DEBT

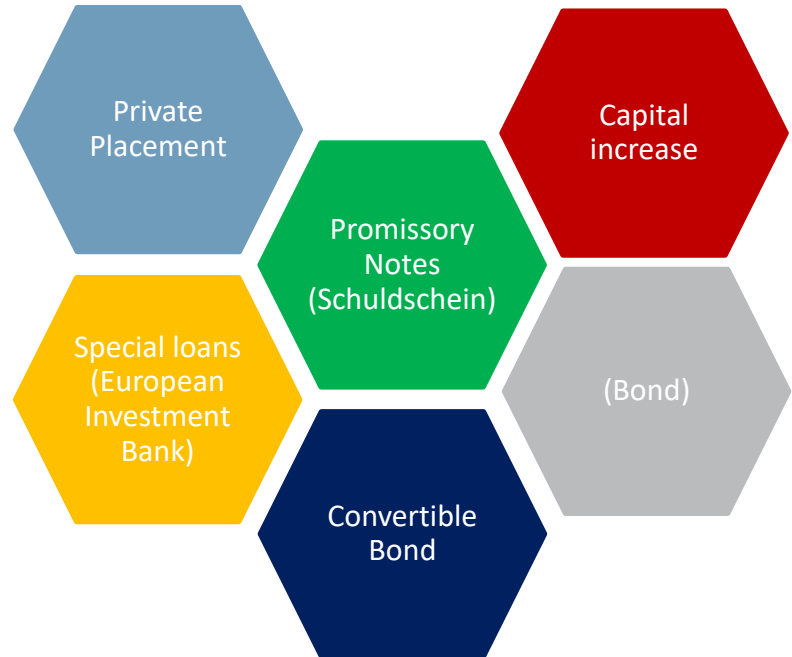
Maturity profile as of October 31, 2018 (annual redemptions in EUR)



FINANCIAL DEBT

Possible instruments in the future

- FACC strives for capital market (oriented) products
- Adjustable to Syn Loan wording
- Strong position because of sufficient syn loan liquidity
- Mix of instruments depending on future business strategy and opportunities
- Straight bond is least attractive option at the moment (size, complex documentary and regulatory environment)



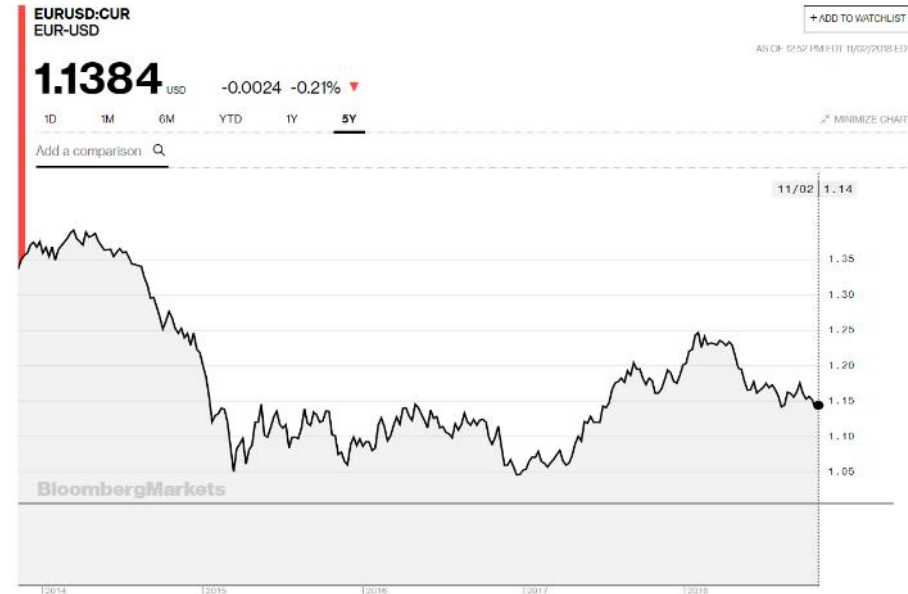
FX HEDGING STRATEGY



FX HEDGING STRATEGY

Policy

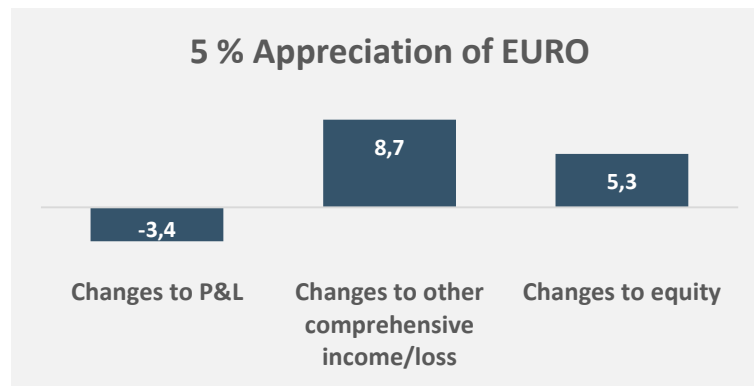
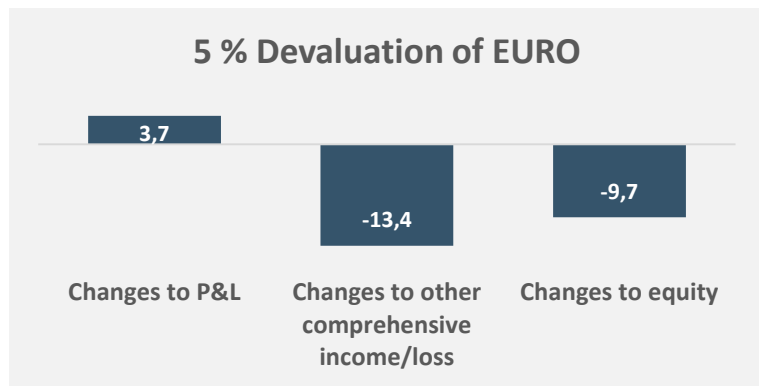
- Extensive use of natural hedging
- Speculative positions are strictly forbidden
- 12 month rolling hedge period
- 80% target hedge ratio over hedge period
- Up to 36 months maturities are permitted
- Only simple FX products are permitted



FX HEDGING STRATEGY

Sensitivity Analysis based on an average of 1.1567 for fiscal year 2017/18

- Sensitivity Analysis regarding a 5 percentage points fluctuation of the US Dollar and its impact on
 - Profit & Loss statement
 - Other comprehensive income/loss
 - Equity



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.
- Forward-looking statements are subject to future events, risks and uncertainties - currently known or unknown. Actual results, performance or events may therefore differ materially from those expressed or implied in these forward-looking statements.
- Neither FACC nor any other person assumes responsibility for the accuracy or completeness of any forward-looking statements. FACC will not update these forward-looking statements in order to reflect changes to facts, assumptions or expectations.
- This document or statements related to it do not constitute an offer, recommendation or invitation to purchase or sell securities of FACC.

A glowing blue arc, resembling a celestial body or a path, curves across the upper right portion of the frame. The arc is brightest at its right end, where it emits a starburst of light. The rest of the arc is a deep, dark blue, fading into the black background.

INNOVATION IS OUR DESTINATION