



POSITION REPORT



Interim Report
Q1 2022

Q1 2022 - HIGHLIGHTS

Bombardier Challenger 3500 – development and production of the entire passenger cabin.

Falcon 10X – as a technology partner of Rolls-Royce, FACC supplies not only the bypass ducts and maintenance doors. In addition to that FACC will also be supplying the fan track liners, the spinner and the cable bushing.

Go-Live of Vertical Integration Packaging - Packaging services are performed in-house by FACC, takeover of 29 employees and thus significant reduction of logistics costs.

Aviation industry continues to stabilize - **FACC Q1 revenues increase by 7.90 percent**

Positive **Group EBIT** in Q1 in line with management expectations

Ramp up **FACC Croatia** on schedule - 160 employees hired

Joining international research network **ThermoPlastic composites Research Center (TPRC)**

Selected Group Key Performance Indicators

	01.01.2021 – 31.03.2021 in EUR mill.	01.01.2022 – 31.03.2022 in EUR mill.
Revenues	118.1	127.5
thereof Aerostructures	39.9	48.2
thereof Engines & Nacelles	28.3	22.6
thereof Interiors	49.9	56.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA) ¹⁾	10.1	13.7
Earnings before interest and taxes (EBIT)	0.4	3.0
thereof Aerostructures	-0.8	1.6
thereof Engines & Nacelles	2.0	2.4
thereof Interiors	-0.8	-1.0
EBIT margin	0.3%	2.3%
Earnings after taxes	-0.7	-0.6
Earnings per share (in EUR)	-0.02	-0.01
	31.03.2021 in EUR mill.	31.03.2022 in EUR mill.
Cash flow from operating activities	-9.1	-15.1
Cash flow from investing activities	-2.0	-1.8
	31.03.2021 in EUR mill.	31.03.2022 in EUR mill.
Net Working Capital	167.6	122.8
Net financial debt	246.9	197.0
Equity ratio	38.4%	32.0%
Balance sheet total	614.5	632.9
Headcount (at the balance sheet date)	2,528	2,686
	01.01.2021 - 31.03.2021	01.01.2022 - 31.03.2022
Trading volume	11,381,622	7,672,660
Average daily trading volume	180,661	119,885
High of period	11.98	9.56
Low of period	8.35	6.60
Closing price	7.80	5.09
Performance of period	6.9%	13.5%
Market capitalization	415.8	366.3

¹⁾ The EBITDA is calculated as the sum of the EBIT plus depreciation and impairment as well as amortization of the contract performance costs.

Revenues and earnings development

	Q1 2021 in EUR million	Q1 2022 in EUR million	Change
Revenues	118.1	127.5	7.9%
Earnings before interest and taxes (EBIT)	0.4	3.0	720.1%
EBIT margin	0.3%	2.3%	659.8%
Assets	614.5	632.9	3.0%
Investments of the period	2.0	1.8	-10.0%

The first quarter of the financial year 2022 (January 1 - March 31) was largely in line with management expectations. The recovery of the aviation industry after the pandemic continues in Q1 2022.

The war in Ukraine, which broke out in mid-February, and the associated repercussions have little impact on FACC - there are no FACC supply chains in either Ukraine or Russia. The annual supply volume of FACC aircraft components for civil Russian applications amounts to less than 0.25 percent of the planned consolidated revenues on an annual basis.

FACC was able to further increase its revenues by 7.9 percent compared to the previous year and achieve a consolidated EBIT in the single-digit positive million range. Increasing customer call-offs and the implemented cost reduction and efficiency improvement measures are having an effect

Revenues in the first three months of 2022 amount to EUR 127.5 million (comparative period 2021: EUR 118.1 million). The increase of 7.9 percent compared to the same period of the previous year is mainly based on revenue growth on the platforms of the Airbus A320 and Airbus A220 family platforms and products in the business jet segment.

The gross profit margin for the first three months of 2022 is 7.2 percent (comparative period 2021: 6.8 percent).

Reported earnings before interest and taxes (EBIT) amounted to EUR 3.0 million in the first three months of 2022 (comparative period 2021: EUR 0.4 million).

SEGMENT REPORTING

The increasing demand for new aircrafts, especially in the short- and medium-haul segment, means rising production rates for FACC. With a revenue share of approximately 37 percent on the Airbus A320 family platforms, FACC's growth targets are supported especially in the two segments of Aerostructures and Cabin Interiors. But not only commercial travel is increasing again, also business jet flights can continue to follow the growth trend, which already became apparent during the pandemic. In 2021, business jet takeoffs and landings increased up to 40 percent over the previous year, according to market data, and business aviation tracker WingX reported that 2021 was the busiest year in the history of the global business jet market.

Aerostructures

	Q1 2021 in EUR million	Q1 2022 in EUR million	Change
Revenues	39.9	48.2	20.7%
Earnings before interest and taxes (EBIT)	-0.8	1.6	-
EBIT margin	-2.1%	3.3%	-
Assets	259.3	266.4	2.7%
Investments of the period	1.2	0.9	-24.8%

New orders for the Bombardier Challenger 3500 and the Falcon 10X will also allow FACC to benefit from this growing market. Regarding wide-body aircraft (Airbus A350, Boeing B787), FACC maintains its year-end estimates. The recovery of international travel activity to pre-Corona demand will not fully come in this market segment until 2024 to 2025. The share of sales on long-haul aircraft platforms is higher in the Engines & Nacelles segment than in the Cabin Interiors and Aerostructures segments; the currently low production rates of Boeing B787 components in particular are causing the decline in revenues in this area.

Revenues in the Aerostructures segment amounted to EUR 48.2 million in the first three months of 2022 (comparative period 2021: EUR 39.9 million).

Earnings before interest and taxes (EBIT) amounted to EUR 1.6 million in the first three months of 2022 (comparative period 2021: EUR -0.8 million).

Engines & Nacelles

	Q1 2021 in EUR million	Q1 2022 in EUR million	Change
Revenues	28.3	22.6	-20.3%
Earnings before interest and taxes (EBIT)	2.0	2.4	16.6%
EBIT margin	7.2%	10.6%	46.2%
Assets	123.8	116.0	-6.3%
Investments of the period	0.3	0.2	-37.2%

Revenues in the Engines & Nacelles segment amounted to EUR 22.6 million in the first three months of 2022 (comparative period 2021: EUR 28.3 million).

Earnings before interest and taxes (EBIT) in the Engines & Nacelles segment amounted to EUR 2.4 million in the first three months of 2022 (comparative period 2021: EUR 2.0 million).

Cabin Interiors

	Q1 2021 in EUR million	Q1 2022 in EUR million	Change
Revenues	49.9	56.7	13.7%
Earnings before interest and taxes (EBIT)	-0.8	-1.0	-
EBIT margin	-1.7%	-1.8%	-
Assets	231.3	250.5	8.3%
Investments of the period	0.6	0.8	33.0%

Revenues in the Cabin Interiors segment amounted to EUR 56.7 million in the first three months of 2022 (comparative period 2021: EUR 49.9 million).

Earnings before interest and taxes (EBIT) in the Cabin Interiors segment amounted to EUR -1.0 million in the first three months of 2022 (comparative period 2021: EUR -0.8 million).

Financial Position

Inventories at the end of the first quarter 2022 stood at EUR 105.7 million (31 December 2021: EUR 90.8 million). Considering global developments, higher inventory levels have been built up since the beginning of the year to ensure material availability.

Trade receivables increased from EUR 53.0 million (31 December 2021) to EUR 65.5 million as of 31 March 2022. The stabilization of the market has given rise to more steady production volumes and monthly sales at FACC, which translate into an increase of both trade receivables and trade payables.

Cash and cash equivalents amounted to EUR 77.2 million as of 31 March 2022 (31 December 2021: EUR 115.0 million). As some customer payments have been brought forward to the fourth quarter of 2021, there is a decrease in cash and cash equivalents.

Investments in the first three months of 2022 amounted to EUR 1.8 million (comparative period 2021: EUR 2.0 million).

The company's net financial debt totaled EUR 197.0 million as of 31 March 2022 (31 December 2021: EUR 177.8 million).

The share capital of the company amounts to EUR 45.8 million and is fully paid up. It is divided into 45,790,000 no-par value shares with a nominal value of EUR 1.00 each.

In August 2018, FACC Operations GmbH subscribed to a syndicated loan in the amount of EUR 225 million with seven participating banks. FACC AG serves as a guarantor. The loan volume was increased by a further EUR 60 million as of 30 June 2020 (KRR Covid-19 framework credit for large enterprises of the Austrian Kontrollbank). All syndicate banks participated according to their quotas.

A net financial debt/EBITDA ratio of < 3.5 was defined as a financial covenant in August 2018. Due to the proven impact of changed

accounting standards (IFRS 15, IFRS 16), the limit was increased from 3.5 to 4.0 in agreement with the syndicate banks with effect from 31 August 2019. The ratio is checked every six months (31 December and 30 June). The creditors have a right of termination in the event that the ratio is exceeded.

The effects of the Covid-19 pandemic also resulted in a persistent decline in earnings and the cash flow in the second half of 2020. They thus had a direct negative impact on the mandatory covenant test as of 31 December 2020. For this reason, FACC proactively initiated negotiations with its syndicate banks in August 2020 in order to temporarily adjust the syndicate agreement to the changed overall conditions. An agreement was reached on 21 December 2020. In addition, the agreement stipulates that no profit distributions are to be undertaken before 30 June 2022. As part of the agreement, the margin grid was also adjusted to the new circumstances.

Due to the ruling of a London arbitration court on the legal dispute with a supplier, which had a negative impact on the earnings and financial situation of the FACC Group, the financial covenant of net financial debt/EBITDA in the syndicated loan agreement had to be readjusted in November 2021. The negotiations with the syndicate banks were successfully concluded on 30 December 2021. The following adjustment to the financial covenant was made:

	31.12.2021	30.06.2022	31.12.2022	30.06.2023
Net financial debt/EBITDA	5.25 ¹⁾	5.25 ²⁾	4.5	4.0

¹⁾ The result will be corrected for the negative effects of the London arbitration ruling.

²⁾ EBITDA for the first half of 2022 extrapolated on a 12-month basis

As of the test date 30 June 2023, FACC will reinstate the originally agreed covenant of net financial debt/EBITDA of 4.0.

Outlook

The first quarter of 2022 was operative in line with the expectations of FACC's management. Accordingly, FACC expects the financial year 2022 to develop on schedule.

The inventory optimization project continues to be an important measure to keep inventories of raw materials, semi-finished products, and manufactured products at an economically optimal level and to release the corresponding cash flows. Another important point is the optimization of production cycle times to guarantee FACC's ability to deliver its products at the usual high-quality level. In view of the current economic situation due to the Russia-

Ukraine war, securing production has the highest priority. Material availability is checked on an ongoing basis and inventories are selectively built up only for certain materials.

From today's perspective, the outlook for the 2022 financial year provided by FACC in the context of the publication of the Annual Report 2021 on March 30, 2022, remains unchanged: Based on the expected revenue development due to the ongoing increase in production rates, FACC's management expects EBIT in the low double-digit million-Euro range and revenue growth of approximately 10 percent for the full year 2022.

Consolidated Profit and Loss Statement

for the period from 1 January 2022 to 31 March 2022

	01.01.2021 – 31.03.2021 EUR'000	01.01.2022 – 31.03.2022 EUR'000
Revenues	118,102	127,477
COGS - Cost of goods sold	-110,069	-118,323
Gross profit	8,034	9,155
Research and development expenses	-525	-277
Selling expenses	-1,325	-1,622
Administration expenses	-7,327	-9,431
Other operating income	1,733	5,636
Other operating expenses	-227	-481
Earnings before interest and taxes (EBIT)	363	2,979
Financing expenses	-1,419	-2,500
Other financial result	413	403
Financial result	-1,006	-2,098
Earnings before taxes (EBT)	-643	882
Income taxes	-55	-1,492
Earnings after taxes	-698	-610
Diluted (=undiluted) earnings per share (in EUR)	-0.02	-0.01
Issued shares (in shares)	45,790,000	45,790,000

Consolidated Statement of Comprehensive Income

for the period from 1 January 2022 to 31 March 2022

	01.01.2021 – 31.03.2021 EUR'000	01.01.2022 – 31.03.2022 EUR'000
Earnings after taxes	-698	-610
Currency translation differences from consolidation	203	117
Cash flow hedges	-8,725	-3,924
Tax effect	2,181	870
Items subsequently reclassified to profit and loss	-6,341	-2,937
Revaluation effects of termination benefits	5	-27
Fair value measurement of securities (fair value through other comprehensive income)	-1	-25
Tax effect	-1	-28
Items not subsequently reclassified to profit and loss	3	-79
Other comprehensive income after taxes	-6,338	-3,016
Total comprehensive income	-7,035	-3,627

Consolidated Statement of Financial Position

as of 31 March 2022

ASSETS	As of 31.12.2021 EUR'000	As of 31.03.2022 EUR'000
Intangible assets	5,354	5,108
Property, plant and equipment	166,830	164,051
Receivables from customer-related engineering	27,742	28,354
Contract assets	2,576	2,783
Contract costs	88,306	85,771
Other financial assets	497	473
Receivables from related companies	5,638	5,753
Other receivables	9,987	9,929
Deferred taxes	16,762	16,200
Non-current assets	323,694	318,421
Inventories	90,775	105,708
Customer-related engineering	6,170	6,608
Trade receivables	53,023	65,497
Receivables from related companies	18,749	14,686
Current tax income receivables	197	196
Other receivables and deferred items	36,892	44,617
Cash and cash equivalents	114,966	77,166
Current assets	320,772	314,479
Balance sheet total	644,465	632,900

EQUITY AND LIABILITIES

	As of 31.12.2021 EUR'000	As of 31.03.2022 EUR'000
Share capital	45,790	45,790
Capital reserve	221,459	221,459
Currency translation reserve	-555	-439
Other reserves	-8,352	-11,485
Retained earnings	-52,340	-52,950
Equity	206,002	202,375
Promissory note loans	70,000	70,000
Lease liabilities	72,853	70,712
Other financial liabilities	9,580	9,224
Derivative financial instruments	1,737	3,283
Investment grants	8,405	8,323
Employee benefit obligations	9,600	9,808
Deferred tax liabilities	377	385
Non-current liabilities	172,553	171,735
Lease liabilities	6,726	7,567
Other financial liabilities	133,610	116,660
Derivative financial instruments	6,448	11,663
Contract liabilities from customer-related engineering	12,714	10,423
Trade payables	53,305	60,782
Liabilities from related companies	10,237	6,222
Investment grants	1,124	1,124
Income tax liabilities	290	492
Other provisions	30,691	26,905
Other liabilities and deferred items	10,766	16,951
Current liabilities	265,911	258,790
Balance sheet total	644,465	632,900

Consolidated Statement of Changes in Equity

for the period from 1 January 2022 to 31 March 2022

	Attributable to shareholders of the parent company		
	Share capital	Capital reserve	Currency translation reserve
	EUR'000	EUR'000	EUR'000
As of 1 January 2021	45,790	221,459	-954
Derecognition of non-controlling interests	0	0	0
Earnings after taxes	0	0	0
Other comprehensive income after taxes	0	0	203
Total comprehensive income	0	0	203
As of 31 March 2021	45,790	221,459	-751
As of 1 January 2022	45,790	221,459	-555
Earnings after taxes	0	0	0
Other comprehensive income after taxes	0	0	117
Total comprehensive income	0	0	117
As of 31 March 2022	45,790	221,459	-439

Attributable to shareholders of the parent company							
Other reserves							
Securities - fair value through other comprehensive income EUR'000	Cash flow hedges EUR'000	Reserves IAS 19 EUR'000	Retained earnings EUR'000	Total EUR'000	Non-controlling interests EUR'000	Total equity EUR'000	
10	8,699	-3,159	-28,757	243,089	68	243,157	
0	0	0	12	12	-68	-56	
0	0	0	-698	-698	0	-698	
-1	-6,544	4	0	-6,338	0	-6,338	
-1	-6,544	4	-685	-7,023	-68	-7,091	
10	2,155	-3,155	-29,443	236,066	0	236,066	
8	-5,346	-3,014	-52,340	206,002	0	206,002	
0	0	0	-610	-610	0	-610	
-19	-3,053	-61	0	-3,016	0	-3,016	
-19	-3,053	-61	-610	-3,627	0	-3,627	
-11	-8,400	-3,075	-52,950	202,375	0	202,375	

Consolidated Statement of Cash Flows

as of 31 March 2022

	01.01.2021 – 31.03.2021 EUR'000	01.01.2022 – 31.03.2022 EUR'000
Earnings before taxes (EBT)	-643	882
Plus financial result	1,006	2,098
Earnings before interest and taxes (EBIT)	363	2,979
Plus/minus		
Depreciation, amortisation and impairment	5,801	5,679
Amortisation contract costs	3,942	5,010
Additions contract costs	-3,121	-2,475
Income from the reversal of investment grants	-74	-82
Change in employee benefit obligations	192	181
Other non-cash expenses/income	-3,059	1,206
	4,043	12,500
Change in working capital		
Change in inventory and customer-related engineering	6,804	-15,546
Change in trade receivables and other receivables, receivables from customer-related engineering and contract assets	-25,870	-14,139
Change in trade payables and other liabilities	5,781	5,891
Change in current provisions	105	-3,786
Cash flow from ongoing activities	-9,137	-15,080
Interest received	14	4
Income taxes paid	-15	-7
Cash flow from operating activities	-9,138	-15,082
Payments for the acquisition of non-current assets	-1,975	-1,777
Cash flow from investing activities	-1,975	-1,777
Proceeds from interest-bearing liabilities	770	456
Repayments of interest-bearing liabilities	-36,817	-17,763
Outflows from leasing agreements	-2,062	-2,159
Interest paid	-1,658	-2,117
Cash flow from financing activities	-39,767	-21,582
Net changes in cash and cash equivalents	-50,880	-38,441
Cash and cash equivalents at the beginning of the period	92,548	114,966
Effects from foreign exchange rates	774	642
Cash and cash equivalents at the end of the period	42,442	77,166

Selected Notes

To the Consolidated Financial Statements for the 1st quarter 2022

NOTE

The condensed Consolidated Interim Financial Statement as of 31 March 2022 has been prepared in accordance with the rules and regulations of "Prime market - Section Interim Reports" of the Vienna Stock Exchange.

The reporting currency is Euro (EUR). All figures presented in the condensed Consolidated Interim Financial Statement are quoted in thousands of euros (EUR'000), unless otherwise stated.

Rounding errors may occur when adding rounded amounts and percentages due to the use of automated invoicing aids.

WAIVER OF AUDIT REVIEW

The present consolidated interim financial statement has neither been audited nor reviewed.

Ried im Innkreis, 4 May 2022

Robert Machtlinger m. p.
Chairman of the Management
Board

Andreas Ockel m. p.
Member of the Management
Board

Aleš Stárek m. p.
Member of the Management
Board

Yongsheng Wang m. p.
Member of the Management
Board

Investor Relations

BASIC INFORMATION ABOUT THE FACC SHARE

International Securities Identification Number (ISIN)	AT00000FACC2
Currency	EUR
Stock market	Vienna (XETRA)
Market segment	Prime market (official trading)
Initial listing	25.06.2014
Issue price	9,5 EUR
Paying agent	ERSTE GROUP
Indices	ATX, ATX GP, ATX IGS, ATX Prime, WBI
Share class	Ordinary shares
Ticker symbol	FACC
Reuters symbol	FACC.VI
Bloombergs symbol	FACC AV
Shares outstanding	45,790,000 shares

CONTACT

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SHAREHOLDER STRUCTURE AND SHARE CAPITAL

FACC AG's share capital amounts to EUR 45,790,000 and is divided into 45,790,000 no-par value shares. The Aviation Industry Corporation of China holds 55.5% of voting rights of FACC AG via AVIC Cabin System Co., Ltd (previously FACC International). The remaining 44.5% of shares represent free float and are held by both international and Austrian investors.

FACC AG did not hold any treasury shares at the end of the reporting period.



