

POSITION REPORT



Interim Report Q1 2023



Q1 2023 - HIGHLIGHTS

- Revenue growth of 27.5 percent compared to the previous year
- Conclusion of a syndicated loan of 225 million euros with long-term financing partners to continue the growth course in the future.
- Further expansion of flexible working time models: more than 300 models throughout the company.
- SMART MOBILITY": sharing the way to work with colleagues and using the FACC e-fleet for this purpose. First demand survey completed, second carpool survey launched.
- In response to the earthquake disaster in Turkey, employees organised a relief delivery to Turkey and Syria.

Selected Group Key Performance Indicators

	01.01.2022 – 31.03.2022 in EUR mill.	01.01.2023 – 31.03.2023 in EUR mill.
Revenues	127.5	162.7
thereof Aerostructures	48.2	58.6
thereof Engines & Nacelles	22.6	32.9
thereof Interiors	56.7	71.1
Earnings before interest, taxes, depreciation and amortization (EBITDA) ¹⁾	13.7	8.2
Earnings before interest and taxes (EBIT)	3.0	0.0
thereof Aerostructures	1.6	1.5
thereof Engines & Nacelles	2.4	3.3
thereof Interiors	-1.0	-4.8
EBIT margin	2.3%	0.0%
Earnings after taxes	-0.6	-3.7
Earnings per share (in EUR)	-0.01	-0.08
	31.03.2022 in EUR mill.	31.03.2023 in EUR mill.
Cash flow from operating activities	-15.1	-50.7
Cash flow from investing activities	-1.8	-2.3
	31.03.2022 in EUR mill.	31.03.2023 in EUR mill.
Net Working Capital	122.8	173.4
Net financial debt	197.0	253.9
Equity ratio	32.0%	32.8%
Balance sheet total	632.9	627.6
Headcount (at the balance sheet date)	2,686	3,010
	01.01.2022 – 31.03.2022	01.01.2023 – 31.03.2023
Trading volume	7,672,660	3,631,402
Average daily trading volume	119,885	55,868
High of period	9.56	7.46
Low of period	6.60	5.67
Closing price	8.00	7.03
Performance of period	13.5%	14.9%
Market capitalization	366.3	321.9

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 2022 in EUR mill.	Q1 2023 in EUR mill.	Change
Revenues	127.5	162.7	27.6%
Earnings before interest and taxes (EBIT)	3.0	0.0	-99.6%
EBIT margin	2.3%	0.0%	-99.7%
Assets	632.9	627.6	-0.8%
Investments of the period	1.8	2.3	30.8%

FACC was able to increase its revenues by 27.6 percent year-on-year. Fortunately, all three segments reported a significant increase in sales. The increasing demand for aircraft is also expected to continue in 2023, both for commercial aircraft and the business jet segment. Problems in the supply chain are an issue affecting the entire aviation industry; from today's perspective, supply chains will return to normal from Q4/2023 onwards. From a Group perspective, revenues in the first three months of 2023 amount to EUR 162.7 million (comparative period 2022: EUR 127.5 million).

The gross profit margin for the first three months of 2022 is 8.9 percent (comparative period 2022: 7.2 percent).

Investments increased slightly compared to the previous year and are set to increase further in the course of the plant expansion in Croatia in the coming quarters.

Reported earnings before interest and taxes (EBIT) amounted to EUR 0.0 million in the first three months of 2023 (comparative period 2022: EUR 3.0 million) and continue to be impacted by high inflation and the delay in passing on cost increases to the market.

Nevertheless, the first quarter of the 2023 financial year (January 1 - March 31) was in line with management's expectations.

SEGMENT REPORTING

Aerostructures

	Q1 2022 in EUR mill.	Q1 2023 in EUR mill.	Change
Revenues	48.2	58.6	21.7%
Earnings before interest and taxes (EBIT)	1.6	1.5	-7.9%
EBIT margin	3.3%	2.5%	-24.3%
Assets	266.4	257.0	-3.5%
Investments of the period	0.9	1.3	46.9%

Revenues in the Aerostructures segment amounted to EUR 58.6 million in the first three months of 2023 (comparative period 2022: EUR 48.2 million). Major revenues are generated by the Airbus A320, A220 and A350 programs.

Earnings before interest and taxes (EBIT) amounted to EUR 1.5 million in the first three months of 2023 (comparative period 2022: EUR 1.6 million).

Engines & Nacelles

	Q1 2022 in EUR mill.	Q1 2023 in EUR mill.	Change
Revenues	22.6	32.9	45.9%
Earnings before interest and taxes (EBIT)	2.4	3.3	40.1%
EBIT margin	10.6%	10.1%	-4.0%
Assets	116.0	121.2	4.5%
Investments of the period	0.2	0.6	254.0%

Revenue in the Engines & Nacelles segment amounted to EUR 32.9 million in the first three months of 2023 (comparative period 2022: EUR 22.6 million). This increase is based on a sustained rate increase for all programs of importance to the segment.

Earnings before interest and taxes (EBIT) in the Engines & Nacelles segment amounted to EUR 3.3 million in the first three months of 2023 (comparative period 2022: EUR 2.4 million).

Cabin Interiors

	Q1 2022 in EUR mill.	Q1 2023 in EUR mill.	Change
Revenues	56.7	71.1	25.4%
Earnings before interest and taxes (EBIT)	-1.0	-4.8	-
EBIT margin	-1.8%	-6.8%	-
Assets	250.5	249.3	-0.5%
Investments of the period	0.8	0.5	-38.2%

Revenues in the Cabin Interiors segment amounted to EUR 71.1 million in the first three months of 2023 (comparative period 2022: EUR 56.7 million). The increase is primarily the result of higher rates for the Airbus A320 programs and continued stable demand for business jet completions.

Earnings before interest and taxes (EBIT) in the Cabin Interiors segment amounted to EUR -4.8 million in the first three months of 2023 (comparative period 2022: EUR -1.0 million).

Financial Position

Inventories at the end of the first quarter 2023 stood at EUR 134.7 million (31 December 2022: EUR 116.3 million). In view of global developments, higher inventory levels continue to be maintained to ensure material availability.

Trade receivables increased from EUR 61.0 million (31 December 2022) to EUR 98.2 million as of 31 March 2023, which is in line with the business development.

Cash and cash equivalents amounted to EUR 34.5 million as of 31 March 2023 (31 December 2022: EUR 102.7 million). Due to the fact that some customer payments have been brought forward to the fourth quarter of 2022, there is a decrease in cash and cash equivalents.

Investments in the first three months of 2023 amounted to EUR 2.3 million (comparative period 2022: EUR 1.8 million).

The company's net financial debt totaled EUR 253.9 million as of 31 March 2023 (31 December 2022: EUR 188.6 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.

Financing instruments

On 17 February 2023, FACC Operations GmbH undersigned an extension of the syndicated loan in the amount of EUR 225.4 million with five participating banks. FACC AG and FACC Solutions Croatia d.o.o. are serving as guarantors. The syndicated loan has a term of three years plus a two-year prolongation option. The contract stipulates five facilities with various intended uses. With the exception of the framework credit of the Austrian Kontrollbank (OEKB), which is also part of the syndicated loan agreement, all other facilities are unsecured.

The facility of EUR 60 million (KRR COVID-19 framework credit of OEKB), which was additionally subscribed during the COVID-19

pandemic on 26 June 2020, was repaid as of 10 March 2023. In turn, an amount of EUR 36 million was drawn from the equity financing program of OEKB, and EUR 33.5 million from Exportinvest.

The following financial covenants have been defined:

	31.12.2022	31.12.2023	31.12.2024	31.12.2025
Net financial debt/EBITDA	4,50	4,50	4,25	3,75
Equity ratio	25 %	25 %	25 %	25 %

The financial covenants applicable at the end of the respective year also apply as of 30 June of the same year (e.g. a ratio of 4.25 applies on 30 June 2024 and on 31 December 2024) and are tested every six months. Creditors have a right of termination in the event that the ratios are exceeded.

For all relevant reporting dates after 31 December 2025, a net financial debt/EBITDA ratio of 3.5 as well as an equity ratio of at least 25 percent are required.

All other material provisions of the original syndicated loan agreement and the subsequent amendment agreements were largely carried over to the extension of the syndicated loan.

On 31 July 2019, promissory note loans in a total amount of EUR 70.0 million were issued. The individual tranches have both fixed and variable interest rates and are due for repayment after five, seven and ten years. The financing agreements contain an interest rate increase clause of 50 basis points if net financial debt/EBITDA exceeds a value of 3.75. This interest rate increase clause is based on the net financial debt/EBITDA ratio and has been applied since fiscal year 2020. The ratio is tested annually.

Outlook

In terms of operations, the first quarter of 2023 was largely in line with the expectations of FACC's management. However, the provision of materials through the supplier chain as well as the continued high level of inflation and the associated cost increases were slightly above estimates. Additional measures in supplier management as well as further optimizations are starting to take effect, as a result of which FACC expects the further course of the 2023 financial year to be in line with the forecasts. The focus continues to be on increasing profitability, and the measures planned for the 2023 financial year will therefore be pursued rigorously.

- Reducing net debt by optimizing working capital.

- Planning for the expansion of the production plant in Croatia was completed in the first quarter, with construction to commence in the second quarter.
- Initial successes were achieved in passing on the above-average, inflation-related charges and stabilizing the ramp-up projects launched in 2022.
- In the proposed resolutions for the 9th Annual General Meeting, an item has been included for new authorized capital to create new flexibility for organic and inorganic growth.

From today's perspective, the outlook for the 2023 financial year provided by FACC in the context of its Annual Report 2022 published on March 29, 2023 thus remains unchanged: FACC assumes

a sustainable upward trend in the industry. As a result, the planned revenue growth will allow an increase in profitability and thus a higher EBIT to be largely realized.

Consolidated Profit and Loss Statement

for the period from 1 January 2023 to 31 March 2023

	01.01.2022 – 31.03.2022 EUR'000	01.01.2023 – 31.03.2023 EUR'000
Revenues	127,477	162,667
COGS - Cost of goods sold	-118,323	-148,140
Gross profit	9,155	14,527
Research and development expenses	-277	-537
Selling expenses	-1,622	-1,639
Administration expenses	-9,431	-13,943
Other operating income	5,636	1,897
Other operating expenses	-481	-294
Earnings before interest and taxes (EBIT)	2,979	11
Financing expenses	-2,500	-3,689
Other financial result	403	510
Financial result	-2,098	-3,179
Earnings before taxes (EBT)	882	-3,167
Income taxes	-1,492	-528
Earnings after taxes	-610	-3,695
Diluted (=undiluted) earnings per share (in EUR)	-0.01	-0.08
Issued shares (in shares)	45,790,000	45,790,000

Consolidated Statement of Comprehensive Income

for the period from 1 January 2023 to 31 March 2023

	01.01.2022 – 31.03.2022 EUR'000	01.01.2023 – 31.03.2023 EUR'000
Earnings after taxes	-610	-3,695
Currency translation differences from consolidation	117	-97
Cash flow hedges	-3,924	7,987
Tax effect	870	-1,837
Items subsequently reclassified to profit and loss	-2,937	6,053
Revaluation effects of termination benefits	-27	-71
Fair value measurement of securities (fair value through other comprehensive income)	-25	4
Tax effect	-28	15
Items not subsequently reclassified to profit and loss	-79	-51
Other comprehensive income after taxes	-3,016	6,002
Total comprehensive income	-3,627	2,307

Consolidated Statement of Financial Position

as of 31 March 2023

ASSETS	As of 31.12.2022 EUR'000	As of 31.03.2023 EUR'000
Intangible assets	5,030	4,812
Property, plant and equipment	156,034	154,002
Receivables from customer-related engineering	27,427	26,687
Contract assets	3,318	3,673
Contract costs	71,248	69,957
Other financial assets	422	426
Receivables from related companies	3,071	3,012
Other receivables	10,236	10,338
Deferred taxes	19,113	16,912
Non-current assets	298,885	289,818
Inventories	116,325	134,749
Customer-related engineering	11,488	13,998
Trade receivables	61,065	98,181
Receivables from related companies	20,155	24,277
Current tax income receivables	158	178
Other receivables and deferred items	43,259	31,852
Cash and cash equivalents	102,691	34,504
Current assets	355,140	337,740
Balance sheet total	654,025	627,558

EQUITY AND LIABILITIES

	As of 31.12.2022 EUR'000	As of 31.03.2023 EUR'000
Share capital	45,790	45,790
Capital reserve	221,459	221,459
Currency translation reserve	-533	-630
Other reserves	-9,910	-3,811
Retained earnings	-53,324	-57,019
Equity	203,481	205,788
Promissory note loans	70,000	70,000
Lease liabilities	65,288	64,179
Other financial liabilities	5,034	63,712
Derivative financial instruments	0	998
Investment grants	7,266	7,181
Employee benefit obligations	9,280	9,578
Deferred tax liabilities	281	276
Non-current liabilities	159,120	217,859
Lease liabilities	7,450	7,623
Other financial liabilities	143,522	82,855
Derivative financial instruments	16,536	3,257
Contract liabilities from customer-related engineering	19,350	26,113
Trade payables	66,655	55,905
Liabilities from related companies	12,016	5,909
Investment grants	1,009	1,009
Income tax liabilities	252	159
Other provisions	11,421	810
Other liabilities and deferred items	13,212	20,270
Current liabilities	291,424	203,911
Balance sheet total	654,025	627,558

Consolidated Statement of Changes in Equity

for the period from 1 January 2023 to 31 March 2023

	Attributable to shareholders of the parent company		
	Share capital	Capital reserve	Currency translation reserve
	EUR'000	EUR'000	EUR'000
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
As of 1 January 2023	45,790	221,459	-533
Earnings after taxes	0	0	0
Other comprehensive income after taxes	0	0	-97
Total comprehensive income	0	0	-97
As of 31 March 2023	45,790	221,459	-630

Attributable to shareholders of the parent company					
Other reserves					Total equity EUR'000
Securities - fair value through other com- prehensive income EUR'000	Cash flow hedges EUR'000	Reserves IAS 19 EUR'000	Retained earnings EUR'000		
8	-5,346	-3,014	-52,340	206,002	
0	0	0	-610	-610	
-19	-3,053	-61	0	-3,016	
-19	-3,053	-61	-610	-3,627	
-11	-8,400	-3,075	-52,950	202,375	
-50	-6,917	-2,943	-53,324	203,481	
0	0	0	-3,695	-3,695	
3	6,150	-54	0	6,002	
3	6,150	-54	-3,695	2,307	
-47	-767	-2,997	-57,019	205,788	

Consolidated Statement of Cash Flows

as of 31 March 2023

	01.01.2022 – 31.03.2022 EUR'000	01.01.2023 – 31.03.2023 EUR'000
Earnings before taxes (EBT)	882	-3,167
Plus financial result	2,098	3,179
Earnings before interest and taxes (EBIT)	2,979	11
Plus/minus		
Depreciation, amortization and impairment	5,679	5,614
Amortization contract costs	5,010	2,614
Additions contract costs	-2,475	-1,323
Income from the reversal of investment grants	-82	-84
Change in employee benefit obligations	181	227
Other non-cash expenses/income	1,206	3,086
	12,500	10,145
Change in working capital		
Change in inventory and customer-related engineering	-15,546	-20,845
Change in trade receivables and other receivables, receivables from customer-related engineering and contract assets	-14,139	-25,566
Change in trade payables and other liabilities	5,891	-3,865
Change in current provisions	-3,786	-10,610
Cash flow from ongoing activities	-15,080	-50,742
Interest received	4	102
Income taxes paid	-7	-93
Cash flow from operating activities	-15,082	-50,733
Payments for the acquisition of non-current assets	-1,777	-2,325
Cash flow from investing activities	-1,777	-2,325
Proceeds from interest-bearing liabilities	456	82,013
Repayments of interest-bearing liabilities	-17,763	-84,002
Outflows from leasing agreements	-2,159	-2,547
Interest paid	-2,117	-3,662
Cash flow from financing activities	-21,582	-8,198
Net changes in cash and cash equivalents	-38,441	-61,256
Cash and cash equivalents at the beginning of the period	114,966	102,691
Effects from foreign exchange rates	642	-6,930
Cash and cash equivalents at the end of the period	77,166	34,504

Selected Notes

To the Consolidated Financial Statements for the 1st quarter 2023

NOTE

The condensed Consolidated Interim Financial Statement as of 31 March 2023 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, 3 May 2023

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

Zhen Pang m. p.
Member of the Management
Board

Investor Relations

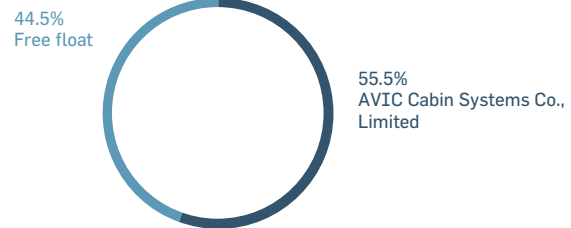
BASIC INFORMATION ABOUT THE FACC SHARE

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
Bloomberg symbol	FACC AV
Shares outstanding	45,790,000 shares

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.



CONTACT

Michael Steirer
 Vice President
 Controlling / Investor Relations / Enterprise Risk Management
 Phone +43 59 616 1468
 Mobile +43 664 80 119 1468
 m.steirer@facc.com

