

A large, dark blue planet is shown in the upper right quadrant of the image. A bright sun is rising or setting behind the planet's horizon, creating a lens flare effect with several rays of light extending outwards.

BEYOND
HORIZONS

CAPITAL MARKETS DAY 2020

A low-angle photograph of a bright blue sky with a sunburst effect from a bright sun partially obscured by green tree branches. An airplane is flying in the sky. A large black curved shape covers the left side of the image.

INVESTOR RELATIONS

MANUEL TAVERNE

A low-angle, upward-looking photograph of several modern glass skyscrapers against a blue sky with scattered white clouds. A white commercial airplane is flying in the upper center of the frame. The left side of the image is partially obscured by a large black curved shape that serves as a background for the text.

COMPANY OVERVIEW

ROBERT MACHTLINGER

A TURN KEY INDUSTRY PARTNER

FACC has innovated the aerospace composite industry

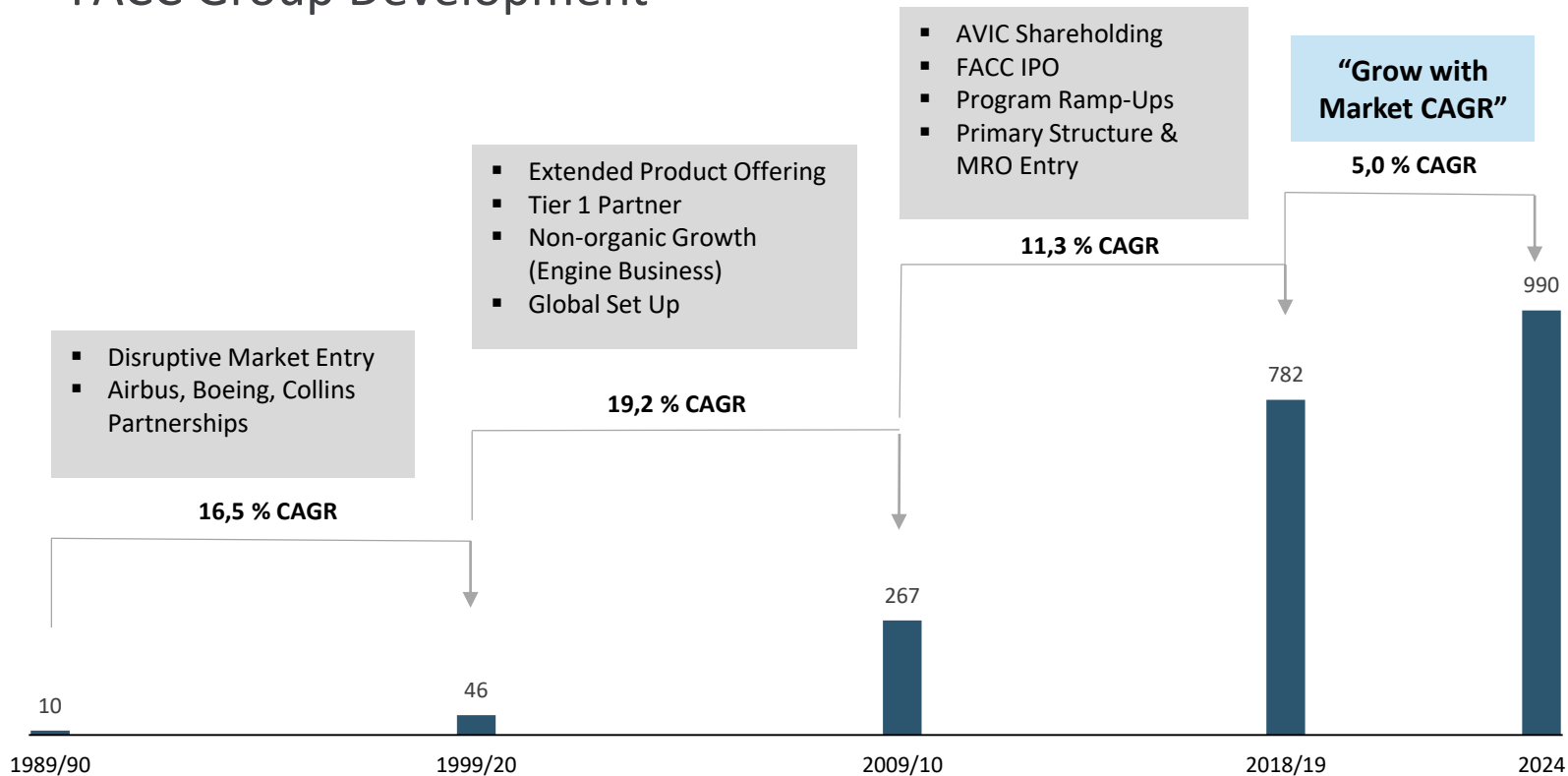


CORE STRENGTHS OF FACC

- 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)

30 YEARS OF INNOVATION AND GROWTH

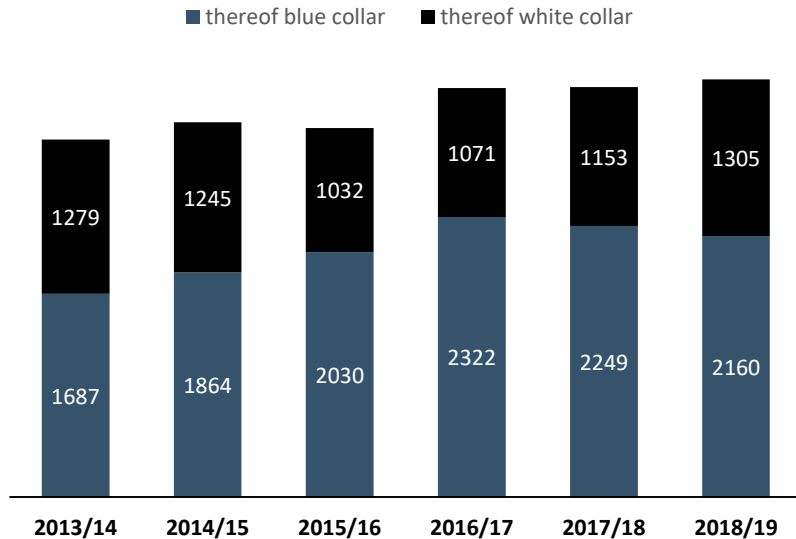
FACC Group Development



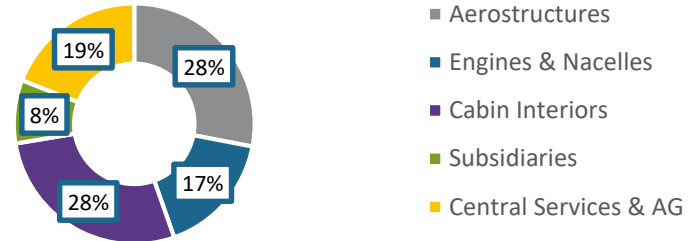
EMPLOYEES

Trend of increasing revenues per employee

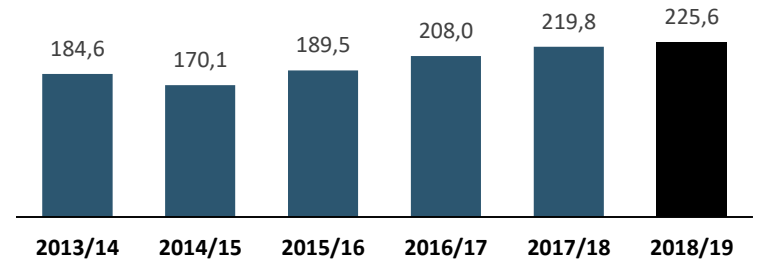
Employee development over the years



Employees by business segment



Revenue per employee



TURN KEY SOLUTIONS & SERVICES

... focused on Advanced Lightweight Solutions



Aerostructures



Engines & Nacelles



Cabin Interiors



MRO

FACC'S MAIN PRODUCT PORTFOLIO

No 1 Winglet Producer
 "More than 10.000 winglet pairs produced at rates close to 100 SS per month"

20 Years of Nacelle Expertise
 3.000 Translating Sleeves, 10.000 Fan Cowl Doors, 500.000+ Engine Parts.
 A "Best in Class Partner" with more to come

No 1 "Non-OEM" Stowage Bin Producer
 300.000 Bin Systems & 10.000 Airplane Ship Sets delivered without missing a single Customer need Date

AEROSTRUCTURES

Winglets: 737NG, 757, A320, A350, EMB E2, C919, BJs
 Spoilers: B787, A330, A350, EMB E2, C919
 Ailerons: EMB E2, SSJ100
 Flaps: A320, SSJ100
 Rudder, Fairings, Elevator ...

ENGINES & NACELLES

Translating Sleeve: B787, A350, A32F
 Fan Cowl: A330, A320ceo, G450
 IOB: A380, A320neo
 Bypass Ducts, Fan Casing, Annulus Fillers, GGF's ...
 Exclusive composites parts provider to RR since 2001

CABIN INTERIORS

Main Cabin: C919, ARJ21, SSJ100, B717
 A320: Overhead Stowage
 Ceilings & Light Panels
 Entrance Area
 A350: Bins & Housings
 Door Lining
 Customized high end cabins for Bombardier and Embraer Business Jets

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



43%



83%

*Growth in line with
market / single digit*



22%



19%

*Growth above market /
high single*



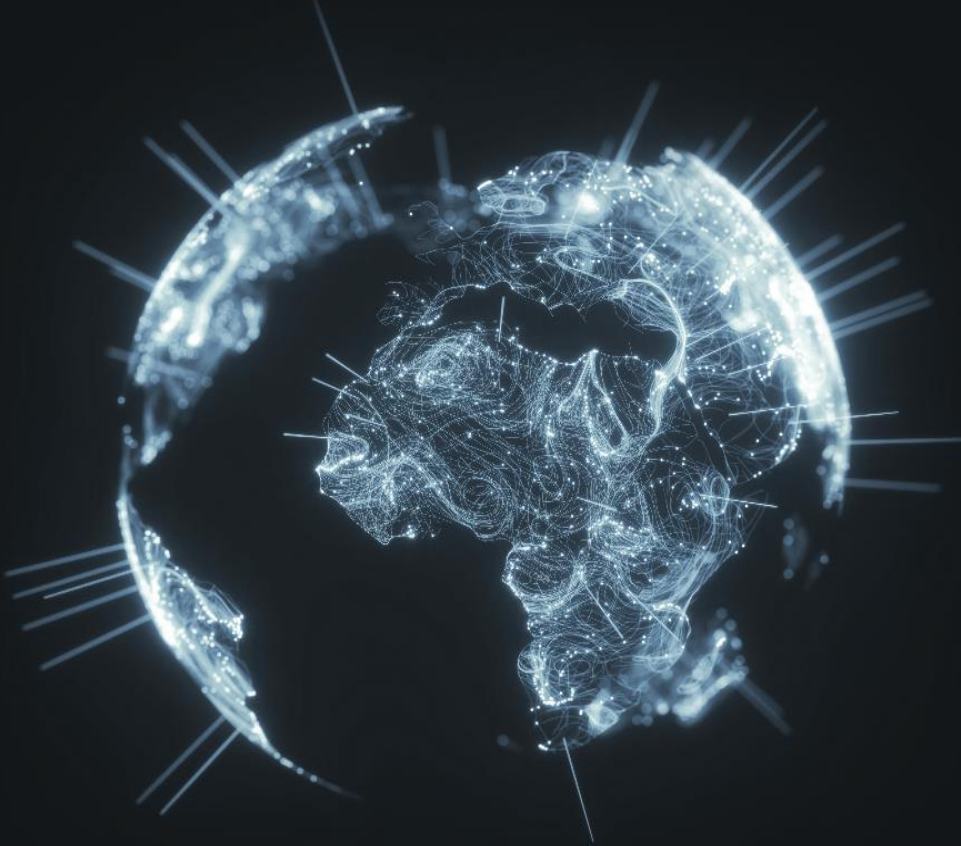
35%



-3%

*Growth above market /
Low double digit*

GLOBALIZATION



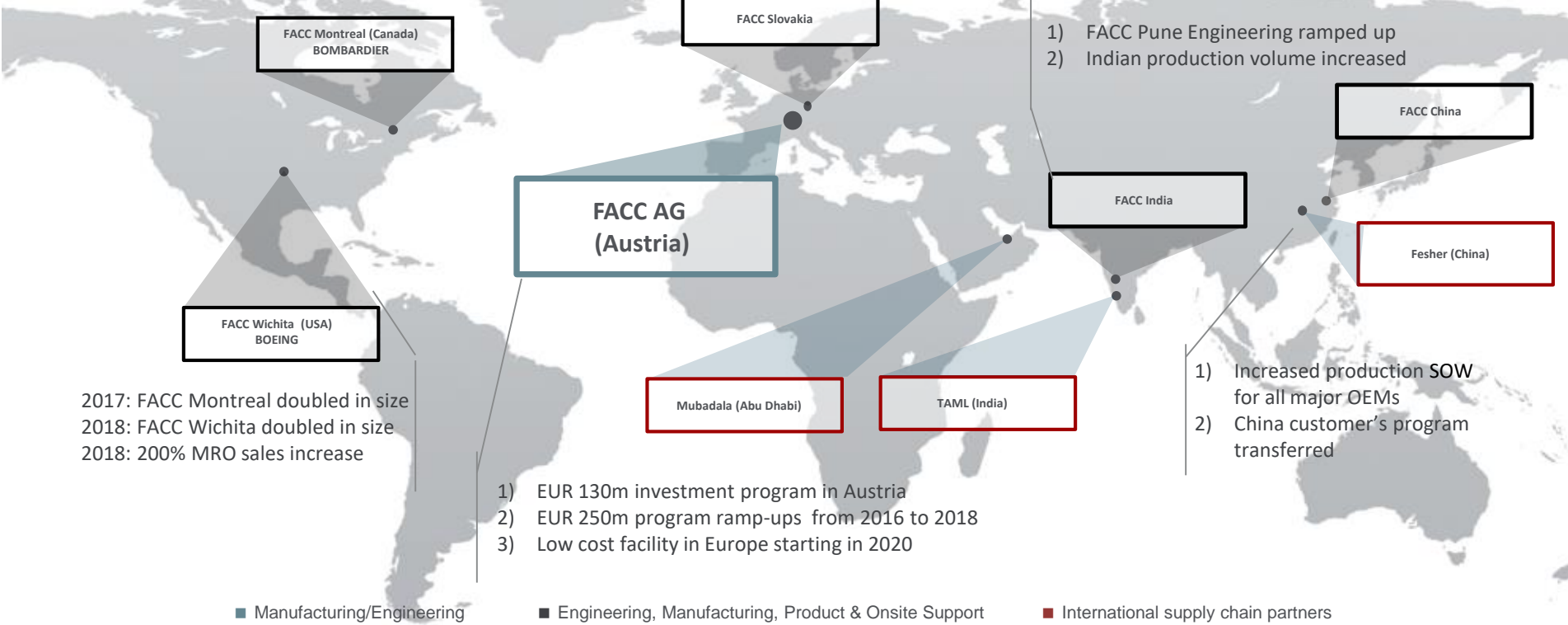
Extended FACC footprint in all major markets that supports customer market demands.

Roll-out of FACC operating model across all FACC locations and partners.

Establish Global Enterprise Excellence

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

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

CURRENT BUSINESS ENVIRONMENT



- **Transformation of Product Portfolio**
 - Boeing 737NG & A380 Program Phase Out
 - New Contracts to backfill Program Phase Outs
- **Slow Down of Organic Growth**
 - Rates stabilized at today's level
 - Rate adjustments (past and future)
- **Accounting Standards**
 - IAS 8 Restatements
 - IFRS 15 & 16 Impacts
- **Financial Strength**
 - Fixed Cost & Material Cost Reduction and LCC to increase profitability
 - Interior Get Well Plan
 - Cash Conversion Rate

The background of the slide is a low-angle photograph of several modern skyscrapers with glass facades, reaching towards a blue sky with scattered white clouds. A commercial airplane is visible in the upper center of the frame, flying between the buildings. A large, solid black curved shape overlaps the left side of the image, serving as a background for the text.

GENERAL MARKET TRENDS

ROBERT MACHTLINGER

"4.90 billion people used an airplane in 2018"

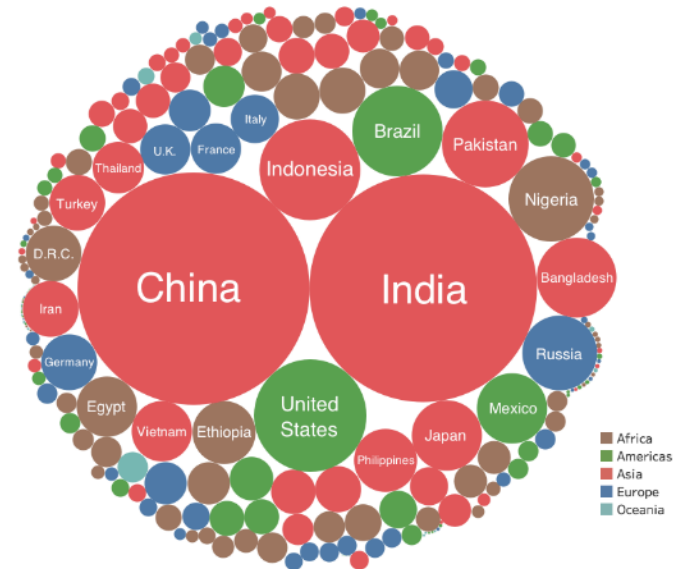
"80% of the world's population has never used an airplane"

DEVELOPMENT OF POPULATION

Globalization and related issues are becoming more important.

- In 30 years the population grows by 25%
- Urbanization is progressing, 68% of the population lives in cities in 2050
- The number of mega-cities with more than 10 million inhabitants is increasing, existing mega-cities will further grow
- Increasing living standards in new markets are changing their consumer behavior too
- Globalization and related issues are becoming more important

Countries by population size



TECHNOLOGY TRANSFORMATION

Mobility requires innovative solutions for an environmentally friendly future

Since the 1960s aviation industry has come a long way...

75 % LOWER NOISE

75 % LOWER HC

50 % LOWER CO

80 % LOWER FUEL
BURN

Development and related objectives in the aviation industry

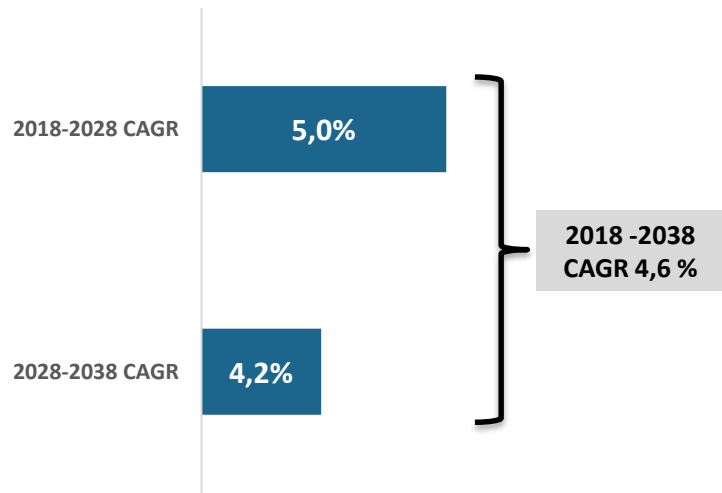
- From 2020 no further increase in CO₂ emissions
- Up to 2050 passenger traffic worldwide has quadrupled to 2019
- Halve CO₂ emissions by 2050 - from 2.7 % to <1.5 %
- 1% annual increase in aircraft efficiency through new technologies and CI
- New propulsion systems and CO₂ neutral synthetic fuels

MARKET DYNAMICS

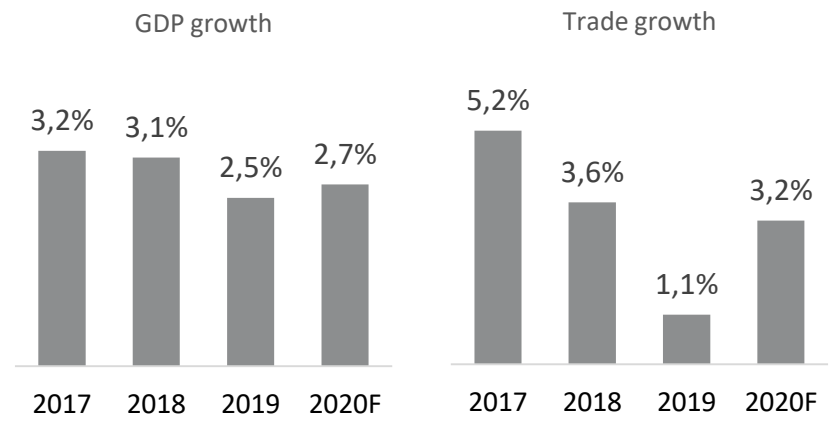
Economic growth and air travel underpin long term industry outlook

Air traffic growth forecast

(Global RPK's, CAGR)



Global GDP and Trade development



GLOBAL AEROSPACE MARKET

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

STRONG FIRM ORDER BACKLOG

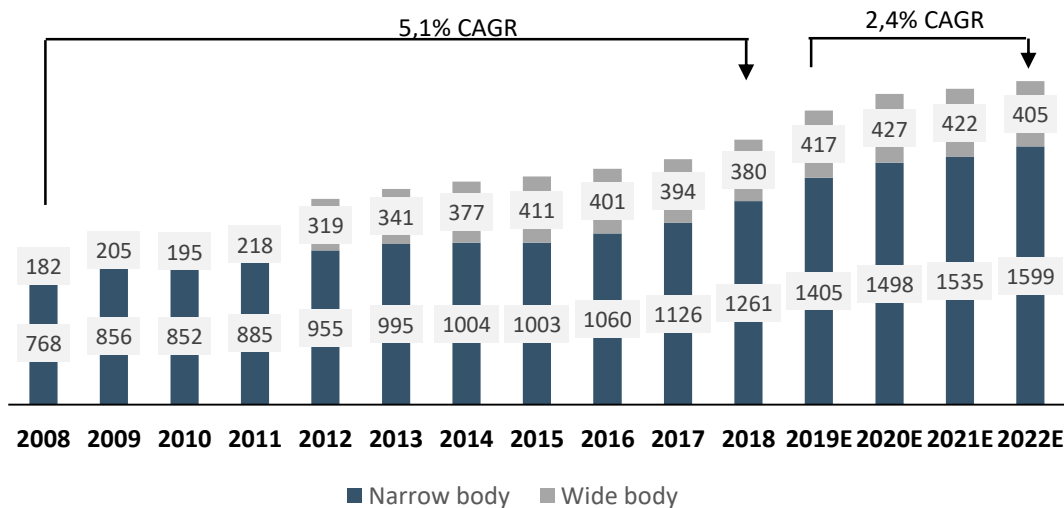
- A220 → 7.5 years
- A320 → 9 years
- A350 → 5 years
- A330 → 6 years
- B787 → 4 years

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.

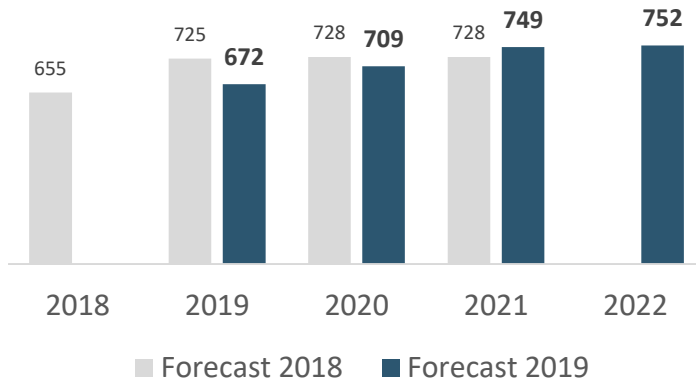


RATE DEVELOPMENT

Program production rate expectations for FACC's most important platforms

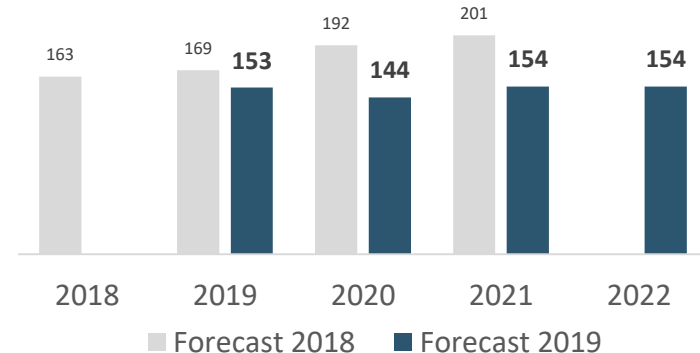
A32F RATE FORECAST

- A220 (Bombardier C-Series) not included
- Backlog based on 2019 deliveries approx. 9 years



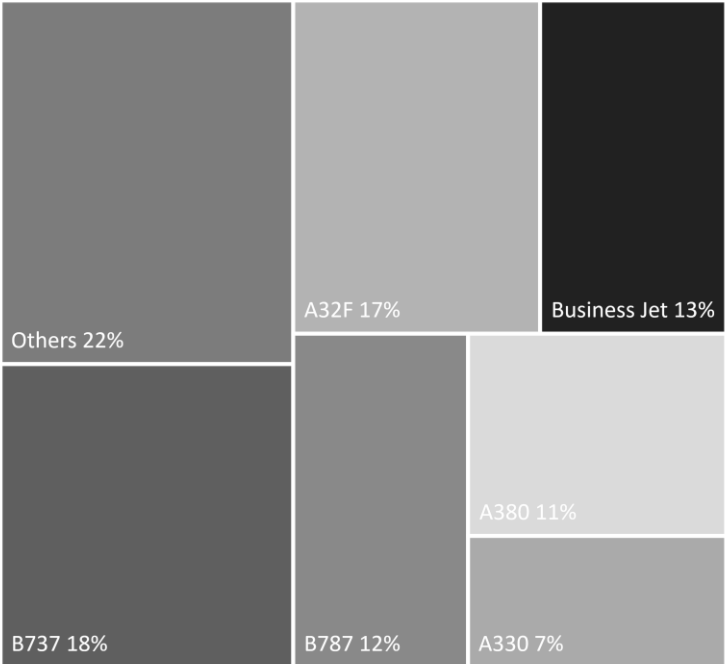
AIRBUS WIDEBODY RAMP-UP

- Includes A330, A350, A380
- Backlog based on 2019 deliveries approx. 5 years

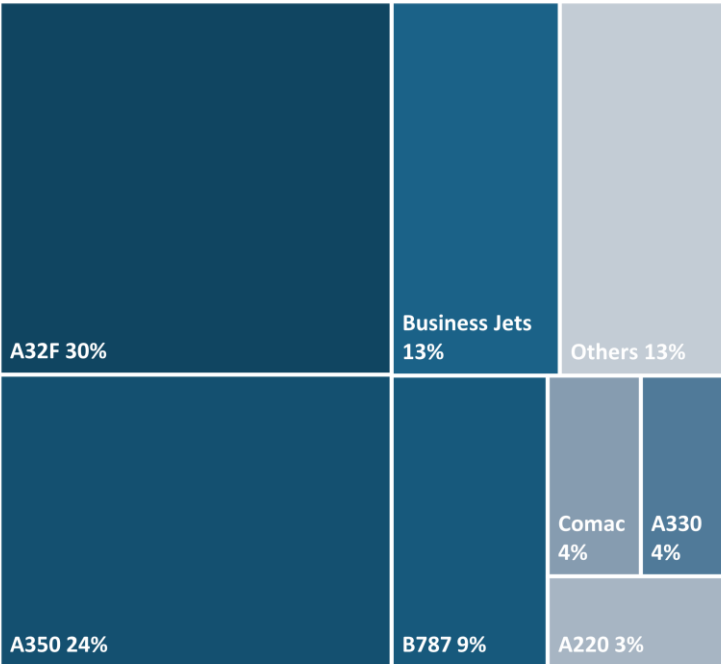


REVENUE TRANSFORMATION

Revenues composition at IPO



Revenues composition at H1 2019



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



STRATEGY TO COPE WITH MARKET DEMANDS

Three cornerstones to accelerate growth and earnings

INNOVATION & CUSTOMER BENEFIT

**DEVELOPMENT OF INNOVATIVE SOLUTIONS
(MATERIAL, PROCESS, SYSTEMS)**

**PROGRAM LIFE CYCLE TURN KEY SOLUTIONS
(R&T, DESIGN, CERTIFICATION, PRODUCTION & SERVICES)**



GROWTH & DIVERSIFICATION

**EXPANSION OF MARKET SHARES AND OPENING OF NEW MARKETS
PENETRATE NEW MARKETS (UAM)**

ORGANIC & NON ORGANIC GROWTH

EXPERTISE & STABILITY

FOCUS ON THREE BUSINESS SEGMENTS PLUS MRO

PROFITABILITY THROUGH AUTOMATION, LCC, LEAN AND BEST IN CLASS INITIATIVES

MRO BUSINESS ON TRACK

Extended Partner Network and increasing MRO business

GET
MORE
SPACE



PASSENGER LUGGAGE SPACE UPGRADE

TRUST
ORIGINAL
EXPERTISE



BLENDED WINGLET

SPLIT SCIMITAR WINGLET

FULL MRO SERVICE PACKAGE

Business Growth as Planned

- 1.000th Winglet retrofit SS finished and delivered
- Contract with Boeing Global Services signed for B737 Winglet spares and repairs
- Business Jet Cabin Retrofit activity started and first aircraft retrofitted
- New FACC STC's in the pipeline replacing original products and providing long term performance benefit

EARLY PARTICIPANT IN UAM-MARKETS



Climbing Flight Test



High-maneuver Flight Test



Foggy Flight Test



Typhoon Flight Test



Flight Speed Test

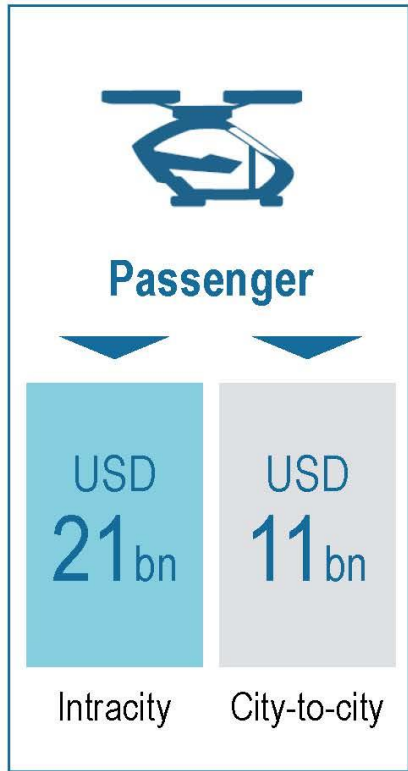


Night Flight Test

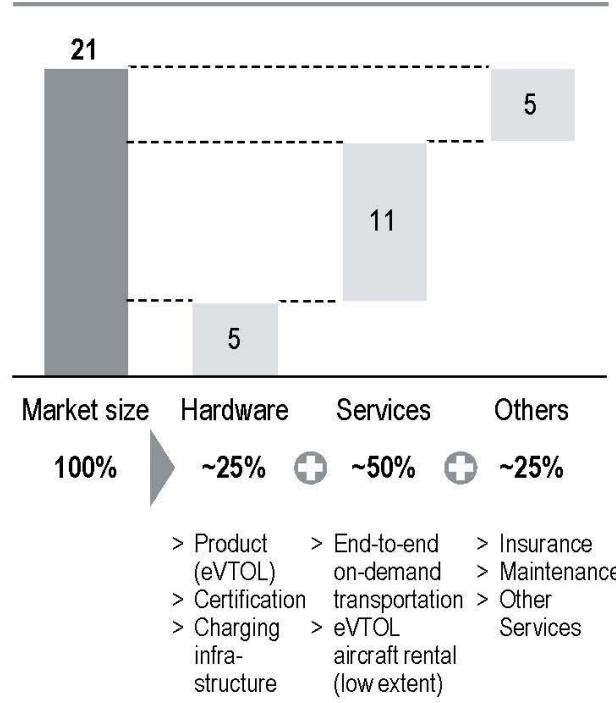


7.000 CONSUMED FLIGHT TEST HOURS,
2.000 HOURS MANNED

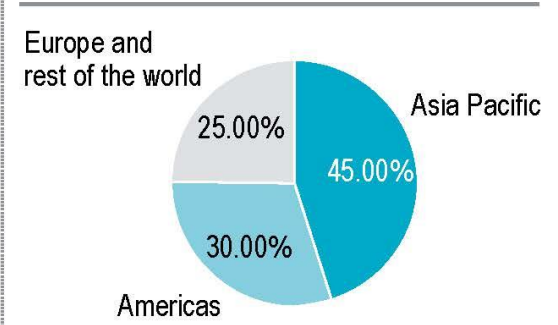
UAM MARKET POTENTIAL



Break down of intracity market [USD bn]



Regional split of intracity market [%]



- > Majority of market is in Asia Pacific followed by Americas driven by
 - megacities in these regions
 - increasing need to cope with congestion and emission levels

MARKET SUMMARY

- Global Mobility Demand will grow further
- Production rates stable at high rate, large A/C rates not growing
- Sustainability will be important to attract customers, investors and talents
- Technology & Innovation will lead to “green mobility” – blocking people from traveling will not be successful

- FACC can benefit from this trend
 - Composite Systems will lower weight and reduce overall emissions
 - New Technologies in terms of material, process and part functionality
 - FACC “Bio-Prepreg” introduced as “Green Interior” Solution
 - Material Circularity Processes



A low-angle photograph of a bright blue sky with a sunburst effect from a bright sun partially obscured by green tree branches. A white commercial airplane is flying in the distance. The bottom-left corner of the image is covered by a large black diagonal shape.

STAKEHOLDER REQUIREMENTS

ROBERT MACHTLINGER

STAKEHOLDER REQUIREMENTS

Customers

- Best in Class (Q-D-C)
- Innovation for next generation aircraft platforms
- Maturity at increased rates
- Reduced Cost (>20% based on today's cost)
- Financing power
- Global footprint

Talent

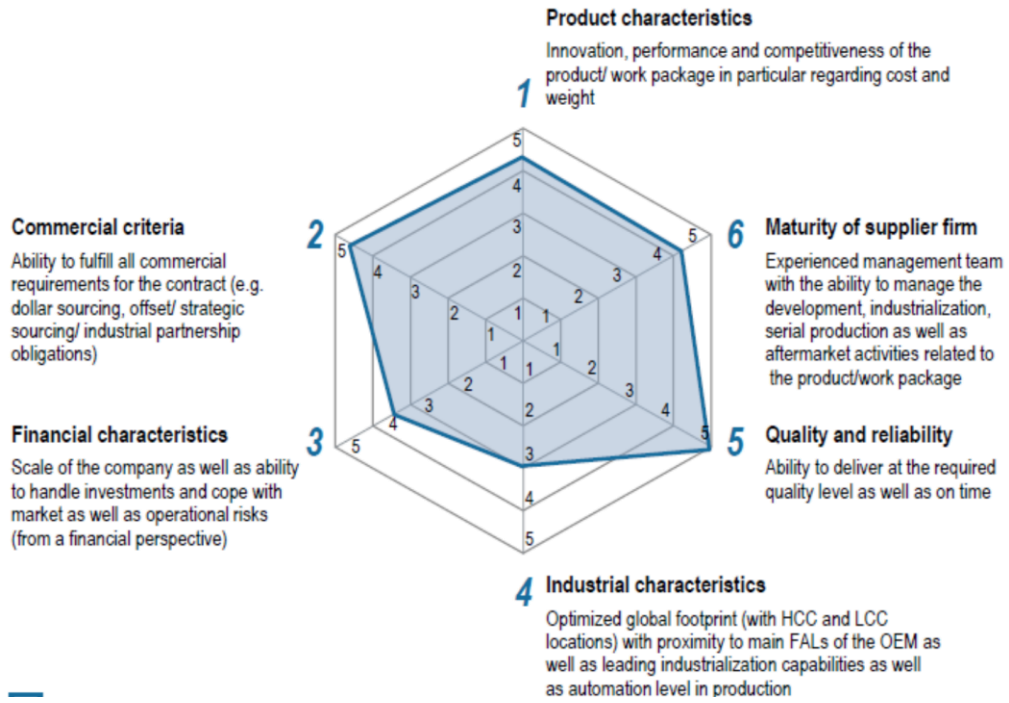
- Company Vision, Values & Culture
- Meaningful tasks that are attractive
- Safe, Healthy and Secure Workplace
- Appreciation of achievement
- Career opportunities

Shareholders

- Growth in “Value & Volume”
- EBIT of 8-10%
- Cash Conversion Rate >1,00
- Net Debt Ratio to improve to 2.5 mid term
- Dividend, Share Price & Performance

CUSTOMER REQUIREMENTS

Key Factors essential for suppliers



- 1) FACC provides next generation innovation for OEMs
- 2) FACC meets commercial and contract criteria
- 3) Improvement on financial KPIs executed from 2016 onwards
- 4) In place and will be extended with Croatia
- 5) Best in Class from FACC Opex, PfQ WIN, COR
- 6) In place and further reinforced in 2017 and onwards

MULTIFOLD AWARDED SUPPLIER

„Supplier Award“ von Rolls Royce
 „SQIP Supplier Award“ von Airbus



„Austrian Supply Excellence Award“

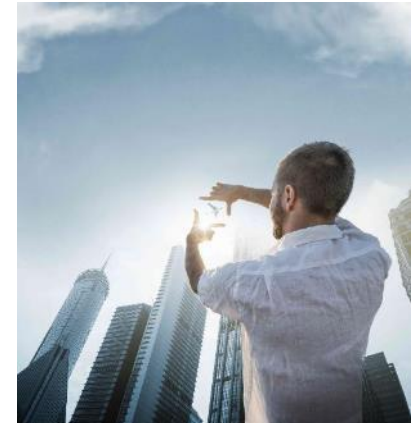


“Innovation Award“ von AIRBUS
 “Best Performer“ von AIRBUS



FACC EMPLOYEES

- Our people are well educated, motivated and committed
- We are attractive and bring new talent on board
- Our people are well accepted with our customers, partners and the community, but we need to further work on
- Educate staff in soft skills (communication, social facts, execution of tasks, ...)
- Continuous enhancement of the organization to meet performance and agility targets



Our value AIR-P.O.R.T



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 %	EARNINGS (EBIT margin) 8 - 10 %	NET DEBT / EBITDA ~ 2.5x	DIVIDEND POLICY 20 -30 %
<ul style="list-style-type: none"> ▪ Outperformance of the market ▪ With strong program portfolio and high order backlog 	<ul style="list-style-type: none"> • Sustainable efficiency gains from favorable product mix • Fixed & variable cost reductions 	<ul style="list-style-type: none"> • Strict cost control • Focus on a stable capital structure • Impact of new IFRS standards 	<ul style="list-style-type: none"> • Dividend policy established in course of the IPO • Based on distributable profits

The background of the slide is a photograph of a bright blue sky with a few white clouds. A commercial airplane is flying in the upper right quadrant. The sun is shining brightly in the center, creating a lens flare effect. The top and bottom edges of the image are framed by the green foliage of trees. A large, solid black shape covers the left side of the slide, containing the text.

Q/A COFFEE BREAK

FACC ROADMAP

ROBERT MACHTLINGER





FACC All-over **C**ost **T**ransformation

A project aiming to increase efficiency by optimized processes

AGENDA

BUSINESS AND MARKET OVERVIEW


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

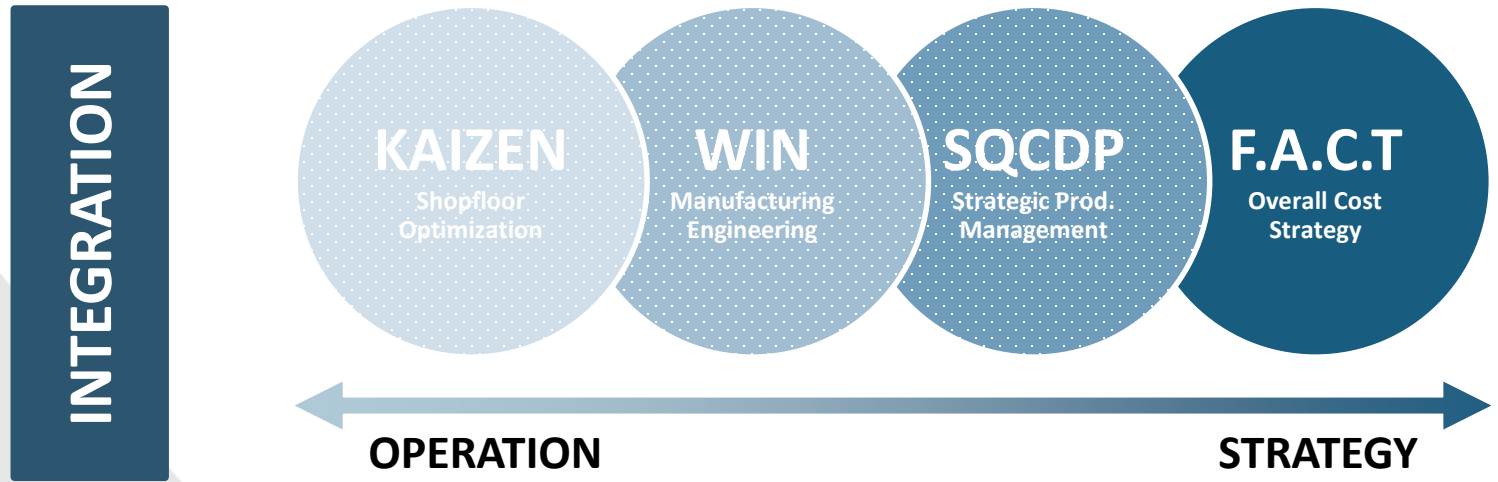
- New structure and value drivers
- Improved business fundamentals
- Invested in technology and global footprint
- Margin improvement

REACHING OUR FULL POTENTIAL

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”



CURRENT COST STRUCTURE

ALL COSTS ARE LOCATED IN THREE MAIN AREAS

Supply Chain

63%

Bill of Materials, Services
Packaging & Logistics

Value Add

18%

Production,
Direct Quality

Fixed Cost

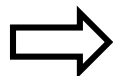
19%

*Division: Program, Quality,
etc. // Central Services and
FACC AG*

AREAS OF ACTION

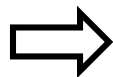
POTENTIALS ARE LOCATED IN THREE TARGET AREAS

**MATERIAL AND
PROCUREMENT COST**



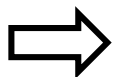
€ 25
Mio.

MANUFACTURING



€ 15
Mio.

FIXED COST



€ 10
Mio.

8-10 %

**Overall group margin
target**

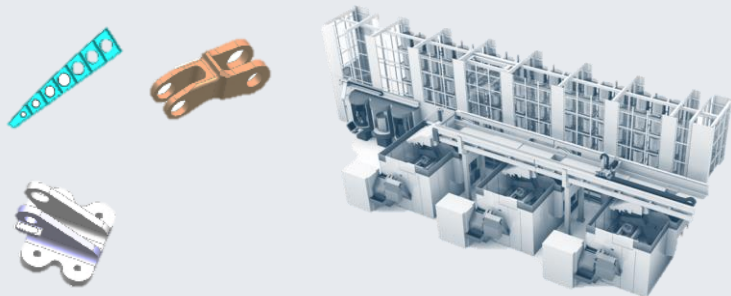
**MARGIN IMPROVEMENT ONLY
REQUIRES LIMITED SALES
GROWTH, THEREFORE THE
REQUIRED ACTIONS ARE LARGELY
WITHIN OUR CONTROL**

VERTICAL INTEGRATION

Integrate new processes and products into the FACC value stream

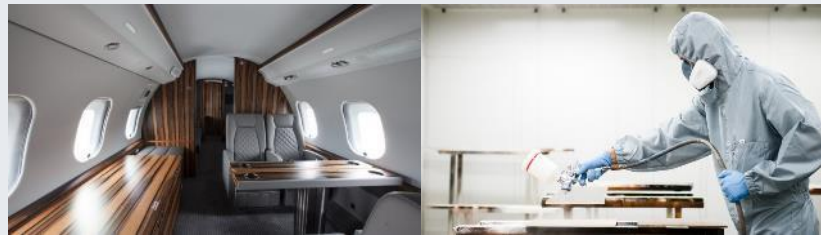
MACHINING HARDWARE

- 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.



NEW STRUCTURE & PRIORITIES

A simpler more digitized and agile focused organization

Streamlined structure enables faster decision-making

Fixed cost optimization at all levels

Performance Based Systems

Multi Year Target Settings

Investment in further improvements and long-term growth



ENGINE & NACELLES

ROBERT MACHTLINGER



ENGINE & NACELLE IMPROVEMENTS

Announced turnaround successful executed

- Nacelle Segment stabilized since 2016
- Single digit EBIT in FY 2020 and 2021
- Vertical integration of metal parts to reduce cost beyond today's level
- Further increasing facility utilization of established assets from new program ramp ups in 2020 and 2021



A 30 YEAR COLLINS PARTNERSHIP EXTENDED

New contract terms for Boeing 787 translating sleeve agreed



CONTRACT PROLONGATION

- Current contract terms ending by the end of 2021
- New contract terms starting with 2022 onwards
- No set-up costs, production fully established at leaned out cost
- High triple digit sales volume secured on two important aerospace program (A350 XWB & B787)

A low-angle photograph of a bright blue sky with a sunburst effect from a bright sun. Green tree tops are visible at the bottom and sides. A white airplane is flying in the upper right quadrant. A large black diagonal shape covers the left side of the image, containing the text.

CABIN INTERIORS

THE STRATEGIC POSITION

ROBERT MACHTLINGER

INTERIOR OPPORTUNITY & CHALLENGES



Commercial Jet Interiors



Business Jet Interiors

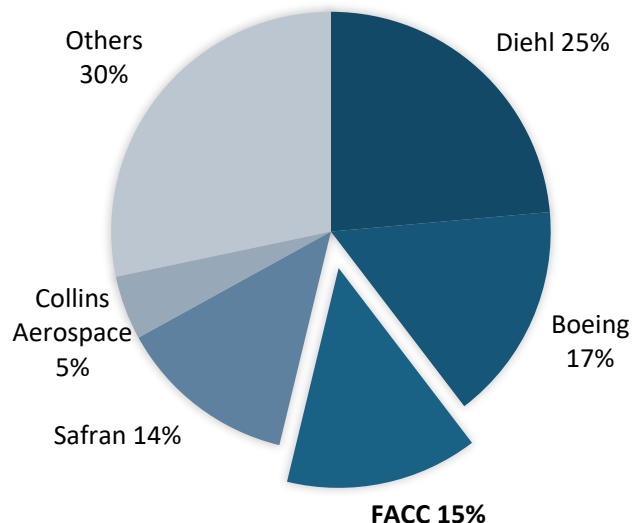
- **Well positioned on the Market**
 - Turn Key Partner
 - One of top 5 Interior Companies on the work market
 - Commercial and Business Jet Application
 - High Rate Production Portfolio

- **Profitability Volatile**
 - High demand for Customization
 - Life Cycle Reduction (5-7 Years)
 - Repeating Start-up cost
 - Current challenges with loss making situation

OUTSTANDING MARKET POSITION

FACC belongs to the top 3 players in the market for luggage bins

Market share for Luggage Bins



- Total market size assumed at USD 1.2 bn including retrofit and spares volumes.
- OE market approx. USD 1 bn
- FACC is the second biggest TIER 1 supplier for overhead stowage compartments to AIRBUS
- DIEHL: Most of their luggage bins are produced by FACC and delivered from there to the OEM.

CORE PRODUCTS PORTFOLIO

We are a key player on two very successful airplanes

A320 Family Interior from FACC

- The A32F is the most successful airplane produced today
- FACC is the single source supplier for a major content of the passenger cabin
 - Luggage Bins
 - Ceiling Panels
 - Entrance Area
 - Transition and Light Panels

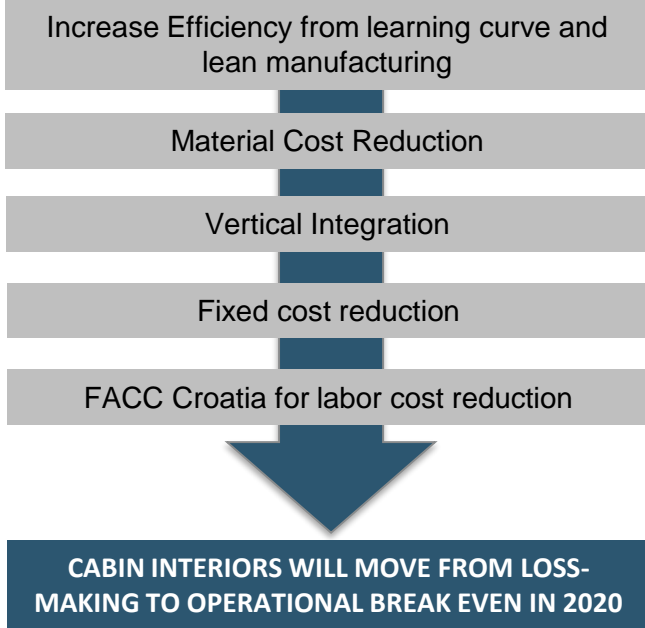
A350 XWB

- FACC is the single source supplier for all A350 Luggage Bins
- We also deliver the Passenger Door Linings



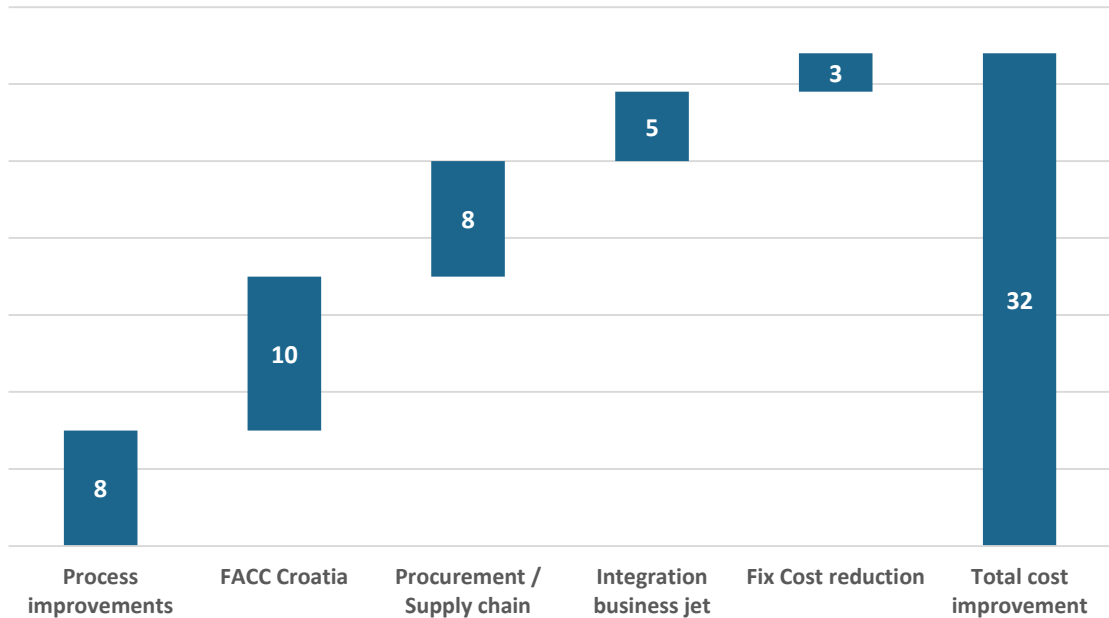
31 MIL INTERIOR GET WELL ON TRACK

Sustainable plan for Cabin Interiors: 2020 -2023



F.A.C.T - CABIN INTERIORS

A three years plan to improve profitability / 2020 - 2023



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

FACC SOLUTIONS CROATIA

An optimized production flow is key

-  ... Inbound & material flow
-  ... Value stream & Outbound flow



FACC SOLUTIONS CROATIA

Strategic advantages of a low cost facility in Europe

1. Attractive frame conditions

- Infrastructure
- Modern and efficient administration
- Good services around

2. Stability and Security

- Stable political, economic and juridical environment
- Good relationship between employer and employee
- Low rate of work strikes/ high social satisfaction
- Stable energy situation

3. Tax advantages and grants

- Advantage of EU market/ no import duties/ tax situation
- Grants and subsidies in NUTS II region up to 25% of investment
- Attractive grants regarding rechnology and environment

4. Central location

- Proximity to major customers e.g. Airbus Hamburg, Toulouse
- Good access to all European and overseas markets
- Short distances/ reachability of facility from headquarters on the same day

5. Staff education

- Access to trained and educated staff
- Good educational system/ dual system in preparation
- Many people speak several languages fluently

6. Productivity

- Work force has excellent productivity and assignment to work
- Clear comparative cost advantage



TREASURY

ALES STAREK

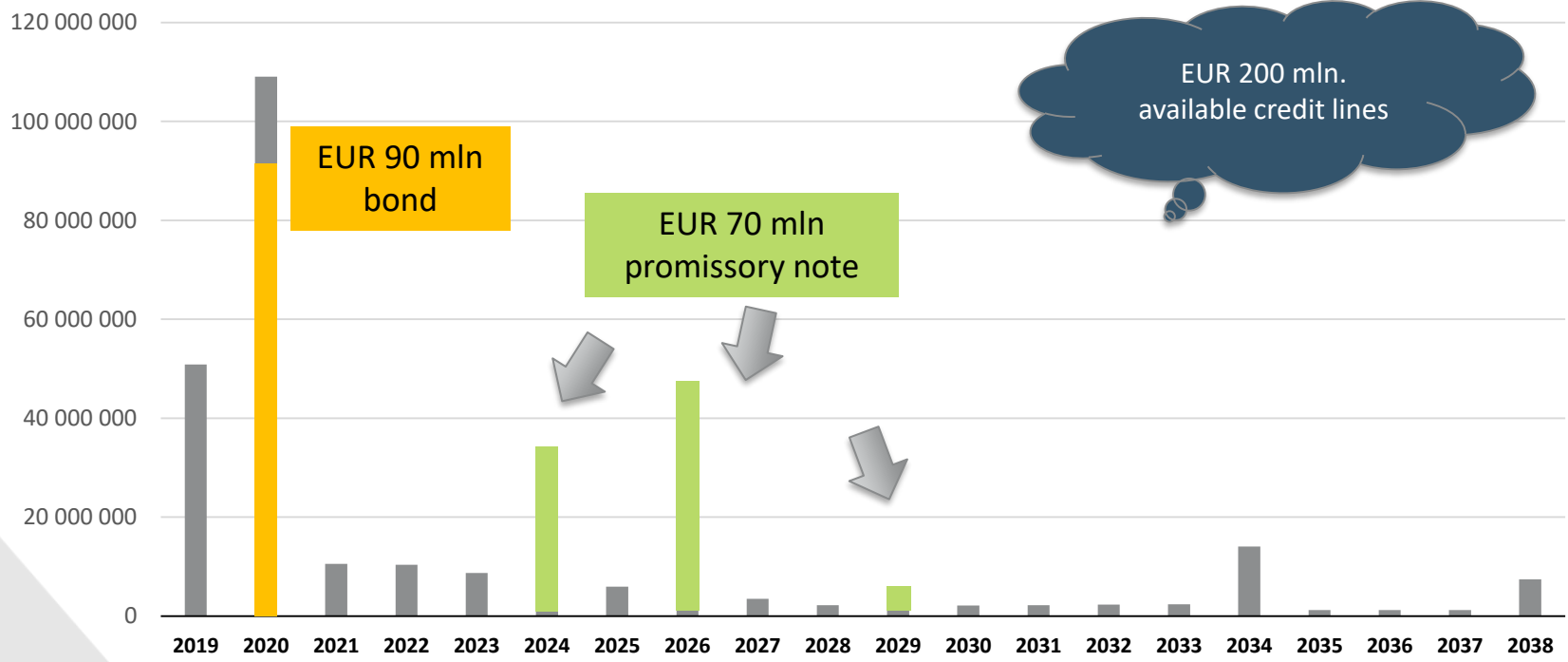
GENERAL FUNDING STRATEGY

FACC Group

- > 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
- > Evenly distribute FACC 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: $\sim 2,5$ (Net financial debt / EBITDA)

MATURITY PROFILE FACC GROUP

Maturity profile incl. IFRS 16 debt (as of 31.12.2019)



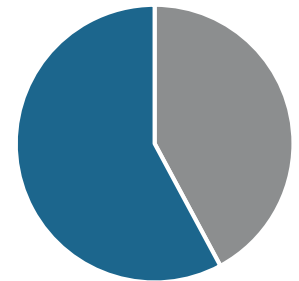
NEW PROMISSORY NOTE/SCHULDSCHEIN

Key data

> Mandated Lead Arrangers



- > Volume EUR 70,0 mln (total firm orders: EUR 106,5 mln)
- > 27 different investors
- > 5y, 7y and 10y tranches
- > Attractive margins
- > Margin step up Net Debt/EBITDA at 3,75 (instead of a hard cancellation covenant)
- > Decrease of EUR 2,5 mln p.a. in financing expenses from June 2020 onwards



■ Fix ■ Variabel

PROJECT CROATIA

Funding considerations

- > **Objective:** Sustainable, long-term and confirmed funding contract
- > **Solution:** OEKB backed refinancing
- > Other options have been ruled out as too complex and costly (e.g. Leasing, local funding)
- > OEKB funding provides various advantages:
 - Government backed guarantee
 - Cheap funding
 - Attractive instrument for banks („Hausbankenspanne“)
 - Funding given to FACC Operations GmbH and handed on to Croatia (IC loan structure)
- > FACC strives to include a environmental-social-corporate governance (ESG) component in this new loan

US-DOLLAR DEVELOPMENT

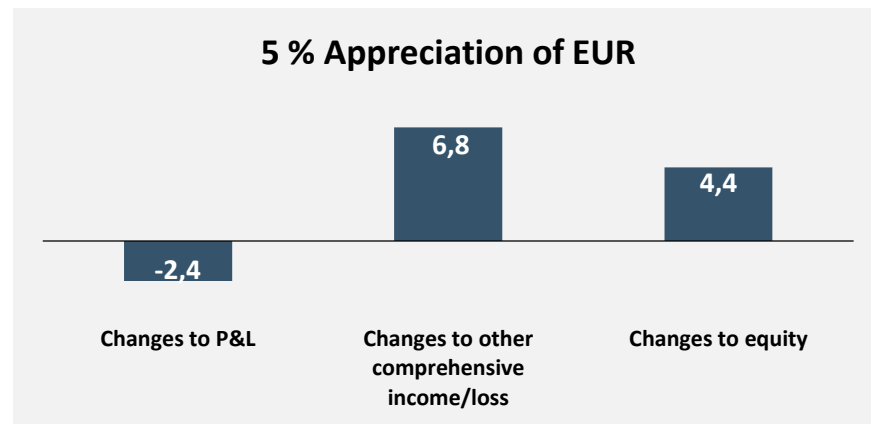
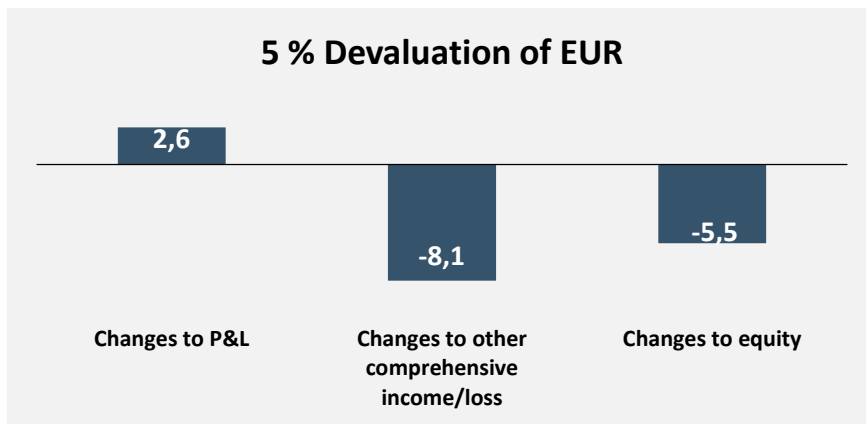
Strong US-Dollar supports FACC development



US DOLLAR IMPACT

Sensitivity analysis based on an average of 1.162 for the fiscal year 2018/19

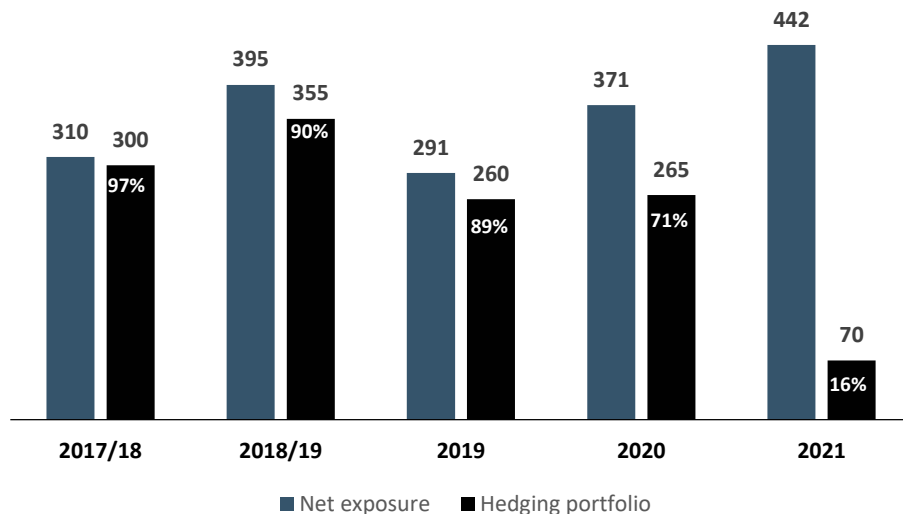
- Sensitivity analysis regarding a 5 percentage points fluctuation of the US Dollar and its impact on
 - Profit & Loss statement
 - Other comprehensive income/loss
 - Equity



HEDGING PORTFOLIO

US Dollar portfolio is proactively managed

in million USD



US Dollar EXPOSURE

- Approx. 60% of US Dollar revenues are covered by natural hedging (procurement in US Dollar)
- Regular exchange rate analysis and consistently new hedging contracts
- Rolling hedge for a 12 month period and up to 36 months possible

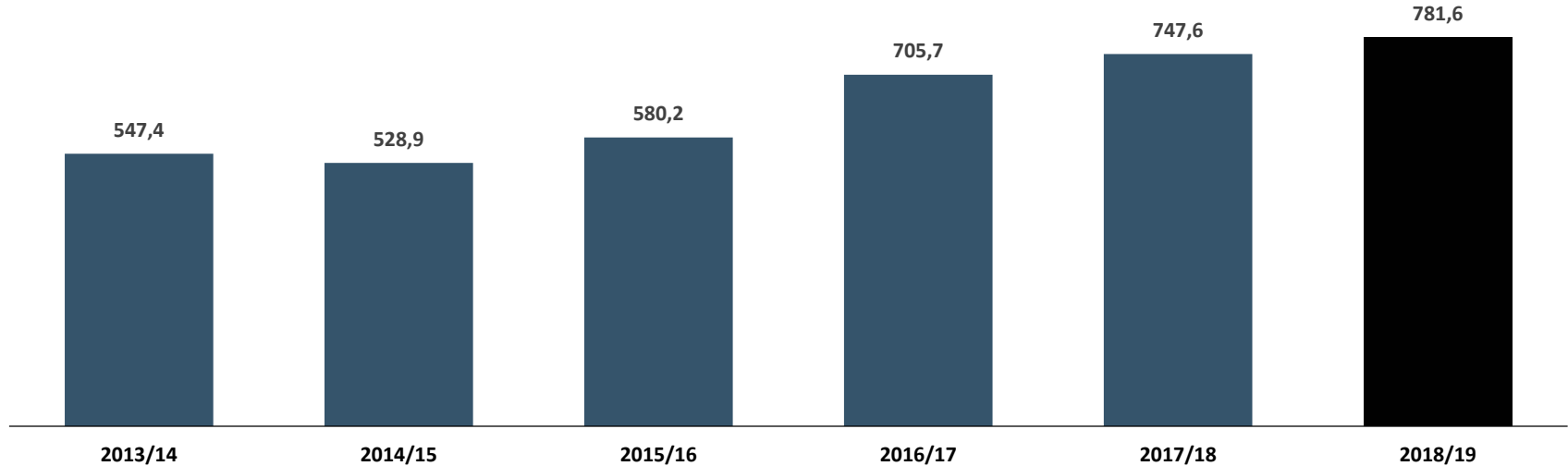
FINANCIALS

ALES STAREK



REVENUES GROWTH

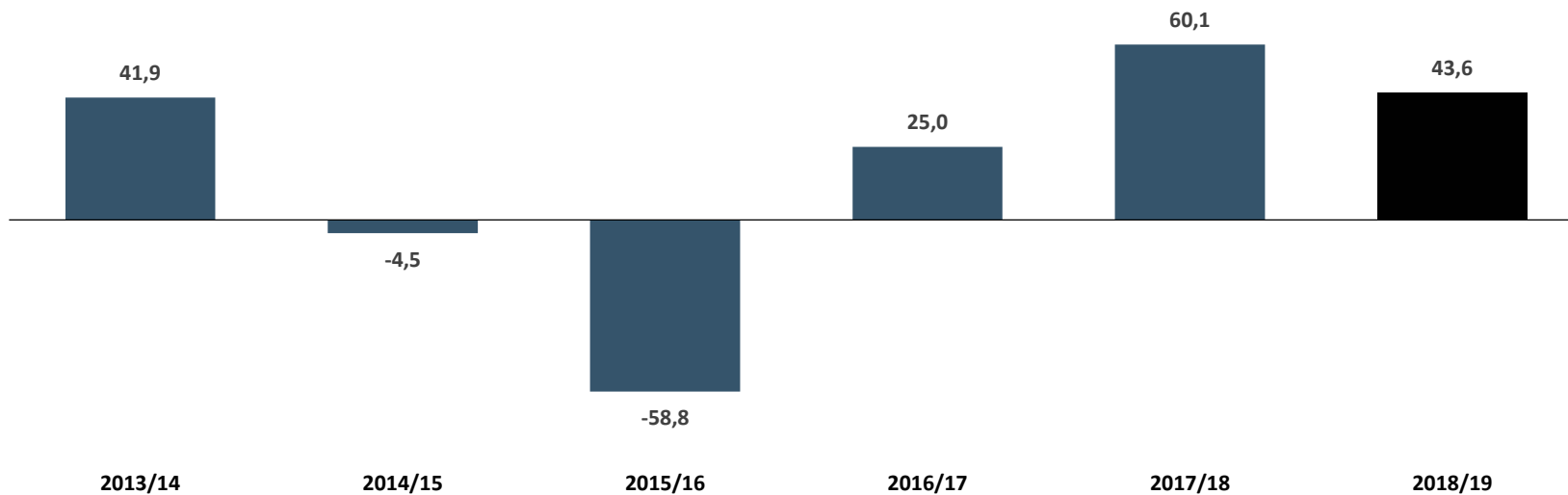
Dynamic growth since IPO (7,4% CAGR)



- Growth supported by ramp-ups and rate increases by all new aerospace programs (A320NEO/A350/B787)
- Phase-out of B737 winglet program during the years 2017-2019 (-60,2 EUR mill) was fully compensated

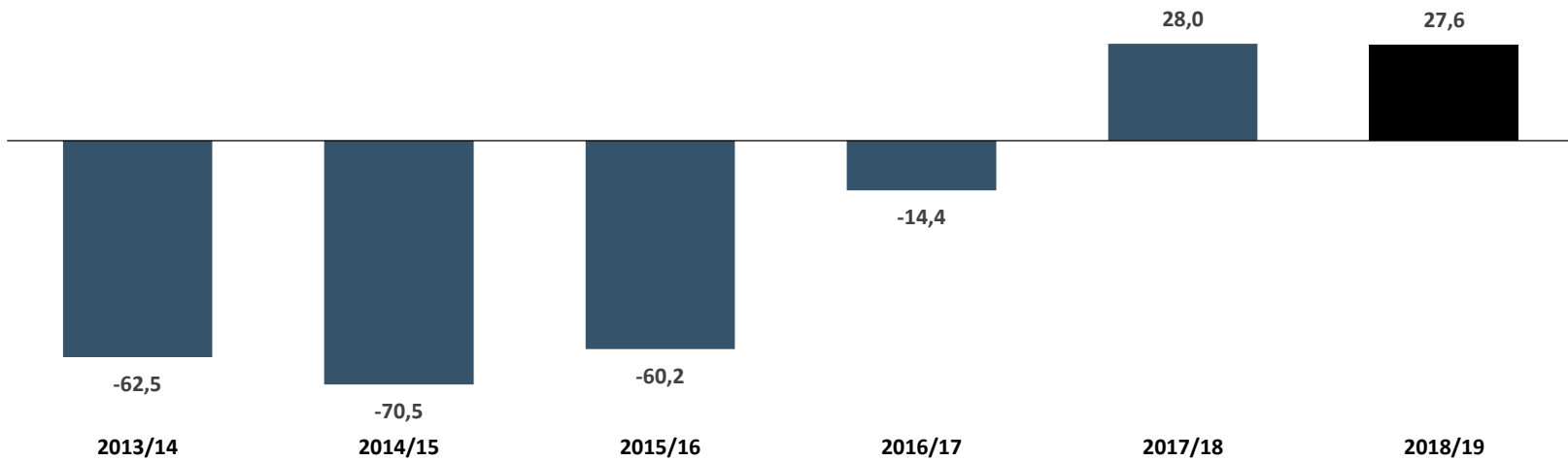
EARNINGS HISTORY

Since IPO



FREE CASH FLOW DEVELOPMENT

Since IPO

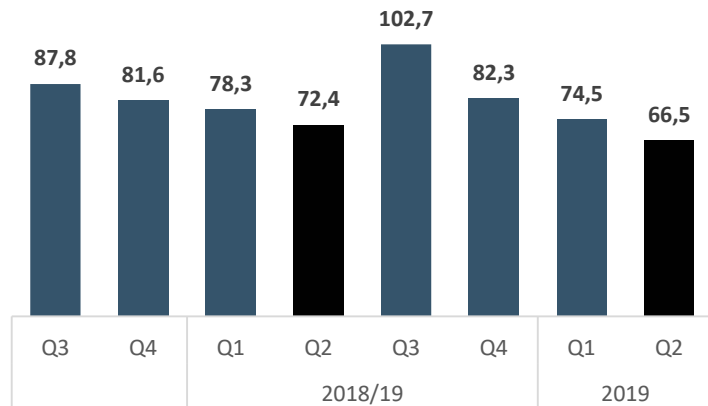


AEROSTRUCTURES

Program phase out drags on revenues

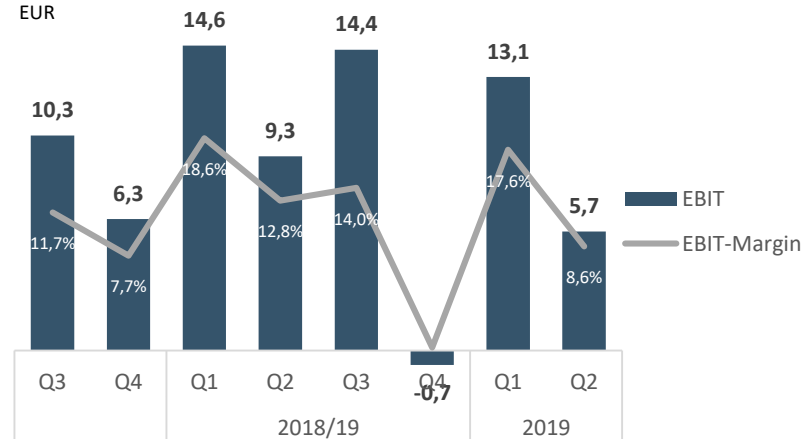
Revenue

in million
EUR



EBIT and EBIT-Margin

in million
EUR

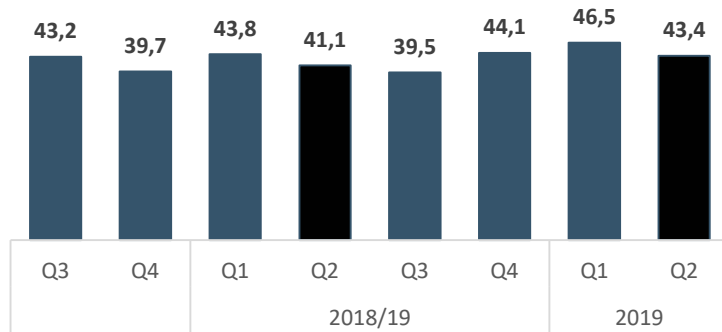


ENGINES & NACELLES

Stable growth fuels increasing contribution margin

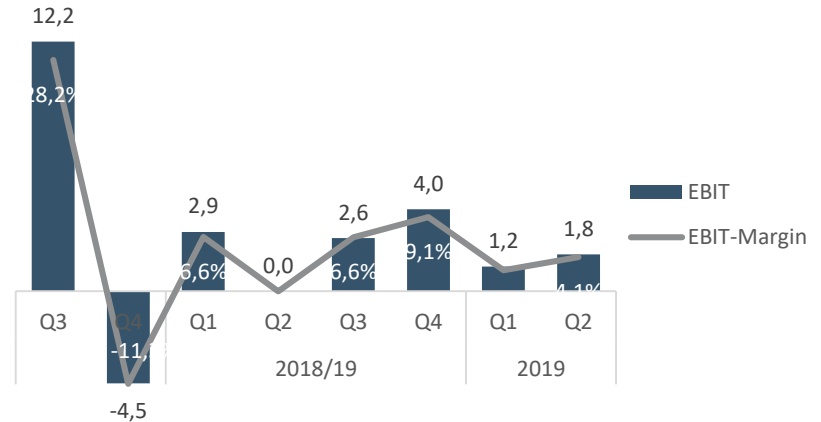
Revenue

in million
EUR



EBIT and EBIT-Margin

in million
EUR

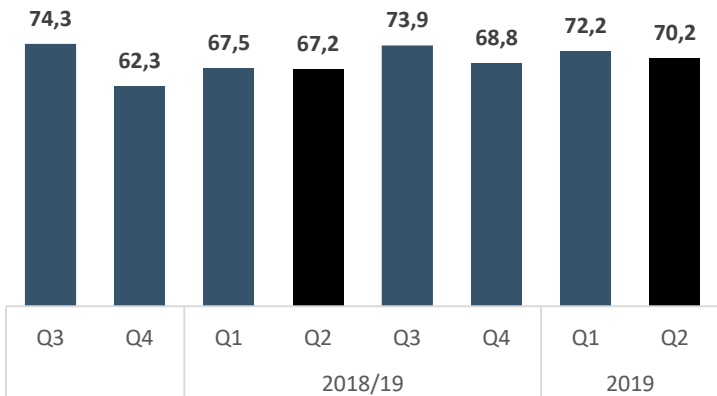


CABIN INTERIORS

Airbus aircraft demand drives revenues

Revenue

in million
EUR



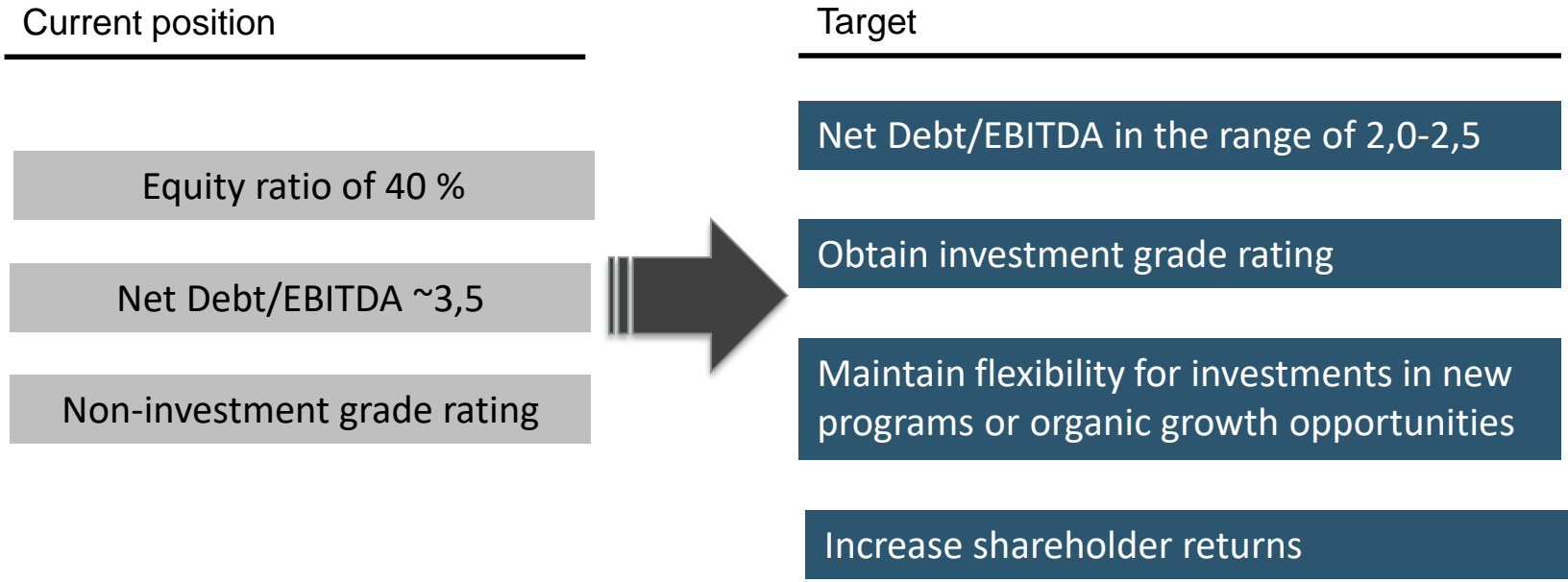
EBIT and EBIT-Margin

in million
EUR



KEY CAPITAL STRUCTURE CONSIDERATIONS

As of 01.01.2020

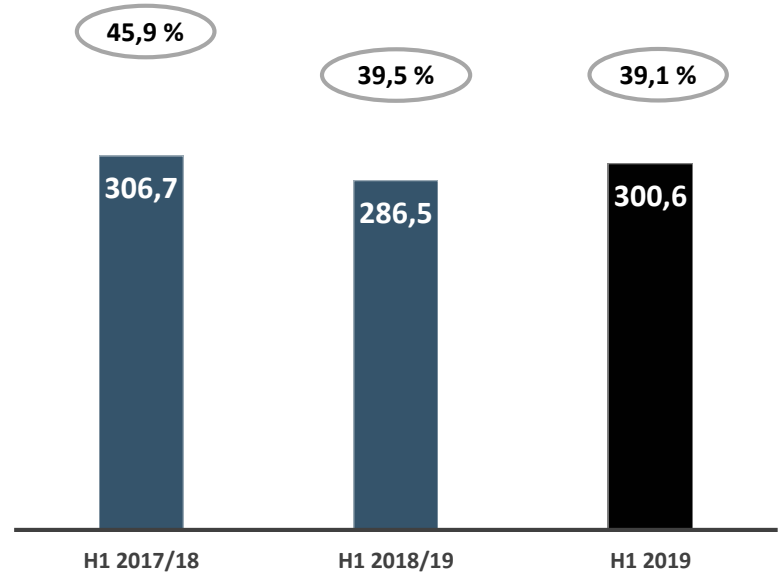


BALANCE SHEET INDICATORS

Stable equity ratio and net debt impacted by IFRS16 reclassification

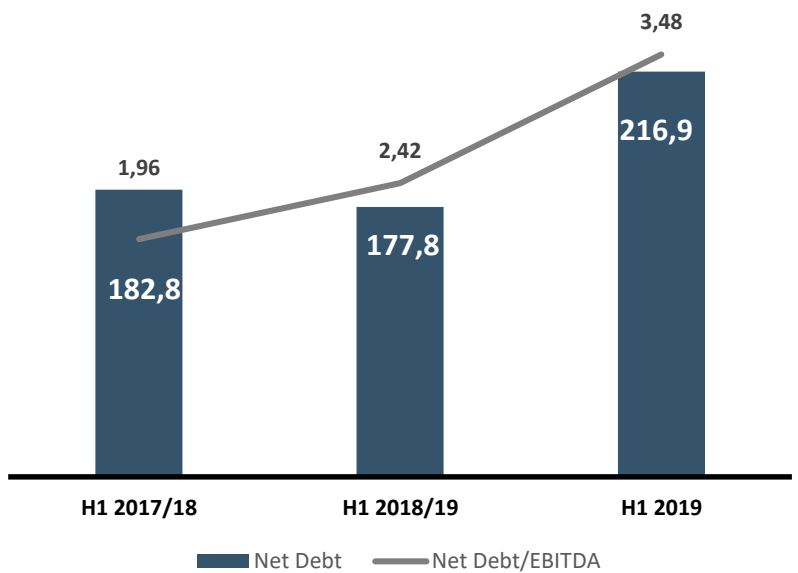
Equity

in EUR mill.



Net debt and Net debt / EBITDA ratio

in EUR mill.



■ Net Debt — Net Debt/EBITDA

IFRS 15 - DEFINITIONS

Contract assets and receivables

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 and receivables. 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 assets and receivable 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 and receivables. They are recognized as a reduction in revenue according to the expected duration of the program. When assessing the impairment of contract assets and receivables, 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.

CHANGES APPLYING IFRS 15

Overall slight balance sheet reduction in the prior fiscal year

Balance sheet as of 28.02.2019

Non-current assets -33.7 EUR mill	Equity -26.2 EUR mill
	Non-current liabilities -8.3 EUR mill
Current assets 10.9 EUR mill	Current liabilities 11.6 EUR mill

- Receivables from customer-related engineering is already completed engineering for customers and tools for which the right to receive payment is given
- Contract costs are recognized for engineering and tools that do not constitute a separate performance obligation and for which the right to receive payment does not arise until the shipset has been delivered
- Contract receivables are engineering and tools for which the right to receive payments already exists over the duration of the project

CHANGES APPLYING IFRS 15

Impacts on the balance sheet assets as of Feb. 28th, 2019

	As reported EUR'000	Application of IFRS 9 EUR'000	Application of IFRS 15 EUR'000	Without application of IFRS 15 and IFRS 9 EUR'000
Intangible assets	21,309	0	128,936	150,245
Property, plant and equipment	139,084	0	51,417	190,501
Receivables from customer-related engineering	86,053	0	-86,053	0
Contract assets	15,099	9	-15,109	0
Contract costs	39,976	0	-39,976	0
Deferred taxes	8,101	-8	-5,491	2,602
Non-current assets	324,892	1	33,725	358,618
Customer-related engineering	28,851	0	-28,851	0
Receivables from construction contracts	0	0	17,925	17,925
Trade receivables	95,998	268	0	96,266
Current assets	400,898	268	-10,927	390,240
Balance sheet total	725,790	270	22,798	748,858

CHANGES APPLYING IFRS 15

Impacts on the balance sheet liabilities as of Feb. 28th, 2019

	As reported EUR'000	Application of IFRS 9 EUR'000	Application of IFRS 15 EUR'000	Without application of IFRS 15 and IFRS 9 EUR'000
Retained earnings	39,674	270	26,196	66,140
Equity	298,971	270	26,196	325,437
Investment grants	7,379	0	2,291	9,670
Deferred tax liabilities	450	0	5,959	6,409
Non-current liabilities	185,685	0	8,250	193,935
Contract liabilities from customer-related engineering	17,312	0	-17,312	0
Advance payments related to tool and development activities	0	0	5,573	5,573
Other provisions	6,621	0	-261	6,360
Investment grants	510	0	353	863
Current liabilities	241,134	0	-11,647	229,487
Balance sheet total	725,790	270	22,798	748,858

CHANGES APPLYING IFRS 15

Cashflow Statement FY 18/19

	2017/18 EUR'000	2018/19 EUR'000
Operating activities		
Earnings before taxes (EBT)	48,768	36,753
Plus financial result	11,331	6,852
Earnings before interest and taxes (EBIT)	60,099	43,605
Plus/minus		
Depreciation, amortization and impairment	32,895	15,845
Amortization contract costs	0	8,048
Impairment contract costs	0	7,287
Income from the reversal of investment grants	-1,821	-2,789
Change in other non-current provisions	-17,376	-8,808
Change in employee benefit obligations	603	975
Other non-cash expenses/income	13,661	-1,773
	88,062	62,390
Change in working capital		
Change in inventory and customer-related engineering	-18,626	17,804
Change in trade receivables and other receivables, receivables from customer-related engineering and contract assets	-27,960	693
Change in trade payables and other liabilities	25,572	-14,302
Change in current provisions	-3,842	-2,628
Cash flow from ongoing activities	63,206	63,957
Interest received	134	387
Taxes paid	-266	-997
Cash flow from operating activities	63,074	63,347

CHANGES APPLYING IFRS 16

Increased balance sheet due to regulatory changes

- The right-of-use, which were first recorded as of 1 March 2019, are reported in the consolidated statement of financial position as non-current assets under the position property, plant and equipment.
- The lease liabilities are reported under the position "Lease liabilities (longterm)" and "Lease liabilities (shortterm)".

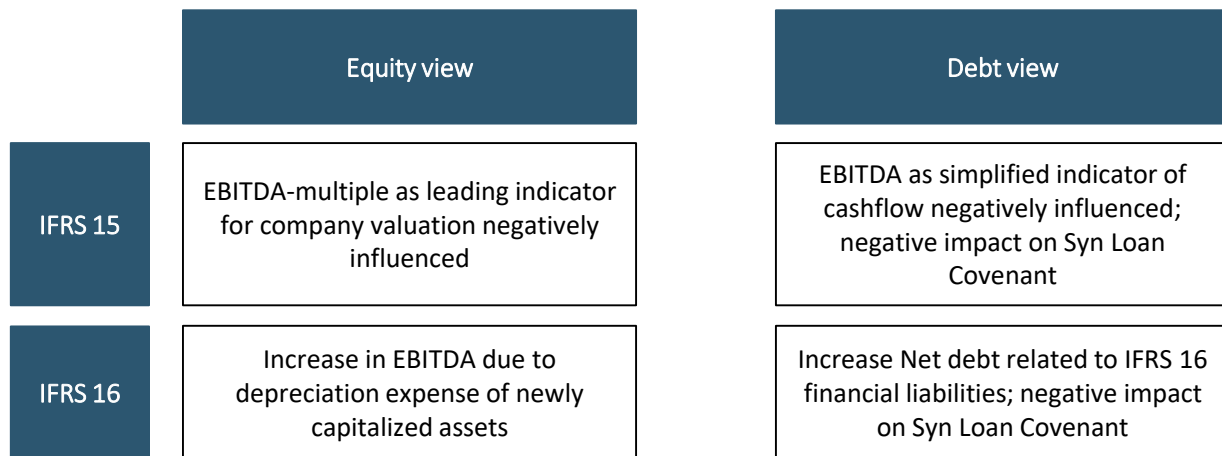
The adjustments to the P&L and the balance sheet relating to the first-time application of IFRS 16 are as follows:

31.08.2019 EUR'000	Reported	IFRS 16 Adjustments	Before IFRS 16
Property, plant and equipment	176,969	35,802	141,167
Lease liabilities (longterm)	54,120	31,299	22,821
Lease liabilities (shortterm)	4,633	4,633	0
Balance sheet total	768,839	35,802	733,037

31.08.2019 EUR'000	Reported	IFRS 16 Adjustments	Before IFRS 16
Cost of goods sold	-338 385	69	-338 453
Selling expenses	-4 108	0	-4 108
Administration expenses	-20 486	114	-20 600
Financing expenses	-6 488	-425	-6 064

IFRS 15 + IFRS 16 CONCLUSIONS

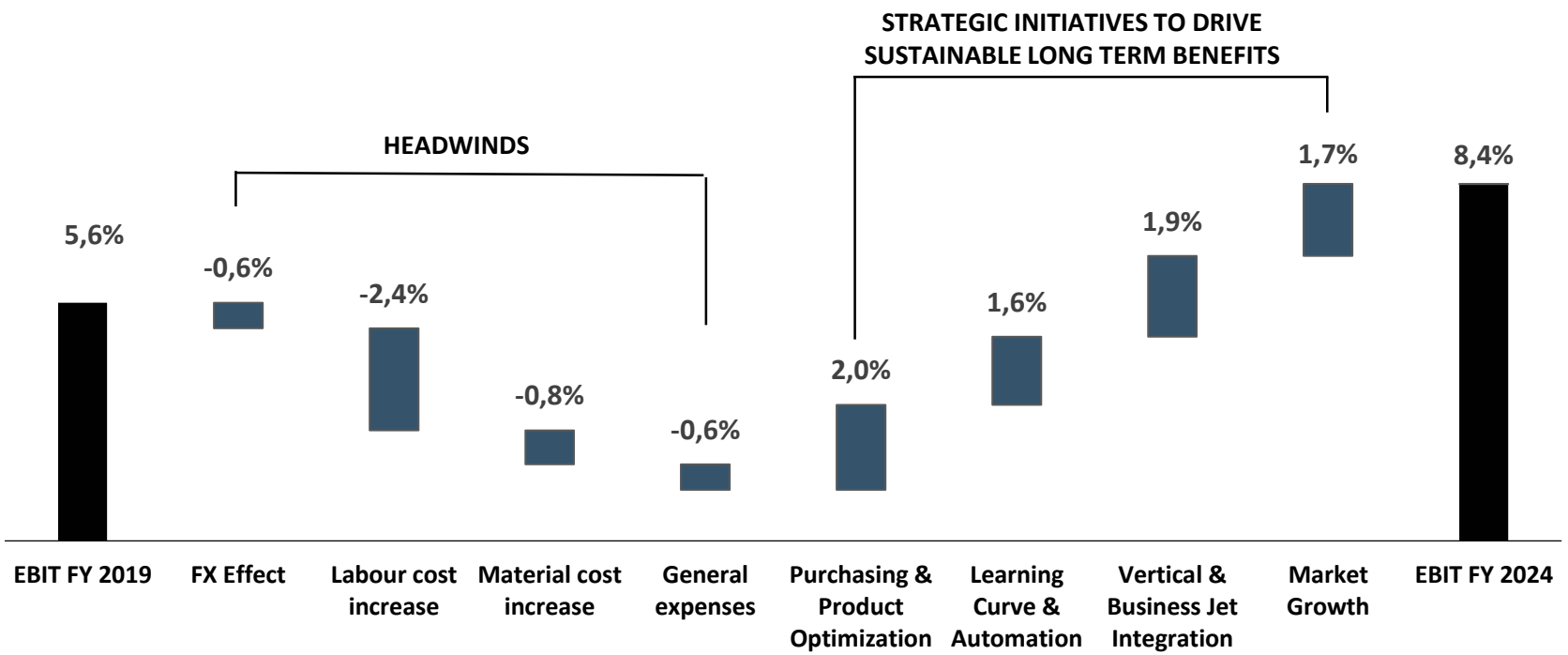
Big impact on FACC Group

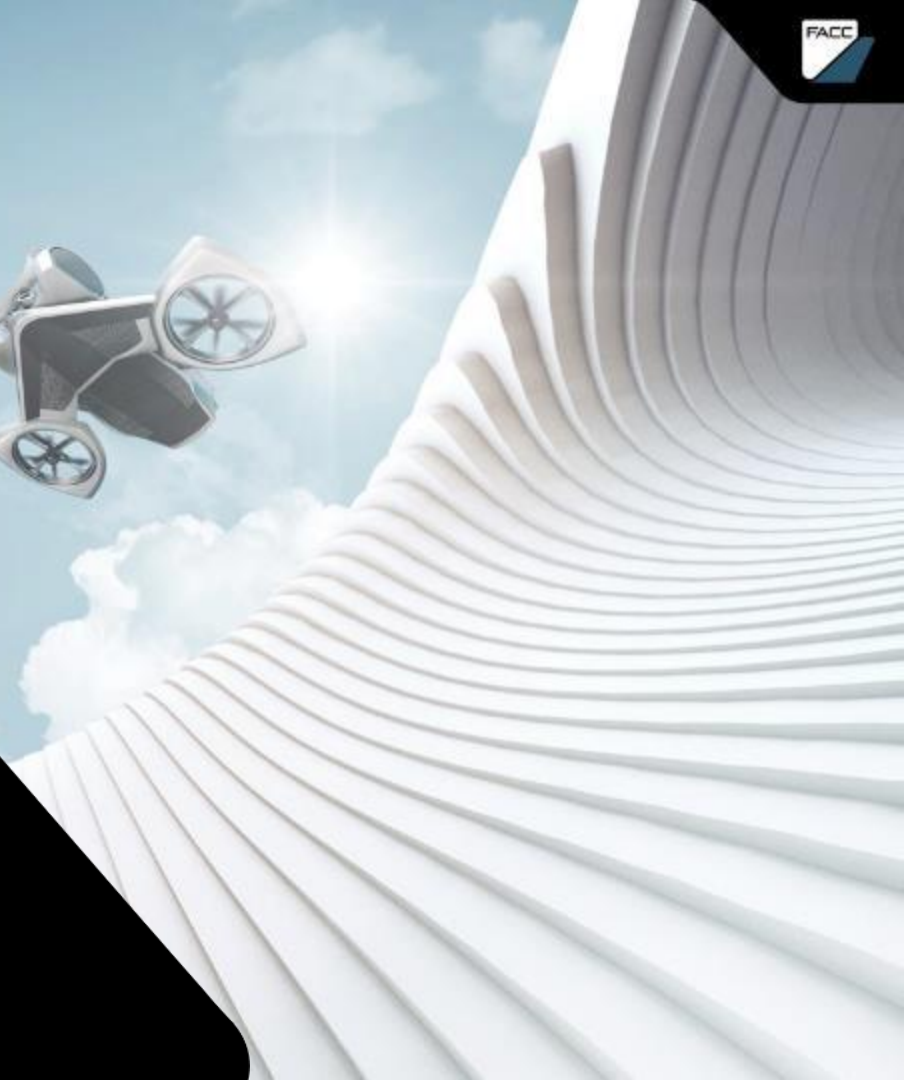


- IFRS changes led to deterioration of financial KPIs unrelated to underlying core business
- Adjustment of Syn Loan Covenant to Net Debt/EBITDA < 4,0 from 31.08.2019 onwards

THE WAY TO A SUSTAINABLE MARGIN

MARGIN IMPROVEMENT ONLY REQUIRES LIMITED SALES GROWTH, THEREFORE THE REQUIRED ACTIONS ARE LARGELY WITHIN OUR CONTROL





Q&A

ALES STAREK

ROBERT MACHTLINGER