



POSITION REPORT



Interim Report
Q3 2022

Q3 2022 - Highlights

- Customers continue to confirm the positive market development with increasing product demand.
- Type certification for the Chinese Comac C919 was received and the ramp-up of series production started.
- 26.6 % revenue growth in the third quarter of 2022 compared to the same period of the previous year.
- 17.1 % revenue growth (+EUR 61 million) in the first 9 months compared to the same period of the previous year.
- Complex raw material supply mitigated by increasing inventory levels.
- New interior project production ramp up but in complex environment
 - Many new configurations with learning curve at starting point
 - Resourcing of material supply chains postponed with impacts to costs.
- Change in the Management Board with effect from 1 October: Zhen Pang was appointed as a new member of the Management Board (CCO) with effect from 1 October 2022. Mr. Pang succeeds Mr Yongsheng Wang, who will retire from the Executive Board with effect from 30 September 2022.
- The outlook for the financial year 2022 remains unchanged under the known conditions.

Selected Group Key Performance Indicators

	01.07.2021- 30.09.2021 in EUR mill.	01.07.2022- 30.09.2022 in EUR mill.	01.01.2021 - 30.09.2021 in EUR mill.	01.01.2022- 30.09.2022 in EUR mill.
Revenues	118.1	149.5	358.3	419.6
thereof Aerostructures	36.0	61.7	120.5	164.3
thereof Engines & Nacelles	24.8	25.7	76.4	71.2
thereof Interiors	57.3	62.0	161.3	184.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA) ¹⁾	7.6	9.2	28.2	34.4
Earnings before interest and taxes (EBIT)	0.1	-1.9	2.9	4.2
thereof Aerostructures	0.2	1.7	1.2	5.9
thereof Engines & Nacelles	0.1	0.6	4.2	3.0
thereof Interiors	-0.2	-4.2	-2.4	-4.7
EBIT margin	0.1%	-1.3%	0.8%	1.0%
Earnings after taxes	-2.0	-9.6	1.1	-10.1
Earnings per share (in EUR)	-0.04	-0.21	0.02	-0.22
		30.09.2021 in EUR mill.	31.12.2021 in EUR mill.	30.09.2022 in EUR mill.
Cash flow from operating activities		38.4	82.3	-53.8
Cash flow from investing activities		-9.5	-11.7	-5.5
		30.09.2021 in EUR mill.	31.12.2021 in EUR mill.	30.09.2022 in EUR mill.
Net Working Capital		128.3	103.8	124.3
Net financial debt		213.4	177.8	238.1
Equity ratio		37.7%	32.0%	25.9%
Balance sheet total		621.3	644.5	644.9
Headcount (at the balance sheet date)		2,461	2,538	2,830
	01.07.2021- 30.09.2021 in EUR mill.	01.07.2022- 30.09.2022 in EUR mill.	01.01.2021 - 30.09.2021 in EUR mill.	01.01.2022- 30.09.2022 in EUR mill.
Trading volume	5,323,606	1,982,638	20,735,246	12,797,650
Average daily trading volume	80,661	30,040	108,561	66,654
Yearly high	10.5	7.7	12.0	9.6
Yearly low	7.9	5.9	7.9	5.9
Closing price	9.4	6.1	9.4	6.1
Performance of period	-0.6%	-13.2%	9.3%	-20.4%
Market capitalization	431.3	277.9	431.3	277.9

¹⁾ EBITDA is calculated as the sum of EBIT plus depreciation, amortisation and impairment and amortisation of contract performance costs.

Revenues and earnings development

	Q3 2021 in EUR mill.	Q3 2022 in EUR mill.	Change	9m 2021 in EUR mill.	9m 2022 in EUR mill.	Change
Revenues	118.1	149.5	26.6%	358.3	419.6	17.1%
Earnings before interest and taxes (EBIT)	0.1	-1.9	-	2.9	4.2	42.7%
EBIT margin	0.1%	-1.3%	-	0.8%	1.0%	21.8%
Assets	621.3	644.9	3.8%	621.3	644.9	3.8%
Investments of the period	3.8	1.5	-60.5%	9.5	5.5	-42.1%

The third quarter of the 2022 financial year (1 July - 30 September) developed very positive compared to the previous year.

Revenues in the first nine months of 2022 amount to EUR 419.6 million (comparative period 2021: EUR 358.3 million). This corresponds to growth of 17.1% compared to the previous year.

The cost of sales in relation to sales (gross profit) was 93.3% in the first nine months of 2022 (comparative period 2021: 92.5%).

Reported earnings before interest and taxes (EBIT) amounted to EUR 4.2 million in the first nine months of 2022 (comparative period 2021: EUR 2.9 million).

The measures implemented by FACC to reduce costs and increase efficiency are having an impact. Despite long-term energy supply contracts, rising energy costs, inflation and a huge amount of configuration changes are counteracting the implemented measures.

The successful approval and certification of the Chinese Comac C919 aircraft is also encouraging. This short- and medium-haul aircraft serves the same market segment as the Airbus A320 or the Boeing 737 MAX. For the twin-engine passenger aircraft, FACC produces the entire passenger cabin, the cockpit fairings, the entrance area as well as the winglets and spoilers. With the successful type certification, the project is now entering series production and supports FACC's growth plans positive.

SEGMENT REPORTING

Aerostructures

	Q3 2021 in EUR mill.	Q3 2022 in EUR mill.	Change	9m 2021 in EUR mill.	9m 2022 in EUR mill.	Change
Revenues	36.0	61.7	71.6%	120.5	164.3	36.4%
Earnings before interest and taxes (EBIT)	0.2	1.7	829.4%	1.2	5.9	389.6%
EBIT margin	0.6%	2.8%	441.7%	1.0%	3.6%	258.9%
Assets	254.3	272.4	7.1%	254.3	272.4	7.1%
Investments of the period	1.1	0.1	-89.6%	4.1	2.0	-52.0%

Revenues in the Aerostructures segment amounted to EUR 164.3 million in the first nine months of 2022 (comparative period 2021: EUR 120.5 million). The Airbus A320 family programmes continue to be the main project in terms of revenue. The programmes for the Airbus A220 also show a continuous growth in Group revenues.

Since the beginning of the year, FACC has been producing and supplying elevators and rudders for this aircraft type

Earnings before interest and taxes (EBIT) in the first nine months of 2022 amounted to EUR 5.9 million (comparative period 2021: EUR 1.2 million).

Engines & Nacelles

	Q3 2021 in EUR mill.	Q3 2022 in EUR mill.	Change	9m 2021 in EUR mill.	9m 2022 in EUR mill.	Change
Revenues	24.8	25.7	3.8%	76.4	71.2	-6.9%
Earnings before interest and taxes (EBIT)	0.1	0.6	441.1%	4.2	3.0	-27.9%
EBIT margin	0.4%	2.3%	421.3%	5.5%	4.2%	-22.6%
Assets	119.4	106.7	-10.6%	119.4	106.7	-10.6%
Investments of the period	0.1	0.9	574.7%	0.6	1.4	125.9%

Revenues in the Engines & Nacelles segment amounted to EUR 71.2 million in the first nine months of 2022 (comparative period 2021: EUR 76.4 million) and continued to be impacted by a temporary production stop of the Boeing 787 programmes until August 2022. Production and delivery of all Boeing 787 programmes resumed in August. Revenues from these projects will drive revenue growth in the following periods.

Earnings before interest and taxes (EBIT) in the Engines & Nacelles segment amounted to EUR 3.0 million in the first nine months of 2022 (comparative period 2021: EUR 4.2 million).

Cabin Interiors

	Q3 2021 in EUR mill.	Q3 2022 in EUR mill.	Change	9m 2021 in EUR mill.	9m 2022 in EUR mill.	Change
Revenues	57.3	62.0	8.2%	161.3	184.1	14.1%
Earnings before interest and taxes (EBIT)	-0.2	-4.2	-	-2.4	-4.7	-91.8%
EBIT margin	-0.3%	-6.8%	-	-1.5%	-2.5%	-68.1%
Assets	247.6	265.9	7.4%	247.6	265.9	7.4%
Investments of the period	2.5	0.5	-81.1%	4.7	2.1	-55.0%

Revenues in the Cabin Interiors segment amounted to EUR 184.1 million in the first nine months of 2022 (comparative period 2021: EUR 161.3 million). To sustainably increase the profitability of the Cabin Interiors Division, Plant 6 in Croatia was commissioned at the beginning of December 2021. The production of components for the interior of an aircraft still requires many manual steps. Considering the labour cost advantage in Croatia, an increase in margins is planned from mid-2023.

Earnings before interest and taxes (EBIT) in the Cabin Interiors segment amounted to EUR -4.7 million in the first nine months of 2022 (comparative period 2021: EUR -2.4 million).

Financial Position

Inventories at the end of the reporting period Q3 2022 stood at EUR 120.5 million (31 December 2021: EUR 90.8 million). In view of the global developments, higher inventories have been built up since the beginning of the year in order to secure material availability as best as possible.

Trade receivables increased from EUR 63.6 million to EUR 80.8 million since the last reporting in the half-year 2022. Trade payables have decreased from EUR 51.9 million to EUR 51.6 million since the half-year reporting.

Cash-effective investments in the first nine months of 2022 amount to EUR 5.5 million (comparative period 2021: EUR 9.5 million).

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 (COVID-19 framework credit for large enterprises (KRR) 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 August 31, 2019. The ratio is checked every six months (December 31 and June 30). 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 December 31, 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 December 21, 2020. In addition, the agreement stipulates that no profit distributions are to be undertaken before June 30, 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 December 30, 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

The financial covenants as of June 30, 2022, were fulfilled

As of the balance sheet date June 30, 2022, FACC has unused committed credit facilities in the amount of EUR 100.0 million at its disposal

The company's share capital amounts to EUR 45.8 million and is fully paid in. It is divided into 45,790,000 individual shares with a value of EUR 1 each.

Outlook

FACC does not expect any significant deviations from the planned revenues and operating results in the fourth quarter. These forecasts continue to be based on the aircraft deliveries communicated by the OEMs, which will not lead to any short-term postponements of orders or deliveries.

In the fourth quarter, FACC will focus increasingly on the following measures:

- The implementation of rate increases in line with the demands of our customers. This will be accompanied by the further implementation of planned cost savings.

- On-schedule implementation of project milestones for new programmes and securing the payment of development services in accordance with existing agreements.
- The reduction of raw material inventory to free up blocked liquidity will be accelerated. The priority, of course, is to ensure production, so in certain cases it is necessary to build up stocks of selective materials. A balance between dismantling and selective build-up is essential.
- Completion of conversion activities to the use of oil as an alternative to gas. The "FACC Energy Security of Supply" project was launched in March 2022 and is in the final phase of conversion.

- The further expansion of the FACC workforce and the qualification of new employees are the main priorities of the company's human resources activities. In the next 18 months, additional 500 employees will be needed for the further ramp-up of production. Besides the FACC Academy, a FACC "Welcome & Training Centre" will be available from January 2023 to optimally cope with this task.
- Until the end of the year, the negotiation of the existing syndicated financing is an important task. FACC is in ongoing exchange with the core banks.

For the 2022 financial year, FACC expects consolidated annual revenues of around EUR 550 million and an operating EBIT in the low double-digit million range. FACC continues to assume that pre-crisis revenues will be reached in 2024 – at the latest in 2025.

Consolidated Profit and Loss Statement

for the period from 1 January 2022 to 30 September 2022

	01.07.2021 – 30.09.2021 EUR'000	01.07.2022 – 30.09.2022 EUR'000	01.01.2021 – 30.09.2021 EUR'000	01.01.2022 – 30.09.2022 EUR'000
Revenues	118,067	149,452	358,255	419,597
COGS - Cost of goods sold	-110,943	-140,471	-331,360	-391,461
Gross profit	7,124	8,981	26,894	28,136
Research and development expenses	-278	-367	-1,157	-941
Selling expenses	-1,743	-2,447	-4,736	-6,668
Administration expenses	-7,849	-12,294	-25,099	-29,817
Other operating income	2,976	4,289	7,543	14,258
Other operating expenses	-150	-71	-510	-783
Earnings before interest and taxes (EBIT)	80	-1,909	2,934	4,186
Financing expenses	-2,011	-2,519	-5,228	-7,221
Other financial result	268	509	1,127	1,352
Financial result	-1,744	-2,009	-4,100	-5,869
Earnings before taxes (EBT)	-1,664	-3,918	-1,166	-1,683
Income taxes	-353	-5,698	2,304	-8,449
Earnings after taxes	-2,017	-9,616	1,137	-10,132
Diluted (=undiluted) earnings per share (in EUR)	-0.04	-0.21	0.02	-0.22
Issued shares (in shares)	45,790,000	45,790,000	45,790,000	45,790,000

Consolidated Statement of Comprehensive Income

for the period from 1 January 2022 to 30 September 2022

	01.07.2021 – 30.09.2021 EUR'000	01.07.2022 – 30.09.2022 EUR'000	01.01.2021 – 30.09.2021 EUR'000	01.01.2022 – 30.09.2022 EUR'000
Earnings after taxes	-2,017	-9,616	1,137	-10,132
Currency translation differences from consolidation	85	136	277	454
Cash flow hedges	-3,499	-16,776	-13,804	-37,938
Tax effect	875	4,026	3,451	9,034
Items subsequently reclassified to profit and loss	-2,539	-12,614	-10,077	-28,451
Revaluation effects of termination benefits	5	-27	16	-81
Fair value measurement of securities (fair value through other comprehensive income)	2	-16	2	-74
Tax effect	-2	10	-5	-3
Items not subsequently reclassified to profit and loss	6	-33	14	-158
Other comprehensive income after taxes	-2,533	-12,646	-10,063	-28,609
Total comprehensive income	-4,550	-22,262	-8,926	-38,741

Consolidated Statement of Financial Position

as of 30 September 2022

ASSETS	As of 31.12.2021 EUR'000	As of 30.09.2022 EUR'000
Intangible assets	5,354	4,505
Property, plant and equipment	166,830	155,459
Receivables from customer-related engineering	27,742	30,550
Contract assets	2,576	3,216
Contract costs	88,306	80,587
Other financial assets	497	423
Receivables from related companies	5,638	0
Other receivables	9,987	10,143
Deferred taxes	16,762	17,234
Non-current assets	323,694	302,116
Inventories	90,775	120,515
Customer-related engineering	6,170	8,786
Trade receivables	53,023	80,772
Receivables from related companies	18,749	30,506
Current tax income receivables	197	140
Other receivables and deferred items	36,892	43,744
Cash and cash equivalents	114,966	58,337
Current assets	320,772	342,800
Balance sheet total	644,465	644,916

EQUITY AND LIABILITIES

	As of 31.12.2021 EUR'000	As of 30.09.2022 EUR'000
Share capital	45,790	45,790
Capital reserve	221,459	221,459
Currency translation reserve	-555	-101
Other reserves	-8,352	-37,415
Retained earnings	-52,340	-62,472
Equity	206,002	167,261
Promissory note loans	70,000	70,000
Lease liabilities	72,853	64,715
Other financial liabilities	9,580	7,113
Derivative financial instruments	1,737	9,689
Investment grants	8,405	8,290
Employee benefit obligations	9,600	10,225
Other liabilities	0	2
Deferred tax liabilities	377	437
Non-current liabilities	172,553	170,470
Lease liabilities	6,726	7,408
Other financial liabilities	133,610	147,183
Derivative financial instruments	6,448	49,086
Contract liabilities from customer-related engineering	12,714	11,663
Trade payables	53,305	51,586
Liabilities from related companies	10,237	8,918
Investment grants	1,124	1,124
Income tax liabilities	290	277
Other provisions	30,691	12,717
Other liabilities and deferred items	10,766	17,222
Current liabilities	265,911	307,185
Balance sheet total	644,465	644,916

Consolidated Statement of Changes in Equity

for the period from 1 January 2022 to 30 September 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	277
Total comprehensive income	0	0	277
As of 30 September 2021	45,790	221,459	-677
As of 1 January 2022	45,790	221,459	-555
Earnings after taxes	0	0	0
Other comprehensive income after taxes	0	0	454
Total comprehensive income	0	0	454
As of 30 September 2022	45,790	221,459	-101

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	1,137	1,137	0	1,137	
2	-10,353	12	0	-10,063	0	-10,063	
2	-10,353	12	1,149	-8,914	-68	-8,981	
12	-1,654	-3,146	-27,608	234,175	0	234,175	
8	-5,346	-3,014	-52,340	206,002	0	206,002	
0	0	0	-10,132	-10,132	0	-10,132	
-56	-28,905	-102	0	-28,609	0	-28,609	
-56	-28,905	-102	-10,132	-38,741	0	-38,741	
-48	-34,251	-3,116	-62,472	167,261	0	167,261	

Consolidated Statement of Cash Flows

as of 30 September 2022

	01.01.2021 – 30.09.2021 EUR'000	01.01.2022 – 30.09.2022 EUR'000
Earnings before taxes (EBT)	-1,166	-1,683
Plus financial result	4,100	5,869
Earnings before interest and taxes (EBIT)	2,934	4,186
Plus/minus		
Depreciation, amortisation and impairment	17,213	17,074
Amortisation contract costs	8,074	13,181
Additions contract costs	-9,678	-5,462
Income from the reversal of investment grants	-238	-240
Change in employee benefit obligations	596	544
Other non-cash expenses/income	-963	-1,216
	17,938	28,066
Change in working capital		
Change in inventory and customer-related engineering	12,642	-32,302
Change in trade receivables and other receivables, receivables from customer-related engineering and contract assets	-14,190	-28,858
Change in trade payables and other liabilities	22,525	-2,794
Change in current provisions	-551	-17,974
Cash flow from ongoing activities	38,364	-53,861
Interest received	43	50
Income taxes paid	-6	-3
Cash flow from operating activities	38,402	-53,815
Payments for the acquisition of non-current assets	-9,456	-5,517
Proceeds from the disposal of non-current assets	0	17
Cash flow from investing activities	-9,456	-5,500
Proceeds from interest-bearing liabilities	0	31,205
Repayments of interest-bearing liabilities	-43,879	-20,100
Outflows from leasing agreements	-6,279	-6,477
Interest paid	-5,573	-6,875
Cash flow from financing activities	-55,730	-2,248
Net changes in cash and cash equivalents	-26,784	-61,563
Cash and cash equivalents at the beginning of the period	92,548	114,966
Effects from foreign exchange rates	-114	4,933
Cash and cash equivalents at the end of the period	65,650	58,337

Selected Notes

To the Consolidated Financial Statements for the 3rd quarter 2022

NOTE

The condensed Consolidated Interim Financial Statement as of 30 September 2022 have 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, 9 November 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

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

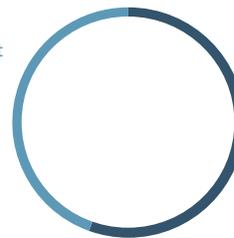
SHAREHOLDER STRUCTURE AND SHARE CAPITAL

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.

44.5%
Free float



55.5%
AVIC Cabin Systems Co.,
Limited

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