

## FY 2020: FACC faces the new market environment

- Revenues of EUR 526.9 million in crisis-ridden 2020
- EBIT incl. one-off effects at EUR -74.4 million
- Internal optimization program bearing fruit
- Investments in research and innovation continue unchanged
- FACC 2030 strategy sets course for the future
- Around EUR 500 million revenues and balanced EBIT expected for 2021

Ried, 24 March 2021 – 2020 was a very challenging year: the corona pandemic triggered a global health and economic crisis, and with it a sharp drop in passenger volumes. This dealt a particularly hard blow to international aviation. Airlines were forced to significantly scale back their offerings worldwide, and the international aviation industry had to adjust its production accordingly. FACC AG was also not left unscathed by these difficult general conditions. With its stringent cost-cutting program and new strategic focus, the aerospace group is now setting the course for the future.

*"We reacted quickly to the new circumstances and set two key priorities in 2020. Firstly, to protect the health of our workforce without compromise and at all times. Secondly, to provide our customers with stable supplies in our usual best-in-class manner, and to position ourselves both structurally and strategically so as to be able to systematically resume growth,"* reports Robert Machtlinger, CEO of FACC AG.

**Revenues and EBIT:** In the year of the global pandemic, the company generated **revenues** of EUR 526.9 million, which correspond to a decline of EUR 126.2 million compared to the previous year (short financial year). This significant decline is mainly attributable to negative adjustments to production rates of all aircraft programs of relevance to FACC. While revenues were impacted by reduced customer demand, particularly in July and August, signs of positive momentum became apparent from September onwards. **Reported earnings before interest and taxes (EBIT)** amounted to EUR -74.4 million in the 2020 financial year (short financial year 2019: EUR 22.1 million), of which EUR 47.6 million is attributable to one-off special effects due to impairment losses, changes in estimates as well as costs incurred for

# Press Release

personnel reductions in connection with the COVID-19 crisis. Despite the sharp drop in revenues, free cash flow was nearly balanced at EUR -2.4 million, which was brought about by a stringent and rapidly implemented cost-cutting program as well as far-reaching optimization measures.

**Stability in challenging times.** FACC boasts a sound financial position, even after the crisis of 2020: a solid stock of liquid funds and undrawn, committed credit lines in the amount of EUR 150 million provide the necessary flexibility to exploit market potentials. In June 2020, the company increased its liquidity by EUR 60 million by securing a COVID-19 framework credit of the Oesterreichische Kontrollbank. In addition, an amendment to the financial covenants of the existing syndicated loan was agreed with the core banks, which reflects the changed framework conditions in the aviation industry.

**Strengthened customer relationships, increased efficiency.** FACC was thus able to successfully position itself as a leading provider of aerospace technology in 2020 as well. Customer relationships were further intensified and strengthened during these challenging months. In addition, the company has restructured itself in line with future requirements and implemented efficiency enhancement programs in a focused manner: important processes that had previously been outsourced were reintegrated into the Group as core processes in order to respond with even greater efficiency and agility to customer requirements. *"Effectiveness, efficiency and innovation are permanent objectives, and will play an even greater role for gaining additional market shares in the new market environment. FACC and our entire workforce have once again demonstrated a high level of flexibility, transformative power and innovative strength under extremely difficult conditions - factors that are valued by our global customers and confirmed by new contracts,"* states Machtlinger.

**High order backlog.** Despite an unparalleled crisis in the aviation industry, the order backlog for aircraft has decreased only slightly. As of 31 December 2019, 13,106 undelivered aircraft were on order - this figure has decreased to fixed orders for 12,171 aircraft as of the reporting date of 31 December 2020. FACC's order backlog remains high and stands at approximately USD 5.7 billion in products to be delivered. Moreover, important project milestones were realized during the year, such as the production launch of the A320 Airspace entrance area and the A220 radomes, as well as the start of a new drone project.

**15 million spent on innovation.** FACC rigorously continued its research and investment program of the past years in 2020 as well. *"The aviation industry is one of the most innovative sectors of the economy. Particularly in connection with ambitious sustainability and climate targets, cross-sectional technology*

# Press Release

*such as FACC lightweight constructions can provide solutions and make flying even more efficient, sustainable, comfortable and safe,"* emphasizes Robert Machtlinger.

FACC thus maintained its spending on research and innovation at a high level in 2020. Lighthouse projects in this context range from the development of aerodynamic, lightweight and fuel-saving structural components, and biological materials for future cabin interiors to new developments in the field of cabin air treatment, antimicrobial materials, cleaning solutions and contactless control elements.

**New strategy 2030.** At the same time, FACC began revising its corporate strategy in the past year: with its strategy *FACC 2030*, the company will continue to focus on its core aerospace business and penetrate new markets in this area. In addition to its main line of business, FACC will in future actively exploit the great upside potential in the fields of Urban Air Mobility and space in order to generate additional growth. *"With our proven expertise in lightweight construction, we can make perfect use of our technologies here and position ourselves as a strong partner, also outside of civil aviation,"* stresses Robert Machtlinger. By 2030, FACC aims to rank among the top 50 in the aerospace industry.

## Outlook

*"We expect the market to recover slowly from the second half of the year, with demand for mobility developing accordingly. However, the decisive factor here will be the implementation of rapid and large-scale COVID-19 vaccinations as an important measure for the near future,"* predicts Robert Machtlinger. Nevertheless, the company expects the aircraft industry to recover to pre-crisis levels within four to five years.

At present, FACC expects a balanced EBIT for the current year. Revenues are projected to be at a level similar to that of 2020 at approximately EUR 500 million. This is dependent on the stabilization of the global economy without further setbacks or global lockdowns caused by the crisis, as well as the consistent implementation of the efficiency measures initiated in 2020.

The **Annual Financial Report 2020** is offered for download under [facc.com/en/Investor-Relations/Financial-Reports](https://facc.com/en/Investor-Relations/Financial-Reports).

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The FACC logo is located in the top right corner of the page. It consists of the letters 'FACC' in a bold, sans-serif font, enclosed within a white square that has a dark blue diagonal shadow effect on its bottom-right corner.

## About FACC

FACC is a worldwide leading aerospace company in design, development and production of aerospace technologies and advanced aircraft lightweight systems. Being the technology partner of all major manufacturers, FACC works together with its customers on developing solutions for the mobility of the future. Every second, there is an aircraft taking off with FACC technology on board. In the fiscal year 2020, FACC achieved 526.9 million Euro in revenues. Approximately 2,700 people from 41 nations are employed at 13 international locations worldwide. FACC is listed on the Vienna Stock Exchange and part of the Fortune-500 Group AVIC, providing access to the largest growth markets within the industry. For more information please visit [facc.com](https://www.facc.com).

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