

A large, dark blue planet with a bright sun rising over its horizon is positioned in the upper right background. The sun creates a strong lens flare effect, illuminating the planet's surface and the surrounding space.

WELCOME

TO THE 10. ANNUAL GENERAL MEETING
OF FACC AG

Management Report, 17 May 2024



FACC was able to benefit exceptionally well from the strong growth in the international aerospace industry in the 2023 financial year, and increased its revenue by more than 20% despite a challenging environment.

We would like to thank all FACC employees, our shareholders, Supervisory Board members, customers and partners for their outstanding cooperation and support!

THE MARKET AT A GLANCE

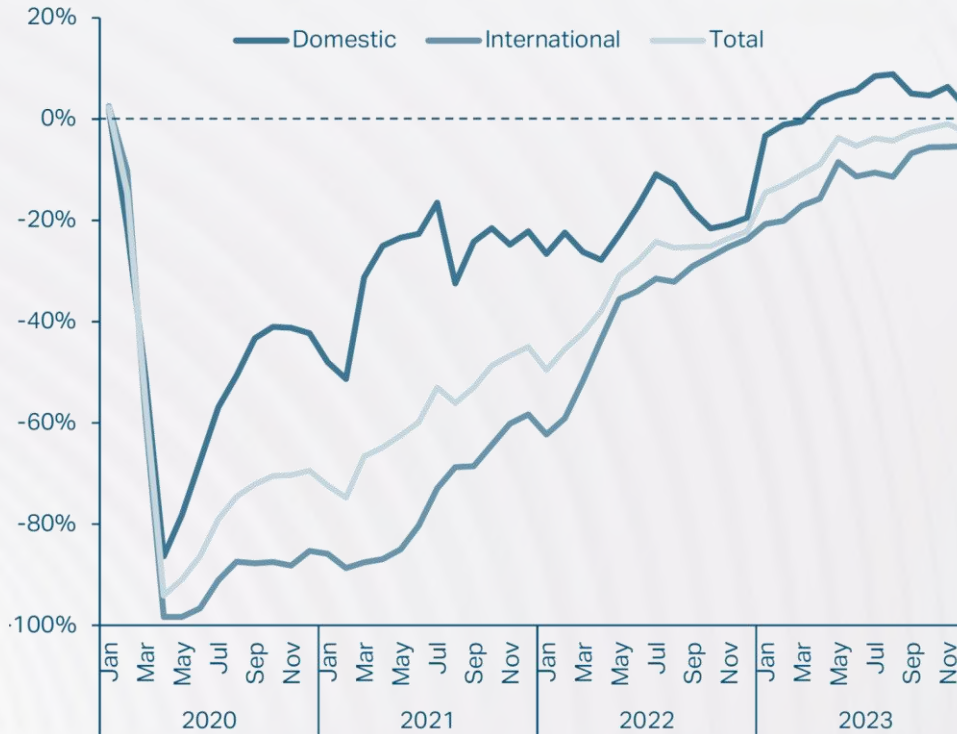


The market is developing positively:

- Increasing passenger numbers in all markets
- Strong increases in construction rates with all major aircraft manufacturers
- Record number of aircraft orders placed by airlines
- FACC is profiting exceptionally well
 - revenue growth of more than 20% in the financial year 2023
 - long-term order book with a record volume of USD +5.8 billion

RECOVERY OF AIR TRAFFIC

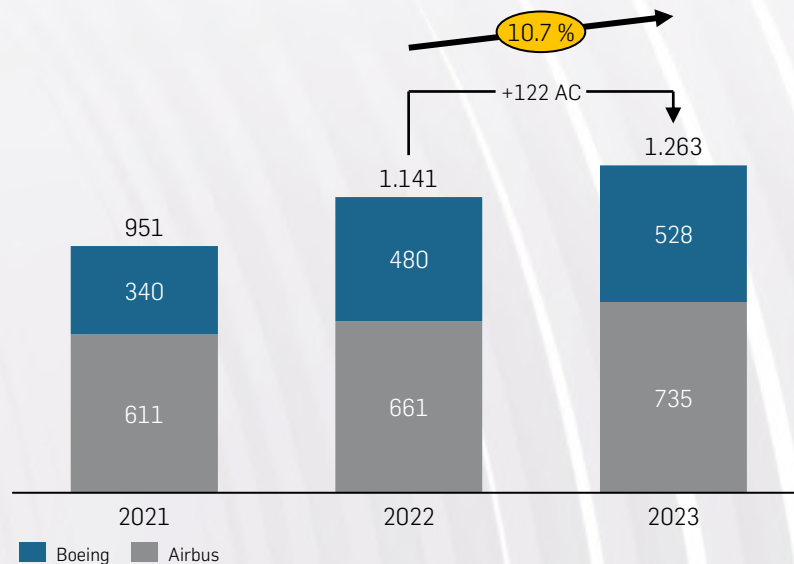
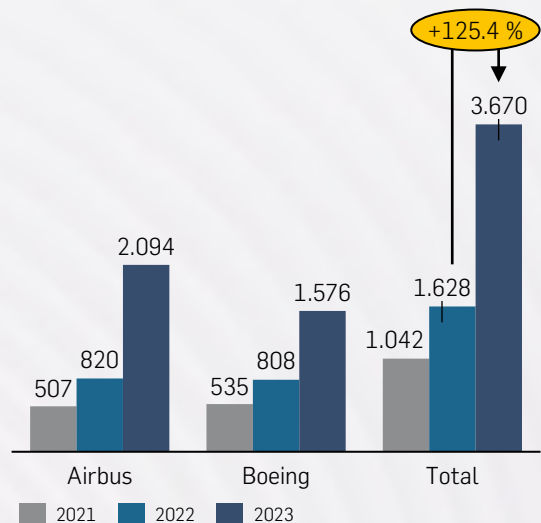
DEVELOPMENT OF TRAVEL VOLUMES COMPARED TO 2019



- 2023 was marked by a **strong industry-wide recovery**
- Revenue passenger kilometers (RPK) of the industry **increased by 25.3 %** in December compared to the previous year
- In 2023, RPKs reached **94.1%** of their level in 2019
- Domestic markets are **at or above their pre-crisis levels**. Strong recovery internationally too.

AIRBUS & BOEING

GROWTH IN ORDERS & DELIVERIES



12/ 2022
11.897

Order backlog of Airbus & Boeing

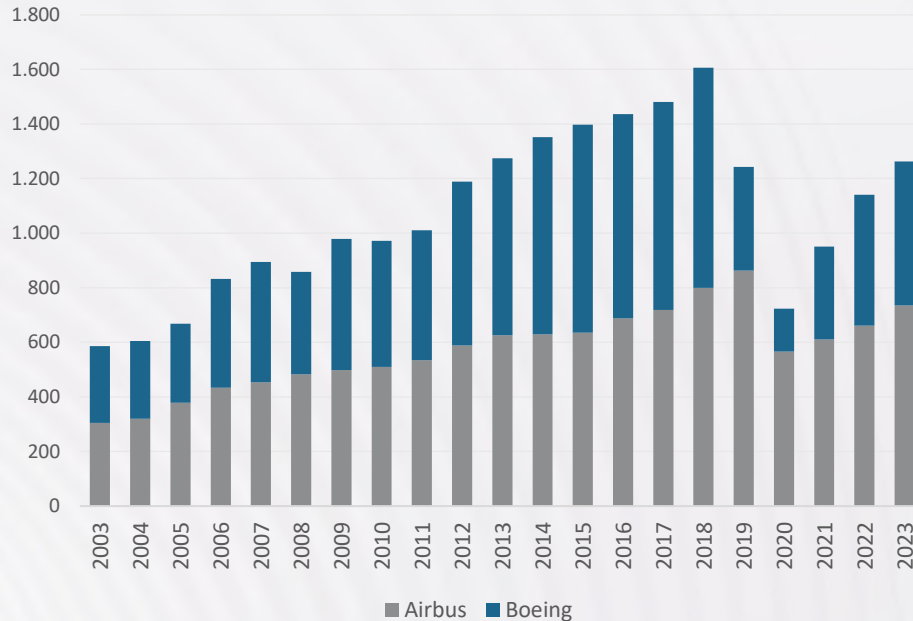


+2388
+20 %

04/2024
14.285

AIRCRAFT DELIVERIES 2003 - 2023

NUMBER OF CIVIL COMMERCIAL AIRCRAFT DELIVERED ANNUALLY



2019: Production stop B737 MAX

2020: COVID impacts

2021: Growth after standstill due to COVID

2023: Growth continues

- However, around 400 fewer aircraft delivered than in 2018
- Significant increase in Airbus construction rates
- Fewer Boeing deliveries
- Stable organic growth confirmed for the coming years

MARKET OUTLOOK

INCREASING CONSTRUCTION RATES GENERATE ORGANIC GROWTH AT FACC

FACC IS STRONGLY POSITIONED ON MANY KEY AIRCRAFT PLATFORMS

- Revenue from Airbus platforms set to increase from € 353 million in 2023 to € 506 million in 2028
- A32F revenue set to grow from € 256 million in 2023 to € 369 million in 2028
- A220 revenue set to grow from € 46 million in 2023 to € 61 million in 2028
- COMAC C919 begins series ramp-up following approval
- C919 revenue set to grow from € 15 million in 2023 to € 95 million in 2028
- B787 & A350 rates recover and return to pre-2020 delivery rates

OEM	AC type	Average monthly construction rates		Increase (%)
		2023	2025 - 2026	
Airbus	A220	7	11 - 14	57% - 100%
Airbus	A32F	52	65 - 75	25% - 44%
Airbus	A330	3	4	33%
Airbus	A350	6	8 - 10	33% - 67%
Boeing	B737	35	50 - 56	43% - 60%
Boeing	B767	3	3	0%
Boeing	B777	3	4 - 5	33% - 67%
Boeing	B787	5	10 - 12	100% - 140%
Comac	C919	1,25	5 - 7	300% - 460%

	Revenue in MUSD	Increase	
		in MUSD	in %
Volume ACT [~]	460	NA	NA
Volume 2026 / LOW [~]	620	170	37,0%
Volume 2026 / HIGH [~]	740	290	63,0%

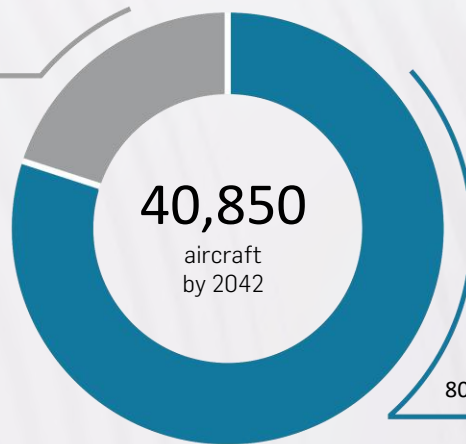
40,850 NEW AIRCRAFT BY 2042

SHORT & MEDIUM-HAUL DOMINATE THE MARKET



20% WIDE-BODY TYPE

8,220 aircraft
A350, B787, B777



80% SINGLE-AISLE TYPE

32,630 aircraft

A320 family, B737 & C919



22,880 → market in 2020

23,680 → growth

17,170 → replacement

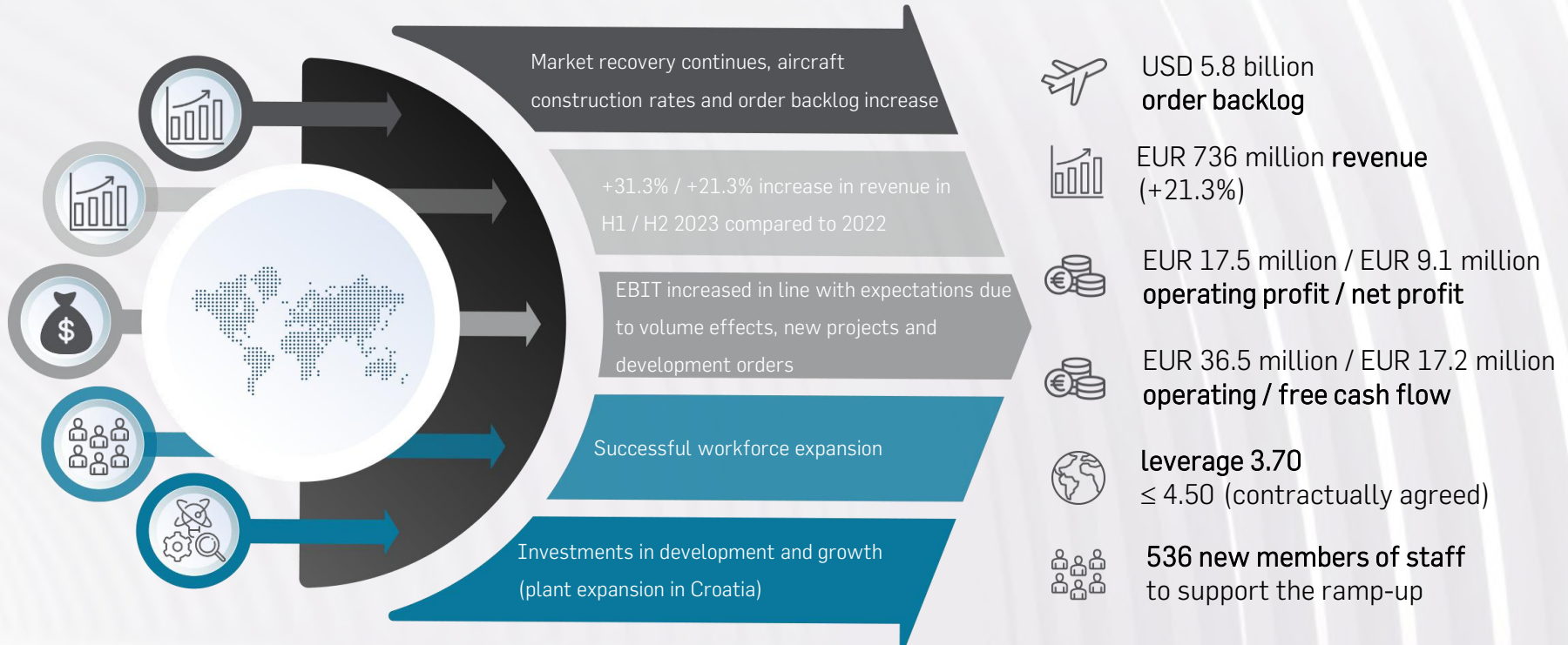
Source: Airbus GMF
Notes: passenger aircraft with more than 100
seats and cargo aircraft with a payload of more
than 10 tons

THE FACC BUSINESS YEAR 2023 AT A GLANCE

ROBERT MACHTLINGER
CEO

KEY FIGURES 2023

ALL BUSINESS AREAS DEVELOPED ACCORDING TO PLAN



FACC STRATEGY 2030

SUCCESSFULLY INTO THE FUTURE



Focus on **civil aviation** and **Advanced Air Mobility (AAM)**

New **orders in our core business** and **AAM development contracts** worth USD 90 million



Tier-1 partner of all major manufacturers

Additional **market shares gained**, MRO contract with P&W Canada



FACC AG among the **TOP 50 aerospace companies** worldwide

21.3% growth in FY 2023 increases **market share**



Global presence at all major **manufacturing locations**

Expansion of **Plant 6** in Croatia



40% less **CO₂ emissions** by 2030 (compared to 2008)

18% reduction in **CO₂ emissions** per EUR 1 million of revenue



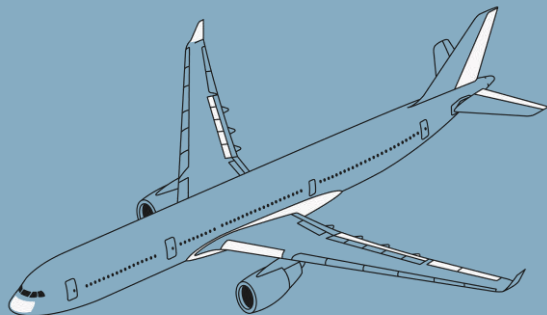
15-20% **diversification** at all management levels

Wings for Women project and **50 nationalities** on board at FACC

OUR CORE BUSINESS IS GROWING

FACC LIGHTWEIGHT CONSTRUCTION IN ALMOST EVERY CIVIL AIRCRAFT

AEROSTRUCTURES



Highlights:

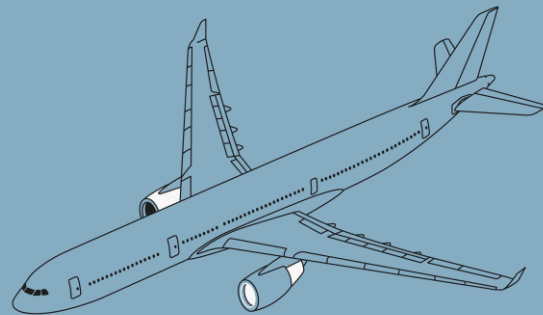
FACC is the largest manufacturer of winglets (B737 NG, A320, A350, C919, F2000, E2 Jet).



Primary structures, such as the A220 rudders & elevators, are increasing in importance.

New production order for the manufacture of an additional rudder was won.

ENGINES & NACELLES



Highlights:

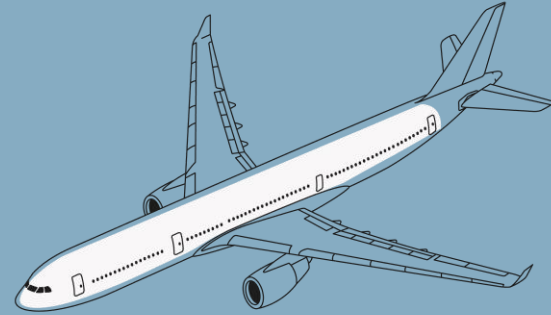
Since 2002, FACC has been developing and manufacturing all the casing airflow housings for business jet engines.



We are Rolls-Royce's largest partner for the production of engine composites.

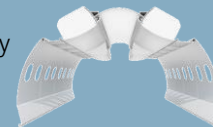
A multi-year maintenance contract for engines was signed with Pratt & Whitney.

INTERIORS



Highlights:

Since 1990 we have exclusively manufactured essential A320 cabin equipment.



After Boeing, we are the largest supplier on the world market for the manufacture of overhead stowage compartments.

We are the world market leader in the area of medium-sized business jet cabin interiors.

ADVANCED AIR MOBILITY

FACC EXPERTISE IN HIGH-DEMAND / USD 90 MILLION DEVELOPMENT ORDERS

EHANG 216



- Optimization of the structural and interior design
- Tool manufacture & production
- Certification

ARCHER



- Wing and fuselage components made from composite materials
- Structural interiors
- Secondary bonding of composite materials

EVE



- Tailplane and vertical tail
- Rudder and elevator

US



- Design/stress/certification
- Industrialization of production (25k+ units per year)
- Production of the current design

US



- Design/stress of cabin interiors
- Prototypes
- Possible long-term interior (outsourcing to SC)

PASSENGER TRANSPORT

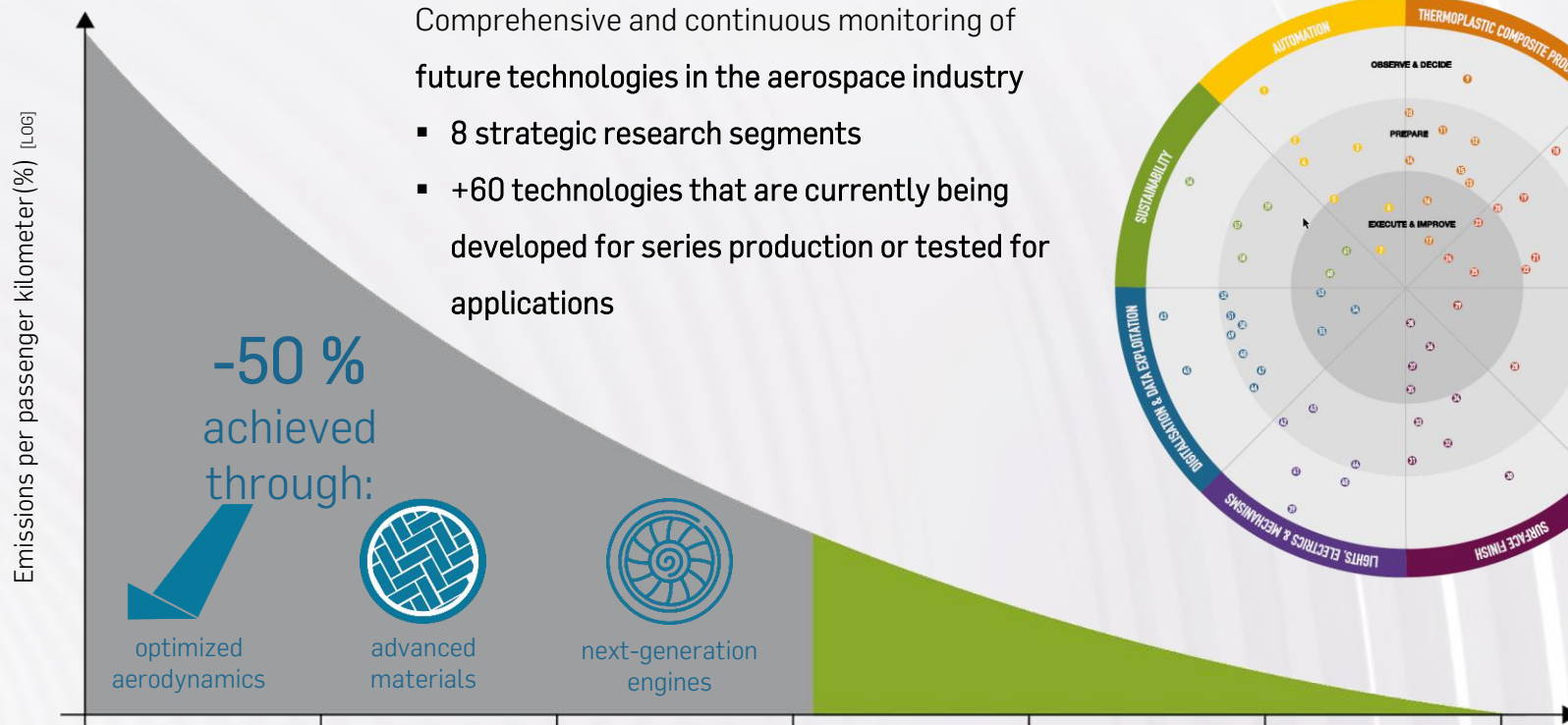
LOGISTICS & GOODS

FACC AAM GOALS:

technology development, automatization, technologies for core business, additional growth

AVIATION TO BE CO₂-NEUTRAL BY 2050

FACC TECHNOLOGY RADAR SUPPORTS THE GOALS OF THE AEROSPACE INDUSTRY



THE FACC BUSINESS YEAR 2023

ANDREAS OCKEL
COO



BUSINESS YEAR 2023 - OPERATIONS



Maintain delivery reliability to customers (98%)

Considerable strain on production due to bottlenecks in material supply (93%) with increasing customer requirements (+20%)



Significant cost increases in production materials

Implementation of the COMPETE strategy and relocation of sources of supply as well as customer participation in material cost increases



Expansion of the production network

Plant expansion of Plant 6 in Croatia with a capacity of 1 million production hours after completion in June 2024



Diversity, Wings for Women, LTFIR, quality, productivity

Increase in occupational safety. Increase in the proportion of women to 30% and appointment of the first female VP. Training of 536 new employees. Quality costs below 1%, productivity at 83% to 98%



Digitalisation in all operational areas

Digitalisation of quality management (CAQ), production control and monitoring (MES), logistics (EWM), material availability assurance (Digital LOB) and supply chain risk management (Digital Risk Radar)

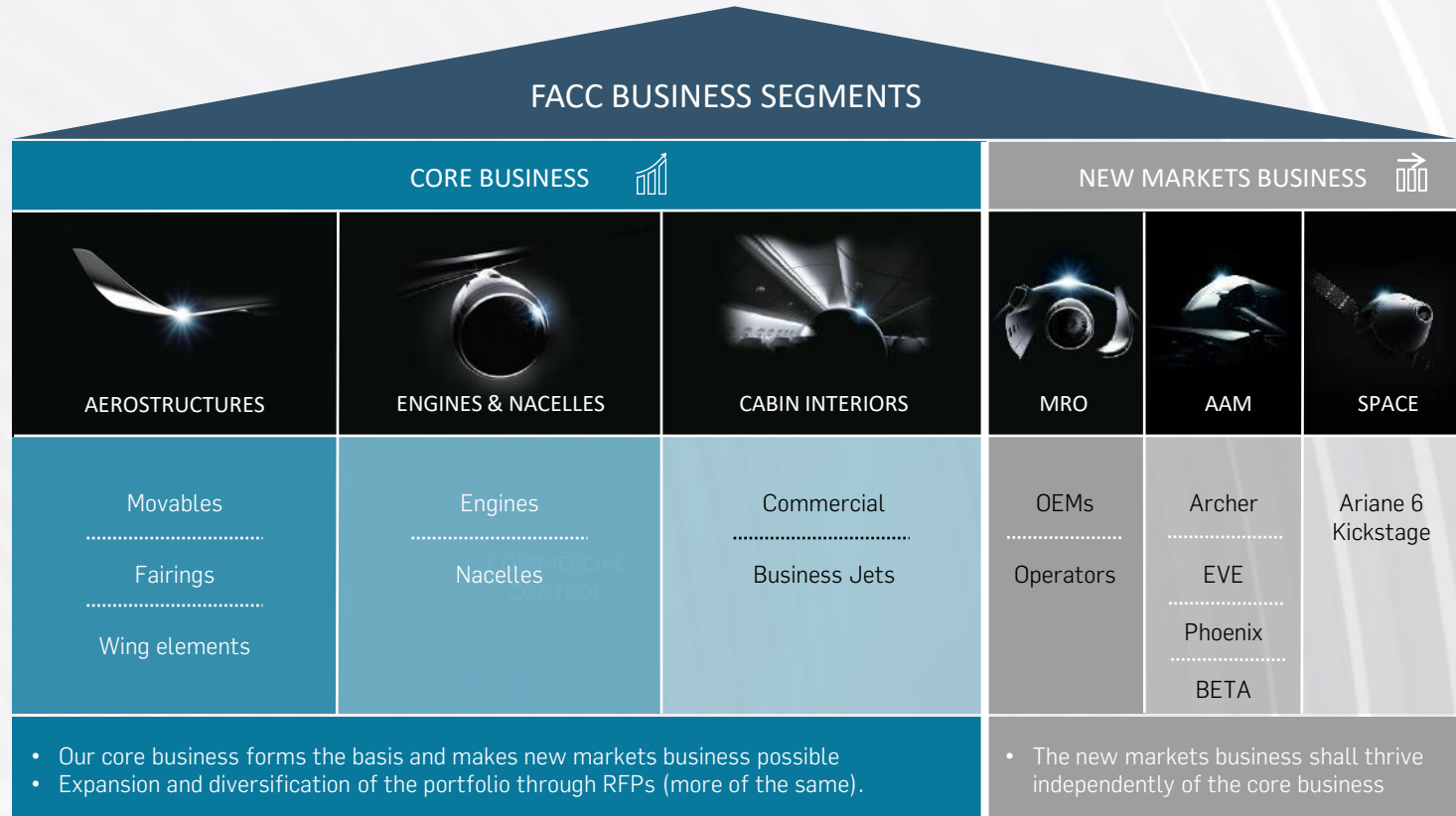


Investment in the core business

Total investment of EUR 25 million in FACC's core business

INVESTMENT STRATEGY

IN THE CORE BUSINESS AND IN NEW MARKETS



EXPANSION OF PLANT 6 IN CROATIA

TRIPLING OF THE PLANT AREA



- Investment of **24 million euros** in the **plant expansion**
- **State-of-the-art machines** for lightweight components
- **Capacity of 1 million production hours** after completion in June 2024
- Total investment of **36 million euros** in FACC's **core business**

RECRUITING IN SPITE OF LABOR SHORTAGES

WORKFORCE EXPANSION AT ALL LOCATIONS

EFFECTIVE RECRUITING MEASURES

- International recruiting
- Diverse recruiting channels
- "Bring your friends" campaign
- Social media campaigns
- "Comeback" campaign
- Partnerships with schools, FHs, universities, ...
- Recruiting events
- New FACC Welcome & Training Center



FACTS & FIGURES FY 2023

4,600+



applications

10-20



employees
recruited per week

2,299+



job interviews

Ø 7 - 10



days until hiring

536



new members of
staff employed

FACC SUSTAINABILITY INITIATIVES

SUSTAINABLE AND EFFICIENT USE & CONSUMPTION OF ENERGY

CURRENTLY IMPLEMENTED



-94% CO2 EMISSIONS PER KWH / generating space heating through geothermal energy (compared to natural gas)



-18.6% ENERGY REQUIREMENTS / efficiency increases and process optimization measures (since 2022)

FURTHER MEASURES PLANNED



Expanding the use of solar energy; biogas to be used for process heat in the future



Cross-company waste heat utilization (research project with Wirtschaftspark Reichersberg and Geothermie St. Martin)



Further developing sustainable materials

FURTHER FACC HIGHLIGHTS

HONORS / AWARDS / FURTHER DEVELOPMENT



Rolls Royce: Best Practice Supplier Award



Embraer: Best Supplier Award & Member of Advisory Council



Austria's Leading Companies: Cybersecurity Award



FACC Smart Mobility: Free & zero-carbon rides to work



FACC Wings for Women

- Promoting women's quotas and diversity
- Targeted personal and professional development of women in the company
- Increasing the proportion of female executives

THE FINANCIAL YEAR 2023 IN FIGURES

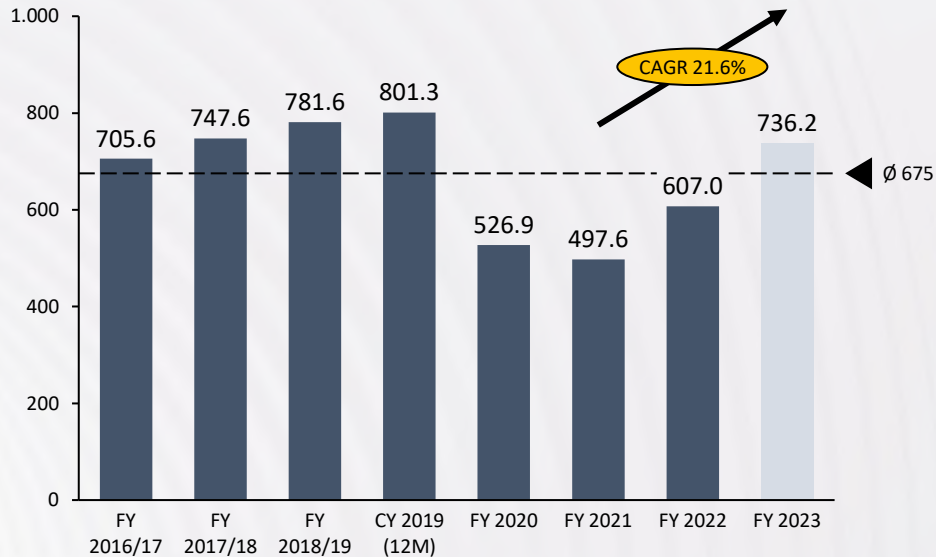
FLORIAN HEINDL
CFO

REVENUE AND EBIT

INDUSTRY-WIDE RECOVERY

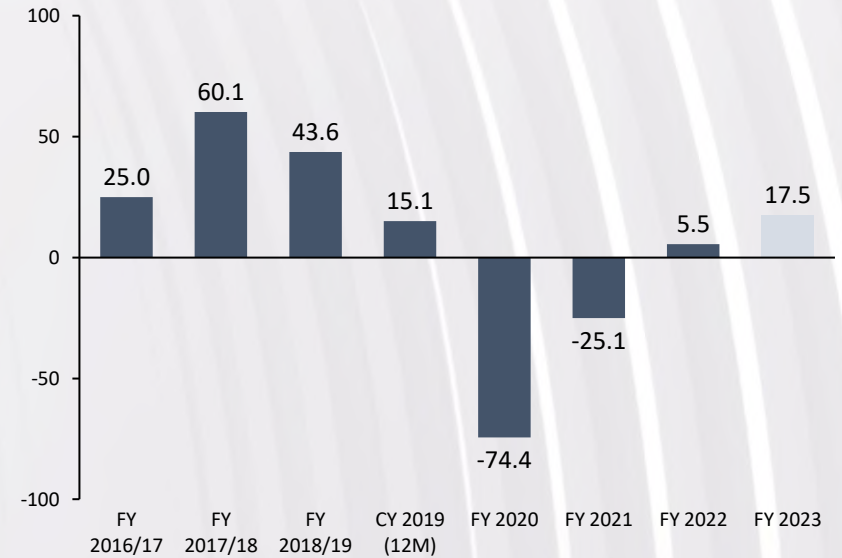
Revenue development

in EUR million



EBIT development

in EUR million

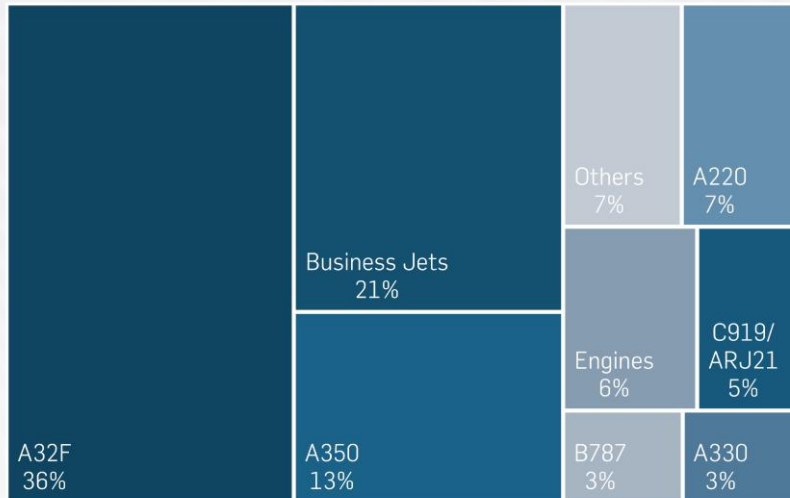


REVENUE

REVENUE DISTRIBUTION 2022 VS. 2023

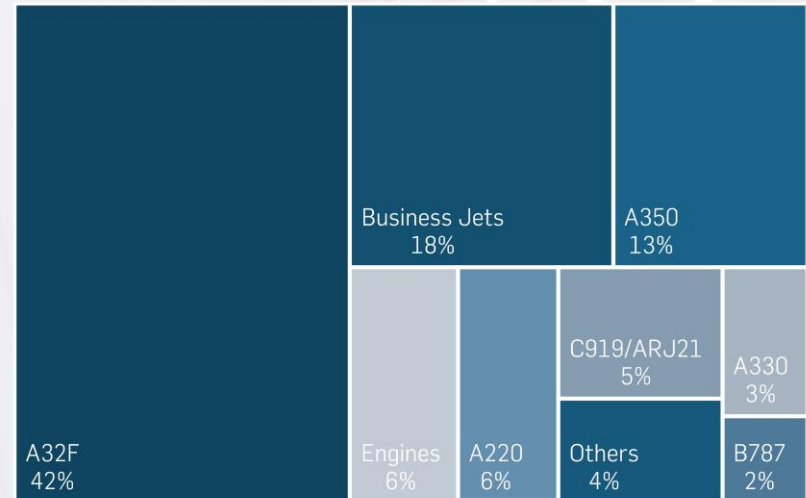
Revenue distribution 2023

in % of total revenue



Revenue distribution 2022

in % of total revenue

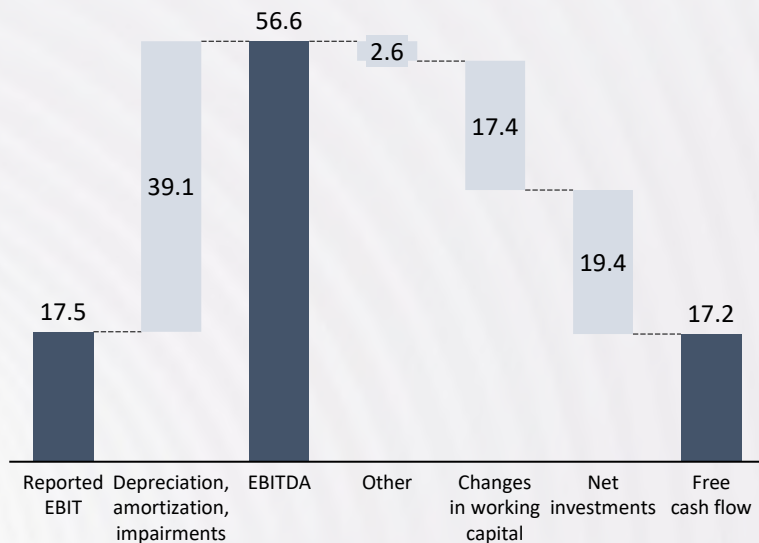


CASH FLOW

INVENTORY CHANGES AND INVESTMENTS DOMINATE

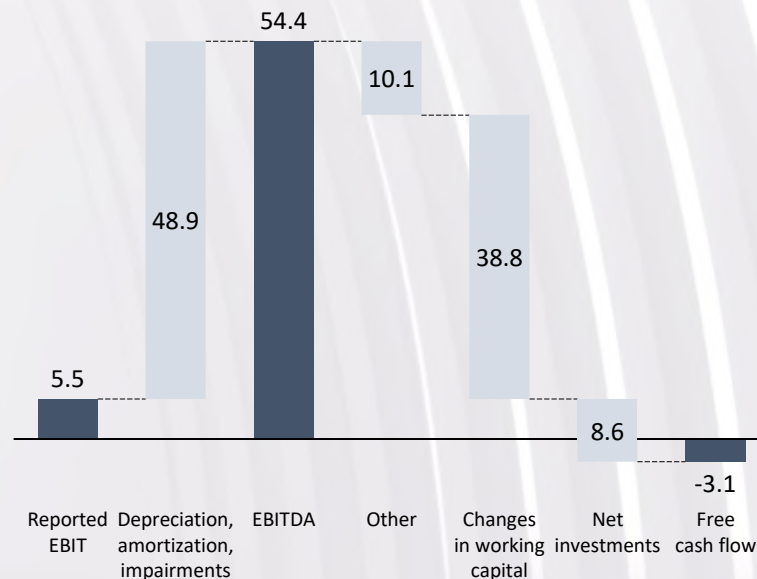
Free cash flow FY 2023

in EUR million



Free cash flow FY 2022

in EUR million

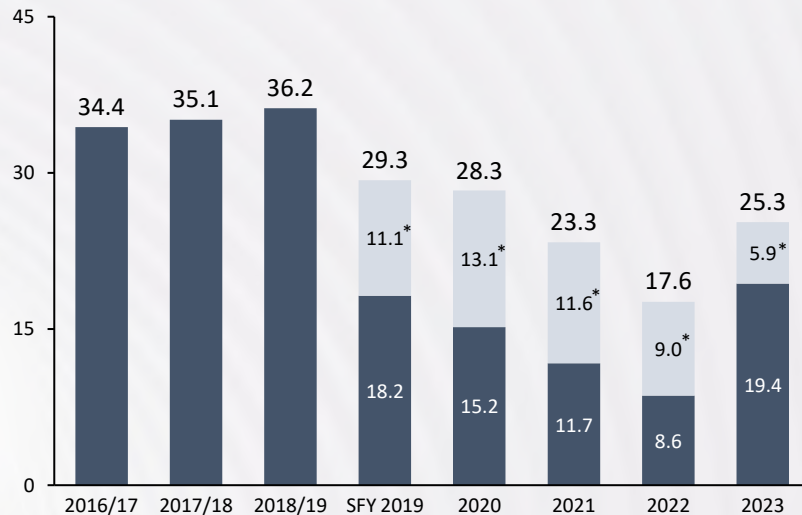


FINANCIAL STATUS

CONTROLLED INVESTMENTS AND LOWER LEVERAGE

Investments development

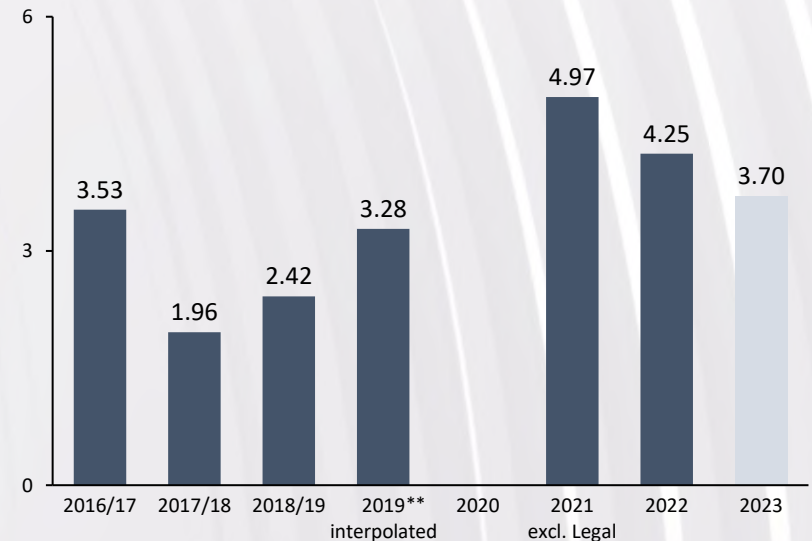
in EUR million



* Additions contract costs (re-classification since 31.12.2021)

Leverage development (net debt/EBITA)

Ratio



** Value is based on an extrapolation of EBITDA to twelve months

OUTLOOK 2024



TAKE-AWAYS 2023 & POTENTIAL 2024

Positive:

- Recovery of the aerospace industry
- Positive cost development for energy & logistics
- Navigating a **challenging global environment** (suppliers and labor supply)
- Improvement of all significant key figures

Challenges:

- Unstable supply chains lead to "Stop & Go" production
- Sharp rise in labor costs due to inflation
- Volatile customer demand, continuous improvement
- EU inflation above global average
- FACC must in part financially support suppliers at risk

Potential for 2024:

- More stable supply chains reduce costs (avoidance of "Stop & Go" production)
- Staff learning curve increases efficiency in production
- Further normalization of energy and logistics costs

OUTLOOK FOR THE FINANCIAL YEAR 2024

- Further **revenue growth** of **10-15%**, exploiting the current dynamism in the aerospace industry
- **Ramp-up** of new projects
- Continuous growth of **cash flow, profitability and reduction of net debt**
- **Further expansion** of the workforce to approx. **4,000 employees**
- Completion of the **plant expansion** at the **Croatian site**
- Further **strengthening** of FACC's **market position** and benefiting from the **positive industry development**
- Restoring the **ability to pay dividends**

BEYOND HORIZONS

