



BEYOND  
HORIZONS

WELCOME TO THE WORLD OF FACC

7th Annual General Meeting

# THE 7<sup>TH</sup> ANNUAL GENERAL MEETING 2020

PLEASE SEND YOUR QUESTIONS TO:

[fragen.facc@hauptversammlung.at](mailto:fragen.facc@hauptversammlung.at)

# THE 7<sup>TH</sup> ANNUAL GENERAL MEETING 2020

Please send your requests and instructions for voting or contradictions to the authorised representative to the following e-mail addresses:

[beckermann.facc@hauptversammlung.at](mailto:beckermann.facc@hauptversammlung.at)

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**7th Annual General Meeting**

Management Report

1 July 2021

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The financial year 2020 presented extraordinary challenges for the aviation industry as a whole, and therefore for FACC as well.

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We would like to thank all FACC employees, shareholders, Supervisory Board members, customers and partners for their excellent cooperation and support in 2020!

# MARKET OVERVIEW

Robert Machtlinger, CEO FACC AG

# AEROSPACE – THE AFTERMATH OF COVID-19

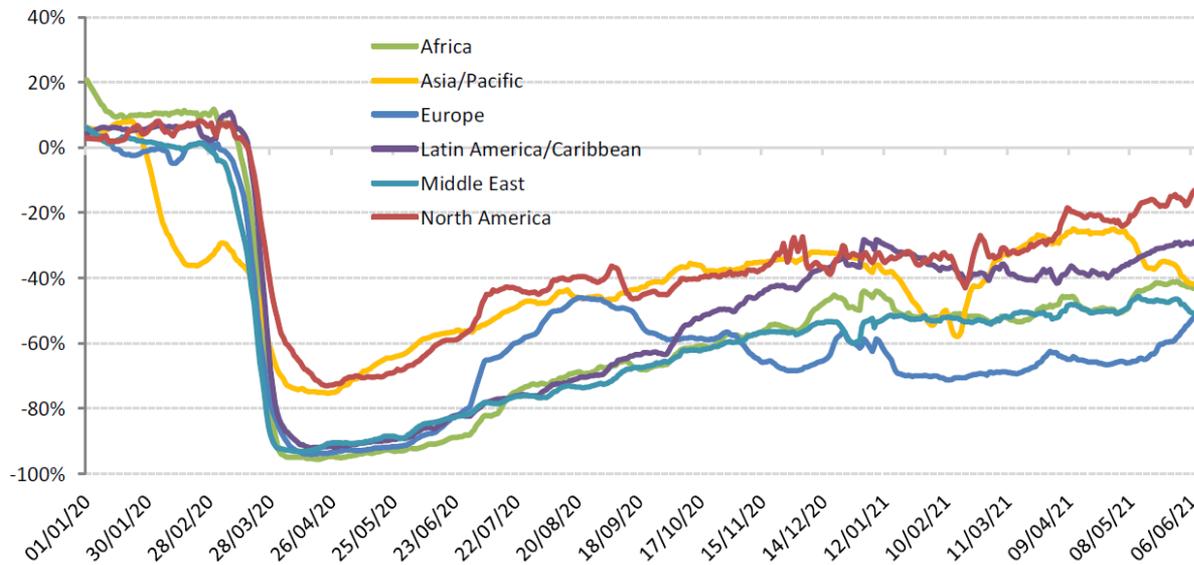
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LOOKING AHEAD, COVID-19 HAS HAD A MAJOR IMPACT ON AEROSPACE, BOTH IN TERMS OF THE SEVERITY OF THE CRISIS AND THE RECOVERY CYCLE.

# MARKET DEVELOPMENT

Development shows pronounced regional differences

Comparison of total seating capacity by region  
(7-day average, YoY comparison with 2019)

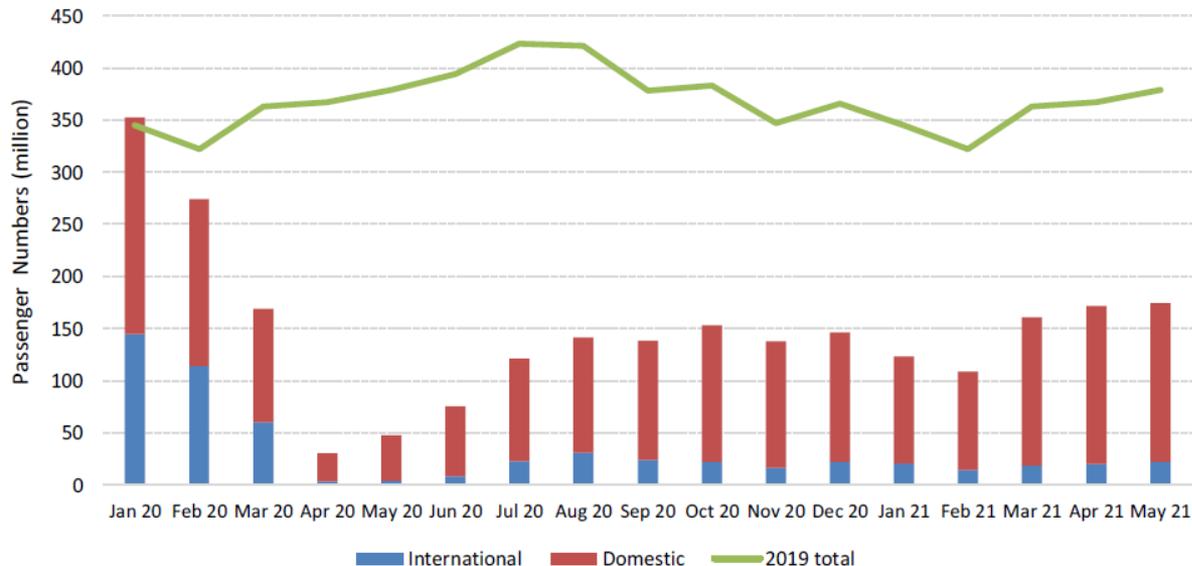


Regional differences in resilience and speed of recovery.

# MARKET DEVELOPMENT

## Continental travel recovering at a faster pace

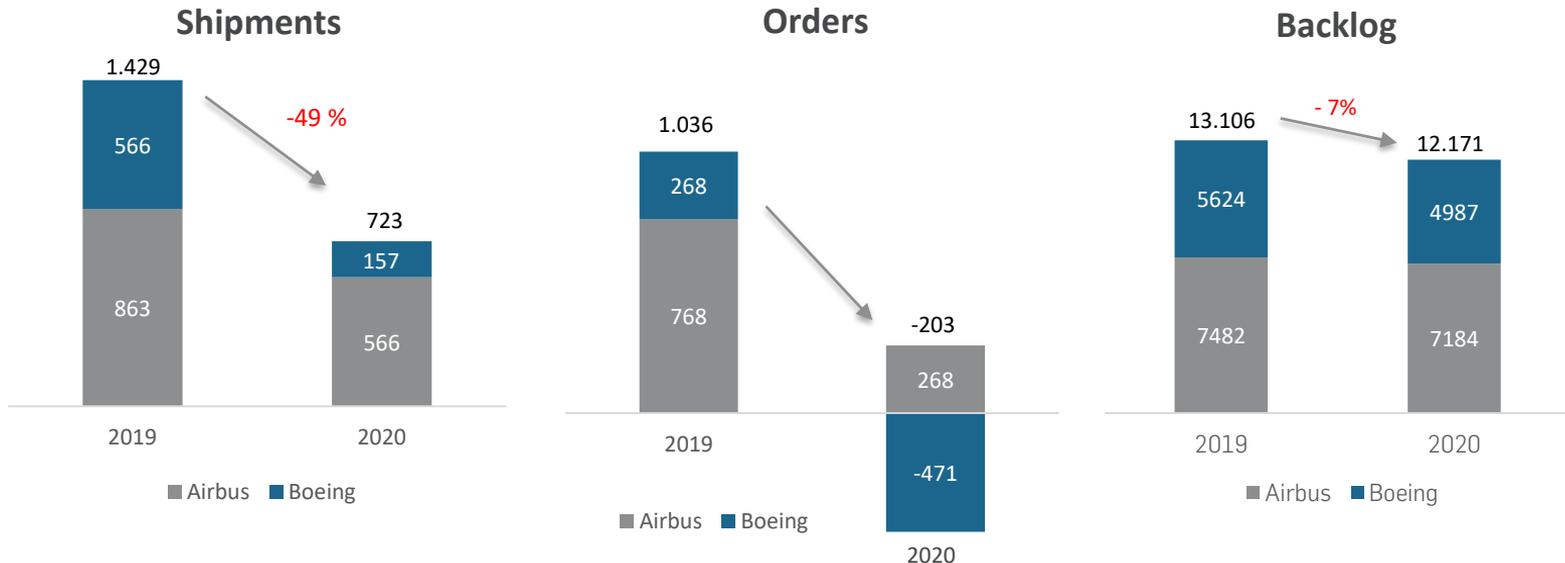
Number of passengers per month in 2020-21 vs. 2019



Moderate recovery of domestic travel while international travel stagnates.

# ORDER BOOK CUSTOMERS 2020

Order backlog remains high with firm orders placed for 12,171 aircraft



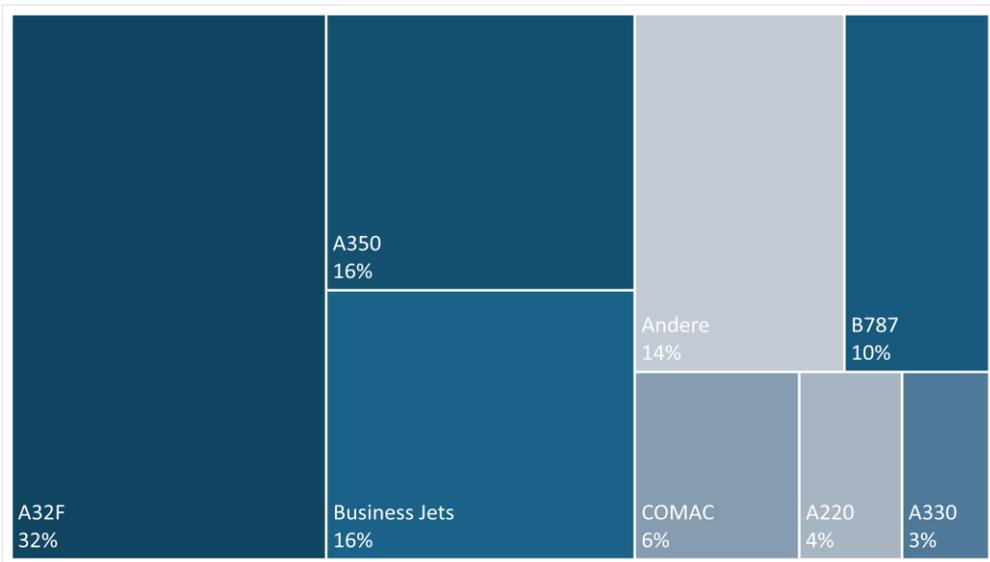
- > Airbus & Boeing continue to hold **12,171 firm orders** (13,106 prior to COVID-19)
- > **Airlines are postponing aircraft acceptances**, with limited cancellations
- > **Narrow-body aircraft** account for the largest part of demand and the order backlog with **10,367 firm orders**

# ORDER BOOK CUSTOMERS

FACC products are represented on all major platforms

## Distribution of revenues

in EUR million

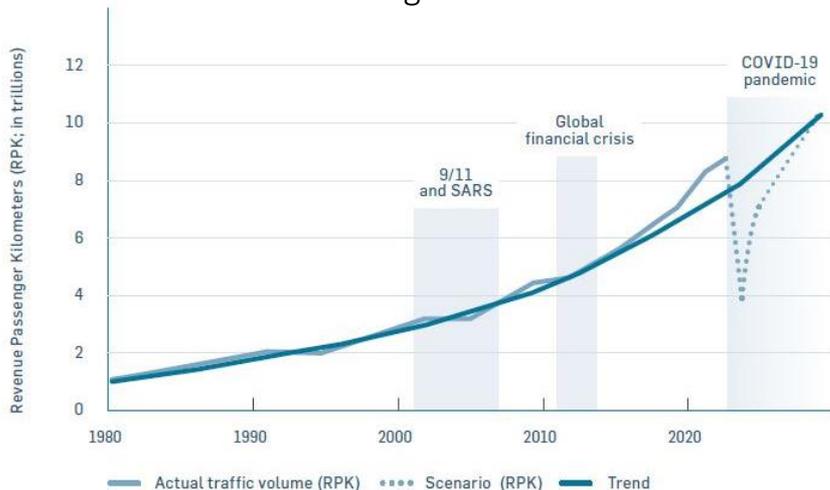


- > With 5,885 firm orders, the A32F is the aircraft with the largest backlog on the market and is FACC's top-selling aircraft program.
- > A32F rates are set to increase from Q4/2021 according to today's forecasts.
- > Customer requirements for the A350, A330 and B787 long-haul aircraft ( 28% revenue share) are expected to remain stable over the next 2 years.
- > The market for business jets is recovering fast and may reach 2019 levels by the end of 2022.

# MARKET DEVELOPMENT

Medium and long term: stable upward trend

Aviation shows high resilience time and time again



Source: Boeing



**22,460**

aircraft in operation prior to COVID-19



**-66 %**

less passenger traffic than in 2019



**9,000**

aircraft grounded in December 2020



**5,000**

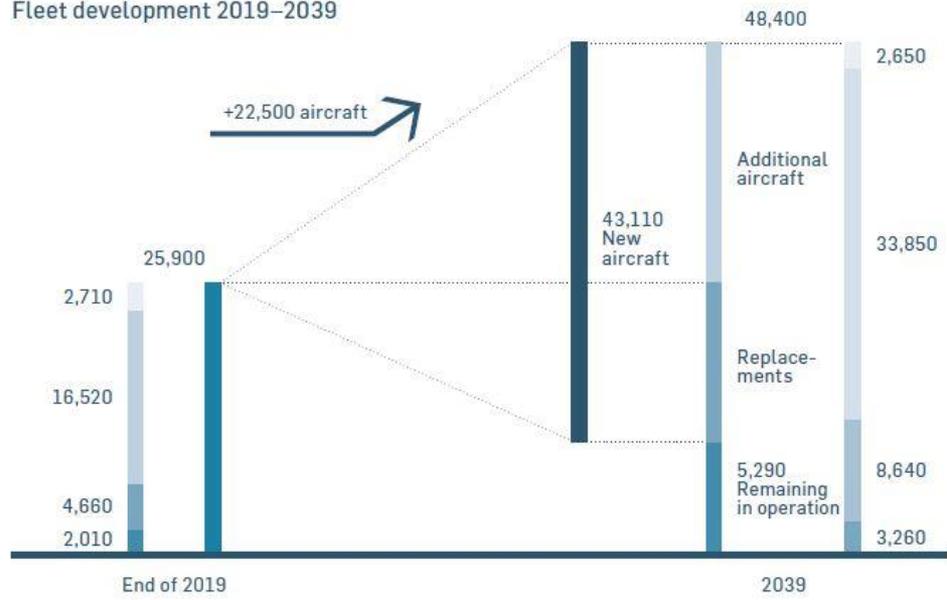
aircraft grounded as of the end of May 2021

- > Slowdown bottomed out in August 2020
- > Since then stabilization – growth forecast as of Q4/2021
  - > Short and medium-haul aircraft to grow by 10-15% as of Q4/2021
  - > Long-haul aircraft to remain stable at current level until 2023
- > Market level of 2019 to be restored by 2025
- > Annual growth of 4% expected thereafter

# FLEET DEVELOPMENT UNTIL 2039

More than 43,000 new aircraft, 40 % of which destined for Asia

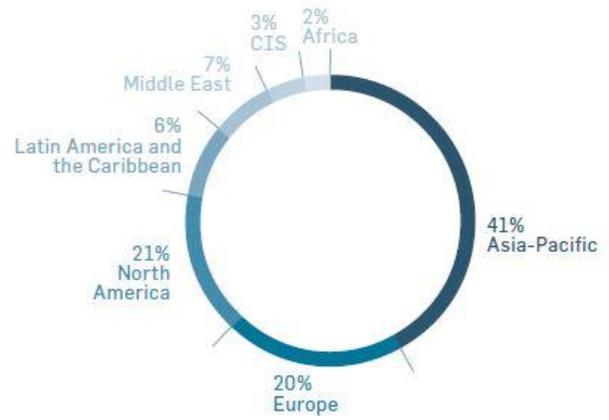
Fleet development 2019–2039



■ Regional jets 
 ■ Single-aisle aircraft 
 ■ Wide-body aircraft 
 ■ Transport aircraft

Source: Boeing

Demand for passenger aircraft – forecast 2020–2039 by region



Source: Airbus

# FY 2020 AT A GLANCE



# KEY GROUP FIGURES FY 2020

Key Group figures for financial year 2020 impacted by COVID-19

EUR 526.9 m



revenues

EUR 15 m



COVID-19 cost-saving program

EUR -26.8 m



operative EBIT

USD 1 bn



new orders

EUR 15.2 m



investments in R&D

37.4 %



equity ratio

EUR 4.8 bn



order backlog

EUR -47.6 m



negative one-time effects

EUR -74.4 m

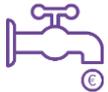


adjusted EBIT

# CORE PRIORITIES 2020



Protecting the **workforce** and safeguarding customer **deliveries**



Securing **liquidity** and economic **stability** through **adjustments** to the new market environment and **cost reduction** program



**Growth investments** in new projects, insourcing, vertical integration



**Innovations** through new materials, efficient processes, sustainable products



Setting the course and **shaping the future** with the creation of the **Roadmap 2030**

# COVID-19 PROTECTIVE MEASURES

Maximum employee protection through testing, tracing & vaccination strategy

- > General FACC protective measures including internal **tracing system**
- > **PCR test line** since 08/20 and 5 FACC **antigen test lines** since 10/20
  - More than 50,000 tests performed to date / supported by 4 medical teams
  - 99.75% staff participation
- > FACC **vaccination line**
  - 7 medical teams administer vaccinations at FACC after receiving vaccine in June 2021
  - vaccinations for the FACC crew and their families
  - 23 nearby companies use FACC vaccination lines (approx. 700 people)
- > **Exceptional expenses** of EUR 750,000 (catering for staff, COVID-19 test kits, testing costs, ...)
- > **A big thank you to the FACC crew** for their understanding, dedication and flexibility!



# ENSURING LIQUIDITY & STABILITY

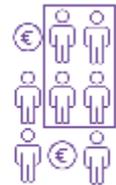
## Summary of the key measures

- > FACC as a **stable partner** to our stakeholders
  - Contractual repayment of all financial liabilities due within the period
  - Taking advantage of deferred payment options for taxes and social security contributions
  - Repayment of these deferrals made in January 2021
  - Renegotiation of the financing covenants of the syndicated loan agreement with our core banks
  
- > Increasing short-term **liquidity**
  - Subscription to a subsidized loan of EUR 60 million (COVID-19 framework credit for large enterprises) of the Austrian Kontrollbank
  
- > Optimizing **working capital** and **investments**
  - Comprehensive program to reduce inventories
  - Expansion of existing factoring arrangements and introduction of a supplier financing program
  - Strict investment control
  - Rigorous recovery of outstanding receivables

# STRINGENT SAVINGS PACKAGE

Immediate measures in 2020 and follow-up measures for 2021

## 2020 (EUR 15 million)



**Organizational adjustments**  
Staff cutbacks in all areas and merging of organizational units



**Increasing efficiency and capacity utilization**  
Insourcing of work packages and logistics services



**General savings**  
Suspension of voluntary social benefits, consultancy services, ...

## 2021 (EUR 25 million)



**Further adjustments to personnel costs**  
Flexitime, staff retirement fund, pay system, ...



**Materials/suppliers/efficiency**  
Suppliers, logistics, efficiency, Kaizen ...



**General savings**  
Energy, consultancy services, travel expenses, trade fair appearances, company cars ...

# ORGANIZATIONAL ADJUSTMENTS

Taking responsibility, in spite of the crisis

- > **Staff meeting** in September 2020 in Messe Ried
- > **Staff cutbacks**
  - 20% of the workforce
  - 25% of management
- > **650 personal exit interviews**
- > EUR 11.8 million for the **social plan**
- > **FACC crisis fund** (in addition to the social plan)
  - for employees in emergency situations
  - financed by a 20% salary cut of the FACC management



# INNOVATIONS

Focus on efficiency and sustainability

- > FACC Innovation Center for **new materials and processes** – e.g. high-performance thermoplastics
- > **Wing of Tomorrow** – wing components, flaps and spoilers for the next generation of aircraft
- > **Biological and recyclable** materials for the passenger cabin of tomorrow
- > **PURE CABIN**, permanent antimicrobial surface coating
- > **LAV4ALL** - aircraft toilet that everyone can use without assistance in single-aisle aircraft



# MILESTONES 2020

FACC as Best-in-Class performer of the industry

- > First delivery of the new **Airspace entrance area**
- > Launch of series production of the **XL Bins for the A32F**
- > Austrian flight permit for the **EHang 216** drone
- > **New development contracts** worth USD 1 billion
- > Expansion of **Aftermarket Services**
  - **EN 9110 certification** for components of all OEMs
  - Chinese **CAAC Part-145 approval** as maintenance organization
- > **Performance Award** from Rolls-Royce, Boeing & Bombardier
- > **Gold Innovation Award** of the State of Upper Austria



# WE ASSUME RESPONSIBILITY

FACC as a First Mover for a sustainable future

## What we have achieved to date:

- > **Energy efficiency increase** since 2010:
  - > electricity savings of 23.6 GWh = 5,340 households = city of Ried (through PV installations, base load management, LED, etc.)
  - > heat savings of 30.2 GWh = 2,117 households (through geothermal energy, heat recovery, etc.)
- > **“Green” electricity** from hydropower
- > **Local suppliers** (60% from Austria)
- > **Code of Conduct** for employees and business partners
- > **University of Applied Sciences degree program & scholarship program**
- > High-quality **training** (FACC Academy)
- > **Promotion of women** etc.

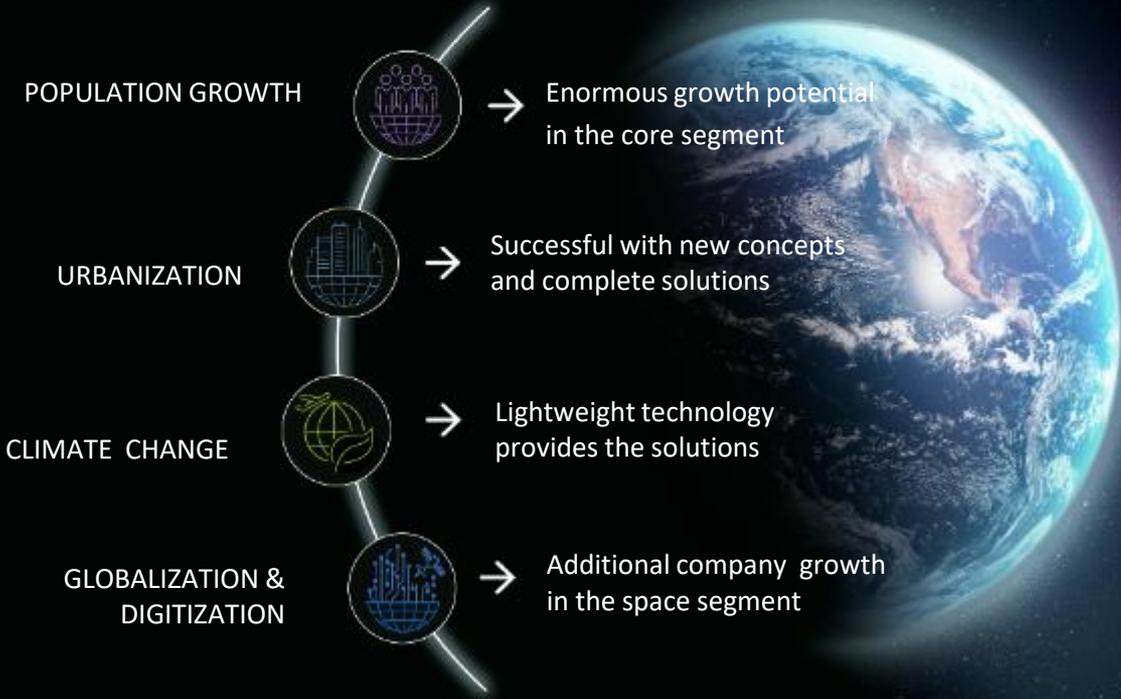
## Our goals:

- > **CO2-free factory** from 2040
- > **CO2-free aviation** from 2050
- > **Circular economy** (development of new materials, processes, ...)
- > Promotion of **diversity**





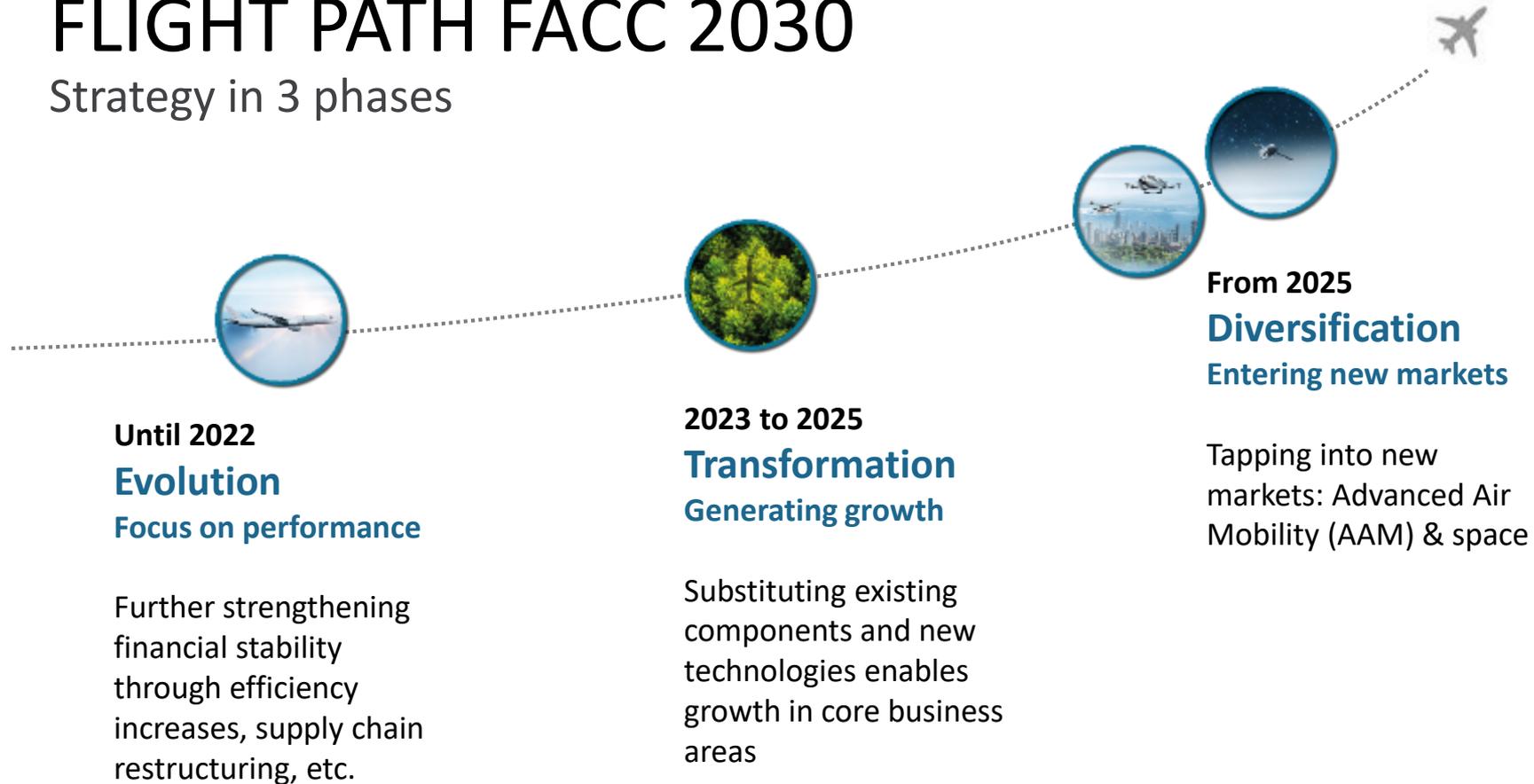
# GLOBAL MEGATRENDS



IDEAL  
PREREQUISITES FOR  
OUR LIGHTWEIGHT  
SOLUTIONS

# FLIGHT PATH FACC 2030

Strategy in 3 phases



**Until 2022**  
**Evolution**  
**Focus on performance**

Further strengthening financial stability through efficiency increases, supply chain restructuring, etc.

**2023 to 2025**  
**Transformation**  
**Generating growth**

Substituting existing components and new technologies enables growth in core business areas

**From 2025**  
**Diversification**  
**Entering new markets**

Tapping into new markets: Advanced Air Mobility (AAM) & space

# FLIGHT PATH FACC 2030

Targeted expansion of FACC's market shares

## TODAY



Focus on aviation



3 divisions +  
Aftermarket Services



Tier-1-supplier



Top-100  
aviation company



Globally active

## 2030



Focus on all levels: aviation,  
Advanced Air Mobility, space



5 divisions +  
Aftermarket Services



Tier-1-supplier and partner for  
integrated subsystems



Top-50  
aviation company



Globally anchored

# ROADMAP FACC 2030

Aviation remains our core market, diversification through AAM & space

COMMITTED TO THE SKY –

# AT ALL LEVELS



AVIATION



SPACE



URBAN

# FY 2020 KEY FIGURES

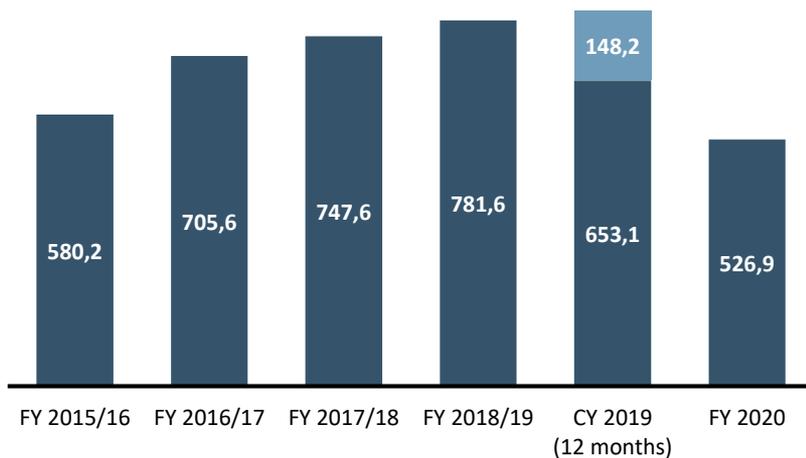


# REVENUE

strongly impacted by the COVID-19 pandemic

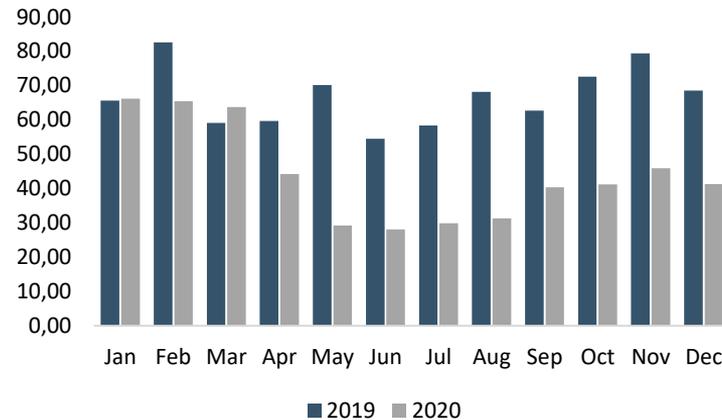
## Revenue development

in EUR million



## per month

in EUR million



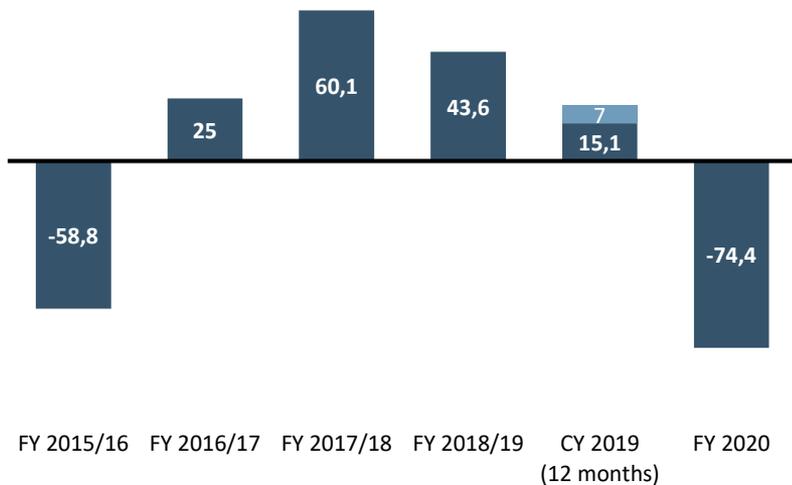
- > Revenues in Q1/2021 not yet adversely affected by pandemic
- > Period from May to August 2020 marked by sharp decline in revenues
- > Since then stabilization - stable growth expected from Q4/2021

# EBIT

## Substantial COVID-19 one-time effects impact earnings

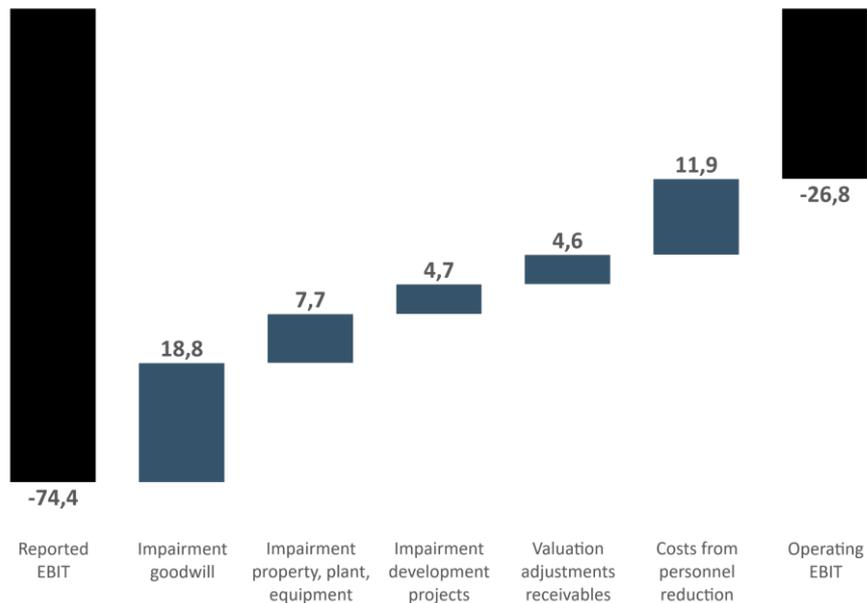
### EBIT development

in EUR million



### EBIT one-time effects financial year 2020

in EUR million

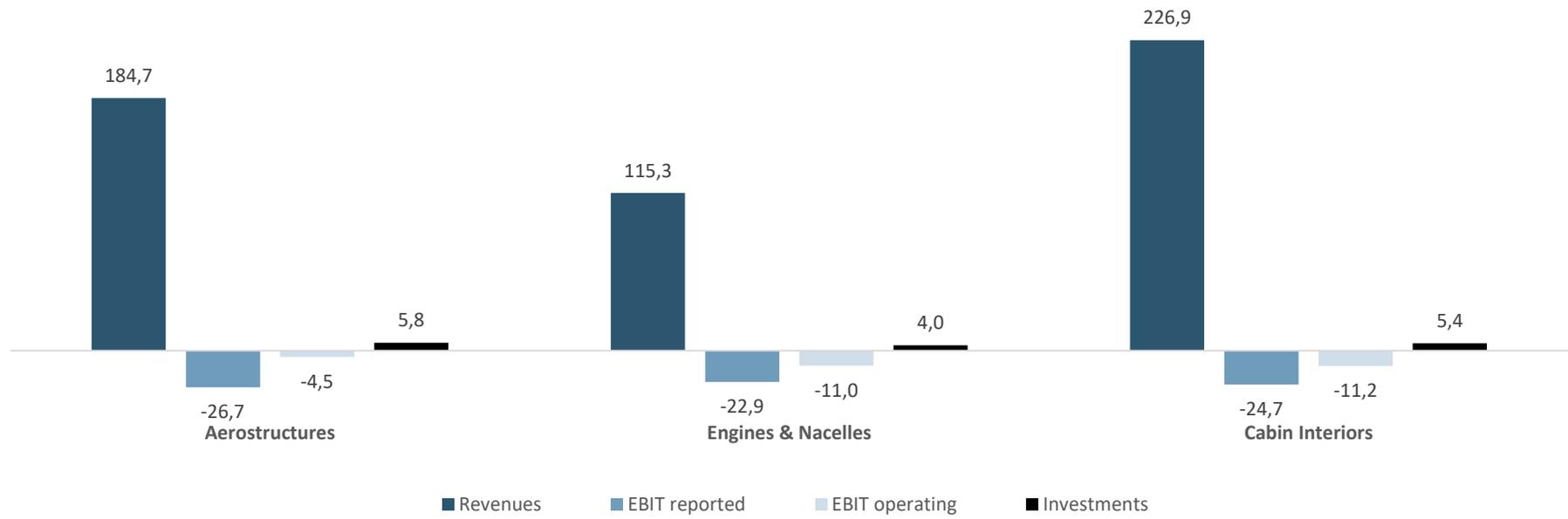


# EARNINGS BY SEGMENT

Revenue and EBIT broken down by segment

Segment reporting

in EUR million

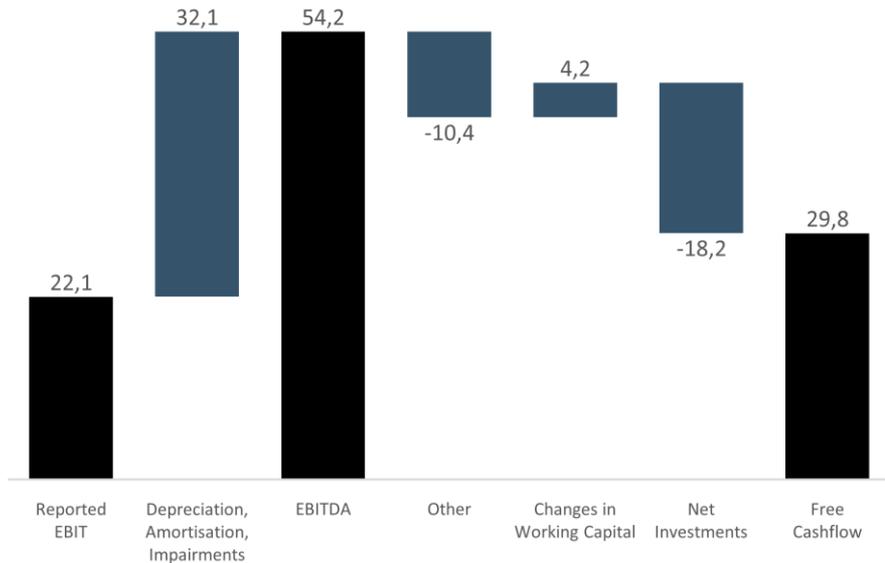


# CASH FLOW

Strict cash flow control from the onset of the pandemic

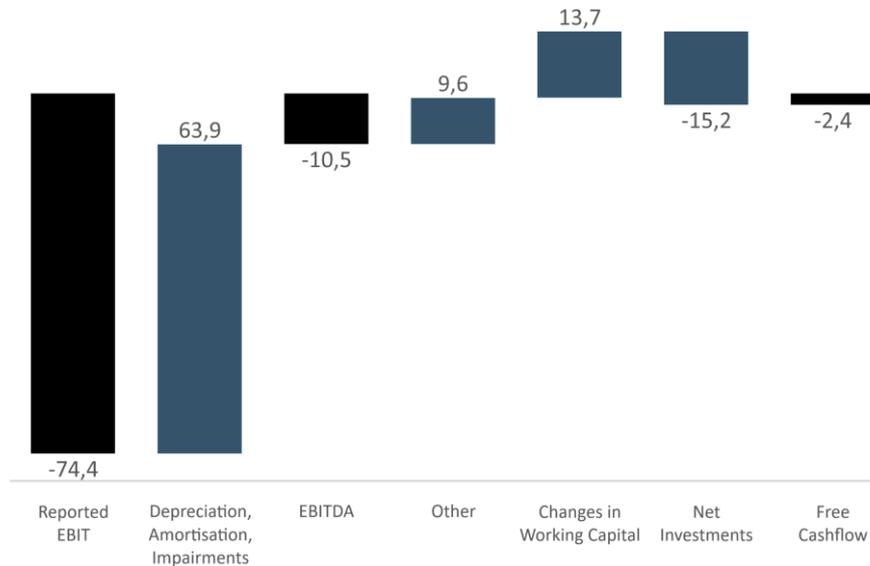
## Free cash flow – short FY 2019

in EUR million



## Free cash flow – FY 2020

in EUR million





# OUTLOOK

## Expectations for 2021

- > Continuing to ensure the **health and safety of our employees**
- > Delivering top **performances** with respect to **customer requirements**
- > Implementation of the **cost reduction initiative 2021**
- > Transformation of **supply chains** to increase **efficiency/savings**
- > **Revenues** for 2021 expected to be approximately EUR 500 million with balanced **EBIT**
- > Completion of the **inventory reduction program** to generate cash flows
- > **Insourcing** of projects to increase the **capacity utilization** of FACC plants
- > Acquiring **new business** to achieve an **accelerated growth path** beyond 2022



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General debate



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Voting



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