



POSITION REPORT

Interim Report
Q3 2018/19

Selected Group Key Performance Indicators

in EUR mill.			01.03.2017– 30.11.2017	01.03.2018– 30.11.2018
Revenues			564.0	589.2
<i>thereof Aerostructures</i>			<i>251.3</i>	<i>254.6</i>
<i>thereof Engines & Nacelles</i>			<i>121.7</i>	<i>125.0</i>
<i>thereof Cabin Interiors</i>			<i>191.1</i>	<i>209.6</i>
Earnings before interest and taxes (EBIT) (reported)			61.7	42.2
One-off effects			21.6	0.0
Earnings before interest and taxes (EBIT) before one-off effects			40.1	42.2
<i>thereof Aerostructures</i>			<i>29.6</i>	<i>37.2</i>
<i>thereof Engines & Nacelles</i>			<i>4.5</i>	<i>4.8</i>
<i>thereof Cabin Interiors</i>			<i>6.0</i>	<i>0.2</i>
EBIT margin prior to one-off effects			7.1%	7.2%
Earnings after taxes			41.1	28.3
Earnings per share (in EUR)			0.90	0.62
in EUR mill.			30.11.2017	30.11.2018
Cashflow from ongoing activity			35.9	40.6
Cashflow from investing activity			-20.9	-20.7
Headcount (at the balance sheet date)			3,367	3,491
in EUR mill.			30.11.2017	30.11.2018
Net Working Capital			192.8	159.5
Net financial debt			189.4	186.8
Equity			325.6	294.2
Equity ratio			44.4%	42.2%
Balance sheet total			732.8	697.2
			01.09.2017 –30.11.2017	01.09.2018 –30.11.2018
Trading volume			12,440,656	15,734,624
Average daily trading volume			197,471	249,756
Yearly high			15.9	21.9
Yearly low			10.3	14.3
Closing price			14.2	15.4
Annual performance			38.2%	-28.2%
Market capitalization in million EUR			650.2	705.2
			01.03.2017– 30.11.2017	01.03.2018– 30.11.2018
Trading volume			27,413,822	49,625,812
Average daily trading volume			147,386	263,967
Yearly high			15.9	24.3
Yearly low			6.5	14.3
Closing price			14.2	15.4
Annual performance			101.5%	-25.2%
Market capitalization in million EUR			650.2	705.2

Sales and earnings development

in EUR mill.	Q3 2017/18	Q3 2018/19	Change	Q1-3 2017/18	Q1-3 2018/19	Change
Revenues	205.3	216.2	5.3%	564.0	589.2	4.5%
Earnings before interest and taxes (EBIT) (reported)	31.9	17.1	-46.3%	61.7	42.2	-31.6%
One-off effects	16.1	-		21.6	-	
Earnings before interest and taxes (EBIT) before one-off effects	15.9	17.1	7.8%	40.1	42.2	5.3%
Assets	732.8	697.2	-4.9%	732.8	697.2	-4.9%
Period investments	8.3	4.2	-49.2%	20.9	20.7	-0.9%

Revenues in the first nine months of 2018/19 amounted to EUR 589.2 million (comparative period 2017/18: EUR 564.0 million). This 4.5 % increase is attributable to an increase in development revenues to EUR 70.8 million in the first nine months of 2018/19.

Key drivers with respect to product sales remained unchanged compared to the previous periods. All major aircraft programs of our main customers Airbus, Boeing, Bombardier and Embraer as well as sales from the respective engine families continue to contribute to the Group's growth.

The cost of sales in relation to sales (gross profit on sales) stood at 87.0 % (comparative period 2017/18: 83.6 %). Research and development expenses (which comply with corporate and customer

related developments) amounted to EUR 19.5 million in the third quarter of 2018/19 (Q3 2017/18: EUR 9.5 million).

Reported earnings before interest and taxes (EBIT) amounted to EUR 42.2 million in the first nine months of 2018/19 (comparative period 2017/18: EUR 61.7 million).

The one-off effects on EBIT presented here - both in Q3 2017/18 and cumulatively - were primarily the result of customer negotiations. As part of the IAS restatements, relevant receivables were value-adjusted or provisions formed in the preliminary periods.

SEGMENT REPORTING

Aerostructures

in EUR mill.	Q3 2017/18	Q3 2018/19	Change	Q1-3 2017/18	Q1-3 2018/19	Change
Revenues	87.8	102.7	17.0%	251.3	254.6	1.3%
Earnings before interest and taxes (EBIT)	10.3	14.4	40.2%	29.6	37.2	25.5%
Assets	349.9	305.2	-12.8%	349.9	305.2	-12.8%
Period investments	3.0	-0.3	-109.1%	6.7	4.8	-28.7%

Revenues in the Aerostructures segment amounted to EUR 254.6 million in the first nine months of 2018/19 (comparative period 2017/18: EUR 251.3 million). Revenues from product deliveries fell by 10.9 % to EUR 209.1 million. This reduction is mainly due to the expiring Boeing B737NG Winglet program. Earnings before interest

and taxes (EBIT) stood at EUR 37.2 million in the first nine months of 2018/19 (comparative period 2017/18: EUR 29.6 million).

Engines & Nacelles

in EUR mill.	Q3 2017/18	Q3 2018/19	Change	Q1-3 2017/18	Q1-3 2018/19	Change
Revenues	43.2	39.5	-8.5%	121.7	125.0	2.8%
Earnings before interest and taxes (EBIT) (reported)	12.2	2.6	-78.4%	20.4	4.8	-76.4%
One-off effects	10.4	-		15.9	-	
Earnings before interest and taxes (EBIT) before one-off effects	1.8	2.6	44.4%	4.5	4.8	6.7%
Assets	158.8	143.7	-9.5%	158.8	143.7	-9.5%
Period investments	2.5	0.1	-95.5%	7.9	2.7	-66.4%

Revenues in the Engines & Nacelles segment amounted to EUR 125.0 million in the first nine months of 2018/19 (comparative period 2017/18: EUR 121.7 million). Revenues from product deliveries increased by 2.2 % to EUR 117.2 million. This increase is still being driven by a sustained rate increase of all programs that are of significance for the segment.

Earnings before interest and taxes (EBIT) in the Engines & Nacelles segment amounted to EUR 4.8 million in the first nine months of 2018/19. The result of EUR 20.4 million for the comparative period 2017/18 included one-off effects in the amount of EUR 15.9 million.

Cabin Interiors

in EUR mill.	Q3 2017/18	Q3 2018/19	Change	Q1-3 2017/18	Q1-3 2018/19	Change
Revenues	74.3	73.9	-0.5%	191.1	209.6	9.7%
Earnings before interest and taxes (EBIT) (reported)	9.5	0.1	-99.3%	11.7	0.2	-98.1%
One-off effects	5.7	-		5.7	-	
Earnings before interest and taxes (EBIT) before one-off effects	3.8	0.1	-97.4%	6.0	0.2	-96.7%
Assets	224.1	248.2	10.7%	224.1	248.2	10.7%
Period investments	2.8	4.4	57.0%	6.3	13.3	111.0%

Revenues in the Cabin Interiors segment amounted to EUR 209.6 million in the first nine months of 2018/19 (comparative period 2017/18: EUR 191.1 million). Sales from product deliveries increased significantly by 7.7 % to EUR 192.1 million. This is primarily driven by the rate increases in the Airbus A320, ARJ 21 and Embraer Legacy.

Earnings before interest and taxes (EBIT) in the Cabin Interiors segment stood at EUR 0.2 million in the first nine months of 2018/19. The result of EUR 11.7 million for the comparative period 2017/18 included one-off effects in the amount of EUR 5.7 million.

Financial position

FACC applies IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments for the first time as of 1 March 2018. This led to changes in the accounting and valuation methods. The FACC has adopted the modified retrospective method when adopting IFRS 15 and IFRS 9. The comparative information was not adjusted as part of this method. The cumulative effect of the first-time adoption of IFRS 15 and the first-time adoption of IFRS 9 was presented as an adjustment to the opening balance sheet values of 1 March 2018. Further details can be found in Note 43 to the Consolidated Financial Statements as of 28 February 2018 and in the Half-Year Financial Report as of 31 August 2018.

Investments in the first nine months of 2018/19 totaled EUR 20.7 million (comparative period 2017/18: EUR 20.9 million).

Intangible assets at the end of the reporting period amounted to EUR 20.2 million (28 February 2018: EUR 147.7 million).

Inventories amounted to EUR 137.2 million at the end of the reporting period (28 February 2018: EUR 130.6 million). The increase compared to the balance sheet date of 2017/18 is essentially due to increase in product sales and relates to manufacturing projects which generate increasing sales.

The share capital of the company amounts to EUR 45.8 million and is fully paid up. It is divided into 45,790,000 no-par value shares of EUR 1 each.

Trade payables of EUR 64.7 million (28 February 2018: EUR 48.9 million) developed in line with the course of the business.

Current other financial liabilities amount to EUR 102.9 million (28 February 2018: EUR 65.8 million). The change is mainly related to the conversion of a previous non-current promissory note loan into a current liability.

Outlook

Management's estimates of the revenues and earnings development for FACC AG in the current 2018/19 financial year remains unchanged compared to the reporting date of 15 October 2018 and is reaffirmed in the present outlook.

For subsequent periods, the production rates of all major programs are confirmed as forecast by management at the beginning of the year. With its well-balanced product and customer portfolio, FACC is able to benefit from the general growth experienced by the major aircraft families. The company is particularly focused on processing the new orders signed last year, which are worth around EUR 750 million. The first noteworthy revenues deriving from these new orders are expected for the first half of the 2019/20 financial year. Based on the Group's current market assessment and its current product mix, FACC expects sales growth in the single-digit percentage range in a range of EUR 760 - 770 million for the 2018/19 financial year. Initiatives to increase profitability are to continue, which are expected to lead to an above-average increase in earnings.

The operating result is expected to be in the range of EUR 52 to 55 million. The focus continues to be on intensive cooperation with customers worldwide. Active market development with the aim of increasing FACC's market share in the respective segments, the implementation of the FACC innovation offensive in the fields of material, process and product development as well as measures to sustainably increase sales in the airline services and maintenance segments are key areas of focus. In summary, the FACC Group will further accelerate its development, manufacturing, and global supply chain management, thereby further strengthening its position as the preferred technology partner for the aviation industry. The implementation of the Group strategy "Vision 2020" in order to strengthen and expand its position as a Tier 1 supplier for customers such as Airbus, Boeing, Bombardier, Embraer as well as all well-known engine manufacturers has top priority.



Consolidated Statement of Financial Position

Assets

	Balance as of 28.02.2018 EUR'000	Balance as of 30.11.2018 EUR'000
Non-current assets		
Intangible assets	147,660	20,221
Property, plant and equipment	173,704	138,469
Other non-current financial assets	457	454
Non-current receivables	24,614	23,981
Non-current receivables towards related companies	4,750	5,947
Contract receivables	0	101,060
Contract costs	0	44,403
Deferred taxes	0	7,805
Total non-current assets	351,185	342,341
Current assets		
Inventories	130,562	137,178
Customer related engineering	0	26,865
Trade receivables	86,061	81,796
Receivables from construction contracts	17,212	0
Receivables towards related companies	13,626	20,336
Current income tax receivables	30	25
Derivative financial instruments	14,591	0
Other receivables and deferred items	26,803	23,295
Cash and cash equivalents	63,488	65,346
Total current assets	352,373	354,842
Balance sheet total	703,558	697,182

Equity and liabilities

	Balance as of 28.02.2018 EUR'000	Balance as of 30.11.2018 EUR'000
EQUITY		
Equity attributable to shareholders of the parent company		
Share capital	45,790	45,790
Capital reserve	221,459	221,459
Currency translation reserve	-797	-650
Other reserves	981	-8,105
Retained earnings	55,644	35,720
	323,077	294,215
Non-controlling interests	17	28
Total equity	323,094	294,243
LIABILITIES		
Non-current liabilities		
Promissory note loans	34,000	0
Bonds	89,589	89,725
Other financial liabilities	56,093	59,604
Derivative financial instruments	681	2,896
Investment grants	11,405	11,213
Employee benefit obligations	9,268	9,983
Other provisions	8,819	4,623
Other non-current liabilities	0	2
Deferred taxes	1,246	0
Total non-current liabilities	211,101	178,044
Current liabilities		
Trade payables	48,875	64,746
Liabilities towards related companies	3,548	2,792
Other liabilities and deferred items	30,248	17,512
Promissory note loans	0	68,853
Other financial liabilities	65,762	34,000
Advance payments received from customer related engineering	7,907	17,393
Derivative financial instruments	0	10,014
Other provisions	9,249	4,744
Investment grants	1,130	1,130
Income tax liabilities	2,645	3,711
Total current liabilities	169,363	224,895
Total liabilities	380,464	402,939
Balance sheet total	703,558	697,182

Consolidated Statement of Comprehensive Income

	01.09.2017 – 30.11.2017 EUR'000	01.09.2018 – 30.11.2018 EUR'000	01.03.2017 – 30.11.2017 EUR'000	01.03.2018 – 30.11.2018 EUR'000
Revenues	205,306	216,160	564,006	589,157
COGS - Cost of Goods sold	-163,799	-183,207	-471,290	-512,766
Gross Profit	41,507	32,954	92,716	76,391
Research and development expenses	-719	-513	-2,303	-1,494
Selling expenses	-1,462	-2,088	-4,274	-5,901
Administration expenses	-8,631	-14,555	-25,741	-32,673
Other operating income	1,390	1,998	3,447	6,596
Other operating expenses	-151	-655	-2,192	-728
Earnings before interest and taxes (EBIT)	31,935	17,141	61,653	42,191
Financing expenses	-2,911	-2,156	-8,132	-7,163
Other financial result	42	756	86	2,262
Earnings before taxes (EBT)	29,066	15,742	53,608	37,290
Income taxes	-6,568	-3,809	-12,467	-9,024
Earnings after taxes	22,498	11,932	41,141	28,266
Currency translation differences from consolidation	14	78	-585	147
Fair value measurement of securities	7	-6	3	-3
Cashflow hedges	-4,765	-370	20,449	-12,068
Tax effect	1,190	94	-5,100	3,018
Items subsequently reclassified to profit or loss	-3,555	-203	14,766	-8,907
Revaluation effects of termination benefits	2	-14	6	-42
Tax effect	-1	4	-2	11
Items not subsequently reclassified to profit or loss	2	-11	4	-32
Other comprehensive income after taxes	-3,553	-214	14,771	-8,938
Total comprehensive income	18,945	11,718	55,912	19,327
Income after tax attributable to:				
Shareholders of the parent company	22,504	11,937	41,153	28,254
Non-controlling interests	-7	-5	-12	11
Consolidated comprehensive income attributable to:				
Shareholders of the parent company	18,951	11,723	55,923	19,316
Non-controlling interests	-7	-5	-12	11
Earnings per share (in EUR)				
Undiluted = diluted	0.49	0.26	0.90	0.62

Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Currency translation reserve
	EUR '000	EUR '000	EUR '000
As of 1 March 2017 *	45,790	221,459	-146
Annual income after tax according to consolidated statement of comprehensive income	0	0	0
Other comprehensive income	0	0	-585
Total comprehensive income	0	0	-585
As of 30 November 2017	45,790	221,459	-732
As of 1 March 2017 (previous) **	45,790	221,459	-797
First application of IFRS 15	0	0	0
First application of IFRS 9	0	0	0
As of 1 March 2018 (adjusted)	45,790	221,459	-797
Annual income after tax according to consolidated statement of comprehensive income	0	0	0
Other comprehensive income	0	0	147
Dividend payment	0	0	0
Total comprehensive income	0	0	147
As of 30 November 2018	45,790	221,459	-650

Other reserves						
Securities - hold and sell	Cashflow hedges	Reserves IAS 19	Retained earnings	Equity attributable to shareholders of the parent	Non-controlling interests	Total equity
EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
4	-9,466	-3,888	15,907	269,660	26	269,686
0	0	0	41,153	41,153	-12	41,141
3	15,347	6	0	14,770	0	14,770
3	15,347	6	41,153	55,923	-12	55,911
7	5,882	-3,882	57,059	325,583	14	325,597
-1	4,598	-3,615	55,644	323,077	17	323,094
0	0	0	-42,786	-42,786	0	-42,786
0	0	0	-246	-246	0	-246
-1	4,598	-3,615	12,612	280,045	17	280,062
0	0	0	28,254	28,254	11	28,266
-2	-9,051	-32	-110	-9,048	0	-9,048
0	0	0	-5,037	-5,037	0	-5,037
-2	-9,051	-32	23,107	14,169	11	14,180
-4	-4,454	-3,647	35,720	294,215	28	294,243

¹⁾ The FACC Group uses the modified retrospective method for the first-time application of IFRS 15. Under this method, the comparative information is not adjusted.

2) Due to the first-time application of IFRS 15 and the first-time application of IFRS 9 as of 1 March 2018. There are no-profit equity reductions. Further details can be found in Note 43 to the Consolidated Financial Statements of 28.2.2018 and the Half Year Financial Report of 31.8.2018.

Consolidated Statement of Cashflows

	Balance as of 30.11.2017 EUR'000	Balance as of 30.11.2018 EUR'000
CASHFLOW FROM OPERATING ACTIVITY		
Earnings before taxes (EBT)	53,608	37,290
Plus financial result	8,045	4,901
Earnings before interest and taxes (EBIT)	61,653	42,191
Plus/minus		
Depreciation, amortisation and impairment	22,722	11,676
Expenses/Income from the reversal of investment grants	-671	-433
Change in other non-current provisions	-15,375	-4,197
Change in employee benefit obligations	679	526
Other non-cash expenses/income	6,632	4,333
	75,640	54,097
Change in working capital		
Change in inventory and customer related engineering	-21,947	6,668
Change in trade receivables and other receivables, as well as contract receivables	-60,304	17,916
Change in trade payables and other liabilities	42,871	-34,214
Change in current provisions	-406	-4,505
Cashflow from ongoing activity	35,854	39,962
Interest received	86	328
Income taxes paid	-44	282
Cashflow from operating activity	35,896	40,572
CASHFLOW FROM INVESTING ACTIVITY		
Payments for the acquisition of non-current assets	-20,899	-20,766
Proceeds from the disposal of non-current assets	3	59
Cashflow from investing activity	-20,896	-20,707
CASHFLOW FROM FINANCING ACTIVITY		
Proceeds from non-current interest-bearing liabilities	6,629	16,978
Repayments of promissory note loans	-8,000	0
Repayments of non-current interest-bearing liabilities	-12,885	-13,648
Change in current interest-bearing liabilities	14,526	-6,908
Dividend payment	0	-5,037
Interest paid	-7,679	-7,863
Cashflow from financing activity	-7,410	-16,479
Net changes in cash and cash equivalents	7,590	3,387
Cash and cash equivalents at the beginning of the period	48,275	63,488
Effects from foreign exchange rates	1,128	-1,529
Cash and cash equivalents at the end of the period	56,994	65,346

Selected Notes

COST OF SALES METHOD

As from the beginning of the financial year the Consolidated Statement of Comprehensive Income is prepared using the cost-of-sales method. As the majority of companies in the industry adhere to this method of presentation, this allows for greater comparability in view of the increasing internationalisation of the FACC Group. The reference period Q3/2017/18 has been adjusted as follows:

Changes in the inventory of finished and unfinished products of EUR 7.8 million (total cost method) and own work capitalized of EUR 6.0 million (total cost method) are included in the cost of goods sold.

Other operating income of EUR 17.6 million (total cost method) includes cost of goods sold of EUR 14.2 million and other operating income of EUR 3.4 million respectively.

The cost of materials of EUR - 331.6 million (total cost method) is included in the cost of goods sold in the amount of EUR - 331.1 million, in research and development expenses in the amount of EUR - 0.2 million and in administration expenses in the amount of EUR - 0.3 million

Personnel expenses of EUR - 132.3 million (total cost method) are included in the cost of goods sold in the amount of EUR - 116.0 million, in research and development expenses in the amount of EUR - 1.5 million, in selling expenses in the amount of EUR - 2.7 million and in administration expenses in the amount of EUR - 12.1 million.

Other operating expenses of EUR - 47.1 million (total cost method) are included in the cost of goods sold in the amount of EUR - 30.3 million, in research and development expenses in the amount of EUR - 0.6 million, in selling expenses in the amount of EUR - 1.6 million, in administration expenses in the amount of EUR - 12.4 million and in other operating expenses in the amount of EUR - 2.2 million.

Depreciation of EUR - 22.7 million (total cost method) is included in the cost of goods sold in the amount of EUR - 21.7 million and in administration expenses in the amount of EUR - 0.9 million.

Due to the first-time application of new accounting standards as of 1 March 2018, a condensed Consolidated Profit and Loss Statement was presented for the sake of transparency.

	01.03.2017 – 30.11.2017	00.01,1900	01.03.2018 – 30.11.2018
Revenues	564,006	566,304	589,157
COGS - Cost of Goods sold	-471,290	-508,788	-512,766
Gross Profit	92,716	57,516	76,391
Research and development expenses	-2,303	-1,494	-1,494
Selling expenses	-4,274	-5,901	-5,901
Administration expenses	-25,741	-32,673	-32,673
Other operating income	3,447	6,596	6,596
Other operating expenses	-2,192	22	-728
Earnings before interest and taxes (EBIT)	61,652	24,066	42,191
Financing expenses	-8,132	-7,163	-7,163
Other financial result	86	328	2,262
Earnings before taxes (EBT)	53,607	17,231	37,290
Income taxes	-12,467	-4,133	-9,024
Earnings after taxes	41,141	13,098	28,266

NOTE

The condensed Consolidated Interim Financial Statement as of 30 November 2018 have been prepared in accordance with the rules and regulations of "Prime market - Section Interim Reports" of the Vienna Stock Exchange.

It is based on the Consolidated Financial Statements of FACC AG as of 28 February 2018 and should therefore always be read in conjunction therewith.

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.

DECLARATION OF THE LAWFUL REPRESENTATIVES PURSUANT TO SECTION 87 PARAGRAPH 1 SUBPARAGRAPH 3 OF THE AUSTRIAN STOCK EXCHANGE ACT

We hereby confirm to the best of our knowledge that the condensed Interim Consolidated Financial Statement as of 30 November 2018, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and earnings performance of the Group.

We further confirm that the condensed Group Management Report gives a true and fair view of the assets, liabilities, financial position and earnings performance of the Group with respect to important events which occurred during the first nine months of the financial year and their impact on the condensed Interim Consolidated Financial Statement, the principal risks and uncertainties during the remaining three months of the financial year and major transactions with related companies and persons requiring disclosure.

WAIVER OF AUDIT REVIEW

The present Consolidated Interim Financial Statement has neither been audited nor reviewed.

Ried im Innkreis, 17 January 2019

Robert Machtlinger
Chairman of the Management
Board

Andreas Ockel
Member of the Management
Board

Aleš Stárek
Member of the Management
Board

Yongsheng Wang
Member of the Management
Board

Investor Relations

BASIC INFORMATION ABOUT THE FACC SHARE

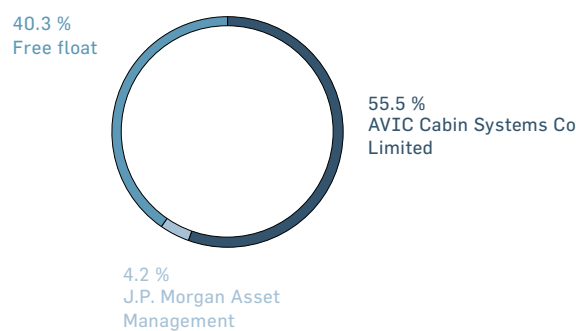
International Securities Identification Number (ISIN)	AT00000FACC2
Currency	EUR
Stock market	Vienna (XETRA)
Market segment	Prime market (official trading)
Initial listing	25.06.2014
Issue price	9,5 EUR
Paying agent	ERSTE GROUP
Indices	ATX, ATX GP, ATX IGS, ATX Prime, WBI
Share class	Ordinary shares
Ticker 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 Systems Co. Limited (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.



CONTACT

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