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EANS-Adhoc: FACC AG / FACC reports significant improvement in key earnings- and financial ratios in the first half 2017/18 - ATTACHMENT

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Financial Figures/Balance Sheet/Earnings Forecast/Mid Year Financial Report
18.10.2017

Ried im Innkreis -

- * Solid growth in revenues in the first half year 2017/18 of +9.6% to EUR 358.7 mill.
- * EUR 29.7 mill. - EBIT at record level in the first half
- * Free cash flow improved by EUR 50.1 mill.
- * Earnings expectation for the fiscal year 2017/18 clearly positive

In its first six months 2107/18, FACC AG recorded a significant improvement in key earnings- and financial ratios.

In the first half of 2017/18, revenue amounted to EUR 358.7 million (comparative period 2016/17: EUR 327.4 million). This growth in revenue of 9.6 % was mainly driven by a further significant increase in product revenues of 11.3 % to EUR 335.2 million in the first half of 2017/18.

The main drivers in terms of product revenue were once again the Boeing 737, Boeing 787, Airbus A320 aircraft family, Airbus A330, Airbus A350 XWB as well as the Bombardier Challenger 350 and Embraer Legacy 450/500 aircraft programmes including revenues from the corresponding engine families that contribute to the growth of the company group.

Earnings before interest and taxes (EBIT) amounted to EUR 29.7 million in the first half of 2017/18 (comparative period 2016/17: EUR 0.0 million after one-off effects). The increase in product deliveries along with operating measures in connection with efficiency optimisation led to a significant improvement in earnings compared to the same period in the previous year.

Outlook

According to current market forecasts, the growth trend in the civil aviation industry is expected to continue moving forward. Analyses of OEMs confirm that passenger volumes will continue to grow by around 5 % per year. Over the next twenty years, the global aircraft fleet, which currently amounts to 21,000 commercial aircraft (source: market outlook, Boeing 2017), will more than double to roughly 46,950 units by 2036. At the same time, 17,900 aircrafts from the existing fleet will reach the end of their service life and be replaced by modern aircraft models. Based on these estimates, a total of 41,000 new aircrafts will be required within the next 20 years.

However, a significant shift to the new growth markets of China and India is also expected to occur. Traffic volumes (flights per year and per capita) are expected to quadruple in these markets up to 2036. In the US and Europe, where air travel is already widespread, the travel volume is expected to increase by an additional 20%.

FACC will continue to pursue a sales target of one billion euros for the 2020/2021 financial year in line with the company's "Vision 2020". The contracts

recently concluded with Airbus, Bombardier und Rolls-Royce, which amount to a total of around EUR 650 million, will support FACC's growth strategy over the next few years. In addition, a gradual increase of production rates of its most important programmes over the next few years has been confirmed by clients and is already being implemented. Thanks to FACC's balanced and modern product and customer portfolio, the company can profit from the general growth trend currently underway in almost all relevant aircraft families. From today's perspective, the company expects a moderate growth in revenues for the 2017/18 financial year.

Management will continue to focus on sustainably strengthening the company's earning power. Based on the milestone reached in connection with efficiency and cost optimization initiatives during the first half of this year, management predicts considerably higher earnings compared to the previous year.

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Attachments with Announcement:

[http://resources.euroadhoc.com/documents/3124/0/10066026/1/
Zwischenbericht_Q2_EN_1718.pdf](http://resources.euroadhoc.com/documents/3124/0/10066026/1/Zwischenbericht_Q2_EN_1718.pdf)

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