

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

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Ried im Innkreis -

- * Sales growth in Q1 2017/18 continued / +12.9%
- * EBIT in Q1 2017/18 increased fivefold to EUR 10.8 mill.
- * Positive free cash flow of EUR 6.6 mill.
- * Outlook for the business year 2017/18 positive

In its first quarter 2017/18, FACC AG recorded a significant improvement in key earnings- and financial ratios. Driven by the continued positive development in the civil aviation industry revenues increased to EUR 184.3 mill. (Q1 2016/17: EUR 163.2 million). This growth in revenues by 12.9% was driven by a significant increase in product revenues of 13.4% to EUR 172.8 million in the period under review (Q1 2016/17: EUR 152.4 million).

As in previous quarters, the main drivers of product revenues were the Airbus A320 family, Airbus A330, the Airbus A350 XWB, Boeing 737, Boeing 787, as well as Bombardier Challenger 350 and Embraer Legacy 450/500 including the corresponding engine programs.

Earnings before interest and taxes (EBIT) amounted to EUR 10.8 million in the first quarter of 2017/18 (Q1 2016/17: EUR 2.0 million). The increase in product deliveries along with several operating measures in connection with efficiency optimization and cost cutting efforts led to a significant improvement in earnings compared to the same period in the previous year.

Outlook

The growth trend in the civil aviation industry is expected to continue moving forward. The market analysis of the major OEMs confirm that passenger volumes will show an annual growth rate of roughly 5%. Over the next two decades, the global aircraft fleet, which currently amounts to 21,000 commercial aircraft (source: market outlook, Airbus/Boeing 2016), will more than double to roughly 42,500 units by 2035. At the same time, 14,800 airliners 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 36,300 new airliners will be required over the next 20 years.

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 with Bombardier und Rolls-Royce, which have been recently finalized, will support FACC's growth strategy over the next few years. Besides, the company expects to gradually increase the production rates of its most important programs moving forward. 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. Based on the current market situation, demand is anticipated to increase sharply again starting from 2018.

Besides, the management will continue to focus on strengthening the company's

earnings power and liquidity over the long term. Initiatives aimed at increasing the degree of automation, the global supply chain management as well as the ongoing expansion of the service and retrofit business should contribute to further strengthening the Group's profitability. These measures will be accompanied by a consequent and continuous improvement of the working capital.