



# FACC CONFIRMS THE RESULTS FOR FY 2019 AND SETS THE COURSE FOR THE TIME AFTER CORONA

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The previously reported results for the short fiscal year 2019 (1 March - 31 December) are unchanged after completion of the audit. New orders worth USD 800 million will help offset impending market corrections. The general economic situation resulting from the COVID 19 crisis cannot yet be assessed. FACC is therefore adopting a comprehensive package of measures to protect the workforce, safeguard jobs and ensure economic stability.

"The aviation industry is currently experiencing challenging times. While a largely stable development was the forecast in the previous year, no short-term and serious assessment of the market is currently possible for the entire industry. New orders from existing and also new customers with a total order value of USD 800 million are of course very positive, but under the new corona framework conditions this aspect as well as the 2019 fiscal year results are also fading into the background. Our focus is on assessing the immediate future and the orientation of the company during and after the corona crisis. In doing so, we have to find an optimal balance between protecting our workforce - that is the most important thing - and struggling to achieve the necessary economic stability, secure financial stamina and maintain the trust of our customers. Even in this for us completely new environment, we will do everything in our power to secure the jobs of our workforce," said CEO Robert

## **Machtlinger.**

"A special thanks goes to the entire FACC staff, who have supported the measures taken with enormous solidarity and understanding and thus have given the company excellent support," Machtlinger added

## **Coronavirus: effects on FACC**

Against the background of the current development in the international aviation industry in connection with the COVID-19 crisis, which will affect the market side and in our own plants, we must assume today that there will be noticeable demand and production restrictions in the next quarters. From today's perspective, the impact on the Group's earnings for 2020 and at least also in 2021 is currently difficult to assess. From today's perspective, FACC assumes that a serious market assessment will not be possible until mid-2020. "The aviation industry is being subjected to a severe test of endurance, both unexpectedly and through no fault of its own," said Machtlinger. "The situation is very uncertain and changes daily or hourly. We are constantly in consultation with our global customers and have taken the necessary precautions to be able to react quickly to changes".

Against this background, the Supervisory Board and Management Board decided the following package of measures at their meeting.

1. In the current environment, FACC has two main goals: To protect the entire workforce and to ensure economic stability. The goal is to keep production interruptions as low as possible. As a technology partner, FACC is an integral part of a global manufacturing network for the aerospace industry, and FACC is the only approved supplier for the systems manufactured. In this way, as a system-critical producer, we will ensure the best possible supply for our customers. This applies as long as the safety of our employees allows, our customers demand deliveries from us or the material supply chain or governmental measures do not prevent this.
2. The activities to reduce fixed costs that were started before the COVID-19 crisis will be continued with determination. Additional measures, adapted to a new market situation, are being worked out.
3. The investment budget for 2020 is being reviewed to meet the needs of the market.
4. The measures for vertical integration of strategic components and materials defined in the fourth quarter of 2019 will be continued without restriction and at an accelerated pace.
5. Due to the current situation in connection with the COVID-19 crisis, it was decided to re-evaluate the investments in the Croatian location and to start the implementation after reassessing the prevailing market situation. The need for the location to reduce production costs in the medium and long term is expressly stated.
6. Vor dem Hintergrund, die Liquidität des Unternehmens zu stärken, werden Aufsichtsrat und Vorstand der Hauptversammlung vorschlagen, für das Rumpfgeschäftsjahr 2019 keine Dividende auszuschütten. Against the background of strengthening the company's liquidity, the Supervisory Board and Management Board will propose to the Annual General Meeting not to distribute a dividend for the short financial year 2019.
7. In view of the prevailing general situation, the global slump in air traffic activity and the resulting strong fluctuations in order call-offs, a large part of the FACC staff is expected to apply for short-time work on April 6, 2020, for a period of at least three months.

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