



## STRONG Q1 FOR FACC TO START A CHALLENGING FISCAL YEAR 2020

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**FACC AG started into the 2020 fiscal year with its best Q1 result to date. The measures of the cost reduction program totaling 50 million euros are beginning to take full effect. This has created a good starting position for the corona crisis. The effects of the COVID 19 pandemic will noticeably influence the further course of the financial year, although the full extent of the decline cannot yet be estimated due to the global uncertainty on the market.**

**"We implemented numerous cost-cutting measures in the previous year. These are having a lasting effect and are already showing positive effects on the company's earnings situation," said Robert Machtlinger, CEO of FACC AG. "With new orders and an optimized cost structure, we are creating a good basis in these challenging times that will provide us with significant support in overcoming the corona crisis. In the coming weeks and months, our focus will be on three areas: the safety and health of our employees, the on-time supply of our customers and further adjustments to strengthen economic stability across all divisions. The crisis is particularly affecting the mobility and thus the aviation industry. We have simulated several market scenarios in consultation with our global customers and can**

**act quickly and decisively depending on the global development of the situation.”**

**Revenues** in the first three months of 2020 amounted to EUR 193.7 million (reference period 2019: EUR 205.6 million). The 5.8% decline is due to a reduction in development revenues to EUR 7.3 million in the first three months of 2020. Despite the current external circumstances, product sales remained at almost the same level.

**Earnings before interest and taxes (EBIT)** amounted to EUR 13.1 million in the first three months of 2020 (reference period 2019: EUR -8.3 million, negative result due to the discontinuation of the A380 and the related one-off effect resulting from the write-down amount of EUR 11.4 million).

### **FACC has reacted proactively and implemented extensive measures in the face of the Corona crisis**

Since the Corona crisis became public, FACC has reacted quickly and implemented extensive measures by means of an internal Corona task force. Management is now focusing on creating a balance between the protection of each individual employee, the economic stability of the company and providing support to our customers worldwide. Existing liquidity reserves were significantly expanded immediately through additional credit lines. Despite considerable developments taking place with regard to Corona, the health of the entire workforce has been safeguarded at all times, and all our customer requirements have been met entirely.

### **Outlook**

With the emergence of the COVID-19 virus and the global economic stagnation it brought with it in February in China, and in March and April in the rest of the world, the movement of goods and people across the globe underwent drastic changes in the short and medium term. Although the first quarter of the FACC financial year 2020 has developed very positively in terms of both sales and increased profitability, it is not yet possible to make a solid and reliable forecast for the year as a whole in the current environment. However, significant reductions in demand and production are expected in the coming months.

Against the backdrop of the Corona crisis, 80% of the global aircraft fleet is temporarily out of service. The traffic volume in Central Europe decreased by approx. 95% in April 2020 in direct comparison to the rate of service in April 2019. The last 20 years show that the aircraft industry generally boasts a high resilience to economic shocks. The market has always recovered rapidly after the crisis events of the last two decades (Asian crisis in 1997, 9/11, SARS or the financial crisis in 2008). The major difference between COVID-19 and previous shocks lies in the local crisis management of states and the resultant standstill in the global goods and travel volume. The duration of the crisis will depend on how quickly international cooperation in crisis management can be achieved.

Even though FACC has had no material supply problems in recent weeks due to foresighted planning and production has been running at a high level of capacity, long-term planning is currently severely limited. An adjustment of capacities has already been made for Q2, and the Austrian locations are on short-time working from April to June. Comprehensive measures have also been taken at the international locations, wherever possible. The FACC development and innovation projects are continuing in their full scope.

Furthermore, an additional Corona savings program of EUR 15 million has been defined and is

currently being implemented. FACC has a high equity ratio and liquidity. In addition, the Management Board and Supervisory Board will propose to the Annual General Meeting 2020 that no dividends be paid for the 2019 fiscal year in order to further strengthen the company's liquidity.

For FACC as a technology partner of the aerospace industry, functioning global markets are indispensable and vital. In addition to national support services for the economy, such as the Austrian CORONA aid packages, better international coordination is needed than is currently the case. Only fast, efficient and coordinated solutions in Europe and beyond can help globalized industries. Joint solutions are essential to stimulate industry, boost consumption and service needs at European and international level. "The goal must be to get industry up and running again quickly worldwide. This is the only way to create sustainable demand for export-oriented companies, which will enable them to operate at full capacity and safeguard jobs and the location," Robert Machtlinger concluded.

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