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CORPORATE NEWS

Reinach (Aargau), 16 August 2021

[Ad hoc announcement pursuant to art. 53 SIX Listing Rules]

MONTANA AEROSPACE AG REPORTS SOLID HY 2021 FINANCIALS WITH SALES ALREADY SLIGHTLY ABOVE STRONG FIRST HALF OF 2020 AND ADJUSTED EBITDA ALMOST AT LEVEL OF PREVIOUS PERIOD ALONGSIDE ROBUST SIGNS OF RECOVERY FROM COVID-19 IN THE AEROSPACE SECTOR

Montana Aerospace AG (the “Company”) and its operating subsidiaries (the “Group” or “Montana Aerospace”), a leading, highly-vertically integrated manufacturer and supplier of system components and complex assemblies for the aerospace, e-mobility and energy sectors with worldwide engineering and manufacturing operations, today publishes its first half-year report after the successful IPO this May.

HIGHLIGHTS

- Robust signs of recovery from Covid-19 crisis in the aerospace sector
- Sales already slightly above strong first half of 2020 (+ EUR 3,5 million)
- Adjusted EBITDA almost at level of previous period – negative impact from ramp-up cost and inflation effects compensated
- Strong increase in contracted sales up to EUR 4.3 billion (+ EUR 400 million) compared to IPO
- Implementation of new investments and ramp-up of new plants in Baia Mare / RO, DaNang / VN and Mediescu Aurit / RO on schedule
- Expertise in titanium processing expanded through acquisition of French extrusion specialist Cefival in March 2021
- Full integration of specialty machinery manufacturer IH TECH in May, expanding Montana Aerospace’s expertise in automation and robotics



- Successful IPO in May 2021 providing financial flexibility for organic and inorganic growth opportunities – strategic M&A projects under assessment with the objective to broaden our customer, technology and product portfolios and to further vertically integrate our value chain

OUTLOOK

- For the rest of the year, we expect a constant increase in sales up to a level of around EUR 750 million (excluding any further acquisition activity)
- Additionally, there is a good chance that we achieve our M&A goals earlier than expected
- With the ramping up of new plants and the industrialization of new articles, we are prepared for higher build rates in the aerospace industry

“The signs of recovery of the aerospace industry are promising. With the significant investments made before and during the pandemic, Montana Aerospace is best prepared to participate over-proportionally from the positive trend. Our teams have done an excellent job in managing the pandemic and starting our new facilities on schedule”, says **Markus Nolte** CEO of Montana Aerospace

Michael Pistauer, CFO of Montana Aerospace adds: “We are also presenting a stronger outlook for the years to come, due to higher contracted sales and increased build rates. Contracted sales have increased since the IPO by around EUR 400 million to reach a record EUR 4.3bn in Aerospace alone. The main driver for the IPO was to be an active player in an accelerating consolidation within the aerostructures business. We closed two smaller transactions in May, and – earlier than expected – finalised two binding offers / heads of terms for acquisitions, and currently we are in the middle of confirmatory due diligences. We also proceeded successfully on another acquisition and exchanged very specific letters of intent. Taken together, these acquisitions are worth around EUR 500 million in annual sales.”

OPERATIONALLY ON TRACK IN H1 2021

Results for Aerospace are above our internal expectations for H1 2021 and almost in line with adjusted EBITDA for H1 2020. Please note that the aerostructures business in H1 2020 was more or less unaffected up to May 2020, and showed record highs. H1 2021 has been characterised by considerable uncertainty surrounding the entire aerospace industry business in the first few months: there were some large announcements during the second quarter from OEMs, but demand/build rates are still very weak, albeit now steadily increasing.

With a fraction of capitalized costs in comparison to H1 2020 (EUR 5,9 million vs. EUR 22,2 million), H1 2021 showed that Production Performance (Net Sales plus Change in Finished



Goods) was achieved with appreciably lower personnel costs (EUR 78,9 million vs. EUR 86,6 million) and other operating expenses. Although, Montana Aerospace is still in the process of ramping up its large new facilities (Airport Baia Mare, Romania and Da Nang, Vietnam) and industrialised around 1.500 new parts in 2021 (vs. 1.000 in H1 2020) of the new contracts, it has been able to publish a very promising result. Cash flow numbers improved substantially in comparison to 2020, enabling a sharp reduction in Net Debt from EUR 639 million to EUR 162 million as per 30.6.2021. The Equity Ratio increased from 17,0% to 46,2%, with total assets at EUR 1,6 billion. Finalisation of major Capex programmes are exactly in line with our strict timetable. Additionally, with more than EUR 24 million change in finished and unfinished goods, we are prepared for higher demands from the aerospace industry expected for the second half of 2021. In summary, we are still ramping up plants and contracts in many areas and facing a constant increase of build rates (but from a very low level). However, we feel more than prepared for the forthcoming quarters and have therefore increased our expectations for the years to follow.

SALES & SECTORS

As total net sales were able to post only a very modest increase, sector reporting presents a rather differentiated picture: Aerospace sales, with EUR 116,3 million, declined by around 27%. The first months of 2020 showed the strongest sales ever in the history of Montana Aerospace AG, mainly driven by an aerospace market still – at that time – more or less untouched from effects resulting from the COVID-19 pandemic. In H1 2021, however, build rates at Boeing and Airbus were massively down, with Airbus A320 being down –31% yoy and the A350 –52% yoy as well as Boeing’s 737 being down by –79% and the 787 by –64%. Montana Aerospace’s sales performance therefore reflects increasing sales from the ramp-up of two new plants and the large contracts won. Heavy alloy extrusion parts and structures, an essential part of our aerostructure core business, is usually an early indicator for improving aerospace business, since those structures are the primary elements when manufacturing an aircraft. After a weak start to the year, massive demand has emerged since April. In terms of vertical integration, demand and pull rates are still weaker than H1 2020, but the outlook for full year 2021 and 2022 is good. A significant improvement in build rates is driving this expectation. The largest sales contribution has been provided by Energy. Our leading market position helped us increase market share and sales (mainly in the Americas), as well as worldwide profitability. Margins in Energy rose by approx. 10%. E-mobility, as indicated, not only moved from negative to positive margin levels and therefore into profitability, but also managed an increase in sales by almost 20% to EUR 54 million. Margins in Aerospace – despite being heavily affected by ramp-up costs, low build rates and lower activated costs than in 2020 – remained largely unchanged at slightly under mid-teen level.



OUTLOOK 2021 - CONFIRMING THE FULL YEAR GUIDANCE

“For the rest of the year, we expect a constant increase in sales. We expect sales for the full year of 2021 at a level of around EUR 750 million (excluding any further acquisition activity). With operative margin levels to be improved, we intend to proportionally develop profitability. With the ramping up of new plants and the industrialization of new articles we are prepared for the higher build rates in the aerospace industry, as communicated by the OEMs during recent weeks and months. There is additionally a good chance that we achieve our M&A goals earlier than expected. Still, we want to point out that higher build rates and larger contracts are still foreseen for the years 2022 to 2024. That is when explicitly higher sales and results may be expected”, says **Michael Pistauer**, CFO Montana Aerospace.

H1 2021 – SELECTED KEY FIGURES

(financial figures in M€)	For the six months ended 30 June		
	2021	2020	yoy change
Net Sales	348,4	344,9	3,5
EBITDA	16,2	17,6	-1,4
Adjusted EBITDA ¹	22,6	23,4	-0,8
Adjusted EBITDA margin (%)	6,5%	6,8%	-0,3%
Operating Profit (EBIT)	-18,5	-11,9	-6,6
Operating Profit margin (%)	-5,3%	-3,5%	-1,8%
Result for the period	-25,7	-20,7	-5,0
Cash Flow from operating activities	-21,8	-38,4	16,6
Cash Flow from investing activities	-54,3	-78,5	24,2
Cash Flow from financing activities	413,6	43,4	370,2
Free Cash Flow	-76,1	-116,9	40,8
CAPEX spent	-59,9	-74,9	15,0
Trade Working Capital	237,2	188,4***	48,8
Equity Ratio (%)	46,2%	17,0%***	29,2%
Net Debt (cash)	162,6	639,9***	-477,3
Total Assets	1.657,0	1.235,7***	421,3
Employees	5.141	4.788***	353
Contracted Sales*	4.300,0		
Average Shipset Value**	0,3		

¹ A detailed reconciliation from reported figures to adjusted figures can be found on page 8.

* Aerospace only - we calculate Contracted Sales by multiplying the value of parts and shipsets to be delivered to our customers under a long-term supply contract over the contract term at the expected build rates which are based on forecast information and estimates provided by customers, as adjusted by our management.

** We define shipset value as the total value of our parts necessary for production of one aircraft ("Shipset Value"). We calculate Average Shipset Value as our aggregate Shipset Value of all Shipsets sold divided by the total number of Shipsets sold.

*** comparison period is 31 December 2020.

You can find the full report on the first half of 2020 at www.montana-aerospace.com/en



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About Montana Aerospace AG

Montana Aerospace AG is a leading producer of system components and complex assemblies for the aerospace industry, with worldwide engineering and manufacturing operations. The Company has approximately 5,000 highly skilled employees at 28 locations on four continents – designing, developing and producing ground-breaking technologies for tomorrow's aerospace, e-mobility and energy industries out of aluminium, titanium, composite, copper and steel.

About Montana Tech Components AG

Montana Tech Components AG, founded in 2006, is a globally active industrial group focusing on key technologies in future markets. The companies of the growth-oriented group hold a leading position in their field of activities. By focusing on selected key technologies, market leadership, and continuous innovation, MTC pursues a sustainable growth strategy in its divisions – VARTA AG, Aluflexpack AG and Montana Aerospace AG. The Group generated sales worth EUR 1.72 billion in 2020 and is represented at 83 locations in 34 countries worldwide. It currently employs a total of around 10,700 highly qualified staff members.



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