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## **CORPORATE NEWS**

Reinach (Aargau), 09 November 2021

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

### **MONTANA AEROSPACE AG REPORTS SOLID Q3 2021 FINANCIALS WITH SALES STRONGLY ABOVE Q3 2020 AND ADJUSTED EBITDA +35% COMPARED TO Q3 2020 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, publishes its Q3 2021 financial report today after the successful IPO this May, reflecting strengthened confidence in a swiftly recovering market from 2022 onwards. In addition, the Company evaluates the option of a capital increase.

### **GROWTH STRATEGY ACCELERATED BY FAST & STABLE SECTOR RECOVERY**

As a whole group we are very proud to see that our company mission – consisting of pursuing long-term focused goals while being determined to a passionate growth strategy – has put us at the forefront of our peer group in the middle of very exciting market surroundings.

Times remain turbulent and the effects of the pandemic are still reflected in the financial performance and operational capabilities of most companies. However, the crisis has given established players with a solid financial basis like ours the possibility to even improve their positioning. This has led to peaking M&A activities, with even more interesting assets expected to be available on the market in the near future.



Given this market environment, we look forward to the economic cycle ahead of us. As business travel is recovering and vaccination rates in key markets are growing, our outlook is positive and also backed by highly visible contracted sales in aerospace in the amount of EUR 4.3 billion (as per October 2021).

## **M&A AS PART OF OUR DNA**

Besides strong organic growth, Montana Aerospace has focused on a sustainable build-and-buy strategy since Day One. On 07 September 2021, we signed the contract for the takeover of ASCO Industries, the closing of which is still subject to certain conditions. The Asco Group is a leading supplier and development partner of high-end components and structures for the Aerospace industry out of four locations in Belgium, Germany, the United States and Canada with around 1,200 employees. Thereby, Asco generated yearly sales of up to EUR 260 million in the years 2018–2020.

Over the last decade, Montana Aerospace consequently developed from a raw material extrusion supplier to a highly vertically integrated Aerospace player. With the acquisition of Asco Industries, Montana Aerospace will further strengthen its footprint along the value chain with industry wide renown competences in product design, testing and manufacturing of hard metal components and assemblies for wing and fuselage structures.

Since the IPO, Montana Aerospace also acquired the remaining 25% of our South American Energy business, opening up the possibility of signing another acquisition with significant possibilities for the American Energy and E-mobility market and upcycling opportunities in this industry.

## **OPERATIONALLY ON TRACK IN Q3 2021**

In the first three quarters of 2021, Montana Aerospace generated consolidated Net Sales of EUR 548.3 million, which is 14.1% above the previous year's EUR 480.6 million and around EUR 200 million above half year's numbers 2021. The constant pace of improving Sales on a quarterly basis reflects the constant win of market share and the gradual recovery of the markets into direction of pre-Covid levels. Strong Q3 growth in Aerospace reflects positive momentum in the market (+38% vs. Q2 2021/+50% vs. Q3 2020).

Adjusted for one-off and non-operative effects, the adjusted EBITDA reached EUR 43.0 million in the first nine months 2021, well above the level of EUR 38.5 million in the previous year period. The adjusted EBITDA almost doubled in comparison to the first half year 2021 and supports our dedication to over proportionally grow EBITDA to Sales. Results (unadjusted, + EUR 0.6 million) as well as Cash Flow from operating activities (+ EUR 1.7 million) for the third quarter 2021 were – even if only slightly – positive, which confirms recovery of business.



As already elaborated in the first half year results report, Aerospace was more or less unaffected by Covid until May 2020. A comparison of year-on-year Sales therefore still shows around 8% decline. However, Q3 2021 vs. Q3 2020 Sales increased by almost 50%. The largest Sales contribution vs. 2020 has been provided by the Energy sector, generating EUR 270.1 million Net Sales in Q3 2021, an increase by around 32%. 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 32% to EUR 82.9 million on a YoY comparison.

We confirm our full year guidance which has been stated in the Half-Year Report 2021, with sales of around EUR 750 million.

## **USE OF WINDOW OF OPPORTUNITY**

Around half a year after the IPO, we are seeing that the opportunities on the market regarding additional work-packages and accretive M&A opportunities are more relevant than expected and the consolidation in the aerospace industry is progressing even faster than anticipated. With the signed agreement regarding the acquisition of Asco only a few months following the IPO, Montana Aerospace is taking a very active role in this consolidation and is currently evaluating additional similar acquisitions to grow even further.

Therefore, Montana Aerospace – despite holding a strong cash position out of the IPO and being subject to the requirements of the existing IPO lock up and market conditions – is evaluating the option of a capital increase of up to a maximum of 8 million shares from authorized capital after 15 November 2021 at the earliest with exclusion of pre-emptive subscription rights of shareholders. The aim is to further accelerate organic growth and M&A activities, including, subject to the fulfilment of certain conditions, the current acquisition of the Asco group. Montana Aerospace intends to have a solid cash position to be an active and relevant partner in the accelerating consolidation process and considers the market conditions and environment to be favourable for raising capital on the market. With such a potential capital increase, the liquidity of the stock would also be further strengthened and improved.

In connection with such a potential capital increase, Montana Tech Components AG, the majority shareholder of Montana Aerospace and lender of a hybrid loan to Montana Aerospace in the amount of CHF 169.4 million, is committed to convert such loan amount at arm's length into Montana Aerospace shares. This would be done by way of a separate capital increase from conditional capital with exclusion of advanced subscription rights of shareholders, at the same time waiving part of the repayment amount at a meaningful discount in favour of Montana Aerospace for early repayment. This step would preserve the liquidity of the Montana Aerospace group, strengthen its equity position and decrease the net debt, thereby further supporting our expansion plans.



“The changes in the market offer incredible chances. Montana Aerospace is dedicated to outperform market growth not only in 2021, but mainly from 2022 onwards. We are very happy to see the results of our efforts in the last quarter: constant growth in sales and over proportional growth in EBITDA“, says **Michael Pistauer**, CFO of Montana Aerospace.

## Q3 2021 – SELECTED KEY FIGURES

(financial figures in M€)	For the nine months ended 30 September		
	2021	2020	yoy change
Net Sales	548,3	480,6	+67,7
EBITDA	33,4	28,9	+4,5
Adjusted EBITDA <sup>1</sup>	43,0	38,5	+4,6
Adjusted EBITDA margin (%)	7,8%	8,0%	-0,2%
Operating Profit (EBIT)	-19,2	-16,3	-2,9
Operating Profit margin (%)	-3,5%	-3,4%	-0,1%
Result for the period	-25,1	-30,8	+5,7
Cash Flow from operating activities	-20,1	-18,5	-1,6
Cash Flow from investing activities	-86,3	-35,6	-50,7
Cash Flow from financing activities	352,0	-12,2	+364,2
Free Cash Flow	-106,4	-54,1	-52,3
CAPEX spent	-92,3	-96,2	+3,9
Trade Working Capital	260,5	188,4***	+72,1
Equity Ratio (%)	47,9%	17,0%***	+30,9%
Net Debt (cash)	201,8	639,9***	-438,1
Total Assets	1.612,8	1.235,7***	+377,1
Employees	5.351	4.788***	+563
Contracted Sales*	4.300,0		
Average Shipset Value**	0,3		

\* 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.

Note: The figures in the tables and charts use the German notation.

You can find the full report on Q3 2021 at [www.montana-aerospace.com/en](http://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 5,300 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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