



**MONTANA
AEROSPACE**

Montana Aerospace AG
HY1 2022 Earnings Presentation

08 August 2022

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HY1 2022 Earnings Call

Presenters



Michael Pistauer
Co-CEO & CFO



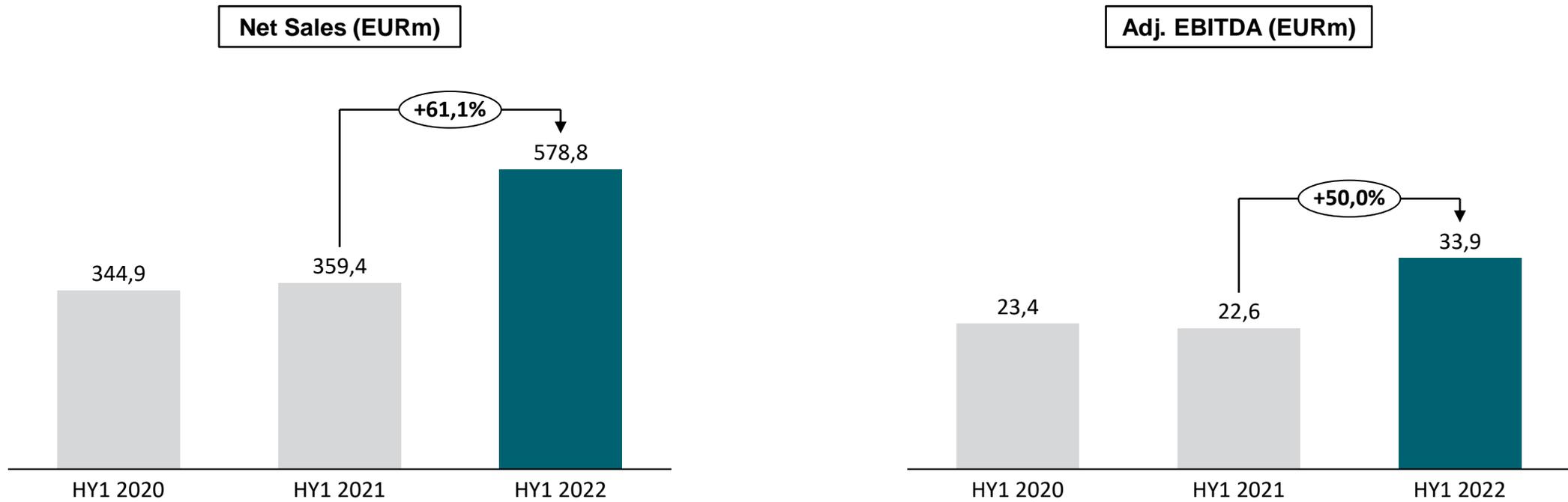
Kai Arndt
Co-CEO



Marc Vesely r. Riha
Head of M&A and IR



HY1 2022 REPORT

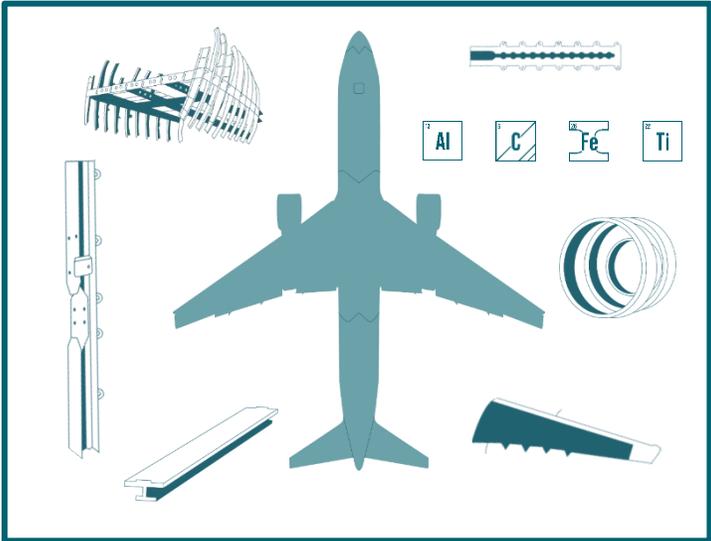


CLEAR DEVELOPMENT TOWARDS ANNOUNCED GUIDANCE

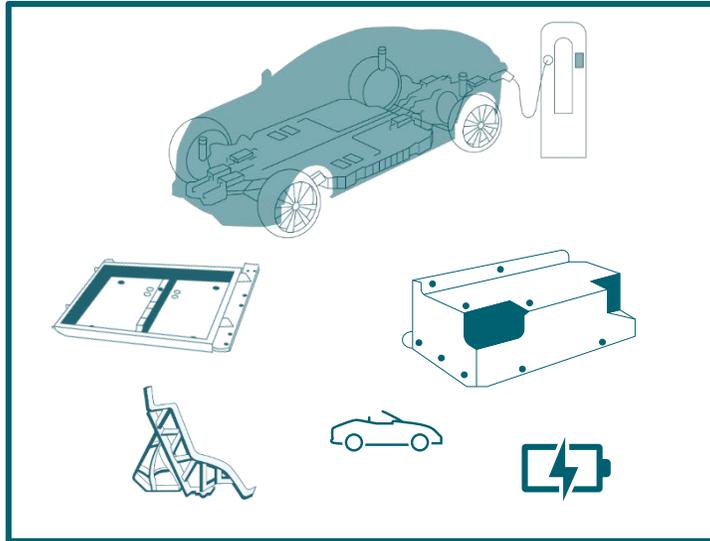


STRONG SALES PERFORMANCE IN ALL THREE SEGMENTS, CONFIRMING STRATEGY

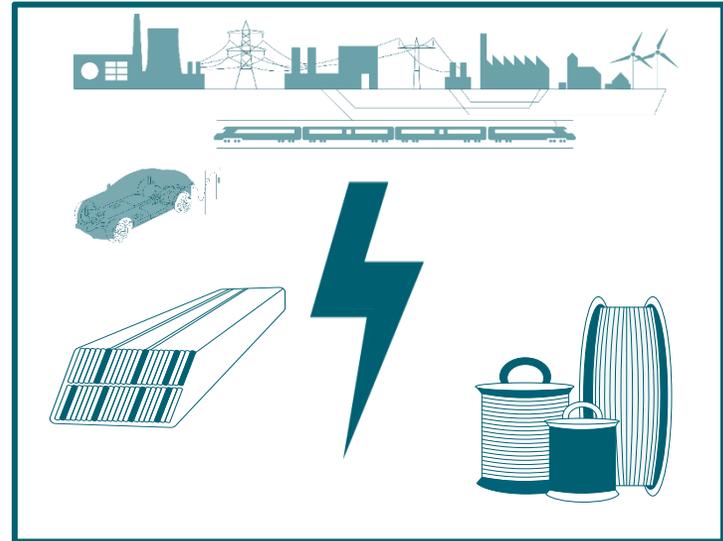
AEROSTRUCTURES



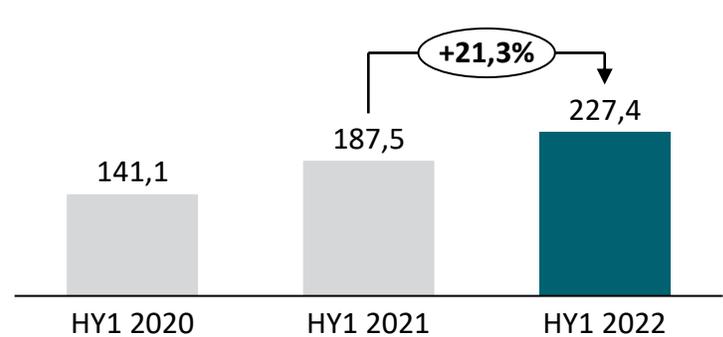
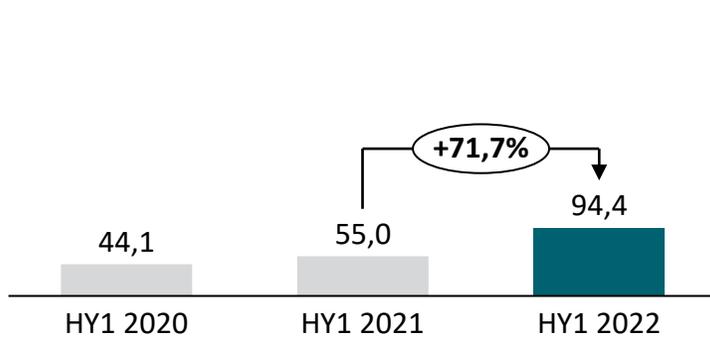
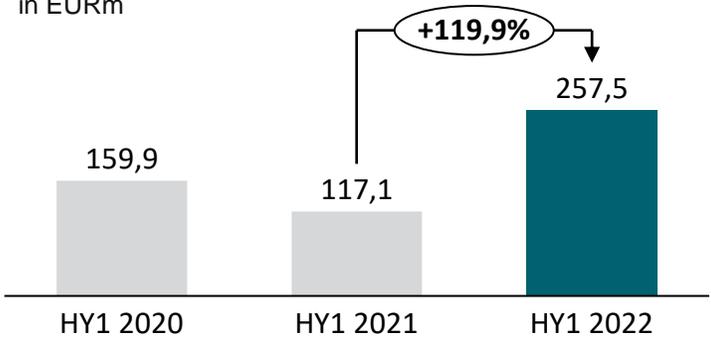
E-MOBILITY



ENERGY



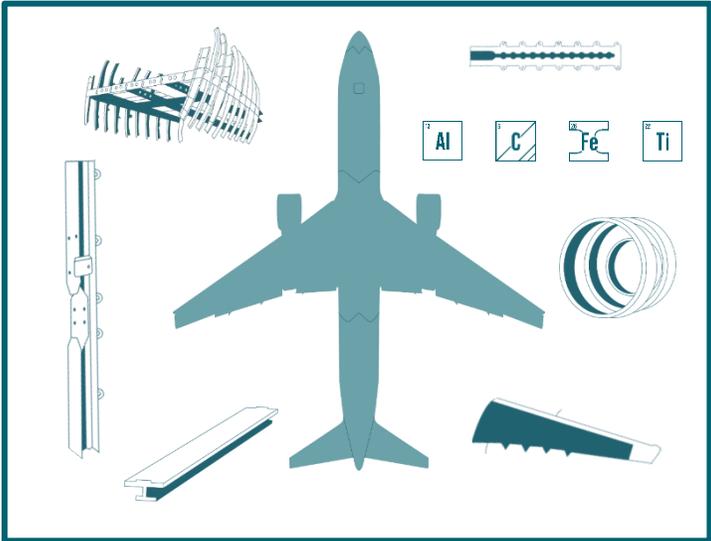
in EURm



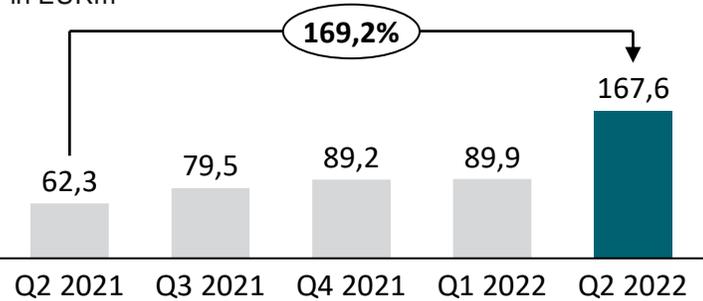


STRONG SALES PERFORMANCE IN ALL THREE SEGMENTS, CONFIRMING STRATEGY

AEROSTRUCTURES

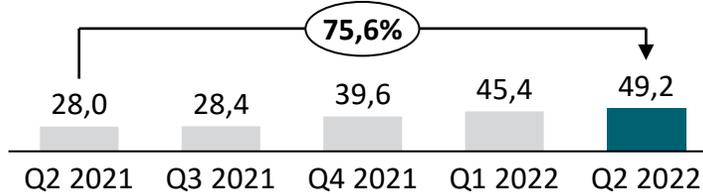
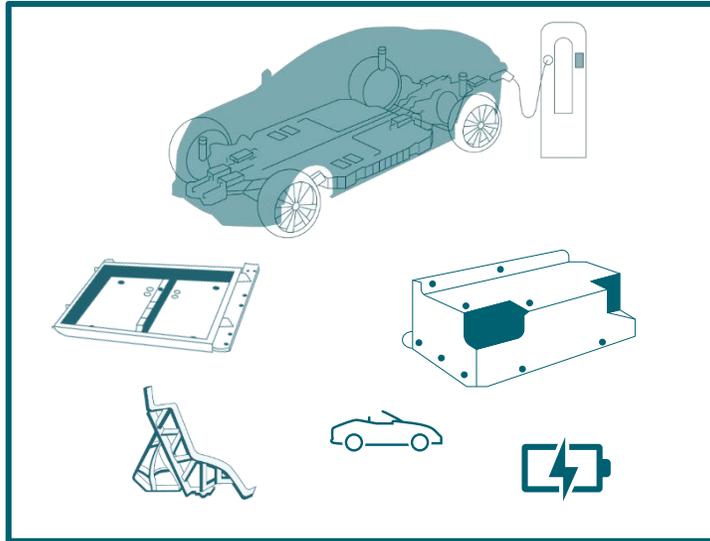


in EURm

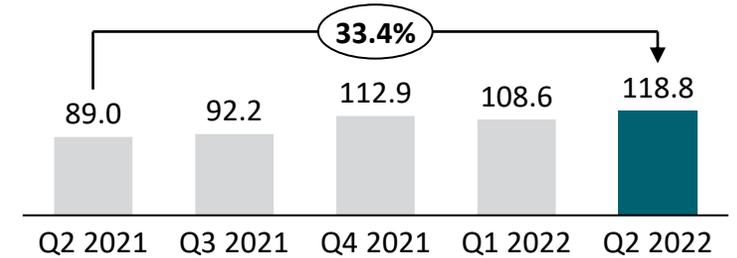
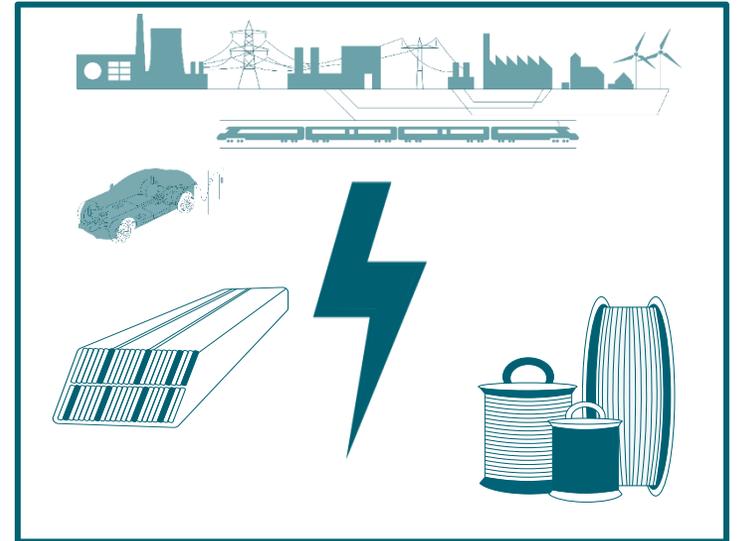


(stand-alone quarterly result per segment)

E-MOBILITY



ENERGY





FINANCIALS



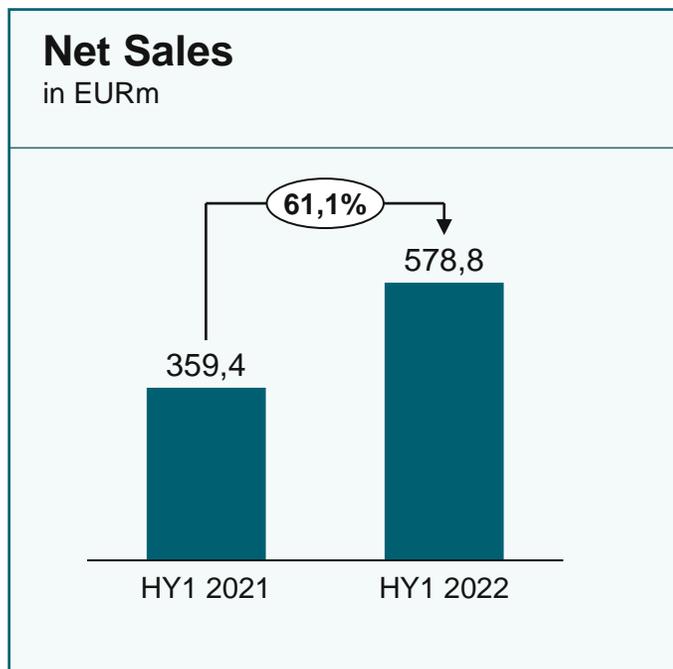
SOLID PERFORMANCE IN ALL KEY PERFORMANCE INDICATORS

in EURm	HY1 2021		HY1 2022	yoy change	
Net Sales	359,4		578,8	+61,1%	
Adj. EBITDA	22,6		33,9	+50,0%	
CAPEX spent*	-59,9		-38,8	-21,1m	
TWC**	265,2		455,5	+71,8%	
Total Assets**	1.792,4		2.210,1	+18,%	

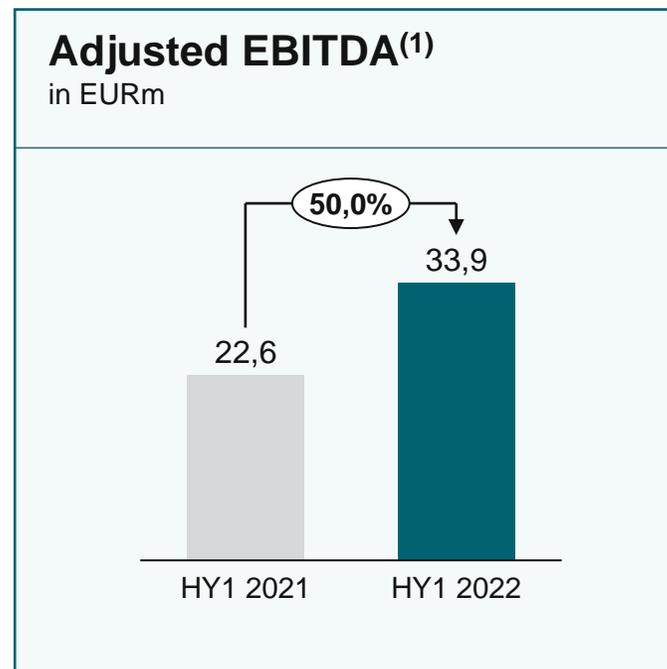
(*) Acquisition of intangible assets and property, plant and equipment; (**) comparison period: Dec. 2021



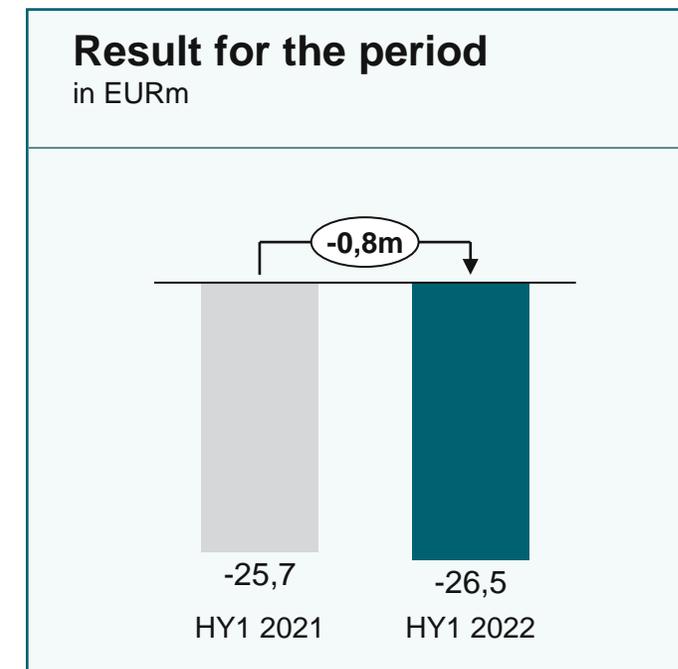
PROFIT MEASURES UNDERLINE POSITIVE EFFECTS AND RELIABLE MANAGEMENT STRATEGY



- **Strong sales**, driven by the **aerostructures business segment**, supported by a **growing demand**, a gain in **market share** and **higher build rates**



- Increased **EBITDA strongly impacted by continuous improvement in production output**, negative impact through inflationary effects
- Most notable **one-off** and non-operative effects are the **MSOP**, **legal expenses** and the **acquisition of ASCO**



- Increased **depreciation and amortization** costs as a result of major investment programs between 2018-2022

⁽¹⁾Adjusted EBITDA refers to operating profit before interest, taxes, depreciation and amortization adjusted for one-off effects – in particular legal costs for the Arconic lawsuit and MSOP (Management Stock Option Program) related cost

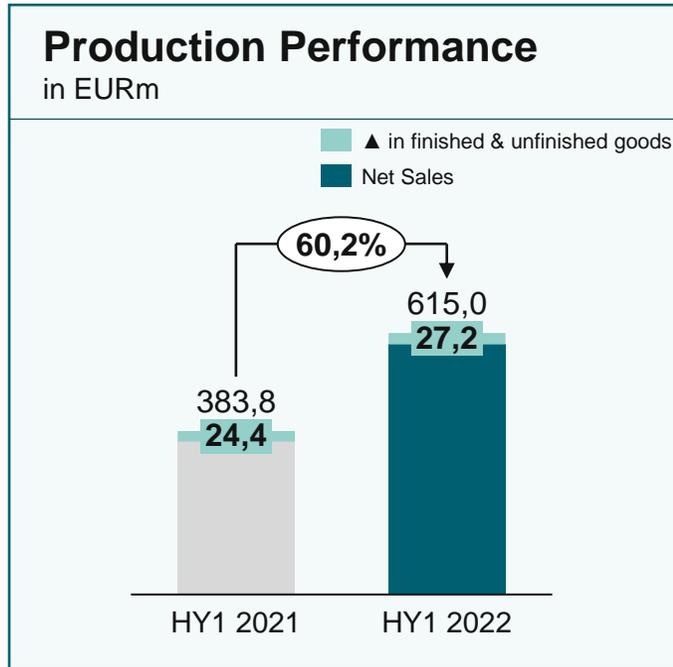


NET SALES & ADJ. EBITDA BY SEGMENT

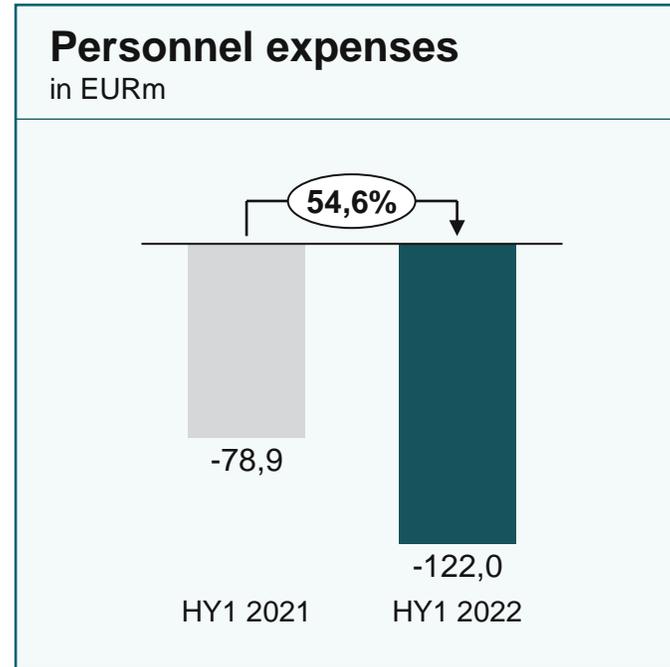
NET SALES in EURm	HY1 2021		HY1 2022		YoY change
Aerostructures	117,1		257,5		+119,9%
E-Mobility	55,0		94,4		+71,7%
Energy	187,5		227,4		+21,3%

Adj. EBITDA* in EURm	HY1 2021		HY1 2022		YoY change
Aerostructures	12,3		26,7		+117,1%
E-Mobility	2,1		8,0		+281,0%
Energy	6,0		3,1		-48,3%

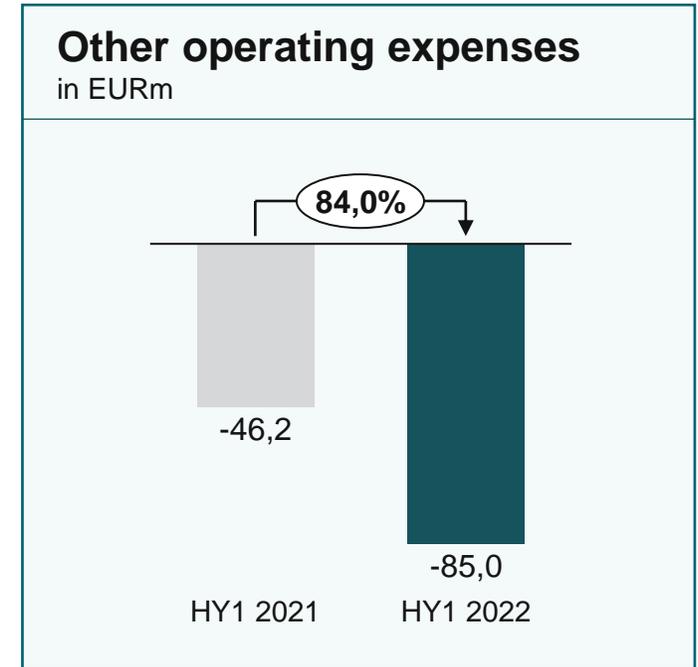
* Segment adj. EBITDA not adjusted for reconciliations on a group level (intra-group interdependencies and facts that cannot be directly allocated to any segment), detailed list of reconciliation to be found in HY1 report on website



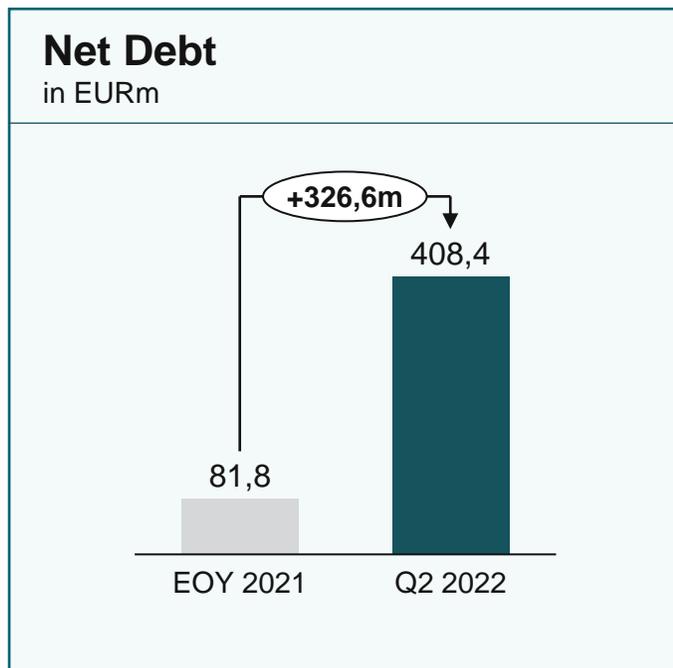
- **Deliveries surpass pre-Covid levels** with strong **output**, demonstrating high levels of **production process agility**
- Performance growth **outweighs increased** personnel **expenses** clearly



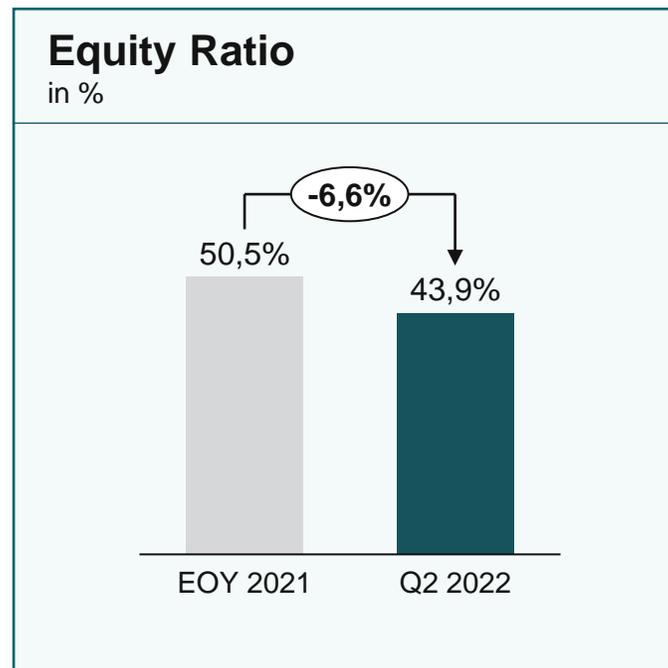
- **Demand increase** resulted in creation of additional shifts
- **Salary hikes** to **attract new talent and keep hold of existing talent** in a dynamic labor market



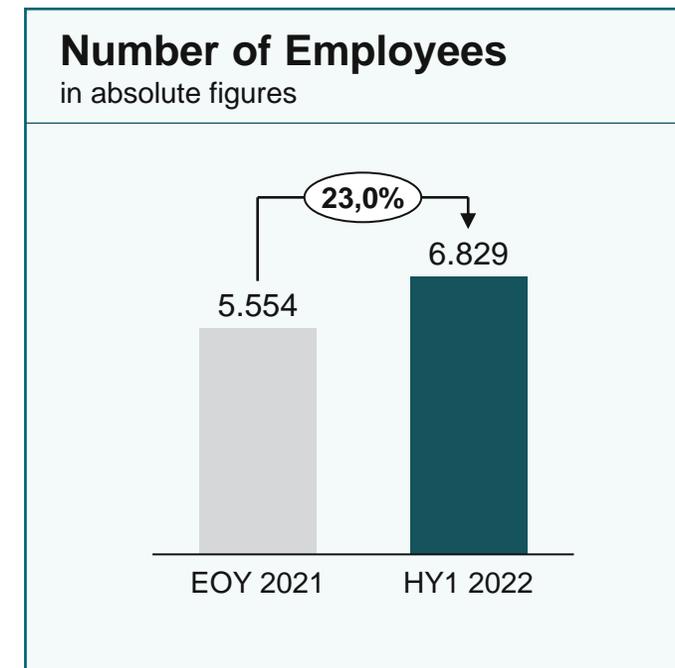
- Main **drivers** are **freight and energy cost**, which remain stable at a high level relative to 2021 – ongoing **efforts to pass on even more of these costs**
- Further plans for **transition to green energy** to **reduce energy costs**



- **Increase** mostly as a result of **ASCO acquisition** (purchase price, acquired net debt, incl. profit certificates & earn out)
- **Remainder: impacted** by negative **Free Cash Flow** (TWC* increase due to inventory build up)



- Lower ratio mostly as a **result of increased asset base**
- Additionally, **net result** with negative ratio **impact**

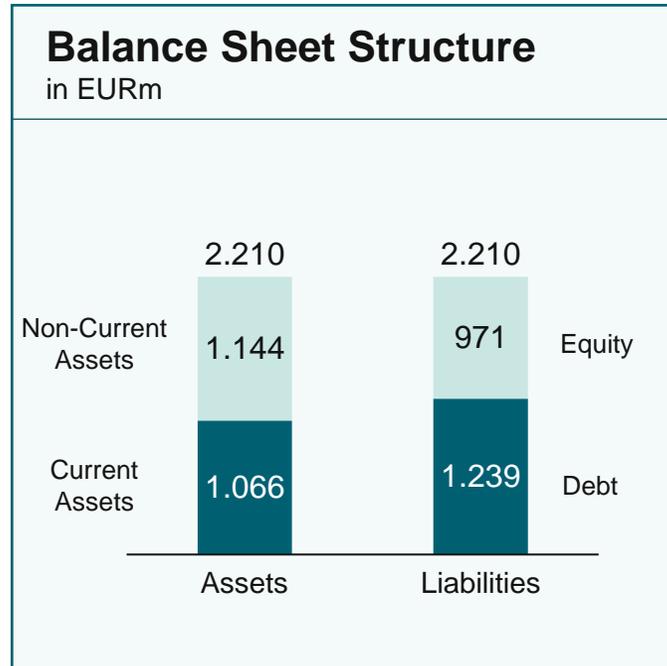
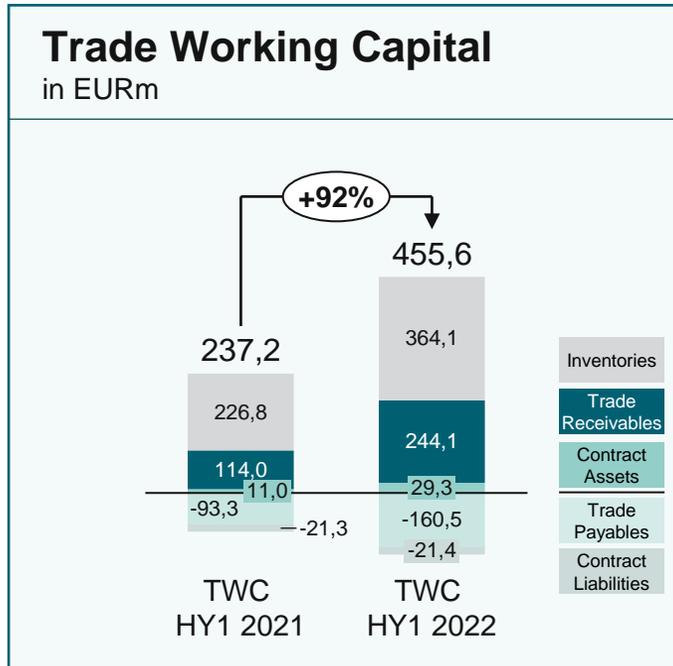


- In-organic growth by **acquisitions as well as organic** ramp-up
- Further **acceleration** in **Romanian sites**

HY1 2022 cash flow statement as well as the balance sheet already reflect the extended asset base due to the acquisition of ASCO (based on preliminary figures).



INVENTORY STRATEGICALLY HELD AT HIGH LEVEL TO PREVENT SUPPLY-CHAIN CONSTRAINTS

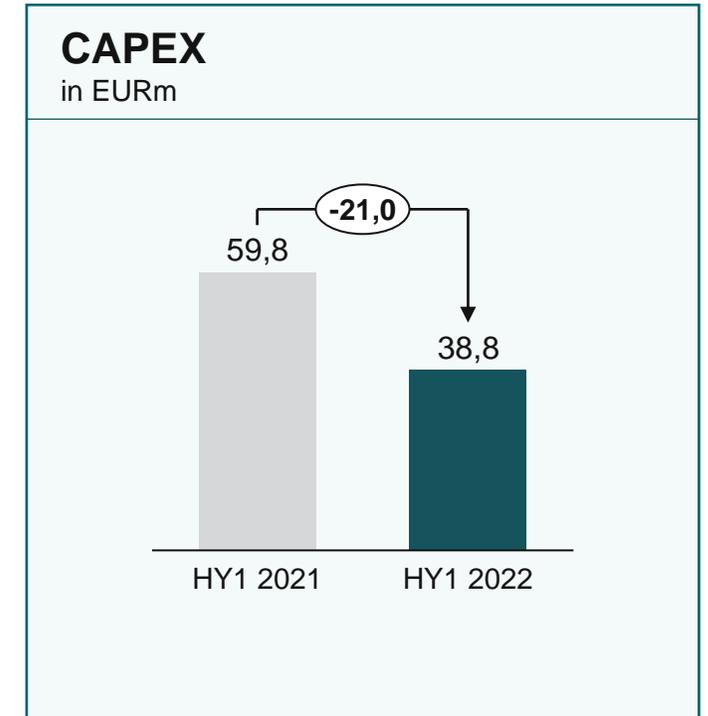
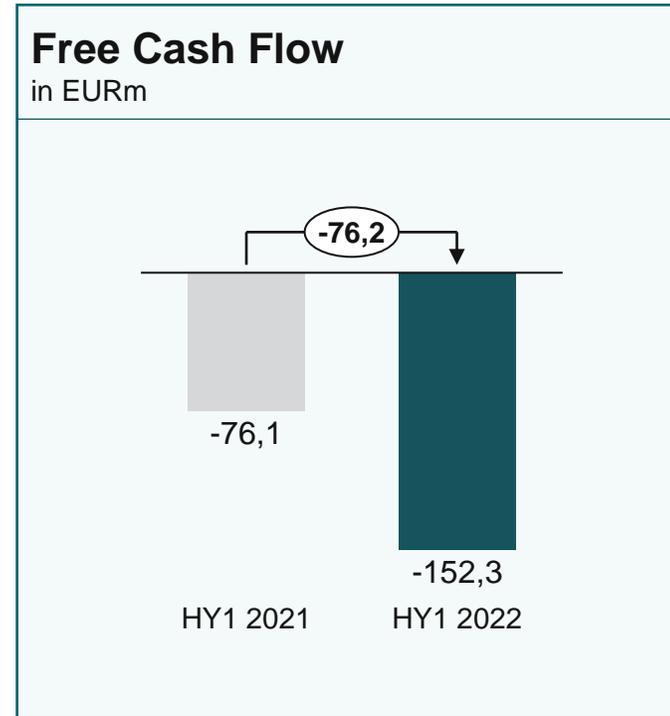
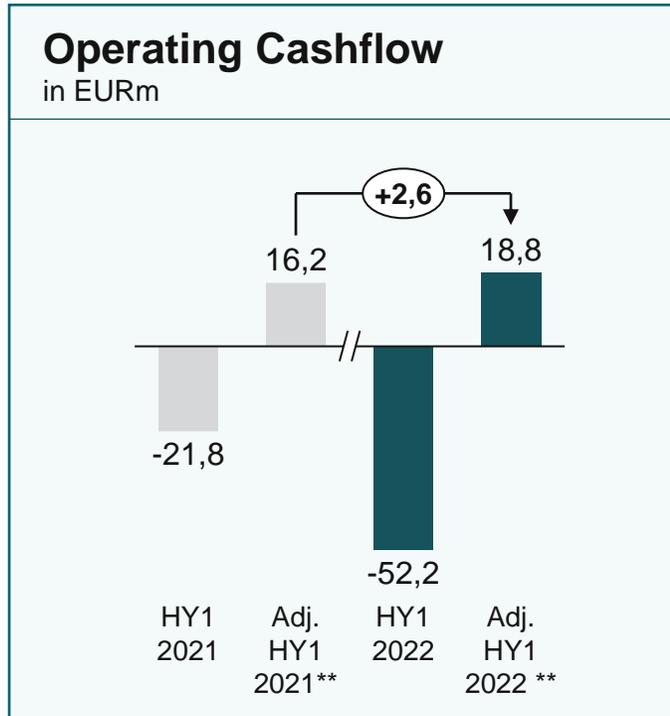


- Impacted by **ASCO acquisition**, increase in line with **expanded production**
- Increase in **receivables reflecting strong sales** growth
- High **inventory as strategic asset** concerning **shortfalls in supply chain**

- **Negative net result** impacting the equity ratio negatively
- **Solid equity base** gives us additional resilience

- **Strong sales** performance underlines **industry demand & trust** of our customers into our **resilience**
- As a side effect, **TWC increased** as **trade receivables** go up

HY1 2022 cash flow statement as well as the balance sheet already reflect the extended asset base due to the acquisition of ASCO (based on preliminary figures).



- Operating cash flow in 2022 lower mainly due to the considerable increase in TWC as well as due to other non-cash items (hedging effects, share-based payments & forex effects)

- FCF impacted by high investing cash flow through ASCO acquisition and high inventory

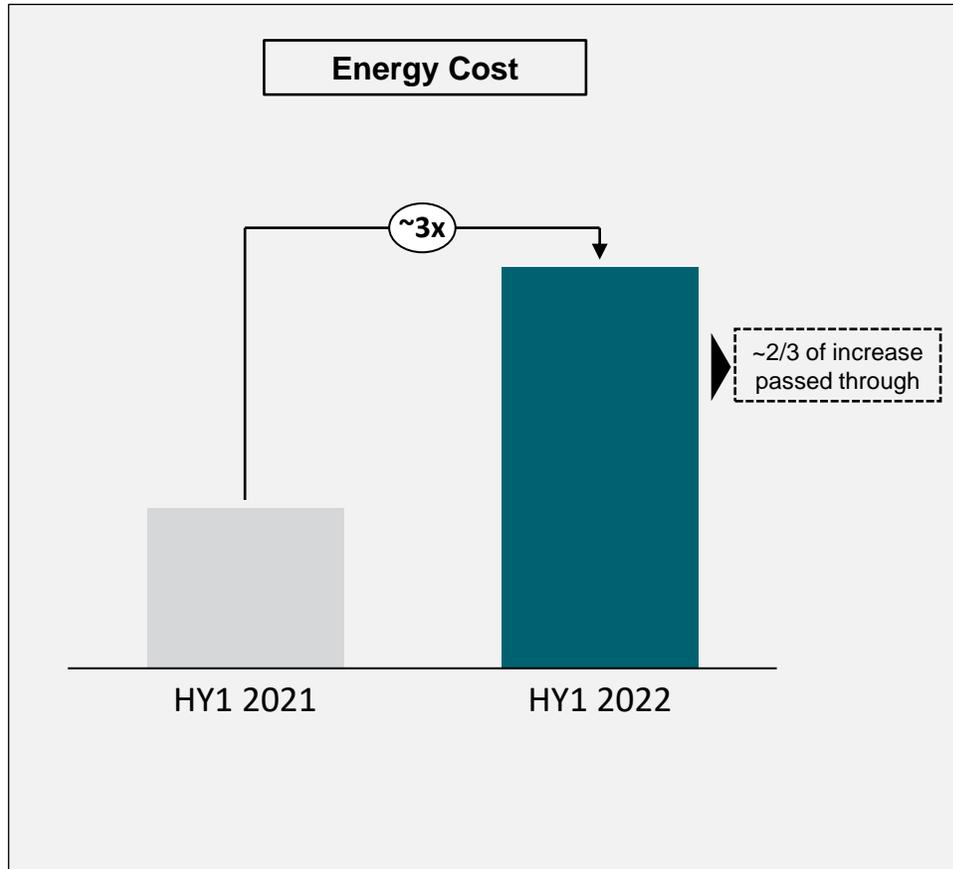
- Approximation to sustainable CAPEX only as the ramp-up projects are finished

HY1 2022 cash flow statement as well as the balance sheet already reflect the extended asset base due to the acquisition of ASCO (based on preliminary figures).

* Trade Working Capital, **adjusted for Working Capital



RISING ENERGY AND TRANSPORTATION COST CAN MOSTLY BE PASSED THROUGH



The relative size of the bar charts does not represent the actual cost hike of Energy and Freight cost.



GUIDANCE 2022





MONTANA AEROSPACE BUILD RATE ASSUMPTIONS: AN EXPECTED NEW NORMAL

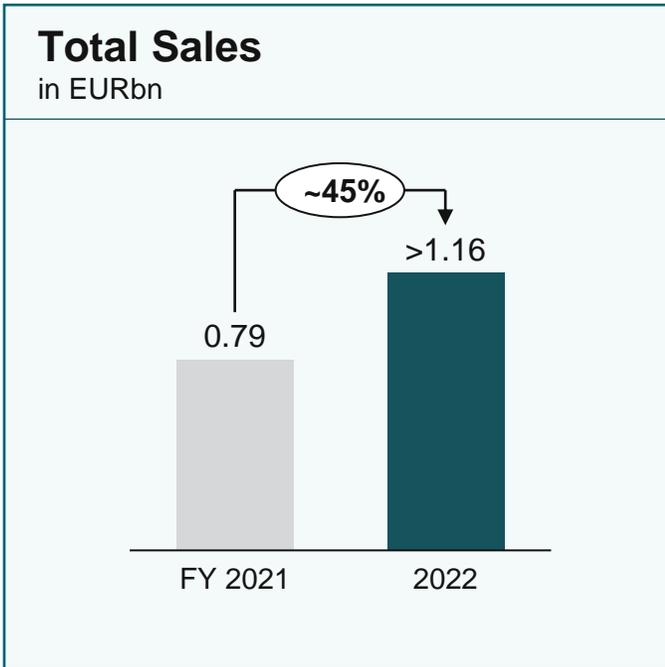


Montana Aerospace management expects build rates to stabilize at new levels

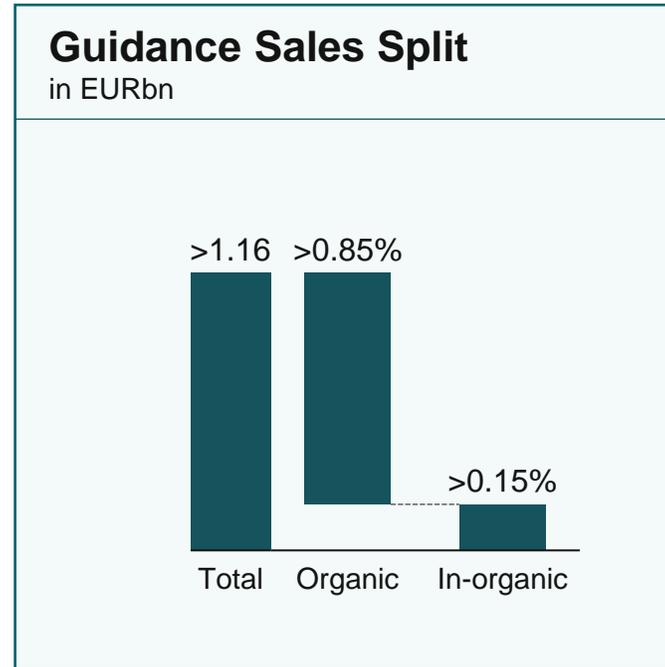
Build rates by key platforms

AIRBUS		2019 pre-covid	2020 covid-figures	2021 covid-figures	2022	2023	2024	2025
A220		n/a	n/a	n/a	6/mo	8/mo	10/mo	10/mo
A320 family		60/mo	34/mo	40/mo	51/mo	60/mo	62/mo	63/mo
A330		4/mo	2/mo	2/mo	2/mo	2/mo	2/mo	2/mo
A350		10/mo	6/mo	4/mo	5/mo	5/mo	6/mo	6/mo
BOEING		2019 pre-covid	2020 covid-figures	2021 covid-figures	2022	2023	2024	2025
B737 MAX		42/mo	6/mo	10/mo	24/mo	40/mo	48/mo	53/mo
B767		n/a	n/a	n/a	2/mo	2/mo	2/mo	3/mo
B777		5/mo	3/mo	2/mo	2/mo	3/mo	3/mo	4/mo
B787		14/mo	7/mo	5/mo	4/mo	6/mo	6/mo	7/mo

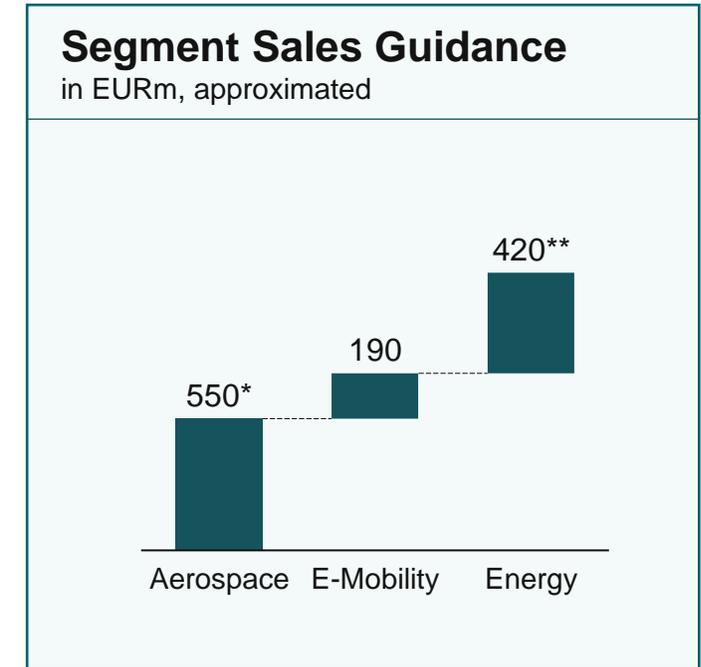
Montana Aerospace Note(s): for yearly build rate assumptions Airbus build rates need to be multiplied by 11,5x; Boeing build rates by 12x



- Sales increase driven by **sustainable growth in all segments**
- **Aerostructures** as **key driver of growth** and re-established as **largest segment**

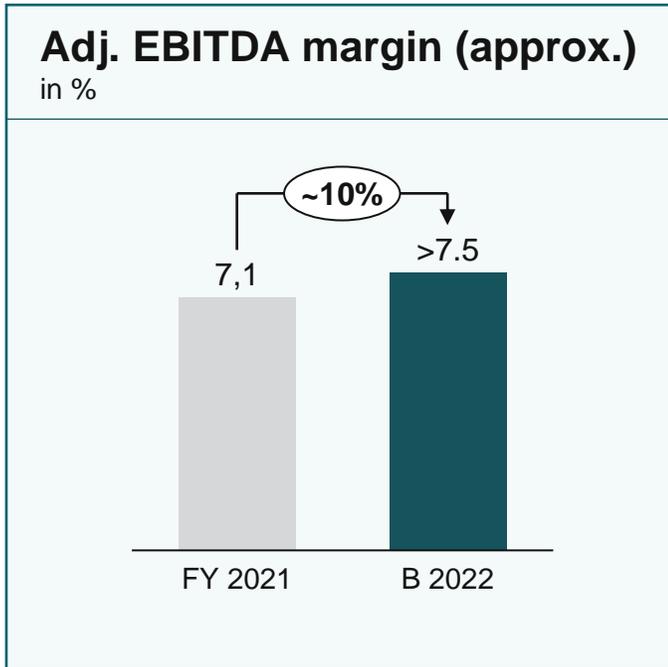


- **Total revenue** estimated to grow by approximately 40%, partly **due to organic** effects, as well as partly due to **acquisitions**

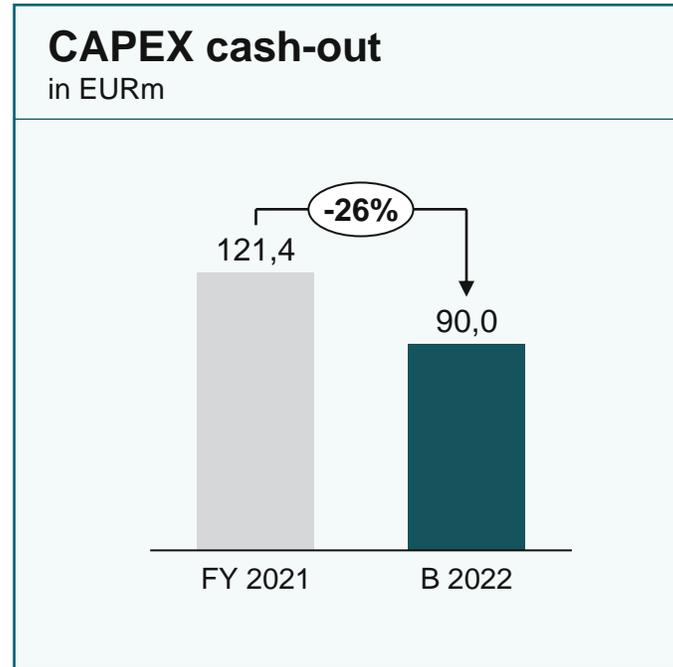


- **Aerostructures driver of growth**, re-gaining position as **largest segment**
- E-Mobility and Energy with **further positive outlook** and **stable growth**

*incl. 9 months ASCO
 **incl. 3 months Sao Marco



- EBITDA margin development will be slightly **overproportional in 2022**



- Approximately **EUR 90m cash out in 2022**, continuing the **shift toward only sustainable CAPEX**

OUTLOOK 2023 & ONWARDS

- 2023**
Sales increase by another **~20%**
- Overproportional EBITDA growth**
- Massive CAPEX reduction**
- Positive Free Cash Flow**
- 2024**
Full Utilization of CAPEX programs
- Highly accretive business & synergy effects**



2020-2021: COVID-19 ✓

2022: BUILD RATE RAMP-UP

ENERGY COST INFLATION



- **Pass-through clauses cover >2/3 of current global energy cost rise**
- Establishing **independent energy supply** (e.g. **solar panels**)

HUMAN RESOURCES



- **Chasing for talent** – skilled employees required for fast ramp-up
- Our **global footprint** enables international workforce sourcing

TRANSPORTATION



- **Supply chain** under pressure, **cost is passed through**
- **Integrated value chain** reduces cost & **increases flexibility**

MATERIAL



- **Stable and diversified supply** with materials & high **inventory**
- **Vertical integration** and **recycling capabilities** **increase resilience**

