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CORPORATE NEWS

Reinach (Aargau), 22 February 2023

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

STRONG SALES (+70%) AND EBITDA GROWTH IN 2022 CONFIRMS MONTANA AEROSPACE' GROWTH STRATEGY – CLEAR FOCUS TO BE FREE CASH FLOW AND NET INCOME POSITIVE IN 2023

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 industries with worldwide engineering and manufacturing operations, today announces its preliminary unaudited net sales for 2022.

HIGHLIGHTS

- Unaudited net sales increased by 70% to EUR 1,306.1m in 2022 (2021: EUR 767.5m) underpinned by a very strong performance in the 'Aerostructures' segment
- Segment net sales: Aerostructures (+123%), E-mobility (+56%) and Energy (+25%)
- Adjusted EBITDA¹ between EUR 125–135m significantly increased compared to previous year's level (2021: EUR 56.1m) and updated guidance given in January 2023 – strong contribution from the 'E-Mobility' and 'Energy' segment but also to a considerable extent backed by one-off items
- Net debt considerably reduced to EUR ≤300m (Net Debt / EBITDA <2.5x)
- Audited FY2022 full-year results will be published on 04 April 2023
- Outlook for 2023:
 - Net sales: EUR >1.5bn (rough estimate)
 - Adjusted EBITDA: EUR ~130–150m (rough estimate; without one-offs)
 - Generation of a positive free cash flow and net income

¹ We define 'Adjusted EBITDA' as EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for legal costs mainly for the Arconic lawsuit, the management stock option program as well as M&A and PMI related expenses – numbers and reconciliation will be provided in connection with the publication of the annual financial statement



Development of full-year net sales:

<i>in EURm</i>	2019	2020	2021	2022
Net sales	783.3	614.2	767.5	1,306.1
<i>yoy growth in %</i>	+2.3%	-21.6%	+25.0%	+70.0%

Development of full-year net sales by segment:

<i>in EURm</i>	Aerostructures		E-Mobility		Energy	
	2021	2022	2021	2022	2021	2022
Net sales	284.9	636.4	122.5	191.2	383.0	479.6
<i>yoy growth</i>	+123% ↗		+56% ↗		+25% ↗	

DELIVERING ON OPERATIONAL OBJECTIVES IN 2022

The year 2022 was dominated by numerous challenges, both macroeconomically and in the aerospace industry. Despite inflationary costs and supply chain uncertainties, Montana Aerospace exceeded internal expectations. Net sales were strong in Q4 2022 and developed very positively compared to preceding quarters. In addition, Montana Aerospace significantly reduced the net debt (to approximately EUR 250m to 300m), thereby streamlining its balance sheet and ensuring flexibility (Net Debt / EBITDA ratio of <2.5x) (*see also ad-hoc announcement of 17 Jan. 2023*).

We closed two significant transactions with the acquisitions of the ASCO Group in Belgium and São Marco in Brazil. Furthermore, we completed our major organic investment phase by end of 2022, focusing on the ramp-up of our greenfield sites especially in Romania and Vietnam.

Operationally, there were many positive drivers in 2022 pushing solid growth in net sales and profitability across all segments. The strongest revenue driver was the 'Aerostructures' segment, which achieved exceptional growth, especially in the fourth quarter. Additionally, the 'E-Mobility' and 'Energy' segments made strong contributions to profitability and to solid net sales. Apart from a strong operative fourth quarter, we also outperformed consensus by generating an adjusted EBITDA of EUR 125m to 135m, which was significantly higher year on year. In addition, we also had some one-off effects amounting to around EUR 30 million, which contributed to the EBITDA in 2022. Besides the sale of the non-core machinery business (AMT), the last two companies acquired (ASCO and São Marco) also generated positive one-off effects for the Group.

As trade working capital remained at record levels at the end of the third quarter in 2022 (~55% of net sales), we gradually reduced non-essential trade working capital to a more sustainable level in the fourth quarter. We feel well prepared for the coming months with trade working capital slightly above EUR 300m (~23% of net sales).



PUBLICATION OF THE 2022 ANNUAL REPORT / AGM

The audited financial statements for 2022 as well as the 2022 Annual Report will be published on 4 April 2023 at 7:00 a.m. CET.

The 2023 Annual General Meeting (AGM) is scheduled to take place on Tuesday, 23 May 2023, at 10:00 a.m. CET at The Hall, Loft 2, Hoffnigstrasse 1 in 8600 Dübendorf (Switzerland). Relevant information will be published in the second half of April 2023 online at <https://www.montana-aerospace.com/investors/>.

OUTLOOK FOR 2023 – FOCUS ON FCF AND DELEVERAGING

Looking ahead, we are confident that we will be able to continue our dynamic growth strategy, as we constantly focus on delivering the highest quality to our customers and also jump in where others have difficulties to deliver. Nonetheless, we expect high energy prices, inflationary pressure, wage cost inflation as well as uncertainties in the supply chain to remain challenges in 2023.

However, the market shares we acquired by the recent acquisitions of ASCO and São Marco, and the trend reversal and ramp-up in the industry will continue to drive our growth. With total net sales expected to rise above EUR 1.5bn in 2023, the ‘Aerostructures’ segment is set to be the main driver despite fluctuating build rates at OEMs, with projections for Net Sales of EUR ~750m to 800m, followed by Energy with Net Sales of EUR >550m and E-mobility with Net Sales of EUR >200m.

The company’s adjusted EBITDA is estimated to be in the range of EUR 130m to 150m, excluding our divested non-core machinery business (AMT). The successful integration of our recent acquisitions also solidified our position as a market leader, and we firmly believe that this will enable Montana Aerospace to continue on its growth trajectory. We will also strengthen the balance sheet by further reducing debt by our own means by generating a positive free cash flow.

“Although the macroeconomic challenges in 2022 have been tough to handle, for the industry it turned out to be a massive driver for our business. It’s a great starting point for 2023”, said **Michael Pistauer**, Co-CEO and CFO of Montana Aerospace.



Upcoming events²

<i>22. February 2023</i>	Announcement on preliminary sales for full year 2022
<i>4. April 2023</i>	Annual Report 2022
<i>9. May 2023</i>	Interim Financial Report – Q1 2023
<i>23. May 2023</i>	Annual General Meeting 2023
<i>15. August 2023</i>	Interim Financial Report – Q2 / HY Report 2023
<i>14. November 2023</i>	Interim Financial Report – Q3 2023

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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 7,200 highly skilled employees at 33 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.

Disclaimer

Statements contained herein may constitute “forward-looking statements”. Forward-looking statements are generally identifiable by the use of the words “may”, “will”, “should”, “plan”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “goal”, “aim” or “target” or the negative of these words or other variations on these words or comparable terminology.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause the Company's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. The Company does not undertake publicly to update or revise any forward-looking statement that may be made herein, whether as a result of new information, future events or otherwise.

² Detailed information can be found here: <https://www.montana-aerospace.com/en/investors/>