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AD HOC ANNOUNCEMENT

Reinach (Aargau), 04 April 2023

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

MONTANA AEROSPACE AG REPORTS STRONG FY 2022 FINANCIALS AT 65% SALES GROWTH AND SOLID ADJ. EBITDA PERFORMANCE (+139%) AS WELL AS EVALUATES OPTIONS TO INCREASE THE INDEPENDENCY OF ITS ENERGY BUSINESS SEGMENT, INCLUDING AN IPO.

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 industry with worldwide engineering and manufacturing operations, publishes its FY 2022 annual report today.

HIGHLIGHTS 2022

- **Financials:** Net sales grew by 65.3% yoy to EUR 1,306.1 million; strong adj. EBITDA¹ performance of EUR 134.2 million (+139.4% yoy) through strong contribution from the E-mobility and Energy segment but also to a considerable extent backed by one-off effects
- **Segment net sales:** Aerostructures: +123%, E-mobility: +56% and Energy: +25%
- **Segment adj. EBITDA:** Aerostructures: +62%, E-mobility: +273% and Energy: +292%

¹ '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 can be found on page 206 in the Annual Report 2022



- **Balance Sheet:** Net debt considerably reduced to EUR 279.4 million (Net Debt / EBITDA <2.2x); additionally, gradual reduction of non-essential trade working capital (TWC) to a more sustainable level in Q4 amounting to a TWC of EUR 301.7 million (23% of net sales)
- **Financials:** Finish of major anticyclical investment program with CAPEX investments amounting to EUR 86.0 million in 2022; thus, focus on maintenance / sustainable CAPEX only from 2023 onwards (mid double-digit EUR million amount)
- **M&A:** Execution of M&A strategy and fulfilment of promises made at the IPO in 2021: delivering the largest transaction in the company's history by acquiring ASCO Industries but also expanding the footprint in the Energy segment by acquiring Brazilian energy specialist São Marco (including (e-)mobility capabilities)
- **Guidance:** >EUR 1.5 billion net sales and an adj. EBITDA in the range of EUR 130–150 million (excluding the divested non-core machinery business Alpine Metal Tech); clear goal of generating a positive free cash flow and net income; therefore, guidance again confirmed for 2023
- **Segment Guidance:** Aerostructures segment set to be the main driver with projections of EUR ~750–800 million, followed by Energy with EUR >550 million and E-mobility with EUR >200 million of net sales
- **Energy Segment:** Montana Aerospace is evaluating options to increase the independency of its Energy business segment, including an IPO; as the energy infrastructure champion will benefit from the strongly growing demand in energy generation & transmission as well as (e-)mobility markets on a global level

CHALLENGE '2022' MASTERED

Major market events, including the Russian invasion of Ukraine, the subsequent energy crisis, widespread supply chain disruptions and the difficult interest rate environment posed challenges for global markets and our business in 2022. The developments on international energy markets were a major factor that caused inflated input costs and posed a sizeable threat to global economies. Yet, our strong financial base, superior business strategy and the support of our loyal customers and suppliers all around the world made it possible for us to overcome the headwinds and lay the cornerstones of our future growth.

In the financial year 2022, Montana Aerospace generated consolidated net sales of EUR 1,306.1 million, which is 65.3% above the previous year's EUR 790.1 million and by far surpassing any pre-Covid levels. While all segments show significant improvements, the greatest contribution to net sales was generated by the business segment Aerostructures, closely followed by Energy. This favorable development is supported by Montana Aerospace's acquisitions of ASCO in the Aerostructures segment and São Marco in the Energy segment, contributing EUR 192.3 million and EUR 27.0 million, respectively, to net sales in 2022. The



continued increase in sales in all segments is further strengthening the confidence in the future market developments.

In addition to the strong operative performance, especially in Q4 2022, one-off effects, amounting to approximately EUR 30.0 million (roughly divided by two thirds by the Aerostructures segment and one third by the Energy segment), impacted the adj. EBITDA of EUR 134.2 million. The most significant and positive effects for the Group were generated by the sale of the none-core machinery business (Alpine Metal Tech / AMT) and the two most recent acquisitions (ASCO and São Marco).

NET SALES AND ADJ. EBITDA DEVELOPMENT PER SEGMENT

<i>in EURm</i>	Aerostructures		E-mobility		Energy	
	2021	2022	2021	2022	2021	2022
Net Sales	285.0	636.4	122.5	191.2	383.0	479.6
<i>yoy growth</i>	<i>+123.3%</i>		<i>+56.1%</i>		<i>+25.2%</i>	
Adj. EBITDA	42.9	69.4	6.5	24.4	8.6	33.6
<i>yoy growth</i>	<i>+61.6%</i>		<i>+273.2%</i>		<i>+292.5%</i>	

Segment sales and EBITDA performance in the full financial year 2022 show that, while some challenges may still lie ahead, many key tasks have already been mastered:

Aerostructures

Aerostructures as a key driver of Montana Aerospace's business expansion posted major growth of 123.3% with total net sales of EUR 636.4 million and an adj. EBITDA of EUR 69.4 million. The post-covid ramp-up and simultaneous consolidation in supply chains in the aerospace industry presented Montana Aerospace with great opportunities in 2022. The higher build rates of the large OEMs, such as Boeing and Airbus, were the driving force behind the significantly higher net sales. Supply bottlenecks at competitors created the chances for us to acquire additional contracts based on our one-stop-shop strategy. The concept features a highly integrated vertical supply chain relying on high recycling capabilities and offering more competitive lead times. This enables substantial cost savings while reducing CO₂ emissions. This is reflected in the gain of 123% in net sales and 62% EBITDA growth, as well as in the expectation of widening market shares in the coming years. Since mid-2021, we have strategically held higher inventories to overcome any shortages in the materials supply chain. In the third quarter of 2022, Montana proactively started to bring working capital levels back into the normal range.



E-mobility

Besides Aerostructures and Energy, the E-mobility segment generated strong figures as well, driven by robust demand in the premium segment of German OEMs. With our solutions, we are a reliable partner for blue-chip carmakers and see unabated demand for electric cars in the high-end segment. E-mobility raised its net sales on a year-on-year comparison by 56.1%, which translates into EUR 191.2 million sales in 2022. The adj. EBITDA further grew by 273.2% compared to the same period in 2021, also partially impacted by one-offs related to subsidies and state aid.

Energy

The Energy segment reported net sales of EUR 479.6 million, which is well above the EUR 383.0 million in 2021, and an adj. EBITDA of EUR 33.6 million. The energy crisis resulted not only in price hikes and higher input costs, but also prompted a surge in demand for infrastructure projects to meet the growing need for alternative energy sources, including low-to-zero emissions electricity. Consequently, the energy infrastructure market evolved from a pull market into a push market, as soaring demand started to outpace supply. As a technology leader in energy transmission components, Montana Aerospace strongly increased sales in the Energy segment — and expects to see sound future growth opportunities. Profiting from tremendous energy transition tailwinds, as the journey from fossil fuels to green fuels progresses, the energy business is expected to generate net sales of more than EUR 550 million in 2023.

M&A activities

The consolidation of our one-stop-shop business model and our expansion strategy are reflected in our recent merger and acquisition activities. Historically, Montana Aerospace acquisitions have focused on targets that are technology leaders with solid margins and enable us to enlarge our capacities, improve profitability and create mission-critical synergies. In 2022, our acquisitions included the takeover of the ASCO Group (closing in April 2022) for the Aerostructures segment and of the company São Marco (closing in September 2022) in Brazil for the Energy segment. Both companies are in the final stages of the post-merger integration process and will quickly extend Montana Aerospace's wide range of capabilities. The financial projections for next year are expected to reflect the synergies created by the two investments.

2022 – Conclusion

We achieved solid performance in 2022, which is backed by our figures. Montana Aerospace closed the year with an impressive result, achieving record sales and a positive cash flow in the last quarter. Moreover, we significantly reduced net debt to EUR 279.4 million (<2.2x net debt/EBITDA), and increased net sales to EUR 1.3 billion, thereby boosting adjusted EBITDA to EUR 134.2 million. 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. Additionally, our capital expenditure program with a volume of more than EUR 650 million since 2018 has focused on investments in major state-of-the-art production plants such as those completed at the end of the year in Romania and Vietnam.

A number of macroeconomic challenges put the entire aerospace industry to a stress test due to higher energy costs, supply chain uncertainties and other market challenges in 2022. Nonetheless, our exceptionally robust organic growth as well as our well-thought-out M&A activities permitted us to achieve remarkable success. In a nutshell, we attained a favourable position for going forward in 2023.

FUTURE OUTLOOK

While 2022 was not an easy year, we do not expect much smoother sailing waters to come in Q1-Q3 2023. Yet, our positive key-takeaways and experiences from the past crisis-ridden year make us confident to utilize our accrued know-how and seize the manifold opportunities that will rise in 2023 and beyond. With total net sales expected to rise above EUR 1.5 billion 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 ~750 to 800 million, followed by Energy with Net Sales of EUR >550 million and E-mobility with Net Sales of EUR >200 million. The company's adjusted EBITDA is estimated to be in the range of EUR 130 to 150 million in 2023, excluding our divested non-core machinery business (Alpine Metal Tech / AMT).

The successful integration of our recent acquisitions will solidify our position as a market leader. We firmly believe this will enable Montana Aerospace to continue its growth journey. Furthermore, we will strengthen our balance sheet independently by reducing our debt positions through generating an elevated positive free cash flow. Montana Aerospace is looking forward to extending its market-leading position and support our customers and suppliers to succeed in 2023.

EVALUATING OPTIONS FOR A PARTIAL SPIN-OFF OF THE ENERGY SEGMENT, INCLUDING AN IPO

Montana Aerospace AG is in the process of assessing options to increase the level of independence of its energy business segment. Considering investor feedback and strategic options, Montana Aerospace is looking at different ownership models, including an IPO. By evaluating alternatives to full ownership, Montana Aerospace aims to increase the level of independence of its consistently growing Energy business segment, while simultaneously streamlining its core businesses and intensifying existing synergies between the Aerostructures and E-mobility segments, which are both focused on lightweight components primarily made of aluminium.



The Energy business segment of Montana Aerospace is comprised of ASTA Energy Transmission Components GmbH and its subsidiaries ('ASTA'). ASTA is a leading global player in the manufacturing of system-critical components for the global energy infrastructure with a prominent position in the energy generation & transmission markets and strong basis for growth in the (e-)mobility markets. ASTA's copper-based solutions are produced at six locations worldwide, in Austria, Bosnia and Herzegovina, Brazil (two facilities), China and India, tailor-made to customers' specifications and sold worldwide. Amid an unprecedented global transition towards a green energy ecosystem, ASTA is at the core of the electricity revolution. Therefore, ASTA's copper-based product range stands mission-critical to powering millions of households and industries worldwide.

In the financial year ended December 31, 2022, ASTA generated net sales of EUR 479.6 million (EUR 383.0 million in 2021) and an EBITDA of EUR 33.3 million (EUR 8.6 million in 2021), including one-offs.

By gaining a more autonomous structure from the parent company Montana Aerospace, which currently holds indirectly 100% of ASTA Energy Transmission Components GmbH, the energy infrastructure champion will benefit from the strongly growing demand in energy generation & transmission as well as (e-)mobility markets on a global level through enhanced sovereignty in using potential IPO proceeds of around EUR 100-150 million for encouraging further growth in (e-)mobility, additional recycling measures and the further ramp-up of its facility Bosnia. With the support of this possible additional financing and the focus on the dedicated three areas of growth, ASTA would target EUR 1 billion in net sales with an accretive margin level by the end of the decade.

As ASTA is headquartered in Austria, a potential listing venue could be the Vienna Stock Exchange (Official Market).

ANNUAL GENERAL MEETING

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/>.



FY 2022 – SELECTED KEY FIGURES

(in M€)	2022	2021	YoY change
Net Sales	1,306.1	790.1	+516.0
EBITDA	126.9	46.1	+80.8
Adjusted EBITDA	134.2	56.1	+78.1
Adjusted EBITDA margin (%)	10.3%	7.1%	+3.2%
Operating result	17.7	-25.8	+43.5
Operating result margin (%)	1.4%	-3.3%	+4.7%
Result for the period	-36.8	-49.4	+12.6
Cash Flow from operating activities	131.4	-27.8	+159.2
Cash Flow from investing activities	-150.3	-86.1	-64.1
Cash Flow from financing activities	-66.4	521.8	-588.2
Free Cash Flow	-18.9	-113.9	+95.0
CAPEX spent	-86.0	-121.4	+35.4
Trade Working Capital	301.7	265.2	+36.5
Equity Ratio (%)	43.1%	50.5%	-7.4%
Net Debt (cash)	279.4	81.8	+197.6
Total Assets	2,220.6	1,792.4	+428.2
Employees	6,708	5,554	+1,154

You can find the full FY 2022 annual report online at <https://www.montana-aerospace.com/en/investors/>

UPCOMING EVENTS²

9. May 2023

Interim Financial Report – Q1 2023

23. May 2023

Annual General Meeting 2023

15. August 2023

Interim Financial Report – Q2 / HY Report 2023

14. November 2023

Interim Financial Report – Q3 2023

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



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About Montana Aerospace AG

Montana Aerospace AG is a leading manufacturer of system components and complex assemblies for the aerospace industry, with worldwide engineering and manufacturing operations. The Company has approximately 6,700 highly skilled employees at 22 locations on four continents – designing, developing and producing ground-breaking technologies for tomorrow's aerospace, E-mobility and energy industries made 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 of these words or comparable terminology.

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