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AD HOC ANNOUNCEMENT

Reinach (Aargau), 09 May 2023

[Ad hoc announcement pursuant to art. 53 LR]

Montana Aerospace AG reports its Q1 2023 financials with 45% yoy net sales growth and over-proportional adjusted EBITDA performance (+49%)

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 Q1 2023 results today.

HIGHLIGHTS Q1 2023

- **Financials:** Net sales grew by 45.1% yoy to EUR 353.1 million; adjusted EBITDA¹ rose by EUR 7.7 million to EUR 23.6 million (+48.5% yoy) through strong contributions from the Energy segment and beside ASCO, in line development within the Aerostructures segment
- **Segment net sales:** Aerostructures: +86%, E-Mobility: +4%, Energy: +29%
- **Segment adj. EBITDA:** Aerostructures: +27%, E-Mobility: -21%, Energy: +400%
- **Guidance confirmed:** >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

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 24 in the Q1 interim financial statement 2023



- **Segment guidance confirmed:** 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

SOLID START INTO 2023

The results of the 1st quarter of 2023 are in line with our guidance in the Aerostructures and E–Mobility segment and exceeding our internal expectations in the Energy segment. Among the highlights of the financial results for Q1 2023 are the net sales figures of the Aerostructures segment, which amount to EUR 166.8 million (86% yoy growth), and the adj. EBITDA figures of the Energy segment, which amount to EUR 7.2 million (400% yoy growth).

Net Sales

In the first three months of 2023, Montana Aerospace generated consolidated Net sales of EUR 353.1 million, which is 45.1% above the previous year's EUR 243.3 million. The greatest contribution to Net sales was generated by the business segment Aerostructures, which achieved EUR 166.8 million, closely followed by the business segment Energy (EUR 139.8 million). In general, this positive development in net sales was supported by Montana Aerospace's acquisitions of ASCO in the Aerostructures business segment and Sao Marco in the Energy business segment (both in 2022).

EBITDA

Accounting for one–off and non–operative effects – most notably legal costs and post–merger integration (PMI) related expenses – the adjusted EBITDA reached EUR 23.6 million in the first three months in 2023, exceeding the level of EUR 15.9 million in the same period in 2022. This translates into an adjusted EBITDA margin of 6.7% as compared to the previous year's Q1 level of 6.5%. Overall adj. EBITDA performance is still impacted and diluted by external supply chain issues ASCO is facing within the Aerostructures segment on its path to full integration.

On a non–adjusted level, reported Group EBITDA increased from EUR 14.4 million in the first three months of 2022 to EUR 21.4 million in 2023, which is a 48.3% increase and in line with the increase in the adjusted EBITDA (increase of 48.5% as compared to the previous period).

This increase in EBITDA can largely be attributed to the substantial improvement in production output (net sales plus change in finished goods; +EUR 103.8 million as compared to 2022), which was supported by the gain in market share and higher build rates as well as the streamlining of the workforce to approximately 6,700 employees.

The development of the cost of materials, supplies and services (EUR 234.4 million in the first three months 2023 vs. EUR 173.7 million in the same period in 2022) is under–proportional to the net sales development. Personnel expenses continued to rise (EUR 70.3 million for the period ended March 2023 vs. EUR 50.1 million in the same period 2022), although roughly EUR 21 million occurred out of the acquisition of ASCO. Thus, on a like for like basis, it



remained almost the same. Montana Aerospace continues to see the access to skilled and qualified personnel and enough raw material as crucial milestones to achieve growth in the future.

The three adjustments to EBITDA in the first three months in 2023 were the costs related to PMI expenses with regards to the acquired ASCO group in 2022, amounting to EUR 0.9 million, followed by legal costs (EUR 0.8 million), as well as the management stock option program (MSOP) (EUR 0.5 million), which sum up to EUR 2.2 million.

Concerning trade working capital (TWC), we expect to reach significantly lower and more sustainable TWC levels in all segments as guided previously until end of 2023. At the end of 2022, we have seen some delayed payments due to optimization reasons. This will change going forward as payments will be made earlier, in line with previous first quarters of the respective business years. As net sales rose by ~45%, inventories only rose by roughly 4%, supporting the trend to effective trade working capital management.

The financial result was negatively impacted due to substantially higher interest expenses, which hiked from EUR -5.0 million at the end of Q1 2022 to EUR -9.7 million at the end of Q1 2023. Nonetheless, more than one third of the financial result is non-cash related (FX-topics). Positive changes in the financial result are expected within the next months, once the restructuring of the debt position has been achieved.

NET SALES AND ADJ. EBITDA DEVELOPMENT PER SEGMENT

in EURm	Aerostructures		E-Mobility		Energy	
	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023
Net Sales	89.9	166.8	45.4	47.2	108.6	139.8
yoy growth	+85.5%		+3.9%		+28.7%	
Adj. EBITDA	12.0	15.2	4.2	3.3	1.4	7.2
yoy growth	+26.9%		-20.8%		+400.0%	

Segment sales and EBITDA performance in the first three months in 2023 show Aerostructures and Energy as the key drivers of Montana Aerospace's business expansion. Aerostructures posted growth of +85.5% with net sales of EUR 166.8 million, while Energy showed significant growth of +28.7% with net sales of EUR 139.8 million. The E-Mobility segment only shows a slight improvement in net sales (EUR 47.2 million in the first three months in 2023 vs. EUR 45.4 million in the same period in 2022) due to the decreased demand of billets in the external market.

Adj. EBITDA in the E-Mobility segment lies within our guidance, with good potential to overachieve in the quarters to come. The Energy segment achieved an adj. EBITDA of EUR 7.2 million, which is +400% compared to Q1 2022, establishing itself as a business segment with strong growth and reflecting that the market is transforming from a pull towards a push market. Aerostructures also shows improvement of +26.9% as compared to the same period



last year and posted an adj. EBITDA of EUR 15.2 million, although still dilutive on overall adj. EBITDA due to ongoing supply chain challenges within ASCO.

Q1 2023 – SELECTED KEY FIGURES

(financial figures in M€)	For the three months ended 31 March		
	2023	2022	yoy change
Net Sales	353.1	243.3	109.8
EBITDA	21.4	14.4	7.0
Adjusted EBITDA*	23.6	15.9	7.7
Adjusted EBITDA margin (%)	6.7%	6.5%	0.2%
Operating Profit (EBIT)	-6.5	-4.8	-1.7
Result for the period	-17.5	-7.2	-10.3
Cash Flow from operating activities	-76.4	-37.4	-39.0
Cash Flow from investing activities	-25.9	-83.7	57.8
Cash Flow from financing activities	-28.0	1.9	-29.9
Free Cash Flow	-102.3	-121.2	18.9
CAPEX spent	-17.3	-21.9	4.5
Trade Working Capital	391.3	301.7*	89.6
Equity Ratio (%)	44.2%	43.1%*	1.1%
Net Debt (cash)	391.8	279.4*	112.4
Total Assets	2,120.4	2,220.6*	-100.2
Employees	6,695	6,830	-135

You can find the full report on Q1 2023 online at <https://www.montana-aerospace.com/en/investors/>

UPCOMING EVENTS²

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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