




**MONTANA  
AEROSPACE**

9M 2023 Earnings Call

14 November 2023



Flight International 

## Montana Aerospace leads the sales growth climbers

By Murdo Morrison | 18 August 2023

*“Montana Aerospace tops sales growth table 2022 as fastest growing Aerospace player”*

– Flight International Top 100 Ranking, Aug 2023

# WE ARE MISSION-CRITICAL IN ALL THREE SEGMENTS:

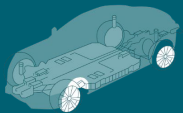


## AEROSTRUCTURES



*"MISSION-CRITICAL AEROSTRUCTURES FOR EVERY AIRCRAFT IN THE SKY"*

## E-MOBILITY



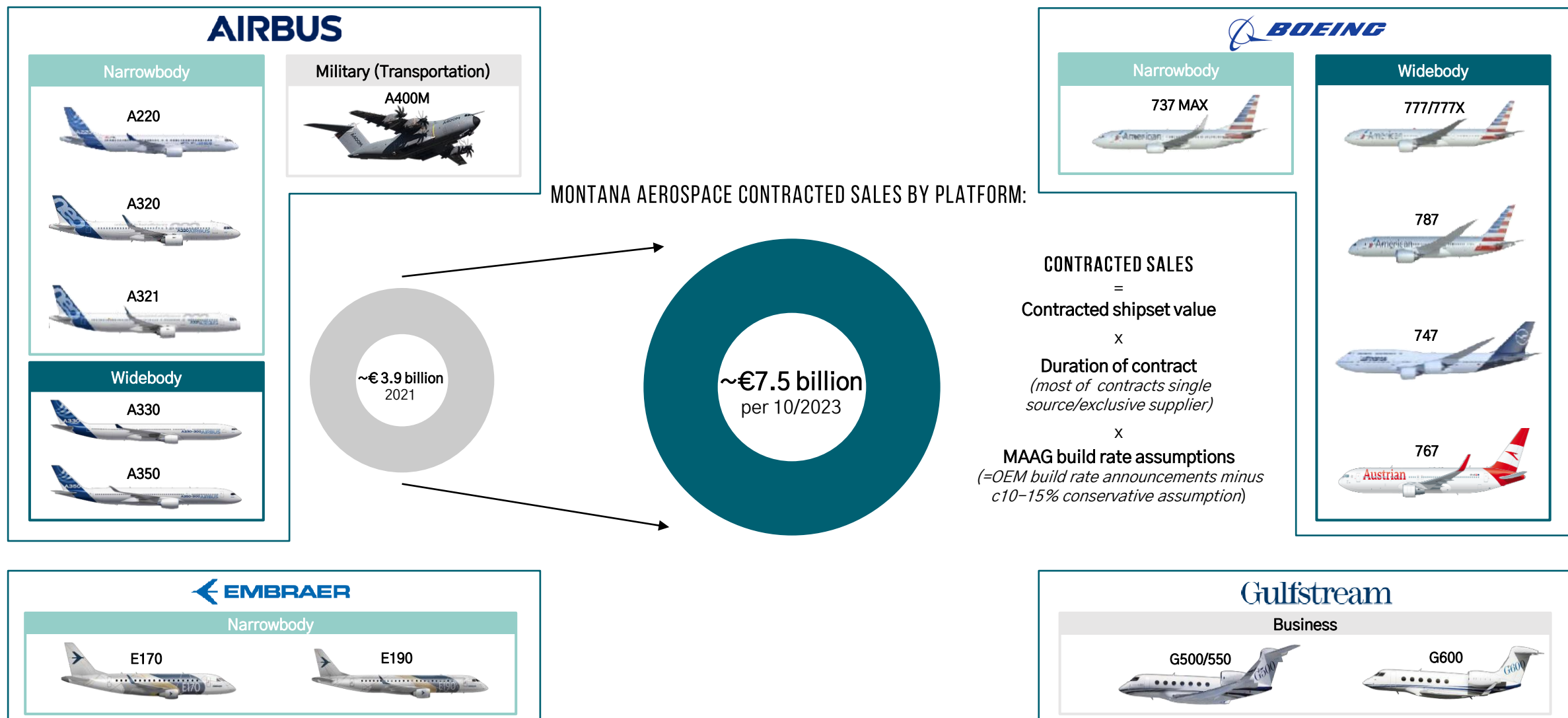
*"LIGHTWEIGHT E-MOBILITY SOLUTIONS TO ENABLE THE MOBILITY REVOLUTION"*

## ENERGY



*"POWERING GREEN INNOVATION TO DRIVE THE ENERGY TRANSITION"*

# MONTANA AEROSPACE WITH A STRONG ORDER BOOK, MARKED BY DIVERSIFIED EXPOSURE TO VARIOUS AIRCRAFT PLATFORMS



# SUCCESSFUL IMPLEMENTATION OF NEW SYNDICATED TERM LOAN AS MAJOR MILESTONE IN THE DEVELOPMENT OF MONTANA AEROSPACE



## NEW SYNDICATED LOAN ON MONTANA AEROSPACE GROUP LEVEL

### EUR 450 MILLION (UP TO EUR 450 MILLION)

- Term Loan in the amount of **EUR 300 million** (for repayment of outstanding SSD/promissory notes)
- RCF in the amount of **EUR 150 million** – Revolving Credit Facility ('Liquidity Reserve')
- **Maturity: 3 years** for all tranches
- Strict ring-fencing concept
- Financial covenants on Montana Aerospace Group (*net debt/EBITDA and equity ratio*)



## POSITIVE IMPLICATIONS OF THE DEBT RESCHEDULING

- Ending dependence on the performance of MTC AG and its other subsidiaries VARTA and Aluflexpack – **terminating the risk of a financial covenant breach** by the end of the year, which **would cause a default** of the majority for the **current financings of MAAG Group**
- **Securing the liquidity** for MAAG Group and **all intercompany financing**
- Improving MAAG Group's **creditworthiness**

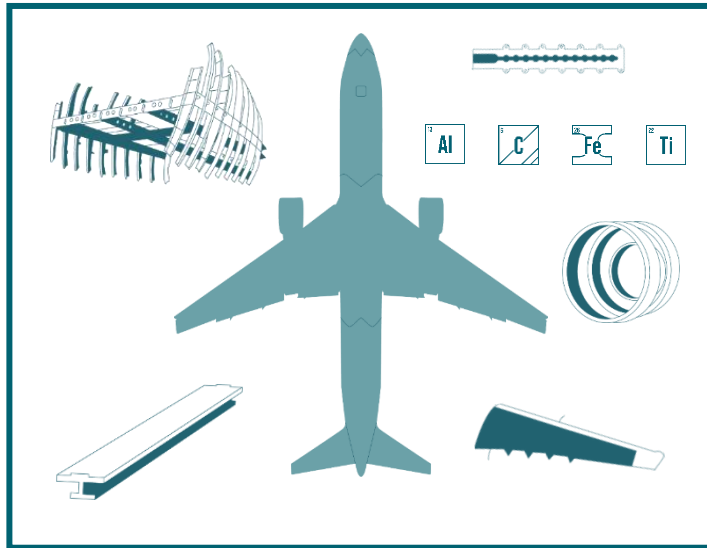




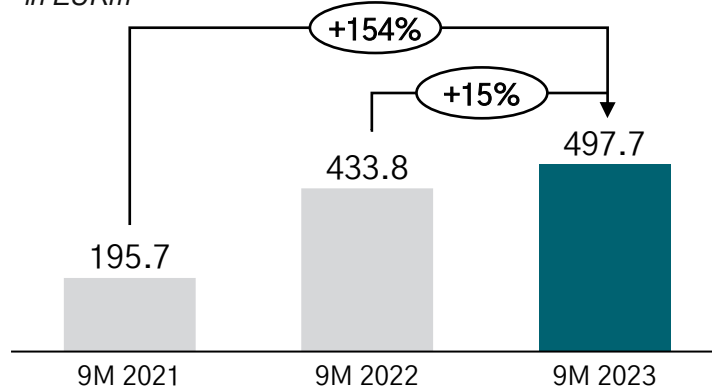
# STRONG 9M 2023 SALES PERFORMANCE – RECONFIRMING FULL-YEAR GUIDANCE



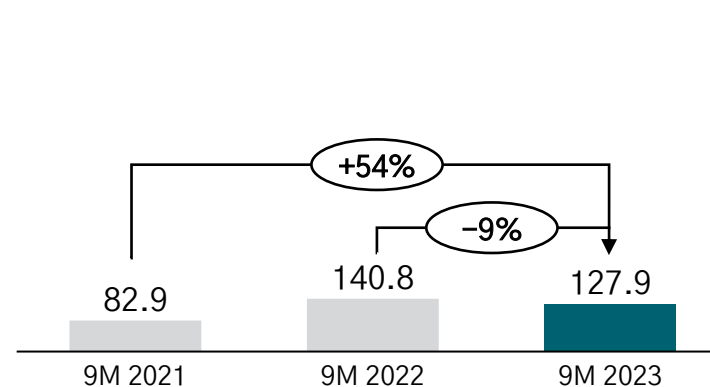
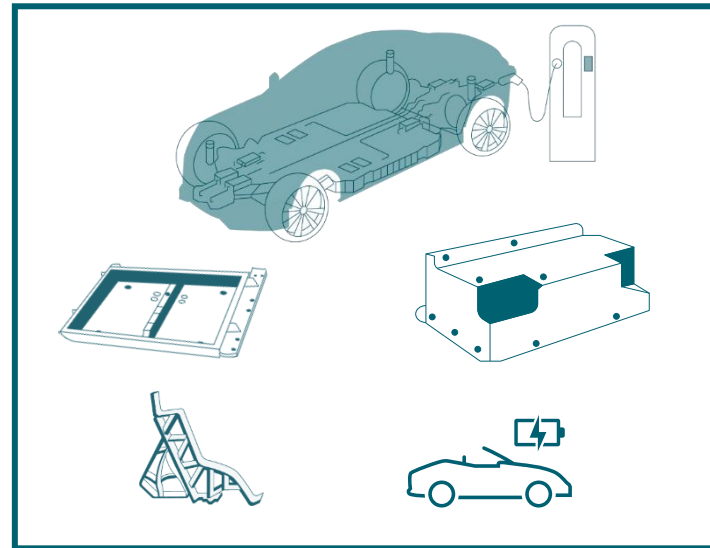
## AEROSTRUCTURES



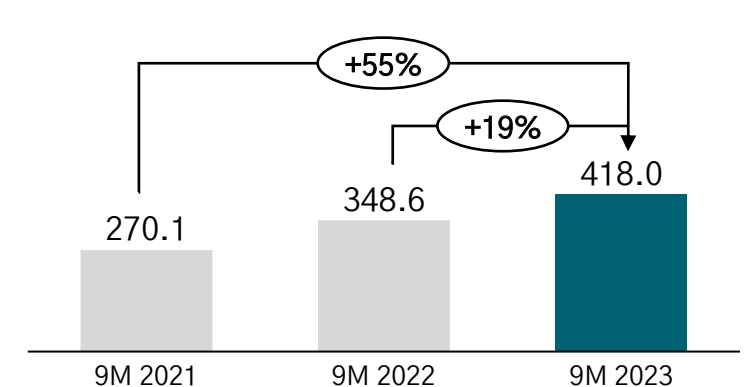
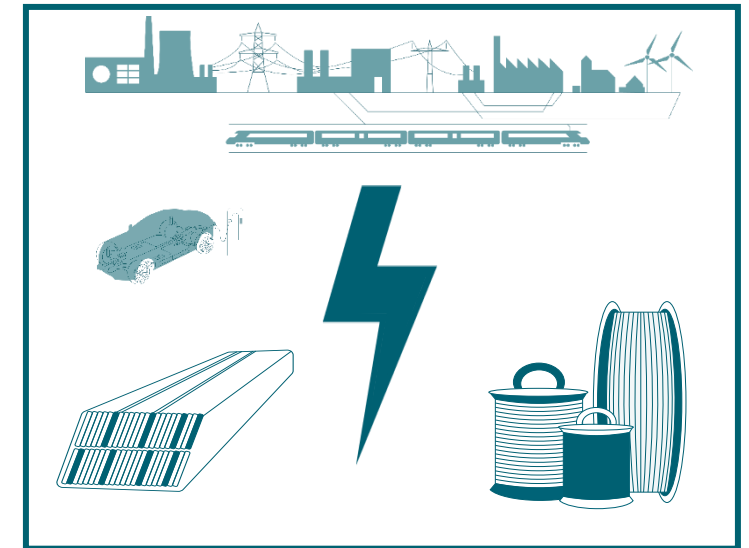
in EURm



## E-MOBILITY



## ENERGY



# 9M 2023 – KEY FINANCIAL HIGHLIGHTS



<i>in EURm</i>	9M 2022		9M 2023	yoy change	
Net Sales	922.6	↗	1,042.2	+13.0%	✓
Adj. EBITDA	55.1	↗	93.6	+69.8%	✓
CAPEX spent <sup>(1)</sup>	-59.7	↘	-46.9	-21.4%	✓
TWC	503.7	↘	381.7	-24.2%	✓
Total Assets <sup>(2)</sup>	2,220.6	→	2,133.8	-3.9%	✓

Note: (1) Acquisition of intangible assets and property, plant and equipment; (2) comparison period: Dec. 2022

# STRONG ADJ. EBITDA PERFORMANCE WITHIN ALL SEGMENTS



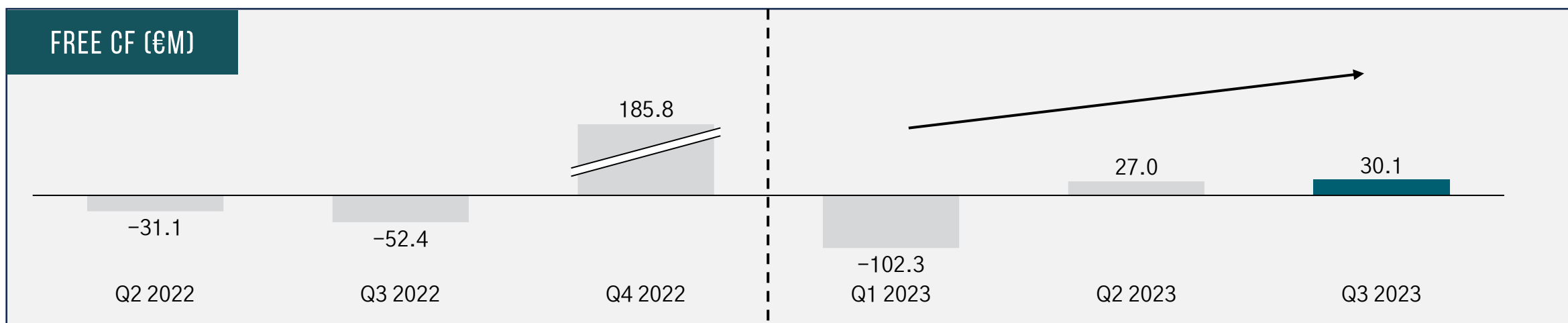
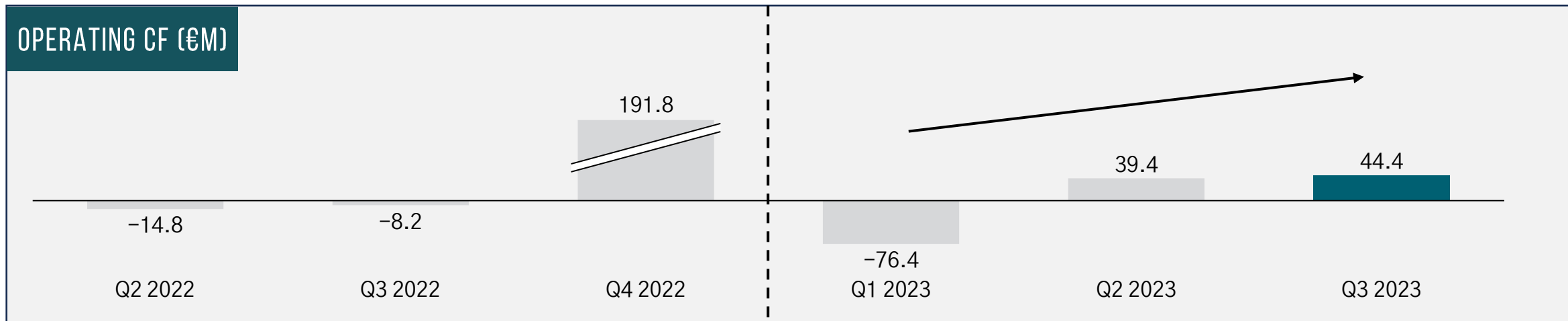
Net Sales <i>in EURm</i>	9M 2022		9M 2023	yoy change
Aerostructures	433.8		497.7	+14.7%
E-Mobility	140.8		127.9	-9.2%
Energy	348.6		418.0	+19.9%

Adj. EBITDA* <i>in EURm</i>	9M 2022		9M 2023	yoy change
Aerostructures	36.4		56.0	+54.1%
E-Mobility	12.7		23.0	+81.3%
Energy	10.0		18.7	+86.4%

Note: 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 9M 2023 report (page 24)

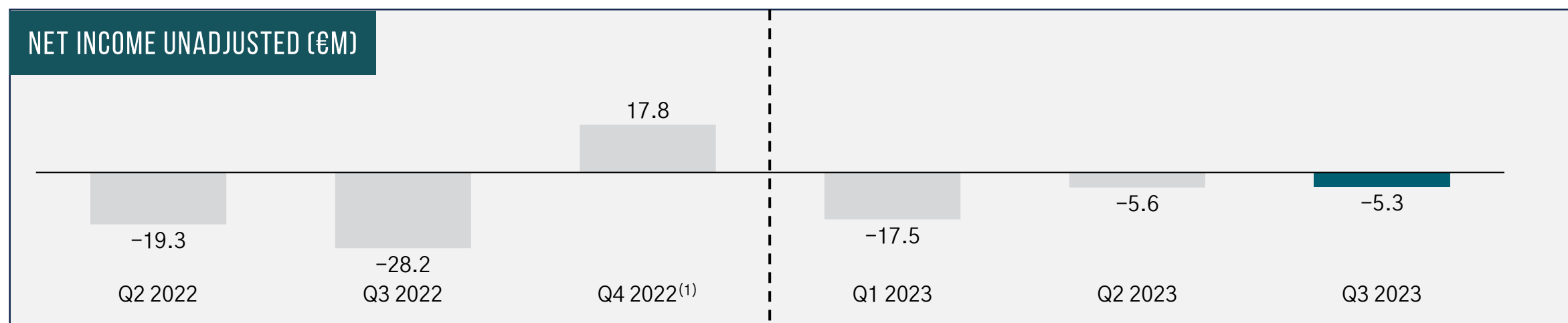
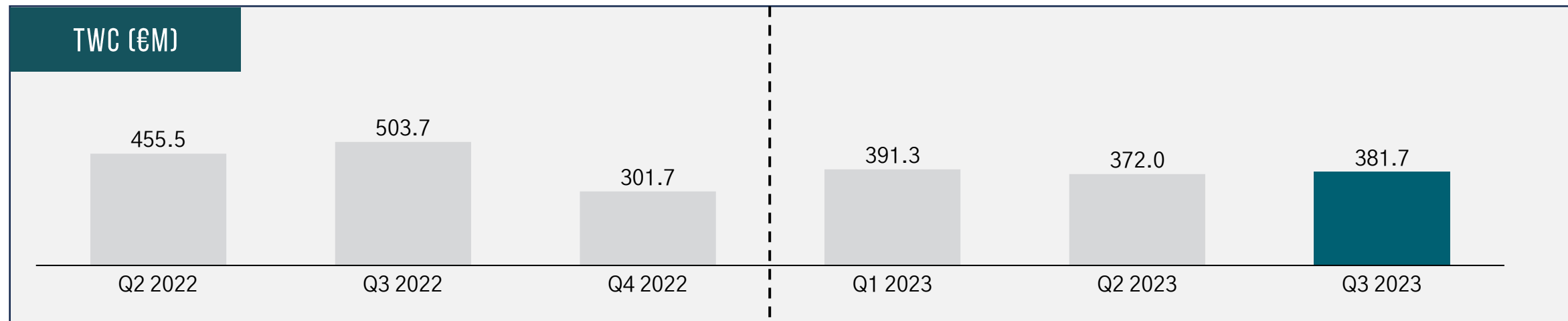


# CONSTANT POSITIVE DEVELOPMENT OF CF ON QUARTERLY BASIS



Notes: (General) Q2 2022 – Q4 2022 include former non-core machinery business (Alpine Metal Tech/AMT), which was divested in Dec. 2022; (1) 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) included

# REDUCED TWC LEVELS TO REACH MORE SUSTAINABLE LEVELS

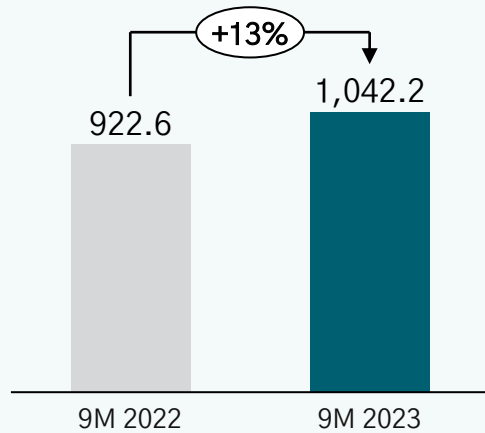


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# SUBSTANTIAL TOP-LINE GROWTH AND EXCEPTIONAL EBITDA PERFORMANCE ON GROUP LEVEL

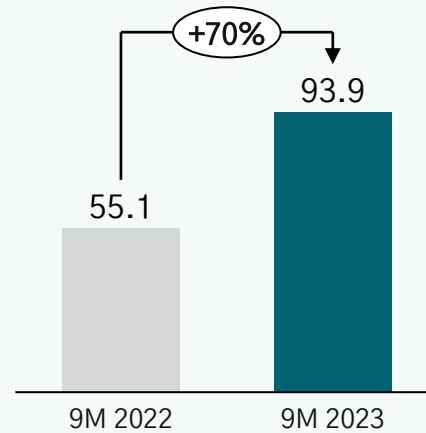


## Net Sales in EURm



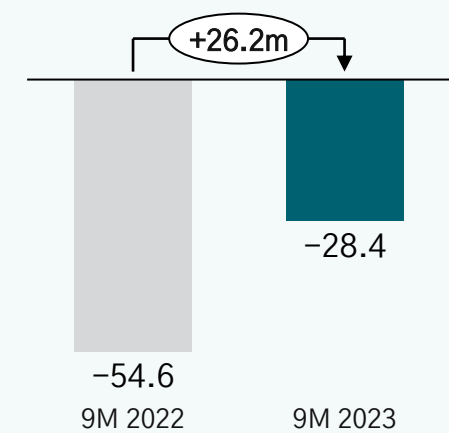
- **Substantial increase** in net sales driven primarily by the **Aerostructures** and **Energy** segments
- **Mainly organic** but also **positive development** supported by acquisitions of **ASCO** and **Sao Marco** in 2022

## Adjusted EBITDA<sup>(1)</sup> in EURm



- **Exceptional increase** in adj. EBITDA through **strong contributions** from all segments

## Result for the period in EURm



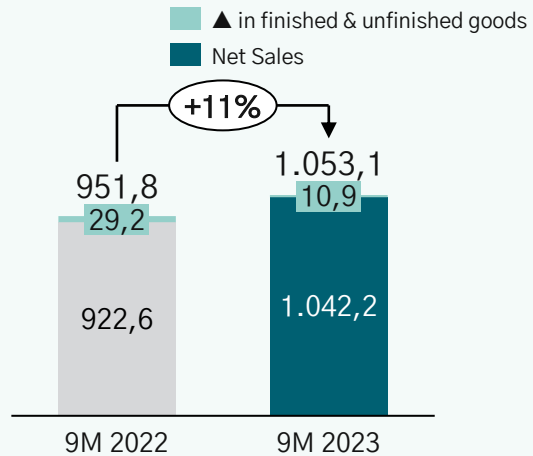
- **Positive operating** result compared to negative figures in 9M 2022
- Increased **depreciation and amortization** as a **result of major investment programs** between 2018 and 2023
- Financial result **negatively impacted** by increased **interest rates**

# DEVELOPMENT OF KEY KPI'S IN LINE WITH GUIDANCE



## Production Performance

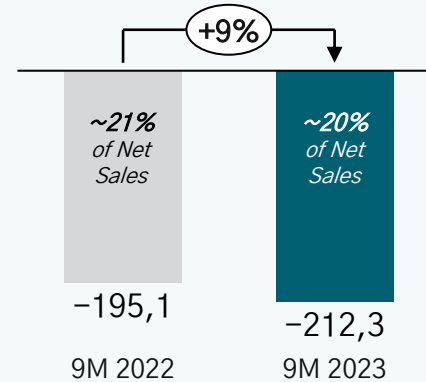
in EURm



- High output levels partly due to **higher OEM build rates** in Aerostructures segment and **massive demand tailwinds** in Energy segment
- **Deliveries surpass previous levels**, demonstrating high levels of **production process agility** and **ability to execute**

## Personnel expenses

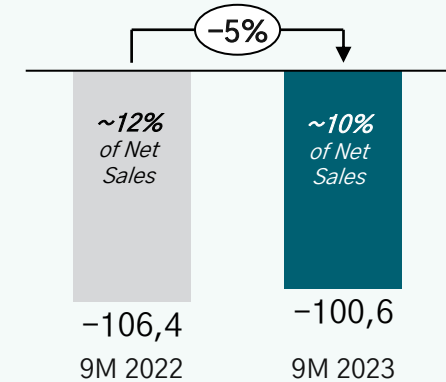
in EURm



- Personnel expenses development **favorable** compared to last years 9M 2022 concerning **percentage of Net Sales**

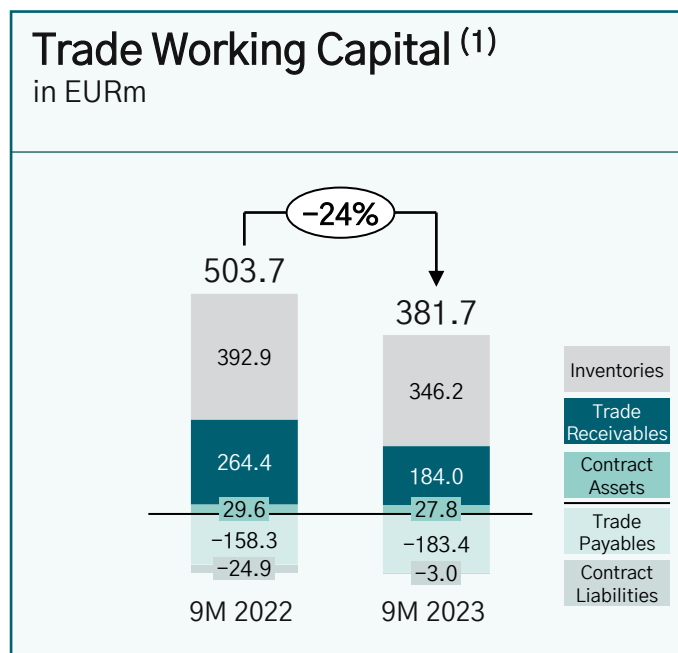
## ▲ Other op. expenses/income

in EURm

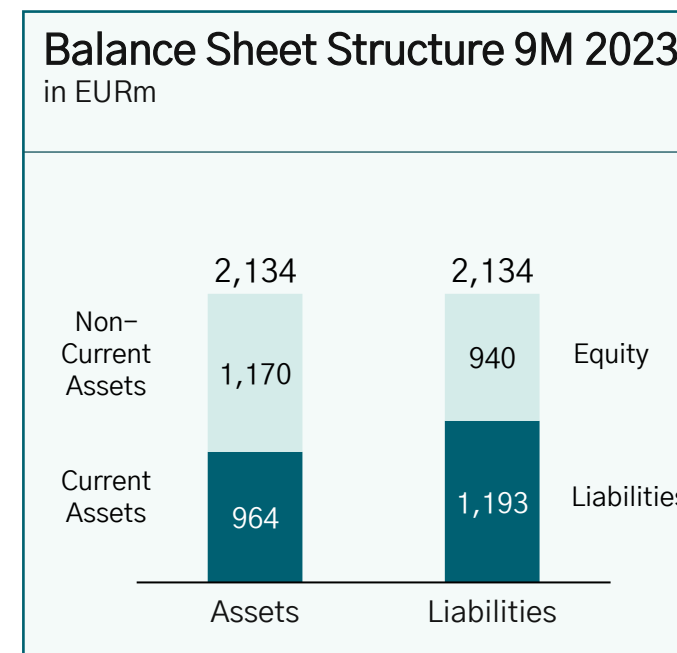


- **Cost inflation** as main issue

# EXPECTING TO REACH SIGNIFICANTLY LOWER TWC LEVELS IN ALL SEGMENTS AS GUIDED PREVIOUSLY UNTIL END OF 2023



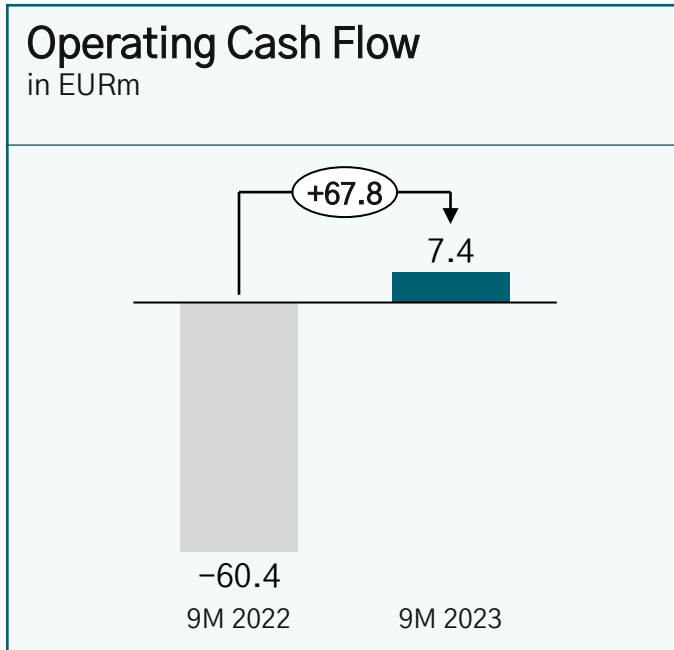
- Whereas **net sales** rose by ~13%, **inventories** only rose by ~7%, supporting the trend of **effective TWC management**



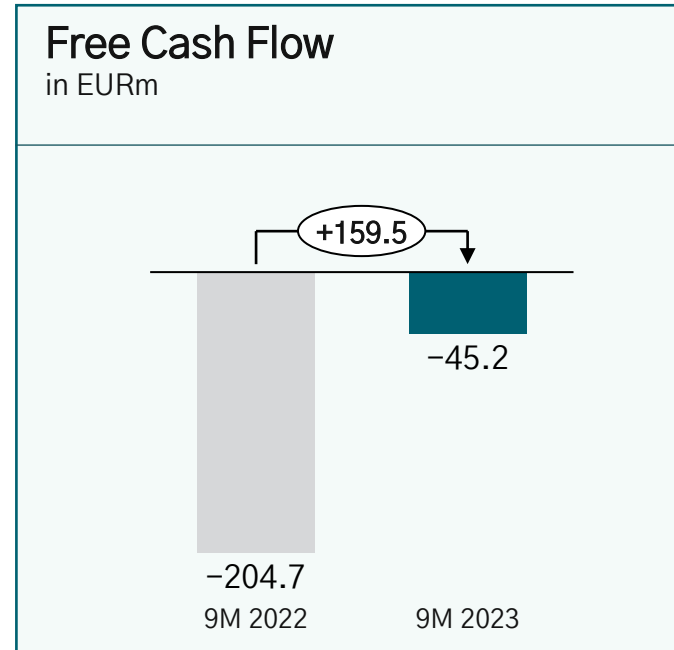
- New financing structure** will lead to a **reduction** of the whole **balance sheet structure** per years end

Note: (1) Trade Working Capital: Trade Payables in the Balance Sheet (eo 2022: 224.1 EURm and 9M 2023: 183.4 EURm) include Liabilities from purchase of Intangibles and PPE as well as the position Residual Purchase Price which are not included in the TWC; hence the Payables demonstrated above differ by these amounts

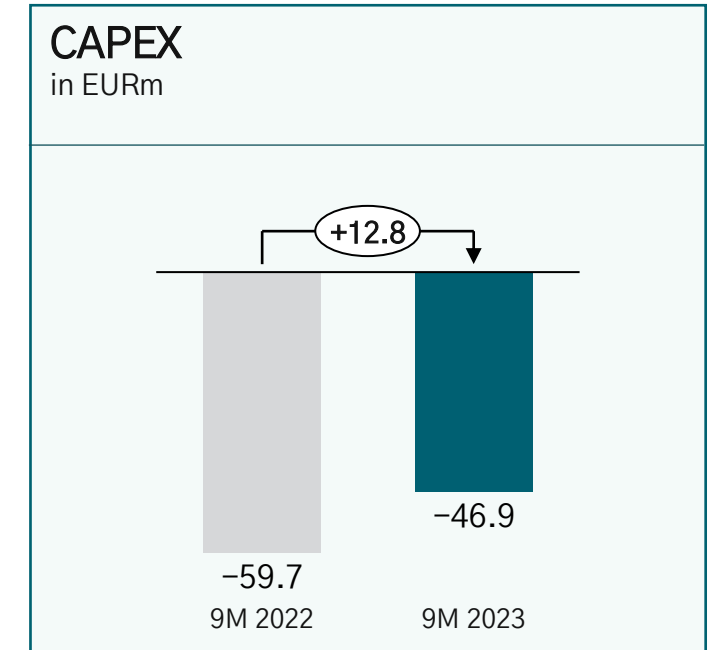
# IMPROVED OPERATING AND FREE CASH FLOW AS WELL AS REDUCED CAPEX POINT INTO THE RIGHT DIRECTION



- Positively impacted by **positive operating result**, higher net interest income as well as higher D&A



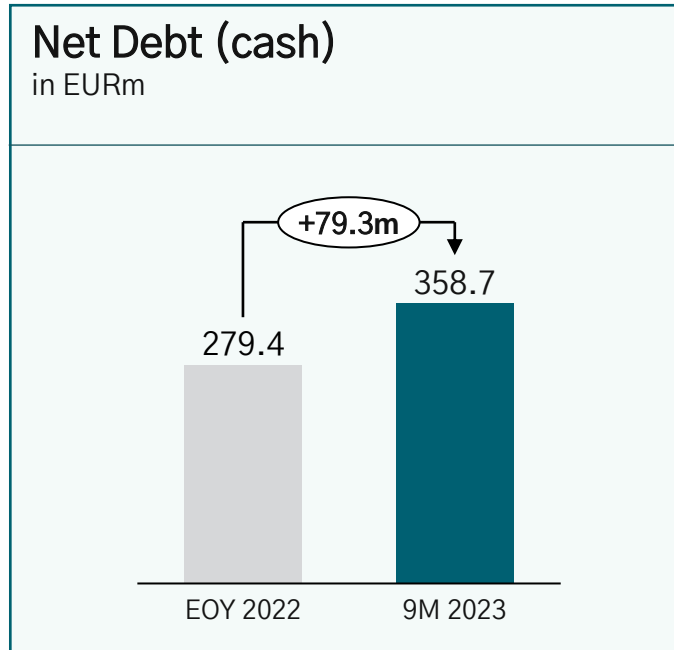
- Positively impacted by improved Operating Cash Flow and reduced capex in 2023



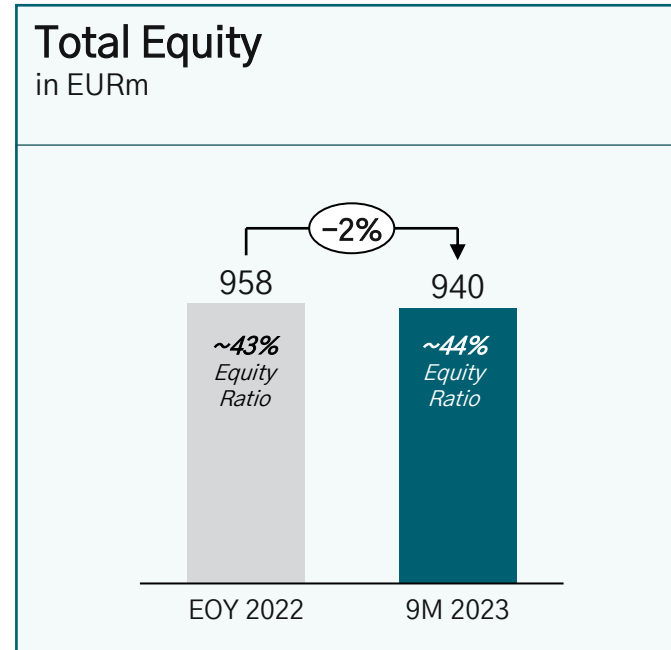
- No new large investments, instead previous ramp-up in final stages



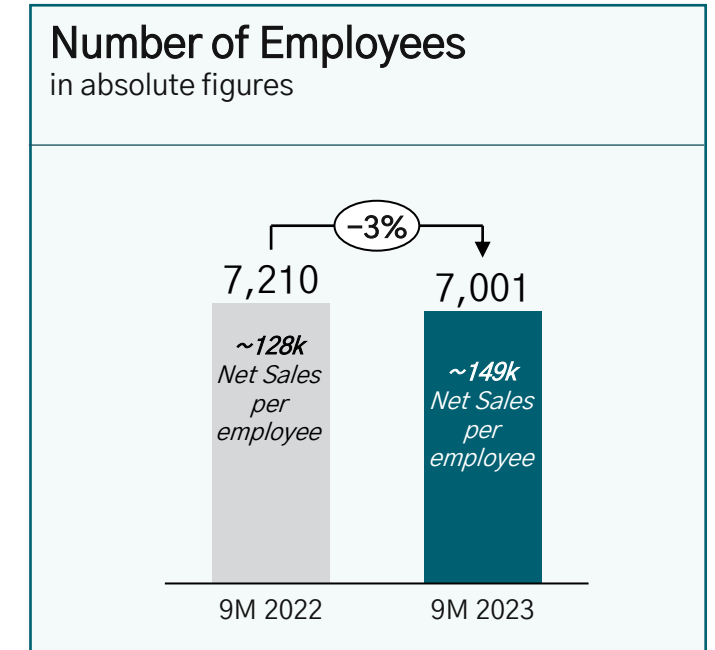
# SOLID FINANCIAL BASIS FOR FUTURE ADVANCEMENTS



- Impacted mainly by **negative FCF**



- **Strong equity ratio** as backbone of Montana Aerospace



- **Stable number of employees** since 2022 although growing output
- **Increased revenue** share per employee

# GUIDANCE 2024



- 1 Sales increase to >EUR 1.7bn
- 2 Adj. EBITDA grows to EUR 180–200M
- 3 Positive Free Cash Flow
- 4 Positive Net Income
- 5 Streamline Trade Working Capital

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