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AD HOC ANNOUNCEMENT

Reinach (Aargau), 03 April 2024

[Ad hoc announcement pursuant to art. 53 LR]

Montana Aerospace AG reports strong FY 2023 financials: +9.5% net sales increase and positive free cash flow (EUR 52.6 million) proving growth path of the Group

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 publishes its full year 2023 results.

HIGHLIGHTS FY 2023

- **Financials:** Net sales grew by 9.5% to EUR 1,430.4 million; adjusted EBITDA¹ rose by EUR 3.5 million to EUR 137.7 million (+2.6%); first-time positive free cash flow for full year (EUR 52.6 million) marks company milestone (EUR +71.5 million versus FY 2022)
- **Segment net sales:** Aerostructures: +10.7%, E-Mobility: -15.9%, Energy: +18.3%
- **Segment adj. EBITDA:** Aerostructures: +28.5%, E-Mobility: +4.0%, Energy: +10.1%
- **Balance sheet:** Net debt reduced to EUR 275.8 million (EUR -3.6 million versus FY 2022); Trade Working Capital decreased to EUR 294.7 million (EUR - 7.0 million

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, M&A and post merger integration (PMI) related expenses as well as the ASTA IPO preparation costs – numbers and reconciliation can be found on page 192 in the annual report 2023 available at [\(click here\)](#)



versus FY 2022 / ~21% TWC/net sales ratio); overall reduced balance sheet sum together with increased equity ratio of 48.3% in FY 2023 (vs. 43.1% in FY 2022)

- **Successful refinancing / ring-fencing implemented:** Montana Aerospace AG successfully signs new syndicated term loans in the amount of EUR 450 million – establishing an independent debt financing structure, streamlining its balance sheet and strengthening its credit worthiness through strict ring-fencing (*see ad-hoc announcement of November 10th, 2023*); however, high interest costs on former debt structure as well as unfavorable exchange rates in the balance sheet, resulted in highly negative financial result and thus negative net income for FY 2023
- **Guidance 2024:** Montana Aerospace expects solid net sales of ~EUR 1.7 billion for 2024 and an adj. EBITDA in the range of EUR 180–200 million; clear commitment of generating a solid positive free cash flow and net income
- **Segment Guidance 2024:** Aerostructures net sales: ~EUR 950 million, Energy net sales: >EUR 580 million, E-Mobility net sales: ~ EUR 200 million
- **Guidance 2025:** Montana Aerospace intends to increase its net sales to close to EUR 2 billion while generating more than EUR 250 million of EBITDA in FY 2025

ON TRACK FOR PROFITABILITY GROWTH

In 2023, we have seen a successful and decisive year for Montana Aerospace. First, let us recall: Since 2020, we have grown our business with a clear vision – we boosted net sales by more than 125%, and our reported EBITDA nearly tripled, despite increased interest rates, negative FX effects and heavy financial implications of Arconic lawsuit (EUR 14 million of legal costs in FY 2023).

Additionally, we have further continued our expansion trajectory. Not only did we grab market share in our Aerostructures segment and increased our contracted sales pipeline to >EUR 7.5 billion, but we also penetrated further a new, promising market – commercial space. Crucial for our company, we achieved a successful group refinancing and are now ring-fenced with standalone traceability, making us fit for the future.

Our figures for the financial year 2023 proof that we are on the right track for this endeavor. Over the past year, Montana Aerospace generated consolidated net sales of EUR 1,430.4 million (+9.5% compared to EUR 1,306.1 million in FY 2022). Our adjusted EBITDA rose from EUR 134.2 million to EUR 137.7 million (+2.6%), with adjustments mainly due to legal costs for the Arconic lawsuit.

For the first time, Montana Aerospace showcased a positive free cash flow, generating EUR 52.6 million of free cash flow, which is EUR +71.5 million compared to last year (EUR –18.9 million). This reflects the finishing of our ramp-up phase with decreased CAPEX (EUR –69.4 million for FY 2023 versus EUR– 86.0 million for FY 2022) and serves as proof for our dedicated



trajectory to clearly focus on increasing our Group's profitability after years of over-proportional top-line growth, which have been enabled by the countercyclical investments undertaken in past years.

NET SALES AND ADJ. EBITDA DEVELOPMENT PER SEGMENT

<i>in EURm</i>	AEROSTRUCTURES		E-MOBILITY		ENERGY	
	2023	2022	2023	2022	2023	2022
Net Sales	704.5	636.4	160.9	191.2	567.3	479.6
<i>yoy growth</i>	+10.7%		-15.9%		+18.3%	
Adj. EBITDA	89.2	69.4	25.4	24.4	25.1	33.6
<i>yoy growth</i>	+28.5%		+4.0%		-25.3%	
<i>Tax processes Δ</i>						-6.8
<i>Non-cash badwill</i>						-16.9
<i>Exceptional energy / logistics costs</i>						+12.9
Adj. EBITDA prior year excluding one-off items						22.8²
<i>yoy growth</i>						+10.1%

AEROSTRUCTURES

Our growth strategy for the Aerostructures segment bore fruits in 2023: Our countercyclical investments enabled us to gain market share by winning important contracts throughout major platforms. For example, Montana Aerospace will embark on the serial production of parts for Airbus Atlantic in Romania, signed multi-year contracts with Boeing in Romania, and has been awarded a significant contract by GKN Fokker in Belgium. Besides our core markets, we secured an attractive contract to manufacture components for a commercial space company. Additionally, we saw an increase in our contracted sales pipeline arising from the lingering uncertainties in the aerospace supply chain. On the other hand, these uncertainties hindered our integration of ASCO, resulting in a negative impact of around EUR 10 million on EBITDA. These developments spurred a 10.7% growth in net sales, and a 28.5% increase in adjusted EBITDA.

² Adjusted for various one-off effects in 2022 relating to the acquisition of São Marco in Brazil, indirect taxes in Brazil and exceptional energy, freight-out and customs costs, ASTA achieved an adjusted EBITDA in the financial year ended December 31, 2022 of EUR 22.8 million. The adjustments are structured as follows: (EUR -6.8 million) in balance of non-cash income from indirect tax adjustments in Brazil, (EUR -16.9 million) of non-cash badwill related to the São Marco acquisition and EUR +12.9 million in exceptional energy and logistics costs.



It is Montana Aerospace' clear strategic path to streamline the company into a more pure-play Aerostructures business in the future.

E-MOBILITY

Montana Aerospace' E-Mobility segment faced a dynamic period that was marked by a successful cost strategy implementation and enhanced profitability levels, yet challenging external market environments. Thanks to proactive management efforts in implementing our strategy from volume to value, our profitability increased: adjusted EBITDA rose by 4.0%, although net sales declined by 15.9%. The sales decrease has been caused mainly by a reduction in net sales of recycled aluminum billets. This has been caused by grey imports from countries outside of Europe, which led to excessive oversupply of aluminum billets, meeting a weak industrial market. Nevertheless, due to our integrated positioning, our long-lasting market expertise, and our experienced management teams, we are confident to again outperform the market in the next years. Going forward, we proudly introduce low-emission aluminum products and expect to further distinguish ourselves as a quality- and cost leader and as the partner of choice for German premium car manufacturers.

ENERGY

Our Energy segment has experienced an unforeseen structural market shift in the power transmission and generation markets. These tailwinds are expected to last beyond a 'supercycle': Known in earlier days as a business landscape marked by overcapacities and weak demand, our core environments have transformed into markets with structural undersupply and immense pull effects. This is driven mainly by the soaring demand of our customers, commenced by the global energy and mobility transitions. For the Energy segment, these developments result in highly visible tailwinds for the decades to come. In 2023, our Energy segment's net sales grew by 18.3% and our adjusted EBITDA rose by 10.1%. In our operations, these developments are evident through groundbreaking ceremonies in Bosnia and Herzegovina, where a new state-of-the-art facility is currently ramped up, and in China, where production lines for EV components are being built. In addition, ASTA has further strengthened its low-carbon footprint by extending its recycling lines in Brazil and evaluating constructions in other geographies around the globe.

REFINANCING

The successful signing of a new syndicated term loan in the amount of EUR 450 million marked a milestone achieved in the past year. Provided by a syndicate of banks, the tranches consist of a term loan of EUR 300 million, which has been used for the repayment of outstanding promissory notes (which have been guaranteed by the majority shareholder Montana Tech Components AG) as well as a revolving credit facility in the amount of EUR 150 million. All tranches are unsecured and contain certain financial covenants (net debt/EBITDA and equity ratio) at the level of Montana Aerospace AG. There are no linkages to the majority shareholder or its other shareholdings, and the maturity of all tranches is three



years. With this refinancing, Montana Aerospace is now strictly ring-fenced. (see *ad-hoc announcement of November 10th, 2023*).

ESG

In 2023, Montana Aerospace has intensified its ESG undertakings. Among many other initiatives, we committed to the net-zero targets of the Science Based Targets Initiative, and underwent our inaugural materiality assessment. Both actions embody pivotal steps together with our main stakeholders in strengthening our responsibility to be a sustainable company. All three of our segments actively contributed to our ESG programs. With leading efforts in low-carbon recycled products made of copper or aluminum in the Energy and E-Mobility segments, Montana Aerospace is geared to be an ESG-leader in the years to come.

OUTLOOK

Montana Aerospace is tackling 2024 with confidence. Regarding our 2024 guidance, we expect to achieve net sales of around EUR 1.7 billion, and an adjusted EBITDA in the range of EUR 180 to 200 million. Moreover, we clearly commit to generating a solid positive free cash flow and net income. Furthermore, Montana Aerospace targets to streamline its portfolio and embark on the journey to becoming a more pure-play Aerostructures company in the future.

Our Aerostructures segment will remain the main growth driver, with projections for net sales of approximately EUR 950 million, followed by the Energy segment, where we expect net sales of greater EUR 580 million. For our E-Mobility segment, we guide for net sales of approximately EUR 200 million for FY 2024.

For FY 2025, Montana Aerospace AG intends to increase its net sales to close to EUR 2 billion while generating more than EUR 250 million of EBITDA.

ANNUAL GENERAL MEETING

The 2024 Annual General Meeting (AGM) is scheduled to take place on Tuesday, 21 May 2024, at 11:00 a.m. CET at Walder Wyss AG, Seefeldstraße 123, 8034 Zürich (Switzerland) (door opening at 10:00 a.m. CET, start of the AGM at 11:00 a.m.). Relevant information will be published in the second half of April 2024 online at [\(click here\)](#).

CONFERENCE CALL

A conference call with Co-CEO Kai Arndt and Co-CEO & CFO Michael Pistauer will take place today from 2.30pm-3.30pm CET. Participants may pre-register and will receive dedicated dial-in details to easily and quickly access the call: [\(click here\)](#) The respective earnings call

presentation for the financial year 2023 can be found shortly prior the call on the website in the “Investor Relations” section.



FY 2023 – SELECTED KEY FIGURES

(in M€)	2023	2022	YoY change
Net Sales	1,430.4	1,306.1	+124.3
EBITDA	117.8	126.9	-9.1
Adjusted EBITDA	137.7	134.2	+3.5
Adjusted EBITDA margin (%)	9.6%	10.3%	-0.7%
Operating result	14.8	17.7	-2.9
Operating result margin (%)	1.0%	1.4%	-0.4%
Result for the period	-38.4	-36.8	-1.6
Cash Flow from operating activities	124.1	131.4	-7.3
Cash Flow from investing activities	-71.5	-150.3	+78.8
Cash Flow from financing activities	-303.3	-66.4	-236.9
Free Cash Flow	52.6	-18.9	+71.5
CAPEX spent	-69.4	-86.0	+16.6
Trade Working Capital	294.7	301.7	-7.0
Equity Ratio (%)	48.3%	43.1%	+5.2%
Net Debt (cash)	275.8	279.4	-3.6
Total Assets	1,935.5	2,220.6	-285.1
Employees	7,240	6,708	+532

The full report for the financial year 2023 is available online at [\(click here\)](#)



UPCOMING EVENTS³

<i>8 May 2024⁴</i>	<i>Interim Financial Report – 1st Quarter 2024</i>
<i>21 May 2024</i>	<i>Annual General Meeting</i>
<i>15 Aug 2024</i>	<i>Interim Financial Report – 2nd Quarter/Half Year 2024</i>
<i>14 Nov 2024</i>	<i>Interim Financial Report – 3rd Quarter 2024</i>

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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 7,200 highly skilled employees at 23 locations on four continents – designing, developing and producing ground-breaking technologies for tomorrow's Aerostructures, 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.

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.

³ Detailed information can be found here: <https://www.montana-aerospace.com/en/investors/>

⁴ Publication has been initially planned for 9 May 2024, but has been rescheduled due to Swiss public holiday