



MONTANA AEROSPACE

FY 2023 EARNINGS CALL

03 APRIL 2024

SPEAKING TO YOU TODAY



KAI ARNDT

CO-CEO



MICHAEL PISTAUER

CO-CEO & CFO





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

EXECUTIVE SUMMARY – FINANCIAL YEAR 2023



MONTANA AEROSPACE REPORTS STRONG FINANCIALS, INCLUDING NET SALES GROWTH (+9.5%) AND POSITIVE FREE CASH FLOW (€52.6M)

- **Highlights FY23:** Net sales €1,430.4m (+9.5% versus FY22), adj. EBITDA⁽¹⁾ €137.7m (+2.6%), first-time positive free cash flow for full year (€52.6m)
- **Balance sheet:** Net debt reduced to €275.8m (€-3.6m vs. FY2022), trade working capital €294.7m (€-7.0m vs. FY2022), equity ratio 48.3% (43.1% in FY22)
- **Net income:** 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
- **Successful refinancing:** Signing of new syndicated term loans (€450m), strict ring-fencing, no ties on major shareholder anymore

HIGHLY POSITIVE DEVELOPMENTS IN AEROSTRUCTURES & ENERGY SEGMENTS, E-MOBILITY SEGMENT WITH IMPROVED PROFITABILITY

- **Aerostructures:** Net sales €704.5m (+10.7%), adj. EBITDA €89.2m (+28.5%)
- **E-Mobility:** Net sales €160.9m (-15.9%), adj. EBITDA €25.4m (+4.0%)
- **Energy:** Net sales €567.3m (+18.3%), adj. EBITDA €25.1m (+10.1%⁽²⁾)

OUTLOOK

- **Group guidance 2024:** Net sales: ~€1.7bn, adj. EBITDA: €180–200m, positive free cash flow & net income
- **Segment guidance 2024:** Aerostructures net sales: ~€950m, Energy net sales: >€580m, E-Mobility net sales: ~€200m
- **Group guidance 2025:** Net sales: close to €2bn, EBITDA: >€250m with strong free cash flow conversion

Note(s): (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](#); (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.

WE ARE MISSION-CRITICAL IN ALL THREE SEGMENTS:

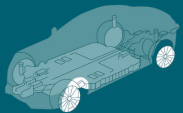


AEROSTRUCTURES



“MISSION-CRITICAL AEROSTRUCTURES FOR EVERY AIRCRAFT IN THE SKY”

E-MOBILITY



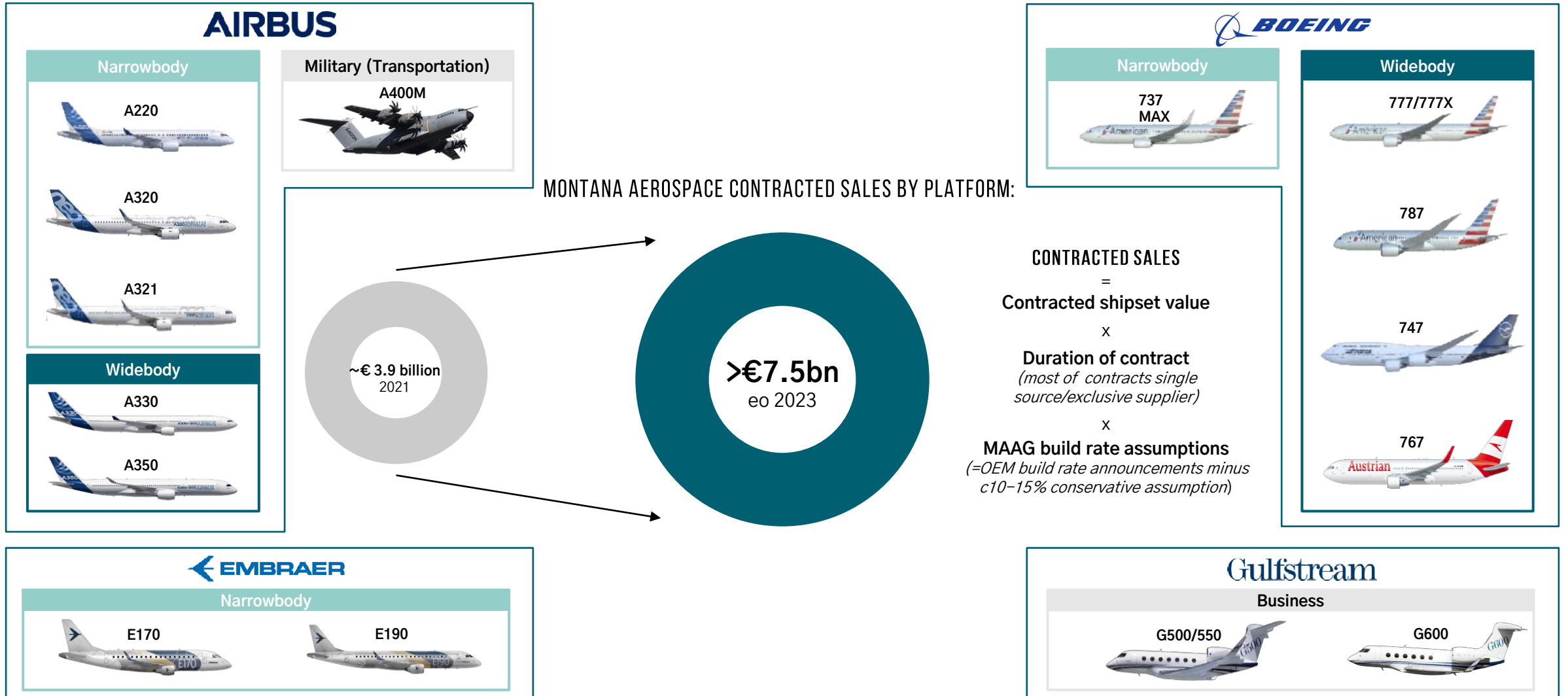
“LIGHTWEIGHT E-MOBILITY SOLUTIONS TO ENABLE THE MOBILITY REVOLUTION”

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**



FY 2023 – KEY FINANCIAL HIGHLIGHTS



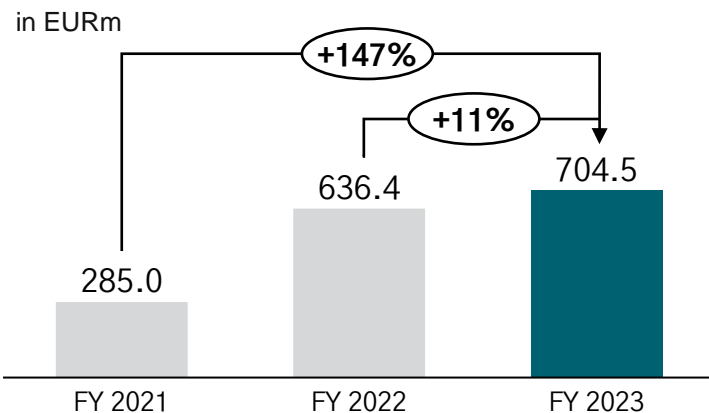
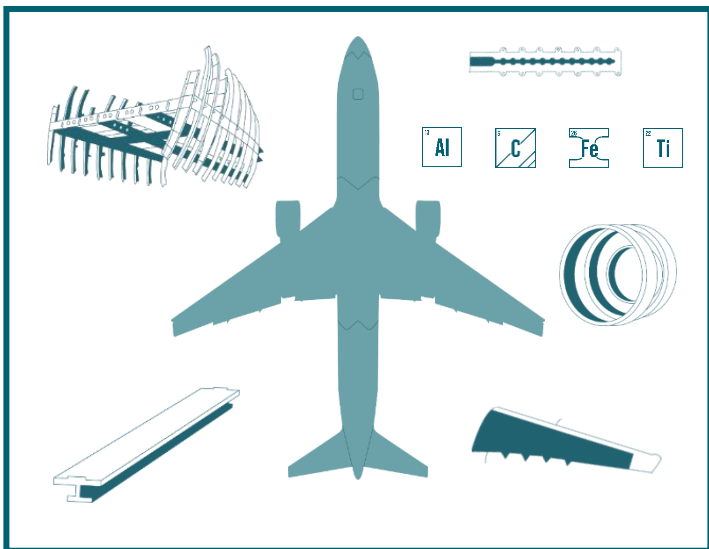
| <i>in EURm</i> | FY 2022 | | FY 2023 | <i>yoy change</i> | |
|----------------------------|----------------------|---|---------|-------------------|---|
| Net Sales | 1,306.1 | ↗ | 1,430.4 | +9.5% | ✓ |
| Adj. EBITDA | 134.2 ⁽¹⁾ | → | 137.7 | +2.6% | ✓ |
| CAPEX spent ⁽²⁾ | -86.0 | ↘ | -69.4 | +16.6 | ✓ |
| TWC | 301.7 | → | 294.7 | -2.3% | ✓ |
| Total assets | 2,220.6 | ↘ | 1,935.5 | -12.8% | ✓ |
| Net debt | 279.4 | → | 275.8 | -3.6 | ✓ |
| Free Cash Flow | -18.9 | ↗ | 52.6 | +71.5 | ✓ |

Note(s): (1) For comparison reasons, 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) have been included in the FY 2022 adjusted EBITDA. (2) Acquisition of intangible assets and property, plant and equipment

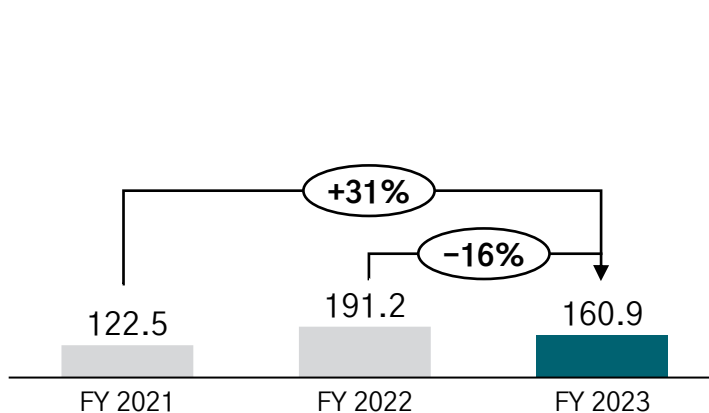
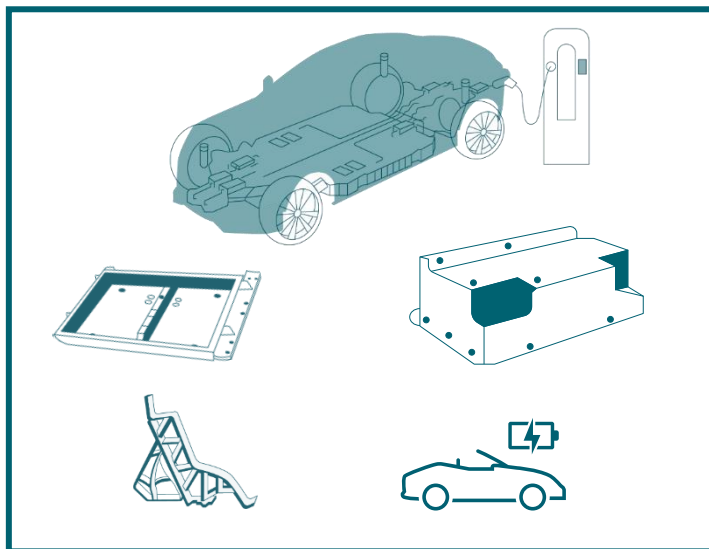
STRONG SALES PERFORMANCE IN AEROSTRUCTURES & ENERGY – E-MOBILITY LAGGING A LITTLE BIT BEHIND



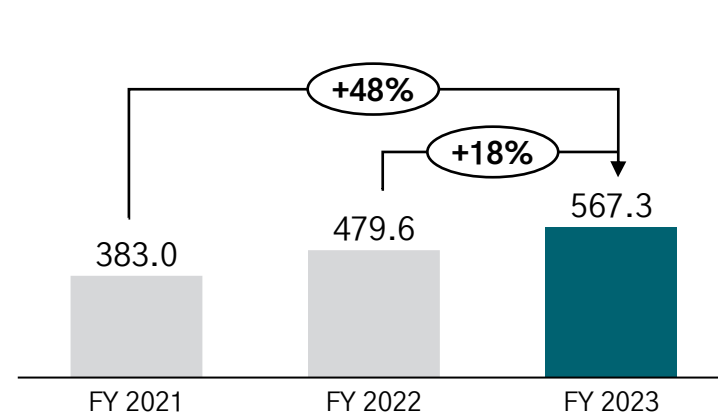
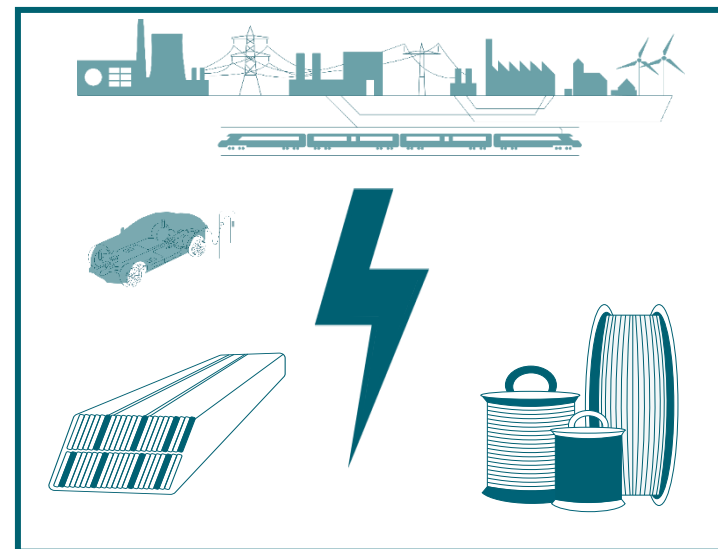
AEROSTRUCTURES



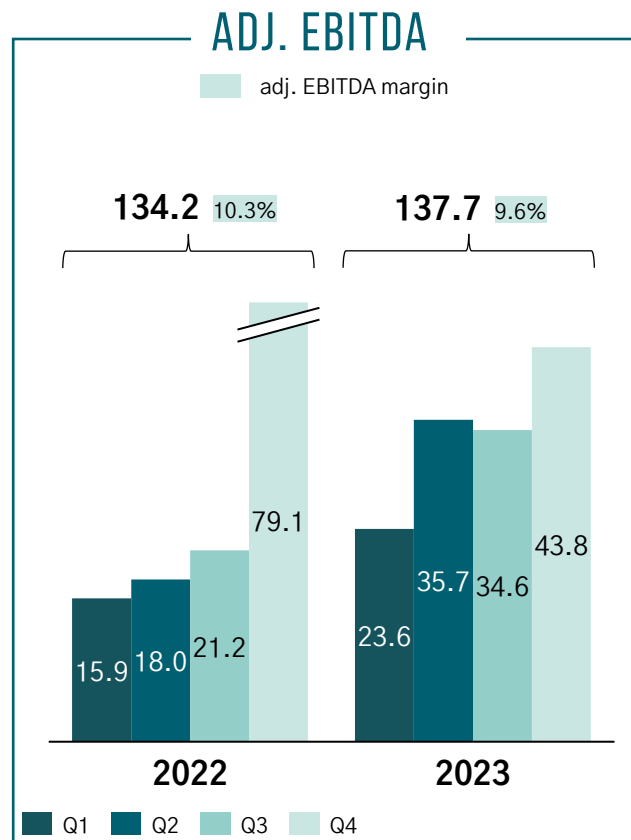
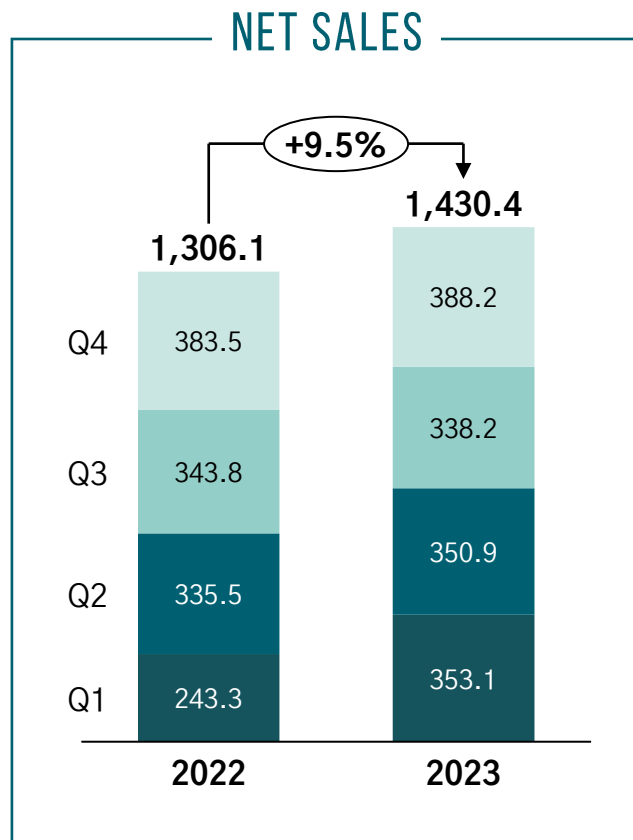
E-MOBILITY



ENERGY



MONTANA AEROSPACE GROUP: GROWTH IN NET SALES AND ADJUSTED EBITDA

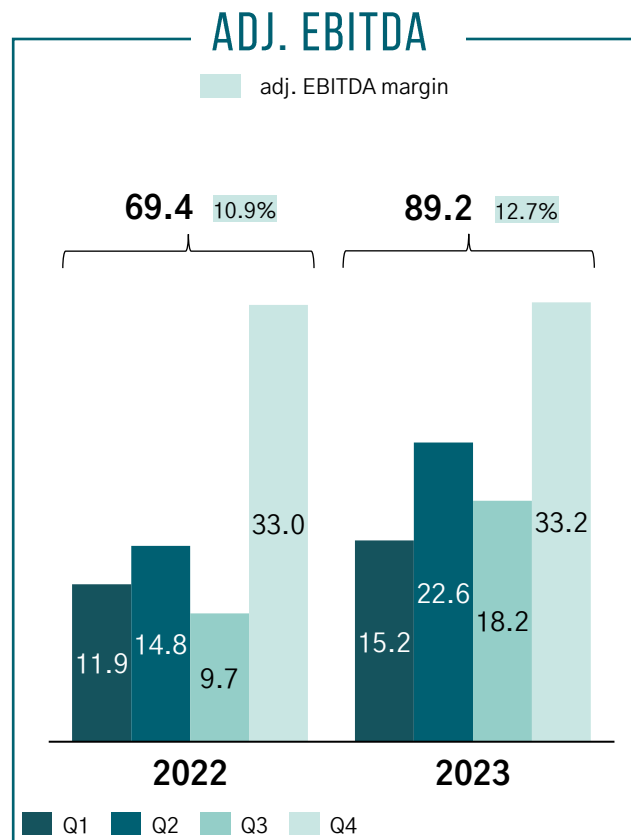
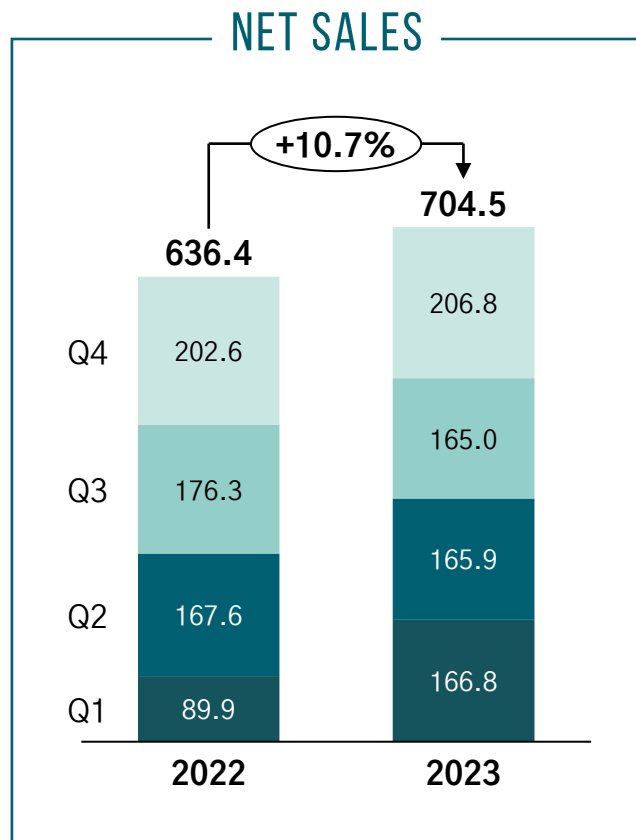


DESCRIPTION

- In FY23, Montana Aerospace generated **net sales of €1,430.4 million** (+9.5% compared to FY22)
- However, this was slightly below our own guidance of **EUR 1.5 billion**, due to the **ongoing challenging supply dynamics** for external billets in our E-Mobility segment
- **Adjusted EBITDA** rose to **€137.7 million** (+2.6%)
 - **Adjustments** mainly due to **legal costs** for Arconic lawsuit (€14 million)
- For **comparison** reasons, in addition to strong operative performance, especially in Q4 2022, **one-off effects**, amounting to **~ EUR 30.0 million** have been included in the FY 2022 adjusted EBITDA

All figures in EURm

AEROSTRUCTURES SEGMENT: STRONG COMMERCIAL PERFORMANCE IN 2023

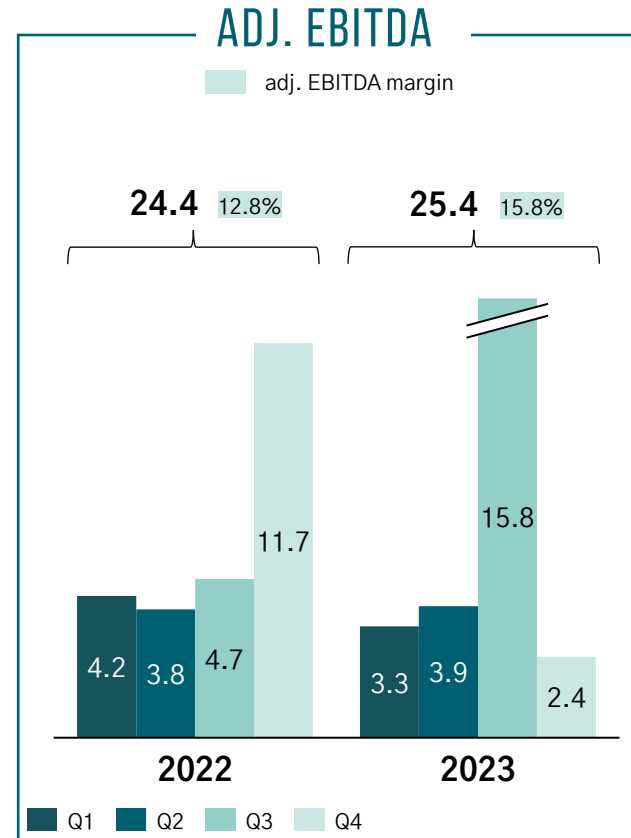


DESCRIPTION

- In FY23, the **Aerostructures segment** achieved **net sales of €704.5 million** (+10.7% vs. FY22)
 - Spurred by **sales wins** (e.g., Airbus Atlantic, Boeing, GKN Fokker)
 - Penetrating **commercial space** market with new contract
- **Adjusted EBITDA** increased to **€89.2 million** (+28.5%)
 - **Anticyclical investments** bore fruits in 2023
 - Ongoing **supply chain uncertainties** at ASCO, with negative impact on EBITDA of **~€10 million**
 - **Fully on track** for **successful development** of the segment (regardless of the OEM's rate decisions)

All figures in EURm

E-MOBILITY SEGMENT: IMPROVED PROFITABILITY IN CHALLENGING MARKET



DESCRIPTION

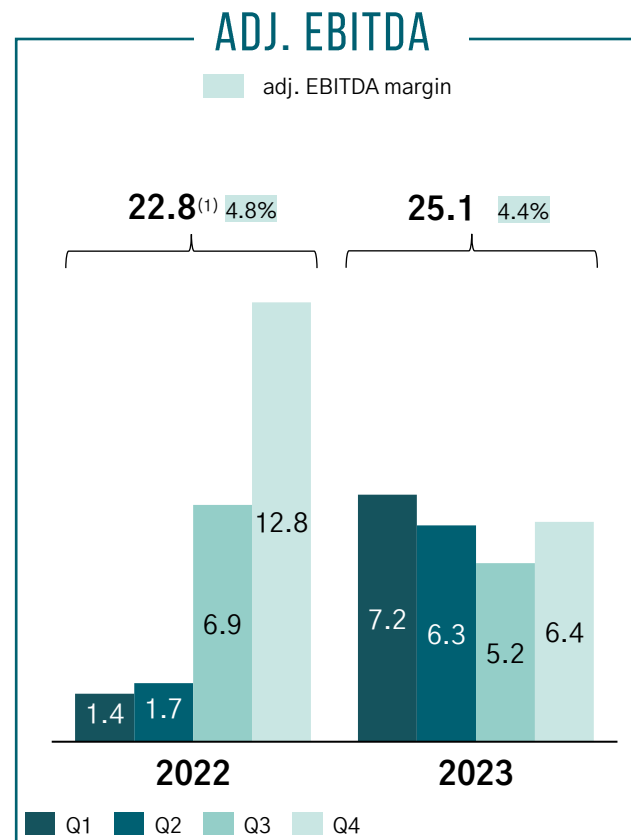
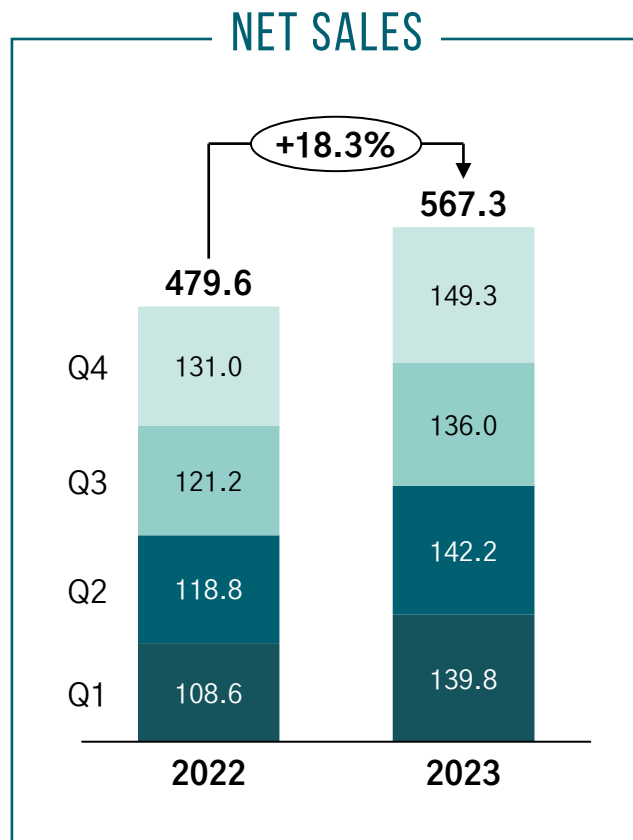
- In FY23, the **E-Mobility segment** generated **net sales of €160.9 million** (-15.8% vs. FY22)
 - **Sales decrease** mainly caused by reduction of sales of recycled **aluminum billets**
 - **Grey imports** from outside Europe led to **oversupply** and met **weak industrial market**
- **Adjusted EBITDA of €25.4 million** achieved (+4.0%)
 - Successful **cost strategy implementation**
 - Through **proactive management** efforts in implementing our strategy from **volume to value**, the profitability increased **while top line suffered**

All figures in EURm

ENERGY SEGMENT: REAPING BENEFITS FROM STRUCTURAL MARKET SHIFT



DESCRIPTION

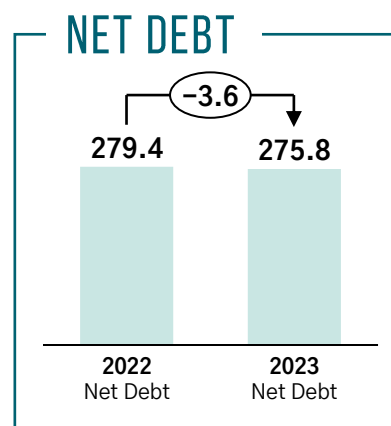
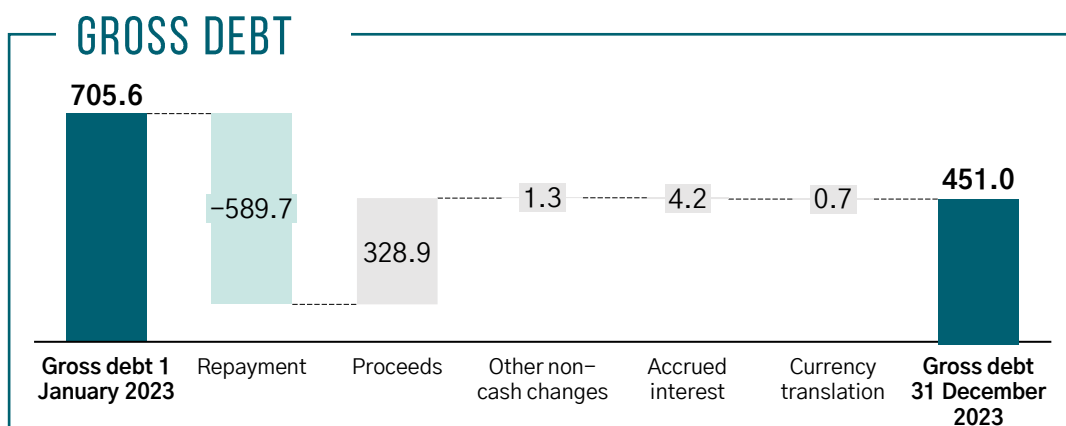
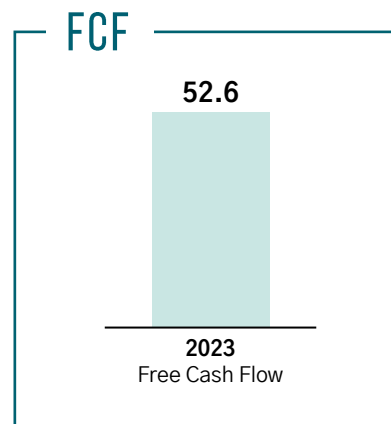
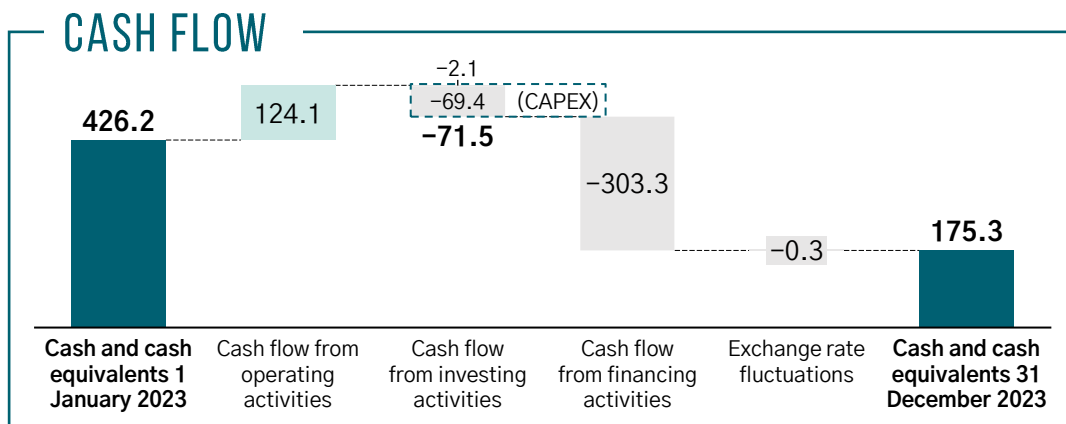


- In FY23, the **Energy segment** achieved **net sales** of **€567.3 million** (+18.3% vs. FY22)
 - **Tremendous opportunities** thanks to energy-transition-related **structural market shifts**
 - **Energy transition** boosting customer demand, expected to last beyond a 'supercycle'
 - Core markets strongly **undersupplied**, immense **pull-effects**
- **Adjusted EBITDA** rose to **€25.1 million** (+10.1%⁽¹⁾)
- **Groundbreaking ceremonies** in Bosnia and Herzegovina as well as China (**e-mobility**) proof **operational growth**

All figures in EURm

Note(s): (1) 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.

IMPROVED FREE CASH FLOW AS WELL AS REDUCED CAPEX POINT AS BACKBONE OF FUTURE STRATEGY

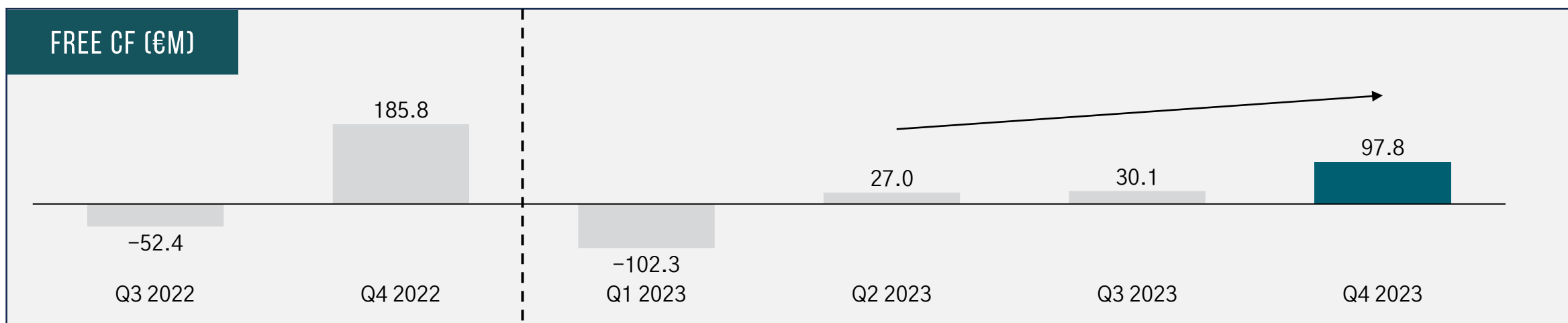
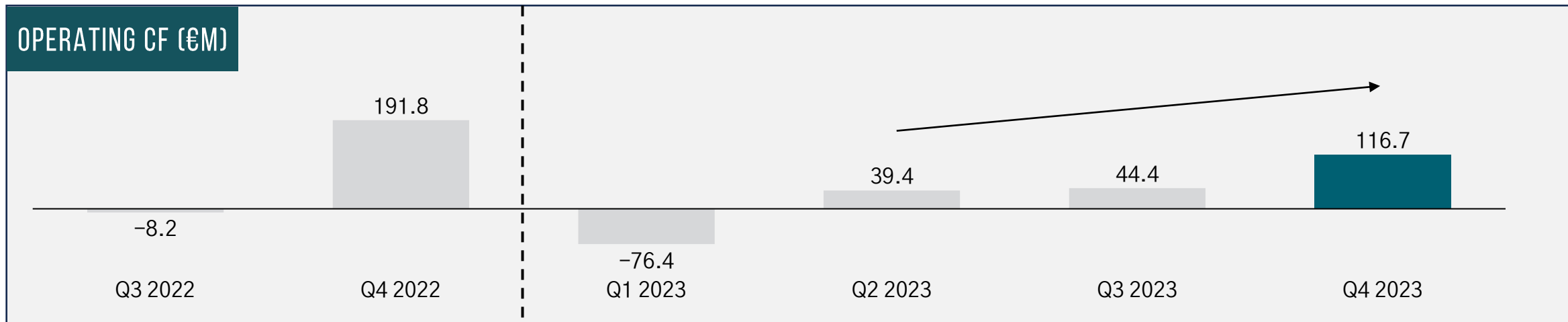


DESCRIPTION

- In FY23, **Montana Aerospace**, for the first time, generated a **positive FCF of €52.6 million** (+€71.5 million vs. FY22)
 - Marking the **end of ramp-up** phase with **decreased CAPEX of €69.4 million** (€16.6 million lower vs. FY22)
 - **In line** with the company's trajectory towards **higher profitability** after years of **over-proportional top-line growth**
- In FY23, **Montana Aerospace** completed a **successful refinancing** with new syndicated term loans in the amount of **€450 million**
 - Used for **repayment of outstanding SSD/promissory notes**, which is reflected in the cash flow from **financing activities**

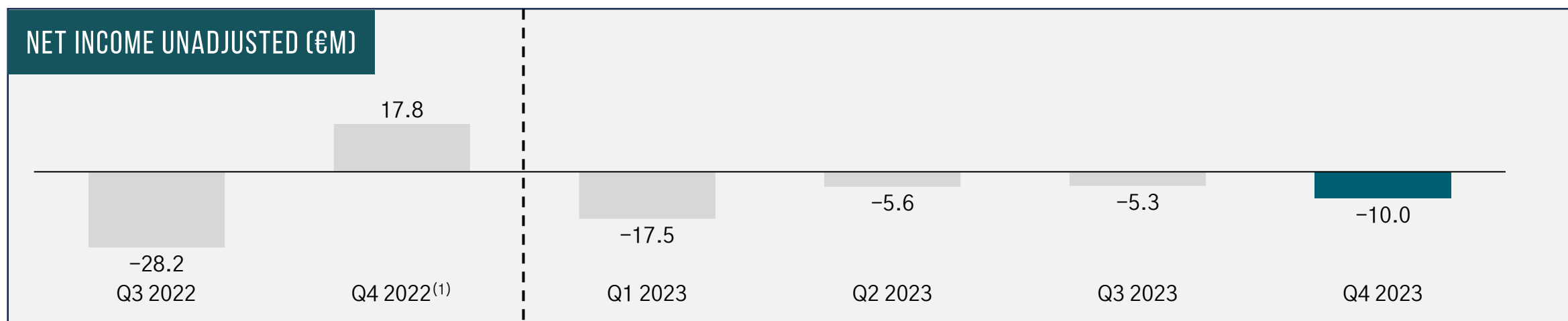
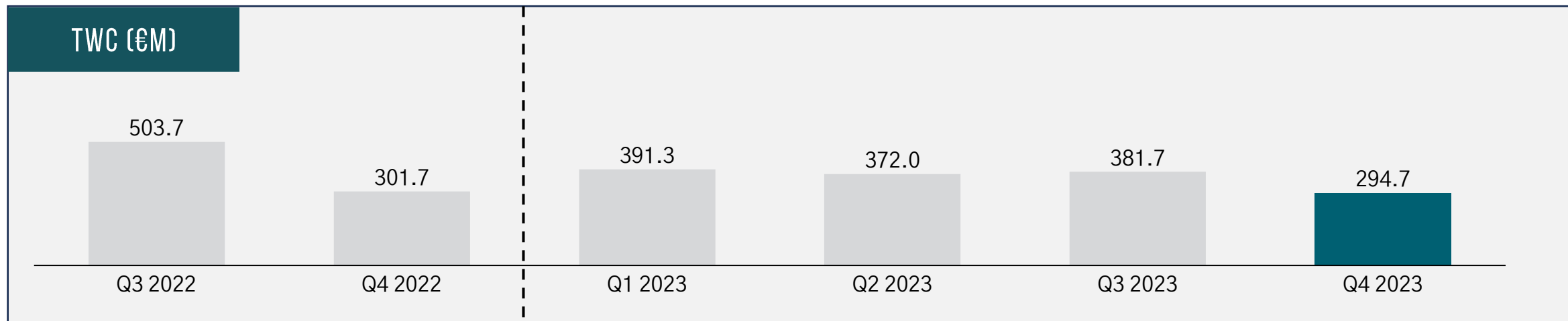
All figures in EURm

CONSTANT POSITIVE DEVELOPMENT OF CF ON QUARTERLY BASIS



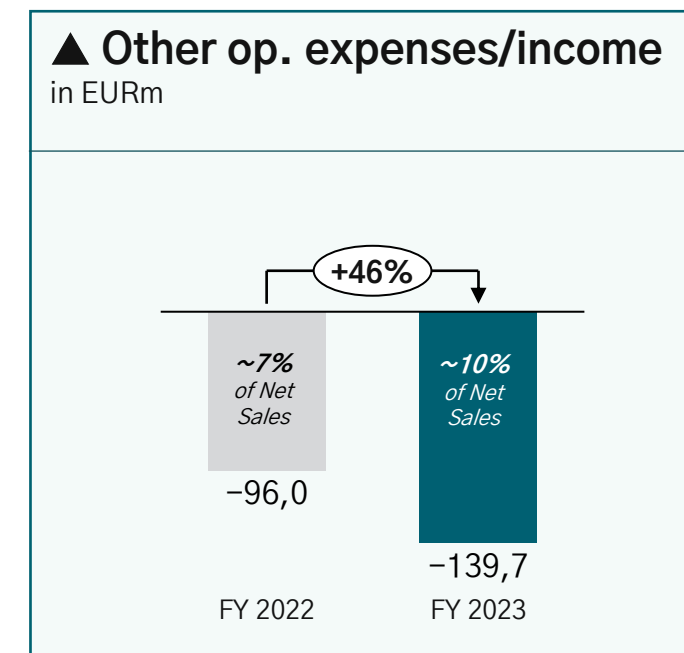
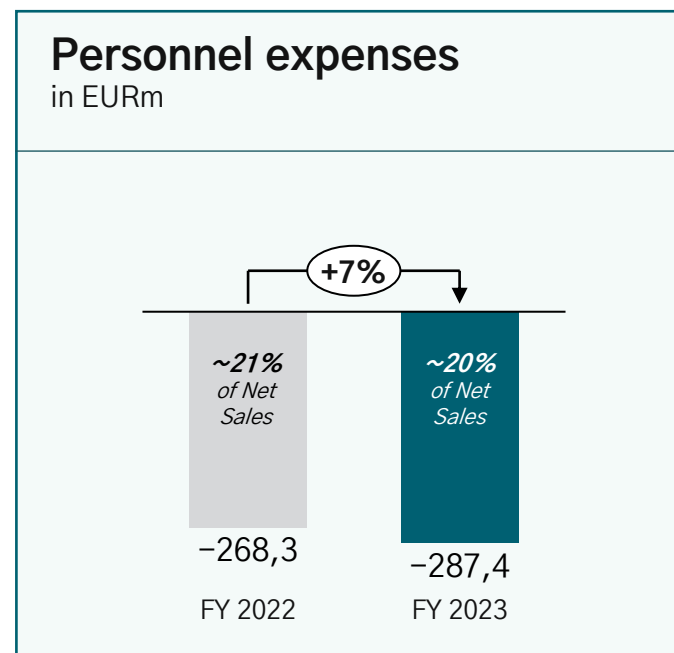
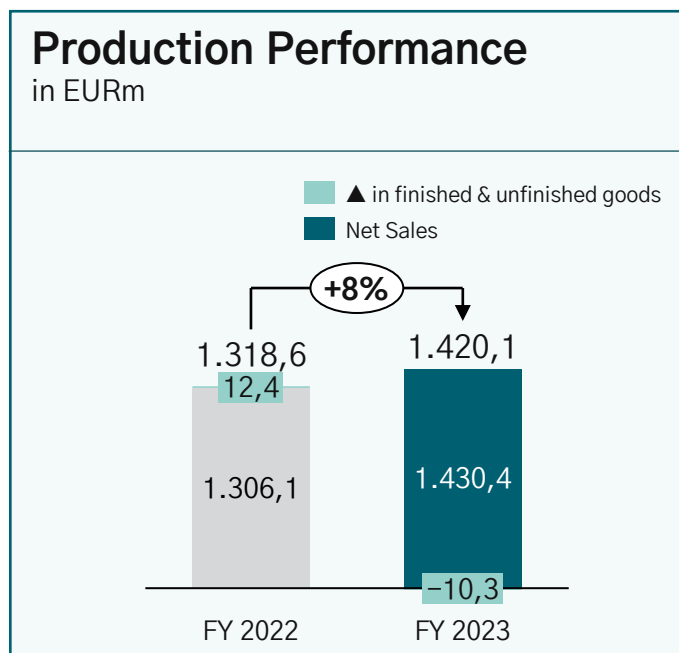
Note(s): (General) Q2 2022 – Q4 2022 include former non-core machinery business (Alpine Metal Tech/AMT), which was divested in Dec. 2022

REDUCED TWC LEVELS TO REACH MORE SUSTAINABLE LEVELS



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

DEVELOPMENT OF KEY KPI'S IN LINE WITH GUIDANCE



- 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 development **favorable** compared to FY 2022 concerning **percentage of Net Sales**
- Sales per FTE **increased** to **€197.6k** in FY 2023 (+2.9k vs. FY 2022) reflecting increased **labor productivity**

- Other operating expenses **lower** compared to FY 2022
- Other operating income returned to a more **sustainable level** in FY 2023 w/o significant effects from **asset acquisitions and disposals**⁽¹⁾

Note(s): (1) In FY 2022, other operating income was affected by gains from disposal of Alpine Metal Tech GmbH (which was divested by years end 2022) and acquisition of Sao Marco Industria y Comercio LTDA

GUIDANCE

2024:



Sales increase to ~EUR 1.7bn

Adj. EBITDA growth to EUR 180–200M

Positive Free Cash Flow

Positive Net Income

Streamline Trade Working Capital

2025:

Sales of close to EUR 2.0bn

Adj. EBITDA growth to >EUR 250M

DISCLAIMER



THIS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA, JAPAN, SOUTH AFRICA OR ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL.

This presentation, which includes oral statements made at the presentation hereof and any material distributed in connection with this presentation (together, the “Presentation”), contains confidential information regarding Montana Aerospace AG (the “Company”) and each of its subsidiaries and controlled affiliates (jointly referred to as the “Group”) and is being provided to you on a confidential basis. This Presentation has been prepared for information purposes only in connection with preliminary discussions in relation to the Group as set out in this Presentation and may in particular not be used in making any investment decision. This Presentation and its contents are solely for your information on a confidential basis and may not be reproduced, distributed, published, passed on or disclosed, in whole or in part, by any medium or in any form, to any other person or used for any other purpose, without the prior written consent of the Company. Any copyrights which may derive from this Presentation shall remain with the Company. Without limitation, copies of this Presentation may not be sent to countries, or distributed in or sent from countries, in which this is barred or prohibited by law. If you have received this Presentation and you are not an interested party or are not otherwise permitted by law to receive it, you must return it immediately to the Company.

This Presentation has been prepared by the Company and includes information obtained from third party sources. This Presentation is intended to provide a general overview of the Group’s business and does not purport to deal with all aspects and details regarding the Company and the Group. The information and opinions contained in this Presentation do not purport to be comprehensive and are provided as at the date of this Presentation or as of the date specified herein. Certain financial information (including percentages) in this Presentation may have been rounded according to commercial standards. As a result, the aggregate amounts may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Presentation. The information in this Presentation is of a preliminary and abbreviated nature and may be subject to updating, revision and amendment, and may change materially.

Certain financial data included in this Presentation consists of non-IFRS financial measures. These non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS financial measures and ratios included herein. In addition, the financial information for the years ended 31 December 2018, 2019 and 2020 contained herein is in draft form, has not been audited or reviewed, and should be considered preliminary and subject to change. Accordingly, such information presented herein should be treated as merely indicative of the performance of the Group and shall be superseded in its entirety by the Group’s audited combined financial statements for the years ended 31 December 2018, 2019 and 2020. None of the Company, the Group, Joh. Berenberg, Gossler & Co. KG (“Berenberg”), or any other person has independently verified the information contained in this Presentation. No representation, warranty or undertaking, express or implied, is given as to the accuracy, fairness or completeness of the information, opinions, projections or estimates given or contained in this Presentation and no liability is accepted for any such information or opinions or for any errors or omissions or any loss howsoever arising, directly or indirectly, from use of this Presentation or its contents or otherwise arising in connection therewith. None of the Company, the Group, Berenberg, or any other person is under any obligation to update or keep current the information contained in this Presentation or to correct any inaccuracies which may become apparent, and any opinions expressed herein are subject to change without notice. The Company reserves the right to amend or replace the Presentation at any time, and undertakes no obligation to provide the recipients with access to any additional information. Nothing in this Presentation is, or should be relied upon as, a promise or representation as to the future.

This Presentation contains specific forward-looking statements, beliefs or opinions, which are based on management’s current beliefs, expectations and projections about future events and operational performance. These statements may contain terms like “potential”, “believe”, “assume”, “anticipate”, “expect”, “forecast”, “project”, “may”, “could”, “might”, “target”, “estimate”, “will” or similar expressions. All statements other than statements of historical facts included in this Presentation, including, without limitation, those regarding the Company’s financial position, business strategy, plans, intentions, beliefs, objectives and expectations of management for future operations, transactions, and customer or industry developments are forward-looking statements. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may result in a substantial divergence between the actual results, financial situation, development or performance of the Company from those explicitly or implicitly presumed in these statements. Past developments cannot be relied on as a guide to future developments. You should not place undue reliance on forward-looking statements, which speak of the date of this Presentation. In addition, forward-looking statements are not intended to give any assurances as to future results and statements regarding past trends should not be taken as a representation that they will continue in the future. The Company, the Group, Berenberg and their respective directors, officers, employees, shareholders, affiliates, agents and advisers each expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations or any change in the events, conditions or circumstances on which any such statement is based, unless otherwise required by law.

Further, this Presentation includes market share and industry data obtained by the Company from industry publications and surveys. The Company may not have access to the facts and assumptions underlying the numerical data, market data and other information extracted from public sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Neither the Company, the Group, Berenberg, nor any of their respective directors, officers, employees, shareholders, affiliates, agents and advisers are able to verify such information, and assume no responsibility for the correctness of any such information. In addition, certain of the industry and market data, if not labelled otherwise, contained in this Presentation are derived from the Company’s internal research and estimates based on the knowledge and experience of its management in the markets in which it operates. Accordingly, undue reliance should not be placed on any of the numerical or market data contained in this Presentation.

This Presentation does not constitute or form part of, and should not be construed as, an offer or invitation or inducement or solicitation of offers to subscribe for, underwrite or otherwise acquire, any securities of the Company, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Group, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This communication is not a prospectus within the meaning of the Swiss Financial Services Act (the “FinSA”) and will not be reviewed by any competent authority. Any offer of securities of the Company will be made solely by means of, and on the basis of, a prospectus that will contain, among others, detailed information about the Company, the Group and its management, the offered securities (specifically the associated rights, obligations and risks) as well as the offer itself. This communication is not advertisement in the sense of article 68 of the FinSA. Any person considering the purchase of any securities of the Company must inform itself independently based solely on such prospectus (including any supplement thereto). This Presentation does not constitute a recommendation regarding any securities. This Presentation does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The Company has not registered and does not intend to register any securities under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Company does not intend to engage in any public offering of securities in the United States. Within the member states of the European Economic Area (the “EEA”), this Presentation is being made, and is directed only, at persons who are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the “Prospectus Regulation”) (“Qualified Investor”). Any person in the EEA who is not a Qualified Investor should not act on the basis of information contained in this Presentation. This Presentation is not being distributed to, and must not be passed on to, the general public in the United Kingdom. This announcement is made to and is directed only at persons who are Qualified Investors who fall within Article 19 or Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, and to those persons to whom it can otherwise lawfully be distributed (all such persons together being referred to as “relevant persons”). This communication and the securities referred to herein are, and will be made, available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, such relevant persons. No other person should rely or act upon it. This communication is not intended for distribution to and must not be passed on to any retail client.

By attending this Presentation and/or by accepting this Presentation and/or any related materials, you agree (i) to be bound by the conditions and restrictions set out herein and (ii) that you will not at any time have any discussion, correspondence or contact concerning the information given at the Presentation and/or in this Presentation with any of the directors or employees of the Company nor with any of its shareholders, or any governmental or regulatory body without the prior written consent of the Company. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This Presentation does not constitute investment, legal, accounting, regulatory, taxation or other advice.

THIS PRESENTATION IS NOT AN INVITATION TO PURCHASE SECURITIES OF THE COMPANY OR THE GROUP

