MONTANA AEROSPACE AG

+41 62 765 25 00
Alte Aarauerstrasse 11
5734 Reinach
Switzerland

office@montana-aerospace.com
www.montana-aerospace.com

Commercial register:
CHE-248.340.671

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AD HOC ANNOUNCEMENT

Reinach (Aargau), 14 November 2024
[Ad hoc announcement pursuant to art. 53 LR]

Montana Aerospace AG achieves robust 9M 2024 results, reporting an increase in net sales (+19% yoy) and over-proportional EBITDA-growth (+62% yoy) amid contrary market situations in its key segments

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, today publishes its 9M 2024 results.

HIGHLIGHTS 9M 2024

- **Financials[1]:** Net sales grew by 18.8% (yoy) to EUR 1,086.3 million; adjusted EBITDA[2] rose from EUR 75.6 million to EUR 118.1 million (+56.1% yoy) through robust operative developments across segments
- **Segment net sales:** Aerostructures: +23% and Energy: +12%
- **Segment adj. EBITDA:** Aerostructures: +68% and Energy: +36%

[1] Financials only show Aerostructures, Energy & Other segment – E-Mobility treated as discontinued operation; comparative information has been restated due to a discontinued operation for 9M 2023 as well – numbers and reconciliation can be found on page 5 in the 9M interim financial statement 2024

[2] 'Adjusted EBITDA' as EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for legal costs (mainly for the Arconic lawsuit) and the management stock option program related expenses – numbers and reconciliation can be found on page 21 in the 9M interim financial statement 2024

- **Guidance 2024:** Following the divestment of the E-Mobility segment, Montana Aerospace expects solid net sales of more than EUR 1.5 billion (vs. EUR 1.7 billion incl. E-Mobility) with an adj. EBITDA of around EUR 165 million (vs. >EUR 180 million incl. E-Mobility) for 2024; clear commitment to generating a solid positive free cash flow and net income (cont. operations)
- **Segment guidance 2024 updated:** Aerostructures net sales: ~EUR 850-900 million and Energy net sales: >EUR 600 million
- **Guidance 2025 updated**: as an outcome of the strike implications at Boeing and general macro build rate weaknesses, Montana Aerospace expects its net sales to reach >EUR 1.6 billion (vs. previous guidance of EUR 1.7 billion) with an adj. EBITDA of >EUR 200 million (vs. previous guidance of EUR 240 million) in 2025

ROBUST DEVELOPMENT AMID CONTRARY MARKET SITUATIONS

During first nine months of the fiscal year 2024, Montana Aerospace' two largest segments, Aerostructures and Energy, have continued their growth path and increased their net sales while again over-proportionally boosting EBITDA figures. This has been achieved in markets facing dissimilar external circumstances. Aerostructures encountered a challenging situation in Q3 2024, where build rates of major equipment manufacturers such as Airbus and Boeing reached lower levels than expected. Despite these headwinds, Aerostructures was able to largely compensate for the shortfall in volumes by increasing market share with existing customers and winning new business (including space applications). On the contrary, the energy segment continued to operate in a favourable market environment, where the energy transition is triggering a strong demand push for high voltage equipment due to unprecedented public and private investment. With this tailwind, Energy continues to flourish, as evidenced by higher production volumes and long-term agreements with partners.

Our segment E-Mobility will continue its business operations under the roof of Mengtai Group after the closing in Q4 2024 (see the Company's ad hoc announcement dated 12 November 2024). Under its new ownership, Alu Menziken Extrusion AG (and its subsidiaries) will become part of apt Group, a critical supplier of aluminium components with a strong international footprint. It is therefore reported as discontinued operation in our 9M interim financial statement[3] and not included in most of the comparative figures.

[3] Details on the disposal group held for sale can be found in Note 9 in the 9M interim financial statement 2024 on page 29 and details on the discontinued operation can be found in Note 14 on pages 32-33 in the 9M interim financial statement 2024

NET SALES

In the first nine months of 2024, Montana Aerospace generated consolidated net sales of EUR 1,086.3 million, resulting in an 18.8% increase compared to EUR 914.8 million in the first three quarters of the previous year. The largest contribution to net sales was made by the Aerostructures segment, which generated EUR 612.0 million, followed by the Energy segment, which contributed EUR 469.4 million. The positive net sales development was driven primarily by organic growth. The loss of net sales through the divestiture of the E-Mobility segment needs to be considered. Overall, Montana Aerospace shows a constant order to bill ratio of greater 1.

EBITDA

After accounting for non-recurring and non-operational items, mainly expenses related to legal fees and management stock option program (MSOP), the adjusted EBITDA reached EUR 118.1 million in the first nine months of 2024, up from EUR 75.6 million in the same period of 2023. This equates to an adjusted EBITDA margin of 10.9%, up from 8.3% in the same period last year.

On an unadjusted basis, the Group's reported EBITDA increased from EUR 70.4 million in the first nine months of 2023 to EUR 113.8 million in 2024, representing a 61.7% growth rate. This is in line with the increase in adjusted EBITDA, which grew by 56.1% compared to the previous period. The increase in EBITDA is primarily attributable to a substantial enhancement in production output, which includes net sales and the change in finished goods (+EUR 188.7 million compared to 9M of 2023). This growth is driven by gains in market share, complemented by the expansion of our workforce to approximately 8,200 employees.

The two adjustments to the reported EBITDA in the nine months of 2024 were the legal costs (EUR 3.3 million) and the expenses related to the management stock option program (MSOP) (EUR 1.0 million), resulting in a total of EUR 4.3 million.

OPERATING RESULT

The operating result is steadily increasing, showing EUR 43.7 million as of 9M 2024, which equals a plus of EUR 45.5 million compared to the first nine months of 2023.

NET SALES AND ADJ. EBITDA DEVELOPMENT BY SEGMENT

EURm	Aerostructures		Energy		E-Mobility (discont. operation)	
	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024
Net Sales	**497.7**	**612.0**	**418.0**	**469.4**	127.9	126.0
yoy growth	*+23.0%*		*+12.3%*		*-1.5%*	
Adj. EBITDA	**56.0**	**94.2**	**18.7**	**25.5**	18.3	4.6
yoy growth	*+68.1%*		*+36.0%*		*-75.0%*	

Segment sales and EBITDA in the nine months of 2024 showed Aerostructures and Energy as the main drivers of Montana Aerospace's business expansion. Aerostructures posted growth of +23.0% with total net sales of EUR 612.0 million, while Energy showed growth of +12.3% with total net sales of EUR 469.4 million. The Energy segment achieved an adjusted EBITDA of EUR 25.5 million, an increase of +36.0% compared to the nine months of 2023, establishing itself as a strong growth business and reflecting the state of the market. Aerostructures also showed a significant improvement of +68.1% compared to the same period of the previous year and achieved an adjusted EBITDA of EUR 94.2 million, despite issues from Spirit AeroSystems and Boeing.

TRADE WORKING CAPITAL

Concerning trade working capital (TWC), we anticipate reaching significantly lower and more sustainable TWC levels across all segments by the end of 2024, in line with our previous guidance. As net sales grew by approximately 19%, trade working capital decreased by approximately 4%, which we view as a positive indicator of our effective trade working capital management practices.

FINANCIAL RESULT

The financial result remained stable at EUR −38.9 million at the end of 9M 2024 compared to EUR −38.3 million at the end of 9M 2023. We note that the financial result is impacted by various non-cash items, including FX and consolidation, amounting to approximately EUR 15 million in 9M 2024.

OUTLOOK 2024 / 2025

2024 GUIDANCE

With the divestment of the E-Mobility segment, we expect to achieve net sales of more than EUR 1.5 billion (vs. EUR 1.7 billion incl. E-Mobility) and an adjusted EBITDA of around EUR 165 million (vs. >EUR 180 million incl. E-Mobility) in 2024. In addition, we clearly commit to generating a solid positive free cash flow and net income (cont. operations).

2024 SEGMENT GUIDANCE

The Aerostructures segment will remain the main growth driver with net sales expected to reach ~EUR 850-900 million. In the Energy segment, we anticipate net sales to exceed EUR 600 million.

2025 GUIDANCE

As an outcome of the strike implications at Boeing and general macro build rate weaknesses, we expect net sales to reach >EUR 1.6 billion (vs. previous guidance of EUR 1.7 billion) with an adj. EBITDA of >EUR 200 million (vs. previous guidance of EUR 240 million) in 2025.

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 9M 2024 earnings call presentation can be found shortly prior the call on the website via the 'Investors' section.

9M 2024 – SELECTED KEY FIGURES

	For the nine months ended 30 September		
(financial figures in M€)	2024	2023	yoy change
Net Sales	1,086.3	914.8	171.5
EBITDA	113.8	70.4	43.4
Adjusted EBITDA	118.1	75.6	42.5
Adjusted EBITDA margin (%)	10.9%	8.3%	2.6%
Operating result	43.7	–1.8	45.5
Result from continuing operations	–2.3	–38.0	35.7
Result for the period	–28.4	–28.4	–0.04
Cash Flow from operating activities	31.7	7.4	24.3
Cash Flow from investing activities	–54.2	–52.6	–1.6
Cash Flow from financing activities	–27.6	–70.9	43.3
Free Cash Flow	–22.5	–45.2	22.7
CAPEX spent	–57.3	–46.9	–10.4
Trade Working Capital*	365.7	294.7	71.0
Equity Ratio (%)*	46.5%	48.3%	–1.8%
Net Debt (cash)*	346.2	275.8	70.4
Total Assets*	1,925.2	1,935.5	–10.3
Employees**	8,252	7,001	1,251

* comparison period is December 2023
** still including employees of the E-Mobility segment and Alpine Metal Tech GmbH (segment Other), which was re-acquired in August 2024.

The full 9M 2024 report is available online at (click here)

Head of M&A and Investor Relations
Marc Vesely recte Riha
Phone: +43 664 61 26 261
E-mail: ir@montana-aerospace.com

Press contact
Jürgen Beilein
Phone: +43 664 831 2 841
E-mail: communication@montana-aerospace.com

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 8,200 highly skilled employees (still including the employees of the E-Mobility segment) at 23 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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