

MIC Global Stock Pitch Competition



Montana Aerospace AG (AERO: SW)

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Executive Summary



A global developer and manufacturer of highly engineered aerostructures and energy

Agenda

Company and Industry Overview	Business model, key market segments, and growth outlook driven by defense spending trends
Thesis 1	Airbus and Boeing production outpacing expectations sustained demand growth
Thesis 2	Strategic capital investments accelerating expansion in the energy sector
Thesis 3	Reducing tariff exposure through supply chain optimization and vertical integration
Valuation	Comparable, Discounted Cashflow, Sensitivity Analysis
Risks and Catalysts	Internal, External, Key events and international developments

Company financials
















Montana Aerospace	SIX: AERO		
Share price	\$17.4		
Shares outstanding	62.01M		
Market capitalization	€1.1795B		
- Cash and Short-Term Investments	\$286.9M		
+ Minority Interest	\$(2.0)M		
+ Total Debt	\$506.9M		
Enterprise Value	€1552.9M		
	2023A	2024E	2025E
Revenue	€1430.4K	€1493.7K	€1620.4K
YoY	9.5%	4.4%	8.5%
EV/Revenue	1.08	1.04	0.96
EBITDA	\$132.9	\$169.5	\$205.3
Margin %	9.3%	11.4%	12.7%
EV/EBITDA	11.7x	9.2x	7.6x

Buy with target price of \$30

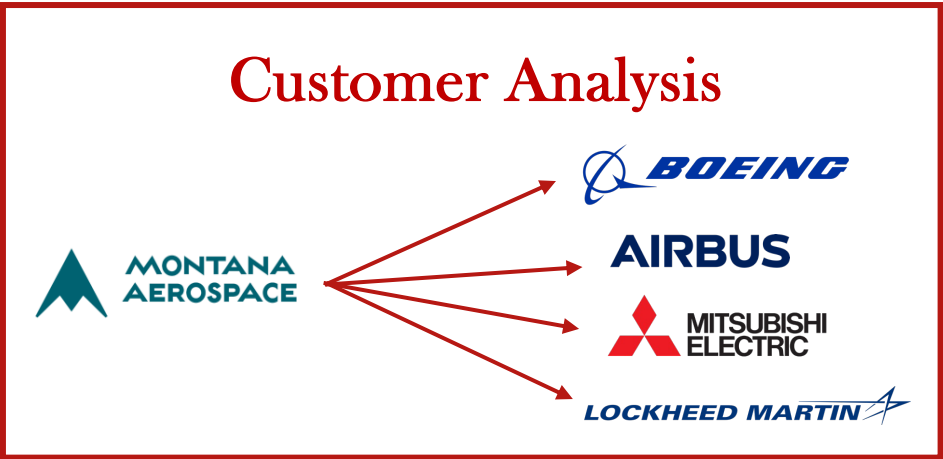
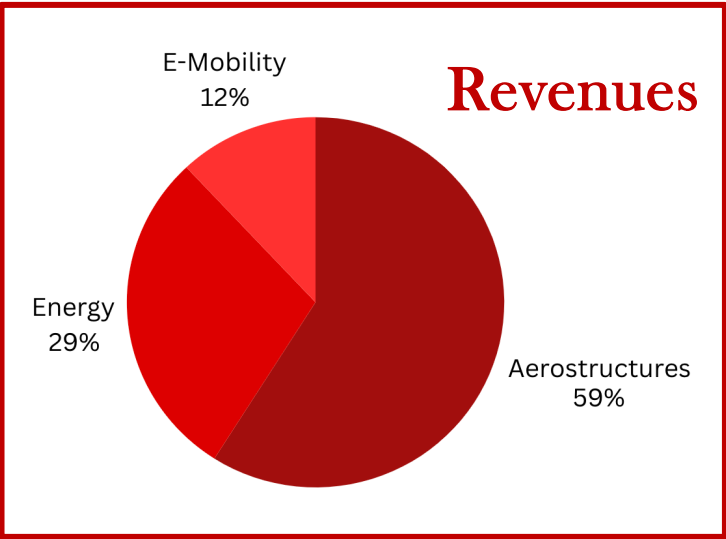
Company Overview



A global developer and manufacturer of highly engineered aerostructures and energy

Aerostructures	Energy	Other Segments
Commercial and Military Complex structural components for fuselages and wings . Functional components for aircraft structure / cabin	Special Product Services Bare wire manufacturing, copper wiring, insulation systems for fuselage and cabin	Electromobility Electric vehicles, supporting infrastructure, steel for sustainable transportation.
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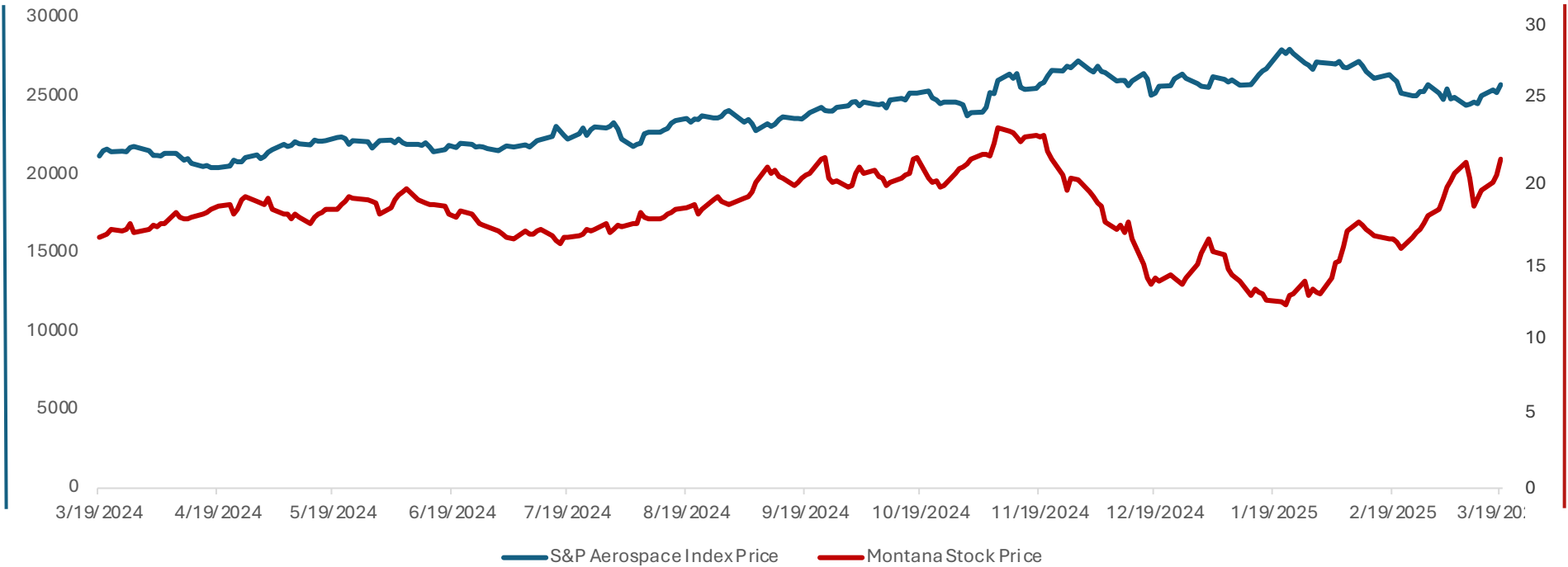
Broad Geographic Exposure (31 countries)



Source: Bloomberg, Montana Aerospace AG

Industry as a Whole

S&P Aerostructure Index Price vs Montana Stock Price



September Boeing Strike Tanks Montana Stock Price, but Rapid Recovery Ensues Following Global Increase in Aerostructure Demand

Source: Bloomberg, Montana Aerospace AG

Macroeconomic and geopolitical context increasing Global Aerostructures Demand Growth

Energy and Fleet



Germany infrastructure spending. Net electricity demand CAGR 5%-7% 2023-2030

Aerostructure Global Commercial Fleet is projected to grow 3.2% annually: new airplanes from 2024 to 2043.

Yield Curve



Bull steepening by 78bps vs 195bps in 2008 & 87.5bps in 1990s Germany reunification (annualized)

Budget



Germany's parliament vote leading to spending surge on infrastructure plan (500B)

Germany recent Bundestag vote on bypassing the debt brake to spend as much as 7% of GDP in excess

\$800B 'Rearm Europe initiative' over the next 4 years

1. \$650B allowing countries to augment defense expenditures without breaching EU fiscal regulations
2. \$150B billion in common debt to finance collaborative defense initiatives, including aerostructures

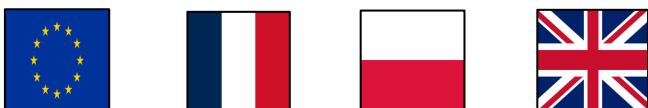
NATO's defense spending requirement expected to 3% of GDP

Macroeconomic and geopolitical context increasing Global Aerostructures Demand Growth

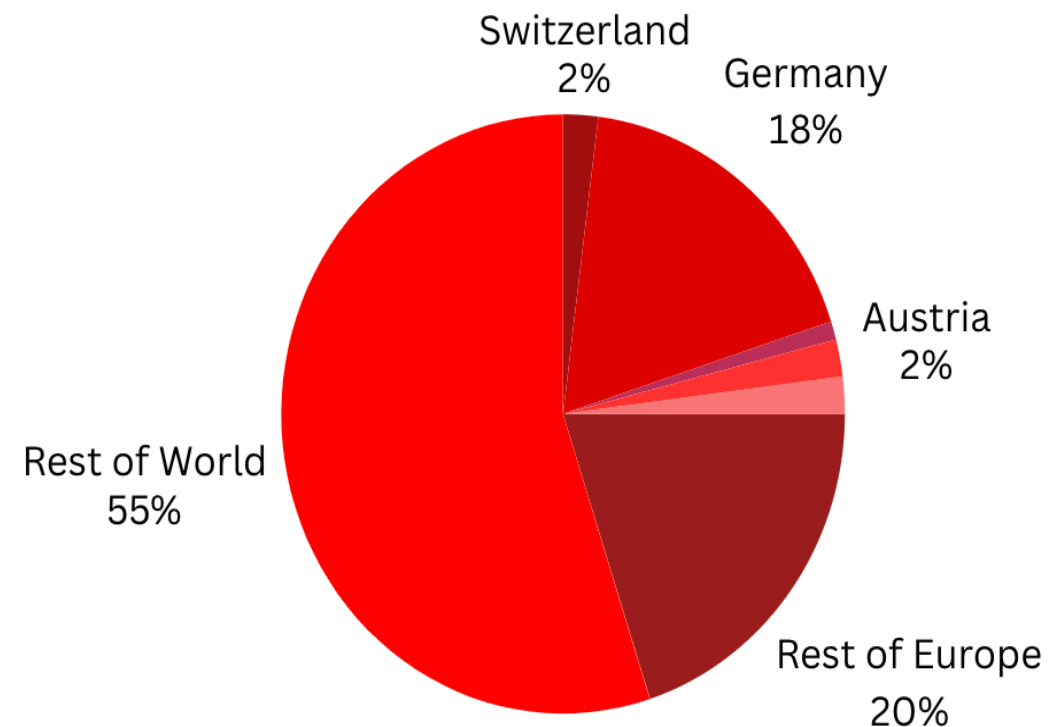
A significant share of revenue is generated from Germany and other European countries that have pledged to ramp up defense spending. This commitment is expected to drive sustained demand growth in the coming years, benefiting the company's aerospace business.

List of countries' pledge to increase defense spending as a percentage of GDP

France 3.5% from 2% Poland 5% from 4% to 5%, UK from 2% to 2.5%



Source: Bloomberg, Montana Aerospace AG



AIRBUS

Airbus is forecasted to sustain a strong production ramp-up, with deliveries growing at approximately 20% annually from 2025 through 2027. This accelerated growth trajectory will be primarily supported by increased production of the A350, A320 NEO, and the A220 aircraft models.




Management’s current expectations regarding the pace of Boeing's build rate recovery appear conservative based on YTD data.

A220
14/month by 2026 vs 6/month in 2024
A320
75/month by 2027 vs 50/month in 2024
A350
10/month by 2026 vs 5/month in 2024

737 32/month YTD
50/month by 2026 vs 33/month in 2023
777 1/month YTD
4/month by 2026 vs 2/month in 2023
787 5/month YTD Vs 10/month by 2025

Deliveries By Commercial A/C Type

AIRBUS

		YTD 09/21	YTD 09/24
A220		34	45
A320		341	396
A330		11	20
A350		36	36

BOEING

737		179	179
767		24	15
777		20	11
787		14	36

Source: Boeing, Airbus

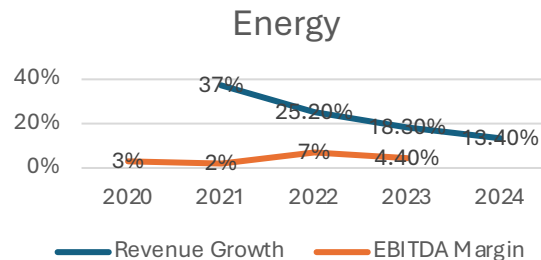
CAPEX Investment..

... 3 Year Program

650m Euro Capex Program

2/3 of **Q3** divestiture from slowing revenue growth segment E-mobility to deleverage

1/3 invested to grow the energy segment top line which is still far from full capacity



Reaching 1 billion sales potential within 3 years at 21% annual growth rate

INVESTMENT PHASE...

...PROFIT PHASE

Following Stringent M&A Plan

2022-2024 Deal Pipeline

September 2022

Montana Aerospace signs takeover of ASCO Industries - a leading supplier of high-end components and structures

April 2023

Montana Aerospace announces closing of takeover of ASCO industries

November 2022

Montana Aerospace signs agreement to acquire Sao Marco in Brazil.



December 2023

Montana Aerospace divests majority of shares in AMT to non-core machine building businesses

July 2023

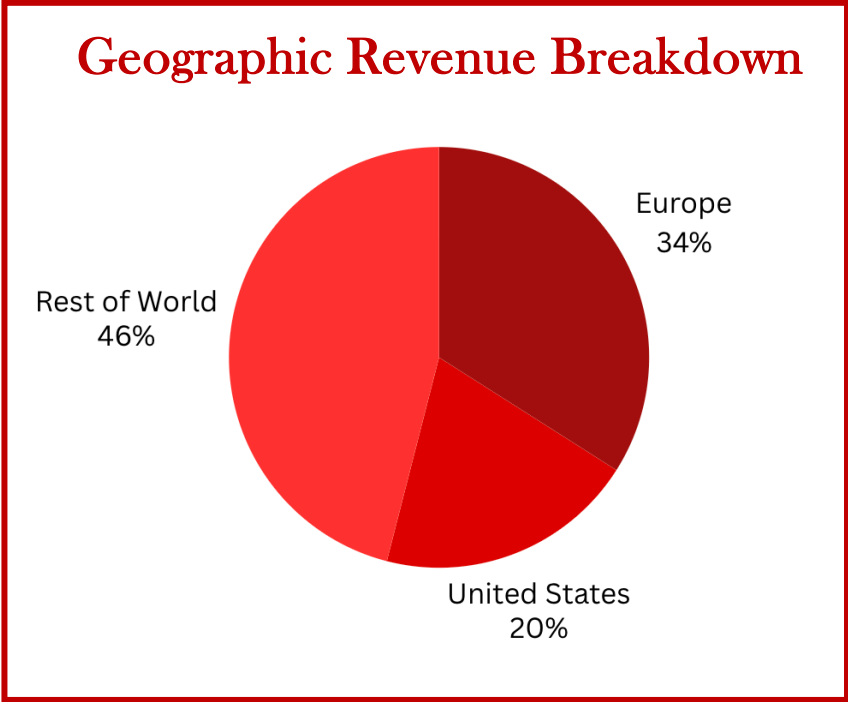
Montana Aerospace announces closing of acquisition of Sao Marco in Brazil.

Strong Commitment to Sustainability: Stop and Shop Concept Streamlines the Supply Chain and Reduces Emissions and Costs

Thesis 3: Minimizing Tariff Risks through Strategic Vertical Integration



With a diversified revenue base and localized supply chains, the company is shielded from tariffs and not overly reliant on the U.S. market



By adopting a business model of manufacturing and selling within the same country, Montana minimizes tariff exposure in the U.S compared to peers.

Source: Bloomberg, Montana Aerospace

Relative Valuation



Montana trades at a discount relative to peers on BF P/E, BF EV/EBITDA, BF EV/EBIT, BF EV/REV and LF P/BV multiples

Name	Ticker	2Y Corr	Mkt Cap (CHF)	BF P/E	BF EV/EBIT	BF EV/EBIT	BF EV/Rev	LF P/BV
Montana	AERO SW		1117352697	15.0421	7.272	14.0501	0.8984	1.2981
Current Premium to Comps Mean				-33.7178	-39.2679	-20.572	-53.149	-69.0101
Mean (Including AERO SW)			34149331608	22.694	11.9738	17.6891	1.9177	4.1887
Senior PLC	SNR LN	0.2461	780931278.1	1.7528	8.8964	14.1963	0.9396	1.4585
Avio SpA	AVIO IM	0.1888	483548354.3	32.318	12.6625	26.1228	0.9963	1.636
Airbus SE	AIR FP	0.1821	1.30578E+11	24.9721	11.8846	16.4171	1.5653	6.9038
Safran SA	SAF FP	0.1644	1.0275E+11	30.4145	16.465	21.0872	3.3468	10.3538
Rolls-Royce	RR/ LN	0.1574	78534670150	34.6343	18.4813	24.9317	3.5227	--
MTU Aero	MTX GR	0.147	17439272618	20.4806	12.0327	15.4441	2.147	5.2869
Exail Tech	EXA FP	0.1452	570083210.5	31.0849	9.6172	15.1216	2.1139	4.5266
Melrose Ir	MRO LN	0.1167	7734440749	14.78	9.872	12.1923	2.2328	2.4674
OHB SE	OHB GR	0.0512	1504339265	21.4607	12.5546	17.3275	1.4137	3.7673

Source: Bloomberg

Valuation - Discounted Cash Flow Model

Montana Future Predictions

Valuation Date	3/18/2025		4/30/2025	4/30/2026	4/30/2027	4/30/2028	4/30/2029	
Stub end	4/30/2025		0.12	1.12	2.12	3.12	4.12	End period
Mid Year Adjustment	0.50		0.06	1.06	2.06	3.06	4.06	Mid period
Tax Rate	14.0%							
			Year 1	Year 2	Year 3	Year 4	Year 5	
			2024E	2025E	2026E	2027E	2028E	
Distributable Cash Flows								
Adjusted EBITDA			\$169.6	\$205.3	\$240.4	\$283.9	\$341.4	
(–) Depreciation & Amortization			(101.9)	(98.5)	(102.3)	(108.4)	(128.2)	
(–) Income Taxes @ 14%			(9.5)	(15.0)	(19.3)	(24.6)	(29.9)	
Debt-Free Net Income			\$58.2	\$91.8	\$118.8	\$150.9	\$183.4	
(+) Depreciation & Amortization			101.9	98.5	102.3	108.4	128.2	
(–) Capital Expenditures [a]				(66.4)	(88.2)	(97.9)	(125.5)	
(–) Change in Working Capital [b]			(70.1)	(25.5)	(55.5)	(47.8)	(53.8)	
Distributable Cash Flows			\$90.0	\$98.4	\$77.3	\$113.6	\$132.3	
Partial Period Adjustment			0.1	1.0	1.0	1.0	1.0	
Total Distributable Cash Flows			\$10.5	\$98.4	\$77.3	\$113.6	\$132.3	
					Terminal Value		2,074,503	
Perpetuity Growth Rate		1.9%						
Weighted Average Cost of Capital		8.4%						
(x) Discount Period			0.50	1.50	2.50	3.50	4.50	
Present Value Factor			0.9605	0.8860	0.8174	0.7540	0.6956	
Present Value of Distributable Cash Flows			\$10,087	\$87,186	\$63,199	\$85,681	\$1,423,279	

Enterprise Value, Controlling Interest Basis
x2024E EBITDA

\$1,669.4 MM
9.8x

Discounted Cash Flow Model



Montana Future Predictions

	DCF	Blended	Comp(FY1)
Enterprise Value	\$1,669.0 MM	\$1,809.7 MM	\$1,950.4 MM
Debt	\$506.9	\$506.9	\$506.9
Preferred Stock	-	-	-
Minority Interest	(\$2.0)	(\$2.0)	(\$2.0)
Cash and Short-Term Investments	\$286.9	\$286.9	\$286.9
Net Debt(Based on 1/31/2025 Preliminary)	\$220.0	\$220.0	\$220.0
Equity Value	\$1,891.0 MM	\$2,031.7 MM	\$2,172.4 MM
Outstanding Shares	62,010,000	62,010,000	62,010,000
Share Price	CHF 30.49	CHF 32.76	CHF 35.03
Upside	75.25%	88.30%	101.34%
Current Price	CHF 17.40	CHF 17.40	CHF 17.40

88.32% Upside from Intrinsic Value

Using blended average between
comps average of 11x
EV/EBITDA (FY1) and DCF

Valuation - Sensitivity Analysis

Montana Future Predictions

Perpetuity Growth Rate

BEAR CASE

WACC

\$1,124.8 MM	1.40%	1.65%	1.90%	2.15%	2.40%
6.40%	\$1,479.4	\$1,540.8	\$1,609.1	\$1,685.5	\$1,771.4
7.40%	\$1,238.0	\$1,278.6	\$1,322.9	\$1,371.4	\$1,424.7
8.40%	\$1,065.7	\$1,094.2	\$1,124.8	\$1,157.8	\$1,193.6
9.40%	\$936.5	\$957.3	\$979.5	\$1,003.2	\$1,028.5
10.40%	\$836.0	\$851.7	\$868.4	\$886.0	\$904.7
	CHF 27.4	CHF 28.4	CHF 29.5	CHF 30.8	CHF 32.1
	CHF 23.5	CHF 24.2	CHF 24.9	CHF 25.7	CHF 26.6
	CHF 20.8	CHF 21.2	CHF 21.7	CHF 22.3	CHF 22.8
	CHF 18.7	CHF 19.0	CHF 19.4	CHF 19.8	CHF 20.2
	CHF 17.1	CHF 17.3	CHF 17.6	CHF 17.9	CHF 18.2

BULL CASE

WACC

\$1,669.0 MM	1.40%	1.65%	1.90%	2.15%	2.40%
6.40%	\$2,265.0	\$2,370.3	\$2,487.4	\$2,618.2	\$2,765.4
7.40%	\$1,857.4	\$1,926.9	\$2,002.8	\$2,085.9	\$2,177.3
8.40%	\$1,567.8	\$1,616.5	\$1,669.0	\$1,725.6	\$1,787.0
9.40%	\$1,351.9	\$1,387.5	\$1,425.5	\$1,466.1	\$1,509.6
10.40%	\$1,185.1	\$1,212.0	\$1,240.5	\$1,270.7	\$1,302.8
	CHF 40.1	CHF 41.8	CHF 43.7	CHF 45.8	CHF 48.2
	CHF 33.5	CHF 34.7	CHF 35.9	CHF 37.2	CHF 38.7
	CHF 28.9	CHF 29.6	CHF 30.5	CHF 31.4	CHF 32.4
	CHF 25.4	CHF 26.0	CHF 26.6	CHF 27.2	CHF 27.9
	CHF 22.7	CHF 23.1	CHF 23.6	CHF 24.1	CHF 24.6

Internal Risks

Order flows from BOEING and Airbus: Boeing's failure to secure FAA approval and Airbus' supply chain challenges in meeting build rate guidance impact order flows.

Price of inputs: Commodity price fluctuations - Copper up 11% YoY, Aluminum up 17% YoY, Zinc up 16% YoY, while Steel declined 10% YoY.

External Risks

Global macro uncertainty: The U.S. 25% universal tariff imposition on steel and aluminum, with potential ripple effects on the EU; the unpredictability of U.S. trade policy adds further uncertainty

Catalysts

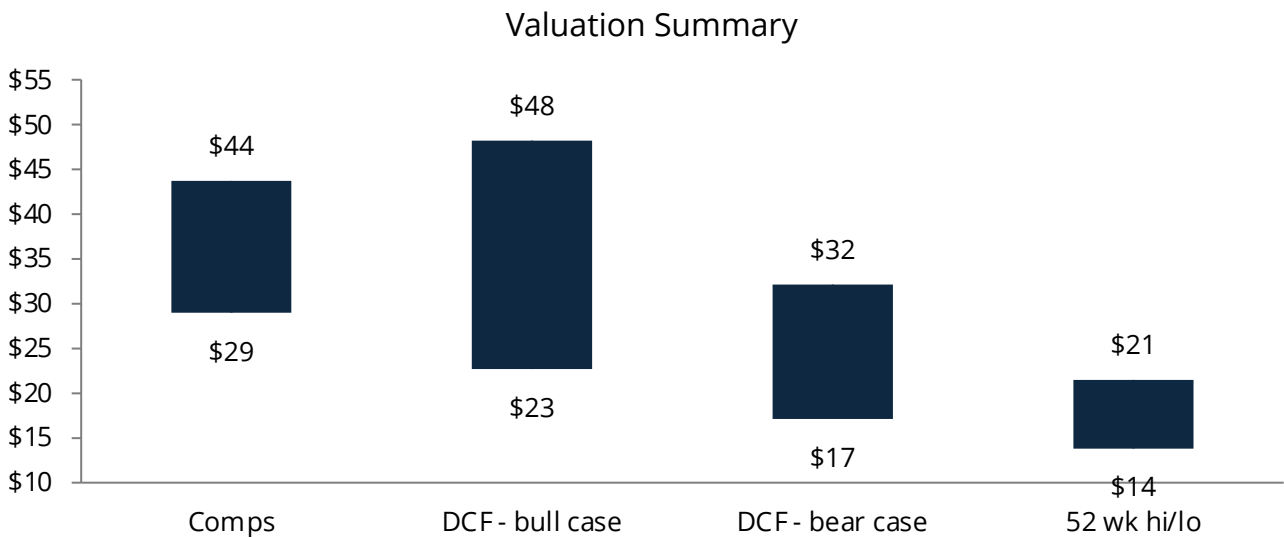
Implementation of the EU's Rearmament Plan: €800B rearmament initiative, coupled with escalating global conflicts and potential political shifts, may drive sector growth

Apr 3rd 2025 FY2025 Earnings Call - Forward 2025 Guidance

Conclusion + Football Field



Montana valued at 66% upside



Summary

Company and Industry Overview	Business model, key market segments, and growth outlook driven by defense spending trends
Thesis 1	Rising Airbus and Boeing production fueling sustained demand growth
Thesis 2	Strategic capital investments accelerating expansion in the energy sector
Thesis 3	Reducing tariff exposure through supply chain optimization and vertical integration
Valuation	Comparable, Discounted Cashflow, Sensitivity Analysis
Risks and Catalysts	Internal, External, Key events and international developments

Appendix I: Income Statement



Income Statement											
	Historical						Projected				
Period Ending:	4/30/19	4/30/20	4/30/21	4/30/22	4/30/23	3/31/24	4/30/24	4/30/25	4/30/26	4/30/27	4/30/28
	FY2019	FY2020	FY2021	FY2022	FY2023	LTM Mar 2024	2024E	2025E	2026E	2027E	2028E
Total Revenues	783,300	614,200	790,100	1,306,100	1,430,400	1,515,200	1,493,700	1,620,400	1,895,868	2,132,852	2,399,458
Total Revenues	\$783,300	\$614,200	\$790,100	\$1,306,100	\$1,430,400	\$1,515,200	\$1,493,700	\$1,620,400	\$1,895,868	\$2,132,852	\$2,399,458
Growth	NA	(21.6%)	28.6%	65.3%	9.5%	NA	4.4%	8.5%	17.0%	12.5%	12.5%
Cost of Revenue	(718,900)	(619,200)	(778,200)	(1,284,000)	(1,349,300)	(1,395,200)	(1,445,079)	(1,567,654)	(1,834,156)	(2,063,425)	(2,321,353)
Gross Profit	\$64,400	(\$5,000)	\$11,900	\$22,100	\$81,100	\$13,091,223	\$48,621	\$52,746	\$61,712	\$69,426	\$78,105
% Gross Margin	8.2%	(0.8%)	1.5%	1.7%	5.7%	864.0%	3.3%	3.3%	3.3%	3.3%	3.3%
Equity in (losses) earnings of joint ventures	49,320	48,781	35,044	53,640	(279,352)	(306,119)	-	-	-	-	-
General and administrative expenses	(148,125)	(188,535)	(155,072)	(147,309)	(153,575)	(164,226)	-	(1,479,300)	(1,669,000)	(1,912,101)	(2,151,114)
Operating Expenses	(775,200)	(680,800)	(849,900)	(1,393,300)	(1,452,300)	(1,491,300)	-	(1,479,300)	(1,669,000)	(1,912,101)	(2,151,114)
Operating Income	(\$1,600)	(\$39,900)	(\$25,800)	\$17,700	\$14,800	\$61,400	\$68,200	\$100,500	\$142,100	\$170,628	\$203,954
% Margin	(0.2%)	(6.5%)	(3.3%)	1.4%	1.0%	-	4.6%	6.2%	7.5%	8.0%	8.5%
Total Other Income (Expense)	(696,842)	(723,547)	(475,413)	(419,603)	(412,397)	(493,663)	-	-	-	-	-
Net Income	(\$20,600)	(\$57,400)	(\$4,900)	(\$36,100)	(\$38,000)	(\$38,100)	\$26,400	\$69,100	\$108,400	\$83,533	\$111,164
% Margin	(2.6%)	(9.3%)	(0.6%)	(2.8%)	(2.7%)	(2.5%)	1.8%	4.3%	5.7%	3.9%	4.6%
Net Income	(\$20,600)	(\$57,400)	(\$4,900)	(\$36,100)	(\$38,000)	(\$38,100)	26,400	69,100	108,400	83,533	111,164
(+) Interest Expense	16,900	17,600	16,900	25,000	38,000	\$41,300	-	-	-	-	-
(+) Tax Expense	(500)	(3,500)	5,900	8,100	(13,400)	(\$5,800)	0	0	0	-	-
(+) Depreciation & Amortization	56,300	61,700	71,800	109,200	10,300	\$123,500	101,900	98,500	102,300	108,400	128,200
EBITDA	\$54,700	\$21,800	\$46,100	\$126,900	\$117,800	\$171,200	\$169,600	\$199,000	\$244,300	\$279,404	\$352,720
% Margin	7.0%	3.5%	5.8%	9.7%	8.2%	11.4%	11.4%	12.3%	12.9%	13.1%	14.7%
Restructuring cost	A 95,446	188,345	48,840	107,501	188,404	199,055	-	-	-	-	-
Gain on disposal activities	B (3,590)	-	-	-	-	-	-	-	-	-	-
Net loss from discontinued operations	C 419,662	340,591	116,813	79,929	57,207	125,719	-	-	-	-	-
Total Adjustments	511,518	528,936	165,653	187,430	245,611	245,611	-	-	-	-	-
Adjusted EBITDA	\$76,100	\$12,700	\$45,900	\$126,900	\$132,900	\$184,900	\$169,600	\$205,300	\$240,400	\$283,883	\$341,443
% Margin	9.7%	2.1%	5.8%	9.7%	9.3%	12.2%	11.4%	12.7%	12.7%	13.31%	14.23%
% Growth	NA	(83.3%)	261.4%	176.5%	4.7%	NA	27.6%	21.0%	17.1%	18.05%	20.30%
Capital Expenditures	(213,600)	(133,300)	(121,400)	(86,000)	(69,400)	(79,800)	(70,100)	(66,400)	(88,200)	(97,900)	(125,500)
Change in Net Working Capital	NA	(132,400)	(156,400)	(45,800)	46,200	(145,700)	86,600	(25,549)	(55,547)	(47,787)	(53,760)
Est. Unlevered Free Cash Flow	(\$138,100)	(\$143,700)	(\$151,000)	\$9,100	\$67,900	\$114,400	\$186,100	\$113,351	\$96,653	\$138,196	\$162,182
Memo - Projection Assumptions											
	2019E	2020E	2021E	2022E	2023E	LTM Mar 2024	2024E	2025E	2026E	2027E	2028E
Revenue Growth %	NA	(21.6%)	28.6%	65.3%	9.5%	NA	4.4%	8.5%	17.0%	12.5%	12.5%
COGS % Revenue	91.8%	100.8%	98.5%	98.3%	94.3%	92.1%	96.7%	96.7%	96.7%	96.7%	96.7%
OpEx % Revenue	99.0%	110.8%	107.6%	106.7%	101.5%	98.4%	91.3%	91.3%	88.0%	89.7%	89.7%
CapEx % Revenue	27.3%	21.7%	15.4%	6.6%	4.9%	5.3%	4.7%	4.1%	4.7%	10.5%	10.5%
Change in NWC % Revenue	-	-21.6%	-19.8%	-3.5%	3.2%	-9.6%	1.4%	1.4%	1.4%	1.4%	1.4%
Interest Expense % Revenue	2.2%	2.9%	2.1%	1.9%	2.7%	2.7%	1.4%	2.5%	2.4%	2.4%	2.5%
Depre%	7.2%	10.0%	9.1%	8.4%	0.7%	8.2%	6.8%	6.1%	5.4%	5.1%	5.3%