

Q2 2025 INTERIM REPORT PRESENTATION

TPAerospace



AGENDA

- **PRESENTATION - 20 MIN**
- **Q&A – 25 MIN**

MARKET UPDATE

- **Passenger demand** remained robust – H1 2025 increase in global RPK and ASK were 5.1% and 4.8%, respectively, with international markets performing better than domestic markets.
 - Large regional differences in passenger demand with Latin Americas, Asia Pacific and Africa growing the fastest. North America representing the lowest growth of 1.8% growth vs. H1 2024.
 - June month 2025 showed the lowest growth of all H1 with RPK and ASK of 2.6% and 3.4%, respectively.
- **Cargo demand** grew more modest with CTK and ACTK of 2.8% and 3.0%, respectively.
 - North America decreased by -0.8% growth vs. H1 2024.
- Overall, the passenger and cargo market growth was lower than expected which by some is assessed to be driven by the increased global uncertainty. While lower, growth was still positive and thereby underlining the resilience of the aviation industry, even in a very dynamic global climate.

H1 2025 RPK: 5.1%

H1 2025 ASK: 4.8%

H1 2025 CTK: 2.8%

H1 2025 ACTK: 3.0%

- For **Airline aftermarket wheels and brakes demand**, the following was observed:
 - Some airlines have been careful of making orders due to increased market uncertainty leading to a “wait and see” position.
 - More fierce price competition driven by lower demand.
 - No large one-off/ retrofit orders driven by low amount of aircraft transitions partly as a result of delivery issues from Airbus and Boeing. Airlines are to a large degree extending existing lease agreements.

Definitions:

RPK: Revenue Passenger Kilometers

ASK: Available Seat Kilometers

CTK: Cargo Tonne Kilometers

ACTK: Available Cargo Tonne Kilometers

HIGHLIGHTS

Strong performance in the Programs and Distribution divisions which unfortunately did not offset a decline in the Components division

- Strong **Revenue** performance in Programs and Distribution divisions unfavorably impacted by a decline in the Components Division, resulting in an overall revenue decline in both Q2 2025 and H1 2025.
- Revenue reached USD 44.1m in Q2 and USD 83.6m H1 2025, a decline of USD -1.9m and USD -5.7m, respectively, compared to the same periods in 2024.



Q2 2025: USD 44.1m

Q2 2024: USD 46.0m

H1 2025: USD 83.6m

H1 2024: USD 89.3m

- **Gross profit** for Q2 amounted to USD 27.6m compared to USD 30.5m in Q2 2024. The gross profit margin of 62.7% was slightly below the gross profit margin of 66.3% in Q2 2024 and 63.3% for full year 2024. Gross profit reached USD 51.7m H1 2025 vs. USD 57.8m in H1 2024.



Q2 2025: USD 27.6m ; 62.7%

Q2 2024: USD 30.5m ; 66.3%

H1 2025: USD 51.7m ; 61.8%

H1 2024: USD 57.8m ; 64.8%

- **EBITDA before special items** for Q2 2025 amounted to USD 17.1m compared to USD 20.3m in Q2 2024 while H1 2025 ended at USD 31.2m compared to USD 37.4m in H1 2024.

Q2 2025: USD 17.1m ; 38.7%

Q2 2024: USD 20.3m ; 44.1%

H1 2025: USD 31.2m ; 37.3%

H1 2024: USD 37.4m ; 41.9%

- **Free cash flow before net financials** reached USD 1.1m, a decline of USD -6.3m compared to USD 7.4m H1 2024, mainly impacted by the lower operating profit.
- **2025 outlook** expected to end slightly below the previously communicated 2025 outlook.



H1 2025: USD 1.1m

H1 2024: USD 7.4m

REVENUE

While the Programs and Distribution divisions demonstrated solid growth, overall revenue was adversely affected by underperformance in the Components division

Revenue Performance Overview

- In Q2 2025, total revenue amounted to USD 44.1m, with a H1 figure of USD 83.6m. This represented a decline of USD 1.9m and USD 5.7m, respectively, compared to the same periods in 2024.

Divisional Highlights

- **Programs division:** 3% revenue increase H1 2025 vs. H1 2024. The quantity of aircraft on contract rose to 861 aircraft by end June, reflecting a net addition of 38 aircraft in H1. This growth included 18 aircraft from existing customers and 44 aircraft from new customers, partially offset by 24 aircraft removed due to contract terminations and fleet adjustments.
- **Components division:** Decline in sales performance due to reduced customer demand. Additionally, sourcing constraints impacted the availability of aftermarket wheels and brakes.
- **Distribution division:** Revenue increase of USD 1.5 million, corresponding to 17% growth H1 2025 vs. same period in 2024.

PROGRAMS DIVISION

Q2 2025: USD 27.4m
Q2 2024: USD 24.9m

H1 2025: USD 48.3m
H1 2024: USD 46.9m

COMPONENTS DIVISION

Q2 2025: USD 10.8m
Q2 2024: USD 14.5m

H1 2025: USD 22.4m
H1 2024: USD 30.7m

DISTRIBUTION DIVISION

Q2 2025: USD 4.5m
Q2 2024: USD 5.0m

H1 2025 : USD 10.3m
H1 2024: USD 8.8m

EARNINGS

Earnings impacted by lower Components revenue reflecting a lower demand driven by the increased uncertainty and tariffs

Gross Profit:

- Gross profit in Q2 2025 reached USD 27.6m (vs. USD 30.5m in Q2 2024); H1 2025 reached USD 51.7m (vs. USD 57.8m H1 2024).
- Gross margin declined to 61.8% in H1 2025, impacted by the absence of high-margin Components sales as realized in H1 2024.
- Operational challenges, including the global tariff regimes and a factory fire at SPS Technologies (sub supplier to several global piece part suppliers), caused supply delays and negatively affected Distribution sales.

Q2 2025: USD 27.6m ; 62.7%
Q2 2024: USD 30.5m ; 66.3%

H1 2025: USD 51.7m ; 61.8%
H1 2024: USD 57.8m ; 64.8%

EBITDA:

- EBITDA before special items amounted to USD 17.1m in Q2 2025 (vs. USD 20.3m in Q2 2024) and USD 31.2m in H1 2025 (vs. USD 37.4m H1 2024).
- EBITDA margin before special items declined to 37.3% H1 2025, down 3.6 percentage points compared to full-year 2024.
- Margin pressure reflected that lower Components revenue was not offset fully by cost reductions, compounded by adverse FX effects from a weakened USD vs. EUR, DKK, SGD and AUD.

Q2 2025: USD 17.1m ; 38.7%
Q2 2024: USD 20.3m ; 44.1%

H1 2025: USD 31.2m ; 37.3%
H1 2024: USD 37.4m ; 41.9%

FREE CASH FLOW

- Free cash flow before net financials reached USD 1.1m in H1 2025, down by USD 6.3m from USD 7.4m in H1 2024, primarily impacted by lower Components sales and thereby lower operating profit.
- Asset investments for additional 38 aircraft (net additions) on Programs contracts also impacted the free cash flow unfavorably.
- Cash flow from financing activities totaled USD 14.4m in H1 2025 (vs. USD -4.9m in H1 2024), driven by the USD 130m bond issuance.
- Financing inflow was offset by repayments of USD 72.8m on the bank credit facility and USD 39.8m for dividend payment.

H1 2025: USD 1.1m
H1 2024: USD 7.4m

OUTLOOK

- Full-year revenue is now expected in the range of USD 175–190m, and EBITDA margin before special items in the range of 35–38%, both slightly below the original guidance of USD 190–220m and 37–42%.
- The downward adjusted outlook in the Q2 interim report is driven by the continued weakening in Components sales as airlines have delayed replenishment spend in H1 2025 and a moderated impact also is expected in H2 2025.
- The Group maintains the view that this adverse development is temporary with the underlying performance in the Programs and the Distribution divisions remaining strong.



Q&A

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