Q3 2025 INTERIM REPORT PRESENTATION

TPAerospace

AGENDA

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

MARKET UPDATE

Passenger demand:

- Global passenger traffic, measured in Revenue Passenger Kilometers (RPK), increased by 4.8% YTD September, down from 5.1% YTD June 2025.
- International market traffic was the growth engine increasing at 6.7% YTD September vs. Domestic market traffic only growing at 1.8%. North America and Europe showed the lowest growth rates on Internal Market traffic equal to 1.5% and 5.2%, respectively.
- Asia-Pacific showed a growth of 11.5% YTD September, slightly down vs. YTD June of 12.8%.
- The industry-wide Passenger Load Factor (PLF) was 83.4%, slightly below the 83.5% seen last September.
- For September, all regions showed decelerated growth, with the passenger traffic of North American airlines stagnant of 0.1% YTD September 2025.
- **Cargo demand:**
- Global air cargo demand grew 3.2% YTD, driven by Asia-Pacific (8.8%) and Latin America (4.5%), while Africa posted 3.0%. Europe was modest at 2.2%, and North America declined -0.9%. Middle East fell -1.7%.
- International cargo demand rose 3.9% YTD, led by Asia-Pacific (8.8%) and Europe (2.4%). Africa held steady at 3.0%, while North America (1.4%) and Middle East (-1.6%) underperformed.

While overall the passenger and cargo markets growth were robust, growth was impacted by increased global uncertainty including trade war and geopolitical tension.

YTD SEP 2025 RPK: 4.8%

YTD SEP ASK: 4.7%

YTD SEP 2025 CTK: 3.2%

YTD SEP 2025 ACTK: 3.4%

Airline Aftermarket Wheels and Brakes Demand – Key Observations:

- Several carriers continue to delay new orders, particularly in Europe and North America, amid heightened market uncertainty and a cautious stance. These regions have also recorded the weakest traffic growth, with some areas declining.
- Price competition has intensified as weaker demand has pressured suppliers to cut margins.
- No major one-off or retrofit deals have occurred, primarily due to limited aircraft transitions, partly driven by delivery delays at Airbus and Boeing. Many airlines are extending existing lease agreements rather than pursuing fleet changes.

Definitions:
RPK: Revenue Passenger Kilometers
ASK: Available Seat Kilometers
CTK: Cargo Tonne Kilometers
ACTK: Available Cargo Tonne Kilometers

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Source: IATA market reports

HIGHLIGHTS

Revenue in the Programs divisions was in Q3 2025 above the same period last year while the Components division continued to deliver below expectations and below last year

- While the Programs divisions demonstrated strong growth, overall revenue was still adversely affected by underperformance in the Components division.
- **Revenue** reached USD 48.3m in Q3 2025 and USD 131.9m YTD 2025, an increase of USD 1.1m and a decline of USD -4.6m, respectively, compared to same periods in 2024.

Q3 2025: USD 48.3m
Q3 2024: USD 47.2m

YTD SEP 2025: USD 131.9
YTD Sep 2024: USD 136.5m

- **Gross profit** for Q3 2025 amounted to USD 29.4m compared to USD 30.4m in Q3 2024. The gross profit margin of 60.8% was somewhat below the gross profit margin of 64.4% in Q3 2024 and 63.3% for full year 2024. This was to some extent expected as Components realized some high margin sales in first half of 2024 which were not matched YTD 2025.

Q3 2025: USD 29.4m ; 60.8%
Q3 2024: USD 30.4m ; 64.4%

YTD Sep 2025: USD 81.0m ; 61.4%
YTD Sep 2024: USD 88.3m ; 64.7%

- **EBITDA before special items** for Q3 2025 amounted to USD 18.3m compared to USD 20.7m in Q3 2024 while YTD 2025 ended at USD 49.5m compared to USD 58.1m YTD 2024.

Q3 2025: USD 18.3m ; 38.0%
Q3 2024: USD 20.7m ; 43.8%

YTD Sep 2025: USD 49.5m ; 37.6%
YTD Sep 2024: USD 58.1m ; 42.6%

- **Free cash flow before net financials** reached USD 8.7m in Q3 and USD 9.8m YTD 2025, an improvement of USD 4.0m in Q3 2025, but a decline of USD –2.3m YTD compared to same periods in 2024, mainly impacted by the lower operating profit (EBITDA).
- **2025 Outlook:** In line with the Q2 interim report, the Group expects the financial performance for full year 2025 to end slightly below the originally communicated 2025 outlook.

YTD Sep 2025: USD 9.8m
YTD Sep 2024: USD 12.0m

REVENUE

While the Programs division demonstrated strong growth, revenue was adversely impacted by the underperformance in the Components division

Revenue Performance Overview

- Revenue reached USD 48.3m in Q3 2025 and USD 131.9m YTD 2025, an increase of USD 1.1m and a decline of USD -4.6m, respectively, compared to same periods in 2024.

Divisional Highlights

- **Programs division**: Compared to 2024, revenue in the Programs division improved by 14% in Q3 and grew 7% YTD 2025. The Programs division represents 59% of the total revenue measured on YTD September 2025 revenue.
- By end September 2025, the Programs division had 788 aircraft on contract, a net decrease of 35 aircraft compared to year-end 2024. Existing customers added 19 new aircraft to the portfolio, while further 46 aircraft were added by new customers. These additions were offset by the unfavorable impact of 100 aircraft coming off contract due to various terminations, including two bankruptcies in third quarter of 2025, and ordinary contract adjustments.
- **Components division:** The Components division saw a drop in revenue of USD -1.7m in Q3 2025 and USD -10.0m YTD 2025 compared to same periods in 2024 which continued to be driven by a slowdown in customer demand and consequently sales of Used Service Material (USM) which also was unfavorably impacted by a reduced amount of aftermarket wheels and brakes available for sourcing.
- **Distribution division:** ended 19% below the same period in 2024 but generated 3% revenue growth YTD 2025 .

PROGRAMS DIVISION

Q3 2025: USD 29.5m
Q3 2024: USD 25.9m

YTD Sep 2025: USD 77.8m
YTD Sep 2024: USD 72.9m

COMPONENTS DIVISION

Q3 2025: USD 12.6m
Q3 2024: USD 14.3m

YTD Sep 2025: USD 35.0m
YTD Sep 2024: USD 45.0m

DISTRIBUTION DIVISION

Q3 2025: USD 4.5m
Q3 2024: USD 5.5m

YTD Sep 2025 : USD 14.8m
YTD Sep 2024: USD 14.3m

EARNINGS

Earnings were affected by lower Components revenue, driven by reduced demand amid heightened uncertainty and tariffs

Gross Profit:

- Gross profit for Q3 2025 amounted to USD 29.4m compared to USD 30.4m in Q3 2024. The gross profit margin of 60.8% was somewhat below the gross profit margin of 64.4% in Q3 2024 and 63.3% for full year 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.

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Q3 2024: USD 30.4m ; 64.4%

YTD Sep 2025: USD 81.0m ; 61.4%
YTD Sep 2024: USD 88.3m ; 64.7%

EBITDA:

- EBITDA before special items for Q3 2025 amounted to USD 18.3m compared to USD 20.7m in Q3 2024 while YTD 2025 ended at USD 49.5m compared to USD 58.1m YTD 2024.
- The EBITDA margin before special items ended YTD 2025 at 37.6%, a drop of 3.3%-points compared to full year 2024.
- The decline in Components revenue and the lower gross profit in the Programs division were not matched by a similar reduction in staff costs and other external expenses, partially due to unfavorable FX impact on the fixed cost base caused by the weakened US Dollar versus the Euro and Danske Kroner.

Q3 2025: USD 18.3m ; 38.0%
Q3 2024: USD 20.7m ; 43.8%

YTD Sep 2025: USD 49.5m ; 37.6%
YTD Sep 2024: USD 58.1m ; 42.6%

FREE CASH FLOW

- Free cash flow before net financials reached USD 8.7m in Q3 2025 and USD 9.8m YTD 2025, an improvement of USD 4.0m in Q3, but a decline of USD –2.3m YTD compared to same periods in 2024.
- The lower free cash flow was mainly impacted by the lower operating profit (EBITDA).
- Cash flow from financing activities reached YTD 2025 USD 13.8m vs. USD -4.1m same period last year and was impacted by the bond issuance of USD 130m offset by the repayment of the bank credit facility of USD -72.8m and dividend payment of USD -39.8m.

YTD Sep 2025: USD 9.8m

YTD Sep 2024: USD 12.0m

OUTLOOK

Outlook:

- Strong sales in the Programs Division were offset by weaker Components sales, as airlines deferred spending during the first nine months of 2025. This trend is expected to continue into Q4, though with less impact.
- In line with the Q2 interim report, the Group expects full-year 2025 revenue to end in the range of USD 175–190m and EBITDA margin (before special items) at 35–38%, slightly below the original outlook of USD 190–220m and 37–42%.
- The Group views this adverse development as short-term but notes that risks and uncertainties remain, which could materially affect actual results.

Events after the balance sheet date

- On 5th November 2025, TP Aerospace established a super senior revolving credit facility of USD 20 million.
- No other events have occurred after the balance sheet date which significantly affect TP Aerospace's financial position.

Q&A

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