



FOR IMMEDIATE RELEASE VIA THE CANADIAN CUSTOM DISCLOSURE NETWORK

NEWS RELEASE

MAGELLAN AEROSPACE CORPORATION ANNOUNCES FINANCIAL RESULTS

Toronto, Ontario – May 2, 2024 – Magellan Aerospace Corporation (“Magellan” or the “Corporation”) released its financial results for the first quarter of 2024. All amounts are expressed in Canadian dollars unless otherwise indicated. The results are summarized as follows:

	Three month period ended March 31		
	2024	2023	Change
Expressed in thousands of Canadian dollars, except per share amounts			
Revenues	235,243	223,376	5.3%
Gross Profit	23,817	22,262	7.0%
Net Income	6,311	3,860	63.5%
Net Income per Share	0.11	0.07	57.1%
Adjusted EBITDA	21,698	18,576	16.8%
Adjusted EBITDA per Share	0.38	0.32	18.8%

This news release contains certain forward-looking statements that reflect the current views and/or expectations of the Corporation with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions, which may cause actual results to be materially different from those expressed or implied. The Corporation assumes no future obligation to update these forward-looking statements except as required by law.

This news release presents certain non-IFRS financial measures to assist readers in understanding the Corporation's performance. Non-IFRS financial measures are measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles (“GAAP”). Throughout this news release, reference is made to EBITDA (defined as net income before interest, income taxes, depreciation and amortization) and Adjusted EBITDA (net income before interest, income taxes, depreciation and amortization, goodwill impairment and restructuring), which the Corporation considers to be indicative measures of operating performance and a metric to evaluate profitability. EBITDA and Adjusted EBITDA are not generally accepted earnings measures and should not be considered as alternatives to net income (loss) or cash flows as determined in accordance with IFRS. As there is no standardized method of calculating this measure, the Corporation's EBITDA and Adjusted EBITDA may not be directly comparable with similarly titled measures used by other companies.

1. Overview

A summary of Magellan’s business and significant updates

Magellan is a diversified supplier of components to the aerospace industry. Through its wholly owned subsidiaries, controlled entity and joint venture, Magellan designs, engineers and manufactures aeroengine and aerostructure components for aerospace markets, including advanced products for defence and space markets, and complementary specialty products. The Corporation also supports the aftermarket through supply of spare parts as well as performing repair and overhaul services.

Magellan operates substantially all of its activities in one reportable segment, Aerospace, which is viewed as one segment by the chief operating decision-makers for the purpose of resource allocations, assessing performance and strategic planning. The Aerospace segment includes the design, development, manufacture, repair and overhaul, and sale of systems and components for defence and civil aviation.

The Industry and the Supply Chain

Though global air travel has seen signs of recovery with both domestic and international revenue passenger kilometers, on a combined basis, approaching pre-COVID 19 pandemic levels, Magellan’s financial results and operations continue to be influenced by overhanging impacts from the pandemic. These impacts include customer build rate adjustments (and the impact on production scheduling), higher input prices for goods and services, limited availability of products, disruptions to supply chains and labour shortages. Magellan continues to manage these impacts and strives to mitigate their effect on Magellan’s operations, supply chain, and most importantly the health and safety of its employees.

In the first three months of 2024, 65.1% of revenues were derived from commercial markets while 34.9% of revenues related to defence markets.

Business Update

On February 28, 2024, Magellan announced an agreement between Magellan Aerospace (UK) Limited and Airbus to continue to supply major structural wing components for Airbus’ single aisle family of aircraft. The high-strength, lightweight components will be delivered from Magellan’s leading-edge long bed machining centre in our Wrexham facility from January 2024. The agreement focuses on the production of precision-machined wing spars for use on the A320 family of aircraft. Wing spars are large, machined components that provide support and strength to the wing structure. Magellan will expand its industry-leading long bed machining capability at the Wrexham facility to ensure continued delivery of quality products that meet the expectations of the customer.

For additional information, please refer to the “Management’s Discussion and Analysis” section of the Corporation’s 2023 Annual Report available on www.sedarplus.ca.

2. Results of Operations

A discussion of Magellan’s operating results for the first quarter ended March 31, 2024

The Corporation reported revenue in the first quarter of 2024 of \$235.2 million, an \$11.8 million or 5.3% increase from the first quarter of 2023 revenue of \$223.4 million. Gross profit and net income for the first quarter of 2024 were \$23.8 million and \$6.3 million, respectively, in comparison to gross profit of \$22.3 million and net income of \$3.9 million for the first quarter of 2023.

Consolidated Revenue

Expressed in thousands of dollars	Three month period ended March 31		
	2024	2023	Change
Canada	91,928	98,106	(6.3)%
United States	67,999	56,434	20.5%
Europe	75,316	68,836	9.4%
Total revenues	235,243	223,376	5.3%

Revenues in Canada decreased 6.3% in the first quarter of 2024 compared to the corresponding period in 2023, primarily due to reduced revenues in the defence and space product portfolio.

Revenues in the United States increased by 20.5% in the first quarter of 2024 compared to the first quarter of 2023, mainly due to volume increases for fighter and wide body aircraft, higher casting product revenues and favourable foreign exchange impacts due to the strengthening of the United States dollar relative to the Canadian dollar.

European revenues in the first quarter of 2024 increased 9.4% compared to the corresponding period in 2023 primarily driven by volume increases for wide body aircraft, and favourable foreign exchange impacts as the United States dollar strengthened relative to the British pound.

Gross Profit

Expressed in thousands of dollars	Three month period ended March 31		
	2024	2023	Change
Gross profit	23,817	22,262	7.0%
Percentage of revenues	10.1%	10.0%	

Gross profit of \$23.8 million for the first quarter of 2024 was \$1.5 million higher than the \$22.3 million gross profit for the first quarter of 2023, and gross profit as a percentage of revenues of 10.1% for the first quarter of 2024 increased from the 10.0% recorded in the same period in 2023. The gross profit in the current quarter increased from the same quarter in the prior year as a result of volume increases and contract rehabilitations on certain programs in addition to favourable product mix, offset in part by supply chain disruptions and material cost increases.

Administrative and General Expenses

Expressed in thousands of dollars	Three month period ended March 31		
	2024	2023	Change
Administrative and general expenses	14,237	14,347	(0.8)%
Percentage of revenues	6.1%	6.4%	

Administrative and general expenses as a percentage of revenues of 6.1% for the first quarter of 2024 were lower on a nominal basis than the same period of 2023. Administrative and general expenses decreased \$0.1 million or 0.8% to \$14.2 million in the first quarter of 2024 compared to \$14.3 million in the first quarter of 2023 mainly due to decreases in pension and professional services expenses, offset in part by increases in technology related expenses.

Restructuring

Expressed in thousands of dollars	Three month period ended March 31	
	2024	2023
Restructuring	-	244

Restructuring in 2023 was primarily related to ongoing costs associated with the closure of the Bournemouth facility and dismantling its former operations.

Other

Expressed in thousands of dollars	Three month period ended March 31	
	2024	2023
Foreign exchange (gain) loss	(734)	1,222
Loss (gain) on disposal of property, plant and equipment	24	(19)
Other	(202)	-
Total other	(912)	1,203

Other for the first quarter of 2024 included a \$0.7 million foreign exchange gain compared to a \$1.2 million foreign exchange loss in the first quarter of the prior year. The movements in balances denominated in foreign currencies and the fluctuations of the foreign exchange rates impact the net foreign exchange gain or loss recorded in a quarter.

Other for the first quarter of 2024 also includes a \$0.2 million settlement gain relating to the settlement of various pension obligations in conjunction with the purchase of group annuity contracts related to the Corporation's defined benefit pension plans.

Interest Expense

	Three month period ended March 31	
	2024	2023
Expressed in thousands of dollars		
Interest on bank indebtedness and long-term debt	709	173
Accretion charge on long-term debt and borrowings	175	226
Accretion charge for lease liabilities	369	407
Discount on sale of accounts receivable	57	-
Total interest expense	1,310	806

Total interest expense of \$1.3 million in the first quarter of 2024 increased by \$0.5 million compared to the first quarter of 2023, mainly due to higher interest on bank indebtedness and long-term debt as a result of increased interest rates and higher principal amounts borrowed in the quarter as compared to the prior year.

Provision for Income Taxes

	Three month period ended March 31	
	2024	2023
Expressed in thousands of dollars		
Current income tax expense	3,494	4,433
Deferred income tax recovery	(623)	(2,631)
Total income tax expense	2,871	1,802
Effective tax rate	31.3%	31.8%

Income tax expense for the three months ended March 31, 2024 was \$2.9 million, representing an effective income tax rate of 31.3% compared to 31.8% for the same period of 2023. The change in effective tax rate and current and deferred income tax expenses year over year was primarily due to the change in mix of income and loss across the different jurisdictions in which the Corporation operates and the reversal of temporary differences.

3. Selected Quarterly Financial Information

A summary view of Magellan's quarterly financial performance

	2024				2023				2022
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	
Expressed in millions of dollars, except per share amounts									
Revenues	235.2	223.5	213.0	219.7	223.4	193.1	191.1	192.7	
Income (loss) before taxes	9.2	4.4	4.7	6.1	5.7	(20.9)	2.5	1.2	
Net income (loss)	6.3	(0.3)	3.7	1.9	3.9	(20.8)	0.6	0.5	
Net income (loss) per share									
Basic and diluted	0.11	(0.00)	0.06	0.03	0.07	(0.36)	0.01	0.01	
EBITDA ¹	21.7	15.9	17.7	19.3	18.3	(8.5)	14.7	14.0	
Adjusted EBITDA ¹	21.7	16.4	18.5	19.5	18.6	(4.8)	14.8	14.0	

¹ EBITDA and Adjusted EBITDA are not IFRS financial measures. Please see Section 4 the "Reconciliation of Net Income to EBITDA and Adjusted EBITDA" for more information.

Revenues and net income in the quarter were impacted by the movements of the Canadian dollar relative to the United States dollar and British pound, when the Corporation translates its foreign operations to Canadian dollars. Further, the movements in the United States dollar relative to the British pound impact the Corporation's United States dollar exposures in its European operations. During the periods reported, the average quarterly exchange rate of the United States dollar relative to the Canadian dollar fluctuated between a high of 1.3619 in the fourth quarter of 2023 and a low of 1.2663 in the second quarter of 2022. The average quarterly exchange rate of the British pound relative to the Canadian dollar reached a high of 1.7103 in the first quarter of 2024 and hit a low of 1.5350 in the third quarter of 2022. The average quarterly exchange rate of the British pound relative to the United States dollar reached a high of 1.2680 in the first quarter of 2024 and hit a low of 1.1747 in the fourth quarter of 2022.

Revenue for the first quarter of 2024 of \$235.2 million was higher than that in the first quarter of 2023. The average quarterly exchange rate of the United States dollar relative to the Canadian dollar in the first quarter of 2024 was 1.3488 versus 1.3518 in the same period of 2023. The average quarterly exchange rate of the British pound relative to the Canadian dollar moved

from 1.6429 in the first quarter of 2023 to 1.7103 during the current quarter. The average quarterly exchange rate of the British pound relative to the United States dollar increased from 1.2154 in the first quarter of 2023 to 1.2680 in the current quarter.

The Corporation's results through-out fiscal 2022 and 2023 were negatively impacted by the continued effects of the COVID-19 pandemic via reduced volumes and supply chain disruptions. The decrease in profitability in the fourth quarter of 2022 was mainly the result of the effect of inflation in materials, supplies, utilities and labour; and supply chain disruptions which impacted production of goods resulting in production system inefficiencies and lower absorption of manufacturing supplies. These impacts, although not as significant, continued to impact the results in 2023. Compared to the second quarter of 2022, the Corporation has seen modest, albeit uneven, growth in quarterly revenues as global air travel continues to recover to pre COVID-19 levels.

4. Reconciliation of Net Income to EBITDA and Adjusted EBITDA

A description and reconciliation of certain non-IFRS measures used by management

In addition to the primary measures of earnings and earnings per share (basic and diluted) in accordance with IFRS, the Corporation includes EBITDA (net income before interest, income taxes and depreciation and amortization) and Adjusted EBITDA (net income before interest, income taxes, depreciation and amortization, goodwill impairment and restructuring) in this news release. The Corporation has provided this measure because it believes this information is used by certain investors to assess financial performance and that EBITDA and Adjusted EBITDA are useful supplemental measures as they provide an indication of the results generated by the Corporation's principal business activities prior to consideration of how these activities are financed and how the results are taxed in the various jurisdictions. Each component of this measure is calculated in accordance with IFRS, but EBITDA and Adjusted EBITDA are not recognized measures under IFRS, and the Corporation's method of calculation may not be comparable with that of other companies. Accordingly, EBITDA and Adjusted EBITDA should not be used as alternatives to net income as determined in accordance with IFRS or as alternatives to cash provided by or used in operations.

	Three month period ended March 31	
	2024	2023
Expressed in thousands of dollars		
Net income	6,311	3,860
Interest	1,310	806
Taxes	2,871	1,802
Depreciation and amortization	11,206	11,864
EBITDA	21,698	18,332
Add back:		
Restructuring	—	244
Adjusted EBITDA	21,698	18,576

Adjusted EBITDA in the first quarter of 2024 increased \$3.1 million or 16.8% to \$21.7 million in comparison to \$18.6 million in the same quarter of 2023 mainly as a result of higher net income driven largely by volume increases, contract rehabilitations and favourable product mix, higher interest and taxes, and lower depreciation and amortization expenses.

5. Liquidity and Capital Resources

A discussion of Magellan's cash flow, liquidity, credit facilities and other disclosures

The Corporation's liquidity needs can be met through a variety of sources including cash on hand, cash provided by operations, short-term borrowings from its credit facility and accounts receivable securitization program, and long-term debt and equity capacity. Principal uses of cash are for operational requirements, capital expenditures, common share repurchases and dividend payments. Based on current funds available and expected cash flow from operating activities, management believes that the Corporation has sufficient funds available to meet its liquidity requirements at any point in time. However, if cash from operating activities is lower than expected or capital projects exceed current estimates, or if the Corporation incurs major unanticipated expenses, it may be required to seek additional capital in the form of debt or equity or a combination of both.

Cash Flow from Operations

	Three month period ended March 31	
Expressed in thousands of dollars	2024	2023
Decrease (increase) in trade receivables	2,382	(29,213)
Increase in contract assets	(5,250)	(3,821)
Increase in inventories	(7,513)	(11,999)
Increase in prepaid expenses and other	(934)	(285)
(Decrease) increase in accounts payable, accrued liabilities and provisions	(1,567)	17,312
Increase (decrease) in contract liabilities	15,148	(4,189)
Changes to non-cash working capital balances	2,266	(32,195)
Cash provided by (used in) operating activities	19,827	(18,367)

For the three months ended March 31, 2024, operating activities provided \$19.8 million of cash compared to \$18.4 million used in the first quarter of 2023. Changes in non-cash working capital items provided cash of \$2.3 million, \$34.4 million higher when compared to the usage of \$32.2 million in the prior year. This increase is largely attributable to decreases in accounts receivables from timing of customer payments, increases in contract liabilities due to timing of customer deposits offset in part by increases in contract assets and inventories, and decreases in accounts payable, accrued liabilities and provisions primarily driven by timing of material purchases and supplier payments.

Investing Activities

	Three month period ended March 31	
Expressed in thousands of dollars	2024	2023
Purchase of property, plant and equipment	(6,295)	(3,563)
Proceeds of disposal of property plant and equipment	7	166
Increase in intangible and other assets	(1,240)	(662)
Cash used in investing activities	(7,528)	(4,059)

Investing activities used \$7.5 million of cash for the first quarter of 2024 compared to \$4.1 million of cash used in the same quarter of the prior year, an increase of \$3.4 million in investing activities due to higher spending on intangible and other assets and higher levels of investment in property, plant and equipment.

Financing Activities

	Three month period ended March 31	
Expressed in thousands of dollars	2024	2023
Decrease in bank indebtedness	(6,662)	—
Decrease in long-term debt	(540)	(540)
Lease liability payments	(1,371)	(1,386)
Decrease in borrowings subject to specific conditions, net	(1,276)	(1,323)
Decrease in long-term liabilities and provisions	(67)	—
Common share repurchases	(384)	(208)
Common share dividends	(1,429)	(1,436)
Cash used in financing activities	(11,729)	(4,893)

Financing activities used \$11.7 million of cash in the first quarter of 2024 compared to \$4.9 million of cash used in the same quarter of the prior year. In the current quarter, cash usage was mainly for the repayment of bank indebtedness, the payment of common share dividends, lease liability payments and decreases in borrowings subject to specific conditions.

On June 14, 2023, the Corporation extended its Bank Credit Facility Agreement (“2023 Credit Facility”) with a syndicate of lenders for an additional two-year period expiring on June 30, 2025. The 2023 Credit Facility provides for a multi-currency global operating credit facility to be available to Magellan in a maximum aggregate amount of \$75 million. The 2023 Credit Facility also includes a \$75 million uncommitted accordion provision, which provides Magellan with the option to increase the size of the operating credit facility to \$150 million. Extensions of the 2023 Credit Facility are subject to mutual consent of the syndicate of lenders and the Corporation. At March 31, 2024, there were drawings under the 2023 Credit Facility of \$26.9 million, including letters of credit totaling \$3.6 million.



As at March 31, 2024, the Corporation had contractual commitments to purchase \$10.5 million of capital assets.

Dividends

During the first quarter of 2024, the Corporation declared and paid a quarterly cash dividend of \$0.025 per common share representing an aggregating dividend payment of \$1.4 million.

Subsequent to March 31, 2024, the Corporation announced that its Board of Directors had declared a quarterly cash dividend on its common shares of \$0.025 per common share. The dividend will be payable on June 28, 2024 to shareholders of record at the close of business on June 14, 2024. The Board of Directors of the Corporation continues to review its dividends on a quarterly basis to ensure that the dividend declared balances the return of capital to shareholders while maintaining adequate financial flexibility and funds available for growth initiatives.

Normal Course Issuer Bid

On May 25, 2023, the Corporation's application to extend its normal course issuer bid ("2023 NCIB") was approved, which allows the Corporation to purchase up to 2,868,106 common shares between May 27, 2023 and May 26, 2024. During the first quarter of 2024, the Corporation purchased 49,456 common shares for cancellation at a volume weighted average price of \$7.76 per common share at a cost of \$0.4 million.

Outstanding Share Information

The authorized capital of the Corporation consists of an unlimited number of preference shares, issuable in series, and an unlimited number of common shares. As at April 30, 2024, 57,163,773 common shares were outstanding and no preference shares were outstanding.

6. Risk Factors

A summary of risks and uncertainties facing Magellan

The Corporation manages a number of risks in each of its businesses in order to achieve an acceptable level of risk without hindering the ability to maximize returns. Management has procedures to help identify and manage significant operational and financial risks.

For more information in relation to the risks inherent in Magellan's business, reference is made to the information under "Risk Factors" in the Corporation's Management's Discussion and Analysis for the year ended December 31, 2023 and to the information under "Risks Inherent in Magellan's Business" in the Corporation's Annual Information Form for the year ended December 31, 2023, which have been filed with SEDAR at www.sedarplus.ca.

7. Outlook

The outlook for Magellan's business in 2024

Airbus delivered 142 aircraft in Q1 2024, received net orders of 170 aircraft and closed the quarter with an order backlog of 8,626 aircraft. Comparatively, Boeing delivered 83 aircraft, received net orders of 125 aircraft and closed the quarter with an order backlog of 6,259 aircraft.

Airbus' A320 program build rate is currently at 56 aircraft per month, is planned to reach 62 aircraft per month by the end of 2024 and then 75 aircraft per month by 2026. The A330 build rate is currently at 3.3 aircraft per month with plans to go to 4 aircraft per month in Q3 2024, while the A350 is at 6 aircraft per month with plans to go to 10 aircraft per month in 2026. The A220 build rate is at 7.5 aircraft per month and is planned at 14 aircraft per month in 2026.

When the 737MAX door plug incident occurred, Boeing was transitioning 737 aircraft production from 31 to 38 aircraft per month. The FAA has capped the rate at 38 aircraft, although media reports suggest actual build rates in Q1 2024 were significantly lower. Boeing have stated that they are maintaining the supply chain at 38 aircraft per month. There were no deliveries of the 777 in Q1 2024 due to a shortage of engines. The engine manufacturer, General Electric, is coordinating engine production and delivery schedules with Boeing and airline customers. Boeing's 767 production continues at a rate of 3 aircraft per month, while the 787 build rate is transitioning to 5 aircraft per month.

Both Boeing and Airbus have healthy aircraft order backlogs, which reflect the strong market demand for new commercial aircraft.



In the defence market, US Congress passed the FY 2024 budget, which provides funding of USD \$43.6 billion for aircraft procurement, including a USD \$3 billion boost over the original request. Programs benefiting are Boeing's P8 Maritime Patrol aircraft and CH47 Chinook helicopter, Sikorsky's H-60 helicopter, Bell-Boeing's V22 Tiltrotor aircraft and Lockheed's C130J Tactical Transport aircraft. Boeing also secured a production contract from the US Navy for a final F/A-18E/F Super Hornet fighter buy. This order will allow Boeing to extend F/A-18 production into 2027, which is two years beyond the previously announced 2025 production end.

Pratt & Whitney received full funding for its Engine Core Upgrade program, which is to provide capability enhancements for its F135 engine and which ends a long-running debate over the future of the F-35 propulsion with an entirely new engine. This budget also includes funding for further development of a sixth-generation fighter under the US Air Force ("USAF") program known as Next Generation Air Dominance ("NGAD").

The downside of this budget revealed USAF plans to purchase fewer total Boeing F-15EXs, and slow the pace of Lockheed Martin F-35 and Boeing T-7A trainer acquisitions. According to the USAF, "this budget request sustains the modernization momentum of operational imperatives while taking a measured risk in the near term." Funds are re-directed towards the USAF's sixth-generation fighter development initiative and the associated effort to build autonomous combat fighters.

Additional Information

Additional information relating to Magellan Aerospace Corporation, including the Corporation's annual information form, can be found on the SEDAR web site at www.sedarplus.ca.

Forward Looking Statements

This news release contains certain forward-looking statements that reflect the current views and/or expectations of the Corporation with respect to its performance, business and future events. Such statements are subject to a number of uncertainties and assumptions, which may cause actual results to be materially different from those expressed or implied. These forward looking statements can be identified by the words such as "anticipate", "continue", "estimate", "forecast", "expect", "may", "project", "could", "plan", "intend", "should", "believe" and similar words suggesting future events or future performance. In particular there are forward looking statements contained under the heading "Overview" which outlines certain expectations for future operations. These statements assume the continuation of the current regulatory and legal environment; the continuation of trends for passenger airliner and defence production and are subject to the risks contained herein and outlined in our annual information form. The Corporation assumes no future obligation to update these forward-looking statements except as required by law.

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MAGELLAN AEROSPACE CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited) (expressed in thousands of Canadian dollars, except per share amounts)	Three month period ended March 31	
	2024	2023
Revenues	235,243	223,376
Cost of revenues	211,426	201,114
Gross profit	23,817	22,262
Administrative and general expenses	14,237	14,347
Restructuring	—	244
Other	(912)	1,203
Income before interest and income taxes	10,492	6,468
Interest	1,310	806
Income before income taxes	9,182	5,662
Income tax expense (recovery):		
Current	3,494	4,433
Deferred	(623)	(2,631)
	2,871	1,802
Net income	6,311	3,860
Other comprehensive income (loss):		
Items that may be reclassified to profit and loss in subsequent periods:		
Foreign currency translation	8,984	3,434
Unrealized (loss) gain on foreign currency contract hedges	(269)	768
Items not to be reclassified to profit and loss in subsequent periods:		
Actuarial income on defined benefit pension plans, net of taxes	—	175
Comprehensive income	15,026	8,237
Net income per share		
Basic and diluted	0.11	0.07

MAGELLAN AEROSPACE CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (expressed in thousands of Canadian dollars)	March 31 2024	December 31 2023
Current assets		
Cash	2,215	1,494
Trade and other receivables	210,615	211,364
Contract assets	75,077	69,052
Inventories	269,186	258,448
Prepaid expenses and other	11,524	10,441
	568,617	550,799
Non-current assets		
Property, plant and equipment	361,918	359,722
Right-of-use assets	26,135	26,857
Investment properties	6,679	6,632
Intangible assets	37,201	37,402
Goodwill	22,627	22,159
Other assets	13,638	13,126
Deferred tax assets	8,437	8,376
	476,635	474,274
Total assets	1,045,252	1,025,073
Current liabilities		
Bank indebtedness	9,145	15,534
Accounts payable, accrued liabilities and provisions	143,323	142,713
Contract liabilities	43,179	27,960
Debt due within one year	8,790	9,439
	204,437	195,646
Non-current liabilities		
Lease liabilities	23,883	24,314
Borrowings subject to specific conditions	22,963	24,166
Other long-term liabilities and provisions	6,104	6,089
Deferred tax liabilities	37,235	37,441
	90,185	92,010
Equity		
Share capital	249,930	250,147
Contributed surplus	2,044	2,044
Other paid in capital	13,565	13,565
Retained earnings	451,667	446,952
Accumulated other comprehensive income	30,047	21,332
Equity attributable to equity holders of the Corporation	747,253	734,040
Non-controlling interest	3,377	3,377
	750,630	737,417
Total liabilities and equity	1,045,252	1,025,073

MAGELLAN AEROSPACE CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (expressed in thousands of Canadian dollars)	Three month period ended March 31	
	2024	2023
Cash flow from operating activities		
Net income	6,311	3,860
Amortization/depreciation of intangible assets, right-of-use assets and property, plant and equipment	11,206	11,864
Loss (gain) on disposal of property, plant and equipment	24	(19)
Decrease in defined benefit plans	255	489
Accretion of financial liabilities	544	633
Deferred taxes	(624)	(2,981)
Income on investments in joint ventures	(155)	(18)
Other	—	—
Changes to non-cash working capital	2,266	(32,195)
Net cash provided by (used in) operating activities	19,827	(18,367)
Cash flow from investing activities		
Purchase of property, plant and equipment	(6,295)	(3,563)
Proceeds from disposal of property, plant and equipment	7	166
Increase in intangible and other assets	(1,240)	(662)
Net cash used in investing activities	(7,528)	(4,059)
Cash flow from financing activities		
Decrease in bank indebtedness	(6,662)	—
Decrease in debt	(540)	(540)
Lease liability payments	(1,371)	(1,386)
Decrease in borrowings subject to specific conditions, net	(1,276)	(1,323)
Decrease in long-term liabilities and provisions	(67)	—
Common share repurchases	(384)	(208)
Common share dividends	(1,429)	(1,436)
Net cash used in financing activities	(11,729)	(4,893)
Increase (decrease) in cash during the period	570	(27,319)
Cash at beginning of the period	1,494	40,940
Effect of exchange rate differences	151	186
Cash at end of the period	2,215	13,807

See accompanying notes to interim condensed consolidated financial statements