

# MAGELLAN

2025 AGM

GLOBAL  
SOLUTIONS  
FOR THE  
AEROSPACE  
MARKET



MAGELLAN™  
AEROSPACE

## FORWARD-LOOKING STATEMENTS



Certain information and statements contained in this presentation contain forward-looking information or statements (“forward-looking statements”) within the meaning of applicable securities laws. All forward looking statements such as efficiencies, rationalizations and investments forward-herein that are not clearly historical in nature constitute forward-looking statements, and the words “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “propose”, “predict”, “potential”, “continue”, or the negative of these terms or other comparable terminology are generally intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The projections, estimates and beliefs contained in such forward-looking statements are based on management’s assumptions relating to the production performance of Magellan’s assets and competition throughout the aerospace industry and continuation of the current regulatory and tax regimes in the jurisdictions in which the Corporation operates, and necessarily involve known and unknown risks and uncertainties which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements.

Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted. In particular, the Corporation has not adjusted or revised any forward-looking statements in this report to account for the potential disruption to its business from the novel coronavirus outbreak, the impact from which is not immediately known or quantifiable. These risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available under the Corporation’s profile at [www.sedar.com](http://www.sedar.com).

Past performance of the Corporation referred to in this presentation is shown for illustrative purposes only, does not guarantee future results of the Corporation and is not meant to forecast, imply or guarantee the future performance of the Corporation, which will vary.

Throughout this discussion, reference is made to EBITDA (defined as net income before interest, income taxes, depreciation and amortization) and Adjusted EBITDA (earnings before interest expense, income taxes, depreciation and amortization, goodwill impairment and restructuring), which the Corporation considers to be an indicative measure 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.

Readers are cautioned that the foregoing list of factors affecting forward-looking statements is not exhaustive. Furthermore, the forward-looking information and statements are made as of the date of this presentation, and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

N. MURRAY EDWARDS  
CHAIRMAN OF THE BOARD OF DIRECTORS

# BUSINESS MEETING AGENDA

- » Welcome and Remarks
- » Receipt of Financial Statements for 2024
- » Election of Directors
- » Appointment of Auditors
- » Other Business

PHILLIP C. UNDERWOOD  
PRESIDENT AND CHIEF EXECUTIVE OFFICER



# HIGHLIGHTS FOR 2024

- » Business Highlights
- » Financial Summary
- » Strategic Highlights

PHILLIP C. UNDERWOOD  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

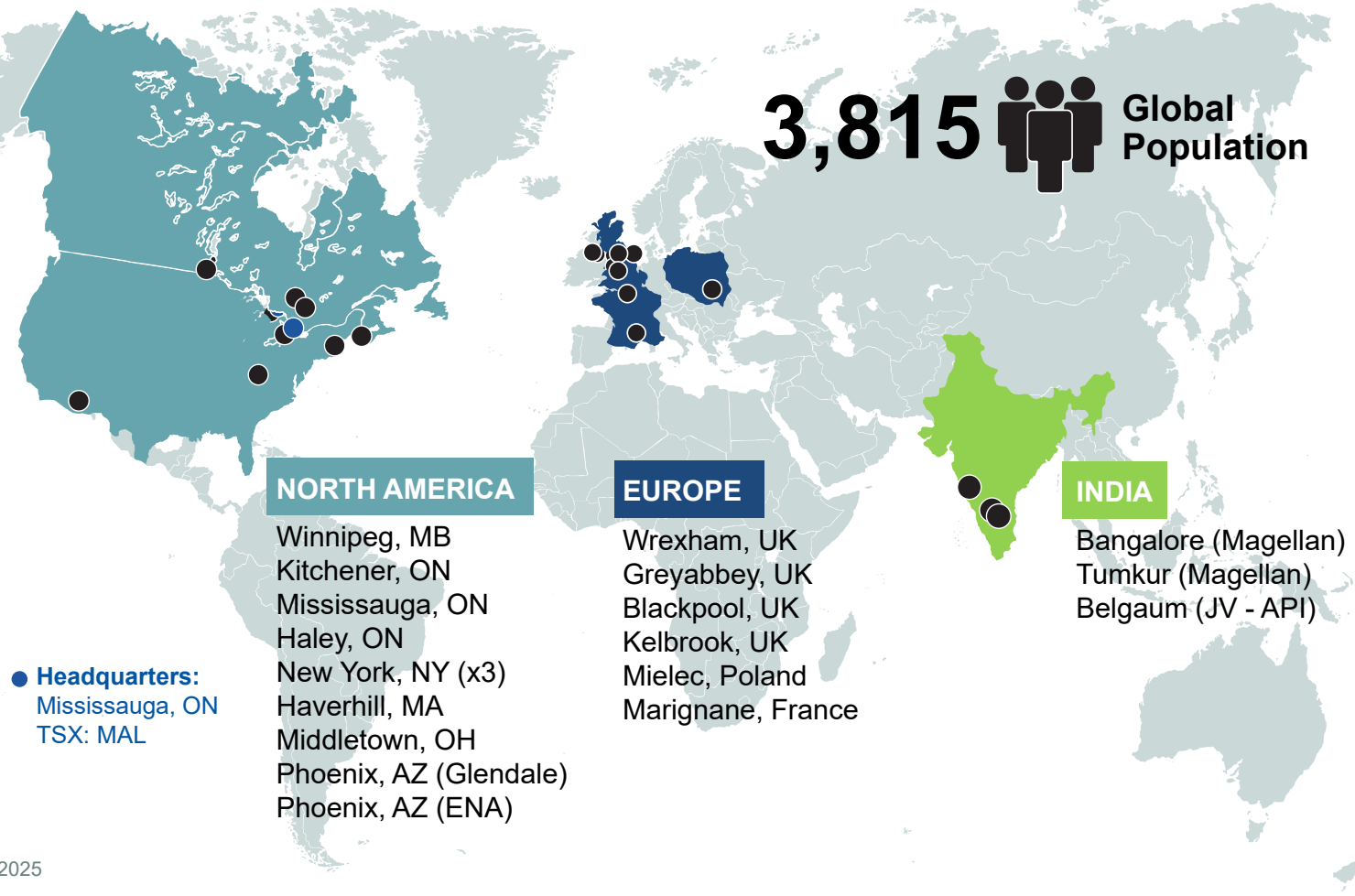
# BUSINESS OVERVIEW

- » Global Presence
- » Industry Update
- » Key Contract Announcements
- » 2024 Revenues by Customer and Segment

# GLOBAL BUSINESS UNITS



3,815  Global Population



● **Headquarters:**  
Mississauga, ON  
TSX: MAL

**NORTH AMERICA**

**EUROPE**

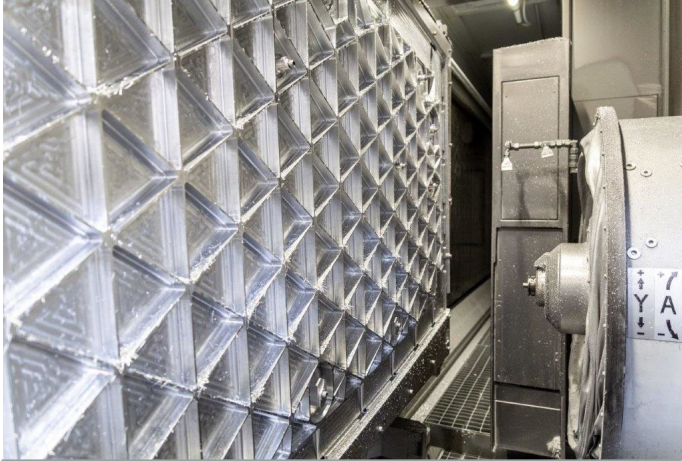
**INDIA**

# 2025

## Industry Update



**INDUSTRY UPDATE**  
 MARKET OVERVIEW - COMMERCIAL



Industry-wide travel increased by 8.6% YoY.

Domestic travel grew by 5.5% YoY.

- China by 12.3%
- India by 6.0%

International travel grew by 10.6% YoY

IATA forecasts 2025 annual growth to be around 8%.

Strong order backlogs recorded in 2024.

Airbus – 8,658 aircraft  
 Boeing - 6,245 aircraft



Supply chain issues are improving.

Boeing is recovering from its 3-month machinists strike.

Boeing targets 38-737's/mon, FAA to approve higher rate.

787 transitioning to 5/mon in 2024.

777-9 certification end of 2025/early 2026.

Airbus A350 rates hit 7/mon in 2025, while A330 bumps to 4.3/mon.

A320 build rate to reach 65/mon late 2025 and 73/mon in 2026.



# INDUSTRY UPDATE

## MARKET OVERVIEW - DEFENCE



Image courtesy Boeing.com

Uncertainty caused by U.S. deglobalization and pull back of international defence support is driving allies strategy changes.

Defence spending targets at 2% of GDP are likely to be exceeded.

F-35 represents 40% of total fighter production and deliveries.

With 110 aircraft delivered in 2024, the global fleet now exceeds 1,100.



Boeing was awarded a USAF order for engineering/development of a new 6<sup>th</sup> generation fighter named F-47.

As fighter fleets increase, demand for skilled pilots increase and therefore demand for trainers increase.

The trainer/light attack segment is projected to grow at an 11% CAGR from 2024 to 2032.

Unmanned aircraft is developing into a new growing defence segment.

## INDUSTRY UPDATE

### IMPACT OF TARIFFS ON MAGELLAN



- Based on our current business, approximately 75% of Magellan’s revenues are unaffected by tariffs.
- Of the remaining 25%, virtually all is export from Canada into the U.S., which is currently exempt from tariffs under the CUSMA free trade agreement.
- Primary impact to Magellan is on U.S. divisions due to 25% US tariff on steel and aluminum which is against less than 1% of sales.
- Should the CUSMA exemption be discontinued, Magellan customers are mostly responsible to pay the applicable tariffs as the importers of record.
- Canadian “counter” tariff in the form of surtaxes:
  - Majority of imports into Canada are exempt from the Canadian surtaxes. The small value of Magellan imports that are subject to the surtax will largely qualify and be recoverable through “duty drawback” from Canada.

# 2024 Contracts, Customers, Segments

KEY CONTRACTS ANNOUNCEMENTS  
2024



Magellan announced strategic contracts in key sectors including:

**AIRBUS**

**PERATON CANADA**

**PRATT & WHITNEY**

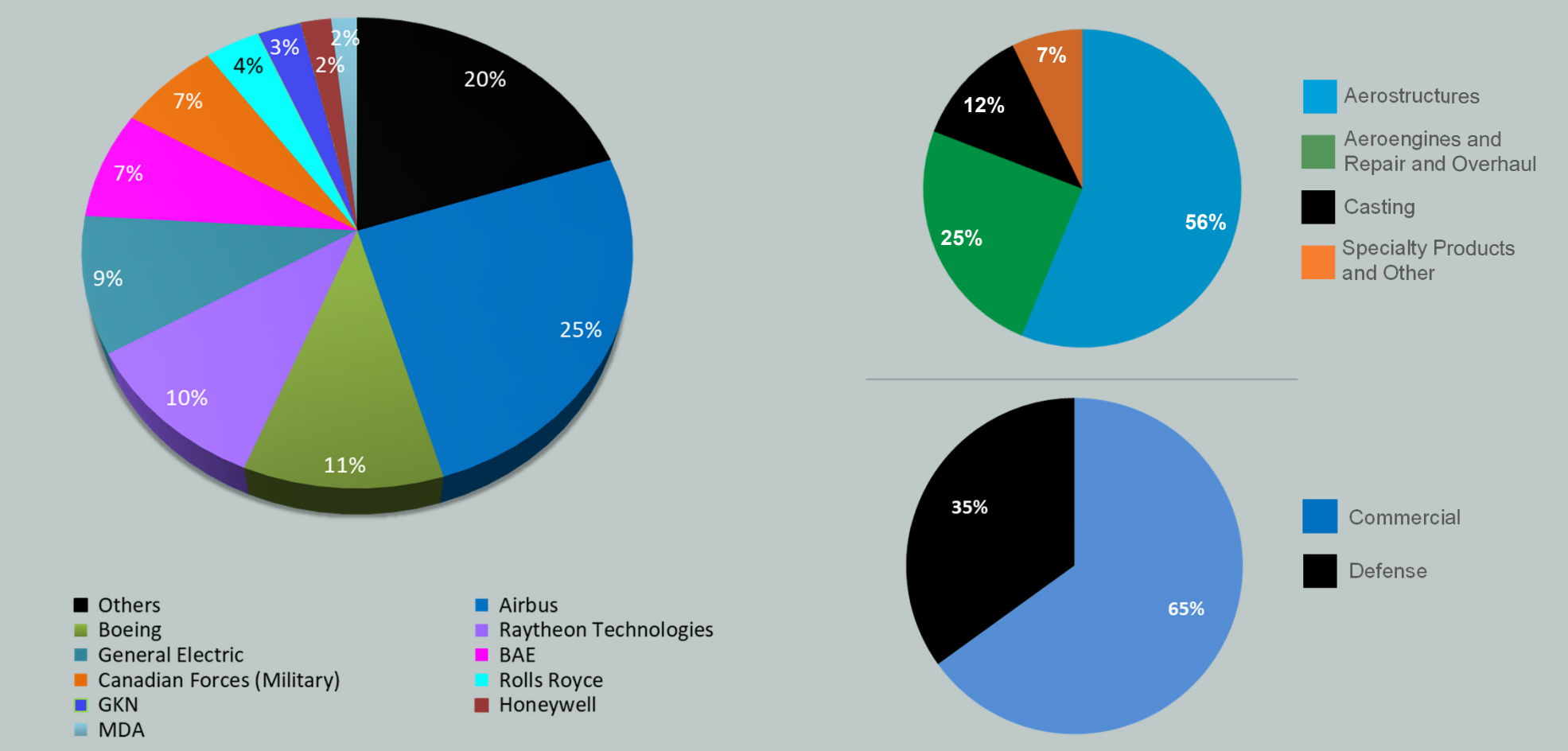
**"MOU" JOINT VENTURES**

**DEFENSE RESEARCH AND DEVELOPMENT CANADA**

**GE AVIATION CANADA**

# BUSINESS OVERVIEW

## 2024 REVENUES BY CUSTOMER AND SEGMENT



ELENA MILANTONI  
CHIEF FINANCIAL OFFICER

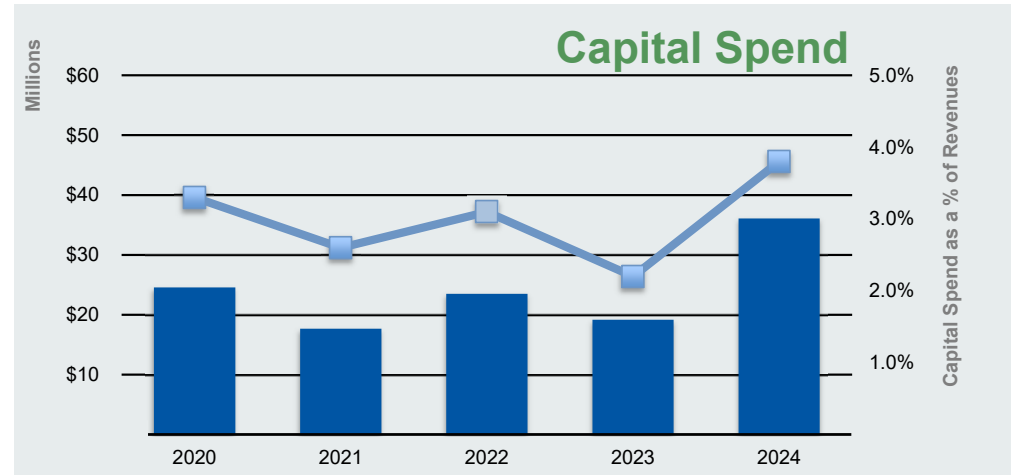
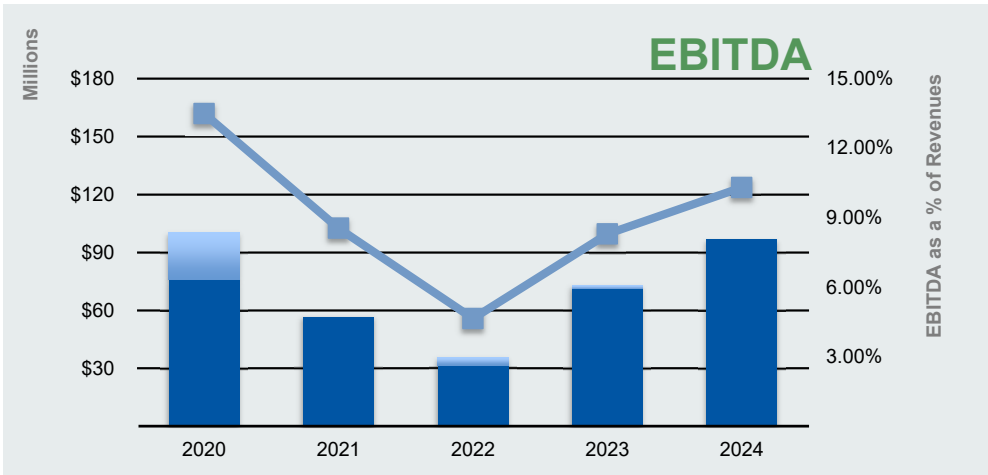
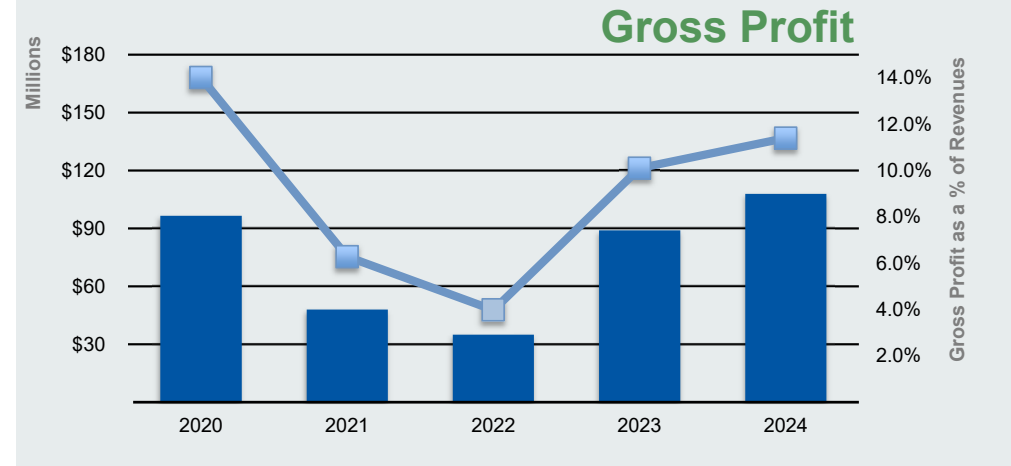
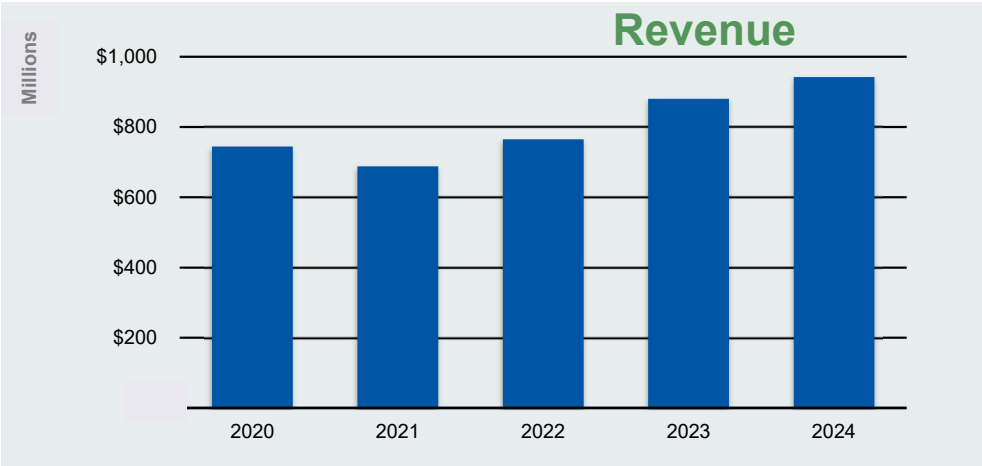


# FINANCIAL SUMMARY

- » Revenue
- » Gross Profit
- » EBITDA
- » Capital Expenditure

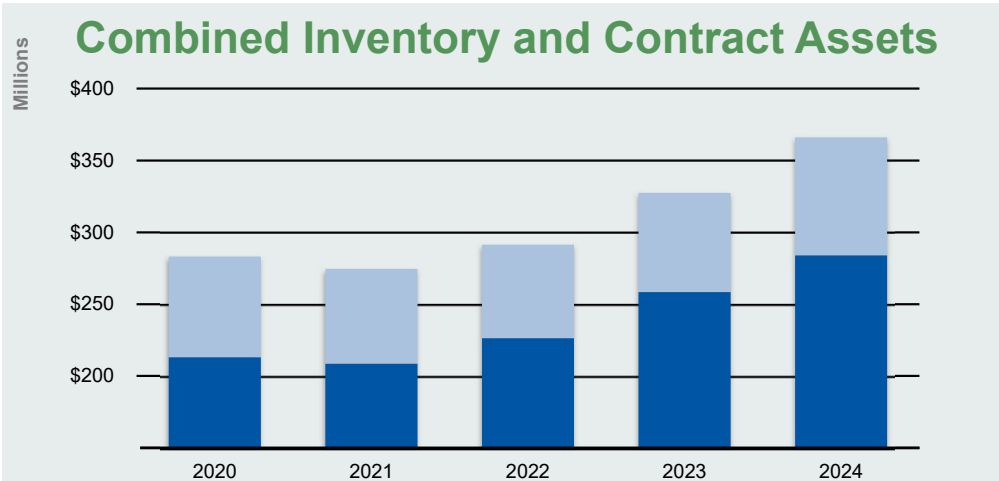
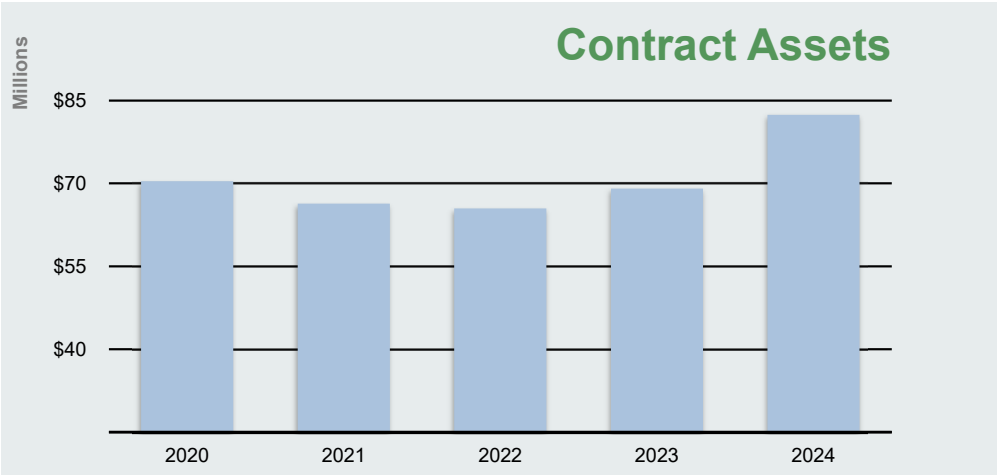
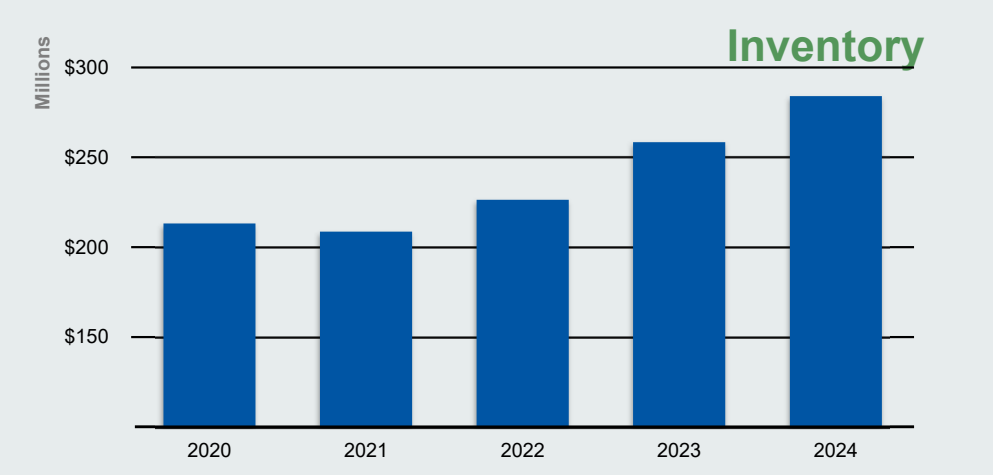
# FINANCIAL SUMMARY

## KEY FINANCIAL METRICS



# FINANCIAL SUMMARY

## KEY FINANCIAL METRICS





PHILLIP C. UNDERWOOD  
PRESIDENT AND CHIEF EXECUTIVE OFFICER



# STRATEGIC SUMMARY

» Challenges, Opportunities & Goals

# MAGELLAN AEROSPACE STRATEGY

## GROWTH OPPORTUNITIES



DRIVERS	IMPACT	RESULTS & OPPORTUNITIES
<p><b>NEW BUSINESS CAPTURE</b></p>	<p>Build rates are increasing - Boeing and Airbus are ramping up production</p> <p>Win new work with existing customers</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Revenue growth</li> <li><input type="checkbox"/> Improved utilization leads to efficiency gains and positive operating leverage</li> </ul>
<p><b>REHABILITATED CUSTOMER CONTRACTS</b></p>	<p>Hyperinflation led to certain customer contracts becoming unsustainable</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Key terms of the majority of our contracts have been rehabilitated</li> </ul>
<p><b>CASTINGS DEMAND</b></p>	<p>Industry demand for sand casting parts continues to exceed supply - Limited number of suppliers globally</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Investment with customer support in new facility and equipment</li> </ul>

# MAGELLAN AEROSPACE STRATEGY

## MARGIN IMPROVING OPPORTUNITIES



DRIVERS	IMPACT	RESULTS & OPPORTUNITIES
<p><b>LOW COST SOURCING</b></p>	<p>Commoditized parts are offshored to low cost countries</p> <ul style="list-style-type: none"> <li>- Mitigate rising labour &amp; production costs</li> <li>- Tap into skilled and deep talent pools</li> </ul>	<ul style="list-style-type: none"> <li>☐ Magellan has been operating in India for 18+ years                             <ul style="list-style-type: none"> <li>➤ Investment to expand facility</li> <li>➤ New MRO and castings joint venture</li> </ul> </li> </ul>
<p><b>TECHNOLOGY IMPLEMENTATION</b></p>	<p>Leverage technology to improve efficiency</p> <ul style="list-style-type: none"> <li>- Better and timely data and analytics</li> <li>- Automation / reduced labour dependence</li> </ul>	<ul style="list-style-type: none"> <li>☐ SAP ERP (Enterprise Resource Planning) implementation</li> <li>☐ Investment in robotic welding and 3D sand printers</li> </ul>
<p><b>FACTORY RECONFIGURATION</b></p>	<p>Optimize production configuration</p> <ul style="list-style-type: none"> <li>- Streamline workflow to reduce labour hours required</li> </ul>	<ul style="list-style-type: none"> <li>☐ Complex FMS cell adding capacity and efficiencies</li> <li>☐ Post cast automated processing cells</li> </ul>

# MAGELLAN AEROSPACE STRATEGY

## STRATEGIC GOALS

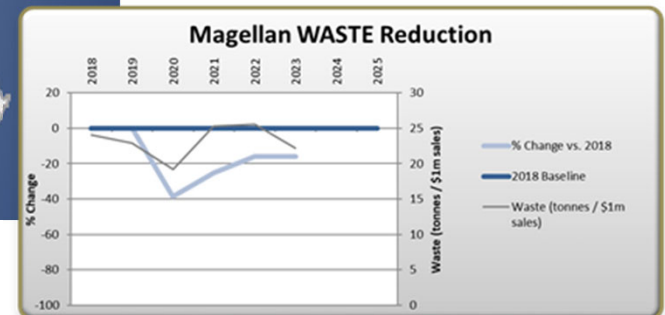
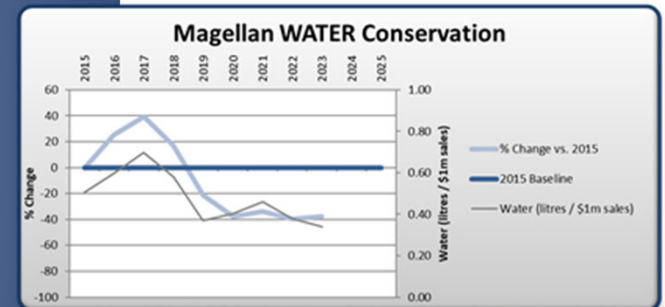
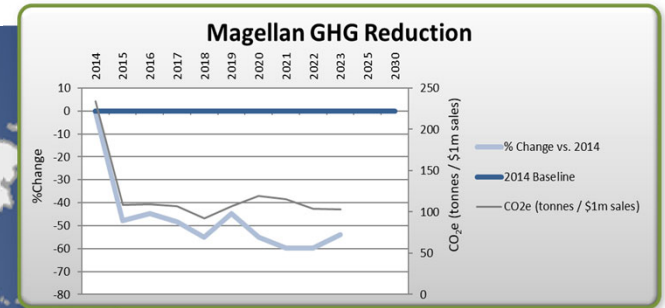


### STRATEGY

Grow Magellan as the supplier of choice to the global aerospace industry



# ENVIRONMENTAL SOCIAL GOVERNANCE OUR COMMITMENT



## Engaging our People: Sustainability Spotlight



## SUSTAINABILITY SPOTLIGHT

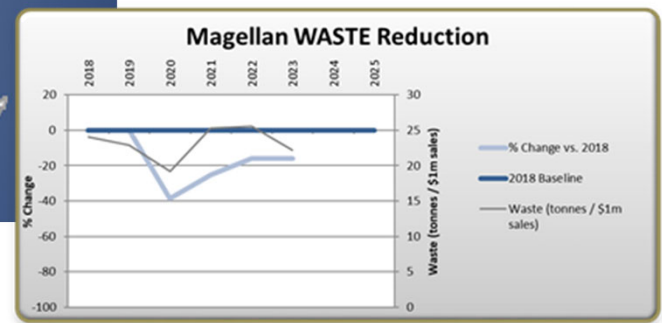
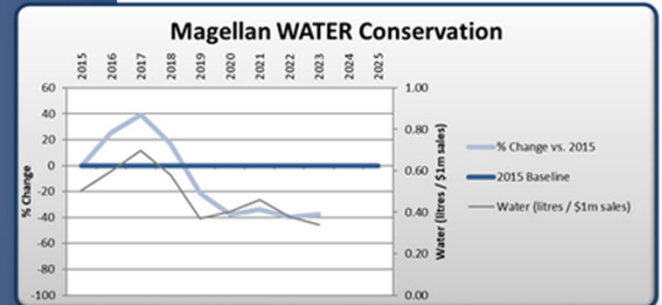
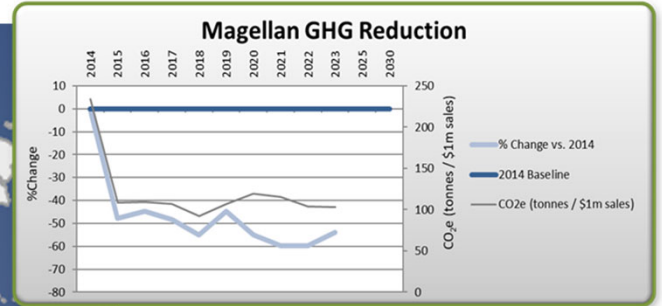
Magellan Aerospace's Euravia North America (ENA), recently implemented a tank waste neutralization process, treating approximately 3,000 pounds of acid waste.



ENA Tank Line

Through this initiative, ENA achieved a substantial reduction in hazardous waste output, enabling a downgrade to a "Very Small Quantity Generator" status. This reclassification brings ENA under minimal regulations and reporting requirements, and is a result of their commitment to safer and more efficient operations.

By reducing hazardous waste generation, ENA has improved operational efficiency and has also minimized their environmental footprint. This initiative reflects the commitment to sustainability, ensuring a safer workplace while protecting our surrounding ecosystems.



# Engaging our People: Sustainability Spotlight



### SUSTAINABILITY SPOTLIGHT

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### SUSTAINABILITY SPOTLIGHT

Magellan's Provence facility highlights our commitment to reducing resource consumption and minimizing our environmental impact.



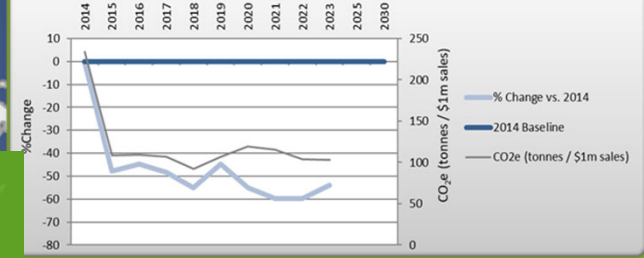
By focusing on optimizing energy usage, a significant 35% reduction was achieved in electricity consumption through efficient communication and advanced programming of our air conditioning systems. This initiative involved adjusting operational protocols to better control temperature regulation, ensuring energy is used only when necessary.



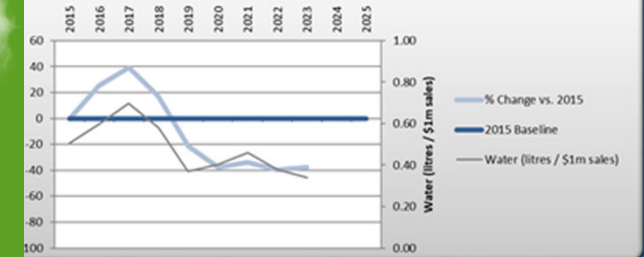
An additional 30% decrease in gas consumption was achieved by adapting the work schedule to align with outside temperatures. By working in harmony with natural temperature cycles, the need for heating was greatly reduced, especially during peak times.

These simple adjustments contribute to our sustainability goals and also help create a more responsible and efficient workplace.

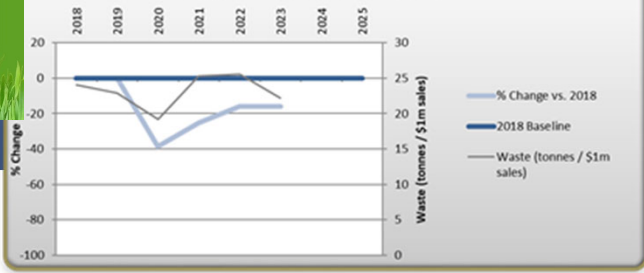
### Magellan GHG Reduction



### Magellan WATER Conservation



### Magellan WASTE Reduction



## Engaging our People: Sustainability Spotlight



## 2024 ACHIEVEMENTS AND KEY AREAS OF FOCUS

### 2024 Achievements

- Significant revenue and profit growth
- Balance Sheet remains strong
- Progressed our Zero Defects program
- Rehabilitated a number of customer contracts
- Workplace engagement program progressed
- ESG framework established and in place and all sites aligned to ISO45001 (H&S)

### Key Areas of Focus

- Continued focus on profitable growth
- Prioritize working capital improvements
  - Inventory and contract assets
- Focus on quality and delivery
- Be well positioned to meet our customers needs
- Further develop our workplace engagement program
- Monitor evolving ESG disclosure standards and global reporting frameworks





# MAGELLAN

## THANK-YOU