



March 2024

**TECH**PRECISION

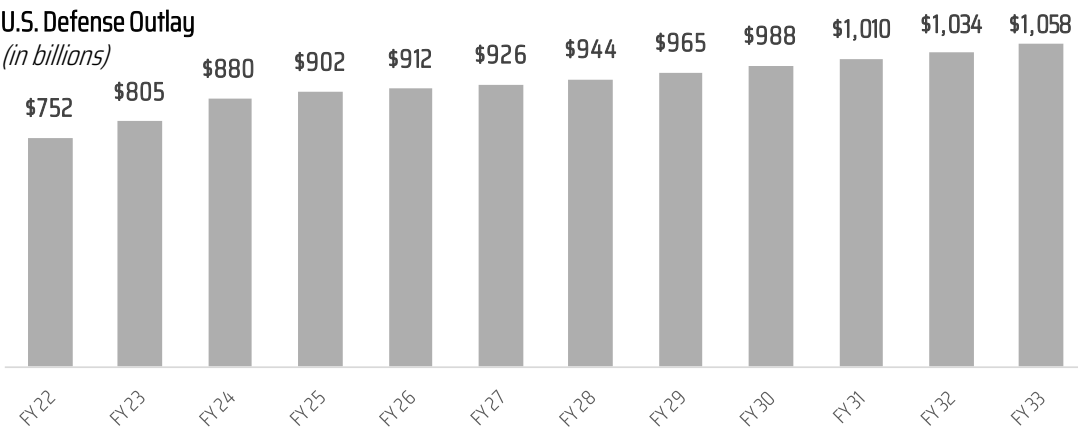
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# INVESTOR PRESENTATION

# Aerospace & Defense Market Overview

## Aerospace & Defense End Market

\$817 billion has been allotted to the U.S. Defense Department for 2023, well in excess of original request, and places a key focus on military readiness and modernization



Increasing Geopolitical Tensions Creating Growth Requirements



Development of Multiple Next Generation Missile Systems Forecasts  
Long Lasting Demand



Growing US Navy Budget to Support Fleet Expansion and  
Replenishment

## Rise of Defense Threats and Significant Naval Investments

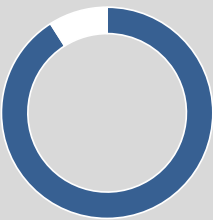


\$805B US Defense  
Outlay in FY2023



\$133B US Navy  
Shipbuilding Budget to  
Replenish Aging Fleet  
(2023E-2027E)

## Percent of Revenue in Aerospace & Defense Market



Ranor - 91%



STADCO - 80%



VOTAW - 30%

# Ranor | Segment Overview

Ranor specializes in complex build to print solutions and boasts significant penetration on Columbia and Virginia Class submarines

- Located in Westminister, MA, Ranor has been the industry choice for large-scale welding and large-scale machining solutions since 1956.
- Ranor is a U.S. Defense-centric business with 91% of revenue from Virginia class & Columbia class submarine programs, with a secondary focus on space launch and precision industrial sectors.
- Ranor is at an inflection point following a successful operational and financial turnaround, with a directive and 10 million Navy CAPEX funding to grow capability and capacity over the next 24 months, expecting to grow revenue with enhanced EBITDA performance in out years.

## Key Programs

Columbia Class Submarine



Virginia Class Submarine



Space Launch System (SLS)



## Facility Overview



## Segment Financial Performance (USD in Millions)





# STADCO | Segment Overview

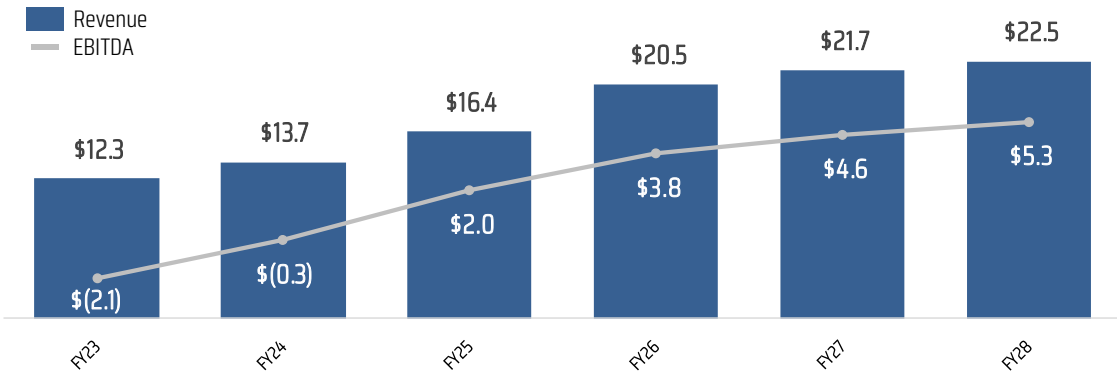
STADCO is a supplier of choice for strategic programs with multi-decade long contract history

- Leading manufacturer and supplier of large-scale fabrication and machining operations established in 1941
- STADCO has a long history of manufacturing critical, high precision parts for the defense and civil aviation industries, national laboratories, various weapons programs, and space flight
- Operates out of 200,000 square foot leased facilities in north Los Angeles with unique capabilities; operates one of the largest electron beam welding machines in the country
- The business was acquired by TechPrecision in August of 2021 as a turnaround opportunity, with recent results showing improved backlog, margins, and growth trajectory

## Manufacturing Capabilities



## Segment Financial Performance (USD in Millions)



## Key Programs

CH-53K Heavy Lift Helicopter



SLS, BOLE Rocket Booster



F15-EX Eagle II



# Turnaround through Growth and Operational Improvement

## Turnaround Initiatives have Recaptured Customer Confidence

- Ranor and STADCO capital expenditures in machining and tooling have materially enhanced capabilities and capacity
  - To date, invested nearly \$12m in Ranor and STADCO; execution in process on an additional \$10m+ in the next 24 months
- Maximizing throughput time through appropriate investment in R&M
  - Ongoing upgrade and maintenance of machining to maximize uptime and throughput in Ranor and STADCO
- Established centralized command & control

## Measuring Turnaround Strategy on Performance Metrics

- Uptime and throughput remain at all-time highs
- On time deliveries have increased over 5x in Ranor since 2014, and over 4x in STADCO since 2023
- By all performance metrics measured, TechPrecision has significantly streamlined operations in Ranor and STADCO

## Impacts of Operational Improvement and Disciplined Investment

	Ranor		STADCO	
	June 2014	Since June 2017	Sept. 2021	Sept. 2023
Equipment Uptime	45%	100%	0%-40%	80%-100%
OTD	19%	100%	20%	80%

	June 2014	Dec. 2023	Sept. 2021	Dec. 2023
Gross Backlog	\$12.3m	\$32.1m	\$13.9m	\$35.8m
Recurring Business	10%	90%	60%	60%
Single Source	10%	91%	51%	51%
CapEx	Secured \$14m of US Navy Funding		Electron Beam Welding – 1 op/day	Electron Beam Welding – 8 ops/day

# Key Programs

TechPrecision is a key supplier of proprietary parts for top priority Aerospace, Defense & Space programs

## Ranor

### Columbia Class Submarine

- Top priority program to build 12 new SSBNs over a period of 20 years to replace the 14 OHIO Class SSBNs.
- Ranor supplies weapon and control related components including RDM doors, locking rings, AFT and FWD cones, stator frames and other critical components for the CCS
- “The Navy’s FY2024 budget submission estimated the total procurement cost of the 12-ship class at \$112.7 billion...”



### Virginia Class Submarine

- Designed to replace existing Los Angeles submarine class
- Ranor supplies weapon and control related components including outboard transducer array assembly, lower missile tube, hull inserts, water tanks and other critical components for the VCS
- The US Navy’s FY2023 30-year (FY2023-FY2052) shipbuilding plan profiles Virginia class submarines to be procured at a basic rate of 2 boats per year.



## Ranor & STADCO

### Space Launch System (SLS)

- The Space Launch System (SLS) enables missions in planetary science, planetary defense and astrobiology
- SLS is making progress today toward its initial launch capability and future capabilities
- NASA has issued contracts for SLS hardware well into the 2030s to support manufacturing












## STADCO

### Sikorsky CH-53K • E • D







- The CH-53K was designed as a general overhaul of Sikorsky’s CH - 53E
- STADCO has been a prime supplier of parts for the Sikorsky CH-53 helicopter programs for over 45 years
- “The Company expects to produce about 300 CH-53Ks, including the 200 for the U.S. Marine Corps.” – Sikorsky



# Ranor & STADCO Support High-Priority Long-Term US Defense Programs

Defense	Program	Description	Customer(s)
	Virginia Class Submarine	Virginia-class submarines are providing the U.S. Navy with the capabilities it requires to maintain undersea superiority well into the 21st century. The Virginia class is the first U.S. Navy warship designed from the keel up for the full range of mission requirements in the post-Cold War era	<b>GENERAL DYNAMICS</b>  <b>CURTISS-WRIGHT</b>  <b>BAE SYSTEMS</b>
	Columbia Class Submarine	The Columbia Class submarine is the ultimate guarantor of US national security. These SSBN's will carry approximately 70 percent of the nation's nuclear arsenal	<b>GENERAL DYNAMICS</b>  <b>NORTHROP GRUMMAN</b>
	MK45 Naval Gun	The 5" (127 mm)/54 caliber (Mk 45) lightweight gun is a U.S. naval artillery gun mount consisting of a 5 in (127 mm) L54 Mark 19 gun on the Mark 45 mount	<b>BAE SYSTEMS</b>
	F/A-18	The F/A-18 military aircraft program developed by Boeing for the US Navy and Marine Corps is currently undergoing modernization efforts across the fleet	 <b>NORTHROP GRUMMAN</b>
	CH-53K Super Stallion	The CH-53K King Stallion is a heavy lift helicopter, being a general redesign of the preceding CH-53E, the main improvements being the new engines and cockpit layout. It has over twice the lift capacity and radius of action of the CH-53E, and a wider cabin and cargo space to allow it to carry more troops and equipment, including a Humvee internally. It is designed to fly higher, faster and with longer range.	 <b>SIKORSKY</b> <small>A LOCKHEED MARTIN COMPANY</small>
	F-35 JSF	The Lockheed Martin F-35 Lightning II is an American family of single-seat, single-engine, all-weather stealth multirole combat aircraft that is intended to perform both air superiority and strike missions. It is also able to provide electronic warfare and intelligence, surveillance, and reconnaissance capabilities	 <b>LOCKHEED MARTIN</b>
	F15-EX Eagle II	The Boeing F-15EX Eagle II is an American all-weather multirole strike fighter derived from the McDonnell Douglas F-15E Strike Eagle. The F-15EX is expected to replace the F-15C/D in performing homeland and air defense missions and also serve as an affordable platform for employing large stand-off weapons	 <b>BOEING</b>
	Orca	The Orca Extra Large Unmanned Undersea Vehicles (XLUUVs) are intended to provide the US Navy with a long-range autonomous undersea vehicle capability for performing various missions, including surveillance, reconnaissance, and intelligence gathering	 <b>BOEING</b>
	Hypersonic Missiles	Hypersonic missile solutions are marked as high-priority by the DoD as they develop new advanced missile and hypersonic technologies for the enhancement of end-to-end strike force systems to increase the ability to deter future threats	 <b>Raytheon Technologies</b>

# Ranor & STADCO Support High-Priority Long-Term US Space Programs

Space	Program	Description	Customer(s)
	Hypersonics	Hypersonic missile solutions are marked as high-priority by the DoD as they develop new advanced missile and hypersonic technologies for the enhancement of end-to-end strike force systems to increase the ability to deter future threats	
	SLS	The Space Launch System (SLS) is a super-heavy-lift rocket developed by NASA as the primary launch vehicle for crewed and uncrewed missions to the Moon, Mars, and other deep space destinations	  
	Dream Chaser	The Dream Chaser program is being developed for spaceflight by Sierra Space to provide commercial crew transportation services to and from low Earth orbit (LEO) destinations, such as the ISS	
	Orion	Orion is NASA's spacecraft that will take humans deep into space. No other spacecraft in development has the technology needed for the extremes of deep space, such as life support, navigation, communications, radiation shielding and the world's largest heat shield that will protect astronauts and help return them safely home. Lockheed Martin is the prime contractor building Orion.	
	Skunk Works - ADP	Skunk Works is a pseudonym for Lockheed Martin's Advanced Development Programs (ADP), formerly called Lockheed Advanced Development Projects. It is responsible for a number of aircraft designs, highly classified research and development programs, and exotic aircraft platforms.	