

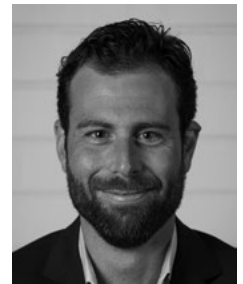
Sohn Hearts and Minds Investment Leaders Conference

Manager recommendation in focus

Montaka Global Investments – Christopher Demasi

Montaka Global Investments (Montaka) is a global equities fund manager, founded in 2015 by Andrew Macken and Christopher Demasi, which seeks to deliver higher returns with lower risk than the market. Montaka’s long/short strategy invests in a high-conviction long portfolio of high-quality businesses that are materially undervalued and an independent short portfolio of businesses that are structurally challenged, misperceived and overvalued. A long-only version is also offered. Montaka’s founders and team members are the majority-owners of the business and invest substantially all their personal wealth alongside clients. Montaka has offices in Sydney and New York and manages over A\$500 million.

<https://montaka.com/>



Christopher Demasi
Portfolio Manager

Recommendation: Airbus SE (AIR FP)

Airbus is a leading global aerospace company generating almost €70 billion in annual revenue. Airbus Commercial is the crown jewel (75% of total revenues and 90% of profits). It is one of the world’s leading manufacturers of passenger aircraft, including the narrow-body A320, the wide-body A350, and the world’s largest passenger airliner, the A380. Airbus Helicopters is a global leader in civil and military rotorcraft, and Airbus Defence and Space is a leading supplier to militaries and the space industry.

What Christopher says about Airbus

- Airbus is a high-quality business, stemming from its market leading position in the highly attractive industry for passenger aircraft, demonstrated by return on equity above 30%.
- Airbus leads US-based Boeing in a global duopoly for passenger jets, with almost 60% of narrow-body orders (A320) and half of wide-body orders (A350). Airbus’ backlog of 7,000 orders stretches nine years, securing leadership for the foreseeable future.
- The market structure is virtually impervious to disruption. Initial capital outlays of tens of billions of dollars, decade-plus payback periods, and technological expertise and commercial relationships developed over decades are extremely high barriers for potential entrants.
- Airbus will benefit from structural growth tailwinds over the next 20 years, as the global middle-class population increases by two billion people, demand for air travel more than doubles, and airlines purchase over 37,000 planes to expand their fleets.
- Deliveries of Airbus’ key A320 and A350 aircrafts will ramp quickly and grow strongly, more next-gen and long-range variants will be sold for higher prices, and profit margins will ultimately double.
- At the current share price, we think the market is underappreciating this long run growth and profit opportunity. We estimate the stock is worth €150 per share today, or 50% upside, with little downside risk.

Company information

Ticker code	AIR FP
Market capitalisation	€78.5 billion
Average daily volume	1.589 million shares
52-week range	€81.21- €110.06
Bloomberg consensus	25 Buys, 5 holds, 0 Sells
Average price target	€117.77

AIR FP: 5 year share price history

