

INSIDE EDGE
— CAPITAL —



Stock Spotlight

Howmet Aerospace Inc. (HWM)



HOWMET
AEROSPACE

Prepared July 30th, 2024

Trevor Ruberti
Intern, BU '27

trevor@insideedgecapital.com



INSIDE EDGE

CAPITAL

Inside Edge Capital, LLC is a registered investment adviser located in Saratoga Springs, NY

Inside Edge Capital & its representatives are in compliance with the current registration & notice filing requirements imposed upon registered investment advisers by those states in which Inside Edge Capital maintains clients. Inside Edge Capital may only transact business in those states in which it is registered or qualifies for an exemption or exclusion from registration requirements. The information in this presentation should not be construed, in any manner whatsoever, as a substitute for personalized individual advice from Inside Edge Capital.

Information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Information presented is also dated material and may be out of date or obsolete after the date of publication. Investment model performance is dependent on the time period selected and may not fully reflect actual model performance based on trade timing and other factors. This report is not intended to predict or show any actual account performance. Investments involve risk and unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

Past performance is not indicative of future performance. Therefore, no current or prospective client should assume that future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended by Inside Edge Capital), or product referenced directly or indirectly in this report, will be profitable. Different types of investments involve varying degrees of risk, & there can be no assurance that any specific investment or investment strategy will be suitable for a client's or prospective client's investment portfolio.

The information within this report was researched by Inside Edge Capital with the tools available to the Inside Edge Capital from DTN IQ, Optuma, YCharts, CNBC, TD Ameritrade, Schwab.

Various indexes were chosen that are generally recognized as indicators or representation of the stock market in general. Indices are typically not available for direct investment, are unmanaged and do not include fees or expenses. Some indices may also not reflect reinvestment of dividends.

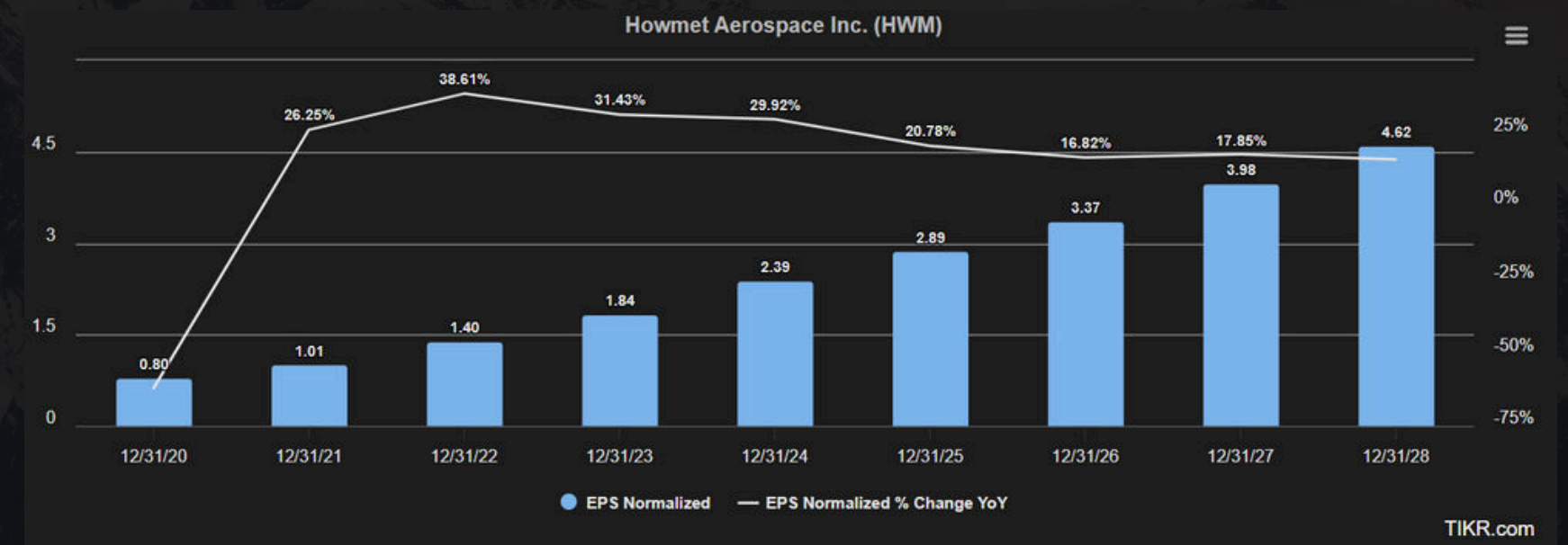
Howmet Aerospace Inc

- Howmet Aerospace is one of the newer additions to our T.A.G. Portfolio, adding a 1% allocation on June 24th.
- Howmet Aerospace specializes in a variety of engineered metal products, supplying parts for both the aerospace and transportation industries. Their main products include parts for jets and jet engines, as well as wheels and other systems for commercial trucks.
- Howmet has been in business for over 100 years, and as the inventor of the first aluminum semi-truck wheel in 1948, has always pushed innovation and creativity within the company.



Q2 Earnings

- Howmet Aerospace reported Q2 earnings today on July 30th, and beat analyst estimates on both the top and bottom lines.
- EPS - Reported \$0.67 vs expectations of \$0.60, beating by 12%. Growth rate vs same quarter last year of 52%.
- Revenue - Reported \$1.88B vs expected \$1.84B, beating by 2%. Growth rate vs same quarter last year of 14%.
- This trend is expected to continue in the future, with analysts expecting EPS growth from 15%-30% in the coming years as seen in the chart below.





Notable Information from Earnings Call

- Howmet authorized stock repurchases of \$2.487 billion, increasing substantially from the previous \$2 billion.
- Dividend payout is increasing 60% in the third quarter of 2024.
 - From \$.05 a share to \$.08 a share
- 2024 Guidance was raised for all metrics after the strong second quarter.
- Reduced debt by \$23 million.
- Boeing, one of the company's most reliable buyer of their jet parts, has been decreasing their orders because of their recent safety failures, dragging down aerospace sales
- The stock has broken above a 27-year resistance zone of \$75-\$78 now acting as support





THANK YOU!

www.InsideEdgeCapital.com

info@insideedgecapital.com

855-WIN-Trade

Trevor Ruberti
Intern, BU '27

trevor@insideedgecapital.com

