

Report on the 1st quarter of 2023



Overview – MONTANA TECH COMPONENTS



VARTA AG

VARTA AG produces and markets a large range of batteries that includes micro-batteries, household batteries, energy storage systems, customer-specific battery solutions for a variety of applications, and as a technology leader also defines industry standards in important areas. VARTA engages intensely in research and development, thereby creating global benchmarks in many areas of lithium-ion technology and micro-batteries, and is also innovation leader in key growth markets.

ALUFLEXPACK AG

Aluflexpack produces flexible packaging solutions for end markets such as "Coffee & Tea, Pharma, Pet food, Confectionery and Dairy", and has over 35 years of experience in converting aluminum and plastic foils into high-quality end products. Expert know-how, flexible services and innovation are the basis for our long-standing customer relationships with both local companies and major international corporations.

MONTANA AEROSPACE AG

Montana Aerospace is one of the world's leading manufacturers of complex lightweight components and structures for the aviation industry based on its global presence in development and manufacturing, and multi-material expertise. As a highly integrated and innovative full-service provider with a strong commitment to sustainability, it has become an important partner for customers in the aviation, e-mobility and energy sectors.



Key financials

KEY FIGURES OF THE MONTANA TECH COMPONENTS GROUP

(in TEUR) unaudited according to IFRS	1-3/2023	1-3/2022	Change in TEUR	Change in %
Net sales	616,131	505,380	110,752	21.9%
EBITDA	24,160	61,893	-37,733	-61.0%
% of net sales	3.9%	12.2%		
EBIT	-31,128	12,899	-44,027	-341.3%
% of net sales	-5.1%	2.6%		
EBT	-54,953	17,042	-71,995	-422.5%
Net income	-58,044	9,063	-67,107	-740.4%
Employees	12,798	12,937	-139	-1.1%

OVERVIEW OF THE LATEST QUARTERS

(in TEUR) unaudited according to IFRS	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Net sales	447,190	501,839	573,792	505,380	614,917	634,342	715,340	616,131
EBITDA	63,416	93,953	85,813	61,893	92,956	24,514	118,611	24,160
EBIT	17,672	47,014	34,222	12,899	32,977	-37,381	-91,965	-31,128
EBT	6,668	48,763	25,392	17,042	23,652	-45,114	-142,287	-54,953
Net income	-5,330	35,820	3,845	9,063	14,950	-44,821	-143,267	-58,044
Employees	11,079	11,435	11,560	12,937	13,011	13,444	12,879	12,798

Management Report – Analysis of the results

Dear Shareholders,

Dear Ladies and Gentlemen,

MONTANA GROUP – RESULT AS AT 31 MARCH 2023

The MONTANA TECH COMPONENTS Group and its Divisions achieved total sales of EUR 616.1 million in the first quarter of the financial year 2023 (+21.9 % vs. Q1 2022). Despite the sustained challenging macroeconomic environment on global markets, the industrial group reported higher sales again for another consecutive time since its foundation in 2006. This development was substantially supported by the continued rise in sales at the subsidiaries Aluflexpack AG (+28.5 %) and Montana Aerospace AG (+45.1 %). Furthermore, there were positive effects from the steady expansion of market shares at the Divisions supported by growth in the operating business, strategic investments in skills and capacities, as well as the high degree of vertical integration. The Group closed the first quarter of 2023 with an EBITDA of EUR 24.2 million. The decrease compared to the first quarter of the financial year 2022 was due to declining in sales and EBITDA at VARTA AG, which is facing a very challenging macroeconomic environment caused by the multiple global crises as well as decreasing customer orders. The EBITDA margin for the period was 3.9 % (Q1/2022: 12.2 %).

DIVISION INFORMATION

MONTANA AEROSPACE AG reported consolidated net sales of EUR 353.1 million in the first quarter of 2023 compared to the first three months of 2022, which is 45.1 % higher than in the preceding period. In terms of profitability, adjusted EBITDA was EUR 23.6 million in the first three months of 2023, which is an increase of EUR 7.7 million (+48.5 %) compared to the first quarter of 2022. A solid driver of sales and earnings at Montana Aerospace AG was again the Aerostructures segment, which, at EUR 166.8 million in total net sales, achieved robust growth in sales of 85.5% and an adjusted EBITDA of EUR 15.2 million (+26.9 %). The E-Mobility segment reported net sales of EUR 47.2 million and an adjusted EBITDA of EUR 3.3 million. The Energy segment performed excellently at EUR 139.8 million (+28.7 %) in net sales and an adjusted EBITDA of EUR 7.2 million (+400.0 %).

Projections for the Aerostructures segment for the full year state further growth with total net sales of around EUR 750 million to EUR 800 million. For the E-Mobility and Energy segments, management guidance states > EUR 200 million and > EUR 550 million, respectively, which translates into total net sales of > EUR 1.5 billion, a positive free cash flow and a net profit for the year. This guidance was confirmed by the quarterly figures for the first three months of 2023.

VARTA AG's consolidated sales for the first quarter were EUR 164.2 million (Q1/2022: EUR 185.3 million). Adjusted EBITDA in the first quarter of 2023 was EUR -2.0 million (Q1/2022: EUR 38.1 million). VARTA AG stands by its estimate for the 2023 financial year despite the persistent global challenges. This optimism is based on the continued large order backlog for energy storage solutions and rising customer demand driven by the energy transition, as well as by the significant decline in energy and commodity prices since the autumn of 2022 and the successive adjustment to product prices in the course of the year. The company believes these factors will help improve margins. In addition, VARTA AG's Management Board believes that the company will return to profitability supported by the restructuring program adopted, the successful capital increase and the targeted investments in growth markets. The restructuring program includes cost-cutting measures for all areas and the reduction of working capital. Savings in the area of personnel costs concern about 800 jobs, with talks already under way with employee representatives. In the energy storage business, VARTA AG reported sales up by 171.1 % compared to the same period of the preceding year. Adjusted EBITDA increased by EUR 6 million in this period. In the other segments, the impact of the global crises weighed on VARTA AG's business in the first three months. The decline in demand in the "Lithium-Ion CoinPower" segment is also related to significantly lower demand from a single major customer. VARTA AG's financing position has improved since the beginning of the year. First, the company received just under EUR 51 million from a capital increase. Second, on 17 April 2023, the syndicate banks gave their final approval for the prolongation of loan financing until the end of 2026. Apart from the restructuring scheme in place, which will result in operational adjustments to production

and administrative costs, the company is planning targeted investments in growth areas such as the energy transition and e-mobility. In a difficult market environment, the VARTA AG Group has a solid position in its core markets with a promising outlook and stands to benefit from market developments over the long term, especially regarding lithium-ion batteries and their wide range of uses. Up to now, all indicators from VARTA customers – especially the large order backlogs for energy storage solutions – are cause for optimism. The Management Board of VARTA AG expects sales to reach around EUR 820 million to EUR 870 million for the financial year 2023 and adjusted EBITDA to attain at least the level of the preceding year.

ALUFLEXPACK AG, which is listed on the SIX Swiss Exchange, reported a successful start of the year 2023, with unaudited net sales rising by 28.9 % to EUR 99.2 million in the first three months of the year (Q1/2022: EUR 76.9 million). Adjusted for the consolidation effects from the acquisition of the Turkish subsidiary, organic growth reached 20.4 % year on year. In the first three months of the year 2023, overall growth of the Group was supported mainly by the robust development of business in the end markets for Confectionery, Pharmaceuticals, “Other Food” and Dairy Products. In the

Confectionery end market, net sales were driven by higher sales volumes in new business with existing customers. Growth in the Pharmaceuticals end market was supported by generally good demand and increasing shares in the Group's home markets. In the “Other Food” end market, business in aluminum trays expanded, while sales in Dairy Products were supported by the acquisition of further market shares in existing sales regions. In the Management Board's report for the first quarter, the outlook for net sales was confirmed within a range of EUR 390 million to EUR 430 million, and EBITDA before special effects at around EUR 50 million to 55 million.

OUTLOOK

MONTANA TECH COMPONENTS AG remains committed to its long-term strategy for growth in the financial year 2023. With the recovery of the aviation industry to pre-pandemic levels, steady progress in the packaging market, a comprehensive restructuring plan and targeted investments in the growth areas at VARTA AG, the prospects for MONTANA TECH COMPONENTS AG are positive. The company plans to focus more strongly on ESG and product innovation with the aim of reinforcing and expanding current market positions.

Finances

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

ASSETS (in TEUR) unaudited according to IFRS	31.03.2023	31.12.2022
Intangible assets	507,970	511,129
Property, plant and equipment	1,559,758	1,568,000
Financial assets	279,379	268,333
Other assets and receivables	137,592	139,384
NON-CURRENT ASSETS	2,484,700	2,486,846
Inventories	682,187	644,362
Trade receivables	346,124	324,913
Other assets and receivables	200,866	279,281
Cash and cash equivalents	428,545	633,215
CURRENT ASSETS	1,657,721	1,881,771
TOTAL ASSETS	4,142,421	4,368,617

LIABILITIES AND SHAREHOLDERS' EQUITY (in TEUR) unaudited according to IFRS	31.03.2023	31.12.2022
Equity attributable to owners of MTC AG	783,507	884,134
Non controlling interests	672,295	674,797
SHAREHOLDERS' EQUITY	1,455,801	1,558,931
Liabilities to financial institutions	688,700	682,270
Other financial liabilities	215,488	212,678
Deferred tax liabilities	103,191	105,717
Provisions	46,440	46,316
Employee benefits	74,636	73,875
Accruals	1,262	1,188
Other liabilities	135,825	133,457
NON-CURRENT LIABILITIES	1,265,542	1,255,501
Liabilities to financial institutions	735,385	750,387
Other financial liabilities	75,834	50,509
Provisions	16,102	17,321
Employee benefits	60,957	53,466
Trade payables	299,746	400,346
Accruals	83,310	94,604
Other liabilities	149,743	187,552
CURRENT LIABILITIES	1,421,077	1,554,185
TOTAL LIABILITIES	2,686,619	2,809,686
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,142,421	4,368,617

CONSOLIDATED INCOME STATEMENT AS AT 31 MARCH 2023

(in TEUR) unaudited according to IFRS	1-3/2023	1-3/2022
NET SALES	616,131	505,380
Change in finished and unfinished goods	37,247	51,337
Own work capitalised	9,890	9,345
Other operating expenses	13,907	27,674
Cost of materials, supplies and services	-407,976	-323,074
Personnel expenses	-145,709	-127,288
Other operating expenses	-99,330	-81,480
EBITDA	24,160	61,893
Depreciation and amortisation	-55,288	-48,994
EBIT	-31,128	12,899
Interest income and expenses	-15,698	-7,176
Other financial result – net	-7,864	10,005
FINANCIAL RESULT	-23,562	2,829
Result from associated companies	-262	1,314
INCOME BEFORE TAX	-54,953	17,042
Income tax expenses	-3,091	-7,979
NET INCOME	-58,044	9,063
THEREOF:		
Shareholders of MTC AG	-32,075	4,873
Non controlling interests	-25,969	4,190

CONSOLIDATED CASH FLOW STATEMENT AS AT 31 MARCH 2023 (short form)

(in TEUR) unaudited according to IFRS	1-3/2023	1-3/2022
Cash flow from operating activities	-156,028	-33,394
Cash flow from investing activities	-67,935	-145,981
Cash flow from financing activities	21,323	255,515
NET CHANGE IN CASH AND CASH EQUIVALENTS	-202,640	76,139
Cash and cash equivalents as of 1 January	633,215	621,982
Effect of exchange rate changes on cash and cash equivalents	-2,031	953
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	428,545	699,074

Information about the Company

FINANCIAL CALENDAR 2023/2024

August 23, 2023	Report on the 2 nd quarter of 2023
November 23, 2023	Report on the 3 rd quarter of 2023
April 30, 2024	Report on the 4 th quarter of 2023
May 31, 2024	Report on the 1 st quarter of 2024

FOR FURTHER INFORMATION PLEASE CONTACT:

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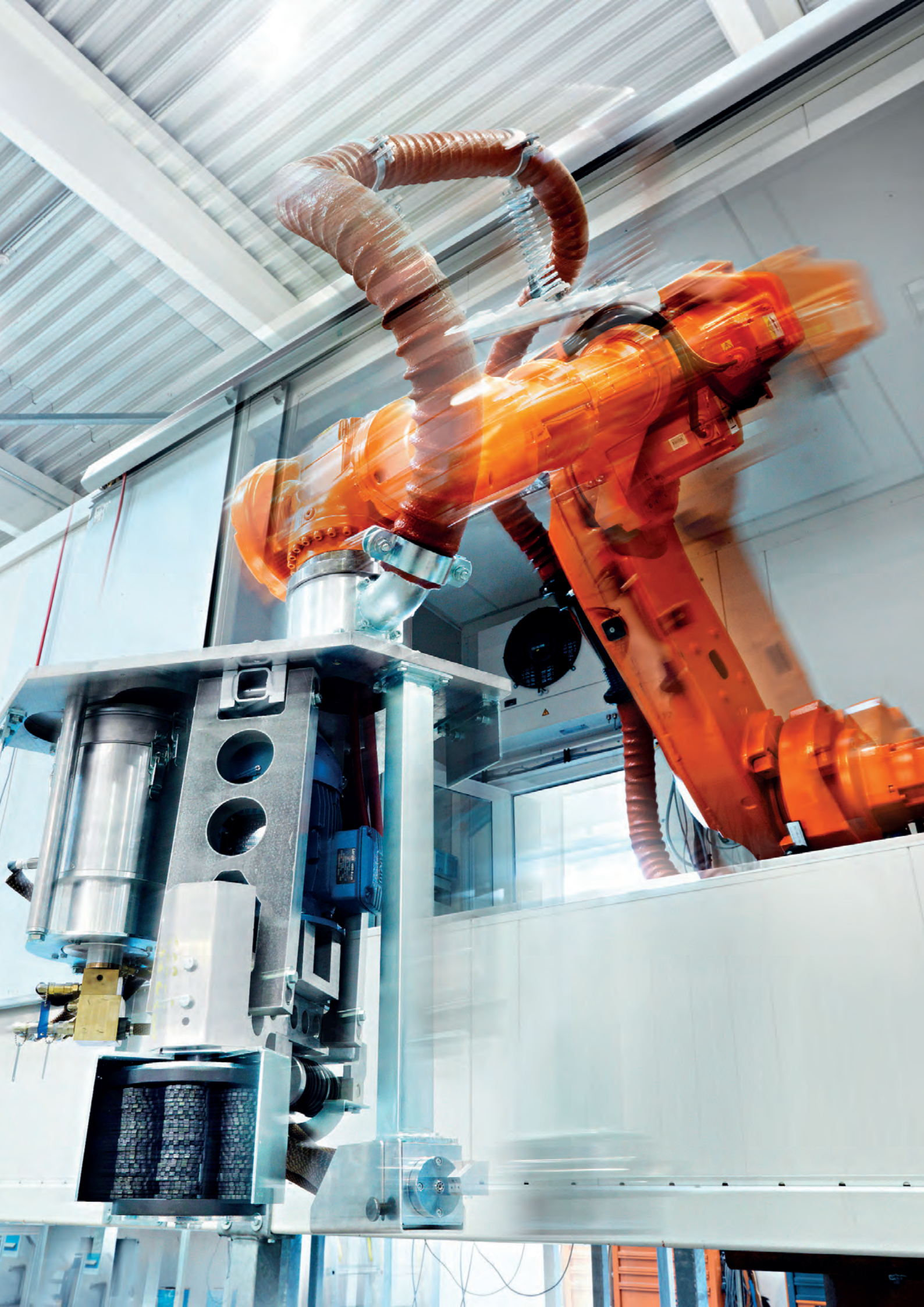
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IMPRESSUM

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