

# Report on the 3<sup>rd</sup> quarter of 2022

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# Overview – MONTANA TECH COMPONENTS

**MONTANA**  
TECH COMPONENTS



**A L U  
F L E X  
P A C K**



## VARTA AG

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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

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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

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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	1-9/2021	1-9/2022	Change in TEUR	Change in %
<b>Net sales</b>	<b>1,385,255</b>	<b>1,754,639</b>	<b>369,384</b>	<b>26.7%</b>
<b>EBITDA</b>	<b>232,749</b>	<b>179,363</b>	<b>-53,386</b>	<b>-22.9%</b>
% of net sales	16.8%	10.2%		
<b>EBIT</b>	<b>96,042</b>	<b>8,495</b>	<b>-87,547</b>	<b>-91.2%</b>
% of net sales	6.9%	0.5%		
EBT	89,193	-4,420	-93,613	-105.0%
Net income	49,548	-20,807	-70,356	-142.0%
Employees	11,435	13,444	2,009	17.6%

## OVERVIEW OF THE LATEST QUARTERS

(in TEUR ) unaudited according to IFRS	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net sales	440,614	436,226	447,190	501,839	573,792	505,380	614,917	634,342
EBITDA	83,723	75,380	63,416	93,953	85,813	61,893	92,956	24,514
EBIT	21,328	31,355	17,672	47,014	34,222	12,899	32,977	-37,381
EBT	4,652	33,763	6,668	48,763	25,392	17,042	23,652	-45,114
Net income	-634	19,059	-5,330	35,820	3,845	9,063	14,950	-44,821
Employees	10,689	10,666	11,079	11,435	11,560	12,937	13,011	13,444

# Management Report – Analysis of the results

Dear Shareholders,

Dear Ladies and Gentlemen,

## **MONTANA GROUP – RESULT AS AT 30 SEPTEMBER 2022**

The MONTANA Group achieved total sales of EUR 1.8 billion in the first three quarters of 2022 (+26.7 % vs. 30 September 2021) with its divisions. Despite the sustained adverse macroeconomic situation, sales at the MONTANA Group went up year on year. This gain was driven by the steady increase in Aluflexpack sales and the gradual recovery of the aviation sector to pre-pandemic levels as well as to the continually expanding market shares of the Montana Aerospace Division. The first three quarters of 2022 closed with an EBITDA of EUR 179.4 million. The decline of -22.9 % versus 30 September 2021 is due to the strained situation for commodities and to rising energy prices as well as delayed customer projects in the VARTA Division. These effects were only partially compensated by the improved results in the Montana Aerospace and Aluflexpack Divisions, and the one-off effects from non-operating activities. The EBITDA margin for this period was therefore 10.2% (01-09/2021: 16.8 %).

## **DIVISION INFORMATION**

In the first three quarters of 2022, MONTANA AEROSPACE AG again achieved strong growth, increasing revenues by EUR 354.3 million to a total of EUR 922.6 million (+62.3 %) compared to the same period of the preceding year. Profitability also developed well, and adjusted EBITDA was EUR 55.1 million in the first nine months of 2022, which is a significant increase compared to EUR 43.0 million year on year. The 'Aerostructures' segment continues to be the most significant source of revenues and profits, with overall favorable aerospace market development over the next years. The segment benefits from its high degree of resilience despite the current challenges as a result of its vertical integration and strategic inventory levels, as well as from the advantages created by its countercyclical investment program, high order intake and inventory. Additionally, two successful M&A transactions were completed in the first three quarters of 2022 with the acquisition of the Belgian ASCO Group and the Brazilian company São Marco. The integration processes are progressing well, and just a few months after the acquisitions,

the value-enhancing nature of the transactions for Montana Aerospace AG are very clear. Montana Aerospace is in a position to take advantage of the production potentials it has built up over the past few years in the current overall market situation. This development is supported by Montana Aerospace AG's complementary positioning in the market, because in many cases the company is able to deliver due to its high degree of vertical integration when other market players are unable to do so. Further growth is expected in the 'Aerostructures' segment for the full year, as it is the most important driver behind rising sales achieving around EUR 550 million for the period, and thereby reconfirming the management's full-year 2022 guidance for total sales of approximately EUR 1.16 billion.

VARTA AG's consolidated sales were EUR 570.7 million for the first nine months of the financial year 2022 (01-09/2021: EUR 622.3 million) and adjusted EBITDA was EUR 66.4 million for the same period (01-09/2021: EUR 182.5 million). The highly challenging macroeconomic situation with rising fuel and commodity prices, pandemic-linked interruptions to production at customers, scarcity of semiconductors as well as postponed customer projects were negative factors for VARTA AG's business. Sales in the "Lithium-Ion Solutions & Microbatteries" segment were EUR 274.2 million in the first nine months of 2022, which is a decline of 25.1% (01-09/2021: EUR 365.8 million). The decline in sales was caused by the adverse economic situation and subdued demand from customers for True Wireless Stereo Headsets (TWS), which impacted the lithium-ion CoinPower business. Production for new product launches planned for the second half of 2022 began successfully, albeit at a significantly reduced volume compared to original projections. In the first nine months of the financial year 2022, adjusted EBITDA decreased from EUR 140.4 million to EUR 50.4 million year on year. Sales in "Household Batteries" went up from EUR 256.5 million to EUR 296.5 million in the first nine months of 2022 compared to the same period of the preceding year. This translates into sales growth of 15.6%, however, adjusted EBITDA decreased from EUR 42.1 million to EUR 15.9 million, due mainly to rising prices for commodities, energy and transportation. A further complicating factor in this segment is that the higher costs can only be passed on to

customers partially and with a time lag. The positive sales trend was driven primarily by very robust growth in “Energy Storage Systems”, which is benefiting from very high and sustained demand for energy storage systems for private households. Considering the many different risks, the company expects consolidated sales of around EUR 805 million to EUR 820 million for 2022 (2021: EUR 902.9 million). Adjusted operating profit (EBITDA) is expected within the range of EUR 55 million to EUR 60 million.

Aluflexpack AG, which is listed on the SIX Swiss Exchange, continued its growth trajectory in the first nine months of the 2022 financial year. Net sales increased by 34.3 % to EUR 261.4 million (01-09/2021: EUR 194.6 million). Disregarding consolidation effects from the Turkish acquisition announced on 12 May 2022, organic net sales increased by 28.6 % compared to 01-09/2021. In the period from July to September 2022, net sales increased by 41.9 % compared to the same period of the preceding year. The increase in net sales was driven by the solid expansion of business across most of Aluflexpacks end markets, in particular, in Pharmaceuticals, Other Food and Pet Food, together with progress made on cost pass-through mechanisms. Despite volatile market conditions, Aluflexpack continued to perform strongly in the third quarter of 2022. A well-diversified customer and product portfolio, intact supply chains and the ability to reflect increased costs in the prices supported the robust growth in net sales in the first nine months of 2022. A promising development pipeline, a good outlook for energy security at Aluflexpacks plants, and healthy demand from customers give the management reason to be optimistic about 2023. In the coming months, the focus will be on the commissioning of the new state-of-the-art foil conversion facility in Drniš (Croatia), which will significantly

contribute to Aluflexpacks “3-WIN 2025” strategy. Despite global economic and geopolitical uncertainty, the management of Aluflexpack remains confident with regard to the stability of its business and therefore confirms its current guidance for net sales and EBITDA before special effects as previously communicated within a range of EUR 320 million to EUR 350 million, and EUR 39 million to EUR 44 million, respectively.

## OUTLOOK

Apart from Aluflexpack AG, which confirmed both the upwards revisions of sales and EBITDA figures, Montana Aerospace AG results for the full year 2022 will also be in line with forecasts. At VARTA AG, the company is looking forward to a promising future backed by sustained high demand for household and hearing aid batteries as well as by the robust growth trend in energy storage solutions. The first serial production plant for V4Drive products is already running. Capacity expansions will be executed with the help of business partners in the future. With a clear management focus on reducing fixed costs, passing on material costs, and maximizing capacity utilization at existing CoinPower production facilities, VARTA aims to continue on its successful growth trajectory. In 2023, the MONTANA TECH COMPONENTS Group will focus on its core businesses of energy storage, flexible packaging solutions, and pioneering technologies for the aerospace industry. In all three Divisions, the focus on sustainability and product innovation will be heightened. The core strategy is, and remains, to achieve market leadership in niche segments, enhance the innovative strength of the Divisions, and continue to grow stably based on agile management.

# Finances

## CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2022

ASSETS (in TEUR ) unaudited according to IFRS	31.12.2021	30.09.2022
Intangible assets	322,956	500,203
Property, plant and equipment	1,495,804	1,723,497
Financial assets	242,953	300,897
Other assets and receivables	86,499	127,217
<b>NON-CURRENT ASSETS</b>	<b>2,148,212</b>	<b>2,651,814</b>
Inventories	469,225	748,060
Trade receivables	317,414	413,370
Other assets and receivables	119,001	243,947
Cash and cash equivalents	621,982	480,866
<b>CURRENT ASSETS</b>	<b>1,527,622</b>	<b>1,886,243</b>
<b>TOTAL ASSETS</b>	<b>3,675,834</b>	<b>4,538,057</b>

LIABILITIES AND SHAREHOLDERS' EQUITY (in TEUR ) unaudited according to IFRS	31.12.2021	30.09.2022
Equity attributable to owners of MTC AG	839,190	939,494
Non controlling interests	714,905	750,286
<b>SHAREHOLDERS' EQUITY</b>	<b>1,554,095</b>	<b>1,689,780</b>
Liabilities to financial institutions	413,507	785,369
Other financial liabilities	562,655	738,779
Deferred tax liabilities	46,199	95,298
Provisions	11,274	47,412
Employee benefits	94,493	78,202
Accruals	897	1,166
Other liabilities	75,900	110,152
<b>NON-CURRENT LIABILITIES</b>	<b>1,204,925</b>	<b>1,856,378</b>
Liabilities to financial institutions	180,249	182,286
Other financial liabilities	90,645	59,580
Provisions	73,402	31,719
Employee benefits	44,454	62,350
Trade payables	265,925	316,240
Accruals	89,696	111,160
Other liabilities	172,443	228,564
<b>CURRENT LIABILITIES</b>	<b>916,814</b>	<b>991,900</b>
<b>TOTAL LIABILITIES</b>	<b>2,121,738</b>	<b>2,848,277</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,675,834</b>	<b>4,538,057</b>



## CONSOLIDATED INCOME STATEMENT AS AT 30 SEPTEMBER 2022

(in TEUR ) unaudited according to IFRS	1-9/2021	1-9/2022
<b>NET SALES</b>	<b>1,385,255</b>	<b>1,754,639</b>
Change in finished and unfinished goods	55,150	99,386
Own work capitalised	25,361	26,003
Other operating expenses	71,227	151,292
Cost of materials, supplies and services	-776,130	-1,116,772
Personnel expenses	-336,275	-422,914
Other operating expenses	-191,839	-312,271
<b>EBITDA</b>	<b>232,749</b>	<b>179,363</b>
Depreciation and amortisation	-136,707	-170,869
<b>EBIT</b>	<b>96,042</b>	<b>8,495</b>
Interest income and expenses	-18,818	-29,084
Other financial result – net	11,969	16,169
<b>FINANCIAL RESULT</b>	<b>-6,849</b>	<b>-12,915</b>
<b>INCOME BEFORE TAX</b>	<b>89,193</b>	<b>-4,420</b>
Income tax expenses	-39,645	-16,388
<b>NET INCOME</b>	<b>49,548</b>	<b>-20,807</b>
<b>THEREOF:</b>		
Shareholders of MTC AG	12,010	1,418
Non controlling interests	37,539	-22,226

## CONSOLIDATED CASH FLOW STATEMENT AS AT 30 SEPTEMBER 2022 (short form)

(in TEUR ) unaudited according to IFRS	1-9/2021	1-9/2022
Cash flow from operating activities	-50,176	-152,933
Cash flow from investing activities	-285,605	-341,605
Cash flow from financing activities	459,701	344,521
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>123,920</b>	<b>-150,017</b>
Cash and cash equivalents as of January 1 <sup>st</sup>	278,010	621,982
Effect of exchange rate changes on cash and cash equivalents	2,014	8,900
<b>CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER</b>	<b>403,944</b>	<b>480,866</b>

# Information about the Company

## FINANCIAL CALENDAR 2022/2023

April 28, 2023	Report on the 4 <sup>th</sup> quarter of 2022
May 31, 2023	Report on the 1 <sup>st</sup> quarter of 2023
August 23, 2023	Report on the 2 <sup>nd</sup> quarter of 2023
November 23, 2023	Report on the 3 <sup>rd</sup> quarter of 2023

## FOR FURTHER INFORMATION PLEASE CONTACT:

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## IMPRESSUM

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