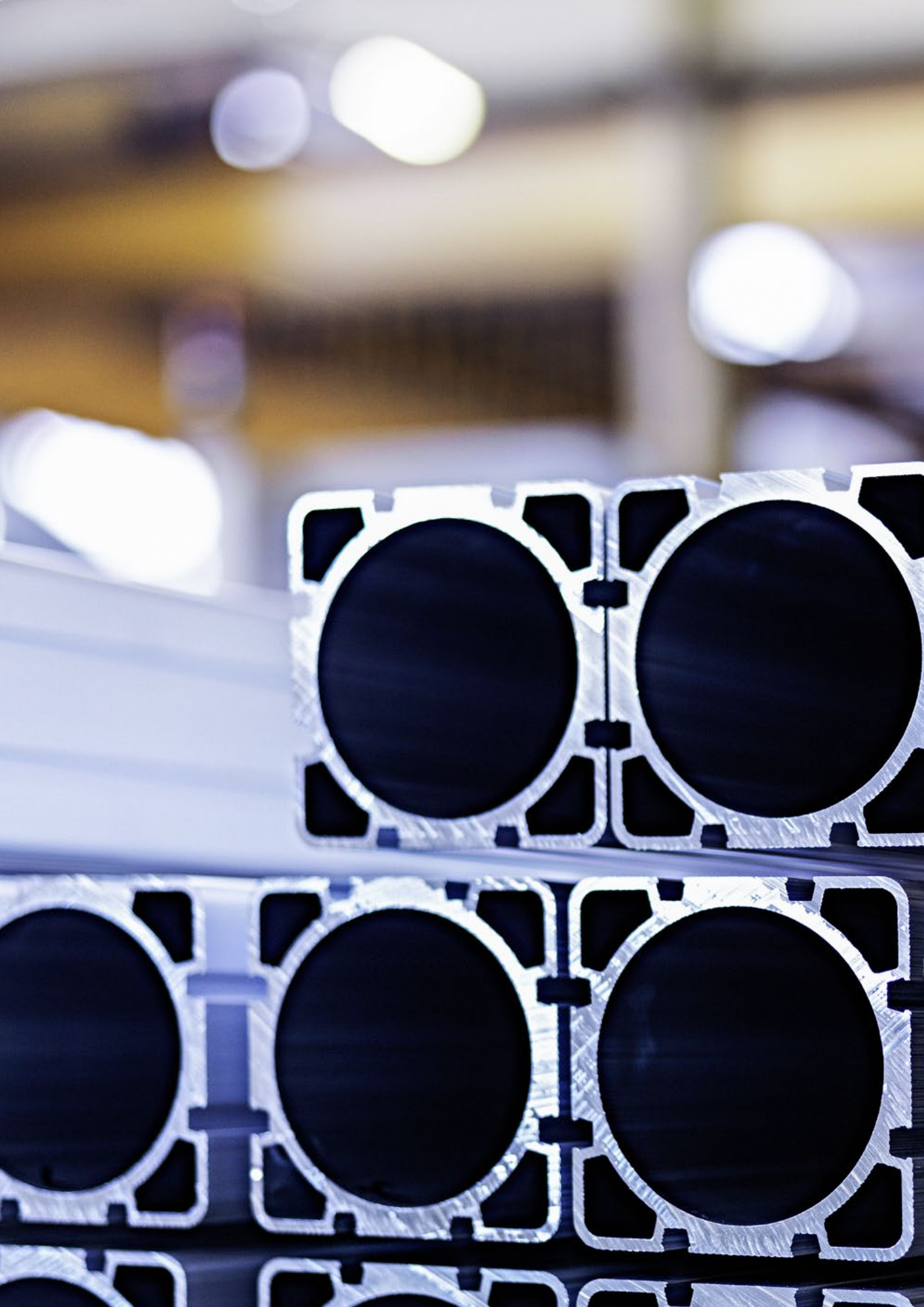


Report on the 1st quarter of 2018



Overview – MONTANA TECH COMPONENTS



MONTANA
TECH COMPONENTS

MONTANA
ENERGY STORAGE

MONTANA
AEROSPACE COMPONENTS

MONTANA
METAL TECH

MONTANA
INDUSTRIAL COMPONENTS



VARTA AG

VARTA AG is active in the business segments "Microbatteries" and "Power & Energy" through its operating subsidiaries VARTA Microbattery GmbH and VARTA Storage GmbH. The Group develops and produces micro batteries, lithium-ion battery packs and stationary energy storage systems for households and commercial applications.



UAC AND ALU MENZIKEN EXTRUSION

The companies in the MONTANA *Aerospace Components* division are leading manufacturers of aluminium profiles and ready-to-install components for the aerospace and other industries worldwide.



ALPINE METAL TECH

Within the MONTANA *Metal Tech* division Alpine Metal Tech is a world leader in the field of special purpose plants and machinery for the metallurgical industry and aluminium wheel production, it is known worldwide as fullliner for engineering, manufacturing, sales and service.



ALUFLEXPACK AND ASTA

Uses the industry know-how of the MONTANA group in order to further develop and bundle industrial companies with potential. These companies will be supported in their growth and strengthened in their market position due to strategic guidance as well as investments in innovative products, distribution and R&D.



Key financials

KEY FIGURES OF THE MONTANA TECH COMPONENTS GROUP

(in T€) unaudited according to IFRS	1-3/2017	1-3/2018	Change in T€	Change in %
Net sales	208,863	297,202	88,339	42.3%
EBITDA	30,460	36,498	6,039	19.8%
% of net sales	14.6%	12.3%		
EBIT	17,438	21,087	3,649	20.9%
% of net sales	8.3%	7.1%		
EBT	18,976	12,670	-6,306	-33.2%
Net income	14,380	8,872	-5,508	-38.3%
Employees	5,589	7,005	1,416	25.3%

OVERVIEW OF THE LATEST QUARTERS

(in T€) unaudited according to IFRS	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Net sales	193,336	195,446	195,527	208,863	215,090	213,656	211,714	297,202
EBITDA	24,513	31,901	27,622	30,460	39,697	35,205	8,517	36,498
EBIT	13,107	20,261	11,525	17,438	26,867	22,551	-4,834	21,087
EBT	11,268	15,111	8,521	18,976	19,225	18,549	-11,976	12,670
Net income	8,978	8,810	16,173	14,380	14,716	14,138	-618	8,872
Employees	5,407	5,445	5,510	5,589	5,664	5,866	6,023	7,005

Management Report – Analysis of the results

Dear Shareholders,

Dear Ladies and Gentlemen,

MONTANA GROUP – RESULT AS OF MARCH 31st, 2018

The full integration of the ASTA Group in the first quarter of 2018 led to a significant increase in sales and earnings of the MONTANA Group. The four divisions generated sales of € 297.2 million (+42.3% or excl. ASTA +2.6% compared to March 31st, 2017). EBITDA amounted to € 36.5 million (+19.8%, excl. ASTA +10.6%) and EBIT in the amount of € 21.1 million is 20.9% (excl. ASTA +15.9%) above the previous year's level. The EBITDA margin thus amounted to 12.3% (excl. ASTA: 15.7%; 2017/Q1: 14.6%) and the EBIT margin to 7.1% (excl. ASTA: 9.4%; 2017/Q1: 8.3%).

DIVISION INFORMATION

VARTA AG (*Energy Storage* division), a global microbattery expert with a market-leading position in hearing aid batteries, as well as solutions for Hearables, Power Packs and Energy Storage Systems, was able to continue the strong growth of the previous year in the first quarter of 2018. At € 68.3 million, sales were 11.5% above the previous year's level, increasing in all segments. In addition, the first quarter of 2018 was characterized by intensive investment activities in the expansion of lithium-ion production capacities (for further information please refer to the quarterly report of VARTA AG: www.varta-ag.com).

In the *Aerospace Components* division, UNIVERSAL ALLOY CORPORATION (UAC) shifted part of its “Light Press” activities from Anaheim to the Ball Ground site; the “Heavy Press” division continues to produce close to the capacity in the US. The Romanian company UAC Europe also increased its capacity utilization and is planning further substantial investments near the airport in Baia Mare.

The construction of the ALU MENZIKEN plant in Satu Mare is progressing as planned. Partial commissioning is expected by mid-year; full commissioning will take place towards the end of the year.

The *Metal Tech* division recorded the largest growth in the “Automotive” and “Safety Services” segments. The ALPINE METAL TECH



Hot fire training simulators/ALPINE METAL TECH “Safety Services”

will continue to focus on research and targeted corporate development to increase sales in all segments with innovative products.

The ALUFLEXPACK Group continues the successful growth course with further investments in order to strengthen and expand its existing business segments. In Umag, a site expansion of € 32 million will create production capacity for one billion “pouches” (stand-up pouches, which are primarily used in baby and pet food).

The ASTA Group, which has been fully consolidated since January 2018 with locations in Austria, India, China and Brazil, started the financial year 2018 as planned. In addition to maintaining its market share and global presence in the field of drill ladders, the foundation for further innovations and in entering new market segments will be laid in the coming months.

OUTLOOK

For the financial year 2018, the focus of the MONTANA Group is again on research and development as well as in investments into the expansion of product portfolios and capacities. The MONTANA Group expects continued positive development in the current financial year.

Finances

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2018

ASSETS (in T€) unaudited according to IFRS	31.12.2017	31.03.2018
Intangible assets	159,094	196,271
Property, plant and equipment	359,665	452,974
Financial assets	202,040	136,354
Other assets and receivables	32,248	33,228
NON-CURRENT ASSETS	753,047	818,827
Inventories	218,316	263,515
Trade receivables	100,397	154,553
Other assets and receivables	44,796	67,691
Cash and cash equivalents	233,229	183,312
CURRENT ASSETS	596,738	669,072
TOTAL ASSETS	1,349,785	1,487,898

LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) unaudited according to IFRS	31.12.2017	31.03.2018
Shareholders' equity MTC AG	544,675	538,671
Minority interests	87,298	94,594
SHAREHOLDERS' EQUITY	631,973	633,266
Liabilities to financial institutions	66,036	95,366
Other financial liabilities	282,845	278,592
Deferred tax liabilities	27,509	27,821
Provisions	1,709	1,955
Post employment benefits and other employee benefits	46,988	52,987
Other liabilities	8,238	9,214
NON-CURRENT LIABILITIES	433,326	465,936
Liabilities to financial institutions	60,500	90,253
Other financial liabilities	12,367	13,068
Provisions	7,324	8,342
Post employment benefits and other employee benefits	1,674	1,653
Trade payables and advances received	118,464	170,126
Accruals	38,732	51,674
Other liabilities	45,425	53,581
CURRENT LIABILITIES	284,486	388,697
TOTAL LIABILITIES	717,812	854,633
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,349,785	1,487,898

CONSOLIDATED INCOME STATEMENT AS OF MARCH 31, 2018

(in T€) unaudited according to IFRS	1–3/2017	1–3/2018
NET SALES	208,863	297,202
Change in finished and unfinished goods	4,447	15,304
Other operating income	5,957	6,704
Cost of materials, supplies and services	-99,535	-177,028
Personnel expenses	-54,380	-66,626
Other operating expenses	-34,892	-39,058
EBITDA	30,460	36,498
Depreciation and amortization	-13,022	-15,411
EBIT	17,438	21,087
Interest income and expenses	-1,929	-3,411
Other financial result – net	1,103	-5,083
Net result from investments in associated companies	2,364	77
INCOME BEFORE TAX	18,976	12,670
Income tax expense	-4,596	-3,797
NET INCOME	14,380	8,872
THEREOF:		
Shareholders' MTC AG	14,359	6,012
Minority interests	21	2,860
NET INCOME FOR THE PERIOD	14,380	8,872

CONSOLIDATED CASH FLOW STATEMENT AS OF MARCH 31, 2018 (short form)

(in T€) unaudited according to IFRS	1–3/2017	1–3/2018
Cash flow from operating activities	10,122	-20,276
Cash flow from investing activities	-50,486	-6,758
Cash flow from financing activities	48,035	-22,567
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,671	-49,601
Cash and cash equivalents as of January 1	93,858	233,229
Effect of exchange rate changes on cash and cash equivalents	-67	-317
CASH AND CASH EQUIVALENTS AS OF MARCH 31	101,462	183,312

Information about the Company

FINANCIAL CALENDAR 2018/2019

August 29, 2018	Report on the 2 nd quarter of 2018
November 28, 2018	Report on the 3 rd quarter of 2018
April 16, 2019	Report on the 4 th quarter of 2018
June 4, 2019	Report on the 1 st quarter of 2019

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IMPRESSUM

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