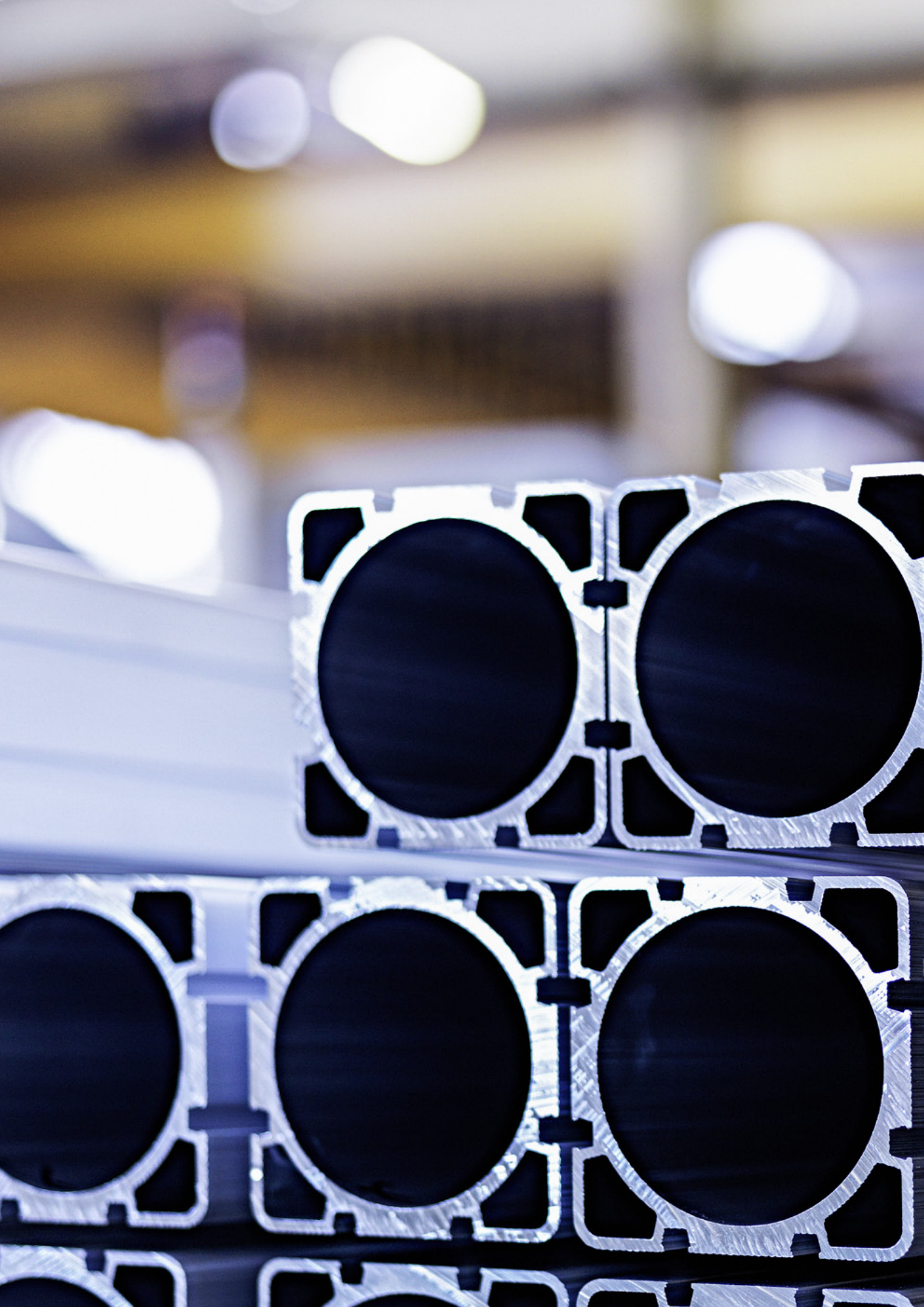


Report on the 1st quarter of 2019



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	1-3/2018	1-3/2019	Change in T€	Change in %
Net sales	297,202	319,043	21,842	7.3%
EBITDA	36,498	40,578	4,080	11.2%
% of net sales	12.3%	12.7%		
EBIT	21,087	19,245	-1,842	-8.7%
% of net sales	7.1%	6.0%		
EBT	12,670	16,409	3,739	29.5%
Net income	8,872	7,463	-1,409	-15.9%
Employees	7,005	8,141	1,136	16.2%

OVERVIEW OF THE LATEST QUARTERS

(in T€) unaudited according to IFRS	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Net sales	215,090	213,656	211,714	297,202	304,204	316,250	300,739	319,043
EBITDA	39,697	35,205	4,423	36,498	35,080	44,184	32,385	40,578
EBIT	26,867	22,551	-8,928	21,087	19,285	27,684	15,460	19,245
EBT	19,225	18,549	-14,199	12,670	20,591	20,937	11,852	16,409
Net income	14,716	14,138	-2,841	8,872	15,036	13,544	9,722	7,463
Employees	5,664	5,866	6,023	7,005	7,198	7,480	7,781	8,141

Management Report – Analysis of the results

Dear Shareholders,

Dear Ladies and Gentlemen,

MONTANA GROUP – RESULT AS OF MARCH 31st, 2019

MONTANA Group was able to significantly increase its total revenue compared to the same period of the previous year. The divisions generated total sales amounting to € 319.0 million (+ 7.3% compared to 31st March 2018). EBITDA amounted to € 40.6 million (+ 11.2%). EBIT of € 19.2 million was down 8.7% on the previous year, mainly due to the high level of investment activity in recent years and the resulting higher depreciation and amortization. The EBITDA margin of MONTANA Group was 12.7% (2018/Q1: 12.3%) and the EBIT margin 6.0% (2018/Q1: 7.1%).

DIVISION INFORMATION

VARTA AG (*Energy Storage Division*), a global expert in microbatteries with a market-leading position in hearing aid batteries as well as solutions for Hearables, Power Packs and Energy Storage, also posted significant revenue growth in the first quarter of 2019. At € 73.4 million, sales were above the previous year's level. This underscores VARTA AG's outstanding position as a technology and market leader in its structurally growing market segments. Demand remains high, especially for lithium-ion batteries (CoinPower). As a result, production capacity in this high-margin growth area will once again be expanded to further build on the company's strong market position.

UNIVERSAL ALLOY CORPORATION (UAC) is also continuing its growth course, underscoring this with the starting signal for the construction of another location in Vietnam. Together with the site at the Baia Mare airport which is under construction this will more than double the production capacity. With these locations, the *Aerospace Components* division will expand the production portfolio to include the processing of titanium.



Located at the airport: UAC location in Baia Mare, Romania.

The state-of-the-art ALU MENZIKEN plant which opened last year in Satu Mare, Romania, is currently ramping up production capacity and is already successfully delivering the first products to customers.

The *Metal Tech* division consolidated its performance in the first quarter of 2019 and further improved earnings. One of the contributing factors was the “Safety Services” division. ALPINE METAL TECH will continue to focus on research and targeted corporate development in order to increase sales in all segments with innovative products.

With the expansion of its Umag site, the ALUFLEXPACK Group (AFP) is systematically continuing its strategy of profitable growth and taking another important step towards production leadership. In future, the group aims at increasing its production capacity of so-called stand-up pouches (SUP) in Umag to up to 1 billion p.a. through investing a double digit million Euro amount in infrastructure and machinery. The company plans to produce these SUPs primarily to meet the high demand for innovative high-quality packaging solutions from existing customers in the pet food end market.



In the future, up to 1 billion stand-up pouches will be produced in Umag.

The ASTA Group is currently facing a difficult environment, triggered by restrained investment activities in classic power plant construction. With the market and quality leadership in the production of insulated flat wires – in particular twisting ladder – the division manages to essentially withstand the price pressure and tolerate only small volume losses. The ASTA Group assumes that no short-term change in the environment can be expected.

OUTLOOK

The financial year 2019 marks another milestone in the Group's investment activities and the MONTANA Group expects continued positive development in the current financial year.

Finances

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2019

ASSETS (in T€) unaudited according to IFRS	31.12.2018	31.03.2019
Intangible assets	226,179	238,385
Property, plant and equipment	550,423	662,976
Financial assets	186,832	201,104
Other assets and receivables	32,014	37,353
NON-CURRENT ASSETS	995,449	1,139,818
Inventories	277,000	298,478
Trade receivables	159,795	180,311
Other assets and receivables	62,430	83,744
Cash and cash equivalents	193,225	156,029
CURRENT ASSETS	692,450	718,562
TOTAL ASSETS	1,687,899	1,858,380

LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) unaudited according to IFRS	31.12.2018	31.03.2019
Shareholders' equity MTC AG	568,699	576,641
Minority interests	97,952	101,735
SHAREHOLDERS' EQUITY	666,651	678,376
Liabilities to financial institutions	194,699	224,832
Other financial liabilities	291,541	366,376
Deferred tax liabilities	37,443	39,691
Provisions	1,959	1,951
Employee benefits	71,158	74,442
Other liabilities	45,134	42,245
NON-CURRENT LIABILITIES	641,934	749,536
Liabilities to financial institutions	83,951	96,299
Other financial liabilities	13,284	17,563
Provisions	7,929	8,443
Employee benefits	25,098	28,026
Trade payables	150,666	166,283
Accruals	24,544	28,063
Other liabilities	73,842	85,791
CURRENT LIABILITIES	379,314	430,468
TOTAL LIABILITIES	1,021,248	1,180,004
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,687,899	1,858,380

CONSOLIDATED INCOME STATEMENT AS OF MARCH 31, 2019

(in T€) unaudited according to IFRS	1-3/2018	1-3/2019
NET SALES	297,202	319,043
Change in finished and unfinished goods	15,304	16,432
Other operating income	6,704	10,645
Cost of materials, supplies and services	-177,028	-187,504
Personnel expenses	-66,626	-77,843
Other operating expenses	-39,058	-40,195
EBITDA	36,498	40,578
Depreciation and amortization	-15,411	-21,333
EBIT	21,087	19,245
Interest income and expenses	-3,411	-4,766
Other financial result – net	-5,083	1,936
Net result from joint ventures and investments in associated companies	77	-6
INCOME BEFORE TAX	12,670	16,409
Income tax expenses	-3,797	-8,946
NET INCOME	8,872	7,463
THEREOF:		
Shareholders' MTC AG	6,012	4,148
Minority interests	2,860	3,315
NET INCOME FOR THE PERIOD	8,872	7,463

CONSOLIDATED CASH FLOW STATEMENT AS OF MARCH 31, 2019 (short form)

(in T€) unaudited according to IFRS	1-3/2018	1-3/2019
Cash flow from operating activities	-20,276	818
Cash flow from investing activities	-6,758	-68,668
Cash flow from financing activities	-22,567	29,601
NET CHANGE IN CASH AND CASH EQUIVALENTS	-49,601	-38,249
Cash and cash equivalents as of January 1	233,229	193,225
Effect of exchange rate changes on cash and cash equivalents	-317	1,053
CASH AND CASH EQUIVALENTS AS OF MARCH 31	183,312	156,029

Information about the Company

FINANCIAL CALENDAR 2019/2020

August 27, 2019	Report on the 2 nd quarter of 2019
November 27, 2019	Report on the 3 rd quarter of 2019
April 14, 2020	Report on the 4 th quarter of 2019
Juni 2, 2020	Report on the 1 st quarter of 2020

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IMPRESSUM

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