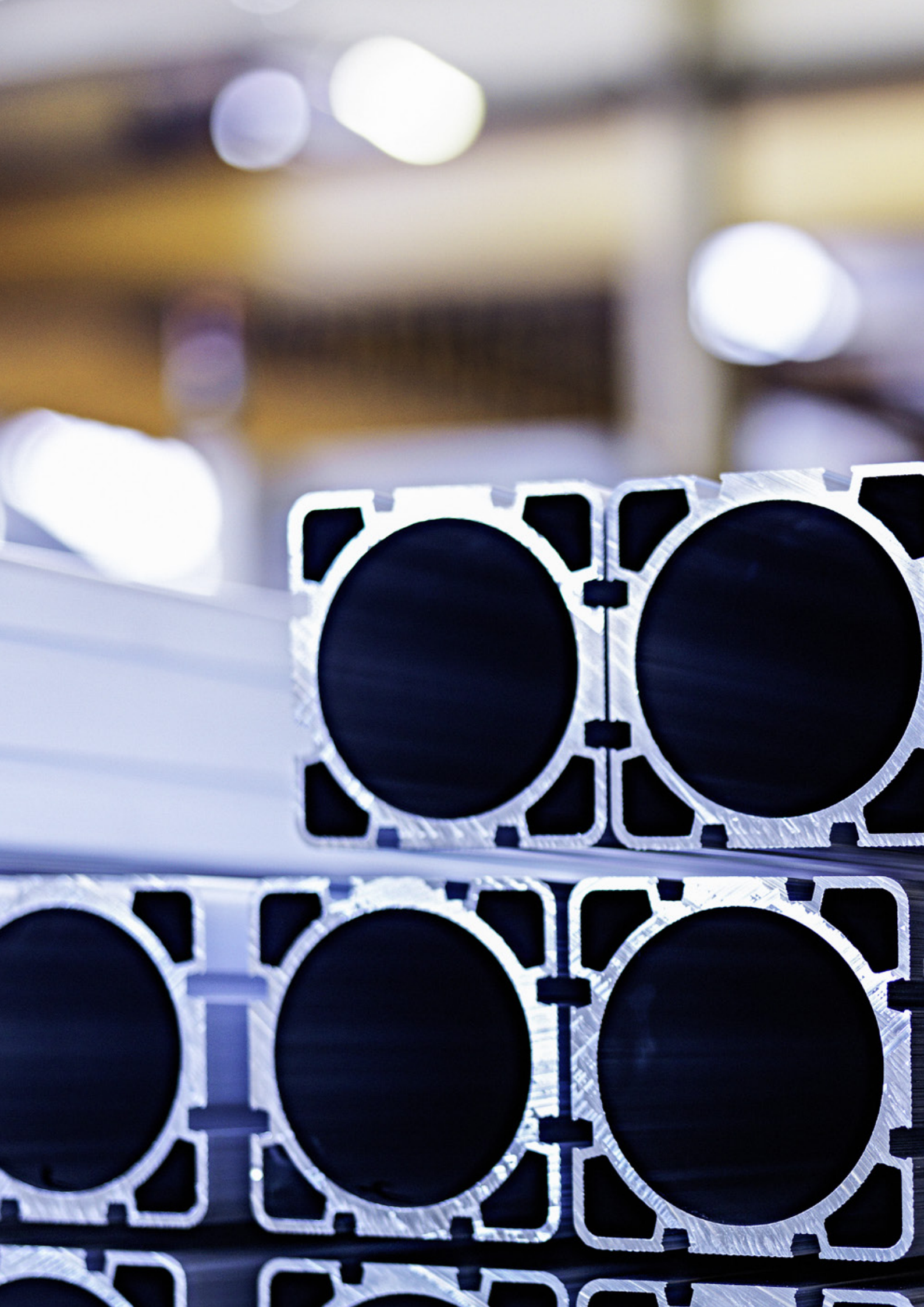


# Report on the 2<sup>nd</sup> quarter of 2019

---



# 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	1-6/2018	1-6/2019	Change in T€	Change in %	1-6/2019 adj*	Change in T€	Change in %
<b>Net sales</b>	<b>601,406</b>	<b>645,373</b>	<b>43,967</b>	<b>7.3%</b>	<b>645,373</b>	<b>43,967</b>	<b>7.3%</b>
<b>EBITDA</b>	<b>71,578</b>	<b>80,074</b>	<b>8,496</b>	<b>11.9%</b>	<b>88,061</b>	<b>16,483</b>	<b>23.0%</b>
% of net sales	11.9%	12.4%			13.6%		
<b>EBIT</b>	<b>40,372</b>	<b>35,263</b>	<b>-5,109</b>	<b>-12.7%</b>	<b>43,250</b>	<b>2,878</b>	<b>7.1%</b>
% of net sales	6.7%	5.5%			6.7%		
<b>EBT</b>	<b>33,261</b>	<b>24,734</b>	<b>-8,527</b>	<b>-25.6%</b>	<b>32,721</b>	<b>-540</b>	<b>-1.6%</b>
<b>Net income</b>	<b>23,909</b>	<b>13,080</b>	<b>-10,829</b>	<b>-45.3%</b>	<b>21,067</b>	<b>-2,842</b>	<b>-11.9%</b>
<b>Employees</b>	<b>7,198</b>	<b>8,494</b>	<b>1,296</b>	<b>18.0%</b>	<b>8,494</b>	<b>1,296</b>	<b>18.0%</b>

## OVERVIEW OF THE LATEST QUARTERS

(in T€) unaudited according to IFRS	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q2 2019 adj*
<b>Net sales</b>	213,656	211,714	297,202	304,204	316,250	300,739	319,043	326,330	326,330
<b>EBITDA</b>	35,205	4,423	36,498	35,080	44,184	32,385	40,578	39,496	47,483
<b>EBIT</b>	22,551	-8,928	21,087	19,285	27,684	15,460	19,245	16,018	24,005
<b>EBT</b>	18,549	-14,199	12,670	20,591	20,937	11,852	16,409	8,325	16,312
<b>Net income</b>	14,138	-2,841	8,872	15,036	13,544	9,722	7,463	5,617	13,604
<b>Employees</b>	5,866	6,023	7,005	7,198	7,480	7,781	8,141	8,494	8,494

\* corrected for non-recurring expenses in connection with the IPO of the ALUFLEXPAC Group



# Management Report – Analysis of the results

Dear Shareholders,

Dear Ladies and Gentlemen,

## MONTANA GROUP – RESULT AS OF JUNE 30<sup>th</sup>, 2019

MONTANA Group was able to significantly increase its total revenue compared to the same period of the previous year. The result of the 2<sup>nd</sup> quarter is substantially influenced by one-time effects. The below comments of the comparison to previous periods are without these one-off effects.

The division generated in the first 6 months of the year total sales amounting to € 645.4 million (+7.3% compared to last year). The second quarter 2019 shows an EBITDA of € 47.5 million. (+35% compared to last years 2<sup>nd</sup> quarter). The EBIT of the 2<sup>nd</sup> quarter of € 24 million is more than 24% above previous year. The EBITDA margin of the MONTANA group in the first 6 months of the year was 13.6% (2018: 11.9%), the EBIT margin remains unchanged compared to last year at 6.7%.

## 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, had the most successful 1st half year in the company history. Sales were at € 151.5 million, 15.8% above the previous year's level. Profitable growth, particularly, in the Lithium-ion batteries will continue to accelerate and VARTA AG is therefore heavily investing in expansion of new production capacity at over 80 million cells annually in early 2020 and well over 100 million cells annually till the end of 2020. Market growth of 30% p.a. and very high customer demand are main reasons for this quantity increase. The capacity expansion requires additional investment around 100 million (for further 40 million cells per year).

UNIVERSAL ALLOY CORPORATION (UAC) is also continuing its growth course and is currently building 2 sites in parallel. One in Romania (at the airport in Baia Mare) and in Vietnam (Da Nang). The construction progress runs as planned and first



Baia Mare, Romania

production and product qualifications can be already done this year. The new state-of-art ALU MENZIKEN plant opened last year in Satu Mare, Romania, is still in the ramp-up phase and is successively increasing production. The production increase is currently lower than originally intended due to the ongoing weak aluminum market. Highly competitive modern location of ALU MENZIKEN is well equipped for the competitive market and production will be increased after successful customer qualifications.

The currently hesitant automotive market is momentarily slowing down the growth of the *Metal Tech* division. The group is counteracting to this development with innovative products in all segments. Furthermore, the ALPINE METAL TECH is confident, thus they're laying the foundation for the further growth opportunities in both the "Automotive" and in the Steel and "Safety Services" fields.

Funds from the successful IPO of ALUFLEXPACK Group will be used for strategic growth in both in house as well as out of house, through acquisitions. At the moment the production capacity for stand-up pouches in Umag is in ramp-up. This expansion allows a production capacity to increase to 1 billion units p.a.



The Aluflexpack shares have been listed on the SIX Swiss Exchange since 28<sup>th</sup> of June 2019.  
The issue price was set at 21 CHF.

The ASTA Group is currently facing a difficult situation, triggered by restrained investment activities in classic power plant construction. With the market and quality leadership in the production of insulated flat wires specifically – 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 second half of the 2019.

# Finances

## CONSOLIDATED BALANCE SHEET AS OF JUNE 30<sup>th</sup>, 2019

ASSETS (in T€) unaudited according to IFRS	31.12.2018	30.06.2019
Intangible assets	226,179	244,878
Property, plant and equipment	550,423	724,766
Financial assets	186,832	213,328
Other assets and receivables	32,014	39,154
<b>NON-CURRENT ASSETS</b>	<b>995,449</b>	<b>1,222,125</b>
Inventories	277,000	311,918
Trade receivables	159,795	186,017
Other assets and receivables	62,430	225,440
Cash and cash equivalents	193,225	239,923
<b>CURRENT ASSETS</b>	<b>692,450</b>	<b>963,299</b>
<b>TOTAL ASSETS</b>	<b>1,687,899</b>	<b>2,185,425</b>

LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) unaudited according to IFRS	31.12.2018	30.06.2019
Shareholders' equity MTC AG	568,699	666,082
Minority interests	97,952	225,107
<b>SHAREHOLDERS' EQUITY</b>	<b>666,651</b>	<b>891,188</b>
Liabilities to financial institutions	194,699	225,062
Other financial liabilities	291,541	365,202
Deferred tax liabilities	37,443	35,759
Provisions	1,959	2,033
Employee benefits	71,158	76,734
Accruals	0	992
Other liabilities	45,134	32,718
<b>NON-CURRENT LIABILITIES</b>	<b>641,934</b>	<b>738,501</b>
Liabilities to financial institutions	83,951	165,798
Other financial liabilities	13,284	19,418
Provisions	7,929	11,111
Employee benefits	25,098	34,378
Trade payables	150,666	181,845
Accruals	24,544	30,406
Other liabilities	73,842	112,780
<b>CURRENT LIABILITIES</b>	<b>379,314</b>	<b>555,736</b>
<b>TOTAL LIABILITIES</b>	<b>1,021,248</b>	<b>1,294,237</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,687,899</b>	<b>2,185,425</b>



## CONSOLIDATED INCOME STATEMENT AS OF JUNE 30<sup>th</sup>, 2019

(in T€) unaudited according to IFRS	1–6/2018	1–6/2019
NET SALES	601,406	645,373
Change in finished and unfinished goods	20,615	19,933
Other operating income	14,047	37,175
Cost of materials, supplies and services	-348,913	-366,951
Personnel expenses	-136,108	-166,563
Other operating expenses	-79,469	-88,894
EBITDA	71,578	80,074
Depreciation and amortization	-31,206	-44,811
EBIT	40,372	35,263
Interest income and expenses	-6,909	-9,497
Other financial result – net	-233	-1,026
Net result from joint ventures and investments in associated companies	31	-6
INCOME BEFORE TAX	33,261	24,734
Income tax expenses	-9,352	-11,654
NET INCOME	23,909	13,080
THEREOF:		
Shareholders' MTC AG	18,717	6,197
Minority interests	5,192	6,883
NET INCOME FOR THE PERIOD	23,909	13,080

## CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30<sup>th</sup>, 2019 (short form)

(in T€) unaudited according to IFRS	1–6/2018	1–6/2019
Cash flow from operating activities	-11,733	11,970
Cash flow from investing activities	-93,142	-152,770
Cash flow from financing activities	-10,699	186,643
NET CHANGE IN CASH AND CASH EQUIVALENTS	-115,573	45,842
Cash and cash equivalents as of January 1 <sup>st</sup>	233,229	193,225
Effect of exchange rate changes on cash and cash equivalents	272	856
CASH AND CASH EQUIVALENTS AS OF JUNE 30 <sup>th</sup>	117,928	239,923

# Information about the Company

## FINANCIAL CALENDAR 2019/2020

November 27, 2019	Report on the 3 <sup>rd</sup> quarter of 2019
April 14, 2020	Report on the 4 <sup>th</sup> quarter of 2019
Juni 2, 2020	Report on the 1 <sup>st</sup> quarter of 2020
August 25, 2020	Report on the 2 <sup>nd</sup> quarter of 2020

## FOR FURTHER INFORMATION PLEASE CONTACT:

**Barbara Seyrlehner**

**Investor Relations**

Tel.: +41 62 765 2500 / Fax: +41 62 765 2510

ir@montanatechcomponents.com

www.montanatechcomponents.com

## DISCLAIMER

This document has been prepared and published by Montana Tech Components AG (CHE-101.187.700), Alte Aarauerstrasse 11, CH-5734 Reinach AG (hereinafter "MTC") on the basis of publicly available information, internally generated data and other sources. Although the information contained in this document is derived from sources believed by MTC to be reliable, MTC shall not be liable or guarantee for the correctness, accuracy, and completeness of the information. The information contained herein may be incomplete or summarized. The information, analyses, forecasts, etc. contained in this document are for nonbinding information purposes only and are based on the state of knowledge of the persons entrusted with the preparation at the editorial deadline [May 2019]. Any liability in connection with the preparation of this document, in particular for the accuracy, completeness, timeliness or correctness of its contents or for the occurrence of the forecasts made therein, in particular therefore for the calculated yield expectations, is excluded. Neither the MTC nor its administrative boards, its representatives or employees, nor any other persons entrusted with the preparation of this documentation, or from which this document can be obtained, are expressly or tacitly liable for or guarantee the accuracy, completeness, timeliness or correctness of the information.

This document does not constitute a prospectus within the meaning of Article 652a or Article 1156 of the Swiss Code of Obligations (OR). This document does not constitute either an offer or an invitation to buy or sell any securities whatsoever, nor does this document or anything therein constitute the basis for any contract or obligation of any kind. In particular, the information contained therein does not constitute either a contractual basis nor subject of a legal transaction. Should this document contain any investment opportunities (equities, bonds and the like), it is pointed out that these are associated with high risks, in particular market risks, currency risks and interest rate risks.

This document should not be used as the basis for an investment decision regarding the represented company. MTC encourages potential investors to seek advice on investments and their tax consequences before acquiring an investment opportunity specified in this document. The information contained in this document does not constitute any advice and should not be regarded as a substitute for specific advice on a specific investment decision in individual cases.

Neither MTC, its administrative boards, representatives or its employees nor any other persons who are entrusted with the preparation of this documentation or from whom this document can be obtained shall be liable for direct or indirect damages of any kind resulting from the use of this document or its content. Liability for printing errors is also excluded.

By providing this document, MTC does not assume liability for providing the recipient with access to further information or to correct any inaccuracies or omissions that become evident. MTC reserves the right to make changes to this document, remove content or to add new content at any time. This document may contain

statements relating to future developments and represent forward-looking statements or which may be deemed to be forward-looking statements. Forward-looking statements are identifiable with expressions such as "align", "estimate", "anticipate", "expect", "intend", "aim at", "may", "will", "plan", "follow" or "should" or similar terms. These forward-looking statements contain statements that are not historical facts or which are not provable by reference to past events. Forecasts are subject to various predictable and unpredictable risks and uncertainties, as they relate to events and/or depend on circumstances which may or may not occur in the future. In the event of the occurrence of these risks and uncertainties or in the event that the underlying expectations do not materialize and/or assumptions made prove to be incorrect, the actual events, both positive and negative, may significantly differ from the forward-looking statements implied or scenarios referred to. The forward-looking statements are based on current estimates made to the best of our knowledge and assumptions made by MTC which may subsequently prove to be inaccurate. The addressees should not place their confidence in these forward-looking statements. MTC assumes no responsibility for updating these forward-looking statements and opinions or for correcting or modifying them in light of developments which differ from those anticipated. The contents of this document are protected by copyright. The contents of this document are provided exclusively for information purposes and may not be reproduced, duplicated in whole or in part, distributed to other persons and/or saved in information systems used for data transfer without the prior authorization of the author. This document is intended for distribution to or from Great Britain only to persons who are considered to be entitled persons, or are deemed to be released persons under Great Britain's Financial Services Act 1986 or ordinances based thereof, or to persons described under Article 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) or 1996 (in the currently valid version) and is not intended to be directly or indirectly transmitted to any other group of persons. In case of changes of applicable laws, in particular by the Financial Services and Markets Act 2000, the relevant provisions of the amended laws shall apply mutatis mutandis.

Without the prior written consent of MTC, neither this document nor a copy thereof may be brought to, transmitted or distributed in the United States of America, Canada, Japan or their respective territories or possessions, nor may it be distributed to US persons or to a person residing in Canada or Japan. The distribution of this document in other countries may be restricted by law and persons who possess this document shall be required by MTC to stay informed of any applicable restrictions and comply with them accordingly. Failure to observe these restrictions may constitute a violation of the US or Canadian securities laws or the laws of other countries. We ask persons residing in other countries to please comply with applicable restrictions in the relevant legal system.

This exclusion of liability applies to MTC as well as to affiliated companies, even if these are not mentioned in this document. The substantive Swiss law shall apply under the exclusion of conflict-of-law rules. Sole jurisdiction is the registered office of MTC.

## IMPRESSUM

Editor: MONTANA Tech Components AG,  
Alte Aarauerstrasse 11, CH-5734 Reinach

Fotos: Querkraft Architects,  
ALUFLEXPACK GROUP

Design: Gottfried Ebner

Layout: flammen.at





MONTANA TECH COMPONENTS AG  
Alte Aarauerstrasse 11, CH-5734 Reinach  
Tel: +41 62 765 2500 / Fax: + 41 62 765 2510  
[office@montanatechcomponents.com](mailto:office@montanatechcomponents.com)  
[www.montanatechcomponents.com](http://www.montanatechcomponents.com)