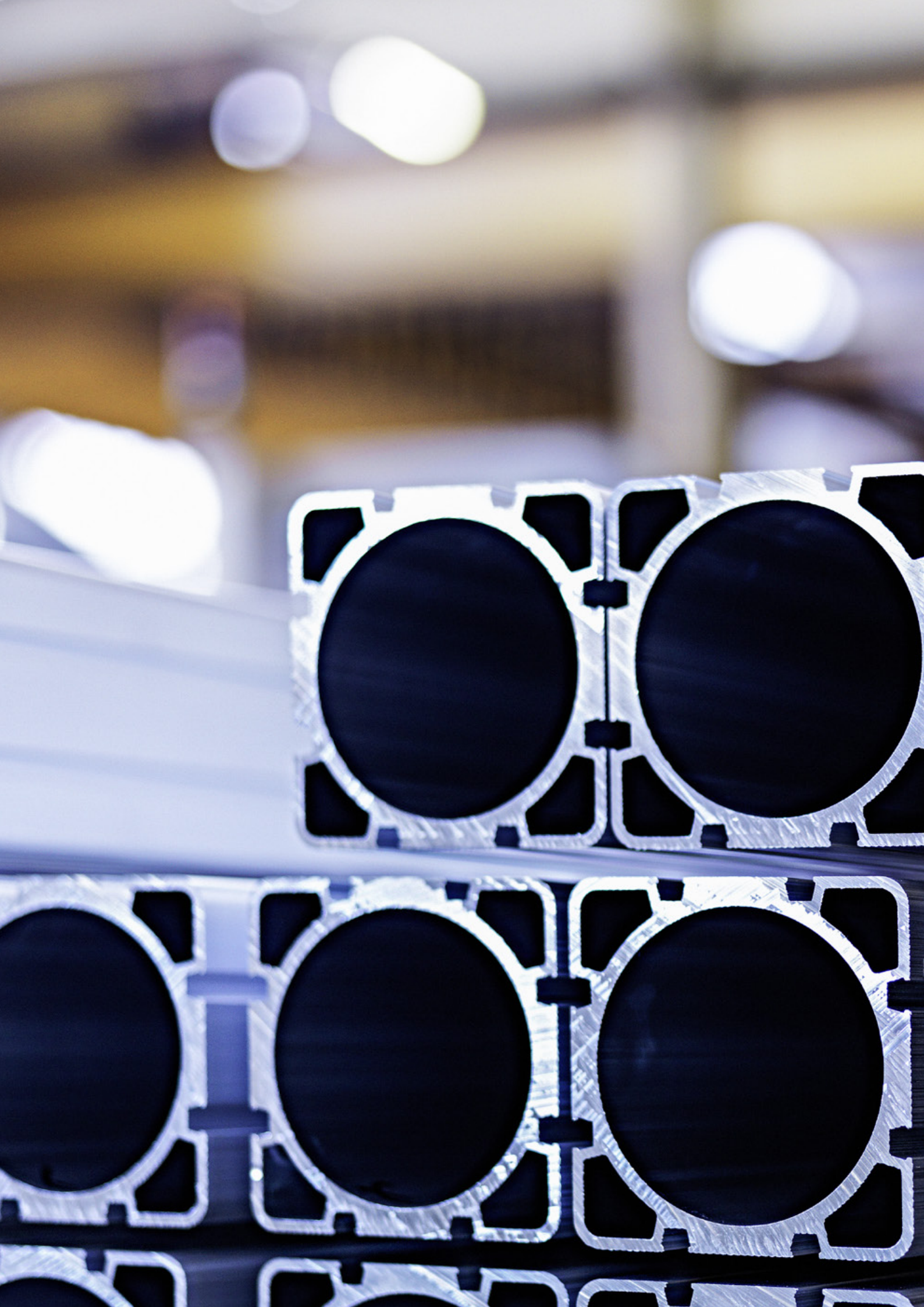


Report on the 2nd quarter of 2020



Overview – MONTANA TECH COMPONENTS



MONTANA
TECH COMPONENTS



**ALU
FLEX
PACK**



VARTA AG

VARTA AG produces and markets an extensive battery portfolio from microbatteries, household batteries, energy storage systems to customer-specific battery solutions for a wide range of applications. As the group's parent company, it operates in the business segments 'Microbatteries & Solutions' and 'Household Batteries'.



ALUFLEXPACK AG

Utilizing the industrial expertise of the Montana Group, Aluflexpack develops and pools the resources of industrial companies with potential. It provides strategic support and investments in innovative products, sales and R&D to promote these companies' growth and support their market positions.



MONTANA AEROSPACE AG

Montana Aerospace is an industrial group that focuses on key parts and technologies in the aerospace market with a global operations footprint. Montana Aerospace manufactures state-of-the-art components through its multi-material capabilities and outstanding engineering competence for the aerospace industry.



Key financials

KEY FIGURES OF THE MONTANA TECH COMPONENTS GROUP

(in T€) unaudited according to IFRS	1-6/2019	1-6/2019 adj*	1-6/2020	Change in T€	Change in %
Net sales	645,373	645,373	850,954	205,581	31.9 %
EBITDA	80,074	88,306	126,546	38,240	43.3 %
% of net sales	12.4 %	13.7 %	14.9 %		
EBIT	35,263	43,495	66,152	22,657	52.1 %
% of net sales	5.5 %	6.7 %	7.8 %		
EBT	24,734	32,721	49,266	16,545	50.6 %
Net income	13,080	21,067	29,445	8,378	39.8 %
Employees	8,494	8,494	10,621	2,127	25.0 %

OVERVIEW OF THE LATEST QUARTERS

(in T€) unaudited according to IFRS	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q2 2019 adj	Q3 2019	Q4 2019	Q4 2019 adj*	Q1 2020	Q2 2020
Net sales	316,250	300,739	319,043	326,330	326,330	344,259	363,802	363,802	447,912	403,042
EBITDA	44,184	32,385	40,578	39,496	47,728	51,158	58,521	58,521	70,862	55,683
EBIT	27,684	15,460	19,245	16,018	24,250	27,716	-4,212	26,249	42,129	24,023
EBT	20,937	17,611	16,409	8,325	16,312	39,608	-3,998	26,462	28,353	20,913
Net income	13,544	15,481	7,463	5,617	13,604	29,931	-4,535	25,925	15,892	13,554
Employees	7,480	7,781	8,141	8,494	8,494	9,135	9,572	9,572	11,154	10,621

*adjusted for non-recurring expenses in connection with the IPO of the ALUFLEXPAC Group and extraordinary depreciation of intangible assets

Management Report – Analysis of the results

Dear Shareholders,

Dear Ladies and Gentlemen,

MONTANA GROUP – RESULT AS OF JUNE 30th, 2020

The MONTANA Group significantly increased its total sales compared to the same period of the previous year. In the first six months of 2020, the divisions generated total sales of EUR 851.0 million (+31.9% compared to June 30th, 2019). In particular, the second quarter felt the negative impact of COVID-19, resulting in EBITDA of EUR 126.5 million being generated in the first six months (+43.3%). In this period, EBIT came to EUR 66.2 million. The adjusted EBITDA margin as per June 30th, 2020 was 14.9% (2019/Q2: 13.7%) and the EBIT margin was 7.8% (2019/2: 6.7%).

DIVISION INFORMATION

Compared to the same period last year, VARTA AG group sales increased by 158% to EUR 390.7 million – which was also thanks to the acquisition of VARTA Consumer Batteries (+66.5% excluding the acquisition of VARTA Consumer). Adjusted EBITDA increased even more, by 174% to EUR 102.1 million (+124.8% excluding the acquisition of VARTA Consumer). VARTA AG expects annual sales amounting to EUR 810–830 million at an adjusted EBITDA of EUR 210–215 million and planned investments of EUR 320–360 million, which will result in production capacity for 300 million re-chargeable lithium-ion microbatteries by the end of 2021. After the acquisition of VARTA Consumer Batteries, business activities are now divided into two segments: “Microbatteries & Solutions” and “Household Batteries”.

Apart from developing the newest generation of small-size lithium-ion cells with even higher energy densities, innovative VARTA technology will be applied to larger formats for new applications, such as VARTA Energy Storage Systems. The German Federal Ministry for Economic Affairs and the German Federal States of Bavaria and Baden-Württemberg announced on June 29th, 2020 their support for



On June 29th, 2020, the German Federal Minister for Economic Affairs, Peter Altmaier presented VARTA CEO Herbert Schein with IPCEI funds in the amount of EUR 300 million in the name of the Federal Government and the Federal States; EUR 101.5 million thereof were earmarked to support research activities in Nördlingen.

this venture by naming it an Important Project of Common European Interest (“IPCEI”) and will provide VARTA AG with funding of up to EUR 300 million until year-end 2024.

The AEROSPACE Division nearly performed according to plan up until the end of the first quarter. In the second quarter, UAC Group’s sales and results suffered a marked decrease driven by subdued acceptance activities in the aircraft industry. Ramp-up of the new production sites in Romania and Vietnam is delayed. The third quarter is not expected to hold significant improvements as buyers may partially close their factories during the summer, limiting deliveries. Turn-over is expected to improve again during the fourth quarter.

The ALU MENZIKEN Group was able to improve the capacity utilization of its new plant in Romania during the first two quarters, even though on a smaller scale than planned. There has been less negative impact on capacity utilization of plants due to the COVID-19



COVID-19: Aluflexpack proved to be a crisis-proof partner for the international packaging industry.

crisis than in the UAC Group. In comparison to the previous year, a further slight improvement is expected for the plant in Romania.

Due to COVID-19-related travel restrictions, ALPINE METAL TECH Group found itself unable to perform all deliveries as planned. Ordering activity, especially in the automotive sector, is expected to remain subdued. The Group is in the process of implementing a further consolidation of its German locations.

The ASTA Group had to endure temporary plant closures in China in the first quarter and India in the end of the first and in the early second quarter, but continues to perform according to plan. For the second half of the year, no material departure from the Group's planning is on the horizon either.

The ALUFLEXPACK AG increased its net sales in the first six months by 14% to EUR 115.5 million on an organic basis. Adjusted for one-off items, EBITDA rose by EUR 14.0 million to EUR 17.3 million during the same time. As demand for packaged food and pharmaceuticals remained robust during the lockdown, COVID-19 has had no negative impact on ALUFLEXPACK AG's business so far. It was possible to maintain the production and delivery chain during the whole period. As demand for the company's products remains positive, management recently confirmed its outlook on the financial year 2020.

OUTLOOK

The MONTANA Group started into 2020 as planned during the first quarter and during the second quarter the COVID-19 crisis showed only a moderate impact on Group results. However, the MONTANA Group will not be unaffected by the COVID-19 crisis. Yet thanks to the Group's diversified strategy, it is expected that the negative impact on the AEROSPACE division can be mitigated partially or entirely by those divisions which have performed better than planned in the current situation. Independent of the COVID-19 crisis, the MONTANA Group is well-positioned with its investments in highly competitive locations and with the leadership in innovation and quality of the single divisions of MONTANA. So, even in a difficult environment, the Group remains an attractive supplier to its customers.

Finances

CONSOLIDATED BALANCE SHEET AS OF JUNE 30th, 2020

ASSETS (in T€) unaudited according to IFRS	31.12.2019	30.06.2020
Intangible assets	220,190	292,841
Property, plant and equipment	918,617	1,158,437
Financial assets	244,701	262,849
Other assets and receivables	63,853	79,276
NON-CURRENT ASSETS	1,447,361	1,793,402
Inventories	329,987	434,403
Trade receivables	184,444	248,601
Other assets and receivables	108,277	145,903
Cash and cash equivalents	412,279	248,306
CURRENT ASSETS	1,034,987	1,077,213
TOTAL ASSETS	2,482,348	2,870,615
LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) unaudited according to IFRS	31.12.2019	30.06.2020
Shareholders' equity MTC AG	776,606	695,305
Minority interests	255,320	261,677
SHAREHOLDERS' EQUITY	1,031,926	956,981
Liabilities to financial institutions	363,847	446,685
Other financial liabilities	365,690	465,070
Deferred tax liabilities	33,232	55,038
Provisions	3,184	2,673
Employee benefits	69,527	112,171
Other liabilities	84,550	71,042
NON-CURRENT LIABILITIES	920,030	1,153,143
Liabilities to financial institutions	63,737	49,800
Other financial liabilities	41,792	42,837
Provisions	7,783	27,725
Employee benefits	27,000	42,901
Trade payables	243,031	249,155
Accruals	29,593	36,526
Other liabilities	117,457	311,546
CURRENT LIABILITIES	530,392	760,491
TOTAL LIABILITIES	1,450,422	1,913,634
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,482,348	2,870,615

CONSOLIDATED INCOME STATEMENT AS OF JUNE 30th, 2020

(in T€) unaudited according to IFRS	1–6/2019	1–6/2020
NET SALES	645,373	850,954
Change in finished and unfinished goods	19,933	24,416
Other operating income	37,175	47,661
Cost of materials, supplies and services	-366,951	-446,734
Personnel expenses	-166,563	-226,882
Other operating expenses	-88,894	-122,870
EBITDA	80,074	126,546
Depreciation and amortization	-44,811	-60,394
EBIT	35,263	66.152
Interest income and expenses	-9,497	-10,030
Other financial result – net	-1,026	-6,856
Net result from joint ventures and investments in associated companies	-6	0
INCOME BEFORE TAX	24,734	49,266
Income tax expenses	-11,654	-19,820
NET INCOME	13,080	29,445
THEREOF:		
Shareholders' MTC AG	6,197	11,542
Minority interests	6,883	17,904
NET INCOME FOR THE PERIOD	13,080	29,445

CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30th, 2020 (short form)

(in T€) unaudited according to IFRS	1–6/2019	1–6/2020
Cash flow from operating activities	11,970	40,579
Cash flow from investing activities	-152,770	-306,377
Cash flow from financing activities	186,643	102,060
NET CHANGE IN CASH AND CASH EQUIVALENTS	45,842	-163,738
Cash and cash equivalents as of January 1 st	193,225	412,279
Effect of exchange rate changes on cash and cash equivalents	856	-235
CASH AND CASH EQUIVALENTS AS OF JUNE 30 th	239,923	248,306

Information about the Company

FINANCIAL CALENDAR 2020/2021

November 25, 2020	Report on the 3 rd quarter of 2020
April 13, 2021	Report on the 4 th quarter of 2020
May 31, 2021	Report on the 1 st quarter of 2021
August 24, 2021	Report on the 2 nd quarter of 2021

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IMPRESSUM

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