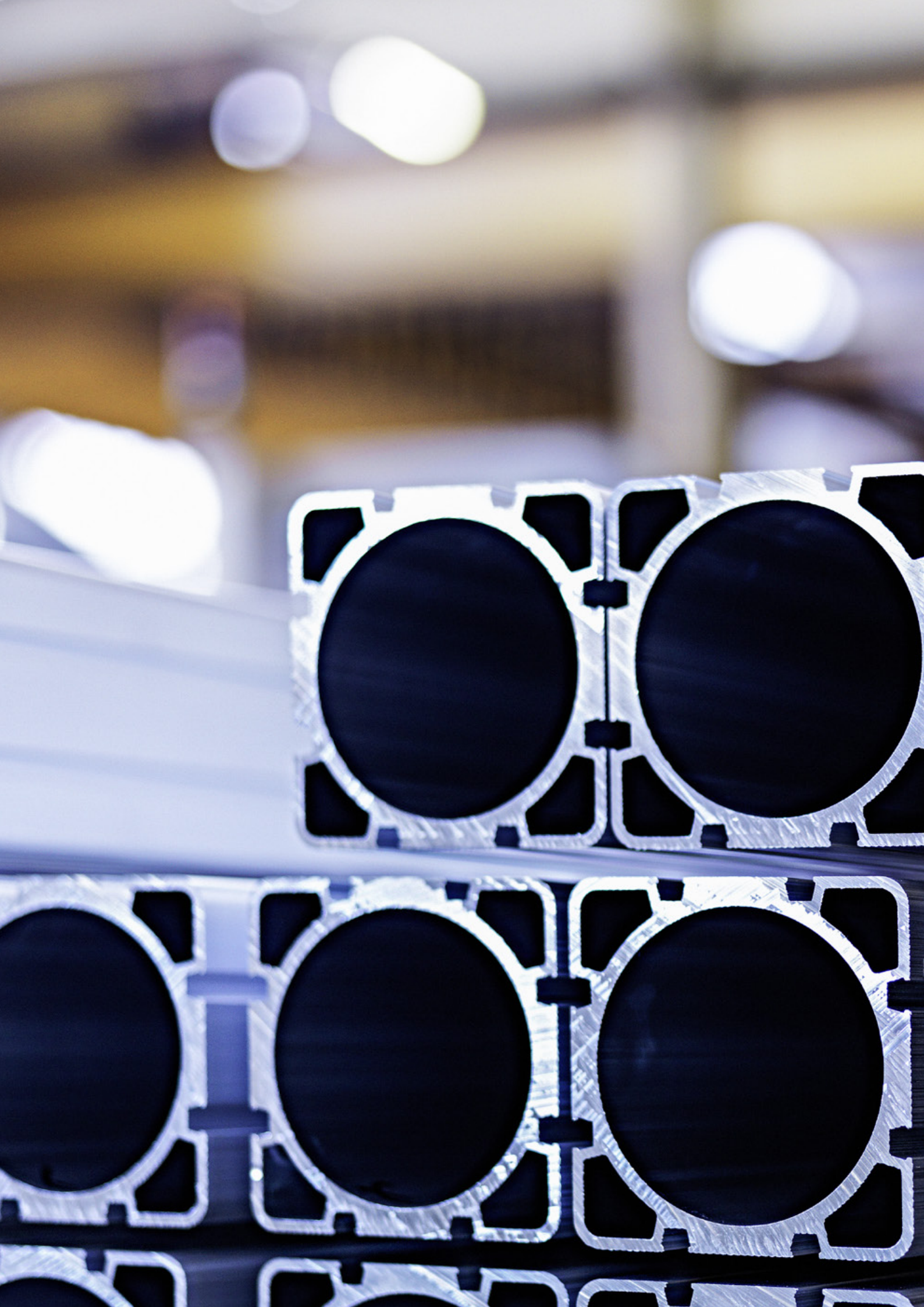


Report on the 3rd quarter of 2018



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	1-9/2017	1-9/2018	Change in T€	Change in %
Net sales	637,609	917,656	280,046	43.9%
EBITDA	105,362	115,762	10,401	9.9%
% of net sales	16.5%	12.6%		
EBIT	66,856	68,056	1,200	1.8%
% of net sales	10.5%	7.4%		
EBT	56,750	54,198	-2,552	-4.5%
Net income	43,234	37,453	-5,782	-13.4%
Employees	5,866	7,480	1,614	27.5%

OVERVIEW OF THE LATEST QUARTERS

(in T€) unaudited according to IFRS	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Net sales	195,527	208,863	215,090	213,656	211,714	297,202	304,204	316,250
EBITDA	27,622	30,460	39,697	35,205	8,517	36,498	35,080	44,184
EBIT	11,525	17,438	26,867	22,551	-4,834	21,087	19,285	27,684
EBT	8,521	18,976	19,225	18,549	-11,976	12,670	20,591	20,937
Net income	16,173	14,380	14,716	14,138	-618	8,872	15,036	13,544
Employees	5,510	5,589	5,664	5,866	6,023	7,005	7,198	7,480

Management Report – Analysis of the results

Dear Shareholders,
Dear Ladies and Gentlemen,

MONTANA GROUP – RESULT AS OF SEPTEMBER 30th, 2018

The MONTANA Group was able to significantly increase its total revenue compared to the same period of the previous year, largely due to the full integration of the ASTA Group, which is also responsible for the increase in EBITDA. Therefore, the third quarter 2018 is the most successful in the company's history.

The divisions generated sales in the amount of € 917.7 million (+43.9% compared to September 30th, 2017). EBITDA amounted to € 115.8 million (+9.9%). The high investment activity of the MONTANA Group resulted in EBIT growth of 1.8% to € 68.1 million, less than EBITDA growth. While the EBITDA margin of the MONTANA Group excluding the ASTA Group remained virtually unchanged compared to the previous year, the integration of ASTA led to a reduction of the EBITDA margin to 12.6% (2017/Q3: 16.5%) and EBIT margin to 7.4% (2017/Q3: 10.5%).

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, continued its profitable growth in the third quarter of 2018. At € 200.2 million, sales were 11.1% above the previous year's level, with both segments, *Microbatteries* and *Power & Energy*, achieving an increase in sales and earnings. The massive investment program to expand production capacity is being implemented according to plan; the focus is on expanding production capacity for lithium-ion batteries.

This success story was confirmed by the market research and consulting firm Frost & Sullivan, which honored VARTA Storage on October 4th, 2018 in London with this year's "Product Line Strategy Leadership Award". (Further information on VARTA AG can be found in the company's quarterly report: www.varta-ag.com).

The partial relocation of the Light Press activities of UNIVERSAL ALLOY CORPORATION (UAC) from Anaheim to the Ball Ground site was completed as planned. In addition, the "heavy press"

capacity could be increased to relieve the Canton site, which is running at full capacity. The Romanian company UAC Europe has continued its successful growth and is nearing the start of construction activities in the vicinity of the airport in Baia Mare, which represents another investment in the triple-digit millions. This will enable the *Aerospace Components* division to further expand its production portfolio by processing titanium and significantly increase its production capacity.

The construction of the ALU MENZIKEN plant in Satu Mare, Romania, was completed on schedule; the official opening of the site took place on November 13th.

The *Metal Tech* division increased sales by 4.8% compared to the same period of the last year. The "Safety Services" division contributed significantly to the increase in sales. ALPINE METAL TECH will continue to focus on research and targeted corporate development in order to increase sales in all segments with innovative products. The innovation strategy has been confirmed by the award "Austrian Leadings Companies" in the category "internationally operating companies" as well as by an innovation award of the province of Upper Austria for the in-house developed tool "AMT Wheel Analytics", a production analysis system for aluminum rim production.



AMT: "Austria's Leading Companies" Award



ARİMPEKS ALÜMİNYUM, Istanbul

The ALUFLEXPACK Group will pursue its growth path also in the future. In Umag, Croatia, the site will be expanded by investments in the lower double-digit millions with the aim of increasing the production capacity for “pouches” (stand-up pouches, which are mainly

used in baby and pet food) to around one billion pieces per year. In September, an 80 % share in the Turkish company ARİMPEKS ALÜMİNYUM near Istanbul was acquired to reinforce the pharmaceuticals sector while expanding its geographic presence.

The ASTA Group has been fully consolidated since January. While the location in China has reached its capacity limit and the investment for capacity expansion is being examined, other sites will use existing capacity to increase market share while maintaining margins. The global presence in the field of CTC has thus been strengthened. Over the coming months, the foundation will be laid for further innovations and entry into new market segments.

OUTLOOK

The focus of the MONTANA Group in the current fiscal year is again on research and development as well as investments in the expansion of product portfolios and capacities. The MONTANA Group expects a sustained positive development in the current financial year.

Finances

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2018

ASSETS (in T€) unaudited according to IFRS	31.12.2017	30.09.2018
Intangible assets	159,094	222,401
Property, plant and equipment	359,665	530,028
Financial assets	202,040	171,970
Other assets and receivables	32,248	29,966
NON-CURRENT ASSETS	753,047	954,364
Inventories	218,316	285,501
Trade receivables	100,397	175,350
Other assets and receivables	44,796	62,935
Cash and cash equivalents	233,229	110,252
CURRENT ASSETS	596,738	634,039
TOTAL ASSETS	1,349,785	1,588,403

LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) unaudited according to IFRS	31.12.2017	30.09.2018
Shareholders' equity MTC AG	544,675	575,233
Minority interests	87,298	94,212
SHAREHOLDERS' EQUITY	631,973	669,445
Liabilities to financial institutions	66,036	120,642
Other financial liabilities	282,845	288,278
Deferred tax liabilities	27,509	37,700
Provisions	1,709	1,948
Post employment benefits and other employee benefits	46,988	53,805
Other liabilities	8,238	16,556
NON-CURRENT LIABILITIES	433,326	518,929
Liabilities to financial institutions	60,500	129,204
Other financial liabilities	12,367	4,424
Provisions	7,324	8,504
Post employment benefits and other employee benefits	1,674	1,678
Trade payables and advances received	118,464	156,844
Accruals	38,732	54,834
Other liabilities	45,425	44,542
CURRENT LIABILITIES	284,486	400,029
TOTAL LIABILITIES	717,812	918,959
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,349,785	1,588,403

CONSOLIDATED INCOME STATEMENT AS OF SEPTEMBER 30, 2018

(in T€) unaudited according to IFRS	1–9/2017	1–9/2018
NET SALES	637,609	917,656
Change in finished and unfinished goods	26,611	22,597
Other operating income	23,272	27,205
Cost of materials, supplies and services	-315,469	-527,835
Personnel expenses	-162,459	-204,100
Other operating expenses	-104,202	-119,760
EBITDA	105,362	115,762
Depreciation and amortization	-38,506	-47,706
EBIT	66,856	68,056
Interest income and expenses	-4,247	-10,047
Other financial result – net	-3,745	-3,962
Net result from investments in associated companies	-2,114	151
INCOME BEFORE TAX	56,750	54,198
Income tax expense	-13,516	-16,746
NET INCOME	43,234	37,453
THEREOF:		
Shareholders' MTC AG	43,244	30,016
Minority interests	-10	7,437
NET INCOME FOR THE PERIOD	43,234	37,453

CONSOLIDATED CASH FLOW STATEMENT AS OF SEPTEMBER 30, 2018 (short form)

(in T€) unaudited according to IFRS	1–9/2017	1–9/2018
Cash flow from operating activities	43,272	-1,255
Cash flow from investing activities	-87,169	-144,125
Cash flow from financing activities	-1,564	22,324
NET CHANGE IN CASH AND CASH EQUIVALENTS	-45,461	-123,055
Cash and cash equivalents as of January 1	93,858	233,229
Effect of exchange rate changes on cash and cash equivalents	-2,281	78
CASH AND CASH EQUIVALENTS AS OF SEPTEMBER 30	46,116	110,252

Information about the Company

FINANCIAL CALENDAR 2018/2019

April 16, 2019	Report on the 4 th quarter of 2018
June 4, 2019	Report on the 1 st quarter of 2019
August 27, 2019	Report on the 2 nd quarter of 2019
November 27, 2019	Report on the 3 rd quarter of 2019

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IMPRESSUM

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