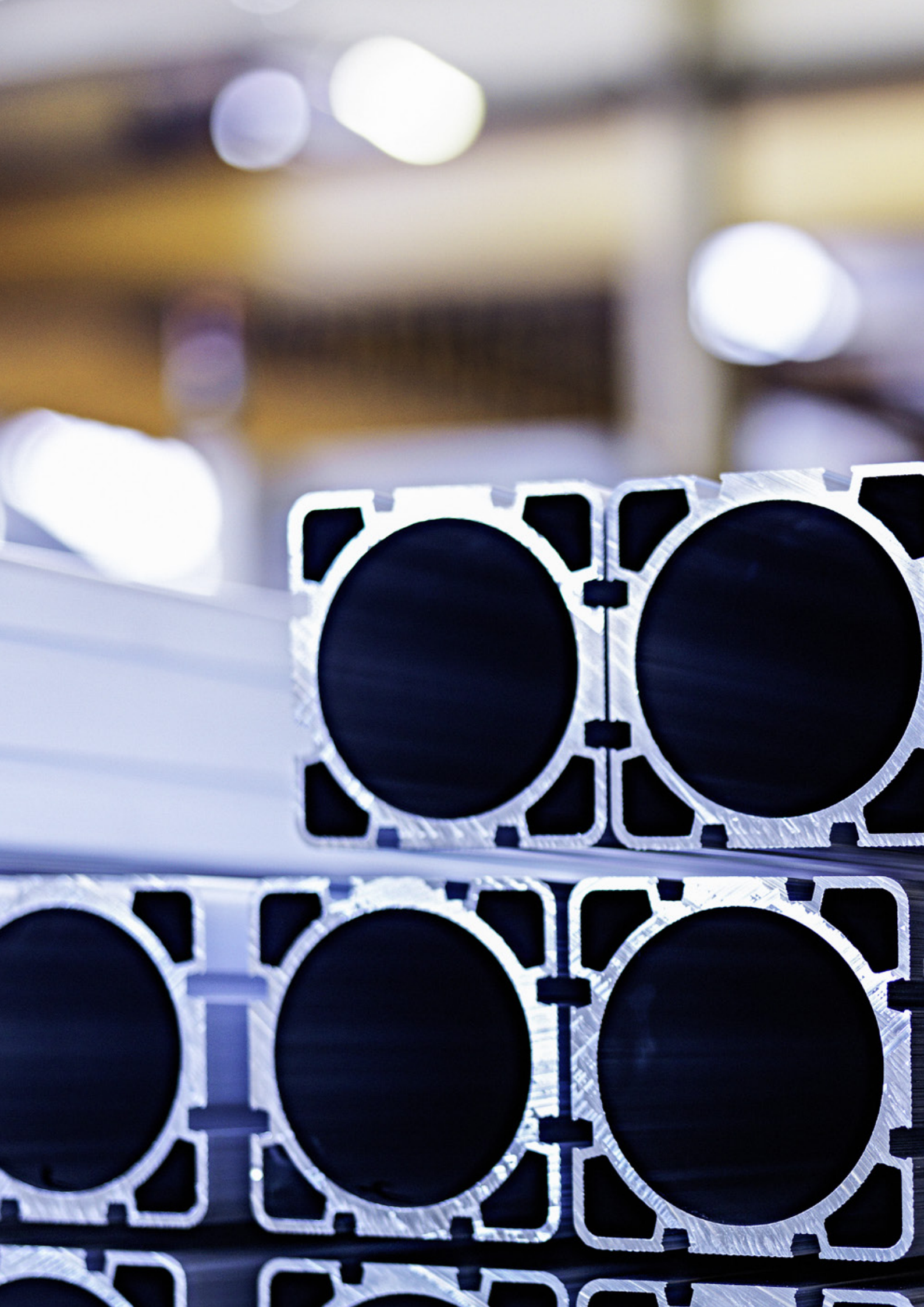


Report on the 3rd quarter of 2019



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 MENZIEN 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 | 1-9/2018 | 1-9/2019 | Change in T€ | Change in % | 1-9/2019 adj* | Change in T€ | Change in % |
|-------------------------------------|----------------|----------------|-----------------|----------------|------------------|-----------------|----------------|
| Net sales | 917,656 | 989,632 | 71,976 | 7.8% | 989,632 | 71,976 | 7.8% |
| EBITDA | 115,762 | 131,232 | 15,470 | 13.4% | 139,302 | 23,540 | 20.3% |
| % of net sales | 12.6% | 13.3% | | | 14.1% | | |
| EBIT | 68,056 | 62,979 | -5,077 | -7.5% | 71,049 | 2,993 | 4.4% |
| % of net sales | 7.4% | 6.4% | | | 7.2% | | |
| EBT | 54,198 | 64,342 | 10,143 | 18.7% | 72,411 | 18,213 | 33.6% |
| Net income | 37,453 | 43,011 | 5,559 | 14.8% | 51,081 | 13,628 | 36.4% |
| Employees | 7,480 | 9,135 | 1,655 | 22.1% | 9,135 | 1,655 | 22.1% |

OVERVIEW OF THE LATEST QUARTERS

| (in T€) unaudited according to IFRS | Q4 2017 | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q2 2019 adj* | Q3 2019 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|-----------------|---------|
| Net sales | 211,714 | 297,202 | 304,204 | 316,250 | 300,739 | 319,043 | 326,330 | 326,330 | 344,259 |
| EBITDA | 4,423 | 36,498 | 35,080 | 44,184 | 32,385 | 40,578 | 39,496 | 47,483 | 51,158 |
| EBIT | -8,928 | 21,087 | 19,285 | 27,684 | 15,460 | 19,245 | 16,018 | 24,005 | 27,716 |
| EBT | -14,199 | 12,670 | 20,591 | 20,937 | 11,852 | 16,409 | 8,325 | 16,312 | 39,608 |
| Net income | -2,841 | 8,872 | 15,036 | 13,544 | 9,722 | 7,463 | 5,617 | 13,604 | 29,931 |
| Employees | 6,023 | 7,005 | 7,198 | 7,480 | 7,781 | 8,141 | 8,494 | 8,494 | 9,135 |

* 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 SEPTEMBER 30th, 2019

The MONTANA Group significantly increased its total sales compared to the same period of the previous year. The result of the first three quarters is substantially influenced by one-off effects. The comments set out below show comparisons with prior periods excluding these one-off effects.

In the first three quarters of 2019, the divisions achieved total sales amounting to EUR 989.6 million (+7.8% compared to September 30th, 2018). The third quarter, with EBITDA of EUR 51.2 million (+16% compared to the same period of the previous year), was the most successful in the company's history; EBIT amounted to EUR 27.7 million. Additionally, in the first nine months of 2019, the MONTANA Group achieved the company's best results to date with EBITDA of EUR 139.3 million. The EBIT for the first nine months of 2019 amounted to EUR 71.0 million. The EBITDA margin for the first three quarters of 2019 was 14.1% (2018/Q3: 12.6%) while the EBIT margin was 7.2% (2018/Q3: 7.4%).

DIVISION INFORMATION

VARTA AG (*Energy Storage Division*), a global expert in microbatteries and a market leader in hearing aid batteries as well as solutions for hearables, power packs and energy storage, continues to demonstrate high growth momentum. Based on a very strong third quarter, sales in the first nine months of the year amounted to EUR 242.8 million, 21.3% above the previous year's level. This success is mainly due to the company's lithium-ion technology – as an innovation and technology leader, VARTA AG is benefiting from the rapidly growing market segment of premium headsets. To this end, the company is investing heavily in expanding its production capacity so as to lay the foundations for further growth. Its capacity for rechargeable lithium-ion batteries (used, for example, in premium wireless headphones) will increase from more than 100 million cells per year in 2020 to over 150 million cells per year by 2022.



Together with querkraft architects, VARTA is implementing the extensions and new buildings in Nördlingen and Ellwangen (pictured above).

The two new UNIVERSAL ALLOY CORPORATION (UAC) plants in Romania (Baia Mare Airport) and Vietnam (Da Nang) have made great building progress and the first machines are already up and running. Further ramp-ups are scheduled for this and next year.

ALU MENZIKEN's state-of-the-art plant in Satu Mare, Romania, which opened last year, is still in the ramp-up phase and is gradually increasing its production capacity. Although production has continued to improve, the plant is feeling the effects of the current downturn in the automotive market. Utilization of the site's capacity is set to increase progressively as more customers gain the necessary accreditation. In addition, ALU MENZIKEN is operating in a highly competitive location, making it well equipped for the future, even in a highly competitive market.

ALPINE METAL TECH is also feeling the effects of a sluggish automotive market, which has put the brakes on its recent rapid growth. Innovative products across all segments have laid the foundations for future growth – both in the Automotive Division and in the Steel and “Safety Services” Divisions.



Universal Alloy Corporation Europe has recently received the 2019 Spirit AeroSystems Strategic Supplier of the Year award.

Funds resulting from the successful IPO of the ALUFLEXPACK Group will be used to continue this strategic growth both organically and through acquisitions. Production capacity for stand-up pouch

production in Umag is currently being ramped up. This expansion will allow production capacity to be increased tenfold to 1 billion units p.a.

The ASTA Group continues to operate in a challenging environment, triggered by restrained investment activities in classic power plant construction. With its market and quality leadership position in the production of insulated flat wires specifically, it has essentially managed to withstand price pressure and tolerate only minimal volume losses. The ASTA Group does not anticipate any short-term changes in this environment.

OUTLOOK

The financial year 2019 represents another milestone in the success of the MONTANA Group's investment activities. The MONTANA Group believes that, despite challenging conditions in some areas, further significant earnings growth can be achieved.

Finances

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30th, 2019

| ASSETS (in T€) unaudited according to IFRS | 31.12.2018 | 30.09.2019 |
|--|------------------|------------------|
| Intangible assets | 226,179 | 251,748 |
| Property, plant and equipment | 550,423 | 827,664 |
| Financial assets | 186,832 | 197,402 |
| Other assets and receivables | 32,014 | 41,207 |
| NON-CURRENT ASSETS | 995,449 | 1,318,022 |
| Inventories | 277,000 | 339,857 |
| Trade receivables | 159,795 | 196,541 |
| Other assets and receivables | 62,430 | 141,186 |
| Cash and cash equivalents | 193,225 | 288,566 |
| CURRENT ASSETS | 692,450 | 966,149 |
| TOTAL ASSETS | 1,687,899 | 2,284,171 |

| LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) unaudited according to IFRS | 31.12.2018 | 30.09.2019 |
|--|------------------|------------------|
| Shareholders' equity MTC AG | 568,699 | 711,641 |
| Minority interests | 97,952 | 241,006 |
| SHAREHOLDERS' EQUITY | 666,651 | 952,648 |
| Liabilities to financial institutions | 194,699 | 324,711 |
| Other financial liabilities | 291,541 | 406,217 |
| Deferred tax liabilities | 37,443 | 37,007 |
| Provisions | 1,959 | 1,822 |
| Employee benefits | 71,158 | 80,934 |
| Accruals | 0 | 1,037 |
| Other liabilities | 45,134 | 29,808 |
| NON-CURRENT LIABILITIES | 641,934 | 881,536 |
| Liabilities to financial institutions | 83,951 | 50,944 |
| Other financial liabilities | 13,284 | 9,412 |
| Provisions | 7,929 | 9,956 |
| Employee benefits | 25,098 | 32,635 |
| Trade payables | 150,666 | 185,304 |
| Accruals | 24,544 | 29,136 |
| Other liabilities | 73,842 | 132,600 |
| CURRENT LIABILITIES | 379,314 | 449,988 |
| TOTAL LIABILITIES | 1,021,248 | 1,331,524 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 1,687,899 | 2,284,171 |

CONSOLIDATED INCOME STATEMENT AS OF SEPTEMBER 30th, 2019

| (in T€) unaudited according to IFRS | 1–9/2018 | 1–9/2019 |
|--|----------|----------|
| NET SALES | 917,656 | 989,632 |
| Change in finished and unfinished goods | 22,597 | 32,977 |
| Other operating income | 27,205 | 42,571 |
| Cost of materials, supplies and services | -527,835 | -548,510 |
| Personnel expenses | -204,100 | -249,313 |
| Other operating expenses | -119,760 | -136,124 |
| EBITDA | 115,762 | 131,232 |
| Depreciation and amortization | -47,706 | -68,253 |
| EBIT | 68,056 | 62,979 |
| Interest income and expenses | -10,047 | -14,484 |
| Other financial result – net | -4,216 | 14,978 |
| Net result from joint ventures and investments in associated companies | 406 | 868 |
| INCOME BEFORE TAX | 54,198 | 64,342 |
| Income tax expenses | -16,746 | -21,331 |
| NET INCOME | 37,453 | 43,011 |
| THEREOF: | | |
| Shareholders' MTC AG | 30,016 | 30,232 |
| Minority interests | 7,437 | 12,779 |
| NET INCOME FOR THE PERIOD | 37,453 | 43,011 |

CONSOLIDATED CASH FLOW STATEMENT AS OF SEPTEMBER 30th, 2019 (short form)

| (in T€) unaudited according to IFRS | 1–9/2018 | 1–9/2019 |
|--|----------|----------|
| Cash flow from operating activities | -1,255 | 47,420 |
| Cash flow from investing activities | -144,125 | -276,096 |
| Cash flow from financing activities | 22,324 | 320,459 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | -123,055 | 91,784 |
| Cash and cash equivalents as of January 1 st | 233,229 | 193,225 |
| Effect of exchange rate changes on cash and cash equivalents | 78 | 3,556 |
| CASH AND CASH EQUIVALENTS AS OF SEPTEMBER 30 th | 110,252 | 288,566 |

Information about the Company

FINANCIAL CALENDAR 2019/2020

| | |
|-------------------|---|
| April 14, 2020 | Report on the 4 th quarter of 2019 |
| June 2, 2020 | Report on the 1 st quarter of 2020 |
| August 25, 2020 | Report on the 2 nd quarter of 2020 |
| November 25, 2020 | Report on the 3 rd quarter of 2020 |

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IMPRESSUM

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