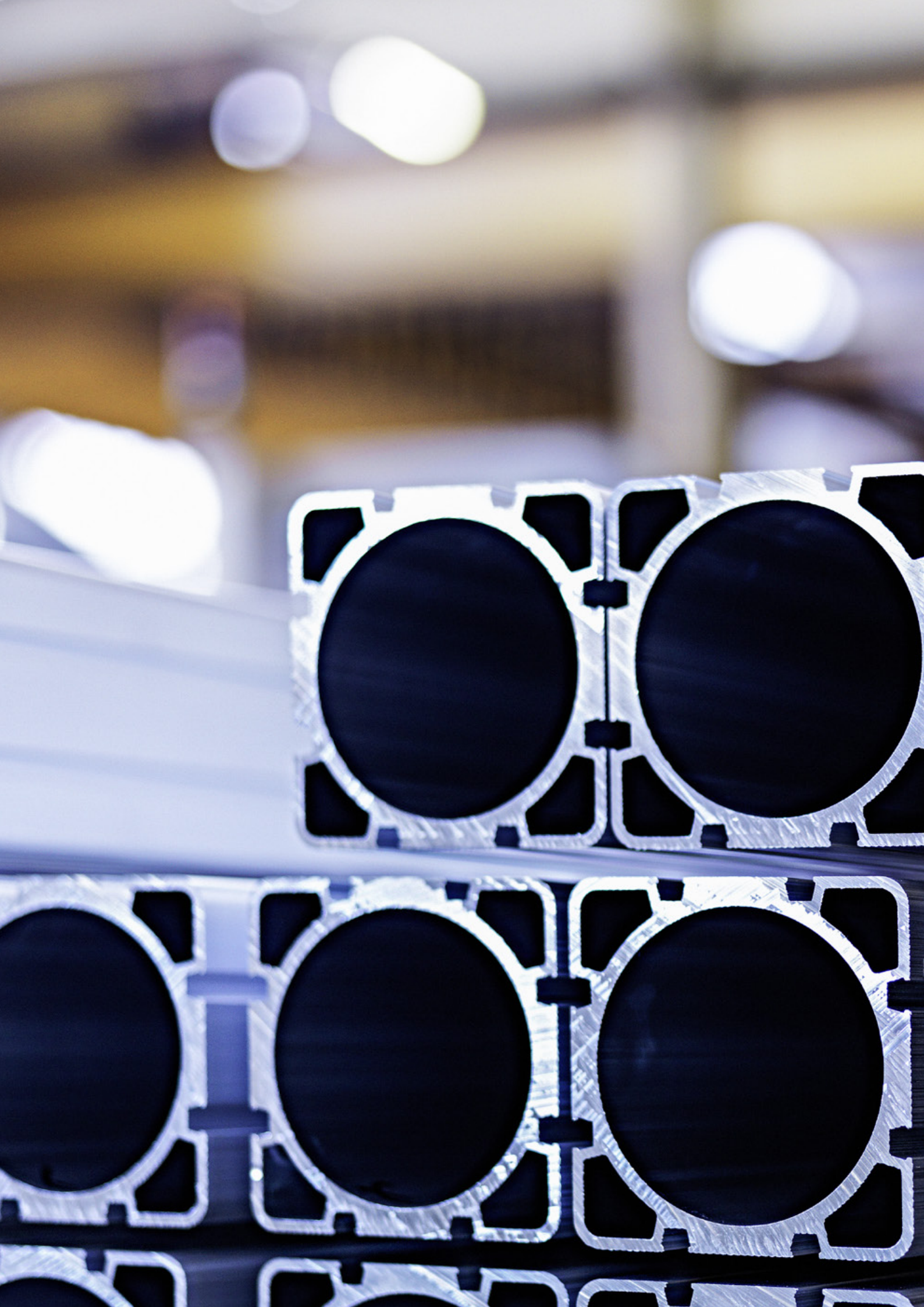


# Report on the 3<sup>rd</sup> quarter of 2020

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# Overview – MONTANA TECH COMPONENTS



**MONTANA**  
TECH COMPONENTS



**ALUFLEX  
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	1-9/2019	1-9/2019 adj*	1-9/2020	Change in T€	Change in %
<b>Net sales</b>	<b>989,632</b>	<b>989,632</b>	<b>1,287,243</b>	<b>297,611</b>	<b>30.1%</b>
<b>EBITDA</b>	<b>131,232</b>	<b>139,464</b>	<b>188,279</b>	<b>48,815</b>	<b>35.0%</b>
% of net sales	13.3%	14.1%	14.6%		
<b>EBIT</b>	<b>62,979</b>	<b>71,211</b>	<b>93,473</b>	<b>22,263</b>	<b>31.3%</b>
% of net sales	6.4%	7.2%	7.3%		
<b>EBT</b>	<b>64,342</b>	<b>72,329</b>	<b>65,875</b>	<b>-6,454</b>	<b>-8.9%</b>
<b>Net income</b>	<b>43,011</b>	<b>50,998</b>	<b>30,720</b>	<b>-20,278</b>	<b>-39.8%</b>
<b>Employees</b>	<b>9,135</b>	<b>9,135</b>	<b>10,688</b>	<b>1,553</b>	<b>17.0%</b>

## OVERVIEW OF THE LATEST QUARTERS

(in T€) unaudited according to IFRS	Q4 2018	Q1 2019	Q2 2019	Q2 2019 adj	Q3 2019	Q4 2019	Q4 2019 adj*	Q1 2020	Q2 2020	Q3 2020
<b>Net sales</b>	<b>300,739</b>	<b>319,043</b>	<b>326,330</b>	<b>326,330</b>	<b>344,259</b>	<b>363,802</b>	<b>363,802</b>	<b>447,912</b>	<b>403,042</b>	<b>436,288</b>
<b>EBITDA</b>	<b>32,385</b>	<b>40,578</b>	<b>39,496</b>	<b>47,728</b>	<b>51,158</b>	<b>58,521</b>	<b>58,521</b>	<b>70,862</b>	<b>55,683</b>	<b>61,734</b>
<b>EBIT</b>	<b>15,460</b>	<b>19,245</b>	<b>16,018</b>	<b>24,250</b>	<b>27,716</b>	<b>-4,212</b>	<b>26,249</b>	<b>42,129</b>	<b>24,023</b>	<b>27,322</b>
<b>EBT</b>	<b>17,611</b>	<b>16,409</b>	<b>8,325</b>	<b>16,312</b>	<b>39,608</b>	<b>-3,998</b>	<b>26,462</b>	<b>28,353</b>	<b>20,913</b>	<b>16,609</b>
<b>Net income</b>	<b>15,481</b>	<b>7,463</b>	<b>5,617</b>	<b>13,604</b>	<b>29,931</b>	<b>-4,535</b>	<b>25,925</b>	<b>15,892</b>	<b>13,554</b>	<b>1,275</b>
<b>Employees</b>	<b>7,781</b>	<b>8,141</b>	<b>8,494</b>	<b>8,494</b>	<b>9,135</b>	<b>9,572</b>	<b>9,572</b>	<b>11,154</b>	<b>10,621</b>	<b>10,688</b>

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

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# Management Report – Analysis of the results

Dear Shareholders,

Dear Ladies and Gentlemen,

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## MONTANA GROUP – RESULT AS OF SEPTEMBER 30<sup>th</sup>, 2020

The MONTANA Group significantly increased its total sales compared to the same period of the previous year. In the first nine months of 2020, the divisions generated total sales of EUR 1,287.2 million (+30.1 % compared to September 30, 2019). The current 2020 fiscal year closed with EBITDA of EUR 188.3 million (+35.0 %). In this period, EBIT came to EUR 93.5 million. The EBITDA margin as per September 30, 2020 was 14.6 % (2019/Q3 adj.: 14.1 %) and the EBIT margin was 7.3 % (2019/Q3 adj.: 7.2 %).

## DIVISION INFORMATION

Compared to the same period last year, VARTA AG group sales increased by 160 % to EUR 630.3 million – which was also thanks to the acquisition of VARTA Consumer Batteries (+69.7 % excluding the acquisition of VARTA Consumer). Adjusted EBITDA increased even more, by 181 % to EUR 176.8 million (+127.8 % excluding the acquisition of VARTA Consumer). VARTA AG has lifted its sales and earnings forecast and now expects to achieve annual sales amounting to EUR 840–860 million with adjusted EBITDA of EUR 230–235 million and planned investments of EUR 290–320 million, which will result in production capacity for 300 million re-chargeable lithium-ion microbatteries by the end of 2021 at lower investment costs than most recently communicated. After the acquisition of VARTA Consumer Batteries, business activities are now divided into two segments: “Microbatteries & Solutions” and “Household Batteries”. VARTA will help shape technological advancements for True Wireless Stereo Headsets (TWS) in a market that is growing at a rate of 30–40 %.

The AEROSPACE Division nearly performed according to plan up until the end of the first quarter. From the second quarter onwards, UAC Group’s sales and results suffered a marked decrease driven by reduced production in the aircraft industry. Acceptance activity in the aircraft industry is only expected to recover very slowly from



Highest energy density – smallest volume: Thanks to the latest generation of small-format lithium-ion cells, VARTA AG will help shape technological advancements for True Wireless Stereo Headsets.

2021 onwards. Developments in the order situation, on the other hand, were positive: the strategic approach pursued by Montana Aerospace allowed the company to secure very attractive contract packages that will be industrialized in 2021 and will result in marked increases in sales from 2022 onwards.

The ALU MENZIKEN Group was able to continue improving the capacity utilization of its new plant in Romania from quarter to quarter. Nevertheless, it has not yet been able to achieve the projected level, also due to the negative impact of the COVID-19 crisis. Attractive long-term contracts for e-mobility have been secured for the Romanian plant, in particular, meaning that a gradual improvement is expected in 2021, too.

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 at the end of the first and in the early second quarter, but continues to perform almost according to plan. As far as the quality of results is concerned, developments in Brazil are particularly encouraging and the restructuring measures are bearing fruit.





The new Montana Aerospace plant in Baia Mare, Romania, after its completion in spring 2021 and coping with the COVID-19 crisis, with a production area of more than 80,000 m<sup>2</sup>, is to create many jobs and implement attractive orders.

ALUFLEXPACK AG increased its sales by 14.0% to EUR 176.7 million in the first nine months. The demand for human and animal food, as well as pharmaceutical products, remained at a solid level during the crisis. The management has specified the outlook for the financial year 2020 and now expects the upper half of the expected sales- (EUR 220–230 million) and adjusted EBITDA (EUR 32–35

million) forecast. In September 2020, ALUFLEXPACK announced the takeover of a Polish flexible packaging manufacturer concentrating on the dairy lidding market with sales of around EUR 10 million.

#### OUTLOOK

The MONTANA Group started 2020 as planned during the first quarter, with the COVID-19 crisis showing only a moderate impact on Group results from the second quarter onwards. 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. Irrespective of the COVID-19 crisis, the MONTANA Group is well-positioned with its investments in highly competitive locations and with its leadership in innovation and quality of the individual divisions. This means that the Group remains an attractive supplier to its customers even in a difficult environment.

# Finances

## CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30<sup>th</sup>, 2020

ASSETS (in T€) unaudited according to IFRS	31.12.2019	30.09.2020
Intangible assets	220,190	305,338
Property, plant and equipment	918,617	1,224,543
Financial assets	244,701	197,273
Other assets and receivables	63,853	70,971
<b>NON-CURRENT ASSETS</b>	<b>1,447,361</b>	<b>1,798,125</b>
Inventories	329,987	436,216
Trade receivables	184,444	259,535
Other assets and receivables	108,277	111,930
Cash and cash equivalents	412,279	229,417
<b>CURRENT ASSETS</b>	<b>1,034,987</b>	<b>1,037,099</b>
<b>TOTAL ASSETS</b>	<b>2,482,348</b>	<b>2,835,224</b>
LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) unaudited according to IFRS	31.12.2019	30.09.2020
Shareholders' equity MTC AG	776,606	665,452
Minority interests	255,320	290,483
<b>SHAREHOLDERS' EQUITY</b>	<b>1,031,926</b>	<b>955,936</b>
Liabilities to financial institutions	363,847	413,215
Other financial liabilities	365,690	472,467
Deferred tax liabilities	33,232	49,765
Provisions	3,184	6,564
Employee benefits	69,527	108,817
Other liabilities	84,550	50,571
<b>NON-CURRENT LIABILITIES</b>	<b>920,030</b>	<b>1,102,652</b>
Liabilities to financial institutions	63,737	116,027
Other financial liabilities	41,792	35,901
Provisions	7,783	42,712
Employee benefits	27,000	46,589
Trade payables	243,031	231,613
Accruals	29,593	35,396
Other liabilities	117,457	268,398
<b>CURRENT LIABILITIES</b>	<b>530,392</b>	<b>776,636</b>
<b>TOTAL LIABILITIES</b>	<b>1,450,422</b>	<b>1,879,288</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,482,348</b>	<b>2,835,224</b>



## CONSOLIDATED INCOME STATEMENT AS OF SEPTEMBER 30<sup>th</sup>, 2020

(in T€) unaudited according to IFRS	1–9/2019	1–9/2020
NET SALES	989,632	1,287,243
Change in finished and unfinished goods	32,977	10,930
Other operating income	42,571	71,899
Cost of materials, supplies and services	-548,510	-664,178
Personnel expenses	-249,313	-337,617
Other operating expenses	-136,124	-179,997
EBITDA	131,232	188,279
Depreciation and amortization	-68,253	-94,806
EBIT	62,979	93,473
Interest income and expenses	-14,484	-16,385
Other financial result – net	14,978	-11,214
Net result from joint ventures and investments in associated companies	868	0
INCOME BEFORE TAX	64,342	65,875
Income tax expenses	-21,331	-35,155
NET INCOME	43,011	30,720
THEREOF:		
Shareholders' MTC AG	30,232	-6,565
Minority interests	12,779	37,285
NET INCOME FOR THE PERIOD	43,011	30,720

## CONSOLIDATED CASH FLOW STATEMENT AS OF SEPTEMBER 30<sup>th</sup>, 2020 (short form)

(in T€) unaudited according to IFRS	1–9/2019	1–9/2020
Cash flow from operating activities	47,420	113,194
Cash flow from investing activities	-276,096	-352,737
Cash flow from financing activities	320,459	59,660
NET CHANGE IN CASH AND CASH EQUIVALENTS	91,784	-179,883
Cash and cash equivalents as of January 1 <sup>st</sup>	193,225	412,279
Effect of exchange rate changes on cash and cash equivalents	3,556	-2,979
CASH AND CASH EQUIVALENTS AS OF SEPTEMBER 30 <sup>th</sup>	288,566	229,417

# Information about the Company

## FINANCIAL CALENDAR 2020/2021

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

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Editor: MONTANA Tech Components AG,  
Alte Aarauerstrasse 11, CH-5734 Reinach  
Fotos: Studio Schroll, VARTA AG  
Design: Gottfried Ebner  
Layout: flammen.at





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