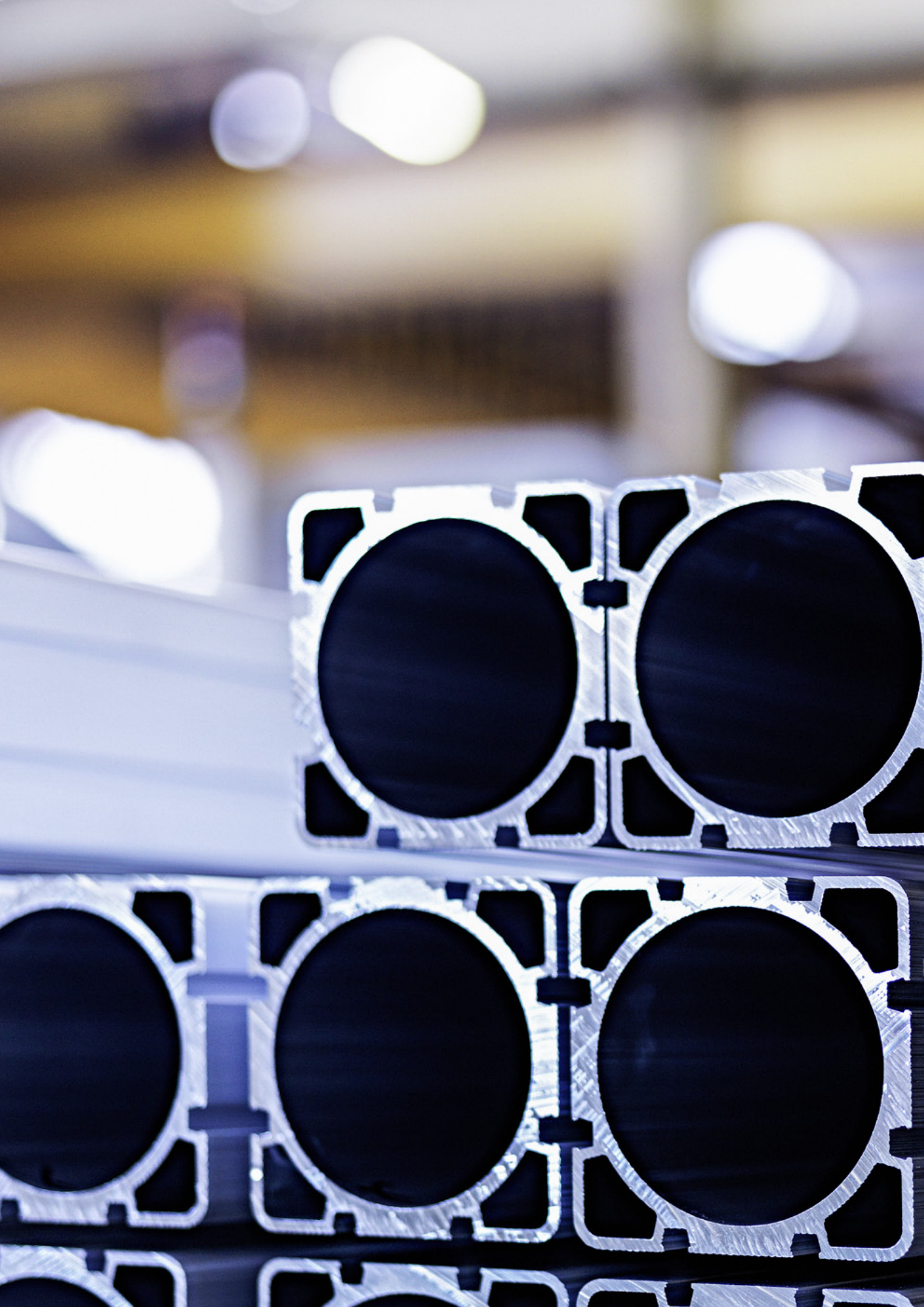


Report on the 4th quarter of 2018



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€) audited according to IFRS	1-12/2017	1-12/2018	Change in T€	Change in %
Net sales	849,323	1,218,394	369,071	43.5%
EBITDA	109,785	148,147	38,363	34.9%
% of net sales	12.9%	12.2%		
EBIT	57,928	83,516	25,588	44.2%
% of net sales	6.8%	6.9%		
EBT	42,551	66,050	23,499	55.2%
Net income	40,394	47,175	6,781	16.8%
Employees	6,023	7,781	1,758	29.2%

OVERVIEW OF THE LATEST QUARTERS

(in T€) audited according to IFRS	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Net sales	208,863	215,090	213,656	211,714	297,202	304,204	316,250	300,739
EBITDA	30,460	39,697	35,205	4,423	36,498	35,080	44,184	32,385
EBIT	17,438	26,867	22,551	-8,928	21,087	19,285	27,684	15,460
EBT	18,976	19,225	18,549	-14,199	12,670	20,591	20,937	11,852
Net income	14,380	14,716	14,138	-2,841	8,872	15,036	13,544	9,722
Employees	5,589	5,664	5,866	6,023	7,005	7,198	7,480	7,781

Management Report – Analysis of the results

Dear Shareholders,

Dear Ladies and Gentlemen,

MONTANA GROUP – RESULT AS OF DECEMBER 31st, 2018

The MONTANA Group was able to significantly increase its total revenues compared to the same period of the previous year, which was largely due to the full integration of the ASTA Group. The divisions generated total sales in the amount of € 1,218.4 million (+ 43.5% compared to 31st December 2017). EBITDA amounted to € 148.1 million (+34.9%) – an improvement on the previous year was achieved in all divisions – and EBIT increased by 44.2% to € 83.5 million. The EBITDA margin of the MONTANA Group was 12.2% (2017/Q4: 12.9%) and EBIT margin 6.9% (2017/Q4: 6.8%).

DIVISION INFORMATION

VARTA AG (*Energy Storage Division*), a global microbattery expert with a market-leading position in hearing aid batteries and solutions for Hearables, Power Packs and Energy Storage, continued its profitable growth in the fourth quarter of 2018. At € 271.7 million, sales were 12.2% higher than in the previous year, with both segments, *Microbatteries* and *Power & Energy*, contributing positively to sales and earnings growth. The massive investment program to expand production capacity is being implemented according to plan; the focus is on expanding production capacity for small lithium-ion batteries.

After the sites of UNIVERSAL ALLOY CORPORATION (UAC) have reached their capacity limits, further investments are being made to expand capacity. The Romanian UAC Europe continues its successful growth course, the construction of the new location near the airport in Baia Mare has started. This will enable the Aerospace Components division to further expand its production portfolio by processing titanium and significantly increase production capacity. Further capacity expansion projects are in preparation.

On November 13th, the new ALU MENZIKEN plant in Satu Mare, Romania, officially opened with a celebration. Thus, a state-of-the-art plant was created in a competitive location and forms the foundation for further growth in the “soft alloy” sector.



Awarded industrial architecture of “querkraft architekten zt gmbh” in Satu Mare, Romania.

Following the highly successful restructuring in 2017, the *Metal Tech* division was able to consolidate and further improve earnings in the financial year 2018. One of the contributing factors was the “Safety Services” division. ALPINE METAL TECH will continue to focus on research and targeted corporate development in order to increase sales in all segments with innovative products.



A modern factory will be built on an area of over 80.000 square meters and will provide around 1.600 new jobs in the region.

The ALUFLEXPACK Group continues to successfully pursue its strategy and its growth course. In Umag, Croatia, the site is being expanded by investments in the double-digit million range with the aim of increasing the production capacity for stand-up pouches, which are used in particular for baby and pet food as well as liquids, to around one billion units. The integration of ARİMPEKS ALÜMİNYUM near Istanbul, acquired in September 2018, has already been successfully launched.

With the ASTA Group, which has been fully consolidated since January 2018, with locations in Austria, India, China and Brazil, a significant jump in sales was achieved in the financial year 2018. Due to the high proportion of materials (copper), the EBITDA margin is significantly lower than in the other divisions. In 2019, the

foundation will be laid for entering new segments, while focusing on maintaining market share and global drill ladder presence.

OUTLOOK

With the significant increase in earnings, the consistent focus on investments has been successfully confirmed. The financial year 2019 will also be a further investment focus, above all in the Aerospace division with the new Baia Mare location as well as the *Energy Storage* division with a further significant expansion of production capacity for rechargeable small lithium-ion batteries. The MONTANA Group expects continued positive development in the financial year 2019. For further information, please refer to the Annual Report, which will be available for download on our website from May 22nd.

Finances

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2018

ASSETS (in T€) audited according to IFRS	31.12.2017	31.12.2018
Intangible assets	159,094	226,179
Property, plant and equipment	359,665	550,423
Financial assets	209,501	186,832
Other assets and receivables	32,187	32,014
NON-CURRENT ASSETS	760,447	995,449
Inventories	218,316	277,000
Trade receivables	100,397	159,795
Other assets and receivables	44,796	62,430
Cash and cash equivalents	233,229	193,225
CURRENT ASSETS	596,738	692,450
TOTAL ASSETS	1,357,185	1,687,899

LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) audited according to IFRS	31.12.2017	31.12.2018
Shareholders' equity MTC AG	533,196	568,699
Minority interests	87,298	97,952
SHAREHOLDERS' EQUITY	620,494	666,651
Liabilities to financial institutions	66,036	194,699
Other financial liabilities	291,512	291,541
Deferred tax liabilities	27,509	37,443
Provisions	1,709	1,959
Employee benefits	59,600	71,158
Other liabilities	5,839	45,134
NON-CURRENT LIABILITIES	452,205	641,934
Liabilities to financial institutions	60,500	83,951
Other financial liabilities	12,367	13,284
Provisions	7,324	7,929
Employee benefits	19,107	25,098
Trade payable	118,464	150,666
Accruals	21,299	24,544
Other liabilities	45,425	73,842
CURRENT LIABILITIES	284,486	379,314
TOTAL LIABILITIES	736,691	1,021,248
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,357,185	1,687,899

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 31, 2018

(in T€) audited according to IFRS	1–12/2017	1–12/2018
NET SALES	849,323	1,218,394
Change in finished and unfinished goods	28,723	20,566
Other operating income	35,968	53,468
Cost of materials, supplies and services	-418,117	-692,562
Personnel expenses	-236,455	-280,541
Other operating expenses	-149,658	-171,178
EBITDA	109,785	148,147
Depreciation and amortization	-51,857	-64,631
EBIT	57,928	83,516
Interest income and expenses	-5,476	-15,400
Other financial result – net	-181	-8,558
Net result from investments in associated companies	-9,719	6,492
INCOME BEFORE TAX	42,551	66,050
Income tax expense	-2,157	-18,875
NET INCOME	40,394	47,175
THEREOF:		
Shareholders' MTC AG	38,867	37,665
Minority interests	1,527	9,510
NET INCOME FOR THE PERIOD	40,394	47,175

CONSOLIDATED CASH FLOW STATEMENT AS OF DECEMBER 31, 2018 (short form)

(in T€) audited according to IFRS	1–12/2017	1–12/2018
Cash flow from operating activities	77,216	104,374
Cash flow from investing activities	-168,114	-190,898
Cash flow from financing activities	233,146	45,386
NET CHANGE IN CASH AND CASH EQUIVALENTS	142,248	-41,138
Cash and cash equivalents as of January 1	93,858	233,229
Effect of exchange rate changes on cash and cash equivalents	-2,877	1,134
CASH AND CASH EQUIVALENTS AS OF DECEMBER 31	233,229	193,225

Information about the Company

FINANCIAL CALENDAR 2019/2020

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
April 14, 2020	Report on the 4 th quarter of 2019

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IMPRESSUM

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Photos: Querkraft Architects,
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Design: Gottfried Ebner

Layout: flammen.at



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