

## Corporate News

Ellwangen, August 28, 2018

### Profitable growth continues at VARTA AG with strong first half of 2018

- Group sales up 12% to €134 million
- Adjusted EBITDA increases 33% – a very significant improvement compared to the previous year
- Adjusted EBITDA margin expands by 3,0 percentage points to 19.2%
- Microbatteries and Power & Energy segments both make a positive contribution to the strong first half of 2018
- The Power & Energy segment reaches break-even point and is now profitable
- Right on track with investment program – capital expenditures (CapEx) in first half of year more than three times as high as previous year

VARTA AG, a global expert in microbatteries and a market leader in hearing aid batteries and solutions for hearables, power packs and energy storage systems, is well on the way to making 2018 another successful fiscal year. This can be seen in the half-year report, which has now been published.

#### Selected financial figures at a glance:

in euros (millions)	First half of 2017	First half of 2018	
<b>Sales</b>	119.7	134.0	12%
<b>Adjusted EBITDA</b>	19.4	25.8	33%
<b>Consolidated result</b>	11.2	14.3	28%
<b>Investments (CapEx)</b>	-7.0	-21.9	212%

Group Sales in the first half of the year once again saw double-digit growth of 12% to €134 million. At €25.8 million, Adjusted EBITDA was 33% higher than in the same period of previous year. Due to the scaling of the business model, the operating profit once again increased at a greater rate than sales. The EBITDA margin expanded by 3.0 percentage points to 19.2% compared to sales. It is particularly encouraging to see that the Microbatteries and Power & Energy segments both made a positive contribution once again and continued their excellent development.

Herbert Schein, CEO of VARTA AG: “We’re consistently and successfully executing our growth strategy. Our figures demonstrate that our massive investment program to expand production capacity is moving in the right direction. We’re particularly pleased with the results from the Stiftung Warentest consumer organization for our hearing aid batteries, which is further proof of our technological leadership in this sector. This development confirms our strategic focus and reinforces our plan to continue investing heavily in profitable growth.”



The Microbatteries and Power & Energy segments both delivered very significant growth in sales and Adjusted EBITDA. Sales in the Microbatteries segment rose by 8% to €108.8 million. Growth in lithium-ion batteries continues to be very strong thanks to the sustained demand for wireless lifestyle products, such as premium headsets, and other wireless applications. Adjusted EBITDA increased from €22.7 million to €24.8 million, equating to a rise of 9.4% compared to the previous year. This results in an Adjusted EBITDA margin of 22.8% in relation to sales (by way of comparison, the figure for the first half of 2017 was 22.5%).

Sales in the Power & Energy segment grew by 30.5% to €24.6 million. The segment once again recorded very strong growth in energy storage solutions, particularly in the residential energy storage market. Power & Energy reached the break-even point in the first quarter of 2018 and achieved a positive adjusted EBITDA of €1.5 million in the first half of 2018. The operating profit thus increased by €4.6 million compared to the previous year. The Adjusted EBITDA margin is 6.1%. “Our strategy of growing profitable in energy storage solutions is bearing fruit,” says Schein.

Profitable growth is expected to continue in the second half of the year. VARTA AG Group once again forecasts double-digit growth of around 11-13% for the fiscal year 2018 compared to the previous year and an adjusted EBITDA of approximately €48-50 million.

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### **About VARTA AG**

As the parent company of the Group, VARTA AG is active in the business segments Microbatteries and Power & Energy through its operating subsidiaries VARTA Microbattery GmbH and VARTA Storage GmbH. Already today an innovation leader in the microbattery sector and one of the market leaders for hearing-aid microbatteries, VARTA Microbattery GmbH also aspires to market leadership for lithium-ion batteries in wearables and particularly headphones. VARTA Storage GmbH focuses on intelligent energy solutions for customized battery storage systems for OEM customers and the design, system integration and assembly of stationary lithium-ion energy storage systems. The VARTA AG Group's operating subsidiaries are currently active in more than 75 countries around the world, with five production and assembly facilities in Europe and Asia as well as distribution centers in Asia, Europe and the United States.