



VARTA

Press release
Ellwangen, 26th July 2023

VARTA AG expects significantly better second half of 2023

With a view to the traditionally strong business in the second half of the year and a renewed increase in demand, VARTA AG is optimistic about the coming months. In addition, positive developments of the ongoing restructuring measures are becoming apparent. The first half of 2023 remained overshadowed by the consequences of the global crises. As a result, VARTA AG has adjusted its forecast for the current financial year. Above all, the volatile demand for certain products from customers has been the decisive factor for the correction, which was made on the basis of preliminary half-year results. VARTA will publish the final figures for the first half of 2023 on 11th August.

Dr Markus Hackstein, Speaker of the Executive Board of VARTA AG: "Demand for our products is increasing. This puts us in a positive frame of mind. We will open our new factory for energy storage systems in Ellwangen in the second half of 2023. We see a market here that continues to grow strongly, in which we would like to be even more present with our innovative and powerful devices such as VARTA.wall. However, the positive developments as well as the progress of the ongoing restructuring cannot completely cushion the effects of the challenges we have faced in recent months."

Particularly in the CoinPower segment, the small lithium-ion cells used primarily in True Wireless Stereo Headsets (TWS), VARTA's customers have continued to be affected by lower demand. In the case of zinc-air hearing aid and household batteries, the stocks built up by end customers during the Corona pandemic have made themselves felt in declining sales.

In general, VARTA AG expects business to pick up due to the generally stronger second half of the year. At the Nördlingen production site, short-time working will be reduced in stages in the coming months in order to be able to produce customer orders from the CoinPower division.

Marc Hundsdorf, CFO of VARTA AG: "Despite all the challenges, we are optimistic that we have taken the right steps with our restructuring programme to return to a solid growth path. We can clearly see in all areas that our cost-cutting measures are having an effect. The volunteer programme that we offer employees at the Ellwangen site also proves that we have initiated a large part of the urgently needed cost savings in the personnel area through targeted measures." For the coming year, VARTA AG is expecting revenue of well over 900 million euros again.

According to the new forecast, the company now expects sales for 2023 to be at the lower end of the previous guidance of around 820 million euros and an adjusted EBITDA of between 40 and 60 million euros. This is evident from the preliminary figures for Q2 2023, according to which sales amount to around 175 million euros and adjusted EBITDA to around -5 million euros. VARTA AG will announce the final half-year results on 11th August.

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About VARTA AG

VARTA AG produces and markets a comprehensive battery portfolio ranging from micro batteries, household batteries, energy storage systems to customised battery solutions for a variety of applications and sets the industry standards as a technology leader in key areas. As the parent company of the Group, it is divided into the segments "Micro Batteries", "Lithium-Ion CoinPower", "Consumer Batteries", "Energy Storage Systems" and "Other". The "Micro Batteries" segment includes micro and hearing aid batteries, "Lithium-Ion CoinPower" small-format lithium-ion round cells for OEM applications. "Consumer Batteries" represents the business with household batteries, rechargeable batteries, chargers, portable power (power banks) and lights. "Energy Storage Systems" includes energy storage solutions for primarily private, but also for commercial applications. The "Other" segment includes the "Lithium-Ion Battery Packs" and "Lithium-Ion Large Cells" business units (high-performance lithium-ion round cells for industrial applications in the automotive and non-automotive sectors).

Through intensive research and development, VARTA sets global standards in many areas of lithium-ion technology and in micro batteries, making it a recognised innovation leader in the important growth markets of lithium-ion technology and in primary hearing aid batteries. The VARTA AG Group currently employs almost 4,700 people. With five production and manufacturing facilities in Europe and Asia as well as distribution centres in Asia, Europe and the USA, VARTA AG's operating subsidiaries are currently active in over 100 countries worldwide.