

Corporate News

Growth continues at VARTA AG with highly successful 2017

- 2017 the most successful fiscal year in the company's recent history
- Sales of EUR 242.2 million 13% up on the previous year
- Adjusted EBITDA increases 50% and EBIT 59% – a further big improvement on 2016
- Microbatteries and Power & Energy segments both grow significantly
- Massive investment program to expand production capacities

Ellwangen: VARTA AG, a global expert in microbatteries and a market leader in hearing aid batteries, is today publishing its Group results for 2017. The figures for the last fiscal year show that profitable growth is continuing, with a highly successful 2017.

“There is still a very high demand for our products. With a sales increase of more than 13% compared to the previous year, we were able to generate total sales of EUR 242.2 million. This positive development is due to the consistent continuation of our growth strategy. The technological lead we enjoy has enabled us to assume a leading market position in the key market segments for our areas of business,” says Herbert Schein, CEO of VARTA AG.

“After the successful IPO, we see ourselves as being well on track overall. Thanks to the funds from the IPO, we're continuously increasing the capacity for further growth. The strategy and structure of VARTA AG are primed for growth built on strong results. This paid off for us in 2017 with an increase in the adjusted EBITDA margin by just under a third to 16%,” adds Dr. Michael Pistauer, member of the Management Board.

The other revenue figures also reflected the trend towards growth built on strong results:

EBIT grew by 59% from EUR 14.8 million to EUR 23.6 million and group profits rose 44% in 2017 to EUR 13.5 million.

The equity ratio increased to 70% due to the IPO and the positive development of the results. The Group shows a net cash position of over EUR 130.1 million at the end of 2017.

Both segments of VARTA AG reported growth for 2017. Driven by hearing aid batteries and lithium-ion batteries, the Microbatteries segment grew 15% to EUR 203.6 million. Adjusted EBITDA rose by as much as 30% to EUR 43.7 million, equating to an adjusted EBITDA margin of over 21%.

Sales also increased in the Power & Energy segment, rising 9% to EUR 37.7 million, thanks in particular to the excellent performance of stationary energy storage systems. As well as significant sales growth, the focus here for 2018 is on increasing profits.

Immediately after the initial listing on the Frankfurt Stock Exchange on October 19, 2017, VARTA AG began a comprehensive investment program in Germany as well as at its foreign subsidiaries. Besides the expansion of production capacity to meet the high market demand, this year saw the enlargement of the Management Board with the appointment of Steffen Munz as Chief Financial Officer (CFO) on February 1.

“We are well placed to achieve a further significant increase in sales in 2018. The same applies to our result, which is set to once again be far better than in the previous year thanks to the scaling of our business model,” says Munz.

Selected financial figures

(in k EUR) audited to IFRS	2017	2016
Net sales	242,157	213,815
<i>of which "Microbatteries"</i>	203,578	177,351
<i>of which "Power & Energy"</i>	37,663	34,622
Operating profit or loss (EBIT)	23,643	14,845
<i>in % of net sales</i>	9.8%	6.9%
Depreciation and amortization	9,446	8,922
EBITDA	33,089	23,767
<i>in % of net sales</i>	13.7%	11.1%
Adjustments		
<i>Costs for IPO</i>	6,115	2,332
<i>Reimbursement claims from pensions</i>	-3,629	0
<i>Expenditure from share-based compensation</i>	3,557	0
Adjusted EBITDA	39,132	26,099
<i>in % of net sales</i>	16.2%	12.2%
<i>of which "Microbatteries"</i>	43,703	33,703
<i>of which "Power & Energy"</i>	-4,367	-3,863
Earnings before taxes (EBT)	21,025	12,073
<i>in % of net sales</i>	8.7%	5.6%
Consolidated result	13,544	9,410

(in k EUR) audited to IFRS	2017	2016
Cash flows from operating activities	18,503	24,153
Cash flows from investing activities	-13,426	-21,613
Cash flows from financing activities	121,577	-1,210
Employees (FTE) as of Dec. 31	2,112	2,012
Earnings per Share (EPS) in EUR	0.36	0.59

(in k EUR) audited to IFRS	2017	2016
Balance sheet figures		
Balance sheet total	331,480	164,928
Non-current assets	105,258	81,640
Current assets	226,222	83,288
<i>of which liquid funds</i>	138,536	12,347
Shareholder's equity	230,452	65,291
<i>in % of balance sheet total</i>	69.5%	39.6%
<i>of which issued share capital</i>	38,200	29,600
Non-current liabilities	29,423	44,585
Current liabilities	71,605	55,052
Financial liabilities, net	-130,135	12,540
Trade working capital	41,394	36,205



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About VARTA AG

VARTA AG as the group's parent company operates via its subsidiaries VARTA Microbattery GmbH and VARTA Storage GmbH in the business segments microbatteries and power & energy. Already today, VARTA Microbattery GmbH is innovation leader in the area of microbatteries, one of the market leaders for hearing aids batteries and strives to also become market leader for lithium-ion batteries in the area of wearables and in particular hearables. VARTA Storage GmbH is focused on intelligent energy solutions for customized battery storage systems for OEMs as well as on design, system integration and mounting of stationary lithium-ion energy storage systems. With its five production and manufacturing facilities in Europe and Asia as well as sales offices in Asia, Europe and the USA, the operating subsidiaries of VARTA AG group are currently active in more the 75 countries worldwide.