



VARTA AG
Daimlerstr. 1 · 73479 Ellwangen · Germany

Quarterly Report

Ellwangen, November 22, 2017

VARTA AG releases report for the first nine months 2017

- Long-established Ellwangen-based company looks back on the most successful nine months of its recent history
- Sales of EUR 180.2 million is 12.1% above the previous year
- Revenue figures EBITDA of 91.1% and EBIT of 104.1% have clearly improved compared to the same period of the previous year
- Sales increase in all segments
- Successful implementation of investment activities for expansion of lithium-ion production capacity

VARTA AG, a global expert for microbatteries and market leader for hearing aids batteries as well as for solutions for hearables, power packs and energy storage, today releases its quarterly report for the first nine months 2017. A very good start in the first half of 2017 could be successfully continued in the third quarter 2017.

Herbert Schein, CEO VARTA AG: "There is still a high demand in our products, in particular in small lithium-ion batteries. With a sales increase of more than 12% compared to the same period of the previous year, we were able to generate total sales of EUR 180.2 million. This positive development is due to the consistent continuation of our company strategy. We benefit from the trends towards cordless power solutions in the areas of entertainment, health care as well as battery packs and energy storage," emphasizes the CEO of the company, that can look back on 130 years of tradition.

CFO Dr. Michael Pistauer comments on the Q3 results: "After a successful initial public offering, we see ourselves to be well on track. The high demand has brought us a positive result, as expected - and this success continues. Due to continuous optimization of innovations as well as product efficiency, we are able to present this encouraging result. We were also able to significantly increase the EBIT margin by 6.6 percent points to 14.7% year-on-year. The EBIT of the first nine months with EUR 26.5 million is already 78.6% higher compared to the EBIT of the entire year 2016 (EUR 14.8 million)."

The very good start at the Frankfurt Stock Exchange provides the company with the possibility to expand further growth in particular in the area of microbatteries. The major investments of the first nine months were used for the expansion of the lithium-ion production capacity.

Immediately after the first listing on October 19, 2017, VARTA AG started with a comprehensive investment program in Germany as well as in its foreign subsidiaries.

Selected financial key figures

	Jan. 01 to Sept. 30, 2017	Jan. 01 to Sept. 30, 2016	Changes in k EUR	Changes in %
<i>(in k EUR) according to IFRS, not verified</i>				
Net sales	180,172	160,753	19,419	12.1%
<i>thereof "Microbatteries"</i>	151,363	133,478		
<i>thereof "Power and Energy"</i>	28,241	25,933		
Operating profit or loss (EBIT)	26,510	12,986	13,524	104.1%
in % of net sales	14.7%	8.1%		
Depreciation and amortization	6,955	6,571	384	5.8%
EBITDA	33,465	19,557	13,908	71.1%
in % of net sales	18.6%	12.2%		
<i>Adjustments</i>				
<i>Expenditures for going public and IPO</i>	777	1,519		
<i>Assumption of debt pensions</i>	-3,629	0		
Adjusted EBITDA	30,613	21,076	9,537	45.3%
in % of net sales	17.0%	13.1%		
Earnings before taxes (EBT)	23,292	10,763	12,529	116.4%
in % of net sales	12.9%	6.7%		
Consolidated result	17,700	8,655	9,045	104.5%
Cash flows from operating activities	12,263	-1,020		
Cash flows from investing activities	-12,236	-20,510		
Cash flows from financing activities	-2,771	18,979		
Employees (FTE) as of Sept. 30	2,069	2,045		
Earnings per Share (EPS) in EUR	0.55	0.52		

(in k EUR) according to IFRS, not verified	Sept. 30, 2017	Dec. 31, 2016	Changes in k EUR	Changes in %
Balance sheet figures				
Balance sheet total	181,758	164,928	16,830	10.2%
Non-current assets	90,794	81,640	9,154	11.2%
Current assets	90,964	83,288	7,676	9.2%
<i>thereof liquid funds</i>	9,128	12,347	-3,219	-26.1%
Shareholder's equity	81,446	65,291	16,155	9.4%
in % of balance sheet total	44.8%	39.6%		
<i>thereof issued share capital</i>	29,600	29,600	0	0
Non-current liabilities	41,647	44,585	-2,938	-6.6%
Current liabilities	58,665	55,052	3,613	6.6%
Financial liabilities, net	12,921	31,927	-19,006	-59.5%
Trade working capital	49,896	36,205	13,691	37.8%

Due to the very positive result for the third quarter 2017, VARTA AG therefore still expects for the full year 2017 a significantly improved result as compared to the previous year.

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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.