

VARTA AG

Preliminary Results FY2020

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▼ Preliminary 2020 figures above guidance: Historic group revenue and earnings growth

- Group revenue EUR 870m (+140% YoY); w/o acquisition: +47% YoY
- Adj. EBITDA* EUR 239m (+145% YoY); w/o acquisition: +90% YoY
- Adj. EBITDA margin at 27.5%

▼ Microbatteries & Solutions driving growth

- Cost reduction and economies of scale lead to further increase of EBITDA margin of 9PP
- *Lithium-Ion CoinPower*: further strong growth in revenue; well positioned with new product with +30% higher energy density for the expected strong market growth in the coming years
- *Hearing aid batteries*: expansion of market leadership for rechargeables

▼ Household Batteries with excellent cash flow support growth in Li-ion business

- *Consumer Batteries*: Focus on VARTA branded business increased profitability and generates excellent cash flow, successful integration completed; increase of energy density in autumn
- *Energy Storage Systems*: Increased profitability and 50% growth in revenue

▼ Modernised brand and ingredient brand strategy

- All segments benefit from increased brand visibility
- Ingredient brand strategy to further improve product positioning and brand value

*Including adj. items from shared-based payments, expenses from M&A transactions, restructuring costs and inventory step-up from purchase price allocation (PPA)

**In view of the global spread of the coronavirus (COVID-19), negative effects on the VARTA AG Group cannot be ruled out. However, for now, these risks have not materialised



VARTA

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- ▼ **Modernised brand and ingredient brand strategy**
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- ▼ **IPCEI funding helps to massively accelerate R&D**
- ▼ **Focus on sustainability pays off**
- ▼ **First guidance 2021****: Group revenue expected to be around 940m EUR in 2021; adj. EBITDA expected to reach 30 %

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VARTA Group | Financial Highlights

FY 2020 (prelim.)

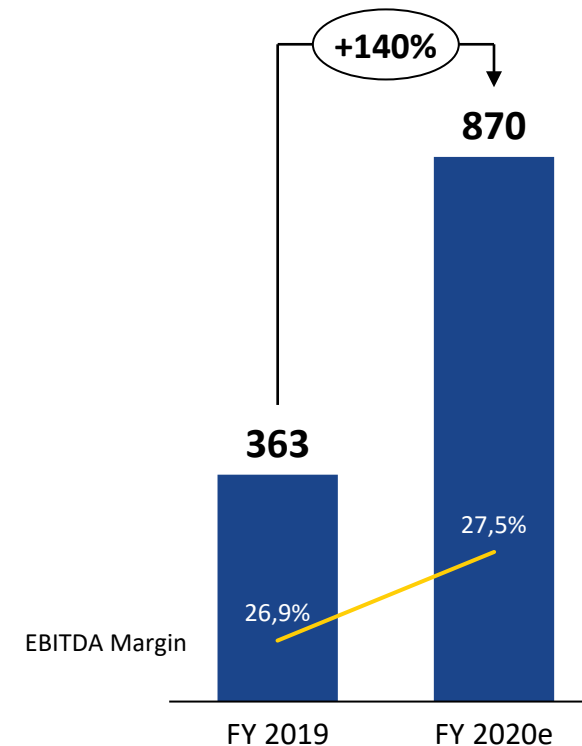


Strong performance | In a transition year with first time consolidation of VARTA Consumer

- ▼ **VARTA Group |** Delivered very strong FY results – further accelerating the high pace of revenue and earnings growth
- ▼ **Microbatteries & Solutions |** Exceptionally strong FY 2020 results
Revenue +49%... Adj. EBITDA +96%... Adj. EBITDA margin at 36.9% (+8.9PP)
- ▼ **Household Batteries |** Dominated by Consumer business for approx. 90% with a strong cash-flow performance
Adj. EBITDA margin at 14.3% (+5.0PP)
(The previous year's figures have been adjusted to the new segmentation; retrospective pro forma adjustment)
- ▼ **Dividend Payments |** **Totaling around 100m EUR / around 2.50 EUR per share** including a special dividend to mark an extraordinarily successful fiscal year. The dividend recommendation remains subject to committee approval.

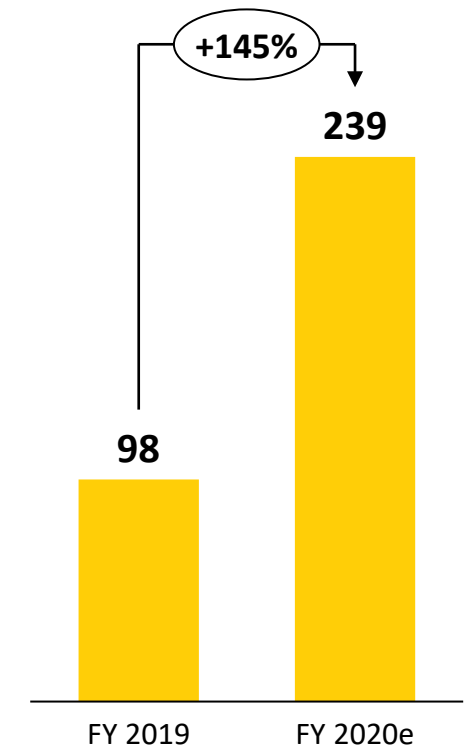
Revenue

in EURm



Adj. EBITDA

in EURm



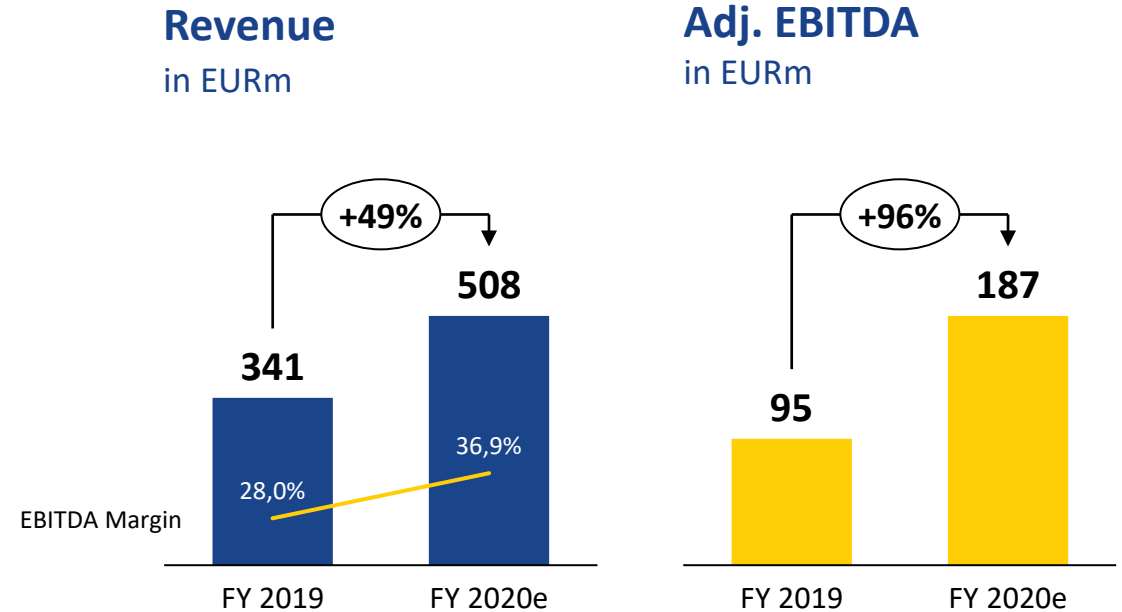
Microbatteries & Solutions

Financial Highlights FY 2020 (prelim.)



Strong organic growth | Fueled by Lithium-Ion batteries

- ▼ **Lithium-Ion batteries (CoinPower)**
 By far the strongest revenue growth is again being recorded for rechargeable lithium-ion batteries for high-tech consumer products, particularly Premium True Wireless Stereo Headsets (TWS).
- ▼ **Hearing aid batteries**
 VARTA has been able to further expand its market position in the rechargeable hearing aid segment
- ▼ **Power Pack Solutions**
 High growth has continued in its business with smart, modular energy solutions (Power Pack Solutions) due to the new customer projects that were initiated over the course of the prior year.
- ▼ **Adj. EBITDA**
 Nearly doubled through organic revenue growth of 50 % resulting in a margin of 36.9% (+8.9PP).





Rechargeable lithium-ion coin cell for premium true wireless headsets



Hearing aid batteries: VARTA is market leader in both primary and rechargeable cells.



Development of complete battery systems including housing and electronics

Household Batteries

Financial Highlights FY 2020 (prelim.)



Successful integration | Strong cash-flow generation of the consumer batteries business

▼ Consumer Batteries

VARTA Consumer Batteries contribute around 90 % to the revenue of the Segment Household Batteries; the EBITDA contribution is slightly above 90 %.

▼ Energy Storage Solutions

Energy storage solutions business has seen very dynamic growth that outpaced the market

▼ Adj. EBITDA

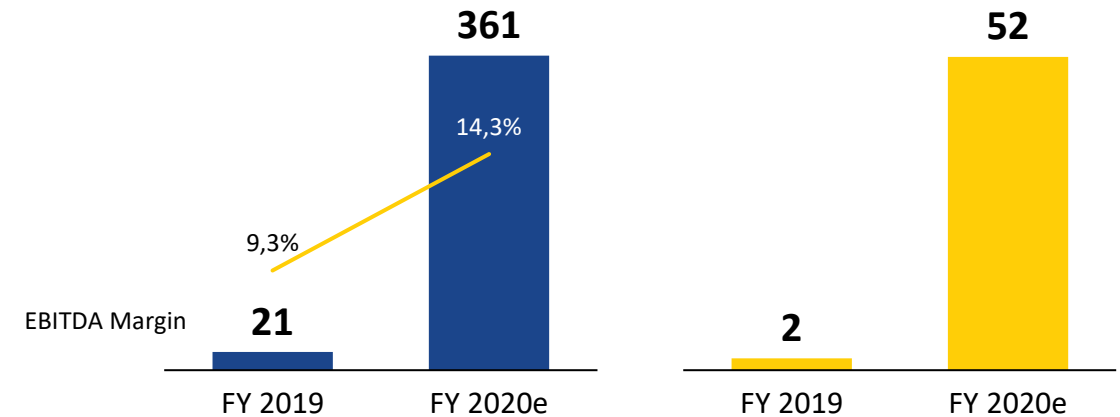
While the Energy Storage business reached the first time a double-digit margin in 2020, the VARTA Consumer Business could achieve an adjusted EBITDA margin of slightly more than 14 %. This margin constantly increased during the year due to the focus on branded business.

Revenue

in EURm

Adj. EBITDA

in EURm



VARTA offers a full range of consumer batteries made in Germany.



VARTA offers both: commercial and residential energy storage systems.

VARTA Guidance 2021

Further growth in Revenue and EBITDA



- ▼ Very **well positioned despite ongoing COVID-19** pandemic. Adverse impacts on our clients cannot be ruled out
- ▼ The demand for rechargeable VARTA lithium-ion batteries (TWS) remains strong – **HY2 expected to grow faster than HY1**
- ▼ VARTA will profit from the trend towards even smaller & more powerful batteries
- ▼ **Organic revenue** increase expected to be in the high single digit area, growth is above all expected in HY2: **Revenue around 940 mEUR**
- ▼ Further increase in profitability, **adj. EBITDA margin reaching 30 %**

Summary – FY 2020 (prelim.)



- ▼ Preliminary 2020 figures above guidance: **Historic group revenue** and earnings growth
- ▼ Microbatteries & Solutions driving **organic growth**
- ▼ Household Batteries with **excellent cash flow** supporting investments in the fast-growing Li-Ion business
- ▼ **Modernized brand** and ingredient brand strategy
- ▼ **IPCEI funding** helps to **accelerate R&D** and reduces ramp-up costs
- ▼ Focus on **sustainability pays off**
- ▼ **Starting dividend payments** with approx. 100m EUR
- ▼ **Guidance 2021***:
Group revenue expected to be around 940m EUR in 2021; adj. EBITDA to reach 30 %

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Financial calendar

31.03.2021	Annual financial statements
12.05.2021	Interim report Q1 2021
17.06.2021	Annual general meeting
13.08.2021	Half-year report 2021
11.11.2021	Interim report Q3 2021

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