

MANZ AG

WEBCAST FINANCIAL FIGURES Q1/2015

MAY 12, 2015 / DIETER MANZ, MARTIN HIPPEL



**POINTING
THE WAY:
OUR IDEAS FOR
THE FUTURE**

With its outstanding technological expertise, Manz AG is an important driver of innovation, helping to achieve breakthroughs in key technologies of our times such as displays and devices for global communication needs, sustainable power generation and e-mobility.

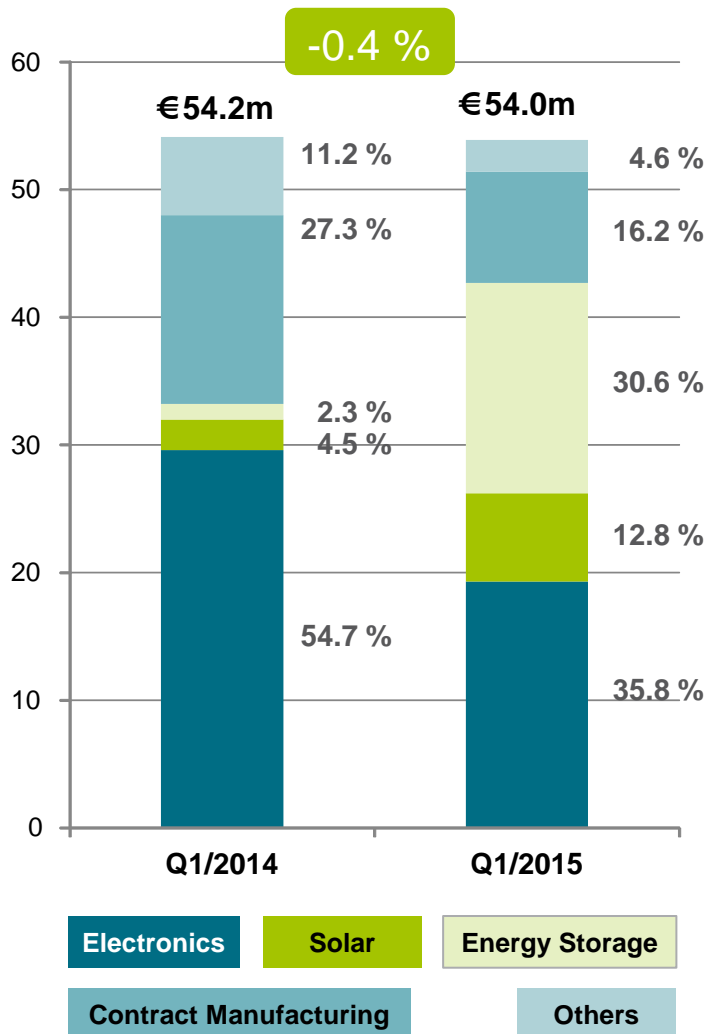


- Financial figures of Q1/2015 reflect volatility and cyclical development of growth markets and corresponding low order intake in Q4/2014
- Revenues of EUR 54.0m at previous year's level (EUR 54.2m)
 - Lower turnover in Electronics business
 - Shift of some major orders will have positive impact on financial figures of next quarters
- EBITDA of EUR -6.4m influenced by actions initiated already in 2014 to further strengthen development of business
 - Increased personnel expenses due to intensified sales and R&D activities
 - Low order intake for mass production machines with higher margins
 - Turnover mainly results from prototypes to prepare expected orders for serial machines

REVENUE DEVELOPMENT

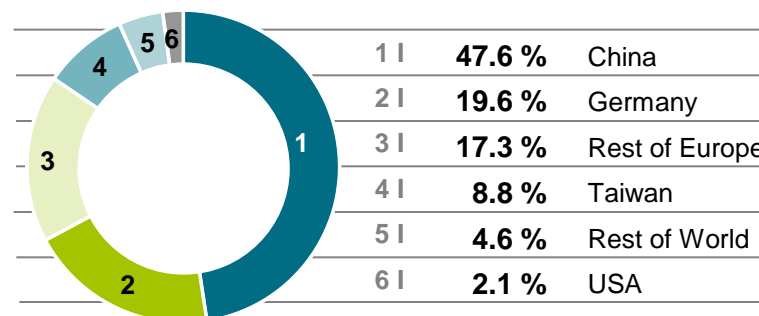
Revenue by business units

in EUR million



Revenue by region – shipment of tools

as of March 31, 2015



➔ Electronics division accounts for largest share of revenues amounting to EUR 19.3m or 35.8 % but lower than last year's first quarter

➔ Growth of Energy Storage to EUR 16.5m representing almost one third of total revenues

- **Electronics: Main driver of revenues**



- Revenues and earnings influenced by cyclical placement of orders depending on market launch of new end products
 - Low order intake in Q4/2014
 - Postponement of major orders
- Outstanding positioning of Manz as an established partner in the electronics industry

<https://www.apple.com/uk/job-creation/>

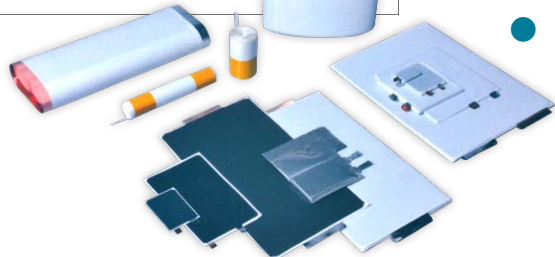


”... Manz AG helps enable the incredibly fine-tuned alloy and glass cutting necessary to create Apple’s seamless product enclosures. Their equipment has been a key contributor to Apple’s breakthrough in display technology... ”

● **Energy Storage: Fastest-growing business unit due to enlarged product portfolio**

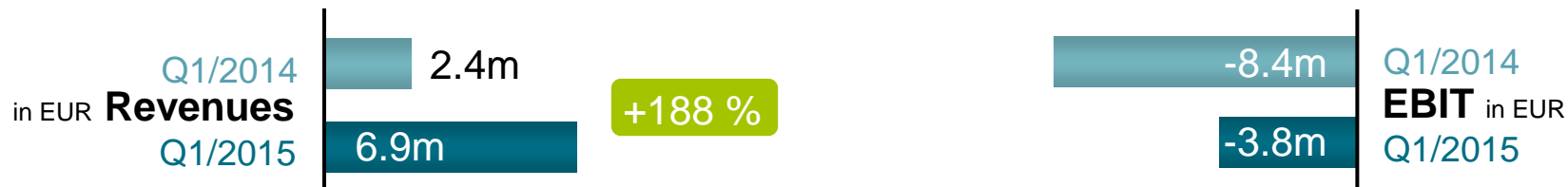


- Very positive development of Energy Storage division reflects comprehensive technological portfolio and outstanding positioning
- Revenues mainly result from newly developed prototype machines
 - ➔ Mass production tools in order backlog did not contribute to results yet
- Strong growth impulses from consumer electronics market
- Increasing dynamics of markets for e-mobility and stationary energy storage
 - ➔ Strategically important order from the e-mobility industry received in March – outstanding opportunities for follow-up orders



REVIEW SOLAR DIVISION

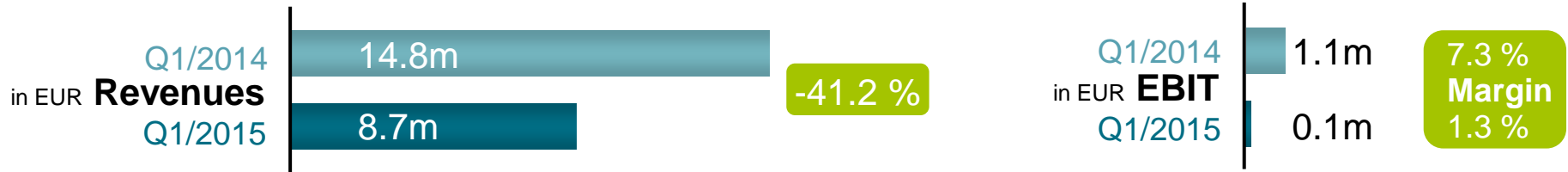
- **Solar: Positive development reflects initial signs of coming investment cycle**
Ongoing good perspectives for selling turnkey production lines for CIGS modules



- Business unit Solar experiences upturn, although still at low level
- Cost savings at Schwaebisch Hall sites and adjusted 2014 balance sheet show first positive effects
- New efficiency record of 16.0 % achieved on mass production line in Schwaebisch Hall
 - Technological advantage of CIGS thin-film technology substantiated
- Business unit Solar has highest future potential of all our divisions

REVIEW CONTRACT MANUFACTURING SEGMENT

- **Contract Manufacturing: Decline due to cyclical business with semiconductor industry**



- Contract manufacturing for the semiconductor, medical, packaging, and automotive industry
 - Less orders from semiconductor customers
 - Increase of flexibility within our core divisions by balancing volatile development of growth markets

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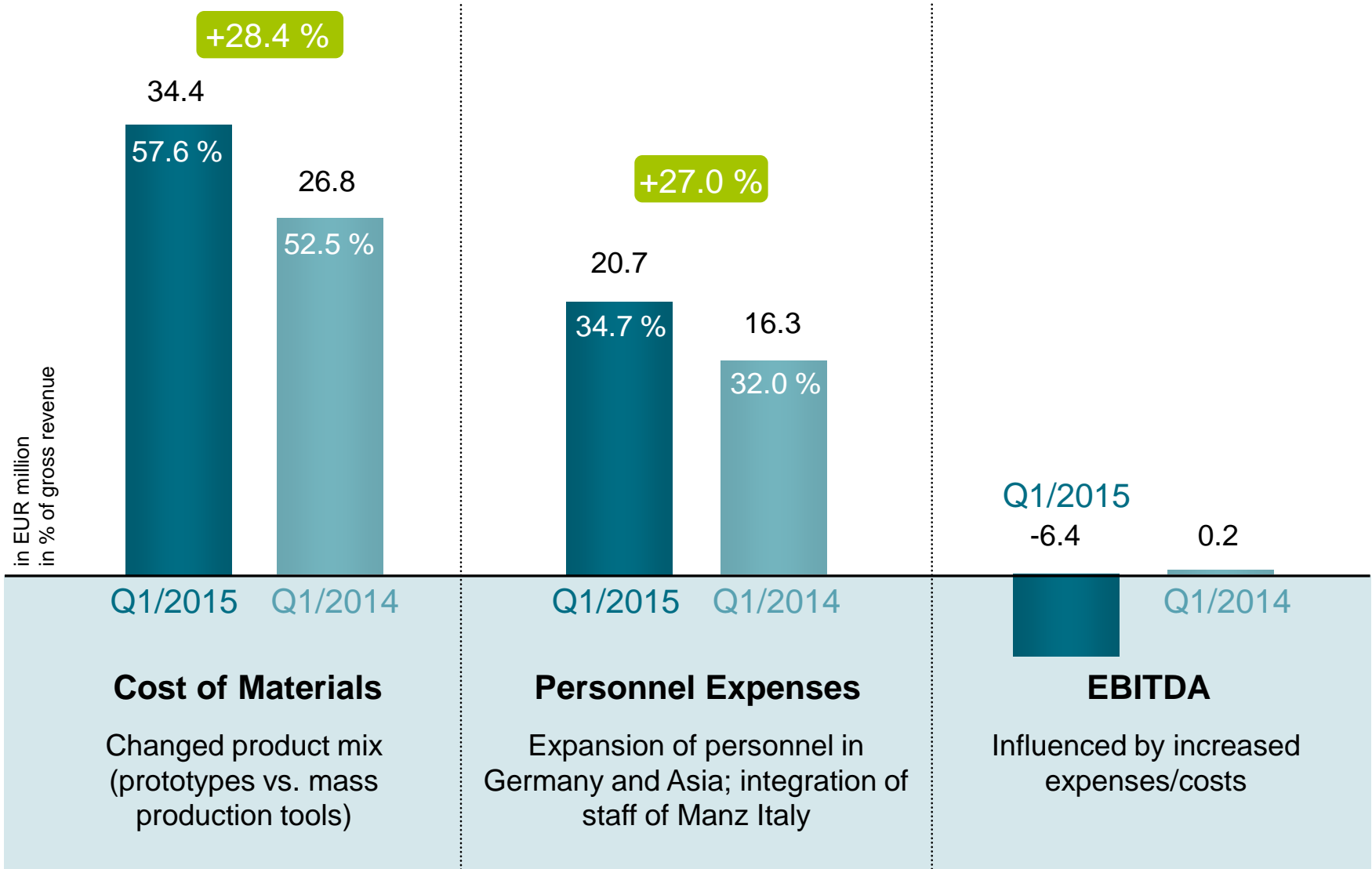
Q1

FINANCIAL FIGURES

in TEUR	Jan.1 – Mar. 31 2015	Jan.1 – Mar. 31 2014
Revenues	53,971	54,180
Gross revenue	59,642	51,025
Other operating income	1,140	1,281
Costs/Expenses	-67,133	-52,079
EBITDA	-6,351	227
Depreciation	-3,084	-5,927
EBIT	-9,435	-5,700

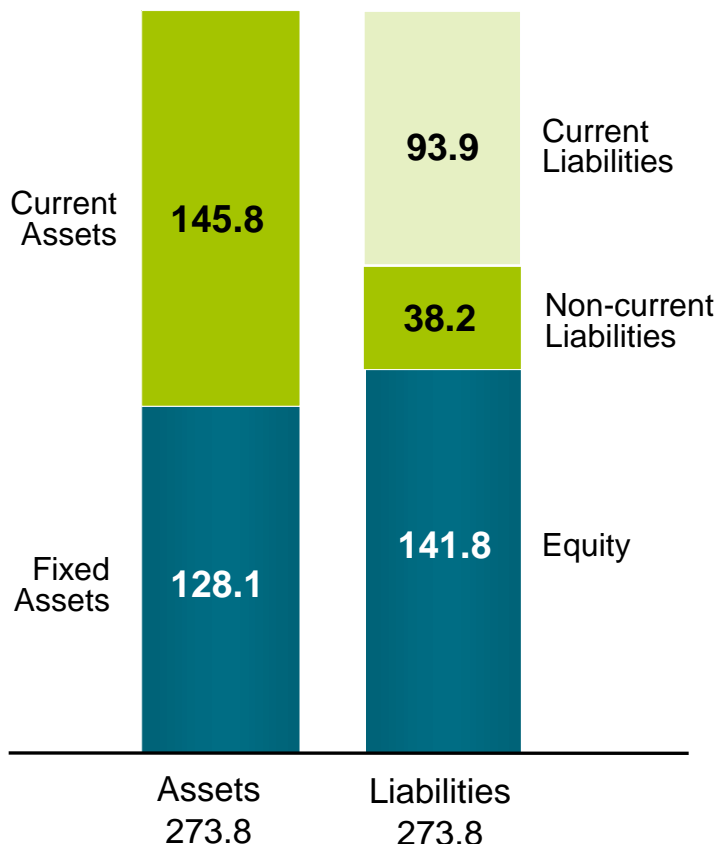
- Revenues of EUR 54.0m influenced by lower order intake in Q4/2014 and Q1/2015
- Gross revenue of EUR 59.6m due to intensified R&D mainly for Energy Storage division in the first quarter
- Increased costs of materials primarily due to smaller portion of mass production tools
- Personnel expenses higher since more engineering capacity was built up to develop new technologies for future projects
- EBITDA of EUR -6.4m as a result of increase in direct costs
- Decrease in depreciation due to last year's non-scheduled depreciation
- EBIT of EUR - 9,4m below EBIT of previous year

INCOME STATEMENT



BALANCE SHEET

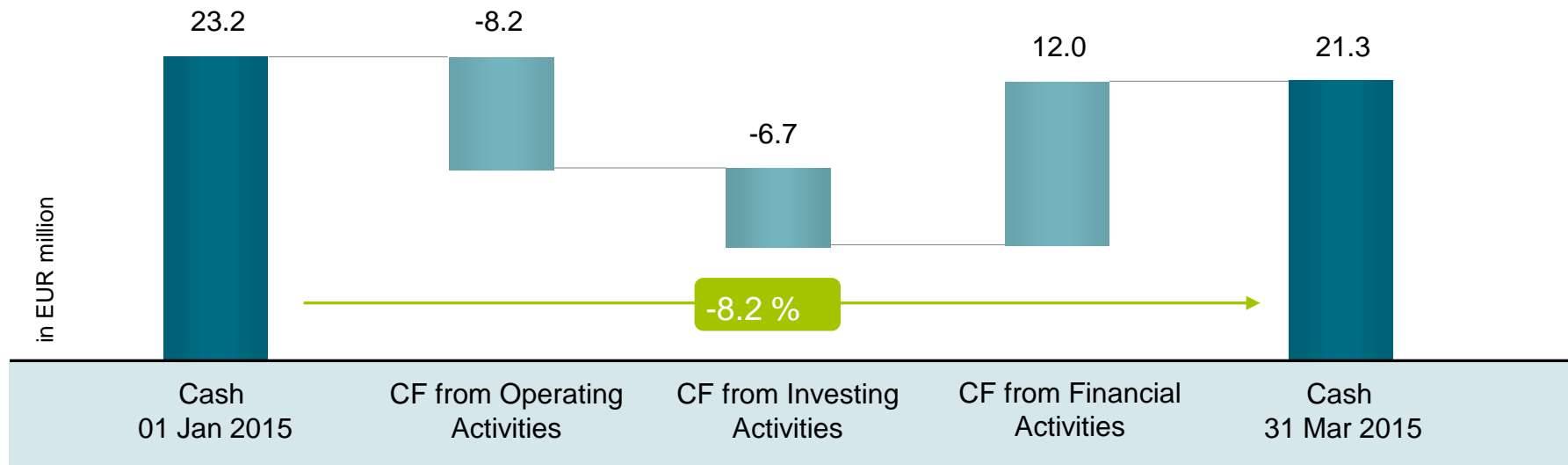
as of March 31, 2015
in EUR million



	Definition	Mar. 31, 2015	Dec. 31, 2014	Change
Equity Ratio	$\frac{\text{equity}}{\text{total assets}}$	51.8 %	55.2 %	-3.4 pp
Net Working Capital <small>(in EUR million)</small>	current assets ./. liquid funds ./. non-interest-bearing current liabilities	50.6	46.0	10.0 %
Net Debt <small>(in EUR million)</small>	interest-bearing liabilities ./. liquid funds	22.5	9.2	+13.3

- Equity ratio with 51.8 % on strong level (approx. 58 % after cash capital increase)
- Increase in net working capital due to higher advances to suppliers
- Net debt influenced by negative cash flow and use of credit lines mainly in the Asian subsidiaries

CASH FLOW

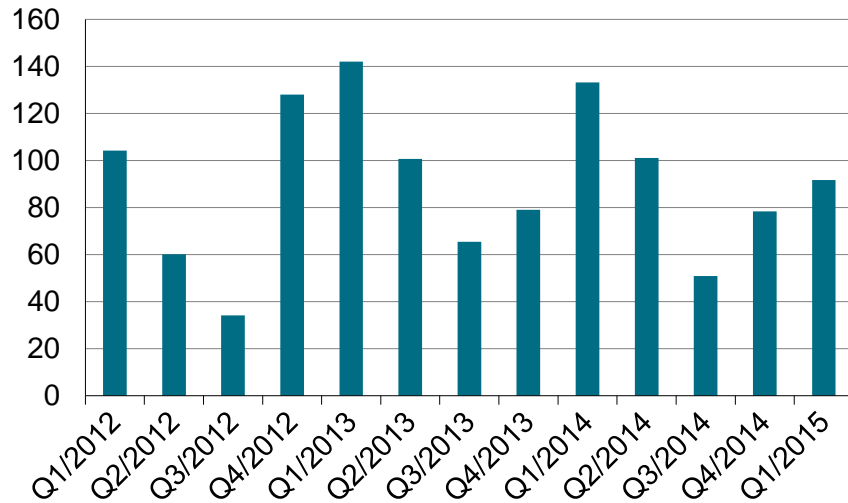


- Due to negative result and increase in inventories & advances to suppliers the operating cash flow is negative in the first quarter
- Cash flow from investing activities reflects investments in R&D
- Increased use of credit lines by Asian subsidiaries results in higher cash flow from financing activities

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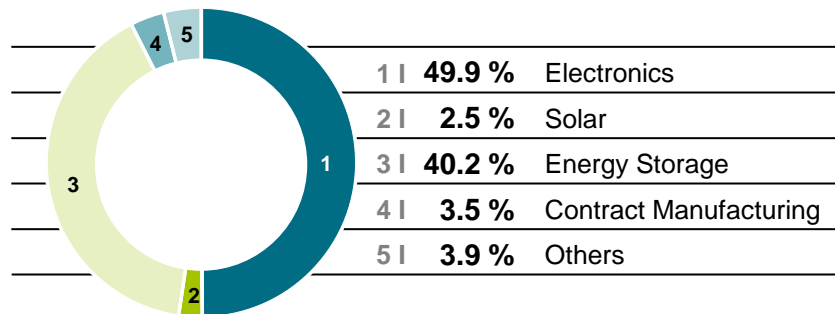
OUTLOOK

Development of Order Backlog



Order Backlog: EUR 91.7m

as of March 31, 2015



- Solid order backlog by end of March as a result of successful diversification strategy
 - Very positive development of business unit Energy Storage
 - Very good prospects for new and follow-up orders in business unit Electronics
 - Solar division benefitting from arising dynamic in PV industry
 - Improvement of performance of Contract Manufacturing segment in Q2/2015



Good perspectives for strong order intake in Q2



- Diversification in technology, industries, and regions remains core of our growth strategy
 - Focus on further expansion of excellent position as leading equipment supplier for consumer electronic and battery industry
- Good prospects for 2015 due to high growth potential in all strategic divisions
 - Stable development of Electronics division
 - Strong increase in revenues in Energy Storage division resulting mainly from consumer electronics sector
 - Recovery of solar industry has high upside potential and creates good conditions for a sale of a CIGSfab
- Order backlog by end of March of EUR 91.7m as good starting position for further growth in 2015
- Successful cash capital increase in April for financing of further internal and external growth



Increase in revenues to EUR 320 - 340 million with further upside potential resulting from an upturn in the PV market with a clearly positive EBIT expected for 2015

THANKS

THANK YOU
VERY MUCH FOR
YOUR ATTENTION!

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Stock Key Data and Shareholder Structure

ISIN	DE000A0JQ5U3	
Stock Market Segment	Regulated Market (Prime Standard)	
Capital Stock	5,420,864	
Opening Price	19 EUR (Sep. 2006)	
Shareholder Structure	Dieter Manz Ulrike Manz Free Float	35.2 % 3.8 % 61.0 %