

**9-MO  
NTHRE  
PORT  
2019**

## MANZ AG AT A GLANCE

### Overview of Consolidated Results

(in million euros)	January 1 to Sept. 30, 2019	January 1 to Sept. 30, 2018 <sup>1</sup>
Revenues	198.2	211.9
Total operating revenues	201.8	213.9
EBITDA	5.8	3.7
EBITDA margin (in %)	2.9 %	1.7 %
EBIT	-7.7	-2.4
EBIT margin (in %)	n/a	n/a
EBT	-9.6	-3.6
Consolidated net profit	-11.4	-4.9
Earnings per share (in EUR)	-1.44	-0.62
Cash flow from operating activities	-38.3	20.7
Cash flow from investing activities	-6.7	-9.6
Cash flow from financing activities	18.3	6.4

<sup>1</sup> Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

### 2019/2020 Financial Calendar

<b>November 25–27, 2019</b>	Deutsches Eigenkapitalforum, Frankfurt
<b>Dezember 10, 2019</b>	Münchener Kapitalmarkt Konferenz, München
<b>March 26, 2020</b>	Publication of Annual Report 2019
<b>May 5, 2020</b>	Publication of 2020 3-month financial report
<b>June 30, 2020</b>	2020 Annual General Meeting
<b>August 4, 2020</b>	Publication of 2020 6-month financial report
<b>November 3, 2020</b>	Publication of 2020 9-month financial report

IFRS 16 leases will be applied for the first time from January 1, 2019. This also has an impact on the Group's key performance indicators. The previous year's figures were not adjusted. The specific effects of the application of IFRS 16 are described in the 2018 Annual Report and in the interim report under „Accounting and valuation methods“.

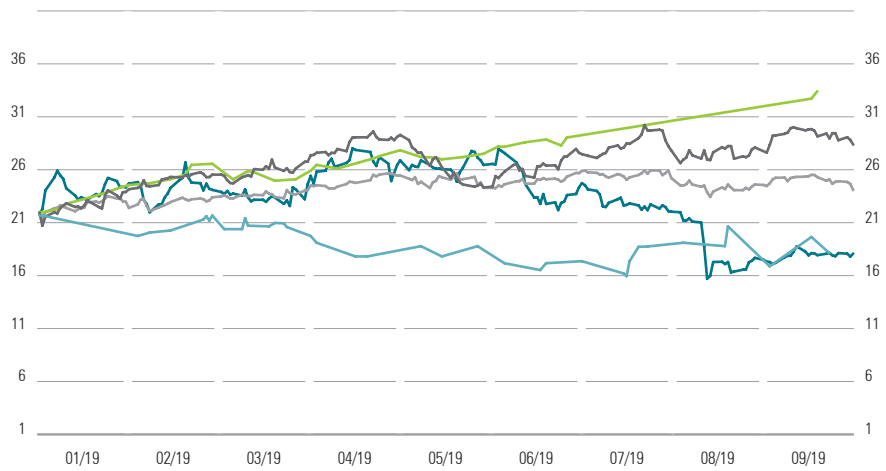
# MANZ AG STOCK

## Stock Key Data and Performance Indicators Jan. 1 to Sept. 30, 2019

<b>Ticker/ISIN</b>	M5Z/DE000A0JQ5U3
<b>Capital stock</b>	7,744,088
<b>Closing price (Sept. 30, 2019)*</b>	17.80 EUR
<b>Annual high/Annual low*</b>	15.40 EUR/27.95 EUR
<b>Market performance – absolute</b>	-14.2%
<b>Market performance – TecDAX</b>	14.9%
<b>Market capitalization (Sept. 30, 2019)</b>	137.84 Mio. EUR

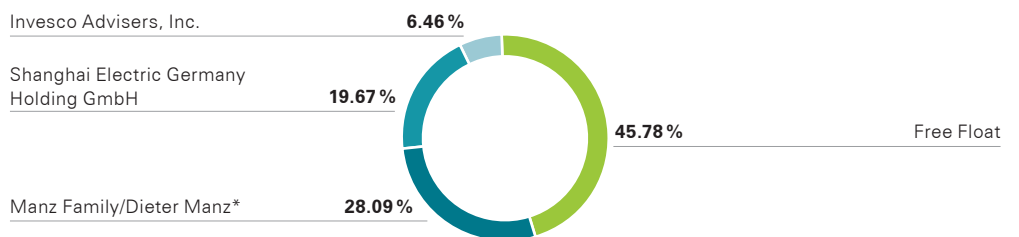
\* Closing prices on Deutsche Börse AG's XETRA trading system

## Chart Showing Manz AG Stock (XETRA, in EUR)



■ Manz AG    ■ Sox (n)    ■ TecDax (n)    ■ PPVX (n)    ■ SOLEX (n)

## Shareholder Structure



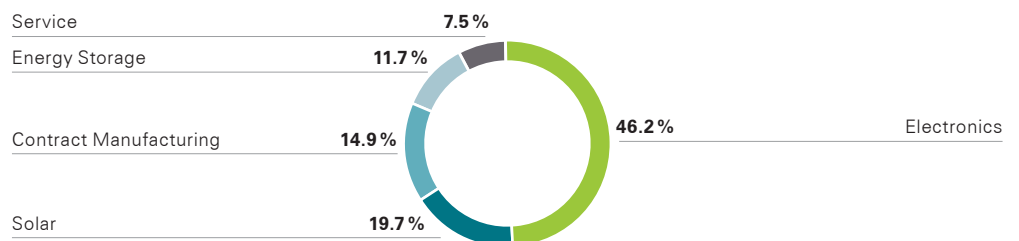
\* Dieter Manz 12.32%, Ulrike Manz 5.44%, Stephan Manz 5.16%, Laura Manz 5.16%

## BUSINESS PERFORMANCE

After a solid start to the financial year 2019, the overall economic situation deteriorated in the second and third quarters and individual projects were delayed. Revenues in the first 9 months of 2019 amounted to 198.2 million euros, down 6.5% from the same period of the previous year; earnings before interest and taxes (EBIT) amounted to –7.7 million euros (previous year: –2.4 million euros).

In the 2019 reporting period, the segment Solar continued to focus on processing orders for turnkey production lines for CIGS thin-film solar modules. However, due to customer delays in the completion of the buildings, the installation of the equipment supplied by Manz AG in this connection could not yet be started. In the meantime, the building for the large-scale facility has been completed to such an extent that Manz AG is currently already carrying out assembly and preparatory work for the upcoming move-in of the equipment. The final acceptance of the machines and receipt of payment of the balance of around 50 million euros of the orders with a total volume of 263 million euros is expected at the end of 2020. The handling of a major order from the Baosteel Group, one of the world's largest iron and steel conglomerates, is proceeding according to plan and has contributed, as expected, to revenues and earnings.

### Revenues by Business Segment January 1 to September 30, 2019

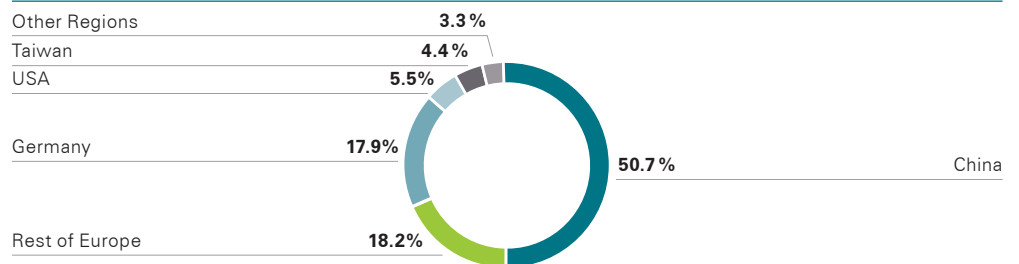


The segment Electronics also showed dynamic development in the first 9 months of 2019. In the first half, Manz AG worked among other things on the realization of a major order for wet-chemical systems for the manufacturing of large-format displays with a total volume of 90 million USD (approx. 76 million euros). The customer is HKC, one of the top 3 display manufacturers on the Chinese market. In addition, Manz AG received an initial order worth 16 million USD (approx. 14 million euros) from the world's largest manufacturer of LCD flat screens for equipments to manufacture the latest generation of 10.5 displays. In the third quarter, Manz AG received orders for laser equipment for the dustproof and waterproof sealing of wearables and laser engraving of implants as well as a follow-up order for several assembly lines of the LightAssembly platform. The order came from a leading international provider of power electronics, with whom Manz has maintained a trustworthy business relationship for many years. Manz will deliver process and handling modules for the automated assembly of power electronics, with a total volume reaching into tens of millions of

euros. In addition, the project for machines for the automated assembly of cell contacting systems for battery cells in electric mobility is currently being successfully executed. With this project, Manz AG has opened up another important area in connection with electric power trains for electric vehicles.

The segment Energy Storage fell short of original expectations in the reporting period 2019. The main reason for this was the continued reluctance of the German and European automotive industries to invest in an expansion of the capacity for production of lithium-ion battery cells and modules. At the same time, Manz recorded increasing business momentum in the first 9 months of 2019 with a well-known battery manufacturer for the consumer electronics sector. Since the beginning of the year, Manz has already received orders from this long-standing client with a total volume of almost 40 million euros. Despite the ongoing delays in the receipt of large-volume orders from the electromobility sector, this customer relationship in the consumer electronics sector proves Manz AG's extensive experience and sound market position in battery technology. In view of the market developments toward increasingly wireless and very small devices, Manz expects increasing demand for very small, quickly rechargeable battery cells in several sales markets. Together with the anticipated accelerated business momentum from the e-mobility sector in the next 12 months, Manz therefore has high expectations for the future development of incoming orders in this segment.

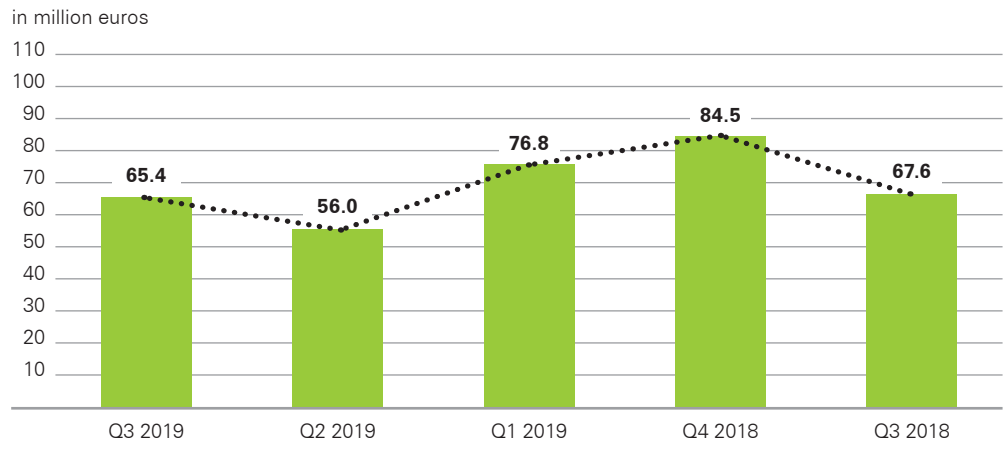
#### Revenue Distribution by Region January 1 to September 30, 2019



Incoming orders as of September 30, 2019 amounted to 242.6 million euros, in the previous year: 128.7 million euros. The value of orders on hand on the same reporting date was 140.6 million euros (September 30, 2018: 246.4 million euros).

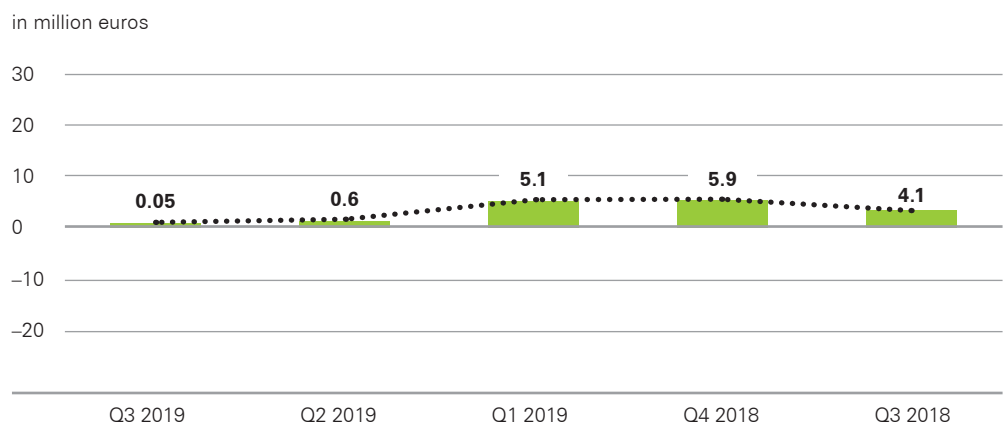
## BUSINESS REPORT

### Revenue trend per quarter



- Revenues after 9 months around 6.5% below previous year; in Q3 revenues increase by 16.7% compared to Q2 2019
- Continued reluctance to invest in e-mobility significantly impacts revenue trend in the Energy Storage segment.
- Solar revenues are currently behind the original plan due to customer project delays.

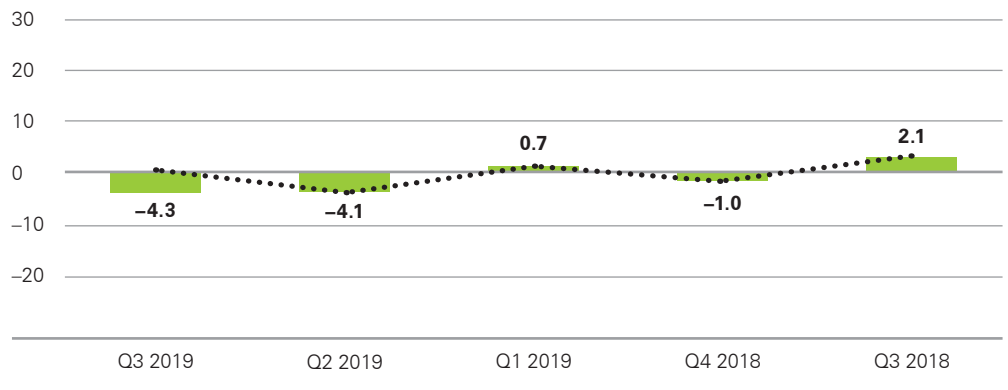
### Earnings before interest, taxes, depreciation, and amortization (EBITDA) per quarter



- Improvement of EBITDA to 5.8 million euros after 9 months compared to previous year results from application of IFRS 16 Leases.
- Contract Manufacturing with dynamic business development and positive earnings contribution of 7.5 million euros
- Earnings contribution from Electronics segment still negative, but improved significantly by 7.5 million euros compared to previous year

**Earnings before interest and taxes (EBIT) per quarter**

in million euros



- Net losses due to project-related revenues and earnings effects in the Solar, Electronics and Energy Storage segments
- Electronics improved over the previous year, but still negative due to effects from the processing of a large individual order
- Energy Storage clearly negative due to expected but still outstanding major orders from the electromobility sector

## EVENTS AFTER THE BALANCE SHEET DATE

No further events took place after the end of the reporting period that would have had a significant impact on our financial position, financial performance or cash flows.

## FORECAST REPORT

Manz AG's Managing Board has corrected its previous earnings forecast due to the overall economic development. Positive earnings effects from individual operating and strategic measures that, contrary to expectations, can no longer be realized in the fiscal year 2019, as well as project delays caused by customers, have led to a time lag in revenues and earnings. The Management Board now expects a positive EBITDA margin in the lower single-digit percentage range and a negative EBIT in the upper single-digit million range for the 2019 financial year, with revenues slightly below the previous year's level.



## CONSOLIDATED INCOME STATEMENT

	1st–3rd Quarter (in EUR tsd.)		3rd Quarter (in EUR tsd.)	
	January 1 to Sept. 30, 2019	January 1 to Sept. 30, 2018 <sup>1</sup>	January 1 to Sept. 30, 2019	January 1 to Sept. 30, 2018
Revenues	198,168	211,945	65,383	67,588
Inventory changes, finished and unfinished goods	-152	-1,941	-2,360	-2,380
Work performed by the entity and capitalized	3,792	3,941	2,050	1,038
<b>Total operating revenues</b>	<b>201,809</b>	<b>213,945</b>	<b>65,072</b>	<b>66,245</b>
Other operating income	6,328	3,750	1,185	1,336
Cost of materials	-126,364	-130,484	-41,991	-35,935
Personnel expenses	-54,798	-52,749	-17,997	-17,109
Other operating expenses	-26,296	-30,066	-8,270	-10,669
Share of profit (loss) of associates	5,076	-747	2,053	271
<b>EBITDA</b>	<b>5,755</b>	<b>3,650</b>	<b>52</b>	<b>4,138</b>
Amortization/Depreciation	-13,444	-6,030	-4,310	-2,036
<b>Operating earnings (EBIT)</b>	<b>-7,689</b>	<b>-2,379</b>	<b>-4,258</b>	<b>2,102</b>
Finance income	43	72	13	18
Finance costs	-1,915	-1,302	-666	-412
<b>Earnings before taxes (EBT)</b>	<b>-9,560</b>	<b>-3,610</b>	<b>-4,911</b>	<b>1,708</b>
Income taxes	-1,789	-1,327	-979	-373
<b>Consolidated net profit/loss</b>	<b>-11,350</b>	<b>-4,937</b>	<b>-5,889</b>	<b>1,334</b>
attributable to minority interests	-166	-166	-37	-65
attributable to shareholders of Manz AG	-11,183	-4,772	-5,852	1,400
Weighted average number of shares	7,744,088	7,744,088	7,744,088	7,744,088
Earnings per share (diluted = undiluted) in EUR per share	-1.44	-0.62	-0.75	0.18

<sup>1</sup> Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

## CONSOLIDATED BALANCE SHEET

### ASSETS (in EUR tsd.)

	Sept. 30, 2019	Dec. 31, 2018
<b>Non-current assets</b>		
Intangible assets	61,177	62,328
Property, plant, and equipment	49,428	29,160
Investment in an associated companies	17,416	11,763
Financial assets	20,006	20,006
Other non-current assets	507	523
Deferred tax assets	5,185	4,913
	<b>153,720</b>	<b>128,693</b>
<b>Current assets</b>		
Inventories	50,661	49,368
Trade receivables	40,362	30,138
Contract assets	63,945	51,029
Current income tax receivables	431	443
Derivative financial instruments	0	2
Other current assets	30,494	35,038
Cash and cash equivalents	24,739	51,006
	<b>210,631</b>	<b>217,024</b>
<b>Total assets</b>	<b>364,351</b>	<b>345,717</b>

## CONSOLIDATED BALANCE SHEET

**LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR tsd.)**

	Sept. 30, 2019	Dec. 31, 2018
<b>Equity</b>		
Issued capital	7,744	7,744
Capital reserve	79,389	78,626
Revenue reserves	33,254	44,438
Other comprehensive income	19,461	18,696
Shareholders of Manz AG	<b>139,848</b>	<b>149,503</b>
Non-controlling interests	311	471
	<b>140,159</b>	<b>149,974</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	1,730	1,138
Non-current financial liabilities from leasing	16,992	0
Pension provisions	6,951	7,051
Other non-current provisions	2,992	3,114
Other non-current liabilities	19	55
Deferred tax liabilities	5,250	4,371
	<b>33,933</b>	<b>15,729</b>
<b>Current liabilities</b>		
Current financial liabilities	62,527	42,173
Current financial liabilities from leasing	3,956	0
Trade payables	68,243	69,683
Contract liabilities	25,323	42,285
Current income tax liabilities	360	384
Other current provisions	14,187	12,034
Derivative financial instruments	4	2
Other current liabilities	15,657	13,453
	<b>190,258</b>	<b>180,014</b>
<b>Total liabilities</b>	<b>364,351</b>	<b>345,717</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)

	January 1 to Sept. 30, 2019	January 1 to Sept. 30, 2018 <sup>1</sup>
Consolidated net profit/loss	-11,350	-4,937
Amortization/depreciation	13,444	6,030
Increase (+)/decrease (-) in pension provisions and other non-current provisions	-223	578
Interest income (-) and expenses (+)	1,871	1,231
Taxes on income and earnings	1,789	1,327
Other non-cash income (-) and expenses (+)	158	178
Gains (-)/losses (+) from disposals of assets	17	395
Share of profit/loss of an associated company	-5,076	747
Increase (-)/decrease (+) in inventories, trade receivables, contract assets and other assets	-24,194	11,956
Increase (+)/decrease (-) in trade payables, contract liabilities and other liabilities	-11,031	6,881
Received (+)/Paid income taxes (-)	-1,801	-2,453
Interest paid	-1,915	-1,302
Interest received	43	72
<b>Cash flow from operating activities</b>	<b>-38,266</b>	<b>20,701</b>
Cash receipts from the sale of fixed assets	411	150
Cash payments for investments in intangible assets and property, plant and equipment	-5,873	-6,664
Investments in financial assets	-1,275	-3,116
<b>Cash flow from investing activities</b>	<b>-6,737</b>	<b>-9,630</b>
Cash receipts from the assumption of non-current financial liabilities	609	1,316
Cash payments for the repayment of non-current financial liabilities	0	-621
Cash receipts from the assumption of current financial liabilities	20,538	5,744
Cash payments for the repayment of current financial liabilities	-184	0
Purchase of treasury shares	-2	-78
Cash payment for the repayment of financial leases	-2,693	0
<b>Cash flow from financing activities</b>	<b>18,268</b>	<b>6,361</b>
<b>Cash and cash equivalents at the end of the period</b>		
Net change in cash and cash equivalents (subtotal 1 – 3)	-26,736	17,431
Effect of exchange rate movements on cash and cash equivalents	144	-178
Credit risk allowance on bank deposit	324	0
Cash and cash equivalents on January 1, 2019	51,006	47,846
<b>Cash and cash equivalents on September 30, 2019</b>	<b>24,739</b>	<b>65,099</b>
<b>Composition of cash and cash equivalents</b>		
Cash and cash equivalents	24,739	65,099
<b>Cash and cash equivalents on September 30, 2019</b>	<b>24,739</b>	<b>65,099</b>

<sup>1</sup> Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

## SEGMENT REPORTING FOR DIVISIONS

as of September 30, 2019

(in EUR tsd.)							
	Solar	Electronics	Energy Storage	Contract Manufacturing	Service	Consolidation	Group
Revenues with third parties							
<b>Q1-Q3 2019</b>	38,987	91,644	23,154	29,608	14,774	0	198,168
<b>Q1-Q3 2018<sup>1</sup></b>	88,136	55,274	22,742	30,695	15,098	0	211,945
Revenues with other segments							
<b>Q1-Q3 2019</b>	0	-18	0	0	0	18	0
<b>Q1-Q3 2018<sup>1</sup></b>	0	3,527	0	0	0	-3,527	0
Total revenues							
<b>Q1-Q3 2019</b>	38,987	91,626	23,154	29,608	14,774	18	198,168
<b>Q1-Q3 2018<sup>1</sup></b>	88,136	58,800	22,742	30,695	15,098	-3,527	211,945
Share of profit (loss) of an associate							
<b>Q1-Q3 2019</b>	0	0	0	5,076	0	0	5,076
<b>Q1-Q3 2018<sup>1</sup></b>	0	0	0	-747	0	0	-747
EBITDA							
<b>Q1-Q3 2019</b>	3,328	-1,271	-5,895	7,548	1,983	62	5,755
<b>Q1-Q3 2018<sup>1</sup></b>	12,461	-8,754	-4,927	2,113	3,733	-975	3,650
Depreciation							
<b>Q1-Q3 2019</b>	2,914	6,303	3,061	616	549	0	13,444
<b>Q1-Q3 2018<sup>1</sup></b>	763	2,485	2,225	397	162	-3	6,030
EBIT							
<b>Q1-Q3 2019</b>	414	-7,574	-8,957	6,931	1,434	63	-7,689
<b>Q1-Q3 2018<sup>1</sup></b>	11,698	-11,239	-7,152	1,716	3,571	-972	-2,379
Finance costs							
<b>Q1-Q3 2019</b>	-244	-744	-375	-194	-314	0	-1,871
<b>Q1-Q3 2018<sup>1</sup></b>	-372	-387	-260	-212	0	0	-1,231
Earnings before taxes (EBT)							
<b>Q1-Q3 2019</b>	169	-8,318	-9,331	6,737	1,120	63	-9,560
<b>Q1-Q3 2018<sup>1</sup></b>	11,326	-11,626	-7,412	1,504	3,571	-972	-3,610
Income taxes							
<b>Q1-Q3 2019</b>	-310	-244	-300	-279	-656	0	-1,789
<b>Q1-Q3 2018<sup>1</sup></b>	-505	-314	-113	-356	-40	0	-1,327
Consolidated profit or loss							
<b>Q1-Q3 2019</b>	-141	-8,562	-9,632	6,458	464	63	-11,350
<b>Q1-Q3 2018<sup>1</sup></b>	10,821	-11,940	-7,525	1,148	3,531	-972	-4,937

1 Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

## SEGMENT REPORTING FOR REGIONS

as of September 30, 2019

(in EUR tsd.)	Third-party revenues by destination of delivery
<b>Germany</b>	
<b>Q1–Q3 2019</b>	35,458
<b>Q1–Q3 2018<sup>1</sup></b>	27,049
<b>Rest of Europe</b>	
<b>Q1–Q3 2019</b>	36,062
<b>Q1–Q3 2018<sup>1</sup></b>	31,238
<b>China</b>	
<b>Q1–Q3 2019</b>	100,531
<b>Q1–Q3 2018<sup>1</sup></b>	126,324
<b>Taiwan</b>	
<b>Q1–Q3 2019</b>	8,603
<b>Q1–Q3 2018<sup>1</sup></b>	16,459
<b>Rest of Asia</b>	
<b>Q1–Q3 2019</b>	6,557
<b>Q1–Q3 2018<sup>1</sup></b>	5,320
<b>USA</b>	
<b>Q1–Q3 2019</b>	10,956
<b>Q1–Q3 2018<sup>1</sup></b>	4,906
<b>Other Regions</b>	
<b>Q1–Q3 2019</b>	0
<b>Q1–Q3 2018<sup>1</sup></b>	649
<b>Group</b>	
<b>Q1–Q3 2019</b>	198,168
<b>Q1–Q3 2018<sup>1</sup></b>	211,945

<sup>1</sup> Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

## ACCOUNTING AND VALUATION METHODS

The Manz AG quarterly statement as of September 30, 2019 was prepared in conformance with the International Financial Reporting Standards (IFRS) and was largely unchanged from December 31, 2018. Deviating from this, Manz is applying IFRS 16 Leases for the first time as of January 1, 2019. An adjustment of the comparative figures for the same period of the previous year will not be carried out.

The lessee's current, off-balance-sheet operating leases are recorded through the initial application of the new accounting standard as right-of-use assets under property, plant and equipment and as financial liabilities from leasing. The corresponding reporting options are used for short-term leases and leases for low-value assets.

Property, plant, and equipment and financial liabilities from leasing increased by 25 million euros as of January 1, 2019, as a result of the capitalization of right-of-use assets.

In addition, depreciation on right-of-use assets of over 3 million euros and financing expenses of over 0.7 million euros were recorded in the income statement in the first three quarters of financial year 2019.

## IMPRINT

**Publisher**

Manz AG  
Steigaeckerstrasse 5  
72768 Reutlingen  
Phone +49 (0) 7121 9000-0  
Fax +49 (0) 7121 9000-99  
info@manz.com  
www.manz.com

**Investor Relations**

Manz AG  
Axel Bartmann  
abartmann@manz.com  
cometis AG  
Claudius Krause  
krause@cometis.de

**Design**

Art Crash Werbeagentur  
GmbH  
Weberstraße 9  
76133 Karlsruhe  
Phone +49 (0) 721 94009-0  
Fax +49 (0) 721 94009-99  
info@artcrash.com  
www.artcrash.com

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**MANZ AG**

Steigaeckerstrasse 5  
72768 Reutlingen  
Phone +49 (0) 7121 9000-0  
Fax +49 (0) 7121 9000-99  
info@manz.com  
www.manz.com