



# Impulses

REPORT FOR THE  
FIRST THREE MONTHS OF 2016

## MANZ AG AT A GLANCE

### Overview of Consolidated Results

(in million euros)	January 1 to March 31, 2016	January 1 to March 31, 2015
Revenues	64.5	54.0
Total operating revenues	66.4	59.6
EBITDA	0.9	-6.4
EBITDA margin (in %)	1.3%	n/a
EBIT	-2.5	-9.4
EBIT margin (in %)	n/a	n/a
EBT	-3.2	-9.9
Consolidated net profit (loss)	-3.2	-10.2
Earnings per share (in euros)	-0.58	-2.08
Cash flow from operating activities	1.2	-8.2
Cash flow from investing activities	-2.9	-6.7
Cash flow from financing activities	-6.0	11.9

### 2016 Financial Calendar

**July 12, 2016**

**August 11, 2016**

**November 15, 2016**

2016 Annual General Meeting

Publication of 2016 6-Month Report

Publication of the Report for the first 9 Months of 2016

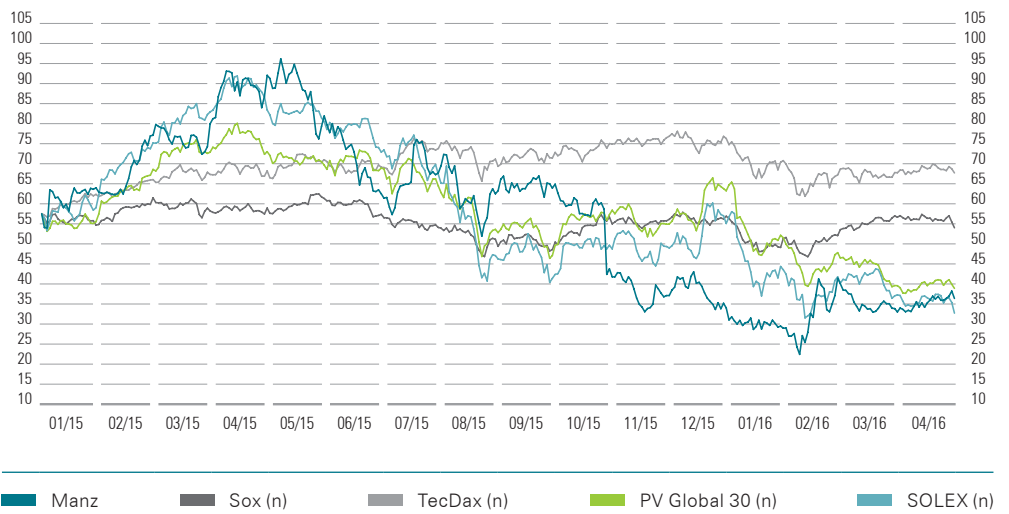
# MANZ AG STOCK

## Stock Key Data and Performance Indicators January 1 to March 31, 2016

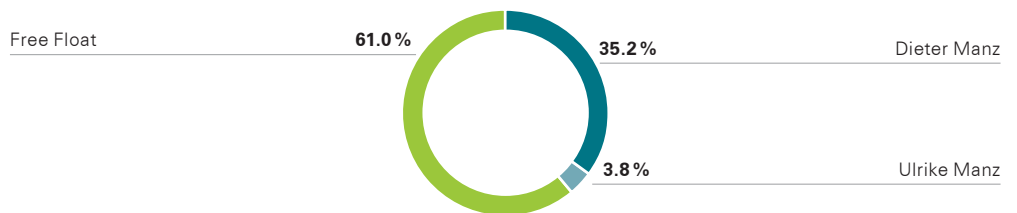
<b>Ticker/ISIN</b>	M57/DE000A0JQ5U3
<b>Capital stock</b>	5.420.864
<b>Closing price (March 31, 2016)*</b>	32.29 euros
<b>Annual high/Annual low*</b>	41.64 euros/22.56 euros
<b>Market performance – absolute</b>	+6.32 %
<b>Market performance – TecDAX</b>	-9.35 %
<b>Market capitalization (March 31, 2016)</b>	175.04 Mio. euros

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

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



## Shareholder Structure



## PRELIMINARY REMARKS BY THE MANAGING BOARD

Dear Shareholders,

In the year 2016, we intend to re-establish a solid growth basis for our company using the restructuring measures that have been initiated, along with the planned participating interest and strategic collaboration with Shanghai Electric.

In terms of operations, the company had a good start into the current fiscal year. During the first three months of the year, we were able to obtain attractive new and follow-up orders for the Energy Storage and Electronics business segments. Producers of smartphones and tablets, manufacturers in the area of e-mobility, and the continued trend towards automated production in China provided the corresponding stimulus effects in this area. Overall, revenues in the first quarter increased by 19.5% to 64.5 million euros, compared to the previous year's first three months. Initial successes from the restructuring measures are also becoming visible, as the EBITDA reached 0.9 million euros.

With regard to the restructuring program that has been implemented, we prepared a detailed plan of measures for the entire Manz Group during the last few months. It includes, among others, improvements in the transparency and quality of the planning processes at our subsidiaries and business segments through the continued standardization of global processes and standards. With the expansion of project and investment controlling, we will also secure consistent and comprehensive cost controlling within the entire Manz Group. Other measures relate to the optimization of sales and the expansion of our international production and supplier network to further strengthen our business flexibility. We also intend to continue to increase our future competitiveness through targeted product developments in line with an integrated R&D strategy.

In line with the reorganization of Manz AG, we approved a capital increase of approximately 43% of the capital stock at the end of April in order to enable the Chinese-based Shanghai Electric Group to obtain a participating interest in Manz AG. We are confident that the measures that have been initiated, the successful closing of the transaction, and the start of the collaboration with Shanghai Electric will enable us to look to our future as a German high-tech equipment manufacturer with renewed vigor.

The Managing Board



Dieter Manz



Martin Hipp



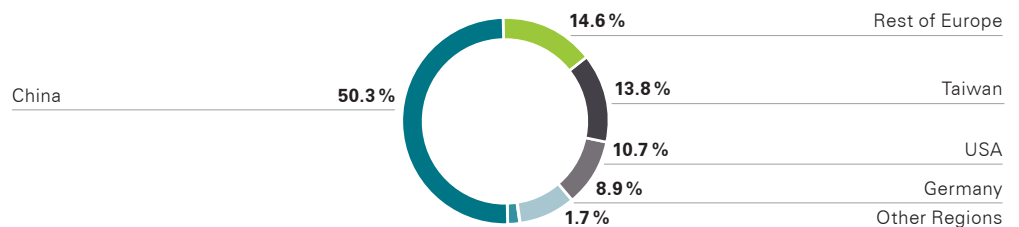
Martin Drasch

## PERFORMANCE OF THE BUSINESS

Manz AG started the year 2016 with a good volume of incoming orders. In the first weeks of the year, the multinational high-tech equipment manufacturer acquired a contract for the manufacture of high-performance lithium-ion batteries in the Energy Storage business segment. The total value of the orders was in the lower double-digit million range, and will affect revenues and earnings during the first half of 2016. New and follow-up orders came from customers in the consumer electronics industry, as well as companies from the electro-mobility industry. Working closely with a large customer, Manz also completed a large development project in January 2016, which may lead to additional orders in the future.

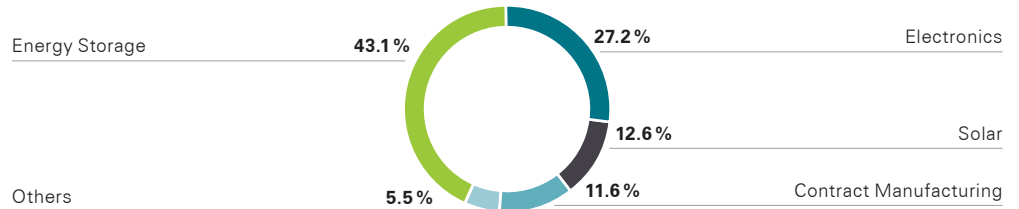
At the same time, in February 2016 Manz AG also obtained new and follow-up orders in the Electronics segment consisting of machines for assembly automation as well as laser process equipment with a total volume of more than 20 million euros. Of particular strategic relevance in this context was an order from a new Chinese customer for the fully automated production of electronic products. New market opportunities are also developing for Manz as Chinese customers are increasingly turning away from manual production towards a high and consistent level of product quality: through its locations in Taiwan and China, the company now offers German engineering at locally competitive prices.

### Revenue Distribution by Region January 1 to March 31, 2016



Moreover, Manz AG was also able to provide evidence of its innovative power to a long-standing large customer in the consumer electronics industry and obtained a large order for machines with an innovative laser process technology for the production of components for smartphones and tablet computers. The new technology significantly increases quality while improving throughput in the production process. In this way, Manz AG, in its capacity as a development partner, contributes to the steady improvement of the quality of end products.

Orders on hand as at March 31, 2016 amounted to 96.3 million euros (March 31, 2015: 91.7 million euros).

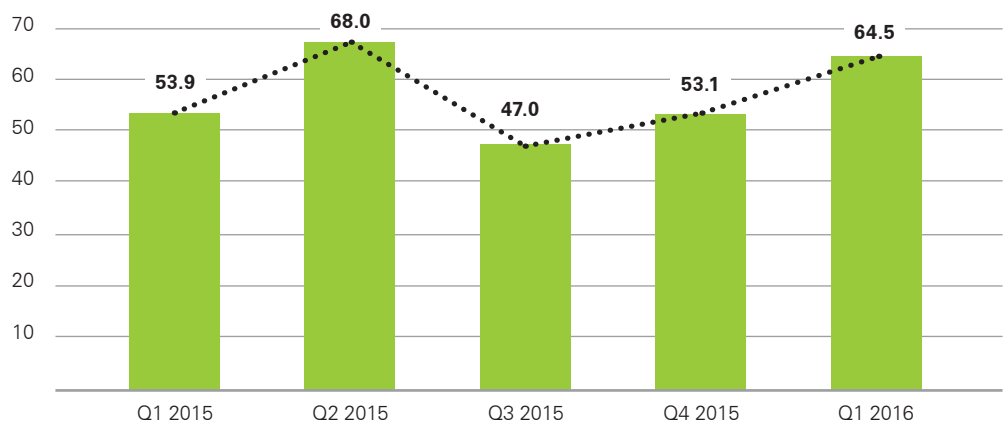
**Revenues by Business Segment January 1 to March 31, 2016**

Because of the positive developments during the first quarter of 2016, Manz AG generated revenues of 64.5 million euros (previous year: 54.0 million euros). This represents a 19.5% increase in revenues compared to the previous year's period. In addition to expanding the operating business, the company was also able to improve its cost basis in line with the implemented restructuring program. In this context, the transfer of the production of series machines to cost-effective locations in Slovakia and China progressed more quickly than originally planned, thereby improving competitiveness. Initial successes became evident after the first quarter of 2016, as the EBITDA improved to 0.9 million euros during the reporting period (previous year: -6.4 million euros). The EBIT amounted to -2.5 million euros (previous year: -9.4 million euros), and was in the expected range.

## BUSINESS REPORT

### Revenue trend

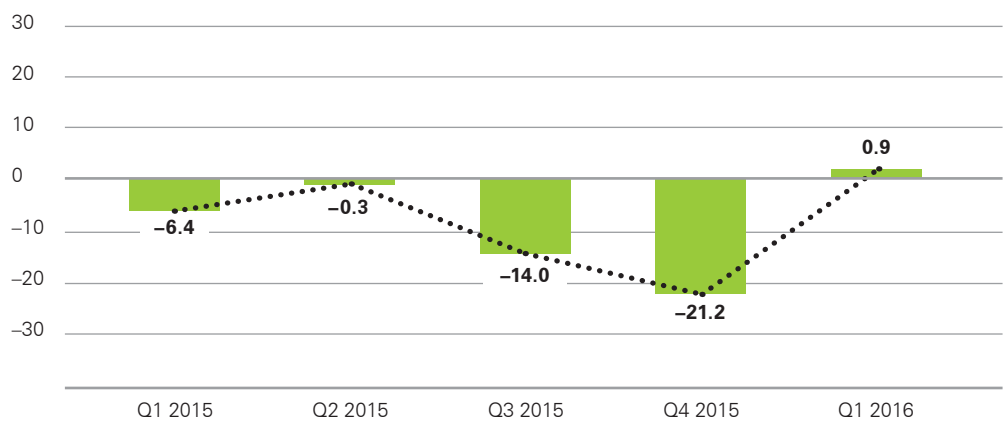
in million euros



- yoy revenues again significantly higher than previous year
- In terms of revenues, the best quarter since mid-2015
- Electronics and Energy Storage business segments are revenue drivers

### Earnings before interest, taxes, depreciation, and amortization

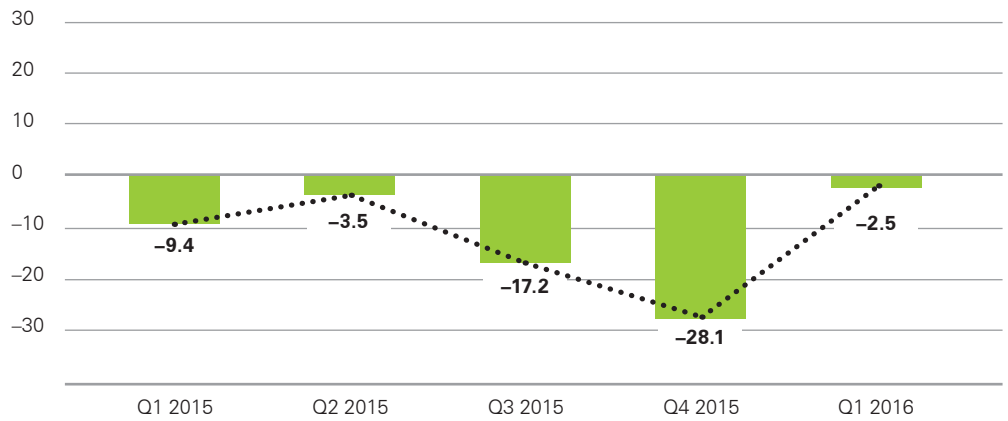
in million euros



- Slightly positive EBITDA is in the range of the budget for the full year
- Initial successes from the restructuring measures are already evident during this quarter
- Greatly improved personnel costs ratio reflects reduction in workforce at the end of 2015

### Earnings before interest and taxes

in million euros



- Significant improvement over previous year
- The development of the EBIT is within the range of the budget for the full year; only scheduled depreciation/amortization was applied in the first quarter of 2016
- The EBIT of "Energy Storage" of 2.6 million euros reflects the positive trend in this business segment



## EVENTS AFTER THE BALANCE SHEET DATE

On April 20, 2016, Manz AG published the resolution to increase the capital with a subscription right in the amount of 43% of the capital stock. The issue of 2,323,224 new shares (corresponding to around 43% of its capital stock) within the framework of a capital increase from the authorized capital with the inclusion of the shareholders' subscription rights was adopted with the approval of the Supervisory Board.

The capital stock of the company is to be increased through partial utilization of the 2015 authorized capital by 2,323,224 euros from 5,420,864 euros to 7,744,088 euros against cash contributions. The new shares (common stock) are expected to be offered to the company's shareholders for subscription from (and including) April 25, 2016 to (and including) May 19, 2016. In conformity with the subscription ratio of 7:3, three new shares can be subscribed for each seven old shares of the company. The subscription price of each new share subscribed is 34.74 euros.

Against this background, Manz AG and the Shanghai Electric Group concluded an agreement (Investment and Backstop Agreement) on February 28, 2016, according to which the subsidiary Shanghai Electric Germany Holding GmbH will acquire those shares from the planned capital increase that are not subscribed by Manz AG shareholders at the subscription price. Furthermore, the shareholders Dieter Manz and Ulrike Manz, who currently hold 35.2% and 3.8%, respectively, of the shares of the company, will not exercise the subscription rights to which they are entitled for the subscription of a total of 906,662 new shares, but rather will transfer them to Shanghai Electric Germany Holding GmbH, which has agreed to exercise these subscription rights.

The proceeds of the capital increase are to be used to repay loans provided by the company's German lenders to cover the costs with cash-flow impact in the framework of the restructuring in fiscal year 2016, for a possibly necessary repayment of a project loan, for financing research and development costs and working capital, and for general corporate purposes of the Manz Group.

Otherwise, 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, and cash flows.

## CONSOLIDATED INCOME STATEMENT

(in EUR tsd.)

	Jan. 1 to March 31, 2016	Jan. 1 to March 31, 2015
Revenues	64,492	53,971
Inventory changes, finished and unfinished goods	-386	408
Work performed by the entity and capitalized	2,274	5,263
<b>Total operating revenues</b>	<b>66,380</b>	<b>59,642</b>
Other operating income	1,952	1,140
Cost of materials	-34,093	-34,362
<b>Gross profit</b>	<b>34,239</b>	<b>26,420</b>
Personnel expenses	-21,101	-20,719
Other operating expenses	-12,231	-12,052
<b>EBITDA</b>	<b>907</b>	<b>-6,351</b>
Amortization/depreciation	-3,377	-3,084
<b>Operating earnings (EBIT)</b>	<b>-2,470</b>	<b>-9,435</b>
Finance income	7	11
Finance costs	-727	-426
<b>Earnings before taxes (EBT)</b>	<b>-3,190</b>	<b>-9,850</b>
Income taxes	33	-393
<b>Consolidated profit or loss</b>	<b>-3,157</b>	<b>-10,243</b>
of which attributable to minority interests	-32	-11
of which attributable to shareholders of Manz AG	-3,125	-10,232
Weighted average number of shares	5,420,864	4,928,059
Earnings per share (diluted = undiluted) in EUR per share	-0.58	-2.08

## CONSOLIDATED BALANCE SHEET

### ASSETS (in EUR tsd.)

	March 31, 2016	Dec. 31, 2015
<b>Non-current assets</b>		
Intangible assets	81,394	81,574
Property, plant, and equipment	41,182	42,830
Deferred taxes	3,322	4,095
Other non-current assets	2,002	1,634
	<b>127,900</b>	<b>130,133</b>
<b>Current assets</b>		
Inventories	40,926	36,636
Trade receivables	73,732	83,799
Income tax receivables	295	151
Derivative financial instruments	641	28
Other current receivables	8,660	7,421
Liquid funds	26,237	34,372
	<b>150,491</b>	<b>162,407</b>
<b>Total assets</b>	<b>278,391</b>	<b>292,540</b>

## CONSOLIDATED BALANCE SHEET

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

	March 31, 2016	Dec. 31, 2015
<b>Equity</b>		
Issued capital	5,421	5,421
Retained earnings	99,405	99,345
Revenue reserves	-3,025	-2,315
Currency translation	18,162	18,512
Shareholders of Manz AG	<b>119,963</b>	<b>120,963</b>
Minority Interests	4,188	4,297
	<b>124,151</b>	<b>125,260</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	1,750	1,913
Non-current deferred investment grants	61	64
Financial liabilities from leases	10	11
Pension provisions	8,071	7,839
Other non-current provisions	2,491	2,502
Other non-current liabilities	875	875
Deferred taxes	1,346	1,178
	<b>14,604</b>	<b>14,382</b>
<b>Current liabilities</b>		
Current financial liabilities	75,148	80,999
Trade payables	38,392	40,809
Payments received	6,864	10,507
Income tax liabilities	232	196
Other current provisions	7,847	6,258
Derivative financial instruments	203	3,140
Other liabilities	10,943	10,976
Financial liabilities from leasing	7	13
	<b>139,636</b>	<b>152,898</b>
<b>Total liabilities and shareholders' equity</b>	<b>278,391</b>	<b>292,540</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)

	Jan. 1 to March 31, 2016	Jan. 1 to March 31, 2015
<b>Cash flow from operating activities</b>		
Operating earnings (EBIT)	-2,470	-9,435
Depreciation / amortization of fixed assets	3,377	3,084
Increase (+) / decrease (-) in pension provisions and other non-current provisions	221	407
Other non-cash income (-) and expenses (+)	60	16
<b>Cash flow</b>	<b>1,188</b>	<b>-5,928</b>
Gains (-) / losses (+) from disposals of assets	1	0
Increase (-) / decrease (+) in inventories, trade receivables and other assets	6,560	-19,554
Increase (+) / decrease (-) in trade payables and other liabilities	-6,013	18,065
Income tax received (+)/paid	94	-404
Interest paid	-647	-369
Interest received	6	10
Cash flow from operating activities	<b>1,189</b>	<b>-8,180</b>
<b>Cash flow from investing activities</b>		
Cash receipts from the sale of fixed assets	9	6
Cash payments for investments in intangible assets and property, plant and equipment	-2,952	-6,706
Cash flow from investing activities	<b>-2,943</b>	<b>-6,700</b>
<b>Cash flow from financing activities</b>		
Cash payments for repayment of long-term borrowings	-150	-761
Change in current financial liabilities	-5,852	12,716
Purchase of treasury shares	-4	0
Cash payments for the repayment of financial leases	-6	-8
Cash flow from financing activities	<b>-6,012</b>	<b>11,947</b>
<b>Cash and cash equivalents at the end of the period</b>		
Net change in cash funds (subtotal 1 – 3)	-7,766	-2,933
Effect of exchange rate movements on cash and cash equivalents	-369	1,066
Cash and cash equivalents on January 1	34,372	23,153
Cash and cash equivalents on March 31	<b>26,237</b>	<b>21,286</b>
<b>Composition of cash and cash equivalents</b>		
Liquid funds	26,237	21,286
<b>Cash and cash equivalents on March 31</b>	<b>26,237</b>	<b>21,286</b>

## SEGMENT REPORTING FOR DIVISIONS

As of March 31, 2016

(in EUR tsd.)	Revenues with third parties	EBITDA	EBIT
<b>Solar</b>			
Q1 2015	6,938	-2,448	-3,806
Q1 2016	8,102	-548	-1,878
<b>Electronics</b>			
Q1 2015	19,308	-4,144	-5,114
Q1 2016	17,526	-2,565	-3,661
<b>Energy Storage</b>			
Q1 2015	16,490	52	-301
Q1 2016	27,876	3,264	2,549
<b>Contract Manufacturing</b>			
Q1 2015	8,731	242	111
Q1 2016	7,449	389	265
<b>Others</b>			
Q1 2015	2,504	-53	-325
Q1 2016	3,539	367	255
<b>Group</b>			
Q1 2015	53,971	-6,351	-9,435
Q1 2016	64,492	907	-2,470

## SEGMENT REPORTING FOR REGIONS

As of March 31, 2016

(in EUR tsd.)	Third-party revenues by destination of delivery
<b>Germany</b>	
Q1 2015	10,574
Q1 2016	5,753
<b>Rest of Europe</b>	
Q1 2015	9,329
Q1 2016	9,398
<b>China</b>	
Q1 2015	25,699
Q1 2016	32,441
<b>Taiwan</b>	
Q1 2015	4,734
Q1 2016	8,887
<b>Rest of Asia</b>	
Q1 2015	2,076
Q1 2016	1,066
<b>USA</b>	
Q1 2015	1,130
Q1 2016	6,922
<b>Other Regions</b>	
Q1 2015	429
Q1 2016	25
<b>Group</b>	
Q1 2015	53,971
Q1 2016	64,492

## IMPRINT

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The quarterly report for the first quarter is also available in English. In the case of discrepancies, the German version shall prevail.

Digital versions of the Manz AG annual report and the quarterly reports are also available on the Internet under "Investor Relations" in the "Publications" section.





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