



Impulses

9-MONTH REPORT 2016

MANZ AG AT A GLANCE

Overview of Consolidated Results

(in million euros)	Jan. 1 to Sept. 30, 2016	Jan. 1 to Sept. 30, 2015	Change in %
Revenues	167.3	169.0	-1.0
Total operating revenues	172.6	181.9	-5.1
EBITDA	-15.2	-20.6	-26.2
EBITDA margin (in %)	-	-	-
EBIT	-25.7	-30.1	+14.6
EBIT margin (in %)	-	-	-
EBT	-28.4	-32.1	+11.5
Consolidated net profit (loss)	-30.9	-33.8	+8.6
Earnings per share (in euros)	-4.7	-6.5	+27.7
Cash flow from operating activities	-12.9	-59.8	+78.4
Cash flow from investing activities	-6.5	-18.4	+64.7
Cash flow from financing activities	48.4	83.0	-41.7

	Jan. 1 to Sept. 30, 2016	Dec. 31, 2015	Change in %
Total assets	318.0	292.5	+8.7
Shareholders' equity	175.6	125.3	+40.1
Equity ratio (in %)	55.2	42.8	+29.0
Financial liabilities	55.7	82.9	-32.8
Liquid assets	63.5	34.4	+84.6
Net debt	-7.8	48.6	-116.0

2016 Financial Calendar

November 21–23, 2016	German Equity Forum 2016
March 7, 2017	Publication of Preliminary Figures 2016
March 30, 2017	Publication of Annual Report 2016
May 11, 2017	Publication of 2017 3-month financial report
July 4, 2017	Annual Meeting of Shareholders
August 10, 2017	Publication of 2017 6-month financial report
November 14, 2017	Publication of 2017 9-month financial report

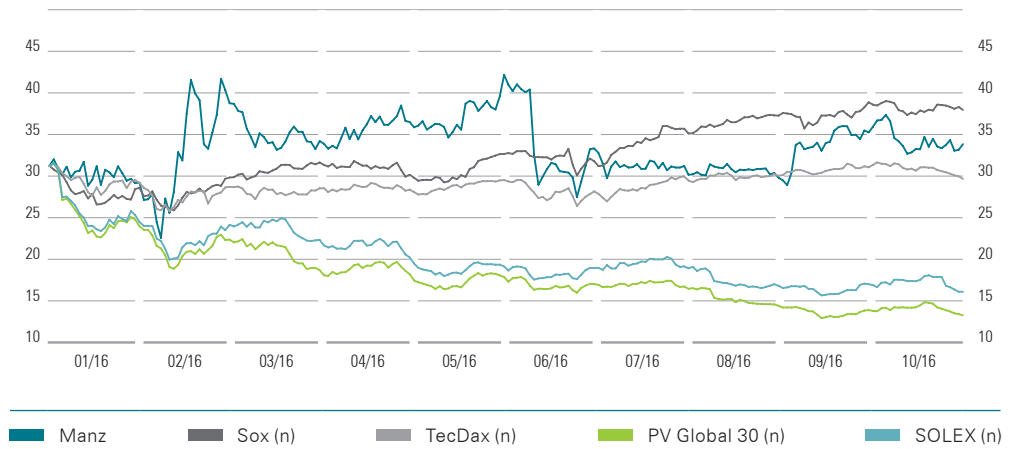
MANZ AG STOCK

Stock Key Data and Performance Indicators January 1 to September 30, 2016

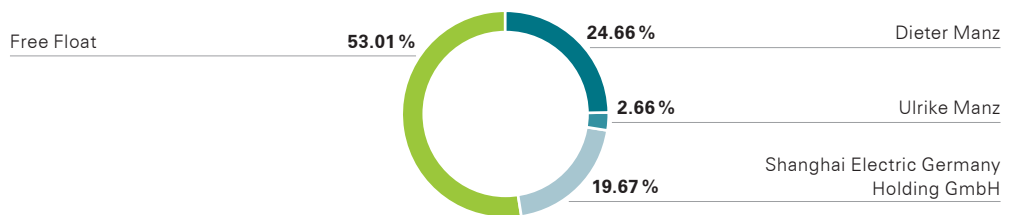
Ticker/ISIN	M5Z/DE000A0JQ5U3
Amount of shares	7,744,088
Closing price (September 30, 2016)*	35.95 EUR
Annual high/Annual low*	42.11 EUR/22.56 EUR
Market performance – absolute	15.8 %
Market performance – TecDAX	0.5 %
Market capitalization (September 30, 2016)	147,576,691 EUR

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

Chart Showing Manz AG Stock (XETRA, in EUR)



Shareholder Structure



FOREWORD OF THE MANAGING BOARD

Dear Shareholders,

Since the beginning of the year, we have made good progress in our efforts to align the structures and processes at Manz AG towards sustained profitable growth. At the same time, it cannot be disputed that we have also had to face a number of setbacks during the last nine months. In the middle of June, a long-standing customer suddenly put a stop to a large project. Even though we reached a settlement with the customer in October, which will enable us to complete the project without losses, we will not be generating the sales from follow-up orders, which we were originally counting on for the third quarter. We will not let setbacks such as these discourage us from our present strategy. On the contrary. They only strengthen our conviction that the implemented cost optimization program and the move towards a more diversified customer portfolio and the addition of innovative and higher-margin high-end products to our product program are the right way, and important to the development of our company. The reorganization process that has been started within the entire group is already starting to pay off on the cost side, and is making a significant contribution towards stabilizing results.

In the process of strengthening its financial position, the company recently reached a milestone with the investment of Shanghai Electric, the largest plant and equipment supplier in the Chinese energy sector, as a strong financial and long-term oriented anchor investor of Manz AG. In the future we want to cooperate in the area of Energy Storage and Solar, and also in other automation technology segments, in order to further develop and market our cutting edge technology. Increased access to the highly attractive Chinese market opens up additional growth potential for us.

With the framework agreement for strategic collaboration in the area of the CIGS technology (including the sale of CIGS*fabs*), which was recently signed with several partners, we have reached another milestone in the company's history. We believe that it will have a major positive effect on our future growth as of the coming year. The final contract signing resulting from the framework agreement is expected to take place at the end of the year. The expected CIGS orders in the triple digit million euro range, are by far the largest orders since the founding of our company. At the same time, on the basis of the agreement, our future cooperation partners will assume the costs for the operation of the CIGS research location in Schwäbisch Hall effective immediately, which represents an annual cost item in the lower double digit million euro range for Manz AG. This combination, significant contributions to sales revenues with major cost reductions in the solar segment, form the basis for a stable and results-oriented business model in the future.

At the beginning of the negotiations, we had expected that orders for turnkey CIGS production lines would be placed at a much earlier date. However, the participation of multiple partners and a significantly higher total volume for the order resulted in a much more complex project. The resulting delay means that the CIGS revenues, which were originally planned for 2016, will not unfold their full impact on revenues and earnings until 2017 and 2018. As a result, we expect that revenues for the entire year will remain at the previous year's level, with a continued significantly improved EBIT.

The Managing Board



Dieter Manz



Martin Hipp



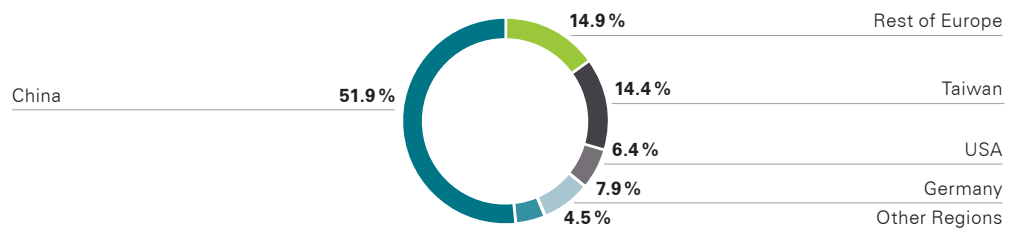
Martin Drasch

BUSINESS DEVELOPMENTS

Manz AG started the year 2016 with strong incoming orders. As early as in the first few weeks of the year, the multinational high-tech machine builder won the contract to produce machines that are used to manufacture high-performance lithium-ion batteries in the Energy Storage segment. Customers from the Consumer Electronics and companies from the Electromobility segment were responsible for the new and follow-up orders, which amount to values in the lower double-digit euro million range.

In addition, Manz AG also obtained new and follow-up orders in the Electronics segment in February 2016. They include machines for assembly automation and laser process equipment with a total volume of more than 20 million euros. Of strategic importance in this respect was an order from a new Chinese customer for the fully automated production of electronic products. With locations in Taiwan and China, Manz is able to offer German engineering at locally competitive prices – a clear competitive advantages in this area, which will open up additional opportunities for Manz.

Revenue Distribution by Region January 1 to September 30, 2016



Moreover, Manz AG received a large order for machines with innovative laser process technology for the production of Smartphone and tablet computer components from a long-standing large customer in the Consumer Electronics industry. This new technology significantly improves quality while simultaneously increasing throughput in the production process. In this way, Manz AG as a development partner also plays a role in the gradual improvement in the quality of end products.

After a good start to the year, Manz was confronted by the sudden temporary suspension of an order by a large customer in the second quarter of 2016. At the same time, however, with the successfully completed capital increase and the participating interest of Shanghai Electric in Manz AG, an important strategic milestone was achieved, and a sound foundation was created for the company to again develop positively in the future.

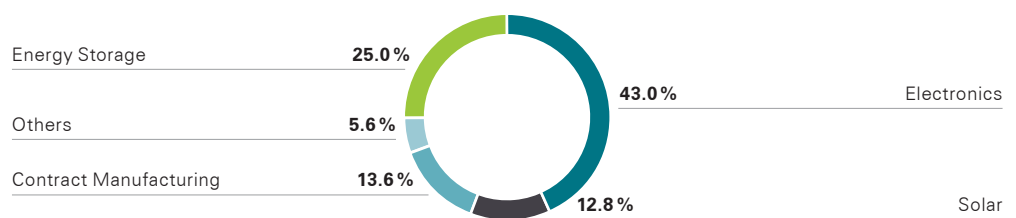
The first large order that was issued in July 2016 from the cooperation with adidas (which was entered into at the end of 2015) will already unfold its full impact revenues and earnings during the current fiscal year. It is expected that the series production of approximately 500,000 pairs of shoes at the first Speedfactory will start in Germany as early as the coming year. A second Speedfactory is planned for the US in 2017, with other countries

gradually following suit by 2020. Manz AG and adidas have already been working on the development of an innovative automated production technology for sports products for five years; the development is now ready for series production.

In September 2016, Manz and the US manufacturer of production equipment for semiconductors, LAM Research Corporation, started the joint venture "Talus Manufacturing Ltd." in Taiwan. At the so-called "Global Refurbishment Center", equipment from earlier product generations of Lam Research is modernized and prepared for the production of semiconductors. Such equipment is in high demand in Asia. With this cooperation, Manz will be able to use existing capacities in Taiwan more efficiently and improve overall profitability in Asia and at the group level. Manz AG is the majority shareholder of the joint venture.

The value of orders on hand as of September 30, 2016 was 93.9 million euros (September 30, 2015: 93.0 million euros).

Revenues by Business Segment January 1 to September 30, 2016

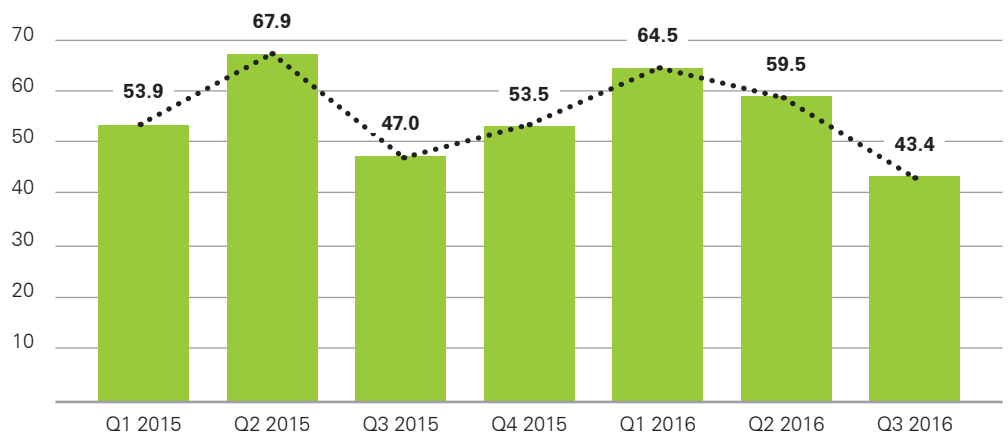


As a result of the final contract signing for CIGS orders, which will probably be delayed until the end of the year, and the missed follow-up orders in connection with the suspension in orders by a large customer, Manz AG generated sales of 167.3 million euros, which were at the level of the previous year (168.9 million euros). At the same time, the company was successful in improving its cost basis. Accordingly, the transfer of production of series machines to more cost-effective locations in Slovakia and China proceeded more quickly than originally planned. The reorganization of the group in line with the restructuring program is showing first signs of success after the first nine months of 2016: during the reporting period, EBITA improved to –15.2 million euros (previous year: –20.6 million euros). The EBIT amounted to –25.7 million euros (previous year: –30.1 million euros).

BUSINESS REPORT

Revenue trend

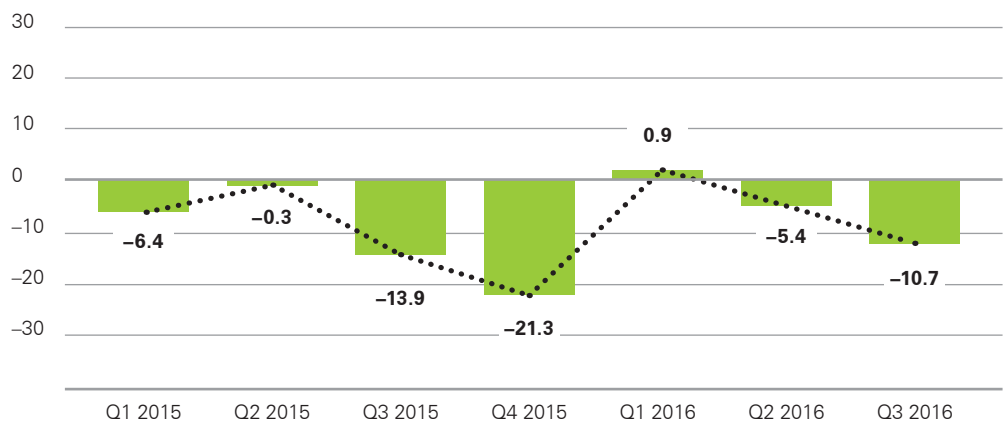
in million euros



- 9-month revenues for 2016 slightly below the previous year's level
- Revenue trends in Q3 2016 greatly affected by missed follow-up orders in connection with the suspension of an order by a large customer in the Energy Storage segment.
- Lost revenues could not be compensated due to the delayed date for the CIGS orders

Earnings before depreciation, interest and taxes

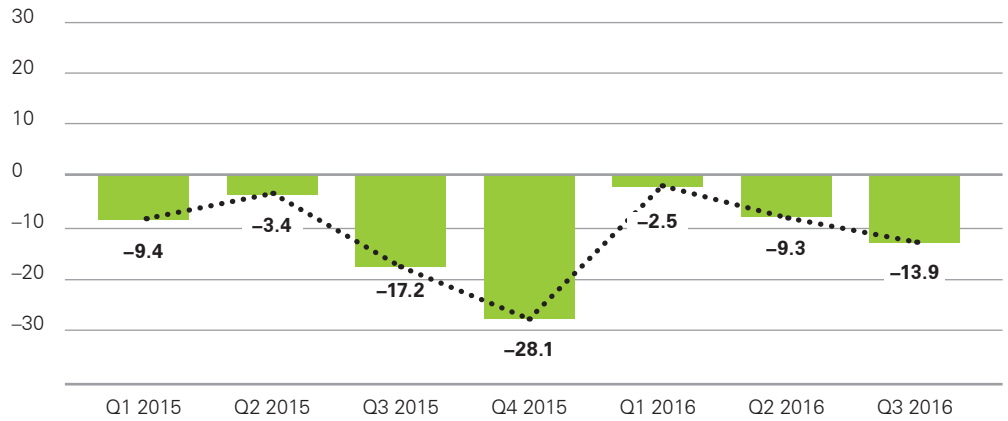
in million euros



- Continued negative 9-month EBITDA for 2016, but 5 million euros better than the previous year
- Negative EBITDA due to a drop of 10 million euros in total performance; sales revenues at previous year's level with reduced own work capitalized
- Personnel and material costs ratio improved as a result of the restructuring measures

Earnings before interest and taxes

in million euros



- 9-month EBIT for 2016 improves by 4 million euros compared to the previous year
- Solely regular depreciation was applied during the first nine months of 2016

EVENTS AFTER THE BALANCE SHEET DATE

On October 13, 2016, Manz AG announced that it had reached a settlement with a large customer. The customer suddenly and temporarily stopped a large project in the Energy Storage at the beginning of June 2016, which resulted in possible effects on the forecast for the 2016 fiscal year. The new agreement allows us to complete the project without losses. However, the order cancellation and the lack of anticipated follow-up orders means that the expected sales revenues and earnings will not be realized in the 2016 fiscal year.

On November 2, 2016, Manz AG announced the signing of a framework agreement with leading companies. This agreement is aimed at a substantial strategic cooperation for the further development and marketing of Manz AG's CIGS thin-film technology. Manz and the cooperation partners have agreed to promote the establishment of a R&D joint venture for the further development of the Manz AG CIGS technology. In this context, Manz CIGS Technology GmbH, Manz AG's current CIGS research location, will be acquired by the newly established R&D joint venture. The agreement also includes orders for fully-integrated production lines for CIGS thin-film solar modules (*CIGSfab*). The final closing of the contracts is still subject to the approval of the Executive Board committees at the participating companies, and subject to a positive outcome of the due diligence process, which is currently under way. The cooperation partners also agreed to assume the on-going operating costs of Manz CIGS Technology GmbH in Schwäbisch Hall as of November 2016 to the end of December 2016 or until the final contract signing. The management board of Manz AG does not expect the final signing to take place before the middle of December 2016. As a result, revenues and earnings in connection with a CIGS order, which were included in the company's forecast for the 2016 year, will only fully impact revenues and earnings in the 2017 and 2018 fiscal year.

A waiver by the EIB (European Investment Bank) expired on October 31 and has not been renewed to date. The Manz AG Board of Directors is currently in positive discussions with the EIB and expects that a written agreement regarding the renewal of the waiver will be concluded shortly.

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.

FORECAST REPORT

Following the forecast adjustments from November 2, 2016, the management board of Manz AG expects that revenues for the 2016 fiscal year will be at the level of the previous year, and confirms its expectations regarding a significantly improved EBIT (earnings before interest and taxes) compared to the 2015 fiscal year.

CONSOLIDATED INCOME STATEMENT

January 1 to September 30, 2016 (in EUR tsd.)

	Jan. 1 to Sept. 30, 2016	Jan. 1 to Sept. 30, 2015
Revenues	167,312	168,951
Inventory changes, finished and unfinished goods	-281	1,973
Work performed by the entity and capitalized	5,561	10,970
Total operating revenues	172,592	181,894
Other operating income	3,969	5,435
Cost of materials	-100,012	-111,147
Gross profit	76,549	76,182
Personnel expenses	-58,388	-64,236
Other operating expenses	-33,336	-32,593
EBITDA	-15,175	-20,647
Amortization/depreciation	-10,480	-9,451
Operating earnings (EBIT)	-25,655	-30,098
Finance income	32	62
Finance costs	-2,802	-2,098
Earnings before taxes (EBT)	-28,425	-32,134
Income taxes	-2,427	-1,623
Consolidated profit or loss	-30,852	-33,757
of which attributable to minority interests	-77	-6
of which attributable to shareholders of Manz AG	-30,775	-33,751
Weighted average number of shares	6,548,058	5,207,315
Earnings per share (diluted = undiluted) in EUR per share	-4.70	-6.48

CONSOLIDATED INCOME STATEMENT

July 1 to September 30, 2016 (in EUR tsd.)

	July 1 to Sept. 30, 2016	July 1 to Sept. 30, 2015
Revenues	43,353	47,023
Inventory changes, finished and unfinished goods	1,124	1,444
Work performed by the entity and capitalized	1,542	3,191
Total operating revenues	46,019	51,658
Other operating income	798	2,338
Cost of materials	-29,744	-33,981
Gross profit	17,073	20,015
Personnel expenses	-17,887	-22,958
Other operating expenses	-9,884	-11,008
EBITDA	-10,698	-13,951
Amortization/depreciation	-3,209	-3,242
Operating earnings (EBIT)	-13,907	-17,193
Finance income	14	25
Finance costs	-448	-873
Earnings before taxes (EBT)	-14,341	-18,041
Income taxes	443	-723
Consolidated profit or loss	-13,898	-18,764
of which attributable to minority interests	-22	0
of which attributable to shareholders of Manz AG	-13,876	-18,764
Weighted average number of shares	7,744,088	5,420,864
Earnings per share (diluted = undiluted) in EUR per share	-1.79	-3.46

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)

	Sept. 30, 2016	Sept. 30, 2015
Non-current assets		
Intangible assets	80,586	81,574
Property, plant, and equipment	39,349	42,830
Deferred taxes	3,298	4,095
Other non-current assets	1,686	1,634
	124,919	130,133
Current assets		
Inventories	38,170	36,636
Trade receivables	85,630	83,799
Income tax receivables	363	151
Derivative financial instruments	0	28
Other current receivables	5,403	7,421
Liquid funds	63,488	34,372
	193,054	162,407
Total assets	317,973	292,540

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR tsd.)

	Sept. 30, 2016	Sept. 30, 2015
Equity		
Issued capital	7,744	5,421
Retained earnings	173,730	99,345
Revenue reserves	-31,021	-2,315
Currency translation	20,846	18,512
Shareholders of Manz AG	171,299	120,963
Minority Interests	4,315	4,297
	175,614	125,260
Non-current liabilities		
Non-current financial liabilities	1,451	1,913
Non-current deferred investment grants	59	64
Financial liabilities from leases	8	11
Pension provisions	7,826	7,839
Other non-current provisions	2,724	2,502
Other non-current liabilities	875	875
Deferred taxes	1,946	1,178
	14,889	14,382
Current liabilities		
Current financial liabilities	54,228	80,999
Trade payables	33,622	40,809
Payments received	22,167	10,507
Income tax liabilities	557	196
Other current provisions	6,621	6,258
Derivative financial instruments	0	3,140
Other liabilities	10,271	10,976
Financial liabilities from leasing	4	13
	127,470	152,898
Total liabilities and shareholders' equity	317,973	292,540

CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)

	Jan. 1 to Sept. 30, 2016	Jan. 1 to Sept. 30, 2015
Cash flow from operating activities		
Operating earnings (EBIT)	-25,655	-30,098
Depreciation / amortization of fixed assets	10,480	9,451
Increase (+) / decrease (-) in pension provisions and other non-current provisions	209	405
Other non-cash income (-) and expenses (+)	180	-36
Cash flow	-14,786	-20,278
Gains (-) / losses (+) from disposals of assets	128	-1,957
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-487	-35,727
Increase (+) / decrease (-) in trade payables and other liabilities	4,679	3,037
Income tax received (+)/paid	149	-2,986
Interest paid	-2,582	-1,988
Interest received	30	61
Cash flow from operating activities	-12,869	-59,838
Cash flow from investing activities		
Cash receipts from the sale of fixed assets	12	1,005
Cash payments for investments in intangible assets and property, plant and equipment	-6,516	-14,744
Cash payments for the acquisition of consolidated entities, less liquid funds received	0	-4,674
Cash flow from investing activities	-6,504	-18,413
Cash flow from financing activities		
Cash proceeds from long-term borrowings	985	13,150
Cash payments for repayment of long-term borrowings	-578	-2,325
Change in current financial liabilities	-26,771	31,620
Purchase of treasury shares	-5	-10
Cash payments for the repayment of financial leases	-11	-12
Cash receipts from issue of capital	80,709	41,888
Costs of raising capital (before taxes)	-5,880	-1,307
Cash flow from financing activities	48,449	83,004
Cash and cash equivalents at the end of the period		
Net change in cash funds (subtotal 1 – 3)	29,076	4,753
Effect of exchange rate movements on cash and cash equivalents	40	992
Cash and cash equivalents on January 1	34,372	23,153
Cash and cash equivalents on September 30	63,488	28,898
Composition of cash and cash equivalents		
Liquid funds	63,488	28,898
Cash and cash equivalents on September 30	63,488	28,898

SEGMENT REPORTING FOR DIVISIONS

As of September 30, 2016

(in EUR tsd.)	Revenues with third parties	EBITDA	EBIT
Solar			
Jan. 1 to Sept. 30, 2015	17,154	-9,924	-13,759
Jan. 1 to Sept. 30, 2016	21,435	-5,871	-10,509
Electronics			
Jan. 1 to Sept. 30, 2015	65,311	-16,367	-20,128
Jan. 1 to Sept. 30, 2016	71,972	-4,503	-7,756
Energy Storage			
Jan. 1 to Sept. 30, 2015	55,593	1,651	439
Jan. 1 to Sept. 30, 2016	41,885	-5,621	-7,487
Contract Manufacturing			
Jan. 1 to Sept. 30, 2015	22,778	1,838	1,432
Jan. 1 to Sept. 30, 2016	22,685	485	84
Others			
Jan. 1 to Sept. 30, 2015	8,115	2,155	1,918
Jan. 1 to Sept. 30, 2016	9,335	335	13
Konzern			
Jan. 1 to Sept. 30, 2015	168,951	-20,647	-30,098
Jan. 1 to Sept. 30, 2016	167,312	-15,175	-25,655

SEGMENT REPORTING FOR REGIONS

As of September 30, 2016

(in EUR tsd.)	Third-party revenues by destination of delivery
Germany	
Jan. 1 to Sept. 30, 2015	25,059
Jan. 1 to Sept. 30, 2016	13,369
Rest of Europe	
Jan. 1 to Sept. 30, 2015	26,878
Jan. 1 to Sept. 30, 2016	24,856
China	
Jan. 1 to Sept. 30, 2015	81,411
Jan. 1 to Sept. 30, 2016	86,775
Taiwan	
Jan. 1 to Sept. 30, 2015	21,710
Jan. 1 to Sept. 30, 2016	24,040
Rest of Asia	
Jan. 1 to Sept. 30, 2015	5,830
Jan. 1 to Sept. 30, 2016	7,513
USA	
Jan. 1 to Sept. 30, 2015	6,402
Jan. 1 to Sept. 30, 2016	10,704
Other Regions	
Jan. 1 to Sept. 30, 2015	1,661
Jan. 1 to Sept. 30, 2016	55
Group	
Jan. 1 to Sept. 30, 2015	168,951
Jan. 1 to Sept. 30, 2016	167,312

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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