



MANZ AG

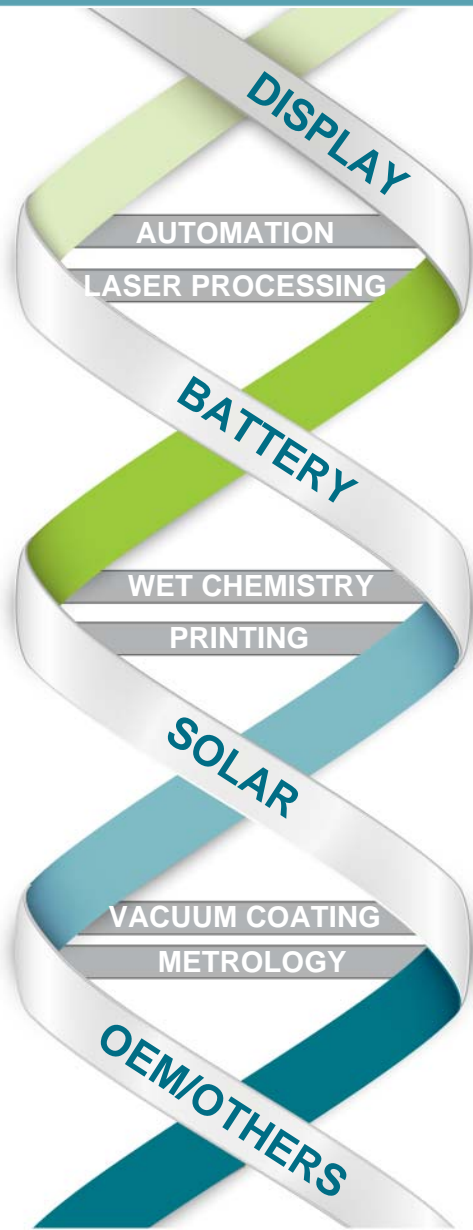
CONFERENCE CALL 3M-RESULTS 2014

MAY 15, 2014 / MARTIN HIPPEL



**ENABLING
THE
FUTURE**

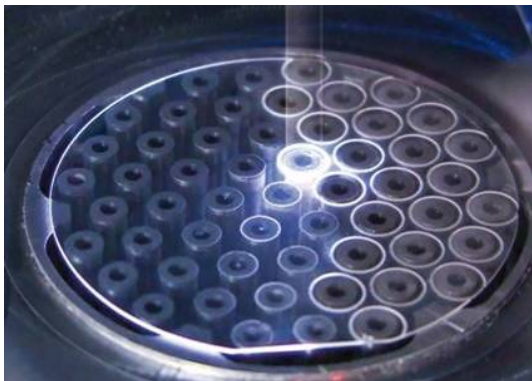
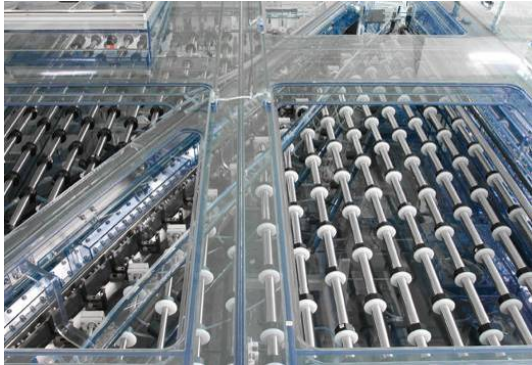
With its outstanding technological expertise, Manz AG is one of the world's leading suppliers of high-tech manufacturing equipment for key technologies of our times, such as displays and devices for global communication needs, sustainable power generation and e-mobility.



- Diversification in technologies, industries and regions is our backbone and of vital importance for a sustainable and dynamic development of our company
 - Technology transfer across business units with high synergy effects
 - Coverage of various applications in multiple industries with same base technology
 - Significantly reduced R&D costs and very short time to market
 - Strong market position in several industries
 - No dependency on the volatility of just one industry
 - Flexibility and resistance to crises in global competition
 - Worldwide sales, service, production and R&D
 - International production network and excellent positioning in Asia ensures German high-tech engineering with global cost advantages and local service
- >> **Advanced technology and equipment for high growth industries**



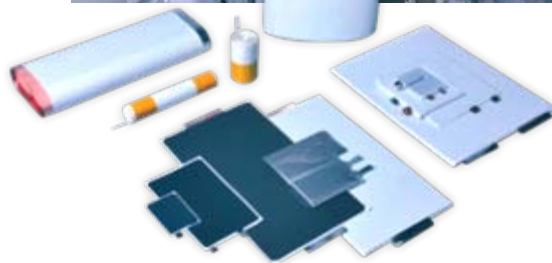
- **Financial figures of first quarter 2014 reflect cyclical development of market for Premium Consumer Electronics and corresponding low order intake in Q4 2013**
 - Revenue of EUR 54.2m (Q1 2013: EUR 49.8m)
 - Gross revenue of EUR 51.0m (Q1 2013: EUR 54.7m) reflects reduction of inventory
 - EBITDA of EUR 0.2m (Q1 2013: EUR 4.4m) influenced by low capacity utilization due to weak order intake in fourth quarter 2013
 - EBIT of EUR -5.7m (Q1 2013: EUR -1.4m)
- **Dynamic start into 2014**
 - Growth prospects confirmed: New orders achieved in last weeks amounting to around EUR 75m
 - Current order backlog of around EUR 133m as excellent basis for successful business development in 2014
 - Expansion of technology portfolio in Battery division through acquisition of mechanical engineering division of KEMET Electronics Italy (formerly Arcotronics)
 - Return to TecDax



- **Display: Main driver of revenues and earnings**
 - Revenue of EUR 28.4m at previous year's level (Q1 2013: EUR 28.3m)
 - EBIT of EUR 2.1m (Q1 2013: EUR 2.1m)
- Outstanding market position as leading equipment and solution provider for display and touch panel industry
 - Manz is world market leader for wet chemical machines for touch panels
 - One of the most important process steps in the production of touch-sensitive displays
 - New vacuum coating systems for improved mechanical properties of touch panel displays
 - Extensive technology portfolio enables Manz to meet the high requirements from component manufacturers and premium brand owners
- Excellent chances for further increase of revenue and earnings in this division in 2014
 - New orders achieved in last weeks comprise automation, laser, and metrology equipment for production of smartphones and tablet PCs



- **Solar: Stable development and high upside potential**
 - Revenue of EUR 2.4m nearly at previous year's level (Q1 2013: EUR 3.1m)
 - EBIT of EUR -8.4m (Q1 2013: EUR -5.3m)
 - EBIT strongly burdened by high investments in development of new technology and contractual termination of payments from Würth Solar as part of the takeover agreement for the site in Schwäbisch Hall
- Existing enquiries and orders in 2014 reflect stimulation of solar industry
 - Q1 Solar revenue and current order backlog in Solar division almost on level of full year 2013
- Manz will participate as leading equipment manufacturer in next investment cycle
 - Development of next generation's equipment for solar industry completed → transfer to Manz China ongoing
 - Unchanged high potential for CIGSfab in emerging PV markets with political support for localization of production



- **Battery: Revenue and earnings influenced by insufficient growth dynamic in e-mobility market**
 - ➔ Revenue of EUR 1.2m (Q1 2013: EUR 1.9m)
 - ➔ EBIT of EUR -1.2m (Q1 2013: EUR 0.2m)
- After acquisition of mechanical engineering division of Kemet Electronics Italy (former Arcotronics) Manz is the only equipment manufacturer that covers all important production technologies for all Lithium-ion cell technologies
 - ➔ Long-term expertise of Manz in stacking technology is complemented by winding and laminating technology
- Improved market access to attractive new customers in the area of consumer electronics in Europe, USA, and Asia
 - ➔ Already existing market, independent from future dynamic growth of e-mobility
- New subsidiary „Manz Italy“ will contribute around EUR 15m to Manz AG's annual revenues with positive effect on net profit in the current 2014 fiscal year

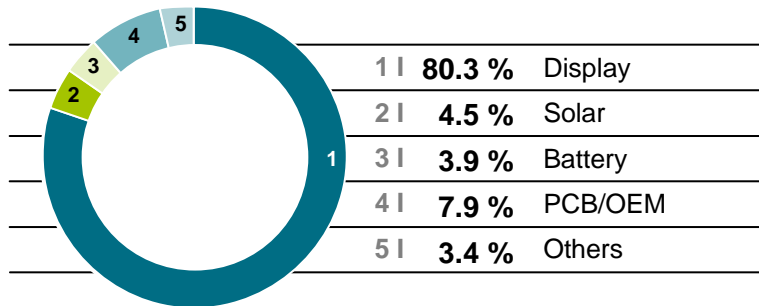


- **OEM/PCB: Ongoing positive development**
 - Revenue increased by 42.6 % to EUR 16.0m (Q1 2013: EUR 11.2m)
 - EBIT increased to EUR 1.2m (Q1 2013: EUR 1.0m)
- OEM business still driven by strong demand of semiconductor industry
- Ongoing positive development of PCB segment
 - Benefit from increasing use of electronic devices in everyday life and ongoing high demand for consumer electronics, e.g. smart phones and tablet computers
 - High demand reflects strong local presence of Manz in China
- Strengthening of OEM business and expansion to other industries as strategic target to further stabilize business model
 - Ensures high utilization rate of our capacities
 - Compensation of volatile revenue and capacity utilization in strategic business units

FINANCIAL FIGURES

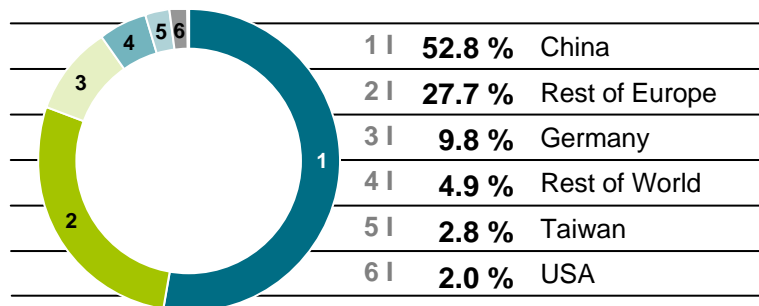
Order backlog: EUR 133.2m

As of May 13, 2014



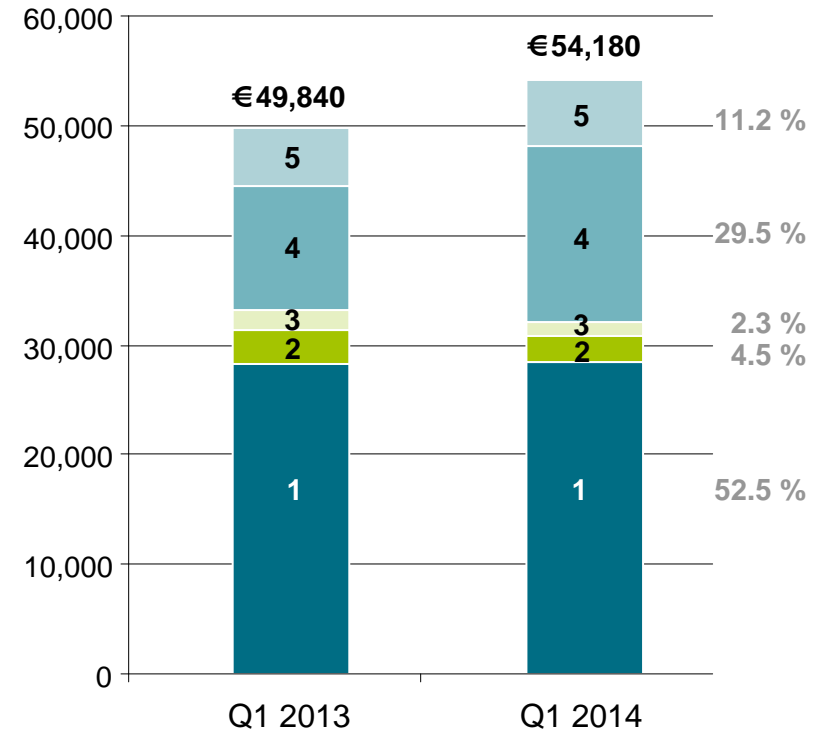
Revenue by region

As of March 31, 2014



Revenue by business units

In EUR thousand

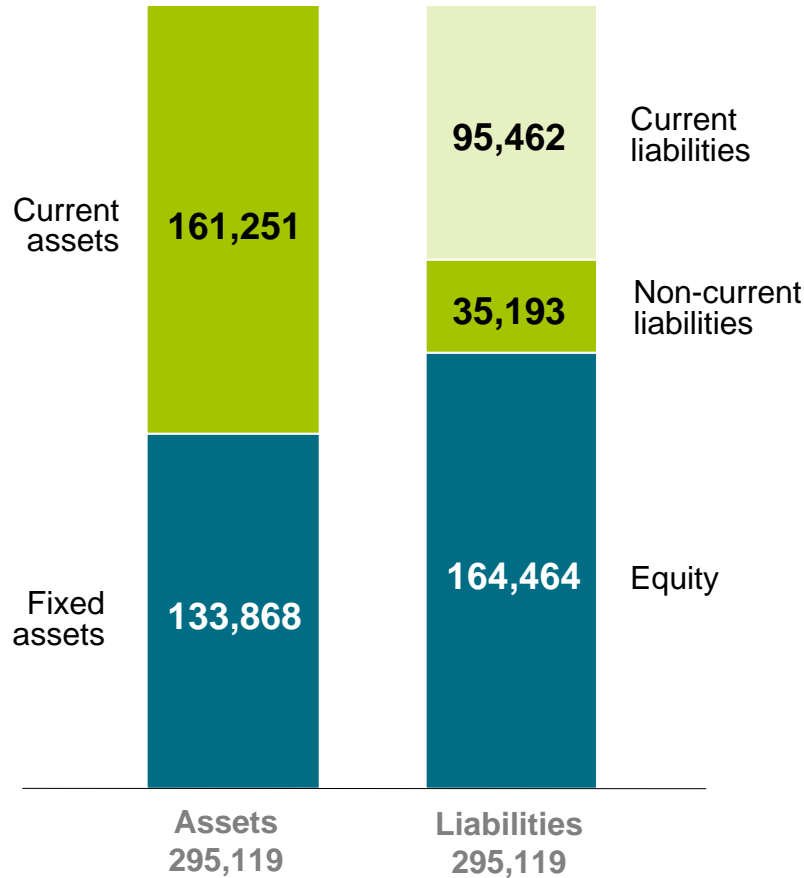


1 | Display 2 | Solar 3 | Battery 4 | PCB/OEM 5 | Others

in EUR thousand	Jan.1 – Mar. 31 2014	Jan.1 – Mar. 31 2013
Revenue	54,180	49,840
Gross revenue	51,025	54,726
Other operating income	1,281	3,553
Cost of materials	-26,844	-29,600
Personnel expenses	-16,272	-16,069
Other expenses	-8,963	-8,170
EBITDA	227	4,440
EBIT	-5,700	-1,403

- Increase of revenue by 8.7 % to EUR 54.2m (Q1 2013: EUR 49.8m)
- Gross revenue of EUR 51.0m (Q1 2013: EUR 54.8m) due to reduction of inventory
- Reduced other operating income of EUR 1.3m (Q1 2013: EUR 3.6m) influenced by contractual termination of payments from Würth Solar
- Material cost ratio slightly decreased to 52.6 % (Q1 2013: 54.1 %)
- Personnel costs increased from EUR 16.1m in Q1 2013 to EUR 16.3m due to slightly expansion of personnel
- Other expenses slightly increased from EUR 8.2m in Q1 2013 to EUR 9.0m
- EBITDA of TEUR 227 (Q1 2013: EUR 4.4m)
- EBIT of EUR -5.7m (Q1 2013: EUR -1.4m)

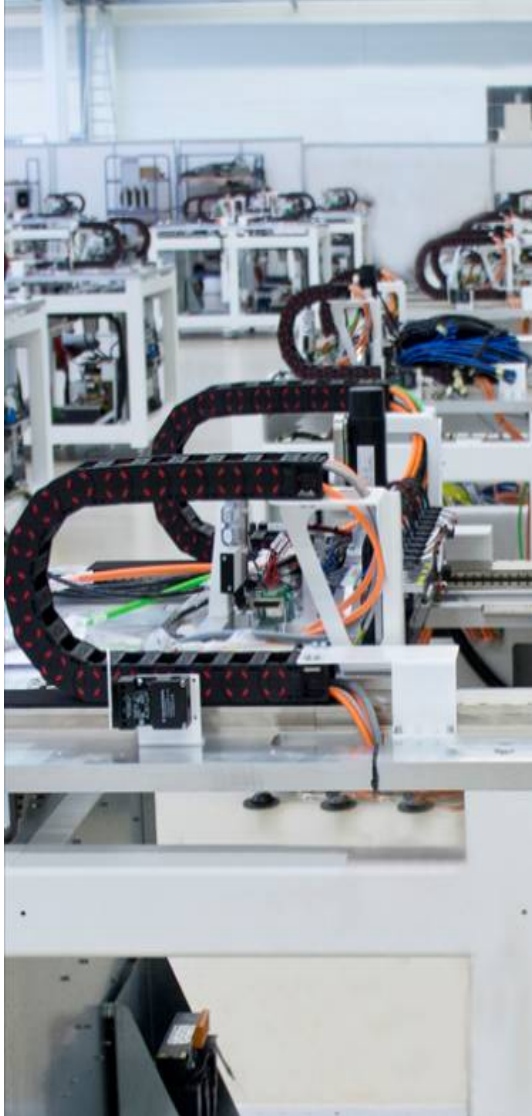
As of March 31, 2014
In EUR thousand



- Equity of EUR 164.5m (end of 2013: EUR 175.0m) influenced by net loss of the period
- Non-current liabilities slightly increased from EUR 33.1m to EUR 35.2m due to increase of non-current financial liabilities
- Current liabilities significantly declined from EUR 111.0m to EUR 95.5m as a result of reduced current financial liabilities (repayment of credit lines amounting to EUR 17.7m)
- Fixed assets decreased from EUR 138.2m to EUR 133.9m due to scheduled depreciation of both intangible and fixed assets
- Current assets diminished from EUR 181.0m to EUR 161.3m
 - Higher accounts receivable and inventories reflect positive order situation in Q1 2014
 - Reduced liquid funds as a result of repayment of credit lines
- Net debt of EUR 10.4m (end of 2013: EUR 0.4m)

in EUR thousand	Jan.1 – Mar. 31 2014	Jan.1 – Mar. 31 2013
Cash flow from operating activities	-7,334	-5,685
Cash flow from investing activities	-2,134	-1,398
Cash flow from financing activities	-16,003	5,568
Cash	38,588	28,942

- Operating Cash flow of EUR -7.3m (Q1 2013: EUR -5.7m) as a result of the negative result in the 1st quarter 2014
- Cash flow from investing activities of EUR -2.1m (Q1 2013: EUR -1.4m) comprises slightly intensified investment
- Cash flow from financing activities of EUR -16.0m (Q1 2013: EUR 5.6m) due to repayment of bank liabilities amounting to EUR 15.2m
- Improved cash position of EUR 38.6m (Q1 2013: EUR 28.9m) as result of capital increase in November 2013



- Ongoing diversification in technology, industries, and regions
 - Focus on further expansion of excellent position as leading equipment supplier for consumer electronic and battery industry
- Good prospects for 2014 due to high growth potential in all strategic divisions
 - Despite temporarily slight slowdown of market dynamics, investment boom in display industry will continue
 - Upturn in solar industry has high upside potential and creates good conditions for sale of a CIGSfab
 - Positive momentum for Battery division by promising perspectives in the premium consumer electronics sector due to acquisition
 - Access to important international new customers
 - Positive development of OEM/PCB segment due to expansion of OEM business to other industries and ongoing high demand for consumer electronics
- High order backlog of EUR 133m confirms mentioned prospects

>> 2014: Strong growth (including sale of CIGSfab) in revenue and considerably improved EBIT expected

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