

Manz AG: Managing Board Decides on Capacity Adjustments to the German and International Sites

- *Personnel reduction of 174 employees*
- *Cost savings of approximately 7 million euros*
- *Further optimization of processes, structures and capacities inside the Group to improve profitability*
- *Examination of the strategic options for the Solar segment has not yet been completed*

Reutlingen, December 10, 2015 – As a result of the current development of business, the Managing Board and Supervisory Board of Manz AG have agreed upon an adjustment to the capacities at the German and international sites. This step was necessary due to the significant impacts of order postponements and cancellations on revenues and earnings for the high-tech equipment manufacturer in the current fiscal year 2015. The personnel reduction is a part of the restructuring program initiated at the end of October, which is being implemented in the company over the upcoming fiscal year in order to return to operational profitability. In addition, the cost structure should be improved through further optimization of the processes, structures and capacities within the Group.

The subsidiaries in Taiwan and China should become more profitable through such measures as a clearer focusing of their tasks and a reduction of personnel costs. This will involve more consistent outsourcing of production from Taiwan and Germany to the Chinese site in order to effectively improve its utilization, increase cost advantages and take advantage of opportunities for direct access to customers. Today, the majority of the customer base has already established its production capacities there and, in the view of the management of Manz AG, will continue to expand them in the coming years. In this way, the company is also pursuing the goal of diversifying its own customer portfolio using intensive sales actions, while simultaneously reducing its dependence on individual large customers. In addition, an expansion of the product portfolio with innovative and higher-margin high-end products for the strategic target industries should contribute to the optimization of Manz AG's profitability.

These actions come with significant streamlining of the organization. Manz will reduce the total workforce by 174 employees, thereof 101 employees at the international sites and 73 employees at the German sites. With regard to profits, the Managing Board expects a positive effect of approximately 7 million euros beginning in fiscal year 2016 from the process, structure and capacity measures. Additional potentials in the lower two-digit million range from optimized sales and purchasing processing are being examined by the Managing Board.

Strategic focus on the growth markets Energy Storage and Electronics – Examination of the strategic options for the Solar segment has not yet been completed

With its comprehensive technology portfolio, Manz AG is the only non-Asian company that is very well positioned in the energy storage growth market. The Managing Board is therefore convinced that it is possible to benefit from the anticipated rapid growth rates in the field of storage technologies. The second strategic pillar remains the Electronics business segment, in which the company offers production solutions for the manufacture of smartphones and tablets, flat panel displays, touch sensors and printed circuit boards. The continuing global trend towards mobile communication offers Manz appealing prospects for attaining additional growth. In both future markets, Manz already maintains long-standing client relationships with all the relevant market participants.

The examination of the strategic options for the Solar segment has not yet been completed. The realization of the chances that have occurred in the course of this process would have significant effects on the design and implementation of the planned restructuring, and also in particular on a potential continuation of the Solar segment. The Managing Board and Supervisory Board of Manz AG have thus decided in close cooperation with financing banks to decide on the entire package of measures only after concluding the discussions on the examination. This is expected at the beginning of the next year.

The strategic orientation will be strengthened by the two business segments New Business and Contract Manufacturing. The New Business segment plays an important role in opening new potential target markets and industries for further diversification of the business of Manz AG. The Contract Manufacturing segment will also support flexible and high capacity utilization inside the Group in the future.

Company profile:

Manz AG – passion for efficiency

As one of the world's leading high-tech equipment manufacturers, Manz AG, based in Reutlingen, Germany, is a pioneer for innovative products in fast-growing markets. Founded in 1987, the company has expertise in seven technology sectors: automation, vacuum coating, laser processing, screen printing, metrology, wet chemical and roll-to-roll processing. Manz deploys and continuously develops these technologies in three strategic business segments: Electronics, Solar and Energy Storage.

The company is led by founder Dieter Manz and has been listed on the stock exchange in Germany since 2006. It currently develops and produces in Germany, China, Taiwan, Slovakia, Hungary and Italy. It also has sales and service branches in the United States and India. Manz's claim "passion for efficiency" offers the promise of production systems of the highest efficiency and innovation to its customers in dynamic, future-oriented industries. With its comprehensive expertise in developing new production technologies and related machines, the company substantially contributes to reducing production costs for end products, making them accessible to large groups of buyers the world over.

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