MANZ AG

FINANCIAL FIGURES FULL YEAR 2017

ECKHARD HÖRNER-MARASS, CEO / HOLGER WANKO, VP FINANCE

MARCH 29, 2018

passion for efficiency

2017 | FY

FINANCIAL FIGURES

MANZ AG – FINANCIAL FIGURES 2017

INCOME STATEMENT

manz passion for efficiency

in EUR million	2017	2016	Change in %
Group Revenues	325.0	231.0	+40.7 %
Gross Revenue	335.1	238.9	+40.3 %
Other Operating Income	38.6	7.4	+421.6 %
Cost of Materials	-222.6	-138.4	+60.8 %
Personnel Expenses	-74.5	-79.1	-5.8 %
Other Operating Expenses	-65.2	-50.4	+29.4 %
EBITDA	11.5	-21.8	n.a.
Amortization/Depreciation	-9.9	-14.2	-30.3 %
EBIT	1.6	-35.9	n.a.

- Record revenues of 325m EUR with positive EBIT in 2017
  - → Revenues 40.7 % above previous year
  - → EBIT improved by 37.5m EUR, incl. one-off special effect in the Solar segment
- Revenue contribution of 132.3m EUR and positive EBIT achieved in Q4/2017 reflect the company's positive development

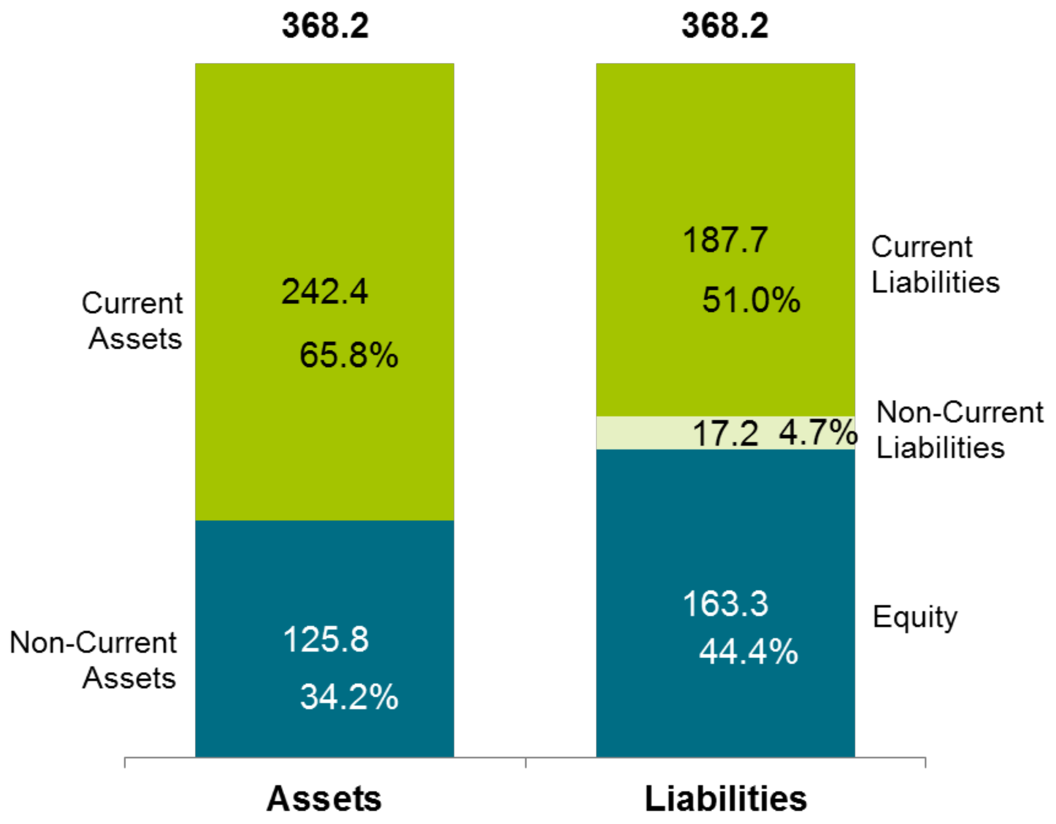
FURTHER FINANCIAL KEY FIGURES

in EUR million	2017	2016
CF from Operating Activities	19.5	-16.7
CF from Investing Activities	10.0	-9.0
Free CF	29.5	-25.7
CF from Financial Activities	-29.2	46.3
Liquid Funds	72.2	55.7
Net Debt interest-bearing liabilities ./. liquid funds	-31.9	-1.3
Net Working Capital current assets ./. liquid funds ./. non-interest-bearing current liabilities	19.5	55.4

- Free cash flow significantly improved due to deconsolidation effect (sale of Manz CIGS Technology GmbH) and received down payment for CIGS orders
- Decline of net debt: Increase of liquid funds due to sale of Manz CIGS Technology GmbH
- Sharp decline of net working capital because of processing of CIGS orders

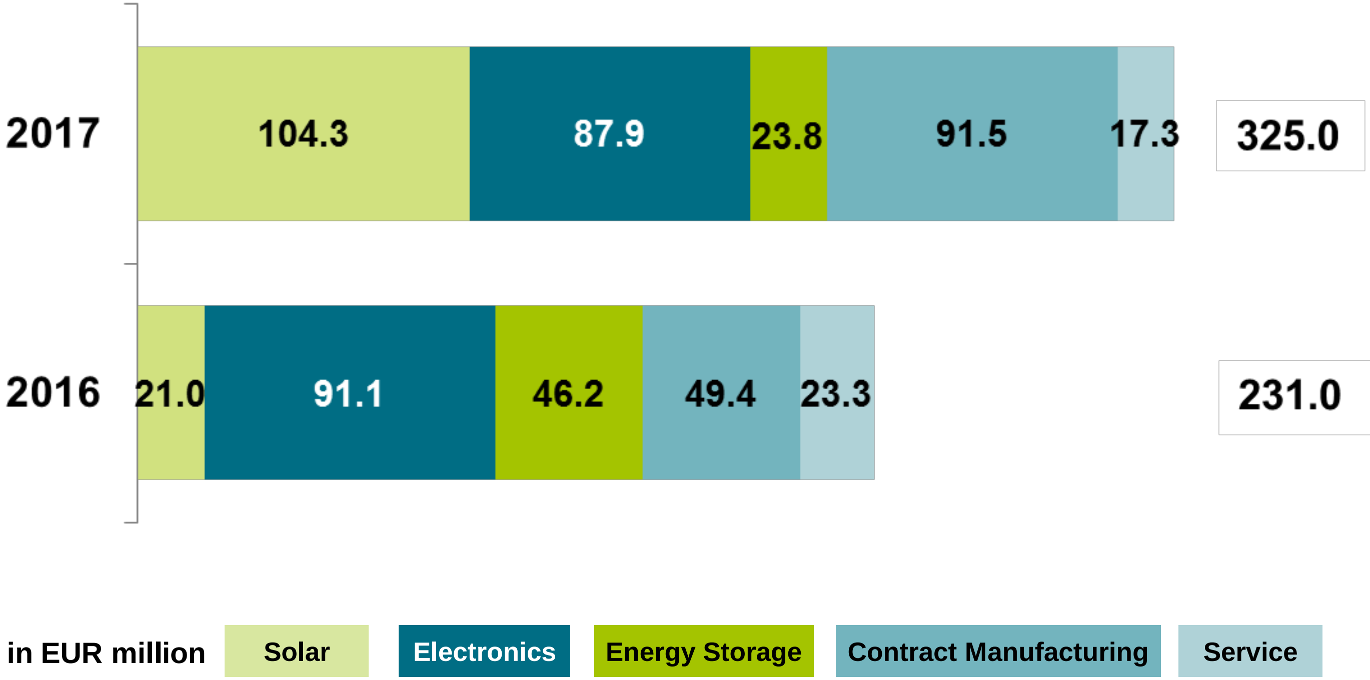
MANZ AG – FINANCIAL FIGURES 2017
BALANCE SHEET

in EUR million



- Balance sheet total as of December 31, 2017 increased by 18.0 % compared to the end of 2016 (Dec 31, 2016: EUR 312.1m)
- Equity ratio with 44.4 % on good and stable level

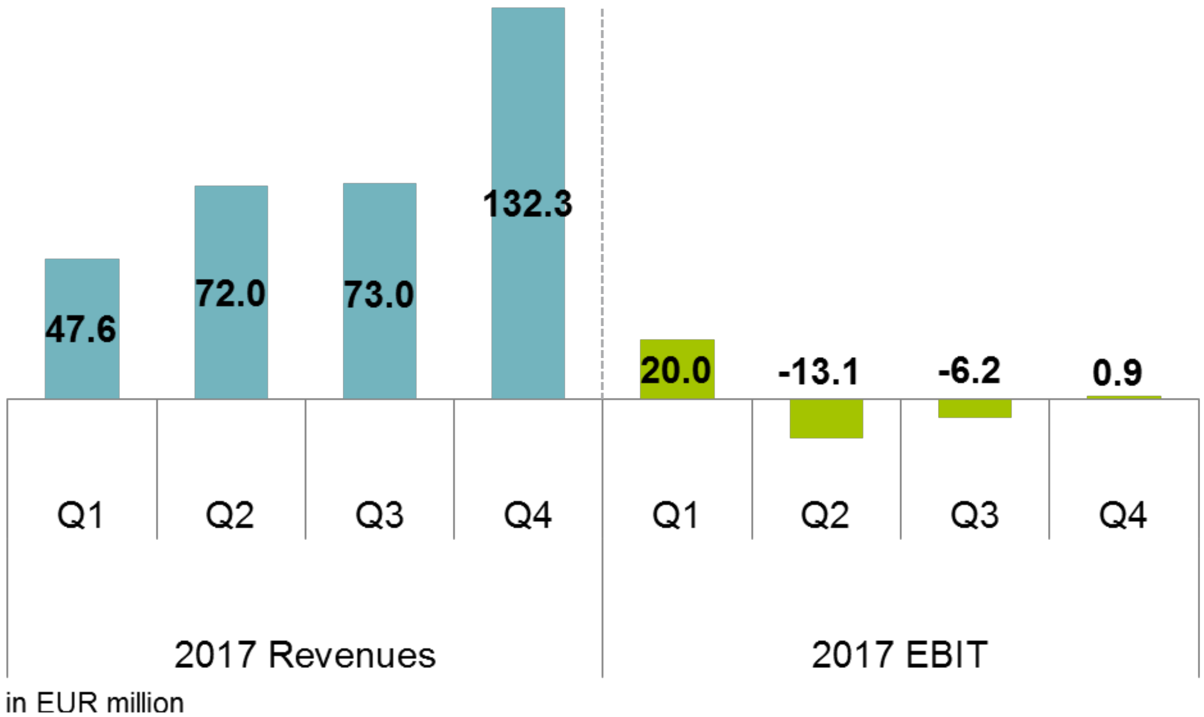
REVENUE DEVELOPMENT



- Solar: Positive development driven by implementation of CIGS bulk orders
- Energy Storage: Strategic reorientation and development of new products result in decline in revenues
- Contract Manufacturing: Increase in revenues reflects successful business mainly of Talus Manufacturing in Taiwan but also with new customers

MANZ AG – FINANCIAL FIGURES 2017

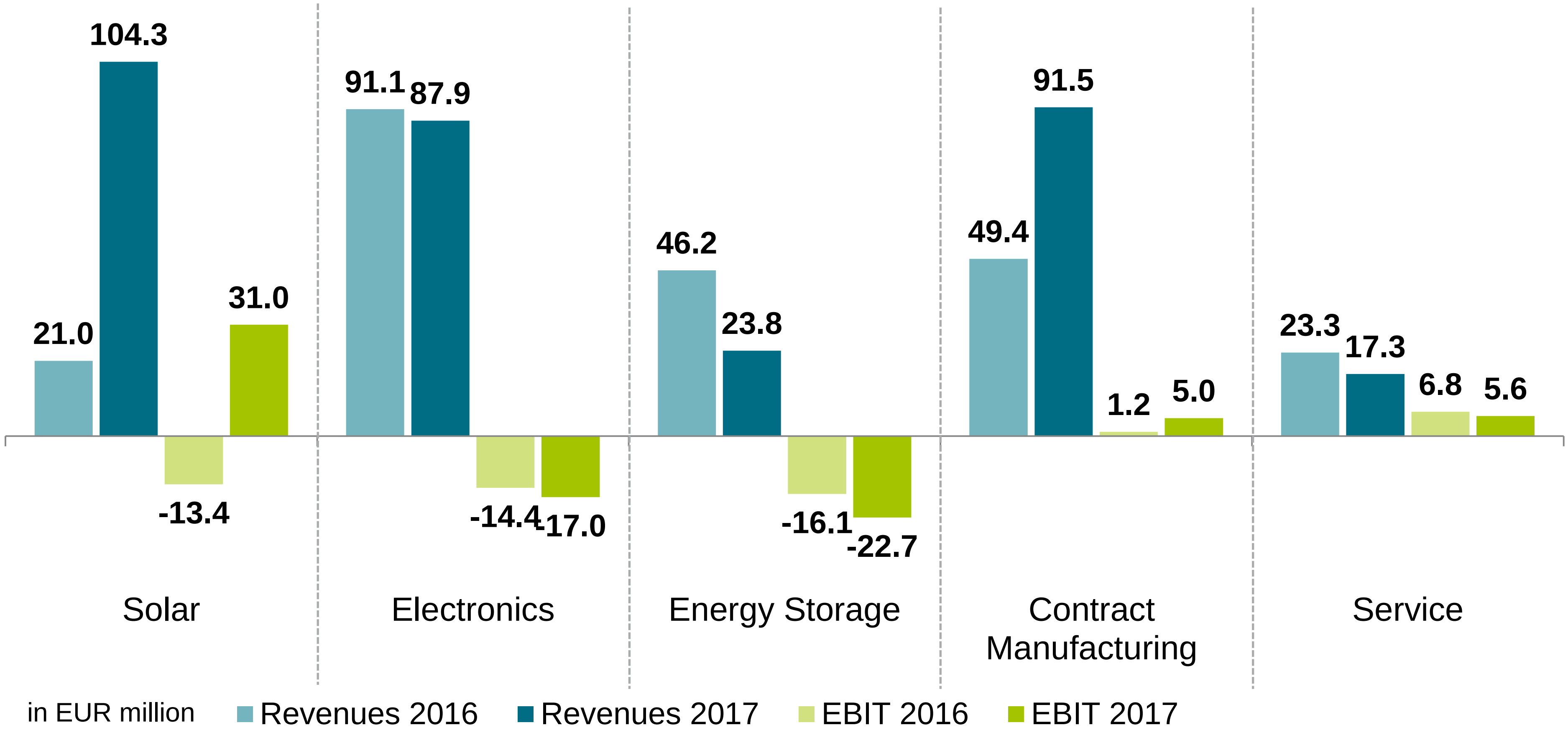
REVENUES & EBIT Q1/2017– Q4/2017 GROUP



- EBIT Q1 results from one-time accounting effect of EUR 34.4m from sale of Manz CIGS Technology GmbH
- Higher sales in Q2 and Q3 compared to Q1 in Solar, Electronics and Contract Manufacturing
- EBIT improved quarter by quarter
- EBIT Q4 positive and reflects company‘s positive development

MANZ AG – FINANCIAL FIGURES 2017

REVENUES & EBIT 2016 – 2017 SEGMENT



2017 FY

SEGMENT STATUS

SEGMENT SOLAR

in EUR million		2017	2016	Change in %
Solar	Revenues	104.3	21.0	396.7 %
	EBIT	31.0	-13.4	n.a.

- Significant impact of implementation of major CIGS orders
  - → Processing of orders totaling EUR 263m is within the planned schedule and up to now all of the milestones were reached
  - → In total EUR 130m advance payments already received
- Project start in mid-2017 later than expected due to regulatory formalities
  - → Portion of revenues and earnings contribution has been moved into financial year 2018
- EBIT reflects one-time accounting effect of EUR 34.4m

MANZ AG – FINANCIAL FIGURES 2017
SEGMENT ELECTRONICS

in EUR million		2017	2016	Change in %
Electronics	Revenues	87.9	91.1	-3.5 %
	EBIT	-17.0	-14.4	n.a.

- Stable development of classic display and PCB business in accordance with planning
- Market for equipment used in the manufacture of end devices (e.g. smartphones or tablet computers) remained below initial expectations
  - → Strategic reorientation towards higher degree of standardization
  - → Increase in demand towards the end of 2017
- EBIT affected by development of new standard products, automation and process modules as well as expansion of sales network in Asia, Europe and USA

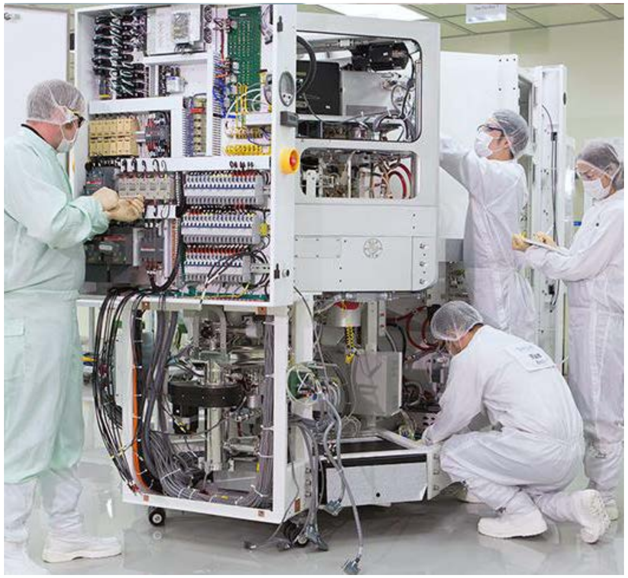
MANZ AG – FINANCIAL FIGURES 2017
SEGMENT ENERGY STORAGE

in EUR million		2017	2016	Change in %
Energy Storage	Revenues	23.8	46.2	-48.5 %
	EBIT	-22.7	-16.1	n.a.

- Revenues & Earnings below previous year
- Strategic reorientation towards higher degree of standardization, new application areas and broader customer base
  - → Investment in material and personnel-intensive R&D
  - → Expansion of sales in Asia, Europe and USA
  - → Increase in demand towards the end of 2017

SEGMENT CONTRACT MANUFACTURING

in EUR million		2017	2016	Change in %
Contract Manufacturing	Revenues	91.5	49.4	85.2 %
	EBIT	5.0	1.2	316.7 %



- Revenues reflect growth of Talus Manufacturing Ltd. and acquisition of new customers
- Positive development of EBIT but still affected by investment in expansion of capacities (mainly staff)

SEGMENT SERVICE

in EUR million		2017	2016	Change in %
Service	Revenues	17.3	23.3	-25.8 %
	EBIT	5.6	6.8	-17.7 %

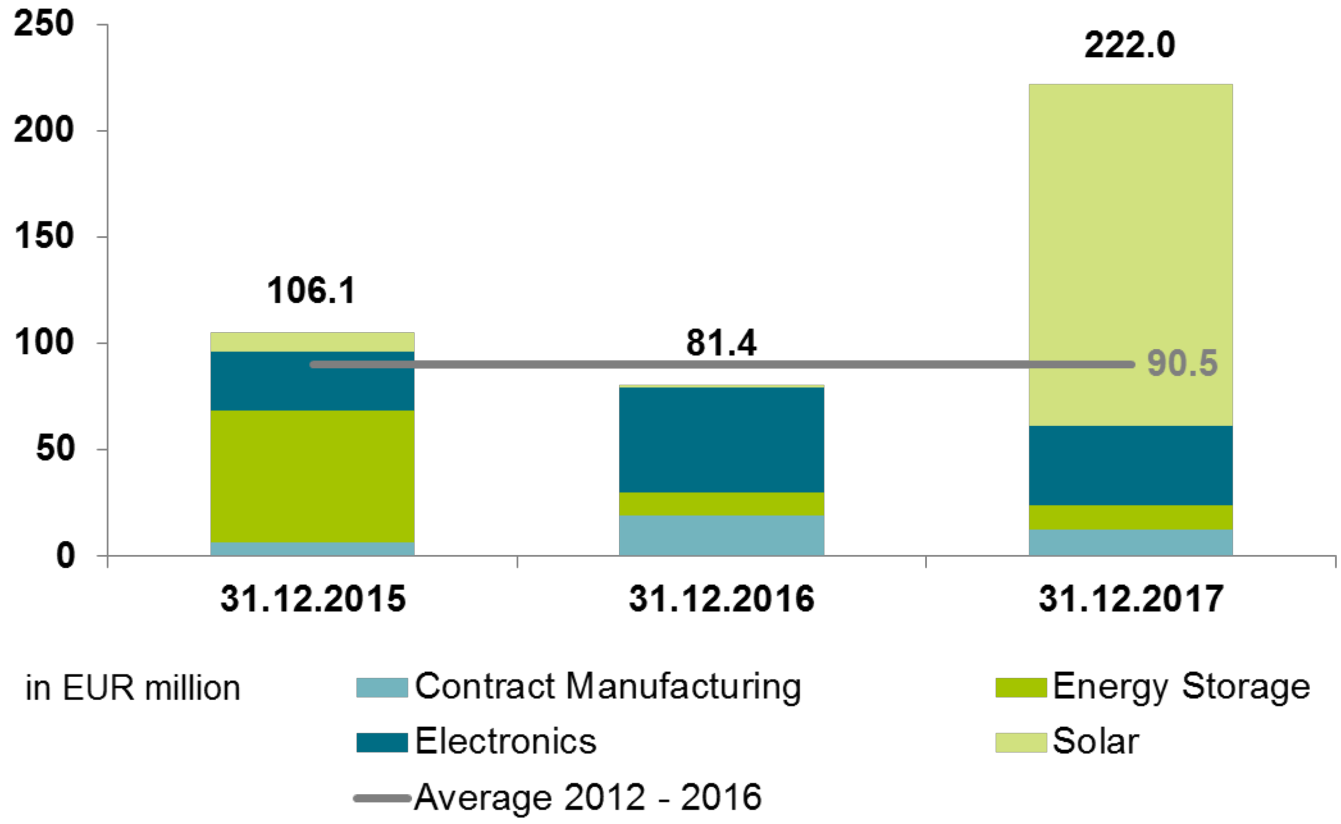
- Service business developed in line with expectations, despite decrease in revenues caused by shifts in project mix
- High EBIT margin of almost 30 % proves importance of service business to support future profitable growth of the company

2018

OUTLOOK

ORDER BACKLOG

- Order backlog of December 31, 2017 reflects orders for CIGS production lines



OUTLOOK

- Implementation of CIGS orders according to plan
- Order intake in the segments Energy Storage and Electronics in the beginning of 2018 significantly above previous year's level
  - → Emerging breakthrough of e-mobility offers high additional potential
- Further expansion of service and contract manufacturing business
- Continuation of optimization program Manz 2.0
  - → Organizational improvements such as strengthening of global sales and service network & reduction of interfaces by streamlining of the group’s structures
  - → Organizational merger of PCB and Display in February 2018

GUIDANCE 2018

Increase in revenues of 10 % to 14 % and slightly positive EBIT excluding special effects

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THANK YOU VERY MUCH FOR YOUR ATTENTION!

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