



MANZ AG

WEBCAST FINANCIAL FIGURES 2015

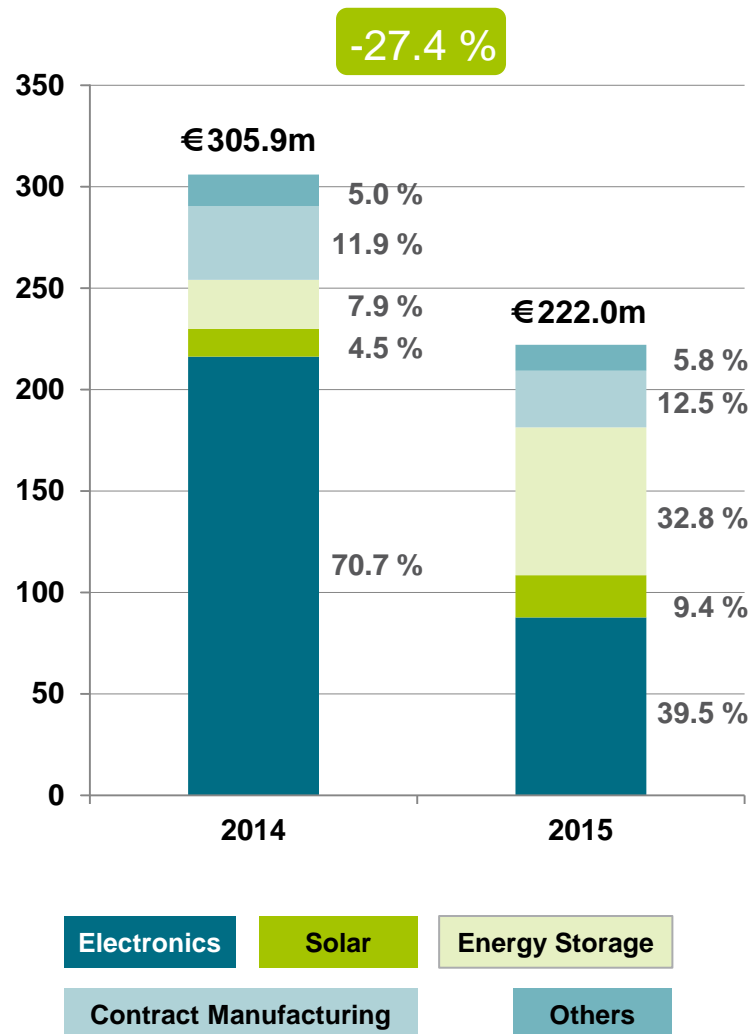
MARCH 30, 2016 / DIETER MANZ, MARTIN HIPPE, MARTIN DRASCH



- Tremendous challenges in 2015 only comparable to the ones we had been faced with at the beginning of the solar crisis
 - Order cancellation and loss of follow-up orders in business unit Electronics as well as order postponements in business unit Energy Storage amounting to EUR 140m in total
- Revenues of EUR 222.0m below previous year's level (EUR 305.9m)
- EBIT of EUR -58.2m
 - Weak revenue base compared to previous year
 - Increased cost base as group's structures were geared for growth according to the original planning for 2015
 - Increased personnel expenses due to expansion of capacities e.g. for intensified sales activities and implementation of R&D center at site in Suzhou, China
 - Acquisition of KLEO Halbleitertechnik GmbH
 - Restructuring costs
- Initiated restructuring measures and planned cash capital increase combined with strategic cooperation with Shanghai Electric are solid basis for future development of the company

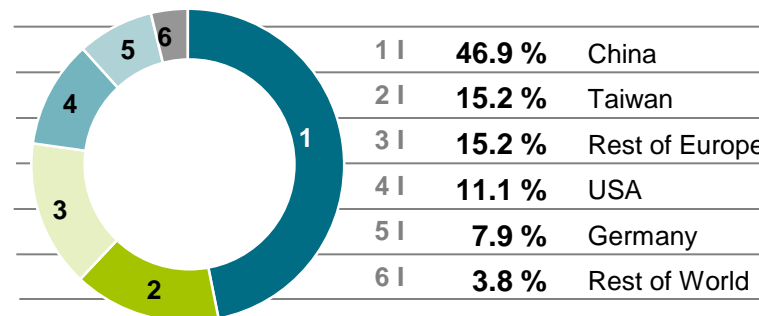
Revenue by business units

in EUR million



Revenue by region – shipment of tools

as of December 31, 2015

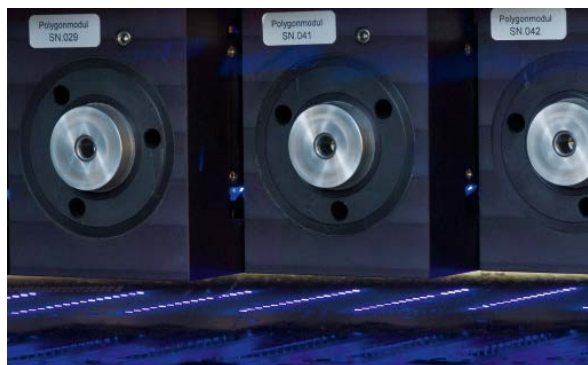


➔ Decline in Electronics' revenues due to cancelled and postponed orders

➔ Growth of Energy Storage to EUR 72.8m representing 32.8 % of total revenues

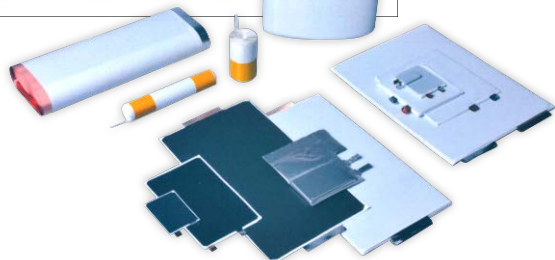
➔ China and Taiwan represent a 62.1 % share of total revenues

- **Electronics: decline in demand from Asia and order cancellation influence performance**



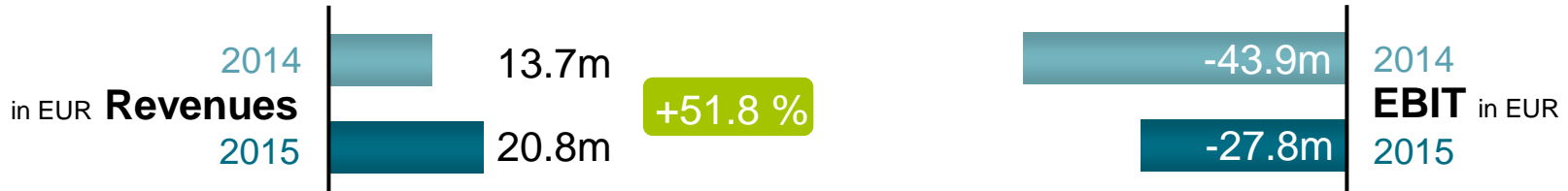
- Business in Electronics division influenced by
 - Order cancellation amounting to EUR 12m and missing related follow-up orders with a higher double-digit million amount
 - Weaker demand of Asian customers for PCB and display production equipment
- Market positioning strengthened by expansion of technology portfolio with **Laser Direct Imaging** platform for production of high-resolution premium and XL printed circuit boards

● Energy Storage: tripling of revenues



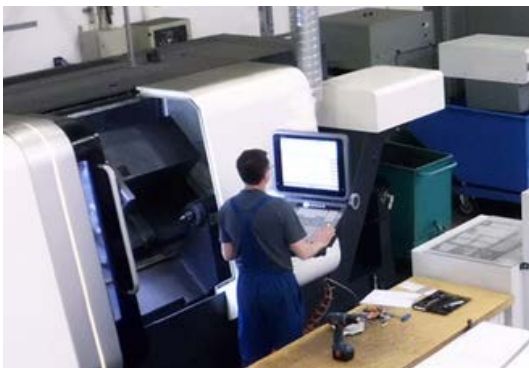
- Very positive revenue development
 - Comprehensive technological portfolio and outstanding positioning
 - Strong demand from consumer electronics industry for innovative production solutions for longer battery life and reduced size and weight
 - Increasing investment activities by e-mobility sector
- Profitability affected by pilot projects with high strategic importance for opening of new segment within consumer electronics market
 - High R&D investments
 - Improvement of margin with follow-up orders for mass production lines

- **Solar: Positive development of revenues driven by demand for advanced automation solutions**



- Increase in revenues by 50 % results from demand for automation solutions
- Exit from crystalline solar business – except automation solutions – as technology is mature
 - No significant innovation leaps and revenues expected
 - Future processing of orders for automation equipment at Manz China
- Focus on further development and commercialization of CIGS technology

- **Contract Manufacturing: Decline due to cyclical business with semiconductor industry**



- Contract manufacturing for the semiconductor, medical, packaging, and automotive industry
 - Less orders from semiconductor customers
 - Utilization of capacities at Manz Slovakia for production of mass production equipment in Business Unit “Energy Storage”
 - Positive perspectives through Joint Venture „Talus Manufacturing Ltd.“ between Manz Taiwan Ltd. and a leading US manufacturer of equipment for semiconductor industry

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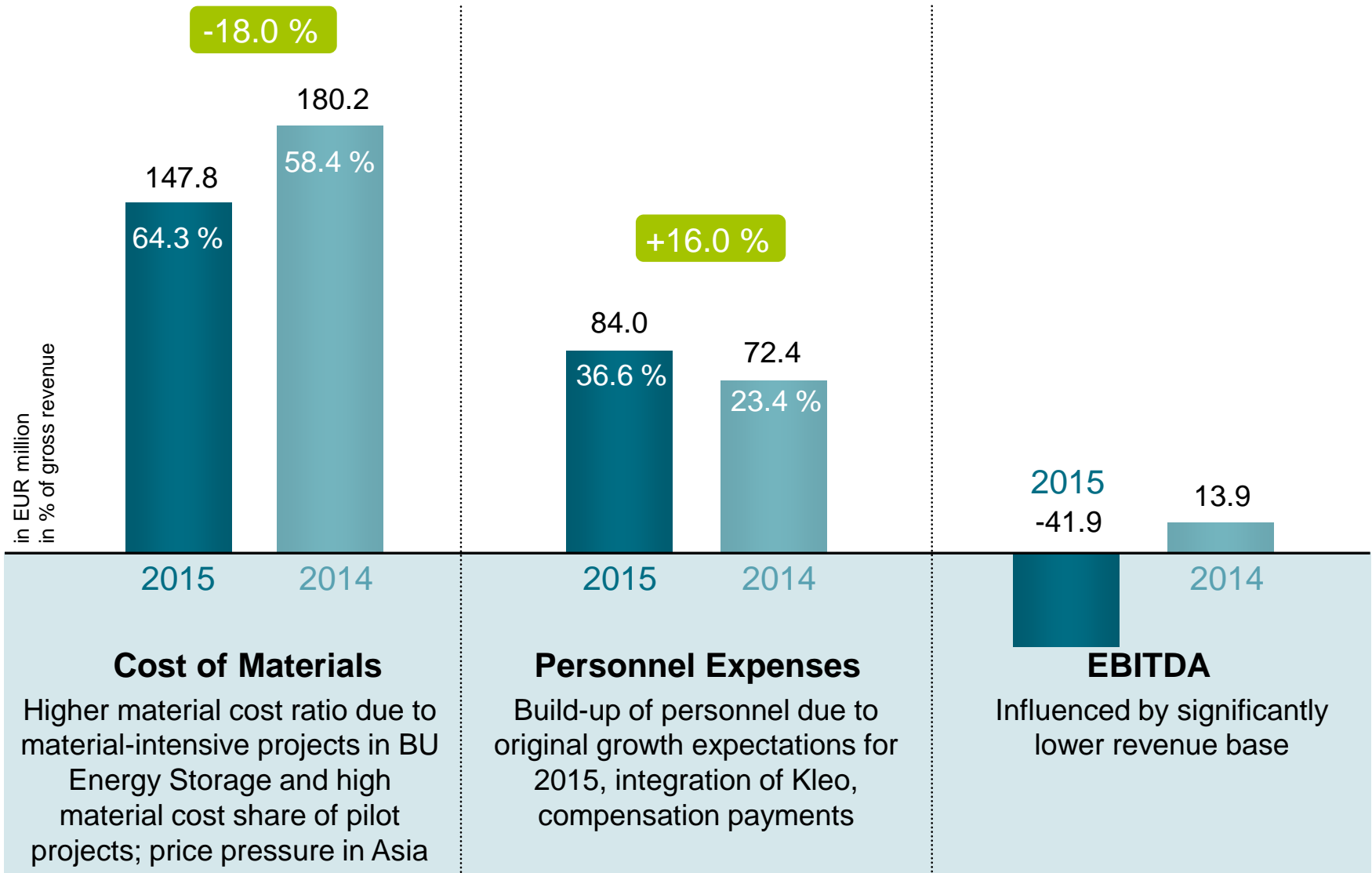
FULL
YEAR

FINANCIAL FIGURES

in EUR million	Jan.1 – Dec. 31 2015	Jan.1 – Dec. 31 2014
Revenues	222.0	305.9
Gross revenue	229.8	308.8
Other operating income	10.9	12.5
Costs/Expenses	282.6	307.4
EBITDA	-41.9	13.9
Depreciation	-16.3	-46.7
EBIT	-58.2	-32.8

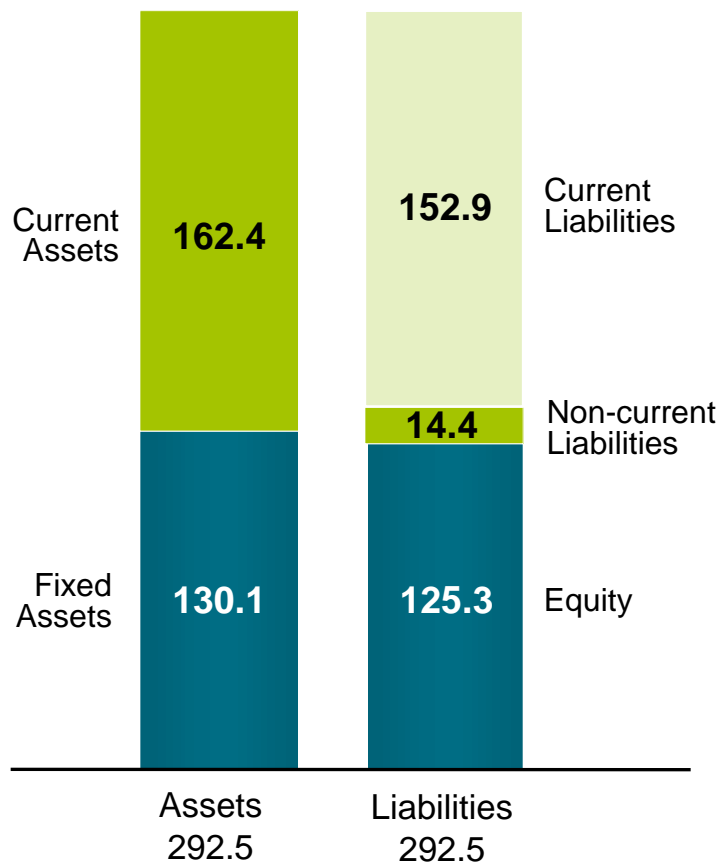
- Revenues strongly influenced by cancelled and postponed orders amounting to EUR 140m
- Gross revenue of EUR 229.8m due to intensified R&D mainly for BU Energy Storage and CIGS technology
- EBITDA of EUR -41.9m as a result of the low revenue base
- Decrease in depreciation reflects last year's non-scheduled depreciation (EUR 22.5m in 2014 from cSi Solar)
 - Non-scheduled depreciation of EUR 3.3m in 2015 due to termination of cSi business
- EBIT adjusted by restructuring costs (EUR 15.1m) amounting to EUR -43.1m

INCOME STATEMENT



BALANCE SHEET

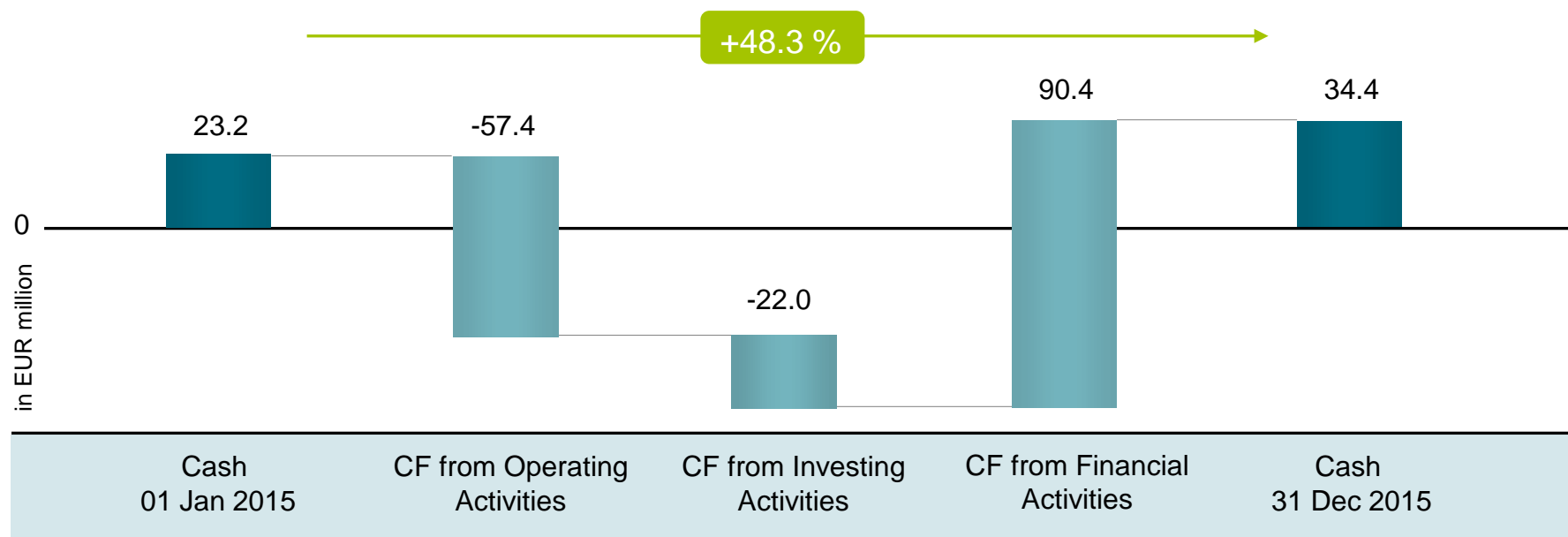
as of December 31, 2015
in EUR million



	Definition	Dec. 31, 2015	Dec. 31, 2014	Change
Equity Ratio	$\frac{\text{equity}}{\text{total assets}}$	42.8 %	55.2 %	-12.4 pp
Net Working Capital <small>(in EUR million)</small>	current assets ./ liquid funds ./ non-interest-bearing current liabilities	53.3	46.0	+15.9 %
Net Debt <small>(in EUR million)</small>	interest-bearing liabilities ./ liquid funds	48.6	9.2	+428.3 %

- Equity ratio with 42.8 % on good level
- Increase in net working capital mainly due to higher receivables
- Net debt influenced by negative cash flow and use of credit lines

CASH FLOW

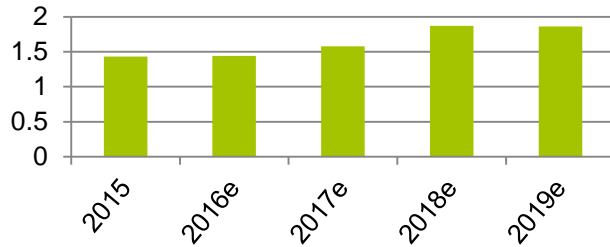


- Cash flow from operating activities influenced by negative EBIT, increase in receivables and inventories
- Cash flow from investing activities reflects investments in R&D and acquisition of KLEO Halbleitertechnik GmbH
- Funds from cash capital increase amounting to EUR 41.9m and additional bank lending result in higher cash flow from financing activities

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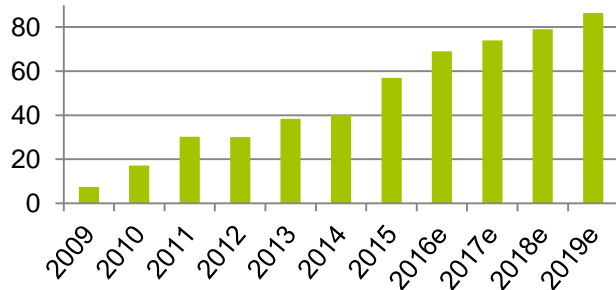
OUTLOOK

Electronics: Market trend for smartphones [billions of units]



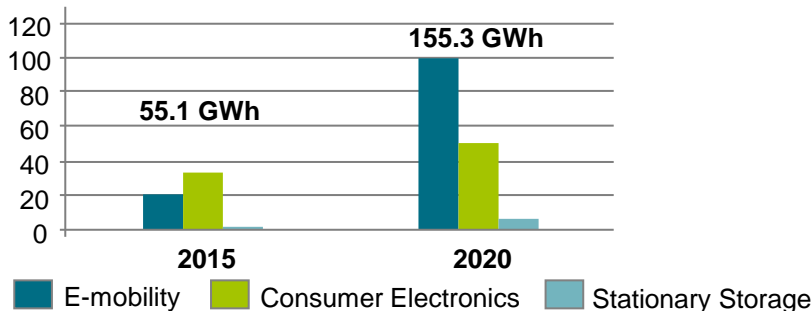
Source: IDC Statista 2016

Solar: Evolution of global annual PV installations [GW]



Sources: Global Market Outlook for Solar Power, 06/2015 SolarPower Europe, BNEF

Energy Storage: Volume of Li-ion total market [GWh]



Source: Market Analysis for Li-ion Battery Systems until 2020, P3 Group, 2016

- Ongoing strong demand in electronic devices as well as new trends and features lead to growth of equipment market
 - ➔ Manz is one-stop solution provider for Electronics industry
- Ongoing strong growth of end customer market for PV
 - ➔ Technological standard of installed production capacity is outdated
 - ➔ Manz is sole remaining supplier for CIGS technology that has highest potential among all PV-technologies
- Tripling of total market for Li-ion batteries regarding produced capacities expected
 - ➔ Cost targets of customers can only be reached with advanced and newly developed production technology



Manz has established a leading product portfolio in growth markets



- Projects of restructuring program, headed by CRO and team, are under progress
 - Definition of corporate development as well as sales strategy and structure
 - Improvement of planning and forecasting processes
 - Further development of corporate organization and culture
 - Improvement of project management
 - Definition of innovation and R&D portfolio
 - Further development of global production network
 - Optimization of global sourcing strategy
 - Improvement of operating cost management
 - Examination of global service organization



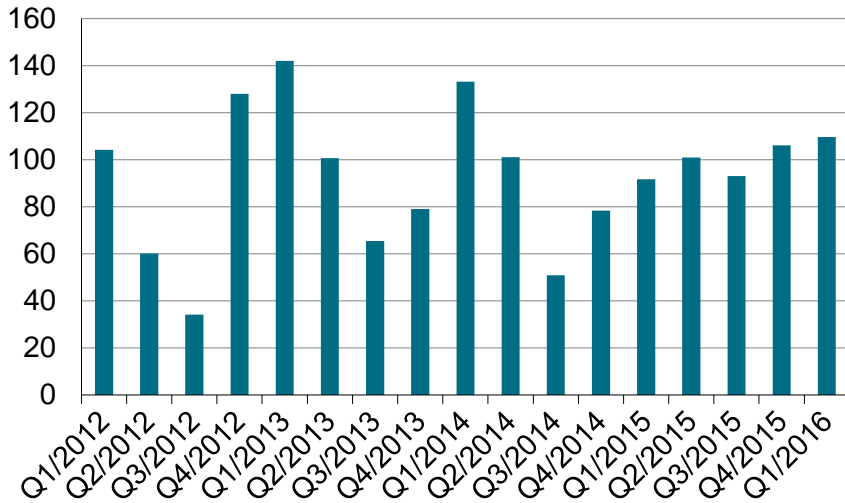
Target is to improve the company structure and to develop a more robust business model



- Preparations for planned capital increase are proceeding well
 - Coordination with Shanghai Electric and local authorities

- Concretization of planned cooperation with Shanghai Electric in the fields of Energy Storage, Solar as well as automation technology
 - Planned commercialization of CIGS technology
 - Improved market access for Manz in China by use of structures of Shanghai Electric
 - Additional chances possible in the short-term

Development of Order Backlog



- Order backlog at the end of February at a good level

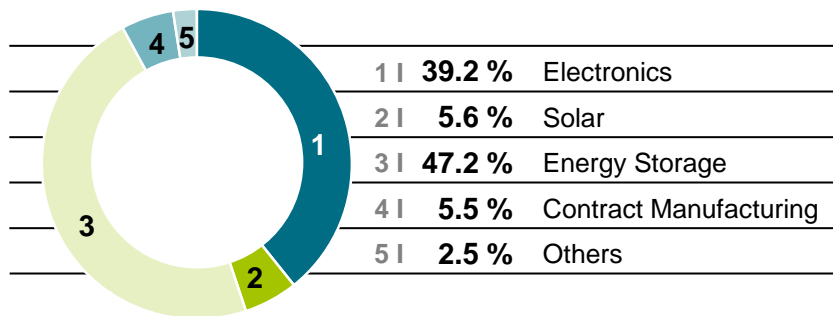
→ Excellent development of business unit Energy Storage resulting mainly from consumer electronics sector and increasing activity in the e-mobility industry

→ Positive development of Electronics division after two rather weak quarters

→ Stable percentage of Solar division and Contract Manufacturing segment

Order Backlog: EUR 109.7m

as of Feb 29, 2016





- First measures of restructuring program are in place
 - Capacity adjustment at German and international sites
- Focus on high growth potential of CIGS technology and successful commercialization with SEC as strong anchor investor
- Further expansion of our very good position as only non-Asian company in the growth market Energy Storage
 - Transition from R&D intensive pilot projects to high-margin production lines for mass production
- Further growth in Electronics division
 - Continuous diversification within business unit (Laser Direct Imaging, LightAssembly)
 - Strengthening of international sales structures
- Stabilization of business in 2016 by optimization of cost structure
 - Goal of balanced result on EBITDA level



2016: Significant increase of revenues and significantly improved EBIT

THANKS

THANK YOU
VERY MUCH FOR
YOUR ATTENTION!

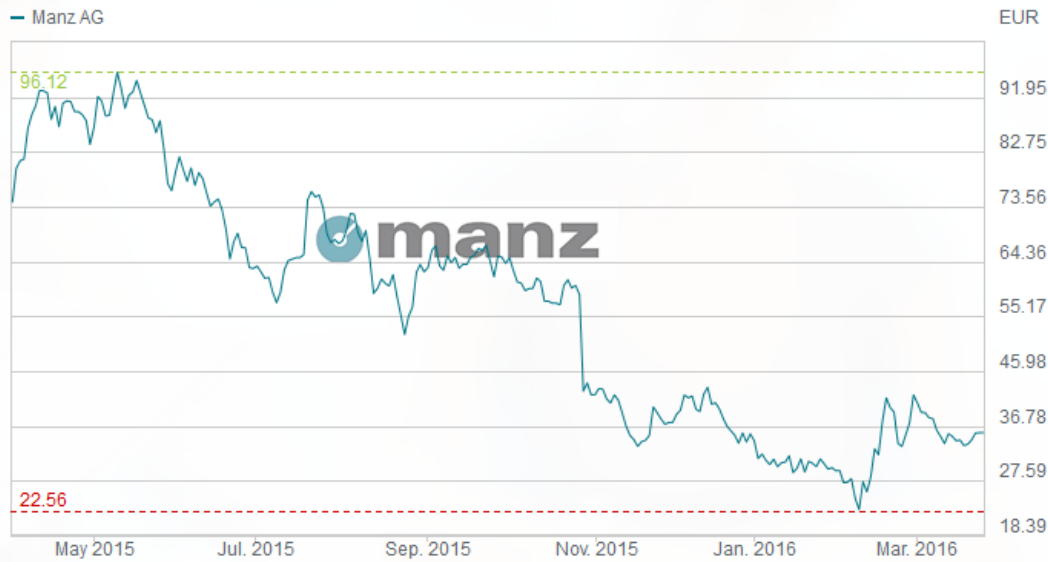
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Stock Key Data and Shareholder Structure

ISIN	DE000A0JQ5U3	
Stock Market Segment	Regulated Market (Prime Standard)	
Capital Stock	5,420,864	
Opening Price	19 EUR (Sep. 2006)	
Shareholder Structure	Dieter Manz Ulrike Manz Free Float	35.2 % 3.8 % 61.0 %