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Manz AG / Key word(s): Strategic Company Decision / Forecast

Manz AG decides to sell its battery cell production equipment business and specifies its forecast for the 2024 fiscal year

Reutlingen, 27 November 2024 – The management board of Manz AG has decided today, with the approval of the supervisory board, to sell its battery cell production equipment business. The planned transaction includes an extensive portfolio of production systems and individual machines for the manufacturing of battery cells, stationary storage, capacitors, as well as IPCEI funding approved until 2028 in the amount of approximately EUR 70 million, of which has not yet been drawn. The Management Board expects the transaction to happen in the first half of 2025.

The company believes that the economic environment has deteriorated to such an extent as a result of the upheaval in the European battery cell market. The continued need for investments from its own funds and the weak market outlook in the short and medium term are the main reasons for the adjusted corporate strategy. Manz AG will now focus on industrial automation, in the context of which battery module assembly will be further advanced, as well as on the areas of electronics, semiconductors and contract manufacturing.

In view of the changed assessment regarding the future market development for battery cell production and the continued reluctance of key customer groups to invest in the third quarter of 2024, the Management Board has also decided to make one-off and non-cash, significant impairment losses at least on goodwill, particularly in the Mobility & Battery Solutions segment, at the end of the year as a result of an impairment test to be carried out. Given the fact that year to date order intake is significantly lower than in the previous year, the Management Board of Manz AG specifies the forecast adjusted on 27 June 2024, according to which revenues and earnings for the 2024 fiscal year will be significantly below the previous year's level, as follows: Revenues in 2024 fiscal year are expected to be between EUR 170 and 180 million (2023: EUR 249.2 million), EBITDA between EUR -20 and -25 million (2023: EUR 14.6 million) and EBIT between EUR -30 and -35 million (2023: EUR 2.9 million). This does not include the significant one-off non-cash impairment losses to be recognized at the end of 2024 fiscal year. The figures in the specified outlook are significantly below the current average analyst estimates for the 2024 fiscal year.

In the first nine months of 2024, Manz AG generated revenues of EUR 133.7 million (previous year: EUR 195.0 million) in an extremely weak market environment. After an already extremely weak first half of 2024, demand remained well below expectations in the third quarter. Accordingly, new orders in the first nine months of 2024 were EUR 92.5 million and the order backlog as of 30 September 2024 was EUR 110.9 million, a decrease of 26.5 % and 36.6 % respectively compared to the first nine months of 2023.



Earnings before interest, taxes, depreciation and amortization (EBITDA) fell from EUR 19.5 million in the same period of the previous year to EUR -13.3 million, while earnings before interest and taxes (EBIT) fell from EUR 10.8 million to EUR -20.9 million. The losses are mainly attributable to the Mobility & Battery Solutions segment.

In response to the current challenges, the Management Board has also decided to extend the action plan of the efficiency and restructuring program announced in July 2024: By reducing personnel, fixed and material costs, optimizing processes, streamlining the organizational structure and focusing on standardization measures in the product portfolio, the company aims to achieve cost savings in the double-digit million-euro range over the next three years.

Information:

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Market segment: Regulated market (Prime Standard) of the Frankfurt Stock Exchange

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