



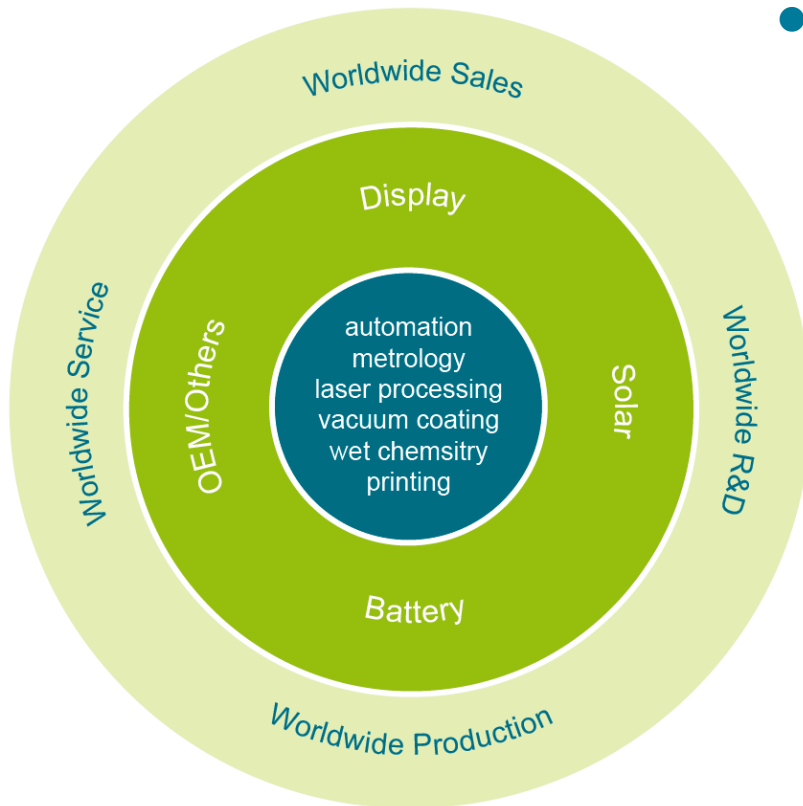
MANZ AG

CONFERENCE CALL 6M-RESULTS 2013

AUGUST 13, 2013 / DIETER MANZ, MARTIN HIPPE

HIGH TECH FOR A GREEN 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.



- Sustainable and profitable growth due to strong strategic positioning

→ Technology:

Successful expansion of technology and product portfolio

- Manz enables significant cuts in production costs on customer side through matched, combined and interlinked manufacturing processes

→ Diversification:

Successful technology transfer across strategic business units Display, Battery, and Solar; strengthening of OEM and PCB

- High synergy effects in base technologies

→ Globalization:

Successful expansion of global presence in sales, R&D, production, and service

- Excellent positioning in Asia



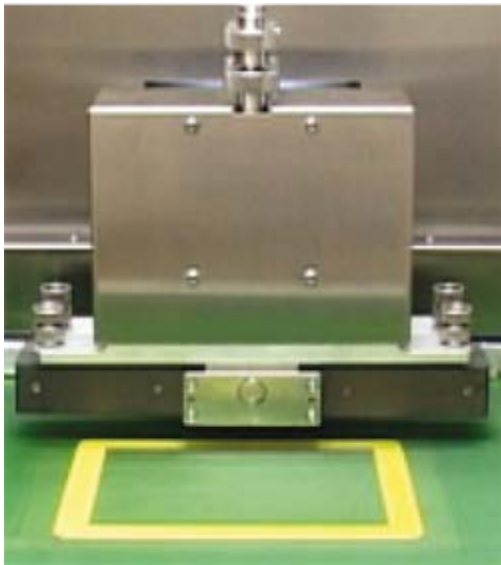


- **Very successful Q2 sets the course for record year 2013**
 - **Best quarterly result in company history**
 - Revenues in Q2 2013 of EUR 87.9m represent
 - 76% growth in revenues compared to Q1 2013
 - 35% growth in revenues compared to Q2 2012
 - Q2 2013 EBIT of EUR 5.2m

 - High revenues of EUR 137.8m in 1st HY (+26.2% yoy)
 - Significantly improved EBIT of EUR 3.8m in 1st HY
 - 1-6 2012: EUR 1.1m
 - 1-3 2013: EUR -1.4m
 - Target of positive EBIT for 1st HY 2013 achieved

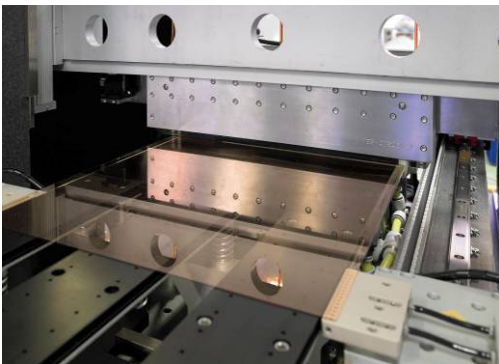
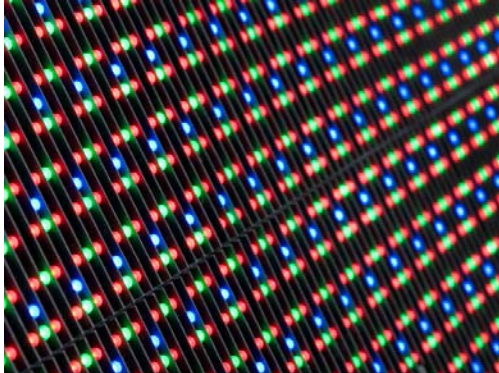
 - Continuous revenue increase in Display and Battery divisions overcompensates weak Solar revenues
 - Only 3.4% of total revenues from Solar

 - Project to optimize organizational structures and cut costs already shows visible results
- >> Well on track towards the goal of sustainable growth and increase in profitability**



Printing on cover glass of tablet PC

- **Strong growth in revenues and earnings due to ongoing boom of smart phones and tablet PCs**
 - Revenues increased by 18.5% to EUR 84.8m (1-6 2012: EUR 71.5m)
 - EBIT of EUR 10.1m corresponds to EBIT margin of 11.9% (1-6 2012: EUR 9.9m)
- **Manz is world market leader for wet chemical machines**
 - one of the most important process steps in the production of touch-sensitive displays for smart phones and tablet PCs
 - Leading technological and market position
 - Extraordinarily fast project realization
 - Proximity to manufacturers due to strong presence of Manz in Asia and local manufacturing
- **Core business in automation and wet chemistry extended by new applications for smart phone and tablet manufacturing**
 - Technology transfer among business units



- Major order of EUR 9m from Chinese OLED industry
 - Successful transfer of process know-how from Display segment to new OLED application area
 - Significant potential for follow-up orders from this high-growth market segment
- Successfully established as the leading machinery manufacturer and partner of display and touch panel industry
 - Exceptional technological and organizational capabilities allow Manz as one of very few companies to cope with high requirements
 - Orders from component manufacturers and premium brand owners themselves
 - Production equipment of Manz enables
 - Improvement of working conditions through higher degree of automation
 - Improvement of quality of end product through integrated metrology
 - Securing high volumes for market launch through reliable production processes



● **Battery: high growth rate and upside potential**

- Revenues increased by 47.8% to EUR 4.9m (1-6 2012: EUR 3.3m)
- EBIT at TEUR 770 after TEUR 527 in 1st HY 2012
- Comprehensive technological competence enables Manz covering all three major market segments of Li-ion batteries
 - Successfully established as the leading German equipment supplier for e-mobility batteries
 - Well positioned as equipment supplier for energy storage batteries
 - Access to the largest growth market "premium consumer electronics" batteries
 - tablet PCs, mobile phones, notebooks
- Huge market potential for Manz due to expected strong growth in all end markets

>> Positive development will continue in 2013 and onwards



- **OEM / PCB: very positive development**

- Revenues in 1st HY 2013 nearly tripled to EUR 33.7m after EUR 11.9m in previous year

- EBIT increased to EUR 2.2m (1-6 2012: TEUR -238)

- OEM business driven by strong demand of semiconductor industry

- Manz Slovakia operates as remote factory for one of the largest semiconductor equipment companies

- PCB segment driven by growth in consumer electronics, e.g. in smart phones and tablet PCs

- Strong market position in PCB due to local engineering and manufacturing in China

>> Further strengthening of OEM business and expansion to other industries as strategic target to compensate volatile revenues and capacity utilization in strategic business units



- **Unchanged situation due to ongoing solar crisis**
 - Only 3.4% of total revenues (EUR 4.7m) from Solar segment
 - Despite growing end market for solar modules still no balance between supply and demand
 - Ongoing market consolidation
 - EBIT of EUR -10.5m in 1st HY 2013 (1-6 2012: EUR -10.4m)
- Only 1.2% of order backlog from Solar division
 - Solar division bears no risks but high upside potential for further business performance
- Turnaround for solar industry expected earliest in 2014
 - Manz will participate as a leading full-service provider of cost-cutting and efficient production equipment in the expected investment cycle
- **But:** full utilization of capacities from Solar division
 - Successful technology transfer from Solar to Display
 - Excellent order situation in Display division
- High potential for CIGSfab in emerging PV markets with political support for localization of production may lead to earlier order intake



- **2013 will become a record year for Manz**

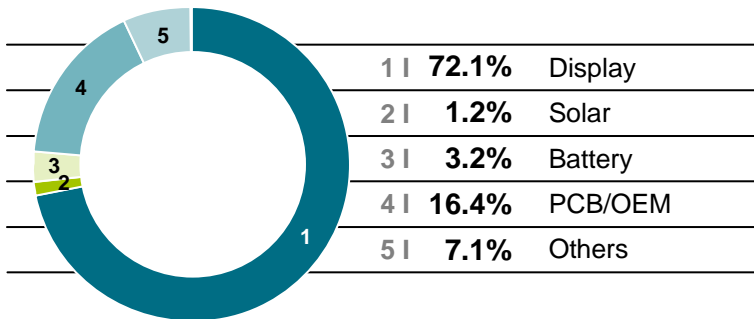
- Revenues of EUR 137.8m in 1st HY 2013 correspond to 75% of total revenues in 2012
- High order backlog of EUR 100.7m
 - Order backlog 68% ahead of the comparable previous year's figure
 - Orders will largely become effective in terms of revenues and earnings in third and fourth quarter 2013
- Positive development of revenues, earnings, and costs will continue
 - Positive EBIT for 3rd and 4th quarter 2013 expected

>> Revenues of EUR 250m – 260m and positive EBIT for full year 2013 expected

FINANCIAL FIGURES

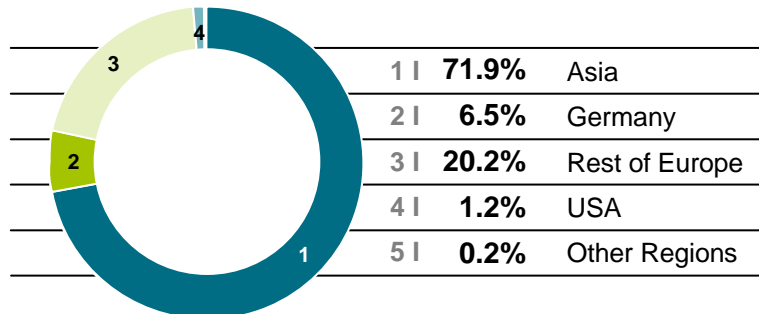
Order backlog: EUR 100.7m

As of August 2013



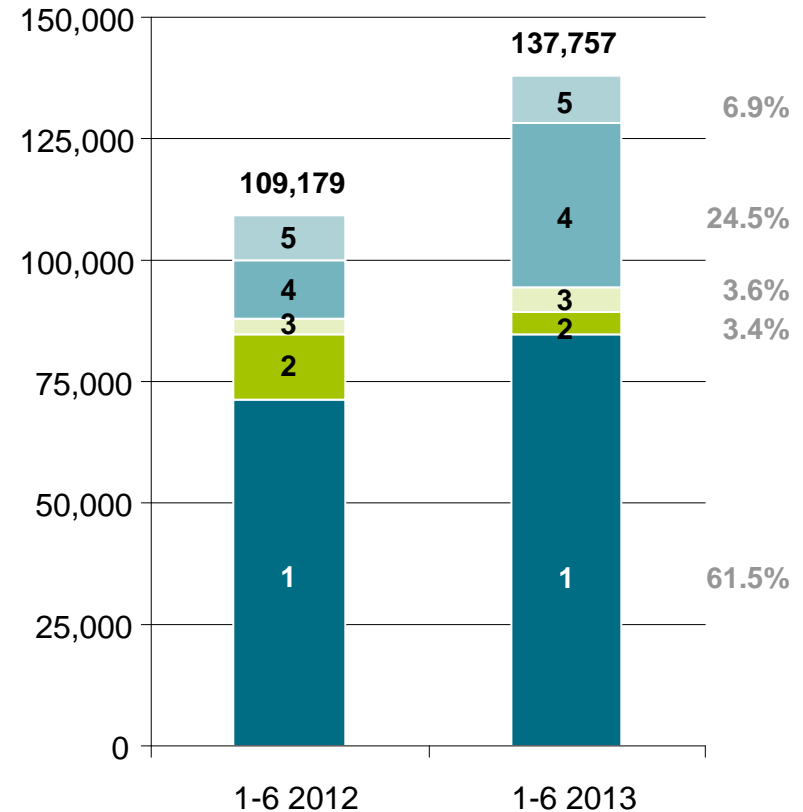
Revenues by region

As of June 30, 2013



Revenues by business units

In EUR thousand



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

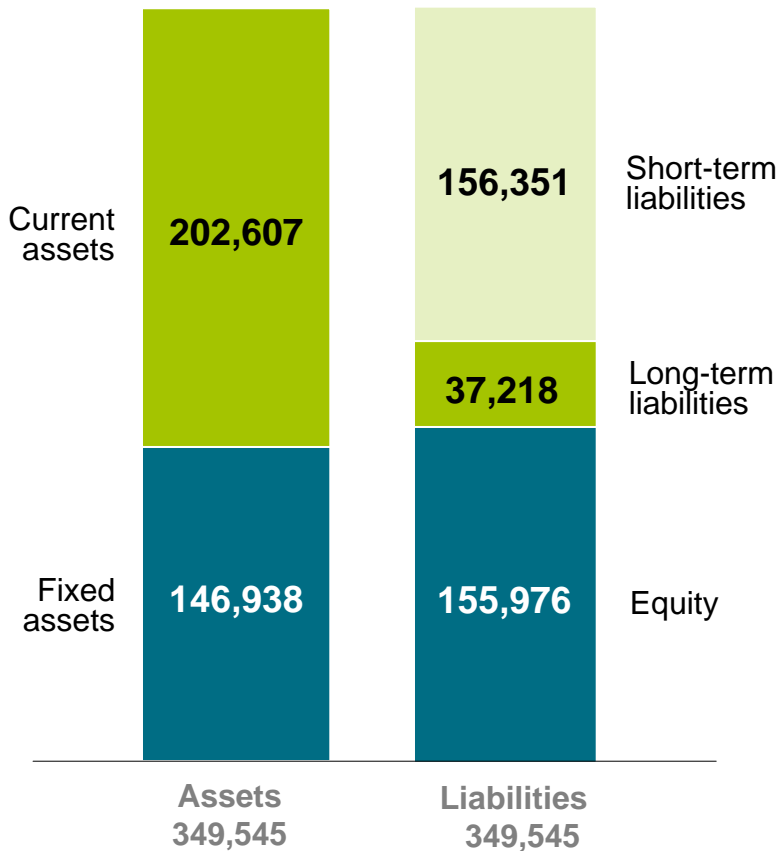
| in EUR thousand | Jan.1 – June 30 2013 | Jan.1 – June 30 2012 |
|-------------------------|-------------------------|-------------------------|
| Revenues | 137,757 | 109,179 |
| Total operating revenue | 147,973 | 113,464 |
| Cost of materials | -88,542 | -55,398 |
| Personnel expenses | -33,393 | -35,813 |
| Other expenses | -17,356 | -19,287 |
| EBIT | 3,771 | 1,052 |

- Increase of revenues by 26.2% to EUR 137.8m (1-6 2012: EUR 109.2m) reflects the ongoing strong business development
- Material cost ratio increased to 59.8% (1-6 2012: 48.8%) due to growing revenue share of products with higher material costs manufactured at Manz Asia and Manz Slovakia
- Personnel costs ratio improved significantly from 31.6% to 22.6% due to strong business and positive impact of cost reduction program started in 2012
- Implementation of cost reduction program results in lower other expenses
- EBIT is at EUR 3.8m (1-6 2012: EUR 1.1m)

| In EUR million As of June 30, 2013 | Solar | Display | Battery | PCB/OEM | Others |
|---------------------------------------|-------|---------|---------|---------|--------|
| Revenues with 3rd parties | 4.7 | 84.8 | 4.9 | 33.7 | 9.6 |
| EBIT | -10.5 | 10.1 | 0.8 | 2.2 | 1.3 |
| EBIT margin (%) | - | 11.9 | 15.7 | 6.4 | 13.2 |

- High EBIT margins in all divisions except Solar
 - Loss in Solar includes depreciation of EUR 7.4 m
 - Major capacities of Solar division have been successfully shifted to other divisions

As of June 30, 2013
In EUR thousand



- High equity ratio of 44.6%
- Short term liabilities increased from EUR 106.3m to EUR 156.4m due to higher accounts payable, advance payments received, and use of credit lines for pre-financing of orders
- Fixed assets decreased from EUR 155.4m to EUR 146.9m mainly because of scheduled depreciation of capitalized R&D
- Current assets increased from EUR 144.5m to EUR 202.6m as a result of higher accounts receivable and inventories
- Net debt is at EUR 32.5m after EUR 35.0m at the end of 2012

| in EUR thousand | As of June 30 2013 | As of June 30 2012 |
|-------------------------------------|-----------------------|-----------------------|
| Cash flow from operating activities | 10,987 | -4,574 |
| Cash flow from investing activities | -4,350 | -22,115 |
| Cash flow from financing activities | 7,569 | 17,962 |
| Cash | 44,739 | 25,491 |

- Operating cash flow improved significantly to EUR 11.0m as a result of good profitability
- Cash flow from investing activities of EUR -4.4m comprises investment in R&D
- Reduced cash flow from financing activities because of lower additional financing requirement
- Cash position increased to EUR 44.7m



- Focus on expansion of excellent position as leading equipment supplier for display, touch panel, and battery industry
- Successful turnaround due to diversification in technology, markets, and regions
 - Only 1.2% of order backlog from Solar division
 - 2013 business performance nearly independent from Solar division – only upside potential
 - No growth risks resulting from Solar division in 2014 due to very good prospects for Display and Battery divisions
- 2013 will become a record year for Manz
 - High order backlog of EUR 100.7m as of August 2013
 - Good prospects for follow-up and new orders in Display and Battery divisions
 - Positive development of OEM / PCB segment
 - Positive EBIT for 3rd and 4th quarter 2013 expected

>> Revenues of EUR 250m - 260m and positive EBIT for full year 2013 expected

CONTACT



MANZ AG

**STEIGAECKERSTRASSE 5
72768 REUTLINGEN
GERMANY**

**PHONE +49 (0)7121/90 00-0
FAX +49 (0)7121/90 00-99**

**info@manz.com
www.manz.com**