



MANZ AG

CONFERENCE CALL 6M-RESULTS 2014

AUGUST 14, 2014 / DIETER MANZ, MARTIN HIPPE



**POINTING
THE WAY:
OUR IDEAS FOR
THE FUTURE**

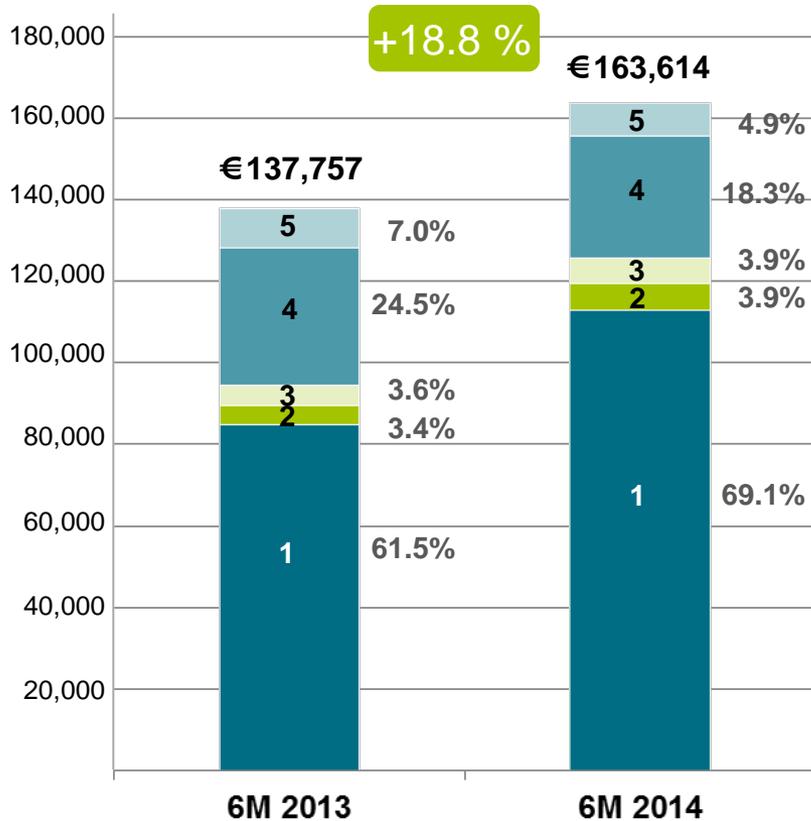
With its outstanding technological expertise, Manz AG is an important driver of innovation, helping to achieve breakthroughs in key technologies of our times such as displays and devices for global communication needs, sustainable power generation and e-mobility.



- First HY 2014 with highest revenue ever achieved in a half year
 - Revenues of EUR 163.6m
 - Double-digit growth rate of 18.8% in revenues (YOY) and return to profitability despite ongoing high investment in future technology Solar
 - Strongest quarterly revenue in company history with over EUR 109m
- June 2014: largest single order to date in business unit Battery
 - Successful entry into the market for consumer electronics batteries
- Order backlog as of June 30, 2014 of EUR 101.1m as excellent basis for successful business development in 2014

Revenue by business units

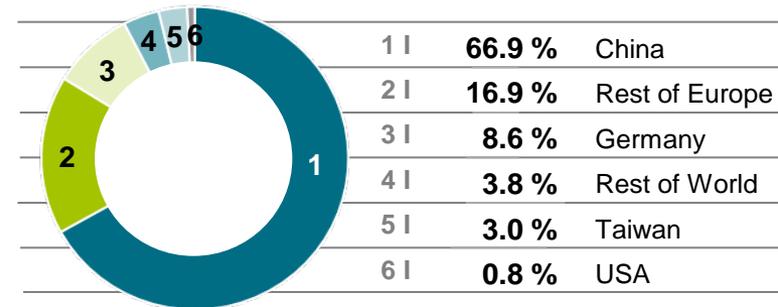
in EUR thousand



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

Revenue by region

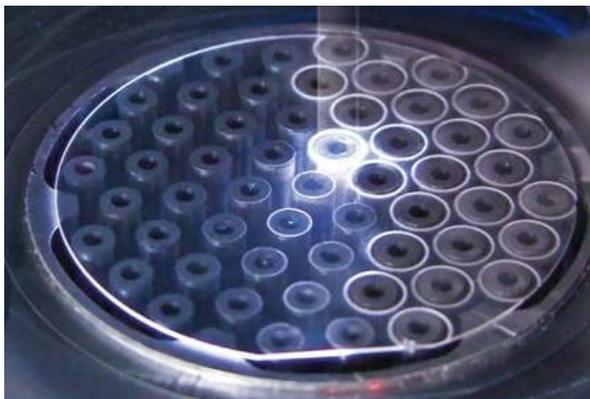
as of June 30, 2014



➔ **Display division accounts for largest share of revenues at EUR 113.0m or 69.1 %**

➔ **Taiwan and China represent a 69.9 % share of total revenues**

● **Display: Main driver of revenues and earnings**



- Successful technology transfer to applications needed in production of mobile devices such as smart phones and tablet PCs
- Manz as development partner enables realization of new product features with e.g.
 - Automation and printing of cover glasses
 - Laser cutting machines for sapphire and glass
 - Inspection systems for housing elements
 - Assembly systems, such as high-precision assembly of touchpads in notebooks
- Very good order situation and excellent prospects for new and follow-up orders
 - Good chances for further increase of revenue and earnings in 2nd HY 2014

● **Solar: Positive development and high upside potential**

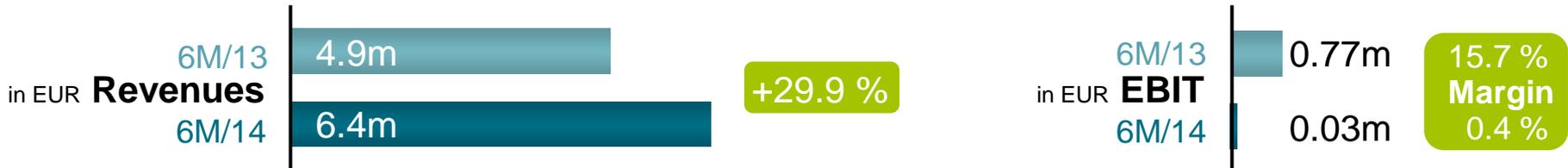


→ EBIT strongly burdened by high development investments in new technology and contractual termination of payments from Würth Solar (EUR 3m in 1st HY) as part of the takeover agreement for the site in Schwäbisch Hall



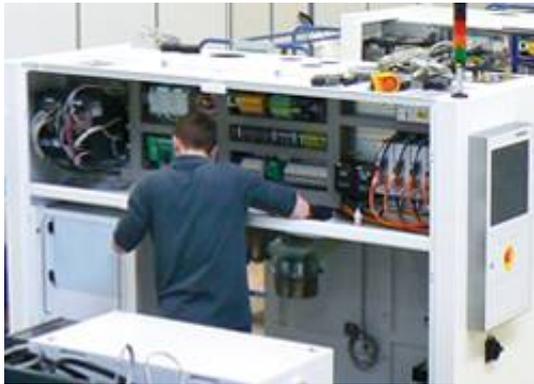
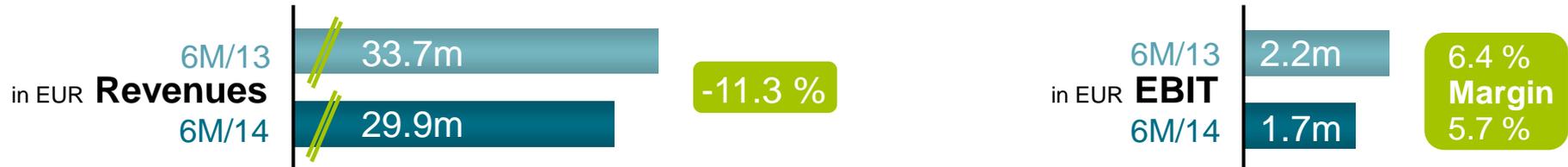
- Slight recovery of PV industry
 - Significant improvement of industry conditions for selling turnkey production line “CIGSfab”
 - Intensified sales activities
- R&D focus on CIGS and highly efficient PERC solar cells
- Business unit Solar has highest future potential of all our divisions
 - Solar investment is inevitable for long-term positive development of our company

- **Battery: Revenues reflect positive impulses from battery market for premium consumer electronics**



- High investment in R&D for new technologies
- Integration of Manz Italy in full progress
- Successful market entry with fully integrated production line for Li-ion batteries for consumer electronics
 - Comprehensive technology portfolio of Manz and new acquired Manz Italy convinced customer
 - Innovative production technology enables advanced battery design with longer battery life
- Manz is the only equipment manufacturer that covers all important production technologies for all Li-ion cell technologies
 - Very good chances for follow-up orders in the short-term

● **OEM/PCB: Stable development**



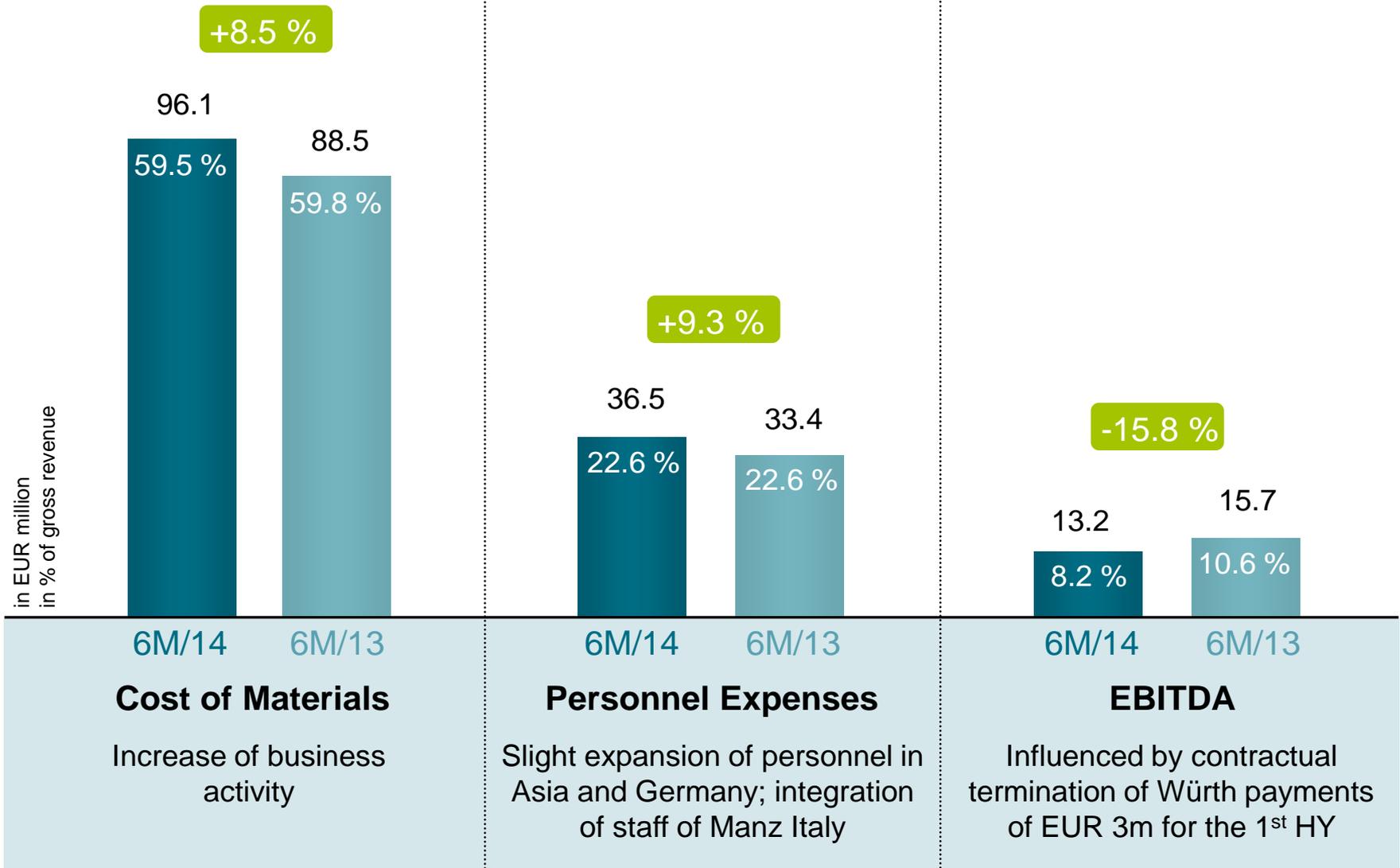
- Decline in revenues due to high capacity utilization by other business units
- OEM business still driven by strong demand of semiconductor industry
- Stable development of PCB business
 - Benefit from increasing use of electronic devices in everyday life and ongoing high demand for consumer electronics, e.g. smart phones and tablet PCs
- Strengthening of OEM business and expansion to other industries as strategic target to further stabilize business model

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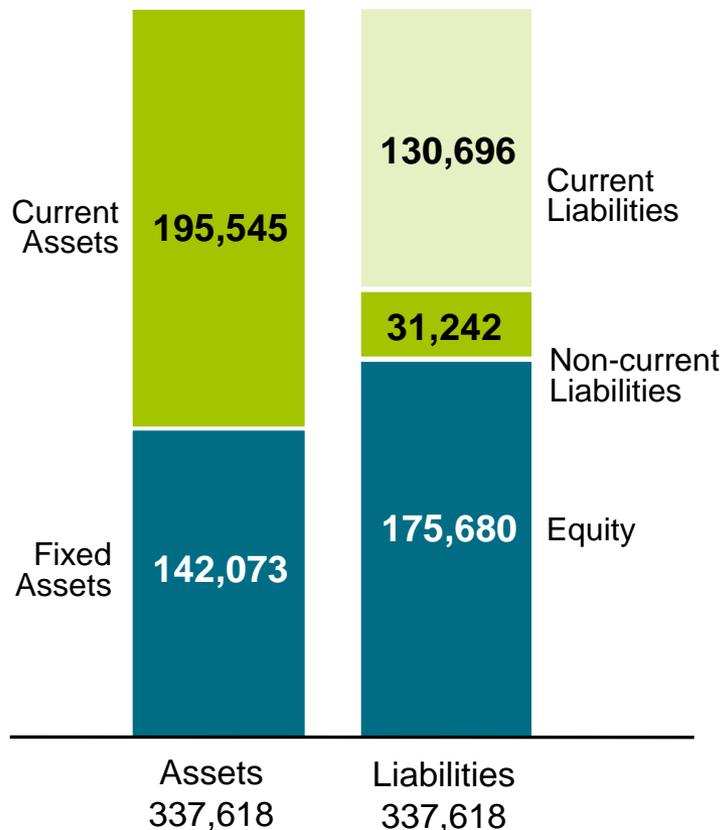
FINANCIAL FIGURES

in TEUR	Jan.1 – Jun. 30 2014	Jan.1 – Jun. 30 2013
Revenues	163,614	137,757
Gross revenue	161,570	147,973
Other operating income	4,032	6,971
Costs/Expenses	-152,424	-139,294
EBITDA	13,178	15,650
Depreciation	-12,001	-11,879
EBIT	1,177	3,771

- Highest revenue ever achieved in a quarter and half year reflects the high order intake in Q1/2014
- Increase of revenues YOY by 18.8 %
- Gross revenue includes reduction of inventory of EUR -5.5m and capitalized R&D of EUR 3.4m
- Decreased other operating income due to contractual termination of EUR 3m payments from Würth Solar
- Costs of material and personnel expenses at a comparable ratio level YOY
- EBITDA margin influenced by missing payments from Würth Solar
- High depreciation on R&D of EUR 6.7m compared to EUR 3.4m capitalization leads to negative impact on EBIT
- EBIT of EUR 1.2m in 1st HY 2014 after EUR -5.7m in Q1/2014

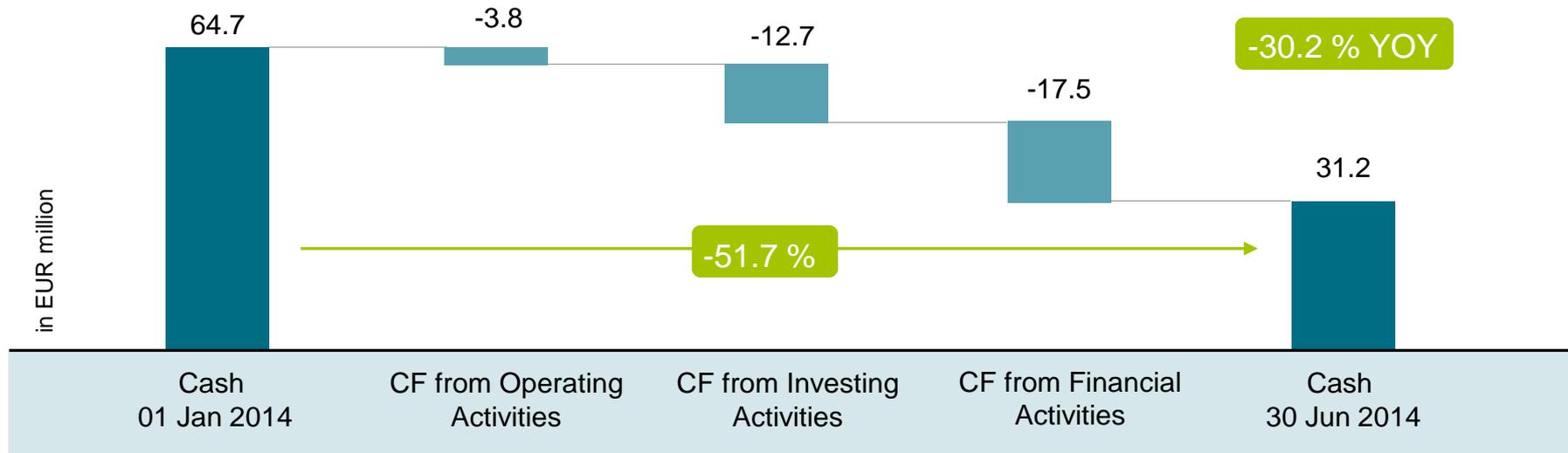


as of June 30, 2014
in EUR thousand



	Definition	June 30, 2014	Dec 31, 2013	Change
Equity Ratio	$\frac{\text{equity}}{\text{total assets}}$	52.0 %	54.8 %	-2.8 pp
Net Working Capital (in EUR million)	current assets ./ liquid funds ./ non-interest-bearing current liabilities	64.2	51.7	24.3 %
Net Debt (in EUR million)	interest-bearing liabilities ./ liquid funds	14.9	0.4	+ 14,5

- Equity ratio with 52 % on strong level
- Strong business growth results in higher net working capital and higher net debt



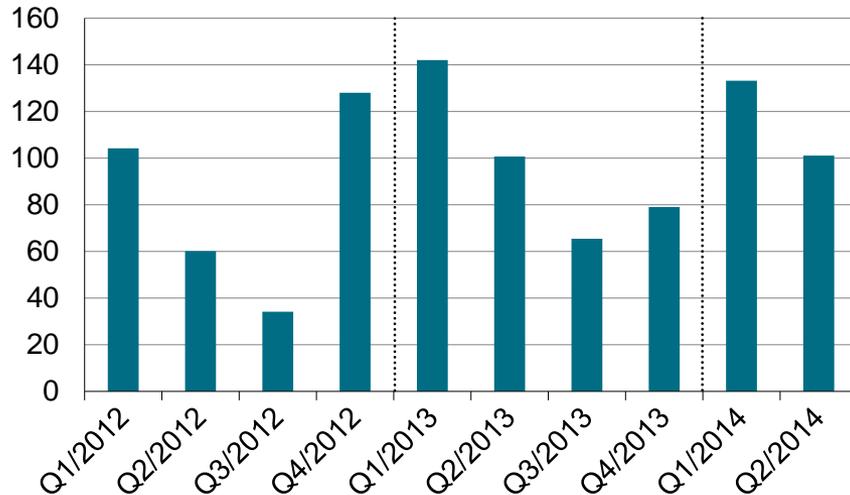
- Operating cash flow influenced by increase in accounts receivables
- Cash flow from investing activities comprises investment related to acquisition of Manz Italy and investment in R&D
- Cash flow from financing activities reflects reduced use of bank credit lines amounting to EUR 15.8m (as of June 30, 2014)

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OUTLOOK

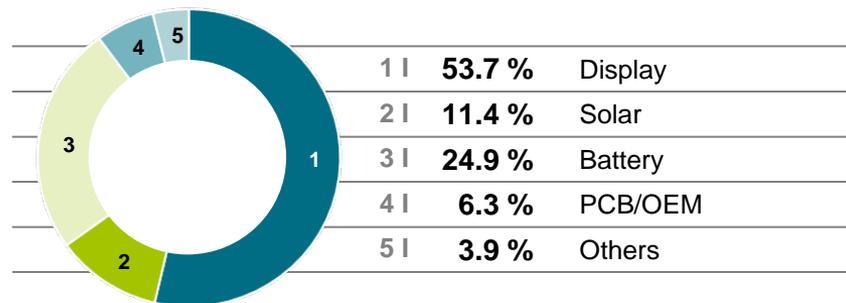
Development of Order Backlog

in EUR million



Order Backlog: EUR 101.1m

as of June 30, 2014



- Order backlog at previous years' level confirms growth prospects for 2014

- Very good prospects for new and follow-up orders in business units Display and Battery

- Positive development in Solar division

- Existing enquiries and orders reflect stimulation of solar industry

- Advanced negotiations with an Asian customer on purchase of a CIGSfab

- Stable development of PCB/OEM segment



- Ongoing diversification in technology, industries, and regions
 - Focus on further expansion of excellent position as leading equipment supplier for consumer electronic and battery industry
- Good prospects for 2014 due to high growth potential in all strategic divisions
 - Slight slowdown of market dynamics in display industry will be compensated by production solutions for mobile devices
 - Recovery in solar industry has high upside potential and creates good conditions for sale of a CIGSfab
 - Positive momentum for Battery division by promising perspectives in the consumer electronics sector due to acquisition
 - Access to important international new customers
 - Positive development of OEM/PCB segment due to expansion of OEM business to other industries and ongoing high demand for consumer electronics
- High order backlog of EUR 101.1m confirms mentioned prospects
 - **2014: revenues between EUR 280m and EUR 300m (without sale of CIGSfab) and positive EBIT expected**

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	4,928,059	
Opening Price	19 EUR (Sep. 2006)	
Shareholder Structure	Dieter Manz Ulrike Manz Free Float	41.0 % 4.2 % 54.8 %