



**MANZ AG**

**WEBCAST FINANCIAL FIGURES FULL YEAR 2016**

**MARCH 30, 2017 / DIETER MANZ, MARTIN HIPPEL**

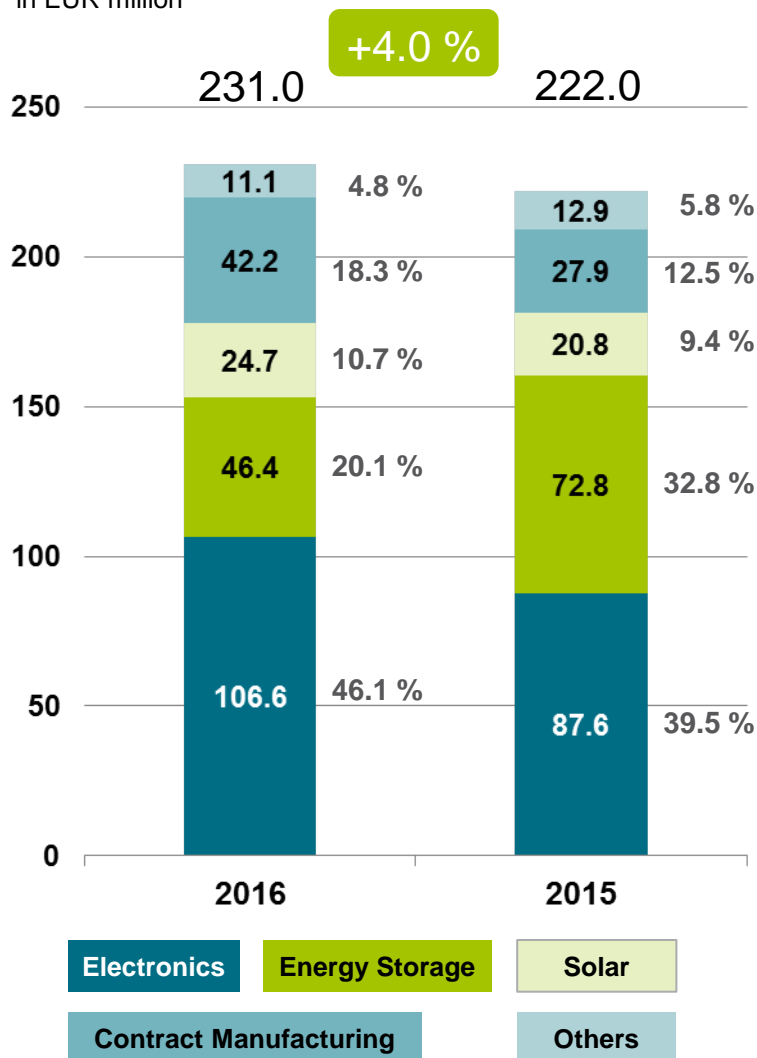


- Revenues of EUR 231.0m despite challenging framework conditions slightly above previous years' level (2015: EUR 222.0m)
  - Short-term cancellation of order in Energy Storage division and related missing follow-up orders
  - Postponement of placement of large CIGS orders to January 2017
- Financial result of 2016 positively affected by improved cost basis
  - Reduction of material and personnel costs due to process and structural optimization measures
    - EBITDA of EUR -21.8m (2015: EUR -41.9m)
    - EBIT significantly improved to EUR -35.9m (2015: EUR -58.2m)
- Ongoing focus on improvement program to realize a sustainable and profitable growth
- Net cash of EUR 1.3m reflects good financial position

# REVENUE DEVELOPMENT

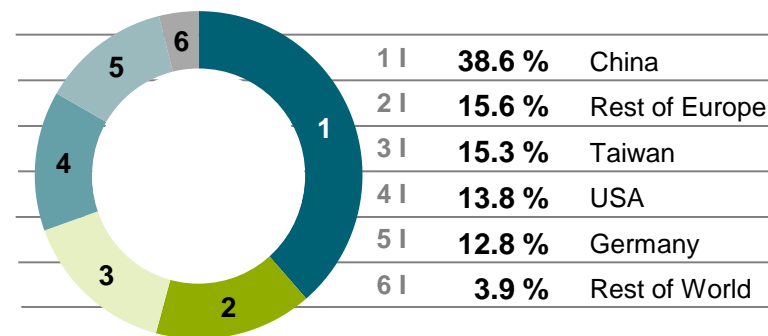
## Revenue by business units

in EUR million



## Revenue by region – shipment of tools

as of December 31, 2016



➔ Contribution of BU Electronics to revenues grew from 39.5 % in 2015 to 46.1 % in 2016 (EUR 106.6m)

➔ Revenue of BU Energy Storage burdened by cancellation and related missing follow-up orders

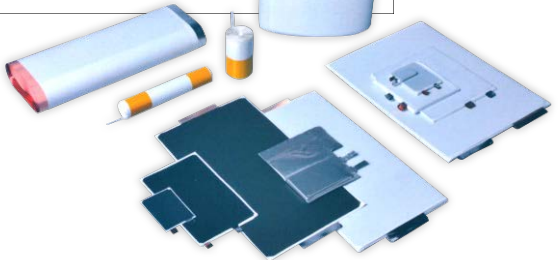
➔ China and Taiwan represent a 53.9 % share of total revenues

- **Electronics: Growth in revenues driven by strong demand from Asia**



- Revenue growth due to revived market for classic display business with flat panel displays
- Strong decline of business with production systems for electronic devices industry as a result of risk mitigation after recent negative experiences
  - Development of diversified customer base is most important task, but will take some time
- Profitability improved due to better capacity utilization and projects with higher margins

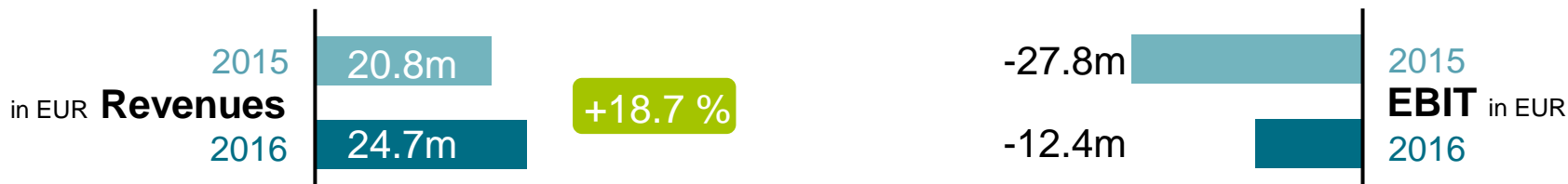
- Energy Storage: Performance influenced by order cancellation



- Missing follow-up orders due to order cancellation by major customer in June 2016
- High dynamics in e-mobility sector offering high growth potential
  - Excellent positioning of Manz due to high experience gained in electronic devices industry and successful projects in the e-mobility sector
- Focus of sales activities on broader customer portfolio
  - Investment in future with current impact on profitability



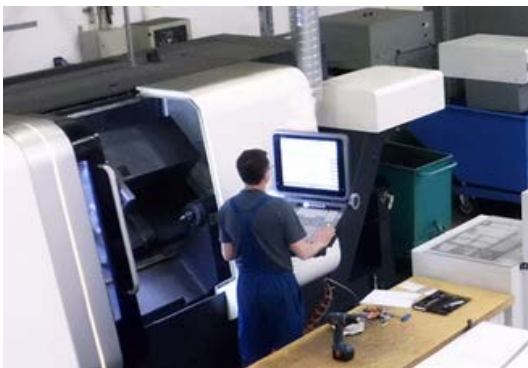
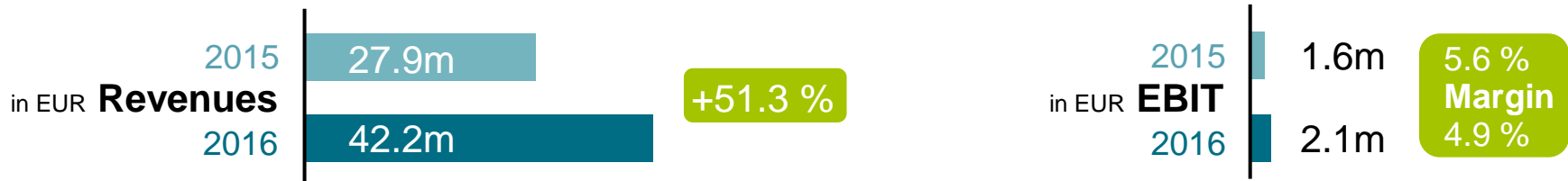
- Solar: Increased revenues though postponed CIGS order placement to January 2017



- Growth in revenues due to high demand for advanced automation systems and successful sale of machines on stock for the production of crystalline solar cells
- Earnings influenced by maintenance of capacities and intense R&D activities in CIGS thin-film technology
- Revenues and earnings generated by CIGS orders will fully impact 2017 and 2018 fiscal year

# REVIEW CONTRACT MANUFACTURING SEGMENT

- **Contract Manufacturing: Positive development due to joint venture “Talus”**



- Contract manufacturing for the semiconductor, medical, packaging, and automotive industry
- Joint venture “Talus Manufacturing” started operations in middle of second half-year of 2016
  - Sustainable contribution to positive development of this segment
- Earnings influenced by start-up expenses of Talus

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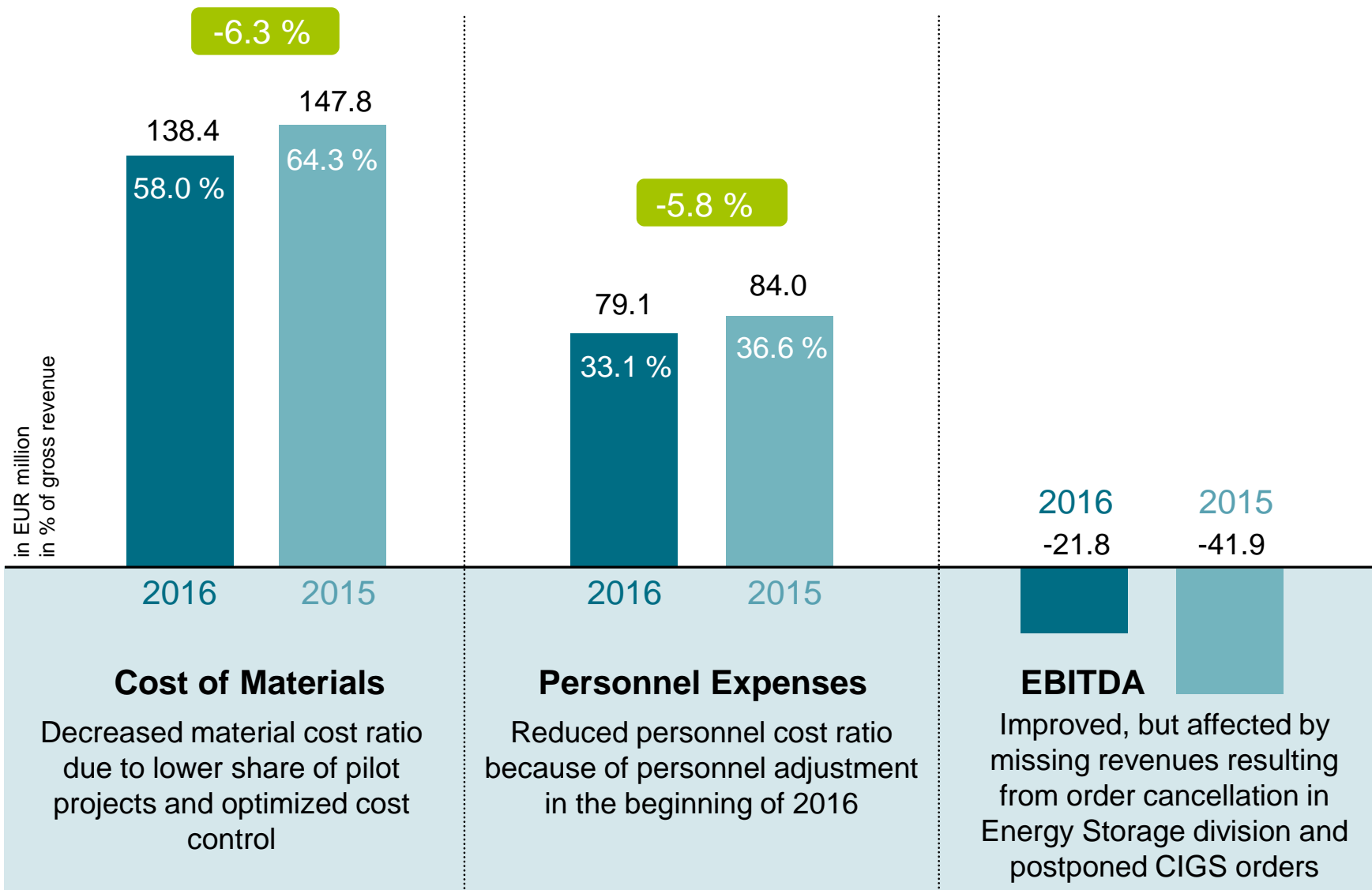
# FINANCIAL FIGURES



in EUR million	Jan.1 – Dec. 31 2016	Jan.1 – Dec. 31 2015
Revenues	231.0	222.0
Gross revenue	238.9	229.8
Other operating income	7.4	10.9
Costs/Expenses	268.0	282.6
EBITDA	-21.8	-41.9
Depreciation	-14.2	-16.3
EBIT	-35.9	-58.2

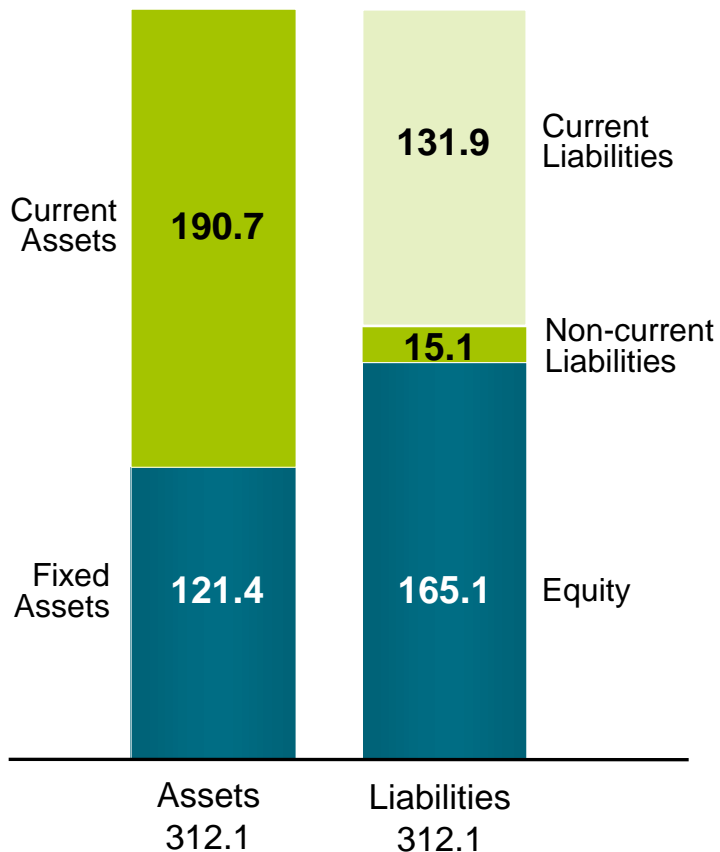
- Revenues 4.0 % above previous years' level despite postponed placement of CIGS bulk orders and cancellation of order in Energy Storage division and missing related follow-up orders
- Increase of gross revenue by 3.9 % to EUR 238.9m compared to EUR 229.8m
- Reduced overall cost base due to improved cost control by means of optimization program Manz 2.0 and transfer of serial machines to low-cost locations in Eastern Europe and Asia
- Depreciation of EUR -14.2m almost only consists of scheduled depreciation

# INCOME STATEMENT



BALANCE SHEET

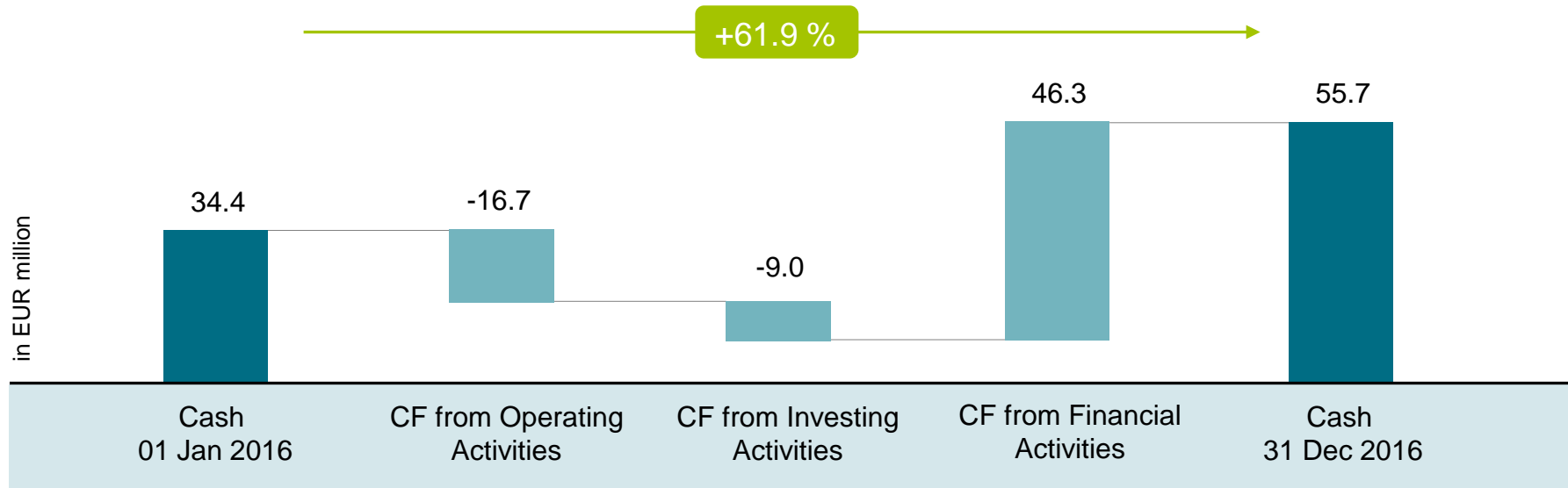
as of December 31, 2016  
in EUR million



	Definition	Dec. 31, 2016	Dec. 31, 2015	Change
<b>Equity Ratio</b>	$\frac{\text{equity}}{\text{total assets}}$	52.9 %	42.8 %	+10.1 pp
<b>Net Working Capital</b> <small>(in EUR million)</small>	current assets ./. liquid funds ./. non-interest-bearing current liabilities	55.4	56.1	-1.3 %
<b>Net Debt</b> <small>(in EUR million)</small>	interest-bearing liabilities ./. liquid funds	-1.3	48.6	-102.7 %

- Equity ratio with 52.9 % on very good level
- Net working capital on previous year's level
- Net debt influenced by increase in liquid funds because of capital increase in May 2016 as well as down-payments for projects in Asia

CASH FLOW



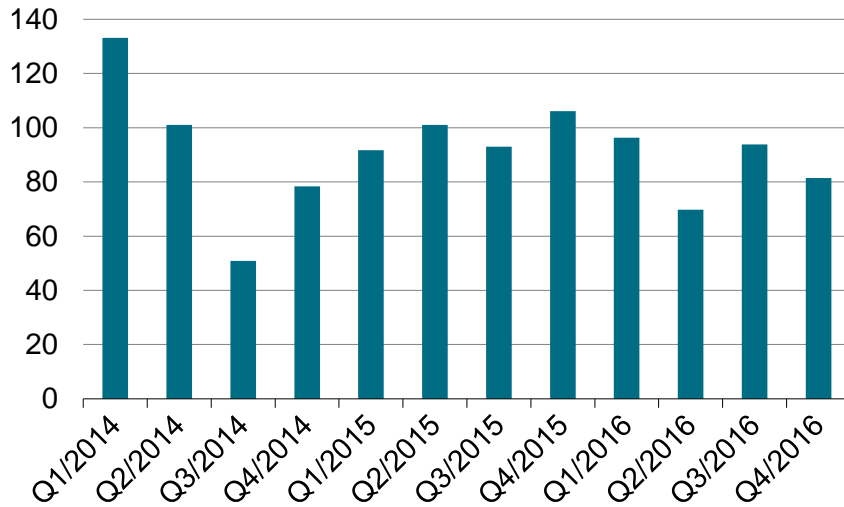
- Improved cash flow from operating activities of EUR -16.7m (2015: EUR -57.4m) reflects improved EBIT and lower increase of inventories and accounts receivable
- Cash flow from investing activities of EUR -9.0m (2015: EUR -22.0m) reflects lower investments in R&D. In addition, CF from investing activities of 2015 was influenced by investments of EUR 4.7m related to acquisition of KLEO Halbleitertechnik GmbH
- Cash flow from financing activities of EUR 46.3m (2015: EUR -90.4m) influenced by equity injection resulting from the capital increase and reduction of current financial liabilities

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# OUTLOOK



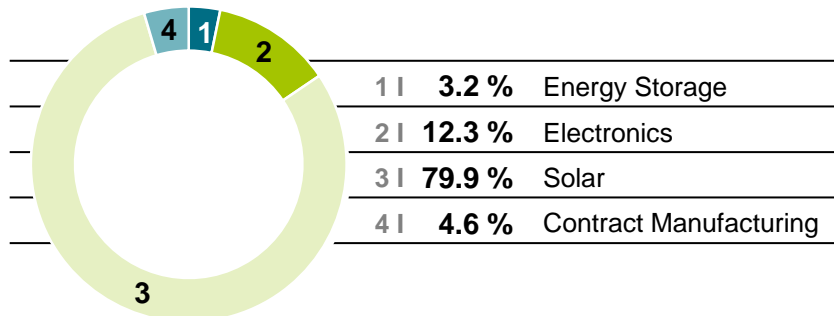
Development of Order Backlog



- Order backlog at the end of December 2016 of EUR 81.4m
  - ➔ 60.9 % Electronics
  - ➔ 23.6 % Contract Manufacturing
  - ➔ 13.0 % Energy Storage
  - ➔ 1.8 % Solar
  - ➔ 0.7 % Others

Order Backlog: EUR 330m

as of February 28, 2017 (project-related)



- Order backlog at the end of February 2017 reflects bulk orders for CIGS production lines
  - ➔ CIGS orders are still subject to official approval in China that is expected by mid-April at the latest



- Profitability
  - Approx. 50 % of revenues from 2 CIGS projects will amount to revenues of around EUR 130m in 2017
  - Transfer of Manz CIGS Technology GmbH (MCT) into joint R&D company has positive one-time effect of more than EUR 25m due to deconsolidation in 2017 and eliminates substantial annual operating costs
  
- Cash flow
  - Transfer of MCT into joint R&D company results in a cash inflow of about EUR 25m
  - Prepayments from CIGS orders amounting to EUR 79m
  - CIGS projects will be realized cash flow positive
  
- Balance sheet
  - Improved cash position from CIGS prepayments, net cash in 2017 expected



- Consequent pursue of our diversification strategy: success of company is based on 3 equally strong business units
- Focus on excellent growth potential in business unit Solar
  - ➔ First orders for CIGS*fabs* and accelerated development of the CIGS technology will add further dynamics to the demand for the Manz CIGS*fab*
- Expansion of our good position as leading non-Asian company in the growth market Energy Storage
- Further growth in business unit Electronics by continuous diversification within product portfolio and customer base
- Broadening of product portfolio with standard machines and intelligent solutions based on modular systems to further expand customer base in BUs Electronics and Energy Storage

➔ **Guidance 2017: significant increase in revenue to at least EUR 350m, with significantly improved and positive EBIT** (in dependence on the project start of the CIGS order, which will be determined at the time of fulfillment of all closing conditions)

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	7,744,088	
Opening Price	19 EUR (Sep. 2006)	
Shareholder Structure	Dieter Manz Ulrike Manz Shanghai Electric Free Float	24.66 % 2.66 % 19.67 % 53.01 %