



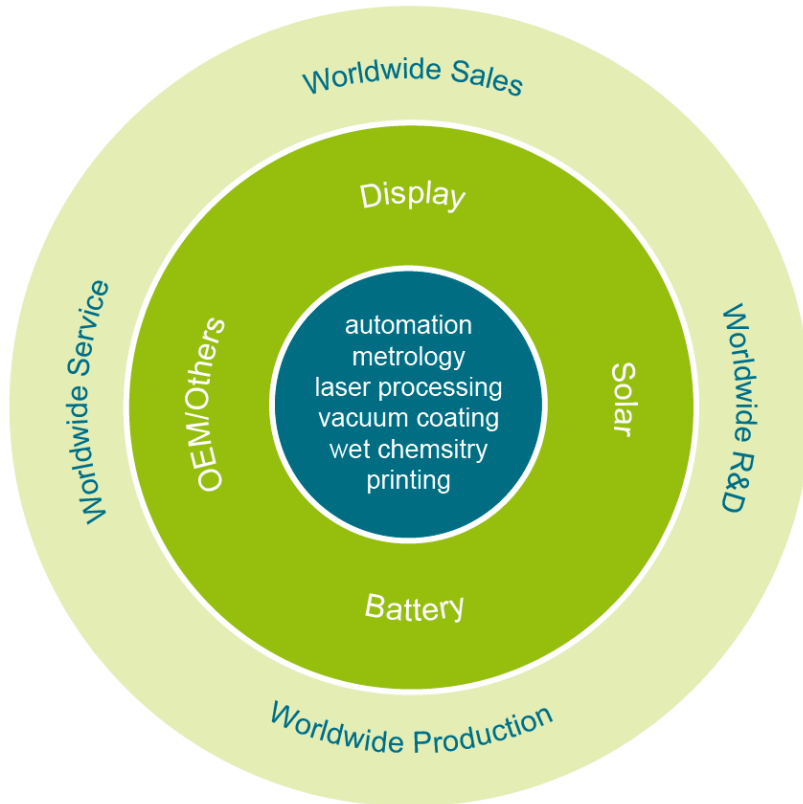
MANZ AG

CONFERENCE CALL 9M-RESULTS 2013

NOVEMBER 11, 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:

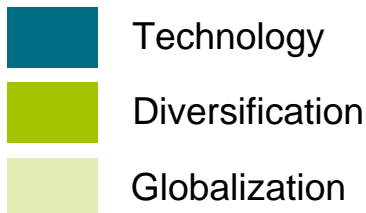
Successful technology transfer across strategic business units Display, Battery, and Solar; strengthening of OEM and PCB

- High synergy effects in base technologies

→ Globalization:

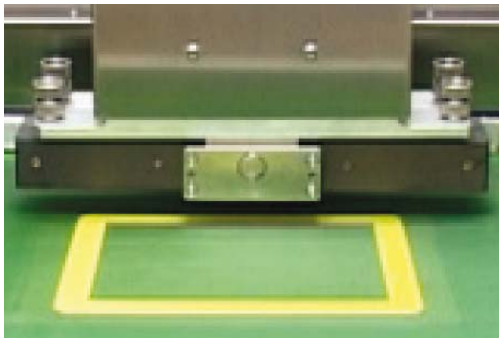
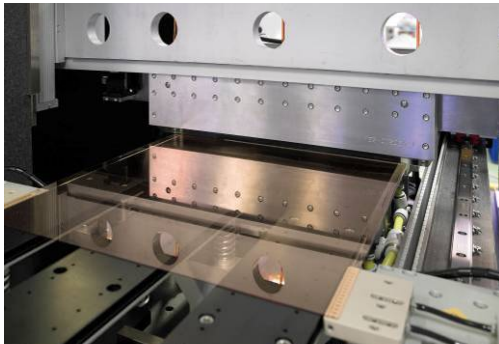
Successful expansion of global presence in sales, R&D, production, and service

- Excellent positioning in Asia



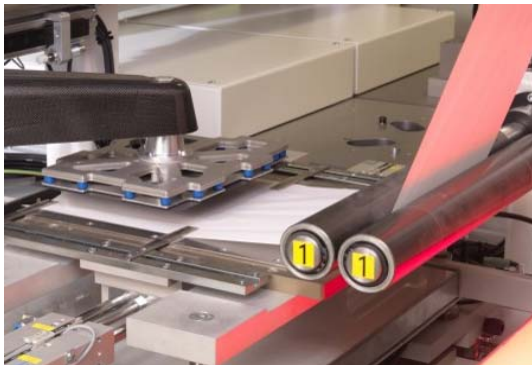


- **Strong third quarter reinforces forecast of record year 2013**
 - Positive development of 1st HY has been continued
 - Revenues in Q3 2013 of EUR 75.2m nearly doubled compared to revenues in Q3 2012
 - Positive EBIT in Q3 2013 of EUR 1.4m
- **Record in revenues after 3 quarters of 2013**
 - With EUR 213.0m revenue is 44.2% above revenues in same period 2012 and already 15.7% above full year result of 2012
 - Significantly improved EBIT of EUR 5.2m in 1st nine months (1-9 2012: EUR -3.5m)
 - Positive EBIT despite high investments in Solar division of EUR 15.5m impressively shows operative strength of company
- Continuous revenue increase in Display, Battery, and PCB/OEM divisions overcompensates weak Solar revenues
 - Only 3.5% of total revenues from Solar



Printing on cover glass of tablet computer

- **Display: Major driver of revenues and earnings due to ongoing boom of smart phones and tablet computers**
 - Revenues increased by 48.2% to EUR 139.3m (1-9 2012: EUR 94.0m)
 - EBIT of EUR 15.1m corresponds to EBIT margin of 10.9% (1-9 2012: EUR 12.2m)
- Manz is **world market leader** for wet chemical machines
 - One of the most important process steps in the production of touch-sensitive displays
- Core business in automation and wet chemistry extended by new applications for smart phone and tablet computer manufacturing
 - Technology transfer among business units
- 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



- **Battery: steady growth confirms positive development for 2013 and onwards**
 - Revenues increased by 18.6% to EUR 7.4m (1-9 2012: EUR 6.2m)
 - EBIT at TEUR 817 at end of 3rd quarter slightly lower than in same period 2012 (TEUR 914 in 2012)
- **Strong position in Battery division**
 - Successfully established as Germany's leading equipment supplier for production of Li-ion batteries for e-mobility and energy storage
 - Additional sales potential in the field of "premium consumer electronics" (tablet computers, mobile phones, notebooks)
 - Strategically important order with volume of approx. EUR 5m from ZSW for research production line
- **Comprehensive technological competence enables Manz covering all major market segments of Li-ion batteries**
 - High upside potential thanks to positive prospects in all end markets



- **OEM / PCB: sustained positive development**
 - Revenues in 1st nine months more than doubled to EUR 45.5m after EUR 19.4m in previous year
 - EBIT increased significantly to EUR 3.2m (1-9 2012: TEUR -310)
- OEM business still driven by strong demand of semiconductor industry
- PCB segment benefits from increasing use of electronic devices in everyday life and ongoing high demand for consumer electronics, e.g. in smart phones and tablet computers
- Strengthening of OEM business and expansion to other industries as strategic target to further stabilize business model
 - Compensation of volatile revenues and capacity utilization in strategic business units

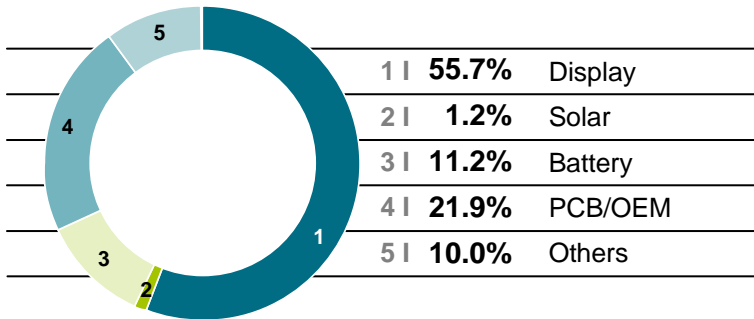


- **Solar: no risks but high upside potential**
 - 3.4% of total revenues (EUR 7.5m) in 1st nine months 2013 from Solar segment
 - EBIT of EUR -15.5m (1-9 2012: EUR -17.7m)
 - Despite low order backlog of 1.2% in Solar division all capacities are fully utilized by other divisions
- Ongoing growth of end customer market will lead to new record of newly installed capacity in 2013
 - Close of supply-demand gap expected in 2014/2015
 - Stable price levels for solar modules expected to continue for rest of the year and also in 2014
 - Positive turning point in PV industry expected
 - Manz will participate as leading equipment manufacturer in next investment cycle
- Unchanged high potential for CIGSfab in emerging PV markets with political support for localization of production
 - Exclusive use of the ZSW's new CIGS world record with efficiency of 20.8% offers Manz further opportunities to cut production costs

FINANCIAL FIGURES

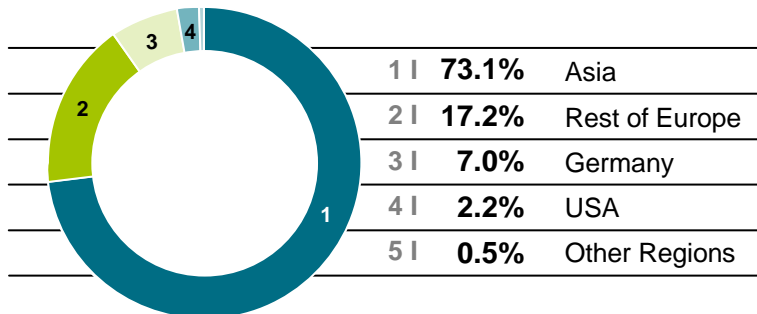
Order backlog: EUR 65.4m

As of September 30, 2013



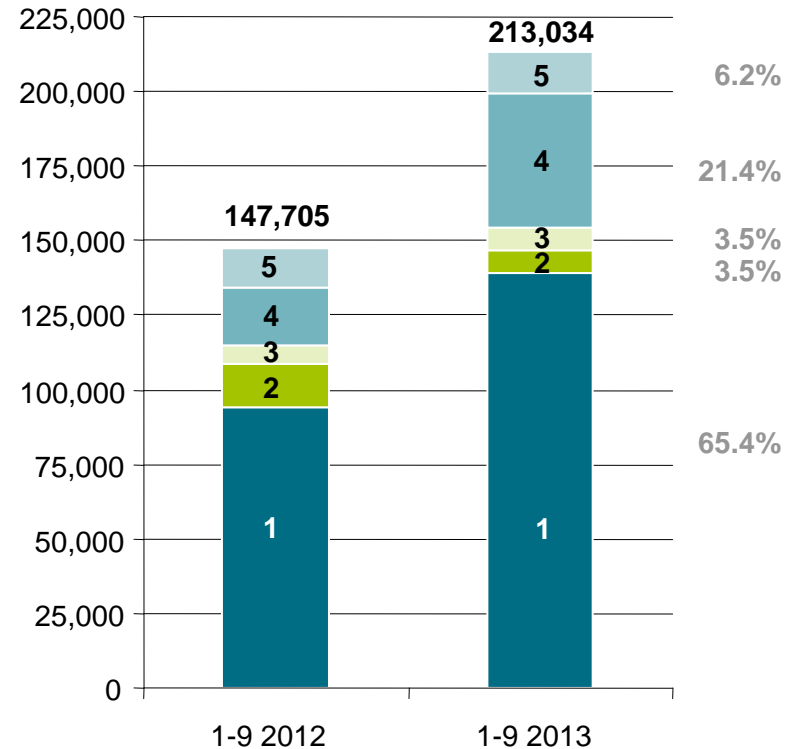
Revenues by region

As of September 30, 2013



Revenues by business units

In EUR thousand



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

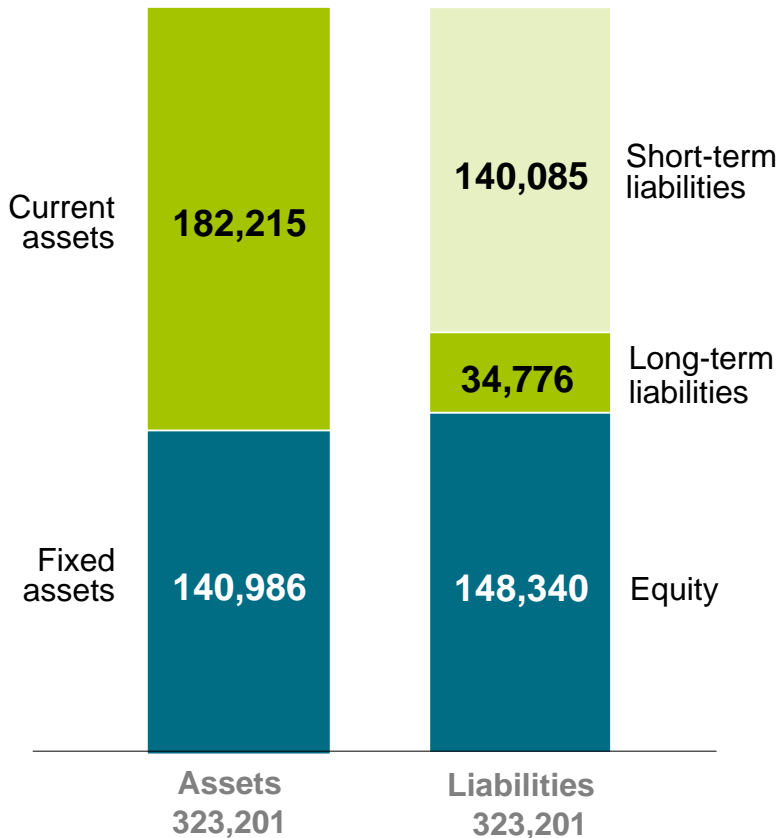
in EUR thousand	Jan.1 – Sep. 30 2013	Jan.1 – Sep. 30 2012
Revenues	213,034	147,705
Total operating revenue	218,297	156,985
Cost of materials	-130,254	-75,342
Personnel expenses	-49,062	-53,649
Other expenses	-26,012	-28,741
EBIT	5,206	-3,498

- Increase of revenues by 44.2% to EUR 213.0m (1-9 2012: EUR 147.7m) reflects the ongoing strong development of our business. Revenue already exceeded full year 2012
- Material cost ratio of 59.7% (1-9 2012: 48.0%) due to growing revenue share of products with higher material costs manufactured at Manz Asia and Manz Slovakia
- Personnel costs ratio improved significantly from 34.2% to 22.5% due to strong business and positive impact of cost reduction program
- Implementation of cost reduction program results in lower other expenses
- Positive operating result with EBIT of EUR 5.2m (1-9 2012: EUR -3.5m)

In EUR million As of Sep. 30, 2013	Solar	Display	Battery	PCB/OEM	Others
Revenues with 3rd parties	7.5	139.3	7.4	45.5	13.4
EBIT	-15.5	15.1	0.8	3.2	1.5
EBIT margin (%)	-	10.9	11.1	7.0	11.5

- High EBIT margin of 10.0% without business unit Solar
 - Loss in Solar includes depreciation of EUR 11.2m
 - Investment in Future Technology
 - Ongoing investment in R&D activities for CIGS thin-film amounting to EUR 4.3m
 - Capacities of cSi Solar division have been successfully shifted to other divisions
 - Successful technology transfer from Solar to Display and Battery
 - Strengthened PCB/OEM business

As of September 30, 2013
In EUR thousand



- Strong equity ratio almost stable at 45.9%
- Short term liabilities of EUR 140.1m after EUR 106.3m at the end of 2012 due to higher accounts payable, advance payments received, and use of credit lines for pre-financing of working capital due to strong growth
- Fixed assets decreased from EUR 155.4m to EUR 141.0m mainly because of scheduled depreciation of capitalized R&D
- Current assets increased from EUR 144.5m to EUR 182.2m as a result of higher accounts receivable and inventories

in EUR thousand	As of Sept. 2013	As of Sept. 2012
Cash flow from operating activities	19,045	564
Cash flow from investing activities	-6,261	-28,741
Cash flow from financing activities	10,104	18,385
Cash	52,727	24,268
Net debt	26,805	44,720

- Operating cash flow improved significantly to EUR 19.1m as a result of good profitability
- Negative Cash flow from investing activities has been reduced significantly to EUR -6.3m and comprises investment in R&D
- Reduced cash flow from financing activities because of lower additional financing requirement and redemption of long-term loans
- Cash position more than doubled to EUR 52.7m
- Net debt could be reduced to EUR 26.8m after EUR 44.7m in Sept. 2012



- Successful turnaround due to diversification in technology, markets, and regions
 - Only 1.2% of order backlog from Solar division
 - No growth risks resulting from Solar division in 2014 due to very good prospects for Display and Battery divisions – only upside potential
- 2013 will become a record year for Manz
 - High revenues of EUR 213m in first 9 months 2013 (+44% yoy)
 - Good prospects for follow-up and new orders in Display and Battery divisions
 - Positive development of OEM / PCB segment
 - Significant improvement of profitability despite high investments in business unit Solar
- Focus on further expansion of excellent position as leading equipment supplier for consumer electronic and battery industry
 - High growth potential in all key markets in 2014
 - Acquisition in battery segment likely

>> Increased guidance for revenues of EUR 260m - 270m and positive EBIT for full year 2013

CONTACT



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