

Manz AG publishes 2015 Annual Report and 2016 Outlook

- *2015 revenue of EUR 222.0 million and EBIT of EUR -58.2 million significantly impacted by order cancellations and delays in the amount of around EUR 140 million*
- *Restructuring initiated for optimization of the cost structure as basis for return to operating profitability*
- *Planned capital increase with participating interest and strategic collaboration with Shanghai Electric as important milestone for future corporate development*
- *Outlook for 2016: Significant revenue growth with significantly improved EBIT*

Reutlingen, March 30, 2016 – Manz AG, a globally active high-tech equipment manufacturer with an extensive technology portfolio covering the three strategic business segments of "Electronics", "Solar" and "Energy Storage," is publishing its 2015 Annual Report today. In the past year, Manz AG was confronted with challenges that crucially impacted revenue and earnings. To help counteract this development, Manz AG introduced measures that along with the planned participating interest and strategic collaboration with Shanghai Electric will form a sound basis for future corporate development.

At EUR 222.0 million, total revenues in the 2015 reporting period were slightly over the last revenue forecast issued of between EUR 200 and EUR 210 million, but were significantly below those of the previous year (EUR 305.9 million). The reasons for this were the significant effects of the order cancellations and delays in the Electronics and Energy Storage segments in the amount of around EUR 140 million. The Electronics segment accounted for the largest share of revenues in the reporting period, at EUR 87.6 million or 39.5 % (previous year: EUR 216.2 million or 70.7 %). The Solar segment generated around EUR 20.8 million or 9.4 % of Manz AG's total revenues in the 2015 fiscal year (previous year: EUR 13.7 million or 4.5 %). In addition, the Energy Storage segment accounted for a significant share of revenues in the reporting period with EUR 72.8 million or 32.8 % (previous year: EUR 24.1 million or 7.9 %) with equipment for the production of lithium-ion batteries and capacitors. The Contract Manufacturing reporting segment was responsible for revenue contributions of EUR 27.9 million or 12.5 % (previous year: EUR 36.3 million or 11.9 %). Revenues in the reporting segment Others totaled EUR 12.9 million, following EUR 15.7 million in the prior-year period; this corresponds to a revenue share of 5.8 %, following 5.0 % in 2014.

At the beginning of the year 2015, the company originally assumed a growth year and had oriented the structures and capacities of the Group expansively. As a result of this constellation – significantly lower revenues than planned and at the same time increased cost basis – the operating result for 2015 was strongly impacted. As a direct consequence on this development, the Managing Board initiated, with external support, a restructuring program, with which additional expenses of around EUR 15.1 million were associated. Earnings before interest, taxes and depreciation and amortization (EBITDA) amounted to

EUR -41.9 million in fiscal year 2015 (previous year: EUR 13.9 million). With earnings before interest and taxes (EBIT) of EUR -58.2 million (previous year EUR -32.8 million), the equipment manufacturer was in the range of its adjusted earnings forecast.

Alongside the optimization of its cost basis, the planned participating interest and cooperation with the Chinese Shanghai Electric Co., Ltd. forms a sound foundation for Manz AG to again develop positively in the future. Shanghai Electric, the largest manufacturer of power plants for the generation of electricity in China, is majority-owned by the City of Shanghai. Major business segments of this Chinese company are engaged in energy efficiency, clean energy production and industrial equipment manufacturing. In order to facilitate the participating interest of Shanghai Electric in Manz, the Managing Board and Supervisory Board have resolved, prospectively in the first half of 2016, to carry out a capital increase of around 43 % of the current capital stock. Dieter Manz, CEO and founder of Manz AG: "With Shanghai Electric, we have found a partner with long-term interests. This is documented in particular by the intended participating interest of around 30 %. Our future Chinese partner thus will provide additional stability in the company as a financially strong anchor investor together with me as major shareholders. Currently the last official approvals are still pending, but we do not anticipate any surprises in this regard. Thus everything is going as planned." As of the 2015 balance sheet, the equity ratio of Manz AG was 42.8 % (previous year: 55.2 %). The capital increase as well as the participating interest of Shanghai Electric will strengthen both the liquidity and the financing of Manz AG accordingly.

The cooperation with Shanghai Electric in addition will make possible for Manz AG improved access to the market in China, which in the near term will create development opportunities in all the strategic business segments of Manz AG. Because of these new perspectives, the Managing Board of Manz AG has decided to continue the Solar segment. The focus in the future will be on the further development and commercialization of the CIGS technology. Because of the positive industry outlook in the three strategic business segments and orders on hand as of February 29, 2016 of around EUR 110 million, the Managing Board is anticipating a significant increase in revenues for the full year of 2016 with a significantly improved EBIT. The goal of the company is to achieve at least a break-even EBITDA.

Company profile:

Manz AG – passion for efficiency

As a globally active high-tech equipment manufacturer, Manz AG, based in Reutlingen, Germany, is a pioneer for innovative products in fast-growing markets. Founded in 1987, the company has expertise in seven technology sectors: automation, laser processing, vacuum coating, screen printing, metrology, wet chemical and roll-to-roll processing. Manz deploys and continuously develops these technologies in three strategic business segments: Electronics, Solar and Energy Storage.

The company is led by founder Dieter Manz and has been listed on the stock exchange in Germany since 2006. It currently develops and produces in Germany, China, Taiwan, Slovakia, Hungary and Italy. It also has sales and service branches in the United States and India. Manz's claim "passion for efficiency" offers the promise of production systems of the highest efficiency and innovation to its customers in dynamic, future-oriented industries. With its comprehensive expertise in developing new production technologies and related machines, the company contributes substantially to reducing production costs for end products, making them accessible to large groups of buyers the world over.

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