

Manz AG Publishes Report on the First Nine Months of 2019

- *Revenue in the first nine months with 198 million euros below previous year's level (9M 2018: 212 million euros)*
- *EBIT weakened by lower revenue at the same cost basis*
- *Managing Board expects positive EBITDA margin in the lower single-digit percentage range and negative EBIT in the upper single-digit million range for 2019 financial year*
- *Revenues expected to remain slightly below previous year's level*

Reutlingen, November 11, 2019 – Manz AG, a global high-tech equipment manufacturer, today publishes its quarterly report on the first nine months of 2019. Group revenues in the first nine months of 2019 came to 198.2 million euros and thus were 6.5 % below the level of the previous year (9M 2018: 211.9 million euros). The decline in sales reflects the ongoing customer project delays in the Solar segment, as well as the unmet need for major investments from the electromobility segment in the development of European battery production. Earnings before interest, taxes, depreciation and amortization (EBITDA) in the first nine months rose from 3.7 million euros in the same period of the previous year to 5.8 million euros now and earnings before interest and taxes (EBIT) amounted to -7.7 million euros (previous year: -2.4 million euros). Manz reported improvements in earnings over the previous year in individual business segments, although overall earnings continued to be negatively affected by the lower revenue level at the same cost basis.

Martin Drasch, CEO of Manz AG, notes: "After a strong start to the financial year 2019, our revenue and earnings forecasts have been deferred due to the overall economic conditions and a few project delays on the customer side. Irrespective of this, our growth opportunities and prospects in the core segments remain fully intact. Especially the recent passage of policy measures to support electromobility, as well as the dynamic growth in the Consumer Electronics segment, underscore the potential for Manz AG."

In the Solar segment, revenue trend was significantly affected by the customer delays in the construction of the factory building, combined with the orders for turnkey production lines for thin-film solar modules. Due to the unrealized sales at the same fixed costs, the EBIT was thus negatively affected. Revenues in the Energy Storage segment were approximately equal to the previous year's level. While on the one hand the commitment to electromobility in politics and industry is clearer than ever, the decisions to undertake major investments in European battery capacities have yet to materialize. However, Manz AG reported a very positive development with incoming orders of approx. 40 million euros since the start of the year from a leading global battery maker in the consumer electronics sector. The chances are good that this successful business partnership will result in additional follow-on orders in 2019. While revenue development in the Electronics segment has been very dynamic compared to the previous year, the segment earnings are below the previous year's level due to higher expenses as well as additional costs related to customer delays in processing a major order.

The Contract Manufacturing segment developed positively in the first nine months. With stable revenue, earnings strengthened further. The Service segment registered a slight decline in revenue with lower earnings, which was primarily due to uncalled service agreements related to the worsening economic outlook.

Manz AG's Managing Board has corrected its previous earnings forecast due to the overall economic development. Positive earnings effects from individual operating and strategic measures that, contrary to expectations, can no longer be realized in the fiscal year 2019, as well as project delays caused by customers, have led to a time lag in revenues and earnings. The Management Board now expects a positive EBITDA margin in the lower single-digit percentage range and a negative EBIT in the upper single-digit million range for the 2019 financial year, with revenues slightly below the previous year's level.

2019 9M revenue, EBITDA, and EBIT compared to the previous year

in millions of euros	Q3 2019	Q3 2018
Group revenue	198.2	211.9
Solar	39.0	88.1
Electronics	91.6	55.3
Energy Storage	23.2	22.7
Contract Manufacturing	29.6	30.7
Service	14.8	15.1
Group EBIT	-7.7	-2.4
Solar	0.4	11.7
Electronics	-7.6	-11.3
Energy Storage	-9.0	-7.2
Contract Manufacturing	6.9	1.7
Service	1.4	3.6
Group EBITDA	5.8	3.7
Solar	3.3	12.5
Electronics	-1.3	-8.8
Energy Storage	-5.9	-4.9
Contract Manufacturing	7.6	2.1
Service	2.0	3.7

Company profile:

Manz AG – passion for efficiency

Founded in 1987, Manz AG is a global high-tech equipment manufacturing company. Its business activities cover the segments Solar, Electronics, Energy Storage, Contract Manufacturing, and Service.

With many years of expertise in automation, laser processing, vision and metrology, wet chemistry, and roll-to-roll processes, the company offers manufacturers and their suppliers innovative production solutions in the areas of photovoltaics, electronics, and lithium-ion battery technology. The company's product portfolio includes both customer-specific developments and standardized single machines and modules, which can be linked to create complete custom systems. Manz AG offers high-quality, needs-based solutions that can be integrated early into customer projects to contribute significantly to customer success.

The company, listed on the stock exchange in Germany since 2006, develops and produces its products in Germany, Slovakia, Hungary, Italy, China and Taiwan. It also has distribution and service branches in the USA and India. Manz AG currently employs roughly 1,600 workers worldwide, around half of whom work in the Asia region, which is key to the company's target industries. Manz Group revenue in the 2018 financial year totaled around 297 million euros.

Investor Relations Contact

Manz AG
Axel Bartmann
Phone: +49 (0)7121 – 9000-395
Fax: +49 (0)7121 – 9000-99
E-mail: abartmann@manz.com

cometis AG
Claudius Krause
Phone: +49 (0)611 – 205855-28
Fax: +49 (0)611 – 205855-66
E-mail: krause@cometis.de

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