

**9-MO
NTHRE
PORT
2019**

MANZ AG AT A GLANCE

Overview of Consolidated Results

(in million euros)	January 1 to Sept. 30, 2019	January 1 to Sept. 30, 2018 ¹
Revenues	198.2	211.9
Total operating revenues	201.8	213.9
EBITDA	5.8	3.7
EBITDA margin (in %)	2.9 %	1.7 %
EBIT	-7.7	-2.4
EBIT margin (in %)	n/a	n/a
EBT	-9.6	-3.6
Consolidated net profit	-11.4	-4.9
Earnings per share (in EUR)	-1.44	-0.62
Cash flow from operating activities	-38.3	20.7
Cash flow from investing activities	-6.7	-9.6
Cash flow from financing activities	18.3	6.4

¹ Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

2019/2020 Financial Calendar

November 25–27, 2019	Deutsches Eigenkapitalforum, Frankfurt
Dezember 10, 2019	Münchener Kapitalmarkt Konferenz, München
March 26, 2020	Publication of Annual Report 2019
May 5, 2020	Publication of 2020 3-month financial report
June 30, 2020	2020 Annual General Meeting
August 4, 2020	Publication of 2020 6-month financial report
November 3, 2020	Publication of 2020 9-month financial report

IFRS 16 leases will be applied for the first time from January 1, 2019. This also has an impact on the Group's key performance indicators. The previous year's figures were not adjusted. The specific effects of the application of IFRS 16 are described in the 2018 Annual Report and in the interim report under „Accounting and valuation methods“.

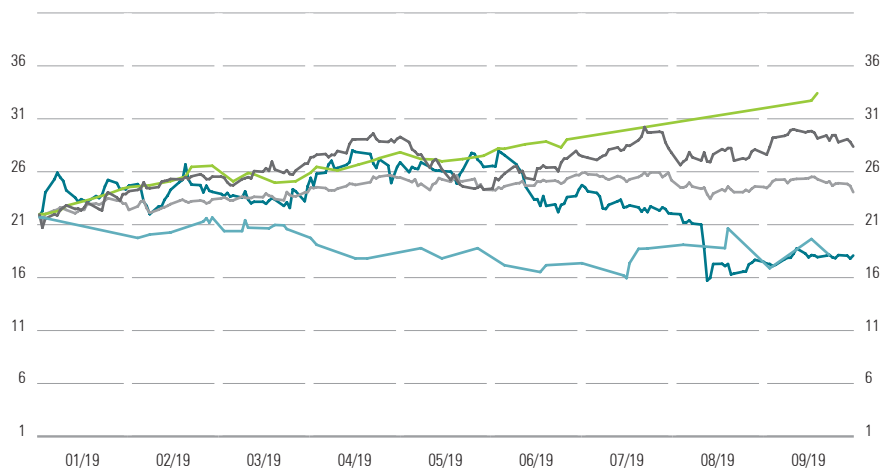
MANZ AG STOCK

Stock Key Data and Performance Indicators Jan. 1 to Sept. 30, 2019

Ticker/ISIN	M5Z/DE000A0JQ5U3
Capital stock	7,744,088
Closing price (Sept. 30, 2019)*	17.80 EUR
Annual high/Annual low*	15.40 EUR/27.95 EUR
Market performance – absolute	-14.2%
Market performance – TecDAX	14.9%
Market capitalization (Sept. 30, 2019)	137.84 Mio. EUR

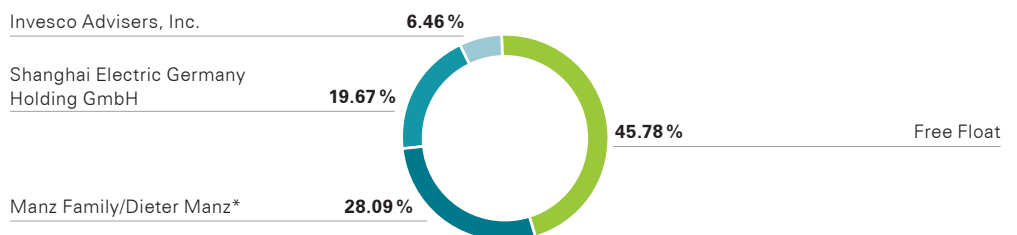
* Closing prices on Deutsche Börse AG's XETRA trading system

Chart Showing Manz AG Stock (XETRA, in EUR)



■ Manz AG ■ Sox (n) ■ TecDax (n) ■ PPVX (n) ■ SOLEX (n)

Shareholder Structure



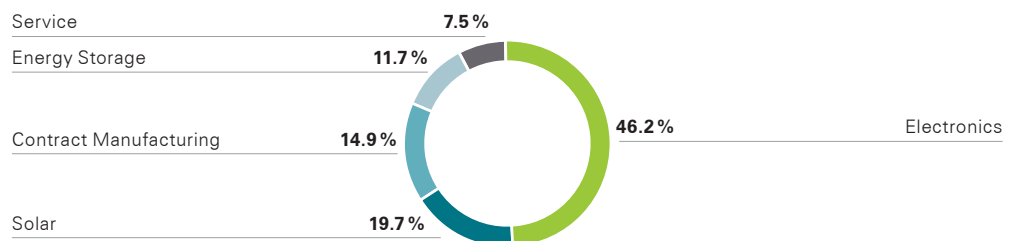
* Dieter Manz 12.32%, Ulrike Manz 5.44%, Stephan Manz 5.16%, Laura Manz 5.16%

BUSINESS PERFORMANCE

After a solid start to the financial year 2019, the overall economic situation deteriorated in the second and third quarters and individual projects were delayed. Revenues in the first 9 months of 2019 amounted to 198.2 million euros, down 6.5% from the same period of the previous year; earnings before interest and taxes (EBIT) amounted to –7.7 million euros (previous year: –2.4 million euros).

In the 2019 reporting period, the segment Solar continued to focus on processing orders for turnkey production lines for CIGS thin-film solar modules. However, due to customer delays in the completion of the buildings, the installation of the equipment supplied by Manz AG in this connection could not yet be started. In the meantime, the building for the large-scale facility has been completed to such an extent that Manz AG is currently already carrying out assembly and preparatory work for the upcoming move-in of the equipment. The final acceptance of the machines and receipt of payment of the balance of around 50 million euros of the orders with a total volume of 263 million euros is expected at the end of 2020. The handling of a major order from the Baosteel Group, one of the world's largest iron and steel conglomerates, is proceeding according to plan and has contributed, as expected, to revenues and earnings.

Revenues by Business Segment January 1 to September 30, 2019

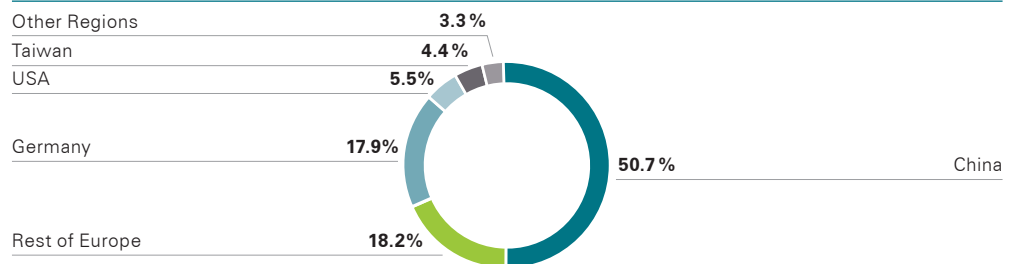


The segment Electronics also showed dynamic development in the first 9 months of 2019. In the first half, Manz AG worked among other things on the realization of a major order for wet-chemical systems for the manufacturing of large-format displays with a total volume of 90 million USD (approx. 76 million euros). The customer is HKC, one of the top 3 display manufacturers on the Chinese market. In addition, Manz AG received an initial order worth 16 million USD (approx. 14 million euros) from the world's largest manufacturer of LCD flat screens for equipments to manufacture the latest generation of 10.5 displays. In the third quarter, Manz AG received orders for laser equipment for the dustproof and waterproof sealing of wearables and laser engraving of implants as well as a follow-up order for several assembly lines of the LightAssembly platform. The order came from a leading international provider of power electronics, with whom Manz has maintained a trustworthy business relationship for many years. Manz will deliver process and handling modules for the automated assembly of power electronics, with a total volume reaching into tens of millions of

euros. In addition, the project for machines for the automated assembly of cell contacting systems for battery cells in electric mobility is currently being successfully executed. With this project, Manz AG has opened up another important area in connection with electric power trains for electric vehicles.

The segment Energy Storage fell short of original expectations in the reporting period 2019. The main reason for this was the continued reluctance of the German and European automotive industries to invest in an expansion of the capacity for production of lithium-ion battery cells and modules. At the same time, Manz recorded increasing business momentum in the first 9 months of 2019 with a well-known battery manufacturer for the consumer electronics sector. Since the beginning of the year, Manz has already received orders from this long-standing client with a total volume of almost 40 million euros. Despite the ongoing delays in the receipt of large-volume orders from the electromobility sector, this customer relationship in the consumer electronics sector proves Manz AG's extensive experience and sound market position in battery technology. In view of the market developments toward increasingly wireless and very small devices, Manz expects increasing demand for very small, quickly rechargeable battery cells in several sales markets. Together with the anticipated accelerated business momentum from the e-mobility sector in the next 12 months, Manz therefore has high expectations for the future development of incoming orders in this segment.

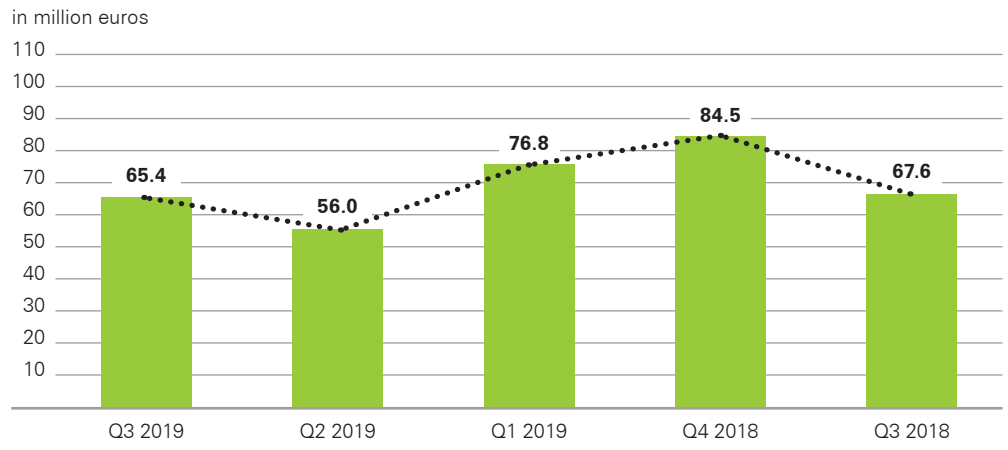
Revenue Distribution by Region January 1 to September 30, 2019



Incoming orders as of September 30, 2019 amounted to 242.6 million euros, in the previous year: 128.7 million euros. The value of orders on hand on the same reporting date was 140.6 million euros (September 30, 2018: 246.4 million euros).

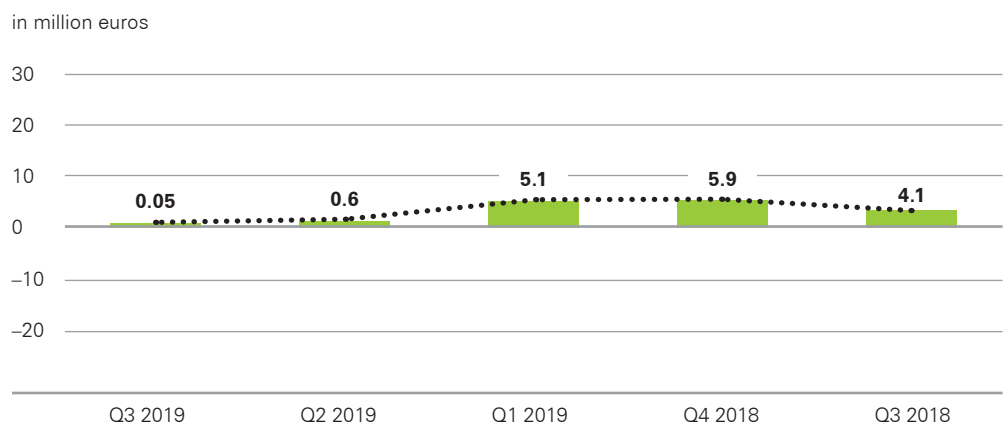
BUSINESS REPORT

Revenue trend per quarter



- Revenues after 9 months around 6.5% below previous year; in Q3 revenues increase by 16.7% compared to Q2 2019
- Continued reluctance to invest in e-mobility significantly impacts revenue trend in the Energy Storage segment.
- Solar revenues are currently behind the original plan due to customer project delays.

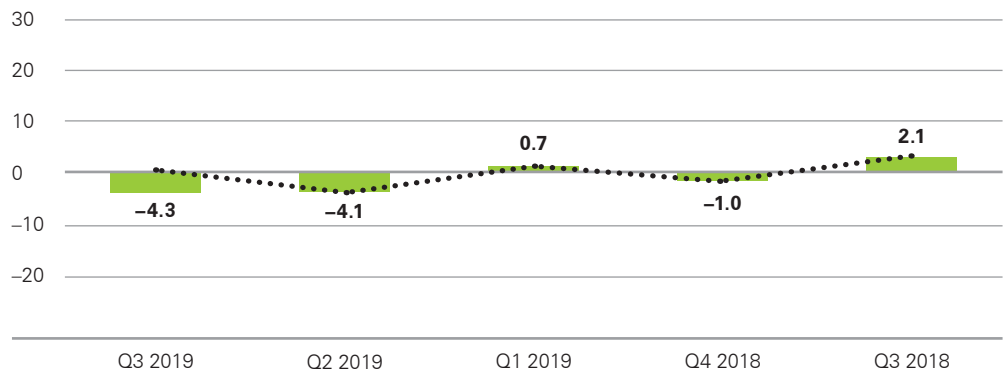
Earnings before interest, taxes, depreciation, and amortization (EBITDA) per quarter



- Improvement of EBITDA to 5.8 million euros after 9 months compared to previous year results from application of IFRS 16 Leases.
- Contract Manufacturing with dynamic business development and positive earnings contribution of 7.5 million euros
- Earnings contribution from Electronics segment still negative, but improved significantly by 7.5 million euros compared to previous year

Earnings before interest and taxes (EBIT) per quarter

in million euros



- Net losses due to project-related revenues and earnings effects in the Solar, Electronics and Energy Storage segments
- Electronics improved over the previous year, but still negative due to effects from the processing of a large individual order
- Energy Storage clearly negative due to expected but still outstanding major orders from the electromobility sector

EVENTS AFTER THE BALANCE SHEET DATE

No further events took place after the end of the reporting period that would have had a significant impact on our financial position, financial performance or cash flows.

FORECAST REPORT

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.

CONSOLIDATED INCOME STATEMENT

	1st–3rd Quarter (in EUR tsd.)		3rd Quarter (in EUR tsd.)	
	January 1 to Sept. 30, 2019	January 1 to Sept. 30, 2018 ¹	January 1 to Sept. 30, 2019	January 1 to Sept. 30, 2018
Revenues	198,168	211,945	65,383	67,588
Inventory changes, finished and unfinished goods	-152	-1,941	-2,360	-2,380
Work performed by the entity and capitalized	3,792	3,941	2,050	1,038
Total operating revenues	201,809	213,945	65,072	66,245
Other operating income	6,328	3,750	1,185	1,336
Cost of materials	-126,364	-130,484	-41,991	-35,935
Personnel expenses	-54,798	-52,749	-17,997	-17,109
Other operating expenses	-26,296	-30,066	-8,270	-10,669
Share of profit (loss) of associates	5,076	-747	2,053	271
EBITDA	5,755	3,650	52	4,138
Amortization/Depreciation	-13,444	-6,030	-4,310	-2,036
Operating earnings (EBIT)	-7,689	-2,379	-4,258	2,102
Finance income	43	72	13	18
Finance costs	-1,915	-1,302	-666	-412
Earnings before taxes (EBT)	-9,560	-3,610	-4,911	1,708
Income taxes	-1,789	-1,327	-979	-373
Consolidated net profit/loss	-11,350	-4,937	-5,889	1,334
attributable to minority interests	-166	-166	-106	-65
attributable to shareholders of Manz AG	-11,183	-4,772	-5,784	1,400
Weighted average number of shares	7,744,088	7,744,088	7,744,088	7,744,088
Earnings per share (diluted = undiluted) in EUR per share	-1.44	-0.62	-0.75	0.18

¹ Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)

	Sept. 30, 2019	Dec. 31, 2018
Non-current assets		
Intangible assets	61,177	62,328
Property, plant, and equipment	49,428	29,160
Investment in an associated companies	17,416	11,763
Financial assets	20,006	20,006
Other non-current assets	507	523
Deferred tax assets	5,185	4,913
	153,720	128,693
Current assets		
Inventories	50,661	49,368
Trade receivables	40,362	30,138
Contract assets	63,945	51,029
Current income tax receivables	431	443
Derivative financial instruments	0	2
Other current assets	30,494	35,038
Cash and cash equivalents	24,739	51,006
	210,631	217,024
Total assets	364,351	345,717

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR tsd.)

	Sept. 30, 2019	Dec. 31, 2018
Equity		
Issued capital	7,744	7,744
Capital reserve	79,389	78,626
Revenue reserves	33,254	44,438
Other comprehensive income	19,461	18,696
Shareholders of Manz AG	139,848	149,503
Non-controlling interests	311	471
	140,159	149,974
Non-current liabilities		
Non-current financial liabilities	1,730	1,138
Non-current financial liabilities from leasing	16,992	0
Pension provisions	6,951	7,051
Other non-current provisions	2,992	3,114
Other non-current liabilities	19	55
Deferred tax liabilities	5,250	4,371
	33,933	15,729
Current liabilities		
Current financial liabilities	62,527	42,173
Current financial liabilities from leasing	3,956	0
Trade payables	68,243	69,683
Contract liabilities	25,323	42,285
Current income tax liabilities	360	384
Other current provisions	14,187	12,034
Derivative financial instruments	4	2
Other current liabilities	15,657	13,453
	190,258	180,014
Total liabilities	364,351	345,717

CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)

	January 1 to Sept. 30, 2019	January 1 to Sept. 30, 2018 ¹
Consolidated net profit/loss	-11,350	-4,937
Amortization/depreciation	13,444	6,030
Increase (+)/decrease (-) in pension provisions and other non-current provisions	-223	578
Interest income (-) and expenses (+)	1,871	1,231
Taxes on income and earnings	1,789	1,327
Other non-cash income (-) and expenses (+)	158	178
Gains (-)/losses (+) from disposals of assets	17	395
Share of profit/loss of an associated company	-5,076	747
Increase (-)/decrease (+) in inventories, trade receivables, contract assets and other assets	-24,194	11,956
Increase (+)/decrease (-) in trade payables, contract liabilities and other liabilities	-11,031	6,881
Received (+)/Paid income taxes (-)	-1,801	-2,453
Interest paid	-1,915	-1,302
Interest received	43	72
Cash flow from operating activities	-38,266	20,701
Cash receipts from the sale of fixed assets	411	150
Cash payments for investments in intangible assets and property, plant and equipment	-5,873	-6,664
Investments in financial assets	-1,275	-3,116
Cash flow from investing activities	-6,737	-9,630
Cash receipts from the assumption of non-current financial liabilities	609	1,316
Cash payments for the repayment of non-current financial liabilities	0	-621
Cash receipts from the assumption of current financial liabilities	20,538	5,744
Cash payments for the repayment of current financial liabilities	-184	0
Purchase of treasury shares	-2	-78
Cash payment for the repayment of financial leases	-2,693	0
Cash flow from financing activities	18,268	6,361
Cash and cash equivalents at the end of the period		
Net change in cash and cash equivalents (subtotal 1 – 3)	-26,736	17,431
Effect of exchange rate movements on cash and cash equivalents	144	-178
Credit risk allowance on bank deposit	324	0
Cash and cash equivalents on January 1, 2019	51,006	47,846
Cash and cash equivalents on September 30, 2019	24,739	65,099
Composition of cash and cash equivalents		
Cash and cash equivalents	24,739	65,099
Cash and cash equivalents on September 30, 2019	24,739	65,099

¹ Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

SEGMENT REPORTING FOR DIVISIONS

as of September 30, 2019

(in EUR tsd.)							
	Solar	Electronics	Energy Storage	Contract Manufacturing	Service	Consolidation	Group
Revenues with third parties							
Q1-Q3 2019	38,987	91,644	23,154	29,608	14,774	0	198,168
Q1-Q3 2018¹	88,136	55,274	22,742	30,695	15,098	0	211,945
Revenues with other segments							
Q1-Q3 2019	0	-18	0	0	0	18	0
Q1-Q3 2018¹	0	3,527	0	0	0	-3,527	0
Total revenues							
Q1-Q3 2019	38,987	91,626	23,154	29,608	14,774	18	198,168
Q1-Q3 2018¹	88,136	58,800	22,742	30,695	15,098	-3,527	211,945
Share of profit (loss) of an associate							
Q1-Q3 2019	0	0	0	5,076	0	0	5,076
Q1-Q3 2018¹	0	0	0	-747	0	0	-747
EBITDA							
Q1-Q3 2019	3,328	-1,271	-5,895	7,548	1,983	62	5,755
Q1-Q3 2018¹	12,461	-8,754	-4,927	2,113	3,733	-975	3,650
Depreciation							
Q1-Q3 2019	2,914	6,303	3,061	616	549	0	13,444
Q1-Q3 2018¹	763	2,485	2,225	397	162	-3	6,030
EBIT							
Q1-Q3 2019	414	-7,574	-8,957	6,931	1,434	63	-7,689
Q1-Q3 2018¹	11,698	-11,239	-7,152	1,716	3,571	-972	-2,379
Finance costs							
Q1-Q3 2019	-244	-744	-375	-194	-314	0	-1,871
Q1-Q3 2018¹	-372	-387	-260	-212	0	0	-1,231
Earnings before taxes (EBT)							
Q1-Q3 2019	169	-8,318	-9,331	6,737	1,120	63	-9,560
Q1-Q3 2018¹	11,326	-11,626	-7,412	1,504	3,571	-972	-3,610
Income taxes							
Q1-Q3 2019	-310	-244	-300	-279	-656	0	-1,789
Q1-Q3 2018¹	-505	-314	-113	-356	-40	0	-1,327
Consolidated profit or loss							
Q1-Q3 2019	-141	-8,562	-9,632	6,458	464	63	-11,350
Q1-Q3 2018¹	10,821	-11,940	-7,525	1,148	3,531	-972	-4,937

1 Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

SEGMENT REPORTING FOR REGIONS

as of September 30, 2019

(in EUR tsd.)	Third-party revenues by destination of delivery
Germany	
Q1–Q3 2019	35,458
Q1–Q3 2018¹	27,049
Rest of Europe	
Q1–Q3 2019	36,062
Q1–Q3 2018¹	31,238
China	
Q1–Q3 2019	100,531
Q1–Q3 2018¹	126,324
Taiwan	
Q1–Q3 2019	8,603
Q1–Q3 2018¹	16,459
Rest of Asia	
Q1–Q3 2019	6,557
Q1–Q3 2018¹	5,320
USA	
Q1–Q3 2019	10,956
Q1–Q3 2018¹	4,906
Other Regions	
Q1–Q3 2019	0
Q1–Q3 2018¹	649
Group	
Q1–Q3 2019	198,168
Q1–Q3 2018¹	211,945

¹ Adjustment after restatement due to deconsolidation of a company, see Annual Report 2018, Chapter „Consolidation Range“

ACCOUNTING AND VALUATION METHODS

The Manz AG quarterly statement as of September 30, 2019 was prepared in conformance with the International Financial Reporting Standards (IFRS) and was largely unchanged from December 31, 2018. Deviating from this, Manz is applying IFRS 16 Leases for the first time as of January 1, 2019. An adjustment of the comparative figures for the same period of the previous year will not be carried out.

The lessee's current, off-balance-sheet operating leases are recorded through the initial application of the new accounting standard as right-of-use assets under property, plant and equipment and as financial liabilities from leasing. The corresponding reporting options are used for short-term leases and leases for low-value assets.

Property, plant, and equipment and financial liabilities from leasing increased by 25 million euros as of January 1, 2019, as a result of the capitalization of right-of-use assets.

In addition, depreciation on right-of-use assets of over 3 million euros and financing expenses of over 0.7 million euros were recorded in the income statement in the first quarter of financial year 2019.

IMPRINT

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