

Manz AG terminates negotiations with Chinese contractual partner and makes non-cash impairment in solar business

Reutlingen, July 29, 2022 - Manz AG, a globally active high-tech engineering company with a comprehensive technology portfolio, is terminating negotiations with its Chinese customer Chongqing Shenhua Thin Film Solar Technology Co., Ltd. regarding the conclusion of the large-scale solar project CIGS*fab* and, in this context, is making a non-cash impairment in the amount of EUR 23.2 million on a contractual asset. This was decided by the Managing Board after no agreement could be reached today on the completion of the project also in the final negotiations with the contractual partner.

Since 2017, Manz AG had been working on the major project for the Chinese partner with a planned total order volume of around EUR 218 million, which was interrupted in December 2020 at the customer's request. By the end of 2020, Manz AG had received payments of around EUR 175 million, but had already provided services with a total value of around EUR 198 million to date. As already described in detail in the context of the Annual Report 2021 as well as the Annual General Meeting 2022, the Managing Board had previously assumed that the customer would fulfill the associated contractually outstanding payments. Contrary to expectations, however, it has not been possible to reach a mutual solution between the contractual parties to date. Therefore, Manz AG is now pursuing the goal of asserting its claims through the courts.

Due to the impact on earnings development resulting from today's decision and against the backdrop of the unexpectedly strong increase in raw material and energy costs, a changed project mix, ongoing challenges in the global supply chains, and increased economic uncertainties among Manz AG's customers, the Managing Board is adjusting its forecast for the 2022 fiscal year. The adjusted forecast will be announced on August 04, 2022, together with the key financial figures for the first half of 2022.

Martin Drasch, CEO of Manz AG: *"We very much regret that we were unable to reach an amicable solution with our Chinese contractual partner. We will now consistently focus our efforts on the implementation of our growth strategy in the automotive & electromobility, battery manufacturing, electronics, energy, and medical technology industries. Accordingly, we are not undertaking any further technological developments in CIGS thin-film solar technology and have discontinued market development. In the e-mobility market in particular, we have established a strong position as a high-tech equipment manufacturer to benefit from the immense market potential."* Manz has recently been able to use this momentum to its advantage and convince numerous well-known, international customers with its years of experience in developing innovative production concepts and solutions.

Company profile:

Manz AG – engineering tomorrow’s production

Manz AG is a global high-tech engineering company.

Focusing on the automotive industry and electromobility, battery manufacturing, electronics, energy as well as medical technology, Manz develops and builds innovative and efficient production solutions: From customized single machines for laboratory production or pilot and small series production, to standardized modules and systems, to turnkey lines for mass production.

Technologically, Manz's production equipment is based on many years of experience in the fields of automation, laser processing, inspection systems, and wet chemistry.

With currently around 1,400 employees, the Manz Group develops and produces in Germany, Slovakia, Hungary, Italy, China and Taiwan. Sales and service subsidiaries also exist in the USA and India.

Manz AG was founded in 1987 and has been listed on the Frankfurt Stock Exchange since 2006. In fiscal year 2021, the group generated revenues of around EUR 228 million.

Contact

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

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

Follow us on:

