

Press Release

Thun, 2 November 2017

Meyer Burger is optimising manufacturing footprint and product portfolio

Meyer Burger Technology Ltd (SIX Swiss Exchange: MBTN) announced today that it has initiated a cost efficiency programme to optimise manufacturing costs and further concentrate its product portfolio. As a result, the production site in Thun/Switzerland, which currently manufactures equipment used in the wafer and module processes as well as for building integrated photovoltaics applications, will be reorganised. All the manufacturing activities in Thun are expected to be discontinued by the end of 2018.

Hans Brändle, CEO at Meyer Burger said: "The decisions to close down production in Thun in 2018 and to reorganise certain parts of our product portfolio were difficult to take. Especially since it also affects many long-term employees of Meyer Burger. But this transformation and reorganisation has become unavoidable and necessary to improve the Group's operating efficiency and to secure the future of Meyer Burger. We will ensure that the personnel measures are carried out in a fair, respectful and socially responsible way."

Manufacturing of diamond wire saws moves closer to clients

In Wafering, with 85% of PV wafers manufactured in Asia (largely in China), Meyer Burger will move its production of diamond wire saws from Thun to China during the course of 2018 in order to achieve more flexible cost structures, reduce delivery time and costs and further increase customer proximity. In Modules, the company is going to focus its resources on establishing SmartWire Connection Technology (SWCT) as an industrial standard. The proprietary Busbar technology and JT laminator technology will be discontinued. For Solar Systems, which mainly addresses the Swiss market with its MegaSlate® products for building integration, strategic alternatives are being evaluated. The panel production in Thun will also end during 2018.

Thun site will mainly be dedicated to global sales and marketing, services, research and development and headquarter functions in future

The existing manufacturing capacities at the Thun site are significantly underutilised. The transformation of the site is necessary to reduce this excess capacity and cost. The resulting measures will affect up to 180 positions mainly in manufacturing, logistics, purchasing and production planning in Thun over the next 15 months. An initial meeting with the employee representatives regarding the relevant consultation procedures has taken place. Meyer Burger expects most of the transformation to be completed by the end of 2018. As part of the measures, the company will also assess solutions for production and logistics space no longer used going forward. In future, the Thun site of Meyer Burger will be dedicated mainly to global sales and marketing, services, research and development as well as headquarter activities.

Positive EBITDA impact of about CHF 10 million as of FY 2019

Once the transformation programme has been executed, the company expects a positive EBITDA impact of about CHF 10 million on an annual basis (as of fiscal year 2019).

The implementation of the programme will result in one-off cash-related extraordinary expenses of about CHF 10 million for product transfer and personnel costs. Half of this charge is expected to be recorded in the 2017 and the remaining half in the 2018 financial statements. In addition, there will be a one-off non-cash related extraordinary charge of about CHF 40 million, mainly due to a write-off of worldwide inventory, impairment on the building in Thun and impairment of intangible assets, which will be recorded to the 2017 financial year.

Outlook 2017

Meyer Burger confirms its outlook for net sales 2017: Based on the planned customer acceptances, as previously stated the company expects net sales of about CHF 440-460 million. As some of the extraordinary expenses in conjunction with the transformation programme will affect the 2017 income statement above the EBITDA line, Meyer Burger has to adjust its previous EBITDA guidance for fiscal year 2017 to a level of CHF 5-15 million. Furthermore, the company also plans a reorganisation of its Dutch subsidiary in Eindhoven/Netherlands, with business activities in ink jet printing solutions and thin-film encapsulation and about 75 employees (FTE), during 2018.

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About Meyer Burger Technology Ltd

www.meyerburger.com

Meyer Burger is a leading global technology company specialising on innovative systems and processes based on semiconductor technologies. The company's focus is on photovoltaics (solar industry) while its competencies and technologies also cover important areas of the semiconductor and the optoelectronic industries as well as other selected high-end markets based on semiconductor materials. Over the past ten years, Meyer Burger has risen to the forefront of the photovoltaic market and established itself as an international premium brand by offering superior precision products and innovative technologies.

Meyer Burger's offering in systems, production equipment and services along the photovoltaic value chain includes the manufacturing processes for wafers, solar cells, solar modules and solar systems. Meyer Burger provides substantial added value to its customers and clearly differentiates itself from its competitors by focusing on core technologies of the value chain.

The company's comprehensive product portfolio is complemented by a worldwide service network with spare parts, consumables, process know-how, customer support, after-sales services, training and other services. Meyer Burger is represented in Europe, Asia and North America in the respective key markets and has subsidiaries and own service centres in China, Germany, India, Japan, Korea, Malaysia, the Netherlands, Switzerland, Singapore, Taiwan and the USA. The company is also working intensively to develop new markets such as South America, Africa and the Arab region. The registered shares of Meyer Burger Technology Ltd are listed on the SIX Swiss Exchange (Ticker: MBTN).

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