

Press Release

Thun, 16 October 2018

Meyer Burger launches transformation programme to safeguard long-term profitability

- **Repositioning standard PV business solutions to Asia, mainly China**
- **Continued strategic focus on further developing Heterojunction, SWCT™ and next step cell/module technologies**
- **Increased robustness against market volatility by substantial reduction of net earnings breakeven point**

Meyer Burger Technology Ltd (SIX Swiss Exchange: MBTN) today launched a transformation programme and structural changes to further increase customer proximity, optimise its global production footprint and existing fixed cost base and improve the company's robustness against market volatilities.

Hans Brändle, CEO of Meyer Burger said: "Meyer Burger successfully returned to profitability in the first half of 2018. However the same period also showed substantial market volatility in terms of customer demand for our photovoltaic products and solutions. We have initiated an ambitious transformation programme that will enable Meyer Burger to become leaner and more focussed. Our strategic priorities remain Heterojunction, SmartWire Connection Technology as well as next generation cell/module technologies."

Repositioning standard PV business solutions to Asia

As the manufacturing industry for PV wafers, cells and modules is predominantly located in Asia, Meyer Burger will also move a significant part of its global sales and services functions for the standard PV business solutions from Europe to Asia, largely to China. The company is also evaluating further outsourcing or co-operation partnership models for its standard PV products in order to bring its mainstream business closer to its customers and localise design and manufacturing to reduce costs and safeguard margins. At the same time, the global production footprint will be optimised. With these moves, Meyer Burger's future PV business activities will be mainly concentrated in Hohenstein-Ernstthal (Germany) and Wuxi-Shanghai (China). The company will rightsize its headquarter structure accordingly.

Strategic priorities: Heterojunction, SWCT™ and next generation cell/module technologies

Meyer Burger will concentrate its strategic focus in PV mainly on Heterojunction, SmartWire Connection Technology (SWCT™) and on promising next generation cell/module technologies, such as tandem cells that use different types of stacked cells. We have registered increased customer interest in these technologies. In particular, enquiries from prospects outside of China have gained momentum. However, as the market environment remains uncertain, the timing of order entries continues to be difficult to predict.

Refocussing Research & Development activities

Meyer Burger has spent on average about CHF 50 million per annum in Research & Development over the past few years. The company will strengthen its PV technology and engineering competence in Asia to further increase R&D customer proximity. As a result of the repositioning of its standard PV business, the reinforced focus on cell/module technologies and a concentration of future R&D activities on most promising products, Meyer Burger expects savings in annual R&D expenses in an amount of approximately CHF 10 million.

General & Administrative functions across the Group will be further streamlined to provide additional savings in operating expenses.

Measures to result in reallocation and reduction in workforce

The realignment and relocation of different functions and a more effective organisational structure will result in an overall reduction of about 100 employees (FTE) or 9% of the workforce compared to the expected number of employees of around 1,100 (after discontinuation of the manufacturing activities in Thun as announced on 2 November 2017). All personnel measures will be implemented in a manner as socially responsible as possible. Changes in the Executive Board and the Board of Directors are also planned as part of the transformation programme to reflect the adjustments and future size of the company.

Once this transformation programme has been fully executed, Meyer Burger expects a positive EBITDA impact of about CHF 25 million on an annual basis as of fiscal year 2021. Three quarters of these measures are planned to be implemented by end of 2019. The execution of this additional programme will result in one-time cash related expenses of about CHF 11 million for personnel and product transfers and in personnel costs, of which CHF 4 million will be charged to the financial year 2018. Upon completion of the transformation programme, Meyer Burger expects its breakeven level at net earnings to be reached with a net sales volume of about CHF 250 million.

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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. As an international premium brand, Meyer Burger offers its customers in the PV industry superior products and innovative solutions for the manufacturing processes of wafers, solar cells and solar modules. The company provides substantial added value to its customers and clearly differentiates itself from its competitors by focusing on core technologies of the value chain.

Meyer Burger'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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