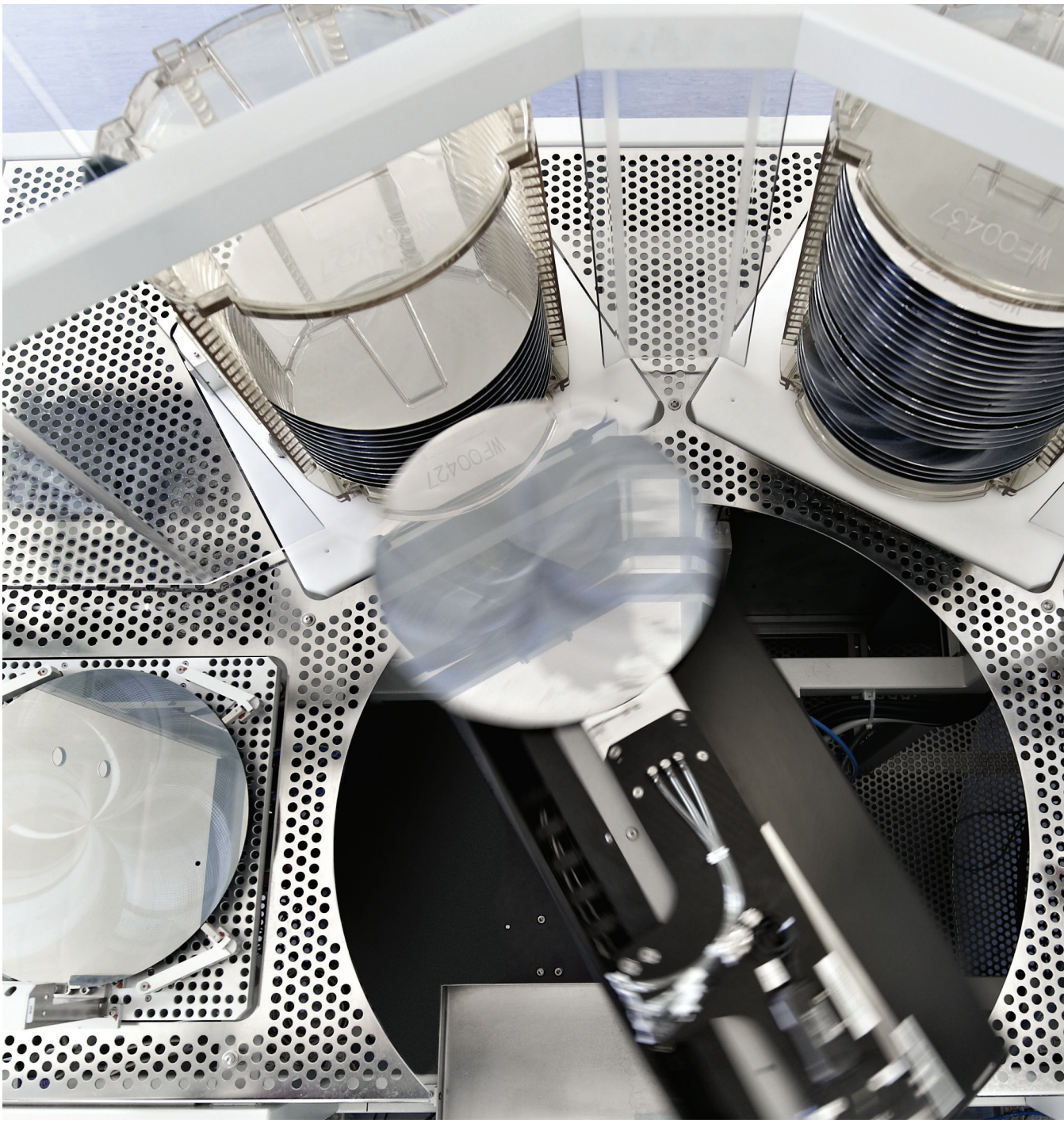
PVA TePla



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Interim Statement as at
March 31, 2019

Foreword by the Management Board

Dear Shareholders and Business Partners of PVA TePla:

The PVA Group has started fiscal year 2019 with a considerable improvement in orders and substantial growth in sales revenues. Incoming orders increased by almost 60% year-on-year to just under EUR 62 million. Both our divisions – Industrial Systems and Semiconductor Systems – easily outperformed the figures for the same period of 2018. The order backlog exceeded EUR 200 million for the first time, amounting to EUR 203 million as at March 31, 2019. This comfortable order buffer will support the PVA Group's growth into 2021.

The PVA Group's sales revenues increased by more than 50% year-on-year to EUR 29.4 million – a high figure for the first three months of the year, which are typically weaker due to seasonal factors. The EBITDA margin also met our ambitious targets, increasing from 6.4% to 7.9%.

The Management Board of PVA TePla AG is confirming its forecast for fiscal year 2019, with consolidated revenue in the region of EUR 125 million and EBITDA in the region of EUR 15.0 million.

We would like to thank all our shareholders for continuing to accompany us in our growth year of 2019. We look forward to talking to you at our Annual General Meeting in Giessen on June 26!

Alfred Schopf
Chief Executive Officer

Oliver Höfer
Chief Operating Officer

IMPORTANT CONSOLIDATED FIGURES AT A GLANCE

EUR'000	Q1 / 2019	Q1 / 2018
Sales revenues	**29,410**	**19,096**
Industrial Systems	10,354	9,092
Semiconductor Systems	19,056	10,004
Gross profit	**7,714**	**4,812**
in % sales revenues	26.2	25.2
R&D expenses	1,247	391
EBITDA	**2,328**	**1,216**
in % sales revenues	7.9	6.4
Operating result (EBIT)	**1,379**	**631**
in % sales revenues	4.7	3.3
Consolidated net result	**976**	**395**
in % sales revenues	3.3	2.1
Total assets	**188,894**	**162,155**[1)]
Shareholders' equity	**51,806**	**50,797**[1)]
Equity ratio in %	27.4	31.3[1)]
Employees as of March 31	**483**	**382**
Incoming orders	**61,626**	**38,971**
Order backlog	**203,317**	**152,284**
Book-to-bill-ratio	2.10	2.04
Cash Flow from operating activities	**13,947**	**-13,440**
Net financial position	**48,933**	**37,010**[1)]

[1)] As of December, 31

Interim Statement of PVA TePla AG as at March 31, 2019

SALES REVENUES

The PVA Group's sales revenues primarily reflect the growth momentum of the markets. In the Semiconductor Systems division, sales revenues almost doubled to EUR 19.1 million (previous year: EUR 10.0 million). Industrial systems like vacuum sintering systems also contributed to the revenue growth: The Industrial Systems division generated sales revenues of EUR 10.4 million, up 13.9% on the previous year (EUR 9.1 million). All in all, the PVA Group's sales revenues increased by 54.0% to EUR 29.4 million (previous year: EUR 19.1 million). The investments in improved productivity and increased volumes in the production process also paid off.

Sales Revenues by Division EUR'000	Q1 / 2019	Q1 / 2018
Semiconductor Systems	19,056	10,004
Industrial Systems	10,354	9,092
Total	**29,410**	**19,096**

INCOMING ORDERS

With new orders of EUR 61.6 million, the PVA Group exceeded the prior-year figure (EUR 39.0 million) by almost 60%. The book-to-bill ratio of 2.1 illustrates the substantial revenue potential for the rest of the year and beyond. Both divisions contributed to the extremely good order development. Incoming orders in the Industrial Systems division doubled to EUR 21.0 million (previous year: EUR 10.2 million). This was primarily due to orders for brazing systems and orders placed by Japanese companies for high-temperature processing systems for graphite cleaning and tool manufacture.

The Semiconductor Systems division improved its order volume by 40,9% to EUR 40.6 million (previous year: EUR 28.8 million). Among other things, this includes orders from the semiconductor industry and orders for crystal growing systems and metrology systems. These systems will be delivered until mid-2021 in consultation with the respective customers.

ORDER BACKLOG

After deducting the share of revenue generated over a period of time, the order backlog increased by more than 18% compared with the end of 2018 (EUR 171.5 million) to a new record of EUR 203.3 million as at March 31, 2019. The Industrial Systems division increased its order backlog to EUR 63.3 million (previous year: EUR 37.9 million), while the Semiconductor Systems division had an order backlog of EUR 140.0 million at the reporting date (previous year: EUR 114.4 million).

RESULTS OF OPERATIONS

The PVA Group's earnings figures are all up on the previous year and within the planning. The negative seasonal effects that are typical for the first half of the year meant that, as expected, the full-year target for the EBITDA margin was not yet achieved.

In the first quarter, the gross margin improved to 26.2% of consolidated sales revenues (previous year: 25.2%). This reflects the high level of production capacity utilization.

EBITDA increased to EUR 2.3 million in the quarter under review (previous year: EUR 1.2 million). The EBITDA margin was 7.9% (previous year: 6.4%). The operating result (EBIT) amounted to EUR 1.4 million (previous year: EUR 0.6 million). The EBIT margin was 4.7% at Group level (previous year: 3.3%).

Earnings before taxes amounted to EUR 1.3 million (previous year: EUR 0.5 million) and consolidated net income amounted to EUR 1.0 million (previous year: EUR 0.4 million).

EQUITY AND TOTAL ASSETS

In line with the Group's growth, total assets rose to EUR 188.9 million as at March 31, 2019 (December 31, 2018: EUR 162.2 million). The increase in inventories and receivables was primarily offset by the higher level of advance payments received on orders. Equity increased to EUR 51.8 million (December 31, 2018: EUR 50.8 million), while the equity ratio declined moderately to 27.4% (year-end 2018: 31.3%).

LIQUIDITY

Cash flow from operating activities amounted to EUR +13.9 million in the first quarter of 2019 (December 31, 2018: EUR +11.7 million).

Cash flow from investing activities amounted to EUR -0.3 million (December 31, 2018: EUR -3.8 million), while cash flow from financing activities amounted to EUR -0.5 million (December 31, 2018: EUR -0.9 million).

The liquidity situation of the PVA Group is extremely positive with cash and cash equivalents of EUR 53.1 million (December 31, 2018: EUR 40.0 million). The net financial position (excess of cash and cash equivalents over current and non-current financial liabilities) remained high at EUR 48.9 million.

KEY ACCOUNTING POLICIES

The first-time application of IFRS 16 served to increase total assets by EUR 1.5 million. There was no material impact on earnings or equity.

EMPLOYEES

The Group had 483 employees as at March 31, 2019 (December 31, 2018: 470).

REPORT ON OPPORTUNITIES AND RISKS

There were no significant changes to the opportunities and risks presented in the 2018 annual report in the course of the first quarter of fiscal year 2019. There are no findings about existential risks.

FORECAST

Following the good start to fiscal year 2019, the Management Board of PVA TePla AG is confirming its existing full-year forecast for 2019, with consolidated revenue in the region of EUR 125 million and EBITDA in the region of EUR 15.0 million.

Interim Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET
as at March 31, 2019

ASSETS EUR'000	Mar. 31, 2019	Dec. 31, 2018
Non-current assets		
Intangible assets	12,419	11,072
Property, plant and equipment	29,274	29,581
Non-current investments	110	110
Deferred tax assets	6,543	6,527
Total non-current assets	48,346	47,290
Current assets		
Inventories	48,665	41,002
Trade and other receivables	38,093	33,130
Tax repayments	665	719
Cash and cash equivalents	53,126	40,014
Total current assets	140,548	114,865
Total	188,894	162,155

LIABILITIES AND SHAREHOLDERS' EQUITY EUR'000	Mar. 31, 2019	Dec. 31, 2018
Shareholders' equity	51,806	50,797
Non-current liabilities	21,669	20,890
Current liabilities	115,419	90,468
Total	188,894	162,155

CONSOLIDATED INCOME STATEMENT
January 1 - March 31, 2019

EUR'000	Jan. 1 - Mar. 31, 2019	Jan. 1 - Mar. 31, 2018
Sales revenues	**29,410**	**19,096**
Cost of sales	-21,696	-14,284
Gross profit	**7,714**	**4,812**
Selling and distributing expenses	-3,011	-2,432
General administrative expenses	-2,274	-1,476
Research and development expenses	-1,247	-391
Other operating income	759	311
Other operating expenses	-562	-193
Operating result (EBIT)	**1,379**	**631**
Finance revenues	70	99
Finance costs	-198	-200
Financial result and share of profits from associates	**-128**	**-101**
Net result before tax	**1,251**	**530**
Income taxes	-275	-134
Consolidated net result for the period	**976**	**395**
of which attributable to		
Shareholders of PVA TePla AG	976	395
Minority interest	0	0
Earnings per share		
Earnings per share (basic) in EUR-CENT	4.5	1.8
Earnings per share (diluted) in EUR-CENT	4.5	1.8

CONSOLIDATED CASH FLOW STATEMENT

January 1 - March 31, 2019

EUR'000		Jan. 1 - Mar. 31, 2019	Jan. 1 - Mar. 31, 2018
	Cash flow from operating activities	**13,947**	**-13,440**
	Cash flow from investing activities	**-303**	**-173**
	Cash flow from financing activities	**-524**	**-383**
Net change in cash and cash equivalents		13,120	-13,996
+/-	Effect of exchange rate fluctuations on cash	-8	-12
+	Cash and cash equivalents at the beginning of the period	40,014	33,017
=	**Cash and cash equivalents at the end of the period**	**53,126**	**19,009**