PVA TePla

Be equipped for tomorrow’s materials.

Interim Statement as at June 30, 2024

PVA TePla in the first half-year with

significantly improved profitability

6M sales rise to
EUR 135.3 million (+ 6.8 %)

EBITDA margin at
16.2 % (+ 2.4 pp)

Guidance confirmed

Sales EUR 270 – 290 million
EBITDA EUR 47 – 51 million

Foreword by the Management Board

Dear shareholders of PVA TePla, Dear business partners,

We have set ourselves clear growth targets for PVA TePla. To achieve them, we have, for instance, started to expand into new industries and markets, step up our research and development activities and modernize our company as a whole. The first half of 2024 saw us continue to work hard in these areas. We have put together a strong, highly capable team for the operational management of our companies. That means we on the Management Board can rely on people with many years of experience coupled with in-depth market knowledge in each of our technology sectors for the onward strategic development of our business. At the same time, we ensure that we have the right people at the right place and time across our entire workforce. With our Technology Hub, set up in January, we now have an interdisciplinary research and development unit that will give us greater agility in bringing processes to market. One current example in this regard is our work with silicon carbide, which is a key material for the future.

At our first Capital Markets Day this May, we not only presented our Strategy 2028 to analysts and institutional investors, but also gave them a tour of the production facilities at our corporate site in Wettenberg. We are doing this and much more besides to increase PVA TePla's value over the long term, which is also to your benefit as our shareholders.

Looking at the business results, we can see that our Group continued to grow in the first six months of fiscal year 2024 and that we succeeded in improving our profitability. Consolidated revenue rose by 7 percent to EUR 135.3 million (H1 2023: EUR 126.7 million), while operating earnings before interest, taxes, depreciation and amortization (EBITDA) increased to EUR 21.9 million (H1 2023: EUR 17.4 million), corresponding to an EBITDA margin of 16.2 percent. This positive performance is testament to our operating segments' strength and ability to adapt in a challenging economic environment currently characterized by a lackluster overall economic situation and a weak semiconductor market. However, we expect this sector to recover from the slump worldwide in the second half of 2024, which should translate into a moderate increase in orders also for us.

For now, though, we are still feeling the effects of the sector's downturn, leading to a decline in order intake in our two operating segments Semiconductor Systems and Industrial Systems. Our order backlog nevertheless continues to provide a solid basis for our continued growth. Additionally, sustained strong demand for our metrology systems confirms the great potential we see in this product group. We have further added to that potential with our investment in Swiss company Scientific Visual, which we finalized a few weeks ago. A provider of quality control solutions for industrial crystals, Scientific Visual is a partner who ideally complements our metrology expertise with its know-how in this field.

For fiscal year 2024, we continue to forecast total revenue of between EUR 270 million and EUR 290 million and operating earnings before interest, taxes, depreciation and amortization (EBITDA) of between EUR 47 million and EUR 51 million. In the medium term, we aim to double our revenue compared to 2023 to around EUR 500 million by 2028. We can achieve this target through organic growth and strategic acquisitions.

PVA TePla is a team success. Accordingly, we wish to thank all our employees for their high degree of motivation, our shareholders for their confidence in us as well as our customers and suppliers for our constructive working relationships. We look forward to working with all of you on our continued success.

Yours,

Management Board of PVA TePla AG

Wettenberg, August 13, 2024

Jalin Ketter
CEO

Oliver Höfer
COO

Key performance indicators of the PVA TePla Group

in EUR '000	Jan 1 – Jun 30, 2024	Jan 1 – Jun 30, 2023
Sales revenues	**135,283**	**126,688**
Semiconductor Systems	94,675	89,672
Industrial Systems	40,607	37,016
Gross profit	**42,372**	**36,078**
in % of sales revenues	31.3	28.5
R&D expenses	5,960	4,424
EBITDA	**21,925**	**17,426**
in % of sales revenues	16.2	13.8
Operating result (EBIT)	**18,201**	**13,998**
in % of sales revenues	13.5	11.0
Consolidated net result for the period	**12,207**	**9,379**
in % of sales revenues	9.0	7.4
Total assets	**311,399**	**305,360***
Shareholders' equity	**139,986**	**127,417***
Equity ratio in %	45.0	41.7
Employees as of June 30	**801**	**723**
Order intake	**72,501**	**104,943**
Book-to-bill-ratio	0.54	0.83
Order backlog	**214,421**	**298,255**
Cash flow from operating activities	**11,122**	**– 2,055**
Net financial position	**– 3,108**	**383***

* As of December 31

Interim management report for the first half of 2024

General statement by the Management Board

In the first half of 2024, PVA TePla's business developed in line with our expectations and our forecast for the year. Alongside the increase in revenue, this positive performance is clearly reflected in earnings at all levels. While order intake was subdued in the first half of the year, we are still seeing a dynamic demand trend in the metrology segment. We anticipate a sharp upturn also in the other product segments in the second half of the year. Overall, we are confident that we will be able to achieve not only our financial and non-financial targets for 2024 but also our medium-term targets for 2028. With our focused strategy, we are increasingly investing in growth markets to further expand our business and seize new oportunities. To support our expansion, we have entered into a new syndicated loan agreement that has nearly doubled in size and provides us with financial flexibility until at least 2029.

Organizational structure

PVA Technology Hub GmbH (Wettenberg), a process and systems development company, was included in the consolidated financial statements effective January 15, 2024 (date of inception). PVA TePla AG holds 100 percent of the shares.

There have been no other changes to the Group's structure or basis of consolidation compared with the previous financial report dated December 31, 2023.

Preliminary note on reporting

This interim report was prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and adopted by the EU. All information relates to the PVA TePla Group and its consolidated subsidiaries. Unless otherwise indicated in the text, margins and ratios refer to revenue. The interim report was not audited within the meaning of section 317 of the German Commercial Code (HGB), nor was it reviewed by an auditor.

Research and development

Research and development (R&D) expenses amounted to EUR 6.0 million in the first half of 2024 (H1 2023: EUR 4.4 million), significantly up on the previous year's level. Part of this expenditure is attributable to PVA Technology Hub, a strategic development center set up in the reporting period. The center focuses on the development of processes and plant used in the manufacture, processing and application of high-tech materials and components, particularly for the silicon carbide value chain. The Technology Hub enhances the PVA TePla Group's existing technology portfolio and reinforces the latter's leading position in new and existing markets. It plays a crucial role in promoting innovation and supporting the company on its path to achieving its medium-term goals. PVA TePla's subsidiaries similarly made major contributions to research and development.

Macroeconomic environment

According to the economic outlook published by the Kiel Institute for the World Economy (IfW) in mid-June 2024, the global economic environment showed moderate improvement in the year to date. The global economy expanded at a modest pace. While the robust expansion in the USA lost momentum, the economy in Europe picked up considerably after a period of stagnation. At the same time, production in China increased, although domestic consumer demand remained sluggish. There was a slight uptick in global trade. The IfW expects global production to increase by 3.2 percent in 2024 and remain stable in 2025. However, geopolitical risks – not least in connection with the US presidential elections – still pose a challenge.

The eurozone economy is gradually picking up after a recent weak spell. Although high inflation, rising financing costs and uncertainties have hampered the economic upturn, the IfW forecasts a gradual recovery in the course of 2024. GDP in the eurozone is anticipated to rise by 0.9 percent as inflation declines to 2.4 percent. However, high financing costs remain a barrier to growth.

The German economy is experiencing a moderate upward trend. Economic output is expected to increase by 0.2 percent in 2024, driven by a revival in exports and consumer spending. Despite a subdued business and consumer climate, growth in real disposable income and increasing foreign trade are likely to provide economic stimulus. The IfW forecasts an unemployment rate of 3.2 percent and a 2.2 percent rise in consumer prices. For 2025, the IfW predicts a 1.1 percent rise in economic output and an inflation rate of 1.9 percent.

Sector development

The European Semiconductor Industry Association (ESIA) anticipates a strong recovery in the global semiconductor market in 2024, with an estimated market valuation of USD 611 billion. This forecast, which is based on the latest World Semiconductor Trade Statistics (WSTS) data, anticipates 16 percent growth compared with the previous year. The logic and memory chip categories are the main drivers of this trend, with projected growth rates of 10.7 percent and 76.8 percent, respectively. The Americas and Asia Pacific regions are expected to see significant growth of 25.1 percent and 17.5 percent, respectively, while marginal growth of just 0.5 percent is forecast for Europe. Japan is anticipated to record a slight decline of 1.1 percent. Further growth of 12.5 percent to an estimated valuation of USD 687 billion is projected for 2025, with impetus still primarily provided by the logic and memory categories.

According to Germany's Machinery and Plant Manufacturers' Association (VDMA), global mechanical engineering sales are expected to stagnate for the second consecutive year in 2024. However, forecasts vary widely between different countries. Sustained inflation and the slight reduction in interest rates mean that the investment environment is taking its time to improve. Outside of Europe, the first signs of a slight recovery began to emerge in early summer 2024, while early indicators in the EU continue to point downward. Hopes are pinned on 2025, with the decline in production and sales potentially slowing in the second half of 2024.

Sales revenues and results of operations

Business development of the Group

The PVA TePla Group's sales revenues grew by around 7 percent in the first six months of fiscal year 2024, increasing to EUR 135.3 million (H1 2023: EUR 126.7 million). Both operating segments contributed to this positive performance.

Gross profit amounted to EUR 42.4 million, up by around EUR 6.3 million compared with the first half of 2023 (EUR 36.1 million). At 31.3 percent, the gross margin was 2.8 percentage points higher than in the previous year (28.5 percent). The comparable for the previous year was impacted by high material and production costs. This effect had already weakened somewhat in the second half of 2023. A change in the product mix with a higher proportion of metrology systems likewise contributed to the improved gross margin.

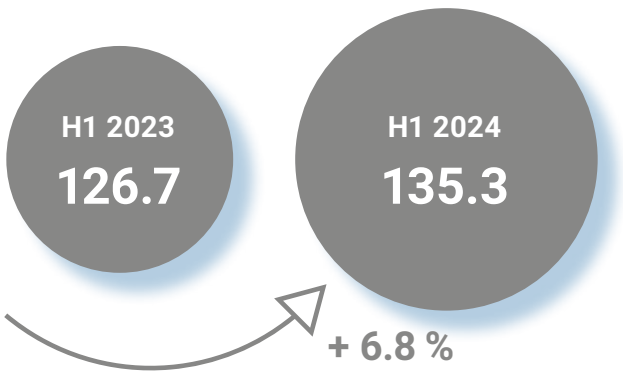
At EUR 8.8 million, selling and distributing expenses in the first half of the year were slightly below the previous year's level of EUR 10.0 million. This is attributable to the optimization of sales structures. As a proportion of revenue, the ratio of selling and distributing expenses declined from 7.9 percent to 6.5 percent.

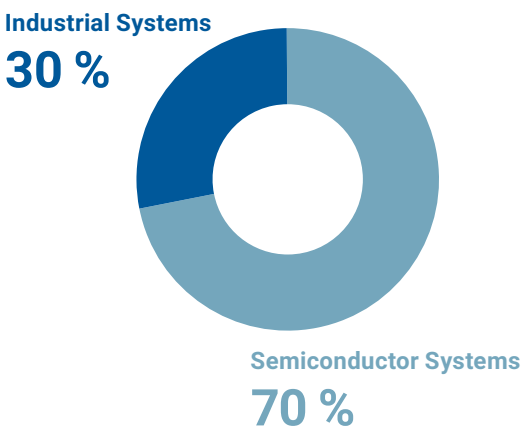
General administrative expenses moved in line with revenue, increasing by around 10 percent from EUR 8.8 million to EUR 9.6 million. This increase is primarily due to the structuring of the organization in accordance with legal requirements as well as personnel development projects. This creates a stable foundation for further organizational development. The ratio of administrative expenses remained stable at 7.1 percent. Operating earnings before interest, taxes, depreciation and amortization (EBITDA) increased to EUR 21.9 million (H1 2023: EUR 17.4 million) with an EBITDA margin of 16.2 percent (H1 2023: 13.8 percent). Operating result (EBIT) recorded a similarly distinct rise to EUR 18.2 million (H1 2023: EUR 14.0 million) with an EBIT margin of 13.5 percent (H1 2023: 11.0 percent).

The financial result amounted to EUR – 0.9 million in the first half of 2024, compared with EUR – 0.02 million a year earlier. This increase is due to non-recurring expenses associated with entering into the new syndicated loan agreement, which has a term until at least 2029.

In the first six months of fiscal year 2024, net result before taxes came to EUR 17.3 million (H1 2023: EUR 14.0 million), with consolidated net profit for the period of EUR 12.2 million (H1 2023: EUR 9.4 million). Income taxes amounted to EUR 5.1 million (H1 2023: EUR 4.6 million).

Consolidated revenue (January 1 – June 30 in EUR million)





Segment performance

Revenue by segment in EUR '000	Q2 2024	Q2 2023	Change in %	Q1–2 2024	Q1–2 2023	Change in %
Semiconductor Systems	49,675	47,718	4.1	94,675	89,672	5.6
Industrial Systems	24,207	20,499	18.1	40,607	37,016	9.7
Total	**73,882**	**68,217**	**8.3**	**135,283**	**126,688**	**6.8**

In the Semiconductor Systems operating segment, revenue totaled EUR 94.7 million in the first half of 2024, a rise of just under 6 percent compared with the previous year's figure (H1 2023: EUR 89.7 million). This revenue increase was driven by material synthesis systems, such as crystal growing systems, as well as acoustic metrology systems (ultrasound microscopy). The segment's operating result rose to EUR 16.1 million (H1 2023: EUR 12.9 million).

The Industrial Systems operating segment generated revenue of EUR 40.6 million, up some 10 percent on the previous year's level (H1 2023: EUR 37 million). Growth impetus in this operating segment was primarily provided by joining and finishing technologies. The segment's operating result amounted to EUR 4.2 million (H1 2023: EUR 4.0 million).

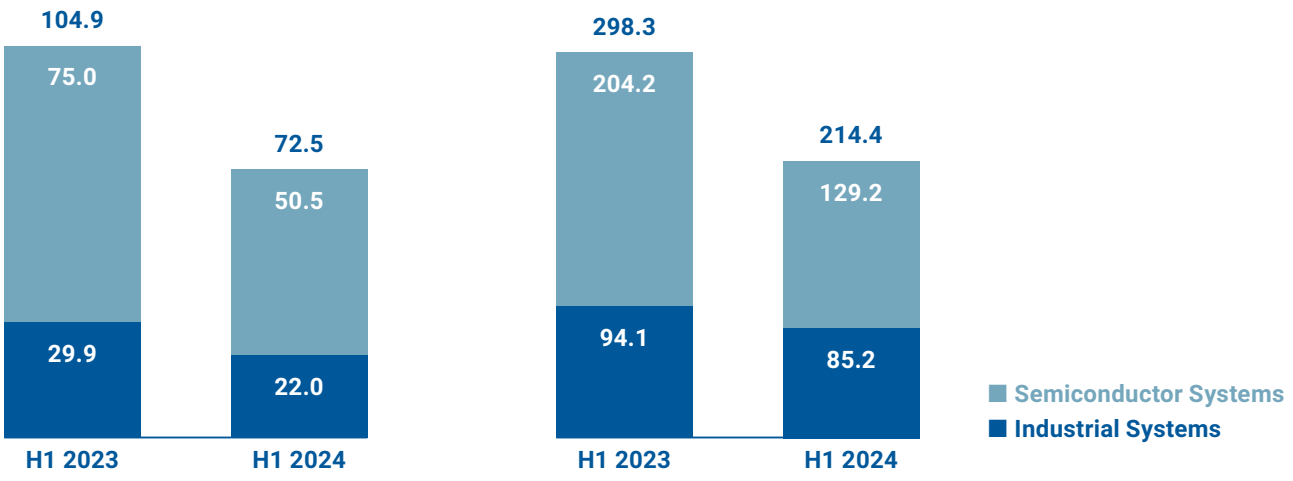
Orders

The PVA TePla Group's order intake totaled EUR 72.5 million in the first six months of fiscal year 2024 (H1 2023: EUR 104.9 million). The book-to-bill ratio in the first half of 2024 was 0.54 (H1 2023: 0.83).

Order intake in the Semiconductor Systems operating segment amounted to EUR 50.5 million in the first half of 2024 (H1 2023: EUR 75.0 million). Within the segment, the metrology systems product area accounted for a significant proportion of the orders received.

A decline was recorded in the Industrial Systems operating segment. At EUR 22.0 million, order intake in the first half of 2024 was down EUR 7.9 million on the comparable figure for the previous year (H1 2023: EUR 29.9 million).

Although the order backlog was below the previous year's figure, at a total of EUR 214.4 million (June 30, 2023: EUR 298.3 million), it still provides a very solid basis for achieving the targets set in the current fiscal year. Accounting for EUR 129.2 million, 60.3 percent of the order backlog is attributable to the Semiconductor Systems operating segment (June 30, 2023: EUR 204.2 million). As of June 30, 2024, the order backlog in the Industrial Systems operating segment was EUR 85.2 million (June 30, 2023: EUR 94.1 million).



Order intake January 1 – June 30
in EUR million

Order backlog as of June 30
in EUR million

Net assets

At EUR 311.4 million, the PVA TePla Group's total assets as of June 30, 2024 were slightly above the level of the fiscal year-end reporting date (December 31, 2023: EUR 305.4 million).

As of June 30, 2024, intangible assets amounted to EUR 18.8 million, remaining close to the year-end figure (December 31, 2023: EUR 18.6 million). Property, plant and equipment rose sharply to EUR 52.8 million (December 31, 2023: EUR 41.6 million). This is attributable to the investments made to expand capacities at the locations in Wettenberg (Germany) and Schio (Italy), as well as to the capitalization of self-operated facilities in the Technology Hub set up during the reporting period. Financial assets declined to EUR 6.0 million in the reporting period (December 31, 2023: EUR 9.0 million). Deferred tax assets amounted to EUR 13.5 million as of June 30, 2024 (December 31, 2023: EUR 10.0 million).

Non-current assets totaled EUR 94.5 million as of June 30, 2024, compared with EUR 82.2 million as of December 31, 2023. Capital expenditure was offset by depreciation and amortization of EUR 3.7 million in the first half of 2024 (H1 2023: EUR 3.4 million).

The PVA TePla Group's current assets declined slightly to EUR 216.9 million as of June 30, 2024, compared with EUR 223.2 million as of December 31, 2023. Inventories remained virtually unchanged at EUR 91.6 million due to the high rate of order backlog processing (December 31, 2023: EUR 94.6 million). Trade receivables and other financial assets amounted to EUR 48.8 million in the reporting period (December 31, 2023: EUR 57.0 million). Contract assets increased to EUR 59.3 million due to reporting date factors (December 31, 2023: EUR 50.6 million).

Cash, cash equivalents and term deposits decreased from EUR 20.1 million as of December 31, 2023 to EUR 16.2 million as of June 30, 2024 due to the continued use of prepayments received from customers.

At EUR 42.5 million, the PVA TePla Group's non-current liabilities as of June 30, 2024 were above the level of the year-end reporting date (December 31, 2023: EUR 39.9 million). The pension provisions included in this figure amounted to EUR 11.7 million (December 31, 2023: EUR 11.8 million).

Current liabilities totaled EUR 128.9 million as of June 30, 2024 (December 31, 2023: EUR 138.1 million). Trade payables were EUR 17.7 million as of June 30, 2024 (December 31, 2023: EUR 18.8 million). Due to the lower order intake compared with the previous year, contract liabilities decreased to EUR 81.1 million as of June 30, 2024 (December 31, 2023: EUR 95.3 million). As of June 30, 2024, liabilities to employees amounted to EUR 8.9 million (December 31, 2023: EUR 7.7 million), while income tax liabilities were EUR 3.4 million (December 31, 2023: EUR 0.5 million). The PVA TePla Group's shareholders' equity increased to EUR 140.0 million as of June 30, 2024 (December 31, 2023: EUR 127.4 million); the equity ratio likewise increased from 41.7 percent (December 31, 2023) to 44.9 percent.

Financial position

In line with the revenue trend, cash flow from operating activities amounted to EUR 11.1 million in the first six months of fiscal year 2024 due to processing of the high order backlog (H1 2023: EUR – 2.1 million). As of the reporting date, payments received from customers exceeded the advance financing required for orders.

Cash flow from investing activities amounted to EUR – 10.6 million in the first half of 2024 (H1 2023: EUR – 2.9 million). The investments primarily related to the PVA Technology Hub development center, which was set up in the reporting period, as well as to the progress of the construction work to expand our capacities at the Wettenberg and Schio locations.

Cash flow from financing activities totaled EUR – 3.7 million in the first half of 2024 (H1 2023: EUR – 3.8 million).

The net financial position was EUR – 3.1 million (December 31, 2023: EUR 0.4 million). Long-term credit lines were drawn down in the amount of EUR 10 million, unchanged compared with December 31, 2023. Short-term credit lines of EUR 2.7 million had been utilized as of the reporting date (December 31, 2023: EUR 3.4 million).

Significant events during the reporting period

In mid-May, the company announced that Carl Markus Groß will take on the role of PVA TePla AG's Chief Financial Officer (CFO) effective January 1, 2025. This appointment represents a major step for the company's forward strategic direction and secures continuity with regard to its financial management. Carl Markus Groß will bring his extensive financial industry experience to the position and play a key role in developing the company's financial strategy.

The Annual General Meeting originally scheduled for June 26, 2024 was postponed until August 30, 2024 in order to present shareholders with a revised and improved agenda. Among other matters, the changes related to the elections of the Supervisory Board which had initiated a process for its renewal. The election proposals have been amended based on feedback from proxy advisors in order to ensure broad support and to best represent shareholder interests.

Employees

As of June 30, 2024, the PVA TePla Group had 801 employees (June 30, 2023: 723 employees).

Report on opportunities, risks and future development

Assessment of the overall risk situation

In the reporting period, no further risks and opportunities were identified above and beyond the risks and opportunities presented in the Annual Report and the report on events after the reporting period included in the Annual Report for fiscal year 2023. The business activities of the PVA TePla Group could also be influenced by risks and opportunities that are not currently known or currently considered to be immaterial. At present, no risks that could jeopardize the continuation of the company as a going concern – either individually or in combination with other risks – have been identified.

Forecast

While order intake declined in the first half of the year due to the lackluster semiconductor market, particularly for wafers, we experienced robust growth in the area of metrology, both within and outside of the semiconductor market. We anticipate a sharp upturn in orders in the second half of the year. Furthermore, our technologies play a major role with regard to innovative materials such as silicon carbide and various composites, which offer huge potential and are fundamental to the megatrends of digitalization, decarbonization and mobility.

Our outlook for the rest of the year remains optimistic. For fiscal year 2024, the Management Board anticipates consolidated revenue in the range of EUR 270 million to EUR 290 million and operating earnings before interest, taxes, depreciation and amortization (EBITDA) of between EUR 47 million and EUR 51 million.

The medium-term planning takes into account opportunities arising from the new markets targeted as well as additional growth through acquisitions. Our goal is to enhance the PVA TePla Group's current technology portfolio through meaningful additions. Over the next five years – to the end of fiscal year 2028 – the Management Board aims to double revenue from the 2023 level to around EUR 500 million.

Wettenberg, August 13, 2024

Interim consolidated financial statements

Condensed consolidated balance sheet of the PVA TePla Group

as at June 30, 2024

in EUR '000	Jun 30, 2024	Dec 31, 2023
Assets		
Non-current assets		
Intangible assets	18,765	18,597
Right-of-use assets	3,422	2,924
Property, plant and equipment	52,843	41,646
Non-current investments	6,011	9,011
Deferred tax assets	13,508	9,997
Total non-current assets	**94,549**	**82,175**
Current assets		
Inventories	91,580	94,601
Receivables and other financial assets	48,771	57,016
Contract assets	59,267	50,613
Income tax assets	1,065	823
Cash, cash equivalents and term deposits	16,166	20,132
Total current assets	**216,850**	**223,185**
Total assets	**311,399**	**305,360**
Liabilities and shareholders' equity		
Shareholders' equity		
Share capital	21,750	21,750
Reserves	118,236	105,667
Total shareholders' equity	**139,986**	**127,417**
Non-current liabilities		
Retirement pension provisions	11,650	11,770
Other provisions	1,072	853
Financial liabilities	14,979	14,458
Deferred tax liabilities	14,840	12,808
Total non-current liabilities	**42,541**	**39,889**
Current liabilities		
Other provisions	10,024	7,300
Financial liabilities	4,295	5,291
Liabilities to employees	8,886	7,699
Trade payables	17,715	18,825
Contract liabilities	81,083	95,268
Provisions for taxes	3,391	529
Other liabilities	3,477	3,142
Total current liabilities	**128,872**	**138,054**
Total liabilities	**311,399**	**305,360**

Condensed consolidated income statement of the PVA TePla Group

January 1 – June 30, 2023

in EUR '000	Apr 1 – Jun 30, 2024	Apr 1 – Jun 30, 2023	Jan 1 – Jun 30, 2024	Jan 1 – Jun 30, 2023
Sales revenues	73,882	68,217	135,283	126,688
Cost of sales	– 50,189	– 48,846	– 92,910	– 90,611
Gross profit	23,693	19,371	42,372	36,078
Selling and distributing expenses	– 4,588	– 4,536	– 8,836	– 10,029
General administrative expenses	– 5,476	– 4,634	– 9,633	– 8,794
Research and development expenses	– 2,994	– 2,289	– 5,960	– 4,424
Other operating income	1,194	1,246	1,654	2,692
Other operating expenses	– 658	– 655	– 1,397	– 1,525
Operating result (EBIT)	11,171	8,503	18,201	13,998
Financial result	– 769	15	– 878	– 28
Financial income	143	215	337	348
Finance costs	– 912	– 201	– 1,215	– 376
Net result before tax	10,403	8,517	17,323	13,969
Income taxes	– 2,898	– 2,986	– 5,116	– 4,590
Consolidated net result for the period	7,505	5,531	12,207	9,379
Earnings per share (basic/diluted)				
Earnings per share (basic) in EUR	0.35	0.25	0.56	0.43
Earnings per share (diluted) in EUR	0.35	0.25	0.56	0.43

Condensed consolidated statement of comprehensive income of the PVA TePla Group

January 1 – June 30, 2024

in EUR '000	Apr 1 – Jun 30, 2024	Apr 1 – Jun 30, 2023	Jan 1 – Jun 30, 2024	Jan 1 – Jun 30, 2023
Consolidated net result for the period	7,505	5,531	12,207	9,379
Other comprehensive income				
Items that may be reclassified to profit or loss				
– Currency changes	128	– 72	362	– 236
– Income taxes	0	0	0	0
Changes in the amount recognised in equity (currency differences)	128	– 72	362	– 236
Total of items that may be reclassified to profit or loss	128	– 72	362	– 236
Total comprehensive income	**7,633**	**5,459**	**12,569**	**9,143**

Condensed consolidated cash flow statement of the PVA TePla Group

January 1 – June 30, 2024

in EUR '000	Jan 1 – Jun 30, 2024	Jan 1 – Jun 30, 2023
Cash flow from operating activities	11,122	– 2,055
Cash flow from investing activities	– 10,613	– 2,947
Cash flow from financing activities	– 3,670	– 3,819
= Net change in cash and cash equivalents	**– 3,161**	**– 8,822**
+/– Effect of exchange rate fluctuations on cash	495	– 1,315
+ Cash and cash equivalents at the beginning of the period	13,964	15,602
= Cash and cash equivalents at the end of the period	**11,298**	**5,465**
Cash, cash equivalents and term deposits	16,166	17,908
– Term deposits	– 4,868	– 12,443
= Cash and cash equivalents in cash flow statement	**11,298**	**5,465**

Condensed consolidated statement of changes in equity of the PVA TePla Group

January 1 – June 30, 2024

in EUR '000	Shared issues	Share capital	Retained earnings	Other reserves		Total shareholders' interest
	Number			Currency exchange	Pension provisions	
As at January 1, 2023	**21,749,988**	**21,750**	**83,491**	**1,003**	**– 2,148**	**104,096**
Net result			24,421			24,421
Other result				– 406	– 694	– 1,100
Total			24,421	– 406	– 694	23,321
As at December 31, 2023	**21,749,988**	**21,750**	**107,912**	**597**	**– 2,842**	**127,417**
As at January 1, 2023	**21,749,988**	**21,750**	**83,491**	**1,003**	**– 2,148**	**104,096**
Total			9,379	– 236	0	9,143
As at June 30, 2023	**21,749,988**	**21,750**	**92,870**	**767**	**– 2,148**	**113,239**
As at January 1, 2024	**21,749,988**	**21,750**	**107,912**	**597**	**– 2,842**	**127,417**
Total			12,207	362	0	12,569
As at June 30, 2024	**21,749,988**	**21,750**	**120,119**	**959**	**– 2,842**	**139,986**

Condensed notes to the consolidated half-year financial statements 2024

A. Principles of the condensed interim consolidated financial statements

1. Reporting company

PVA TePla AG, Wettenberg ("PVA TePla AG") is a stock corporation under German law with its registered office at "Im Westpark 10 – 12" in 35435 Wettenberg, Germany. The company is registered in the commercial register at the Local Court in Giessen under the number HRB 6845. PVA TePla AG's shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange (ISIN: DE0007461006) and have been included in the SDAX index since September 20, 2021.

PVA TePla is a leading provider of high-tech solutions in the fields of materials technology and metrology. With a broad portfolio of innovative products, processes and services, PVA TePla supports customers in overcoming demanding challenges in a wide variety of industries that are driven by the global megatrends of digitization, decarbonization and mobility. PVA TePla manages and maintains business relationships worldwide through its locations in Germany, France, Italy, USA, China, Taiwan, Korea and Singapore. Going forward, PVA TePla's regional growth initiatives will focus in particular on Asia and the Americas.

2. Accounting policies

The condensed interim consolidated financial statements of the PVA TePla Group cover the reporting period from January 1, 2024 to June 30, 2024 ("consolidated half-year financial statements") in accordance with section 117 in conjunction with sections 114 and 115 of the German Securities Trading Act (WpHG). The interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and section 53 of the Exchange Rules for the Frankfurt Stock Exchange. All mandatory standards and interpretations published by the International Accounting Standards Board (IASB) for fiscal year 2024 were applied, provided they have been approved by the European Union. The interim consolidated financial statements satisfy the requirements of IAS 34 and have not been audited or reviewed by an auditor.

These interim consolidated financial statements are based on the consolidated financial statements for the year ended December 31, 2023. In accordance with the option provided by IAS 34, the reporting is condensed compared with the consolidated financial statements. The interim consolidated financial statements therefore do not include all of the information required to be presented in the full consolidated financial statements at the end of the fiscal year. The interim consolidated financial statements were prepared using the accounting policies applicable for the consolidated financial statements for the year ended December 31, 2023. They take into account all current transactions and accruals and deferrals that the management considers necessary to ensure that the interim results present a true and fair view of the net assets, financial position and results of operations. Income taxes were determined on a best estimate basis. It is not possible to issue any binding statements regarding the further course of business based on the results of the interim reporting period.

These condensed notes to the consolidated financial statements primarily provide information on items that have materially changed compared with the PVA TePla Group's consolidated financial statements for fiscal year 2023.

These interim consolidated financial statements were prepared in euros (EUR). All amounts are stated in thousands of euros (EUR thousand), unless otherwise expressly indicated. For technical reasons, the information presented in this interim report may contain rounding differences of +/– one unit (EUR, percent, etc.).

The consolidated half-year financial statements for the reporting period ended June 30, 2024 were approved by the Management Board of PVA TePla AG on August 7, 2024.

B. Changes in accounting policies

The accounting policies applied in the preparation of the PVA TePla Group's consolidated half-year financial statements as of June 30, 2024 are essentially unchanged compared with the consolidated financial statements for fiscal year 2023.

C. Changes in the basis of consolidation

The interim consolidated financial statements as of June 30, 2024 include PVA TePla AG and the subsidiaries over which it exercises control (the "PVA TePla Group").

PVA Technology Hub GmbH (Wettenberg), a process and systems development company, was included in the consolidated financial statements effective January 15, 2024 (date of inception). PVA TePla AG holds 100 percent of the shares. Compared with the PVA TePla Group's consolidated financial statements as of December 31, 2023, there were no further changes in the basis of consolidation as of June 30, 2024.

D. Management judgments and estimation uncertainties

In the consolidated half-year financial statements as of June 30, 2024, estimates and assumptions were required to be made to a limited extent. These affect the amount and disclosure of assets and liabilities, income and expenses as well as contingent liabilities. The estimates and judgments are essentially unchanged compared with those described for the PVA TePla Group in the consolidated financial statements for fiscal year 2023. Developments that deviate from these estimates may result in a discrepancy between the actual amounts and the originally estimated amounts. Such potential developments are beyond the management's control.

E. Selected notes to the consolidated income statement

1. Sales revenues

Breakdown of revenue by operating area

in EUR '000	Jan 1 – Jun 30, 2024	%	Jan 1 – Jun 30, 2023	%
Systems	120,023	89	109,529	86
After-Sales-Service/IP	10,973	8	13,439	11
Contract Processing	3,314	2	3,307	3
Others	974	1	413	0
Total	**135,283**	**100**	**126,688**	**100**

Breakdown of revenue by timing of performance

in EUR '000	Jan 1 – Jun 30, 2024	%	Jan 1 – Jun 30, 2023	%
Revenue recognized at a point in time	90,254	67	75,966	60
Revenue recognized over time	45,029	33	50,722	40
Total	**135,283**	**100**	**126,688**	**100**

Please refer to the segment reporting in note 7 for additional revenue breakdowns.

2. Income taxes

in EUR '000	Jan 1 – Jun 30, 2024	Jan 1 – Jun 30, 2023
Current tax expense	– 6,568	– 3,103
Deferred tax expenses (–) / income (+)	1,452	– 1,487
Income taxes	**– 5,116**	**– 4,590**

Income taxes for the current reporting period were calculated based on the expected income tax rate for the full year. The reported tax expense for the first six months of fiscal year 2024 of EUR – 5,116 thousand (H1 2023: EUR – 4,590 thousand) gives a tax rate of 29.5 percent (H1 2023: 32.9 percent).

3. Earnings per share

	Jan 1 – Jun 30, 2024	Jan 1 – Jun 30, 2023
Numerator (in EUR '000): Consolidated net profit for the period	12,207	9,379
Denominator (in shares): Weighted average number of no-par shares outstanding	21,749,988	21,749,988
Earnings per share (EUR): (Basic/diluted)	0.56	0.43

F. Selected notes to the consolidated balance sheet

4. Inventories

in EUR '000	Jun 30, 2024	Dec 31, 2023
Raw materials and operating supplies	44,761	43,414
Work in progress	54,201	57,122
Finished products and goods	2,008	1,347
Gross value	**100,970**	**101,883**
Less impairment losses	– 9,390	– 7,282
Inventories	**91,580**	**94,601**

5. Trade receivables, other financial assets and contract assets

in EUR '000	Jun 30, 2024	Dec 31, 2023
Trade receivables concerning product sales and services	31,241	36,528
Advance payments	10,051	13,875
Other current receivables	7,942	7,113
Contract assets (net exposure)	59,267	50,613
Gross value	**108,502**	**108,129**
Less impairment losses	– 463	– 500
Trade receivables, other financial assets and contract assets	**108,039**	**107,629**

Trade receivables do not bear interest and are generally due within 30 to 90 days.

in EUR '000	Jun 30, 2024	Dec 31, 2023
POC receivables (gross value)	100,664	92,148
Less advance payments received	– 56,053	– 58,383
Subtotal	**44,611**	**33,765**
Contract assets (not including POC method)	3,149	2,207
Unconditional payment entitlements (down payment invoices)	11,507	14,641
Contract assets (net exposure)	**59,267**	**50,613**

6. Contract liabilities

in EUR '000	Jun 30, 2024	Dec 31, 2023
Contract liabilities (net exposure)	11,595	23,656
Advance payments received concerning product sales and services	69,488	71,612
Contract liabilities	**81,083**	**95,268**

in EUR '000	Jun 30, 2024	Dec 31, 2023
Advance payments received	25,572	36,701
Less contract costs incurred (incl. share of profit)	– 13,977	– 13,045
Contract liabilities (net exposure)	**11,595**	**23,656**

G. Selected notes to the consolidated statement of changes in equity

As of June 30, 2024, the subscribed capital of PVA TePla AG was unchanged compared with December 31, 2023, and is composed of 21,749,988 no-par value shares with a notional interest in the share capital of EUR 1.00 each.

To provide the company with short-term and flexible corporate financing, the Annual General Meeting of June 23, 2022 adopted resolutions giving the Management Board authorization until June 22, 2027

– to increase the company's share capital by up to EUR 5,437,497 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2022/I).
– to issue convertible bonds and bonds with warrants with a total nominal value of up to EUR 100.0 million, and to grant the holders conversion or option rights to new no-par value registered shares of PVA TePla AG with a proportionate amount of the share capital of up to EUR 5,437,497 in accordance with the terms and conditions of the convertible bond or option. For the purposes of this authorization, contingent capital of up to EUR 5,437,497 was created (Contingent Capital 2022/I).

By resolution of the Annual General Meeting on June 28, 2023, the Management Board of the company was authorized to acquire treasury shares in a volume of up to 10 percent of its share capital existing at the date of the resolution or – if this value is lower – at the date the authorization is exercised. Valid until June 27, 2028, the authorization may be exercised in full or in partial amounts, on one or several occasions, for one or several purposes by the company, by its Group companies or by third parties for its or their account. At the discretion of the Management Board, shares will be acquired on the stock market or by means of a public purchase offer to all shareholders. The consideration paid per share for the acquisition of shares on the stock market (excluding incidental acquisition costs) may not be more than 10 percent higher or lower than the average closing price on the three stock exchange trading days preceding the date on which the obligation to purchase the shares was entered into.

The dividend distributed by PVA TePla AG is based on the annual financial statements of PVA TePla AG prepared under German GAAP. In accordance with agenda item 2 regarding the resolution on the appropriation of net retained profits in the invitation to the Annual General Meeting, the decision on the appropriation of profit will be made at the Annual General Meeting on August 30, 2024.

H. Other disclosures

7. Segment reporting

In accordance with IFRS 8, segment reporting follows the management approach. As in fiscal year 2023, the allocation of resources and the management's assessment of the PVA TePla Group's performance is based on internal organizational and management reporting for the two operating segments, Industrial Systems and Semiconductor Systems.

Breakdown of revenue by operating segment

in EUR '000	Jan 1 – Jun 30, 2024		Jan 1 – Jun 30, 2023	
	External sales revenues	Internal sales revenues	External sales revenues	Internal sales revenues
Segment revenues				
Semiconductor Systems	94,675	257	89,672	379
Industrial Systems	40,607	9,586	37,016	7,297
Total PVA TePla Group	**135,283**	**9,842**	**126,688**	**7,676**

EBIT by operating segment

in EUR '000	Jan 1 – Jun 30, 2024	Jan 1 – Jun 30, 2023
Segment information		
Semiconductor Systems	16,091	12,891
Industrial Systems	4,178	4,021
Holding costs	– 2,068	– 2,914
Total PVA TePla Group	**18,201**	**13,998**

Reconcilitation of segment profit or loss to consolidated net result for the period

in EUR '000	Jan 1 – Jun 30, 2024	Jan 1 – Jun 30, 2023
Operating result (EBIT)	18,201	13,998
Financial result	– 878	– 28
Net result before taxes	17,323	13,969
Income taxes	– 5,116	– 4,590
Consolidated net result for the period	**12,207**	**9,379**

Sales revenues by region

in EUR '000	Jan 1 – Jun 30, 2024	in %	Jan 1 – Jun 30, 2023	in %
Asia	74,708	55	54,592	43
Germany	8,442	7	33,742	27
Europe (without Germany)	33,967	25	29,542	23
North America	17,868	13	8,337	7
Other	299	0	474	0
Total PVA TePla Group	**135,283**	**100**	**126,688**	**100**

8. Financial instruments: Fair value disclosures

The fair values of the financial assets and financial liabilities as of June 30, 2024 essentially correspond to their carrying amounts.

The following table shows the carrying amounts (= fair values) by class for the financial assets and financial liabilities measured at fair value:

in EUR '000	Jun 30, 2024	Dec 31, 2023
Other long-term receivables	0	0
Other current receivables	0	0
Other long-term liabilities	1,679	1,679
Other current liabilities	170	300

For financial instruments measured at fair value at the PVA TePla Group, the fair value of cash investments (funds) was calculated based on observable market prices, while the fair value of forward exchange contracts was calculated on the basis of discounted future cash flows. Applicable market interest rates were used for the remaining maturities of the financial instruments.

Net gains or losses on financial assets and liabilities at fair value through profit or loss of EUR 0.0 million (H1 2023: EUR 0.1 million) are attributable to market value changes of cash investments and derivative hedging instruments.

9. Contingent liabilities and other financial obligations

The statements describing contingent liabilities and other financial liabilities contained in PVA TePla Group's consolidated financial statements for fiscal year 2023 are essentially unchanged.

10. Related party disclosures

The related parties of PVA TePla AG and the Group companies are determined in accordance with IAS 24. There were no changes in the Management Board or Supervisory Board between January 1, 2024 and June 30, 2024.

There was no change to the extent of the relationships with related parties compared with the consolidated financial statements for fiscal year 2023.

With regard to the PVA TePla Group, related party transactions concern business transactions with the companies included in the consolidated financial statements. All intragroup transactions are conducted at arm's length and are eliminated in full when preparing the consolidated financial statements. In this respect, they do not impact the net assets, financial position or results of operations of the PVA TePla Group.

11. Auditors for fiscal year 2024

In accordance with agenda item 5 regarding the appointment of the auditor for the annual and consolidated financial statements for fiscal year 2024 in the invitation to the Annual General Meeting, the auditor for the annual and consolidated financial statements will be elected at the Annual General Meeting on August 30, 2024. On the recommendation of its Audit Committee and in consideration of the preference expressed by the Audit Committee, the Supervisory Board proposes the appointment of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as the auditor for the annual and consolidated financial statements for fiscal year 2024. A selection procedure was conducted prior to the Audit Committee's recommendation. Following completion of the selection procedure, the Audit Committee recommended PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, to the Supervisory Board for the audit engagement, and expressed a preference for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. In accordance with agenda item 6 regarding the appointment of the auditor for the sustainability reporting for fiscal year 2024 in the invitation to the Annual General Meeting, the auditor for the sustainability reporting will be elected at the Annual General Meeting on August 30, 2024. On the recommendation of its Audit Committee, the Supervisory Board proposes the appointment of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as the auditor for the sustainability reporting for fiscal year 2024 for the company and the Group. The appointment is subject to the condition precedent that, with effect from the date of entry into force of the German CSR Directive Implementation Act, the company is obliged to prepare a sustainability report for the company and/or the Group for fiscal year 2024 that must undergo an external audit and that the Annual General Meeting can appoint an auditor to conduct the audit of this sustainability report.

12. Significant events after the reporting date

In the period between June 30, 2024 and approval of the consolidated half-year financial statements, there were no significant changes to the company's situation or our industry environment that could materially impact the net assets, financial position and results of operations as of June 30, 2024. Furthermore, no major changes to the structure, administration or legal form of the Group, or to personnel are currently planned.

Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated half-year financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the interim group management report presents a true and fair view of the business development, including the performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group during the remainder of the fiscal year.

Wettenberg, August 13, 2024

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