



Interim Report as of  
March 31, 2017

# Foreword by the Management Board

Dear shareholders and business partners,

The PVA TePla Group had a good start to the current fiscal year and is on course to reach its targets for 2017.

Continued progress in the restructuring of the company was reflected by significant sales revenue growth of 37% compared to the same period in the prior year, to EUR 23.3 million. The profit margin also increased from 19% to more than 22%. EBITDA of EUR 1.1 million was achieved, and for the first time since 2012 along with a positive operating result (EBIT) of EUR 0.6 million. The consolidated net result for the period was EUR 0.8 million.

The development of incoming orders of EUR 21.0 million differed between the two divisions in the first quarter of the current fiscal year, as before. While incoming orders in the Industrial Systems division were lower than expected, incoming orders in the Semiconductor Systems division developed very positively and were a third higher than in the same period in the prior year. Shareholders' equity and operating cash flow also continued to improve: Shareholders' equity increased to EUR 41.1 million and operating cash flow rose to EUR 6.2 million, from EUR -4.4 million as of December 31, 2016.

We reiterate our forecast for the full year: In 2017 we will achieve consolidated sales revenues and an EBITDA margin of approximately EUR 85 million and 6% respectively.

On behalf of our managing directors and all employees, we would like to thank you, our shareholders, for your trust in and commitment toward our Company.

Peter Abel  
Chief Executive Officer

Alfred Schopf  
Chief Financial Officer

Oliver Höfer  
Chief Operating Officer

## IMPORTANT CONSOLIDATED FIGURES AT A GLANCE

| EUR'000                                    | Q1 / 2017     | Q1 / 2016                  |
|--|---------------|----------------------------|
| <b>Sales revenues</b>                      | <b>23,340</b> | <b>17,028</b>              |
| Industrial Systems                         | 8,564         | 8,583                      |
| Semiconductor Systems                      | 14,776        | 8,445                      |
| <b>Gross profit</b>                        | <b>5,172</b>  | <b>3,290</b>               |
| in % sales revenues                        | 22.2          | 19.3                       |
| R&D expenses                               | 400           | 566                        |
| <b>EBITDA</b>                              | <b>1,140</b>  | <b>-137</b>                |
| in % sales revenues                        | 4.9           | -0.8                       |
| <b>Operating result (EBIT)</b>             | <b>581</b>    | <b>-735</b>                |
| in % sales revenues                        | 2.5           | -4.3                       |
| <b>Consolidated net result</b>             | <b>786</b>    | <b>-1,230</b>              |
| in % sales revenues                        | 3.4           | -7.2                       |
| <b>Total assets</b>                        | <b>91,112</b> | <b>94,736<sup>2)</sup></b> |
| <b>Shareholders' equity</b>                | <b>41,091</b> | <b>40,305<sup>2)</sup></b> |
| Equity ratio in %                          | 45.1          | 42.5 <sup>2)</sup>         |
| <b>Employees as of March 31</b>            | <b>371</b>    | <b>366</b>                 |
| <b>Incoming orders</b>                     | <b>21,022</b> | <b>17,941</b>              |
| <b>Order backlog</b>                       | <b>47,541</b> | <b>68,742</b>              |
| Book-to-bill-ratio                         | 0.90          | 1.05                       |
| <b>Cash Flow from operating activities</b> | <b>6,189</b>  | <b>-3,703</b>              |
| <b>Net financial position</b>              | <b>-3,032</b> | <b>-8,902<sup>2)</sup></b> |

<sup>1)</sup> Circulating shares on average 21,749,988

<sup>2)</sup> As of December, 31

# Interim Report of PVA TePla AG as of March 31, 2017

## SALES REVENUES

In the first three months of 2017, the PVA TePla Group generated sales revenues of EUR 23.3 million, a significant increase compared to the prior year's figure of EUR 17.0 million. That was primary due to the company's high order backlog going into the first quarter.

The [Industrial Systems division](#) generated sales revenues of EUR 8.6 million (prior year: EUR 8.6 million). Meanwhile, the [Semiconductor Systems division](#) achieved a significant increase in sales revenues, to EUR 14.8 million (prior year: EUR 8.4 million).

| Sales Revenues by Division<br>EUR'000 | Q1 / 2017     | Q1 / 2016     |
|---------------------------------------|---------------|---------------|
| Industrial Systems                    | 8,564         | 8,583         |
| Semiconductor Systems                 | 14,776        | 8,445         |
| <b>Total</b>                          | <b>23,340</b> | <b>17,028</b> |

## GROSS MARGIN, EBITDA AND EBIT

Based on the consolidated sales revenues for the period of EUR 23.3 million (prior year: EUR 17.0 million), the company achieved gross profit of EUR 5.2 million (prior year: EUR 3.3 million) and a gross margin of 22.2% (prior year: 19.3%) in the first three months of 2017. As a result of improved capacity utilization, the gross margin was higher than during the same period of the prior year.

The company generated EBITDA of EUR +1.1 million (March 31, 2016 [prior year]: EUR -0.1 million) in the first three months of 2017. The EBITDA margin amounted to 4.9% (prior year: -0.8%). The operating result (EBIT) totaled EUR +0.6 million (prior year: EUR -0.7 million). The EBIT margin amounted to +2.5% (prior year: -4.3%).

## NET RESULT FOR THE PERIOD

The net result before taxes amounted to EUR 0.4 million (prior year: EUR -1.0 million) with a net result for the period of EUR +0.8 million (prior year: EUR -1.2 million). The return on sales was therefore +3.4% (prior year: -7.2%).

## INCOMING ORDERS

Incoming orders for the PVA TePla Group came to EUR 21.0 million in the first three months of 2017, which was higher than the prior year's figure of EUR 17.9 million. The book-to-bill-ratio was 0.9 (prior year: 1.1).

Incoming orders in the [Industrial Systems division](#) in the first three months of 2017 were lower than in the same period in the prior year, at EUR 6.0 million (prior year: EUR 8.1 million). High-temperature vacuum systems accounted for the largest proportion of those orders. Incoming orders for plasma nitriding systems again developed positively. The [Semiconductor Systems division](#) achieved a high level of incoming orders of EUR 15.0 million (prior year: EUR 10.7 million). Orders for plasma and metrology systems accounted for the majority of incoming orders in this division.

## ORDER BACKLOG

The order backlog, consolidated and net of sales recognized according to the percentage of completion method (PoC) came to EUR 47.5 million as of March 31, 2017, which was lower than the prior year's figure (EUR 68.7 million). The order backlog in the [Industrial Systems division](#) as of March 31, 2017 stood at EUR 24.1 million (prior year: EUR 34.9 million). In the [Semiconductor Systems division](#), the order backlog totaled EUR 23.4 million, compared to the prior year's figure of EUR 33.8 million.

## SHAREHOLDERS' EQUITY AND TOTAL ASSETS

Shareholders' equity increased slightly to EUR 41.1 million due to the net result for the period (December 31, 2016: EUR 40.3 million). Total assets amounted to EUR 91.1 million as of March 31, 2017 (December 31, 2016: EUR 94.7 million). The low level of total assets was primarily due to the decrease in work in progress and trade receivables and, on the liabilities side, to lower other short-time liabilities.

## LIQUIDITY

Operating cash flow increased considerably in the first quarter of 2017, compared to both the same quarter of the previous year and the end of 2016, to EUR 6.2 million. In the vacuum systems and crystal growing systems business units, the project structure of orders means that this figure fluctuates heavily from one reporting date to the next. We receive considerable advance payments at the beginning of a project, which influence net cash flow positively in the case of large orders. Cash flow is then negative during order processing, and the remaining amount due is paid near the delivery date, except for a small residual installment. Cash flow from investing activities amounted to EUR -0.3 million (December 31, 2016: EUR -0.6 million). Cash flow from financing activities amounted to EUR -3.4 million (December 31, 2016: EUR +1.0 million). Total cash flow in the first three months of 2017, including exchange rate differences, amounted to EUR +2.5 million (December 31, 2016: EUR -4.0 million). The liquidity position of PVA TePla Group continues to develop very positively. The net financial position (surplus of current and non-current financial liabilities beyond cash) amounted to EUR -3.0 million (December 31, 2016: EUR -8.9 million).

## EMPLOYEES

As of March 31, 2017, the Group employed 371 people (December 31, 2016: 377 people; March 31, 2016: 366 people).

## ASSESSMENT OF OPPORTUNITIES AND RISKS

During the first quarter of fiscal year 2017, there were no significant changes to the opportunities and risks presented in the Annual Report 2016.

## FORECAST

The Management Board of PVA TePla confirms its previous forecast on business development in 2017 and anticipates consolidated sales revenues on the scale of EUR 85 million and an EBITDA margin on the scale of 6%.

# Interim Consolidated Financial Statements

## CONSOLIDATED BALANCE SHEET

as at March 31, 2017

| ASSETS EUR'000   | Mar. 31, 2017 | Dec. 31, 2016 |
|--|---------------|---------------|
| <b>Non-current assets</b>  |               |               |
| <b>Intangible assets</b>   | <b>8,766</b>  | <b>8,807</b>  |
| Goodwill   | 7,808         | 7,808         |
| Other intangible assets  | 908           | 949           |
| Payments in advance  | 50            | 50            |
| <b>Property, plant and equipment</b>   | <b>28,404</b> | <b>28,782</b> |
| Land, property rights and buildings, including buildings on third party land | 23,624        | 23,738        |
| Plant and machinery  | 3,628         | 3,926         |
| Other plant and equipment, fixtures and fittings                             | 1,074         | 1,043         |
| Advance payments and assets under construction                               | 78            | 75            |
| <b>Non-current investments</b>   | <b>11</b>     | <b>11</b>     |
| <b>Deferred tax assets</b>   | <b>5,099</b>  | <b>5,291</b>  |
| <b>Total non-current assets</b>  | <b>42,280</b> | <b>42,891</b> |
| <b>Current assets</b>  |               |               |
| <b>Inventories</b>   | <b>17,027</b> | <b>21,092</b> |
| Raw materials and operating supplies   | 8,219         | 9,239         |
| Work in progress   | 8,187         | 11,205        |
| Finished products and goods  | 621           | 648           |
| <b>Coming receivables on construction contracts</b>                          | <b>13,363</b> | <b>12,224</b> |
| <b>Trade and other receivables</b>   | <b>13,244</b> | <b>15,999</b> |
| Trade receivables  | 10,719        | 12,704        |
| Payments in advance  | 1,016         | 1,954         |
| Other receivables  | 1,480         | 1,341         |
| <b>Tax repayments</b>  | <b>17</b>     | <b>16</b>     |
| <b>Cash</b>  | <b>5,181</b>  | <b>2,514</b>  |
| <b>Total current assets</b>  | <b>48,832</b> | <b>51,845</b> |
| <b>Total</b>   | <b>91,112</b> | <b>94,736</b> |

| LIABILITIES AND SHAREHOLDERS' EQUITY EUR'000 | Mar. 31, 2017 | Dec. 31, 2016 |
|--|---------------|---------------|
| <b>Shareholders' equity</b>                  |               |               |
| Share capital                                | 21,750        | 21,750        |
| Revenue reserves                             | 23,068        | 22,281        |
| Other reserves                               | -3,643        | -3,642        |
| Minority interest                            | -84           | -84           |
| <b>Total shareholders' equity</b>            | <b>41,091</b> | <b>40,305</b> |
| <b>Non-current liabilities</b>               |               |               |
| Non-current financial liabilities            | 3,403         | 3,768         |
| Other non-current liabilities                | 544           | 551           |
| Retirement pension provisions                | 14,335        | 14,339        |
| Deferred tax liabilities                     | 2,188         | 2,786         |
| Other non-current provisions                 | 377           | 342           |
| <b>Total non-current liabilities</b>         | <b>20,847</b> | <b>21,786</b> |
| <b>Current liabilities</b>                   |               |               |
| Short-term financial liabilities             | 4,810         | 7,648         |
| Trade payables                               | 4,338         | 4,871         |
| Obligations on construction contracts        | 327           | 964           |
| Advance payments received on orders          | 10,092        | 10,450        |
| Accruals                                     | 5,325         | 4,745         |
| Other short-time liabilities                 | 1,077         | 1,569         |
| Provisions for taxes                         | 54            | 49            |
| Other short-term provisions                  | 3,151         | 2,349         |
| <b>Total current liabilities</b>             | <b>29,174</b> | <b>32,645</b> |
| <b>Total</b>                                 | <b>91,112</b> | <b>94,736</b> |

## CONSOLIDATED INCOME STATEMENT

January 1 - March 31, 2017

| EUR'000  | Jan. 1 - Mar.<br>31, 2017 | Jan. 1 - Mar.<br>31, 2016 |
|--|---------------------------|---------------------------|
| <b>Sales revenues</b>                            | <b>23,340</b>             | <b>17,028</b>             |
| Cost of sales                                    | -18,168                   | -13,738                   |
| <b>Gross profit</b>                              | <b>5,172</b>              | <b>3,290</b>              |
| Selling and distributing expenses                | -2,533                    | -1,949                    |
| General administrative expenses                  | -1,622                    | -1,497                    |
| Research and development expenses                | -400                      | -566                      |
| Other operating income                           | 355                       | 604                       |
| Other operating expenses                         | -391                      | -617                      |
| <b>Operating result (EBIT)</b>                   | <b>581</b>                | <b>-735</b>               |
| Finance revenues                                 | 104                       | 54                        |
| Finance costs                                    | -308                      | -277                      |
| <b>Financial result</b>                          | <b>-204</b>               | <b>-223</b>               |
| <b>Net result before tax</b>                     | <b>377</b>                | <b>-958</b>               |
| Income taxes                                     | 409                       | -272                      |
| <b>Consolidated net result for the period</b>    | <b>786</b>                | <b>-1,230</b>             |
| <b>of which attributable to</b>                  |                           |                           |
| Shareholders of PVA TePla AG                     | 786                       | -1,231                    |
| Minority interest                                | 0                         | 1                         |
| <b>Consolidated net result for the period</b>    | <b>786</b>                | <b>-1,230</b>             |
| <b>Earnings per share</b>                        |                           |                           |
| Earnings per share (basic) in EUR                | 0.04                      | -0.06                     |
| Earnings per share (diluted) in EUR              | 0.04                      | -0.06                     |
| Average number of share in circulation (basic)   | 21,749,988                | 21,749,988                |
| Average number of share in circulation (diluted) | 21,749,988                | 21,749,988                |



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 - March 31, 2017

| EUR'000   | Jan. 1 - Mar.<br>31, 2017 | Jan. 1 - Mar.<br>31, 2016 |
|---|---------------------------|---------------------------|
| <b>Consolidated net result for the period</b>   | <b>786</b>                | <b>-1,230</b>             |
| of which attributable to shareholders of PVA TePla AG                                     | 786                       | -1,230                    |
| of which attributable to minority interest  | 0                         | 0                         |
| <b>Other comprehensive income</b>   |                           |                           |
| <b>Items that may be reclassified to profit or loss</b>                                   |                           |                           |
| Currency changes  | 2                         | -65                       |
| Income taxes  | 0                         | -5                        |
| <b>Changes recognized outside profit or loss (currency changes)</b>                       | <b>2</b>                  | <b>-70</b>                |
| Changes in fair values of derivative financial instruments                                | 0                         | 0                         |
| Income taxes  | 0                         | 0                         |
| <b>Changes recognized outside profit or loss (derivative financial instruments)</b>       | <b>0</b>                  | <b>0</b>                  |
| <b>Total of items that may be reclassified to profit or loss</b>                          | <b>2</b>                  | <b>-70</b>                |
| <b>Other comprehensive income after taxes (changes recognized outside profit or loss)</b> | <b>2</b>                  | <b>-70</b>                |
| of which attributable to shareholders of PVA TePla AG                                     | 2                         | -70                       |
| of which attributable to minority interest  | 0                         | 0                         |
| <b>Total comprehensive income</b>   | <b>788</b>                | <b>-1,300</b>             |
| of which attributable to shareholders of PVA TePla AG                                     | 788                       | -1,300                    |
| of which attributable to minority interest  | 0                         | 0                         |

## CONSOLIDATED CASH FLOW STATEMENT

January 1 - March 31, 2017

| EUR'000   | Jan. 1 - Mar.<br>31, 2017 | Jan. 1 - Mar.<br>31, 2016 |
|---|---------------------------|---------------------------|
| Consolidated net result for the period  | 786                       | -1,230                    |
| <b>Adjustments to the consolidated net result for the period for reconciliation to the cash flow from operating activities:</b> |                           |                           |
| + Income taxes  | -409                      | 272                       |
| - Finance revenues  | -104                      | -54                       |
| + Finance costs   | 308                       | 277                       |
| <b>= Operating result</b>   | <b>581</b>                | <b>-735</b>               |
| - Income tax payments   | 5                         | -4                        |
| + Amortization and depreciation   | 590                       | 723                       |
| -/+ Gains/losses on disposals of non-current assets   | 0                         | 2                         |
| +/- Other non-cash expenses / income  | 0                         | -1                        |
|   | <b>1,176</b>              | <b>-15</b>                |
| -/+ Increase/decrease in inventories, trade receivables and other assets  | 5,631                     | -5,893                    |
| +/- Increase/decrease in provisions   | 704                       | -323                      |
| +/- Increase/decrease in trade payables and other liabilities   | -1,322                    | 2,528                     |
| <b>= Cash flow from operating activities</b>  | <b>6,189</b>              | <b>-3,703</b>             |
| + Proceeds from disposals of intangible assets and property, plant and equipment  | 0                         | 0                         |
| - Payment of intangible assets and property, plant and equipment  | -227                      | -313                      |
| + Interest receipts   | 0                         | 0                         |
| <b>= Cash flow from investing activities</b>  | <b>-282</b>               | <b>-313</b>               |
| - Payments from redumption of debt and loans  | -365                      | -362                      |
| +/- Change in short-term bank liabilities   | -2,838                    | -27                       |
| - Payment of interest   | -180                      | -102                      |
| <b>= Cash flow from financing activities</b>  | <b>-3,383</b>             | <b>-491</b>               |
| Net change in cash  | 2,524                     | -4,507                    |
| +/- Effect of exchange rate fluctuations on cash  | 143                       | 225                       |
| + Cash at the beginning of the period   | 2,514                     | 6,492                     |
| <b>= Cash at the end of the period</b>  | <b>5,181</b>              | <b>2,210</b>              |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January 1 - March 31, 2017

| EUR'000                 | Shared issues |        | Revenue reserves | Other equity components | Pension provisions | Total  | Minority interest | Total shareholders' interest |
|-------------------------|---------------|--------|------------------|-------------------------|--------------------|--------|-------------------|------------------------------|
|                         | Number        |        |                  |                         |                    |        |                   |                              |
| As at January 1, 2016   | 21,749,988    | 21,750 | 19,349           | 205                     | -3,279             | 38,024 | -84               | 37,941                       |
| Total income            |               |        | 2,931            | 113                     | -680               | 2,364  | 0                 | 2,364                        |
| As at December 31, 2016 | 21,749,988    | 21,750 | 22,279           | 318                     | -3,959             | 40,387 | -84               | 40,305                       |
| As at January 1, 2016   | 21,749,988    | 21,750 | 19,349           | 205                     | -3,279             | 38,024 | -84               | 37,941                       |
| Total income            |               |        | -1,230           | -69                     | 0                  | -1,299 | 0                 | -1,299                       |
| As at March 31, 2016    | 21,749,988    | 21,750 | 18,118           | 136                     | -3,279             | 36,724 | -84               | 36,642                       |
| As at January 1, 2017   | 21,749,988    | 21,750 | 22,279           | 318                     | -3,959             | 40,387 | -84               | 40,305                       |
| Total income            |               |        | 786              | 2                       | 0                  | 788    | 0                 | 788                          |
| As at March 31, 2017    | 21,749,988    | 21,750 | 23,065           | 320                     | -3,959             | 41,175 | -84               | 41,091                       |