Be equipped for tomorrow's materials.

Interim Statement as at September 30, 2023

PVA TePla

on track

9M sales revenues rise to

EUR **191.2 million** (+ 46 %)

EBITDA

EUR **29.1 million** (+ 76.3 %)

Guidance

Sales revenues EUR **240 – 260 million**

EBITDA EUR **36 – 40 million**

Foreword by the Management Board

Dear shareholders of PVA TePla,
Dear business partners,

The PVA TePla Group continued its impressive success and growth course in the third quarter of 2023. With a 46 % increase in sales to EUR 191.2 million compared to the same period of the previous year, we have further strengthened our position as a leading technology provider for high-tech systems. The EBITDA margin reached 15.2 %.

In recent months, we have continued to drive forward our strategic development: The aim is to diversify our technology base and open up new markets and regions in order to become even more independent of individual market and economic cycles and thus generate sustainable business growth. To some extent, this broader positioning is already reflected in our sales, which originate to a considerable amount from the relatively new metrology business, but also in the structure of our orders received, which are the basis for our future sales.

In preparation for the targeted structural growth, we have launched an extensive investment program in innovation, capacity and infrastructure. In addition to the already initiated expansion of production capacities, the expansion of the sales and service organization as well as the extension of know-how are in the foreground.

Our market-leading solutions benefit from several long-term megatrends: the continuously increasing demand for semiconductors and power electronics in mobility, decarbonization and the associated expansion of new energy sources, and digitization. They all accelerate the demand for new materials and fields of application for which the PVA TePla Group's systems and processes are instrumental.

Looking ahead to the full-year 2023, we expect sales and earnings to be at the upper end of our guidance range of between EUR 240 and 260 million and EBITDA of between EUR 36 and 40 million, following the strong performance so far this year. Our medium-term plans envisage further profitable organic and inorganic growth.

Our thanks go to all who have contributed to this extraordinary success – our dedicated employees, our valued shareholders, our customers and suppliers. Your support and trust are the cornerstones of our continuous growth and innovative strength.

We look forward to continuing our successful cooperation and to shaping the future together with you.

Wettenberg, November 2, 2023

Jalin Ketter
CFO/Speaker of the Management Board

Oliver Höfer
COO

Key figures at a glance

in EUR '000	Jan. 1 – Sept. 30, 2023	Jan. 1 – Sept. 30, 2022
Sales revenues	**191,155**	**130,954**
Semiconductor Systems	133,769	94,755
Industrial Systems	57,385	36,199
Gross profit	**55,560**	**38,964**
in % sales revenues	29.1	29.8
R&D expenses	6,258	4,384
EBITDA	**29,149**	**16,534**
in % sales revenues	15.2	12.6
Operating result (EBIT)	**23,904**	**13,058**
in % sales revenues	12.5	10.0
Earnings after taxes	**16,736**	**7,961**
in % sales revenues	8.8	6.1
Total assets	**283,262**	**290,331***
Shareholders' equity	**120,869**	**104,096***
Equity ratio in %	42.7	35.9
Employees as of September 30	**738**	**611**
Incoming orders	**177,607**	**191,346**
Book-to-bill-ratio	0.93	1.46
Order Backlog	**297,318**	**343,911**
Cash flow from operating activities	**– 10**	**– 15,184**
Net financial position	**9,691**	**16,354***

* As of December 31

Interim Statement of PVA TePla AG as of September 30, 2023

General statement by the Management Board

PVA TePla is continuing its growth momentum from the first half of the year in the third quarter. Sales revenues and net earnings again performed very well despite the increasingly challenging macroeconomic environment. Incoming orders and the order backlog remain high.

Our diversified business model proved its worth and we successfully reduced our dependency on individual sectors. We also took targeted measures to address the challenges presented by the war in Ukraine, the energy crisis and inflation. We will closely observe the developments on our procurement and production markets and continue to act flexibly in order to ensure our sustainable development.

Organizational structure

There were no changes to the Group's structure or the companies included in consolidation compared with the previous financial report dated December 31, 2022.

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 (hereinafter also referred to as the PVA-TePla Group) and its consolidated subsidiaries. Unless otherwise indicated in the text, margins and ratios refer to sales revenues. The interim report has not been audited within the meaning of Section 317 HGB, nor has it been reviewed.

Sales revenues and results of operations

Business development of the Group

The PVA TePla Group's sales revenues climbed by a significant 46.0 % to EUR 191.2 million in the first nine months of 2023 after EUR 131.0 million in the same period of the previous year. 70 % of this (previous year: 72 %) was attributed to the Semiconductor Systems segment and 30 % (previous year: 28 %) to the Industrial Systems segment. Consolidated sales revenues for the third quarter amounted to EUR 64.5 million after EUR 50.9 million in the previous year, an increase of 26.7 %

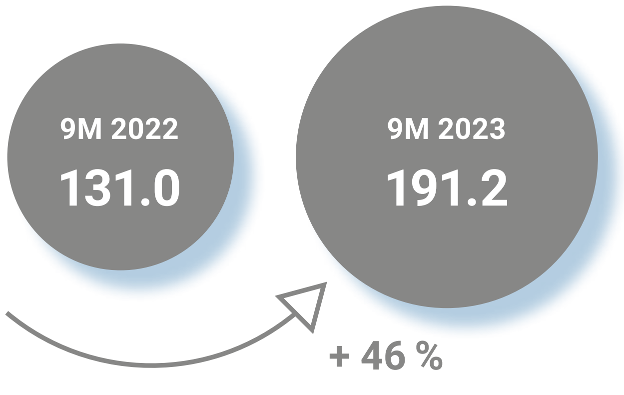
At 29.1 %, the gross margin for the first nine months of 2023 was down slightly on the high prior-year figure of 29.8 % (Q3: 30.2 % vs. 29.2 %). This decline of 0.7 percentage points was due to changes in the product mix and higher material and production costs, whereby this impact weakend during the year.

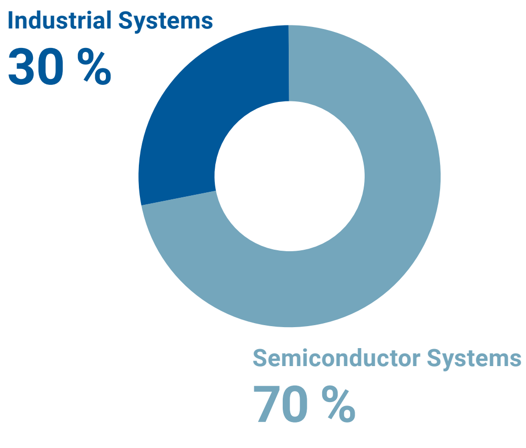
Selling and distributing expenses amounted to EUR 13.9 million in the first nine months after EUR 13.0 million in the same period of 2022. The far lower rise in selling and distributing expenses compared to the significant sales revenues growth is a positive effect of expanding our distribution structure internationally. As a proportion of sales revenues, selling and distributing expenses declined from 9.9 % to 7.3 %.

Administrative expenses increased by EUR 9.2 million to EUR 12.9 million, meaning that the administrative cost ratio again improved by 0.3 percentage points to 6.7 % of sales revenues. This was due largely to economies of scale.

Research and development expenses came to EUR 6.3 million, around EUR 1.9 million higher than in the previous year. The increase is essentially the result of investments in software development. The upturn in sales revenues meant that the ratio remained stable at 3.3 % despite higher R&D spending.

Consolidated sales revenues (Jan. 1 – Sept. 30 in EUR million)





Other operating expenses declined from EUR 4.0 million to EUR 3.3 million. Expenses from exchange rate effects were lower than in the previous year.

All in all, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 29.1 million in the period under review after EUR 16.5 million in the first nine months of 2022 (Q3: EUR 11.7 million vs. EUR 7.0 million). This corresponds to 15.2 % of sales revenues compared with 12.6 % in the previous year (Q3: 18.2 % vs. 13.8 %). After depreciation and amortization, the operating result (EBIT) amounted to EUR 23.9 million as against EUR 13.1 million in the same period of the previous year (Q3: EUR 9.9 million vs. EUR 5.8 million). This corresponds to a margin of 12.5 % after 10.0 % in the first nine months of 2022 (Q3: 15.4 % after 11.5 %). The financial result amounted to EUR – 0.1 million in the period under review compared with EUR – 1.6 million in the previous year (Q3: EUR – 0.1 million vs. EUR – 0.3 million). This increase was primarily due to non-cash depreciation in the value of financial assets in the previous year that were primarily acquired in order to avoid negative interest rates and for risk diversification. After tax expenses, the consolidated net result for the period amounted to EUR 16.7 million after EUR 8.0 million in the previous year (Q3: EUR 7.4 million vs. EUR 3.9 million).

Segment performance

Sales revenues by division in EUR ‘000	Q3 2023	Q3 2022	Change in %	Q1 – Q3 2023	Q1 – Q3 2022	Change in %
Semiconductor Systems	44,097	37,922	16.3	133,769	94,755	41.2
Industrial Systems	20,369	12,961	57.2	57,385	36,199	58.5
Total	**64,466**	**50,883**	**26.7**	**191,155**	**130,954**	**46.0**

Sales revenues in the Semiconductor Systems division amounted to EUR 133.8 million in the first nine months of the current year, up 41.2 % on the previous year’s EUR 94.8 million. This rise in sales revenues was essentially driven by orders for crystal growing in the semiconductor wafer industry and metrology systems. The segment operating result amounted to EUR 21.6 million compared with EUR 12.8 million in the previous year.

The Industrial Systems division recorded growth in sales revenues of 58.5 % to EUR 57.4 million compared with EUR 36.2 million in the first nine months of 2022. Key drivers in the division were high-temperature vacuums systems for material production and finishing. The segment operating result amounted to EUR 7.5 million compared with EUR 4.1 million in the previous year.

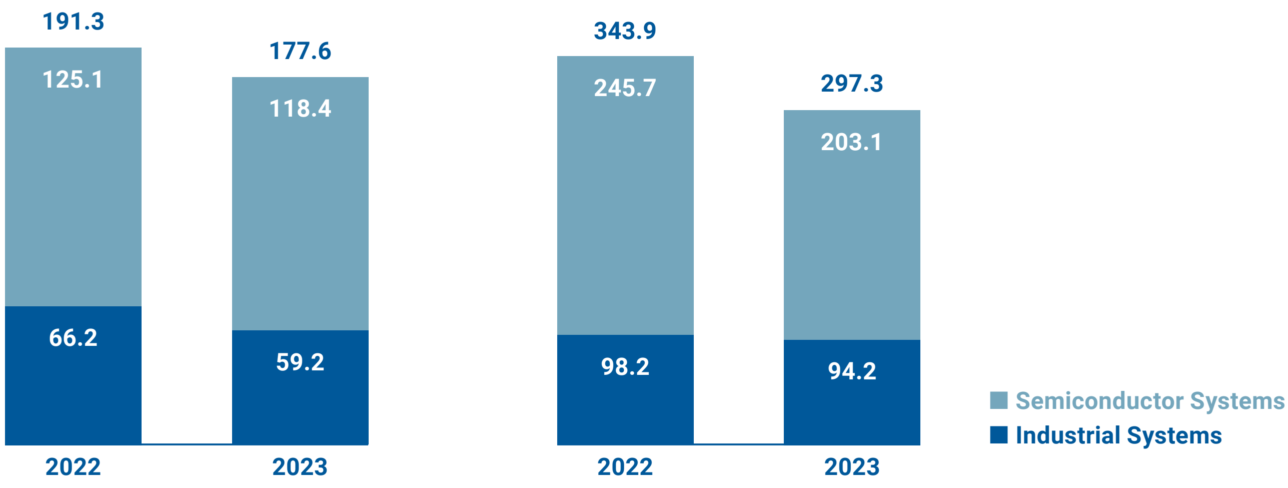
Orders

The PVA TePla Group's order backlog came to EUR 297.3 million (previous year: EUR 343.9 million). Despite the impact of the weak economy, especially in the semiconductor market, the level remains high thanks to the PVA TePla Group's diversified technology portfolio. The order backlog in the Semiconductor Systems division was EUR 203.1 million (previous year: EUR 245.7 million). EUR 94.2 million relates to the Industrial Systems division (previous year: EUR 98.2 million).

Incoming orders for the PVA TePla Group totaled EUR 177.6 million (previous year: EUR 191.3 million) and the book-to-bill ratio was 0.93 (previous year: 1.46).

Incoming orders in the Semiconductor Systems division amounted to EUR 118.4 million (previous year: EUR 125.1 million). This essentially includes orders from the semiconductor industry for crystal growing and metrology systems.

Incoming orders in the Industrial Systems division reached EUR 59.2 million (previous year: EUR 66.2 million). The orders include technologies that are used in medical technology and the optical industry.



Incoming orders Jan. 1 – Sept. 30 in EUR million

Order backlog as of Sept. 30 in EUR million

Asset position

Total assets declined compared to December 31, 2022 by 2.4 % to EUR 283.3 million (December 31, 2022: EUR 290.3 million).

Current assets saw a decrease from EUR 217.6 million to EUR 207.6 million. While inventories picked up from EUR 75.0 million to EUR 96.4 million, trade receivables including other receivables were far lower than in the previous year at EUR 57.7 million (previous year: EUR 73.6 million), as were contract assets at EUR 32.5 million (previous year: EUR 40.5 million). Cash, non-cash equivalents and term deposits fell from EUR 27.2 million to EUR 19.9 million.

Total non-current assets increased by EUR 3.0 million from EUR 72.7 million as of December 31, 2022 to EUR 75.7 million as of the reporting date. This rise can be attributed to additions to property, plant and equipment (EUR 36.7 million compared to EUR 34.0 million as of December 31, 2022) and higher deferred tax assets (from EUR 6.6 million to EUR 8.3 million). Financial assets and right-of-use assets remained virtually unchanged, whereas intangible assets declined slightly from EUR 20.5 million to EUR 18.9 million on account of amortization.

Current liabilities fell by 15.7% to EUR 135.4 million (December 31, 2022: EUR 160.7 million). This was primarily the result of far lower contract liabilities, which fell from EUR 113.5 million to EUR 90.4 million, and lower provisions for taxes, which declined from EUR 8.7 million to EUR 0.8 million.

At EUR 27.0 million, non-current liabilities were slightly higher than the level at the previous year's reporting date (December 31, 2022: EUR 25.6 million). While financial liabilities shrunk from EUR 5.1 million to EUR 4.1 million, deferred tax liabilities rose from EUR 8.1 million to EUR 11.4 million.

Equity increased to EUR 120.9 million (December 31, 2022: EUR 104.1 million), with the equity ratio coming to 42.7 % (December 31, 2022: 35.9 %).

Financial position

PVA TePla generated a cash flow from operating activities of EUR – 0.01 million in the first nine months of 2023 (9M 2022: EUR – 15.2 million). This improvement reflected advance payments received for new customer projects.

Cash flow from investing activities was EUR – 5.0 million (9M 2022: EUR – 12.8 million). This was driven by investments in infrastructure, primarily at the Wettenberg and Schio (Italy) locations.

The cash flow from financing activities of EUR – 1.9 million (9M 2022: EUR – 1.0 million) related to payments in connection with the acquisition of MPA Industrie.

The net financial position was EUR 9.7 million (December 31, 2022: EUR 16.4 million). EUR 2.4 million of the working capital facility within the syndicated loan facility was utilized as of the reporting date.

Employees

As of September 30, 2023, the Group employed 738 people (September 30, 2022: 611). The increase was primarily in value-adding areas.

Forecast

Although economic risks have increased, we remain optimistic with regard to the remainder of the year. The company continues to benefit from various megatrends, especially growing demand for semiconductors and power electronics in electromobility, renewable energies and the general trend toward digitalization, all of which require the development of new materials and technologies. Thanks to its combination of innovative technology, efficient production capacities and a strong sales network, PVA TePla is confident that it will be able to make optimal use of the full market potential.

We also see especially large growth potential in the area of quality inspections. The technology provided by PVA TePla allows our customers to significantly optimize and increase the efficiency of their production.

Our technologies continue to play a key role in innovative materials such as silicon carbide and various composite materials, which have great potential and are essential to the major megatrends of digitalization, decarbonization and mobility.

That is why we are making targeted investments in research and development and the expansion of our production capacity in these areas.

The Management Board anticipated sales revenues of EUR 240 – 260 million and earnings before interest, taxes, depreciation and amortization (EBITDA) of between EUR 36 million and EUR 40 million for fiscal year 2023. We will achieve this forecast at the upper end of the range.

Interim consolidated financial statements

Condensed consolidated balance sheet as of September 30, 2023

in EUR '000	Sept. 30, 2023	Dec 31, 2022
Assets		
Non-current assets		
Intangible assets	18,857	20,497
Right-of-use assets	2,822	2,650
Property, plant and equipment	36,697	33,997
Financial assets	9,011	9,019
Deferred tax assets	8,316	6,581
Total non-current assets	**75,703**	**72,742**
Current assets		
Inventories	96,445	74,996
Trade and other receivables	57,668	73,569
Contract assets	32,452	40,466
Income tax assets	1,085	1,332
Cash, cash equivalents and term deposits	19,909	27,227
Total current assets	**207,559**	**217,589**
Total	**283,262**	**290,331**
Liabilities and shareholders' equity		
Shareholders' equity		
Share capital	21,750	21,750
Reserves	99,119	82,346
Total shareholders' interest	**120,869**	**104,096**
Non-current liabilities		
Pension provisions	11,292	11,453
Other provisions	205	906
Financial liabilities	4,115	5,073
Deferred tax liabilities	11,406	8,127
Total non-current liabilities	**27,019**	**25,558**
Current liabilities		
Other provisions	6,742	4,411
Financial liabilities	6,103	5,801
Liabilities to employees	8,964	7,273
Trade payables	19,268	18,295
Contract liabilities	90,364	113,510
Provisions for taxes	828	8,681
Other liabilities	3,104	2,707
Total current liabilities	**135,374**	**160,677**
Total	**283,262**	**290,331**

Condensed consolidated income statement

in EUR '000	July 1 – Sept. 30, 2023	July 1 – Sept. 30, 2022	Jan. 1 – Sept. 30, 2023	Jan. 1 – Sept. 30, 2022
Sales revenues	64,466	50,883	191,155	130,954
Cost of sales	– 44,984	– 36,025	– 135,594	– 91,990
Gross profit	19,483	14,858	55,560	38,964
Selling and distributing expenses	– 3,855	– 4,460	– 13,884	– 12,959
General administrative expenses	– 4,075	– 3,025	– 12,869	– 9,214
Research and development expenses	– 1,834	– 1,475	– 6,258	– 4,384
Other operating income	1,938	1,655	4,630	4,690
Other operating expenses	– 1,751	– 1,706	– 3,276	– 4,040
Operating result (EBIT)	9,906	5,848	23,904	13,058
Financial result	– 118	– 297	– 146	– 1,647
Results before taxes	9,788	5,551	23,757	11,411
Income taxes	– 2,431	– 1,617	– 7,021	– 3,450
Earnings after taxes	7,357	3,934	16,736	7,961
Earnings per share (basic/diluted)				
Earnings per share (basic) in EUR	0.34	0.18	0.77	0.37
Earnings per share (diluted) in EUR	0.34	0.18	0.77	0.37

Condensed consolidated cash flow statement

in EUR '000	Jan. 1 – Sept. 30, 2023	Jan. 1 – Sept. 30, 2022
Cash flow from operating activities	– 10	– 15,184
Cash flow from investing activities	– 4,986	– 12,843
Cash flow from financing activities	– 1,859	– 960
= Net change in cash and cash equivalents	– 6,855	– 28,987
+/– Effect of exchange rate fluctuations on cash and cash equivalents	– 31	592
+ Cash and cash equivalents in the cash flow statement at the beginning of the period	15,602	52,734
= Cash and cash equivalents in cash flow statement at end of period	8,717	24,339
Cash and cash equivalents in consolidated statement of financial position at end of period	19,909	38,493
– Term deposits	– 11,192	– 14,155
= Cash and cash equivalents in cash flow statement at end of period	8,717	24,339

Imprint

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