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Interim Statement as at March 31, 2020



# PVA TePla Holds its Ground in Tough Market Environment

- Stable operating operations and significant earnings upturn in Q1/2020
- Utmost priority given to protecting employees' health and close support of customers
- Revenue of EUR 26.4 million in Q1 almost at previous year's level despite considerable constraints due to COVID-19
- EBITDA up 6% at EUR 2.5 million
- Equity ratio stable at 31.7%
- Impact of COVID-19 cannot be reliably quantified



# Foreword by the Management Board

Dear Shareholders and Business Partners of PVA TePla,

Despite the severely limited market environment owing to the COVID-19 pandemic, especially in terms of international travel, PVA TePla performed well in the first quarter of 2020. With its product portfolio in the semiconductor industry, PVA TePla enjoys success even under difficult conditions. Business volume remained virtually unchanged year on year and earnings quality improved further.

We are continuing to develop our virtual sales and service strategy, many of our employees are working well from home and our customers are being supported virtually wherever possible. These measures we have introduced ensure that we are able to maintain our business operations – especially production and logistics – worldwide. The financial stability of PVA TePla AG and its subsidiaries is ensured in the medium and long term.

Protecting the health of our employees, serving our customers and making our contribution to society are of paramount importance to PVA TePla during the COVID-19 pandemic. This is why we have implemented extensive measures at our sites to ensure compliance with safety standards and continue production. We are also using our networks and helping healthcare organizations tackle the global challenges posed in combating the COVID-19 pandemic. For example, we were delighted to be able to provide the University Hospital in Giessen with 1,000 high-quality respiratory masks to use when treating COVID-19 patients.

With a successor at the head of the Management Board and new Management Board positions, we are also taking a look to the future even in these difficult times and have laid the groundwork for future development and the ongoing growth of our company.

Given the current uncertainty associated with the duration and the severity of the COVID-19 pandemic, PVA TePla cannot reliably predict the current or future consequences of the pandemic on business operations. In the medium term, our growth prospects remain stable and intact.

Our Annual General Meeting on June 26, 2020 will be held virtually due to the COVID-19 pandemic. We would be delighted if many of our shareholders could attend.

We would like to thank you for your trust, especially in times marked by external uncertainty.

Alfred Schopf  
Chief Executive Officer

Oliver Höfer  
Chief Operating Officer

## IMPORTANT CONSOLIDATED FIGURES AT A GLANCE

EUR'000	Q1 / 2020	Q1 / 2019	Q1 / 2018
<b>Sales revenues</b>	<b>26,423</b>	<b>29,410</b>	<b>19,096</b>
Semiconductor Systems	17,646	19,056	10,004
Industrial Systems	8,777	10,354	9,092
<b>Gross profit</b>	<b>7,939</b>	<b>7,714</b>	<b>4,812</b>
in % sales revenues	30.0	26.2	25.2
R&D expenses	1,114	1,247	391
<b>EBITDA</b>	<b>2,461</b>	<b>2,328</b>	<b>1,216</b>
in % sales revenues	9.3	7.9	6.4
<b>Operating result (EBIT)</b>	<b>1,454</b>	<b>1,379</b>	<b>631</b>
in % sales revenues	5.5	4.7	3.3
<b>Consolidated net result</b>	<b>941</b>	<b>976</b>	<b>395</b>
in % sales revenues	3.6	3.3	2.1
<b>Total assets</b>	<b>183,795</b>	<b>180,933<sup>1)</sup></b>	<b>162,155<sup>1)</sup></b>
<b>Shareholders' equity</b>	<b>58,310</b>	<b>57,315<sup>1)</sup></b>	<b>50,797<sup>1)</sup></b>
Equity ratio in %	31.7	31.7 <sup>1)</sup>	31.3 <sup>1)</sup>
<b>Employees as of March 31</b>	<b>538</b>	<b>528<sup>1)</sup></b>	<b>470<sup>1)</sup></b>
<b>Incoming orders</b>	<b>16,648</b>	<b>61,626</b>	<b>38,971</b>
<b>Order backlog</b>	<b>161,118</b>	<b>203,317</b>	<b>152,284</b>
Book-to-bill-ratio	0.63	2.10	2.04
<b>Cash Flow from operating activities</b>	<b>-1,459</b>	<b>-591<sup>1)</sup></b>	<b>11,652<sup>1)</sup></b>
<b>Net financial position</b>	<b>18,554</b>	<b>21,031<sup>1)</sup></b>	<b>37,010<sup>1)</sup></b>

<sup>1)</sup> As of December, 31

# Interim Statement of PVA TePla AG as at March 31, 2020

## SALES REVENUES

Even with the severely limited market environment and international travel, sales revenues at the PVA TePla Group were almost in line with the previous year's figure at EUR 26.4 million (previous year: EUR 29.4 million). The [Semiconductor Systems division](#) accounted for EUR 17.6 million (previous year: EUR 19.1 million) of this sales revenues performance and the [Industrial Systems division](#) for EUR 8.8 million (previous year: EUR 10.4 million).

Sales Revenues by Division EUR'000	Q1 / 2020	Q1 / 2019
Semiconductor Systems	17,646	19,056
Industrial Systems	8,777	10,354
<b>Total</b>	<b>26,423</b>	<b>29,410</b>

## INCOMING ORDERS

Despite the tough market environment, incoming orders came to EUR 16.6 million (previous year: EUR 61.6 million), a figure comparable to the prior period after excluding the major orders received in the same period of the previous year. The book-to-bill ratio was 0.6.

Incoming orders for the [Semiconductor Systems division](#) amounted to EUR 9.4 million (previous year: EUR 40.6 million). This essentially includes orders from the semiconductor industry for plasma and metrology systems.

Incoming orders in the [Industrial Systems division](#) totaled EUR 7.3 million (previous year: EUR 21.0 million). The orders centered around brazing furnaces for the North American market and a large plasma nitriding system.

## ORDER BACKLOG

The PVA TePla Group's order backlog remained solid in the first quarter of fiscal 2020 at the high level of EUR 161.1 million (December 31, 2019: EUR 170.6 million). The order backlog of [Semiconductor Systems division](#) amounted to EUR 105.8 million as of the end of the first quarter (December 31, 2019: EUR 114.1 million). The order backlog in the [Industrial Systems division](#) was on par with the figure at the end of the previous year at EUR 55.4 million (December 31, 2019: EUR 56,5 million).

## RESULTS OF OPERATIONS

PVA TePla's earnings saw a disproportionately large upturn given that business remained virtually unchanged year on year.

The gross margin improved to an encouraging 30.0% (previous year: 26.2%), EBITDA was up on the same quarter of the previous year both in absolute and in percentage terms (9.3%; previous year: 7.9%) at EUR 2.5 million (previous year: EUR 2.3 million) and EBIT amounted to EUR 1.5 million (previous year: EUR 1.4 million). The EBIT margin was 5.5% at Group level (previous year: 4.7%). Earnings after taxes came to EUR 0.9 million (previous year: EUR 1.0 million), with 3.6% (previous year: 3.3%) from sales revenues.

## TOTAL ASSETS AND EQUITY

Total assets rose slightly against that of December 31, 2019 to EUR 183.8 million (December 31, 2019: EUR 180.9 million). Equity increased to EUR 58.3 million (December 31, 2019: EUR 57.3 million), with the equity ratio remaining constant at 31.7% (December 31, 2019: 31.7%).

## LIQUIDITY

Cash flow from operating activities came to EUR -1.5 million due to continuing to process the order backlog (December 31, 2019: EUR -0.6 million), cash flow from investing activities totaled EUR -1.4 million (December 31, 2019: EUR -12.5 million), and cash flow from financing activities reached break even (December 31, 2019: EUR -1.4 million).

At EUR 22.6 million (December 31, 2019: EUR 21.0 million), the cash position remains very high. This provides us with scope for action in the challenging current economic situation. The Group also has access to EUR 10.0 million in additional cash investments not defined as cash equivalents (December 31, 2019: EUR 9.0 million) and a credit line of EUR 14.5 million for financing purposes.

## EMPLOYEES

The Group had 538 employees as at March 31, 2020 (December 31, 2019: 528).

## REPORT ON OPPORTUNITIES AND RISKS

There were no significant changes to the opportunities and risks presented in the 2019 annual report in the course of the first quarter of fiscal year 2020, including with regard to the COVID-19 crisis. There is no information on risks to the Group as a going concern.

## FORECAST

Economic uncertainties remain for the 2020 financial year due to the corona pandemic (Covid-19). According to the current assessment of the Management Board of PVA TePla AG, this will result in considerable postponements of project implementations, at least in the first half of 2020. Deviating from the original forecast made in November 2019 - despite the encouraging performance in the first quarter - revenue and earnings at the previous year's level or lower cannot be ruled out, depending on the further course of the COVID 19 crisis. A reliable estimate of the overall financial impact of the Corona pandemic on the PVA TePla Group is currently not possible due to the current dynamics and the unforeseeable duration of this situation.

In the medium term, PVA TePla AG's growth prospects remain stable and intact.

# Interim Consolidated Financial Statements

## CONDENSED CONSOLIDATED BALANCE SHEET

as at March 31, 2020

<b>ASSETS</b> EUR'000	<b>Mar. 31, 2020</b>	Dec. 31, 2019
<b>Non-current assets</b>		
Right-of-use assets	1,990	2,175
Intangible assets	11,318	11,471
Property, plant and equipment	29,984	30,185
Non-current investments	15	3,014
Deferred tax assets	5,311	5,124
<b>Total non-current assets</b>	<b>48,618</b>	<b>51,969</b>
<b>Current assets</b>		
Inventories	73,398	65,217
Trade and other receivables	30,691	27,378
Contract assets	7,739	10,458
Tax repayments	613	341
Cash and cash equivalents	22,736	25,570
<b>Total current assets</b>	<b>135,177</b>	<b>128,964</b>
<b>Total</b>	<b>183,795</b>	<b>180,933</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> EUR'000	<b>Mar. 31, 2020</b>	Dec. 31, 2019
<b>Shareholders' equity</b>	<b>58,310</b>	<b>57,315</b>
<b>Non-current liabilities</b>	<b>22,963</b>	<b>23,392</b>
<b>Current liabilities</b>	<b>102,522</b>	<b>100,226</b>
<b>Total</b>	<b>183,795</b>	<b>180,933</b>





## CONDENSED CONSOLIDATED INCOME STATEMENT

January 1 - March 31, 2020

EUR'000	Jan. 1 - Mar. 31, 2020	Jan. 1 - Mar. 31, 2019
<b>Sales revenues</b>	<b>26,423</b>	<b>29,410</b>
Cost of sales	-18,484	-21,696
<b>Gross profit</b>	<b>7,939</b>	<b>7,714</b>
Selling and distributing expenses	-3,488	-3,011
General administrative expenses	-2,316	-2,274
Research and development expenses	-1,114	-1,247
Other operating income	818	759
Other operating expenses	-385	-562
<b>Operating result (EBIT)</b>	<b>1,454</b>	<b>1,379</b>
<b>Financial result and share of profits from associates</b>	<b>-93</b>	<b>-128</b>
<b>Net result before tax</b>	<b>1,361</b>	<b>1,251</b>
Income taxes	-420	-275
<b>Consolidated net result for the period</b>	<b>941</b>	<b>976</b>
<b>of which attributable to</b>		
Shareholders of PVA TePla AG	941	976
Minority interest	0	0
<b>Earnings per share</b>		
Earnings per share (basic) in EUR	0.04	0.04
Earnings per share (diluted) in EUR	0.04	0.04

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

January 1 - March 31, 2020

EUR'000	Jan. 1 - Mar. 31, 2020	Jan. 1 - Dec. 31, 2019
<b>Cash-flow from operating activities</b>	<b>-1,459</b>	<b>-591</b>
<b>Cash-flow from investing activities</b>	<b>-1,381</b>	<b>-12,487</b>
<b>Cash-flow from financing activities</b>	<b>6</b>	<b>-1,423</b>
Net change in cash and cash equivalents	-2,834	-14,501
+/- Effect of exchange rate fluctuations on cash	0	57
+ Cash and cash equivalents at the beginning of the period	25,570	40,014
<b>= Cash and cash equivalents at the end of the period</b>	<b>22,736</b>	<b>25,570</b>