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# Foreword by the Management Board

Dear PVA TePla shareholders and business partners,

In the first three quarters of 2019 PVA Group continued its clear growth trajectory and substantially increased all its key performance indicators. Consolidated sales revenues rose by 38% year-on-year to EUR 96.2 million after the first nine months of fiscal 2019 (previous year: EUR 69.4 million). EBITDA grew considerably by approximately 40% to EUR 11.8 million. Based on significantly higher EBIT of EUR 9.0 million (previous year: EUR 6.6 million), the Group's EBIT margin is 9.4%.

Sales revenues in the Semiconductor Systems division grew to EUR 62.6 million in the reporting period (previous year: EUR 42.0 million), thus accounting for approximately two thirds (65%) of the PVA Group's total sales revenues. Growth in sales revenues was primarily driven by crystal growing systems and metrology systems for the semiconductor industry. Sales revenues in the Industrial Systems division climbed by 22% to EUR 33.6 million (previous year: EUR 27.4 million) representing 35% of the consolidated revenues.

The development of incoming orders was very positive across all divisions. New orders in the first nine months were booked at EUR 110.9 million (previous year: EUR 101.9 million). PVA Group's order backlog at the end of September 2019 therefore climbed by 12% year-on-year to EUR 185.7 million (EUR 165.4 million) and gives good visibility for 2020 and into 2021. Main reasons therefore are the global capacity expansion in wafer production for microelectronics and high-performance electronics, primarily for 5G, autonomous driving and the internet of things (IoT).

Based on the consistently good performance in the fiscal year 2019, the Management Board of PVA TePla AG is raising its forecast for 2019 to consolidated sales revenues to EUR 130 million (previously: EUR 125 million) and EBITDA of around EUR 16.0 million (previously: EUR 15 million).

For the fiscal year 2020 the management board of PVA TePla is expecting further substantial growth in sales and earnings.

With best regards

Alfred Schopf  
Chief Executive Officer  
PVA TePla AG

Oliver Höfer  
Chief Operating Officer  
PVA TePla AG

## IMPORTANT CONSOLIDATED FIGURES AT A GLANCE

EUR'000	Q1-Q3 / 2019	Q1-Q3 / 2018	Q1-Q3 / 2017
<b>Sales revenues</b>	<b>96,238</b>	<b>69,376</b>	<b>63,457</b>
Industrial Systems	33,598	27,350	25,440
Semiconductor Systems	62,640	42,026	38,017
<b>Gross profit</b>	<b>27,364</b>	<b>23,410</b>	<b>14,805</b>
in % sales revenues	28.4	33.7	23.3
R&D expenses	3,620	2,339	2,203
<b>EBITDA</b>	<b>11,861</b>	<b>8,466</b>	<b>3,535</b>
in % sales revenues	12.3	12.2	5.6
<b>Operating result (EBIT)</b>	<b>9,006</b>	<b>6,645</b>	<b>1,810</b>
in % sales revenues	9.4	9.6	2.9
<b>Consolidated net result</b>	<b>5,996</b>	<b>4,560</b>	<b>1,084</b>
in % sales revenues	6.2	6.6	1.7
<b>Total assets</b>	<b>177,823</b>	<b>162,155<sup>1)</sup></b>	<b>119,096<sup>1)</sup></b>
<b>Shareholders' equity</b>	<b>56,973</b>	<b>50,797<sup>1)</sup></b>	<b>45,129<sup>1)</sup></b>
Equity ratio in %	32.0	31.3 <sup>1)</sup>	37.9 <sup>1)</sup>
<b>Employees as of September 30</b>	<b>498</b>	<b>422</b>	<b>378</b>
<b>Incoming orders</b>	<b>110,895</b>	<b>101,883</b>	<b>67,822</b>
<b>Order backlog</b>	<b>185,730</b>	<b>165,388</b>	<b>54,872</b>
Book-to-bill-ratio	1.15	1.47	1.07
<b>Cash Flow from operating activities</b>	<b>-1,144</b>	<b>-16,251</b>	<b>12,339</b>
<b>Net financial position</b>	<b>32,079</b>	8,625	543

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

# Interim Statement of PVA TePla AG as at September 30, 2019

## SALES REVENUES

The PVA Group outperformed the same period of the previous year by more than 38%, with sales revenues of EUR 96.2 million (previous year: EUR 69.4 million) in the first nine months of 2019.

Sales Revenues by Division EUR'000	Q1 - Q3 / 2019	Q1 - Q3 / 2018
Semiconductor Systems	62,640	42,026
Industrial Systems	33,598	27,350
<b>Total</b>	<b>96,238</b>	<b>69,376</b>

Sales revenues in the [Semiconductor Systems division](#) rose by around 50% to EUR 62.6 million in the first nine months of 2019 (previous year: EUR 42.0 million). The growth in sales revenues is driven by a major order for delivery of crystal growing systems for wafer production in the semiconductor industry. The crystal growing systems and ultrasound measuring systems business units were once again the Semiconductor Systems division's best-selling product areas.

Sales revenues in the [Industrial Systems division](#) also increased year-on-year to EUR 33.6 million (previous year: EUR 27.4 million). In particular, these sales revenues were generated from the processing of vacuum system orders for the hard metal market and brazing systems for regional markets.

## INCOMING ORDERS

With new orders of EUR 110.9 million, the PVA Group improved on the figure for the same period of 2018 by almost 9% (EUR 101.9 million). The book-to-bill ratio of 1.2 highlights the Group's ongoing growth. Both divisions of the PVA TePla Group contributed almost equally to the development in orders.

Incoming orders for the [Semiconductor Systems division](#) amounted to EUR 70.8 million (previous year: EUR 64.2 million). This includes orders for crystal growing- and metrology systems. These systems will be delivered until mid-2021 in consultation with the respective customers.

Incoming orders in the [Industrial Systems division](#) climbed to EUR 40.0 million (previous year: EUR 37.7 million). Brazing systems, high-temperature processing systems for graphite cleaning and tool manufacture as well as systems for manufacturing calcium fluoride crystals for the optical industry accounted for the bulk of orders.

## ORDER BACKLOG

The order backlog increased to EUR 185.7 million as of September 30, 2019 after EUR 165.4 million (previous year).

The order backlog of [Semiconductor Systems division](#) amounts to EUR 126.8 million as of the end of the third quarter (previous year: EUR 118.1 million).

The [Industrial Systems division](#) grew its order backlog to EUR 58.9 million (previous year: EUR 47.3 million).

## RESULTS OF OPERATIONS

PVA TePla's results of operations once again improved significantly in the first nine months. EBITDA climbed to EUR 11.8 million in the reporting period (previous year: EUR 8.5 million), with the EBITDA rising to 12.3% (previous year: 12.2%). EBIT amounted to EUR 9.0 million (previous year: EUR 6.6 million).

Earnings after taxes came to EUR 6.0 million (previous year: EUR 4.6 million).

## EQUITY AND TOTAL ASSETS

As a result of growth, total assets rose to EUR 177.8 million as of September 30, 2019 (December 31, 2018: EUR 162.2 million). The increase in inventories and receivables was primarily caused by the higher level of advance payments received on orders. Equity increased to EUR 57.0 million (December 31, 2018: EUR 50.8 million), while the equity ratio was virtually unchanged at 32.0% (end of 2018: 31.3%).

## LIQUIDITY

The operating cash flow amounted to EUR -1.1 million in the first nine months of 2019 as a result of the use of advance payments on major orders (December 31, 2018: EUR +11.7 million).

The cash flow from investing activities was EUR -2.3 million (December 31, 2018: EUR -3.8 million), while the cash flow from financing activities amounted to EUR -1.2 million (December 31, 2018: EUR -0.9 million).

The liquidity situation of the PVA Group is extremely positive with cash and cash equivalents of EUR 35.9 million (December 31, 2018: EUR 40.0 million). The net financial position (excess of cash and cash equivalents over current and non-current financial liabilities) remained high at EUR 32.1 million.

## KEY ACCOUNTING POLICIES

The adoption of IFRS 16 increased total assets by EUR 1.8 million. There was no material impact on earnings or equity.

## EMPLOYEES

The Group employed 498 people as of September 30, 2019 (December 31, 2018: 470), an increase of approximately 5%. The company has therefore succeeded in adjusting its workforce to the higher business volume and hiring appropriately qualified staff.

## REPORT ON OPPORTUNITIES AND RISKS

There were no significant changes in the risks and opportunities presented in the 2018 annual report in the first nine months of fiscal 2019. There is no information on risks to the Group as a going concern.

## EXPECTED BUSINESS AND FINANCIAL PERFORMANCE

Based on the consistently good performance in fiscal 2019, the Management Board of PVA TePla AG is raising its previous forecast for 2019 as a whole to consolidated sales revenues in the region of EUR 130 million (previously: EUR 125 million) and EBITDA of around EUR 16.0 million (previously: EUR 15 million).

The Management Board is also expecting further substantial growth in sales revenues and earnings for the fiscal year 2020.

# Interim Consolidated Financial Statements

## CONSOLIDATED BALANCE SHEET

as at September 30, 2019

<b>ASSETS</b> EUR'000	<b>Sept. 30, 2019</b>	Dec. 31, 2018
<b>Non-current assets</b>		
Right-of-use assets	1,498	0
Intangible assets	10,641	11,072
Property, plant and equipment	30,060	29,581
Non-current investments	110	110
Deferred tax assets	5,624	6,527
<b>Total non-current assets</b>	<b>47,933</b>	<b>47,290</b>
<b>Current assets</b>		
Inventories	60,870	41,002
Trade and other receivables	32,136	33,130
Tax repayments	940	719
Cash and cash equivalents	35,945	40,014
<b>Total current assets</b>	<b>129,890</b>	<b>114,865</b>
<b>Total</b>	<b>177,823</b>	<b>162,155</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> EUR'000	<b>Sept. 30, 2019</b>	Dec. 31, 2018
Shareholders' equity	56,973	50,797
Non-current liabilities	21,595	20,890
Current liabilities	99,255	90,468
<b>Total</b>	<b>177,823</b>	<b>162,155</b>

## CONSOLIDATED INCOME STATEMENT

January 1 - September 30, 2019

EUR'000	Jul. 1 - Sep. 30, 2019	Jul. 1 - Sep. 30, 2018	Jan. 1 - Sep. 30, 2019	Jan. 1 - Sep. 30, 2018
<b>Sales revenues</b>	<b>32,946</b>	<b>31,201</b>	<b>96,238</b>	<b>69,376</b>
Cost of sales	-23,667	-17,350	-68,875	-45,967
<b>Gross profit</b>	<b>9,279</b>	<b>13,851</b>	<b>27,364</b>	<b>23,410</b>
Selling and distributing expenses	-3,164	-3,001	-9,273	-8,137
General administrative expenses	-1,976	-2,104	-6,377	-4,961
Research and development expenses	-1,064	-1,092	-3,620	-2,339
Other operating income	585	288	2,104	1,224
Other operating expenses	-386	-2,104	-1,192	-2,551
<b>Operating result (EBIT)</b>	<b>3,274</b>	<b>5,837</b>	<b>9,006</b>	<b>6,645</b>
<b>Financial result</b>	<b>-114</b>	<b>-102</b>	<b>-379</b>	<b>-329</b>
<b>Net result before tax</b>	<b>3,160</b>	<b>5,735</b>	<b>8,627</b>	<b>6,316</b>
Income taxes	-724	-1,551	-2,631	-1,756
<b>Consolidated net result for the period</b>	<b>2,436</b>	<b>4,185</b>	<b>5,996</b>	<b>4,560</b>
<b>of which attributable to</b>				
Shareholders of PVA TePla AG	2,436	4,185	5,996	4,560
Minority interest	0	0	0	0
<b>Earnings per share</b>				
Earnings per share (basic) in EUR	0.11	0.19	0,28	0.21
Earnings per share (diluted) in EUR	0.11	0.19	0,28	0.21

**CONSOLIDATED CASH FLOW STATEMENT**

January 1 - September 30, 2019

EUR'000	Jan. 1 - Sep. 30, 2019	Jan. 1 - Sep. 30, 2018
<b>Cash flow from operating activities</b>	<b>-1,144</b>	<b>-16,251</b>
<b>Cash flow from investing activities</b>	<b>-2,324</b>	<b>-4,250</b>
<b>Cash flow from financing activities</b>	<b>-1,189</b>	<b>-932</b>
Net change in cash and cash equivalents	-4,657	-21,433
+/- Effect of exchange rate fluctuations on cash	588	32
+ Cash and cash equivalents at the beginning of the period	40,014	33,017
<b>= Cash and cash equivalents at the end of the period</b>	<b>35,945</b>	<b>11,616</b>



