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Interim Statement as at March 31, 2024

PVA TePla

on track

3M revenue rise to

EUR **61.4 million** (+ 5.0 %)

EBITDA

EUR **8.7 million** (+ 20.9 %)

Guidance

Revenue EUR **270 – 290 million**

EBITDA EUR **47 – 51 million**

Foreword by the Management Board

Dear shareholders of PVA TePla,
Dear business partners,

We made a successful start to the new fiscal year. With moderate revenue growth as expected, we succeeded in significantly improving the quality of earnings compared with the same period of the previous year, thus paving the way for fiscal year 2024. Having sustained our focus on our new growth drivers, we are seeing the first effects of this on the company's figures. Despite the current weak growth in the semiconductor industry, which – viewed from today's standpoint – is expected to continue for another few months due to high customer inventories, we increased consolidated revenue by around 5 percent. In both our Semiconductor Systems and Industrial Systems operating segments, this was primarily due to the high demand for our market-leading metrology systems.

In addition, though weaker in a direct quarter-on-quarter comparison, our order intake reflects the rising demand for our solutions from areas outside the semiconductor industry, particularly from sectors concerned with decarbonization and mobility. That means our strategic development is already bearing fruit. It is not just enhancing the resilience of our business to cyclical fluctuations – which occur quite frequently in the semiconductor industry – but also enabling us to leverage the potential of our leading technologies even better.

In terms of first-quarter earnings, we are likewise fully in line with our forecast for the current fiscal year. The gross margin rose by 1.8 percentage points to 30.4 percent and the EBITDA margin by 1.9 percentage points to 14.2 percent.

During the course of the first quarter, we mapped out our medium-term targets. We are convinced that the company will sustain its solid growth trajectory and are currently laying the groundwork for achieving revenue of EUR 500 million by 2028. The global economy continues to face numerous challenges. But our growth drivers remain intact. Megatrends such as digitalization, the transition to renewable energy and the evolution of mobility are the drivers for the semiconductor industry as well as for our company as part of this value chain.

It remains our assumption that we will continue to grow by developing and tapping into new markets. Our forecast for fiscal year 2024, which we reaffirm at this juncture, anticipates 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. From today´s perspective, similar growth is expected for the following year, 2025.

We would like to take this opportunity to thank all our colleagues whose commitment and expertise have contributed to our company's positive development. Our thanks also go out to you, our shareholders, for the trust you have placed in us. Your unfailing support is vital to our success and we look forward to continuing our good cooperation with you.

Wettenberg, May 15, 2024

Jalin Ketter
CEO

Oliver Höfer
COO

Key figures at a glance

in EUR '000	Jan. 1 – March 31, 2024	Jan. 1 – March 31, 2023
Sales revenues	**61,401**	58,472
Semiconductor Systems	45,002	41,955
Industrial Systems	16,399	16,517
Gross profit	**18,679**	**16,707**
in % sales revenues	30.4	28.6
R&D expenses	2,966	2,135
EBITDA	**8,699**	**7,197**
in % sales revenues	14.2	12.3
Operating result (EBIT)	**7,030**	**5,495**
in % sales revenues	11.4	9.4
Earnings after taxes	**4,702**	**3,848**
in % sales revenues	7.7	6.6
Total assets	**305,834**	**305,360***
Shareholders' equity	**132,354**	**127,417***
Equity ratio in %	43.3	41.7
Employees as of March 31	**777**	**697**
Incoming orders	**42,336**	**61,738**
Book-to-bill-ratio	0.69	1.06
Order Backlog	**258,433**	**327,203**
Cash flow from operating activities	**7,882**	**10,111**
Net financial position	**3,430**	**383***

* As of December 31

Interim Report of PVA TePla AG as of March 31, 2024

General statement by the Management Board

In this period, PVA TePla's business developed in line with our expectations and our forecast for the year. This positive performance is reflected in the increase in revenue as well as in earnings, which grew significantly at all levels. Both of the company's operating segments contributed to this development. As expected, order intake was still subdued overall in the first quarter. At the same time, however, we are seeing a dynamic demand trend outside the traditional semiconductor segment. On this premise, we are confident that we will be able to achieve both our financial and non-financial targets for 2024 as well as our medium-term targets for 2028.

Organizational structure

In January 2024 PVA Technology Hub GmbH, Wettenberg, was founded in which PVA TePla AG directly holds 100 % of the shares. The PVA Technology Hub focuses on the development of processes and systems for the production, processing and application of high-tech materials and components, with an initial focus on silicon carbide.

There have been no further 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.

Sales revenues and results of operations

Group business development

In the first three months of 2024, the revenue of the PVA TePla Group grew by 5.0 percent to EUR 61.4 million, up from EUR 58.5 million a year earlier. The Semiconductor Systems operating segment accounted for 73 percent of this amount (previous year: 72 percent) and the Industrial Systems operating segment for 27 percent (previous year: 28 percent).

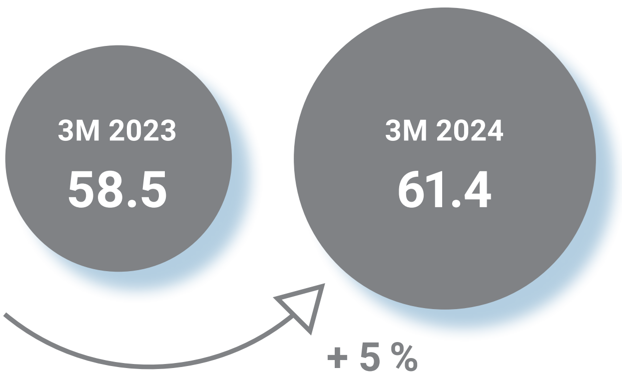
At 30.4 percent, the gross margin in the first three months of 2024 was 1.8 percentage points higher than the previous year's figure of 28.6 percent. The comparable for the previous year was impacted by high material and production costs; this effect had already weakened somewhat in the second half of 2023. A change in the product mix with a higher proportion of metrology systems also contributed to the improved gross margin.

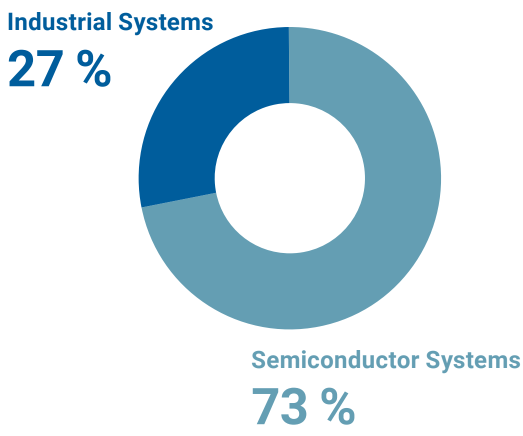
Selling and distributing expenses in the three-month period came to EUR 4.2 million, compared with EUR 5.5 million in the same period of 2023. As a proportion of revenue, the ratio of selling and distributing expenses declined significantly from 9.4 percent to 6.9 percent. This positive effect resulted primarily from lower sales commissions compared to previous year.

At EUR 4.2 million, general administrative expenses exactly matched the previous year's level. As a proportion of revenue, the ratio of general administrative expenses dipped by a moderate 0.3 percentage points to 6.8 percent.

In line with our strategy, we intensified our research and development (R&D) activities in the current quarter. This meant that R&D expenses rose from EUR 2.1 million in the same period of the previous year to EUR 3.0 million. The R&D ratio amounted to 4.8 percent compared with 3.7 percent in the same quarter of the previous year. Metrology and SiC crystal growing were the main focus of research and development activities.

Consolidated sales revenues (Jan. 1 – March 31 in EUR million)





Other operating income declined from EUR 1,4 million in the previous year to EUR 0,5 million. Other operating expenses decreased from EUR 0.9 million to EUR 0.7 million. Compared with the previous year, the income as well as the expenses associated with currency effects were lower.

Overall, earnings before interest, taxes, depreciation and amortization (EBITDA) for the reporting period amounted to EUR 8.7 million after EUR 7.2 million in the first three months of 2023, marking an increase of EUR 1.5 million or 20.9 percent. As a proportion of revenue, this equates to a margin of 14.2 percent compared with 12.3 percent in the previous year. Adjusted for amortization and depreciation, the operating result (EBIT) came to EUR 7.0 million compared with EUR 5.5 million in the same period of the previous year. The EBIT margin increased accordingly by two percentage points from 9.4 percent to 11.4 percent. At EUR – 0.1 million, the financial result for the reporting period was almost unchanged compared with EUR – 0.0 million in the same period of the previous year. After deducting tax expenses, earnings for the period came to EUR 4.7 million, an increase of 22.2 percent from EUR 3.8 million.

Segment performance

Sales revenues by operating segment in EUR '000	**Q1 2024**	**Q1 2023**	**Change in %**
Semiconductor Systems	45,002	41,955	+ 7.3
Industrial Systems	16,399	16,517	– 0.7
Total	**61,401**	**58,472**	**+ 5.0**

Revenue in the Semiconductor Systems operating segment amounted to EUR 45.0 million in the first three months of the current year, up 7.3 percent on the previous year's figure of EUR 42.0 million. This increase in revenue is due in particular to high demand for metrology systems and the on-schedule execution of orders for crystal growing systems for the semiconductor wafer industry. The segment's operating result was EUR 6.1 million compared with EUR 6.0 million in the previous year.

Revenue in the Industrial Systems operating segment amounted to EUR 16.4 million in the first quarter and was thus level with the previous year's figure of EUR 16.5 million. At the same time, the segment's operating result rose substantially from EUR 1.0 million in the previous year to EUR 1.9 million in the reporting period. This corresponds to an increase of 95.7 percent. The improvement resulted primarily from positive developments in the area of material costs.

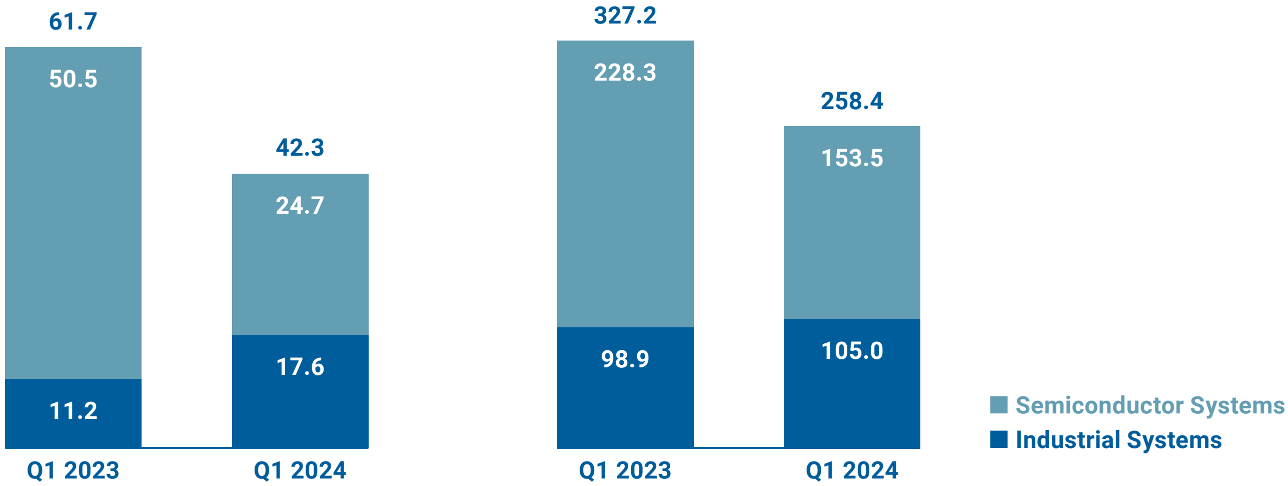
Orders

The PVA TePla Group's order backlog came to EUR 258.4 million (previous year: EUR 327.2 million). This decline is largely due to the current weaker demand from the traditional semiconductor business. As a result, the order backlog in the Semiconductor Systems operating segment fell to EUR 153.5 million (previous year: EUR 228.3 million), while the Industrial Systems operating segment recorded slight growth to EUR 105.0 million (previous year: EUR 98.9 million).

The PVA TePla Group's order intake amounted to EUR 42.3 million (previous year: EUR 61.7 million) The book-to-bill ratio was 0.69 (prior-year reporting date: 1.06).

In the Semiconductor Systems operating segment, order intake totaled EUR 24.7 million (previous year: EUR 50.5 million). This included orders notably from the semiconductor industry for metrology systems.

Order intake in the Industrial Systems operating segment came to EUR 17.6 million (previous year: EUR 11.2 million). The orders relate, for instance, to technologies used in the optical industries and the medical technology.



Incoming orders Jan. 1 – March 31 in EUR million

Order backlog as of March 31 in EUR million

Net assets

Total assets increased slightly to EUR 305.8 million (December 31, 2023: EUR 305.4 million).

Current assets decreased from EUR 223.2 million to EUR 219.3 million. While inventories rose from EUR 94.6 million to EUR 101.0 million, trade receivables including other receivables were down on the year-end figure at EUR 51.2 million (December 31, 2023: EUR 57.0 million). At EUR 46.1 million, contract assets also declined (December 31, 2023: EUR 50.6 million). Cash, cash equivalents and term deposits remained more or less unchanged compared with the year-end reporting date, at EUR 19.6 million (EUR 20.1 million).

Total non-current assets increased by EUR 4.3 million from EUR 82.2 million as of December 31, 2023 to EUR 86.5 million as of the reporting date. The increase is attributable to additions to property, plant and equipment (EUR 44.4 million, compared with EUR 41.6 million as of December 31, 2023), as well as to higher deferred tax assets (up from EUR 10.0 million to EUR 12.1 million). Financial assets remained virtually unchanged. The right-of-use assets were slightly below the previous year‘s value, while intangible assets declined slightly from EUR 18.6 million to EUR 18.4 million, due to amortization.

Current liabilities decreased by 3.9 percent to EUR 132.6 million (December 31, 2023: EUR 138.1 million). This was primarily due to lower contract liabilities, which declined from EUR 95.3 million to EUR 90.0 million, as well as lower financial liabilities, which decreased from EUR 5.3 million to EUR 2.0 million. In contrast, liabilities to employees rose from EUR 7.7 million to EUR 10.7 million.

At EUR 40.9 million, non-current liabilities were slightly above the level of the year-end reporting date (December 31, 2023: EUR 39.9 million). Within non-current liabilities, all items remained virtually unchanged, with the exception of deferred tax liabilities, which increased from EUR 12.8 million to EUR 14.1 million.

Shareholders’ equity increased to EUR 132.4 million (December 31, 2023: EUR 127.4 million); the equity ratio was 43.3 percent (December 31, 2023: 41.7 percent).

Financial position

PVA TePla generated cash flow from operating activities of EUR 7.9 million in the first three months of 2024 (same period of 2023: EUR 10.1 million).

Cash flow from investing activities amounted to EUR – 3.5 million (Q1 2023: EUR – 0.8 million). This increase is largely attributable to investments in infrastructure, particularly at the locations in Wettenberg (Germany) and Schio (Italy).

Financing activities generated a cash flow of EUR – 3.7 million (Q1 2023: EUR – 3.2 million), largely due to the repayment of a working capital line drawn by the end of 2023.

The net financial position was EUR 3.4 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. No short-term credit lines were utilized as of the reporting date.

Employees

As of March 31, 2024, the Group had 777 employees (March 31, 2023: 697). The increase is primarily attributable to value-adding areas.

Forecast

Despite higher economic risks, our outlook for the rest of the year is optimistic. We foresee particularly strong growth potential in the area of quality inspections. PVA TePla's technologies enable our customers to considerably optimize and enhance the efficiency of their production processes.

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.

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. From the current standpoint, similar growth is expected for the following year, 2025.

The company's medium-term targets take 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 roughly double revenue to around EUR 500 million.

Interim consolidated financial statements

Condensed consolidated balance sheet as of March 31, 2024 of the PVA TePla Group

in EUR '000	March 31, 2024	Dec. 31, 2023
Assets		
Non-current assets		
Intangible assets	18,398	18,597
Right-of-use assets	2,648	2,924
Property, plant and equipment	44,356	41,646
Non-current investments	9,011	9,011
Deferred tax assets	12,128	9,997
Total non-current assets	**86,540**	**82,175**
Current assets		
Inventories	101,049	94,601
Receivables and other financial assets	51,218	57,016
Contract assets	46,145	50,613
Income tax assets	1,242	823
Cash, cash equivalents and term deposits	19,639	20,132
Total current assets	**219,294**	**223,185**
Total assets	**305,834**	**305,360**
Liabilities and shareholders' equity		
Shareholders' equity		
Share capital	21,750	21,750
Reserves	110,604	105,667
Total shareholders' equity	**132,354**	**127,417**
Non-current liabilities		
Retirement pensions provisions	11,710	11,770
Other provisions	859	853
Financial liabilities	14,181	14,458
Deferred tax liabilities	14,109	12,808
Total non-current liabilities	**40,860**	**39,889**
Current liabilities		
Other provisions	9,061	7,300
Financial liabilities	2,028	5,291
Liabilities to employees	10,711	7,699
Trade payables	16,886	18,825
Contract liabilities	89,951	95,268
Provisions for taxes	1,743	529
Other liabilities	2,241	3,142
Total current liabilities	**132,620**	**138,054**
Total liabilities	**305,834**	**305,360**

Condensed consolidated income statement of the PVA TePla Group

in EUR ‘000	Jan. 1 – March 31, 2024	Jan. 1 – March 31, 2023
Sales revenues	61,401	58,472
Cost of sales	– 42,722	– 41,765
Gross profit	18,679	16,707
Selling and distributing expenses	– 4,248	– 5,493
General administrative expenses	– 4,157	– 4,160
Research and development expenses	– 2,966	– 2,135
Other operating income	460	1,446
Other operating expenses	– 739	– 870
Operating result (EBIT)	7,030	5,495
Financial result	– 110	– 43
Finance income	193	132
Finance costs	– 303	– 176
Net result before tax	6,920	5,452
Income taxes	– 2,218	– 1,604
Consolidated net result for the period	4,702	3,848
Earnings per share (basic/diluted)		
Earnings per share (basic) in EUR	0.22	0.18
Earnings per share (diluted) in EUR	0.22	0.18

Condensed consolidated cash flow statement of the PVA TePla Group

in EUR '000	Jan. 1 – March 31, 2024	Jan. 1 – March 31, 2023
Cash flow from operating activities	7,882	10,111
Cash flow from investing activities	– 3,498	– 791
Cash flow from financing activities	– 3,731	– 3,157
= Net change in cash and cash equivalents	653	6,163
+/– Effect of exchange rate fluctuations on cash and cash equivalents	173	-848
+ Cash and cash equivalents in the cash flow statement at the beginning of the period	13,964	15,602
= Cash and cash equivalents in cash flow statement at the end of the period	14,789	20,918
Cash and cash equivalents in consolidated balance sheet at the end of the period	19,639	36,906
– Term deposits	– 4,850	– 15,988
= Cash and cash equivalents in cash flow statement at the end of the period	14,789	20,918

Imprint

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