

Agile into the Future

Focusing on
our customers

Half Year Financial Report
Second Quarter 2022

Half Year Financial Report / Second Quarter 2022

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Key Figures

		Q2 2022	Q2 2021	Change	Q1-Q2 2022	Q1-Q2 2021	Change
Sales and profit							
Total sales	K€	224,655	199,492	12.6%	440,613	391,156	12.6%
Operating profit	K€	28,731	25,497	12.7%	60,069	48,112	24.9%
EBIT margin	%	12.8	12.8	0.0 Pp	13.6	12.3	1.3 Pp
Net income	K€	20,357	17,949	13.4%	42,585	33,881	25.7%
Return on sales	%	9.1	9.0	0.1 Pp	9.7	8.7	1.0 Pp
Operating cash flow	K€	4,300	28,112	-84.7%	22,627	41,813	-45.9%
Capital expenditures	K€	18,738	8,028	133.4%	29,807	13,144	126.8%
Earnings per share	€	2.06	1.82	13.2%	4.32	3.43	25.9%
Workforce							
Workforce (average)		3,639	3,346	8.8%	3,590	3,325	8.0%
Germany		1,126	1,101	2.3%	1,120	1,099	1.9%
Other countries		2,513	2,245	11.9%	2,470	2,226	10.9%
Sales per employee	K€	62	60	3.3%	123	118	4.2%
Balance sheet							
			June 30, 2022		December 31, 2021		Change
Balance sheet total	K€		763,417		707,876		7.8%
Cash and cash equivalents	K€		74,044		99,371		-25.5%
Number of shares issued			9,867,659		9,867,659		-
Shareholders' equity	K€		491,543		459,376		7.0%
Equity ratio	%		64.4		64.9		-0.5 Pp

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This half year financial report has been prepared in accordance with International Financial Reporting Standards (IFRS). Throughout this report, all percentages are calculated based on amounts in thousands €.

The Half Year Financial Report as of June 30, 2022, is unaudited.

The Company

Pfeiffer Vacuum – a name that stands for innovative solutions, high technology and dependable products, along with first class service. For over 130 years, we have been setting standards in vacuum technology with these attributes. One very special milestone was the invention of the turbopump at our Company more than 50 years ago. Thanks to our know-how, we continue to be a technology and world market leader in this field. To no small degree, this also manifests itself in our strong profitability.

Our extensive line of solutions, products and services ranges from vacuum pumps, measurement and analysis equipment right through to complex vacuum systems. And quality always plays a key role in this connection: Products from Pfeiffer Vacuum are being constantly optimized through close collaboration with customers from a wide variety of industries, through ongoing development work and through the enormous enthusiasm and commitment of our people. These are virtues that we will continue to embrace!

Pfeiffer Vacuum

Headquarters	Asstar
Established	1890
Purpose of the Company	To develop, manufacture and market components and systems for vacuum generation, measurement and analysis
Manufacturing sites	Asstar, Germany; Göttingen, Germany; Dresden, Germany; Annecy, France; Asan, Republic of Korea; Cluj, Romania; Indianapolis, USA; Yreka, USA; Ho-Chi-Minh-City, Vietnam; Wuxi, China
Workforce (June 30, 2021)	3,639
Sales and service	31 Group companies and a multitude of agencies worldwide
Quality management	Certified under ISO 9001
Environmental management	Certified under ISO 14001
Stock exchange listing	Deutsche Börse, Prime Standard/TecDAX
Accounting	IFRS

For more information please visit group.pfeiffer-vacuum.com.

Share Performance

Pfeiffer Vacuum shares have been traded on the Deutsche Börse Stock Exchange in Frankfurt since April 15, 1998. Pfeiffer Vacuum satisfies the high transparency requirements of the Prime Standard and is included in the SDAX.

Deutsche Börse Symbol	PFV
ISIN	DE0006916604
Bloomberg Symbol	PFV.GY
Reuters Symbol	PV.DE
Number of shares issued	9,867,659
Freefloat as at June 30, 2022	37.04%
Market capitalization as at June 30, 2022	€ 1,480.1 million

In the first half year 2021, Pfeiffer Vacuum shares developed slightly weaker than the SDAX. On January 3, 2022, the opening price of Pfeiffer Vacuum shares was € 217.50, and the closing price was € 150.00 on June 30, 2022. This represents a decrease by 31.0%. The opening price on January 3, 2022 of € 217.50 also marked the high for the first half year 2022. The low for the first six months in 2022 was € 144.20 on June 30, 2022. In the first half year the SDAX, starting at 16,484 points on January 3, 2022 and closing at 11,881 points on June 30, 2022, decreased by 27.9%.

Also in 2022 Pfeiffer Vacuum distributed a dividend to its shareholders for a repeated time. At the Annual General Meeting on May 19, 2022, a clear majority of shareholders followed the common proposal of Management and Supervisory Boards and resolved a dividend of € 4.08 per share for the fiscal year 2021. Thus, the payout ratio amounted to around 64.9% of consolidated net income 2021. A total of € 40.3 million was paid to the shareholders.

Nearly unchanged compared to December 31, 2021, the freefloat as of June 30, 2022 was 37.04% according to our knowledge.

Interim Management Report

Pfeiffer Vacuum achieved a significant improvement in virtually all profitability indicators in the first half of 2022 compared to the previous year. After the first quarter of 2022 closed with record sales, sales in the second quarter of 2022 increased again compared to the immediately preceding 1st quarter and also compared to the 2nd quarter of 2022. Group sales for the first half of 2022 increased by 12.6% to € 440.6 million, marking the highest half-year result in the Company's history (first half of 2021: € 391.2 million). The sales development in the Analytics, Industry and R&D market segment was particularly dynamic with a growth of 13.8% to € 210.0 million. Sales in the Semiconductors and Emerging Technologies market segment grew by 11.6% to € 230.6 million, which represents a significant increase compared to the previous year (first half of 2021: Analytics, Industry and R&D € 184.5 million; Semiconductors and Emerging Technologies € 206.6 million). With € 580.1 million, the order intake in the first half year of 2022 reached a record level for Pfeiffer Vacuum and increased by 28.5% compared to the previous year (first half 2021: € 451.6 million). This increase was due to a higher demand in both market segments. Gross profit rose by € 21.9 million to € 158.1 million (previous year: € 136.2 million). The corresponding gross margin was 35.9% in the first six months of 2022, following a gross margin of 34.8% in the previous year. Further operating costs fundamentally increased, also due to the Group's focus on further growth, which for the first time in 2022 had a full impact compared to the first half of 2021. The development of selling and marketing expenses was also influenced by the very positive sales development in 2022. With € 2.3 million, the result from other operating income and expenses was below the previous year's level of € 2.7 million. Totalling € 60.1 million, operating profit in the first half of 2022 increased by € 12.0 million compared to the previous year (€ 48.1 million). The operating profit or EBIT margin, i.e. the ratio of operating profit to sales, increased from 12.3% in 2021 to 13.6% in 2022 to date. With vastly constant net financial expenses and a constant tax rate, net income increased from € 33.9 million to € 42.6 million. With € 4.32, earnings per share in the first half of 2022 were also significantly above the previous year's figure of € 3.43.

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COVID-19, overall economic environment and situation at Pfeiffer Vacuum

The impacts of COVID-19 and the war in Ukraine remain global challenges. Unchanged, global economic development is severely affected by the consequences of these two circumstances. Despite the very pleasing trend in the first half year of 2022 the final effects cannot yet be estimated, and we watch any change in demand very closely.

Interim Management Report

A challenge in the current environment is the volatility of events and that the supply chain can be disrupted in unexpected short times. For example, Corona restrictions in Shanghai or another location in Asia over extended times, can have a direct impact on us, or on our suppliers, or the suppliers to our suppliers. Threats to our supply chain also include the question of continuous energy availability. The biggest challenge for us today remains the management of the supply chains. This is not focused on one specific area or supplier. It is a situation where our procurement team is continuously working with several suppliers to secure electronics, components, parts or chemical materials to avoid production disruptions and to meet our customer's delivery expectations. However, during the first half-year 2022, we effectively navigated these challenges.

What further helps the Company in this challenging situation is the very solid financial position. Already for a long time the Group showed strong balance sheet structures with a high equity ratio and has adopted conservative financing approaches for daily business and necessary investments. We thus currently still do not see any liquidity risks from the overall economic situation.

Business

Our business operations include the development, manufacture, sale and service of vacuum pumps, vacuum measurement, components and analysis equipment and instruments, as well as vacuum systems and leak detection systems.

Sales

Presented below are net sales by segment, by region and by market for the periods ended June 30, 2022 and 2021.

Sales by Segment

The subsidiaries in the individual countries are independent legal entities with their own management, which distribute products and provide services. Some entities within the Group additionally execute production functions. The entire product portfolio is offered by all sales subsidiaries. Controlling of business development by corporate management is carried out on the level of the legal entities. Accordingly, the Company identifies its primary operating segments by legal entity. Due to the similarity of their economic environment, the same product portfolio sold, same sales markets, same cost structures and same sales channels, the Company basically aggregates its European and Asian subsidiaries into one reporting segment, "Rest of Europe" and "Rest of Asia". In contrast, the production companies in Germany, France, the USA and the Republic of Korea were presented separately each as an individual segment. This was caused by the different functions of these entities, predominantly resulting from the existing production function. For this reason, the prerequisites for an aggregation with the other segments are not given. The purely sales-oriented entity in the US is thus also presented separately. All operating segments that individually or as a group do not have to be reported separately are included in the segment „All Others“.

Interim Management Report

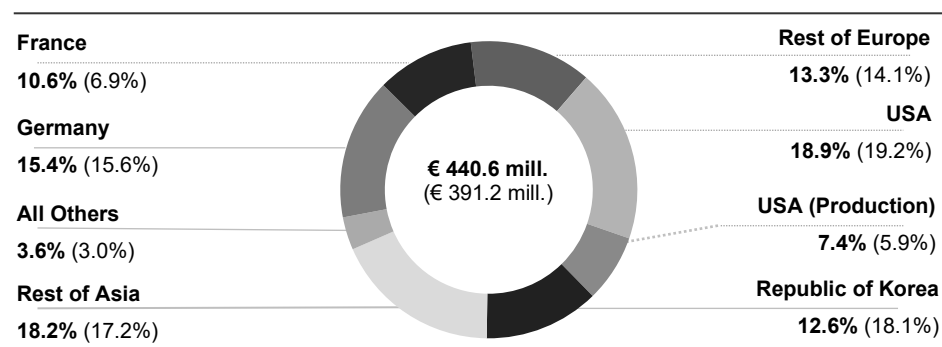
Sales by Segment

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	in K€	in K€	in K€	in K€
USA	44,971	40,286	83,446	74,539
Rest of Asia	42,339	35,827	80,274	67,396
Germany	34,896	30,597	67,959	60,940
Rest of Europe	28,857	26,014	58,665	55,329
Republic of Korea	28,394	37,276	55,256	70,961
France	19,218	10,864	46,789	27,120
USA (Production)	17,668	12,825	32,482	22,991
All Others	8,312	5,803	15,742	11,880
Total	224,655	199,492	440,613	391,156

The analysis of sales by segment in the first half of the year shows growth basically in all segments. This very pleasing trend illustrates the broad basis for this development, which is not limited to individual Group units. In contrast, the South Korea segment recorded a decline in sales due to reduced project activities by local customers.

The following chart shows the correspondingly unchanged balanced distribution of Group sales by segment.

Sales by Segment 6M/2022 (6M/2021)



Interim Management Report

Sales by Region

In the following table we are also summarizing sales by region. The table includes all sales in a given region, regardless of which company in the Pfeiffer Vacuum Group actually generated these sales.

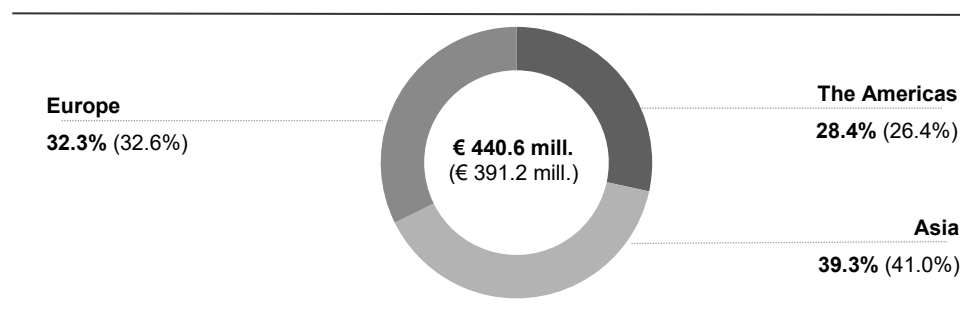
Sales by Region

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	in K€	in K€	in K€	in K€
Asia	83,767	79,501	173,132	160,204
Europe	68,701	60,913	142,319	127,620
The Americas	72,141	59,039	125,030	103,132
Rest of world	46	39	132	200
Total	224,655	199,492	440,613	391,156

As in the first quarter of 2022, the high demand dynamics in the semiconductor industry had a very positive effect and thus significantly influenced the substantial increase in sales by € 49.5 million or 12.6%. Within Europe and Asia, the demand from the semiconductor industry was decisive for the development of sales. In the Americas, the development of sales on the semiconductor market was also decisive, but here supported by the growth of the market segment "Industry, Analytics and R&D". The positive effects of the US dollar exchange rate must also be taken into account in the development of sales in the Americas.

The following graphic shows the still balanced split of sales by region with a small improvement in the Americas.

Sales by Region 6M/2022 (6M/2021)



Interim Management Report

Sales by Market

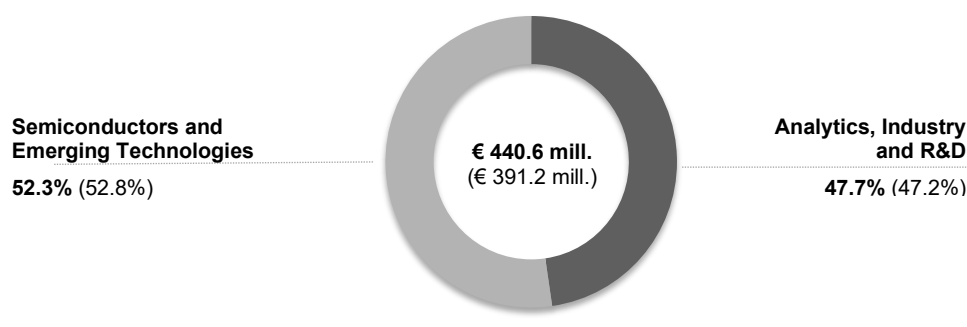
Sales by Market

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	in K€	in K€	in K€	in K€
Semiconductor and Emerging Technologies	117,970	107,024	230,645	206,633
Analytics, Industry and R&D	106,685	92,468	209,968	184,523
Total	224,655	199,492	440,613	391,156

As already mentioned, sales in the Semiconductor segment have been very positive and thus also characterized the development in the Semiconductor and Emerging technologies market segment. Overall, however, very pleasing increases were recorded in the second quarter of 2022, especially in sales with customers from the Analytics, Industry and R&D market segment. In relative terms, sales in this market segment with an increase of 15.4% therefore grew stronger than in the Semiconductor and Emerging Technologies market segment (+10.2%). Due to the robust growth in the 2nd quarter, the growth rate of 13.8% in the first half of the year in the market segment of Analytics, Industry and R&D was also higher than in the market segment of Semiconductors and Emerging Technologies (+11.6%).

The sales split by markets was as follows:

Sales by Market 6M/2022 (6M/2021)



Interim Management Report

Order Intake and Order Backlog

After an order intake of € 415.6 million in the first six months of 2021, this figure was € 580.1 million in the first half of 2022 and thus increased by 28.5%, or € 128.5 million. With € 293.9 million, order intake in the second quarter of 2022 was also significantly higher than in the same period of the previous year (€ 217.7 million), and higher than the order intake in the first quarter of 2022 (€ 286.2 million). The book-to-bill ratio, the ratio of order intake to sales, was 1.31 in this period (Q2 2021: 1.09). On a year-to-date basis, the book-to-bill ratio as of June 30, 2022 was 1.32 (previous year: 1.15).

The order backlog rose from € 316.2 million as of December 31, 2021 to € 455.7 million as of June 30, 2022. This corresponds to an increase of € 139.5 million.

Orders are only recorded in order backlog when they are based upon binding contracts. The value of orders on hand should not be used to predict future sales and order volumes.

Cost of Sales, Gross Profit and Gross Margin

In the first six months of 2022, the cost of sales amounted to € 282.5 million (previous year: € 255.0 million). This corresponds to an increase of € 27.5 million, or 10.8%. This was mainly due to higher sales and the resulting better capacity utilization of the production sites. At € 158.1 million, gross profit was € 21.9 million above the previous year's figure of € 136.2 million. The gross margin, the ratio of gross profit to sales, increased from 34.8% to 35.9%. The effects of exchange rate developments are to be seen as positive but were offset by higher procurement costs and inefficiencies arising from supply chain management. Gross profit for the second quarter rose to € 79.3 million after € 71.0 million in the second quarter of the previous year.

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Selling and Marketing Expenses

Totaling € 45.2 million, sales and marketing expenses in the first six months of the current year were € 5.7 million higher than in the same period of the previous year (€ 39.5 million). Following the increase in sales, sales and marketing expenses increased by 0.2 percentage points to 10.3% in relative terms compared to the previous year (10.1%).

General and Administrative Expenses

Administrative and general expenses amounted to € 37.2 million in the first half of 2022 and compared to € 33.7 million in the first half of 2021 increased by € 3.5 million. Relative to sales, the ratio however declined from 8.6% to 8.4%.

Interim Management Report

Research and Development Expenses

Research and development expenses amounted to € 17.8 million in the first half year of 2022 and remained virtually stable compared to the previous year (€ 17.5 million). The R&D ratio, i.e. the relationship between research and development costs and sales, decreased from 4.5% to 4.0%.

We will maintain the expenses allocated for research and development at a high level and invest in order to be able to sustain our position on the world market, to expand market shares and to open up new markets. All expenditures for research and development are expensed as they are incurred.

Other Operating Income/Other Operating Expenses

The balance of other operating income and expenses amounted to € +2.3 million in the first half year of 2022 and € +2.7 million in the same period of the previous year. The amounts for 2022 mainly include expense subsidies of € 1.7 million (previous year: € 1.8 million) and net currency gains of € 0.8 million (previous year: net currency gains of € 0.9 million).

Operating Profit

After € 48.1 million in the first half year of 2021, the operating result in the first six months of 2022 was € 60.1 million. This corresponds to a very pleasant increase of € 12.0 million or 24.9%. The operating profit margin, the ratio of operating profit to sales, increased from 12.3% in the first six months of 2021 to 13.6% in the first half year of 2022. The main reason for this development was the increase in gross profit-margin. Economies of scale as a result of only disproportionately low increases in administrative and R&D costs also had a positive impact on margin development. By contrast, the increased operating costs due to the implementation of the growth strategy, with the full impact being recorded in 2022 as well as the establishment of shared IT structures, had a negative impact on earnings development. The pleasing business development also in the current year and the resulting additional selling expenses led to a decline in the operating profit margin.

Financial Results

With € -0.1 million in the first half year 2022, net financial result was below the prior year's level (€ -0.4 million). This was due in particular to reduced financial expenses.

Interim Management Report

Income Taxes

The tax rate in the first six months of the current year was 29.0%, on previous year's level (29.0%). As a result of the development of earnings before taxes, tax expenses rose from € 13.8 million to € 17.4 million. There have been no structural changes.

Net income / Earnings per share

With € 42.6 million, net income in the first half year of 2022 was up € 8.7 million in comparison to the previous year (€ 33.9 million). The return on sales after taxes amounted to 9.7% in 2022 after 8.7% in the previous year. Parallel to net income, earnings per share also developed very positively. After € 3.43 in the first half of 2021, a value of € 4.32 has currently been reached. This corresponds to an increase of 25.9%.

Financial Position

The total assets of the Pfeiffer Vacuum Group increased by € 55.5 million, or 7.8%, from € 707.9 million as of December 31, 2021, to € 763.4 million as of June 30, 2022. On the assets side of the balance sheet, this development resulted from various items, with the increase in inventories by € 42.7 million and the sales-related increase in trade accounts receivable by € 21.1 million making a major contribution to this. As a result of investing activities, property, plant and equipment increased from € 176.0 million to € 193.6 million. By contrast, cash and cash equivalents decreased from € 99.4 million to € 74.0 million. Details on this development can be found in the following section "Cash flow".

As of June 30, 2022, Group equity amounted to € 491.5 million and was thus € 32.1 million higher than at the end of the previous fiscal year (€ 459.4 million). This was mainly due to the dividend payment of € 40.3 million, which is offset by earnings after taxes (€ 42.6 million) generated in the first half of 2022. In addition, other comprehensive income increased by € 29.8 million on balance. This was mainly due to the measurement of pension obligations with no effect on income as a result of increased discount rates and the recognition of currency translation differences. The equity ratio was slightly below the previous year's level and stood at 64.4% as of June 30, 2022 (previous year: 64.9%). The already mentioned increase in discount rates was also decisive for the decline in pension provisions by € 21.5 million to € 39.0 million. In connection with the expansion of business activities, current liabilities also increased considerably overall. The main drivers were the increase in current financial liabilities and the rise in trade accounts payable.

Interim Management Report

Cash Flow

With € 22.6 million, operating cash flow in the first half of 2022 was significantly lower by € 19.2 million compared to the same period of the previous year (€ 41.8 million). This represents a decrease of 45.9%. In particular, the increase in inventories and the sales-related increase in receivables as well as the decrease in provisions had a negative impact on operating cash flow in the first half year of 2022. By contrast, the increase in profit for the year and the increase in liabilities/advance payments received positively impacted the operating cash flow.

Totalling € 29.8 million in the first six months of 2022, capital expenditures were significantly higher compared to the previous year's level (€ 13.1 million). Overall, the cash outflow from investing activities amounted to € 29.6 million in the first six months of 2022 (previous year: € 13.0 million).

The repayment portion of lease payments in the amount of € 2.6 million (previous year: € 2.9 million) and the proceeds from increase of financial liabilities in the amount of € 25.0 million together with the dividend payment of € 40.3 million (previous year: € 15.8 million) led to a total cash outflow from financing activities of € 17.9 million in the first half of 2022. The previous year's figure of € 28.8 million also included repayments of financial liabilities amounting to € 10.1 million.

Taking into account currency effects, the total cash outflow amounted to € 25.3 million (previous year: cash inflow of € 0.7 million) and led to a decrease in cash and cash equivalents to € 74.0 million.

Workforce

As of June 30, 2022, the Company employed a workforce of 3,639 people, 1,126 of them in Germany and 2,513 in other countries.

Workforce

	Germany		Other countries		Total	
	June 30,					
	2022	2021	2022	2021	2022	2021
Manufacturing and Service	644	643	1,727	1,488	2,371	2,131
Research and Development	110	101	154	154	264	255
Sales and Marketing	245	225	432	407	677	632
Administration	127	132	200	196	327	328
Total	1,126	1,101	2,513	2,245	3,639	3,346

Interim Management Report

Risk and Opportunities Report

During the first six months of the 2022 fiscal year, there were no changes in the merits of the risks and opportunities as described in our Annual Report (Geschäftsbericht) for the year ended December 31, 2021. The Annual Report is available on our homepage at group.pfeiffer-vacuum.com.

As already mentioned the daily management of the supply chains remains a big challenge. This includes safeguarding our energy supplies. However, in 2021 and during the first half year of 2022, we effectively navigated these challenge, which is reflected in our results. Within this volatile environment we currently do not have specific indications of an adverse effect on our economic activities. However, the future development and the consequences for the Pfeiffer Vacuum Group cannot yet be finally concluded. Overall the situation remains uncertain. We have so far been able to produce and thus provide our customers with solutions. We aim to continue to ensure this condition.

Mayor Events after the Balance Sheet Date

After the end of the first half year 2022, there has not been any significant change in the industry environment or in the Company's position.

Outlook

The Company confirms its previous guidance in an increasingly volatile environment and continues to expect sales for the full year 2022 to grow 5% or more above 2021 levels due to ongoing strong market demand. The sales volume in the second half of 2022 is expected to decline from first half 2022 levels due to increasing strains and some disruptions in the supply chain. The EBIT margin expectations for the full year 2022 remain at around 14%, also unchanged from the previous outlook, related to expected favorable product and market mix, increased efficiencies, and timing-related lower expenses. The probability and impact of disruptions due to geopolitical, economic and Corona pandemic related market conditions cannot be predicted.

Consolidated Interim Financial Statements

Consolidated Statements of Income (unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
	in K€	in K€	in K€	in K€
Net sales	224,655	199,492	440,613	391,156
Cost of sales	-145,309	-128,471	-282,519	-254,969
Gross profit	79,346	71,021	158,094	136,187
Selling and marketing expenses	-23,179	-18,961	-45,221	-39,514
General and administrative expenses	-19,892	-18,123	-37,230	-33,730
Research and development expenses	-8,974	-8,531	-17,843	-17,526
Other operating income	4,748	2,640	7,756	6,213
Other operating expenses	-3,318	-2,549	-5,487	-3,518
Operating profit	28,731	25,497	60,069	48,112
Financial expenses	-137	-217	-233	-446
Financial income	78	-1	143	53
Earnings before taxes	28,672	25,279	59,979	47,719
Income taxes	-8,315	-7,330	-17,394	-13,838
Net income	20,357	17,949	42,585	33,881
Earnings per share (in €):				
Basic	2.06	1.82	4.32	3.43
Diluted	2.06	1.82	4.32	3.43

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See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Comprehensive Income (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2022 in K€	2021 in K€	2022 in K€	2021 in K€
Net income	20,357	17,949	42,585	33,881
Other comprehensive income				
Amounts to be reclassified to income statement in future periods (if applicable)				
Currency changes	10,244	-1,920	13,424	5,311
Results from cash flow hedges	-145	-60	-121	-139
Related deferred income tax effects	41	17	34	40
	10,140	-1,963	13,337	5,212
Amounts not to be reclassified to income statement in future periods				
Valuation of defined benefit plans	23,415	6,076	23,361	5,983
Related deferred income tax effects	-6,866	-1,756	-6,856	-1,734
	16,549	4,320	16,505	4,249
Other comprehensive income net of tax	26,689	2,357	29,842	9,461
Total comprehensive income net of tax	47,046	20,306	72,427	43,342

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Balance Sheets (unaudited)

	June 30, 2022	December 31, 2021
	in K€	in K€
Assets		
Intangible assets	98,139	91,524
Property, plant and equipment	193,617	175,952
Investment properties	336	352
Other financial assets	3,136	2,502
Contract assets	246	-
Other assets	541	791
Deferred tax assets	22,101	28,650
Total non-current assets	318,116	299,771
Inventories	204,917	162,178
Trade accounts receivable	140,662	119,587
Contract assets	4,371	1,392
Income tax receivables	3,646	4,796
Prepaid expenses	7,538	4,689
Other financial assets	123	168
Other accounts receivable	10,000	15,924
Cash and cash equivalents	74,044	99,371
Total current assets	445,301	408,105
Total assets	763,417	707,876
Shareholders' equity and liabilities		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	372,332	370,007
Other equity components	-2,295	-32,137
Equity of Pfeiffer Vacuum Technology AG shareholders	491,543	459,376
Financial liabilities	8,191	13,876
Provisions for pensions	39,019	60,502
Deferred tax liabilities	5,481	4,437
Contract liabilities	1,524	1,321
Total non-current liabilities	54,215	80,136
Trade accounts payable	74,728	58,046
Contract liabilities	17,537	13,343
Other accounts payable	31,298	27,742
Provisions	47,915	48,181
Income tax liabilities	11,539	16,773
Financial liabilities	34,642	4,279
Total current liabilities	217,659	168,364
Total shareholders' equity and liabilities	763,417	707,876

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Shareholders' Equity (unaudited)

	Share Capital in K€	Additional Paid-in Capital in K€	Retained Earnings in K€	Other Equity Components in K€	Equity of Pfeiffer Vacuum Technology AG Shareholders in K€
Balance on Jan. 01, 2021	25,261	96,245	323,808	-53,580	391,734
Net income	-	-	33,881	-	33,881
Other comprehensive income	-	-	-	9,462	9,462
Total comprehensive income	-	-	33,881	9,462	43,343
Dividend payment	-	-	-15,788	-	-15,788
Balance on June 30, 2021	25,261	96,245	341,901	-44,118	419,289
Balance on Jan. 01, 2022	25,261	96,245	370,007	-32,137	459,376
Net income	-	-	42,585	-	42,585
Other comprehensive income	-	-	-	29,842	29,842
Total comprehensive income	-	-	42,585	29,842	72,427
Dividend payment	-	-	-40,260	-	-40,260
Balance on June 30, 2022	25,261	96,245	372,332	-2,295	491,543

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Cash Flows (unaudited)

	Six months ended June 30,	
	2022	2021
	in K€	in K€
Cash flow from operating activities:		
Net income	42,585	33,881
Depreciation/amortization	14,509	12,425
Other non-cash income/expenses	3,264	3,629
Effects of changes of assets and liabilities:		
Inventories	-40,653	-5,533
Receivables and other assets	-16,235	-44,833
Provisions, including pensions, and income tax liabilities	-4,462	11,487
Payables, other liabilities	23,619	30,757
Net cash provided by operating activities	22,627	41,813
Cash flow from investing activities:		
Capital expenditures	-29,807	-13,144
Proceeds from disposals of fixed assets	241	136
Net cash used in investing activities	-29,566	-13,008
Cash flow from financing activities:		
Proceeds from increase of financial liabilities	25,002	-
Principal elements of lease payments	-2,607	-2,920
Dividend payment	-40,260	-15,788
Redemptions of financial liabilities	-	-10,062
Net cash used in financing activities	-17,865	-28,770
Effects of foreign exchange rate changes on cash and cash equivalents	-523	661
Net change in cash and cash equivalents	-25,327	696
Cash and cash equivalents at beginning of period	99,371	122,883
Cash and cash equivalents at end of period	74,044	123,579

See accompanying notes to the interim financial statements.

Notes to the Consolidated Interim Financial Statements (unaudited)

1. The Company and Basis of Presentation

The parent company within the Pfeiffer Vacuum Group (“the Company” or “Pfeiffer Vacuum”) is Pfeiffer Vacuum Technology AG, domiciled at Berliner Strasse 43, 35614 Asslar, Germany. Pfeiffer Vacuum Technology AG is a stock corporation organized under German law and recorded in the Register of Companies at the Local Court of Wetzlar under Number HRB 44. The Company is listed on the Prime Standard of the Deutsche Börse Stock Exchange in Frankfurt am Main, Germany, where it is included in the SDAX index.

Pfeiffer Vacuum is one of the leading full-line vacuum technology manufacturers, offering custom solutions for a wide range of needs in connection with the generation, control and measurement of vacuum. The product portfolio includes turbopumps, a range of backing pumps, such as rotary vane, Roots and dry pumps, complete pumping stations, as well as custom vacuum systems, vacuum chambers and components.

Pfeiffer Vacuum markets and distributes its products through its own network of sales companies and independent marketing agents. Moreover, there are service support centers in all major industrial locations throughout the world. The Company’s primary markets are located in Europe, the United States and Asia.

The Consolidated Financial Statements of Pfeiffer Vacuum Technology AG have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as applicable in the European Union (EU). This includes the International Accounting Standards (IAS), which continue to retain their validity, the interpretations of the Standing Interpretations Committee (SIC) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Pfeiffer Vacuum prepares its Consolidated Interim Report (“Interim Report”) in euros (€). Unless otherwise indicated, the presentation is in thousands of euros (K €). For mathematical reasons, the numbers presented in this Interim Report may include rounding differences.

2. Accounting and Valuation Methods

In preparing this interim report as of June 30, 2022, IAS 34 “Interim Financial Reporting” was applied. In doing so, basically the same accounting and valuation methods as in the Consolidated Financial Statements for the fiscal year ended December 31, 2021 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2021, which are available in the internet at group.pfeiffer-vacuum.com.

Notes to the Consolidated Interim Financial Statements (unaudited)

The estimates and management judgements underlying the accounting and valuation can affect the amounts and reporting of assets and liabilities at the balance sheet date and the amounts of income and expense reported for the period. Due to the currently unforeseeable global consequences of the COVID-19 situation, these accounting estimates and management judgements are subject to increased uncertainty. Actual amounts may differ from the estimates and management judgements; changes can have a material impact on the Interim Consolidated Financial Statements. With the update of the accounting estimates and management judgements, available information on the expected economic developments and country-specific governmental measures have been included especially in the analysis of the recoverability and collectability of trade accounts receivables and contract assets on the balance sheet date. Furthermore, the measurement of provisions and the measurement of the net realizable value of inventories have been updated to include the expected consequences of the covid-19 pandemic. There were no significant effects on the consolidated interim financial statements

Use of government measures related to the COVID-19 situation (for example short-time work, reimbursement of social security contributions, grants) had no impact on the operating profit in the current fiscal year (previous year: € 0.2 million, included in various lines of the profit and loss statement).

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3. Intangible Assets

Intangible assets consist of the following:

Intangible assets

	June 30, 2022	December 31, 2021
	in K€	in K€
Goodwill	61,249	58,374
Customer Base	13,315	13,164
Software	4,917	3,757
Software before implementation	16,147	14,234
Other intangible assets	2,511	1,995
Total intangible assets	98,139	91,524

Notes to the Consolidated Interim Financial Statements (unaudited)

4. Property, Plant and Equipment

Property, plant and equipment (including right-of-use assets) comprised the following:

Property, Plant and Equipment

	June 30, 2022	December 31, 2021
	in K€	in K€
Land and buildings	87,656	81,225
Technical equipment and machinery	53,739	52,143
Other equipment, factory and office equipment	18,330	18,284
Construction in progress	33,892	24,300
Total property, plant and equipment (excl. right-of-use assets)	193,617	175,952

5. Inventories

Inventories consist of the following:

Inventories

	June 30, 2022	December 31, 2021
	in K€	in K€
Raw materials	76,061	55,537
Work-in-process	46,172	40,069
Finished products	82,684	66,572
Total inventories, net	204,917	162,178

6. Paid Dividends

At the Annual Shareholders' Meeting on May 19, 2022, the shareholders resolved a dividend of € 4.08 per share for the year 2021. Thus, a total of € 40,260,048.72 was paid to the shareholders.

Notes to the Consolidated Interim Financial Statements (unaudited)

7. Financial Liabilities

Financial liabilities were comprised as follows:

Financial Liabilities

	June 30, 2022	December 31, 2021
	in K€	in K€
Loans	-	5,000
Lease liabilities	8,191	8,876
Non-current financial liabilities	8,191	13,876
Lease liabilities	4,642	4,279
Other financial liabilities	30,000	-
Current financial liabilities	34,642	4,279
Total financial liabilities	42,833	18,115

8. Pension Benefits

Pension expense for all plans included the following components:

Pension Expense for All Plans

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	in K€	in K€	in K€	in K€
Service cost	917	992	1,824	1,985
Interest cost	174	128	354	256
Net pension cost	1,091	1,120	2,178	2,241

Notes to the Consolidated Interim Financial Statements (unaudited)

9. Warranty

Warranty provisions developed as follows:

Warranty provisions

	Six months ended June 30,	
	2022 in K€	2021 in K€
Balance on January 1	13,916	13,441
Currency changes	103	55
Additions	5,221	4,956
Utilization	-1,987	-1,497
Balance on June 30	17,253	16,955

10. Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share:

Earnings per Share

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net income (in K€)	20,357	17,949	42,585	33,881
Weighted average number of shares	9,867,659	9,867,659	9,867,659	9,867,659
Number of conversion rights	-	-	-	-
Adjusted weighted average number of shares	9,867,659	9,867,659	9,867,659	9,867,659
Earnings per share in € (basic/diluted)	2.06	1.82	4.32	3.43

Notes to the Consolidated Interim Financial Statements (unaudited)

11. Segment Reporting

Segment Reporting as at June 30, 2022 (in K €)

	Germany	France	Rest of Europe	USA	USA Production	Republic of Korea	Rest of Asia	All Others	Consolidation	Group
Net sales	142,172	164,317	58,969	83,986	40,980	57,969	92,733	31,321	-231,834	440,613
Third party	67,139	46,789	58,665	83,446	32,482	55,256	80,274	16,562	-	440,613
Intercompany	75,033	117,528	304	540	8,498	2,713	12,459	14,759	-231,834	0
Operating profit	15,139	17,773	4,707	2,178	3,761	2,997	9,008	4,506	-	60,069
Financial income	118	-92	-20	509	-398	59	-151	-115	-	-90
Earnings before taxes	15,257	17,681	4,687	2,687	3,363	3,056	8,857	4,391	-	59,979
Segment assets	164,878	173,092	40,853	85,741	69,144	76,571	100,368	52,770	-	763,417
Thereof assets according to IFRS 8.33 (b) ¹	69,345	85,621	1,537	26,074	26,889	26,943	15,150	30,051	-	281,610
Segment liabilities	95,650	96,892	12,746	11,558	12,998	13,315	19,780	8,935	-	271,874
Capital expenditures:										
Property, plant and equipment ²	7,364	5,101	150	1,312	537	8,350	818	1,546	-	25,178
Intangible assets	2,172	2,434	-	-	-	-	-	23	-	4,629
Depreciation ³	3,166	2,854	634	1,196	425	875	1,661	1,499	-	12,310
Amortization	643	258	5	333	874	1	18	67	-	2,199

¹ Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost

² Including investment properties and excluding additions of right-of-use assets from leases

³ Including right-of-use assets from leases and investment properties

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Segment Reporting as at June 30, 2021 (in K €)

	Germany	France	Rest of Europe	USA	USA Production	Republic of Korea	Rest of Asia	All Others	Consolidation	Group
Net sales	129,014	131,440	55,453	75,223	27,813	73,254	74,934	25,584	-201,559	391,156
Third party	60,940	27,120	55,329	74,539	22,991	70,961	67,396	11,880	-	391,156
Intercompany	68,074	104,320	124	684	4,822	2,293	7,538	13,704	-201,559	0
Operating profit	11,180	7,543	4,051	3,529	927	10,977	6,444	3,461	-	48,112
Financial income	-81	-105	-10	450	-359	59	-148	-200	-	-393
Earnings before taxes	11,099	7,438	4,041	3,979	568	11,036	6,296	3,261	-	47,719
Segment assets	164,742	145,894	40,950	77,569	66,284	83,437	90,582	47,478	-	716,936
Thereof assets according to IFRS 8.33 (b) ¹	59,870	75,351	1,431	22,892	39,807	16,333	13,897	23,799	-	253,388
Segment liabilities	132,781	84,434	12,081	13,616	7,152	23,748	16,263	7,573	-	297,648
Capital expenditures:										
Property, plant and equipment ²	2,712	3,850	164	790	276	891	973	1,180	-	10,836
Intangible assets	2,247	6	4	17	-	-	12	22	-	2,308
Depreciation ³	2,462	2,159	222	543	333	584	866	1,082	-	8,251
Amortization	422	214	4	119	793	1	16	91	-	1,660

¹ Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost

² Including investment properties and excluding additions of right-of-use assets from leases

³ Including right-of-use assets from leases and investment properties

Notes to the Consolidated Interim Financial Statements (unaudited)

12. Income Tax Expense

Under German corporate tax law, taxes on income are composed of corporate taxes, trade taxes and an additional surtax.

The Company's effective tax rate was 29.0% for the first six months of 2022 and for the second quarter, respectively and was at previous year's level (2021: 29.0%).

13. Independent Auditor

At the Annual General Meeting on May 19, 2022, the Supervisory Board proposed, and the Shareholders elected PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, as the independent auditor of both the accounts of the Company and the consolidated accounts for the 2022 fiscal year.

14. Major Related Party Transactions

Besides the transactions between the subsidiaries that are eliminated during the consolidation process, the regular compensation of Management and Supervisory Board members and the reception of purchases based unchanged on arm's length conditions of a low single digit million Euro amount from operating companies of the Busch group there were no major related party transactions in the first half of 2022.

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Asslar, August 2, 2022

Pfeiffer Vacuum Technology AG

Management Board

Dr. Britta Giesen

Dr. Britta Giesen

Wolfgang Ehrk

Wolfgang Ehrk

Certification of the Legal Representatives

We hereby certify that, to the best of our knowledge and in accordance with the principles of due group interim reporting, the Consolidated Interim Financial Statements provide a true and fair view of the Group's net worth, financial position and results of operations, that the Consolidated Interim Management Report presents the course of business, including the results of operations and the Group's position, such as to provide a true and fair view and that the major opportunities and risks relating to the anticipated development of the Group in the remaining financial year are described.

Asslar, August 2, 2022

Pfeiffer Vacuum Technology AG

Management Board

Dr. Britta Giesen

Dr. Britta Giesen

Wolfgang Ehrk

Wolfgang Ehrk

Additional Information

Financial Calendar 2022

- 3rd Quarter 2022 (9-Months) Results
Thursday, November 3, 2022

Contact

Investor Relations

Heide Erickson
Berliner Straße 43
35614 Asslar
Deutschland
T +49 6441 802-1360
F +49 6441 802-1365
Heide.erickson@pfeiffer-vacuum.de
group.pfeiffer-vacuum.com