

Be equipped for tomorrow's materials.

Interim Statement as at September 30, 2024



PVA TePla

sets the course of innovation and growth

9M sales rises to

EUR **198.3 million** (+ 3.7 %)

Gross margin at

31.2 % (+ 2.1 pp)

EBITDA margin at

16.3 % (+ 1.1 pp)

Target achievement in the lower half of range

Revenue EUR **270 – 290 million**

EBITDA EUR **47 – 51 million**

Foreword by the Management Board

Dear shareholders of PVA TePla,
Dear business partners,

PVA TePla has performed well in the year to date, recording successful results in all key areas. Besides solid revenue and earnings growth as of the end of September, our company has created the financial flexibility to invest in R&D and additional capacities. At the same time, we are rapidly advancing our "Strategy 2028", which we announced in the spring, as well as our organization's forward development and the achievement of our growth objectives. And through targeted investments in future-ready technologies, we are reinforcing our competitive and market position for the long term.

We are pleased not only with our operational progress and very good business accomplishments, but also with our gratifying earnings performance particularly against the backdrop of the tense economic environment. This is reflected in the 3.7 percent rise in revenue to EUR 198.3 million as of the end of September, as well as the considerably higher operating earnings (EBITDA), which climbed by more than 11 percent to EUR 32.4 million. This performance demonstrates the effectiveness of our business model in generating good results even during challenging times.

A core component of our strategy is the PVA Technology Hub, which consolidates our research and development activities. We achieved groundbreaking successes in the third quarter, particularly in the production of silicon carbide (SiC) crystals. We are especially proud to report that our innovations are contributing to a major leap in quality in the wafer value chain.

The Management Board has confirmed its forecasts for fiscal year 2024 and substantiated its full-year expectations. Consolidated revenue and EBITDA are now anticipated to tend more toward the lower half of the envisioned ranges of EUR 270 million to 290 million and EUR 47 million to 51 million, respectively. Signs of improvement in the overall environment are beginning to emerge. As for the current and subsequent quarters, the Management Board expects to see a notable upturn in the markets relevant for the PVA TePla Group, providing a significant boost to the order book going forward.

PVA TePla's success is a team endeavor. Accordingly, our thanks go to all our employees for their commitment, to our shareholders for their confidence in us as well as to our customers and suppliers for our constructive working relationships. Together, we are ready to reach new milestones and lead PVA TePla successfully into the future.

Wettenberg, November 2024

Jalin Ketter
CEO

Oliver Höfer
COO

Key figures at a glance

in EUR '000	Jan. 1 – Sept. 30, 2024	Jan. 1 – Sept. 30, 2023
Sales revenues	198,282	191,155
Semiconductor Systems	135,744	133,769
Industrial Systems	62,538	57,385
Gross profit	61,807	55,560
in % of sales revenues	31.2	29.1
R&D expenses	8,235	6,258
EBITDA	32,395	29,149
in % of sales revenues	16.3	15.2
Operating result (EBIT)	26,634	23,904
in % of sales revenues	13.4	12.5
Consolidated net result for the period	17,792	16,736
in % of sales revenues	9.0	8.8
Total assets	311,078	305,360*
Shareholders' equity	145,102	127,417*
Equity ratio in %	46.6	41.7
Employees as of September 30	831	738
Order Intake	107,153	177,607
Book-to-bill-ratio	0.54	0.93
Order Backlog	187,317	297,318
Cash flow from operating activities	21,181	- 10
Net financial position	- 1,638	383*

* As of December 31

Interim Report of PVA TePla AG as of September 30, 2024

General statement by the Management Board

In the current course of 2024, PVA TePla's business developed in line with our expectations and our forecast for the year. While order intake was subdued in the first nine months, we are still seeing a dynamic demand trend in the metrology segment. We expect orders to pick up also in other product segments in the fourth quarter.

Overall, we remain confident that we will be able to achieve not only our financial and non-financial targets for 2024 but also our medium-term targets for 2028. Our focused strategy envisions greater investment in growth markets to further expand the business and seize new opportunities. To support our expansion, we have entered into a new syndicated loan agreement that has nearly doubled in size and provides us with financial flexibility until at least 2029.

Organizational structure

PVA Technology Hub GmbH (Wettenberg), a process and systems development company, was included in the consolidated financial statements effective January 15, 2024 (date of inception). PVA TePla AG holds 100 percent of the shares.

In August, PVA TePla AG entered into a partnership with Scientific Visual and acquired 25 % of the shares in the Swiss provider of solutions for quality control of industrial crystals, along with its own research and development.

There have been no other 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

Business development of the Group

In the first nine months of 2024, the revenue of the PVA TePla Group grew by 3.7 percent to EUR 198.3 million, compared with EUR 191.2 million in the same period of the previous year. The Semiconductor Systems operating segment accounted for 68 percent of the revenue (previous year: 70 percent) and the Industrial Systems operating segment for 32 percent (previous year: 30 percent). Consolidated revenue amounted to EUR 63 million in the third quarter, down from EUR 64.5 million the previous year. This corresponds to a decline of 2.3 percent.

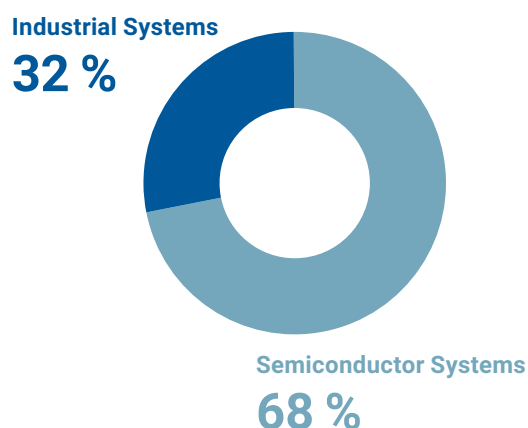
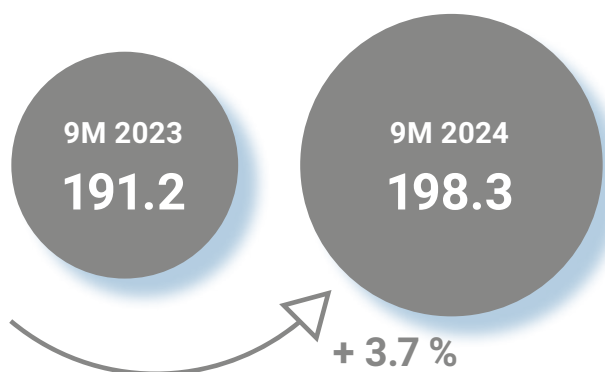
Gross profit amounted to EUR 61.8 million, an increase of around EUR 6.2 million compared with the first nine months of the previous year (EUR 55.6 million). At 31.2 percent, the gross margin was 2.1 percentage points higher than the figure for the previous year (29.1 percent). The comparable for the previous year was impacted, particularly in the first half of 2023, by the high material and production costs due to inflation, with the effect then weakening in the second half of the year. The targeted focus on an optimized, higher-margin product mix – including growing the share accounted for by metrology systems – likewise contributed to the improved gross margin in the current fiscal year.

Selling and distributing expenses in the nine-month period came to EUR 13.2 million, compared with EUR 13.9 million in the same period of 2023. This is attributable to the optimization of sales structures. As a proportion of revenue, the ratio of selling and distributing expenses declined from 7.3 percent to 6.7 percent. The smaller rise in selling and distributing expenses in relation to revenue growth is a positive effect of our international expansion of the sales structure.

General administrative expenses moved in line with revenue, increasing from EUR 12.9 million to EUR 15.2 million. This increase is primarily due to the structuring of the organization in accordance with legal requirements as well as personnel development projects. The ratio of administrative expenses increased accordingly from 6.7 percent to 7.7 percent.

At EUR 8.2 million, research and development expenses were up by around EUR 2.0 million on the prior-year period. This increase is primarily due to investments to set up PVA Technology Hub. As a proportion of revenue, R&D expenditure rose from 3.3 percent to 4.2 percent.

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



Operating earnings before interest, taxes, depreciation and amortization (EBITDA) increased to EUR 32.4 million (9M 2023: EUR 29.1 million) with an EBITDA margin of 16.3 percent (9M 2023: 15.2 percent). The operating result (EBIT) recorded a similarly distinct rise to EUR 26.6 million (9M 2023: EUR 23.9 million) with an EBIT margin of 13.4 percent (9M 2023: 12.5 percent).

The financial result amounted to EUR – 1.7 million in the first nine months of 2024, compared with EUR – 0.1 million in the prior-year period. This increase is due to non-recurring expenses associated with entering into the new syndicated loan agreement, which has a term until at least 2029.

In the first nine months of fiscal year 2024, the net result before taxes came to EUR 25.0 million (9M 2023: EUR 23.8 million), with income taxes amounting to EUR – 7.2 million (9M 2023: EUR – 7.0 million).

Segment performance

Revenue by operating segment in EUR '000	Q3 2024	Q3 2023	Change in %	Q1 – Q3 2024	Q1 – Q3 2023	Change in %
Semiconductor Systems	41,070	44,097	– 6.9	135,744	133,769	1.5
Industrial Systems	21,930	20,369	7.7	62,538	57,385	9.0
Total	63,000	64,466	– 2.3	198,282	191,155	3.7

Revenue in the **Semiconductor Systems** operating segment amounted to EUR 135.7 million in the first nine months of the current year, up 1.5 percent on the figure of EUR 133.8 million in the prior-year period. This revenue increase was driven by material synthesis systems, such as crystal growing systems, as well as acoustic metrology systems (ultrasound microscopy). The segment's operating result was EUR 23.4 million compared with EUR 21.5 million in the previous year.

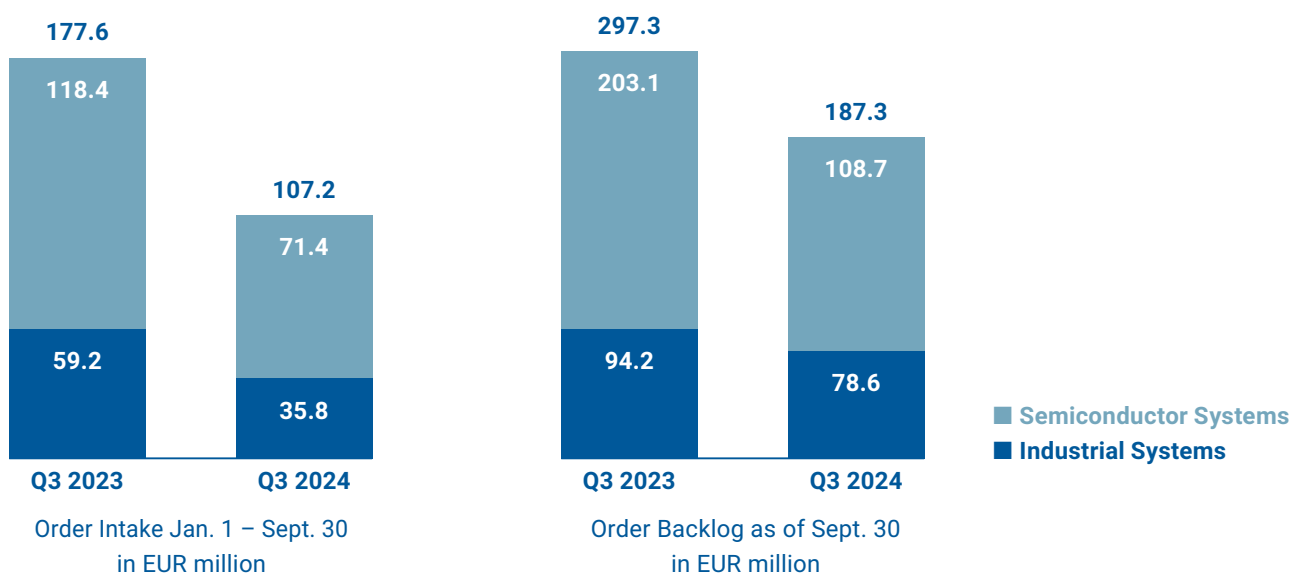
With growth of 9.0 percent, the **Industrial Systems** operating segment recorded an increase in revenue from EUR 57.4 million in the first nine months of 2023 to EUR 62.5 million. Growth impetus in this operating segment was primarily provided by joining and finishing technologies. The segment's operating result was EUR 7.6 million compared with EUR 7.5 million in the previous year.

Orders

The PVA TePla Group's order intake totaled EUR 107.2 million in the first nine months of fiscal year 2024 (previous year: EUR 177.6 million). The book-to-bill ratio for this period was 0.54 (previous year: 0.93).

Order intake in the **Semiconductor Systems** operating segment came to EUR 71.4 million in this period (previous year: EUR 118.4 million). Within the segment, the metrology systems product area accounted for a significant proportion of the orders received. Order intake in the **Industrial Systems** operating segment totaled to EUR 35.8 million (previous year: EUR 59.2 million) in the first nine months.

The order backlog was at a total of EUR 187.3 million (September 30, 2023: EUR 297.3 million), it still provides a solid basis for achieving the targets set in the current fiscal year. Accounting for EUR 108.7 million, 58.0 percent of the order backlog is attributable to the **Semiconductor Systems** operating segment (September 30, 2023: EUR 203.1 million). As of September 30, the order backlog in the **Industrial Systems** operating segment was EUR 78.6 million (September 30, 2023: EUR 94.2 million).



Net assets

At EUR 311.1 million, the PVA TePla Group's total assets as of September 30, 2024 were slightly above the level of the fiscal year-end reporting date (December 31, 2023: EUR 305.4 million).

As of September 30, 2024, intangible assets amounted to EUR 19.3 million, slightly up on the year-end figure (December 31, 2023: EUR 18.6 million). Property, plant and equipment rose sharply to EUR 56.0 million (December 31, 2023: EUR 41.6 million). This is attributable to the investments made to expand capacities at the locations in Wettenberg (Germany) and Schio (Italy), as well as to the capitalization of self-operated facilities in the Technology Hub set up during the reporting period. Non-current Investments declined to EUR 8.7 million in the reporting period (December 31, 2023: EUR 9.0 million). Deferred tax assets amounted to EUR 12.8 million as of September 30, 2024 (December 31, 2023: EUR 10.0 million).

Non-current assets totaled EUR 101.1 million as of September 30, 2024, compared with EUR 82.2 million as of December 31, 2023. Capital expenditure was offset by depreciation and amortization of EUR 5.8 million in the first nine months of 2024 (9M 2023: EUR 5.2 million).

The PVA TePla Group's current assets declined to EUR 209.9 million as of September 30, 2024, compared with EUR 223.2 million as of December 31, 2023. Inventories remained virtually unchanged at EUR 91.1 million (December 31, 2023: EUR 94.6 million). Receivables and other financial assets amounted to EUR 46.3 million in the reporting period (December 31, 2023: EUR 57.0 million). The decline in receivables reflects the high settlement rate as well as efficient receivables management. Contract assets are almost unchanged to EUR 49.5 million due to reporting date factors (December 31, 2023: EUR 50.6 million).

Cash, cash equivalents and term deposits rose from EUR 20.1 million as of December 31, 2023 to EUR 22.0 million as of September 30, 2024. This rise is attributable to a stable liquidity situation, despite the payments simultaneously made to reduce liabilities and investments.

The PVA TePla Group's non-current liabilities were EUR 48.8 million as of September 30, 2024 (December 31, 2023: EUR 39.9 million). This increase is primarily due to a rise in non-current financial liabilities, which amounted to EUR 21.3 million (December 31, 2023: EUR 14.5 million), as a result of the agreement of long-term financing for planned investments. Pension provisions amounted to EUR 11.6 million (December 31, 2023: EUR 11.8 million), while deferred tax liabilities totaled EUR 14.7 million (December 31, 2023: EUR 12.8 million).

Current liabilities totaled EUR 117.2 million as of September 30, 2024 (December 31, 2023: EUR 138.1 million). The decline is largely attributable to a sharp reduction in contract liabilities, which fell from EUR 95.3 million to EUR 74.5 million. This was due to the completion status of several larger projects. Trade payables were EUR 14.5 million (December 31, 2023: EUR 18.8 million). This can be traced to faster settlement of the payables coupled with optimized payment processes. Financial liabilities declined to EUR 2.3 million (December 31, 2023: EUR 5.3 million), as current liabilities were reduced in favor of long-term financing. Liabilities to employees were EUR 9.4 million (December 31, 2023: EUR 7.7 million).

The shareholders' equity of the PVA TePla Group increased to EUR 145.1 million as of September 30, 2024 (December 31, 2023: EUR 127.4 million), with an increase in reserves to EUR 123.4 million (December 31, 2023: EUR 105.7 million). The equity ratio increased from 41.7 percent (December 31, 2023) to 46.6 percent due to the rise in profits and the stable equity base.

Financial position

Cash flow from operating activities amounted to EUR 21.2 million in the first nine months of fiscal year 2024 due to the successful execution of significant customer contracts (previous year: EUR – 0.01 million).

Cash flow from investing activities amounted to EUR – 18.5 million in the first nine months of 2024 (previous year: EUR – 5.0 million). The investments primarily related to the progress of construction work to expand our capacities at the Wettenberg and Schio locations as well as to the PVA Technology Hub development center, which was set up in the reporting period.

Cash flow from financing activities amounted to EUR – 1.1 million in the first nine months of 2024 (previous year: EUR – 1.9 million). Cash and cash equivalents rose to EUR 15.4 million as of the reporting date (previous year: EUR 8.7 million). Cash and cash equivalents recognized in the consolidated balance sheet at the end of the period totaled EUR 22.0 million (previous year: EUR 19.9 million), less term deposits of EUR 6.6 million (previous year: EUR 11.2 million).

Employees

As of September 30, 2024, the Group had 831 employees (September 30, 2023: 738). The increase is primarily attributable to the area of research and development.

Significant events during the reporting period

At the Annual General Meeting on August 30, 2024, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Germany, was appointed as the auditor for the annual and consolidated financial statements as well as for the sustainability reporting for fiscal year 2024. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Germany, will audit the annual and consolidated financial statements as well as the sustainability reporting of PVA TePla AG starting from fiscal year 2024.

Forecast

While metrology recorded stable growth both within and outside the semiconductor market, incoming orders have so far been characterized by weakness in individual areas of the semiconductor production chain.

Although the Management Board is cautious given the challenging environment, it remains confident with regard to its expectations for the last few months of the year. For fiscal year 2024, the aim is now for consolidated revenue and EBITDA to tend more toward the lower end of the respective forecast ranges of EUR 270 million to EUR 290 million and EUR 47 million to EUR 51 million.

Our technologies play a pivotal 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.

In addition, we made important investments in the reporting period that will pay off in the long term and further strengthen our competitiveness in the areas mentioned.

Overall, PVA TePla is therefore well on track to achieve its sales revenue target of EUR 500 million for 2028.

Interim consolidated financial statements

Condensed consolidated balance sheet as of September 30, 2024 of the PVA TePla Group

in EUR '000	Sept. 30, 2024	Dec. 31, 2023
Assets		
Non-current assets		
Intangible assets	19,258	18,597
Right-of-use assets	4,360	2,924
Property, plant and equipment	55,997	41,646
Non-current investments	8,714	9,011
Deferred tax assets	12,816	9,997
Total non-current assets	101,146	82,175
Current assets		
Inventories	91,144	94,601
Receivables and other financial assets	46,291	57,016
Contract assets	49,483	50,613
Income tax assets	1,035	823
Cash, cash equivalents and term deposits	21,979	20,132
Total current assets	209,932	223,185
Total assets	311,078	305,360
Liabilities and shareholders' equity		
Shareholders' equity		
Share capital	21,750	21,750
Reserves	123,352	105,667
Total shareholders' equity	145,102	127,417
Non-current liabilities		
Retirement pensions provisions	11,590	11,770
Other provisions	1,266	853
Financial liabilities	21,269	14,458
Deferred tax liabilities	14,667	12,808
Total non-current liabilities	48,792	39,889
Current liabilities		
Other provisions	10,521	7,300
Financial liabilities	2,349	5,291
Liabilities to employees	9,380	7,699
Trade payables	14,470	18,825
Contract liabilities	74,862	95,268
Provisions for taxes	2,415	529
Other liabilities	3,187	3,142
Total current liabilities	117,184	138,054
Total liabilities	311,078	305,360

Condensed consolidated income statement of the PVA TePla Group

in EUR '000	July 1 – Sept. 30, 2024	July 1 – Sept. 30, 2023	Jan. 1 – Sept. 30, 2024	Jan. 1 – Sept. 30, 2023
Sales revenues	63,000	64,466	198,282	191,155
Cost of sales	- 43,565	- 44,984	- 136,476	- 135,594
Gross profit	19,434	19,483	61,807	55,560
Selling and distributing expenses	- 4,354	- 3,855	- 13,190	- 13,884
General administrative expenses	- 5,617	- 4,075	- 15,249	- 12,869
Research and development expenses	- 2,275	- 1,834	- 8,235	- 6,258
Other operating income	2,003	1,938	3,657	4,630
Other operating expenses	- 758	- 1,751	- 2,155	- 3,276
Operating result (EBIT)	8,433	9,906	26,634	23,904
Financial result	- 796	- 118	- 1,674	- 146
Net result before tax	7,637	9,788	24,960	23,757
Income taxes	- 2,052	- 2,431	- 7,168	- 7,021
Consolidated net result for the period	5,585	7,357	17,792	16,736
Earnings per share (basic/diluted)				
Earnings per share (basic) in EUR	0.26	0.34	0.82	0.77
Earnings per share (diluted) in EUR	0.26	0.34	0.82	0.77

Condensed consolidated cash flow statement of the PVA TePla Group

in EUR '000	Jan. 1 – Sept. 30, 2024	Jan. 1 – Sept. 30, 2023
Cash flow from operating activities	21,181	– 10
Cash flow from investing activities	– 18,547	– 4,986
Cash flow from financing activities	– 1,108	– 1,859
= Net change in cash and cash equivalents	1,526	– 6,855
+/- Effect of exchange rate fluctuations on cash	– 84	– 31
+ Cash and cash equivalents at the beginning of the period	13,964	15,602
= Cash and cash equivalents at the end of the period	15,406	8,717
Cash, cash equivalents and term deposits	21,979	19,909
– Term deposits	– 6,573	– 11,192
= Cash and cash equivalents in cash flow statement	15,406	8,717

Imprint

PVA TePla AG
Im Westpark 10 – 12
35435 Wettenberg
Germany

Phone: +49 (0) 641 / 6 86 90-0
Fax: +49 (0) 641 / 6 86 90-800
E-mail: info@pvatepla.com
Website: www.pvatepla.com

Investor Relations

Dr. Gert Fisahn
Phone: +49 (0) 641/6 86 90-400
E-mail: gert.fisahn@pvatepla.com

Published by

PVA TePla AG

Text

PVA TePla AG

Languages

German/English

This report is available for download in English and German on the Internet at www.pvatepla.com under Investor Relations/Reports.

In case of doubt the German version shall be authoritative.