

PRESS RELEASE

Pfeiffer Vacuum: Business development weaker in the first quarter 2019 as planned

- Sales of € 153.7 million 9.8% lower than in the previous year
- EBIT amounts to € 18.1 million
- EBIT margin reaches 11.8%
- Incoming orders of € 148.8 million in the first quarter 2019

Asslar, Germany, May 7, 2019. Pfeiffer Vacuum, a leading global manufacturer of vacuum solutions, was not able to reach the previous year's record sales in the first quarter of 2019. As expected sales decreased by 9.8% to € 153.7 million (previous year: € 170.4 million). This was mainly due to a slowdown of investments in the semiconductor and coatings markets. The geopolitical uncertainties in Europe, Asia and the US increased the reluctance of customers in the affected regions.

EBIT in the first quarter of 2019 came to € 18.1 million, which was a decrease of 33.9% over the previous year (€ 27.5 million) and resulted in an EBIT margin of 11.8% (previous year: 16.1%). In addition to the decline in sales, the cost base, which is geared to further growth, had a negative impact on earnings and margin development.

At € 148.8 million, incoming orders were down 23.3% compared to the first quarter of the previous year (€ 194.0 million). The book-to-bill ratio remained stable at 0.97 and was thus in line with the figure for the fourth quarter of 2018.

Overview of key figures:

	Q1/2019	Q1/2018	Change
Sales	€ 153.7 million	€ 170.4 million	-9.8%
EBIT	€ 18.1 million	€ 27.5 million	-33.9%
Net income	€ 12.9 million	€ 19.8 million	-34.7%
Earnings per share	€ 1.31	€ 2.00	-34.5%
Order income	€ 148.8 million	€ 194.0 million	-23.3%
Order backlog	€ 140.0 million	€ 151.0 million	-7.3%

Nathalie Benedikt, CFO of Pfeiffer Vacuum Technology AG, comments on the results of the first quarter of 2019: “As forecasted, incoming orders and sales were weaker in the first quarter. At the same time, we have geared the Group towards further growth. Increased costs initially have a negative impact on profitability. In the long term, we see sales and EBIT margins intact and confirm our long-term targets.”

Decline in sales especially in Asia

In the breakdown of sales by region, which allocates sales according to the headquarters of customers in the corresponding regions, Europe showed a decline of 6.1% to € 58.6 million (previous year: € 62.4 million). Sales in Asia decreased by 17.8% to € 54.9 million (previous year: € 66.8 million). In relative terms, North and South America showed the smallest decline in sales of 2.5% to € 40.2 million (previous year: € 41.3 million).

Diversified product portfolio with growth in service and systems

Sales of turbopumps remained more or less at the previous year's level and amounted to € 47.0 million (previous year: € 47.2 million). Turbopumps were once again a key product, representing a share of 30.6% of total sales (previous year: 27.7%). Sales of instruments and components decreased by 17.2% to € 42.2 million (previous year: € 51.0 million). The product group's share of total sales fell to 27.5% (previous year: 29.9%). With a sales volume of € 31.5 million, backing pumps recorded a decline of 22.5% compared to the previous year (€ 40.7 million). Backing pumps contributed to the total balanced sales distribution of the Pfeiffer Vacuum

Group with a share of total sales of 20.5% (previous year: 23.9%). Sales from services rose by 4.2% to € 28.3 million (previous year: € 27.1 million), thereby increasing the share of total sales to 18.4% (previous year: 15.9%). Systems, a predominantly project-oriented area, increased sales by 4.9% over the previous year to € 4.7 million (previous year: € 4.5 million). The total share of systems in sales was 3.1% (previous year: 2.6%).

Semiconductor market weaker, industry and analytics pleasing

Pfeiffer Vacuum's market segments developed very differently in the first quarter. The semiconductor market recorded a volume of € 53.5 million (previous year: € 70.1 million), which is a decline of 23.7%. With 34.8% (previous year: 41.4%), the semiconductor market represented the largest share of total sales. Sales in the coatings market fell by 13.7% to € 21.6 million (previous year: € 25.1 million). At 14.1% (previous year: 14.7%), the coatings market almost maintained its share of total sales. In the analytics market, sales increased by 5.1% to € 30.2 million (previous year: € 28.7 million). With a share of 19.6% of total sales (previous year: 16.8 %), business in analytics has once again grown in importance compared to the previous year. The heterogeneous industry market segment, with customers from sectors ranging from the automotive to the pharmaceutical industry, recorded an increase in sales of 10.8% to € 33.9 million (previous year: € 30.6 million). With a share of 22.1%, industry is the second strongest customer market after the semiconductor market (previous year: 18.0%). Sales in the research and development market segment fell by 8.6% to € 14.5 million (previous year: € 15.9 million). The share of total sales remained almost constant at 9.4% (previous year: 9.3%).

Gross profit in the reporting period decreased by 13.6% to € 55.7 million (previous year: € 64.4 million), which corresponds to a decline of € 8.7 million. The gross margin fell by 1.6 percentage points to 36.2% (previous year: 37.8%). Despite the decline in sales, the gross margin was disproportionately impacted. This was mainly due to an advantageous product and customer mix.

The financial result of € -0.2 million roughly matched the previous year's figure of € -0.1 million due to the unchanged low interest rate in the Eurozone. The tax rate increased by 0.5 percentage points to 28.2% (previous year: 27.7%).

Net income decreased by 34.7% to € 12.9 million (previous year: € 19.8 million). Return on sales after tax – the ratio of net income to net sales – was at 8.4% (previous year: 11.6%). Parallel to net income, earnings per share decreased to € 1.31 (previous year: € 2.00).

Dr. Eric Taberlet, CEO of Pfeiffer Vacuum Technology AG, sees the previous assessment of the market as confirmed: "The first weeks of the second quarter show that sales and the order situation continue to be impacted by weak demand in the semiconductor market. A more detailed outlook on the expected business development and a forecast for the year as a whole will be provided in connection with the Annual General Meeting on May 23, 2019."

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About Pfeiffer Vacuum

Pfeiffer Vacuum (ticker symbol PFV, ISIN DE0006916604) is a leading global manufacturer of vacuum solutions. Among a full range of hybrid and magnetically levitated turbopumps, the portfolio comprises backing pumps, leak detectors, measurement and analysis devices, components and vacuum chambers and systems. Pfeiffer Vacuum has stood for innovative solutions and high-tech products in analytics, industry, research & development, coatings and semiconductor markets since its invention of the turbopump. Founded in 1890, Pfeiffer Vacuum is active worldwide today. The Company employs approx. 3,200 employees, has over 20 sales and service companies and operates 8 manufacturing sites worldwide.

For more information, please go to: group.pfeiffer-vacuum.com

Consolidated Statements of Income (unaudited)

	Three months ended March 31,	
	2019	2018
	in K€	in K€
Net sales	153,733	170,421
Cost of sales	-98,064	-106,019
Gross profit	55,669	64,402
Selling and marketing expenses	-18,047	-17,534
General and administrative expenses	-13,200	-12,552
Research and development expenses	-7,511	-6,827
Other operating income	2,178	1,983
Other operating expenses	-946	-2,016
Operating profit	18,143	27,456
Financial expenses	-222	-193
Financial income	36	62
Earnings before taxes	17,957	27,325
Income taxes	-5,064	-7,569
Net income	12,893	19,756
Earnings per share (in €):		
Basic	1.31	2.00
Diluted	1.31	2.00

Consolidated Balance Sheets (unaudited)

	March 31, 2019	December 31, 2018
	in K€	in K€
Assets		
Intangible assets	109,834	109,460
Property, plant and equipment	146,307	126,143
Investment properties	418	424
Other financial assets	4,444	4,282
Other assets	1,242	3,200
Deferred tax assets	25,350	24,895
Total non-current assets	287,595	268,404
Inventories	148,813	133,191
Trade accounts receivable	81,984	92,164
Contract assets	333	298
Income tax receivables	3,303	3,726
Prepaid expenses	5,971	3,504
Other financial assets	840	609
Other accounts receivable	13,008	13,884
Cash and cash equivalents	110,224	108,380
Total current assets	364,476	355,756
Total assets	652,071	624,160
Shareholders' equity and liabilities		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	291,784	278,891
Other equity components	-24,660	-28,172
Equity of Pfeiffer Vacuum Technology AG shareholders	388,630	372,225
Financial liabilities	71,872	60,182
Provisions for pensions	56,637	55,638
Deferred tax liabilities	4,622	4,638
Contract liabilities	544	630
Total non-current liabilities	133,675	121,088
Trade accounts payable	37,132	38,054
Contract liabilities	17,244	18,271
Other accounts payable	26,272	25,740
Provisions	37,445	41,626
Income tax liabilities	7,168	7,061
Financial liabilities	4,505	95
Total current liabilities	129,766	130,847
Total shareholders' equity and liabilities	652,071	624,160

Consolidated Statements of Cash Flows (unaudited)

	Three months ended March 31,	
	2019	2018
	in K€	in K€
Cash flow from operating activities:		
Net income	12,893	19,756
Depreciation/amortization	5,650	5,094
Other non-cash income/expenses	1,146	386
Effects of changes of assets and liabilities:		
Inventories	-15,959	-8,909
Receivables and other assets	9,654	-15,185
Provisions, including pensions, and income tax liabilities	-3,371	1,904
Payables, other liabilities	-1,868	5,584
Net cash provided by operating activities	8,145	8,630
Cash flow from investing activities:		
Capital expenditures	-5,608	-3,559
Proceeds from disposals of fixed assets	35	89
Net cash used in investing activities	-5,573	-3,470
Cash flow from financing activities:		
Principal elements of lease payments	-1,033	-
Proceeds from increase of financial liabilities	163	-
Redemptions of financial liabilities	-	-18
Net cash used in financing activities	-870	-18
Effects of foreign exchange rate changes on cash and cash equivalents	142	-266
Net change in cash and cash equivalents	1,844	4,876
Cash and cash equivalents at beginning of period	108,380	97,402
Cash and cash equivalents at end of period	110,224	102,278