PRESS RELEASE

Pfeiffer Vacuum posts very successful FY 2016 and expects positive development to continue

- **EUR 474.2 million total sales**
- **EBIT margin at 14.3 percent**
- **EUR 3.60 dividend proposed**
- **Presentation of the 2020 Strategy**
- **Promising start to FY 2017**

Asslar, March 23, 2017. Total sales for FY 2016, which had been preliminarily announced and have meanwhile been audited, amounted to EUR 474.2 million. This represents an increase of 5.0 percent (previous year: EUR 451.5 million). Operating profit (EBIT) came to EUR 68.0 million, marking a significant y-o-y increase of 11.9 percent. The operating profit margin (EBIT margin) for FY 2016 amounted to 14.3 percent and was thus 0.8 percentage points higher than previous year's 13.5 percent.

The Management and Supervisory Boards propose a dividend of EUR 3.60 per share (previous year: EUR 3.20). As in the previous year, the payout ratio would thus amount to around 76 percent of consolidated net income.

Key figures at a glance:

	2016	**2015**	**Change**
Sales	EUR 474.2m	EUR 451.5m	+5.0 %
Operating profit (EBIT)	EUR 68.0m	EUR 60.8m	+11.9 %
Net income	EUR 47.0m	EUR 41.9m	+12.2 %
EPS	EUR 4.77	EUR 4.25	+12.2 %
Dividend per share	EUR 3.60*	EUR 3.20	+12.5 %
Order intake	481.9m €	456.9m €	+5.5 %
Order backlog	72.3m €	64.7m €	+11.7 %

* Subject to the approval of the Annual General Meeting

Pfeiffer Vacuum's order intake for FY 2016 amounted to EUR 481.9 million (previous year: EUR 456.9 million). The book-to-bill ratio – the ratio of order intake to sales – was 1.02 in 2016 (previous year: 1.01). Year-end order backlog amounted to EUR 72.3 million (previous year: EUR 64.7 million).

Manfred Bender, CEO of Pfeiffer Vacuum Technology AG, comments: "The fiscal year 2016 was very successful for Pfeiffer Vacuum. We were able to yet again increase our sales and further improve our already good profitability. We did more business with more customers and benefited significantly from the strong, dynamic growth of the Semiconductor and Coating division. In addition, we have improved our structures and processes with the help of GAP. To enable shareholders to participate in this positive development, the Management Board and Supervisory Board will propose a dividend of EUR 3.60 per share at the Annual General Meeting in May."

In terms of sales broken down by regions, Europe posted an increase of 1.0 percent to EUR 188.9 million (previous year: EUR 187.0 million). Sales in Asia rose significantly by 15.2 percent to EUR 174.6 million (previous year: EUR 151.5 million). In North and South America, sales dipped slightly by 1.7 percent to EUR 110.5 million (previous year: EUR 112.4 million).

Sales of turbo pumps remained virtually unchanged at 144.5 million EUR (previous year: 144.8 million EUR). Sales of backing pumps increased by 12.3 percent to EUR 115.0 million (previous year: EUR 102.4 million). Business with instruments and components grew by 6.8 percent to EUR 105.5 million (previous year: EUR 98.8 million). Service revenues rose by 3.1 percent to EUR 99.7 million (previous year: EUR 96.7 million). Systems sales amounted to EUR 9.5 million after EUR 8.8 million in the previous year.

All market segments exhibited growth in the past fiscal year:

The Semiconductor market generated sales of EUR 154.7 million (previous year: EUR 139.9 million). This represents a substantial increase of 10.7 percent. In the heterogeneous market segment Industry, sales climbed slightly by 0.7 percent to EUR 115.9 million (previous year: EUR 115.0 million). Sales in the Analytics market segment were up 0.4 percent, increasing to EUR 92.1 million (previous year: EUR 91.7 million). In the Research & Development market, sales rose to EUR 56.1 million (previous year: EUR 55.6 million). With a strong 12.3 percent growth rate, Coating sales come to EUR 55.4 million (previous year: EUR 49.3 million).

Gross profit for the reporting period amounted to EUR 180.5 million (previous year: EUR 175.5 million). The gross profit margin in the past year decreased by 0.8 percentage points to 38.1 percent (previous year: 38.9 percent). Operating profit (EBIT) amounted to EUR 68.0 million. This was 11.9 percent above the previous year's figure of EUR 60.8 million. This corresponds to an operating margin (EBIT margin) of 14.3 percent (previous year: 13.5 percent).

The financial result amounted to EUR -0.4 million (previous year: EUR -0.3 million) and the tax rate amounted to 30.4 percent (previous year: 30.7 percent). Net income therefore totaled 47.0 million EUR. This represents an increase of 12.2 percent (previous year: 41.9 million EUR). Earnings per share amounted to a record EUR 4.77, representing an increase of 12.2 percent (previous year: EUR 4.25).

Despite paying out a high dividend for FY 2015, Pfeiffer Vacuum was able to increase its net cash position to EUR 109.8 million as at December 31, 2016 (previous year: EUR 94.7 million). The equity ratio rose to 68.7 percent (previous year: 67.3 percent).

On top of that, Pfeiffer Vacuum has attractive growth prospects:

Strategy 2020

The past fiscal year's outstanding results clearly demonstrate that Pfeiffer Vacuum is already very well positioned today. With its very attractive, high-margin portfolio mix, the company also offers sustainable long-term prospects to its shareholders. In addition, the two business units are at excellent vantage points to realize the potential for growth in the vacuum industry and benefit from global growth trends. The company will concentrate on putting the 2020 strategy into practice to continue developing Pfeiffer Vacuum successfully and in its shareholders' best interests. This strategy prioritizes profitability and growth, of which the GAP program is a key driver.

GAP program continues

Since 2015, Pfeiffer Vacuum has been creating the prerequisites for increased profitable growth with GAP. Its key measures will be implemented by the end of 2017. The following GAP measures contributed to the very good result in the past fiscal year:

- stronger focus on key accounts, especially in Asia,
- in-depth analysis and optimization of the entire supply chain, and
- the creation of competence centers for individual products at specific locations.

The contribution to earnings resulting from GAP for FY 2016 amounted to EUR 2.5 million, which represents an improvement of the EBIT margin of around 0.5 percentage points. This means that more than half of the margin increase was attributable to GAP. The contribution to earnings in the current financial year is expected to increase to EUR 3 to 4 million.

In the course of putting GAP into practice, the company identified a number of other key measures to be implemented in the course of the next few years. GAP Reloaded will take advantage of the internal structures and processes established by the original GAP program to tap further potential within the company. Pfeiffer

Vacuum expects GAP Reloaded to contribute between EUR 5 and 7 million, respectively, to earnings in 2018 and 2019.

Further use of financial strength for acquisitions

Another key element of the 2020 Strategy is growth through selected acquisitions. Pfeiffer Vacuum will therefore continue to actively leverage its financial strength for attractive acquisitions and play a key role in the vacuum industry's consolidation. Pfeiffer Vacuum had already taken over two exciting enterprises, the service company Dreebit and ATC for the leak detection division, at the beginning of this fiscal year. Dreebit is to be an integral component of Pfeiffer Vacuum's future service strategy which aims to meet customers' needs for excellent and comprehensive service. This constitutes a clear and attractive growth market. Together with ATC and its alternative technologies and new applications, Pfeiffer Vacuum will also establish itself as a market leader in non-destructive testing. Dreebit and ATC are to be rapidly integrated in the course of the current fiscal year.

Failed takeover bid by Busch Group, further options under review

Pfeiffer Vacuum expressly welcomes the termination of the takeover bid. This is good news for Pfeiffer Vacuum and its shareholders. The estimation of Pfeiffer Vacuum's management from the outset was that the Busch Group aimed to gain active control over Pfeiffer Vacuum with the takeover offer, albeit without being prepared to pay a customary and appropriate takeover premium. What is more, Busch failed to present a plan outlining the scope for a potential collaboration with Pfeiffer Vacuum.

In addition to further developing Pfeiffer Vacuum as an autonomous and independent company through major acquisitions and implementing the 2020 Strategy, the company will also examine further options in order to enable shareholders to participate accordingly in Pfeiffer Vacuum's value potential and decide for themselves what the future of their company should be.

Manfred Bender, CEO of Pfeiffer Vacuum Technology AG, comments: "The termination of the takeover offer has markedly improved our scope for action. However, there is still the concern that Busch will bring about resolutions at our Annual General Meeting on May 23 that are clearly directed against the interests of the company and its shareholders. In the weeks and months ahead, we will therefore be calling on our shareholders to determine the further course of their company with a high attendance at the Annual General Meeting and prevent a minority shareholder from depriving them of options to achieve the returns befitting the company."

Outlook 2017

Pfeiffer Vacuum is very satisfied with the first months of the new year. The company has been able to carry 2016's successful developments over to this fiscal year. Year-to-date order intake is around 20 percent higher than it was last year. Pfeiffer Vacuum expects this positive trend to continue at least until the middle of the year and FY 2017 sales to increase significantly compared to FY 2016. The operating result (EBIT) should rise accordingly. As it stands today, Pfeiffer Vacuum has every reason to believe these positive developments will also continue into 2018.

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About Pfeiffer Vacuum

Pfeiffer Vacuum (stock exchange symbol PFV, ISIN DE0006916604) is one of the world's leading providers of vacuum solutions. In addition to a full range of hybrid and magnetically levitated turbopumps, the product portfolio encompasses backing pumps, measurement and analysis devices, components as well as vacuum chambers and systems. Ever since the invention of the turbopump by Pfeiffer Vacuum, the company has stood for innovative solutions and high-tech products that are used in the markets Analytics, Industry, Research & Development, Coating and Semiconductor. Founded in 1890, Pfeiffer Vacuum is globally active today. The company employs a workforce of some 2,400 people and has more than 20 subsidiaries.

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

Consolidated Statements of Income

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	**2016**	2015
Net sales	474,244	451,521
Cost of sales	-293,769	-276,010
Gross profit	**180,475**	175,511
Selling and marketing expenses	-55,330	-59,850
General and administrative expenses	-35,733	-35,838
Research and development expenses	-26,282	-25,479
Other operating income	10,818	13,297
Other operating expenses	-5,972	-6,882
Operating profit	**67,976**	60,759
Financial expenses	-662	-691
Financial income	301	383
Earnings before taxes	**67,615**	60,451
Income taxes	-20,583	-18,535
Net income	**47,032**	41,916
Earnings per share (in €):		
Basic	4.77	4.25
Diluted	4.77	4.25

Consolidated Balance Sheets

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	**Dec. 31, 2016**	Dec. 31, 2015
ASSETS		
Intangible assets	67,579	73,396
Property, plant and equipment	85,053	82,311
Investment properties	472	496
Shares in associated companies	1,636	1,618
Deferred tax assets	23,312	23,267
Other financial assets	4,508	4,211
Total non-current assets	**182,560**	185,299
Inventories	81,737	77,743
Trade accounts receivable	69,352	58,556
Income tax receivables	1,112	5,291
Prepaid expenses	3,099	1,863
Other accounts receivable	11,430	9,378
Cash and cash equivalents	110,032	115,397
Total current assets	**276,762**	268,228
Total assets	**459,322**	453,527
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	211,423	195,968
Other equity components	-17,355	-12,450
Equity of Pfeiffer Vacuum Technology AG shareholders	**315,574**	305,024
Financial liabilities	-	10,222
Provisions for pensions	51,188	43,497
Deferred tax liabilities	1,848	4,832
Total non-current liabilities	**53,036**	58,551
Trade accounts payable	30,896	21,245
Customer deposits	4,928	4,860
Other accounts payable	20,530	21,931
Provisions	29,767	26,982
Income tax liabilities	4,367	4,431
Financial liabilities	224	10,503
Total current liabilities	**90,712**	89,952
Total shareholders' equity and liabilities	**459,322**	453,527

Consolidated Statements of Cash Flows

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	**2016**	2015
Cash flow from operating activities:		
Earnings before taxes	67,615	60,451
Adjustment for financial income/financial expenses	361	308
Financial income received	227	317
Financial expenses paid	-1,020	-451
Income taxes paid	-17,165	-16,847
Depreciation/amortization	20,421	20,677
Gain/loss from disposals of assets	-58	91
Changes in allowances for doubtful accounts	129	178
Changes in inventory reserves	2,180	3,439
Other non-cash income and expenses	321	15
Effects of changes in assets and liabilities:		
Inventories	-5,960	-15,471
Receivables and other assets	-9,768	-726
Provisions, including pension and income tax liabilities	-1,147	1,029
Payables, customer deposit	7,480	6,643
Net cash provided by operating activities	**63,616**	59,653
Cash flow from investing activities:		
Capital expenditures	-18,018	-11,655
Proceeds from disposals of fixed assets	574	649
Net cash used in investing activities	**-17,444**	-11,006
Cash flow from financing activities:		
Dividend payments	-31,577	-26,149
Redemptions of financial liabilities	-20,503	-10,483
Net cash used in financing activities	**-52,080**	-36,632
Effects of foreign exchange rate changes on cash and cash equivalents	543	1,914
Net decrease/increase in cash and cash equivalents	**-5,365**	13,929
Cash and cash equivalents at beginning of period	115,397	101,468
Cash and cash equivalents at end of period	**110,032**	115,397