

PRESS RELEASE

Pfeiffer Vacuum: Sales increase in 2018 by 12.4 % to € 659.7 million, reaching a new record high

- Total sales increase by 12.4 % to € 659.7 million
- EBIT increases by 33.3 % to € 95.1 million
- EBIT margin improves by 2.2 percentage points to 14.4 %
- Order backlog 13.7 % over the previous year as of year end

Asslar, Germany, March 28, 2019 Pfeiffer Vacuum, a leading global manufacturer of vacuum solutions, increased its record sales from the previous year by a further 12.4 %. The Group sales for the 2018 fiscal year provisionally announced on, and audited in the time since, February 21, 2019, came to € 659.7 million (previous year: € 587.0 million). At € 95.1 million, the operating result (EBIT) achieved an increase of 33.3 % over the previous year's record result (€ 71.4 million). The higher sales and economies of scale in selling and administrative expenses increased the operating result. An improved currency result over the previous year was also beneficial. The EBIT margin reached 14.4 %, 2.2 percentage points over the previous year. Adjusted for PPA effects of € 5.2 million, the operating result came to around € 100.3 million. The adjusted EBIT margin was thus 15.2 %, which corresponds to an increase of 2 percentage points over the previous year.

Order intake for the 2018 fiscal year came to € 677.2 million (previous year: € 642.1 million). This corresponds to an increase of € 35.1 million over the previous year. The book-to-bill ratio – the ratio of incoming orders to sales – came to 1.03 in 2018 (previous year: 1.09). At the end of the year, the order backlog came to € 144.9 million and was thus 13.7 % over the previous year's value of € 127.4 million.

Because of the excellent results in the 2018 fiscal year and the solid financial strength of the Company, the Management Board and Supervisory Board will propose to pay out a dividend of € 2.30 per share at the Annual General Meeting on May 23, 2019 (previous year: € 2.00). The payout ratio would thus represent 33 % of the Group result.

Overview of key figures:

	2018	2017	Change
Sales	€ 659.7 million	€ 587.0 million	+12.4 %
EBIT	€ 95.1 million	€ 71.4 million	+33.3 %
Net income	€ 68.9 million	€ 53.8 million	+27.9 %
Earnings per share	€ 6.98	€ 5.46	+27.8 %
Dividend per share	€ 2.30*	€ 2.00	+15.0 %
Order intake	€ 677.2 million	€ 642.1 million	+5.5 %
/ from acquisitions	€ 64.0 million	€ 56.3 million	+13.7 %
Order backlog	€ 144.9 million	€ 127.4 million	+13.7 %

*Subject to approval by the Annual General Meeting

Nathalie Benedikt, CFO of Pfeiffer Vacuum Technology AG, comments, “2018 was a very successful year with a significant increase in sales and earnings. A major focus this year was on the initial implementation of our three-year investment program with a total volume of € 150 million, to enable our growth strategy. In 2018 a total of € 43.8 million have been approved, whereof € 33.7 million were capitalized.”

Sales growth in all regions

In a breakdown of sales by region, which describes sales according to the headquarters of our customers in their corresponding region, Europe showed a pleasing increase of 11.0 % to € 247.0 million (previous year: € 222.5 million). Sales in Asia increased by 11.9 % to € 246.6 million (previous year: € 220.3 million). The Americas showed a relatively strong increase in sales of 15.4 % to € 165.9 million (previous year: € 143.8 million). The causes of this included the complete recognition of the sales of the Californian company Nor-Cal Products Inc., which was acquired in June 2017.

Diversified product portfolio growing in all divisions

Sales of turbopumps grew again by double digits compared to the previous year and recorded an increase of 10.8 % to € 192.1 million (previous year: € 173.4 million). Turbopumps were once again a key product, representing a share of 29.1 % of total sales (previous year: 29.5 %). Instruments and components became the strongest product group, with a share of sales of 29.4 % (previous year: 27.4 %). With sales growth of € 33.1 million, this product group recorded the biggest sales growth in absolute terms. However, it must be taken into account that more than 30% of total sales with instruments and components of € 193.7 million (previous year: € 160.6 million) are attributed to acquisitions. With a sales volume of € 143.4 million, backing pumps recorded an increase of 8.0 % over the previous year (€ 132.8 million). Backing pumps contribute to the total balanced sales distribution of the Pfeiffer Vacuum Group with a share of total sales of 21.7 %. Sales from services increased by 3.5 % to € 111.6 million (previous year: € 107.8 million), corresponding to 16.9 % of total sales. Systems, a predominantly project-oriented area, increased sales by 52.7 % over the previous year to € 18.9 million (previous year: € 12.4 million).

Semiconductor market accounts for the greatest share of sales

All market segments of Pfeiffer Vacuum recorded significant growth in the past year. The semiconductor market grew by 8.2 % to a total sales volume of € 243.9 million (previous year: € 225.4 million). With a share of 37.0 % (previous year: 38.4 %), the semiconductor market represented the largest share of total sales. Both in absolute and in relative terms, the coatings market achieved the strongest growth with an increase 34.2 % to € 99.6 million. The coatings market was able to expand its position in total sales with a share of 15.1 % (previous year: 12.6 %). In the analytics market sales increased by 16.6 % to € 116.7 million (previous year: € 100.1 million). With a share of 17.7 % of total sales (previous year: 17.0 %), the analytics market has once again grown in importance compared to the previous year. The heterogeneous industry market segment, with customers from sectors ranging from the automotive industry to pharmaceuticals, recorded growth of 4.8 %

to € 135.3 million (previous year: € 129.1 million). With a share of 20.5 %, industry is the second strongest customer market after the semiconductor market. Sales in the research and development market segment increased by 10.4 % to € 64.2 million (previous year: € 58.2 million). The share of total sales remained largely stable at 9.7 % (previous year: 9.9 %).

The gross profit in the reporting period increased by 12.0 % to € 235.2 million (previous year: € 210.0 million), which corresponds to growth of € 25.2 million. Carried by record sales, the gross margin remained largely constant at 35.7 % (previous year: 35.8 %), despite a relative increase in cost of sales as well as PPA and currency effects through the year's stronger Euro.

The financial result of € –0.5 million roughly matched the previous year's figure of € –0.4 million due to the unchanged low interest rate in the eurozone. Influenced in the previous year by one-off effects of the U.S. tax reform, the tax rate rose, as expected, to 27.2 % (previous year: 24.2 %). Because of the significantly higher earnings before tax and the increased tax rate, the tax expenses increased by € 8.5 million to € 25.7 million (previous year: € 17.2 million).

Net income increased by 27.9 % to € 68.9 million (previous year: € 53.8 million). Return on sales after tax – the ratio of net income to sales – increased from 9.2 % in the previous year to 10.4 %. Parallel to net income, earnings per share improved to a record level of € 6.98 (previous year: € 5.46).

Investments in production capacities for future growth

The first milestones of the investment program with a volume of € 150 million created by the Management Board and Supervisory Board in the spring were achieved in the past fiscal year. Production capacities were expanded at the Annecy, Asslar, Cluj and Ho Chi Minh City sites with investment expenditures of € 33.7 million. In addition to this, first investments were made in the plants as well as in operating and office equipment.

Dr. Eric Taberlet, CEO of Pfeiffer Vacuum Technology AG, comments, "Pfeiffer Vacuum achieved outstanding results in 2018. The year 2018 was also a year of trendsetting innovations that will make us stronger, bigger and more competitive in the medium term. These include the introduction of the new group strategy with a global organizational structure, the three-year investment program and the planned strategic cooperation with the Busch Group. Implementing these initiated measures will establish Pfeiffer Vacuum as the second strongest provider in the vacuum market worldwide. At the same time, we want to be true to our own standards and take the leading position in innovation and technology."

Outlook for the 2019 fiscal year

Both sales and order intake in the first months of 2019 show a weakening compared to the strong previous year. The growth rate will therefore probably be lower than in the previous year. Due to the limited visibility of incoming orders of two to three months, we will announce a sales and EBIT forecast range for 2019 at the Annual General Meeting to be held 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, coating 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

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	2018	2017
Net sales	659,725	586,962
Cost of sales	-424,517	-376,945
Gross profit	235,208	210,017
Selling and marketing expenses	-68,371	-63,313
General and administrative expenses	-49,106	-48,976
Research and development expenses	-28,663	-27,763
Other operating income	11,302	10,345
Other operating expenses	-5,240	-8,924
Operating profit	95,130	71,386
Financial expenses	-727	-693
Financial income	208	347
Earnings before taxes	94,611	71,040
Income taxes	-25,732	-17,192
Net income	68,879	53,848
Earnings per share (in €):		
Basic	6.98	5.46
Diluted	6.98	5.46

Consolidated Balance Sheets

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	Dec. 31, 2018	Dec. 31, 2017
ASSETS		
Intangible assets	109,460	110,814
Property, plant and equipment	126,143	106,949
Investment properties	424	448
Other financial assets	4,282	3,840
Other assets	3,200	-
Deferred tax assets	24,895	23,037
Total non-current assets	268,404	245,088
Inventories	133,191	113,384
Trade accounts receivable	92,164	80,061
Contract assets	298	-
Income tax receivables	3,726	3,159
Prepaid expenses	3,504	2,475
Other financial assets	609	-
Other accounts receivable	13,884	11,792
Cash and cash equivalents	108,380	97,402
Total current assets	355,756	308,273
Total assets	624,160	553,361
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	278,891	229,747
Other equity components	-28,172	-30,316
Equity of Pfeiffer Vacuum Technology AG shareholders	372,225	320,937
Financial liabilities	60,182	60,248
Provisions for pensions	55,638	50,034
Deferred tax liabilities	4,638	3,988
Contract liabilities	630	-
Total non-current liabilities	121,088	114,270
Trade accounts payable	38,054	40,814
Customer deposits	-	7,678
Contract liabilities	18,271	-
Other accounts payable	25,740	22,333
Provisions	41,626	39,894
Income tax liabilities	7,061	7,354
Financial liabilities	95	81
Total current liabilities	130,847	118,154
Total shareholders' equity and liabilities	624,160	553,361

Consolidated Statements of Cash Flows

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	2018	2017
Cash flow from operating activities:		
Earnings before taxes	94,611	71,040
Adjustment for financial income/financial expenses	519	346
Financial income received	177	350
Financial expenses paid	-900	-1,053
Income taxes paid	-22,703	-17,441
Depreciation/amortization	18,591	20,824
Gain/loss from disposals of assets	-1,532	-31
Changes in allowances for doubtful accounts	590	528
Changes in inventory reserves	1,467	2,702
Other non-cash income and expenses	6	116
Effects of changes in assets and liabilities:		
Inventories	-20,035	-15,248
Receivables and other assets	-19,329	-7,005
Provisions, including pensions, and income tax liabilities	-425	5,983
Payables	11,510	10,286
Net cash provided by operating activities	62,547	71,397
Cash flow from investing activities:		
Payments for acquisitions	-	-74,594
Capital expenditures	-33,669	-27,678
Proceeds from disposals of fixed assets	2,177	249
Net cash used in investing activities	-31,492	-102,023
Cash flow from financing activities:		
Proceeds from increase of financial liabilities	23	70,000
Dividend payments	-19,735	-35,524
Redemptions of financial liabilities	-87	-15,182
Net cash provided by/used in financing activities	-19,799	19,294
Effects of foreign exchange rate changes on cash and cash equivalents	-278	-1,298
Net changes in cash and cash equivalents	10,978	-12,630
Cash and cash equivalents at beginning of period	97,402	110,032
Cash and cash equivalents at end of period	108,380	97,402