PFEIFFER VACUUM

PRESS RELEASE

Pfeiffer Vacuum reports sound performance in fiscal year 2019

Asslar, March 26, 2020. Pfeiffer Vacuum Technology AG, a leading global manufacturer of vacuum solutions, today announces audited results for the fiscal year 2019. They correspond to the preliminary results announced on February 20, 2020. The company reported sales of EUR 632.9 million, operating results (EBIT) of EUR 65.2 million and an EBIT margin of 10.3 %. These results are in line with the guidance provided in September 2019.

Compared to the previous year, when Pfeiffer Vacuum reached sales at a record level, sales decreased by 4.1% in 2019 (2018: EUR 659.7 million), primarily driven by challenging market conditions in the coating market and a weaker demand from semiconductor customers. This was partly offset by a strong performance in the industry market segment and the growth in the R&D and analytics markets. The operating result (EBIT) decreased by 31.5% (previous year: EUR 95.1 million) and the EBIT margin was 10.3% (previous year: 14.4%). The decrease in sales put pressure on operating results. In addition, increased expenses to drive market share growth and to improve the EBIT margin to over 20% by 2025 as outlined in the company's growth strategy had a negative effect on the operating performance.

The book-to-bill ratio, the ratio of order intake to sales, was 0.95 for the full year. At the end of the fourth quarter, Pfeiffer Vacuum had an order backlog of EUR 110.7 million, representing a decrease of 23.6% compared to the previous year (EUR 144.9 million).

The Management and Supervisory Boards will propose to pay out a dividend of EUR 1.25 per share (previous year: EUR 2.30) at the Annual General Meeting. This takes into consideration the increased expenses related to the implementation of the growth strategy, which were especially significant in 2019, the expected investments in 2020, as well as the Coronavirus situation. The payout ratio would thus represent 25.5% of the Group result.

“2019 was a year of preparing for the transformation of the company to an even stronger market position in the high-vacuum market and to drive operational efficiencies,” says **Dr. Eric Taberlet, CEO** of Pfeiffer Vacuum Technology AG. “Our focus for 2020 is first and foremost on managing through the Coronavirus related business challenges and protecting the health and safety of our employees as well as meeting our customers’ needs.”

Nathalie Benedikt, CFO comments: “In 2020 we will continue the execution of our growth strategy. However, we will take into consideration the new economic realities that the Coronavirus presents to balance expenses.”

Overview of key figures:

	12M/2019	**12M/2018**	**Change**
Sales	€ 632.9 million	€ 659.7 million	-4.1%
EBIT	€ 65.2 million	€ 95.1 million	-31.5%
Net income	€ 48.4 million	€ 68.9 million	- 29.8%
Earnings per share	€ 4.90	€ 6.98	- 29.8%
Dividend per share	€ 1.25*	€ 2.30	- 45.7%
Order intake	€ 598.7 million	€ 677.2 million	- 11.6%
Order backlog	€ 110.7 million	€ 144.9 million	- 23.6%

*Subject to approval by the Annual General Meeting

The **gross profit** in the reporting period was EUR 215.9 million (previous year: EUR 235.2 million). The year-over-year decline is due to reduced sales and negative economies of scale.

Net income declined to EUR 48.4 million (previous year: EUR 68.9 million) representing earnings per share of EUR 4.90 (previous year: EUR 6.98).

Sales growth in the Americas

Sales by region, which describes sales according to the location of the customers in their corresponding region, Americas contributed to an increase in sales of 2.2% to EUR 169.7 million (previous year: EUR 165.9 million). Europe showed a decrease of 6.0% to EUR 232.0 million (previous year: EUR 247.0 million). Sales in Asia declined by 6.3% to EUR 231.1 million (previous year: EUR 246.6 million) due to an adverse environment in the semiconductor and coating markets.

Sales by product: Year-over-year increase in systems and service

With EUR 191.6 million sales of turbopumps were flat compared to the previous year (previous year: EUR 192.1 million). Instruments and components sales reached EUR 184.6 million (previous year: EUR 193.7 million). With a sales volume of EUR 124.2 million (previous year: EUR 143.4 million), backing pump sales were the most impacted by challenging semiconductor and coating market conditions compared to the previous year. Sales from services increased by 1.1% to EUR 112.8 million (previous year: EUR 111.6 million). Systems, a predominantly project-oriented area, increased sales by 4.5% over the previous year to EUR 19.7 million (previous year: EUR 18.9 million).

Industry market reports record sales

The industry market sector grew by 10.5% in a challenging market, to a record total sales volume of EUR 149.5 million (previous year: EUR 135.3 million). This is partly due to the increased use of new high-vacuum technology applications. Sales in the semiconductor market, the Company's largest market, declined by 8.7% to EUR 222.6 million compared to EUR 243.9 million in the previous year. This development is attributable to the adverse market environment. The coating market dropped by 24.1% to EUR 75.6 million (previous year: EUR 99.6 million) due to a weaker solar market. On the other hand, Analytics with sales of EUR 118.5 million (previous year: EUR 116.7 million) and R&D with sales of EUR 66.7 million (previous year: EUR 64.2 million), both grew year-over-year.

Innovation leadership and strengthening of production capabilities

During 2019 production facilities at the sites in France and Romania were modernized and capacity expanded. Furthermore, Pfeiffer Vacuum established production capabilities in China. In addition, the HiLobe product line, which has exceptional short pump-down times, and the ASM 306 S, a new leak detector with break-through technology, were introduced.

Outlook for the 2020 fiscal year

Sales and order intake in the semiconductor market were strong entering 2020. However, the Company expects an impact on the business related to the Coronavirus, which cannot be predicted at this point-in-time. Expectations for 2020, outlined in February 2020 and in the Annual Report, of revenue growth, EBIT margins flat to 2019 and expected capital investments in the range of EUR 40 to 60 million are therefore invalid.

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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. The Company employs approximately 3,200 employees, has over 20 sales and service companies, and operates 10 manufacturing sites worldwide.

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

PFEIFFER VACUUM

Consolidated Statements of Income

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	**2019**	2018
Net sales	632,865	659,725
Cost of sales	-416,995	-424,517
Gross profit	**215,870**	**235,208**
Selling and marketing expenses	-71,669	-68,371
General and administrative expenses	-52,293	-49,106
Research and development expenses	-29,620	-28,663
Other operating income	7,768	11,302
Other operating expenses	-4,904	-5,240
Operating profit	**65,152**	**95,130**
Financial expenses	-853	-727
Financial income	216	208
Earnings before taxes	**64,515**	**94,611**
Income taxes	-16,158	-25,732
Net income	**48,357**	**68,879**
Earnings per share (in €):		
Basic	4.90	6.98
Diluted	4.90	6.98

Consolidated Balance Sheets

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	**Dec. 31, 2019**	Dec. 31, 2018
ASSETS		
Intangible assets	112,244	109,460
Property, plant and equipment	154,701	126,143
Investment properties	400	424
Other financial assets	4,031	4,282
Other assets	2,034	3,200
Deferred tax assets	27,377	24,895
Total non-current assets	**300,787**	**268,404**
Inventories	128,484	133,191
Trade accounts receivable	87,867	92,164
Contract assets	2,860	298
Income tax receivables	9,962	3,726
Prepaid expenses	4,308	3,504
Other financial assets	3,161	609
Other accounts receivable	10,166	13,884
Cash and cash equivalents	111,980	108,380
Total current assets	**358,788**	**355,756**
Total assets	**659,575**	**624,160**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	304,552	278,891
Other equity components	-32,613	-28,172
Equity of Pfeiffer Vacuum Technology AG shareholders	**393,445**	**372,225**
Financial liabilities	69,729	60,182
Provisions for pensions	64,103	55,638
Deferred tax liabilities	5,041	4,638
Contract liabilities	584	630
Total non-current liabilities	**139,457**	**121,088**
Trade accounts payable	41,137	38,054
Contract liabilities	12,259	18,271
Other accounts payable	23,406	25,740
Provisions	38,735	41,626
Income tax liabilities	7,248	7,061
Financial liabilities	3,888	95
Total current liabilities	**126,673**	**130,847**
Total shareholders' equity and liabilities	**659,575**	**624,160**

PFEIFFER VACUUM

Consolidated Statements of Cash Flows

PFEIFFER VACUUM TECHNOLOGY AG

(in K€)	**2019**	2018
Cash flow from operating activities:		
Earnings before taxes	64,515	94,611
Adjustment for financial income/financial expenses	637	519
Financial income received	189	177
Financial expenses paid	-818	-900
Income taxes paid	-18,717	-22,703
Depreciation/amortization	24,226	18,591
Gain/loss from disposals of long-term assets	341	-1,532
Changes in allowances for doubtful accounts	350	590
Changes in inventory reserves	4,441	1,467
Other non-cash changes	-1,859	6
Effects of changes in assets and liabilities:		
Inventories	904	-20,035
Receivables and other assets	-2,198	-19,329
Provisions, including pensions, and income tax liabilities	-1,159	-425
Payables	-5,472	11,510
Net cash provided by operating activities	**65,380**	**62,547**
Cash flow from investing activities:		
Capital expenditures	-34,913	-33,669
Proceeds from disposals of fixed assets	650	2,177
Net cash used in investing activities	**-34,263**	**-31,492**
Cash flow from financing activities:		
Proceeds from increase of financial liabilities	97	23
Dividend payments	-22,696	-19,735
Redemptions of leasing liabilities	-5,257	-87
Net cash used in financing activities	**-27,856**	**-19,799**
Effects of foreign exchange rate changes on cash and cash equivalents	339	-278
Net changes in cash and cash equivalents	**3,600**	**10,978**
Cash and cash equivalents at beginning of period	108,380	97,402
Cash and cash equivalents at end of period	**111,980**	**108,380**