

TRANS- FORMATION

FOR OUR CUSTOMERS

Quarterly Financial Report

Third Quarter 2021

Quarterly Financial Report / Third Quarter 2021

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Key Figures

		Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Sales and profit							
Total sales	K€	184,099	152,007	21.1%	575,255	453,861	26.7%
Germany	K€	33,478	24,196	38.4%	94,418	70,565	33.8%
Other countries	K€	150,621	127,811	17.8%	480,837	383,296	25.4%
Operating profit	K€	25,856	16,138	60.2%	73,968	35,686	107.3%
EBIT margin	%	14.0	10.6	3.4 Pp	12.9	7.9	5.0 Pp
Net income	K€	18,252	11,279	61.8%	52,133	24,810	110.1%
Return on sales	%	9.9	7.4	2.5 Pp	9.1	5.5	3.6 Pp
Operating cash flow	K€	31,427	14,070	123.4%	73,240	36,957	98.2%
Capital expenditures	K€	9,478	6,403	48.0%	22,622	19,675	15.0%
Earnings per share	€	1.85	1.14	62.3%	5.28	2.51	110.4%
Workforce							
Workforce (average)		3,399	3,334	1.9%	3,349	3,317	1.0%
Germany		1,116	1,124	-0.7%	1,105	1,119	-1.3%
Other countries		2,283	2,210	3.3%	2,245	2,198	2.1%
Sales per employee	K€	54	46	17.7%	172	137	25.5%
Balance sheet							
			Sept. 30, 2021		December 31, 2020		Change
Balance sheet total	K€		743,442		661,845		12.3%
Cash and cash equivalents	K€		134,299		122,883		9.3%
Number of shares issued			9,867,659		9,867,659		-
Shareholders' equity	K€		440,532		391,734		12.5%
Equity ratio	%		59.3		59.2		0.1 Pp

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This quarterly financial report has been prepared in accordance with International Financial Reporting Standards (IFRS). Throughout this report, all percentages are calculated based on amounts in thousands €.

The Quarterly Financial Report as of September 30, 2021, is unaudited.

The Company

Pfeiffer Vacuum – a name that stands for innovative solutions, high technology and dependable products, along with first class service. For more than 130 years, we have been setting standards in vacuum technology with these attributes. One very special milestone was the invention of the turbopump at our Company more than 50 years ago. Thanks to our know-how, we continue to be the technology and world market leader in this field. To no small degree, this also manifests itself in our strong profitability.

Our extensive line of solutions, products and services ranges from vacuum pumps, measurement and analysis equipment right through to complex vacuum systems. And quality always plays a key role in this connection: Products from Pfeiffer Vacuum are being constantly optimized through close collaboration with customers from a wide variety of industries, through ongoing development work and through the enormous enthusiasm and commitment of our people. These are virtues that we will continue to embrace!

Pfeiffer Vacuum

Headquarters	Asslar
Established	1890
Purpose of the Company	To develop, manufacture and market components and systems for vacuum generation, measurement and analysis
Manufacturing sites	Asslar, Germany; Göttingen, Germany; Dresden, Germany, Annecy, France; Asan, Republic of Korea; Cluj, Romania; Indianapolis, USA; Yreka, USA; Ho-Chi-Minh-City, Vietnam, Wuxi, China
Workforce (September 30, 2021)	3,399
Sales and service	32 subsidiaries and a multitude of agencies worldwide
Quality management	Certified under ISO 9001
Environmental management	Certified under ISO 14001
Stock exchange listing	Deutsche Börse, Prime Standard/TecDAX
Accounting	IFRS

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

Share Performance

Pfeiffer Vacuum shares have been traded on the Deutsche Börse Stock Exchange in Frankfurt since April 15, 1998. Pfeiffer Vacuum satisfies the high transparency requirements of the Prime Standard and has been included without interruption in the TecDAX, the index of the 30 most important technology issues traded on the stock exchange in Frankfurt, since its inception.

Basic information about Pfeiffer Vacuum shares

Deutsche Börse Symbol	PFV
ISIN	DE0006916604
Bloomberg Symbol	PFV.GY
Reuters Symbol	PV.DE
Number of shares issued	9,867,659
Freefloat as at September 30, 2021	37.04%
Market capitalization as at September 30, 2021	€ 1,819.6 million

In the first three quarters 2021 the share price performance of Pfeiffer Vacuum was slightly stronger than the performance of the TecDax index in the same period. On January 4, 2021, the opening price of Pfeiffer Vacuum shares was € 158.80, and the closing price was € 184.40 on September 30, 2021. This represents an increase by 16.1%. On January 14, 2021 the high for the first nine months of 2021 was reached with € 192.80. The low for the first nine months in 2021 was € 151.40 on March 30, 2021. In the same period the TecDAX, starting at 3,229 points on January 4, 2020 and closing at 3,742 points on September 30, 2021, increased by 15.9%. Even after September 30, 2021, the Pfeiffer Vacuum share price showed further increases and reached an all-time high of € 219.00 on November 1, 2021.

Also, in 2021 Pfeiffer Vacuum distributed a dividend to its shareholders for a repeated time. At the Annual General Meeting on May 12, 2021, a clear majority of shareholders followed the common proposal of Management and Supervisory Boards and resolved a dividend of € 1.60 per share for the fiscal year 2020. Thus, the payout ratio amounted to around 50.0% of consolidated net income 2020. A total of € 15.8 million was paid to the shareholders.

Unchanged compared to December 31, 2020, the freefloat according to our knowledge is 37.04% as of September 30, 2021.

Interim Management Report

Sales closed with record sales in the Company's history in the entire first nine months of 2021 and amounted to € 575.3 million. After € 453.9 million in the first nine months of 2020, this meant a significant increase by € 121.4 million, or 26.7%. Sales in the third quarter of 2021 were € 184.1 million and thus likewise above the level of the third quarter of 2020 (€ 152.0 million). As of September 30, 2021, a significant sales growth in the market segment Semiconductor & Emerging Markets was recorded compared to the previous year (+ € 77.2 million), but also the market segment Analytics, Industry and R&D showed a nice development with an increase of € 44.2 million. Corresponding to sales, order intake rose considerably from € 461.3 million after three quarters in 2020 to € 690.8 million in the first nine months of 2021 and also set a level never reached before. Gross profit increased by € 45.6 million, or 28.9%, to € 203.5 million (previous year: € 158.0 million). In particular, the increased sales volume, partially compensated by adverse currency effects in sales lead to a moderate increase in the gross margin from 34.8% to 35.4%. Administrative and general expenses showed an increase by € 4.5 million to € 48.0 million compared to the first nine months of 2020 (€ 43.5 million). Selling and marketing expenses totaling € 59.4 million in the first nine months also showed significant increases compared to the previous year (€ 54.1 million), particularly based on the development of sales. Research and development expenses showed a slight increase of € 0.4 million to € 25.9 million compared to the first nine months of 2020 (€ 25.5 million). The balance of other operating income and expenses increased by € 3.0 million to € 3.7 million compared to the previous year, mainly determined by the exchange rate result shown here. In the first three quarters of the current year an operating result of € 74.0 million was achieved, which was € 38.3 million or 107.3% above the previous year's figure (€ 35.7 million). This value also represents a record in the Company's history. The operating profit margin, the ratio of operating profit to sales, has increased accordingly from 7.9% in 2020 to 12.9% in the year under review. With virtually constant net financial expenses and a slightly lower tax rate, earnings after taxes rose from € 24.8 million to € 52.1 million. This resulted in earnings per share of € 5.28 (previous year: € 2.51).

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COVID-19, overall economic environment and situation at Pfeiffer Vacuum

The impacts of COVID-19 remain a global challenge. Worldwide economic development is severely affected by the consequences of restrictions in public life. Despite the very pleasing development of the first nine months of 2021, the final effects of COVID-19 are still very difficult to estimate and we are monitoring the development of demand very closely

Virtually worldwide, but at different speeds, governments are implementing a far-reaching return to normality as a result of successful pandemic control. Even if a new lockdown is almost excluded by politics, the incidence values currently show a further rising trend and the upcoming development remains to be seen.

Zwischenlagebericht des Pfeiffer Vacuum Konzerns

Pfeiffer Vacuum's top priorities in this environment are the health and safety of the employees and to meet the customers' needs. The measures taken are successful. As of today, all 10 production sites are producing and shipping products and our service organization is in place at customer sites with a high level of safety measures. While Pfeiffer Vacuum was able to manage through supply chain challenges, the Company will continue to diligently evaluate and plan for the potential future disruptions.

What further helps the Company in this challenging situation is the very solid financial position. Already for a long time the Group showed strong balance sheet structures with a high equity ratio and has adopted conservative financing approaches for daily business and necessary investments. We thus currently still do not see any liquidity risks from the COVID-19 situation.

Business

Our business operations include the development, manufacture, sale and service of vacuum pumps, vacuum measurement, components and analysis equipment and instruments, as well as vacuum systems and leak detection systems.

Sales

Presented below are net sales by segment, by region, by product and by market for the periods ended September 30, 2021 and 2020.

Sales by Segment (Companies)

The subsidiaries in the individual countries are independent legal entities with their own management, which distribute products and provide services. The Company identifies its primary operating segments by legal entity. Due to the similarity of their economic environment, the same product portfolio sold, same sales markets, same cost structures and same sales channels, the Company basically aggregates its European and Asian subsidiaries into one reporting segment, "Rest of Europe" and "Rest of Asia". In contrast, the production companies in Germany, France, the USA and the Republic of Korea were presented separately each as an individual segment. This was caused by the different functions of these entities, predominantly resulting from the existing production function.

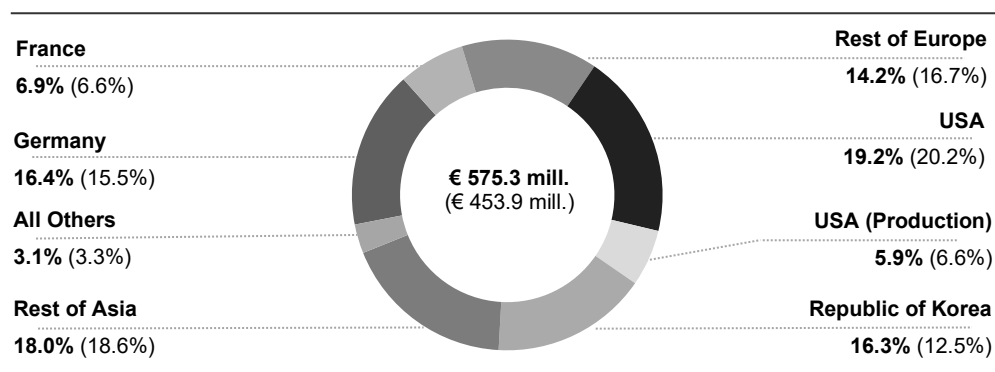
Sales by Segment

	Three months ended September 30,		Nine months ended September 30,	
	2021 in K€	2020 in K€	2021 in K€	2020 in K€
USA	36,174	32,719	110,713	91,558
Rest of Asia	36,318	29,850	103,714	84,475
Germany	33,478	24,447	94,418	75,791
Republic of Korea	22,653	24,196	93,614	70,565
Rest of Europe	26,358	15,597	81,687	56,946
France	12,693	9,283	39,813	29,837
USA (Production)	10,900	11,353	33,891	29,816
All Others	5,525	4,562	17,405	14,873
Total	184,099	152,007	575,255	453,861

Analysis of sales by Segment in the first nine months 2021 and for the third quarter of 2021 shows a very positive development in almost all segments. Only in the segment Republic of Korea the expected sales declines were recorded in the third quarter, which can be attributed to a somewhat less dynamic demand in the semiconductor industry. In the 2021 financial year to date, however, the Republic of Korea segment continued to show the highest absolute and relative growth.

The following graphic shows the still balanced split of consolidated sales by segments,

Sales by Segment 9M/2021 (9M/2020)



Sales by Region

In the following table we are also summarizing sales by region. The table includes all sales in a given region, regardless of which company in the Pfeiffer Vacuum Group actually generated these sales.

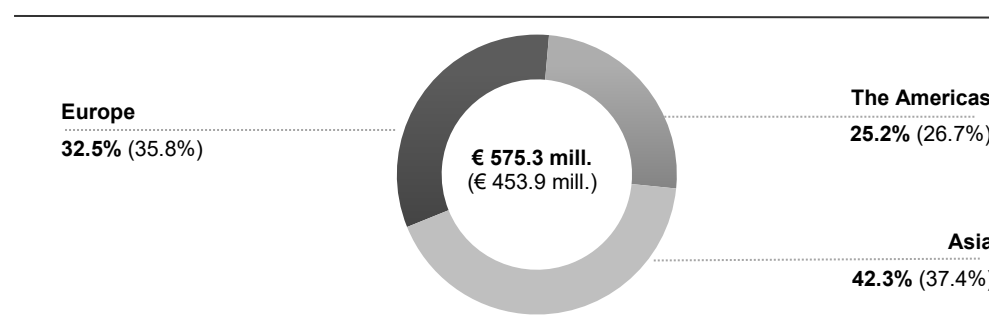
Sales by Region

	Three months ended September 30,		Nine months ended September 30,	
	2021 in K€	2020 in K€	2021 in K€	2020 in K€
Asia	82,274	61,957	242,451	170,532
Europe	59,529	53,593	187,150	162,285
The Americas	42,321	36,175	145,453	120,702
Rest of the world	2	282	201	342
Total	184,099	152,007	575,255	453,861

As in the first half of 2021 also in the third quarter of 2021, the high demand dynamics in the semiconductor industry had a regional impact, particularly in Asia, and thus had a substantial impact on the significant increase in sales of € 71.9 million, or 42.2%. In Europe, too, demand from the semiconductor industry was decisive for the sales development, but here flanked by solid growth in the other markets. The Americas also showed significant sales growth in the first nine months of 2021 as a result of another very good quarterly development. It should also be taken into account that the US dollar, which is essential for the development of this region, was significantly weaker in the first half of 2021 than in the comparable prior-year period. Even if there was no further burden in the third quarter, the development in the year 2021 to date is considerably burdened by more than € 9 million.

The following graphic shows the still balanced split of sales by region.

Sales by Region 9M/2021 (9M/2020)



Sales by Market

Sales by Market

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2021	2020*	2021	2020*
	in K€	in K€	in K€	in K€
Semiconductors and Emerging Technologies	86,759	69,728	293,392	216,167
Analytics, Industry and R & D	97,340	82,728	281,863	237,694
Total	184,099	152,007	575,255	453,861

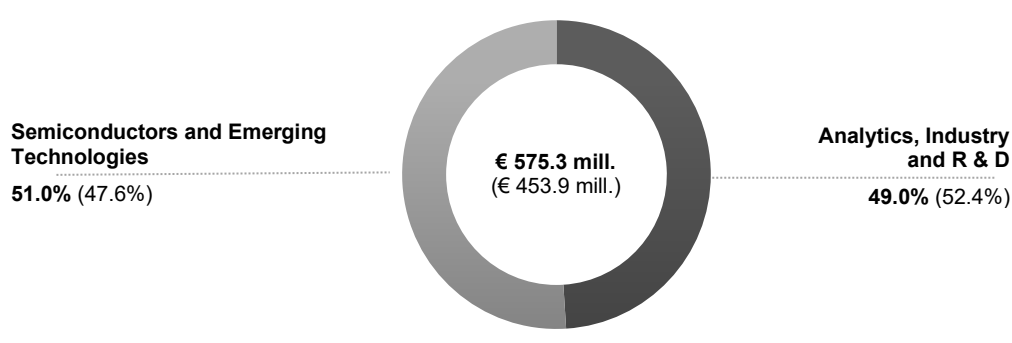
* adjusted

In order to bundle resources as well as the dedicated know-how and to gain further growth in particular areas the previous market segment structure in the areas Industry, Coating and Semiconductor has been transferred into the two new areas „Industry“ and „Semiconductor and Emerging Technologies“. In this context, a reclassification of the respective customers and sales has been done. This new classification has been reflected in the presentation of sales by market. For comparability reasons, the prior year figures were retroactively adjusted accordingly.

As already mentioned, sales in the semiconductor sector in particular showed positively and thus also shaped the development in the new category Semiconductor and Emerging Technologies. With an increase of 35.7% compared to the first nine months of 2020, the development here was very positive. Overall, however, sales with customers from the Analytics, Industry and R&D market segment in the first nine months of 2021 also saw gratifying increases of 18.6%.

The sales split by markets was as follows:

Sales by Market 9M/2021 (9M/2020)



Order Intake and Order Backlog

Following an order intake of € 461.3 million in the first nine months of 2020 this number was € 690.8 million in the first three quarters of 2021. The significant increase of € 229.5 million or 49.8% to a level never before achieved is broadly based, with the development in the semiconductor market being particularly dynamic. In the third quarter order intake of € 239.2 million saw a significantly stronger trend compared to the immediately preceding second quarter (€ 217.7 million). The book-to-bill-ratio, the ratio between order intake and sales, was 1.20 for the year 2021 to date (2020: 1.02) and 1.30 for Q3/2021 (Q3/2020: 0.95).

Order backlog increased from € 123.3 million as at December 31, 2020 to the record level of € 238.8 million as at September 30, 2021. Resulting from the book-to-bill ratio of 1.30 in the third quarter, the order backlog was also significantly higher than the value of € 183.7 million as of June 30, 2021.

Orders are only recorded in order backlog when they are based upon binding contracts. The value of order backlog should not be used to predict future sales and order volumes.

Cost of Sales and Gross Profit

In the first nine months of 2021, the cost of sales amounted to € 371.7 million (previous year: € 295.9 million). This corresponds to an increase of € 75.8 million or 25.6%. The main reasons for this were the higher sales and the resulting better capacity utilization of the production sites. At € 203.5 million, gross profit was € 45.6 million above the previous year's figure of € 158.0 million. The gross margin, the ratio of gross profit to sales, rose from 34.8% to 35.4%, due to positive economies of scale as a result of the higher sales. In contrast, there were burdens from the significantly stronger exchange rate of the euro compared to the previous year, especially against the US dollar, and from a less advantageous product-customer mix. Economies of scale resulting from the positive sales development were thus partially compensated. The gross profit rose from € 55.3 million in the third quarter of the previous year to € 67.4 million in the third quarter 2021.

Selling and Marketing Expenses

Selling and marketing expenses totaled € 59.4 million in the first nine months of the current fiscal year and thus were € 5.3 million higher compared to the number in the previous fiscal year (€ 54.1 million). Due to the increased sales the selling and marketing expenses relative to sales decreased by 1.6 percentage points to 10.3% (2020: 11,9%).

General and Administrative Expenses

With € 48.0 million in the year 2021 so far, general and administrative expenses increased by € 4.5 million compared to the first three quarters in 2020 (€ 43.5 million). Relative to sales, this ratio decreased from 9.6% to 8.3%.

Research and Development Expenses

Research and development expenses amount to € 25.9 million in current period and thus increased by € 0.4 million, or 1.5%, compared to the first three quarters of 2020 (€ 25.5 million). The R&D ratio, the ratio between R&D expenses and sales, decreased from 5.6% to 4.5% due to the increase in sales.

We will keep the expenses allocated for research and development at a high level and continue to invest in order to be able to sustain our position in the world market, to expand market shares and to open up new markets. All expenditures for research and development are expensed as they are incurred.

Other Operating Income/Other Operating Expenses

Balance of other operating income and expenses totaled € +3.7 million in the first three quarters of 2021 after a net gain of € 0.7 million was recorded in the previous year period. The amounts in 2021 included predominantly net foreign exchange gains of € 0.9 million (2020: net foreign exchange losses € 1.5 million) and expense subsidies affecting net income of € 2.6 million (2020: € 2.4 million).

Operating Profit

After € 35.7 million in the comparable prior-year period of 2020, the operating result in the first nine months of 2021 rose by € 38.3 million, or 107.3%, to € 74.0 million. The operating profit margin, the ratio of operating profit to sales, increased from 7.9% in the first nine months of 2020 to 12.9% in the first nine months of 2021. The main reason for this development was the increase in the gross margin and, as a result of positive economies of scale, the increase in gross profit. In contrast, a less favorable product-customer mix and the effects of currency translation adversely affected the operating profit margin. Moreover, the higher operating costs due to the implementation of the growth strategy, with the full impact being recorded in 2021, had a negative impact on earnings development. In addition, the pleasing business development in the current year and the resulting additional selling expenses led to a decline in the operating profit margin, while – seen separately – higher exchange rate gains recorded directly in the income statement had a positive impact on earnings.

Financial Results

At € -0.5 million, the net financial result in the first nine months of 2021 was almost at the level of the same period in the previous year (€ -0.6 million). This has not resulted in any significant changes.

Income Taxes

With 29.0% in the first nine months 2021 the tax rate was 0.3 percentage points below the prior year's level (29.3%). In consequence of the positive development of the income before taxes the income taxes increased from € 10.3 million to € 21.3 million. There were no structural changes.

Net income / Earnings per share

Totaling € 52.1 million net income for the first three quarters of 2021 was up by € 27.3 million from the prior year results of € 24.8 million. This represented an increase by 110.1%. Return on sales (after taxes) stood – after 5.5% in 2020 – at 9.1% in 2021. Earnings per share developed parallel to the net income. After € 2.51 in the first nine months of 2020 an amount of € 5.28 was recorded for the current fiscal year – a significant increase by € 2.77, or 110.4%.

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Financial Position

The Pfeiffer Vacuum Group's total assets increased by € 81.6 million, or 12.3%, from € 661.8 million as of December 31, 2020 to € 743.4 million as of September 30, 2021. On the assets side of the balance sheet, this development resulted mainly from the increase in trade receivables by € 43.1 million, the increase in inventories by € 16.1 million and the increase in cash and cash equivalents by € 11.4 million. €. Details on the development of cash and cash equivalents can be found in the "Cash Flow" section below.

On September 30, 2021, the Group's equity amounted to € 440.5 million and was thus € 48.8 million above the value at the end of the previous financial year (€ 391.7 million). The main reason for this was the earnings after taxes generated in the first nine months (€ 52.1 million), which was offset by the dividend payment of € 15.8 million. In addition, the other equity components rose by € 12.5 million on balance. This was mainly due to the measurement of pension obligations without affecting earnings and the recognition of currency-translation differences. The equity ratio remained roughly at the previous year's level and was 59.3% as of September 30, 2021 (previous year: 59.2%). Further significant changes on the liability side resulted from the decrease in financial liabilities by € 20.8 million on the one hand and the increase in contract liabilities by € 21.2 million, other provisions by € 14.4 million, and other liabilities by € 8.8 million, on the other hand.

Cash Flow

Totalling € 73.2 million, operating cash flow in the first nine months of 2021 significantly exceeded the value of the same period in the previous year (€ 37.0 million) by € 36.2 million. With an increase of 98.2%, operating cash flow has almost doubled. In addition to the increase in net income (+€ 27.3 million), the increase in liabilities (including advance payments received) and provisions had a positive impact on operating cash flow in the first nine months of 2021. In contrast, the development of inventories and in particular the revenue-related increase in receivables and other assets had a negative impact of € 17.0 million, and € 43.0 million, respectively. The very satisfactory development of the operating cash flow largely followed the very positive development of the operating result.

Totalling € 22.6 million, investment payments in the first nine months of 2021 as expected were slightly above the previous year's level (€ 19.7 million). Overall, the cash outflow from investing activities in the first nine months of 2021 amounted to € 22.4 million (previous year: € 19.9 million).

The repayment of financial liabilities in the amount of € 20.0 million (previous year: € 0.1 million) and the repayment portion of lease payments in the amount of € 4.2 million (previous year: € 3.6 million) and, together with the dividend payment of € 15.8 million (previous year: € 12.3 million), led to a total cash outflow from financing activities of € 40.0 million in the first 9 months of 2021 (previous year: € 16.0 million).

Taking into account currency effects, the cash inflow totaled € 11.4 million (previous year: cash inflow of € 0.2 million) and led to an increase in cash and cash equivalents to € 134.3 million.

Workforce

As of September 30, 2021, the Company employed a workforce of 3,339 people, 1,116 of them in Germany and 2,283 in other countries,

Workforce

	Germany		Other countries		Total	
			September 30,			
	2021	2020	2021	2020	2021	2020
Manufacturing and Service	651	670	1,523	1,455	2,174	2,125
Research and Development	99	107	163	158	262	265
Sales and Marketing	241	219	409	394	650	613
Administration	125	127	188	203	313	330
Total	1,116	1,123	2,283	2,210	3,399	3,333

Risk and Opportunities Report

During the first nine months of the 2021 fiscal year, there were no changes in the risks and opportunities as described in our Annual Report (Geschäftsbericht) for the year ended December 31, 2020. The Annual Report is available on our homepage at group.pfeiffer-vacuum.com.

However, the possible effects of the described risks and opportunities have changed due to the COVID-19 situation already in the year 2020, and the consequences on the Pfeiffer Vacuum Group can still not be yet conclusively measured. Overall the situation remains uncertain, particularly regarding the length or, if necessary, the reintroduction of governmental restrictions on public life. As a result, the economic situation worldwide remains very tense, even if first signs of a comprehensive economic recovery can be noticed. One of our goals is to continue our economic activities worldwide as best as we can. Safety and emergency plans were established at an early stage at all Pfeiffer Vacuum locations. The group currently has sufficient production capacities to meet customer demand. Due to the extensive security measures and the unchanged high level of commitment and discipline of our employees in dealing with security precautions, we have so far been able to produce and thus provide our customers with solutions. We aim to continue to ensure this condition.

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Mayor Events after the Balance Sheet Date

After the end of the first three-quarters of 2021, there has not been any significant change in the industry environment or in the Company's position.

Outlook

Based on the results for the first nine months 2021 and the record order backlog, Pfeiffer Vacuum again improves its outlook and expects a more positive development compared to previously announced expectations. Pfeiffer Vacuum now anticipates that in the fiscal year 2021, sales will be in a range between € 730.0 million and € 750.0 million (up from € 710.0 million to € 730.0 million). The EBIT margin performance is expected to be between 12.0% and 13.0%, unchanged from the previous expectations, and significantly improve from the same period in 2020 (fiscal year 2020: sales € 618.7 million; EBIT margin 7.3%).

Consolidated Interim Financial Statements

Consolidated Statements of Income (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	in K€	in K€	in K€	in K€
Net sales	184,099	152,007	575,255	453,861
Cost of sales	-116,739	-96,672	-371,708	-295,891
Gross profit	67,360	55,335	203,547	157,970
Selling and marketing expenses	-19,878	-17,955	-59,392	-54,055
General and administrative expenses	-14,242	-12,697	-47,972	-43,456
Research and development expenses	-8,362	-7,980	-25,888	-25,499
Other operating income	2,509	2,486	8,722	7,131
Other operating expenses	-1,531	-3,051	-5,049	-6,405
Operating profit	25,856	16,138	73,968	35,686
Financial expenses	-222	-276	-668	-729
Financial income	74	29	127	123
Earnings before taxes	25,708	15,891	73,427	35,080
Income taxes	-7,456	-4,612	-21,294	-10,270
Net income	18,252	11,279	52,133	24,810
Earnings per share (in €):				
Basic	1.85	1.14	5.28	2.51
Diluted	1.85	1.14	5.28	2.51

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Comprehensive Income (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	in K€	in K€	in K€	in K€
Net income	18,252	11,279	52,133	24,810
Other comprehensive income				
Amounts to be reclassified to income statement in future periods (if applicable)				
Currency changes	2,938	-6,549	8,249	-9,063
Results from cash flow hedges	83	0	-56	-30
Related deferred income tax effects	-24	0	16	0
	2,997	-6,549	8,209	-9,093
Amounts not to be reclassified to income statement in future periods				
Valuation of defined benefit plans	-17	81	5,966	-642
Related deferred income tax effects	12	-20	-1,722	192
	-5	61	4,244	-450
Other comprehensive income net of tax	2,992	-6,488	12,453	-9,543
Total comprehensive income net of tax	21,244	4,790	64,586	15,266

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Balance Sheets (unaudited)

	September 30, 2021 in K€	December 31, 2020 in K€
Assets		
Intangible assets	105,298	100,736
Property, plant and equipment	164,281	158,191
Investment properties	358	376
Other financial assets	2,101	2,198
Contract assets	228	
Other assets	592	829
Deferred tax assets	29,774	31,306
Total non-current assets	302,632	293,636
Inventories	149,376	133,254
Trade accounts receivable	126,669	83,601
Contract assets	1,758	1,501
Income tax receivables	11,160	10,848
Prepaid expenses	5,917	4,260
Other financial assets	170	1,597
Other accounts receivable	11,461	10,265
Cash and cash equivalents	134,299	122,883
Total current assets	440,810	368,209
Total assets	743,442	661,845
Shareholders' equity and liabilities		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	360,153	323,808
Other equity components	-41,127	-53,580
Equity of Pfeiffer Vacuum Technology AG shareholders	440,532	391,734
Financial liabilities	48,585	69,614
Provisions for pensions	66,422	70,348
Deferred tax liabilities	4,868	4,477
Contract liabilities	1,433	804
Total non-current liabilities	121,308	145,243
Trade accounts payable	50,244	44,937
Contract liabilities	28,511	7,296
Other accounts payable	30,268	21,478
Provisions	53,926	39,502
Income tax liabilities	14,862	8,154
Financial liabilities	3,791	3,501
Total current liabilities	181,602	124,868
Total shareholders' equity and liabilities	743,442	661,845

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Shareholders' Equity (unaudited)

	Share Capital in K€	Additional Paid-in Capital in K€	Retained Earnings in K€	Other Equity Components in K€	Equity of Pfeiffer Vacuum Technology AG Shareholders in K€
Balance on Jan, 01, 2020	25,261	96,245	304,552	-32,613	393,445
Net income	-	-	24,810	-	24,810
Other comprehensive income	-	-	-	-9,543	-9,543
Total comprehensive income	-	-	24,810	-9,543	15,266
Dividend payment	-	-	-12,335	-	-12,335
Balance on Sept, 30, 2020	25,261	96,245	317,027	-42,156	396,377
Balance on Jan, 01, 2021	25,261	96,245	323,808	-53,580	391,734
Net income	-	-	52,133	-	52,133
Other comprehensive income	-	-	-	12,453	12,453
Total comprehensive income	-	-	52,133	12,453	64,586
Dividend payment	-	-	-15,788	-	-15,788
Balance on Sept, 30, 2021	25,261	96,245	360,153	-41,127	440,532

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Cash Flows (unaudited)

	Nine months ended September 30,	
	2021	2020
	in K€	in K€
Cash flow from operating activities:		
Net income	52,133	24,810
Depreciation/amortization	18,821	19,760
Other non-cash income/expenses	4,152	4,066
Effects of changes of assets and liabilities:		
Inventories	-16,970	-13,079
Receivables and other assets	-43,014	1,989
Provisions, including pensions, and income tax liabilities	22,247	2,263
Payables, other liabilities	35,871	-2,852
Net cash provided by operating activities	73,240	36,957
Cash flow from investing activities:		
Capital expenditures	-22,622	-19,675
Proceeds from disposals of fixed assets	252	-204
Net cash used in investing activities	-22,370	-19,879
Cash flow from financing activities:		
Redemption of financial liabilities	-20,062	-56
Dividend payment	-15,788	-12,335
Principal elements of lease payments	-4,165	-3,636
Proceeds from increase of financial liabilities	-	-
Net cash provided by/used in financing activities	-40,015	-16,027
Effects of foreign exchange rate changes on cash and cash equivalents	561	-814
Net changes in cash and cash equivalents	11,416	237
Cash and cash equivalents at beginning of period	122,883	111,980
Cash and cash equivalents at end of period	134,299	112,217

See accompanying notes to the interim financial statements.

Notes to the Consolidated Interim Financial Statements (unaudited)

1. The Company and Basis of Presentation

The parent company within the Pfeiffer Vacuum Group (“the Company” or “Pfeiffer Vacuum”) is Pfeiffer Vacuum Technology AG, domiciled at Berliner Strasse 43, 35614 Asslar, Germany. Pfeiffer Vacuum Technology AG is a stock corporation organized under German law and recorded in the Register of Companies at the Local Court of Wetzlar under Number HRB 44. The Company is listed on the Prime Standard of the Deutsche Börse Stock Exchange in Frankfurt am Main, Germany, where it is included in the TecDAX index.

Pfeiffer Vacuum is one of the leading full-line vacuum technology manufacturers, offering custom solutions for a wide range of needs in connection with the generation, control and measurement of vacuum. The product portfolio includes turbopumps, a range of backing pumps, such as rotary vane, Roots and dry pumps, complete pumping stations, as well as custom vacuum systems, vacuum chambers and components.

Pfeiffer Vacuum markets and distributes its products through its own network of sales companies and independent marketing agents. Moreover, there are service support centers in all major industrial locations throughout the world. The Company’s primary markets are located in Europe, the United States and Asia,

The Consolidated Financial Statements of Pfeiffer Vacuum Technology AG have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as applicable in the European Union (EU). This includes the International Accounting Standards (IAS), which continue to retain their validity, the interpretations of the Standing Interpretations Committee (SIC) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Pfeiffer Vacuum prepares its Consolidated Interim Report (“Interim Report”) in euros (€). Unless otherwise indicated, the presentation is in thousands of euros (K€). For mathematical reasons, the numbers presented in this Interim Report may include rounding differences.

2. Accounting and Valuation Methods

In preparing this interim report as of September 30, 2021, IAS 34 “Interim Financial Reporting” was applied. In doing so, basically the same accounting and valuation methods as in the Consolidated Financial Statements for the fiscal year ended December 31, 2020 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2020, which are available in the internet at group.pfeiffer-vacuum.com.

The estimates and management judgements underlying the accounting and valuation can affect the amounts and reporting of assets and liabilities at the balance sheet date and the amounts of income and expense reported for the period. Due to the currently unforeseeable global consequences of the COVID-19 situation, these accounting estimates and management judgements are subject to increased

Notes to the Consolidated Interim Financial Statements (unaudited)

uncertainty. Actual amounts may differ from the estimates and management judgements; changes can have a material impact on the Interim Consolidated Financial Statements. With the update of the accounting estimates and management judgements, available information on the expected economic developments and country-specific governmental measures have been included especially in the analysis of the recoverability and collectability of trade accounts receivables and contract assets on the balance sheet date. Furthermore, the measurement of provisions and the measurement of the net realizable value of inventories have been updated to include the expected consequences of the covid-19 pandemic. There were no significant effects on the consolidated interim financial statements.

The use of various government measures related to the COVID-19 situation (for example short-time work, reimbursement of social security contributions, grants) resulted in a total effect on operating profit of € 0.2 million (previous year: € 1.3 million) and is included in various lines of the profit and loss account.

3. Intangible Assets

Intangible assets consist of the following:

Intangible assets

	September 30, 2021	December 31, 2020
	in K€	in K€
Goodwill	73,937	72,176
Customer Base	13,295	13,728
Software	3,277	2,963
Software before implementation	12,595	9,452
Other intangible assets	2,194	2,417
Total intangible assets	105,298	100,736

Notes to the Consolidated Interim Financial Statements (unaudited)

4. Property, Plant and Equipment

Property, plant and equipment comprise the following:

Property, Plant and Equipment

	September 30, 2021	December 31, 2020
	in K€	in K€
Land and buildings	75,777	74,450
Technical equipment and machinery	48,747	50,676
Other equipment, factory and office equipment	15,575	16,771
Construction in progress	24,182	16,296
Total property, plant and equipment	164,281	158,191

5. Inventories

Inventories consist of the following:

Inventories

	September 30, 2021	December 31, 2020
	in K€	in K€
Raw materials	51,930	43,446
Work-in-process	39,407	31,610
Finished products	58,039	58,198
Total inventories, net	149,376	133,254

Notes to the Consolidated Interim Financial Statements (unaudited)

6. Financial Liabilities

Financial liabilities were comprised as follows:

Financial Liabilities

	September 30, 2021	December 31, 2020
	in K€	in K€
Loans	40,000	60,000
Lease liabilities	8,585	9,614
Non-current financial liabilities	48,585	69,614
Lease liabilities	3,791	3,437
Other financial liabilities	-	64
Current financial liabilities	3,791	3,501
Total financial liabilities	52,376	73,115

7. Paid Dividends

At the Annual Shareholders' Meeting on May 12, 2021, the shareholders resolved a dividend of € 1.60 per share for the year 2020. Thus, a total of € 15,788,254.40 was paid to the shareholders.

8. Pension Benefits

Pension expense for all plans included the following components:

Pension Expense for All Plans

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	in K€	in K€	in K€	in K€
Service cost	992	872	2,977	2,667
Interest cost	129	180	385	546
Net pension cost	1,121	1,052	3,362	3,213

Notes to the Consolidated Interim Financial Statements (unaudited)

9. Warranty

Warranty provisions developed as follows:

Warranty provisions

	Nine months ended September 30,	
	2021	2020
	in K€	in K€
Balance on January 1	13,441	15,343
Currency changes	76	-168
Additions	6,177	3,614
Utilization	-2,730	-4,015
Balance on September 30	17,281	14,774

10. Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share:

Earnings per Share

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net income (in K€)	18,252	11,279	52,133	24,810
Weighted average number of shares	9,867,659	9,867,659	9,867,659	9,867,659
Number of conversion rights	-	-	-	-
Adjusted weighted average number of shares	9,867,659	9,867,659	9,867,659	9,867,659
Earnings per share in € (basic/diluted)	1.85	1.14	5.28	2.51

Notes to the Consolidated Interim Financial Statements (unaudited)

11. Segment Reporting

Segment Reporting as at September 30, 2021 (in K €)

	Germany	France	Rest of Europe	USA	USA Production	Republic of Korea	Rest of Asia	All Others	Consolidation	Group
Net sales	198,808	191,376	81,874	111,614	42,119	96,852	115,305	38,415	-301,108	575,255
Third party	94,418	39,813	81,687	110,713	33,891	93,614	103,714	17,405	-	575,255
Intercompany	104,390	151,563	187	901	8,228	3,238	11,591	21,010	-301,108	-
Operating profit	20,504	12,621	5,796	4,654	2,349	12,993	9,984	5,067	-	73,968
Financial income	-117	-152	-15	684	-543	92	-200	-290	-	-541
Earnings before taxes	20,387	12,469	5,781	5,338	1,806	13,085	9,784	4,777	-	73,427
Segment assets	170,547	146,335	43,498	80,378	69,226	88,597	96,537	48,324	-	743,442
Thereof assets according to IFRS 8.33 (b) ¹	61,004	76,716	1,386	24,407	40,345	17,452	13,442	24,008	-	258,760
Segment liabilities	125,960	84,845	12,888	13,892	7,771	30,839	18,139	8,576	-	302,910
Capital expenditures:										
Property, plant and equipment ²	4,059	5,666	248	1,999	362	2,658	1,123	2,029	-	18,144
Intangible assets	3,611	782	4	23	-	-	30	28	-	4,478
Depreciation ³	3,767	3,273	338	817	505	875	1,297	1,617	-	12,489
Amortization	633	326	6	181	1,198	2	25	193	-	2,564

¹ Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost

² Including investment properties and excluding additions of right-of-use assets from leases

³ Including right-of-use assets from leases and investment properties

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Segment Reporting as at September 30, 2020 (in K €)

	Germany	France	Rest of Europe	USA	USA Production	Republic of Korea	Rest of Asia	All Others	Consolidation	Group
Net sales	161,824	153,560	75,803	92,896	36,370	60,620	92,185	30,726	-250,123	453,861
Third party	70,565	29,816	75,791	91,558	29,837	56,946	84,475	14,873	-	453,861
Intercompany	91,259	123,744	12	1,338	6,533	3,674	7,710	15,853	-250,123	0
Operating profit	11,898	2,865	5,484	2,977	-888	6,396	5,531	1,423	-	35,686
Financial income	-47	-164	-5	701	-578	51	-256	-308	-	-606
Earnings before taxes	11,851	2,701	5,479	3,678	-1,466	6,447	5,275	1,115	-	35,080
Segment assets	147,681	134,485	50,704	71,012	66,688	57,034	84,332	47,175	-	659,111
Thereof assets according to IFRS 8.33 (b) ¹	57,791	68,745	3,403	23,595	41,844	15,652	18,057	24,355	-	253,442
Segment liabilities	130,845	65,413	17,682	9,882	5,984	13,156	12,554	7,218	-	262,734
Capital expenditures:										
Property, plant and equipment ²	4,378	5,259	301	314	1,922	197	733	813	-	13,917
Intangible assets	5,454	209	12	2	-	-	40	40	-	5,757
Depreciation ³	3,695	3,293	329	866	535	859	1,227	1,666	-	12,470
Amortization	639	695	7	410	1,275	2	37	146	-	3,211

¹ Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost

² Including investment properties and excluding additions of right-of-use assets from leases

³ Including right-of-use assets from leases and investment properties

Notes to the Consolidated Interim Financial Statements (unaudited)

12. Income Tax Expense

Under German corporate tax law, taxes on income are composed of corporate taxes, trade taxes and an additional surtax.

The Company's effective tax rate was 29.0% for the first nine months of 2021 and thus slightly below the tax rate for the third quarter 2020 (29.3%).

13. Independent Auditor

At the Annual General Meeting on May 20, 2021, the Supervisory Board proposed and the Shareholders elected PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, as the independent auditor of both the accounts of the Company and the consolidated accounts for the 2021 fiscal year.

14. Major Related Party Transactions

Besides the transactions between the subsidiaries that are eliminated during the consolidation process, the regular compensation of Management and Supervisory Board members and the reception of purchases based unchanged on arm's length conditions of a very low single digit million Euro amount from an operating company of the Busch group there were no major related party transactions in the first three quarters of 2021.

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Asslar, November 4, 2021

Pfeiffer Vacuum Technology AG

Management Board

Dr. Britta Giesen

Dr. Britta Giesen

Wolfgang Ehrk

Wolfgang Ehrk

Additional Information

Financial Calendar 2021/2022

- Financial Results 2021, Annual Report 2021
Tuesday, March 29, 2022
- 1st Quarter 2022 (3-Month) Results
Tuesday, May 3, 2022
- Annual General Meeting
Thursday, May 19, 2022
- 2nd Quarter 2022 (Half Year) Results
Tuesday, August 2, 2022
- 3rd Quarter 2022 (9-Months) Results
Thursday, November 3, 2022

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*This version of the Quarterly Financial Report is a translation of the German version.
Only the German version is binding.*