

TRANS- FORMATION

FOR OUR CUSTOMERS

Half Year Financial Report
Second Quarter 2021



Half Year Financial Report / Second Quarter 2021

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Key Figures

		Q2 2021	Q2 2020	Change	Q1-Q2 2021	Q1-Q2 2020	Change
Sales and profit							
Total sales	K€	199,492	148,526	34.3%	391,156	301,854	29.6%
Operating profit	K€	25,497	6,731	278.8%	48,112	19,548	146.1%
EBIT margin	%	12.8	4.5	8.3 Pp	12.3	6.5	5.8 Pp
Net income	K€	17,949	4,676	283.9%	33,881	13,531	150.4%
Return on sales	%	9.0	3.1	5.9 Pp	8.7	4.5	4.2 Pp
Operating cash flow	K€	28,112	20,602	26.7%	41,813	22,887	72.7%
Capital expenditures	K€	8,028	5,686	29.2%	13,144	13,271	-1.0%
Earnings per share	€	1.82	0.47	287.2%	3.43	1.37	150.4%
Workforce							
Workforce (average)		3,346	3,320	0.8%	3,325	3,309	0.5%
Germany		1,101	1,115	-1.3%	1,099	1,117	-1.6%
Other countries		2,245	2,205	1.8%	2,226	2,192	1.5%
Sales per employee	K€	60	45	32.5%	118	91	29.7%
Balance sheet							
			June 30, 2021		December 31, 2020		Change
Balance sheet total	K€		716,936		661,845		8.3%
Cash and cash equivalents	K€		123,579		122,883		0.6%
Number of shares issued			9,867,659		9,867,659		-
Shareholders' equity	K€		419,289		391,734		7.0%
Equity ratio	%		58.5		59.2		-0.7 Pp

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This half year 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 Half Year Financial Report as of June 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 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 a 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	Aslar
Established	1890
Purpose of the Company	To develop, manufacture and market components and systems for vacuum generation, measurement and analysis
Manufacturing sites	Aslar, 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 (June 30, 2021)	3,346
Sales and service	31 Group companies 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

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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.

Deutsche Börse Symbol	PFV
ISIN	DE0006916604
Bloomberg Symbol	PFV.GY
Reuters Symbol	PV.DE
Number of shares issued	9,867,659
Freefloat as at June 30, 2021	37.04%
Market capitalization as at June 30, 2021	€ 1,580.8 million

In the first half year 2021, Pfeiffer Vacuum shares developed weaker than the TecDAX. On January 4, 2021, the opening price of Pfeiffer Vacuum shares was € 158.80, and the closing price was € 160.20 on June 30, 2021. This represents an increase by 0.9%. On January 14, 2021 the high for the first half year 2021 was reached with € 192.80. The low for the first six months in 2021 was € 151.40 on March 30, 2021. In the first half year the TecDAX, starting at 3,229 points on January 4, 2021 and closing at 3,564 points on June 30, 2021, increased by 10.4%.

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.

Nearly unchanged compared to December 31, 2020, the freefloat as of June 30, 2021 is 37.04% according to our knowledge.

Interim Management Report

Pfeiffer Vacuum achieved a significant improvement in virtually all profitability indicators in the first half of 2021 compared to the previous year. After the first quarter of 2021 closed with record sales, sales in the second quarter of 2021 increased again compared to the immediately preceding 1st quarter and also to the 2nd quarter of 2020. Group sales for the first half of 2021 increased by 29.6% to € 391.2 million, marking the highest half-year result in the Company's history (first half of 2020: € 301.9 million). The sales development in the Semiconductors and Emerging Technologies market segment was particularly dynamic, with growth of 40.7% to € 206.6 million. Sales in the Analytics, Industry and R&D market segment grew by 19.1% to € 184.5 million, which represents a significant increase compared to the previous year (first half of 2020: Semiconductors and Emerging Technologies € 146.9 million; Analytics, Industry and R&D € 155.0 million). With € 451.6 million, the order intake in the first half year of 2021 reached a record level for Pfeiffer Vacuum and increased by 42.6% compared to the previous year (first half 2020: € 316.6 million). This increase was due to a higher demand in both market segments. Gross profit rose by € 33.6 million to € 136.2 million (previous year: € 102.6 million). The corresponding gross margin was 34.8% in the first six months of 2021, following a gross margin of 34.0% in the previous year. Further operating costs increased, also due to the Group's focus on further growth, which for the first time in 2021 had a full impact compared to the first half of 2020. The development of selling and marketing expenses was also influenced by the very positive sales development in 2021. With € 2.7 million, the result from other operating income and expenses was above the previous year's level of € 1.3 million. Totalling € 48.1 million, operating profit in the first half of 2021 increased by € 28.6 million compared to the previous year (€ 19.5 million). The operating profit or EBIT margin, i.e. the ratio of operating profit to sales, has increased from 6.5% in 2020 to 12.3% in 2021 to date. With virtually constant net financial expenses and a slightly lower tax rate, net income increased from € 13.5 million to € 33.9 million. With € 3.43, earnings per share in the first half of 2021 were also significantly above the previous year's figure of € 1.37.

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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 half 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.

Interim Management Report

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.

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Sales

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

Sales by Segment

The subsidiaries in the individual countries are independent legal entities with their own management, which distribute products and provide services. Some entities within the Group additionally execute production functions. The entire product portfolio is offered by all sales subsidiaries. Controlling of business development by corporate management is carried out on the level of the legal entities. Accordingly, 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. For this reason, the prerequisites for an aggregation with the other segments are not given. The purely sales-oriented entity in the US is thus also presented separately. All operating segments that individually or as a group do not have to be reported separately are included in the segment „All Others“.

Interim Management Report

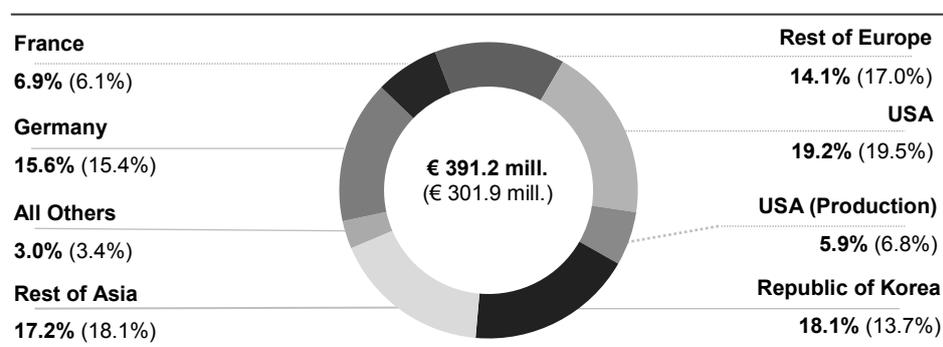
Sales by Segment

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	in K€	in K€	in K€	in K€
USA	40,286	27,427	74,539	58,839
Republic of Korea	37,276	21,640	70,961	41,349
Rest of Asia	35,827	30,221	67,396	54,625
Germany	30,597	21,554	60,940	46,369
Rest of Europe	26,014	24,203	55,329	51,344
France	10,864	8,494	27,120	18,463
USA (Production)	12,825	9,556	22,991	20,554
All Others	5,803	5,431	11,880	10,311
Total	199,492	148,526	391,156	301,854

The analysis of sales by segment in the first half of the year shows growth in all segments. This very pleasing trend illustrates the broad basis for this development, which is not limited to individual Group units.

The following chart shows the correspondingly unchanged balanced distribution of Group sales by segment.

Sales by Segment 6M/2021 (6M/2020)



Interim Management Report

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.

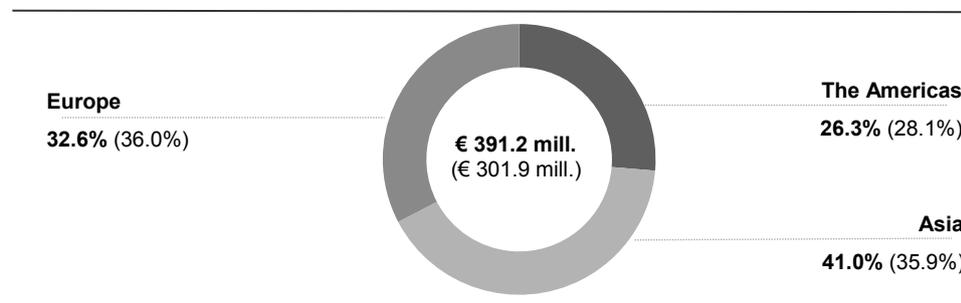
Sales by Region

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
	in K€	in K€	in K€	in K€
Asia	79,501	57,661	160,204	108,574
Europe	60,913	50,725	127,620	108,693
The Americas	59,039	40,097	103,132	84,527
Rest of world	39	43	200	60
Total	199,492	148,526	391,156	301,854

As in the first quarter of 2021, the high demand dynamics in the semiconductor industry had a regional impact especially in Asia and thus had a substantial impact on the significant increase in sales of € 51.6 million or 47.6%. Within Europe, demand from the semiconductor industry was decisive for the sales development, too, but here flanked by solid growth in the other markets. Also the Americas showed significant sales growth in the first half of 2021 as a result of a 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, thus burdening the development with more than € 9 million. In US dollars, sales also in this region increased even stronger.

The following graphic shows the still balanced split of sales by region with a small improvement in the Americas.

Sales by Region 6M/2021 (6M/2020)



Interim Management Report

Sales by Market

Sales by Market

	Three months ended June 30,		Six months ended June 30,	
	2021	2020*	2021	2020*
	in K€	in K€	in K€	in K€
Semiconductor and Emerging Technologies	107,024	75,184	206,633	146,889
Analytics, Industry and R & D	92,468	73,342	184,523	154,966
Total	199,492	148,526	301,854	301,854

* 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 was made. 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 market segment of semiconductors and emerging technologies. Overall, however, sales with customers from the analytics, industry and R&D market segment also recorded pleasing growth in the first half of 2021.

The sales split by markets was as follows:

Sales by Market 6M/2021 (6M/2020)



Interim Management Report

Order Intake and Order Backlog

After an order intake of € 316.6 million in the first six months of 2020, this figure was € 451.6 million in the first half of 2021 and thus increased by 42.6% or € 135.0 million. With € 217.7 million, order intake in the second quarter of 2021 was also significantly higher than in the same period of the previous year (€ 143.7 million), even though there was a slight decline compared to the order intake in the first quarter of 2021 (€ 233.9 million), which followed the usual seasonal fluctuations. The book-to-bill ratio, the ratio of order intake to sales, was 1.09 in this period (Q2 2020: 0.97). On a year-to-date basis, the book-to-bill ratio as of June 30, 2021 was 1.15 (previous year: 1.05).

The order backlog rose from € 123.3 million as of December 31, 2020 to € 183.7 million as of June 30, 2021. This corresponds to an increase of € 60.4 million.

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

Cost of Sales, Gross Profit and Gross Margin

In the first six months of 2021, the cost of sales amounted to € 255.0 million (previous year: € 199.2 million). This corresponds to an increase of € 55.8 million or 28.0%. This was mainly due to higher sales and the resulting better capacity utilization of the production sites. At € 136.2 million, gross profit was € 33.6 million above the previous year's figure of € 102.6 million. The gross margin, the ratio of gross profit to sales, increased from 34.0% to 34.8% due to positive economies of following the higher sales. On the other hand, there were negative effects on the gross margin as a result of the product-customer mix and the significantly stronger euro exchange rate compared to the previous year, especially with regard to the US dollar and a less favorable product-customer mix. The positive economies of scale from the pleasing sales development were thus partially compensated. Gross profit for the second quarter rose to € 71.0 million after € 49.4 million in the second quarter of the previous year.

Selling and Marketing Expenses

At € 39.5 million, sales and marketing expenses in the first six months of the current year were € 3.4 million higher than in the same period of the previous year (€ 36.1 million). Due to the increase in sales, sales and marketing expenses decreased by 1.9 percentage points to 10.1% in relative terms compared to the previous year (12.0%).

Interim Management Report

General and Administrative Expenses

Administrative and general expenses increased from € 30.8 million in the first half of 2020 to € 33.7 million in the 1st half of 2021. Relative to sales, the ratio declined from 10.2% to 8.6%.

Research and Development Expenses

Research and development costs amounted to € 17.5 million in the first half of 2021 and remained stable compared to the previous year (€ 17.5 million). The R&D ratio, i.e. the relationship between research and development costs and sales, decreased from 5.8% to 4.5%.

We will maintain the expenses allocated for research and development at a high level and invest in order to be able to sustain our position on 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

The balance of other operating income and expenses amounted to € +2.7 million in the first half of 2021 and € +1.3 million in the same period of the previous year. The amounts for 2021 mainly include expense subsidies of € 1.8 million (previous year: € 1.6 million) and net currency gains of € 0.9 million (previous year: net currency losses of € 0.3 million).

Operating Profit

After € 19.5 million in the first half of 2020, the operating result in the first six months of 2021 was € 48.1 million. This corresponds to a very significant increase of € 28.6 million or 146.1%. The operating profit margin, the ratio of operating profit to sales, increased from 6.5% in the first six months of 2020 to 12.3% in the first half of 2021. The main reason for this development was the increase in gross profit-margin and as a result of positive economies of scale the growth of the 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.

Interim Management Report

Financial Results

With € -0.4 million in the first half year 2021, net financial result was at the prior year's level.

Income Taxes

The tax rate in the first six months of the current year was 29.0%, 0.5 percentage points below the previous year's level (29.5%). With regard to the previous year, it should be noted that the tax rate here was influenced by impairment expenses that were irrelevant for tax purposes. As a result of the development of earnings before taxes, tax expenses rose from € 5.7 million to € 13.8 million. There have been no structural changes.

Net income / Earnings per share

W € 33.9 million, net income in the first half of 2021 was significantly up by € 20.4 million in comparison to the previous year (€ 13.5 million). The return on sales after taxes amounted to 8.7% in 2021 after 4.5% in the previous year and has thus almost doubled. Parallel to net income, earnings per share also developed very positively. After € 1.37 in the first half of 2020, a value of € 3.43 has currently been reached. This corresponds to a significant increase of 150.4%.

Financial Position

The total assets of the Pfeiffer Vacuum Group increased by € 55.1 million, or 8.3%, from € 661.8 million as of December 31, 2020, to € 716.9 million as of June 30, 2021. On the assets side of the balance sheet, this development results from various items, with the sales-related increase in trade accounts receivable of € 45.8 million making a significant contribution to this. Cash and cash equivalents, on the other hand, rose only slightly from € 122.9 million to € 123.6 million. Details on this development can be found in the following section "Cash Flow".

As of June 30, 2021, Group equity amounted to € 419.3 million and was thus € 27.6 million higher than at the end of the previous fiscal year (€ 391.7 million). This was mainly due to the dividend payment of € 15.8 million, which is offset by earnings after taxes (€ 33.9 million) generated in the first half of 2021. In addition, other comprehensive income increased by € 9.5 million on balance. This was mainly due to the recognition of currency-translation differences and the measurement of pension obligations without affecting earnings as a result of higher discount rates. The equity ratio was below the previous year's level (59.2%) and stood at 58.5% as of June 30, 2021. The increase in discount rates was also decisive for the decline in pension provisions by € 4.6 million to € 65.8 million. Further significant changes in liabilities resulted from the decline in non-current financial liabilities, which decreased by € 10.3 million to € 59.3 million as a result of repaying bank loan. In connection with the expansion of business activities, current liabilities also increased overall.

Interim Management Report

Cash Flow

With € 41.8 million, operating cash flow in the first half of 2021 was significantly higher than € 18.9 million compared to the same period of the previous year (€ 22.9 million). This corresponds to an increase of 82.5%. In addition to the increase in net income (+€ 20.4 million), the increase in liabilities (including advance payments received) and provisions had a positive impact on operating cash flow in the first half of 2021. In contrast, the development of inventories and in particular the revenue-related increase in receivables and other assets burdened the operating cash flow by € 5.5 million, and € 34.8 million, respectively.

With € 13.1 million in the first six months of 2021, capital expenditures were roughly at the previous year's level (€ 13.3 million). Overall, the cash outflow from investing activities amounted to € 13.0 million in the first six months of 2021 (previous year: € 13.1 million).

The repayment portion of lease payments in the amount of € 2.9 million (previous year: € 2.4 million) and the repayment of financial liabilities in the amount of € 10.1 million together with the dividend payment of € 15.8 million (previous year: € 12.3 million) led to a total cash outflow from financing activities of € 28.8 million in the first half of 2021 (previous year: € 14.8 million).

Taking into account currency effects, the total cash inflow amounted to € 0.7 million (previous year: cash outflow of € 5.6 million) and led to a slight increase in cash and cash equivalents to € 123.6 million.

Workforce

As of June 30, 2021, the Company employed a workforce of 3,346 people, 1,101 of them in Germany and 2,245 in other countries.

Workforce

	Germany		Other countries		Total	
	June 30,					
	2021	2020	2021	2020	2021	2020
Manufacturing and Service	643	684	1,488	1,454	2,131	2,138
Research and Development	101	104	154	157	255	261
Sales and Marketing	225	189	407	389	632	578
Administration	132	138	196	205	328	343
Total	1,101	1,115	2,45	2,205	3,346	3,320

Interim Management Report

Risk and Opportunities Report

During the first six months of the 2021 fiscal year, there were no changes in the merits of 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 half year 2021, there has not been any significant change in the industry environment or in the Company's position.

Outlook

Based on the strong results of the first half of 2021 and the record order intake, Pfeiffer Vacuum now expects a more positive development with regard to the previously published forecast. Pfeiffer Vacuum now expects sales of € 710.0 million to € 730.0 million for the 2021 financial year.

Furthermore, the EBIT margin in 2021 is expected to improve significantly compared to the 2020 financial year and will be between 12.0% and 13.0% (fiscal year 2020: sales of € 618.7 million, EBIT margin of 7.3%).

Consolidated Interim Financial Statements

Consolidated Statements of Income (unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
	in K€	in K€	in K€	in K€
Net sales	199,492	148,526	391,156	301,854
Cost of sales	-128,471	-99,163	-254,969	-199,219
Gross profit	71,021	49,363	136,187	102,635
Selling and marketing expenses	-18,961	-18,067	-39,514	-36,100
General and administrative expenses	-18,123	-15,441	-33,730	-30,759
Research and development expenses	-8,531	-9,820	-17,526	-17,519
Other operating income	2,640	1,924	6,213	4,645
Other operating expenses	-2,549	-1,228	-3,518	-3,354
Operating profit	25,497	6,731	48,112	19,548
Financial expenses	-217	-222	-446	-453
Financial income	-1	55	53	94
Earnings before taxes	25,279	6,564	47,719	19,189
Income taxes	-7,330	-1,888	-13,838	-5,658
Net income	17,949	4,676	33,881	13,531
Earnings per share (in €):				
Basic	1,82	0,47	3,43	1,37
Diluted	1,82	0,47	3,43	1,37

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See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Comprehensive Income (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021 in K€	2020 in K€	2021 in K€	2020 in K€
Net income	17,949	4,676	33,881	13,531
Other comprehensive income				
Amounts to be reclassified to income statement in future periods (if applicable)				
Currency changes	-1,920	-2,707	5,311	-2,514
Results from cash flow hedges	-60	-19	-139	-30
Related deferred income tax effects	17	5	40	-
	-1,963	-2,721	5,212	-2,544
Amounts not to be reclassified to income statement in future periods				
Valuation of defined benefit plans	6,076	-729	5,983	-723
Related deferred income tax effects	-1,756	212	-1,734	212
	4,320	-517	4,249	-511
Other comprehensive income net of tax	2,357	-3,238	9,461	-3,055
Total comprehensive income net of tax	20,306	1,438	43,342	10,476

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Balance Sheets (unaudited)

	June 30, 2021	December 31, 2020
	in K€	in K€
Assets		
Intangible assets	102,905	100,736
Property, plant and equipment	161,524	158,191
Investment properties	368	376
Other financial assets	2,585	2,198
Contract assets	223	-
Other assets	593	829
Deferred tax assets	29,704	31,306
Total non-current assets	297,902	293,636
Inventories	137,267	133,254
Trade accounts receivable	129,426	83,601
Contract assets	2,356	1,501
Income tax receivables	10,779	10,848
Prepaid expenses	5,563	4,260
Other financial assets	171	1,597
Other accounts receivable	9,893	10,265
Cash and cash equivalents	123,579	122,883
Total current assets	419,034	368,209
Total assets	716,936	661,845
Shareholders' equity and liabilities		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	341,901	323,808
Other equity components	-44,118	-53,580
Equity of Pfeiffer Vacuum Technology AG shareholders	419,289	391,734
Financial liabilities	59,307	69,614
Provisions for pensions	65,777	70,348
Deferred tax liabilities	4,827	4,477
Contract liabilities	1,451	804
Total non-current liabilities	131,362	145,243
Trade accounts payable	54,150	44,937
Contract liabilities	19,998	7,296
Other accounts payable	30,031	21,478
Provisions	46,712	39,502
Income tax liabilities	11,579	8,154
Financial liabilities	3,816	3,501
Total current liabilities	166,286	124,868
Total shareholders' equity and liabilities	716,936	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	-	-	13,531	-	13,531
Other comprehensive income	-	-	-	-3,055	-3,055
Total comprehensive income	-	-	13,531	-3,055	10,476
Dividend payment	-	-	-12,335	-	-12,335
Balance on June 30, 2020	25,261	96,245	305,748	-35,668	391,586
Balance on Jan. 01, 2021	25,261	96,245	323,808	-53,580	391,734
Net income	-	-	33,881	-	33,881
Other comprehensive income	-	-	-	9,462	9,462
Total comprehensive income	-	-	33,881	9,462	43,343
Dividend payment	-	-	-15,788	-	-15,788
Balance on June 30, 2021	25,261	96,245	341,901	-44,118	419,289

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Cash Flows (unaudited)

	Six months ended June 30,	
	2021	2020
	in K€	in K€
Cash flow from operating activities:		
Net income	33,881	13,531
Depreciation/amortization	12,425	13,294
Other non-cash income/expenses	3,629	2,511
Effects of changes of assets and liabilities:		
Inventories	-5,533	-11,911
Receivables and other assets	-44,833	3,979
Provisions, including pensions, and income tax liabilities	11,487	-3,731
Payables, other liabilities	30,757	5,214
Net cash provided by operating activities	41,813	22,887
Cash flow from investing activities:		
Capital expenditures	-13,144	-13,271
Proceeds from disposals of fixed assets	136	147
Net cash used in investing activities	-13,008	-13,124
Cash flow from financing activities:		
Principal elements of lease payments	-2,920	-2,345
Dividend payment	-15,788	-12,335
Redemptions of financial liabilities	-10,062	-120
Net cash used in financing activities	-28,770	-14,800
Effects of foreign exchange rate changes on cash and cash equivalents	661	-558
Net change in cash and cash equivalents	696	-5,595
Cash and cash equivalents at beginning of period	122,883	111,980
Cash and cash equivalents at end of period	123,579	106,385

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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 June 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.

Notes to the Consolidated Interim Financial Statements (unaudited)

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 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: € 0.9 million) and is included in various lines of the profit and loss account.

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3. Intangible Assets

Intangible assets consist of the following:

Intangible assets

	June 30, 2021	December 31, 2020
	in K€	in K€
Goodwill	73,180	72,176
Customer Base	13,362	13,728
Software	2,534	2,964
Software before implementation	11,540	9,452
Other intangible assets	2,289	2,417
Total intangible assets	102,905	100,736

Notes to the Consolidated Interim Financial Statements (unaudited)

4. Property, Plant and Equipment

Property, plant and equipment (including right-of-use assets) comprised the following:

Property, Plant and Equipment

	June 30, 2021	December 31, 2020
	in K€	in K€
Land and buildings	73,430	74,450
Technical equipment and machinery	49,113	50,676
Other equipment, factory and office equipment	16,088	16,771
Construction in progress	22,893	16,296
Total property, plant and equipment (excl. right-of-use assets)	161,524	158,191

5. Inventories

Inventories consist of the following:

Inventories

	June 30, 2021	December 31, 2020
	in K€	in K€
Raw materials	47,503	43,446
Work-in-process	36,727	31,610
Finished products	53,037	58,198
Total inventories, net	137,267	133,254

6. 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.

Notes to the Consolidated Interim Financial Statements (unaudited)

7. Financial Liabilities

Financial liabilities were comprised as follows:

Financial Liabilities

	June 30, 2021	December 31, 2020
	in K€	in K€
Loans	50,000	60,000
Lease liabilities	9,307	9,614
Non-current financial liabilities	59,307	69,614
Lease liabilities	3,816	3,437
Other financial liabilities	-	64
Current financial liabilities	3,816	3,501
Total financial liabilities	63,123	73,115

8. Pension Benefits

Pension expense for all plans included the following components:

Pension Expense for All Plans

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2020	2019
	in K€	in K€	in K€	in K€
Service cost	992	896	1,985	1,795
Interest cost	128	183	256	366
Net pension cost	1,120	1,079	2,241	2,161

Notes to the Consolidated Interim Financial Statements (unaudited)

9. Warranty

Warranty provisions developed as follows:

Warranty provisions

	Six months ended June 30,	
	2021 in K€	2020 in K€
Balance on January 1	13,441	15,343
Currency changes	55	-89
Additions	4,956	1,901
Utilization	-1,497	-1,914
Balance on June 30	16,955	15,241

10. Earnings per Share

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

Earnings per Share

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net income (in K€)	17,949	4,676	33,881	13,531
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)	1.82	0.47	3.43	1.37

Notes to the Consolidated Interim Financial Statements (unaudited)

11. Segment Reporting

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

	Germany	France	Rest of Europe	USA	USA Production	Republic of Korea	Rest of Asia	All Others	Consolidation	Group
Net sales	129,014	131,440	55,453	75,223	27,813	73,254	74,934	25,584	-201,559	391,156
Third party	60,940	27,120	55,329	74,539	22,991	70,961	67,396	11,880	-	391,156
Intercompany	68,074	104,320	124	684	4,822	2,293	7,538	13,704	-201,559	0
Operating profit	11,180	7,543	4,051	3,529	927	10,977	6,444	3,461	-	48,112
Financial income	-81	-105	-10	450	-359	59	-148	-200	-	-393
Earnings before taxes	11,099	7,438	4,041	3,979	568	11,036	6,296	3,261	-	47,719
Segment assets	164,742	145,894	40,950	77,569	66,284	83,437	90,582	47,478	-	716,936
Thereof assets according to IFRS 8.33 (b) ¹	59,870	75,351	1,431	22,892	39,807	16,333	13,897	23,799	-	253,388
Segment liabilities	132,781	84,434	12,081	13,616	7,152	23,748	16,263	7,573	-	297,648
Capital expenditures:										
Property, plant and equipment ²	2,712	3,850	164	790	276	891	973	1,180	-	10,836
Intangible assets	2,247	6	4	17	-	-	12	22	-	2,308
Depreciation ³	2,462	2,159	222	543	333	584	866	1,082	-	8,251
Amortization	422	214	4	119	793	1	16	91	-	1,660

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 June 30, 2020 (in K €)

	Germany	France	Rest of Europe	USA	USA Production	Republic of Korea	Rest of Asia	All Others	Consolidation	Group
Net sales	106,339	103,346	51,439	59,825	25,419	43,619	59,366	20,059	-167,558	301,854
Third party	46,369	18,463	51,344	58,839	20,554	41,349	54,625	10,311	-	301,854
Intercompany	59,970	84,883	95	986	4,865	2,270	4,741	9,748	-167,558	0
Operating profit	5,574	1,823	3,399	465	-805	5,700	2,211	1,181	-	19,548
Financial income	21	-113	-3	473	-394	36	-175	-204	-	-359
Earnings before taxes	5,595	1,710	3,396	938	-1,199	5,736	2,036	977	-	19,189
Segment assets	138,463	135,471	56,832	70,197	69,742	57,600	82,576	46,279	-	657,160
Thereof assets according to IFRS 8.33 (b) ¹	55,992	68,149	3,346	25,006	44,265	16,116	18,515	24,650	-	256,039
Segment liabilities	130,093	68,960	19,011	11,311	5,694	12,542	11,406	6,557	-	265,574
Capital expenditures:										
Property, plant and equipment ²	2,877	3,371	134	224	1,883	114	446	360	-	9,409
Intangible assets	3,680	86	13	2	-	-	43	38	-	3,862
Depreciation ³	2,549	2,524	575	968	419	780	1,594	1,306	-	10,715
Amortization	445	452	4	279	869	1	30	111	-	2,191

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 six months of 2021 and for the second quarter, respectively and was slightly below previous year's level (2020: 29.5%).

13. Independent Auditor

At the Annual General Meeting on May 12, 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 low single digit million Euro amount from operating companies of the Busch group there were no major related party transactions in the first half of 2021.

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Asslar, August 3, 2021

Pfeiffer Vacuum Technology AG

Management Board

Dr. Britta Giesen

Dr. Britta Giesen

Wolfgang Ehrk

Wolfgang Ehrk

Certification of the Legal Representatives

We hereby certify that, to the best of our knowledge and in accordance with the principles of due group interim reporting, the Consolidated Interim Financial Statements provide a true and fair view of the Group's net worth, financial position and results of operations, that the Consolidated Interim Management Report presents the course of business, including the results of operations and the Group's position, such as to provide a true and fair view and that the major opportunities and risks relating to the anticipated development of the Group in the remaining financial year are described.

Asslar, August 3, 2021

Pfeiffer Vacuum Technology AG

Management Board

Dr. Britta Giesen

Dr. Britta Giesen

Wolfgang Ehrk

Wolfgang Ehrk

Additional Information

Financial Calendar 2021

- 3rd Quarter 2021 (9-Months) Results
Thursday, November 4, 2021

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