

TRANS FORMA TION

FOR OUR
CUSTOMERS

**Half Year
Financial Report**

Second Quarter 2020

Half Year Financial Report / Second Quarter 2020

Contents

	Page
Key Figures	3
The Company	4
Share Performance	5
Interim Management Report	6
Consolidated Interim Financial Statements	16
Consolidated Statements of Income	16
Consolidated Statements of Comprehensive Income	17
Consolidated Balance Sheets	18
Consolidated Statements of Shareholders' Equity	19
Consolidated Statements of Cash Flows	20
Notes to the Consolidated Interim Financial Statements	21
Certification of the Legal Representatives	28
Additional Information	29

Key Figures

		Q2 2020	Q2 2019	Change	Q1-Q2 2020	Q1-Q2 2019	Change
Sales and profit							
Total sales	K€	148,526	157,375	-5.6%	301,854	311,108	-3.0%
Operating profit	K€	6,731	14,702	-54.2%	19,548	32,845	-40.5%
EBIT margin	%	4.5	9.3	-4.8 Pp	6.5	10.6	-4.1 Pp
Net income	K€	4,676	10,416	-55.1%	13,531	23,309	-41.9%
Return on sales	%	3.1	6.6	-3.5 Pp	4.5	7.5	-3.0 Pp
Operating cash flow	K€	20,602	14,897	38.3%	22,887	23,042	-0.7%
Capital expenditures	K€	5,686	7,426	-23.4%	13,271	13,034	1.8%
Earnings per share	€	0.47	1.06	-55.7%	1.37	2.36	-41.9%
Workforce							
Workforce (average)		3,320	3,243	2.4%	3,309	3,245	2.0%
Germany		1,115	1,051	6.1%	1,117	1,049	6.5%
Other countries		2,205	2,192	0,6%	2,192	2,196	-0,2%
Sales per employee	K€	45	49	-8.2%	91	96	-5.2%
Balance sheet							
			June 30, 2020		December 31, 2019		Change
Balance sheet total	K€		657,160		659,575		-0.4%
Cash and cash equivalents	K€		106,385		111,980		-5.0%
Number of shares issued			9,867,659		9,867,659		-
Shareholders' equity	K€		391,586		393,445		-0,5%
Equity ratio	%		59.6		59.6		- Pp

3

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, 2020, 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	Asstar
Established	1890
Purpose of the Company	To develop, manufacture and market components and systems for vacuum generation, measurement and analysis
Manufacturing sites	Asstar, Germany; Göttingen, Germany; Annecy, France; Asan, Republic of Korea; Cluj, Romania; Indianapolis, USA; Yreka, USA; Ho-Chi-Minh-City, Vietnam, Wuxi, China
Workforce (June 30, 2020)	3,320
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

For more information please visit www.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, 2020	39.78 %
Market capitalization as at June 30, 2020	€ 1,622.2 million

In the second quarter 2020 Pfeiffer Vacuum shares developed more positive than the TecDAX. On January 2, 2019, the opening price of Pfeiffer Vacuum shares was € 160.0 and the closing price was € 164.40 on June 30, 2020. This represents an increase by 3.1 %. On June 4, 2020 the high for the first half year 2020 was reached with € 169.40. The low for the first six months in 2020 was € 104.40 on March 16, 2020. In the first half year the TecDAX, starting at 3,022 points on January 2, 2020 and closing at 2,954 points on June 30, 2020, decreased by 3.6 %.

Also in 2020 Pfeiffer Vacuum distributed a dividend to its shareholders for a repeated time. At the Annual General Meeting on May 20, 2020, a vast majority of shareholders followed the common proposal of Management and Supervisory Boards and resolved a dividend of € 1.25 per share for the fiscal year 2019. Thus, the payout ratio amounted to around 25.5 % of consolidated net income 2019. A total of € 12.3 million was paid to the shareholders.

Unchanged compared to December 31, 2019, the freefloat according to our knowledge is 39.78 % as of June 30, 2020.

Interim Management Report

The development of Pfeiffer Vacuum in the first half year 2020 further has to be seen against the backdrop of the disruption caused by the COVID-19 situation. With revenues of € 301.9 million in the first half year 2020, the sales volume of the comparable prior-year period of € 311.1 million could not be reached. This decrease by 3.0 % is still a solid result, compared to other branches of mechanical engineering, and was primarily possible through sales with our customers in the semiconductor industry. Other market areas were partly more affected by a decline. Overall, the robustness of the vacuum industry in general and the advantages of Pfeiffer Vacuum's broad market presence are evident here. With an order intake of € 316.6 million, a strong book-to-bill ratio of 1.05 was achieved in the first half year. On the other hand, productivity losses as a result of the COVID-19 situation and the shift between markets and products have weighed on the development of gross profit and margin. Gross profit declined by € 6.4 million to € 102.6 million (previous year: € 109.0 million). The corresponding gross margin in the first six months of 2020 was 34.0 %, compared to a gross margin of 35.0 % in the previous year. The operating costs showed increases compared to the first quarter of 2020, also due to the Group's focus on further growth. The net result of other operating income and expenses was € 1.3 million and thus at the previous year's level (previous year: € 1.3 million). With € 19.5 million, operating profit in the first six months of 2020 was € 13.3 million below the previous year's level of € 32.8 million. The operating profit margin, the ratio of operating profit to sales, declined from 10.6 % in 2019 to 6.5 % in the first half year of 2020. With virtually constant net financial expenses and a slightly higher tax rate, net income decreased from € 23.3 million to € 13.5 million. Earnings per share of € 1.37 in the first half year of 2020 were also below the previous year's figure of € 2.36.

6

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. The final effects of this recession cannot yet be estimated, as the economic downturn is not regionally limited and hit virtually all economic sectors at the same time. In addition, it is currently unclear when the full return to public life can take place. The first cautious lockdown easing has taken place, but it is also noticeable that many countries deal with the pandemic very differently. Concerns about a second infection-wave are big, leading to prudent action in many countries. The vacuum industry is also affected by these developments.

Interim Management Report

Pfeiffer Vacuum's top priorities in this environment remain the health and safety of the employees and to meet the customers' needs. Our goals are to assure that none of our employees will be infected by COVID-19 because of their work at Pfeiffer Vacuum and that we meet the commitments to our customers, particularly in these challenging times. Our customers tell us that Pfeiffer Vacuum stands for quality and reliability of products, and services. This is a reputation that we are proud of and that we protect. We are tirelessly working on meeting and exceeding the expectations of our customers. This is essential as we are pursuing our goal to increase market share. Despite challenges in the first six months of the year, we managed to fulfil our customers' requirements.

What further helps the Company in this challenging situation is the very solid financial position. For many years the Group has shown strong balance sheet structures with a high equity ratio and has adopted conservative financing approaches for daily business and necessary investments. Together with the still solid earnings development in the first half year we therefore 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.

7

Sales

Presented below are net sales by segment, by region, by product and by market for the periods ended June 30, 2020 and 2019.

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

Interim Management Report

segments that individually or as a group do not have to be reported separately are included in the segment „All Others“.

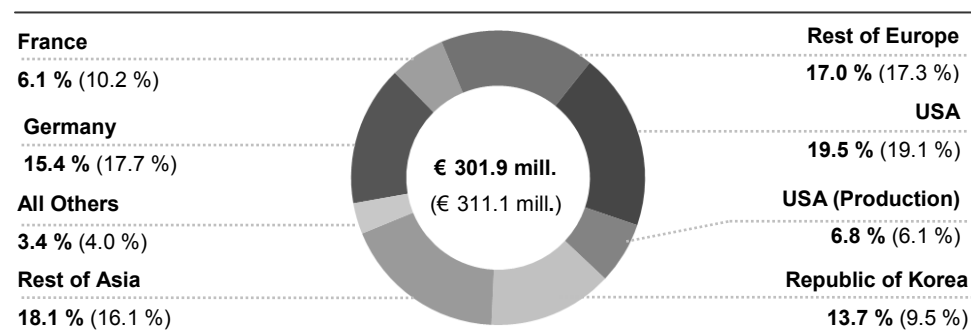
Sales by Segment

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	in K€	in K€	in K€	in K€
USA	27,427	31,081	58,839	59,310
Rest of Asia	30,221	26,254	54,625	50,020
Rest of Europe	24,203	26,763	51,344	53,873
Germany	21,554	27,175	46,369	54,998
Republic of Korea	21,640	13,851	41,349	29,638
USA (Production)	9,556	9,340	20,554	18,888
France	8,494	16,211	18,463	31,979
All Others	5,431	6,700	10,311	12,402
Total	148,526	157,375	301,854	311,108

Analysis of sales by segment in the first half year shows a heterogeneous development. Whereas the sales in segments Republic of Korea, rest of Asia and USA (Production) showed increases, the sales in all other segments declined, being stronger impacted by the COVID-19 situation

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

Sales by Segment H1/2020 (H1/2019)



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.

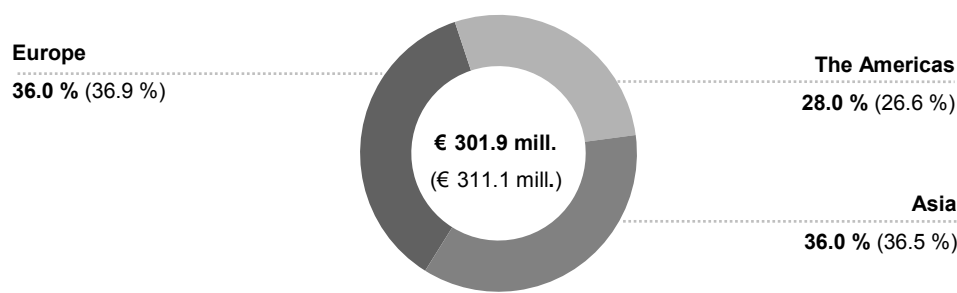
Sales by Region

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	in K€	in K€	in K€	in K€
Europe	50,725	56,338	108,693	114,939
Asia	57,661	58,528	108,574	113,401
The Americas	40,097	42,479	84,527	82,703
Rest of world	43	30	60	65
Total	148,526	157,375	301,854	311,108

A regional analysis of sales in the first half of 2020 shows the negative effects of the pandemic on the sales in Europe and Asia. Sales in Asia were down 4.3 %, which is primarily a reflection of the significant deterioration of the solar portion of the coating market, offset by strong semiconductor sales. Sales in the America's performed best of all regions with sales up 2.2 % year-over-year for the first half of 2020 compared to the previous year. The driver of this development is again the strength in the semiconductor market and particularly strong sales to our OEM customers.

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

Sales by Region H1/2020 (H12019)



Interim Management Report

Sales by Market

Sales by Market

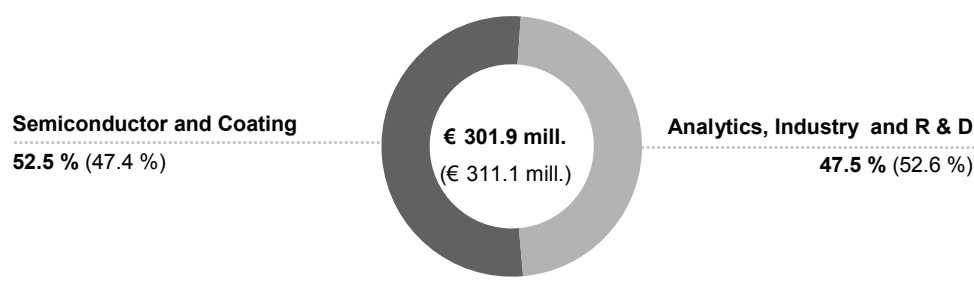
	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	in K€	in K€	in K€	in K€
Semiconductor and Coating	79,843	72,202	158,479	147,318
Analytics, Industry and R & D	68,683	85,173	143,375	163,790
Total	148,526	157,375	301,854	311,108

The already mentioned sales growth in the semiconductor industry had a direct positive impact on the segment Semiconductor and Coating. In contrast, the demand situation in the coating market remains challenging. As a result of the COVID-19 situation our total sales to customers from analytics, industry and R&D declined in the first half of 2020 compared to the previous year.

For competitive reasons we decided to carry out our sales analysis by market on a more consolidated level from financial year 2020 on. The previous year's figures have been adjusted accordingly. For the same reason, we refrain from disclosing sales by product.

The sales split by markets was as follows:

Sales by Market H1/2020 (H1/2019)



Order Intake and Order Backlog

Following an order intake of € 293.7 million in the first six months of 2019 this number increased by € 22.9 million, or 7.8 %, to € 316.6 million in the first half of 2020. With € 143.7 million the order intake in the second quarter of 2020 was lower compared to the immediately preceding first quarter (€ 172.9 million). The book to bill ratio, the ratio between new orders and sales, was 0.97 in the second quarter 2020 (Q2/2019: 0.92). On a year to date basis, the book to bill ratio stood at 1.05 as at June 30, 2020 (0.94 for the first half year of 2019).

Interim Management Report

Order backlog increased from € 110.7 million at the end of December 2019 to € 125.4 million as at June 30, 2020. This represented an increase by € 14.7 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 2020 cost of sales totaled € 199.2 million (2019: € 202.1 million). This represents a decrease by € 2.9 million, or 1.4 %. This was mainly caused by the decrease in sales and the resulting lower utilization of the production sites. Accounting for € 102.6 million, gross profit was € 6.4 million below previous year's number (€ 109.0 million). Gross margin, the ratio between gross profit and sales, decreased from 35.0 % to 34.0 %, mainly due to negative economies of scale from manufacturing costs through weaker sales. The disproportional increase in cost of sales in comparison with the development of sales in the second quarter 2020 was driven by less favorable product and customer mix and productivity losses following the COVID-19 measures. Thus, the gross profit in the second quarter (€ 49.4 million) declined compared to the second quarter last year (€ 53.3 million).

11

Selling and Marketing Expenses

With € 36.1 million, selling and marketing expenses of the first six months of the current fiscal year were slightly down by € 0.2 million compared to the number in the previous fiscal year (€ 36.3 million). Due to decrease in sales, the ratio of selling and marketing expenses and sales increased by 0.3 percentage points to 12.0 % compared with prior year (11.7 %).

General and Administrative Expenses

General and administrative expenses increased from € 26.3 million in the first two quarters of 2019 to € 30.1 million in the current fiscal year. Relative to sales, this ratio increased from 8.5 % to 10.2 %.

Research and Development Expenses

With € 17.5 million in the first half of 2020, research and development expenses were up € 2.7 million from the prior year's level of € 14.8 million. R&D ratio, the ratio between R & D expenses and sales, increased from 4.8 % to 5.8 %.

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.

Interim Management Report

Other Operating Income/Other Operating Expenses

Unchanged compared to the previous year the balance of other operating income and expenses totaled € +1.3 million in the first half of 2020. The amounts in 2020 included predominantly expense subsidies affecting net income of € 1.6 million (2019: € 1.5 million) as well as impairment losses of the goodwill allocated to the Italy region amounting to € 0.4 million and net foreign exchange losses of € 0.3 million (2019: € 0.2 million).

Operating Profit

Following € 32.8 million in the first half of 2019, operating profit in the first six months of 2020 stood at € 19.5 million. This corresponds to a decrease by € 13.3 million, or 40.5 %. The EBIT margin, the ratio between operating profit and sales, declined from 10.6 % in the first six months of 2019 to 6.5 % in the first half 2020. The key factor for this development was the decrease of the gross profit as a result of negative economies of scale and a less favorable product-customer mix. In addition, the expanded cost basis due to additional investments to implement the Group's growth strategy burdened the earnings development.

Financial Results

With € -0.4 million in the first half year 2020, net financial result was at the prior year's level.

Income Taxes

With 29.5 % in the first half year 2020 the tax rate was 1.3 % percentage points above the prior year level (28.2 %). Due to the decrease in earnings before taxes, tax expenses fell from € 9.2 million to € 5.7 million. There were no structural changes.

Net income / Earnings per share

Totalling € 13.5 million net income for the first half year of 2020 was down by € 9.8 million from the prior year results of € 23.3 million. Return on sales (after taxes) stood – after 7.5 % in 2019 – at 4.5 % in the first half of 2020. Earnings per share developed parallel to net income. After € 2.36 in the first half year of 2019 an amount of € 1.37 was recorded for the current fiscal year. This represents a decrease by 41.9 %.

Interim Management Report

Financial Position

Pfeiffer Vacuum's balance sheet total decreased by € 2.4 million, or 0.4 %, from € 659.6 million as of December 31, 2019 to € 657.2 million as of June 30, 2020. On the asset side of the balance sheet, this development is the result of various partially opposite developments, with the increase in inventories by € 8.2 million, the decrease in income tax receivables by € 5.8 million and the decrease in cash and cash equivalents by € 5.6 million being decisive. Details on the development of cash and cash equivalents can be found in the "Cash Flow" section below.

As of June 30, 2020, Group equity amounted to € 391.6 million, which was € 1.9 million lower than at the end of the previous financial year (€ 393.4 million). This was mainly due to the dividend payment of € 12.3 million and contrary to the net income recorded for the first half year of 2020 (€ 13,5 million). In addition, other equity components decreased by € 3.1 million on balance. This was mainly attributable to pension related revaluation impacts and the recognition of exchange rate differences recorded directly in equity. The equity ratio was exactly at the previous year's level and amounted to 59.6 % as of June 30, 2020. Further significant changes in liabilities resulted from the increase by € 2.9 million in current contractual liabilities and by € 3.3 million other liabilities, as well as the decrease by € 5.4 million in income tax liabilities.

Cash Flow

Despite the strong decline by € 9.8 million in the net income, operating cash flow of € 22.9 million in the first half of 2020 was only € 0.1 million below the comparable figure for the same period of the previous year (€ 23.0 million). In addition to the lower after-tax result, the increase in inventories and the decrease in tax provisions had a negative impact on operating cash flow in the first half of 2020. On the other hand, the decrease in receivables and other assets and the increase in liabilities increased the operating cash flow and were thus able to virtually compensate for the negative effects.

As in the same period of 2019, investments in property, plant and equipment and intangible assets were the main determinants of cash outflow from investing activities in the first half of 2020 (€ 13.1 million in 2020 and € 12.9 million in the previous year).

The principal element of leasing payments amounting to € 2.4 million (previous year: € 2.2 million) and the repayment of financial debt amounting to € 0.1 million, together with the dividend payment of € 12.3 million (previous year: € 22.7 million), resulted in an outflow of funds from financing activities totaling € 14.8 million in the first half of 2020 (previous year: € 24.9 million).

Taking currency effects into account, cash outflows totaled € 5.6 million (previous year: € 15.0 million) and led to a decrease in cash and cash equivalents to € 106.4 million.

Interim Management Report

Workforce

As of June 30, 2020, the Company employed a workforce of 3,320 people, 1,115 of them in Germany and 2,205 in other countries.

Workforce

	Germany		Other countries		Total	
	June 30,					
	2020	2019	2020	2019	2020	2019
Manufacturing and Service	684	625	1,454	1,477	2,138	2,102
Research and Development	104	86	157	128	261	214
Sales and Marketing	189	221	389	375	578	596
Administration	138	119	205	212	343	331
Total	1,115	1,051	2,205	2,192	3,320	3,243

Risk and Opportunities Report

During the first six months of the 2020 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, 2019. The Annual Report is available on our homepage at www.group.pfeiffer-vacuum.com.

However, the possible effects of the described risks and opportunities have changed due to the COVID-19 situation, but the consequences on the Pfeiffer Vacuum Group can still not be yet conclusively measured. Overall the situation remains uncertain, particularly regarding the length of governmental restrictions on public life, even if cautious easing has already been taken. As a result the economic situation worldwide remains very tense. 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, some of which play an important role in the fight against COVID-19. We aim to continue to ensure this condition.

Mayor Events after the Balance Sheet Date

After the end of the first half year 2020, there has not been any significant change in the industry environment or in the Company's position.

Interim Management Report

Outlook

The impact of the Corona-Pandemic on the world economy, our customers and our business remain very difficult to forecast. The demand outlook in the semiconductor market is still positive, even though we expect third quarter compared to the fourth quarter 2020 to be weaker, based on what our customers are telling us today. The coating market is expected to continue to be under pressure for the remainder of 2020. The activity in the industry, analytics and R&D markets is strengthening, which is a positive indicator for sales improvements. Our short-term visibility is low despite a decent order backlog.

Overall, we expect the second half of 2020 sales performance for Pfeiffer Vacuum to be relatively strong within the context of the global economy but do not expect sales in the second half to improve from our first half 2020 performance.

From an EBIT perspective, improvements will come with sales increases. While we are managing our costs, we are committed to our long-term strategy. Therefore, in the current environment, we do not expect the EBIT margin in the second half to improve from first half 2020 levels.

Consolidated Interim Financial Statements

Consolidated Statements of Income (unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	in K€	in K€	in K€	in K€
Net sales	148,526	157,375	301,854	311,108
Cost of sales	-99,163	-104,040	-199,219	-202,104
Gross profit	49,363	53,335	102,635	109,004
Selling and marketing expenses	-18,067	-18,255	-36,100	-36,302
General and administrative expenses	-15,441	-13,127	-30,759	-26,327
Research and development expenses	-9,820	-7,301	-17,519	-14,812
Other operating income	1,924	1,307	4,645	3,485
Other operating expenses	-1,228	-1,257	-3,354	-2,203
Operating profit	6,731	14,702	19,548	32,845
Financial expenses	-222	-221	-453	-443
Financial income	55	26	94	62
Earnings before taxes	6,564	14,507	19,189	32,464
Income taxes	-1,888	-4,091	-5,658	-9,155
Net income	4,676	10,416	13,531	23,309
Earnings per share (in €):				
Basic	0.47	1.06	1.37	2.36
Diluted	0.47	1.06	1.37	2.36

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,	
	2020 in K€	2019 in K€	2020 in K€	2019 in K€
Net income	4,676	10,416	13,531	23,309
Other comprehensive income				
Amounts to be reclassified to income statement in future periods (if applicable)				
Currency changes	-2,707	-3,991	-2,514	-484
Results from cash flow hedges	-19	-16	-30	13
Related deferred income tax effects	5	5	-	-4
	-2,721	-4,002	-2,544	-475
Amounts not to be reclassified to income statement in future periods				
Valuation of defined benefit plans	-729	-8,516	-723	-8,536
Related deferred income tax effects	212	2,468	212	2,473
	-517	-6,048	-511	-6,063
Other comprehensive income net of tax	-3,238	-10,050	-3,055	-6,538
Total comprehensive income net of tax	1,438	366	10,476	16,771

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Balance Sheets (unaudited)

	June 30, 2020	December 31, 2019
	in K€	in K€
Assets		
Intangible assets	113,438	112,244
Property, plant and equipment	153,496	154,701
Investment properties	388	400
Other financial assets	1,689	4,031
Contract assets	216	-
Other assets	624	2,034
Deferred tax assets	27,709	27,377
Total non-current assets	297,560	300,787
Inventories	136,713	128,484
Trade accounts receivable	88,619	87,867
Contract assets	2,758	2,860
Income tax receivables	4,134	9,962
Prepaid expenses	6,643	4,308
Other financial assets	2,987	3,161
Other accounts receivable	11,361	10,166
Cash and cash equivalents	106,385	111,980
Total current assets	359,600	358,788
Total assets	657,160	659,575
Shareholders' equity and liabilities		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	305,748	304,552
Other equity components	-35,668	-32,613
Equity of Pfeiffer Vacuum Technology AG shareholders	391,586	393,445
Financial liabilities	68,724	69,729
Provisions for pensions	66,449	64,103
Deferred tax liabilities	4,690	5,041
Contract liabilities	834	584
Total non-current liabilities	140,697	139,457
Trade accounts payable	39,538	41,137
Contract liabilities	15,159	12,259
Other accounts payable	26,746	23,406
Provisions	38,296	38,735
Income tax liabilities	1,831	7,248
Financial liabilities	3,307	3,888
Total current liabilities	124,877	126,673
Total shareholders' equity and liabilities	657,160	659,575

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, 2019	25,261	96,245	278,891	-28,172	372,225
Net income	-	-	23,309	-	23,309
Other comprehensive income	-	-	-	-6,538	-6,538
Total comprehensive income	-	-	23,309	-6,538	16,771
Dividend payment	-	-	-22,696	-	-22,696
Balance on June 30, 2019	25,261	96,245	279,504	-34,710	366,300
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

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Cash Flows (unaudited)

	Six months ended June 30,	
	2020	2019
	in K€	in K€
Cash flow from operating activities:		
Net income	13,531	23,309
Depreciation/amortization	13,294	11,564
Other non-cash income/expenses	2,511	2,367
Effects of changes of assets and liabilities:		
Inventories	-11,911	-13,129
Receivables and other assets	3,979	10,894
Provisions, including pensions, and income tax liabilities	-3,731	-7,059
Payables, other liabilities	5,214	-4,904
Net cash provided by operating activities	22,887	23,042
Cash flow from investing activities:		
Capital expenditures	-13,271	-13,034
Proceeds from disposals of fixed assets	147	102
Net cash used in investing activities	-13,124	-12,932
Cash flow from financing activities:		
Principal elements of lease payments	-2,345	-2,183
Dividend payment	-12,335	-22,696
Redemptions of financial liabilities	-120	-23
Net cash provided by/used in financing activities	-14,800	-24,902
Effects of foreign exchange rate changes on cash and cash equivalents	-558	-229
Net change in cash and cash equivalents	-5,595	-15,021
Cash and cash equivalents at beginning of period	111,980	108,380
Cash and cash equivalents at end of period	106,385	93,359

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, 2020, 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, 2019 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2019, which are available in the internet at www.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 € 0.9 million and is included in various lines of the profit and loss account.

22

3. Intangible Assets

Intangible assets consist of the following:

Intangible assets

	June 30, 2020	December 31, 2019
	in K€	in K€
Goodwill	80,873	81,373
Customer Base	15,908	16,719
Software	3,072	3,260
Software before implementation	6,922	4,222
Other intangible assets	6,663	6,670
Total intangible assets	113,438	112,244

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, 2020	December 31, 2019
	in K€	in K€
Land and buildings	75,491	78,805
Technical equipment and machinery	51,128	51,281
Other equipment, factory and office equipment	16,083	16,371
Construction in progress	10,794	8,245
Total property, plant and equipment (excl. right-of-use assets)	153,496	154,701

5. Inventories

Inventories consist of the following:

Inventories

	June 30, 2020	December 31, 2019
	in K€	in K€
Raw materials	45,970	42,256
Work-in-process	34,884	31,571
Finished products	55,859	54,657
Total inventories, net	136,713	128,484

6. Paid Dividends

At the Annual Shareholders' Meeting on May 20, 2020, the shareholders resolved a dividend of € 1.25 per share for the year 2019. Thus, a total of € 12,334,573.75 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, 2020	December 31, 2019
	in K€	in K€
Loans	60,000	60,000
Lease liabilities	8,724	9,729
Non-current financial liabilities	68,724	69,729
Lease liabilities	3,307	3,766
Other financial liabilities	-	122
Current financial liabilities	3,307	3,888
Total financial liabilities	72,031	73,617

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,	
	2020	2019	2020	2019
	in K€	in K€	in K€	in K€
Service cost	896	895	1,795	1,824
Interest cost	183	246	366	496
Net pension cost	1,079	1,141	2,161	2,320

Notes to the Consolidated Interim Financial Statements (unaudited)

9. Warranty

Warranty provisions developed as follows:

Warranty provisions

	Six months ended June 30,	
	2020 in K€	2019 in K€
Balance on January 1	15,343	15,939
Currency changes	-89	-60
Additions	1,901	4,258
Utilization	-1,914	-4,294
Balance on June 30	15,241	15,843

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,	
	2020	2019	2020	2019
Net income (in K€)	4,676	10,416	13,531	23,309
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)	0.47	1.06	1.37	2.36

Notes to the Consolidated Interim Financial Statements (unaudited)

11. Segment Reporting

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

26

Segment Reporting as at June 30, 2019 (in K €)

	Germany	France	Rest of Europe	USA	USA Production	Republic of Korea	Rest of Asia	All Others	Consolidation	Group
Net sales	118,147	101,607	53,892	59,499	20,712	31,794	54,376	24,188	-153,107	311,108
Third party	54,998	31,979	53,873	59,310	18,888	29,638	50,020	12,402	-	311,108
Intercompany	63,149	69,628	19	189	1,824	2,156	4,356	11,786	-153,107	-
Operating profit	17,397	4,161	3,447	3,427	164	469	4,022	-242	-	32,845
Financial income	-34	-104	-11	485	-413	23	-142	-185	-	-381
Earnings before taxes	17,363	4,057	3,436	3,912	-249	492	3,880	-427	-	32,464
Segment assets	139,874	126,895	51,852	65,369	70,310	43,282	77,326	54,161	-	629,069
Thereof assets according to IFRS 8.33 (b) ¹	48,822	67,286	6,820	22,001	45,081	18,035	22,772	30,022	-	260,839
Segment liabilities	127,402	66,554	19,389	10,757	6,491	10,328	13,698	8,150	-	262,769
Capital expenditures:										
Property, plant and equipment ²	2,666	2,726	335	327	128	1,898	1,853	2,702	-	12,635
Intangible assets	301	-	4	-	-	-	21	73	-	399
Depreciation ³	2,466	2,045	535	865	383	670	1,465	1,170	-	9,599
Amortization	336	394	2	2	845	3	6	377	-	1,965

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 29.5 % for the first six months of 2020 and for the second quarter, respectively and was slightly above previous year's level (2019: 28.2%).

13. Independent Auditor

At the Annual General Meeting on May 20, 2020, 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 2020 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 half of 2020.

27

Asslar, August 3, 2020

Pfeiffer Vacuum Technology AG

Management Board

Dr. Eric Taberlet

Nathalie Benedikt

Wolfgang Ehrk

Dr. Eric Taberlet

Nathalie Benedikt

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, 2020

Pfeiffer Vacuum Technology AG

Management Board

Dr. Eric Taberlet

Dr. Eric Taberlet

Nathalie Benedikt

Nathalie Benedikt

Wolfgang Ehrk

Wolfgang Ehrk

Additional Information

Financial Calendar 2020

- 3rd Quarter 2020 (9-Months) Results
Tuesday, November 3, 2020

Contact

Investor Relations

Heide Erickson
Berliner Straße 43
35614 Asslar
Deutschland
T +49 6441 802-1360
F +49 6441 802-1365
Heide.erickson@pfeiffer-vacuum.de
www.group.pfeiffer-vacuum.com