PVA TePla

Q2 results

Q2 the trough, long-term drivers expand

Technology

12 August 2026

PVA TePla's (PVA's) Q226 results were mixed, as expected. Management reiterated FY26 guidance for revenue of €255–275m and EBITDA of €26–31m, but it now expects EBITDA to be at the lower end of the range. In the last few quarters almost every chip producer has increased their capex expectations. We believe that PVA is well positioned to benefit from this spending spree in the coming years, as it has exposure to some exceptionally strong growth pillars in the market. In the earnings call, PVA's CEO, Jalin Ketter, stated that, although investments plans are under way, there are currently not enough details for PVA to update its targets. We have decreased our revenue estimate for FY26 but increased our profitability estimates for FY27. On our new estimates, PVA's valuation looks undemanding compared to metrology peers, with a discount of 27.7% on FY27e EV/EBITDA and a DCF-based fair value of €36.93/share (from €31.99 previously).

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)	EV/EBITDA (x)
12/24	270.1	47.8	1.25	0.00	24.9	N/A	14.2
12/25	244.3	25.3	0.37	0.00	83.2	N/A	26.7
12/26e	259.7	26.0	0.44	0.00	71.0	N/A	26.1
12/27e	322.7	46.8	1.06	0.00	29.2	N/A	14.5

Note: EPS (adjusted for treasury shares) and EBITDA are reported numbers.

Q2 EBITDA the trough, order momentum to come

PVA's Q2 results showed a good increase in revenues (8.0% y-o-y), driven by metrology, but with a decrease in EBITDA, largely driven by one-off items and a lower gross margin, due to product mix and under utilisation. As there are no one-off items expected in Q3, there should be a recovery in EBITDA. Management expressed confidence that Q4 would be the strongest quarter this year. The Q2 drop in order intake, after an exceptional Q1, was as expected, although the decrease in metrology orders was not as deep as feared. In the coming quarters, order momentum should improve given developments in the semiconductor market.

Indium phosphide, a new industry bottleneck

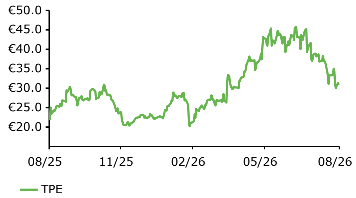
With the Q1 results, we were positively surprised that the first systems for indium phosphide (InP) synthesis were in the order book. InP is becoming a crucial bottleneck for photonic chip applications. Mordor Intelligence estimates the InP wafer market will grow from c $198m in 2025 to $348m by 2030; PVA now conservatively sees demand for 510–580 furnaces. Its served addressable market (SAM) could be c 20–30% of these furnaces, suggesting 100–175 tools, at a low-single-digit million euro ASP. This adds a serious new potential market, which, given the current shortage, we expect could develop quickly.

Valuation not demanding

PVA trades at a P/E of 29.4x on our FY27 estimates and an EV/EBITDA of 14.0x. Our DCF suggests a value of €36.93, from €31.99, as we have increased our sales and EBITDA estimates later in the cycle given PVA's positioning in materials and metrology. Compared to US-listed metrology peers, PVA is at a discount of 27.7%.

Price	**€31.08**
Market cap	**€639m**
Net cash/(debt) at 30 June	€(38.3)m
Shares in issue	20.4m
Free float	86.0%
Code	TPE
Primary exchange	FRA
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(19.0)	(26.5)	47.0
52-week high/low		€46.5	€17.5

Business description

PVA TePla is a German equipment supplier, mostly for the semiconductor industry but also for the industrial market. Within the sector it is a technology leader in the synthesis (including crystal growing), joining and refining of materials, especially steel. Metrology (acoustic/chemical/optical), especially for the semiconductor sector, is gaining importance and this is a clear growth market.

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Low point in EBITDA reached in Q2

Although revenues increased to €65.7m in Q226, from €54.9m in Q126 and €60.8m in Q225, EBITDA more than halved to €3.0m, compared to €6.7m in Q225. The gross profit margin was affected by mix effects and underutilisation, especially at the Material Solutions division, and came in at 30.0%, compared to 33.5% in Q225 but 28.5% in Q126. The bigger impact on EBITDA came from one-off costs of c €4m incurred in Q226. As we understand it, the larger part of this was a provision related to an old model tool that was delivered to a customer. Adjusted for this, EBITDA actually increased 4.5% y-o-y. With this set of results, we expect PVA has reached the low point in EBITDA in Q226, and it will start to recover as of Q3. Overall, the net loss improved to €0.7m in Q226 compared to €2.1m in Q126, but it decreased from a €2.7m net profit in Q225.

Exhibit 1: Selected P&L items

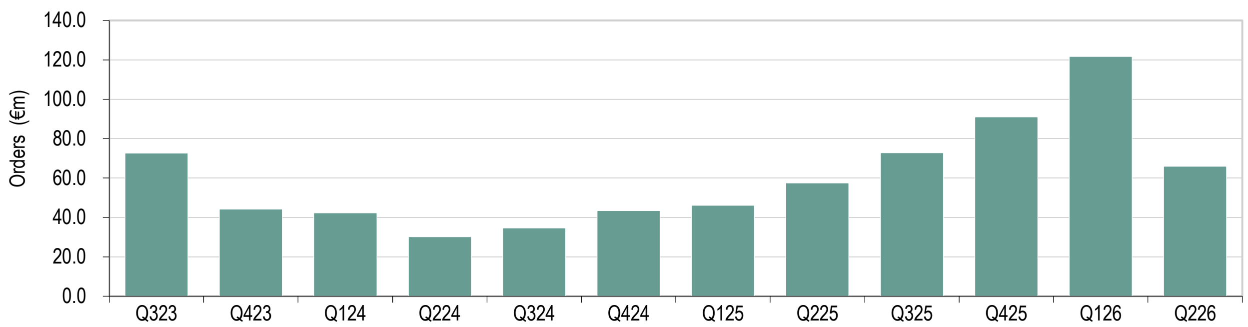
€m	Q225	Q126	Q226	Y-o-y growth	Q-o-q growth
Material Solutions	17.6	31.9	35.7	103.0%	12.1%
Metrology	43.2	23.0	30.0	-30.6%	30.4%
Total revenues	**60.8**	**54.9**	**65.7**	8.1%	19.8%
EBITDA	6.7	1.4	3.0	-55.2%	115.4%
Net profit	2.7	(2.1)	(0.7)	-126.0%	-66.2%

Source: PVA TePla

PVA indicated in its earnings call that Q326 EBITDA should be more or less at the same level as Q2 without the one-off items, approaching a double-digit EBITDA margin. This suggests roughly €7m. Q4 should then be by far the strongest quarter this year, driven by orders from the backlog with a better product mix. Overall, management reiterated its FY26 guidance of €255–275m in revenues and EBITDA of €26–31m, although EBITDA is expected to come in at the lower end of the range. This would imply EBITDA of €16–20m for Q4, which is a significant step-up, but management was confident that this will be realised.

The widely watched order intake decreased in Q226, as management had indicated in the Q126 call. Metrology order intake was a bit higher than the €30m run rate that was indicated, at €35m, and the material solutions order intake is always a bit more lumpy. We highlight the first orders for InP furnaces as well as aluminium nitride, which are markets that are developing strongly for efficient data transmission and high-power solutions.

Exhibit 2: Order intake



Source: PVA TePla

In the last few quarters almost every chip producer has increased their capex expectations for this year and the coming years. In our view, PVA is very well positioned to benefit from this spending spree, as it has exposure to some exceptionally strong growth pillars in this market, such as InP wafers for data transmission, metrology for 2.5D/3D advanced packaging for complex chips, and wafers of wide bandgap materials for power efficiency.

Metrology order intake normalises

As previously highlighted, with €35m in Q226, metrology order intake has been better than expected, and the balance between high-volume manufacturing (HVM) tools and R&D tools moved more towards HVM in the quarter, from roughly half at the end of last year. This is a positive development and signals that PVA's offering is maturing. There was no news regarding new qualifications in the quarter for the SAM (acoustic microscopy), but management confirmed that it is in close contact or has final agreements with half of the large players and is working on securing contracts with the other half.

After acoustic metrology, optical inspection is also becoming more important in the market. PVA has been addressing this market mostly from a front-end perspective (ie wafer processing, see picture below) with more manual systems. But similar to what we have seen on the acoustics side, PVA is developing a roadmap that will bring it more to backend/ packaging (we would guess mostly 2.5D/3D packaging) related applications, with more automated systems. No details were shared on the potential size of this market, but it is clear that optical inspection tools are gaining traction in the back-end markets, as packages are becoming more complex.

Exhibit 3: Optical inspection – Vereveal

Source: PVA TePla

Although not yet visible in order intake or revenues, we believe that PVA is very well positioned to benefit not only from the broader capex boom at the chip vendors, but also from the technology inflections from the increasing complexity of chipsets with 2.5D/3D structures and ever smaller patterns, driven by AI. This drives volume as a technology-based demand and, given its fresh stature in the HVM semiconductor supply chain, should lead to above-industry-average growth in the next years, and is also a reason for us to increase our estimates. CEO Ketter conservatively said in the call that while investment plans are underway, they are not yet specific enough to include in longer-term targets.

Given the momentum in the equipment market and the fact that customers share their roadmaps and tool demands with PVA, visibility has improved drastically, reaching into 2029. As a result, we expect the quarterly order run rate to gradually increase in the coming quarters for the metrology division. This would make PVA's mid-term target of c €250m in metrology revenues by c 2028 (up from c €98m in FY25) realistic, and we see significant upside given the current investment boom and the technology inflections that PVA has.

Indium phosphide, the next bottleneck

We were positively surprised that the first systems for InP synthesis are already in the order book this year. InP is becoming a crucial bottleneck for photonic integrated circuit (PIC) or photonic chip applications, for data transmission both between and within data centres. Lumentum CEO Michael Hurlston has warned that the supply-demand gap for InP has now surpassed that of dynamic random-access memory (DRAM) and NAND, making it one of the most critical constraints on AI data centre optical interconnect expansion. Almost simultaneously, Chinese Zhongji InnoLight, a leading player in InP wafers, listed on the Hong Kong stock exchange at a c $153bn valuation. In the PVA earnings call, CEO Ketter said that there is a shift from smaller wafer sizes to larger six-inch wafers at the moment, which, combined with a structurally tight supply, creates a significant opportunity for PVA.

We have previously highlighted (see Semiconductors: Materials in wafer markets) the role that InP could play in the data communication market. But where the InP wafer market, not even a year ago, was worth only c $198m in 2025 (with an estimate of $348m by 2030), according to Mordor Intelligence, PVA now conservatively sees demand for 510–580 furnaces alone. Roughly 20–30% of these furnaces could be its SAM, giving PVA a potential of 100–175 tools, at a low-digit-single million euro average selling price (ASP). As such, this is a serious new potential market for PVA.

Exhibit 4: InP opportunity

Source: PVA TePla H1 presentation

InP wafers are used in PICs (photonic chips). Their distinguishing property is that InP does not absorb light, which gives them an advantage compared to the regular silicon (Si) material. Furthermore, InP is able to emit and detect light at wavelengths above 1,000nm, which is beyond visible light. InP crystal growing usually uses a vertical gradient freeze (VGF) process, in which indium and phosphorus are melted together and then gradually cooled off, forming crystals. PVA TePla is a main supplier of this equipment.

Furthermore, the market environment in silicon carbide (SiC) is changing significantly, with the automotive SiC market on the brink of recovery and more SiC applications for data centres emerging, which could provide a new growth leg for PVA. 300mm wafers are under development in this segment, and the first furnaces are expected to reach the market within months. While InP wafers can help to lower the energy needed to transport large amounts of data, SiC has applications for more energy-efficient (compared to Si) powerchips in power supply for data centres and server racks as well as in electric vehicles and hybrid cars.

Financials

After the Q226 results, we have made several adjustments to our estimates. We have shaved our revenue estimates for FY26, especially in the metrology division, given the revenue developments in Q126 and Q226, and for FY27 we have cut our estimates in line with that. In our view, there is upside to these estimates should PVA's solutions attract higher adoption. We have trimmed 7% from our FY26 EBITDA estimate, but have increased our FY27 estimate a little, driven by a better mix with higher gross margins. We have lowered our FY26 net income estimate by 11.7% to €8.9m. This is still somewhat higher than FY25.

Exhibit 5: Changed estimates

€m	FY25	FY26e old	FY26e new	Change	FY27e old	FY27e new	Change
Total revenue	244.3	265.9	259.7	-2.3%	329.7	322.7	-2.1%
EBITDA	25.3	27.9	26.0	-7.0%	46.2	46.8	1.4%
EBIT	15.1	17.3	15.6	-9.8%	33.0	33.9	2.8%
Pre-tax profit	8.5	14.5	12.8	-11.7%	30.2	31.1	3.0%
Net income	7.6	10.1	8.9	-11.7%	21.1	21.7	3.0%
EPS (€)	0.35	0.47	0.41	-11.7%	1.03	1.06	3.0%

Source: Edison Investment research

Valuation

PVA is trading at a P/E multiple of 29.4x on our FY27 estimates and an EV/EBITDA of 14.0x. The reason that this estimate deviates a little from the multiples in the front-page table is that we include an estimated end-of-year net debt number in our estimates compared to the H126 net debt number that is taken on the front page. Our discounted cash flow (DCF) model points to a fair value of €36.93 per share, compared to €31.99 previously, as we have increased our sales and EBITA estimates later in the cycle given PVA's excellent positioning in materials and metrology.

Metrology companies such as US-listed Onto Innovation, Camtek and KLA (much bigger) mostly compete in different markets but with tools that are also used in metrology and inspection. They trade at average EV/EBITDA multiples for FY27e of >19x (Onto) and c 24x (Camtek). PVA trades at a discount of 27.7% compared to these peers and at a discount of 32.6% compared to European equipment players. Materials companies have seen rising valuations in the last few years and PVA trades at a discount of 6.0% compared to these peers.

On historical multiples, PVA's valuation is not demanding. The five-year historical average P/E amounts to 38.1x and EV/EBITDA to 17.7x.

Exhibit 6: Valuation Matrix

EV/EBITDA (x) advanced materials companies		Market cap	2024	2025	2026e	2027e
Coherent (USD)		51,432	14.0	12.9	32.9	21.6
Entegris (USD)		18,155	20.0	18.2	21.6	17.8
MKS Instruments (USD)		20,091	11.9	14.8	18.1	14.4
Mersen (€m)		905	4.2	6.0	6.6	5.8
Average			12.5	13.0	19.8	14.9
EV/EBITDA (x) semi inspection/process control companies						
Camtek (USD)		6,099	26.0	33.7	33.4	23.8
Comet (CHF)		2,536	31.7	37.6	26.6	15.2
Inficon (CHF)		2,647	17.5	15.4	13.7	12.3
Onto Innovation (USD)		12,863	24.4	27.5	28.6	19.8
KLA (USD)	*	238,813	26.1	21.3	63.4	27.6
Nordson (USD)		16,592	19.2	16.6	19.0	17.5
Average			24.2	25.4	30.8	19.4
EV/EBITDA (x) European semi equipment companies						
Besi (€m)		16,023	47.0	50.8	34.7	23.4
Suss Microtec (€m)		1,422	9.7	9.0	20.4	12.3
VAT (CHF)	*	18,040	35.0	36.3	40.7	26.7
Average			30.6	32.0	31.9	20.8
PVA TePla (€m)		312	**6.4**	**20.3**	**31.1**	**14.0**
Premium/discount vs materials peers			*-49.0%*	*56.6%*	*56.9%*	*-6.0%*
Premium/discount vs inspection/process control peers			*-73.6%*	*-19.8%*	*0.9%*	*-27.7%*
Premium/discount vs European equipment peers			*-79.1%*	*-36.6%*	*-2.7%*	*-32.6%*

Source: Edison Investment research

Exhibit 7: Financial summary

€m	2019	2020	2021	2022	2023	2024	2025	2026e	2027e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT									
Revenue	131.0	137.0	155.7	205.2	263.4	270.1	244.3	259.7	322.7
Cost of Sales	(93.3)	(93.9)	(109.0)	(146.2)	(185.9)	(182.1)	(166.4)	(177.9)	(214.6)
Gross Profit	37.7	43.2	46.8	59.1	77.5	88.0	77.8	81.8	108.1
EBITDA	16.2	22.7	23.0	30.0	41.5	47.8	25.3	26.0	46.8
Operating profit (before amort. and excepts.)	13.0	19.2	18.3	25.9	36.5	41.8	17.1	17.6	35.9
Amortisation of acquired intangibles	(0.7)	(0.7)	(0.8)	(0.8)	(2.2)	(2.2)	(2.0)	(2.0)	(2.0)
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported operating profit	12.3	18.5	17.6	25.1	34.4	39.6	15.1	15.6	33.9
Net Interest	(0.5)	(0.7)	(0.6)	(1.3)	(0.3)	(0.6)	(6.5)	(2.8)	(2.8)
Joint ventures & associates (post tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)	12.5	18.5	17.8	24.6	36.3	41.1	10.6	14.8	33.1
Profit Before Tax (reported)	11.8	17.8	17.0	23.8	34.1	39.0	8.5	12.8	31.1
Reported tax	(4.1)	(5.1)	(5.6)	(6.1)	(9.7)	(11.9)	(0.9)	(3.8)	(9.3)
Profit After Tax (norm)	8.4	13.4	12.2	18.5	26.6	29.2	9.7	11.0	23.8
Profit After Tax (reported)	7.7	12.7	11.4	17.7	24.4	27.1	7.6	8.9	21.7
Minority interests	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)	8.3	13.4	12.2	18.5	26.6	29.2	9.7	11.0	23.8
Net income (reported)	7.7	12.8	11.5	17.8	24.4	27.2	7.6	8.9	21.7
Basic average number of shares outstanding (m)	21.7	21.7	21.7	21.7	21.7	21.7	21.7	21.7	21.7
Average Number of Shares Outstanding (m) diluted	21.7	21.7	21.7	21.7	21.7	21.7	20.4	20.4	20.4
EPS (€)	0.36	0.59	0.53	0.82	1.12	1.25	0.37	0.44	1.06
EPS - normalised (€)	0.38	0.61	0.56	0.85	1.22	1.34	0.47	0.54	1.16
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margin (%)	28.8	31.5	30.0	28.8	29.4	32.6	31.9	31.5	33.5
EBITDA Margin (%)	12.4	16.6	14.8	14.6	15.8	17.7	10.4	10.0	14.5
Normalised Operating Margin (%)	9.9	14.0	11.8	12.6	13.9	15.5	7.0	6.8	11.1
BALANCE SHEET									
Fixed Assets	52.0	47.3	71.7	72.8	82.2	94.3	112.2	126.8	126.9
Intangible Assets	11.5	11.1	10.4	20.5	18.6	20.2	28.8	28.8	28.8
Tangible Assets	30.2	28.6	28.8	34.0	41.6	58.6	74.9	89.5	89.6
Investments & other	10.3	7.6	32.5	18.3	21.9	15.5	8.5	8.5	8.5
Current Assets	128.9	129.8	168.4	217.5	223.2	205.1	172.3	158.7	192.9
Stocks	65.2	67.6	59.2	75.0	94.6	84.5	69.3	64.9	64.5
Debtors	27.4	24.8	32.6	73.6	57.0	59.9	57.5	54.5	67.8
Cash & cash equivalents	25.5	29.6	57.6	27.1	20.1	31.4	17.9	11.6	33.0
Other	10.8	7.8	19.1	41.8	51.4	29.3	27.6	27.6	27.6
Current Liabilities	96.1	79.3	126.3	147.6	130.2	91.7	59.9	51.9	66.5
Creditors	10.8	8.0	11.1	18.3	18.8	14.5	14.3	13.0	16.1
Tax and social security	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Short-term borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Other	85.3	71.3	115.2	129.3	111.4	77.2	45.6	39.0	48.4
Long-Term Liabilities	27.6	28.6	31.1	38.7	47.7	54.9	57.5	57.5	57.5
Long-term borrowings	3.3	1.7	1.2	5.1	14.5	22.0	24.2	24.2	24.2
Other long-term liabilities	24.2	26.9	29.9	33.6	33.3	32.9	33.4	33.4	33.4
Net Assets	57.2	69.2	82.7	104.1	127.4	152.8	167.0	176.0	195.7
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	57.2	69.2	82.7	104.1	127.4	152.8	167.0	176.0	195.7
CASH FLOW									
Operating Cash Flow	22.4	21.6	22.4	44.2	32.1	55.4	24.3	19.3	34.7
Working capital	(23.0)	(13.6)	36.4	(58.3)	(30.1)	(9.2)	(12.5)	(0.7)	(0.2)
Net operating cash flow	(0.6)	8.1	58.9	(14.1)	2.0	46.2	11.8	18.7	34.4
Capex	(12.5)	0.6	(34.0)	(21.3)	(10.8)	(23.3)	(21.1)	(25.0)	(13.0)
Acquisitions/disposals	0.0	0.0	0.0	0.0	0.0	0.0	(8.6)	0.0	0.0
Net interest	(1.0)	1.6	0.5	(3.9)	(9.4)	(7.6)	(2.2)	0.0	0.0
Equity financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	(1.4)	(4.3)	3.5	5.3	1.8	(13.6)	(18.4)	0.0	0.0
Net Cash Flow	(15.5)	6.0	28.8	(33.9)	(16.4)	1.7	(38.4)	(6.3)	21.4
Opening net debt/(cash)	(37.6)	(22.1)	(27.9)	(56.4)	(22.1)	(5.7)	(6.8)	30.5	36.8
FX	0.1	0.2	0.4	0.5	(0.1)	0.5	(1.1)	0.0	0.0
Other non-cash movements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing net debt/(cash)	(22.1)	(27.9)	(56.4)	(22.1)	(5.7)	(6.8)	30.5	36.8	15.4

Source: PVA TePla, Edison Investment Research

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