



Inspired by visions. Proven by success.

HALF-YEAR REPORT

2023

Company Overview

INFICON provides world-class instruments for gas analysis, measurement and control.

These analysis, measurement and control products are essential for gas leak detection in air conditioning, refrigeration, and automotive manufacturing.

They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells, LED lighting, and industrial vacuum coating applications.

Other users of vacuum based processes include the life sciences, research, aerospace, food and general packaging, heat treatment, laser cutting, oil and gas transportation and processing, alternative energy, utilities, and many other industrial processes.

We also leverage our expertise to provide unique toxic chemical analysis products for emergency response, security, and environmental monitoring as well as instruments for energy and petrochemical applications.

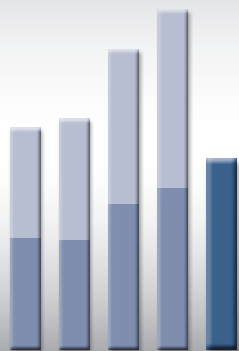
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INFICON publishes its half-year report online.
This edition has been optimized for easy reading on your computer and mobile devices.

Additional copies of this report may be downloaded from the Investors section of our website, www.inficon.com, Investor section

Key Figures – At a Glance

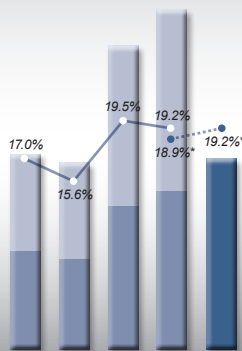
Net sales



	2019	2020	2021	2022	2023
Full Year	381.7	397.8	515.8	581.3	
Half-Year	192.2	188.8	249.0	278.1	329.2

Operating income

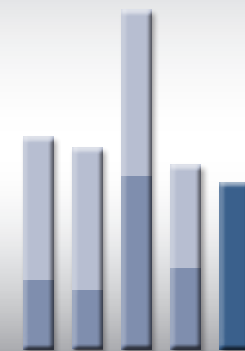
(in % of net sales)



	2019	2020	2021	2022	2023
Full Year	64.8	61.9	100.4	111.6	
Half-Year	32.5	30.0	47.4	52.4	63.3

* These percentages are only for the first 6 months, all other percentages are based on 12 months

Cash flow from operations



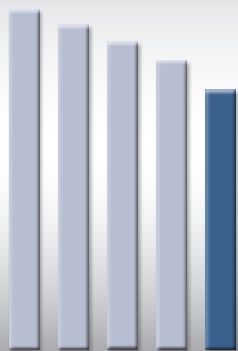
	2019	2020	2021	2022	2023
Full Year	53.3	50.5	85.1	46.2	
Half-Year	17.3	14.8	43.3	20.3	41.8

According to Swiss GAAP FER
(US Dollars in Millions, except per share amounts)

	Half-Year	Full Year
	2023	2022
Net sales	329.2	278.1
Research and development	24.9	22.5
Selling, general and administrative expense	61.3	53.6
Operating income	63.3	52.4
<i>in % of net sales</i>	19.2%	18.9%
EBITDA	68.6	57.7
<i>in % of net sales</i>	20.8%	20.8%
Net income	46.9	41.1
<i>in % of net sales</i>	14.2%	14.8%
Cash and short-term investments	73.4	63.1
Cash flow from operations	41.8	20.3
Capital expenditures	9.3	18.1
Total assets	474.6	388.1
Stockholders' equity	277.2	227.2
<i>Equity Ratio in %</i>	58.4%	58.5%
Employees	1,585	1,390
		1,456

Key Figures – At a Glance

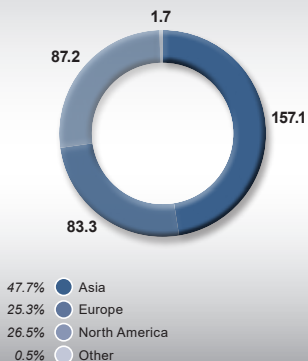
Equity Ratio



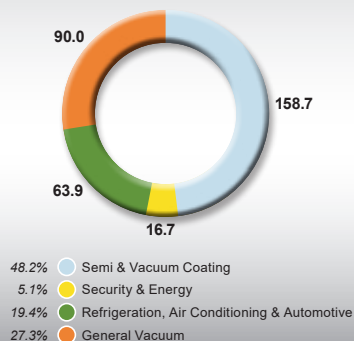
2019 2020 2021 2022 2023
75.9% 73.0% 69.2% 64.6% 58.4%*

* 2023 percentage is only for the first 6 months, all other percentages are based on 12 months

H1/23 Sales by Geographic Region



H1/23 Sales by End Market



According to Swiss GAAP FER
(US Dollars in Millions, except per share amounts)

	Half-Year		Full Year
	2023	2022	2022
Ratios per Share			
Earnings per share – diluted	19.19	16.80	36.22
Shareholders' equity per share – diluted	113.42	92.92	113.47
Free cash flow per share – diluted	13.31	0.43	4.47
Return on equity %*	33.8%	36.2%	33.4%

Direct Sales by Geographic Region

Asia-Pacific	157.1	131.7	276.3
Europe	83.3	74.9	145.3
North America	87.2	69.7	155.3
Other	1.7	1.8	4.4

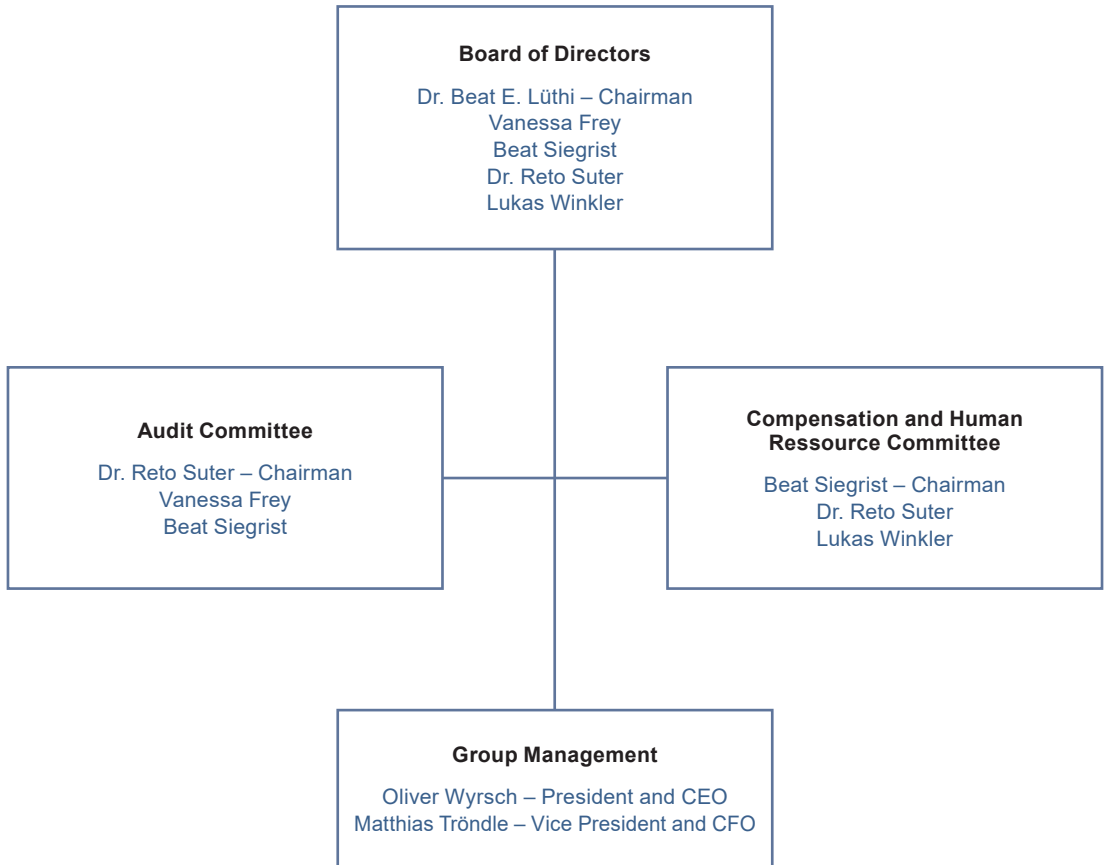
Sales by End Market

Semi & Vacuum Coating	158.7	146.0	305.3
Security & Energy	16.7	9.3	23.1
Refrigeration, Air Conditioning & Automotive	63.9	47.0	100.9
General Vacuum	90.0	75.8	152.0

* Percentages have been annualized for 6 months figures

Group Organization

(as of July 25, 2023)



Board and Executive Secretary

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Financial Review

(Unaudited)

Income Statement

Net Sales

Net sales for six months ended June 30, 2023 reached USD 329.2 million compared with USD 278.1 million for the same period in 2022, representing a USD 51.1 million or 18.4% increase. This included a negative impact of USD 6.1 million or - 2.2% percentage points from changes in currency rates as well as a positive impact from acquisition of 0.5% due to an acquisition as of June 30, 2022, therefore the currency and acquisition adjusted growth in net sales amounted to 20.1%.

In the largest target market Semi & Vacuum Coating sales increased by USD 12.7 million or 8.7% to USD 158.7 million. INFICON continued to benefit from a robust global demand from equipment manufacturers and chip producers and more than made up for the cyclical slowdown in memory chips.

Sales in the broadly based market General Vacuum grew by 18.7% or USD 14.2 million to USD 90.0 million, with the Asian market contributing the major share to the sales increase.

Refrigeration, Air Conditioning & Automotive sales increased by 35.9% or USD 16.9 million to USD 63.9 million. INFICON saw great momentum both in the classic air conditioning and refrigeration business and in service equipment, and especially in the automotive and battery testing business. The growth is essentially led by the European and Asian markets.

Sales to the Security & Energy market increased by USD 7.4 million or 80%. The smallest target market which is characterized by a long-term project business with public governmental customers thus contributed 5% to Group sales due to clearly higher Hapsite deliveries resulting from last years strong order intake.

The regional sales split confirms the economic strength of Asia, with a contribution of 47.7% of sales or USD 157.1 million, which represented a yearly increase of 19.3%. Sales in Europe grew by 11.3% and reached USD 83.3 million while sales in America increased by 25% to USD 87.2 million.

Gross Profit

Gross profit margin was 45.4% for the six months ended June 30, 2023 compared with 46.2% for the same period in 2022. The lower gross profit margin reflects the tension on the procurement markets and associated higher costs.

Research and Development

Research and development costs increased to USD 24.9 million or 7.6% of net sales for the six months ended June 30, 2023, as compared with USD 22.5 million or 8.1% for the same period in 2022. Continuous investments in technology and product development remained at a high level compared to 2022.

Selling, General and Administrative (SGA)

Selling, General and Administrative (SGA) costs for the first six months of 2023 were USD 61.3 million or 18.6% of net sales, as compared with USD 53.6 million or 19.3% for the same period in 2022. The increase reflects the investments in additional employees and infrastructure.

Operating Income

Operating income increased to USD 63.3 million or 19.2% of sales for the six months ended June 30, 2023 compared to USD 52.4 million or 18.9% for the same period in 2022. Despite the lower gross profit percentage margin, the sales growth and an only moderate increase in operating expenses did result in a 20.6% higher operating income.

Financial Result

The decrease in the financial result to USD - 3.4 million is driven by a negative impact from FX losses.

Income Taxes

Income tax was USD 12.9 million or 21.6% of earnings before taxes for the six months ended June 30, 2023, compared with USD 9.2 million or 18.3% for the same period in 2022. This increase is driven by the mix in earnings and tax rates among the Company's different tax jurisdictions.

Financial Review

(Unaudited)

Net Income and Diluted Earnings per Share

Net income and diluted earnings per share were USD 46.9 million and USD 19.19 for the six months ended June 30, 2023, as compared with USD 41.1 million and USD 16.80 per share for the same period in 2022. The increase of 14.2% in basic earnings per share is a result of the increase in net income.

Balance Sheet and Liquidity

Cash and short-term investments totaled USD 73.4 million at June 30, 2023 which represents an increase of USD 27.5 million as compared with USD 45.9 million at December 31, 2022. Net cash decreased to USD - 14.9 million at June 30, 2023 compared to USD 2.5 million at December 31, 2022. During the first half of 2023 cash flow from operations ended at USD 41.8 million compared to USD 20.3 million in the first half of 2022, the increase is mainly driven by a higher net income and a lower build-up of inventory.

Trade accounts receivable decreased by USD 1.5 million to USD 95 million at June 30, 2023 as compared with USD 96.5 million at December 31, 2022. Days sales outstanding ended at 52.7 for 2023 versus 53.1 days for 2022 using a 4-point average of quarter-end balances.

Inventory increased by USD 17.7 million to USD 153 million at June 30, 2023 as compared with USD 135.3 million at December 31, 2022. Inventory turns ended at 2.5 in June using a 4-point average of quarter-end inventory balances.

Due to ongoing investments in machinery and equipment as well as in buildings, property, plant, and equipment increased by USD 3.3 million to USD 115.6 million at June 30, 2023, as compared to USD 112.3 million as of December 31, 2022. This is driven by growing customer demand and to support future growth.

Trade accounts payable increased by USD 3.1 million to USD 26.4 million at June 30, 2023 as compared with USD 23.4 million at December 31, 2022. This increase reflects the rise in business volume.

Short-term provisions decreased by USD 5.6 million to USD 19.1 million at June 30, 2023 as compared with USD 24.6 million at December 31, 2022. This decrease is driven by reductions in bonus and performance provisions due to payouts in the first half of 2023.

Accrued expenses and deferred income increased by USD 6.8 million to USD 21.7 million at June 30, 2023 as compared with USD 14.9 million at December 31, 2022. This increase reflects the costs associated with a higher business volume.

Other current liabilities decreased by USD 3.5 million to USD 15.3 million at June 30, 2023 compared to USD 18.8 million at December 31, 2022 mainly due to lower advance payments from customers.

Short-term financial liabilities at June 30, 2023 are USD 88.4 Mio compared to December 31, 2022 with USD 43.4 Mio, reflecting a short-term loan of USD 43.6 million in favor of the Credit Suisse Bank and a short-term loan of USD 43.6 million in favor of the Landesbank Baden-Württemberg.

Consolidated Interim Balance Sheet

(Unaudited)

(US Dollars in Thousands, except share and per share amounts)

	June 30, 2023	December 31, 2022	June 30, 2022
Assets			
Cash and cash equivalents	73,424	45,898	63,121
Trade accounts receivable	94,970	96,527	77,681
Inventories	153,000	135,318	109,174
Prepayments and accrued income	5,662	5,024	9,038
Other current assets	9,152	10,512	10,660
Total current assets	336,208	293,279	269,674
Property, plant, and equipment	115,597	112,321	100,525
Intangible assets	5,592	6,070	5,800
Deferred tax assets	15,221	15,188	9,372
Financial assets	1,968	2,552	2,717
Total non-current assets	138,378	136,131	118,414
Total assets	474,586	429,410	388,088
Liabilities and Shareholders' Equity			
Trade accounts payable	26,426	23,353	23,203
Short-term financial liabilities	88,355	43,374	64,200
Short-term provisions	19,059	24,635	14,089
Income taxes payable	16,464	16,961	11,069
Accrued expenses and deferred income	21,723	14,915	16,886
Other current liabilities	15,340	18,825	19,259
Total current liabilities	187,367	142,063	148,706
Long-term provisions	5,347	4,853	8,016
Deferred tax liabilities	4,300	4,569	3,992
Long-term financial liabilities	0	65	174
Long-term liabilities	333	414	0
Total non-current liabilities	9,980	9,901	12,182
Total liabilities	197,347	151,964	160,888
Common stock	6,860	6,860	6,860
Capital Reserves	(473)	(631)	(350)
Treasury shares	(735)	(738)	(1,534)
Retained earnings	282,710	283,624	236,816
Foreign currency translation	(11,123)	(11,669)	(14,592)
Total shareholders' equity	277,239	277,446	227,200
Total liabilities and shareholders' equity	474,586	429,410	388,088

Consolidated Interim Statement of Income

(Unaudited)

(US Dollars in Thousands, except share and per share amounts)

Six months ended June 30,	2023	2022
Net sales	329,208	278,108
Cost of sales	(179,785)	(149,612)
Gross profit	149,423	128,496
Research and development	(24,859)	(22,475)
Selling expense	(15,744)	(14,329)
General and administrative expense	(45,565)	(39,256)
Operating income	63,255	52,436
Financial result	(3,433)	(1,941)
Ordinary result	59,822	50,495
Non-operating result	0	(195)
Earnings before income taxes (EBT)	59,822	50,300
Income taxes	(12,917)	(9,224)
Net income	46,905	41,076
Earnings per share:		
Basic	19.19	16.80
Dilution	0.00	0.00
Diluted	19.19	16.80

Consolidated Interim Statement of Shareholders' Equity

(Unaudited)

(US Dollars in Thousands, except share and per share amounts)

	Common stock	Capital reserves	Treasury Shares	Retained earnings	Foreign currency translation	Total shareholders' equity
Balance at January 1, 2022	6,860	—	(554)	251,360	(5,080)	252,586
Net income				41,076		41,076
Foreign currency translation adjustments					(9,512)	(9,512)
Acquisition of treasury shares		(350)	(2,518)			(2,868)
Stock-based compensation			1,538			1,538
Dividend				(54,520)		(54,520)
Adjustment of Goodwill				(1,100)		(1,100)
Balance at June 30, 2022	6,860	(350)	(1,534)	236,816	(14,592)	227,200
Balance at January 1, 2023	6,860	(631)	(738)	283,624	(11,669)	277,446
Net income				46,905		46,905
Foreign currency translation adjustments					546	546
Acquisition of treasury shares			(2,861)			(2,861)
Stock-based compensation		158	2,864			3,022
Dividend				(47,819)		(47,819)
Balance at June 30, 2023	6,860	(473)	(735)	282,710	(11,123)	277,239

Consolidated Interim Statement of Cash Flows

(Unaudited)

(US Dollars in Thousands, except share and per share amounts)

Six months ended June 30,	2023	2022
Cash flows from operating activities:		
Net income	46,905	41,076
Adjustments to reconcile net result to net cash provided by operating activities:		
Depreciation	7,140	5,938
Amortization	1,058	786
Changes in operating assets and liabilities, excluding effects from acquisition:		
Trade accounts receivable	1,424	1,155
Inventories	(16,719)	(24,382)
Other assets	1,785	(2,155)
Trade accounts payable	2,223	4,675
Accrued liabilities and provisions	1,116	(9,407)
Income taxes payable	(1,488)	(1,379)
Other liabilities	(4,587)	5,442
FX impact excluding cash	2,941	(1,403)
Net cash provided by operating activities	41,798	20,346
Cash flows from investing activities:		
Purchase of property, plant and equipment	(8,883)	(18,085)
Disposal of property, plant and equipment	389	1,423
Purchase of intangible assets	(376)	(1,220)
Acquisitions of businesses net of cash acquired	0	(700)
Loans granted	1	1
Net cash used in investing activities	(8,869)	(18,581)
Cash flows from financing activities:		
Cash dividend paid	(47,819)	(54,520)
Purchase/disposal of treasury shares	161	(1,330)
Proceeds from borrowings	42,439	54,556
Repayments of borrowings	(51)	(51)
Net cash used in financing activities	(5,270)	(1,345)
Effect of exchange rate changes on cash and cash equivalents	(133)	(2,927)
Change in cash and cash equivalents	27,526	(2,507)
Cash and cash equivalents at beginning of period	45,898	65,628
Cash and cash equivalents at end of period	73,424	63,121

Notes to Consolidated Interim Financial Statements

(US Dollars in Thousands, except share and per share amounts)

1 Description of Business

INFICON Holding AG (INFICON or the “Company”) is domiciled in Bad Ragaz, Switzerland, as a corporation (Aktiengesellschaft) organized under the laws of Switzerland.

The Company’s stock is traded on the SIX Swiss Exchange in Switzerland. INFICON provides world-class instruments for gas analysis, measurement and control, and our products are essential for gas leak detection in air conditioning, refrigeration and automotive manufacturing. They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells and industrial vacuum coating applications. Other users of vacuum based processes include the life sciences, research, aerospace, packaging, heat treatment, laser cutting and many other industrial processes. The Company also leverages its expertise in vacuum technology to provide unique, toxic chemical analysis products for emergency response, security, and environmental monitoring.

INFICON has best in class manufacturing facilities in Europe, the United States and China, as well as subsidiaries in China, Finland, France, Germany, Italy, Japan, Korea, Liechtenstein, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom, the United States, Mexico and Denmark.

2 Summary of Significant Accounting Policies

Basis of Preparation

These consolidated interim financial statements comprise the unaudited interim financial statements for the six months ended June 30, 2023, which were approved for issue by the Board of Directors on July 25, 2023. They have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations).

The consolidated interim financial statements for 2023 have been prepared in accordance with FER 31 “Supplementary Recommendations for Listed Companies”, which do not include all the information and disclosures presented in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

3 Foreign Currency Translation

The following foreign exchange rates versus the US Dollar have been applied when translating the financial statements of the Company’s major subsidiaries:

Currency	Period-end rates			Average rates Six months ended		
		June 30, 2023	Dec 31, 2022	June 30, 2022	June 30, 2022	
Swiss Franc	USD	1.1181	1.0832	1.0512	1.0965	1.0607
Euro	USD	1.0938	1.0666	1.0517	1.0806	1.0943
Japanese Yen	USD	0.0069	0.0076	0.0073	0.0074	0.0082
1 Hong Kong Dollar	USD	0.1276	0.1283	0.1274	0.1276	0.1278
Chinese Renminbi	USD	0.0122	0.1450	0.1494	0.0122	0.1545
Korean Won	USD	0.0008	0.0008	0.0008	0.0008	0.0008

Notes to Consolidated Interim Financial Statements

(US Dollars in Thousands, except share and per share amounts)

4 Earnings per Share

The Company computes basic earnings per share, which is based on the weighted average number of common shares outstanding, and diluted earnings per share, which is based on the weighted average number of common shares outstanding and all dilutive common equivalent shares outstanding.

The following table sets forth the computation of basic and diluted earnings per share for the half years ended June 30:

Six months ended June 30,	2023	2022
Numerator:		
Net income	46,905	41,076
Denominator:		
Weighted average shares outstanding	2,444,340	2,445,161
Effect of dilutive stock options	0	0
Denominator for diluted earnings per share	2,444,340	2,445,161
Earnings per share:		
Basic	19.19	16.80
Dilution	0.00	0.00
Diluted	19.19	16.80

5 Business Segments

The Company is a global supplier of instrumentation for gas analysis, measurement and control. The Board of Directors is responsible for the ultimate direction and supervision of INFICON Holding AG and delegates the day to day management to Group Management. In 2013, the Board of Directors decided to condense the management of the Company to only comprising the CEO and the CFO as this best reflects the operational management of INFICON.

Group Management steers the business globally and the allocation of resources, assessment of performance and the respective reporting is made for the Group as a whole.

Although the Company discloses net sales into various end markets, the Company uses a key account concept and thus focuses on customers, regardless of products, technologies or regions.

Since the Company operates in one global segment, all information required by FER 31 can be found in the consolidated financial statements.

6 Subsequent Events

No subsequent events occurred through July 25, 2023 that would affect the half-year financial statements at June 30, 2023 or need to be disclosed.

Imprint and Contact

Note regarding forward-looking statements

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “believes”, “plans”, “anticipates”, “expects”, “estimates”, “continue”, “may” and similar expressions) should be considered to be forward-looking statements. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the company to be materially different from those expressed or implied by such forward-looking statements. Many of these

risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the performance, security and reliability of the company's information technology systems, political, economic and regulatory changes in the countries in which the company operates or in economic or technological trends or conditions. As a result, investors are cautioned not to place undue reliance on such forward-looking statements.

Except as otherwise required by law, INFICON disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this report.

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Published by:

INFICON HOLDING AG
Hintergasse 15B
CH-7310 Bad Ragaz
Sensus Communication
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Editorial Co-operation:

