



Earnings Release - Analyst/Media Conference Q2 2023

July 27, 2023

Agenda & Speakers



Oliver Wyrsh, President & CEO

- Key Messages & Figures Q2 2023
- Target Market Business Review
- Expectations 2023



Matthias Tröndle, Vice President & CFO

- Financials Q2 2023 / Half-Year 2023
- Guidance
- Corporate Calendar

Q2 2023 Results

Continued strong growth in 2nd quarter 2023. Record high sales. YoY growth in all end markets and all regions. Supply chain improving but still with impacts on margins

SALES

- Sales increase of 22% YoY to 171 MUSD with growth across all regions and all end markets
- INFICON's broad position in diverse end markets support growth in volatile times
- Organic growth at 22% YoY excluding slightly negative FX effects
- Order intake on high level but lower. Book to bill < 1 in Q2

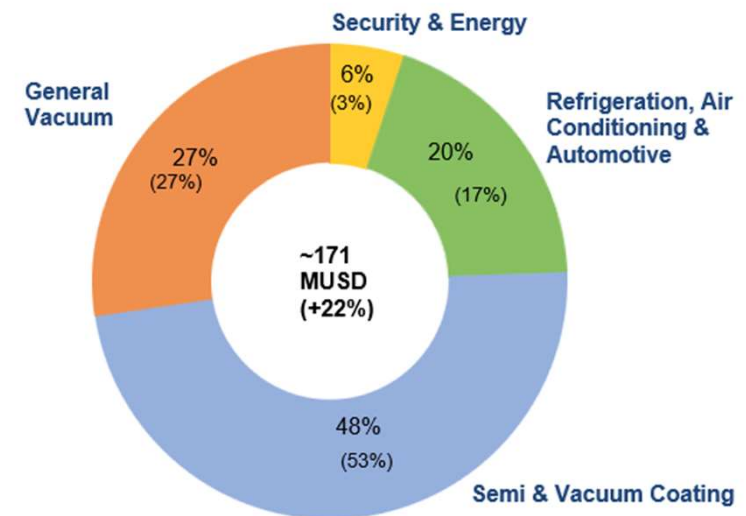
OPERATING RESULT

- Improved operating income in 2nd quarter by 33% YoY to 33 MUSD
- Gross profit margin still impacted by cost inflation, particularly chip broker cost. Despite some improvements, supply chain still a bottleneck
- Defended and improved profitability against headwinds in Q2 2023 with 19.5%

ORGANIZATION

- Continued investments in R&D (7% of sales) and production capacity
- CapEx expectation around 30 MUSD for full year

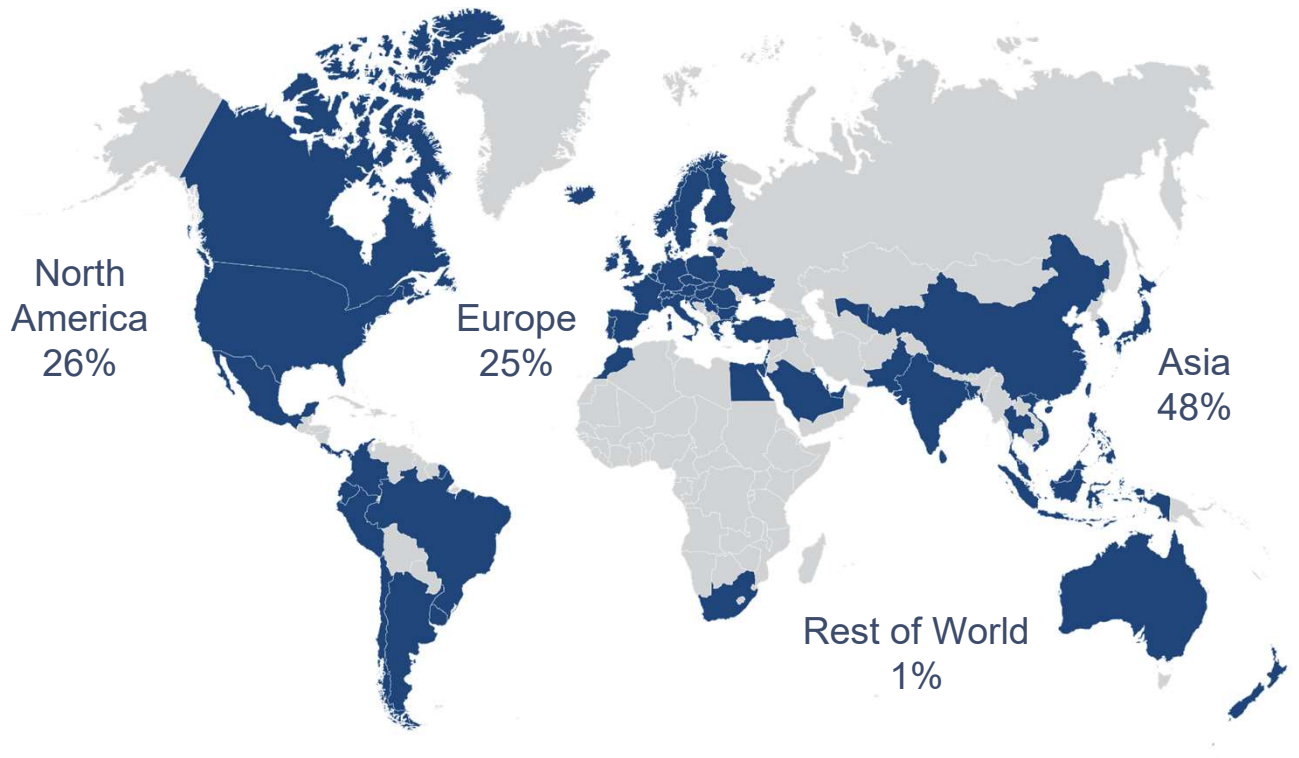
Sales Q2 2023
(Q2 2022)



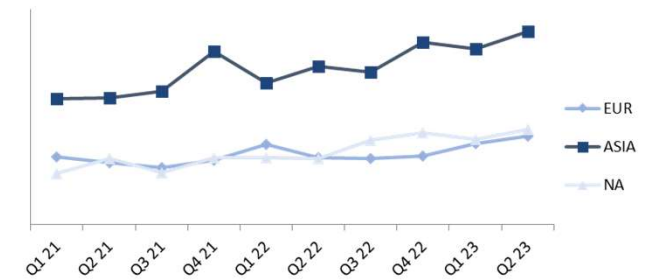
Worldwide Markets & Sales

Good growth in all regions year-on-year

Worldwide Net Sales in Q2 2023 by Region



Quarterly Sales Trend by Region



Q2 2023 Sales and Growth by Region

Asia:	~ 82	MUSD	+ 18%
Europe:	~ 43	MUSD	+ 23%
North America:	~ 45	MUSD	+ 31%
Rest of World:	~ 1	MUSD	
Total:	~ 171	MUSD	+ 22%
	(vs. Q2 2022)		

Semi & Vacuum Coating – Performance & Outlook

Semiconductor, Display, Optics, Solar

While Semiconductor market is softening short-term, we see good growth opportunities

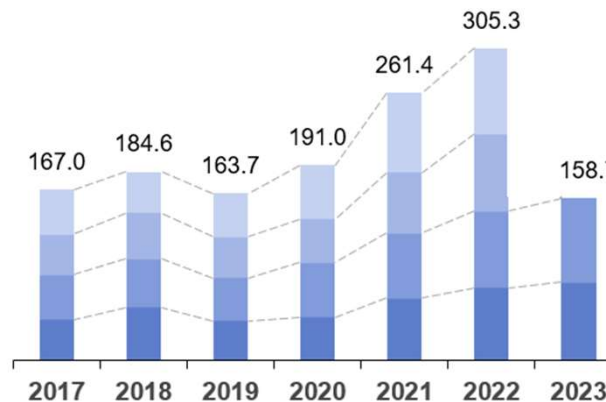
PERFORMANCE

- Q2 2023 sales increase of ~ +10% vs. Q2 2022
- #1 position in process control, leak detection, smart manufacturing software and thin film monitoring
- #2 for pressure measurement. Closing up to #1

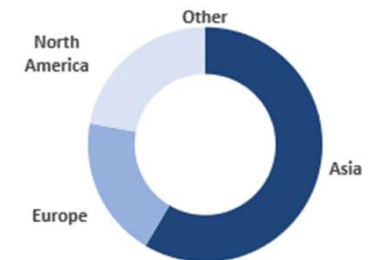
OUTLOOK

- Market expectations for 2023: **Softening/Decline**
Mixed picture for 2023, Mid- and long-term very strong growth drivers for Semi
- Mainly weakening in submarket for memory chips, which is one of several submarkets and less relevant for INFICON. Assumed recovery expected towards end H2. Otherwise delay of some logic projects. For trailing edge no slowdown visible
- Ongoing investments in leading edge nodes and advanced chip design. No slowdown in EUV. Increasing sensor and process monitoring usage. Semi initiatives globally ongoing. However, China's leading edge investment plans challenged by new US export regulations
- Strong R&D pipeline at INFICON with new products, applications and solutions

Sales to Semi & Vacuum Coating
+12,8% CAGR (2017 – 2022), (in MUSD)



Sales Q2 '23 by Region
(in MUSD)



Automotive & Refrigeration, Air Conditioning – Performance & Outlook

Strong position on RAC & Automotive market with battery testing as largest opportunity

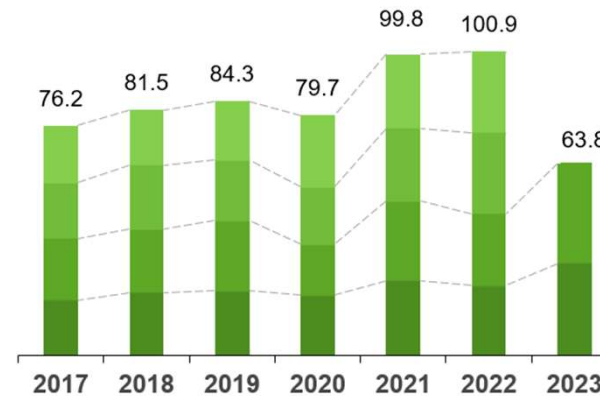
PERFORMANCE

- Q2 2023 sales increase of ~ +40% vs. Q2 2022. Strong growth in across regions and product lines
- #1 position in RAC and Battery market

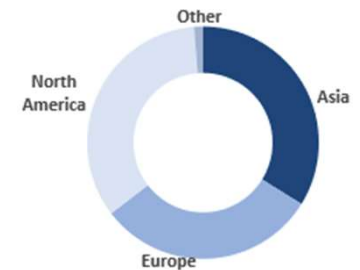
OUTLOOK

- Market Expectations 2023: **Growth**
Traditional auto slowing, but battery/EV continuously growing
- Growth in the RAC market and introduction of advanced, fully automated industry 4.0 solutions, incl. new intelligent software
- New distribution and product initiatives for hand-held after-sales service products
- New mobility and battery storage growth opportunities (Li-ion batteries and fuel cells) driven by energy transition
- Strong R&D pipeline at INFICON with new products, applications and solutions

Sales to Automotive & Refrigeration, Air Con.
+5,8% CAGR (2017 – 2022) (in MUSD)



Sales Q2 '23 by Region
(in MUSD)



General Vacuum – Performance & Outlook

The broad industrial market is addressed through a multi-brand strategy and long-term channel partners. Growth comparable to general economic dynamic in each region

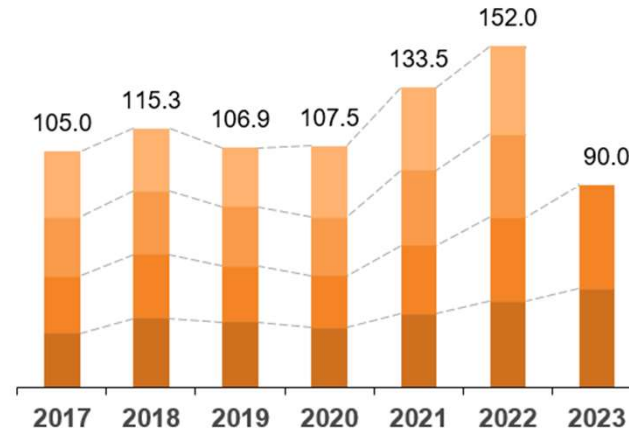
PERFORMANCE

- Q2 2023 sales increase of ~ +23% vs. Q2 2022. Strong growth in Asia
- Most competitive “full liner” in vacuum instrumentation
- Remain #1 position

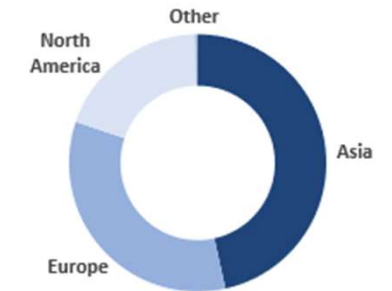
OUTLOOK

- Overall market expectations 2023: **Growth**
- After strong market growth in 2022, outlook for EMEA and US lower. Increased growth in China vacuum market after slower growth in 2022
- Expand market reach into industrial and analytical OEM markets
- Expand distribution networks (US and Asia)
- Multi-brand strategy

Sales to General Vacuum
+9.2% CAGR (2017 – 2022) (in MUSD)



Sales Q2 '23 by Region
(in MUSD)



Security & Energy – Performance & Outlook

Security and energy have both growth potentials but often depend on specific government initiatives and policies with their own dynamic, which is a diversification factor versus the other markets

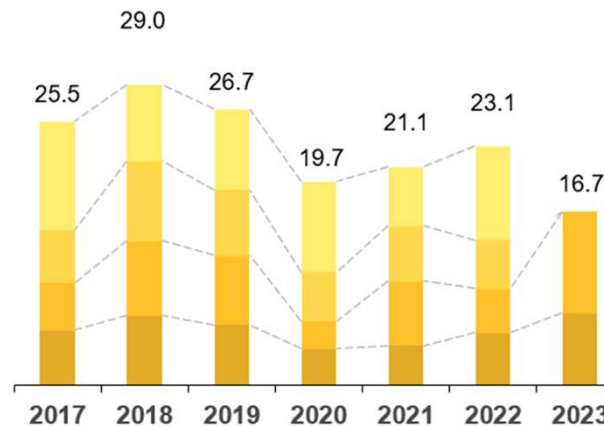
PERFORMANCE

- Q2 2023 sales level more than doubled, ~ +128 % vs. Q2 2022. Typically, significant fluctuations over time
- Continued strong order pipeline
- Supply chain still instable and limiting sales

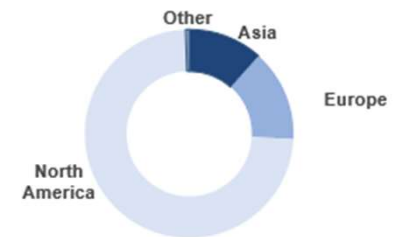
OUTLOOK

- Market expectations 2023: **Growth**
- New HAPSITE generation with new features and expanded capabilities addressing new applications
- US DoD programs awarded. Strong opportunity pipeline across NATO
- Cyclical: Still highly dependent on government spending
- Some Chinese competition for environmental applications

Sales to End Market Security & Energy
-1.9% CAGR (2017 – 2022) (in MUSD)



Sales Q2 '23 by Region
(in MUSD)



Expectations 2023

Increased guidance. Given strong order situation and the growth in selected markets, we are mostly optimistic for 2023, even in a slow general economical environment with risks



- Even with weakness and risks in the markets we are mostly optimistic given the improvements in the supply chain and the strong order situation
- We see positive momentum in certain markets: some Semi submarkets and selected other markets such as Battery and Security – and geographically in China

**Guidance for
2023**

→ **Sales between 610-640 MUSD** (Prior Guidance: 570-610 MUSD)

→ **Operating Income approx. 19%**

Agenda & Speakers



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Q2 2023 Highlights

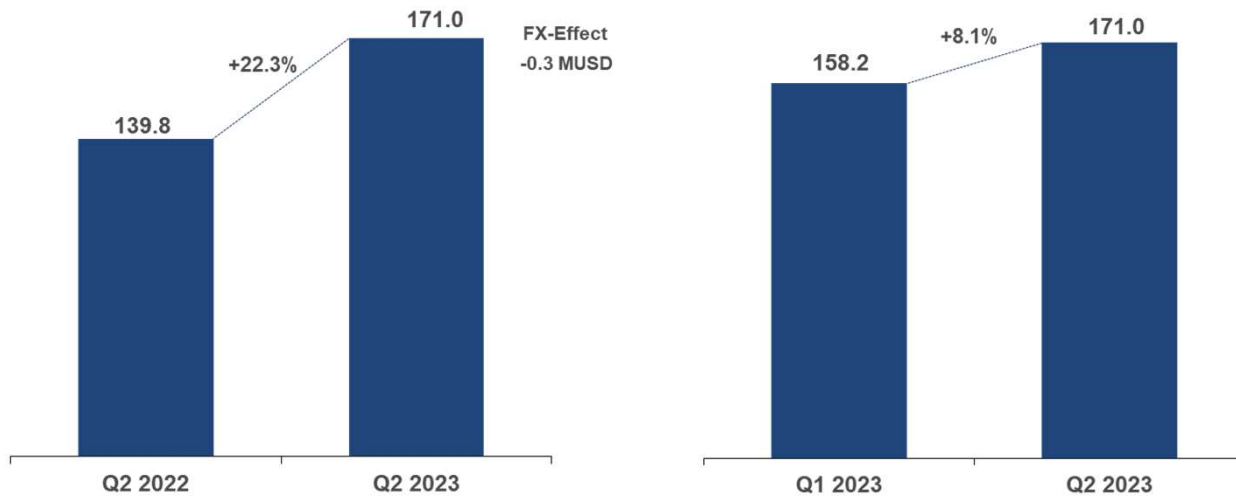
Strong sales and solid profitability despite margin pressure, order slightly lower, growth in all regions and all end-markets

Book to Bill	Sales	Gross Margin %	Operating Income	CAPEX
< 1	171.0 MUSD +22.3% organic +22.6%	45.0% -0.3 %pts	33.3 MUSD +32.7% 19.5% of Sales	5.7 MUSD -3.9 MUSD + 1.7MUSD vs.Q1
Equity Ratio	Cash Flow	Net cash		
58.4% -0.13 %pts	26.5 MUSD +14.6 MUSD	-14.9 MUSD -13.6 MUSD		

Except otherwise noted all comparisons vs. previous year Q2

Sales

Year-over-year growth in all regions and markets



Q2 2023 Sales and Growth by Region

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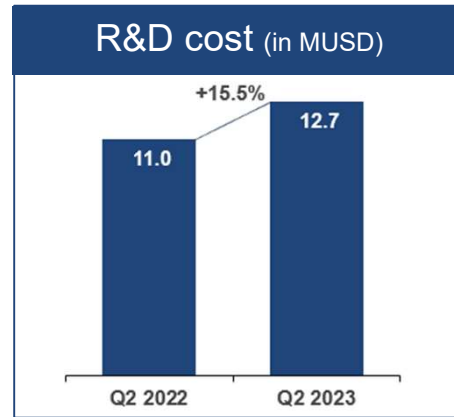
Note: All figures in MUSD

Gross Profit, Costs, and Operating Income Q2

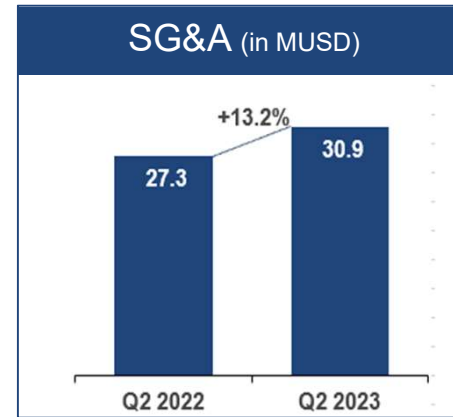
Profit Growth, margin impacted by supply chain and broker costs



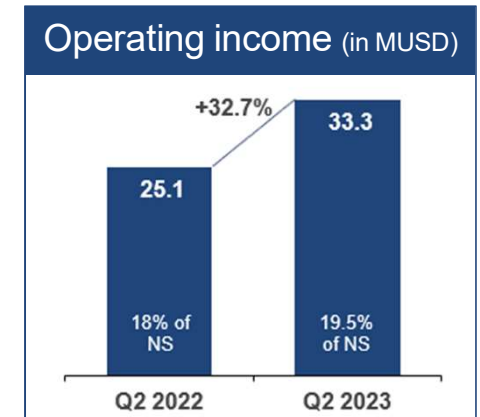
Stable in margin. Improved by 21% in absolute numbers and decreased by 84 bps vs. previous quarter. Higher volume partially offset by material prices, and broker fees



Rise due to continued development efforts for future product launches as well as higher personnel costs due to additional employees. Slightly unfavorable FX impacts



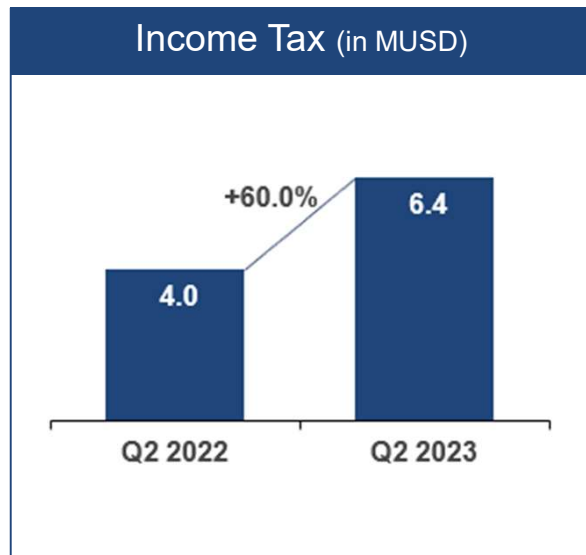
Additional headcounts and related personnel expense as main drivers for the cost increase. Slightly unfavorable FX impacts



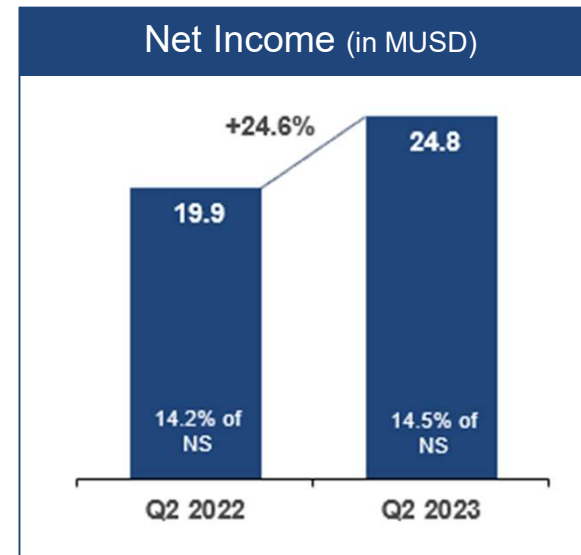
Improved by 32.7% due to higher sales volume

Income Tax and Net Income Development

Net Profit Growth



Tax rate of 20.6% compared with 16.7% in Q2 last year. Tax rate impacted by the profit mix of the various international entities

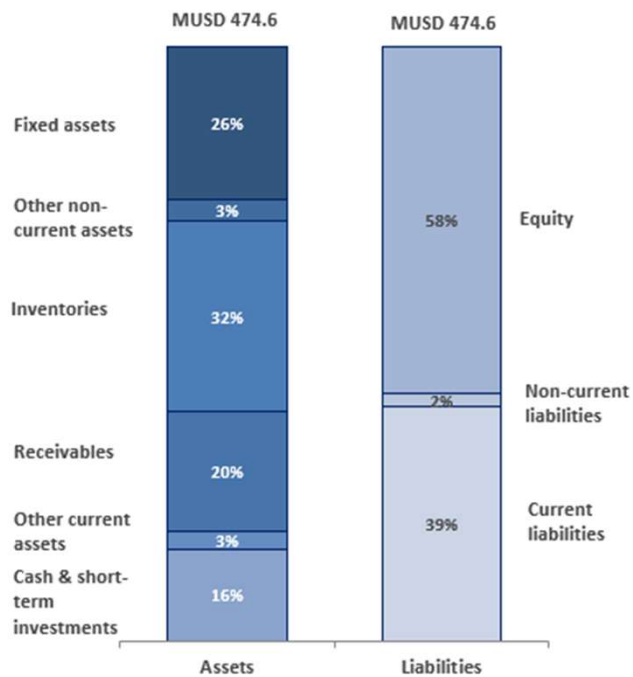


Increase driven by improved operating income at slightly higher tax rate

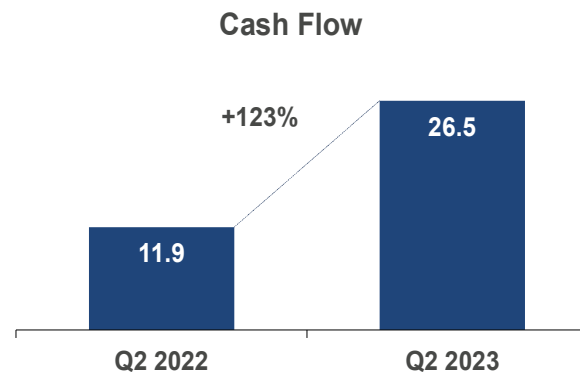
Balance Sheet Highlights

Solid balance sheet; working capital level increased, but inventory level lower than in Q1; improved cash flow

Balance Sheet Structure 2023

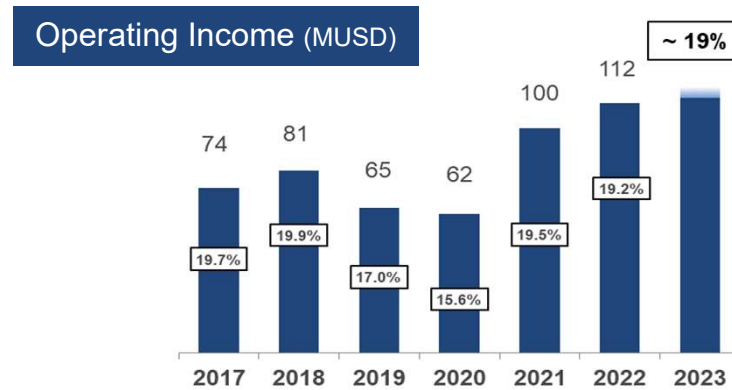
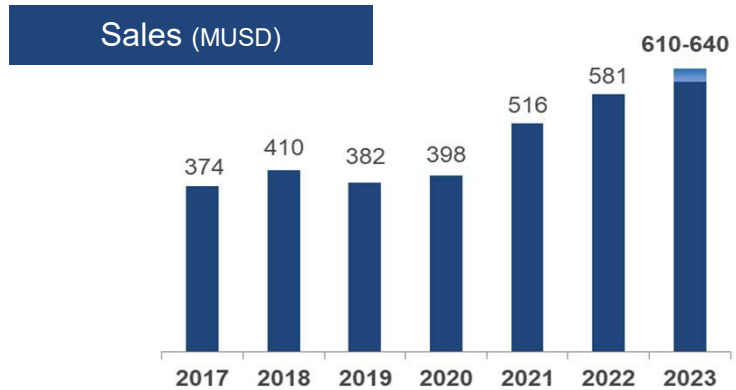


	Q2 23	Q4 22
Net Cash	-14.9	2.5
DSO	52.7	53.1
Inventory Turns	2.5	2.8
Working Capital	221.5	208.5
Operating Cash Flow	26.5	14.9



Full-Year 2023 Guidance

Increased guidance, Mostly optimistic



Outlook 2023

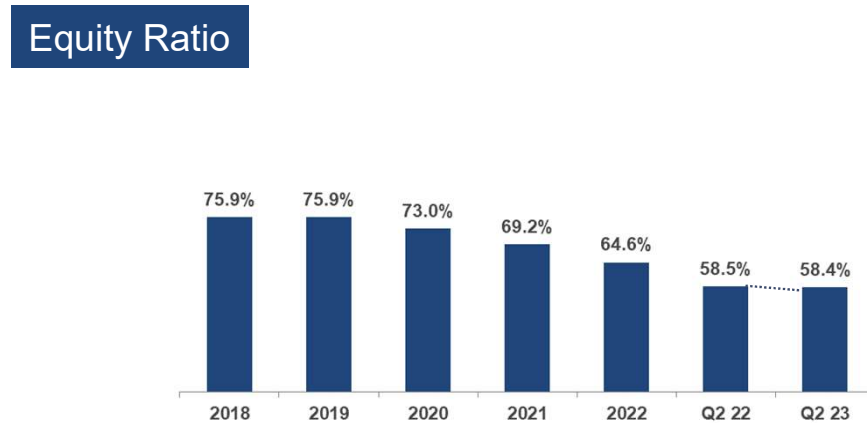
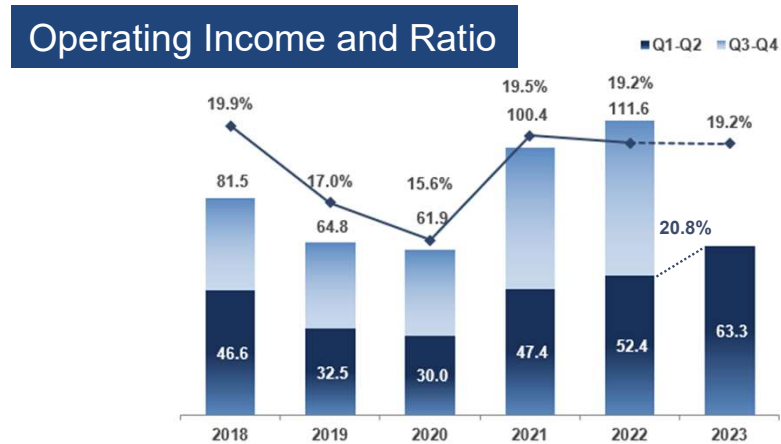
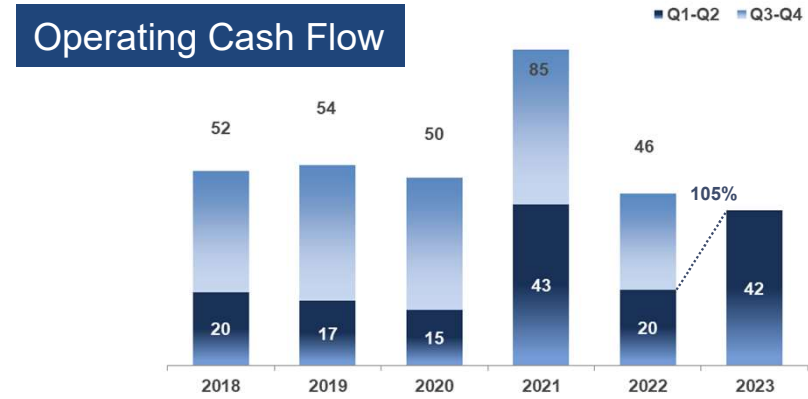
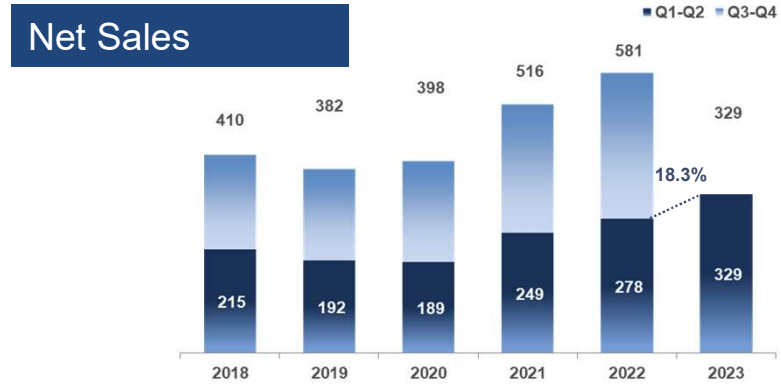
INFICON is mostly optimistic about the outlook for the coming quarters, given all the global uncertainties. This is based on the high order backlog, the current order intake, and the assessment of the various end markets.

Guidance for 2023

- Sales between 610-640 MUSD
- Operating Income approx. 19%

Financial Overview Half-Year 2023 (in MUSD)

Record performance



Thank you for your attention.

Q&A

Next Events on Corporate Calendar 2023

➔ Q3 FY 2023 Earnings Conference Call **October 19, 2023**

Earnings dates are subject to change



INFICON

Inspired by visions. Proven by success.



INFICON believes that a deep understanding of our customers' challenges and their visions for success are paramount to everything we do. These long-standing partnerships and the commitment to see our customers succeed inspire our dedicated, talented employees to develop and build market-leading instruments that are a winning combination of outstanding innovation and proven performance. And we value the trust our customers have in us to take risks, move fast and continue learning as we push the limits of technology to help them succeed.