



Earnings Release - Analyst/Media Conference Q1 2023

April 26, 2023

Agenda & Speakers



Oliver Wyrsh, President & CEO

- Key Messages & Figures Q1 2023
- Target Market Business Review
- Expectations 2023



Matthias Tröndle, Vice President & CFO

- Financials Q1 2023
- Guidance
- Corporate Calendar

Q1 2023 Results

Continued growth in 1st quarter 2023. YoY growth in all end markets and regions. Order intake higher than sales. Despite improvements, supply chain remains bottleneck and still impacts margins

SALES

- Sales increase of 14% YoY to 158 MUSD with growth across all regions and all end markets. On similar, strong level as in 4th quarter 2022
- Organic growth at 19% YoY excluding negative FX effects
- Continued robust order intake. Book to bill >1 in Q1

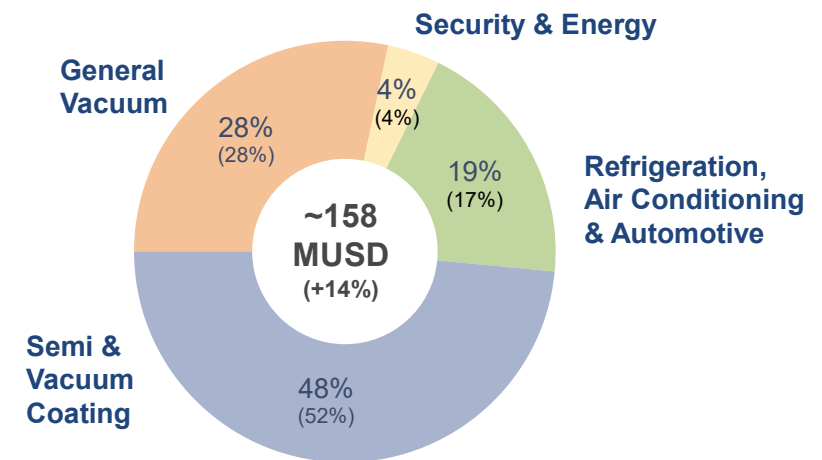
OPERATING RESULT

- Improved operating income in 1st quarter by 10% YoY to 30 MUSD
- Gross profit margin still impacted by cost inflation, particularly chip broker cost. Despite some improvements, supply chain is still a bottleneck
- Defended profitability against headwinds in Q1 2023 with 19%

ORGANIZATION

- Continued investments in R&D (8% of sales) and production capacity (3.6 MUSD CapEx in Q1 2023)
- CapEx expectation around 30 MUSD for full year

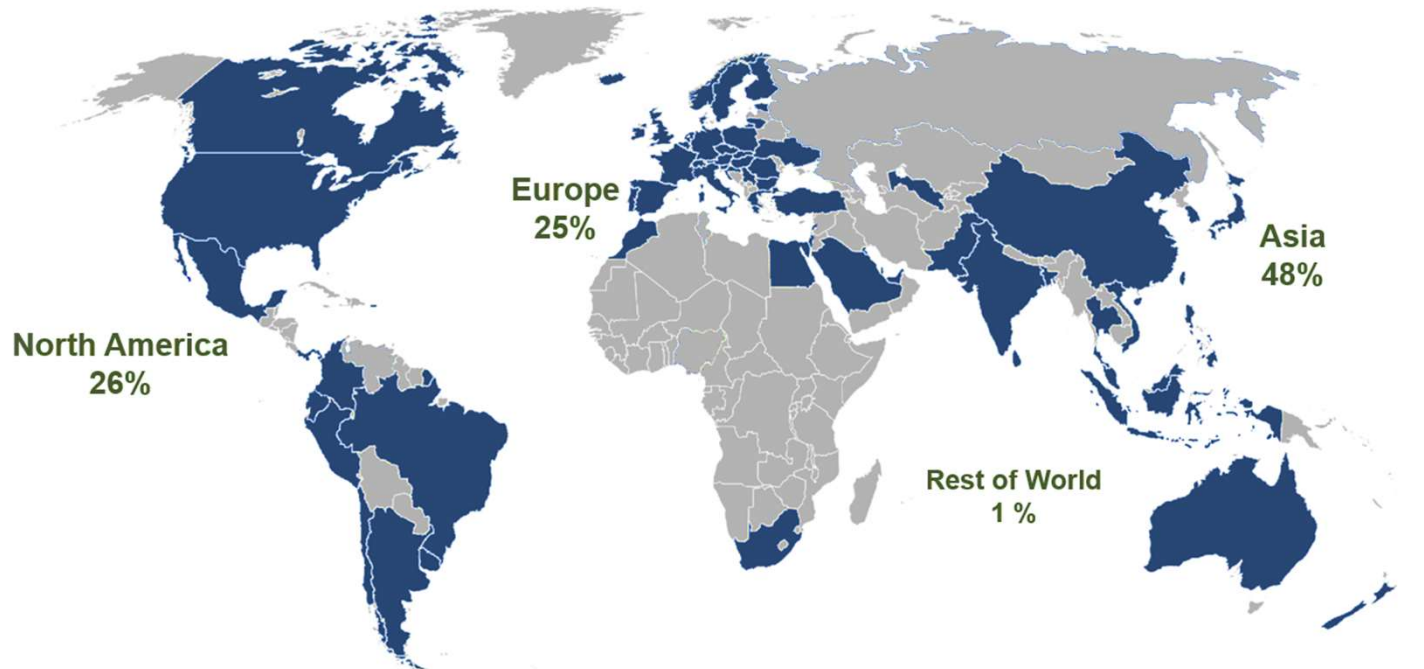
Sales Q1 2023
(Q1 2022)



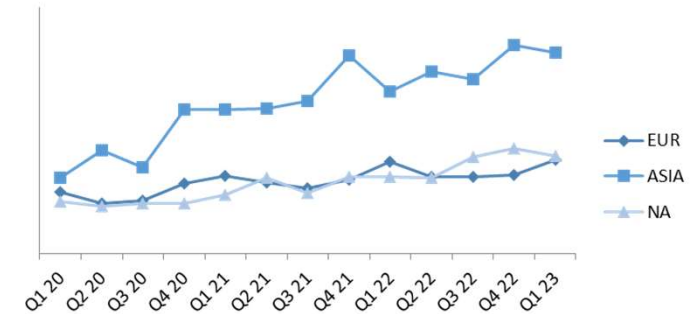
Worldwide Markets & Sales

Good growth in all regions year on year

Worldwide Net Sales in Q1 2023 by Region



Quarterly Sales Trend by Region



Q1 2023 Sales and Growth by Region

Asia:	~ 75	MUSD	+ 20%
Europe:	~ 40	MUSD	+ 1%
North America:	~ 42	MUSD	+ 19%
Rest of World:	~ 1	MUSD	
Total:	~ 158	MUSD	+ 14%

(vs. Q1 2022)

Semi & Vacuum Coating – Performance & Outlook

Semiconductor, Display, Optics, Solar

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

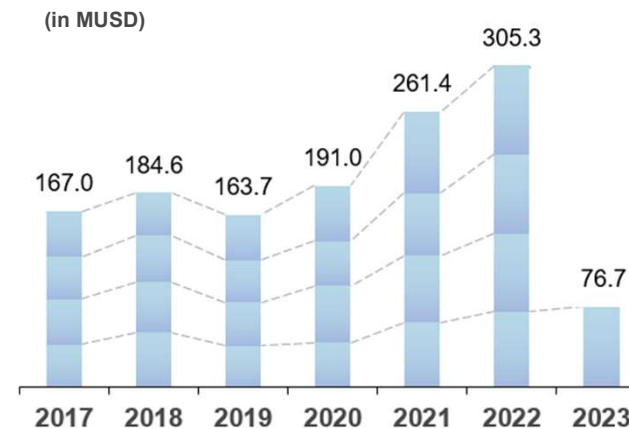
PERFORMANCE

- Q1 2023 sales increase of approx. +7% vs. Q1 2022
- #1 position in process control, leak detection, smart manufacturing software and thin film monitoring
- #2 for pressure measurement. Closing up to #1

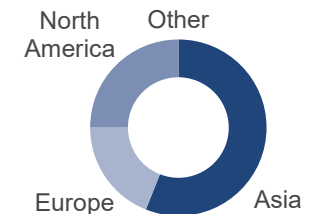
OUTLOOK

- 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 leading edge investment plans are 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)



Sales Q1 '23 by Region
(in MUSD)



Automotive & Refrigeration, Air Conditioning – Performance & Outlook

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

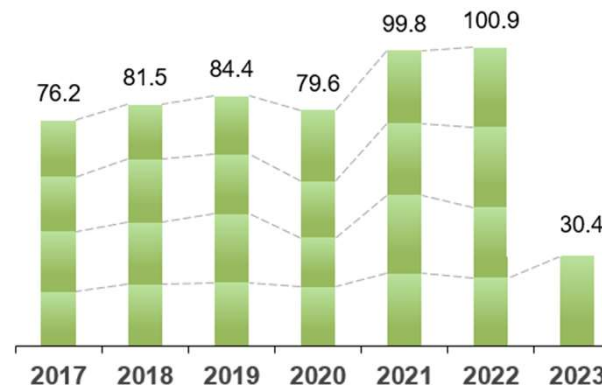
PERFORMANCE

- Q1 2023 sales increase of ~ + 32% vs. Q1 2022
- #1 position in RAC and Battery market

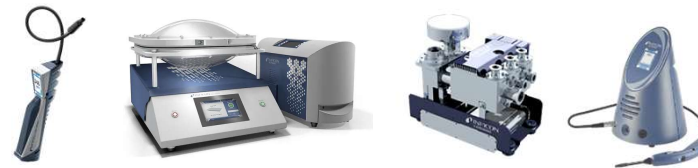
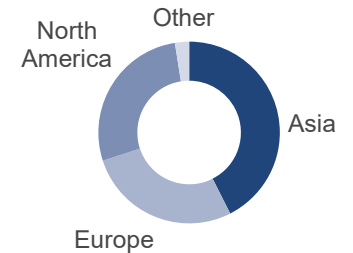
OUTLOOK

- 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)



Sales Q1 '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

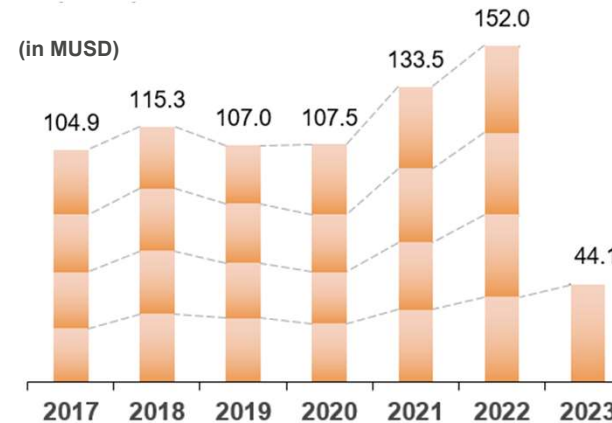
PERFORMANCE

- Q1 2023 sales increase of ~ 15% vs. Q1 2022
- Most competitive “full liner” in vacuum instrumentation
- Remain #1 position

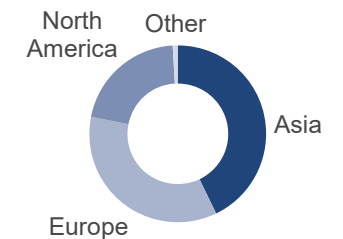
OUTLOOK

- Overall market expectations 2023: **Flat**
- After strong market growth, outlook for EMEA and US flat. Increased growth again 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)



Sales Q1 '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

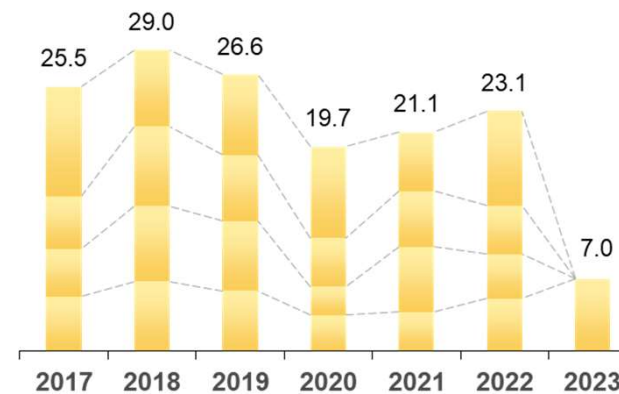
PERFORMANCE

- Q1 2023 sales increase of ~ +37 % vs. Q1 2022. Typically, significant fluctuations over time
- Continued strong order intake, but supply chain is limiting sales

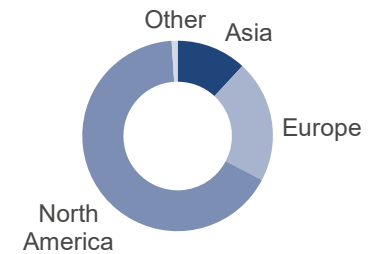
OUTLOOK

- 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)



Sales Q1 '23 by Region
(in MUSD)



Expectations 2023

Given the backlog and the growth in selected markets, we are mostly optimistic for 2023, even in a slow general economic environment with risks



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

**Guidance for
2023**

→ Sales between 570-610 MUSD

→ Operating Income approx. 19%

Agenda & Speakers



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Q1 2023 Highlights

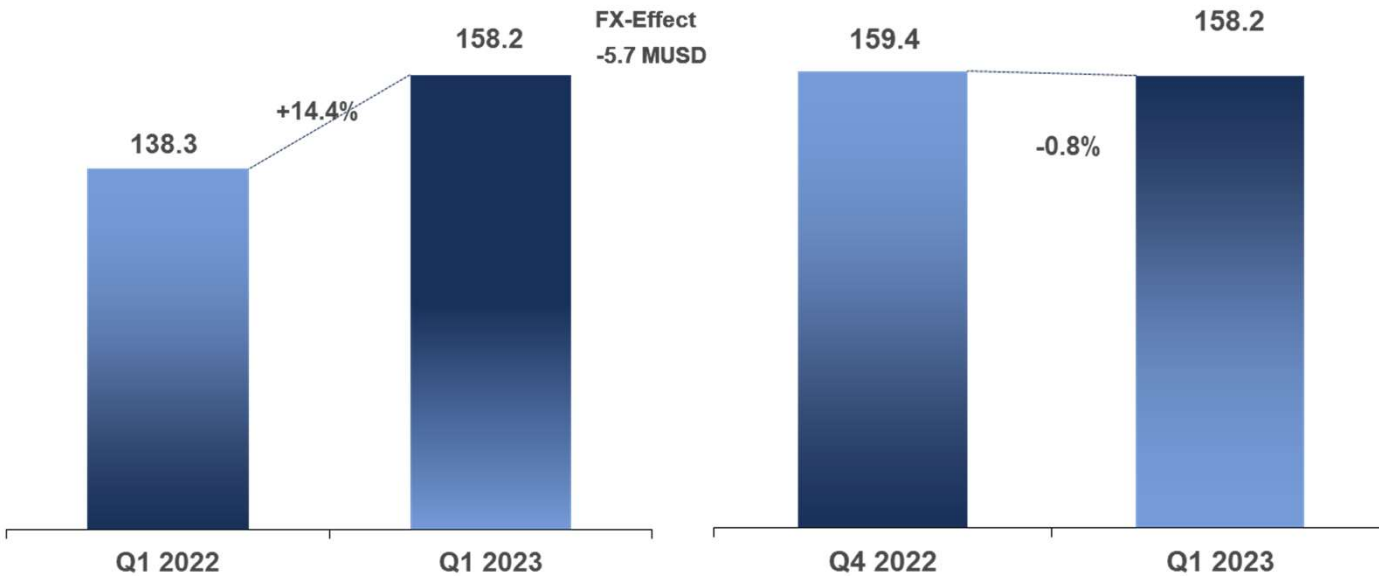
Strong sales and solid profitability despite margin pressure, good order trend, growth in all regions and end-markets

Book to Bill	Sales	Gross Margin %	Operating Income	CAPEX
> 1	158.2 MUSD +14.4% organic +18.6%	45.8% -1.27 %pts	30.0 MUSD +9.9% 19.0% of Sales	3.6 MUSD -5.0 MUSD
Equity Ratio	Cash Flow	Net cash		
64.9% -5.6 %pts	15.3 MUSD +6.8 MUSD	11.5 MUSD +9.0 MUSD		

Except otherwise noted all comparisons vs. previous year Q1

Sales

Year-over-year growth in all regions and markets, Security & Energy and Semi & Vacuum Coating softening sequentially



Q1 2023 Sales and Growth by Region

Asia:	~ 75 MUSD	+ 20%
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Total:	~158 MUSD	+ 14%

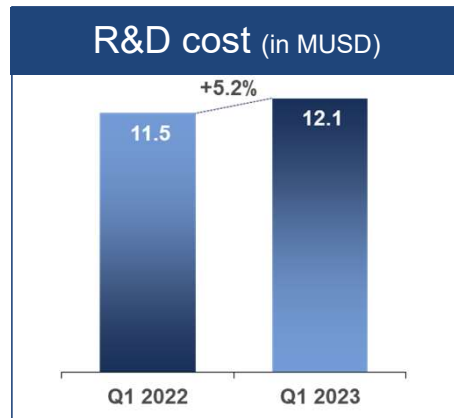
(vs. Q1 FY 2022)

Gross Profit, Costs, and Operating Income Q1

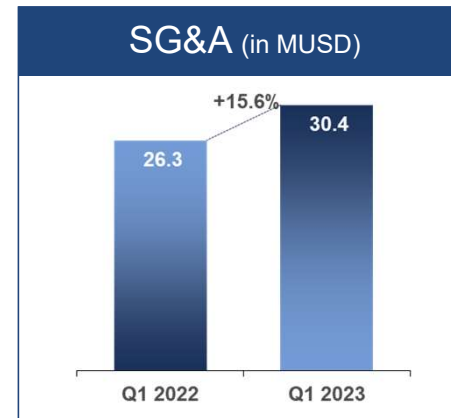
Profit Growth, margin impacted by supply chain and broker costs



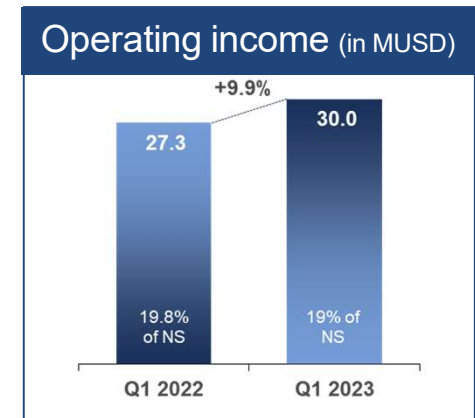
Decrease in margin of 127 bps. Improved by 11% in absolute numbers and decreased by 29 bps vs. previous quarter. Higher volume partially offset by rising material prices, freight, and broker fees



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



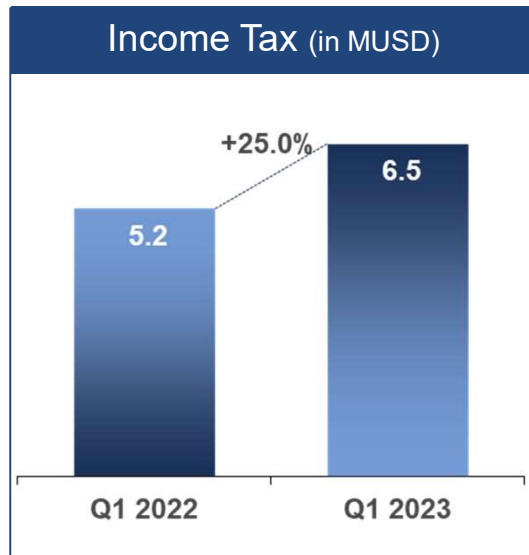
Costs increase, additional headcounts and related personnel expense as main drivers. Slightly favorable FX impacts



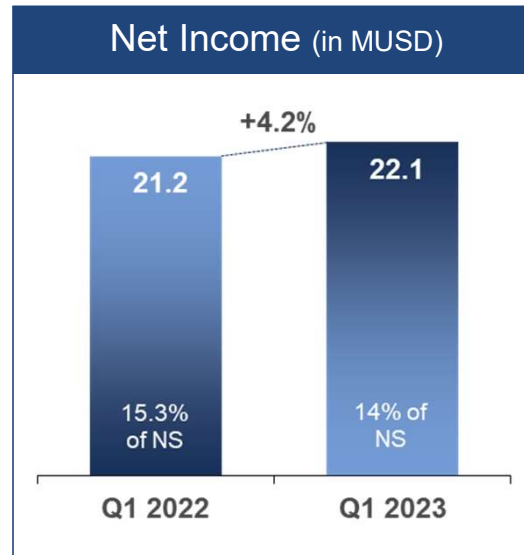
Improved by 9.9% due to higher sales volume

Income Tax and Net Income Development

Net Profit Growth



Tax rate of 22.7% compared with 19.8% in Q1 last year. Tax rate impacted by the profit mix of the various international entities

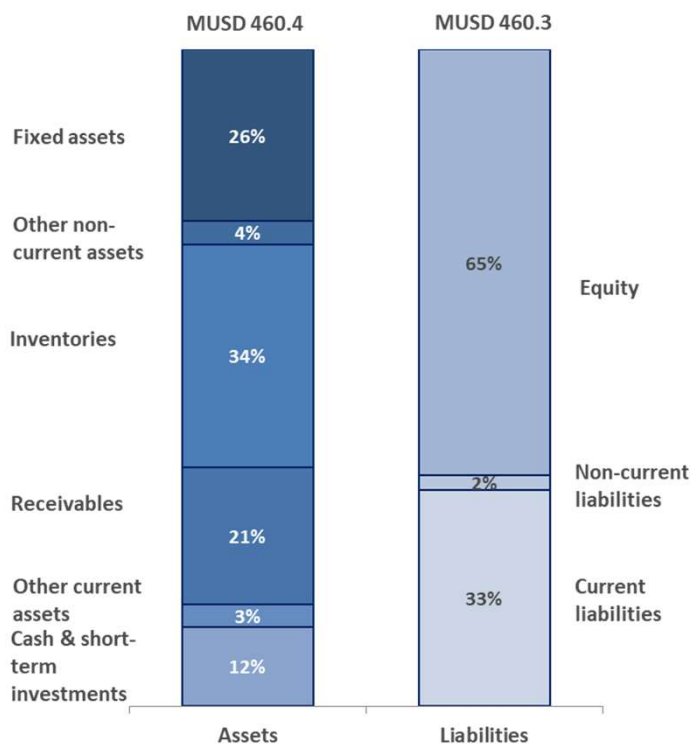


Increase driven by improved operating income at slightly higher tax rate

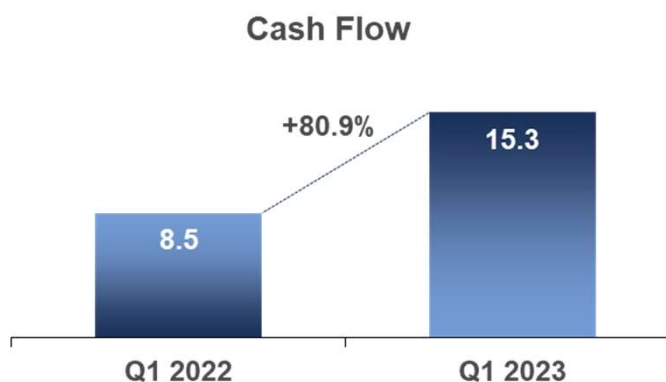
Balance Sheet Highlights

Solid balance sheet; working capital level increased due to higher inventories; improved cash flow and net cash

Balance Sheet Structure 2023

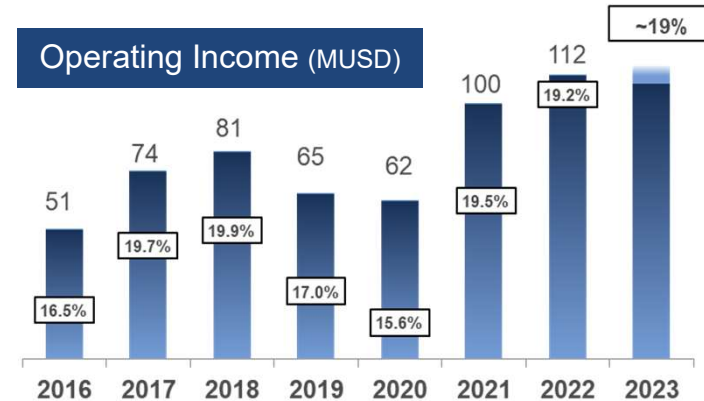
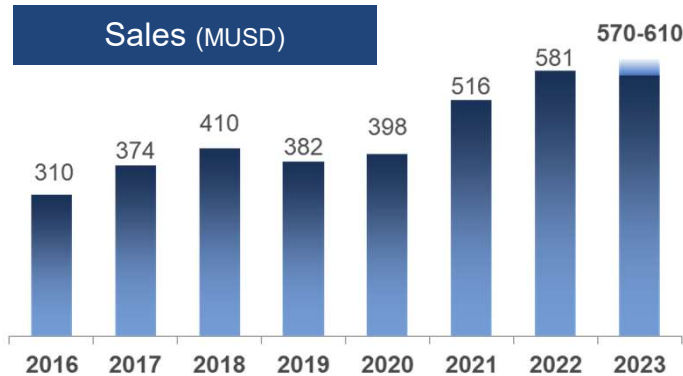


	Q1 23	Q4 22
Net Cash	11.5	2.5
DSO	52.9	53.1
Inventory Turns	2.5	2.8
Working Capital	217.9	208.5
Operating Cash Flow	15.3	14.9



Full-Year 2023 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 570-610 MUSD
- Operating Income approx. 19%

Thank You for Your Attention

Q&A

Next Events on Corporate Calendar 2023

- ➔ Q2 and HY 2023 Earnings Conference Call **July 27, 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.