

INFICON

Q4 2012 & Full Year 2012

Earnings Release Press Conference

March 14, 2013

Zürich, Switzerland

Safe Harbor Statement

This presentation contains forward-looking statements that reflect Management's current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. These forward-looking statements address, among other things, our strategic objectives, trends in vacuum technology and in the industries that employ vacuum instrumentation and the anticipated effects of these trends on our business.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Speakers

Lukas Winkler, President and CEO

- Key figures Q4 2012 and FY2012
- Target market business review
- FY 2013 expectations

Matthias Tröndle, Vice President and CFO

- Financials Q4 2012 and FY2012
- Distribution
- Outlook

Q4 2012 – Key Figures

▪ **Solid but slightly weaker sales with growth in ER&S end-market**

- Consolidated sales increase of 1.4% to USD 71 million compared with Q4 2011
- Sequential sales increase of 1.4% over Q3 2012
- Book-to-bill ratio ~1

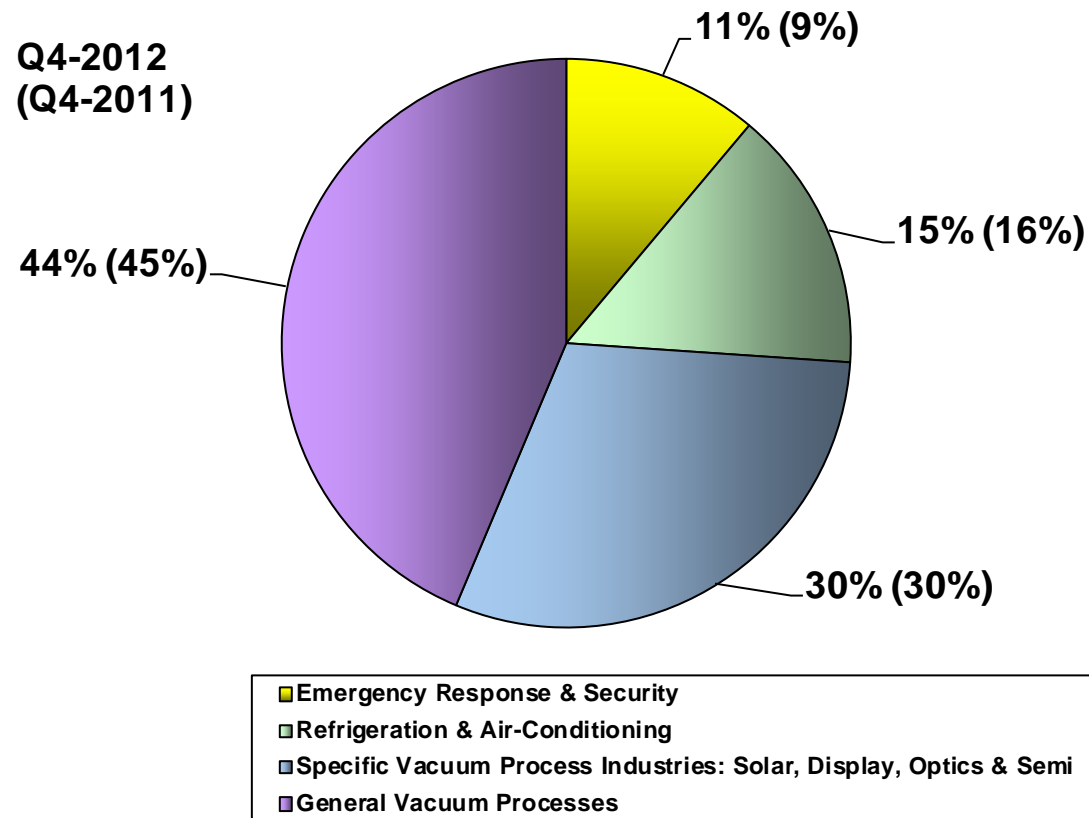
▪ **Operating result influenced by**

- Solid sales volume
- Healthy gross margin and moderate overhead cost development
- Operating income of USD 11.6 million in Q4 2012 (16.3% of sales) compared with USD 9.8 million (14% of sales) in Q4 2011
- Net income positively impacted by divestiture of valve product line

→ USD 12.3 million or 17.3% Net income

Net Sales by End-Market Q4/12

USD 71 million in Q4 2012 vs. USD 70 million a year ago (+1.4%)



FY 2012 – Key Figures

▪ Results close to record levels of 2011

- Sales at USD 297.2 million – slightly below record level of 2011 (-4.8%)
- Healthy gross margin and earnings
- FY 2012 sales decrease in all markets, except ER&S (+56%)
- Book-to-bill ratio ~1

▪ Operating result influenced by

- Stable sales volume
- Healthy gross margin and decreased overhead cost, despite R&D efforts
- Operating income of USD 50.1 million in FY 2012 (16.9% of sales) compared with USD 53.3 (17.1% of sales) in FY 2011

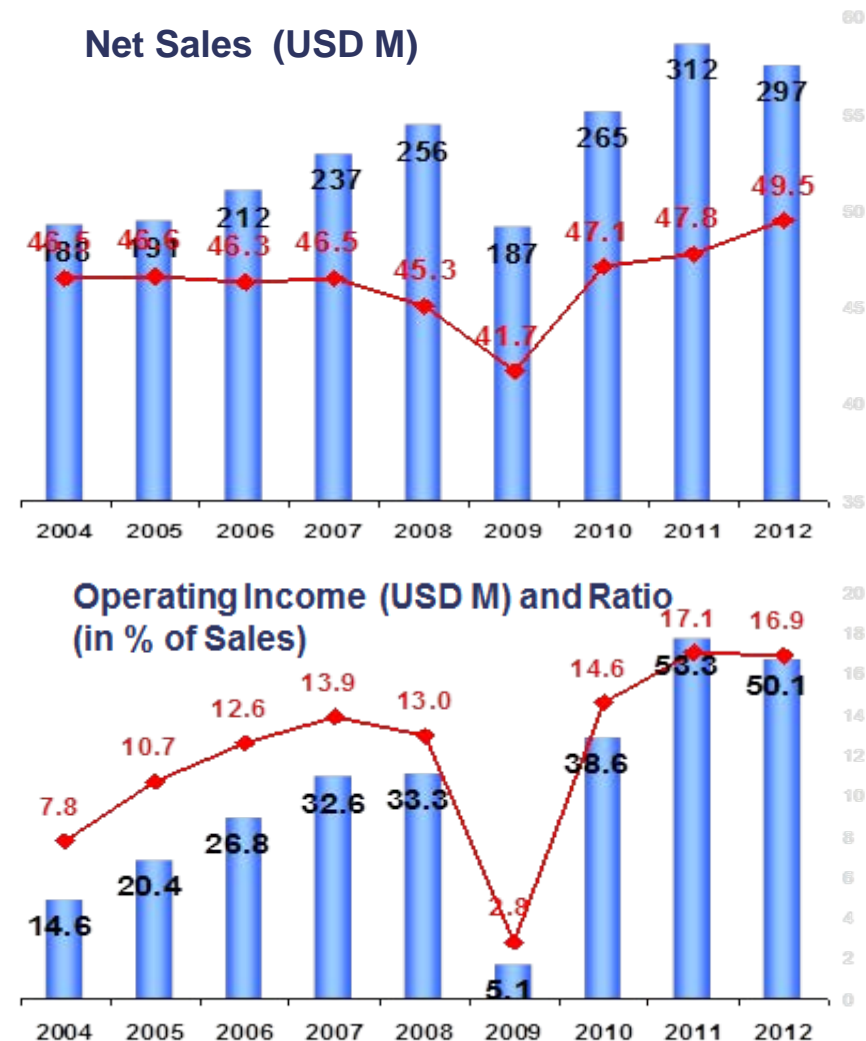
→ USD 39.9 million or 13.4% Net income (12.9% FY2011)

→ Proposed cash distribution of CHF 16.00 per share

2012 – Healthy Earnings and Solid Balance Sheet (I)

INFICON with second-best year ever

- Sales of USD 297.2 million
- Operating income of USD 50.1 million (16.9% of sales)

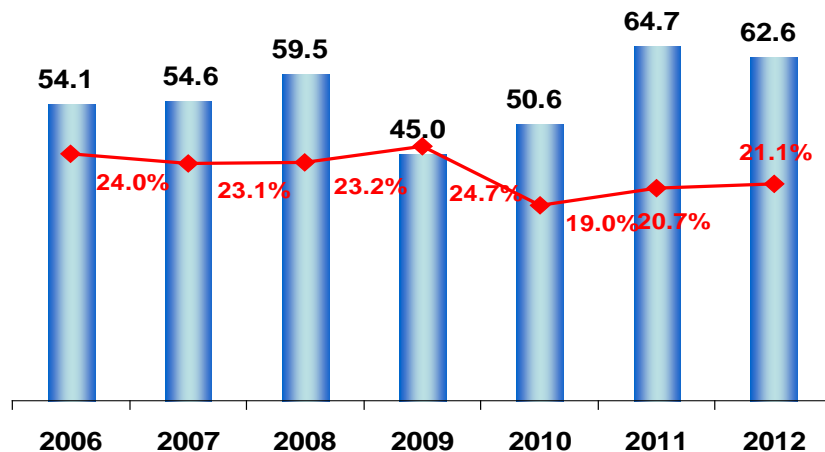


2012 – Healthy Earnings and Solid Balance Sheet (II)

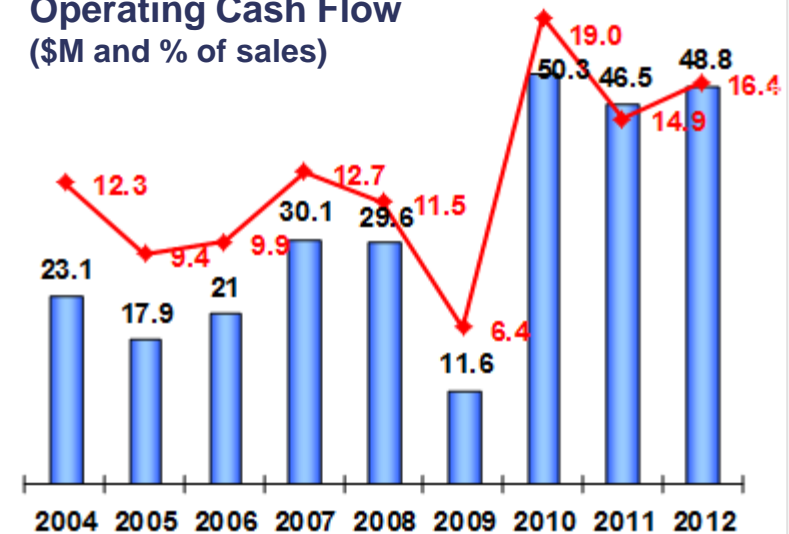
INFICON with strong performance

- Second-highest operating Cash flow
- Effective Working Capital management
- Continued investments
- Equity ratio of 79.6%

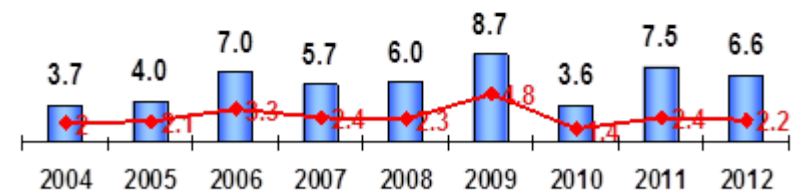
Working Capital (USD million) and Ratio (in % of Sales)



Operating Cash Flow (\$M and % of sales)

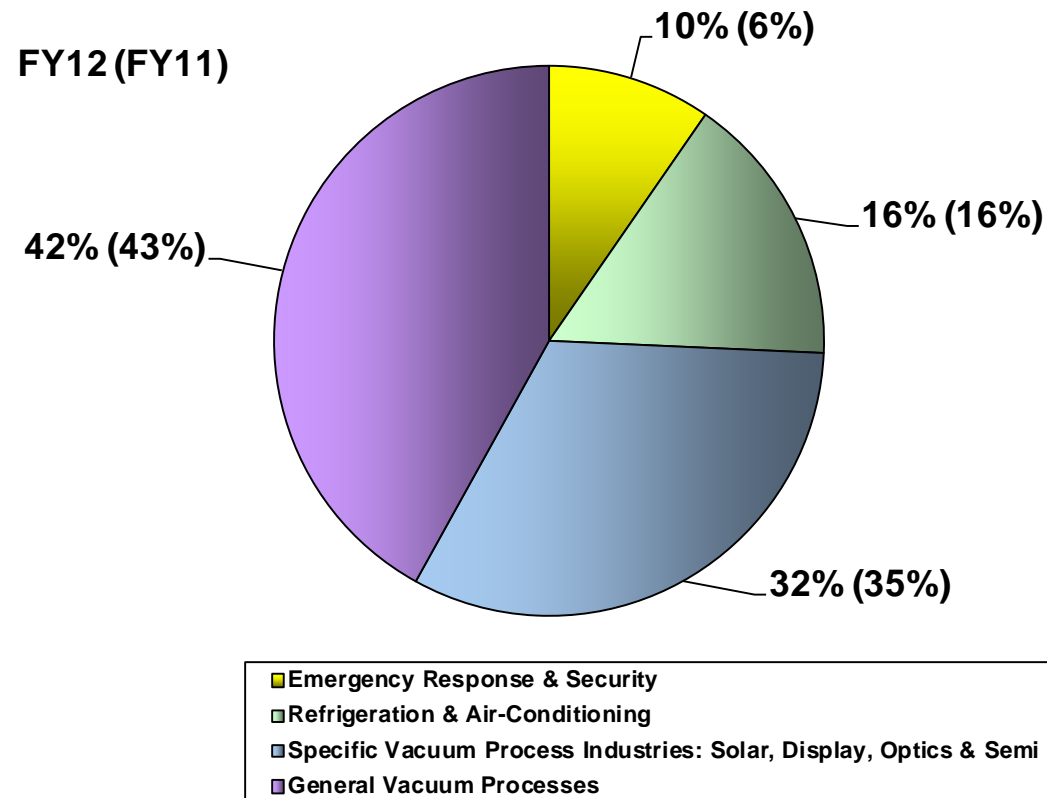


Capex (\$M and % of Sales)



Net Sales by End-Market FY2012

USD 297.2 million in 2012 vs. USD 312.1 million a year ago (-4.8%)



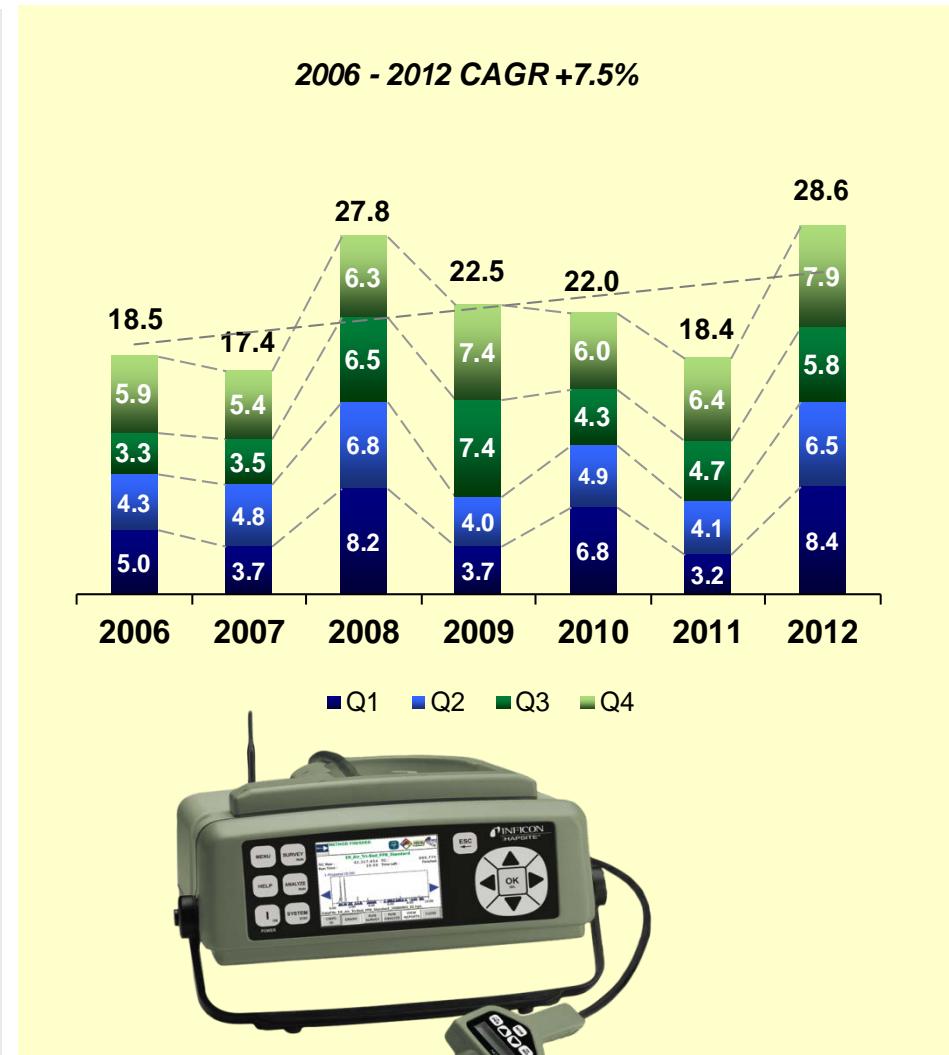
Emergency Response & Security

Q4 2012

- Q4 2012 sales +23.4% vs. Q4 2011 and +37% vs. Q3 2012
- Strong sales level
- Large shipments to Asia and US

Market Trends

- Increased security needs around the world generate new business opportunities
- Interesting projects for environmental application (water, soil and, air)
- New target markets and application opportunities (energy transportation and petro-chemistry) in conjunction with acquired GC technologies



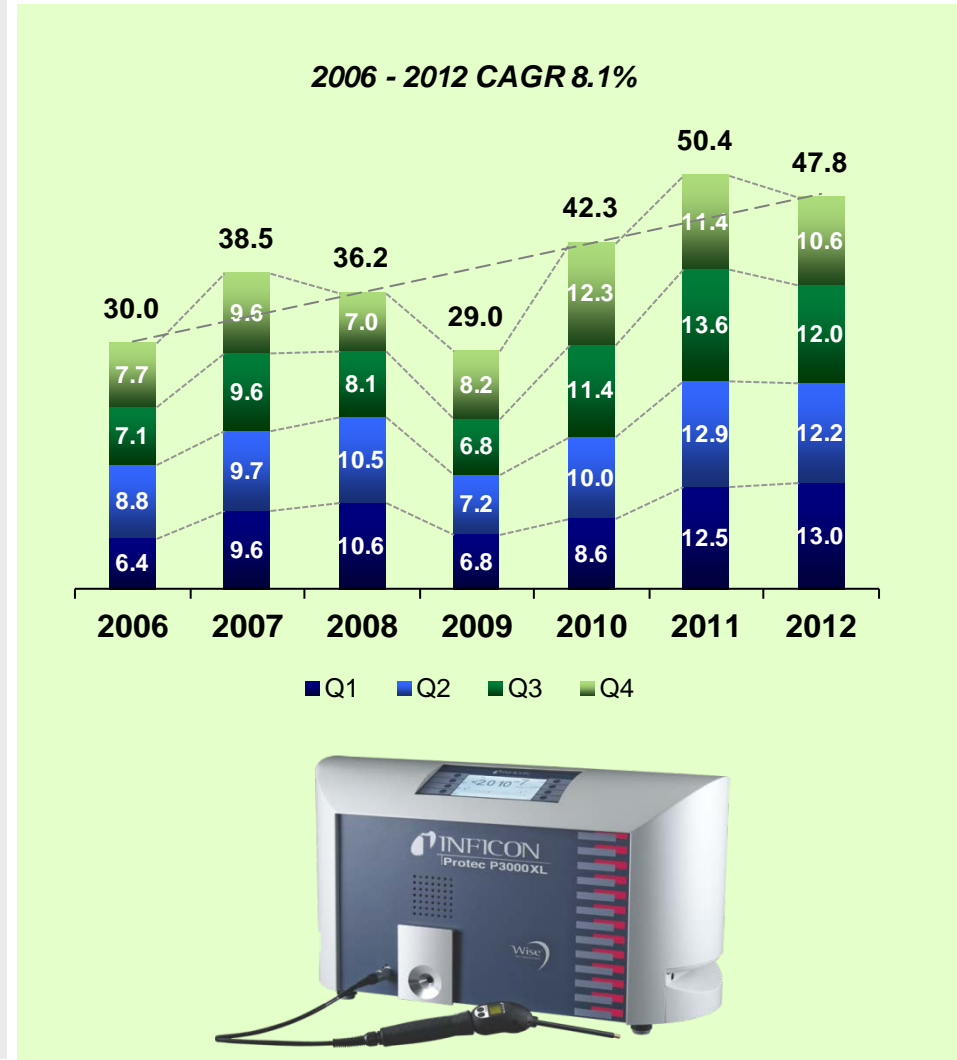
Refrigeration & Air Conditioning

Q4 2012

- Q4 2012 sales -7% vs. Q4 2011 and -11.4% vs. Q3 2012
- Continued market share gains

Market Trends

- Slower growth RAC market in China
- Replacement/improvement projects in existing plants, driven by tighter specs and new eco-friendly refrigerants
- Growing business by targeting new leak detection applications (incl. H₂ sensor applications)
- Increasing installed basis drives after-sale service products worldwide



Specific Vacuum Process Industries

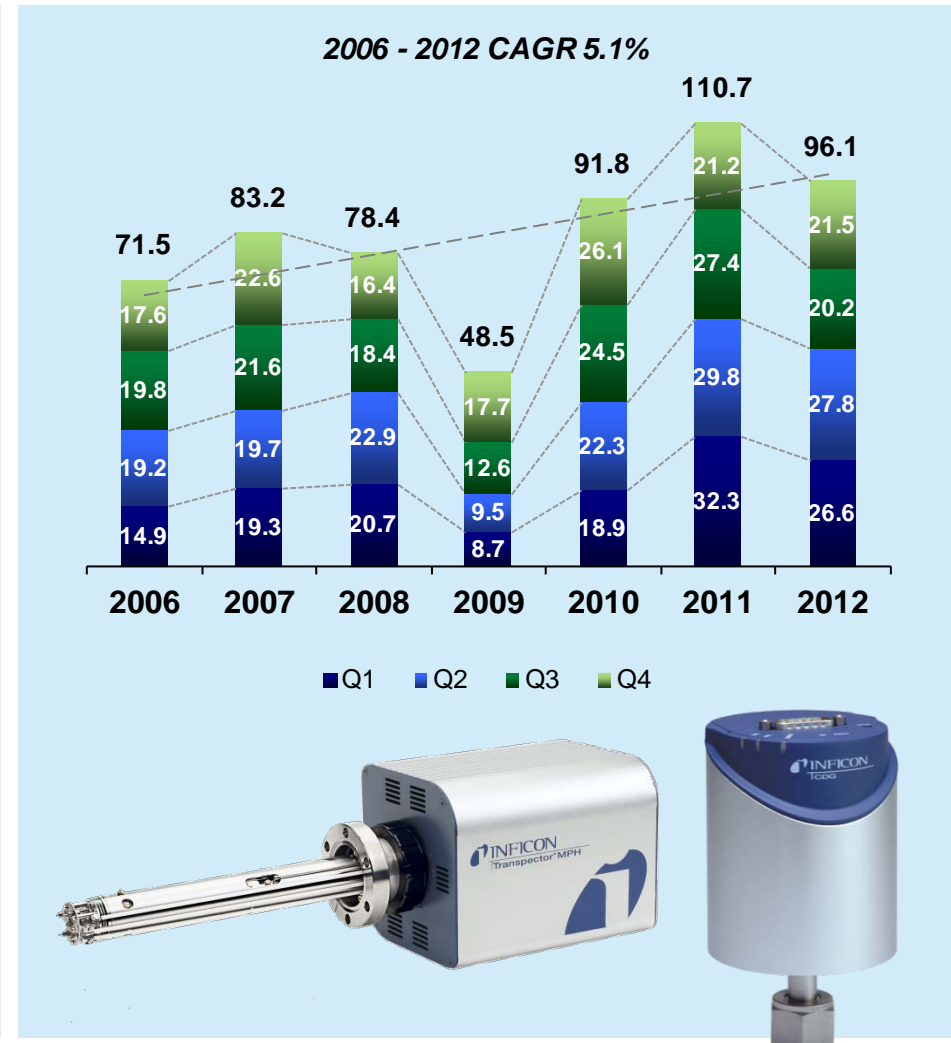
Solar, Display, Optics & Semiconductor

Q4 2012

- Q4 2012 sales +1.4% vs. Q4 2011 driven by lower Thin Film business
- Sequential increase of +6.6%
 - Stable SEMI market
 - Temporarily weaker OLED market
 - Stable OPTICS market
 - Continued weak SOLAR & LCD market

Market Trends

- Continuation of increased demand for communication chips & OLED displays
- Challenging market for LCD and PV solar panel manufacturers
- New litho technologies, 450 mm wafer size, material & processes drive the development of new instruments



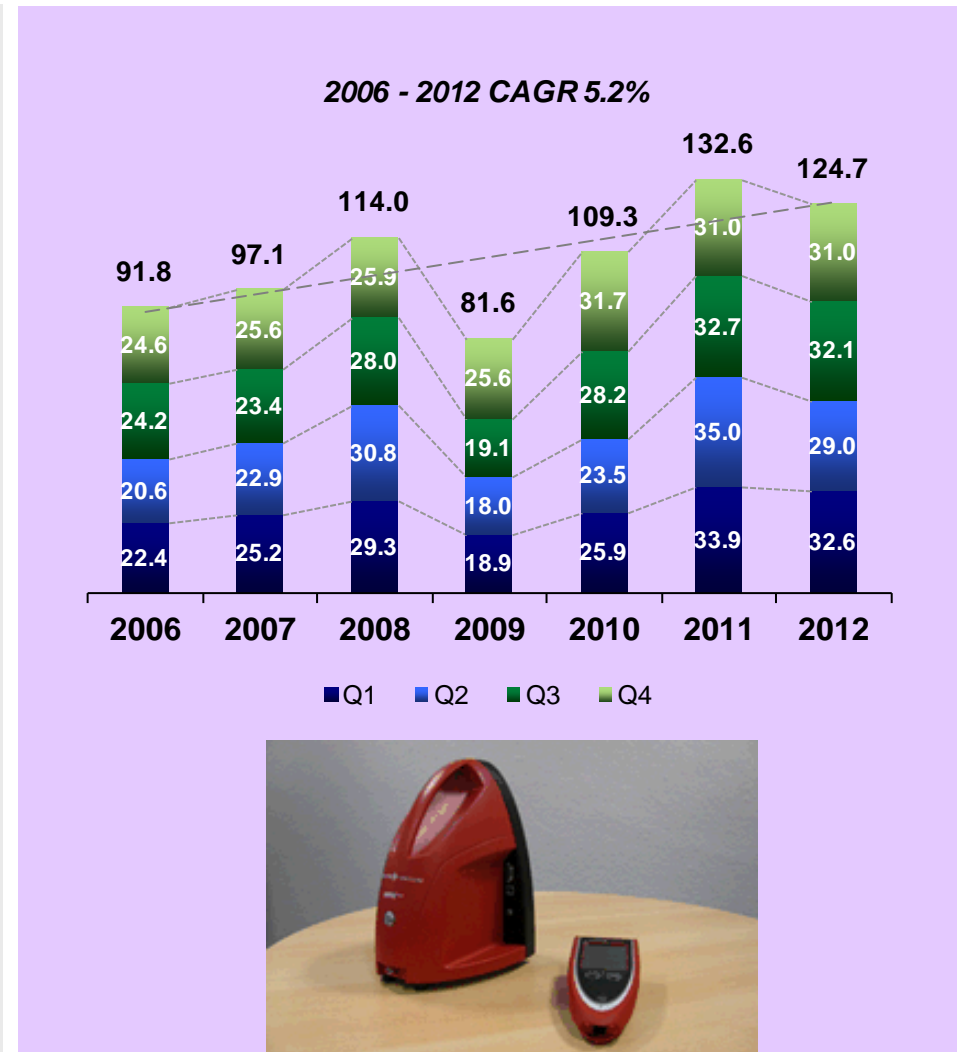
General Vacuum Processes

Q4 2012

- Q4 2012 stable vs. Q4 2011
- Sequential decrease of 3.3%

Market Trends

- Diverse customer base and end-markets, served through different sales channels (direct and indirect)
- Increased use of vacuum technologies for a variety of different existing and new applications
- Growing demand in emerging market regions as well as recovery in the US, improved but uncertain EU development



Outlook 2013 and Beyond

Mixed and sometimes challenging signals from different markets/regions

- Increasing demand expected in Semiconductor & OLED display market, driven by investments for mobile communication:
 - Strong foundry business, but continued soft memory chip market
 - New lithography technology (EUV), larger wafer size (450mm) and new process and material technologies will drive need for further sensors and software products
 - Continued investments in new OLED display (and lighting) technology
- Ongoing overcapacity in photovoltaic, flat panel display and LED market
- Stable optics market
- Investments in new leak-detection applications may offset slow growing RAC market
- Investments in environmental applications (China) could overcome temporarily lower US security needs in the ER&S market
- Slow continuation of the market recovery expected in the General Vacuum Processes market

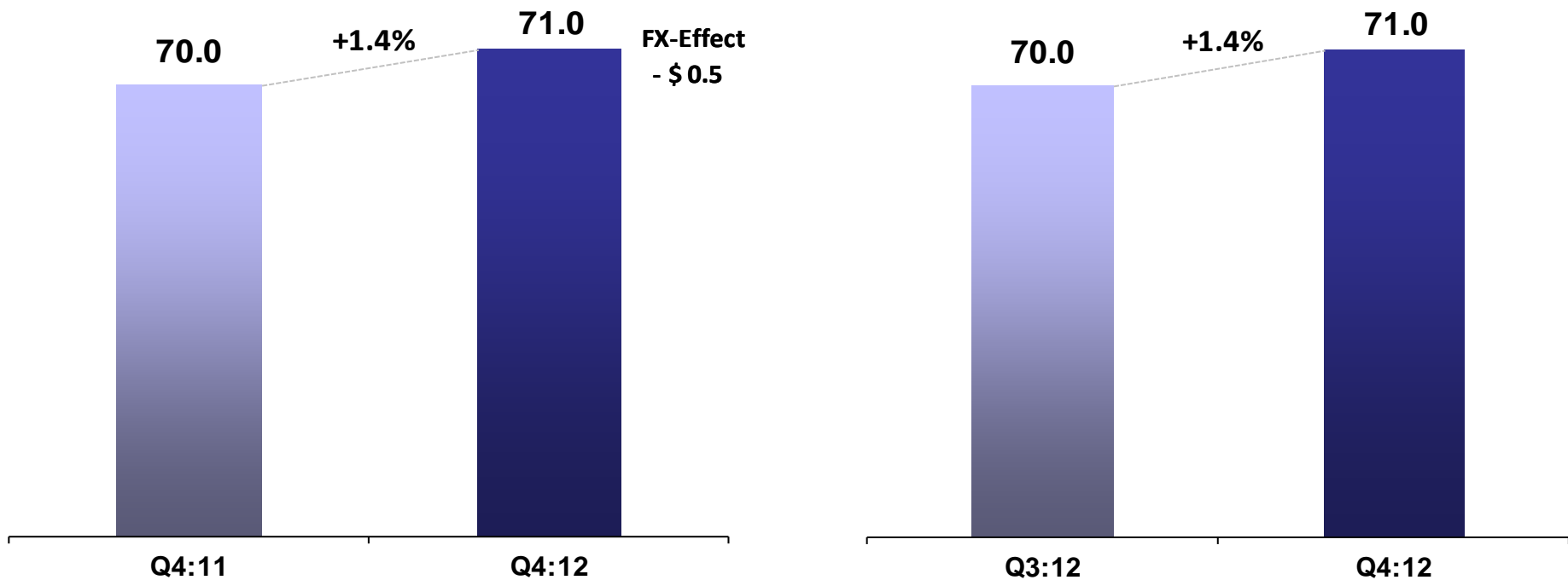
Guidance for FY 2013

- **Sales between USD 280 to 320 million**
- **Operating Income in the range of USD 43 to 57 million**

Matthias Tröndle

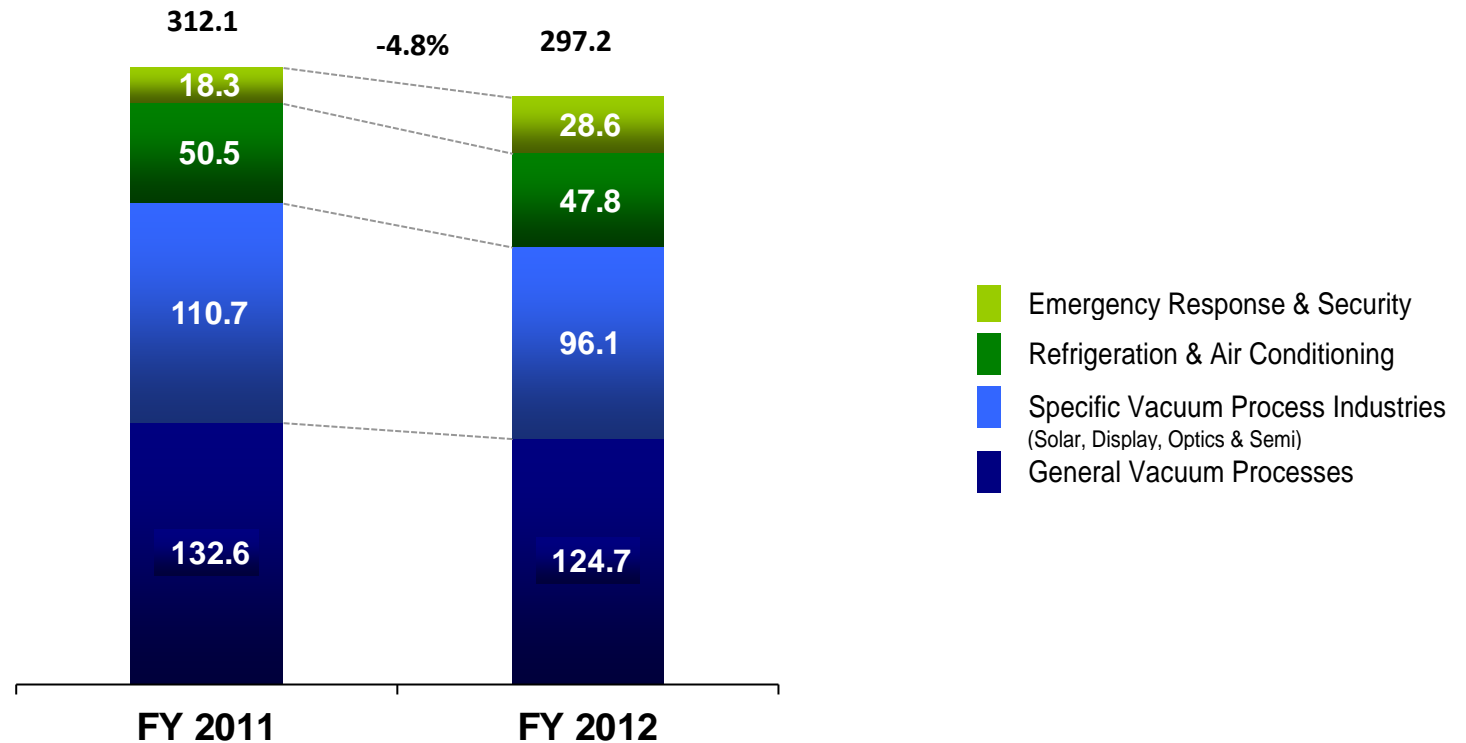
Vice President & Chief Financial Officer

Revenue (in USD million)



Slight revenue increase versus previous year and previous quarter

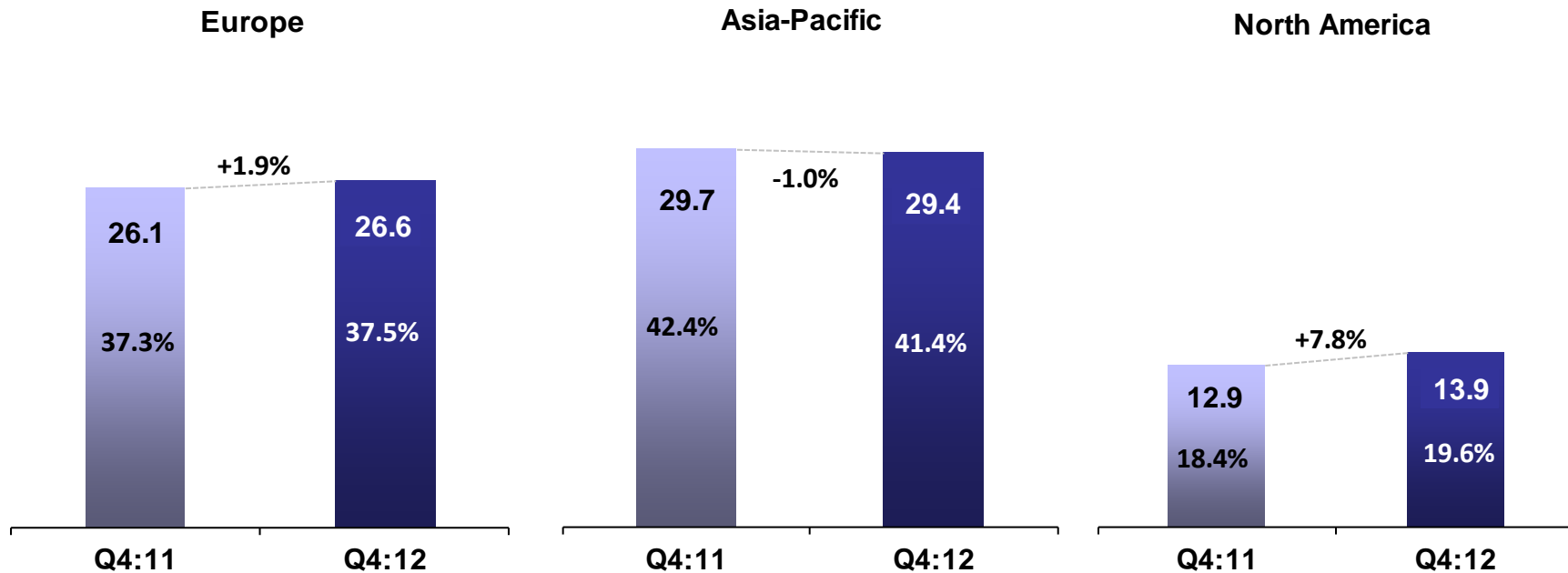
Full Year Revenue (in USD million)



Revenue decrease across all markets, except for Emergency & Security

Geographic Revenue Breakdown – Quarter

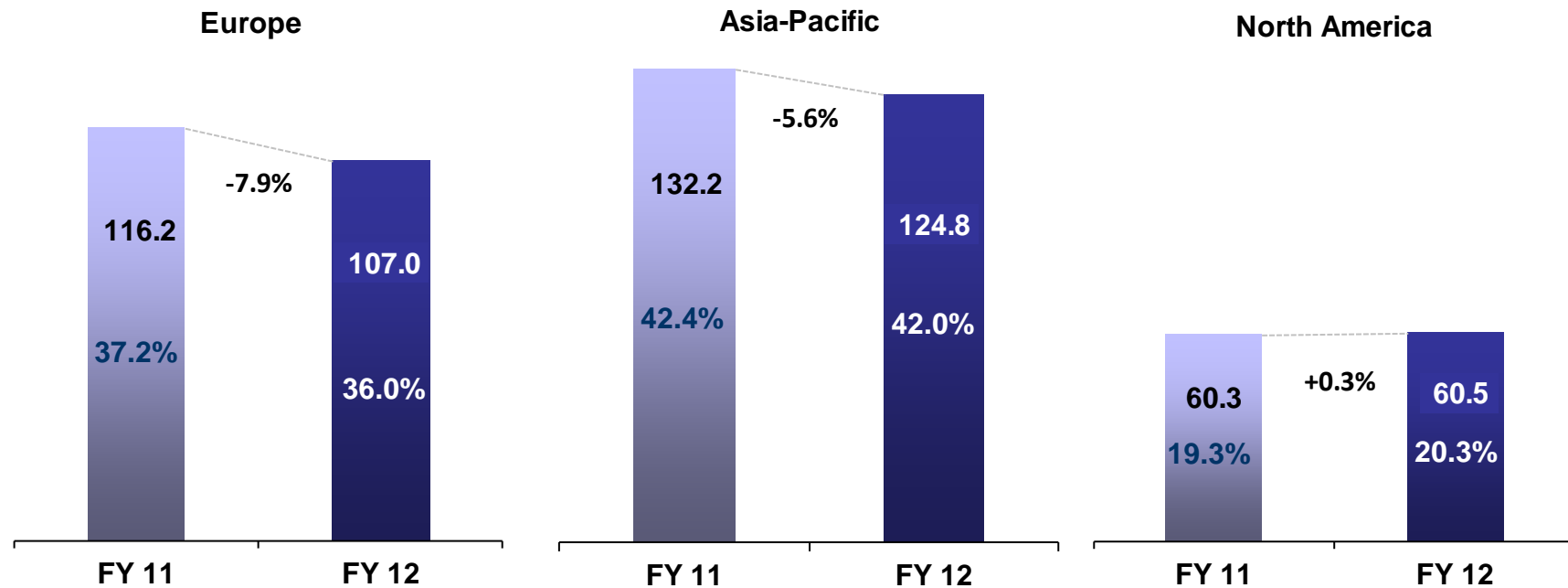
(in USD million)



Increase in North America and Europe, decrease in Asia

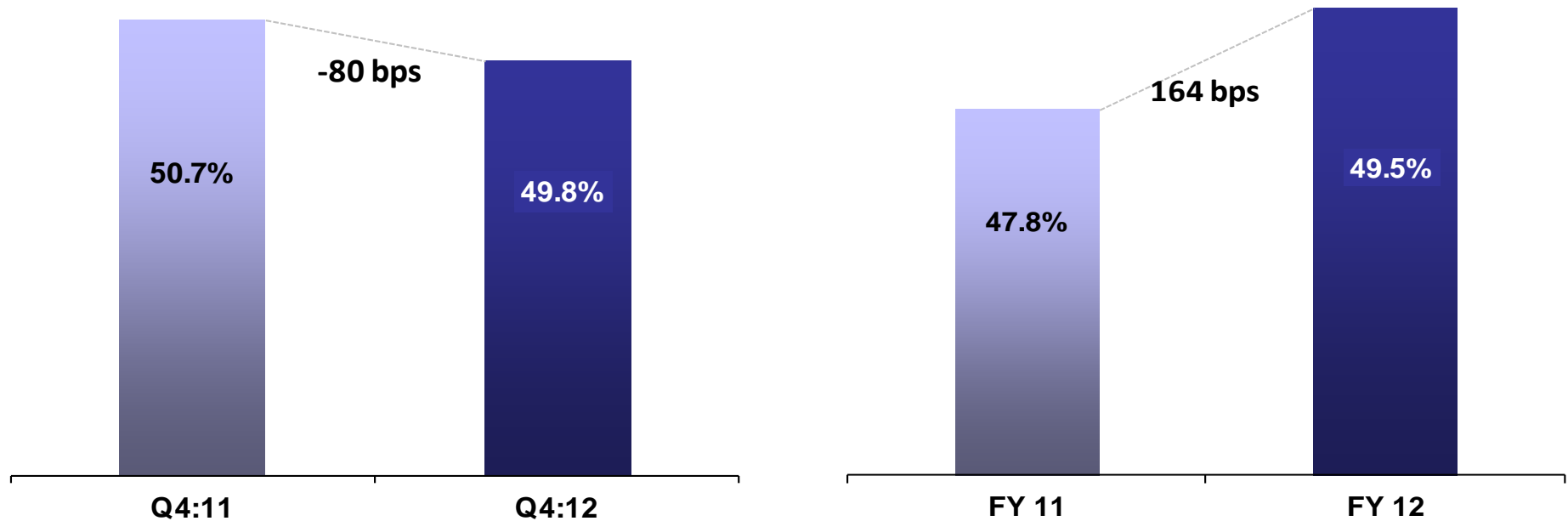
Geographic Revenue Breakdown – Fiscal Year

(in USD million)



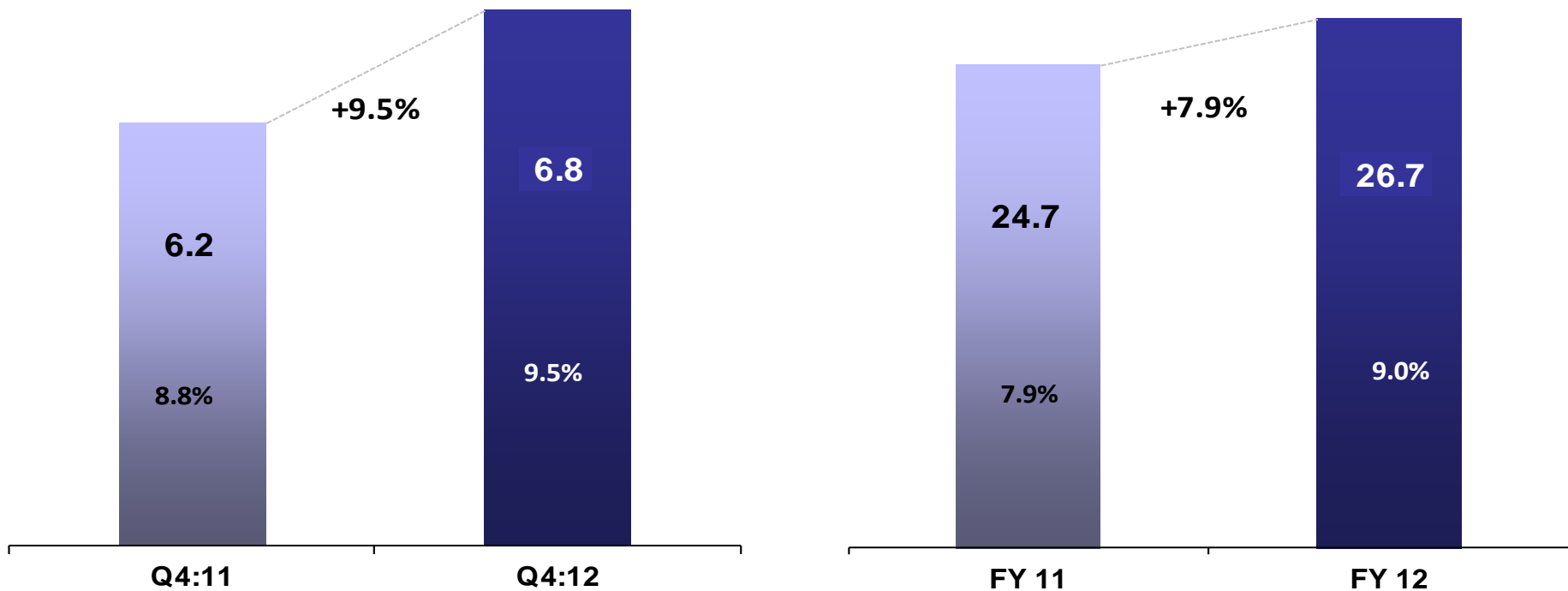
Stable in North America, decrease in Europe and Asia

Gross Profit Margin (in %)



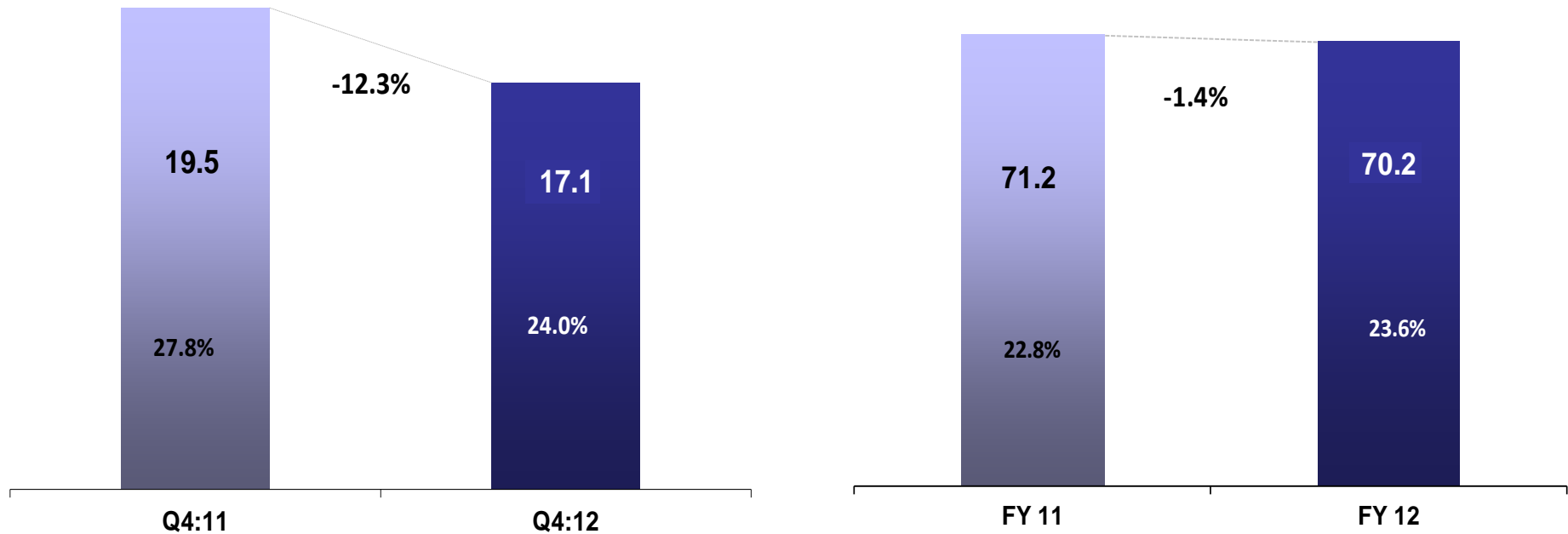
Healthy margin, increase driven by favorable product mix

Research & Development (in USD million)



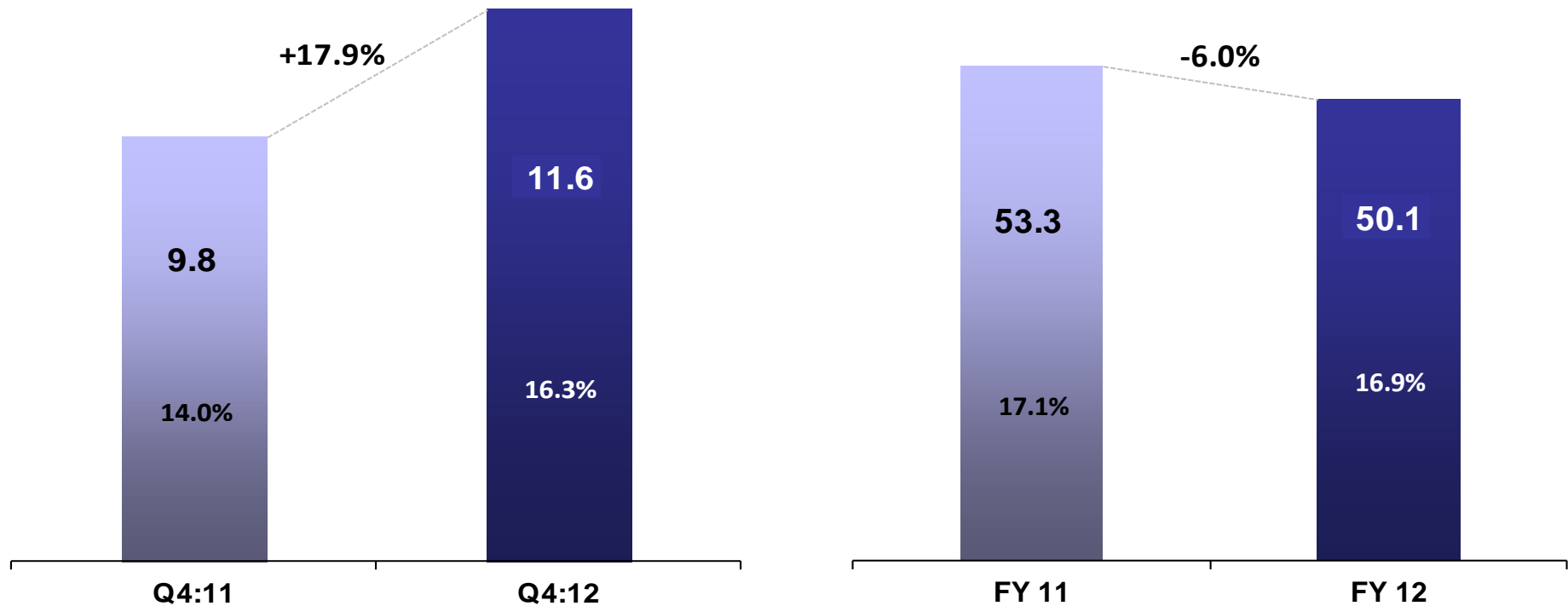
Increase due to acquisitions and intensified product development efforts

Selling, General & Administrative (in USD million)



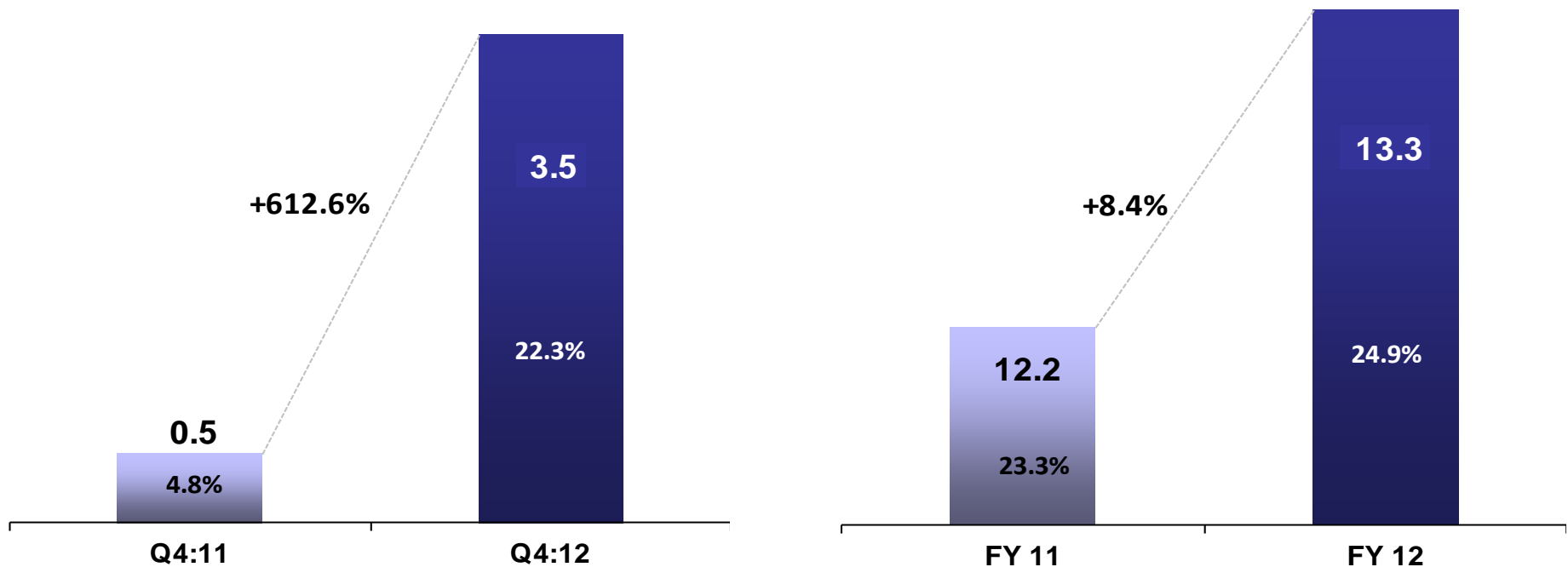
SG&A decreased, despite acquisitions and new hires

Income from Operations (in USD million)



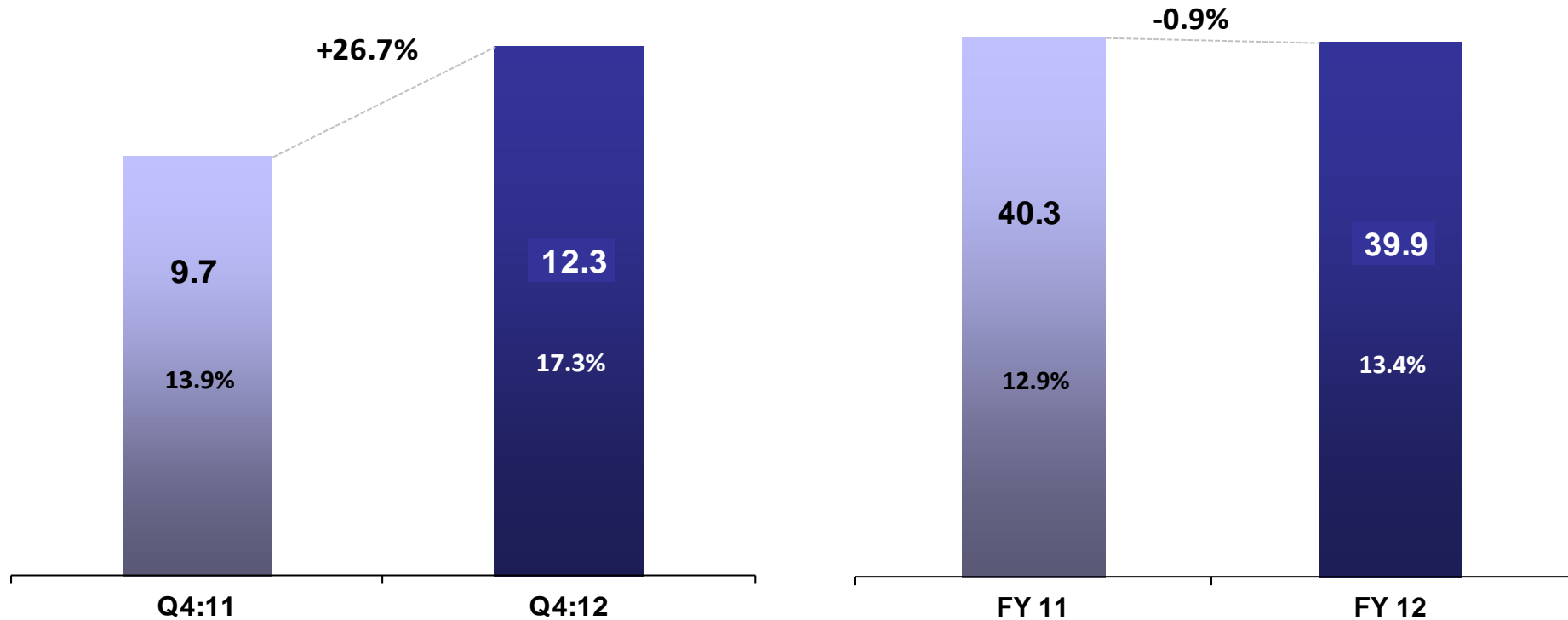
Q4 2012 result driven by solid sales volume, healthy gross margin and moderate overhead cost increase . FY12 second-best year ever

Income Tax Provision (in USD million)



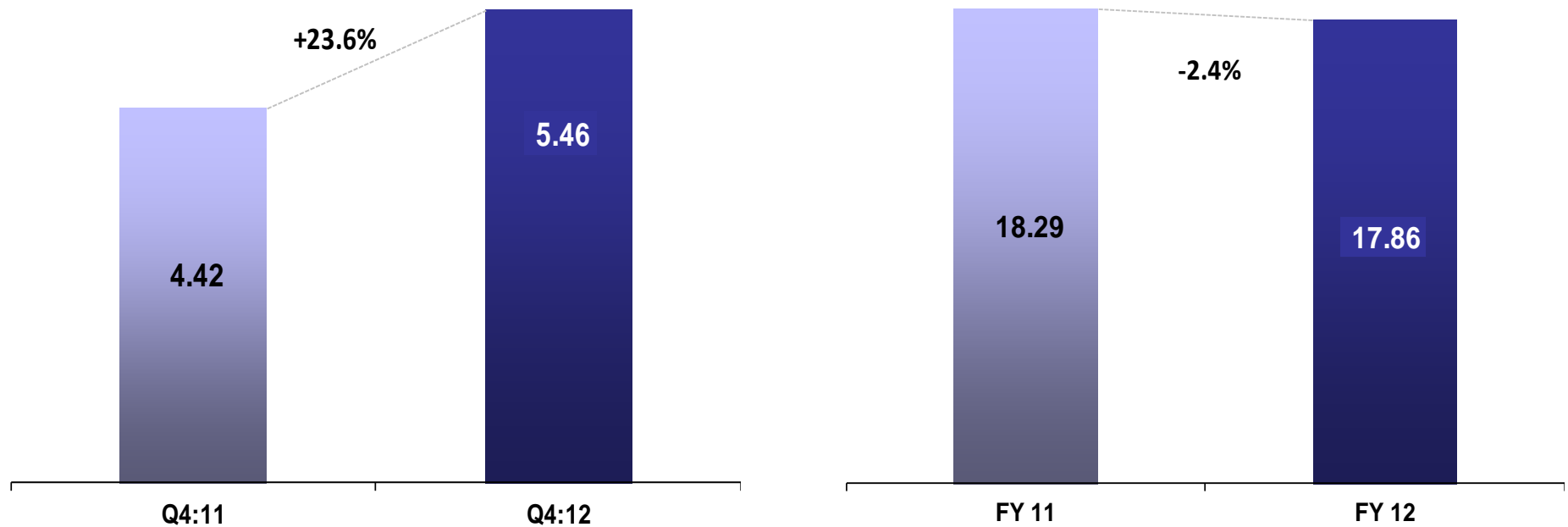
Higher Income Tax Provision driven by mix in earnings and tax rates and non-taxable one time impact in previous year

Net Income (in USD million)



Increase driven by Operating Income and sale of valves product line resulting in record margin for FY12

EPS (USD/Share; diluted)



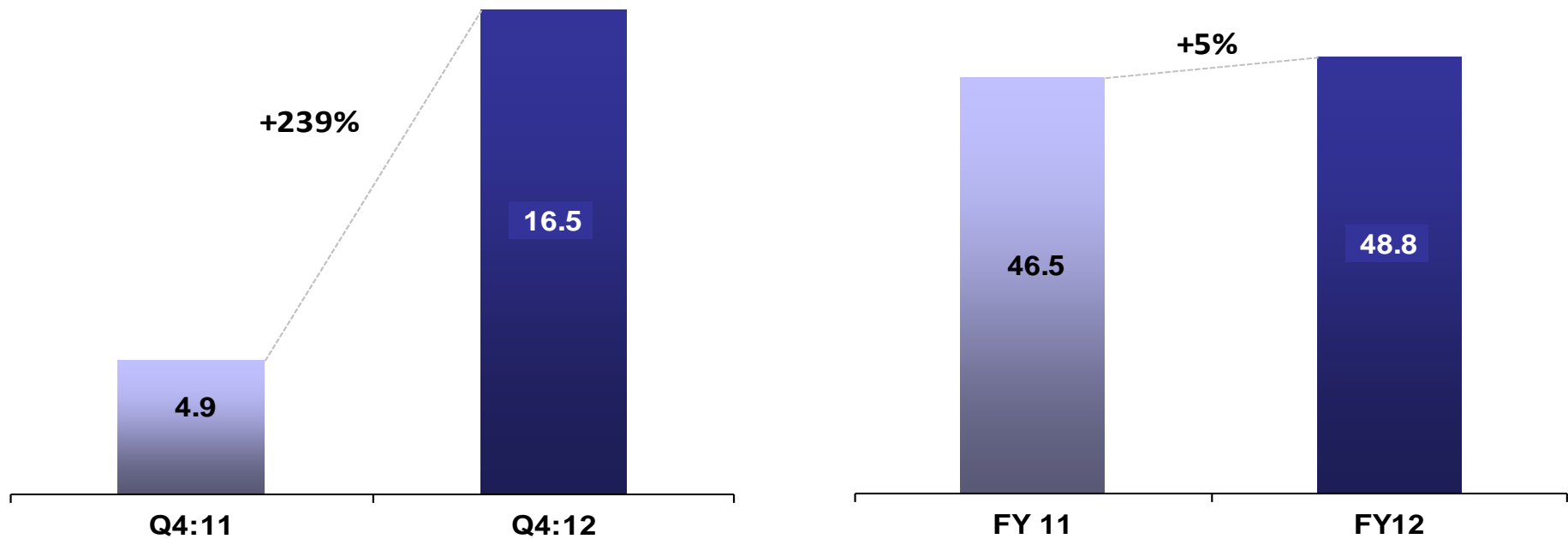
Growth in line with Net Income development

Balance Sheet Highlights (in USD million)

	<u>Q4:12</u>	<u>Q4:11</u>
Cash & Short-term Inv.	92.2	91.1
Short-term Debt	2.3	17.5
Long-term Debt	-	-
	<u>Q4:12</u>	<u>Q4:11</u>
Days Sales Outstanding	45.3	47.8
Inventory Turns	4.5	4.9
Working Capital	21.7%	22.3%

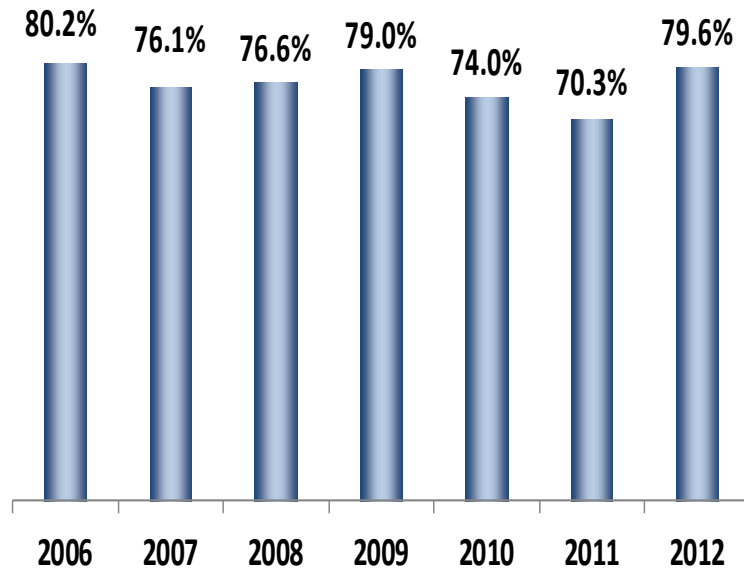
**Solid balance sheet with no long-term debt,
DSO ratio and Working Capital improved**

Operating Cash Flow (in USD million)



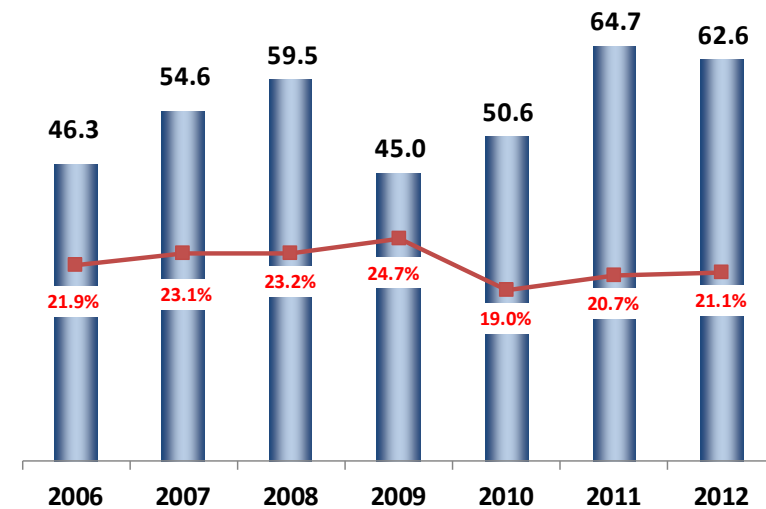
Higher cash flow mainly due to earnings situation and improved working capital

Equity Ratio (in %)



**Strong increase after
balance sheet contraction**

Working Capital (USD Mio, % of Sales)



**Effective Working Capital
Management**

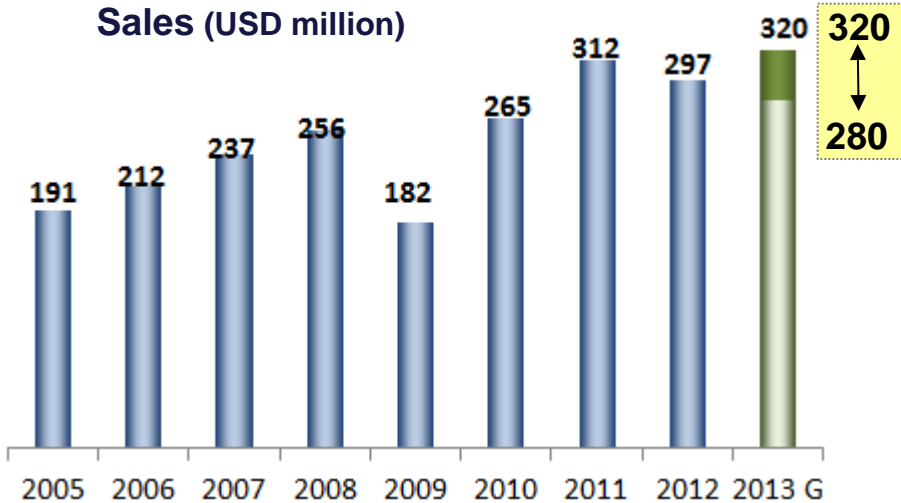
Distribution 2013

- **Strong Balance Sheet and Cash Generation**
 - No long-term debt
 - USD 92.2 million cash (USD 89.9 million Net cash)
 - Shareholders' equity ratio ~80%

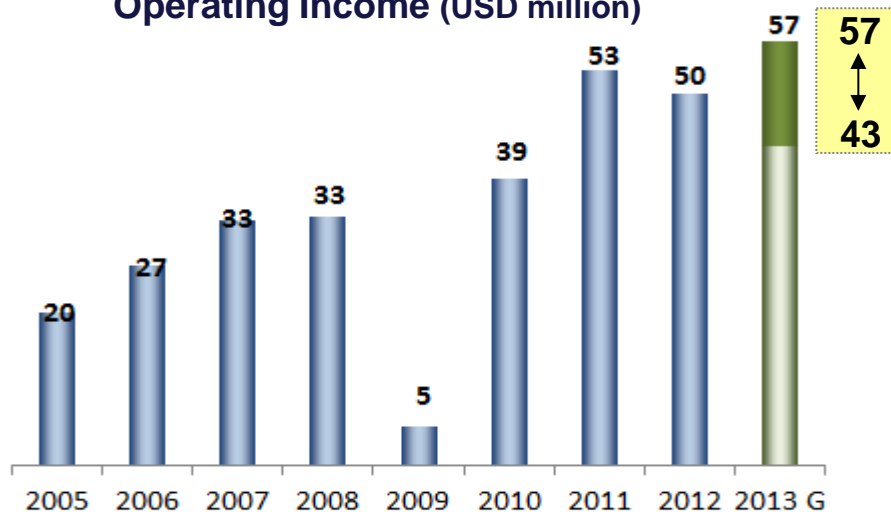
- **Board of Directors intends to propose a cash distribution of CHF 16.00 per share**
 - To be distributed out of capital contribution reserves
 - Annual General Meeting of Shareholders on April 24, 2013
 - Returning ~USD 38 million cash to shareholders in FY13
 - Close to 100% payout
 - Attractive Yield of approximately 6.3%

Full Year 2013 Guidance

Sales (USD million)



Operating Income (USD million)



Full Year 2013 Guidance:

Based on previous performance and current expectations for the end-markets/regions.

Sales	280 – 320	USD million
Op. Income	43 – 57	USD million

Corporate Calendar FY 2013

Q1 2013 Earnings Conference Call	Friday, April 19, 2013
Annual General Meeting of Shareholders	Wednesday, April 24, 2013
Q2 2013 Earnings Conference Call	Thursday, August 8, 2013
Q3 2013 Earnings Conference Call	Tuesday, Oct 22, 2013
Q4 2013 Earnings Conference	March 2014

*Earnings dates are subject to change;
please consult <http://phx.corporate-ir.net/phoenix.zhtml?c=124424&p=irol-Calendar>*

Thank You !

Q&A

