



## **Q2 2021 EARNINGS CONFERENCE**

July 29, 2021

Bad Ragaz, Switzerland

# Speakers

## Lukas Winkler, President and CEO

- Key figures Q2 2021
- Target market business review
- Expectations 2021

## Matthias Tröndle, Vice President and CFO

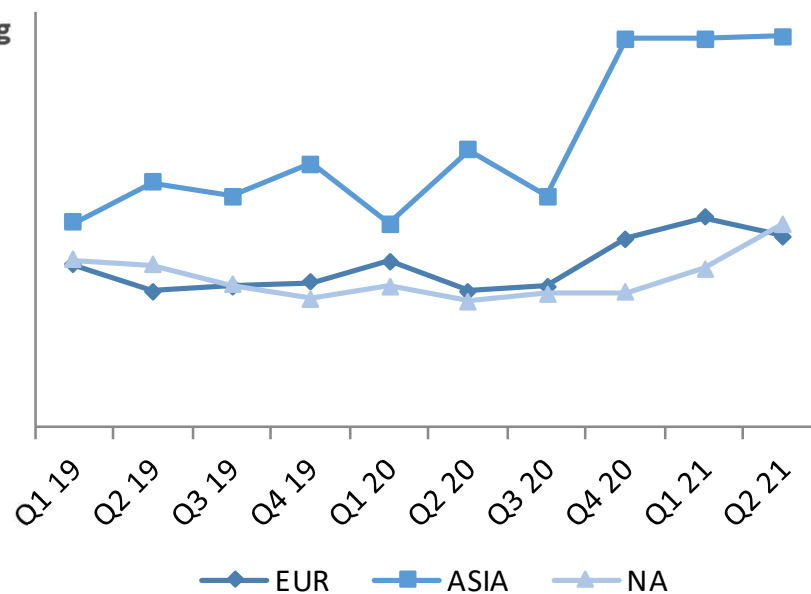
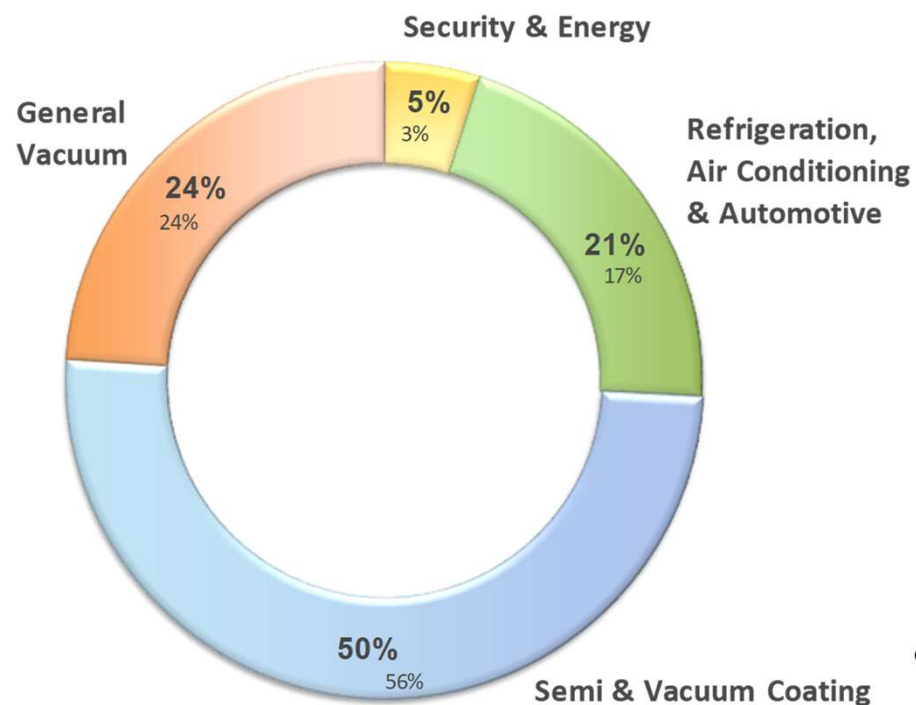
- Financials Q2 2021
- Key financials half-year 2021
- Guidance

## Q2 2021 – Key Figures

- **Broadly based growth in all markets and regions, year-over-year**
    - Sales increase of 31.3% to record high USD 126.3million, organic increase of 26.3% compared with Q2 2020
    - Sequential sales increase of 2.9% over Q1 2021, our best quarter so far
    - Book to bill ratio: > 1
  - **Operating result**
    - High sales with an improved gross margin but higher operational costs
    - Operating income increased by 42.5% to USD 22.8 million (18.1% of sales) after USD 16.0 million (16.6% of sales) in Q2 2020
- **Net income of USD 17.6 million or 13.9% of sales**

# Net Sales by End Market

**USD 126.3 million in Q2 2021**  
**(+31.3% vs. Q2 2020 and +2.9% vs. Q1 2021)**



# Security & Energy

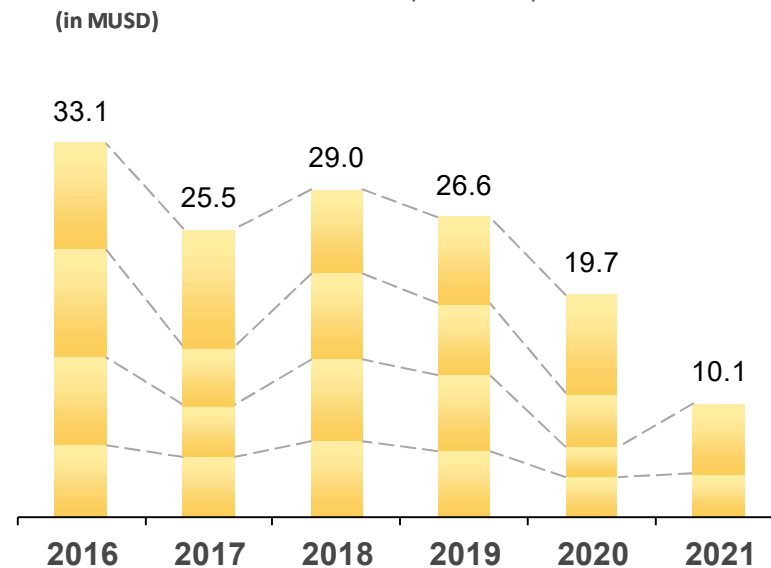
## Q2 2021

- Sales increase of 129.6% to USD 6.2 million in Q2 2021 vs Q2 2020, and of 63.2% vs Q1 2021
- Increased contribution from green energy and environmental applications

## Market Trends

- Short-term security needs changed, due to current COVID-19 pandemic
- New target markets
  - Bio methane (EU)
  - Landfill monitoring (US)
  - Environment monitoring (CN)
- 2021 expectations: challenging
  - Security recovery (US) with new Hapsite™ pushed to 2022
  - Growing Energy & Environment monitoring businesses

Sales to End Market  
Security & Energy  
-2.3% CAGR (2015 - 2020)



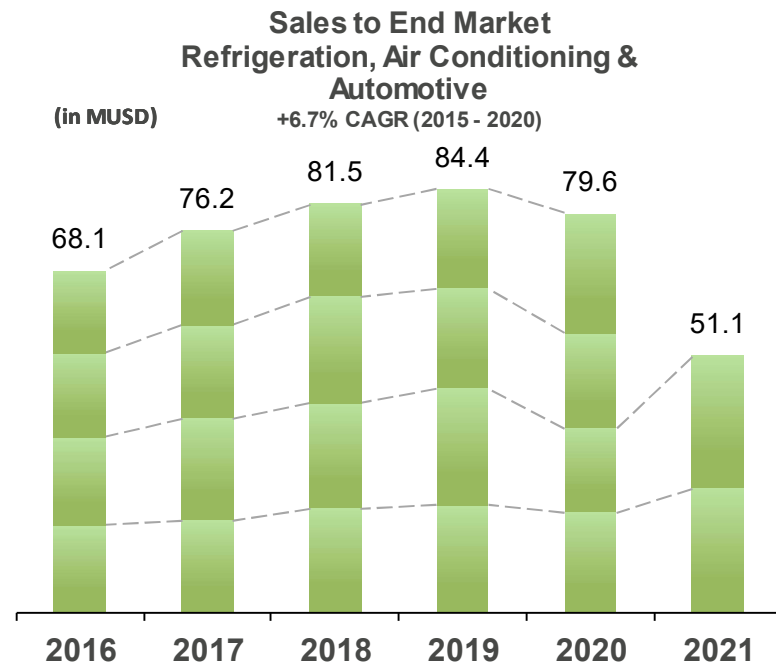
# Refrigeration, Air Conditioning & Automotive

## Q2 2021

- Q2 2021 sales increase of 58.1% to USD 26.4 million vs Q2 2020, and 6.9% vs Q1 2021
- Ongoing market recovery
- Growing battery testing and after-sales service activities

## Market Trends

- Rebound in the RAC manufacturers and automotive market after COVID-19 shock
- Increased use of advanced, fully automated and integrated robotic solutions
- Shift from combustion engine cars to E-cars (battery and hydrogen powered)
- Growing Li-Ion battery testing market (Automotive and mobile devices)
- New market and product initiatives for handheld after sale service products in automotive market
- 2021 expectations: growth



# Semi & Vacuum Coating

Solar, Display, Optics & Semiconductor

## Q2 2021

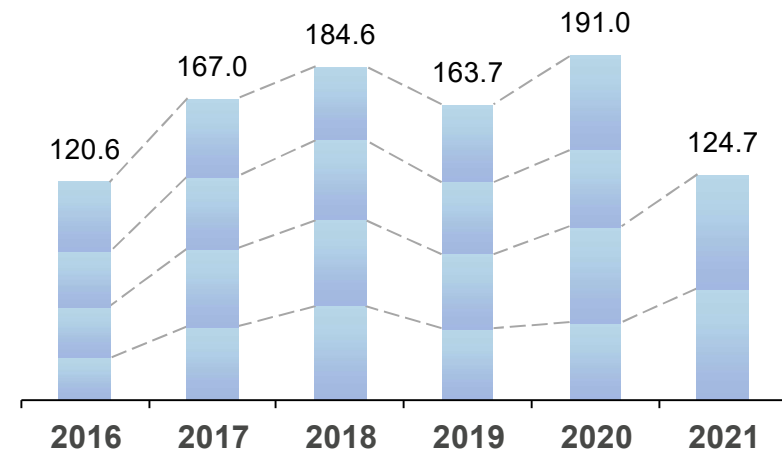
- Sales Q2 2021 increase of 18.3% vs Q2 2020, and 3.4% vs Q1 2021 to USD 63.4 million
- Ongoing strong Semiconductor market (equipment CAPEX)
- No dynamic in the Display and Optics market

## Market Trends

- Unchanged long-term demand for new smart sensors, 5G, IoT, AI & AD, Big Data, and computing power
- Memory Chip market rebound
- EUV lithography enables < 7nm technology
- Chinese Semiconductor initiative ongoing, but challenged by ongoing US/China conflicts
- Modest investments in OLED flat panel display, Optics and Solar applications
- 2021 expectations:
  - growth (Semiconductor)
  - flat (Vacuum Coating)

Sales to End Market  
Semi & Vacuum Coating  
+14.5% CAGR (2015 - 2020)

(in MUSD)



# General Vacuum

## Q2 2021

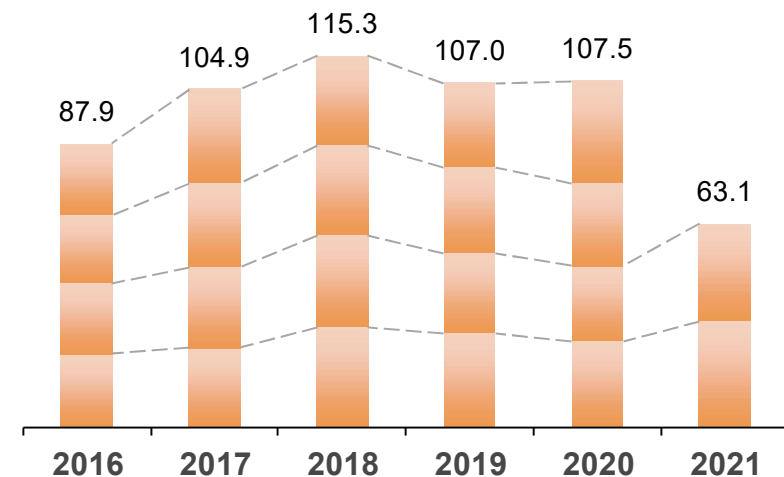
- Q2 2021 sales increase by 30.6% to USD 30.3 million vs Q2 2020, and decrease by -7.9% vs Q1 2021
- General market recovery

## 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 (incl. life sciences, analytical, and food-packaging market)
- Ongoing global market rebound and strong growth in China
- Growing food-packaging applications
- 2021 expectations: growth

**Sales to End Market  
General Vacuum**  
+1.1% CAGR (2015 - 2020)

(in MUSD)





# Outlook 2021

## “We will reach new all time annual records”

- *Ongoing strong semiconductor market (Industry 4.0, IoT, Big Data, 5G, AI & AD etc.)*
  - *Foundry and logic fabs remain at a high level and increased memory market investments*
  - *EUV lithography technology: soon to be the standard for all advanced high volume chips*
  - *Chinese semiconductor initiative ongoing, but impacted by US/Chinese “technology & trade war”*
  - *New SEMI programs (government support) in US and Europe*
- *Only modest investments in OLED flat panel display and optics manufacturing capacities*
- *RAC manufacturers market recovery, and solid after sales service activities*
- *Increased E-mobility investments, Li-Ion battery as bottleneck*
- *General Vacuum market rebound, but uncertain Security market development*
- *Ongoing growth for alternative energy and environmental monitoring applications*
- *Large number of new products to be launched in 2021*

### Guidance for 2021

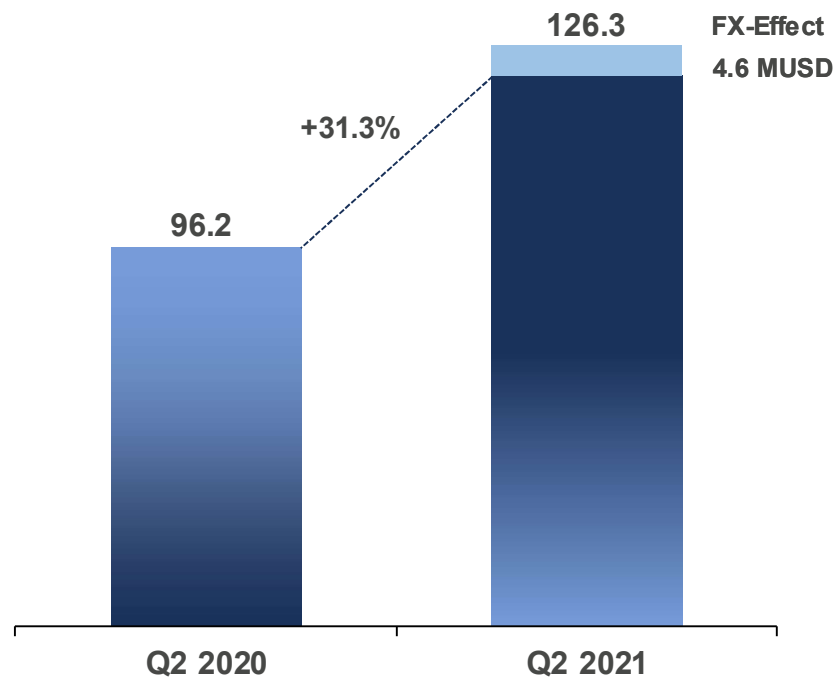
→ **Sales around USD 480-500 million with an Operating Income Margin of 18-20%**

# Speaker

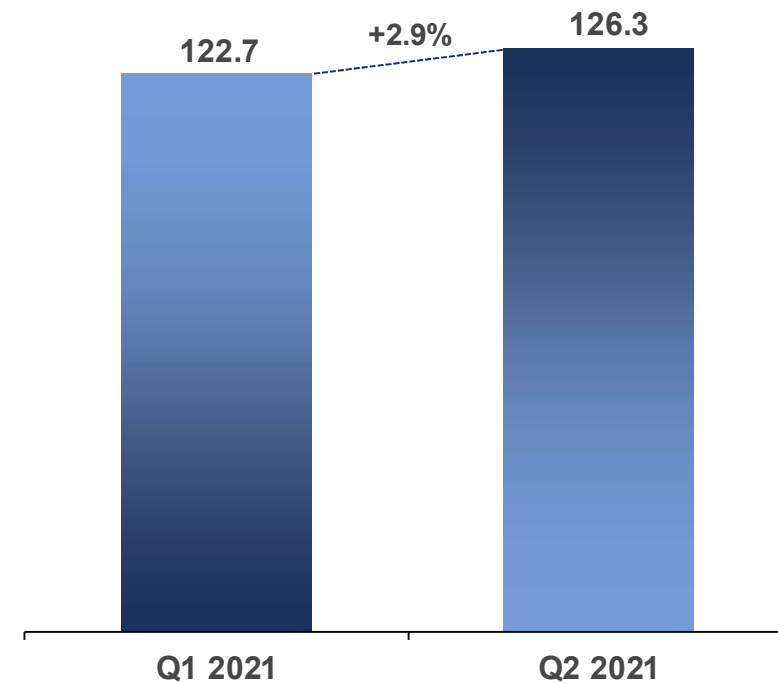
## Matthias Tröndle, Vice President and CFO

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# Sales (in MUSD)

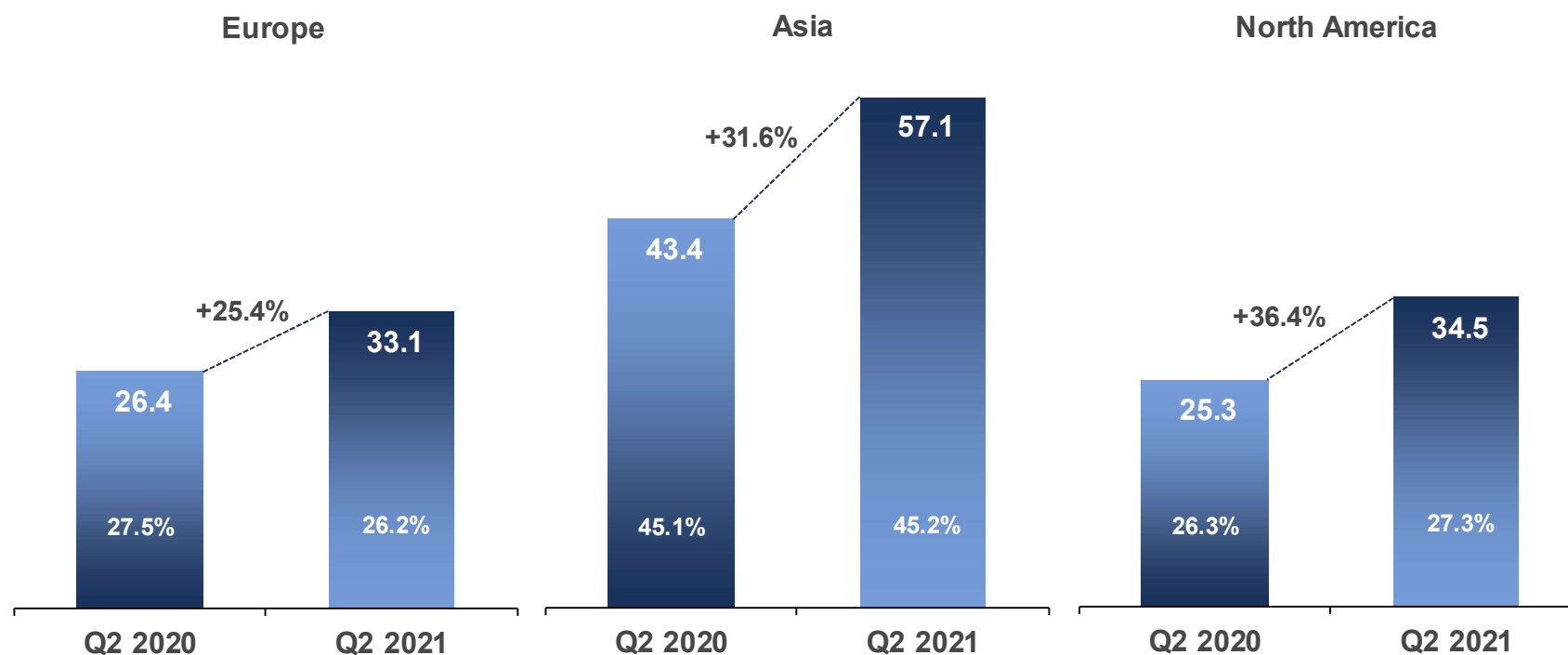


Year-over-year: increase in all markets



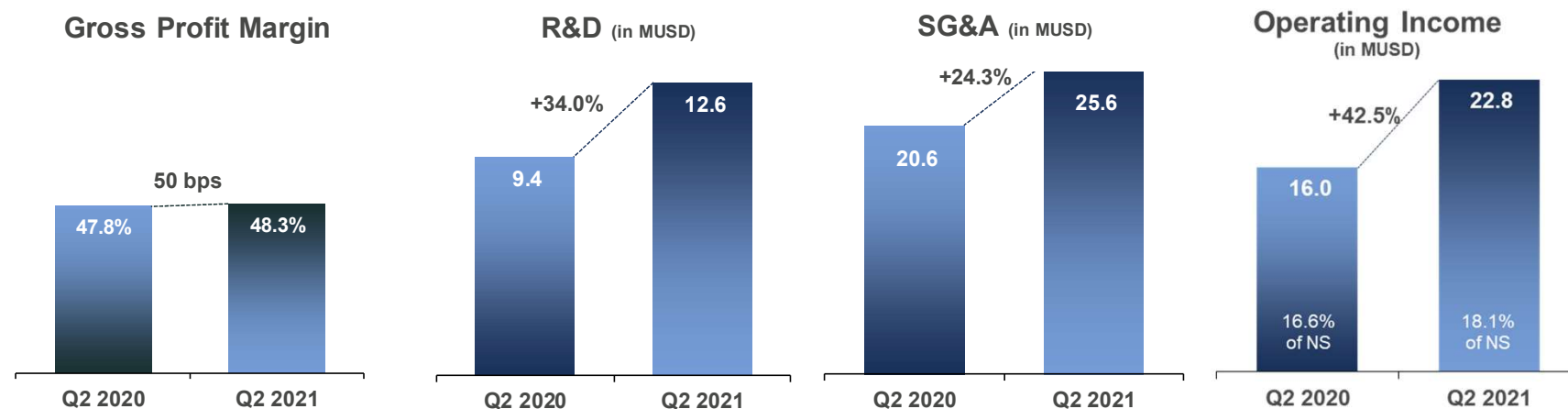
Sequential: growth in all markets except General Vacuum market

# Geographic Sales Breakdown – Quarter (in MUSD)



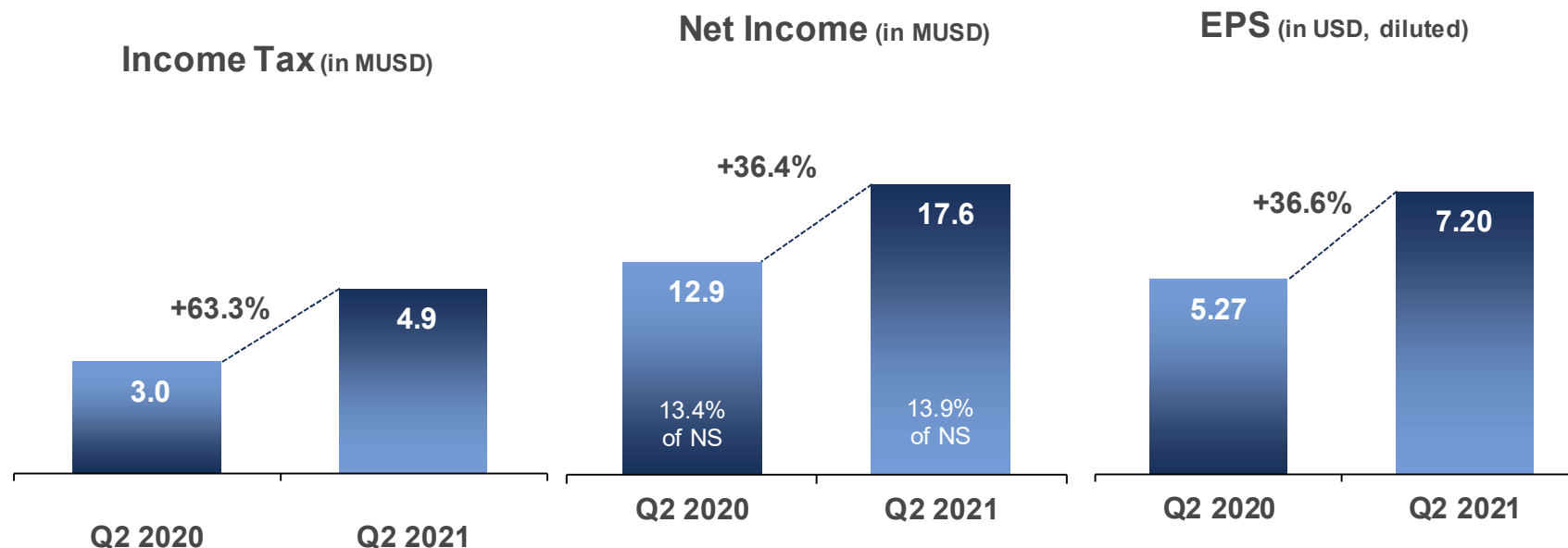
North America and Asia-Pacific with strongest growth rates (Semiconductor and Refrigeration, Air Conditioning & Automotive)

# Gross Profit, Costs, and Operating Income



- **Gross profit margin:** Increase in margin of 50 bps. Improved by 33% in absolute numbers and decreased by 161 bps vs. previous quarter. Higher volume partially compensated by mix impacts, higher material prices, freight and duties
- **R&D cost:** Rise due to continued development efforts for future product launches, higher R&D material spend and additional headcounts. Unfavorable FX impacts
- **SG&A:** Costs increased, unfavorable FX impacts, higher commissions and performance related costs, plus additional headcounts as main drivers
- **Operating income:** Clearly improved due to higher sales volume at improved gross profit margin

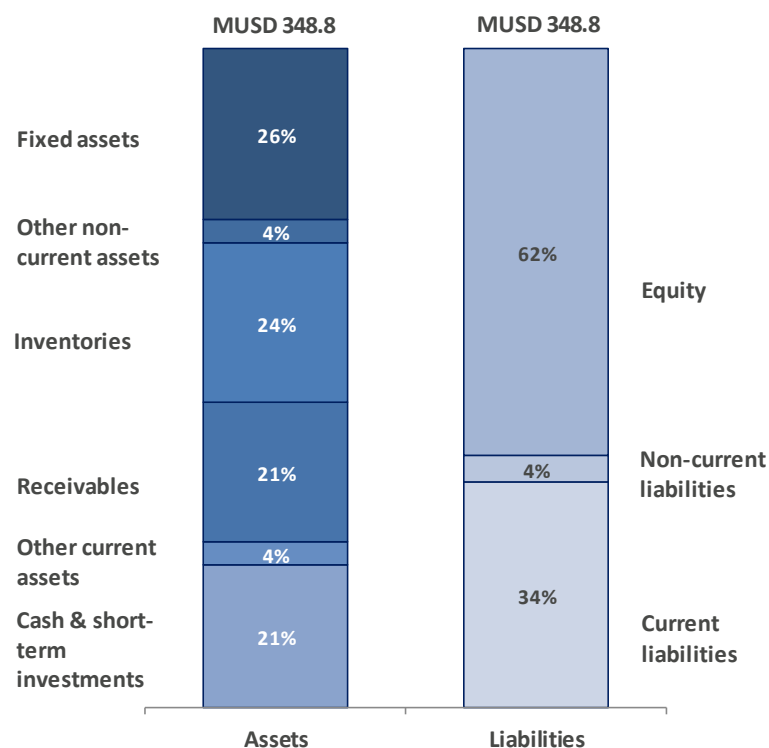
# Net Income and EPS Development



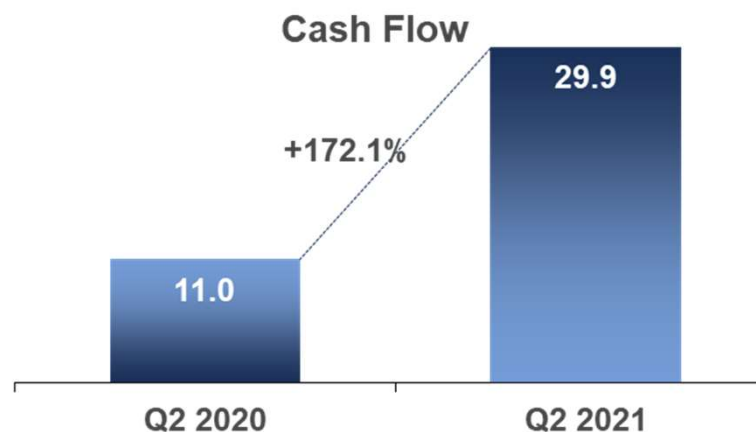
- **Income tax:** Tax rate of 21.8% compared with 18.8% in Q2 last year. Increase driven by the profit mix of the various international entities
- **Net income & EPS:** Increase driven by improved operating income

# Balance Sheet Highlights (in MUSD)

Balance Sheet Structure 2021



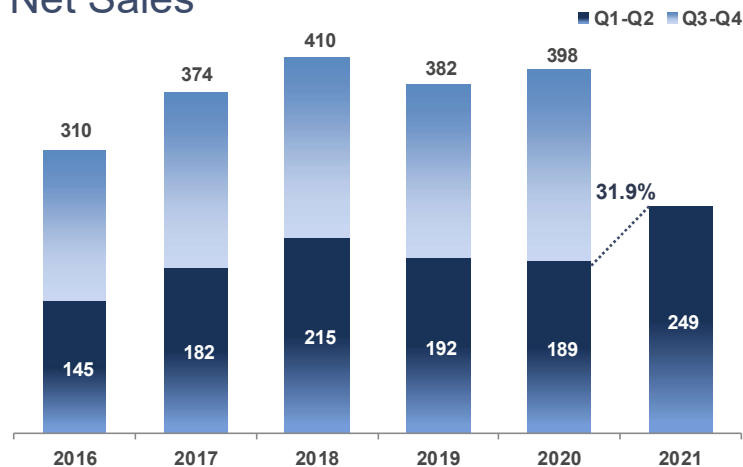
	Q2 21	Q4 20
Net Cash	26.8	40.9
DSO	52.1	51.1
Inventory Turns	3.0	2.8
Working Capital	142.7	128.9
Operating Cash Flow	29.9	20.1



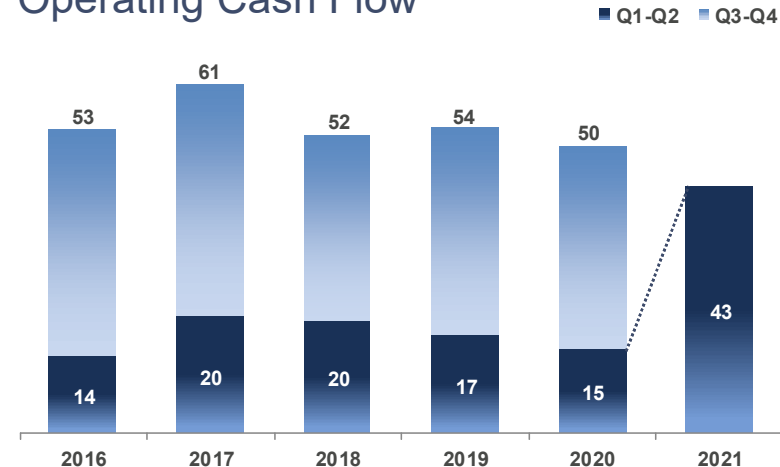
Solid balance sheet; working capital level higher due to higher A/R and Inventories; cash flow at record high level

# Financial Performance Half-Year 2021 (in MUSD)

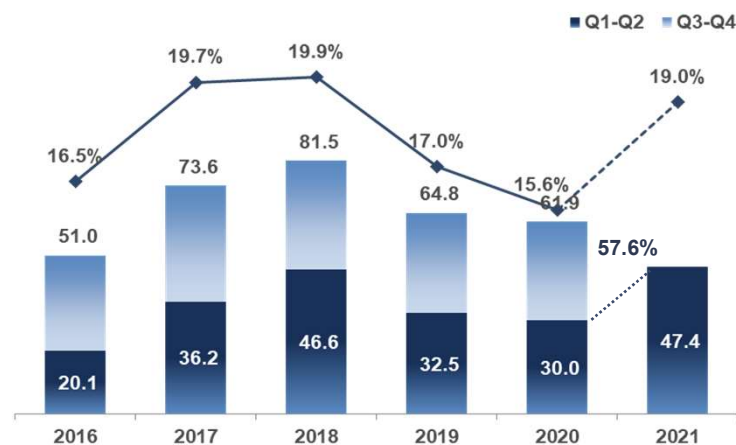
## Net Sales



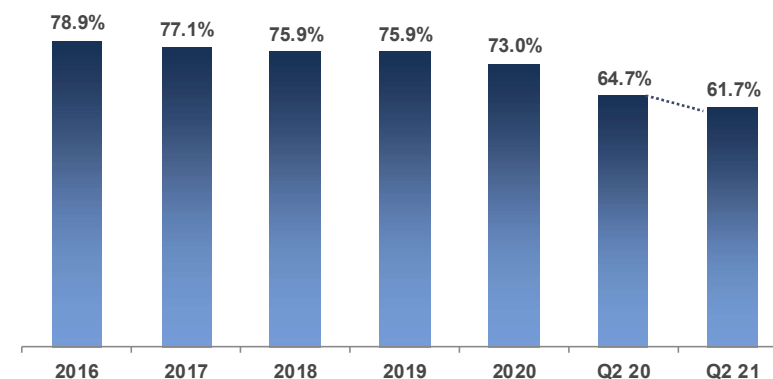
## Operating Cash Flow



## Operating Income and Ratio



## Equity Ratio





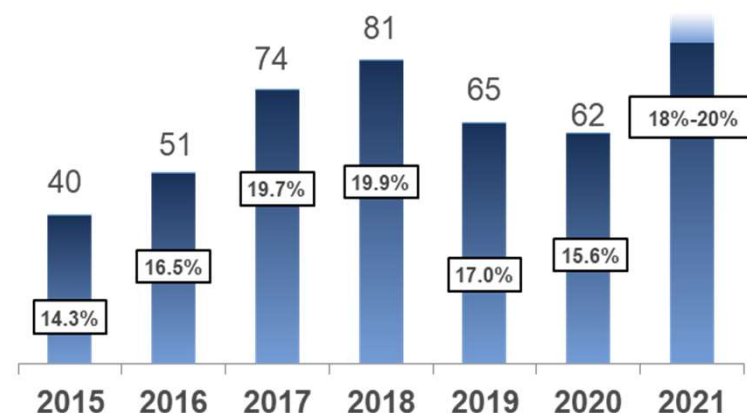
# **GUIDANCE FY 2021 AND CORPORATE COMMUNICATION CALENDAR**

# Full Year 2021 Guidance

## Sales (MUSD)



## Operating Income (MUSD)



## Guidance 2021

The business situation and trends in our end-markets continues to look quite positive. Although the situation in the supply chain is tense and multiple trade restraints continue to exist, INFICON assesses the outlook for the current year as optimistic and increased the sales guidance.

**Sales** USD 480-500 million  
**Op. Income Margin** 18% - 20%

# Corporate Calendar FY 2021

- Q3 FY 2021 Earnings Conference Call                      October 21, 2021
- Q4 and FY 2020 Earnings Conference Call                      March 2022

*\*\*Earnings dates are subject to change\*\**



Inspired by visions. Proven by success.

**THANK YOU!**

**Q&A**