

INFICON

Q1 2013

Earnings Conference Call

April 19, 2013

Bad Ragaz, 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 Q1 2013
- Target market business review
- 2013 expectations

Matthias Tröndle, Vice President and CFO

- Financials Q1 2013
- Outlook

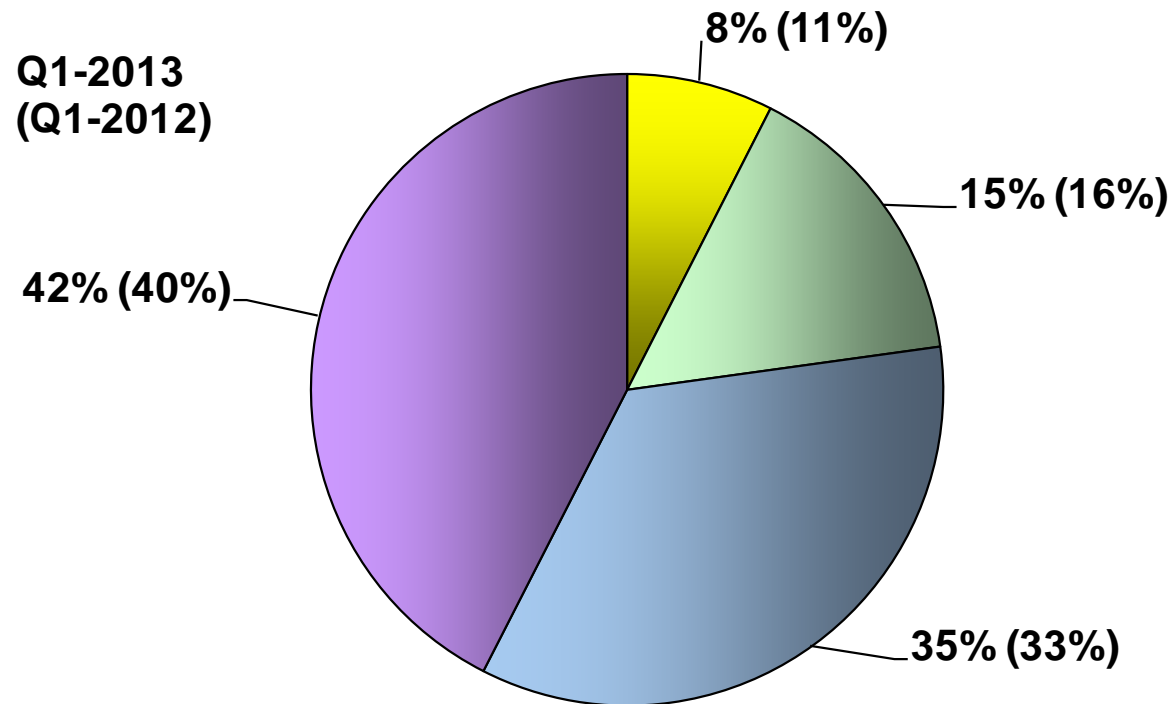
Q1 2013 – Key Figures

- **Sequential sales increase with positive trend in Semiconductor market**
 - Consolidated sales decrease of 10.0% to USD 72.7 million compared with Q1 2012, organic decrease of 6.3%
 - Sequential sales increase over Q4 2012 of 2.3%, organic growth 5.2%
 - Book-to-bill ratio 1

 - **Operating result influenced by**
 - Solid sales volume
 - Healthy gross margin and stable overhead cost
 - Operating income of USD 11.5 million in Q1 2013 (15.8% of sales) compared with USD 14.5 (18.0% of sales) in Q1 2012
- **USD 8.7 million Net Income**

Net Sales by End-Market

USD 72.7 million in Q1 2013 vs. USD 80.7 million a year ago (-10%)



Emergency Response & Security

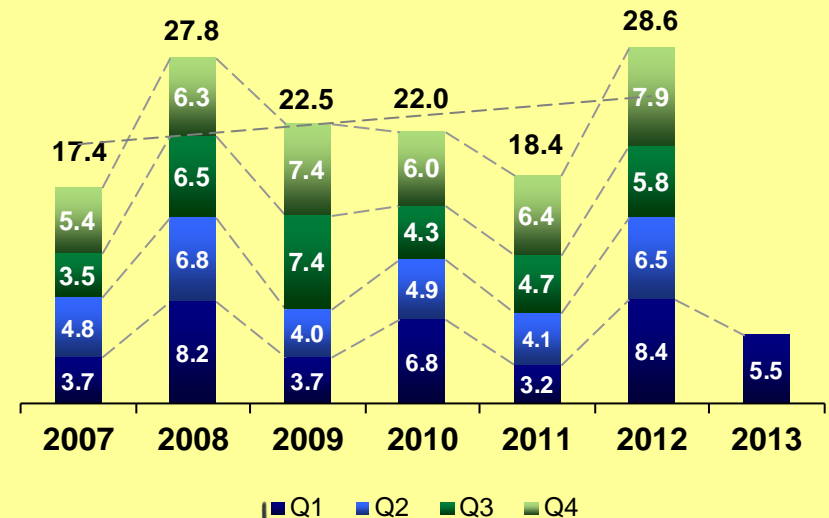
Q1 2013

- Q1 2013 sales -35% vs. Q1 2012 and -30% vs. Q4 2012
- Decrease vs. record-high level in Q1 2012
- Large shipments to Japan and US

Market Trends

- Security needs around the world generate new business opportunities
- Uncertain impact of US budget cuts
- Interesting projects (China) for environmental application (air & water)
- New target markets and application opportunities in conjunction with the acquired GC technologies

2007 - 2012 CAGR 10.4%



Refrigeration & Air Conditioning

incl. Automotive

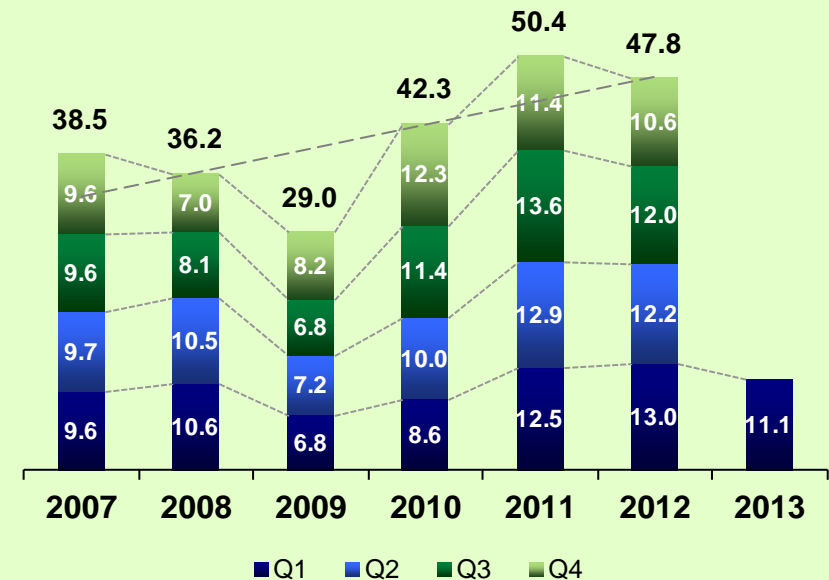
Q1 2013

- Q1 2013 sales -14% vs. Q1 2012
- Sequential increase of 5%
- Continued market share gains

Market Trends

- Indications of RAC saturation in China
- Replacements/improvements projects in existing plants driven by tighter specifications and new eco-friendly refrigerants
- Growing addressable market by targeting new automotive applications (incl. H₂ sensor applications)
- Increasing installed basis drives after-sale service products worldwide

2007 - 2012 CAGR 4.4%



Specific Vacuum Process Industries

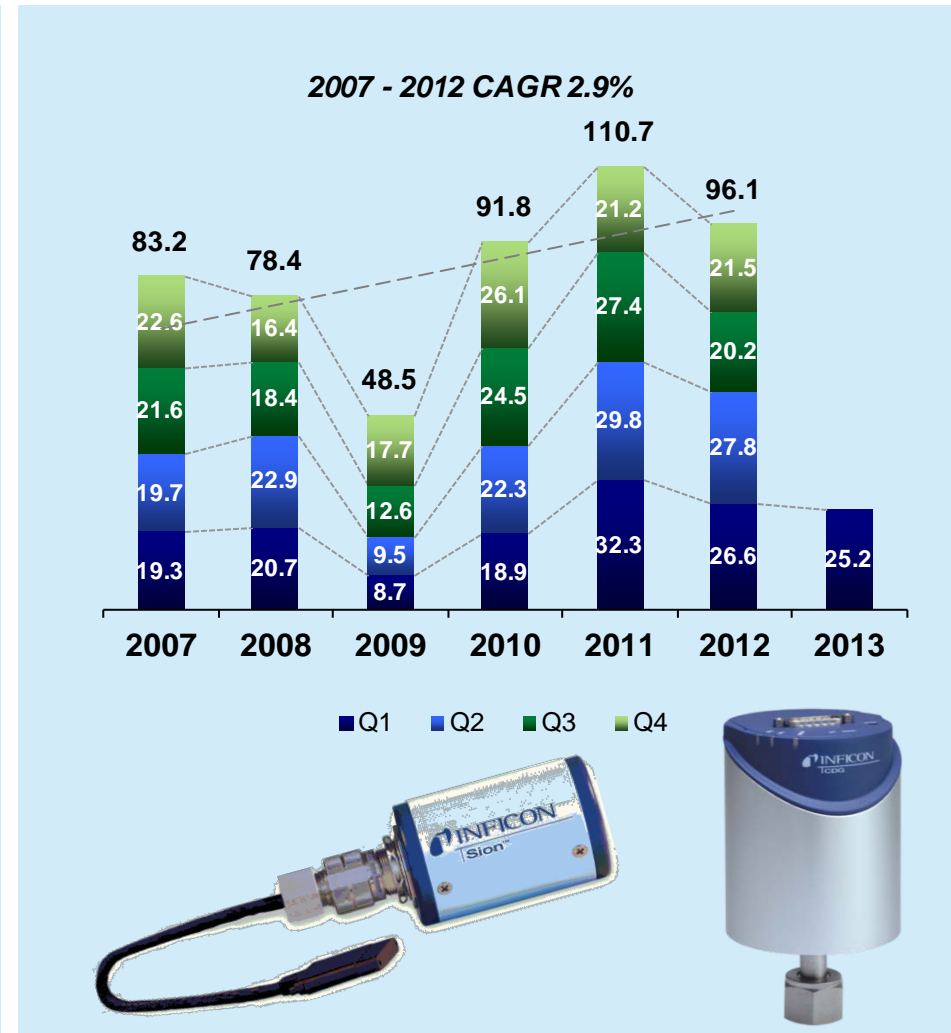
Solar, Display, Optics & Semiconductor

Q1 2013

- Q1 2013 sales -5% vs. Q1 2012 mainly driven by lower Thin Film business
- Sequential increase of 17%
 - Successful Semi market recovery
 - Temporarily weaker OLED market
 - Stable Optics market
 - Continued weak Solar & Display market

Market Trends

- Continuation of increased demand for mobile communication chips
- New Semi manufacturing technologies (450mm wafer and EUV-lithography)
- OLED replacing LCD technology for next-generation flat panel displays
- Solar recovery not before 2014



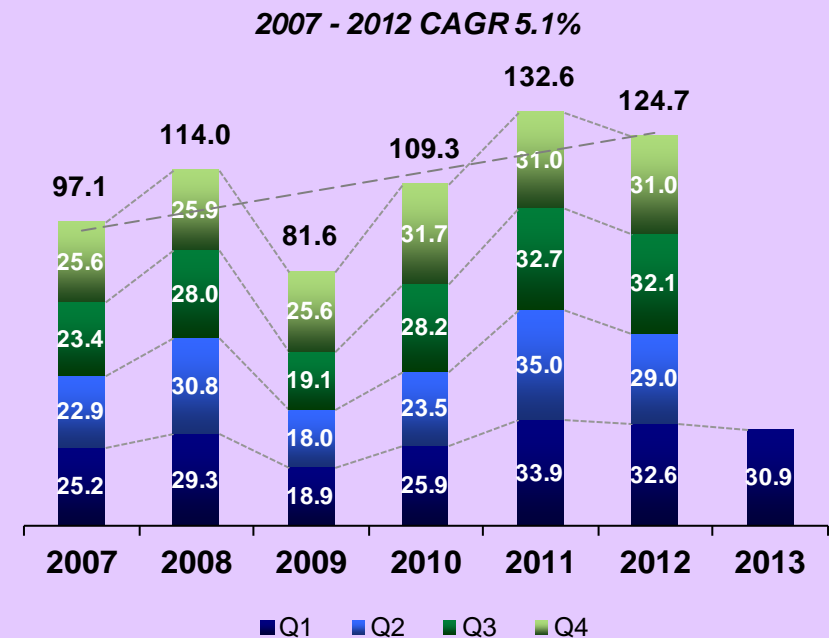
General Vacuum Processes

Q1 2013

- Q1 2013 sales -5% vs. Q1 2012 mainly driven by lower private label sales
- Sequential decrease of -0.3%

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 and Europe



Outlook 2013 and beyond

Mixed and sometimes challenging signals from different markets/regions

- Improved demand in Semiconductor market, but ongoing low visibility
 - Investments in new equipment (OEM-business),
 - Continued success with sensors and software (at end-users) to increase yield
- Increased investments in OLED as the new flat panel display technology
 - INFICON products and consumables at all levels (Sub-suppliers, OEMs, and end-user)
- Higher investments in new leak-detection application (automotive) may compensate for weakening RAC market in China
- Ongoing overcapacity in the photovoltaic and LCD flat panel display market
- Uncertain impact of the US budget cuts for ER&S investments
- Recovery expected in General Vacuum Processes market in the US and, at a lower pace, in Europe

Guidance for FY 2013; confirmed

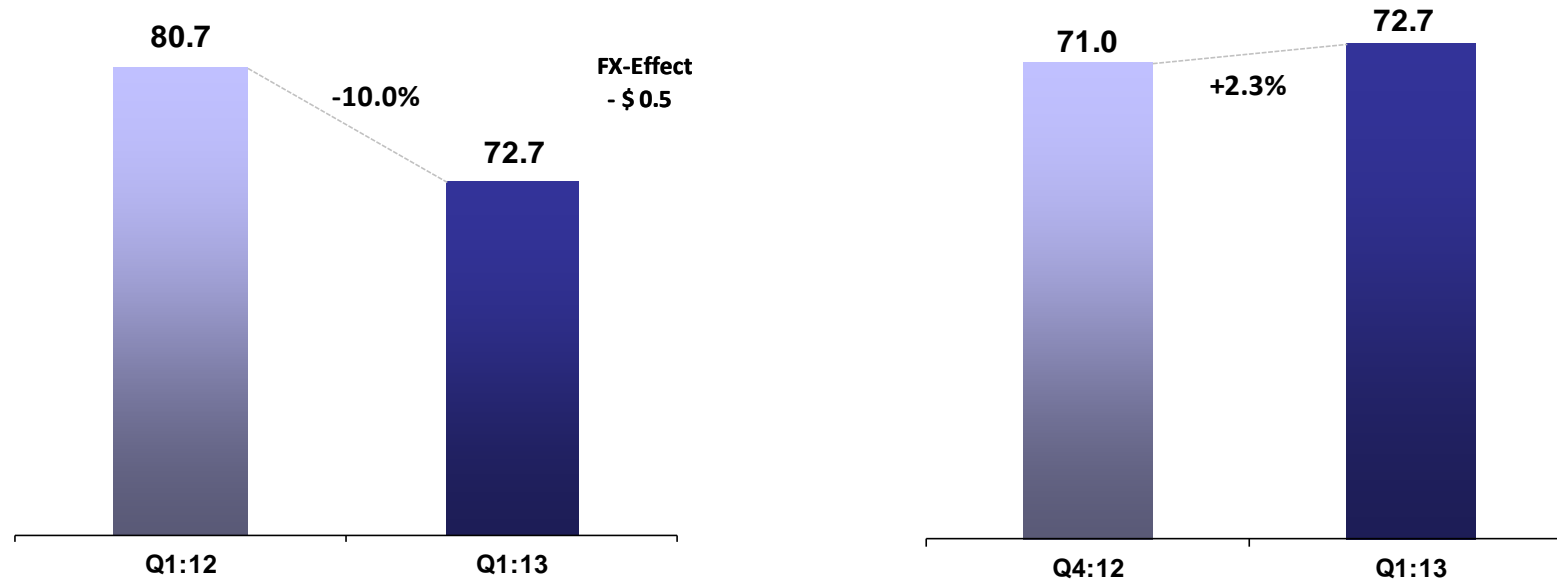
→ Sales between USD 280 to 320 million

→ Operating Income in the range of USD 43 to 57 million

Matthias Tröndle

Vice President & Chief Financial Officer

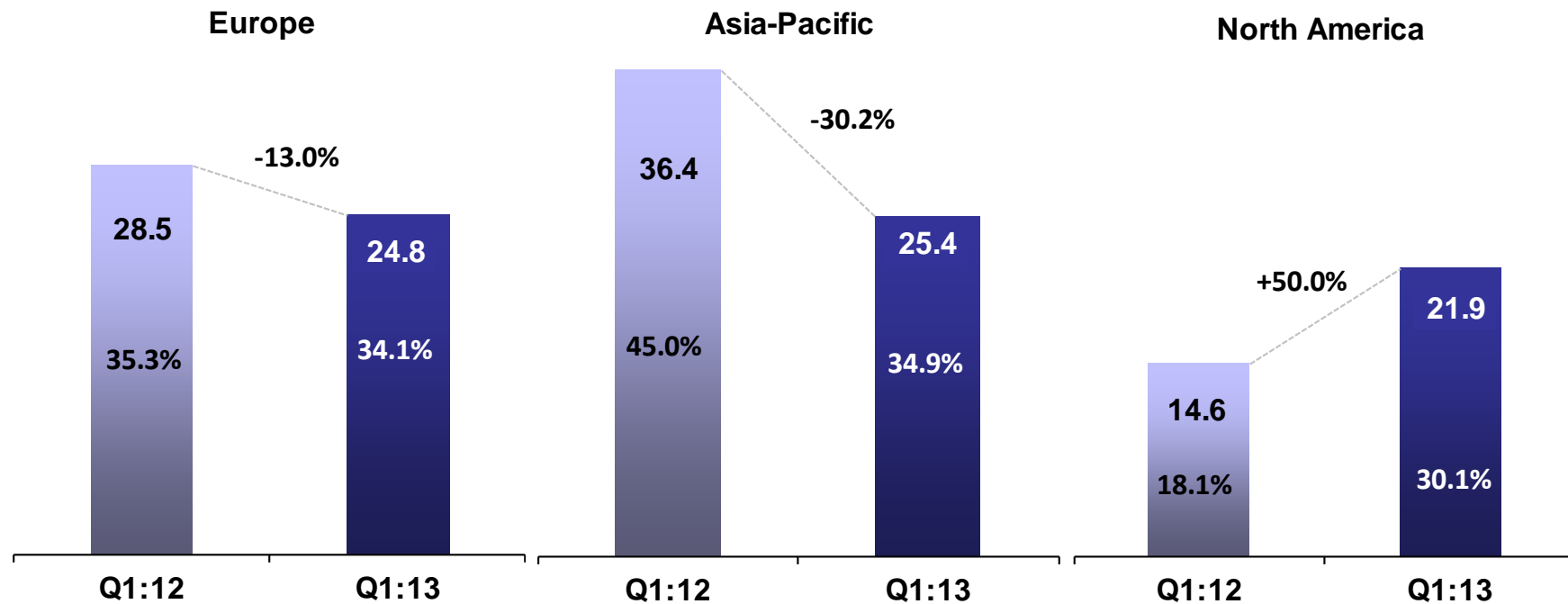
Revenue (in USD million)



**Q1 2013 sales decrease versus Q1 2012 in all end-markets.
Strong sales increase in Specific Vacuum and RAC versus Q4 2012.**

Geographic Revenue Breakdown – Quarter

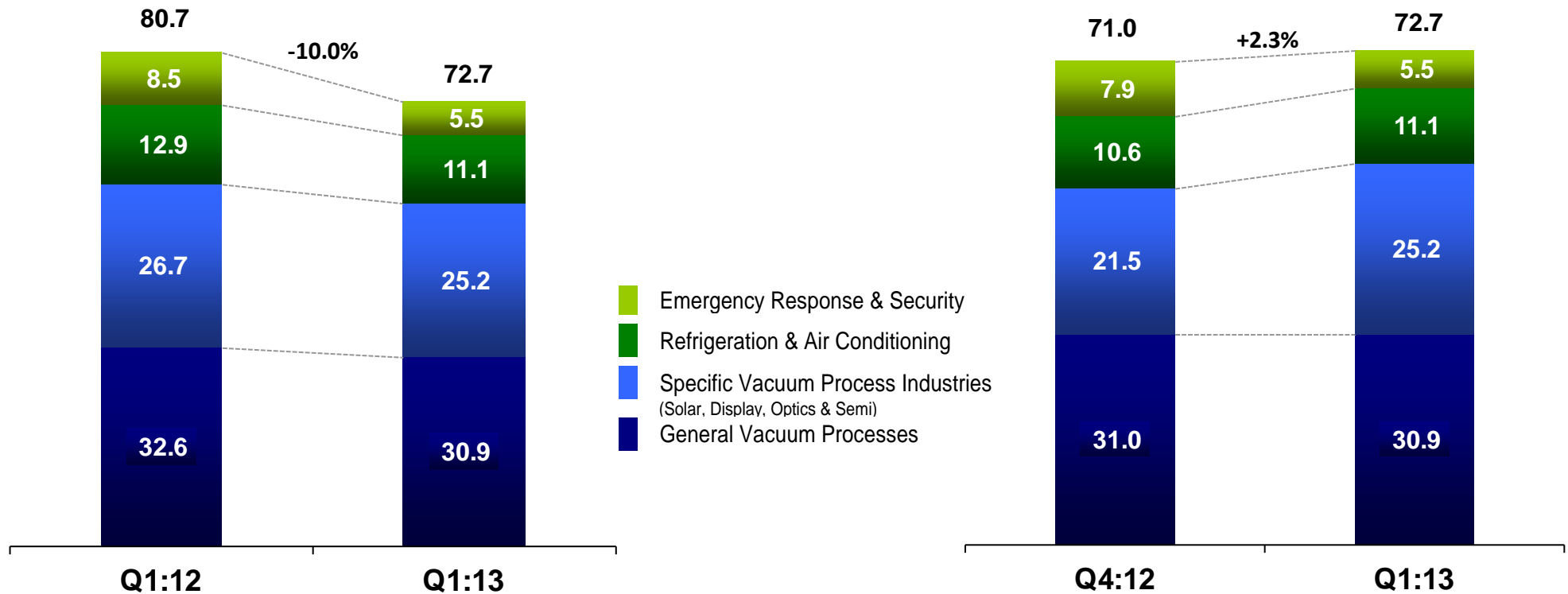
(in USD million)



Increase in North America, decrease in Asia-Pacific and Europe.

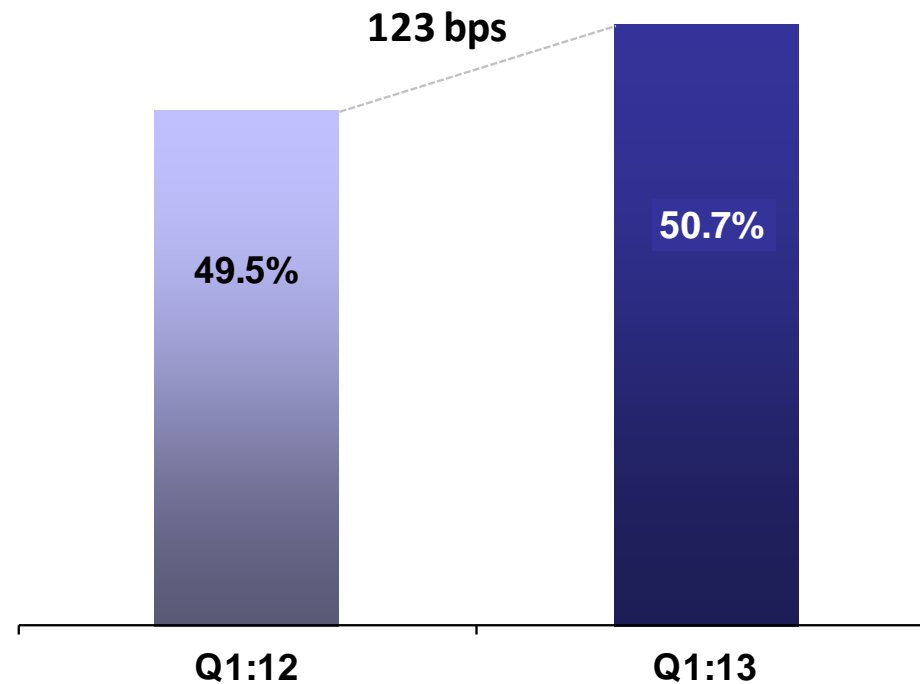
Revenue by End-Market

(in USD million)



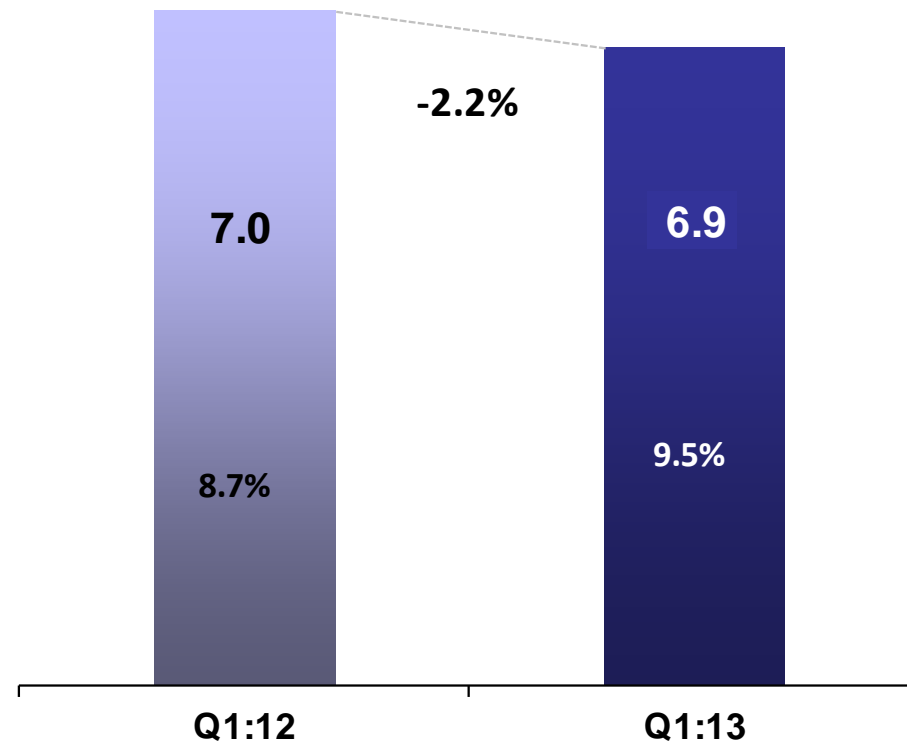
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Gross Profit Margin (in %)



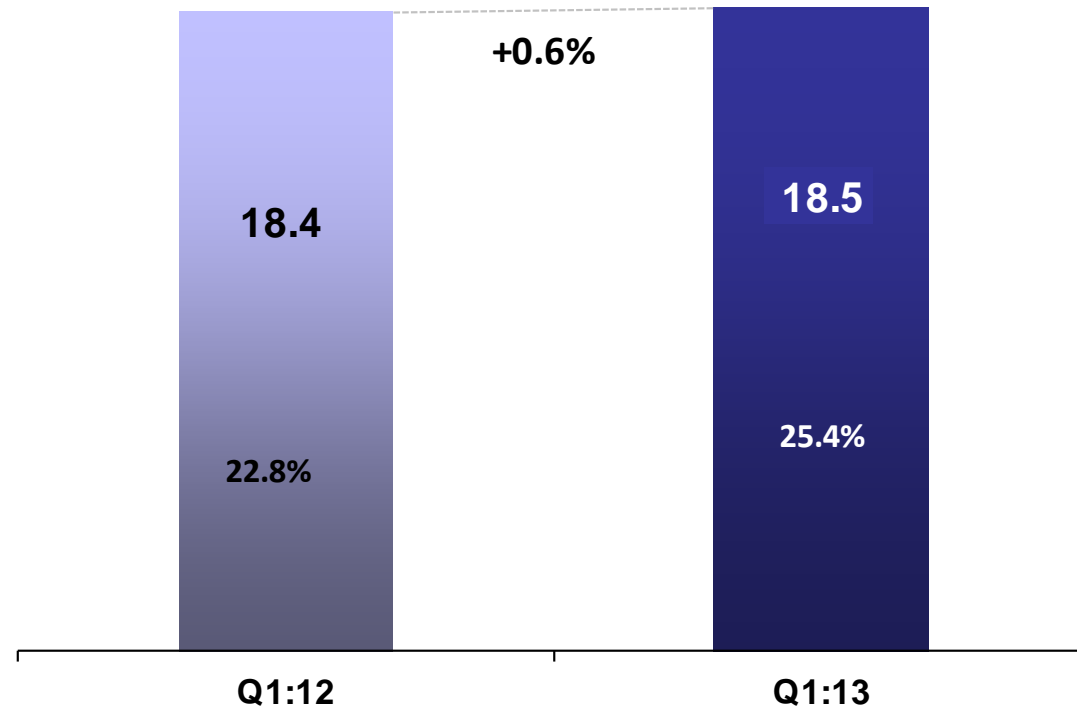
Increase driven by favorable product mix.

Research & Development (in USD million)



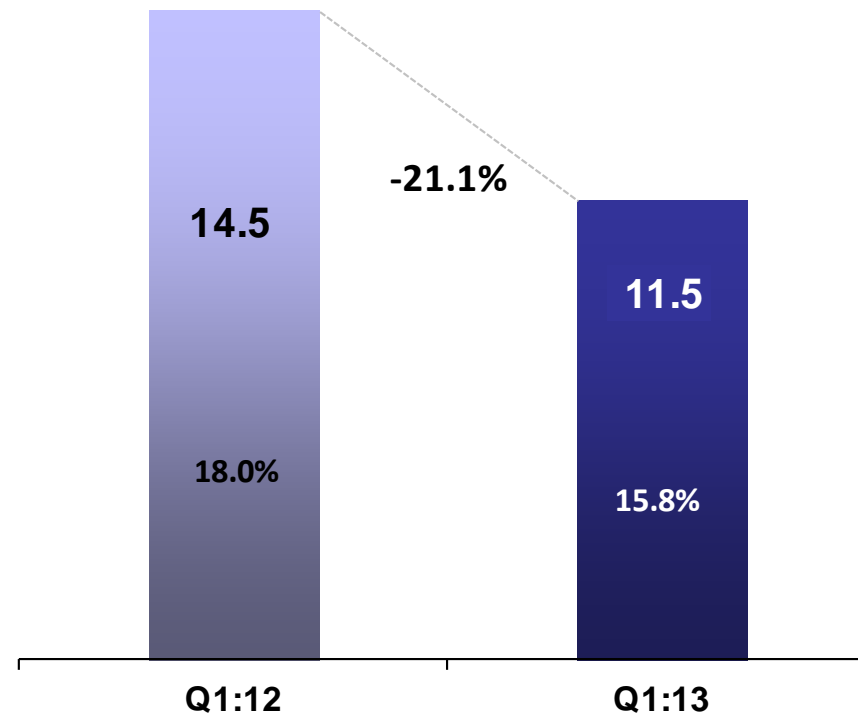
R&D cost level stable. Continued development efforts.

Selling, General & Administrative (in USD million)



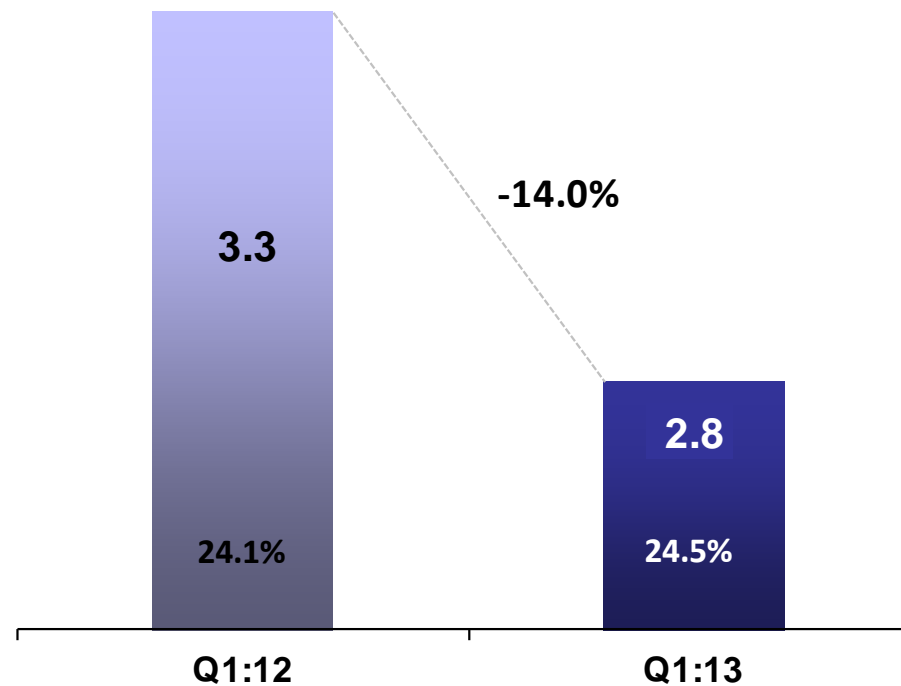
SG&A stable, Q1 2013 up due to continued investments in sales force, new hires, and acquisitions.

Income from Operations (in USD million)



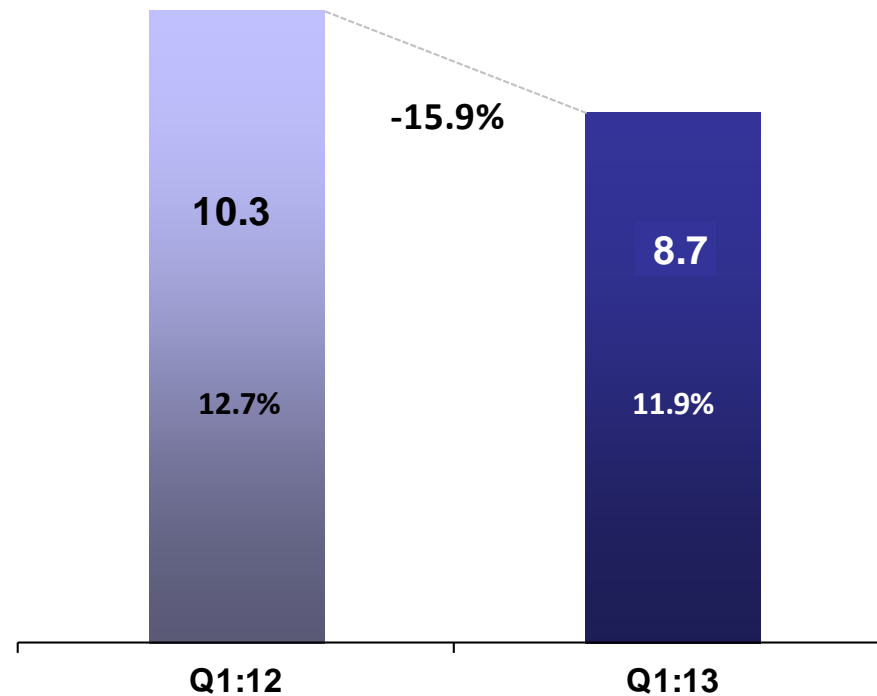
**Decrease driven by lower sales volume,
partially compensated by strong Gross Margin.**

Income Tax Provision (in USD million)



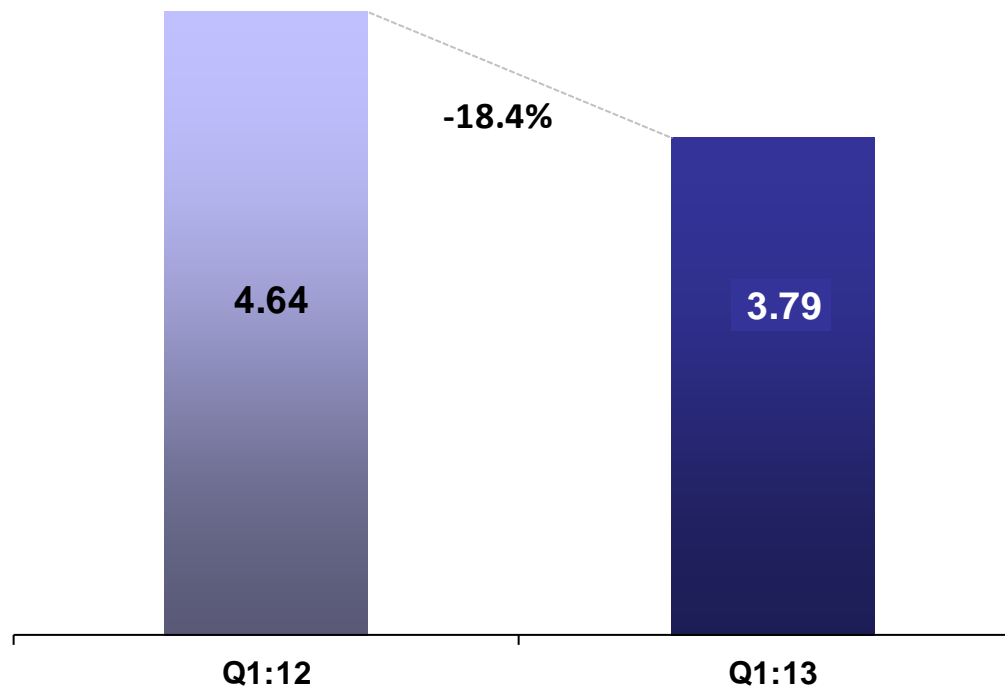
Decrease in line with EBIT development.

Net Income (in USD million)



Under-proportional decrease.

EPS (USD/Share; diluted)



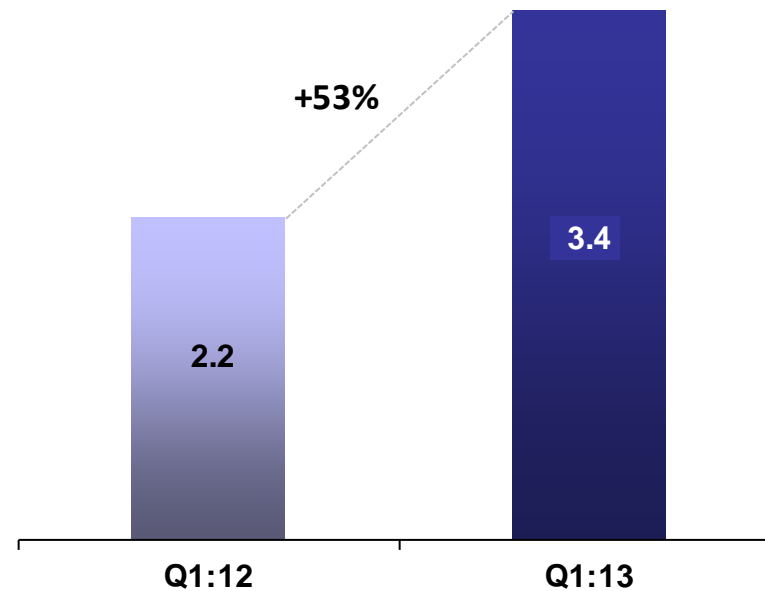
In line with changes in Net Income.

Balance Sheet Highlights (in USD million)

	<u>Q1:13</u>	<u>Q4:12</u>
Cash & Short-term Inv.	97.2	92.2
Short-term Debt	-	2.3
Long-term Debt	-	-
	<u>Q1:13</u>	<u>Q4:12</u>
Days Sales Outstanding	44.7	45.3
Inventory Turns	4.4	4.5
Working Capital	20.5%	21.7%

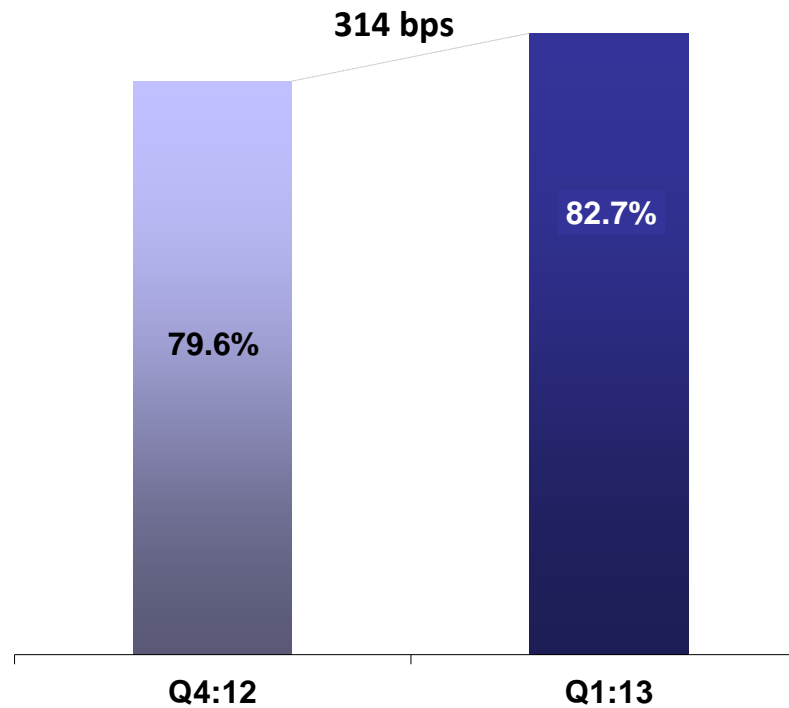
Solid balance sheet. No more short-term debt.

Cash Flow (in USD million)



Increase in cash flow mainly due to improved working capital.

Equity Ratio (in %)

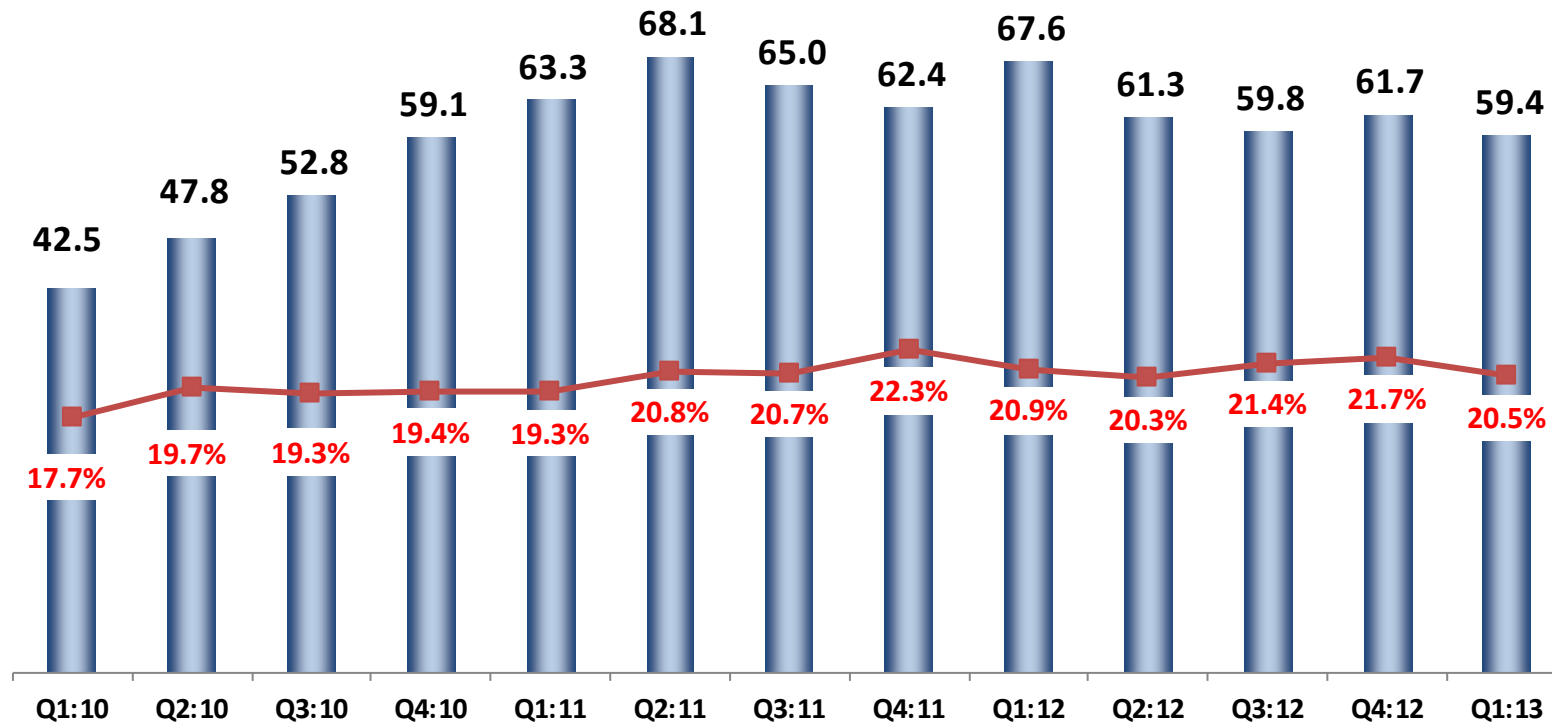


Further increase – solid balance sheet structure.

Working Capital and Working Capital Ratio

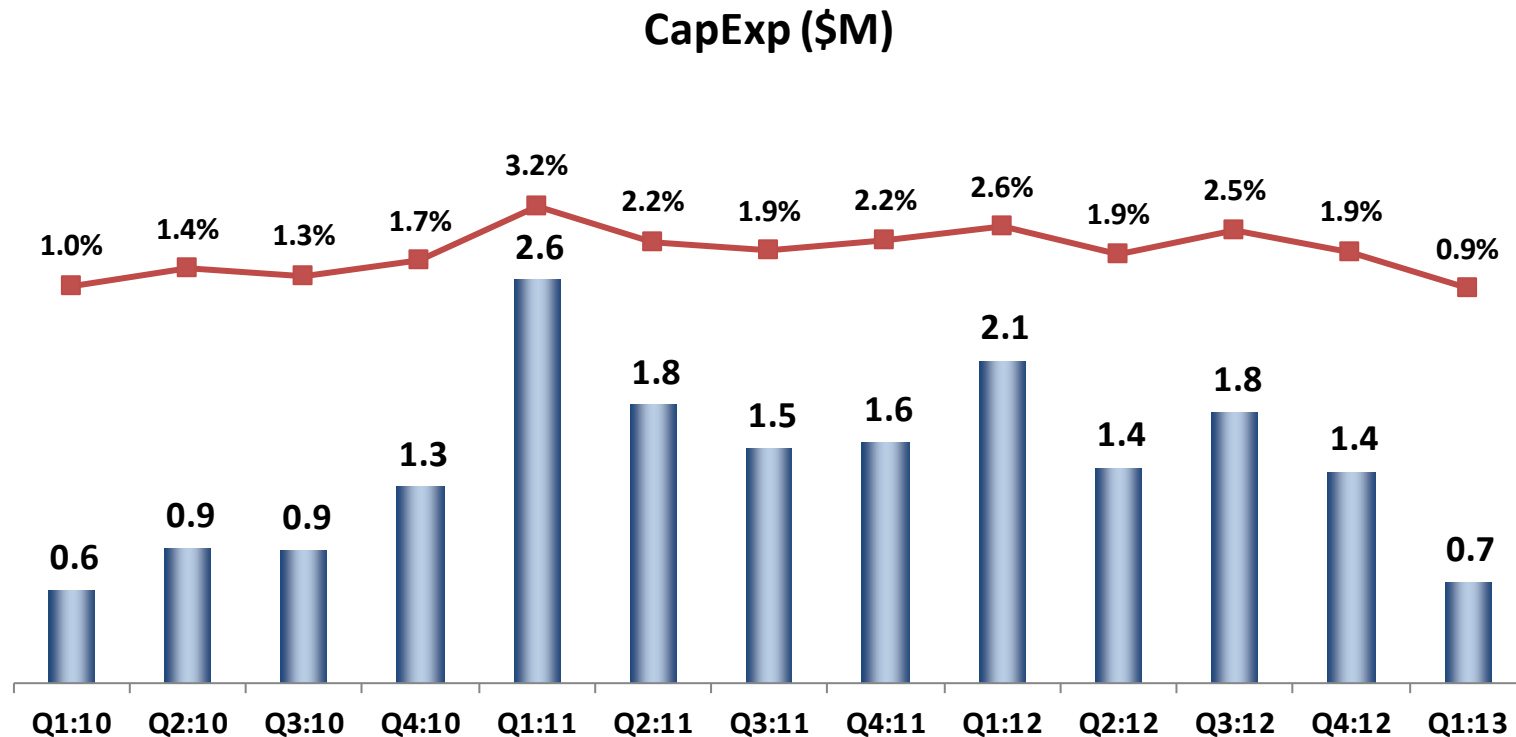
(Inv + AR – AP)

(WC as % of sales)



Net Working Capital improved.

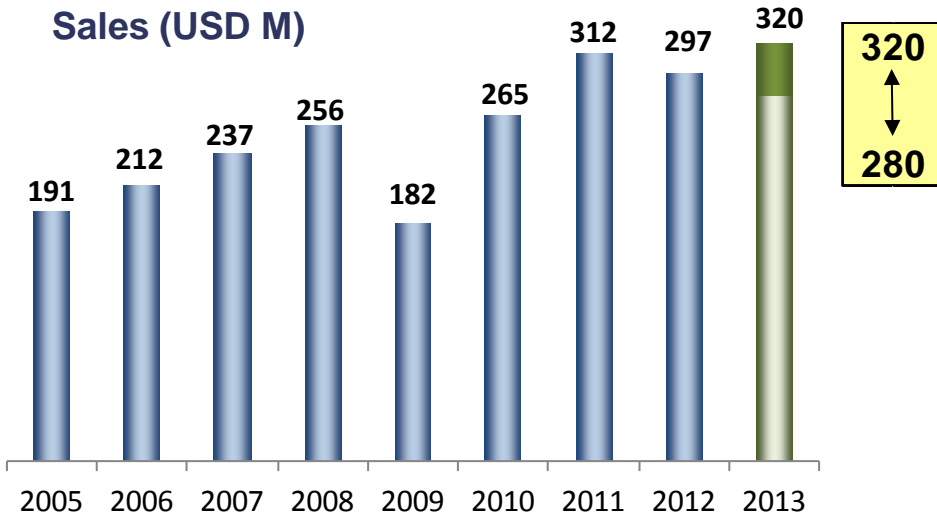
Capital Expenditures (in USD million, as % of sales)



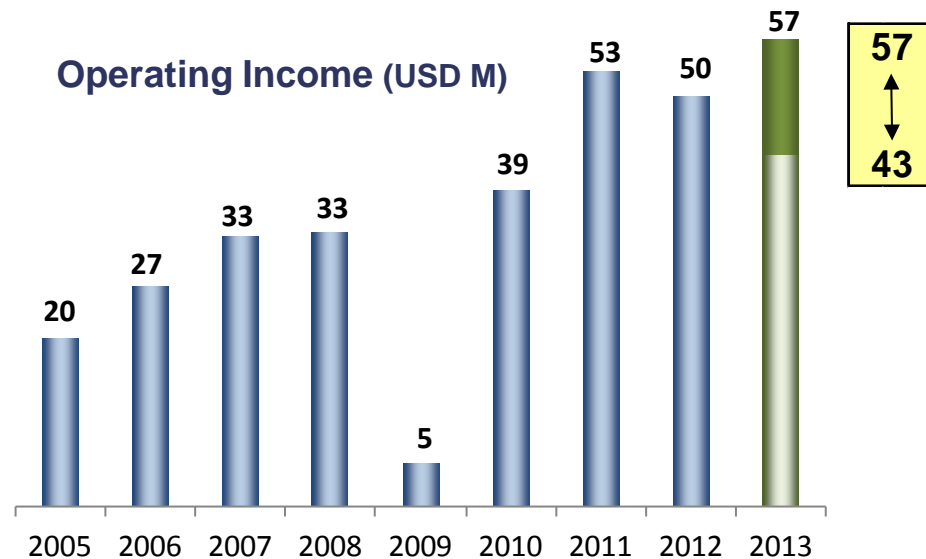
**CapEx decreased in Q1 2013
due to lower investments in production and testing equipment.**

Full Year 2013 Guidance

Sales (USD M)



Operating Income (USD M)



Full Year 2013 Guidance: *confirmed*

Based on previous performance and current expectations for our end-markets.

Sales **280 – 320** **USD million**

Op. Income **43 – 57** **USD million**

Corporate Calendar FY 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, October 22, 2013
- **Q4 2013 Earnings Conference** March 2014

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

Thank You !

Q&A

