



Earnings Release - Press/Analyst Conference Q4 & FY 2022

March 2, 2023, Zurich

Agenda & Speakers



Oliver Wyrsh, President and CEO

- Key Messages & Figures Q4 2022 and FY 2022
- Target market business review
- Expectations 2023



Matthias Tröndle, Vice President and CFO

- Financials Q4 2022 and FY 2022
- Guidance
- Dividend
- Corporate Calendar

2022 Results

Strong growth in all markets and in all regions. Orders higher than sales. After capacity build-up supply chain remained bottleneck. Defended profitability against headwinds from supply chain costs

Sales

- Sales increase of 13% to USD 581.3 MUSD across all regions and all segments
- Strong negative FX effects on sales of 6.5% globally, driven especially in EMEA, KR, JP
- Orders intake higher than sales. Sales bottlenecked by supply chain and parts availability. Book to bill 2022: >1

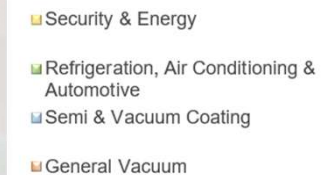
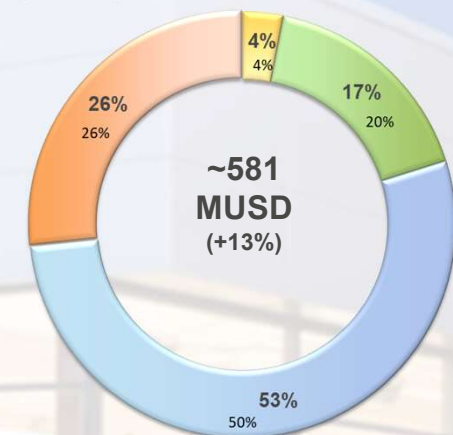
Operating Result

- Increased sales volume, with a strong final quarter of 2022
- Gross profit margin impacted by cost inflation, chip broker cost, and transportation cost Slightly improving recently
- Defended profitability against significant headwinds with operating income of USD 111.6 million in 2022 (19.2% of sales) compared with USD 100.4 million (19.5% of sales) in 2021

Organization

- Continued investments in R&D (8% of Sales) and production capacity (USD 34 million CAPEX)

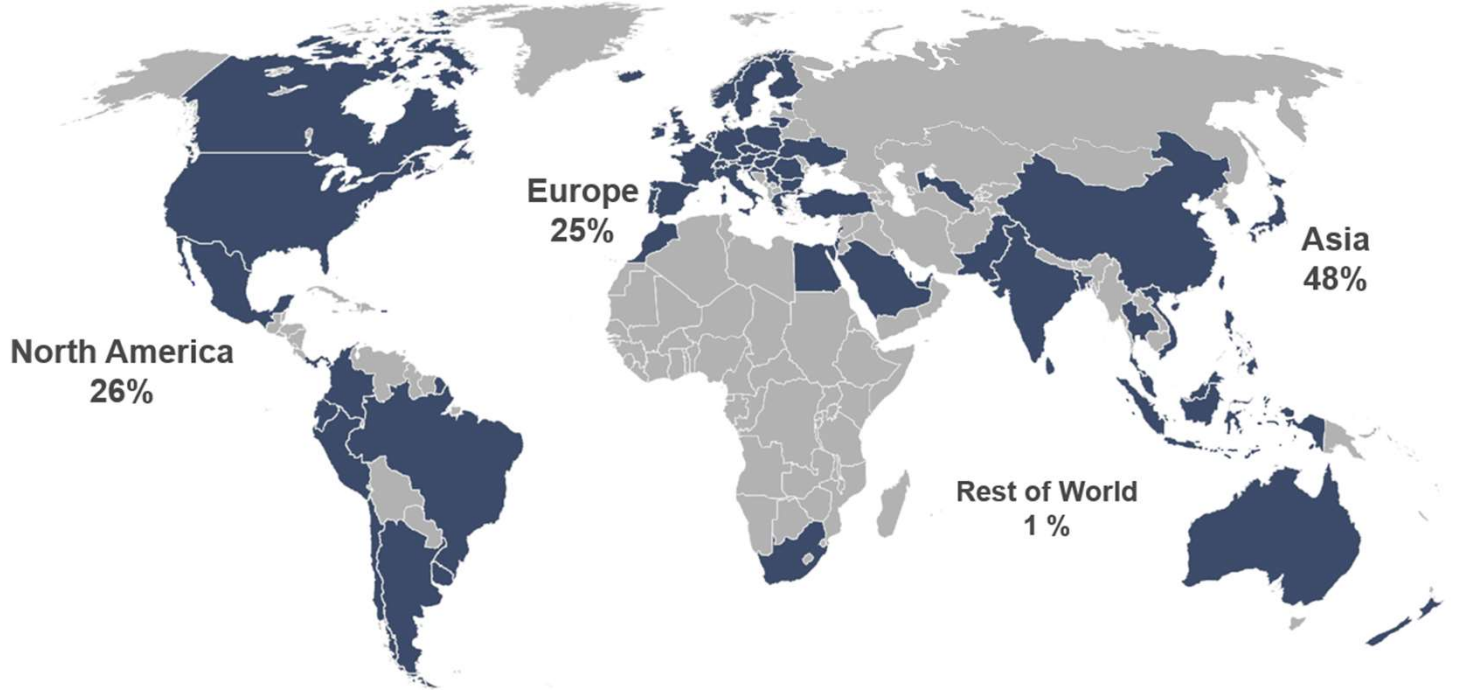
FY 2022
(FY 2021)



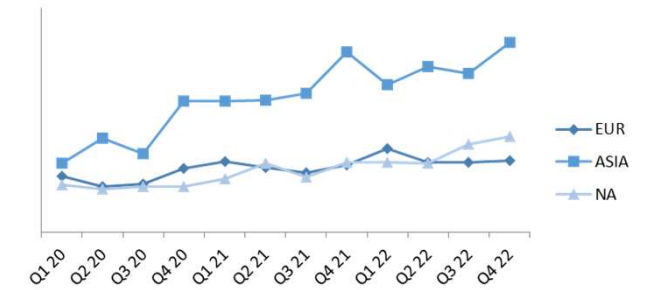
Worldwide Markets & Sales

Good growth in all regions. North America fastest growing in 2022, then EMEA (Local Currency) and then Asia

Worldwide net sales in FY 2022 by region



Quarterly Sales Trend by Region



Full Year 2022 Sales and Growth by Region

Asia:	~ 276	MUSD	+11%
Europe:	~ 145	MUSD	+ 9%
North America:	~155	MUSD	+ 21%
Rest of World:	~5	MUSD	- 1%

Total: ~581 MUSD + 13%

(vs. FY 2021)

Semi & Vacuum Coating – Performance & Outlook

Semiconductor, Display, Optics, Solar

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

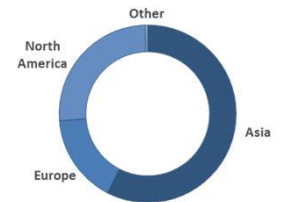
Performance

- 2022 sales increase of approx. +17% vs. 2021
- #1 position in process control, leak detection, smart manufacturing software and thin film monitoring
- #2 for pressure measurement. Closing up to #1

Outlook

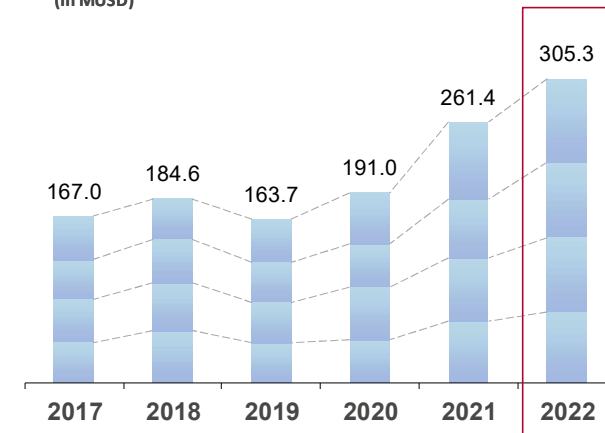
- Market expectations for 2023: **Softening/Decline**
Mixed picture in 2023. Mid- and long-term very strong growth drivers for Semi
- Main weakening in memory chip market. Less relevant for INFICON. Rebound expected in H2. Otherwise delay of some logic projects. For trailing edge no slowdown visible
- Ongoing investments in leading edge nodes and advanced chip design. No slowdown in EUV. Increasing sensor and process monitoring usage. Semi Initiatives globally ongoing and ramping up. 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 Q4 22 by Region in MUSD



Sales to End Market
Semi & Vacuum Coating
+12.8% CAGR (2017 - 2022)

(in MUSD)



Automotive & Refrigeration, Air Conditioning – Performance & Outlook

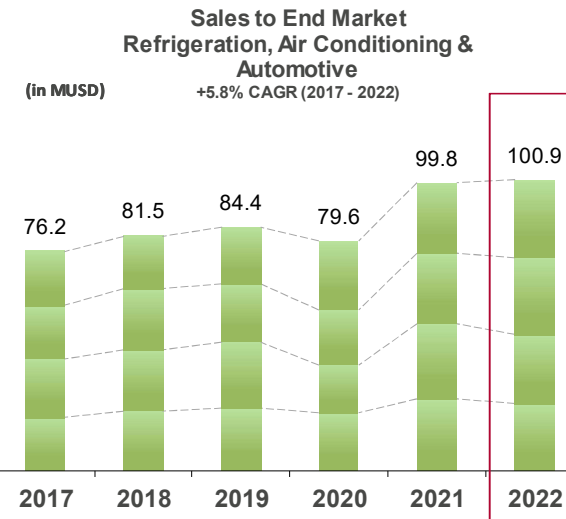
Strong position on RAC & Automotive market with battery testing as largest opportunity

Performance

- 2022 sales increase of ~ + 1% vs. 2021. Negative FX impact EUR in 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



General Vacuum Market – Performance & Outlook

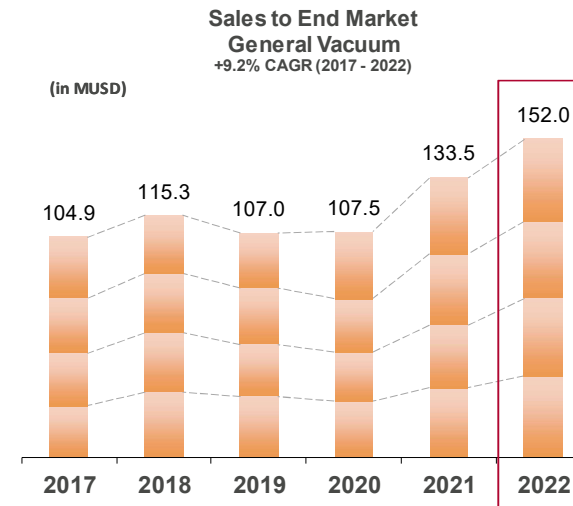
The broad industrial market is addressed through a multi-brand strategy and long-term channel partners. Growth comparable to general economic dynamic in each region

Performance

- 2022 sales increase of ~ +14% vs. 2021
- Most competitive “full liner” in vacuum instrumentation
- Remain #1 position

Outlook

- Market expectations 2023: **Softening/Flat**
- After strong market growth, outlook flat or softening in EMEA and USA. Increased growth again in China vacuum market after slower growth year in 2022
- Expand market reach into industrial and analytical OEM markets
- Expand distribution networks (US and Asia)
- Multi-brand strategy



Security & Energy – Performance & Outlook

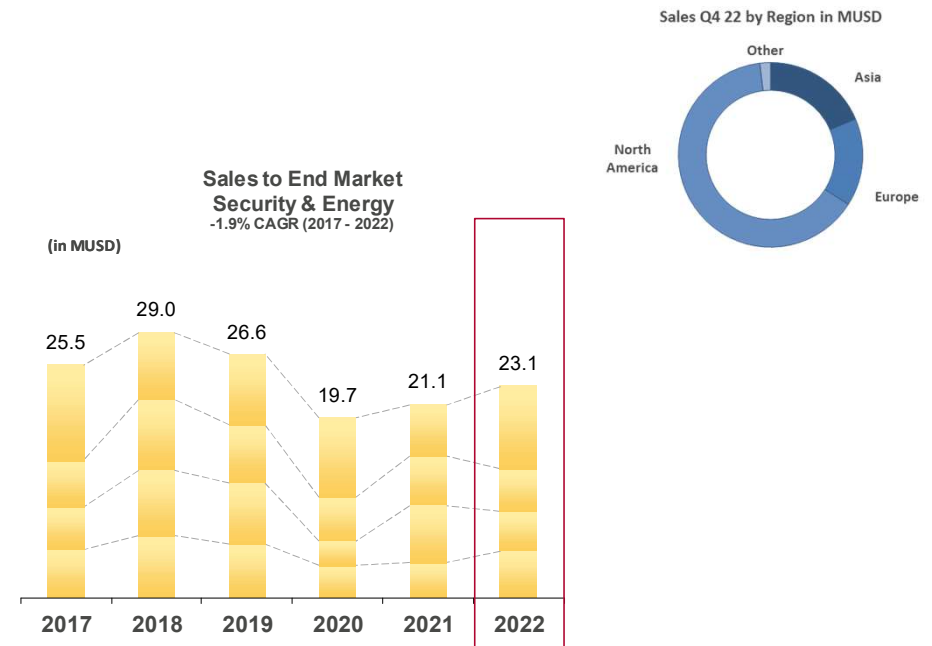
Security and energy have both growth potentials but often depend on specific government initiatives and policies with their own dynamic, which is a diversification factor versus the other markets

Performance

- 2022 sales increase of ~ +10 % vs. 2021. Second year with growth

Outlook

- Market expectations 2023: **Growth**
- New HAPSITE Generation with new features and expanded capabilities
- New US DoD programs awarded. Strong opportunity pipeline across NATO
- Growing bio methane market. Growth opportunities in the US gas distribution and landfill monitoring market
- Cyclical: Still highly dependent on government spending
- Some Chinese competition for environmental applications



Sustainability Achievements in 2022

INFICON has a smart follower strategy with regards to sustainability. We made good progress recently, in particular around the CO₂ emissions

23%

Waste reduction to 295.8 tons



Balzers, LI
New HVAC system including heat recuperation, 50% energy savings in 2022; potentially 90% in full business years

100%

renewable electricity used in all major production sites; Group wide share of green electricity 81% (2021: 51%)



Cologne, DE
Better insulations to reduce energy use

6%

lower energy consumption to 14.474 Mwh while Group sales grew by 16.8% excluding negative currency effects



Mariahamn/Aaland, FI
Photovoltaic panels

59%

lower greenhouse gas emissions to just 502 tons (2021: reduction of 30%)



Syracuse, USA
Conversion to 100% green electricity; new landscaping concept focusing on bio diversity and bird habitat

81%

of energy carrier is electricity

Expectations 2023

Given the backlog and selected market segment growth, 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 size of the order backlog
- We see positive dynamic in part of the 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%



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Q4 Highlights

Record sales and profitability, growth in all regions and end-markets, high working capital levels

Book to Bill	Sales	Gross Margin %	Operating Income
> 1	159.4 MUSD +10% organic +17%	46.1% -0.6%pts +1.1 %pts vs Q3	33.9 MUSD +9% 21.3% of Sales

CAPEX	Working Capital	Cash Flow	Net cash
5.8 MUSD - 5.7 MUSD	208.5 MUSD + 56.7 MUSD (37%)	14.9 MUSD - 4.9 MUSD + 4.6 MUSD vs. Q3	2.5 MUSD - 51 MUSD

Except otherwise noted all comparisons vs. previous year Q4

FY Highlights

FY2022 a record year, high investments and working capital level.
Tremendous progress on our sustainability goals

Book to Bill	Sales	Gross Margin %	Operating Income
> 1	581.4 MUSD +12.7% organic +17.7%	45.9% - 2.1%pts	111.6 MUSD +11.2% 19.2% of Sales

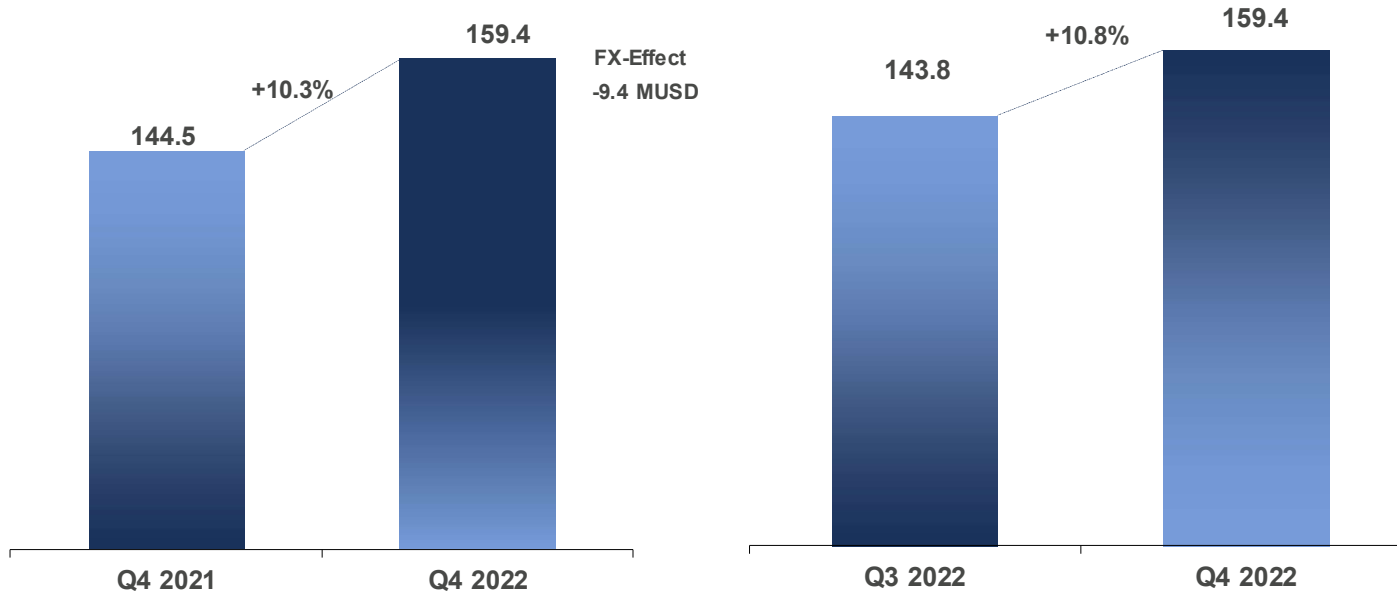
CAPEX	Equity Ratio	Cash Flow
33.7 MUSD + 5 MUSD , 17%	65% -4 %pts	46.2 MUSD - 39 MUSD

People	Energy	CO ₂ emissions	Waste
1570 +210 +15%	81% certified green electricity FY21: 51%	502 CO₂ -59%	296 tons -23%

Except otherwise noted all comparisons vs. previous year 2021

Sales

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



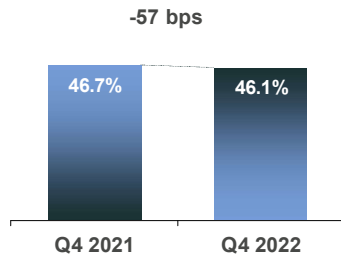
Q4 2022 Sales and Growth by Region		
Asia:	~ 78 MUSD	+ 5%
Europe:	~ 36 MUSD	+ 5%
North America:	~44 MUSD	+ 27%
Rest of World:	~1 MUSD	
Total:	~159 MUSD	+ 10%

(vs. Q4 FY 2021)

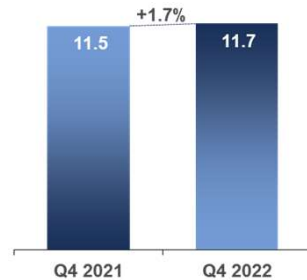
Gross Profit, Costs, and Operating Income Q4

Profit Growth, margin impacted by supply chain and broker costs

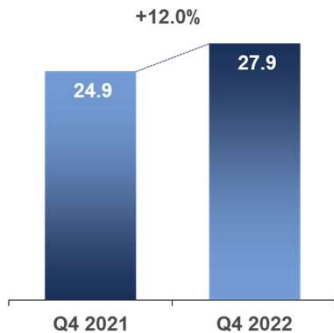
Gross Profit Margin



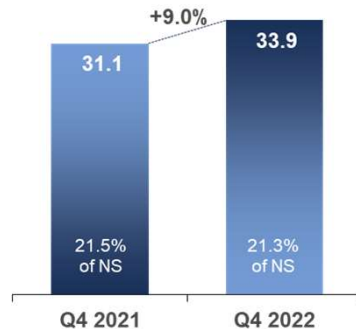
R&D (in MUSD)



SG&A (in MUSD)



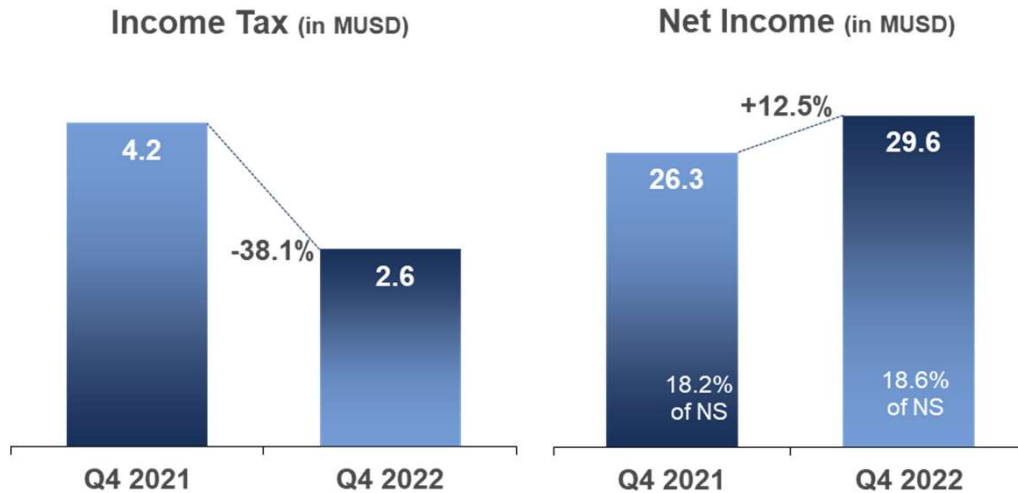
Operating Income (in MUSD)



- Gross profit margin:** Decrease in margin of 57 bps. Improved by 9% in absolute numbers and improved by 114 bps vs. previous quarter. Higher volume partially offset by rising material prices, high broker fees, freight and duties
- R&D cost:** Rise due to continued development efforts for future product launches, higher R&D material spend, and additional headcounts. Favorable FX impacts
- SG&A:** Costs increase, additional headcounts and related personnel expense as main drivers. Favorable FX impacts
- Operating income:** improved due to higher sales volume

Income Tax and Net Income Development

Net Profit Growth

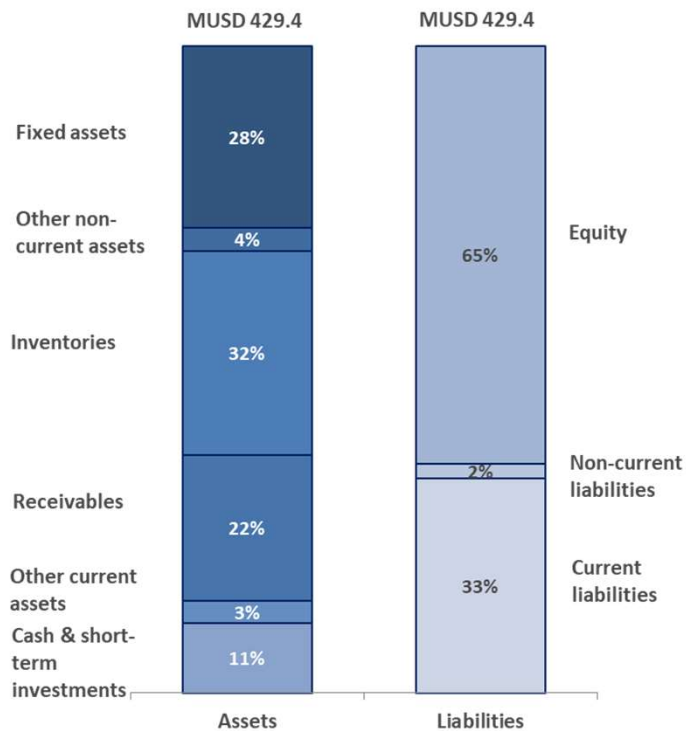


- **Income tax:** Tax rate of 8.0% compared with 13.8% in Q4 last year. Tax rate impacted by the profit mix of the various international entities and favorable deferred tax provisions
- **Net income:** Increase driven by improved operating income at lower tax rate

Balance Sheet Highlights

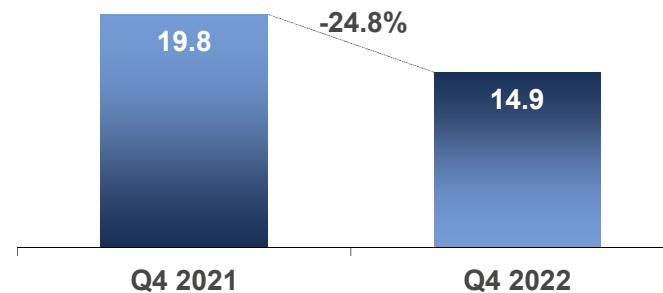
Solid balance sheet; working capital level increased due to higher inventories; this in combination with high capex/investments with impact on cash flow and net cash

Balance Sheet Structure 2022



	Q4 22	Q4 21
Net Cash	2.5	54.6
DSO	53.1	52.4
Inventory Turns	2.8	3.2
Working Capital	208.5	151.8
Operating Cash Flow	14.9	19.8

Cash Flow

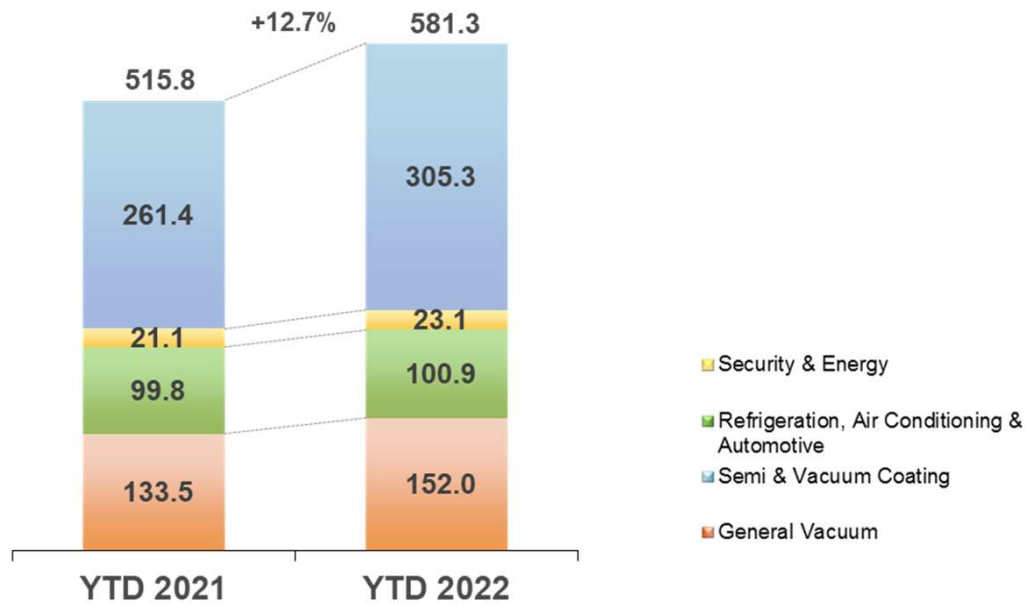


FISCAL YEAR 2022 RESULTS

Full-Year Sales

Sales increase in all end-markets and all regions

Semi & Vacuum Coating and General Vacuum with strongest growth; Organic increase of 17.7%



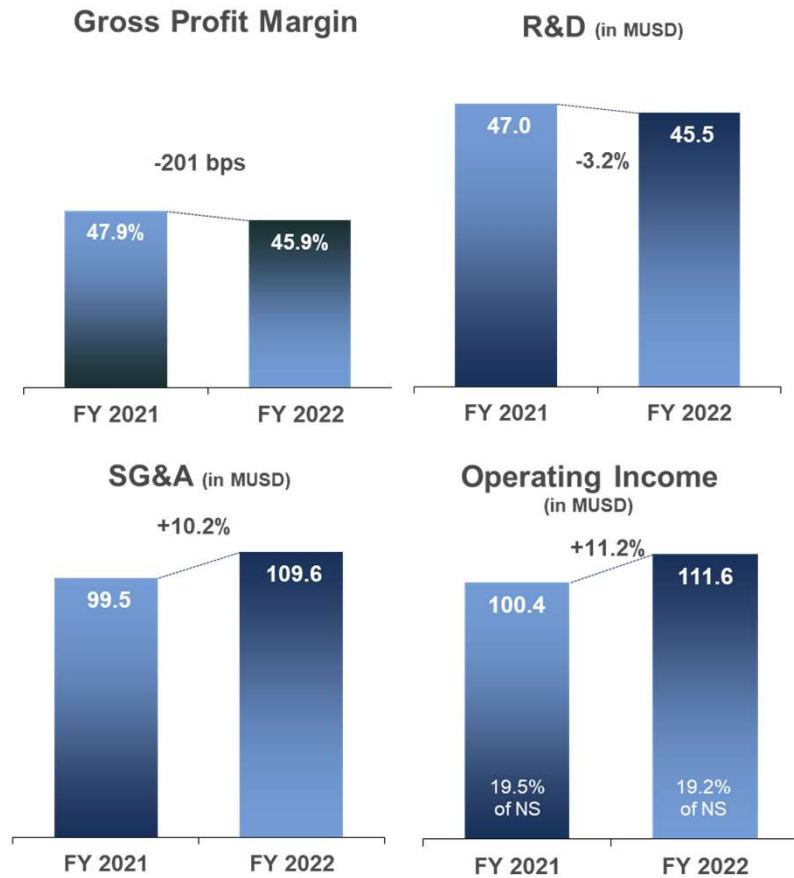
Full-Year 2022 Sales and Growth by Region

Asia:	~ 276	MUSD	+11%
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Rest of World:	~5	MUSD	
Total:	~581	MUSD	+ 13%

(vs.FY 2021)

Gross Profit, Costs, Operating Income (YoY)

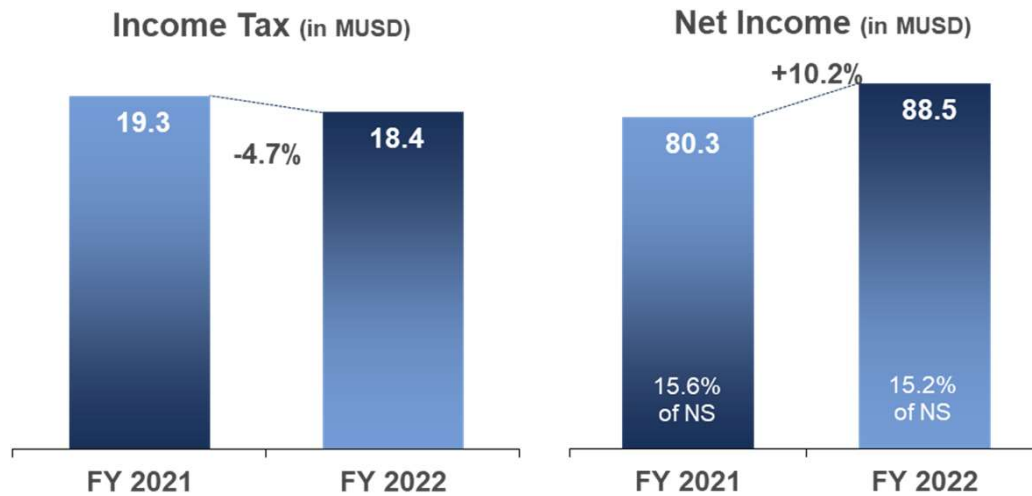
Profit Growth, margin impacted by supply chain and broker costs



- **Gross profit:** Margin decrease of 201 bps; increase of 8% in absolute terms; higher volume partially offset by rising material prices, increasing broker fees, and logistics costs
- **R&D cost:** Mainly influenced by favorable FX impacts, the expenditures for technology and product development remained at a high level compared to 2021
- **SG&A:** Cost increase due to additional headcounts, higher variable compensation (commissions) and infrastructure costs. Favorable FX impacts
- **Operating income:** Record high, driven by higher volume and higher gross profit margin at higher operational costs

Net Income and EPS development (YoY)

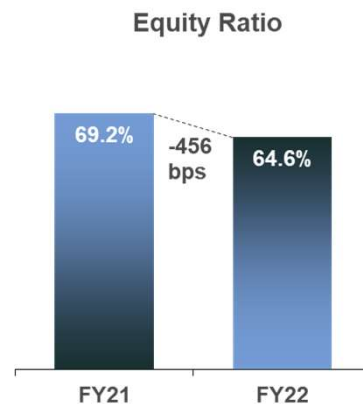
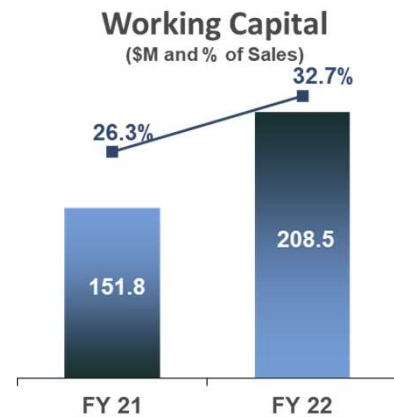
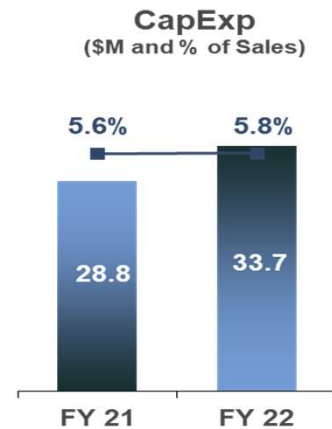
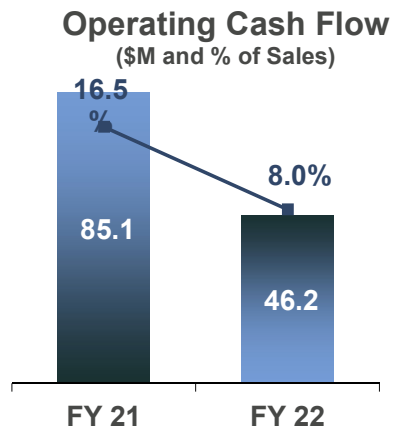
Net Profit Growth



- **Income tax:** Tax rate of 17.2% compared with 19.4% in last year. Slight decrease due to the mix in the profit composition of our various international entities
- **Net income:** Increase in line with operating income development

Key Balance Sheet Data (YoY)

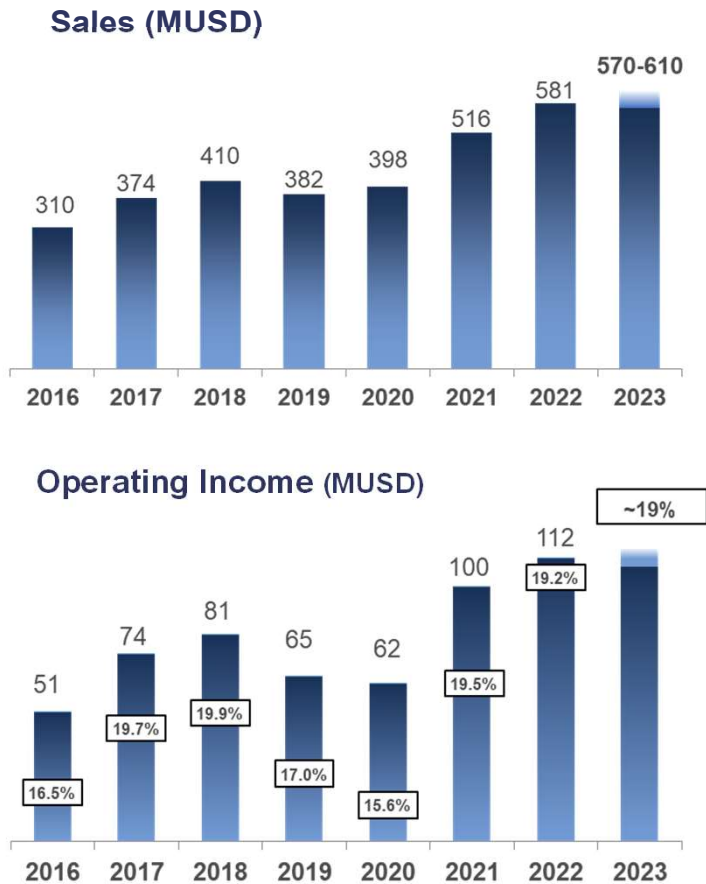
Investments and Inventory increase



- **Operating cash flow:** Decrease clearly driven by higher inventory balances and liabilities, partially compensated by higher net income
- **CAPEX:** 17% increase due to investments in capacity, i.e. mostly buildings and machinery and equipment
- **Working capital:** Increase due to higher account receivable and inventory levels, while inventory as main driver
- **Equity:** Slight decrease, solid level

Full-Year 2022 Guidance

Cautiously optimistic



Guidance 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 ongoing order intake, and the assessment of the various end markets.

Sales
Op. Income

USD 570-610 million
approx. 19%

Distribution for 2022

Reflecting investments

- **Solid Balance Sheet , Cash Generation impacted by investments and working capital for future growth**
 - USD 2.5 million net cash
 - Shareholders' equity ratio at 65%

- **Board of Directors intends to propose a cash distribution of CHF 18 per share**
 - CHF 18 as ordinary dividend
 - ~ 14% decrease versus 2022 due to significant investments in capacity the last two years and in future
 - Annual General Meeting of Shareholders on March 30, 2023
 - Returning ~ USD 47 million cash to shareholders in 2023
 - Payout ratio ~54%

Thank You for Your Attention

Q & A



Next Events on Corporate Calendar 2023

- Annual General Meeting of Shareholders March 30, 2023
- Q1 FY 2023 Earnings Conference Call April 26, 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.