



Q1 2021 EARNINGS CONFERENCE

April 22, 2021

Bad Ragaz, Switzerland

Speakers

Lukas Winkler, President and CEO

Key figures Q1 2021

Target market business review

Expectations 2021

Matthias Tröndle, Vice President and CFO

Financials Q1 2021

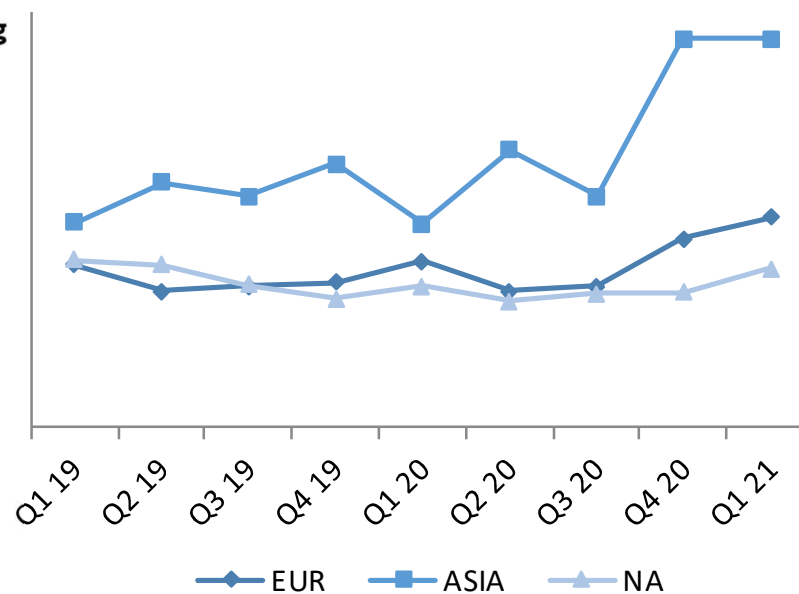
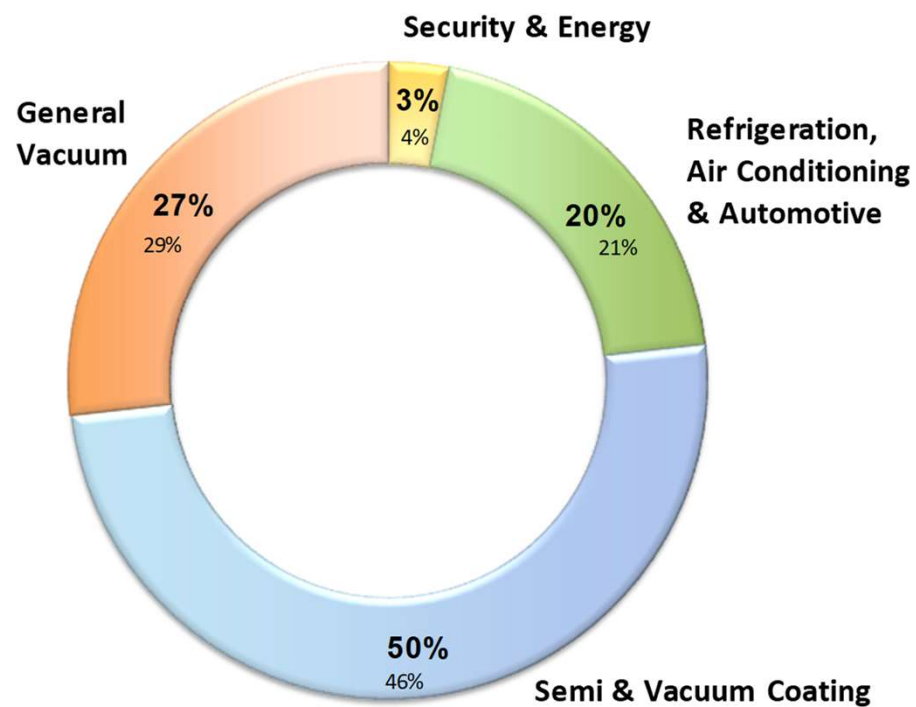
Guidance

Q1 2021 – Key Figures

- **Growth in all markets and regions; Semi & Vacuum and Asia again stand out**
 - Sales increase of 32.5% to record high USD 122.7million, organic increase of 27.3% compared with Q1 2020
 - Sequential sales increase of 5.0% over Q4 2020, our record quarter so far
 - Book to bill ratio: > 1
 - **Operating result**
 - Record high sales and operating income with an improved gross margin
 - Operating income of USD 24.6 million (20.0% of sales) after USD 14.0 million (15.1% of sales) in Q1 2020
- **Net income of USD 19.6 million or 16.0% of sales**

Net Sales by End Market

USD 122.7 million in Q1 2021 (+32.5%)



Security & Energy

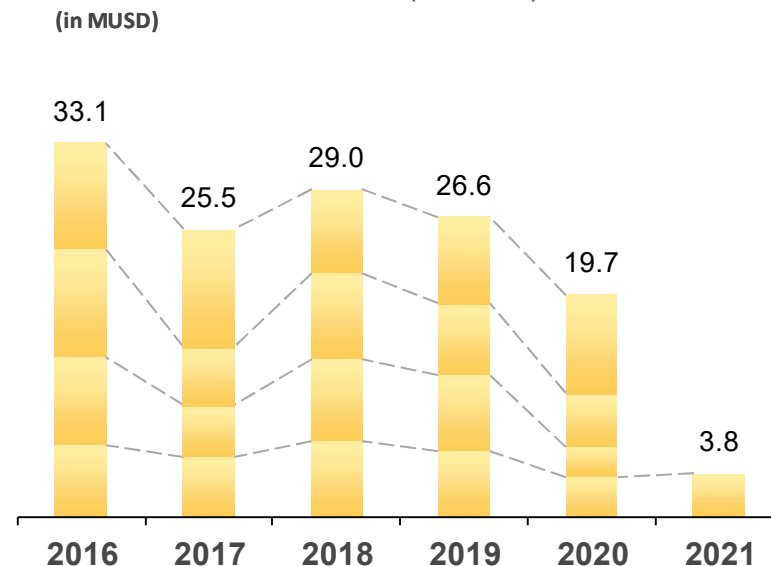
Q1 2021

- Sales increase of 8.6% to USD 3.8 million in Q1 2021 vs Q1 2020, and decrease of -56.3% vs Q4 2020
- Increased contribution from new products for energy applications, but low security activities

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
 - Security recovery (US) with new Hapsite™ might get delayed
 - Growing Energy & Environment Monitoring businesses

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



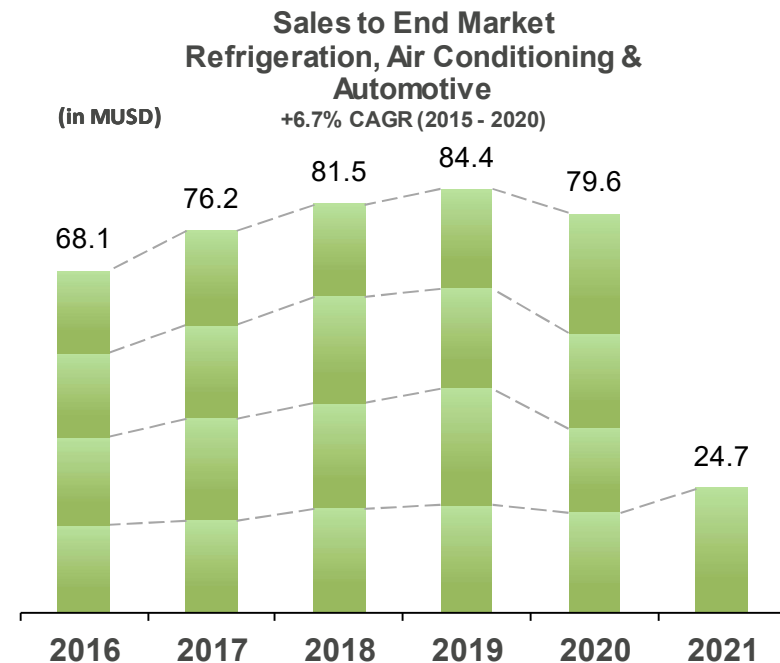
Refrigeration, Air Conditioning & Automotive

Q1 2021

- Q1 2021 sales increase of 23.5% to USD 24.7 million vs Q1 2020, and 3.3% vs Q4 2020
- Auto and Refrigeration market recovery
- Growing battery testing and after-sales service activities

Market Trends

- Ongoing rebound in the RAC manufacturers & automotive market
- 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
- New market and product initiatives for handheld after sale service products in automotive market
- 2021 expectations: Growth



Semi & Vacuum Coating

Solar, Display, Optics & Semiconductor

Q1 2021

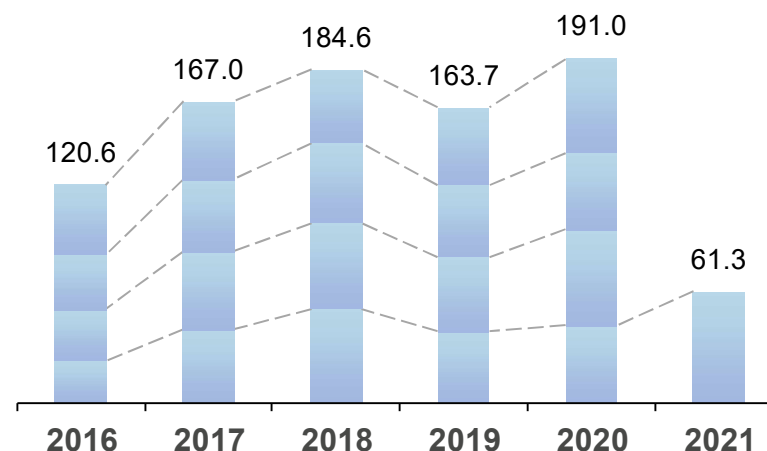
- Sales Q1 2021 increase of 44.2% vs Q1 2020, and 16.8% vs Q4 2020 to USD 61.3 million
- Ongoing strong Semiconductor market (equipment CAPEX)
- Stable Display & Optics market, but increasing Chinese Solar activities

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 and Optics, Solar application recovery
- 2021 expectations:
 - growth (Semiconductor)
 - flat (Vacuum Coating)

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

(in MUSD)



General Vacuum

Q1 2021

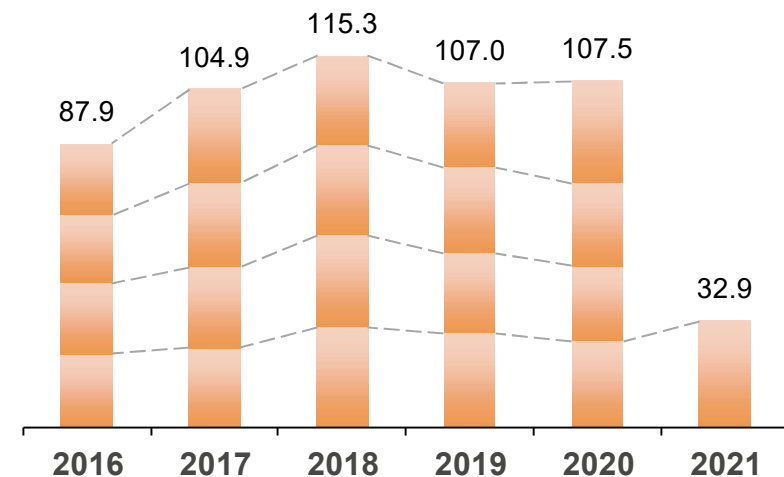
- Q1 2021 sales increase by 23.7% to USD 32.9 million vs Q1 2020, and 3.5% vs Q4 2020
- (COVID-19) Market recovery

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

Despite ongoing COVID-19 uncertainties, INFICON expects to reach new annual sales record

- *Ongoing strong Semiconductor market (Industry 4.0, IoT, Big Data, 5G, AI & AD etc.)*
 - *Foundry and Logic Fabs remain at a high level; memory market recovery*
 - *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*
- *Recovery for General Vacuum and Security applications (uncertain timing of the US DoD program)*
- *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 450-480 million with an Operating Income Margin of 18-20%**

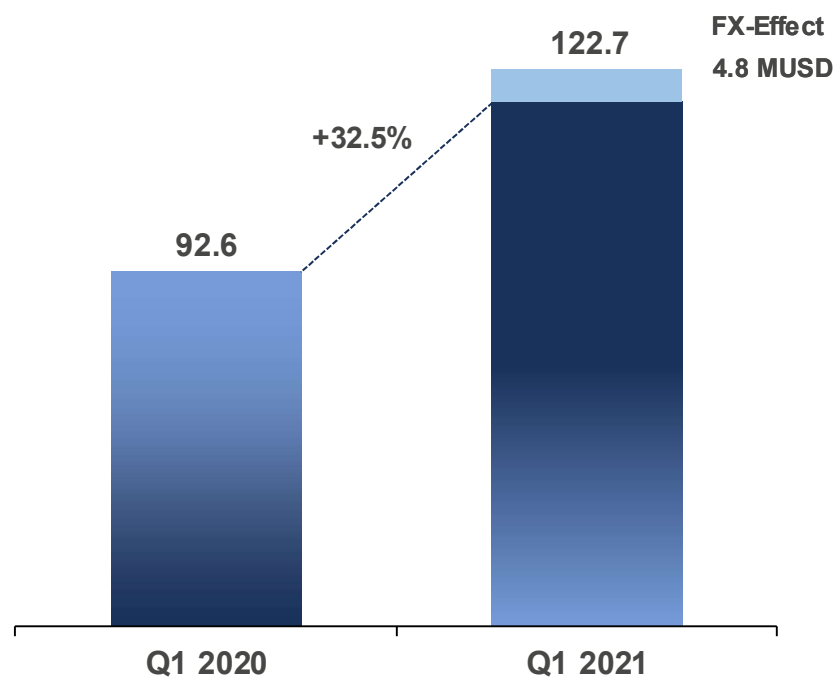
Speaker

Matthias Tröndle, Vice President and CFO

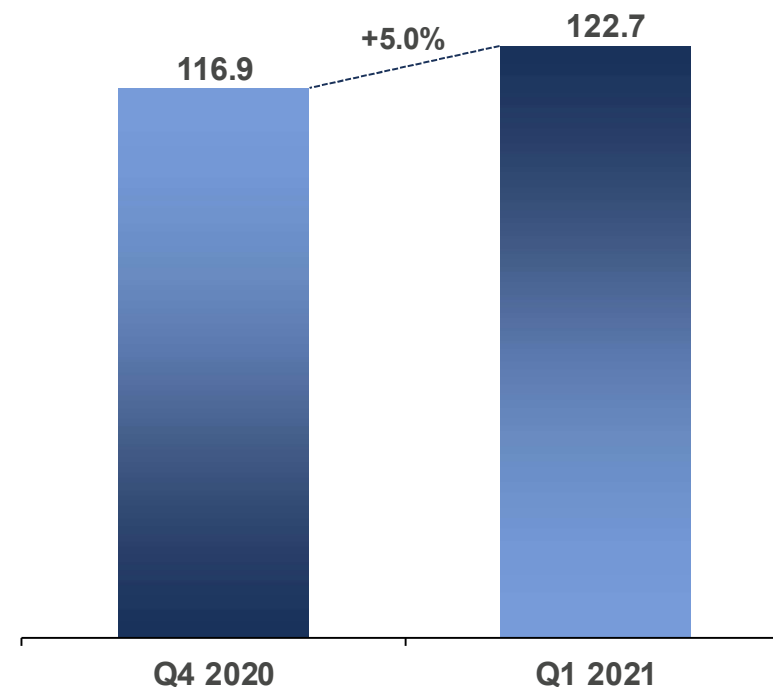
Financials Q1 2021

Guidance

Sales (in MUSD)

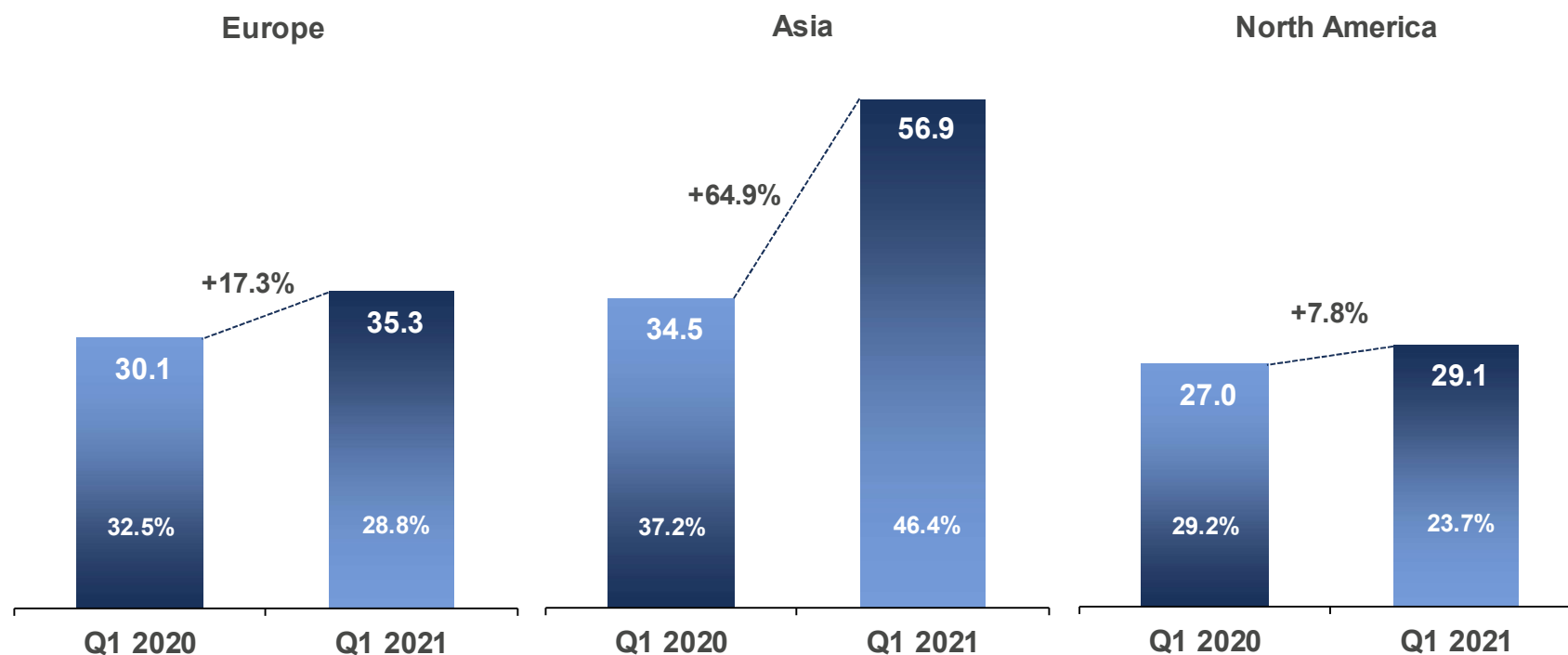


Year-over-year: increase in all markets,
Semi & Vacuum Coating outstanding



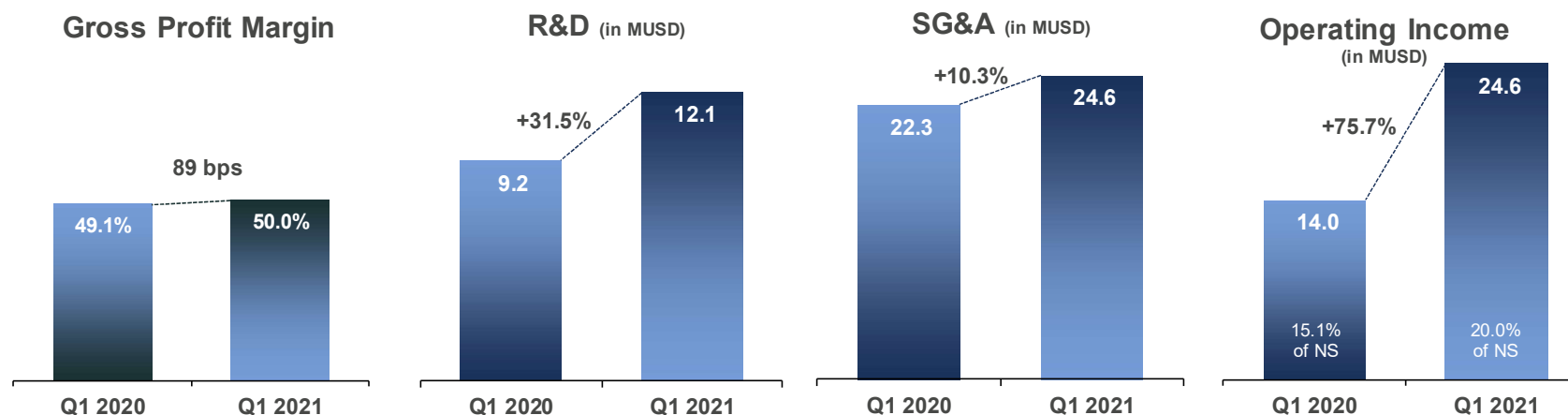
Sequential: growth in all markets
except Security and Energy market

Geographic Sales Breakdown – Quarter (in MUSD)



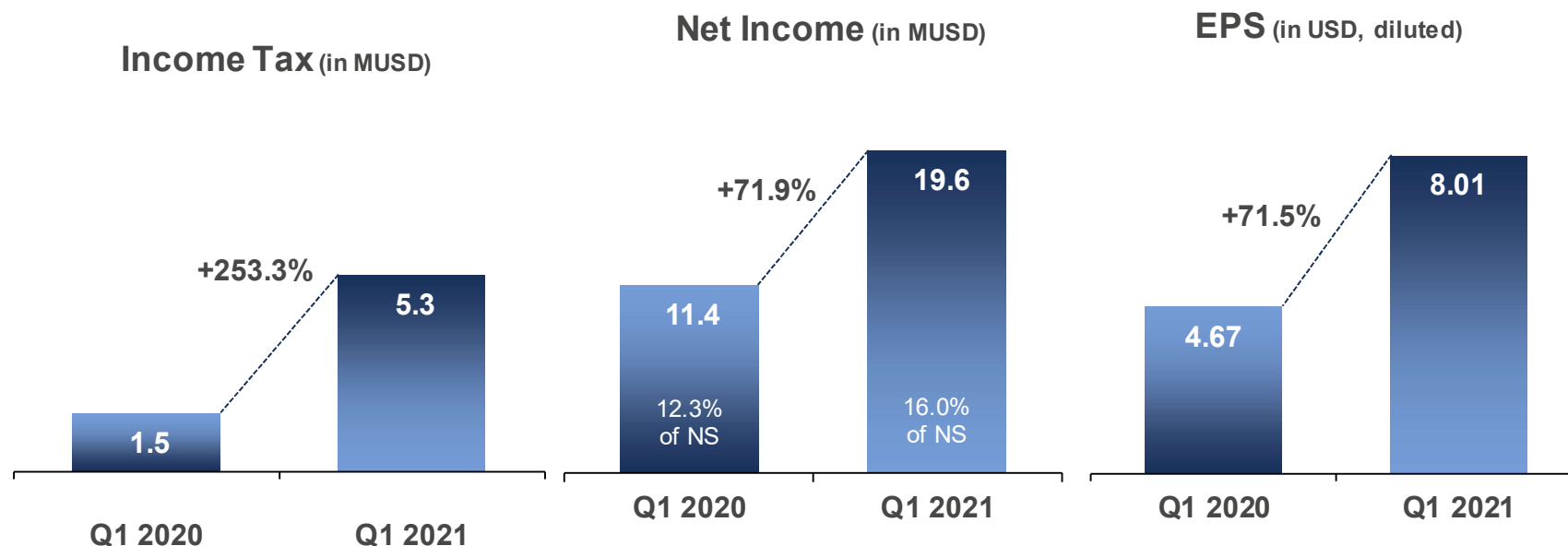
Asia-Pacific with strong growth (Semiconductor and General Vacuum markets)
and Europe and North America with good growth

Gross Profit, Costs, and Operating Income



- **Gross profit margin:** Increase in margin of 89 bps. Improved by 35% in absolute numbers and improved by 280 bps vs. previous quarter. Higher volume and favorable mix partially compensated by COVID-19 inefficiencies as main impacts
- **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 bonuses plus additional headcounts as main drivers
- **Operating income:** Clearly improved due to higher sales volume at gross profit margin

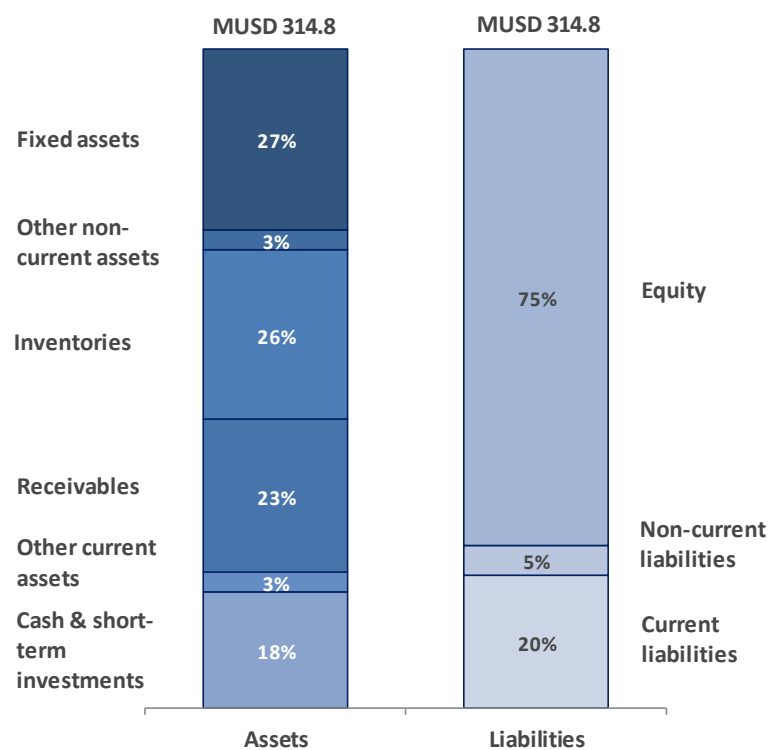
Net Income and EPS Development



- **Income tax:** Last year extraordinary low (11.9%), coming from favorable impacts from Germany.
Tax rate in Q4 2020 at 21.2% at average level
- **Net income & EPS:** Increase in line with operating income change

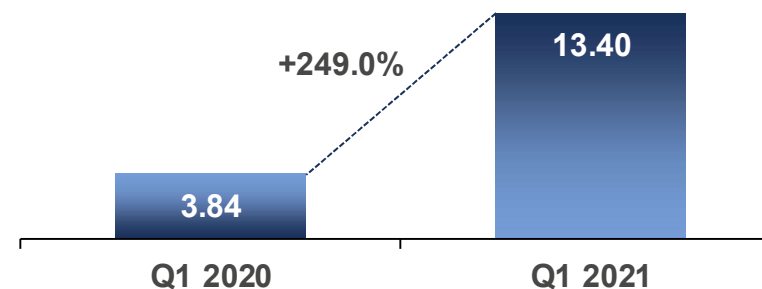
Balance Sheet Highlights (in MUSD)

Balance Sheet Structure 2021



	Q1 2021	Q4 2020
Net Cash	48.4	40.9
DSO	51.8	51.1
Inventory Turns	2.9	2.8
Working Capital	137.7	128.9
Operating Cash Flow	13.4	20.1

Cash Flow

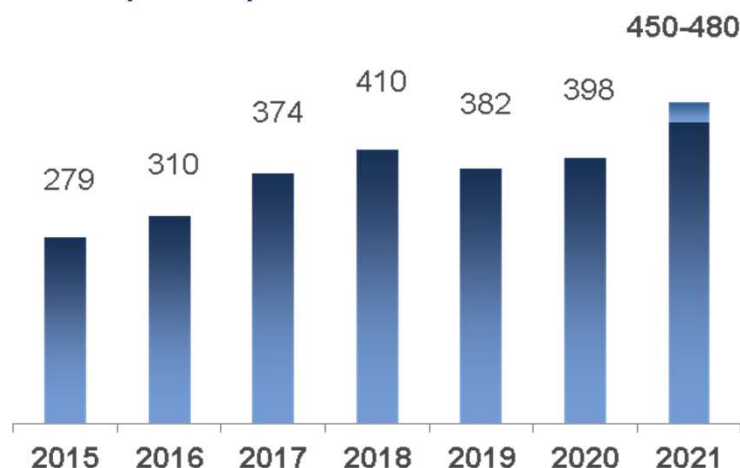


Solid balance sheet; working capital level higher mainly due to higher A/R;
cash flow with clear improvement vs previous year Q1

GUIDANCE FY 2021 AND CORPORATE COMMUNICATION CALENDAR

Full Year 2021 Guidance

Sales (MUSD)



Guidance 2021

The business situation in all end-markets looks quite positive and even improved for the business year. Although the current economic situation remains nevertheless fragile, INFICON assesses the outlook for the current year as optimistic.

Operating Income (MUSD)



Sales

USD 450-480 million

Op. Income Margin

18% - 20%

Corporate Calendar FY 2021

- Q2 FY 2021 and Half-Year Results Earnings Conference Call July 29, 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