



Inspired by visions. Proven by success.

**Q4 2021 and Full Year 2021
EARNINGS CONFERENCE**

March 3, 2022

Zürich, Switzerland

Speakers

Lukas Winkler, President and CEO

Key figures Q4 2021 and FY 2021

Target market business review

Expectations 2022

Matthias Tröndle, Vice President and CFO

Financials Q4 2021 and FY 2021

Proposed Cash Distribution

Guidance

Q4 2021 – Key Figures

- **Broadly based growth in all markets and regions, year-over-year**
 - Sales increase of 23.6% to record high USD 144.5 million, organic increase of 24.6% compared with Q4 2020
 - Sequential sales increase of 18.2% over Q3 2021, our best quarter so far
 - Book to bill ratio: > 1
- **Operating result**
 - High level of sales, slightly decreased gross profit margin and significantly higher operating costs
 - Operating income increased by 44.7% to USD 31.1 million (21.5 % of sales) after USD 21.5 million (18.4% of sales) in Q4 2020

→ **Net income of USD 26.3 million or 18.2% of sales**

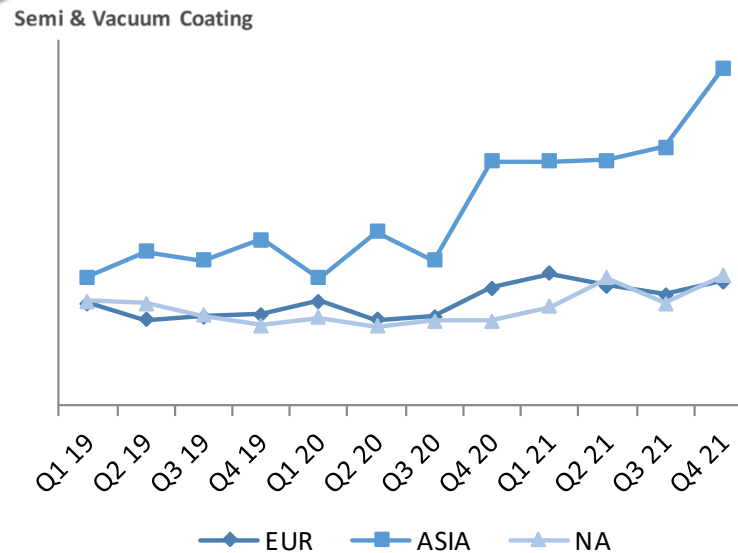
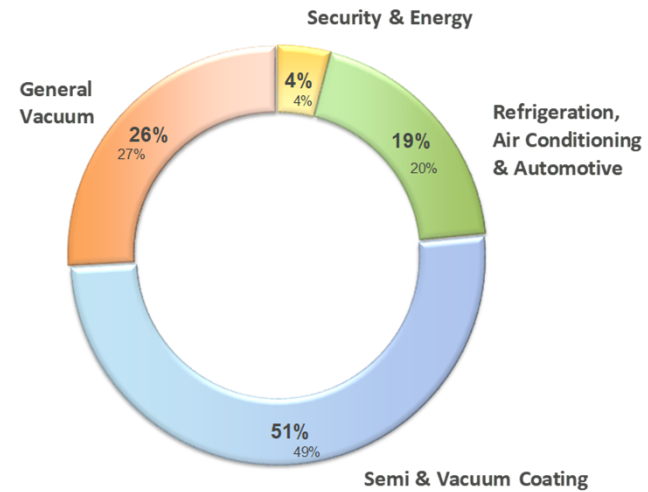
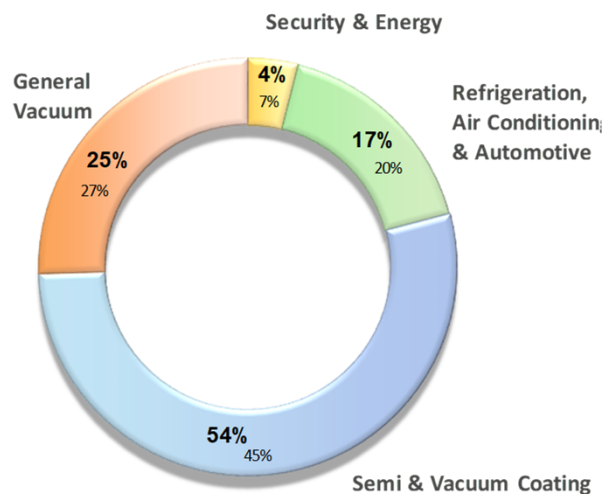
FY 2021 – Key Figures

- **Sales increase in all end markets and all regions**
 - **Semi & Vacuum coating end market (Asia and Americas) and General Vacuum end market in Europe and Asia especially strong**
 - Sales increase of 29.7% to USD 515.8 million compared with 2020, organic increase of 27.0%
 - Book to bill ratio >1
 - **Operating result influenced by**
 - Improved sales volume, driven by the strong final quarter of 2021
 - Higher gross profit margin and clearly higher overhead cost
 - Operating income of USD 100.4 million in 2021 (19.5% of sales) compared with USD 61.9 million (15.6% of sales) in 2020
- **Net income of USD 80.3 million or 15.6% of sales**
- **Proposed cash distribution of CHF 21 per share**

Net Sales by End Market

USD 144.5 million in Q4 2021 (+23.6%)

USD 515.8 million in 2021 (+29.7%)



Security & Energy

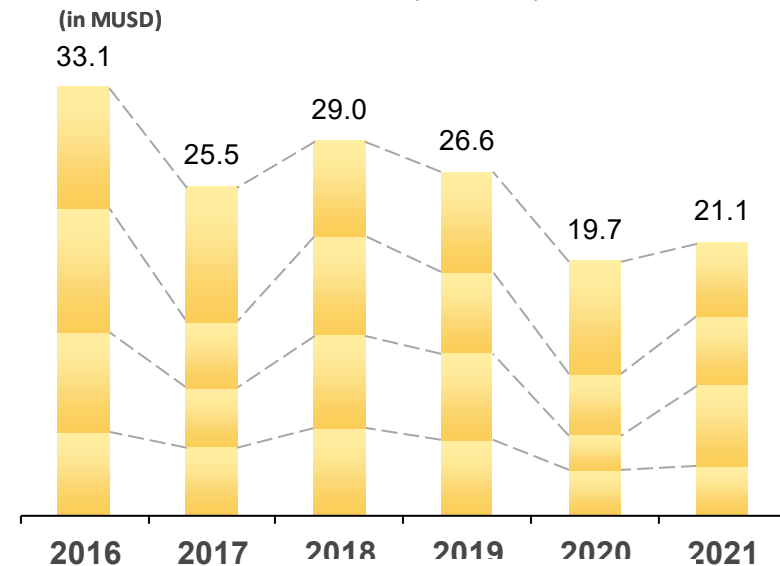
Q4 2021

- Sales decrease of -34.5% to USD 5.7 million in Q4 2021 vs. Q4 2020, and increase of 5.6% vs. Q3 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)
- 2022 expectations: growth
 - US DoD 2022 program with new Hapsite™ expected
 - Growing Energy & Environment monitoring businesses

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



Refrigeration, Air Conditioning & Automotive

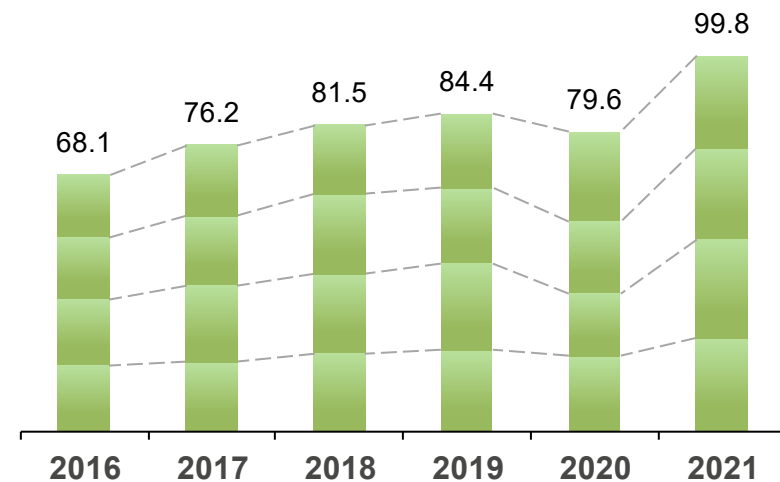
Q4 2021

- Q4 2021 slight sales increase of 2.5% to USD 24.5 million vs. Q4 2020, and increase of 1.2% vs. Q3 2021
- Stable RAC Market
- Growing battery testing and after-sales service activities

Market Trends

- Increased use of advanced, fully automated and integrated robotic solutions
- Shift from combustion engine cars to E-mobility (battery and hydrogen powered)
- Growing Li-Ion battery testing market (Automotive and mobile devices)
- New market and product initiatives for handheld after-sales service products in automotive market
- 2022 expectations: growth

Sales to End Market
Refrigeration, Air Conditioning &
Automotive
(in MUSD)
+6.7% CAGR (2015 - 2020)



Semi & Vacuum Coating

Solar, Display, Optics & Semiconductor

Q4 2021

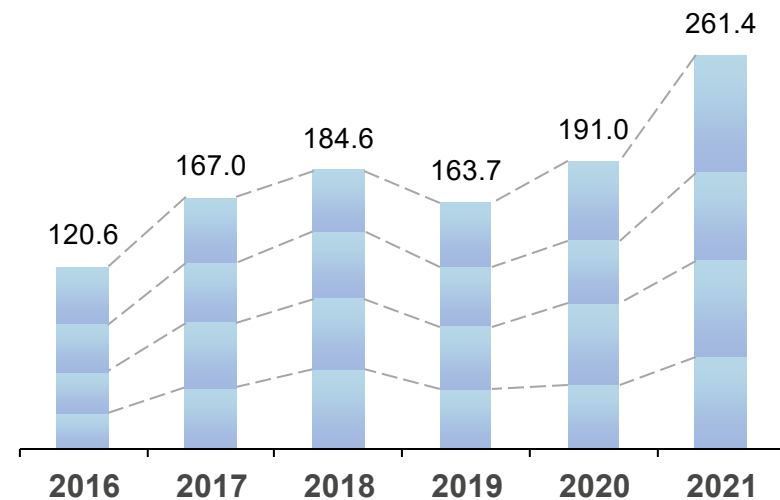
- Sales Q4 2021 increase of 47.6% vs. Q4 2020, and increase of 30.9% vs. Q3 2021 to USD 77.5 million
- Strong Semiconductor market, record quarter
- Flat Display and Optics market

Market Trends

- Unchanged long-term demand for new smart sensors, 5G, IoT, AI & AD, Big Data, and computing power
- Ongoing global supply shortages
- EUV lithography enables < 7nm technology
- Chinese Semiconductor initiative ongoing, but challenged by US/China conflicts
- Modest investments in OLED flat panel display, Optics and Solar applications
- 2022 expectations: growth

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

(in MUSD)



General Vacuum

Q4 2021

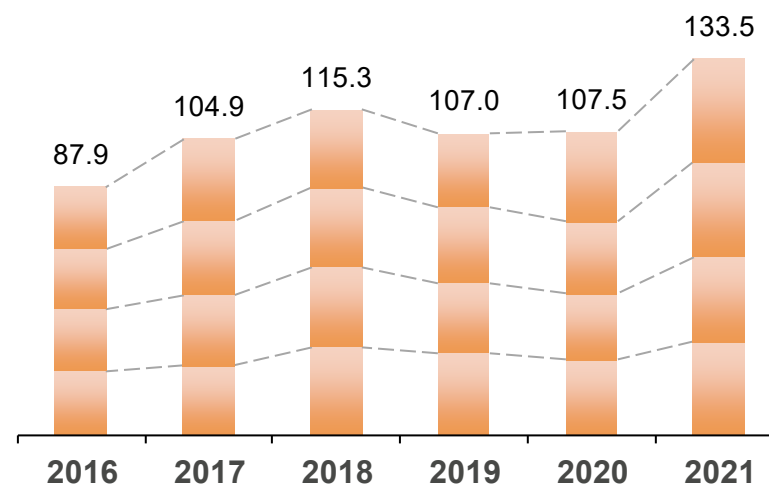
- Q4 2021 sales increase by 15.7% to USD 36.8 million vs. Q4 2020, and 9.9% vs. Q3 2021
- Record quarter, driven by Private Label (EU) and China businesses

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
- 2022 expectations: growth

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

(in MUSD)



Outlook 2022

**“Sales growth largely depends on how fast delivery bottlenecks are resolved”
(supply chain issues, process & calibration capacities, space and manpower)**

- *Ongoing strong semiconductor market (Industry 4.0, IoT, Big Data, 5G, AI & AD, etc.)*
 - *Foundry and logic fabs remain at a high level (ongoing supply shortages)*
 - *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, Europe and Asia*
- *Modest investments in OLED flat panel display and optics manufacturing capacities*
- *Stable RAC manufacturers market and solid after-sales service activities*
- *Increased E-mobility investments, Li-Ion battery as bottleneck*
- *Strong General Vacuum market rebound and Security market recovery*
- *Ongoing growth for alternative energy and environmental monitoring applications*

Guidance for 2022:

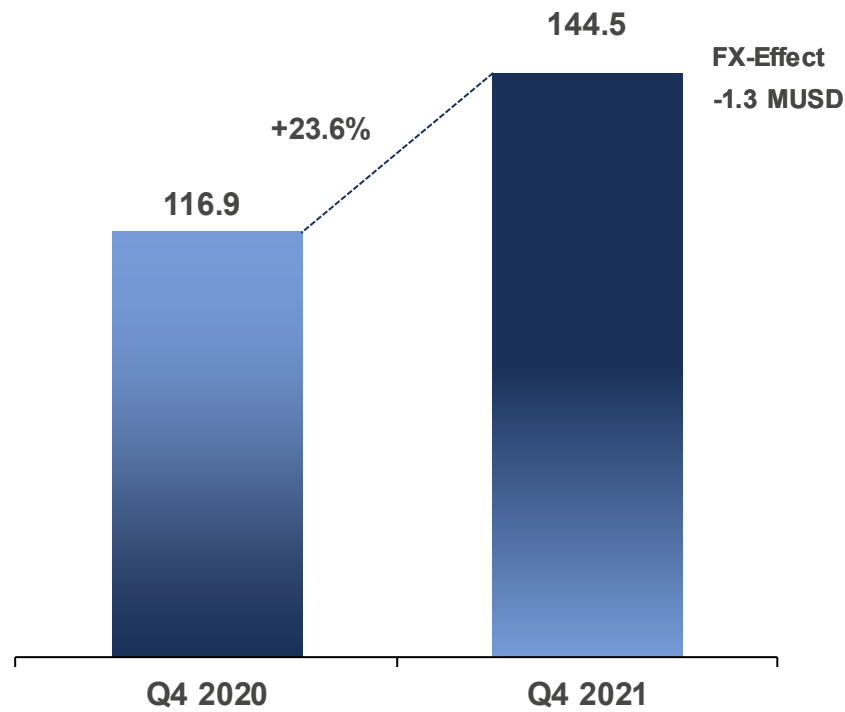
Sales around USD 550 to 600 million with an Operating Income Margin of over 20%

Speaker

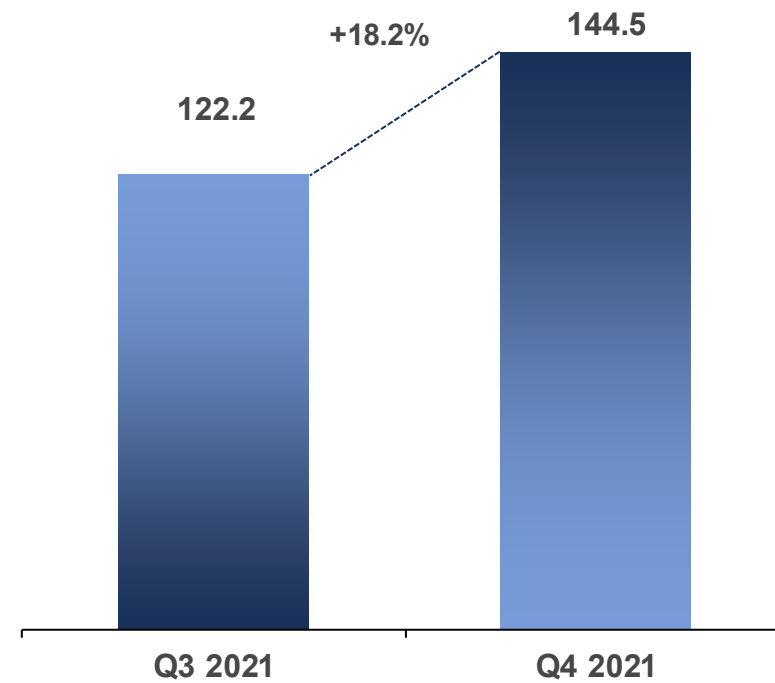
Matthias Tröndle, Vice President and CFO

- Financials Q4 2021 and FY 2021
- Proposed Cash Distribution
- Guidance

Sales (in MUSD)

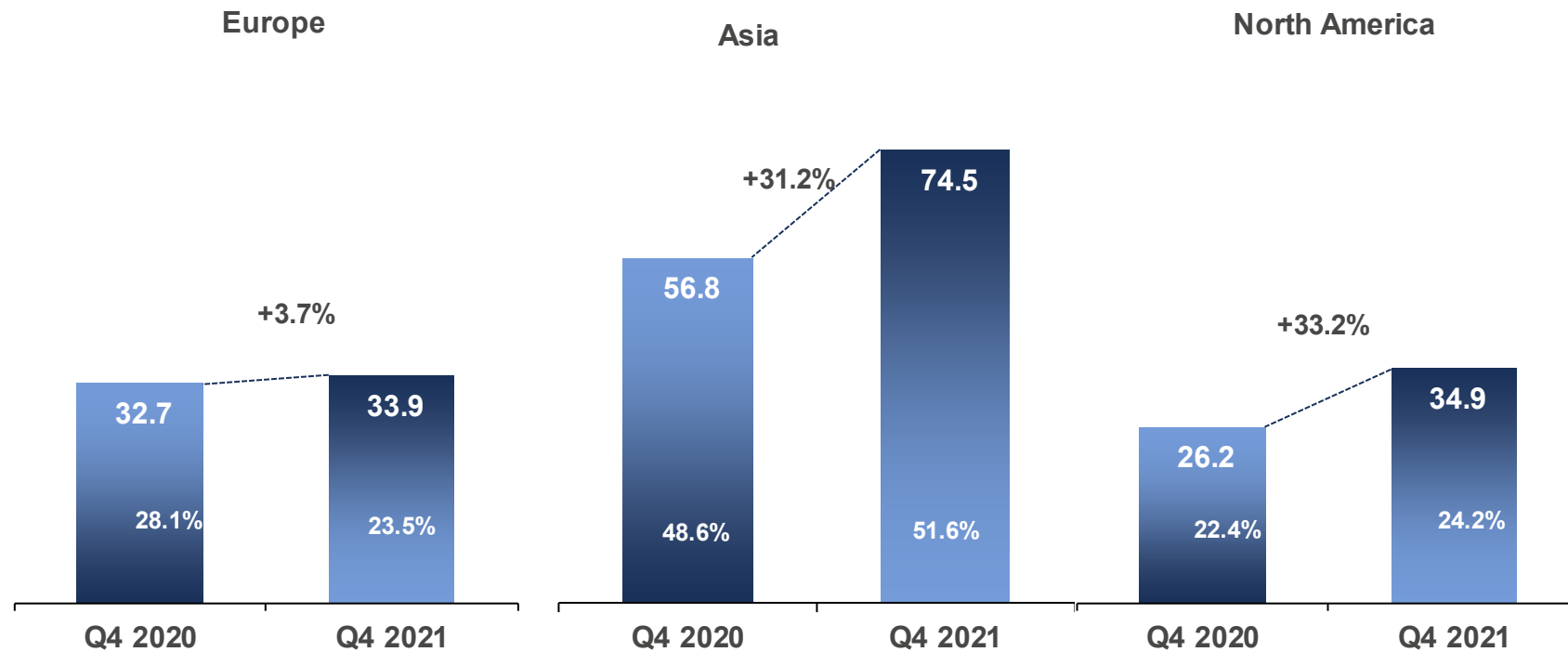


Year-over-year: increase in all markets except Security & Energy



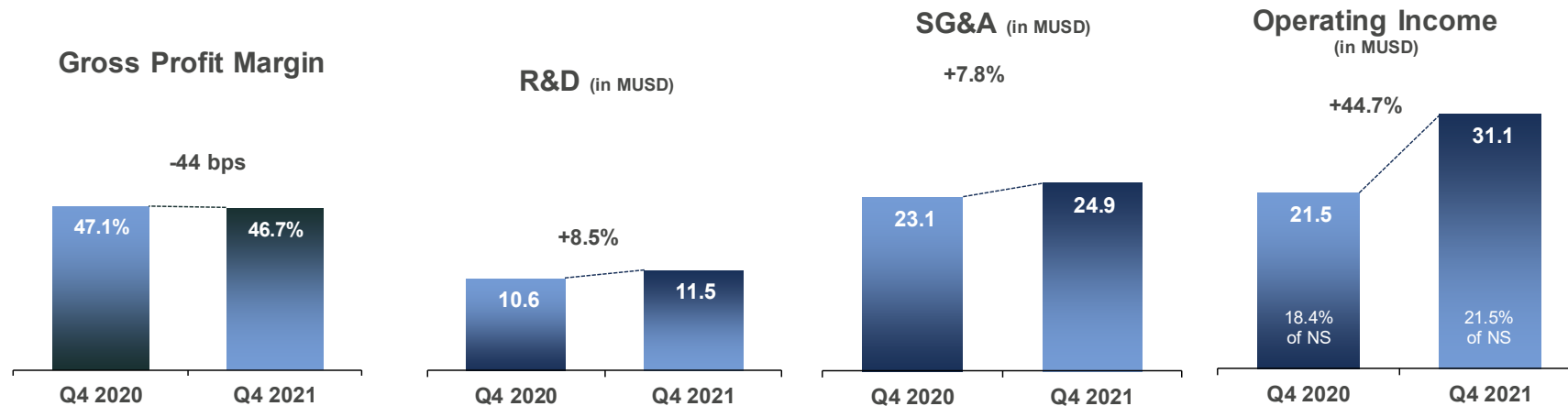
Sequential: increase in all markets

Geographic Sales Breakdown – Quarter (in MUSD)



All regions with growth; Asia-Pacific and North America with strongest plus in Semi and Vacuum Coating market

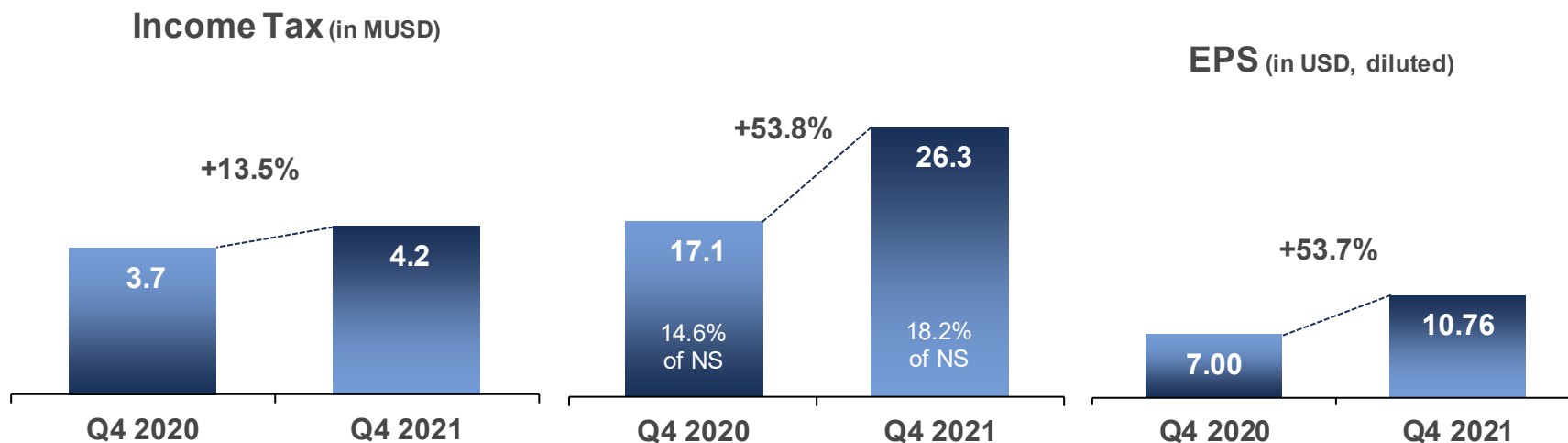
Gross Profit, Costs, and Operating Income



- **Gross profit:** Slight margin decrease of -44 bps (y-o-y) or -12 bps (over 3rd quarter). Absolute gross profit improved by 22% vs. previous quarter. Higher volume partially offset by rising material prices, increasing 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
- **SG&A:** Costs increased due to higher commissions and performance bonuses, plus additional headcounts partially lowered by slightly favorable FX impacts
- **Operating income:** Record high sales level and the improved gross margin (abs) at higher operating expense resulted in a +45% improved operating income

Net Income and EPS Development

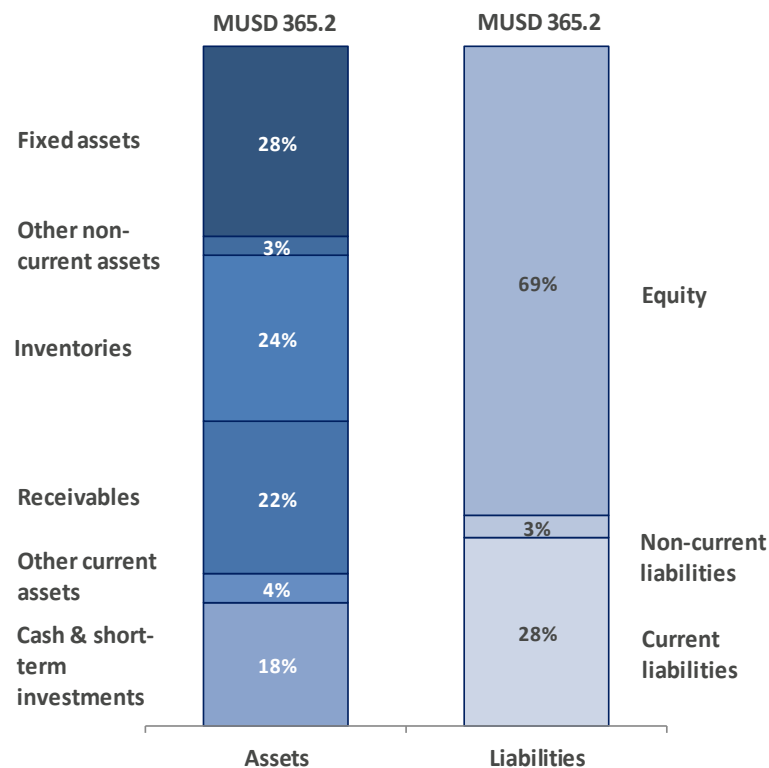
Net Income (in MUSD)



- **Income tax:** Tax rate of 13.8% compared with 17.7% in Q4 last year. Due to profit mix and year-end adjustments slightly lower than last year's Q4 rate
- **Net income & EPS:** Increase driven by improved operating income at slightly lower global tax rate

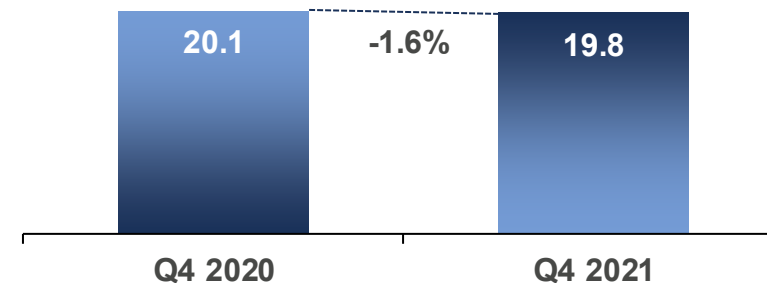
Balance Sheet Highlights (in MUSD)

Balance Sheet Structure 2021



	Q4 21	Q4 20
Net Cash	54.6	40.9
DSO	52.4	51.1
Inventory Turns	3.2	2.8
Working Capital	151.8	128.9
Operating Cash Flow	19.8	20.1

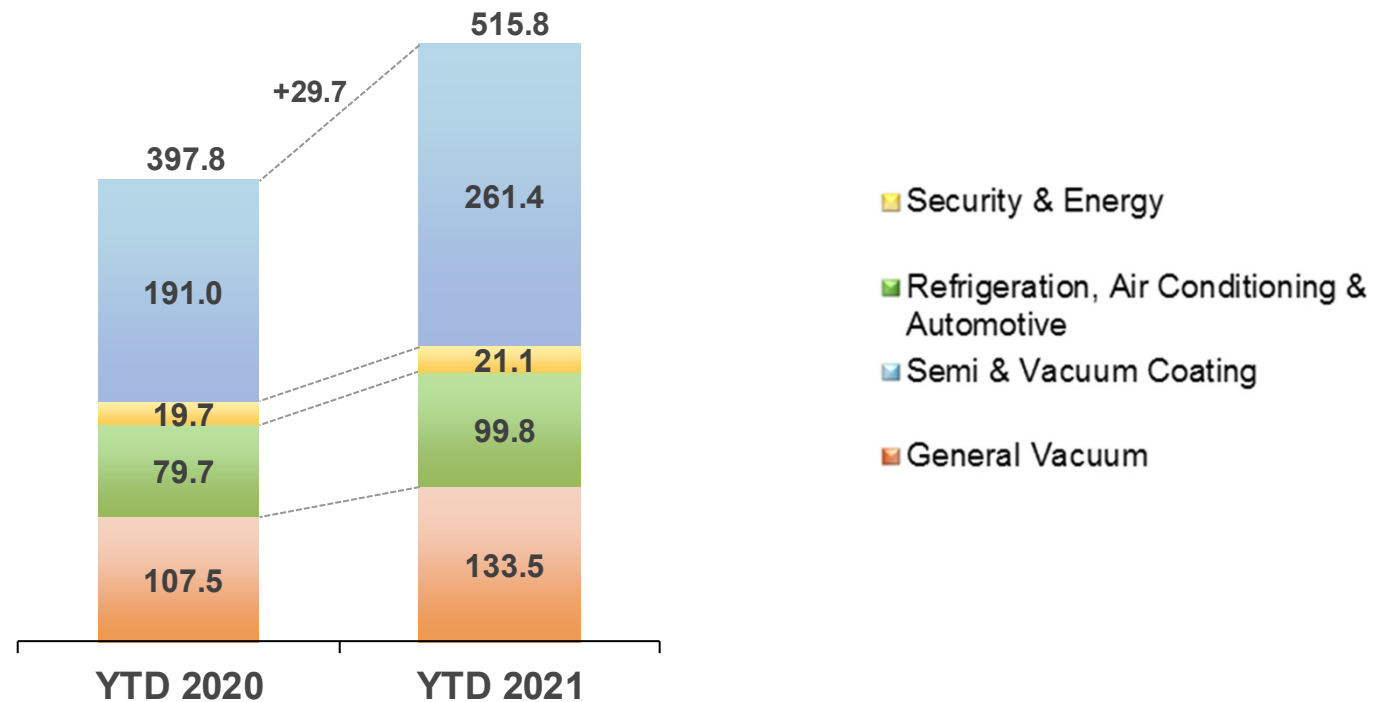
Cash Flow



Solid balance sheet; working capital level higher due to higher business volume and higher A/R and inventories; cash flow stable at high level

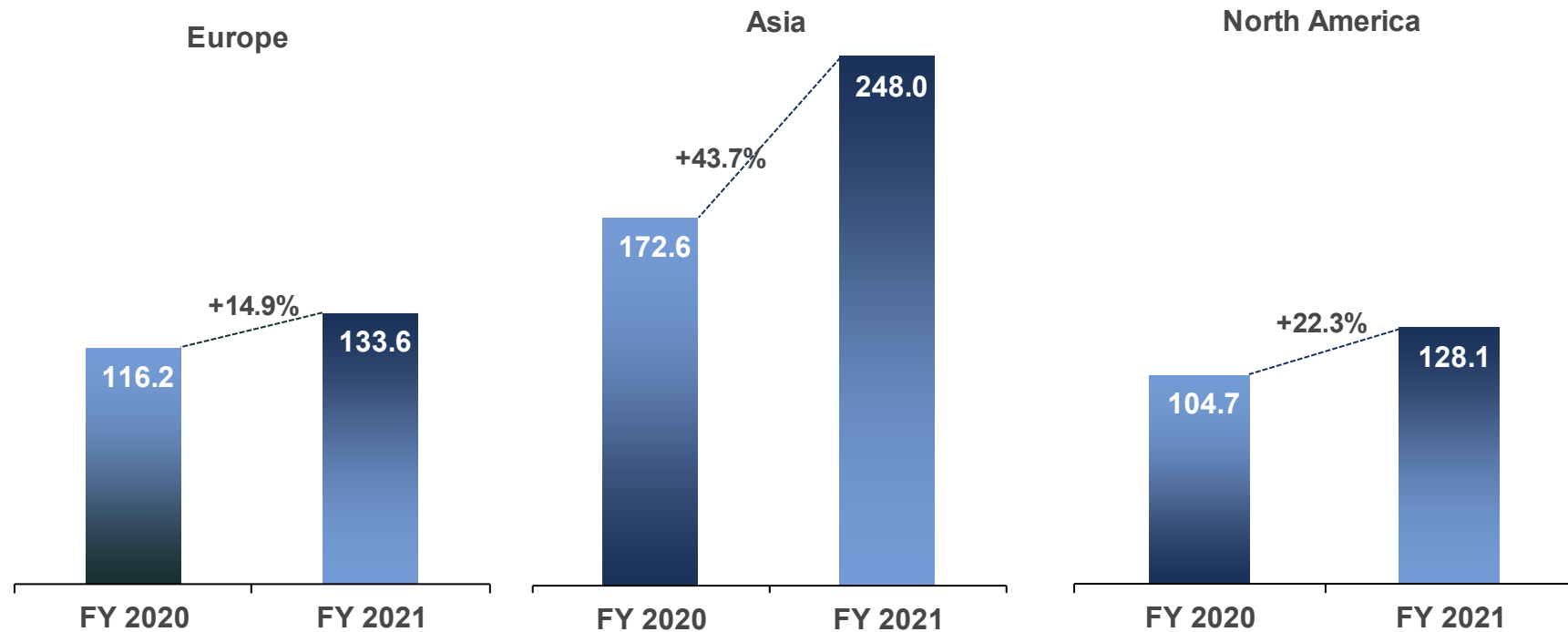
FISCAL YEAR 2021 RESULTS

Full Year Sales (in USD million)



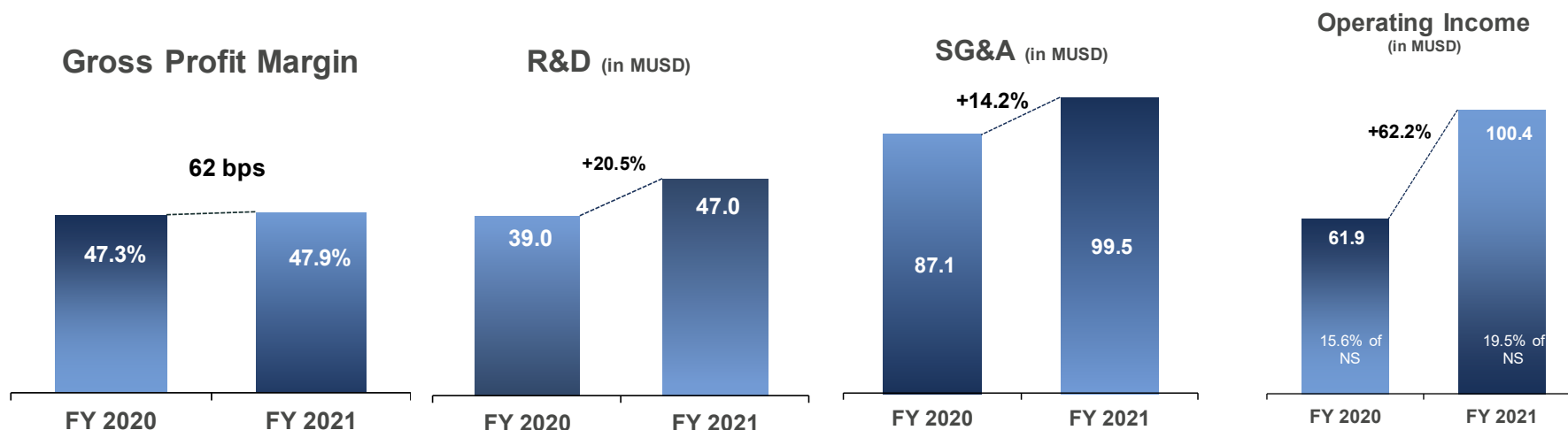
Sales increase in all end-markets. Semi & Vacuum Coating and General Vacuum with strongest growth; Organic increase of 27.0%

Geographic Sales Breakdown – Full Year



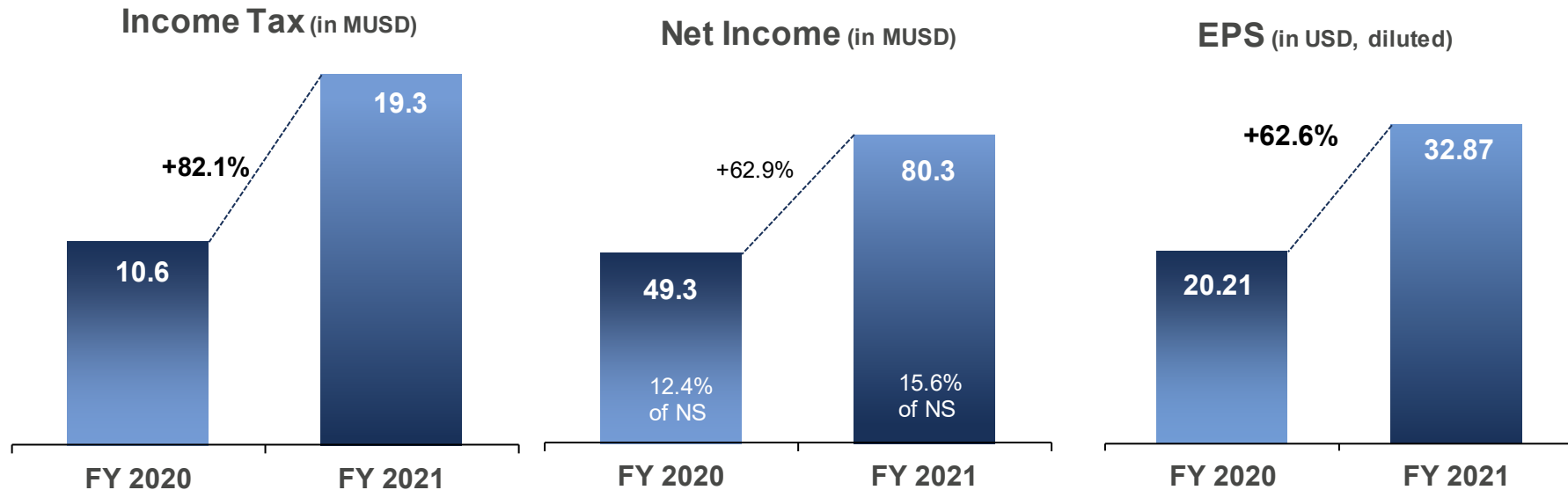
Sales growth in Asia and North America driven by Semi & Vacuum Coating market, and in Europe by strong General Vacuum market

Gross Profit, Costs, Operating Income (YoY)



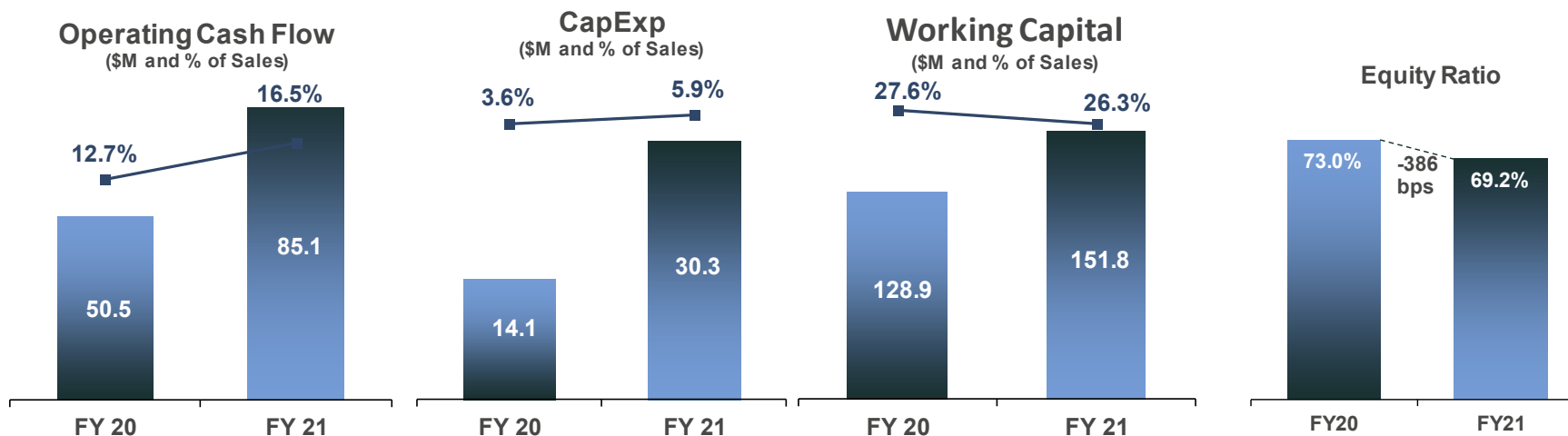
- **Gross profit** : Margin increase of 62 bps; 31% in absolute terms; higher volume partially offset by rising material prices, increasing broker fees, and logistics costs
- **R&D cost**: Increase due to continued development efforts for new product launches and unfavorable FX impacts
- **SG&A**: Cost increase due to higher variable compensation (bonus/commissions), additional headcounts and unfavorable FX impacts
- **Operating income**: Record high, driven by higher volume and higher gross profit margin at clearly higher operational costs

Net Income and EPS development (YoY)



- **Income tax:** Tax rate of 19.4% compared with 17.7% in last year. Slight increase due to the mix in the profit composition of our various international entities
- **Net income / EPS:** Increase in line with operating income development

Key Balance Sheet data (YoY)



- **Operating cash flow:** High net income and increased liabilities/provisions partially compensated by higher accounts receivables and inventory levels
- **CAPEX:** More than doubled due to investments in capacity, i.e. mostly buildings and machinery and equipment
- **Working capital:** Higher absolute balance (A/R, inventories) at lower percentage of sales
- **Equity:** Slight decrease, solid level

DISTRIBUTION PROPOSAL

Distribution for 2021

- **Strong Balance Sheet and Cash Generation**

- USD 54.6 million net cash
- Shareholders' equity ratio at 69.2%

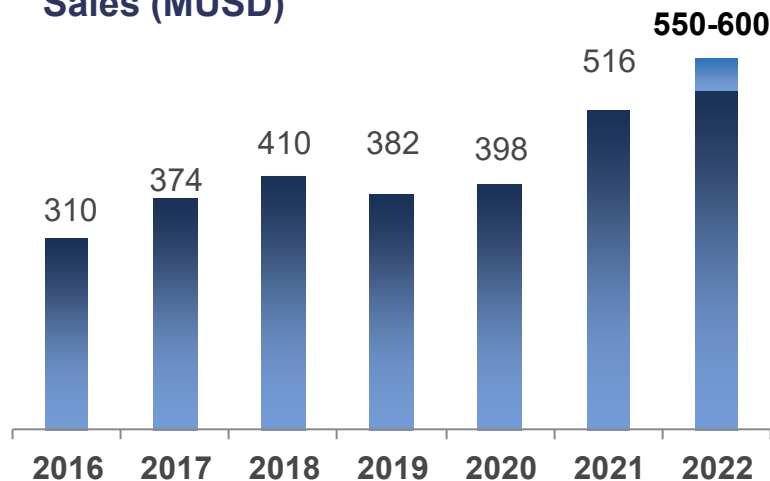
- **Board of Directors intends to propose a cash distribution of CHF 21 per share**

- CHF 17.90 as ordinary dividend and CHF 3.10 from legal reserves from capital contributions
- ~30% increase versus 2020 despite significant investments in capacity and future growth
- Annual General Meeting of Shareholders on March 31, 2021
- Returning ~USD 56 million cash to shareholders in 2021
- Payout ratio ~70%

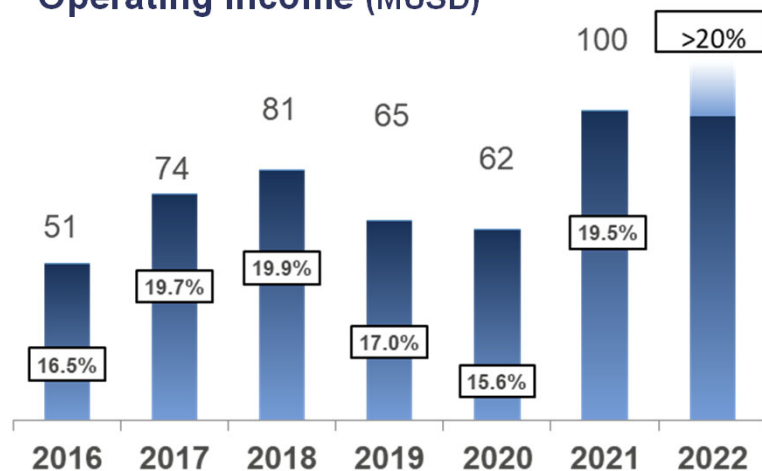
GUIDANCE FY 2022 AND CORPORATE COMMUNICATION CALENDAR

Full Year 2022 Guidance

Sales (MUSD)



Operating Income (MUSD)



Guidance 2022

The business situation and trends in our end-markets continue to look quite positive. Although the current economic and geopolitical situation remains nevertheless fragile and restricts partially our forecasting capability, INFICON assesses the outlook for the current year as optimistic.

Sales **USD 550-600 million**
Op. Income Margin **over 20%**

Corporate Calendar FY 2021/22

- | | |
|---|----------------|
| ▪ Annual General Meeting of Shareholders | March 31, 2022 |
| ▪ Q1 2022 Earnings Web Conference | April 22, 2022 |
| ▪ Q2 and Half-year 2022 Earnings Web Conference | July 28, 2022 |

Earnings dates are subject to change



Inspired by visions. Proven by success.

THANK YOU!

Q&A