



Inspired by visions. Proven by success.

HALF-YEAR REPORT

2021

Company Overview

INFICON provides world-class instruments for gas analysis, measurement and control.

These analysis, measurement and control products are essential for gas leak detection in air conditioning, refrigeration, and automotive manufacturing.

They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells, LED lighting, and industrial vacuum coating applications.

Other users of vacuum based processes include the life sciences, research, aerospace, food and general packaging, heat treatment, laser cutting, oil and gas transportation and processing, alternative energy, utilities, and many other industrial processes.

We also leverage our expertise to provide unique toxic chemical analysis products for emergency response, security, and environmental monitoring as well as instruments for energy and petrochemical applications.

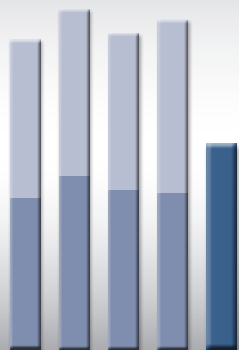
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INFICON publishes its half-year report online.
This edition has been optimized for easy reading on your computer and mobile devices.

Additional copies of this report may be downloaded from the Investors section of our website, www.inficon.com, Investor section

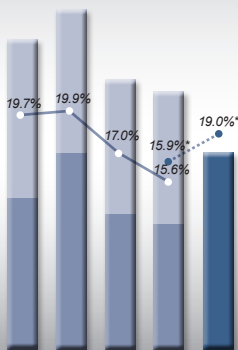
Key Figures – At a Glance

Net sales

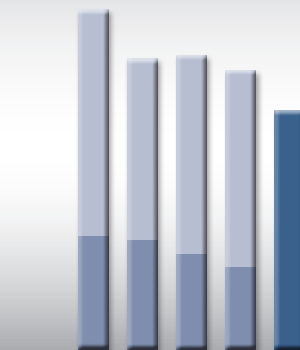


Operating income

(in % of net sales)



Cash flow from operations



	2017	2018	2019	2020	2021
Full Year	373.6	410.4	381.7	397.8	
Half-Year	182.1	214.9	192.2	188.8	249.0

	2017	2018	2019	2020	2021
Full Year	73.6	81.5	64.8	61.9	
Half-Year	36.2	46.6	32.5	30.0	47.4

	2017	2018	2019	2020	2021
Full Year	61.4	52.3	53.3	50.5	
Half-Year	20.4	19.7	17.3	14.8	43.3

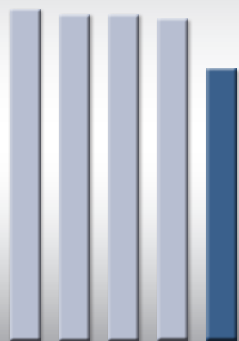
* These percentages are only for the first 6 months, all other percentages are based on 12 months

According to Swiss GAAP FER
(US Dollars in Millions, except per share amounts)

	Half-Year	Full Year
	2021	2020
Net sales	249.0	397.8
Research and development	24.7	39.0
Selling, general and administrative expense	50.2	87.1
Operating result	47.4	61.9
<i>in % of net sales</i>	19.0%	15.6%
EBITDA	53.2	72.4
<i>in % of net sales</i>	21.4%	18.2%
Net result	37.2	49.3
<i>in % of net sales</i>	14.9%	12.4%
Cash and short-term investments	74.9	60.1
Cash flow from operations	43.3	50.5
Capital expenditures	12.9	14.1
Total assets	348.8	305.2
Stockholders' equity	215.2	222.9
<i>Equity Ratio in %</i>	61.7%	73.0%
Employees	1,266	1,220

Key Figures – At a Glance

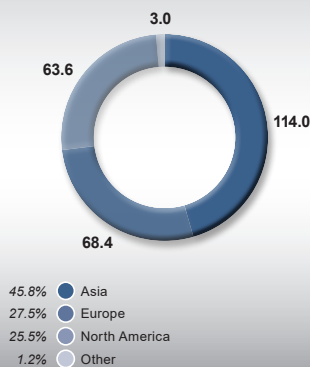
Equity Ratio



2017 2018 2019 2020 2021
77.1% 75.9% 75.9% 73.0% 61.7%*

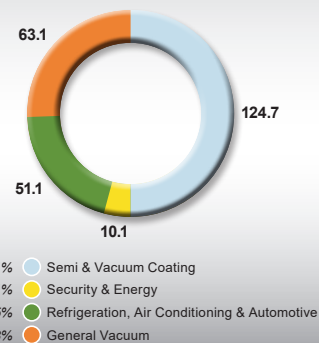
* 2021 percentage is only for the first 6 months, all other percentages are based on 12 months

H1/21 Sales by Geographic Region



45.8% Asia
27.5% Europe
25.5% North America
1.2% Other

H1/21 Sales by End Market



50.1% Semi & Vacuum Coating
4.1% Security & Energy
20.5% Refrigeration, Air Conditioning & Automotive
25.3% General Vacuum

According to Swiss GAAP FER
(US Dollars in Millions, except per share amounts)

	Half-Year		Full Year
	2021	2020	2020
Ratios per Share			
Earnings per share – diluted**	15.22	9.94	20.18
Shareholders' equity per share – diluted**	88.02	77.21	91.23
Free cash flow per share – diluted**	12.33	3.12	14.28
Return on equity %*	34.6%	25.8%	22.8%

Direct Sales by Geographic Region

	2021	2020	2020
Asia-Pacific	114.0	77.9	172.6
Europe	68.4	56.5	116.2
North America	63.6	52.3	104.7
Other	3.0	2.1	4.3

Sales by End Market

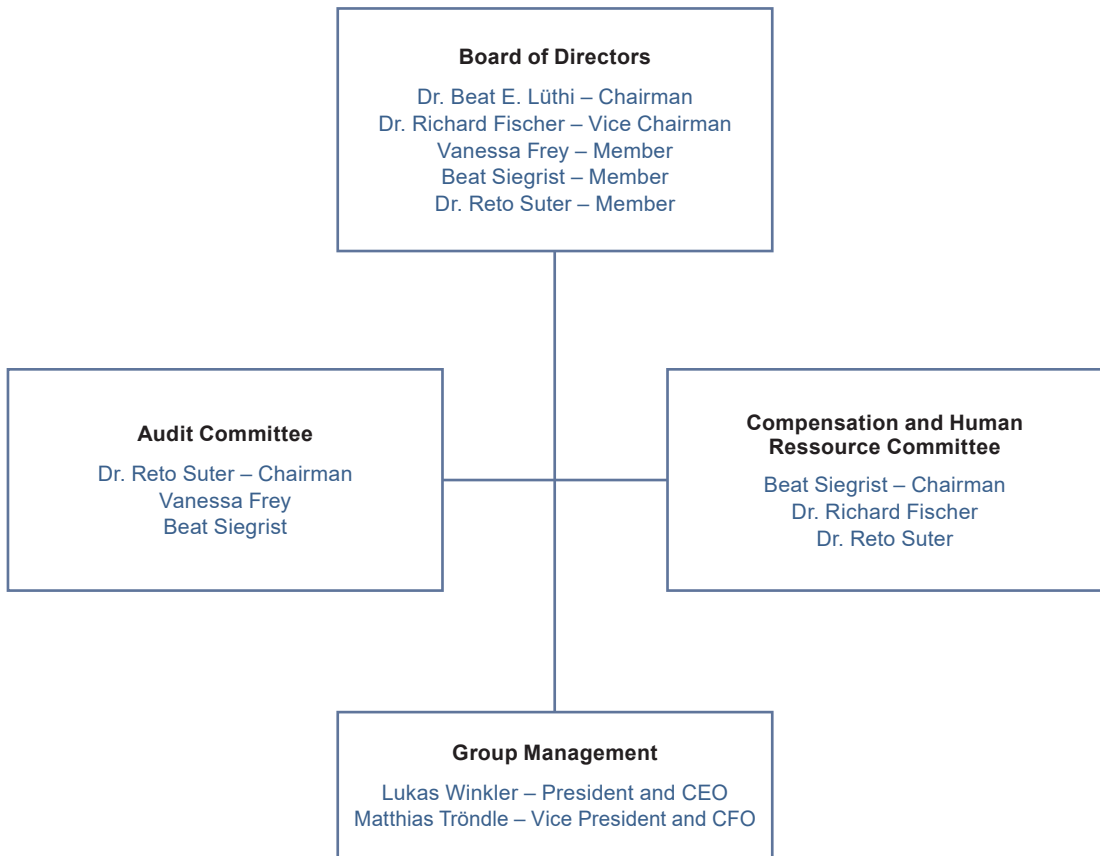
	2021	2020	2020
Semi & Vacuum Coating	124.7	96.1	191.0
Security & Energy	10.1	6.2	19.7
Refrigeration, Air Conditioning & Automotive	51.1	36.7	79.6
General Vacuum	63.1	49.8	107.5

* Percentages have been annualized for 6 months figures

** Diluted EPS correspond to basic EPS for the year 2021

Group Organization

(as of July 27, 2021)



Board and Executive Secretary

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Financial Review

(Unaudited)

Income Statement

Net Sales

Net sales for six months ended June 30, 2021 reached USD 249.0 million compared with USD 188.8 million for the same period in 2020, representing a USD 60.2 million or 31.9% increase. As this includes a positive impact of USD 9.5 million or 5.0% percentage points from changes in currency rates as well as a slight positive impact from acquisition of 0.1%, the organically growth in net sales amounts to 26.8%.

INFICON achieved the most significant gains in its largest target market Semi & Vacuum Coating. Sales increased by USD 28.6 Mio or 29.8% to USD 124.7 million. The demand for memory and microchips is high. INFICON is benefiting from sustained high global demand in both the OEM and end-customer business, the coating market is developing rather slowly. INFICON's largest target market contributed just over 50% to Group sales in the first half of the year.

The sales generated in the Refrigeration, Air Conditioning & Automotive market reached new highs and accounted with USD 51.1 million (+39.2%) for about 20% of Group sales. This especially reflects the recovery in the automotive market with its ongoing trend towards E-mobility, the testing and quality assurance applications for lithium ion batteries on all manufacturing levels, as well as in the general refrigeration and air conditioning market.

Based on many different applications, sales to customers in the General Vacuum market increased in the first half of 2021 by 26.7% over the same period of last year to USD 63.1 million and contributed 25.3% of the Group sales. The increase was supported in particular by Chinese demand for vacuum gauges and analysis instruments for industrial and scientific applications. The European market, partly served via large private label customers, also recovered broadly.

Sales in the volatile but strategically interesting market Security & Energy picked up and reached USD 10.1 million, a growth of 62.9% compared with the same period of last year.

The regional sales split confirms the economic strength of Asia, with a contribution of 45.8% of sales or USD 114 million, which represents a yearly increase of 46.3%. Recovering from the Covid-19 pandemic, sales in Europe achieved a growth of 21.1% and reached USD 68.4 while America shows similar sales increase of 21.6% to USD 63.6 million.

Gross Profit

Gross profit margin was 49.1% for the six months ended June 30, 2021 compared with 48.5% for the same period in 2020. Despite rising material and transportation costs, the increase in sales volume and the very high capacity utilization helped to increase the gross profit by 33.8%.

Research and Development

Research and development costs increased to USD 24.7 million or 9.9% of net sales for the six months ended June 30, 2021, as compared with USD 18.7 million or 9.9% for the same period in 2020. The increase is driven by additional specialists to support our continued development efforts and noticeable unfavorable foreign currency impacts.

Selling, General and Administrative (SGA)

Selling, general and administrative costs for the first six months of 2021 were USD 50.2 million or 20.2% of net sales, as compared with USD 42.8 million or 22.6% for the same period in 2020. INFICON created new jobs at many locations and invested in infrastructure to cope with the increasing demand. Furthermore higher variable compensation, commissions and performance bonuses together with noticeable unfavorable foreign currency impacts did drive this increase.

Operating Result

Income from operations increased to USD 47.4 million or 19.0% of sales for the six months ended June 30, 2021 compared to USD 30.0 million or 15.9% for the same period in 2020. The growth is induced by higher net sales as well as a raised gross profit margin.

Financial Review

(Unaudited)

Financial Result

The increase in the financial result of USD 1.2 million to USD 0.0 million is induced by a positive impact from FX gains in Q1 2021.

Income Taxes

Income tax was USD 10.2 million or 21.6% of earnings before taxes for the six months ended June 30, 2021, compared with USD 4.5 million or 15.7% for the same period in 2020. This increase is driven by an increased taxable net income in combination with the mix in earnings and tax rates among the Company's different tax jurisdictions.

Net Result and Diluted Earnings per Share

Net income and basic earnings per share were USD 37.2 million and USD 15.22 for the six months ended June 30, 2021, as compared with USD 24.3 million and USD 9.96 per share for the same period in 2020. The increase of 52.4% in basic earnings per share is a result of the increase in net income.

Balance Sheet and Liquidity

Trade accounts receivable increased by USD 10.1 million to USD 73.7 million at June 30, 2021 as compared with USD 63.6 million at December 31, 2020. Days sales outstanding ended at 52.1 for 2021 versus 51.5 days for 2020 using a 4-point average of quarter-end balances. The increase in trade receivable reflects the higher sales volume.

Inventory increased by USD 9.0 million to USD 84.4 million at June 30, 2021 as compared with USD 75.4 million at December 31, 2020. Inventory turns increased to 3.0 in 2021 from 2.8 in 2020 using a 4-point average of quarter-end inventory balances. The rise in inventory is partly due to a strategic increase in warehousing as well as due to the consequences of the uncertain and partially tense procurement situation.

Trade accounts payable increased by USD 5.1 million to USD 15.3 million at June 30, 2021 as compared with USD 10.2 million at December 31, 2020. This increase reflects the increase in sales volume.

Short-term provisions increased by USD 5.4 million to USD 19.8 million at June 30, 2021 as compared with USD 14.4 million at December 31, 2020. This rise is mainly driven by higher personnel expenses and warranty costs.

Other current liabilities increased by USD 6.5 million to USD 14.6 million at June 30, 2021 as compared with USD 8.1 million at December 31, 2020. The increase is mainly due to higher advance payments which are directly related to the higher sales volume.

Cash and short-term investments totaled USD 74.9 million at June 30, 2021 which represents an increase of USD 18.7 million as compared with USD 56.2 million at June 30, 2020. Net cash increased to USD 26.8 million at June 30, 2021 compared to USD 18.3 million at June 30, 2020. During the first half of 2021 cash flow from operations ended at record high USD 43.2 million versus USD 14.8 million in the first half of 2020, the increase is driven by a growth in net income and higher liabilities.

Outlook

The situation in the supply chain is tense and multiple trade restraints continue to exist. The COVID 19 pandemic remains a risk factor.

However, based on the trends in our end-markets, the high capacity utilization and the continuously good order intake, INFICON assesses the outlook for the current year quite optimistically. The sales expectations for the full business year are USD 480–500 million with an Operating Income Margin of 18 to 20%.

Consolidated Interim Balance Sheet

(Unaudited)

(US Dollars in Thousands, except share and per share amounts)

	June 30, 2021	December 31, 2020	June 30, 2020
Assets			
Cash and cash equivalents	74,885	60,097	56,244
Trade accounts receivable	73,653	63,624	55,391
Inventories	84,355	75,404	74,121
Prepayments and accrued income	5,614	2,637	5,745
Other current assets	7,789	8,130	10,121
Total current assets	246,296	209,892	201,622
Property, plant, and equipment	83,031	78,199	73,100
Intangible assets	5,283	5,726	5,818
Deferred tax assets	8,283	7,676	7,718
Financial assets	5,868	3,689	3,411
Total non-current assets	102,465	95,290	90,047
Total assets	348,761	305,182	291,669
Liabilities and Shareholders' Equity			
Trade accounts payable	15,285	10,170	10,510
Short-term financial liabilities	47,750	19,229	43,435
Short-term provisions	19,771	14,364	8,694
Income taxes payable	7,104	4,142	3,813
Accrued expenses and deferred income	14,628	13,214	14,854
Other current liabilities	14,569	8,059	6,445
Total current liabilities	119,107	69,178	87,751
Long-term provisions	10,365	9,633	12,380
Deferred tax liabilities	3,747	3,485	2,946
Long-term financial liabilities	308	0	0
Total non-current liabilities	14,420	13,118	15,326
Total liabilities	133,527	82,296	103,077
Common stock	6,861	6,843	6,838
Treasury shares	(1,016)	(1,382)	(1,043)
Retained earnings	211,332	215,196	189,035
Foreign currency translation	(1,943)	2,229	(6,238)
Total shareholders' equity	215,234	222,886	188,592
Total liabilities and shareholders' equity	348,761	305,182	291,669

Consolidated Interim Statement of Income

(Unaudited)

(US Dollars in Thousands, except share and per share amounts)

Six months ended June 30,	2021	2020
Net sales	249,047	188,835
Cost of sales	(126,719)	(97,315)
Gross profit	122,328	91,520
Research and development	(24,734)	(18,700)
Selling expense	(14,446)	(15,364)
General and administrative expense	(35,733)	(27,489)
Operating result	47,415	29,967
Financial result	11	(1,167)
Ordinary result	47,426	28,800
Non-operating result	(51)	0
Earnings before income taxes (EBT)	47,375	28,800
Income taxes	(10,185)	(4,516)
Net result	37,190	24,284
Earnings per share:		
Basic	15.22	9.96
Dilution	0.00	(0.02)
Diluted	15.22	9.94

Consolidated Interim Statement of Shareholders' Equity

(Unaudited)

(US Dollars in Thousands, except share and per share amounts)

	Common stock	Capital reserves	Treasury Shares	Retained earnings	Foreign currency translation	Total shareholders' equity
Balance at January 1, 2020	6,830	—	(636)	209,084	(6,484)	208,794
Net result				24,284		24,284
Foreign currency translation adjustments					246	246
Issuance of common stock from exercise of stock options	8	830				838
Acquisition of treasury shares			(1,444)			(1,444)
Stock-based compensation			1,037			1,037
Dividend		(830)		(44,333)		(45,163)
Balance at June 30, 2020	6,838	—	(1,043)	189,035	(6,238)	188,592
Balance at January 1, 2021	6,843	—	(1,382)	215,196	2,229	222,886
Net result				37,190		37,190
Foreign currency translation adjustments					(4,172)	(4,172)
Issuance of common stock from exercise of stock options	18	1,042				1,060
Acquisition of treasury shares			(535)			(535)
Stock-based compensation		163	901			1,064
Dividend		(1,205)		(41,054)		(42,259)
Balance at June 30, 2021	6,861	—	(1,016)	211,332	(1,943)	215,234

Consolidated Interim Statement of Cash Flows

(Unaudited)

(US Dollars in Thousands, except share and per share amounts)

Six months ended June 30,	Note	2021	2020
Cash flows from operating activities:			
Net result		37,190	24,284
Adjustments to reconcile net result to net cash provided by operating activities:			
Depreciation		5,270	4,748
Amortization		708	703
Result from disposal of fixed assets		0	20
Deferred Taxes		(344)	(1,147)
Changes in operating assets and liabilities, excluding effects from acquisition:			
Trade accounts receivable		(11,656)	(4,137)
Inventories		(9,136)	(7,184)
Other assets		(4,039)	(2,789)
Trade accounts payable		7,637	1,436
Accrued liabilities and provisions		8,120	(1,281)
Income taxes payable		3,820	(2,025)
Other liabilities		9,164	2,187
FX impact excluding cash	4	(3,385)	
Net cash provided by operating activities		43,349	14,815
Cash flows from investing activities:			
Purchase of property, plant and equipment		(12,864)	(6,525)
Disposal of property, plant and equipment		1,204	37
Purchase of intangible assets		(339)	(664)
Disposal of intangible assets		1	0
Acquisitions of businesses net of cash acquired		(2,189)	0
Liquidation of subsidiary		67	0
Purchase of short-term investments		0	(3)
Disposal of short-term investments		0	1,261
Loans granted		(292)	0
Net cash used in investing activities		(14,412)	(5,894)
Cash flows from financing activities:			
Proceeds from exercise of stock options		1,059	838
Cash dividend paid		(43,867)	(45,163)
Purchase/disposal of treasury shares		529	(407)
Proceeds from borrowings		46,809	42,338
Repayments of borrowings		(17,247)	(6,229)
Net cash used in financing activities		(12,717)	(8,623)
Effect of exchange rate changes on cash and cash equivalents		(1,432)	(222)
Change in cash and cash equivalents		14,788	76
Cash and cash equivalents at beginning of period		60,097	56,168
Cash and cash equivalents at end of period		74,885	56,244

Notes to Consolidated Interim Financial Statements

(US Dollars in Thousands, except share and per share amounts)

1 Description of Business

INFICON Holding AG (INFICON or the “Company”) is domiciled in Bad Ragaz, Switzerland, as a corporation (Aktiengesellschaft) organized under the laws of Switzerland.

The Company’s stock is traded on the SIX Swiss Exchange in Switzerland. INFICON provides world-class instruments for gas analysis, measurement and control, and our products are essential for gas leak detection in air conditioning, refrigeration and automotive manufacturing. They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells and industrial vacuum coating applications. Other users of vacuum based processes include the life sciences, research, aerospace, packaging, heat treatment, laser cutting and many other industrial processes. The Company also leverages its expertise in vacuum technology to provide unique, toxic chemical analysis products for emergency response, security, and environmental monitoring.

INFICON has best in class manufacturing facilities in Europe, the United States and China, as well as subsidiaries in China, Finland, France, Germany, Italy, Japan, Korea, Liechtenstein, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom, the United States and Denmark. The subsidiary in India has been liquidated as of February 28th, 2021. In Q2 2021 INFICON acquired the assets of a company in the United States, the purchase price is USD 2.1 million.

2 Summary of Significant Accounting Policies

Basis of Preparation

These consolidated interim financial statements comprise the unaudited interim financial statements for the six months ended June 30, 2021, which were approved for issue by the Board of Directors on July 27, 2021. They have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations).

The consolidated interim financial statements for 2021 have been prepared in accordance with FER 31 “Supplementary Recommendations for Listed Companies”, which do not include all the information and disclosures presented in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

3 Foreign Currency Translation

The following foreign exchange rates versus the US Dollar have been applied when translating the financial statements of the Company’s major subsidiaries:

Currency	Period-end rates			Average rates Six months ended	
	June 30, 2021	Dec 31, 2020	June 30, 2020	June 30, 2021	June 30, 2020
Swiss Franc	USD 1.0842	1.1312	1.0576	1.1013	1.0505
Euro	USD 1.1888	1.2281	1.1284	1.2051	1.1255
1 Japanese Yen	USD 0.0090	0.0097	0.0093	0.0093	0.0093
Hong Kong Dollar	USD 0.1288	0.1290	0.1290	0.1288	0.1290
Korean Won	USD 0.0009	0.0009	0.0008	0.0009	0.0008

4 Changes in Consolidated Interim Statement of Cash Flows

In context of the implementation of a new software for consolidation, which is used since January 1st, 2021, the presentation of the Consolidated Interim Statement of Cash Flows has been changed. For an improved transparency the FX impact excluding cash is disclosed as a separate position within the operating cash flow of six months ended June 30, 2021. In the past the FX impact was included in the single positions of the operating cash flow. Due to technical limitations of the previous software tool, a comparable disclosure for the prior period is not available. The adjustment is only a shift within the positions of the operating cashflow and has no influence on the overall result of the operating cash flow.

Notes to Consolidated Interim Financial Statements

(US Dollars in Thousands, except share and per share amounts)

5 Earnings per Share

The Company computes basic earnings per share, which is based on the weighted average number of common shares outstanding, and diluted earnings per share, which is based on the weighted average number of common shares outstanding and all dilutive common equivalent shares outstanding. The dilutive effect of options is determined under the treasury stock method using the average market price for the period.

The following table sets forth the computation of basic and diluted earnings per share for the half years ended June 30:

Six months ended June 30,	2021	2020
Numerator:		
Net income	37,190	24,284
Denominator:		
Weighted average shares outstanding	2,443,561	2,438,554
Effect of dilutive stock options	0	3,995
Denominator for diluted earnings per share	2,443,561	2,442,549
Earnings per share:		
Basic	15.22	9.96
Dilution	0.00	(0.02)
Diluted	15.22	9.94

The Management & Key Employee Stock Option Plan has expired in May 2021. As of June 30 2021, there are no outstanding options and consequently no effect of dilutive stock options anymore. Basic earnings per share do equal diluted earnings per share.

6 Business Segments

The Company is a global supplier of instrumentation for gas analysis, measurement and control. The Board of Directors is responsible for the ultimate direction and supervision of INFICON Holding AG and delegates the day to day management to Group Management. In 2013, the Board of Directors decided to condense the management of the Company to only comprising the CEO and the CFO as this best reflects the operational management of INFICON.

Group Management steers the business globally and the allocation of resources, assessment of performance and the respective reporting is made for the Group as a whole.

Although the Company discloses net sales into various end markets, the Company uses a key account concept and thus focuses on customers, regardless of products, technologies or regions.

Since the Company operates in one global segment, all information required by FER 31 can be found in the consolidated financial statements.

7 Subsequent Events

No subsequent events occurred through July 27, 2021 that would affect the half-year financial statements at June 30, 2021, or need to be disclosed.

Imprint and Contact

Note regarding forward-looking statements

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “believes,” “plans,” “anticipates,” “expects,” “estimates”, “continue”, “may” and similar expressions) should be considered to be forward-looking statements. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the company to be materially different from those expressed or implied by such forward-looking statements. Many of these

risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the performance, security and reliability of the company's information technology systems, political, economic and regulatory changes in the countries in which the company operates or in economic or technological trends or conditions. As a result, investors are cautioned not to place undue reliance on such forward-looking statements.

Except as otherwise required by law, INFICON disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this report.

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