



Earnings Release – Analyst/Media Conference Q3 2023

Oktober 19, 2023

Agenda & Speakers



Oliver Wyrsh, President & CEO

- Key Messages & Figures Q3 2023
- Target Market Business Review
- Expectations 2023



Matthias Tröndle, Vice President & CFO

- Financials Q3 2023
- Guidance
- Corporate Calendar

Q3 2023 Results

Continued strong growth in 3rd quarter 2023. Continued high sales. YoY growth in all regions and all end markets, except Semi & Vacuum Coating. Supply chain improving but still with impacts on margins

SALES

- Sales increase of 18% YoY to 170 MUSD with growth across all regions and all end markets, except Semi & Vacuum Coating with some slowdown on high level (-6% YoY). GV and RAC&A with record quarters
- INFICON's broad position in diverse end markets support growth in volatile times
- Organic growth at 17% YoY excluding slightly positive FX effects
- Order intake lower as expected. Book to bill < 1 in Q3

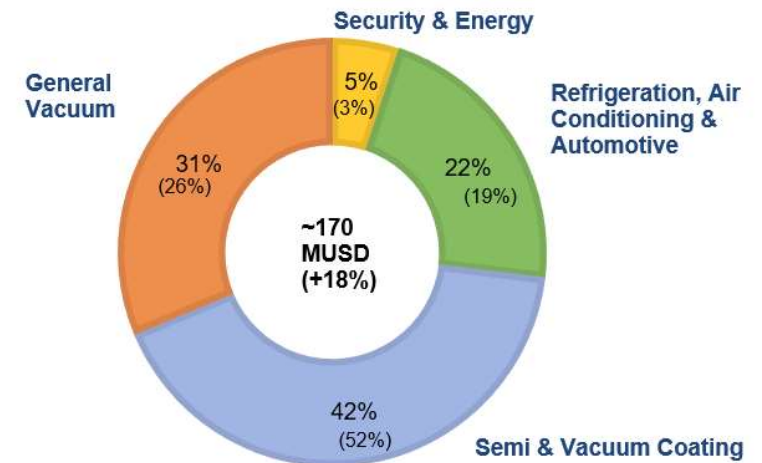
OPERATING RESULT

- Improved operating income in 3rd quarter by 33% YoY to 34 MUSD
- Gross margin improved +1.3 %pts YoY, lower broker costs but still impacted by cost inflation and supply chain quality and availability
- Improved profitability against headwinds in Q3 2023 with 19.9%
- Good cash generation: record operating cash flow +38 MUSD

ORGANIZATION

- Continued investments in R&D (7% of sales YTD) and production capacity
- CapEx expectation around 30 MUSD for full year

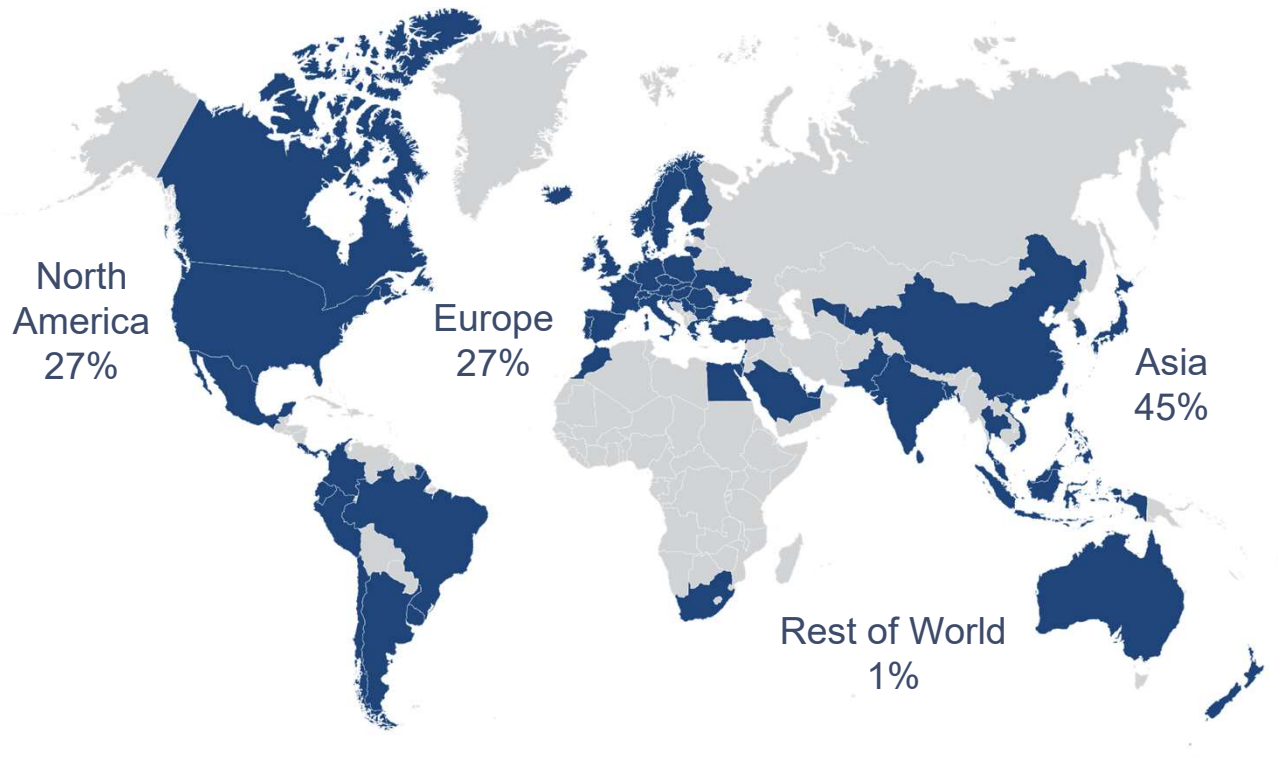
Sales Q3 2023
(Q3 2022)



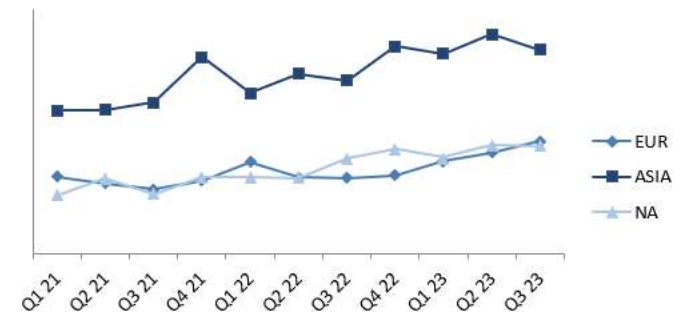
Worldwide Markets & Sales

Good growth in all regions year-on-year

Worldwide Net Sales in Q3 2023 by Region



Quarterly Sales Trend by Region



Q3 2023 Sales and Growth by Region

Asia:	~ 77	MUSD	+ 15%
Europe:	~ 47	MUSD	+ 34%
North America:	~ 45	MUSD	+ 9%
Rest of World:	~ 1	MUSD	
Total:	~ 170	MUSD	+ 18%

(vs. Q3 2022)

Semi & Vacuum Coating – Performance & Outlook

Semiconductor, Display, Optics, Solar

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

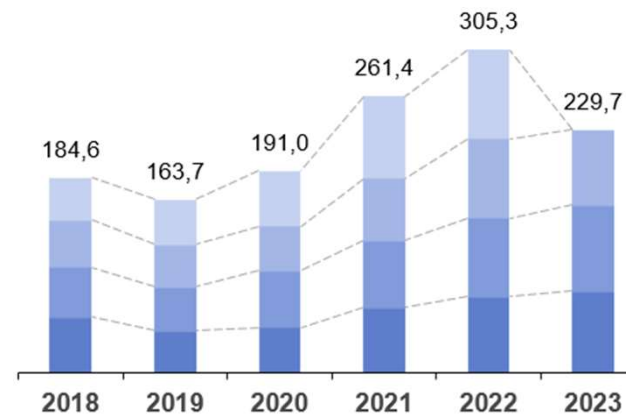
PERFORMANCE

- Q3 2023 sales slow down on high level with -6% vs. Q3 2022, softer in Asia and North America
- #1 position in process control, leak detection, smart manufacturing software and thin film monitoring
- #2 for pressure measurement. Closing up to #1

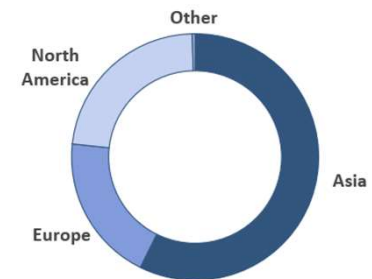
OUTLOOK

- Market expectations for 2023: **Softening/Decline**
Mixed picture for 2023 and into 2024, Mid- and long-term very strong growth drivers for Semi
- Mainly weakening in submarket for memory chips, which is one of several submarkets and less relevant for INFICON. Assumed recovery expected in 2024. Delay of some logic projects. For trailing edge no slowdown visible. No noticeable slowdown in EUV
- Ongoing investments in leading edge nodes and advanced chip design. Increasing sensor and process monitoring usage in general. Semi initiatives globally ongoing
- Strong R&D pipeline at INFICON with new products, applications and solutions

Sales to Semi & Vacuum Coating
+12,8% CAGR (2017 – 2022), (in MUSD)



Sales Q3 '23 by Region
(in MUSD)



Automotive & Refrigeration, Air Conditioning – Performance & Outlook

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

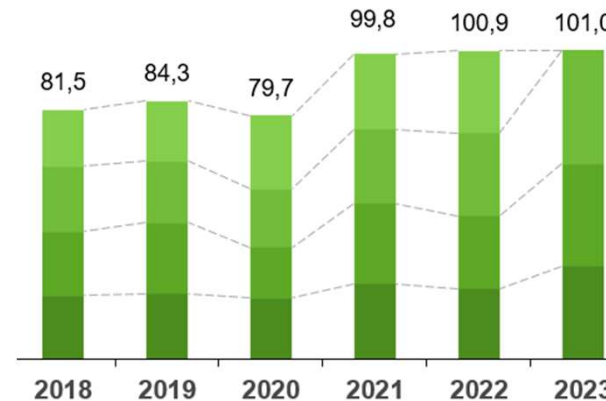
PERFORMANCE

- Q3 2023 sales increase of +38% vs. Q3 2022. Strong growth across regions and product lines. Record quarter
- #1 position in RAC and Battery market

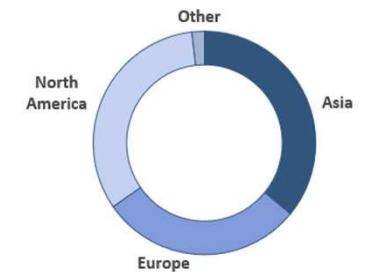
OUTLOOK

- 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
- Good growth with 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

Sales to Automotive & Refrigeration, Air Con.
+5,8% CAGR (2017 – 2022) (in MUSD)



Sales Q3 '23 by Region
(in MUSD)



General Vacuum – 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

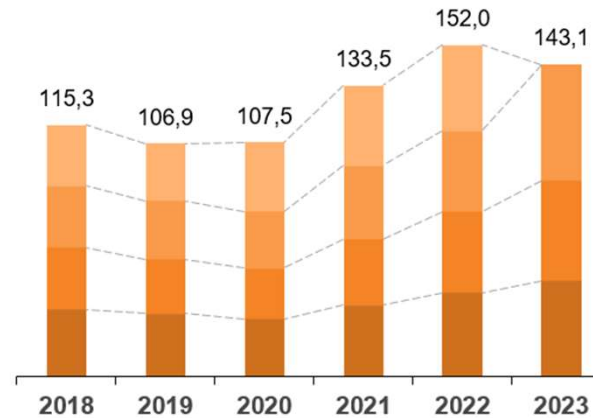
PERFORMANCE

- Q3 2023 sales increase of +44% vs. Q3 2022. Strong growth in Asia and Europe. Record quarter
- Most competitive “full liner” in vacuum instrumentation
- Remain #1 position

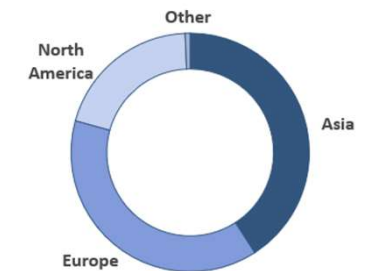
OUTLOOK

- Overall market expectations 2023: **Growth**
- After strong market growth in 2022, outlook for EMEA and US lower. Increased growth in China vacuum market after slower growth in 2022
- Expand market reach into industrial and analytical OEM markets
- Expand distribution networks (US and Asia)
- Multi-brand strategy

Sales to General Vacuum
+9.2% CAGR (2017 – 2022) (in MUSD)



Sales Q3 '23 by Region
(in MUSD)



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

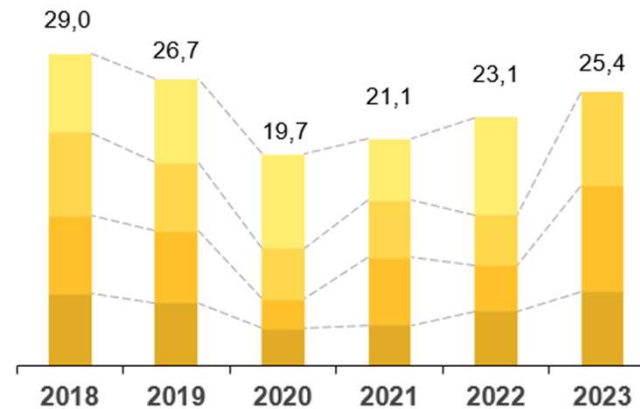
PERFORMANCE

- Q3 2023 sales increase of +85% vs. Q3 2022. Typically, significant fluctuations over time due to large programs
- Continued strong order pipeline
- Supply chain still instable and limiting sales

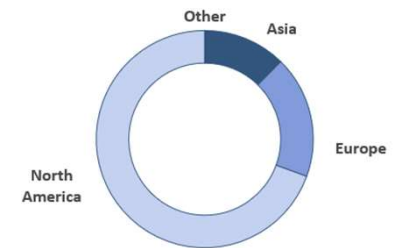
OUTLOOK

- Market expectations 2023: **Growth**
- New HAPSITE generation with new features and expanded capabilities addressing new applications
- US DoD programs awarded. Strong opportunity pipeline across NATO
- Cyclical: Still highly dependent on government spending
- Some Chinese competition for environmental applications

Sales to End Market Security & Energy
-1.9% CAGR (2017 – 2022) (in MUSD)



Sales Q3 '23 by Region
(in MUSD)



Expectations 2023

Increased guidance. Given solid order situation and the growth in selected markets, 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 strong order situation
- We see positive momentum in certain markets: some Semi submarkets and selected other markets such as Battery and Security – and geographically in China

**Guidance for
2023**

→ **Sales between 650-670 MUSD** (Prior Guidance: 610-640 MUSD)

→ **Operating Income approx. 19%**

Agenda & Speakers



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Q3 2023 Highlights

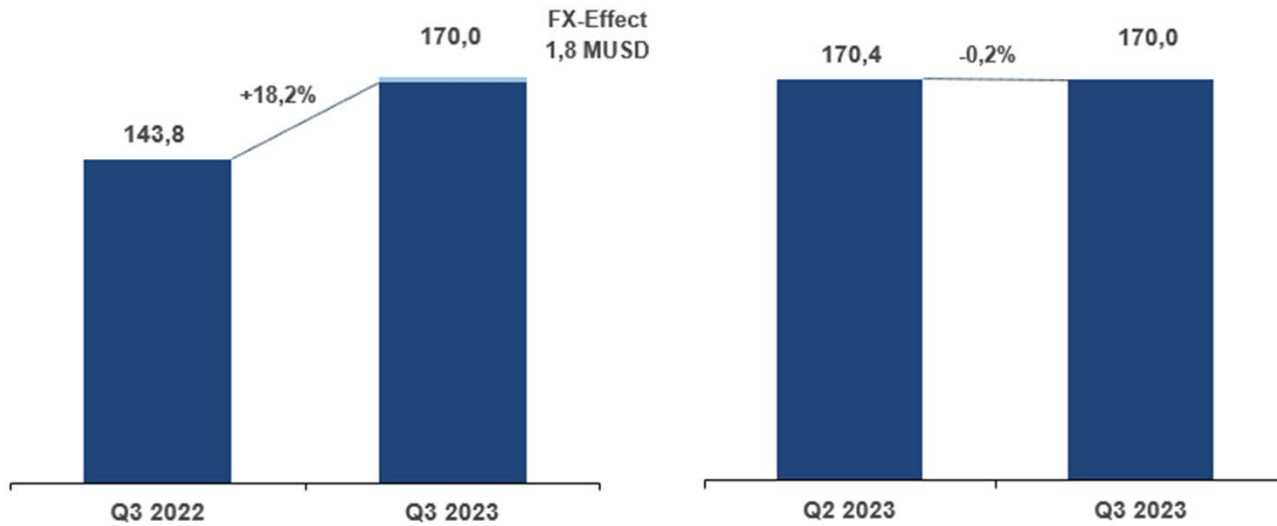
Strong sales and improved profitability, orders lower, growth in all regions and all end-markets except Semi & Vacuum Coating

Book to Bill	Sales	Gross Margin %	Operating Income	CAPEX
< 1	170.0 MUSD +18.2% organic +17.0%	46.3% +1.3 %pts	33.7 MUSD +33.6% 19.9% of Sales	6.4 MUSD -3.3 MUSD + 0.7MUSD vs.Q2
Equity Ratio	Cash Flow	Net cash		
60.1% unchanged	37.6 MUSD +26.6 MUSD	16.6 MUSD +15.6 MUSD		

Except otherwise noted all comparisons vs. previous year Q3

Sales

Year-over-year growth in all regions and markets, except for Semi & Vacuum Coating



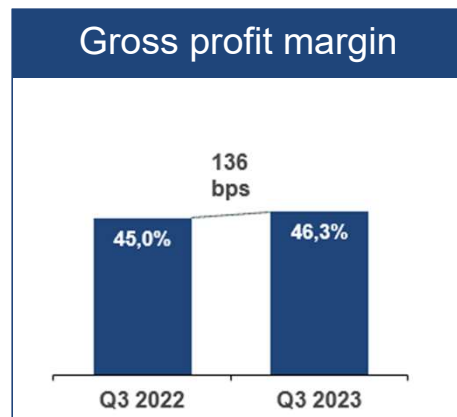
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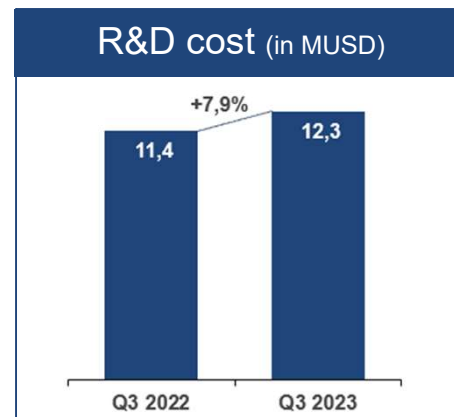
(vs. Q3 2022)

Gross Profit, Costs, and Operating Income Q3

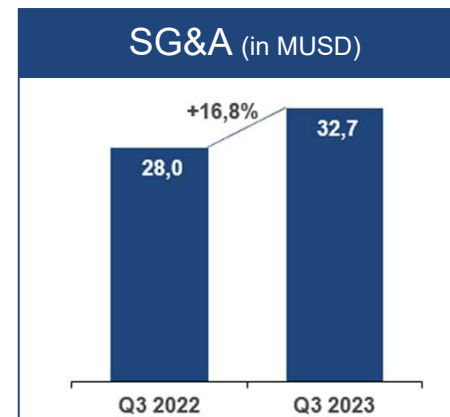
Profit Growth, margin impacted by supply chain and broker costs



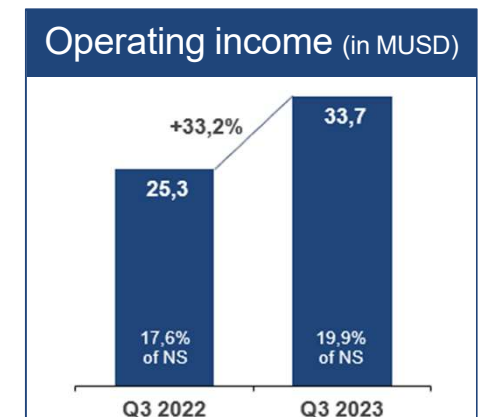
Improved margin. Plus 22% in absolute numbers and increased by 128 bps vs. previous quarter. Higher volume and lower broker costs partially offset by material prices as main driver



Rise due to continued development efforts for future product launches as well as higher personnel costs due to additional employees. Unfavorable FX impacts



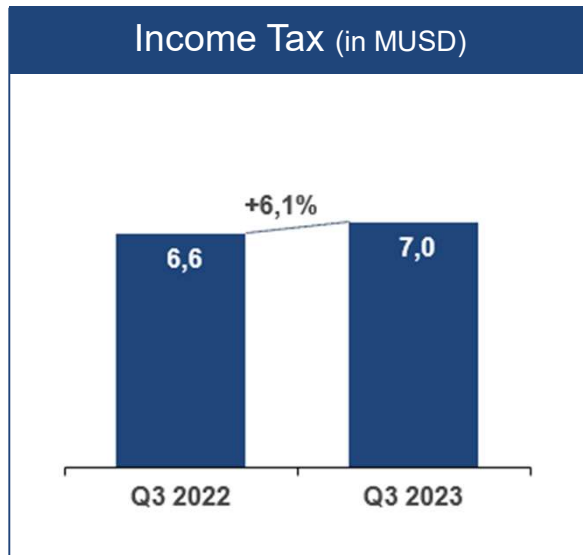
Additional headcounts and related personnel expense as main drivers for the cost increase. Including Service, Digitalization and other initiatives. Unfavorable FX impacts



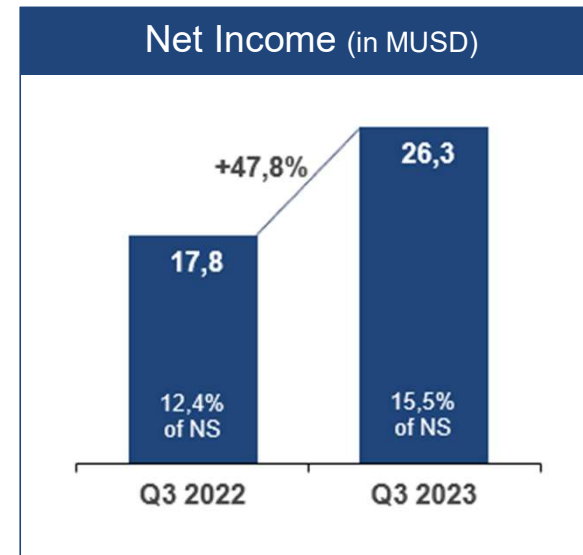
Improved by 33.2% due to higher sales volume in combination with improved Gross Profit Margin

Income Tax and Net Income Development

Net Profit Growth



Tax rate of 20.9% compared with 27.1% in Q3 last year. Last year's high tax rate impacted by a one-off tax entry

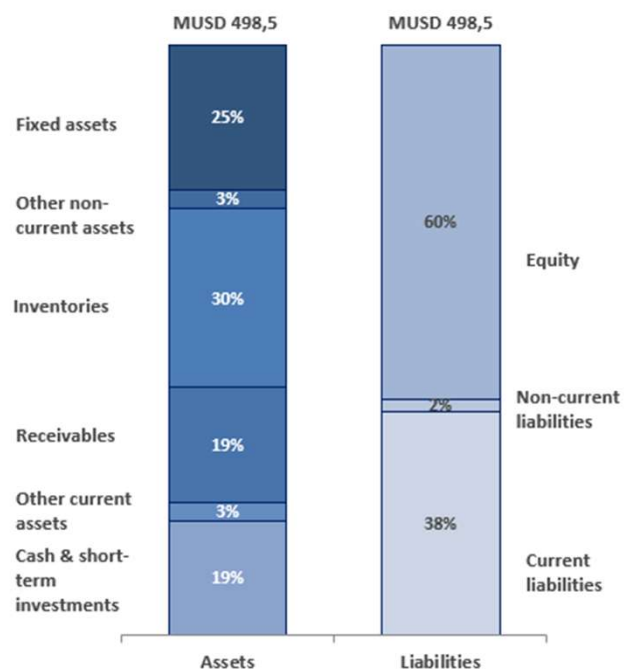


Increase driven by improved operating income at a lower tax rate

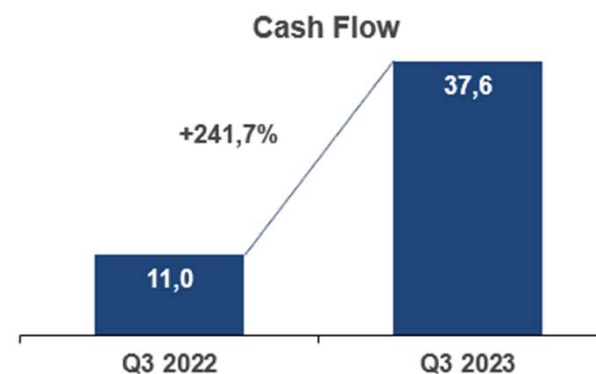
Balance Sheet Highlights

Solid balance sheet; working capital level slightly increased, but inventory level lower than in Q2; strong improved cash flow

Balance Sheet Structure 2023

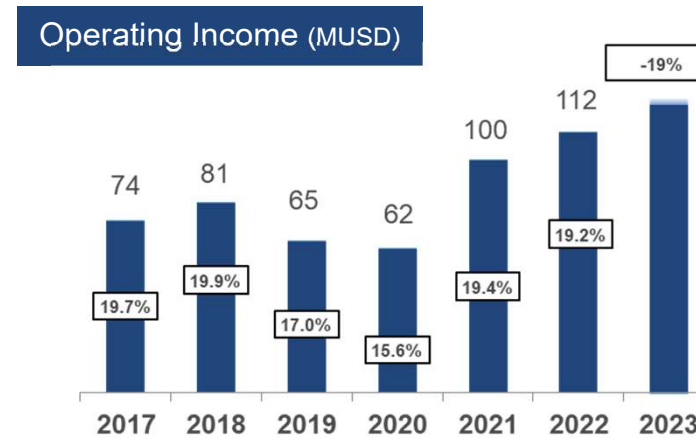
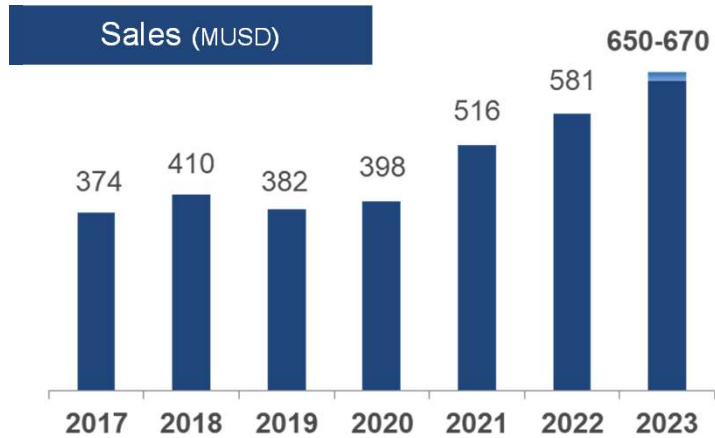


	Q3 23	Q4 22
Net Cash	16.6	2.5
DSO	52.6	53.1
Inventory Turns	2.4	2.8
Working Capital	222.0	208.5
Operating Cash Flow	37.6	14.9



Full-Year 2023 Guidance

Increased guidance, Mostly optimistic



Outlook 2023

INFICON is mostly optimistic about the outlook, given all the global uncertainties. This is based on the high order backlog, the current order intake, and the assessment of the various end markets.

Guidance for 2023

- Sales between 650-670 MUSD
- Operating Income approx. 19%

Thank you for your attention.

Q&A

Next Events on Corporate Calendar 2023/2024

- ➔ Q4 FY 2023 Earnings Conference Call March 5, 2024
- ➔ Q1 FY 2024 Earnings Conference Call April 25, 2024
- ➔ Q2 and HY 2024 Earnings Conference Call July 31, 2024
- ➔ Q3 FY 2024 Earnings Conference Call October 24, 2024



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.