



Q4 2020 and Full Year 2020 EARNINGS CONFERENCE

March 4, 2021

Bad Ragaz, Switzerland

Speakers

Lukas Winkler, President and CEO

Key figures Q4 2020 and FY 2020

Target market business review

Expectations 2021

Matthias Tröndle, Vice President and CFO

Financials Q4 2020 and FY 2020

Distribution

Guidance

Q4 2020 – Key Figures

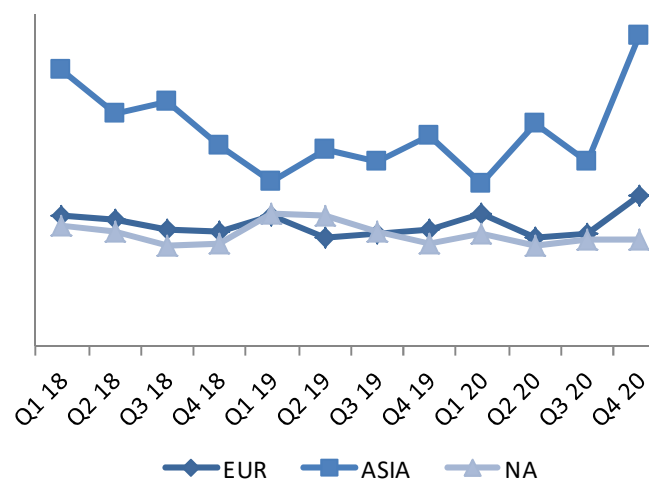
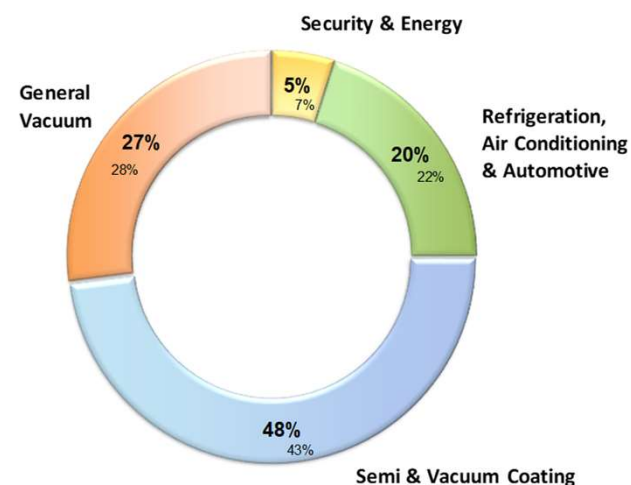
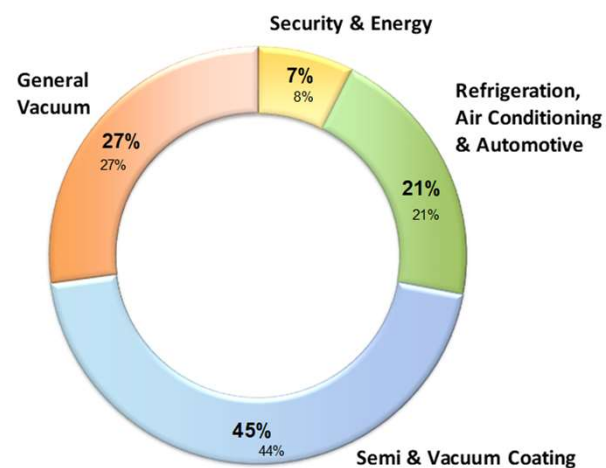
- **Growth in all markets and regions; Semi & Vacuum and Asia stand out**
 - Sales increase of 21.5% to record high USD 116.9 million, organic increase of 16.8% compared with Q4 2019
 - Sequential sales increase of 27.1% over Q3 2020
 - Book to bill ratio: > 1 (YTD > 1)
 - **Operating result**
 - Record high sales volume and an improved gross margin over Q3 2020
 - Operating income of USD 21.5 million (18.4% of sales) after USD 16.0 million (16.6% of sales) in Q4 2019
 - Operating income doubled after poor Q3 result
- **Net income of USD 17.1 million or 14.6% of sales**

FY 2020 – Key Figures

- **Sales increase mainly driven by the Semi & Vacuum coating end market in Asia and Europe**
 - Sales increase of 4.2% to USD 397.8 million compared with 2019, organic increase of 2.6%
 - Book to bill ratio >1
 - **Operating result influenced by**
 - Slightly improved sales volume, thanks to strong Q4 2020
 - Lower gross profit margin and slightly higher overhead cost
 - Operating income of USD 61.9 million in 2020 (15.6% of sales) compared with USD 64.8 million (17.0% of sales) in 2019 (-4.4%)
- **Net income of USD 49.3 million or 12.4% of sales**
- **Proposed cash distribution of CHF 16 per share**

Net Sales by End Market

USD 116.9 million in Q4 2020 (+21.5%) USD 397.8 million in 2020 (+4.2%)



Security & Energy

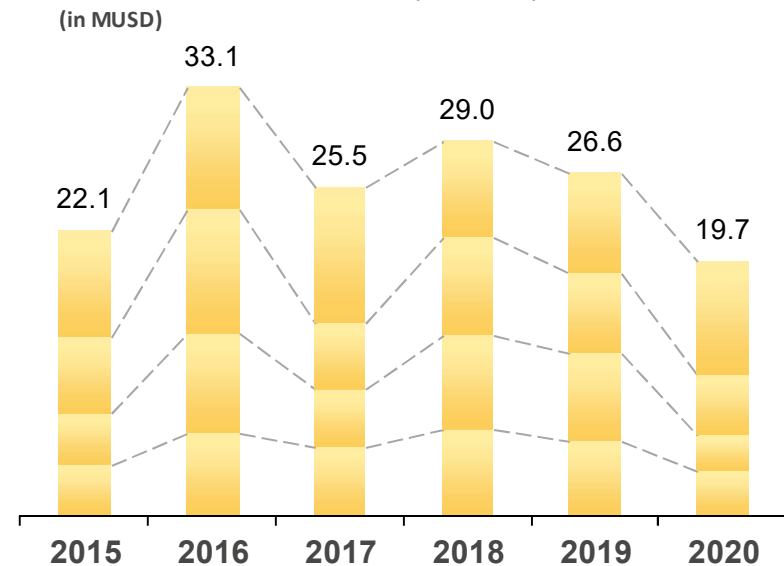
Q4 2020

- Sales increase of 11.5% to USD 8.7 million in Q4 2020 vs Q4 2019, and a 85.1% recovery vs Q3 2020
- Increased contribution from new products for energy & environment monitoring applications

Market Trends

- Short-term security needs changed, due to the current COVID-19 pandemic
- New target markets: Bio-Methane (EU)
Landfill Monitoring (US)
Environment Monitoring (CN)
- 2021 expectations: Security recovery (US)
(With new Hapsite™ generation)
Growing Energy &
Environment Monitoring business

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



Refrigeration, Air Conditioning & Automotive

Q4 2020

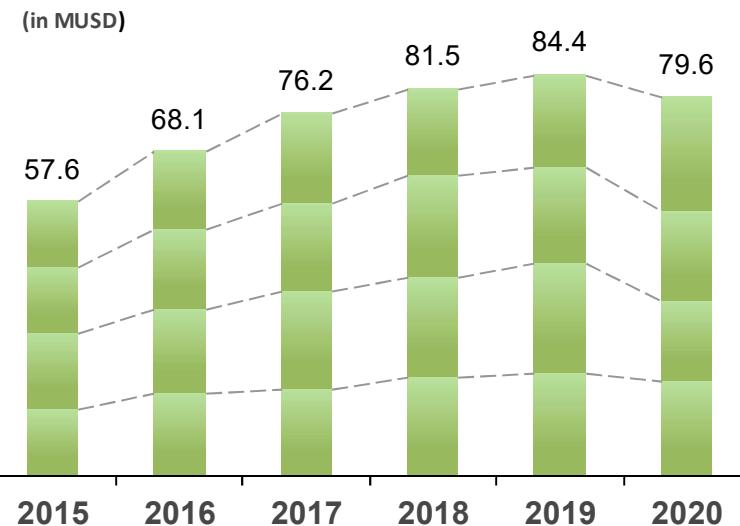
- Q4 2020 sales increase of 21.9% to USD 23.9 million vs Q4 2019, and 25.8% vs Q3 2020
- Auto and Refrigeration market recovery (after weak summer, due to the pandemic)
- Growing battery testing and after-sales service activities

Market Trends

- 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 distribution and product initiatives for handheld after-sale service products
- 2021 expectations: Growth

Sales to End Market Refrigeration, Air Conditioning & Automotive

+6.7% CAGR (2015 - 2020)



Semi & Vacuum Coating

Solar, Display, Optics & Semiconductor

Q4 2020

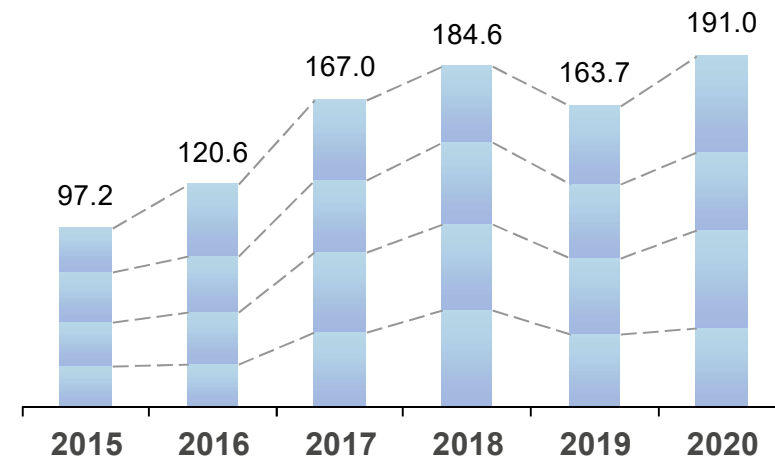
- Sales Q4 2020 increase of 23.0% vs Q4 2019, and 23.8% vs Q3 2020 to USD 52.5 million
- Asia and Europe with strong growth
- Ongoing strong Semiconductor market

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 tools a must for < 7nm nodes (first use for memory chips)
- Chinese Semiconductor initiative ongoing, but challenged by trade disputes
- Modest investments in OLED flat panel display and Optics
- 2021 expectations:
 - growth (Semiconductor)
 - flat (Vacuum Coating)

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

(in MUSD)



General Vacuum

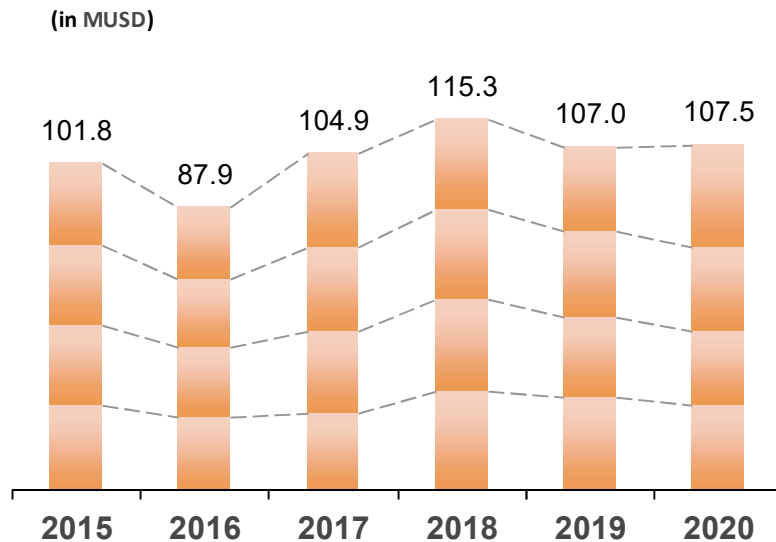
Q4 2020

- Q4 2020 sales increase by 21.4% to USD 31.8 million vs Q4 2019, and 22.8 % vs Q3 2020
- Asia and Europe with strong growth

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)
- Global market rebound & strong growth in China
- Growing food-packaging applications
- 2021 expectations: Growth

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



Outlook 2021

Despite on-going COVID-19 issues, 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 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*
- *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 420-450 million and an improved Operating Income Margin**

Speaker

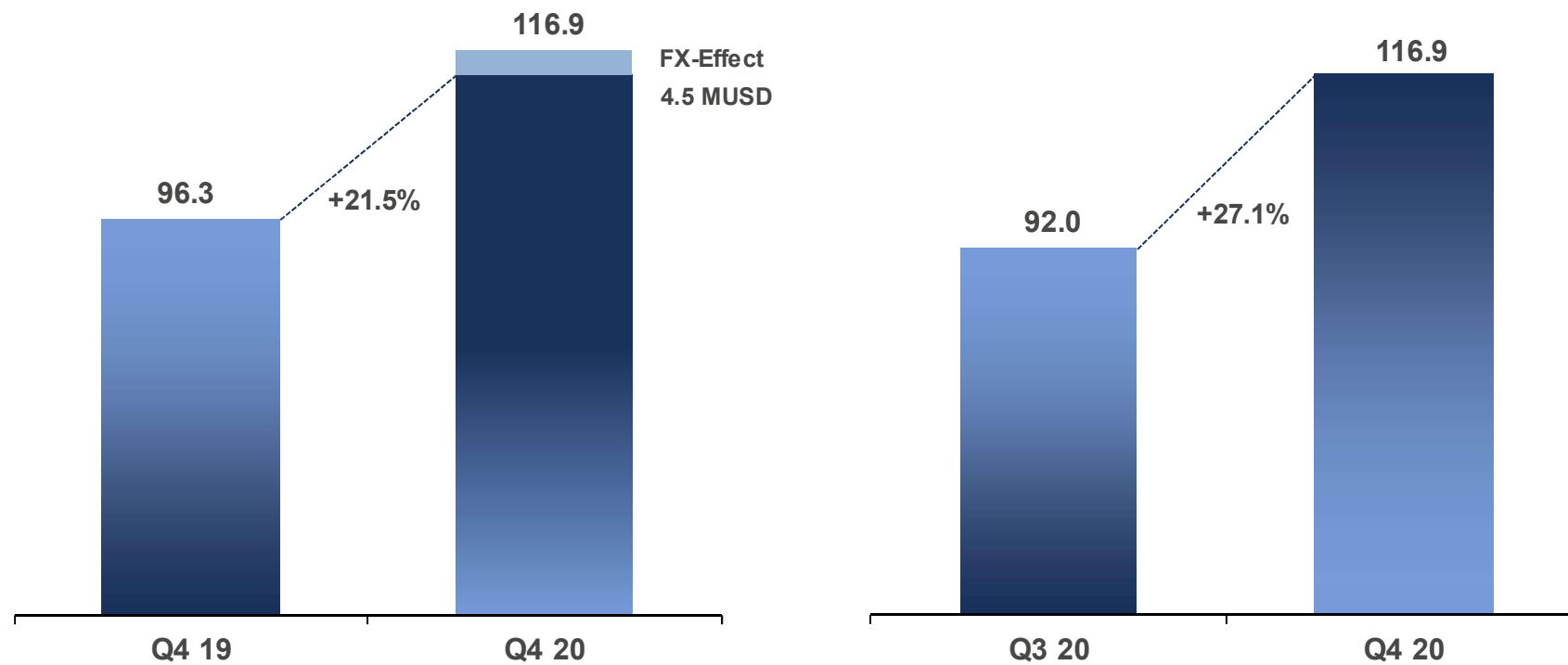
Matthias Tröndle, Vice President and CFO

Financials Q4 2020 and FY 2020

Distribution

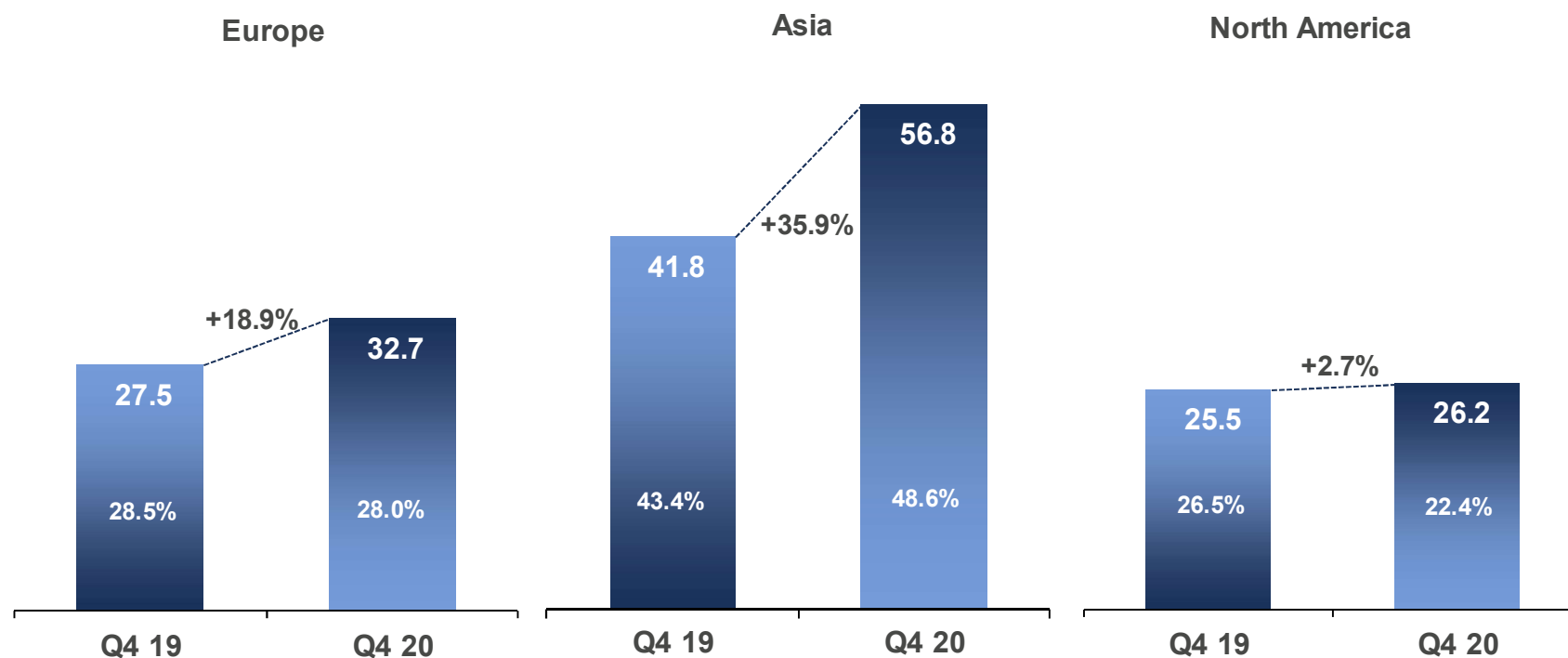
Guidance

Sales (in MUSD)



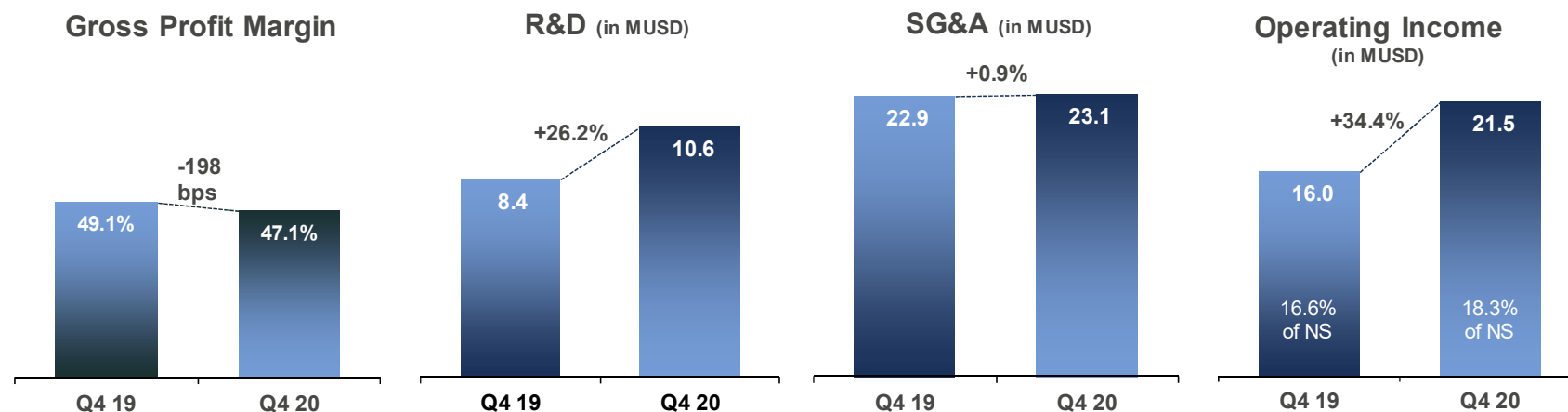
Year-over-year and sequential: strong double digit growth in all markets

Geographic Sales Breakdown – Quarter (in MUSD)



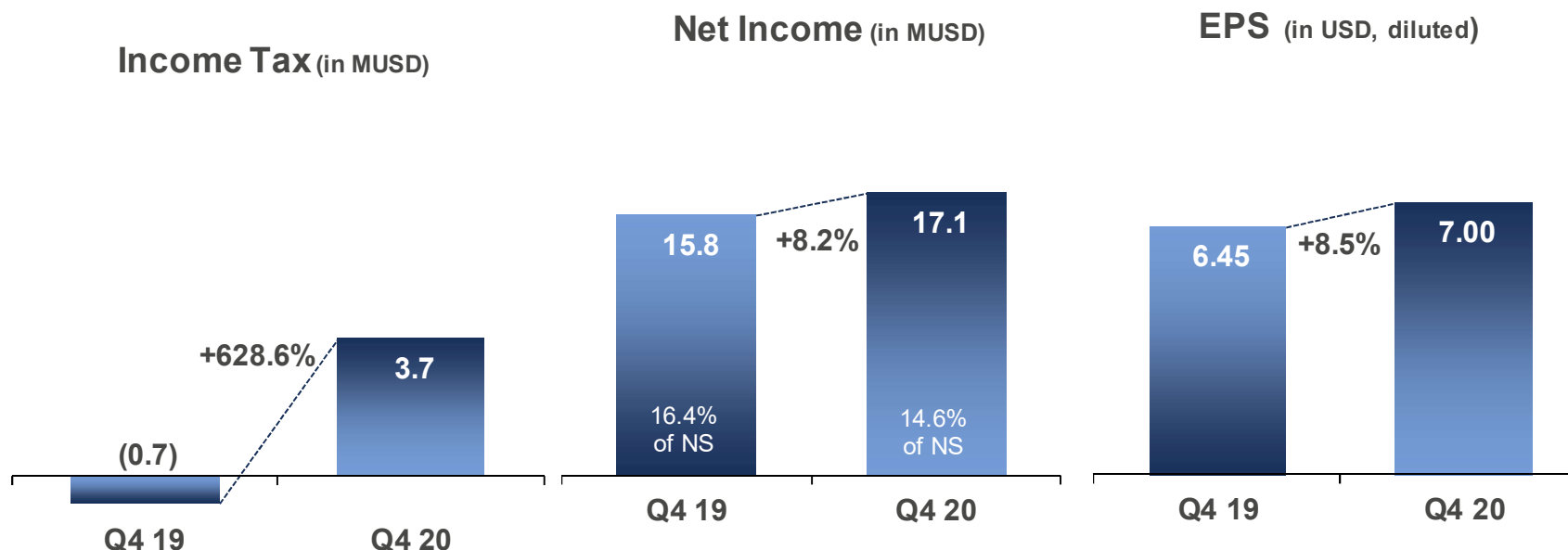
Asia-Pacific and Europe with strong growth (Semiconductor and General Vacuum markets) while North America developed stable

Gross Profit, Costs, and Operating Income



- **Gross profit margin:** Decline in margin of 198 bps. Improved by 16.6% in absolute numbers and improved by 216 bps vs. previous quarter. COVID inefficiencies and market/product mix as main impacts
- **R&D cost:** Increase due to continued development efforts for future product launches and additional headcounts
- **SG&A:** Costs stable and impacted by lower costs and third-party expenses (*travel, trade shows, consulting*) despite unfavorable FX impacts
- **Operating income:** Improved due to higher sales volume at slightly lower GM%

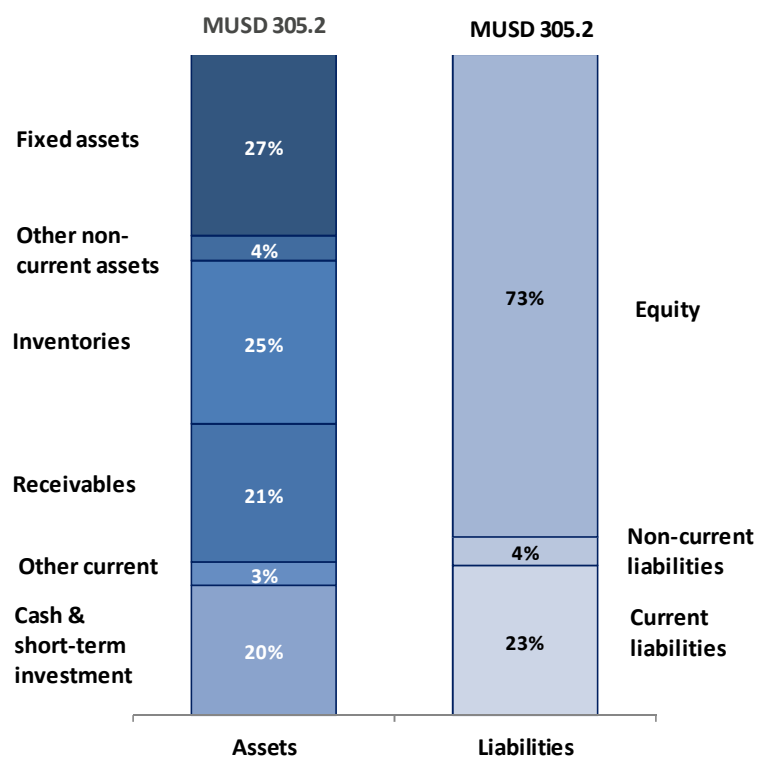
Net Income and EPS Development



- **Income tax:** Last year extraordinary low, coming from USA (US Tax Act) and Germany. Tax rate in Q4 2020 at 17.7% at average level
- **Net income & EPS:** Increase due to higher operating income at normal but higher tax burden

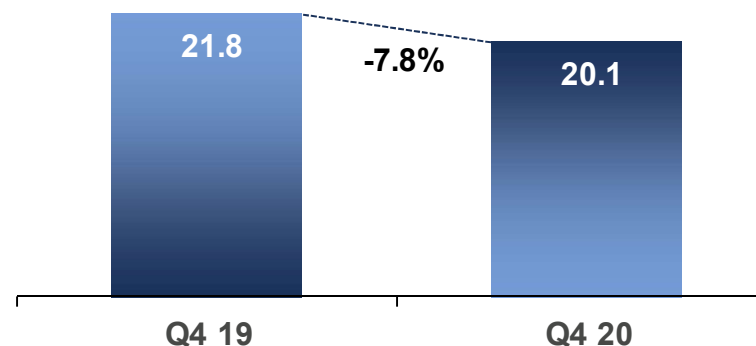
Balance Sheet Highlights (in MUSD)

Balance Sheet Structure 2020



	Q4 20	Q4 19
Net Cash	40.9	50.1
DSO	51.1	51.8
Inventory Turns	2.8	2.8
Working Capital	128.9	108.8
Operating Cash Flow	20.1	21.8

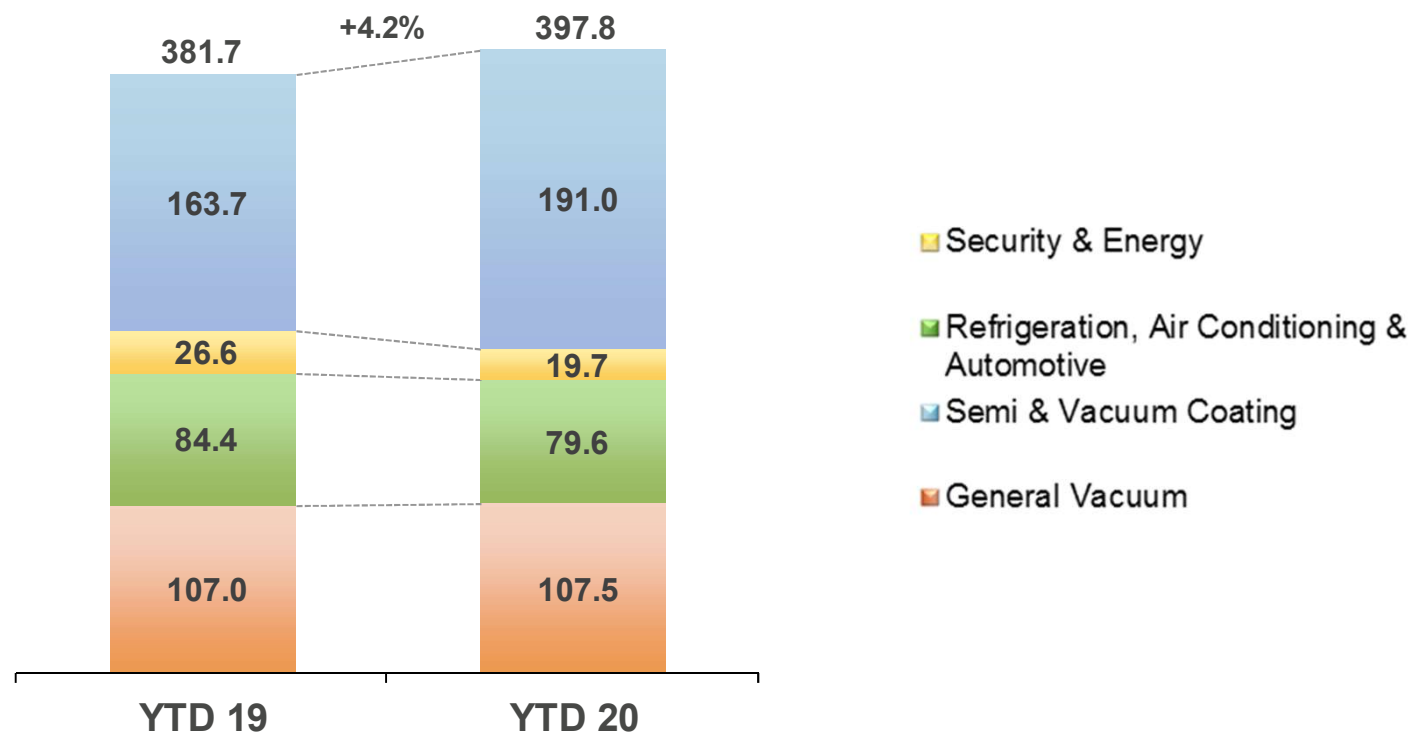
Cash Flow



Solid balance sheet; working capital level higher due to higher A/R and Inventory; cash flow slightly lower, but with improvement vs. previous quarter

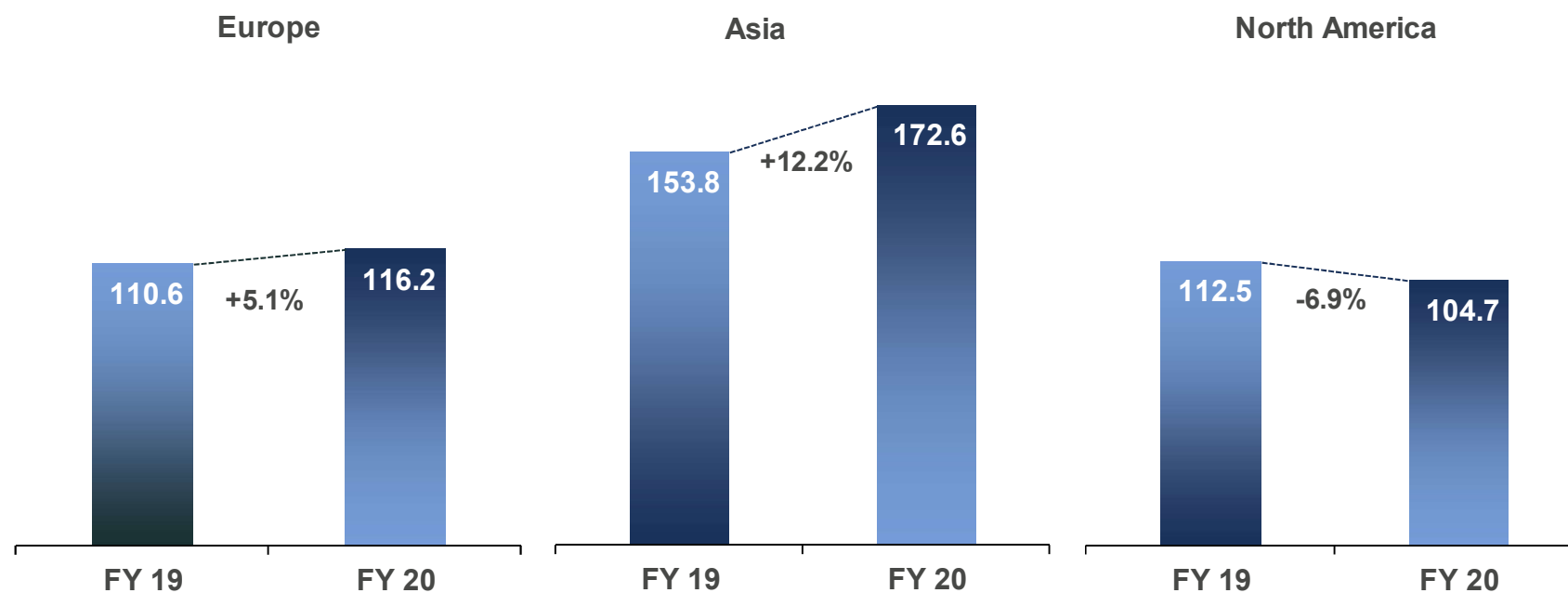
FISCAL YEAR 2020 RESULTS

Full Year Sales (in USD million)



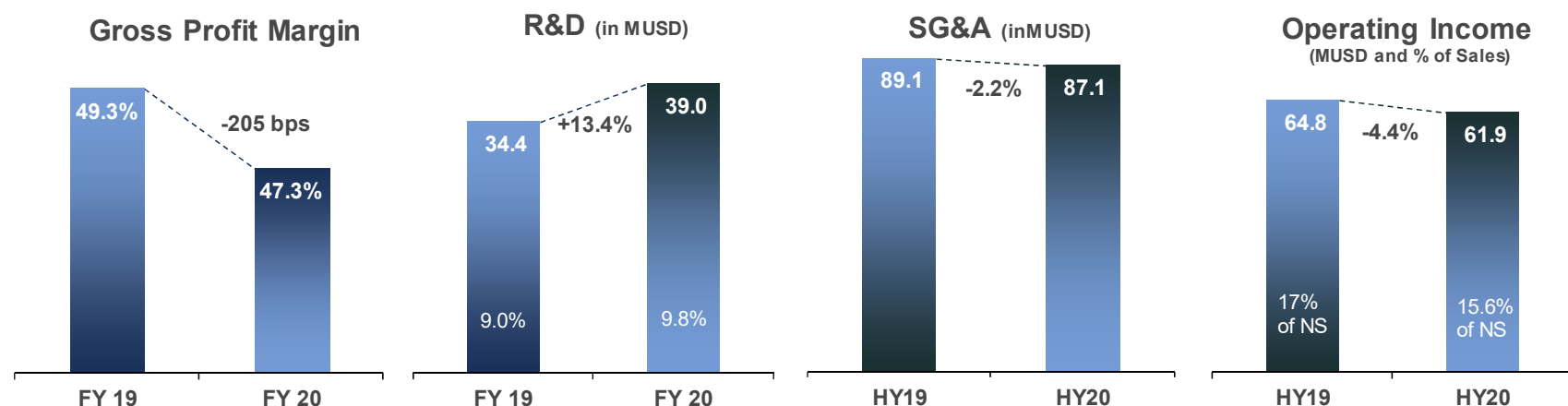
Sales increase mainly driven by the Semi & Vacuum coating end market; Organic increase of 2.6%

Geographic Sales Breakdown – Full Year



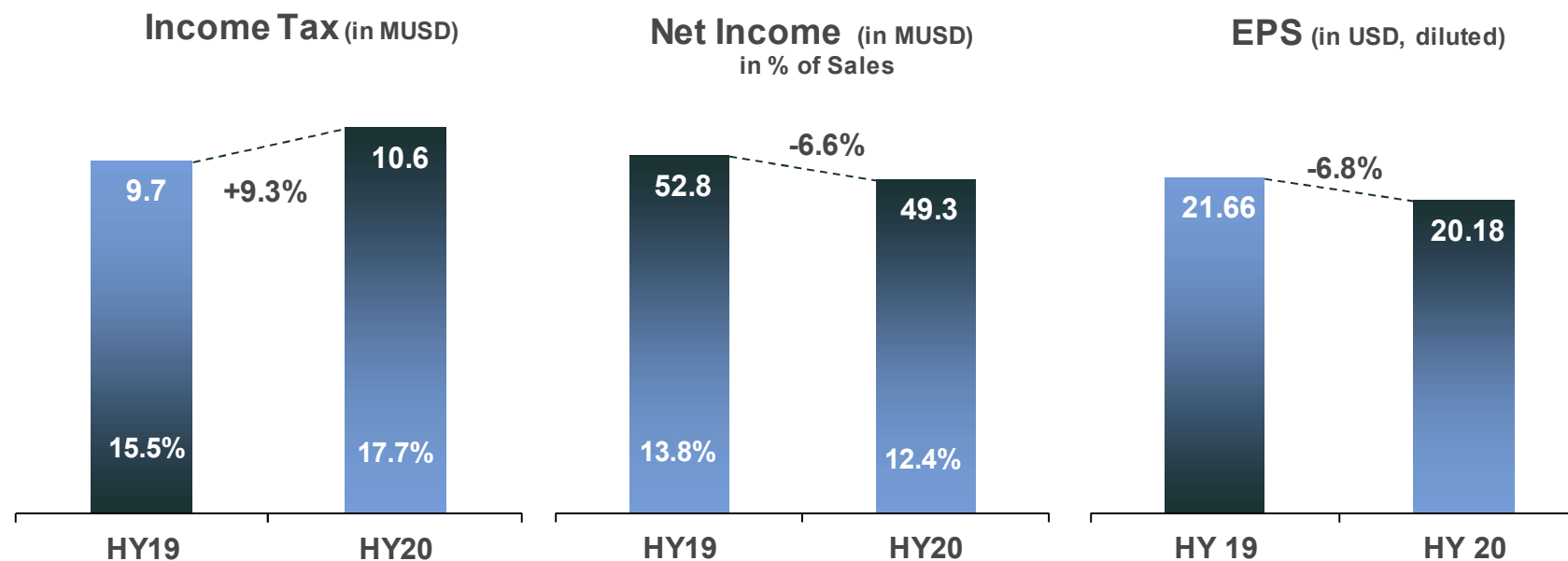
Sales growth in Asia and Europe driven by Semi & Vacuum Coating market

Gross Profit, Costs, Operating Income (YoY)



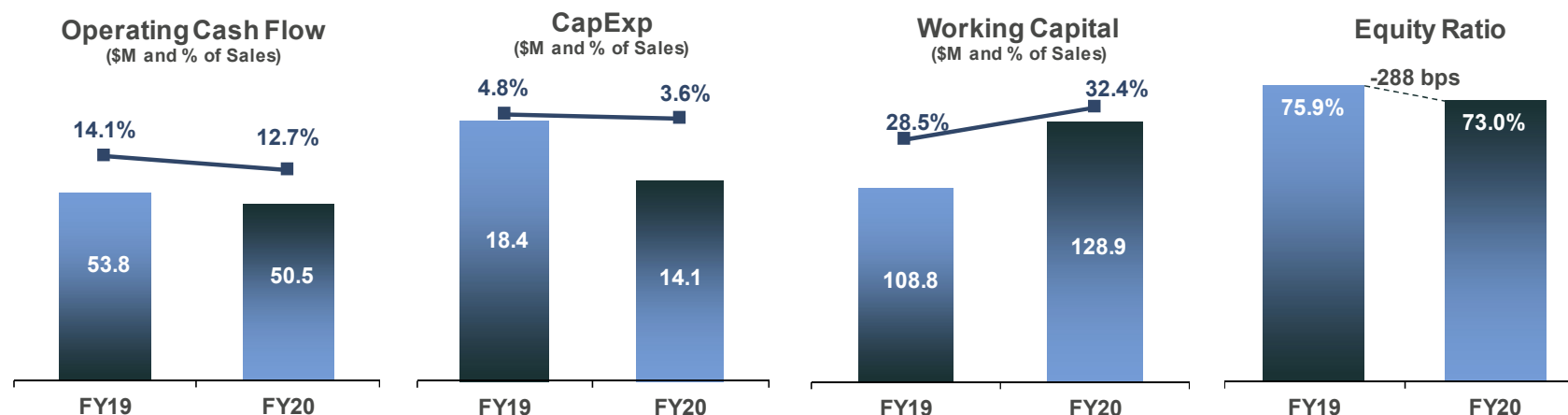
- **Gross profit margin:** Lower due to COVID inefficiencies, international trade issues and tougher competition
- **R&D cost:** Increase due to continued development efforts for new product launches and unfavorable FX impacts
- **SG&A:** Cost decrease due to lower variable compensation and third-party expenses (*travel, trade shows, consulting*) and despite unfavorable FX impacts
- **Operating income:** Decline due to lower gross profit margin and slightly higher operational costs

Net Income and EPS development (YoY)



- **Income tax:** Increase due to last years favorable tax impacts in the USA and Germany
- **Net income / EPS:** Decrease reflects operating income development at slightly higher taxes

Key Balance Sheet data (YoY)



- **Operating cash flow:** High accounts receivables due to record Q4 sales and slightly lower net income as driver
- **CAPEX:** Reduced levels after high FY2019
- **Working capital:** Higher balance due to accounts receivable (record sales in Q4) and inventory
- **Equity:** Slight decrease , solid level

Summary	End Markets	Outlook	P&L / Balance Sheet	Distribution	Guidance

DISTRIBUTION PROPOSAL

Distribution for 2020

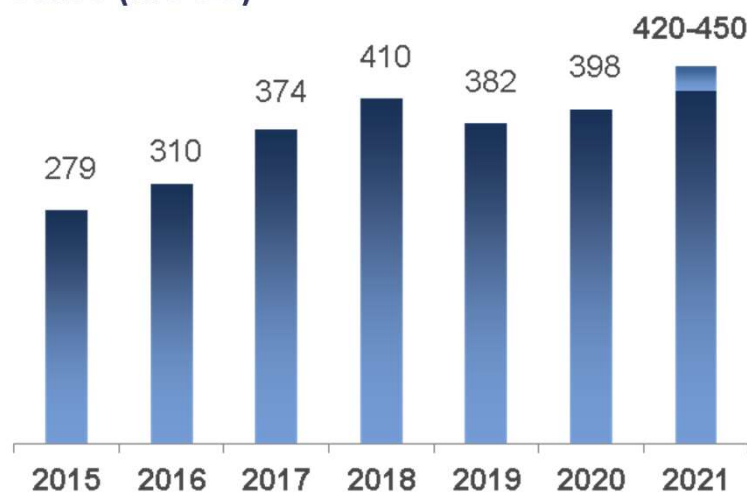
- **Strong Balance Sheet and Cash Generation**
 - No long-term debt
 - USD 41 million net cash
 - Shareholders' equity ratio at 73%

- **Board of Directors intends to propose a cash distribution of CHF 16 per share**
 - Annual General Meeting of Shareholders on March 31, 2021
 - Returning ~USD 39 million cash to shareholders in 2021
 - Payout ratio ~88%, slightly higher than in 2020

GUIDANCE FY 2021 AND CORPORATE COMMUNICATION CALENDAR

Full Year 2021 Guidance

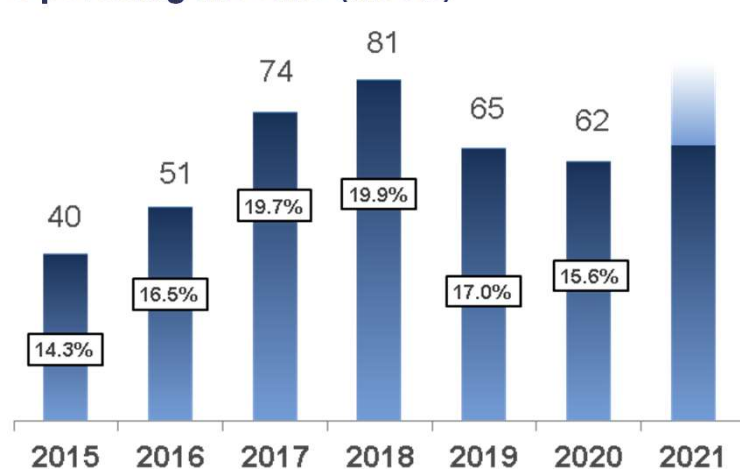
Sales (MUSD)



Guidance 2021

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

Operating Income (MUSD)



Sales

Op. Income Margin

USD 420-450 million

improved

Corporate Calendar FY 2021

- Annual General Meeting March 31, 2021
- Q1 FY 2021 Earnings Conference Call April 22, 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



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THANK YOU!

Q&A