



**Q3 2021  
EARNINGS CONFERENCE**

October 21, 2021

Bad Ragaz, Switzerland

# Speakers

## Lukas Winkler, President and CEO

- Key figures Q3 2021
- Target market business review
- Expectations 2021

## Matthias Tröndle, Vice President and CFO

- Financials Q3 2021
- Guidance
- Corporate Calendar

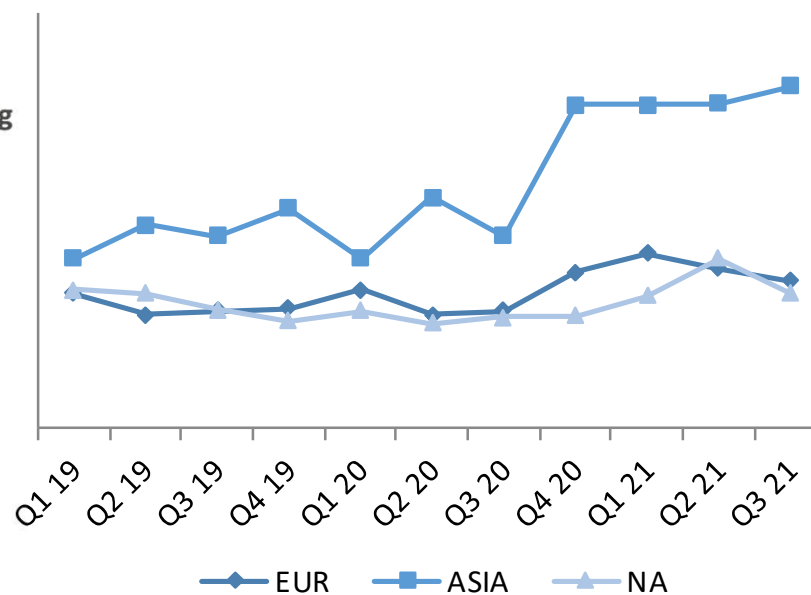
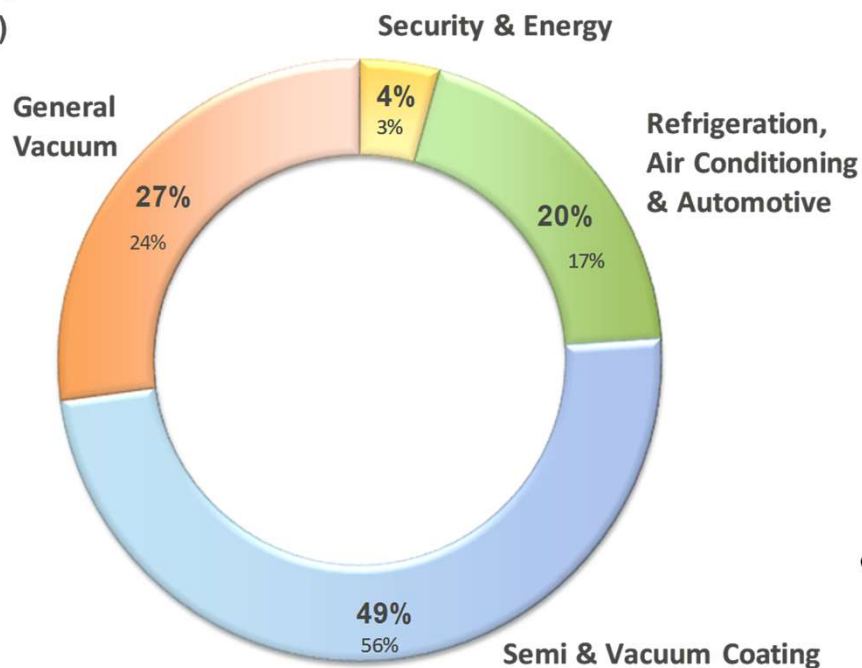
## Q3 2021 – Key Figures

- **Broadly based growth in all markets and regions, year-over-year**
    - Sales increase of 32.8% to high USD 122.2million, organic increase of 30.7% compared with Q3 2020
    - Sequential sales decrease of -3.2% over Q2 2021, our best quarter so far
    - Book to bill ratio: > 1
  - **Operating result**
    - High sales level with an improved gross margin at clearly higher operational costs
    - Operating income increased by 109.5% to USD 22.0 million (18.0% of sales) after USD 10.5 million (11.4% of sales) in Q3 2020
- **Net income of USD 16.8 million or 13.8% of sales**

# Net Sales by End Market

**USD 122.2 million in Q3 2021**  
**(+32.8% vs. Q3 2020 and -3.2% vs. Q2 2021)**

**Q3 2021**  
**(Q3 2020)**



# Security & Energy

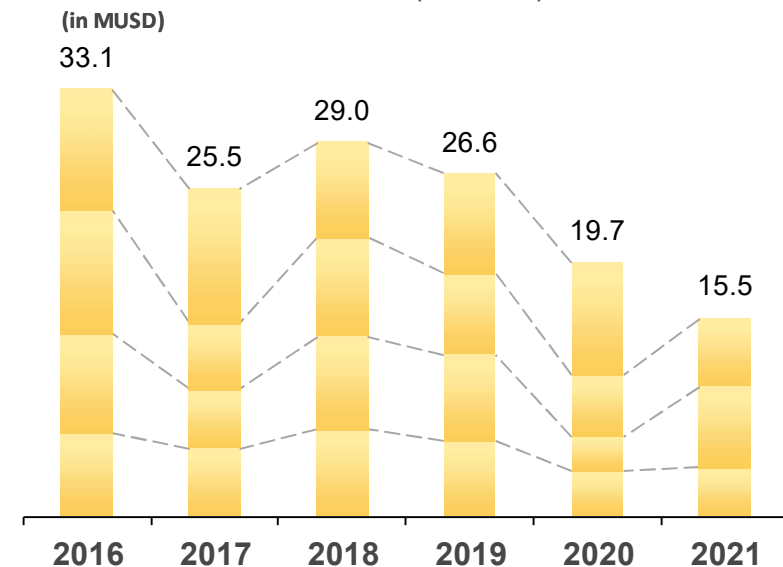
## Q3 2021

- Sales increase of 12.8% to USD 5.3 million in Q3 2021 vs. Q3 2020, and decrease of -14.5% vs Q2 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)
- 2021 expectations: challenging
  - Security recovery (US) with new Hapsite™ pushed to 2022
  - Growing Energy & Environment monitoring businesses

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



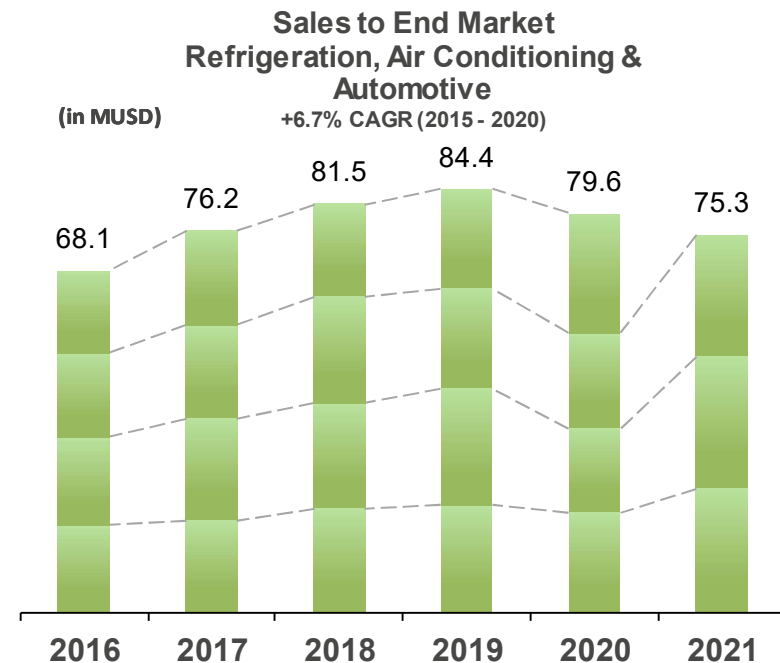
# Refrigeration, Air Conditioning & Automotive

## Q3 2021

- Q3 2021 sales increase of 27.4% to USD 24.2 million vs Q3 2020, and decrease of -8.3% vs. Q2 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
- 2021 expectations: growth



# Semi & Vacuum Coating

Solar, Display, Optics & Semiconductor

## Q3 2021

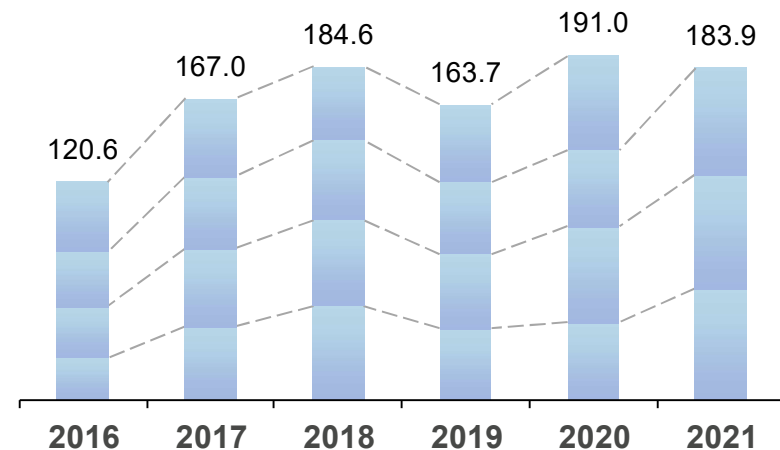
- Sales Q3 2021 increase of 39.6% vs. Q3 2020, and decrease of -6.6% vs. Q2 2021 to USD 59.2 million
- Strong Semiconductor market
- Flat Display and Optics market

## 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 ongoing US/China conflicts
- Modest investments in OLED flat panel display, Optics and Solar applications
- 2021 expectations:
  - growth (Semiconductor)
  - flat (Vacuum Coating)

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

(in MUSD)



# General Vacuum

## Q3 2021

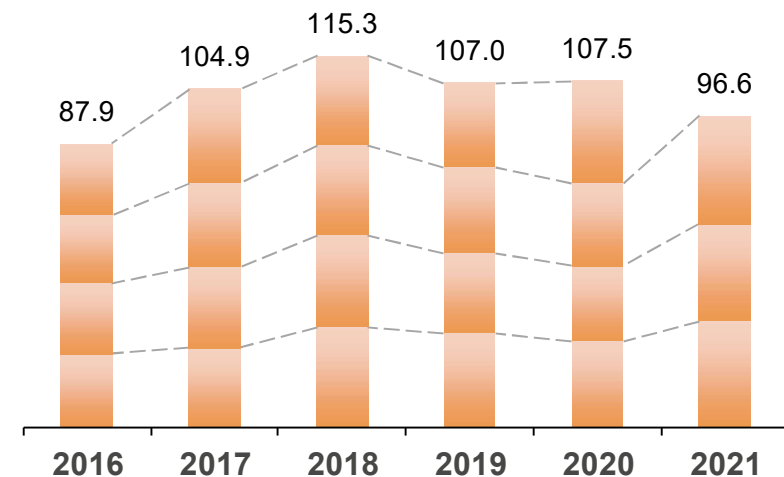
- Q3 2021 sales increase by 29.3% to USD 33.5 million vs. Q3 2020, and 10.6% vs. Q2 2021
- Record quarter, driven by Private Label (EU) and China businesses

## 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
- 2021 expectations: growth

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

(in MUSD)





# Outlook 2021

## “We will reach new all-time annual records”

- *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 and Europe*
- *Only 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*
- *General Vacuum market rebound, but uncertain Security market development*
- *Ongoing growth for alternative energy and environmental monitoring applications*
- *Large number of newly launched products*

## Guidance for 2021

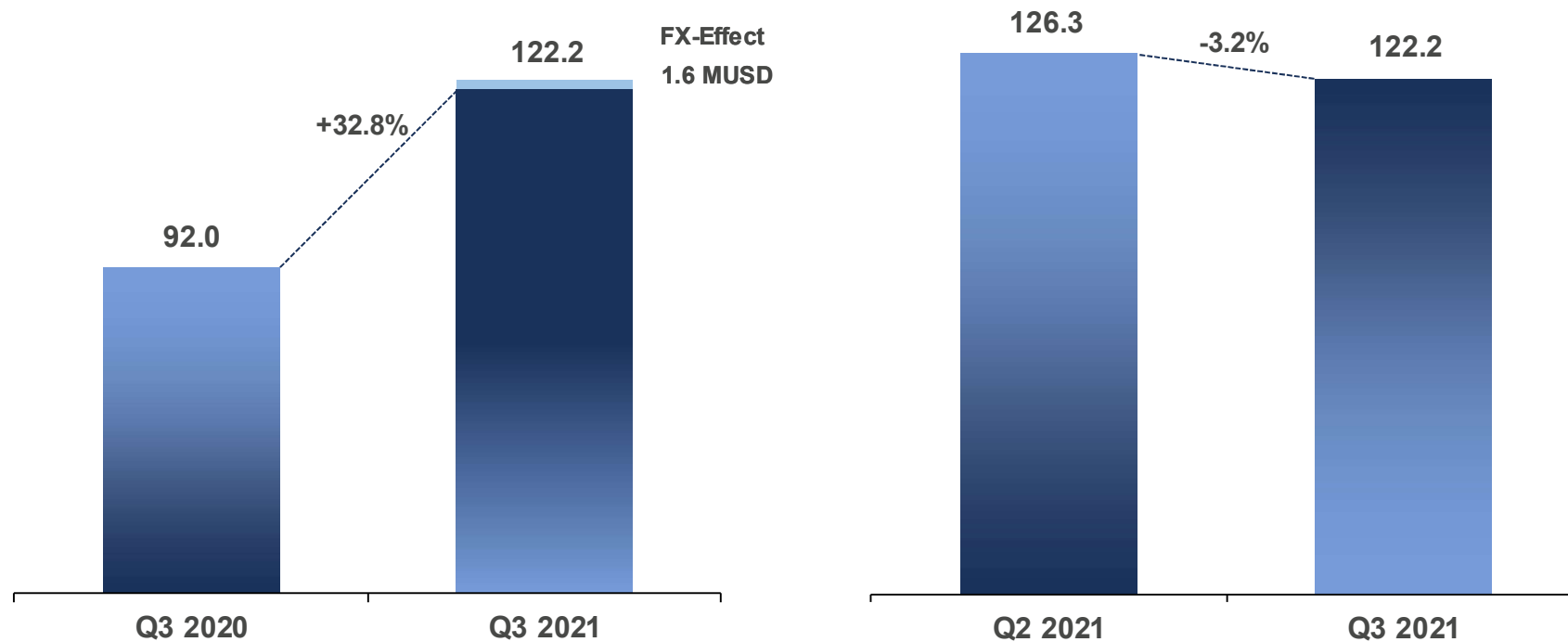
→ **Sales around USD 490-510 million with an Operating Income Margin of 18-20%**

# Speaker

## Matthias Tröndle, Vice President and CFO

- Financials Q3 2021
- Guidance
- Corporate Calendar

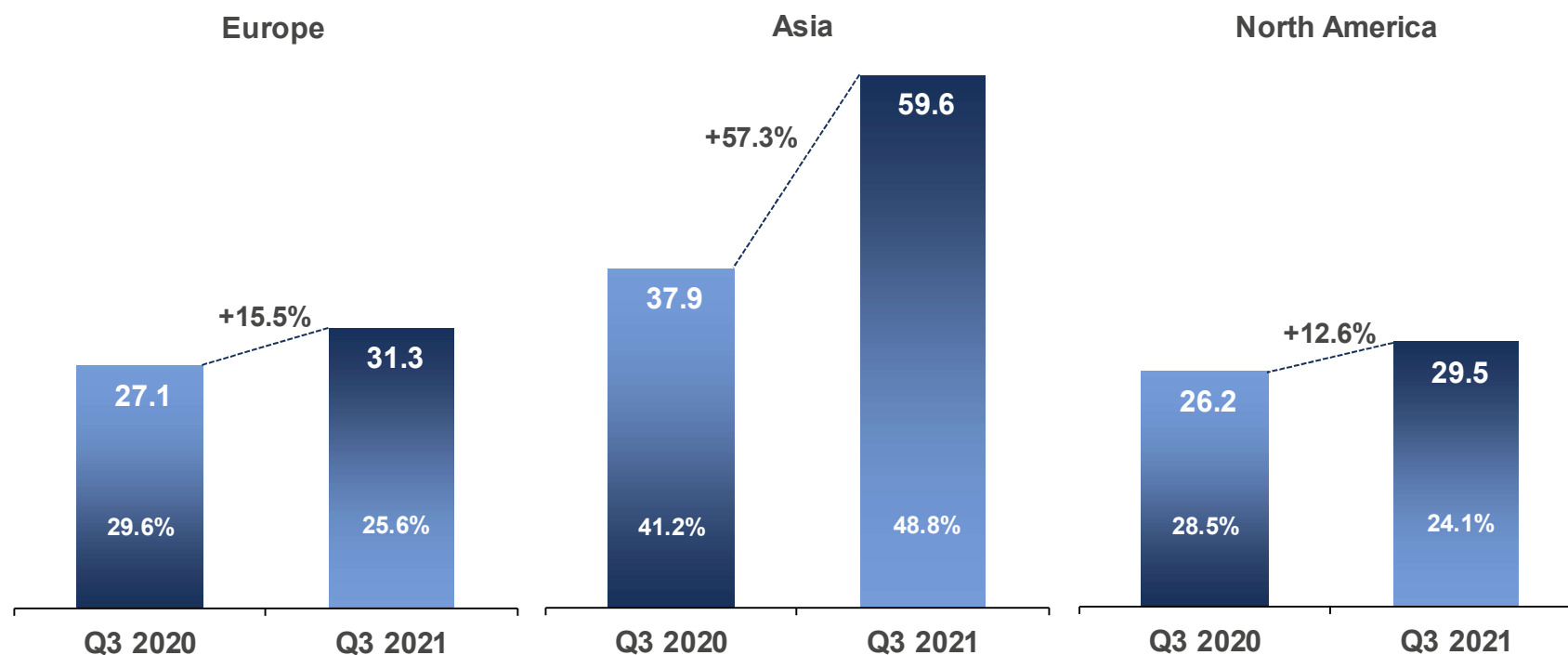
# Sales (in MUSD)



Year-over-year: increase in all markets

Sequential: decrease in all markets except General Vacuum market

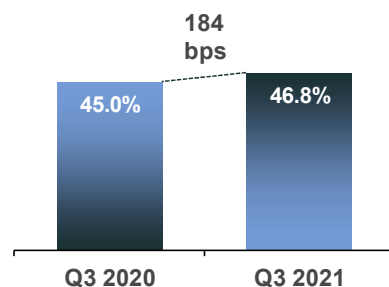
# Geographic Sales Breakdown – Quarter (in MUSD)



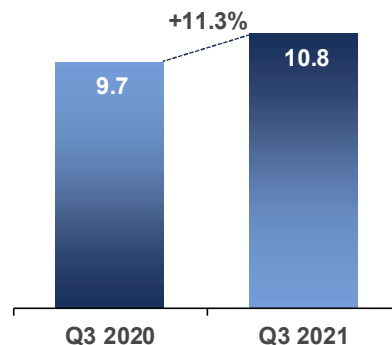
All regions with growth rates; Asia-Pacific with strongest plus and significant gains (Semiconductor; Refrigeration, Air Conditioning & Automotive)

# Gross Profit, Costs, and Operating Income

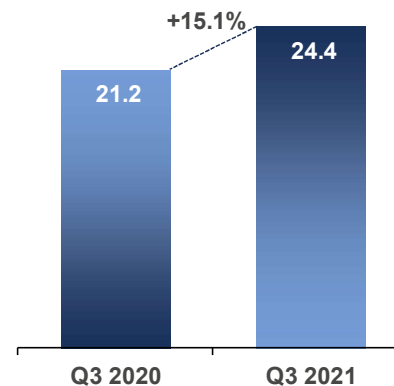
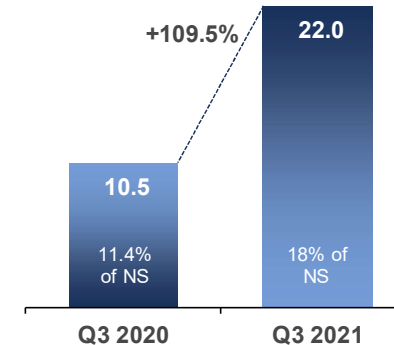
Gross Profit Margin



R&amp;D (in MUSD)



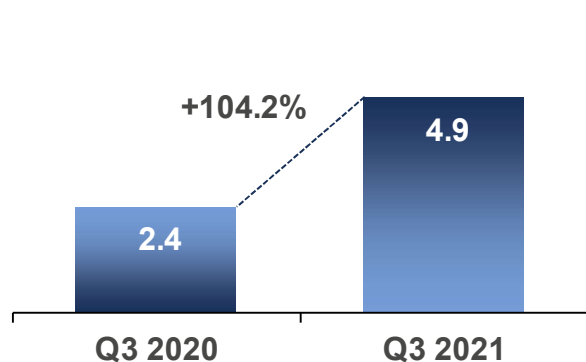
SG&amp;A (in MUSD)

Operating Income  
(in MUSD)

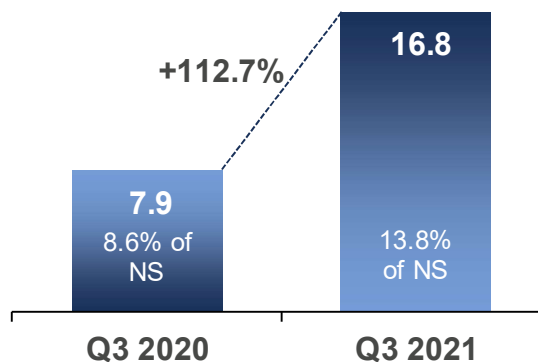
- **Gross profit margin:** Increase in margin of 184 bps. Improved by 38% in absolute numbers and decreased by 152 bps vs. previous quarter. Higher volume partially compensated for by rising material prices (shortages, brokers), freight, and duties
- **R&D cost:** Rise due to continued development efforts for future product launches, higher R&D material spend, and additional headcounts.
- **SG&A:** Costs increased, slight unfavorable FX impacts, higher commissions and performance bonuses, plus additional headcounts as main drivers
- **Operating income:** Clearly improved and more than doubled due to higher sales volume at improved gross profit margin

# Net Income and EPS Development

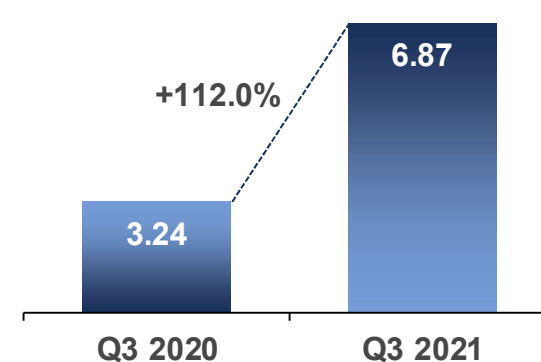
**Income Tax** (in MUSD)



**Net Income** (in MUSD)



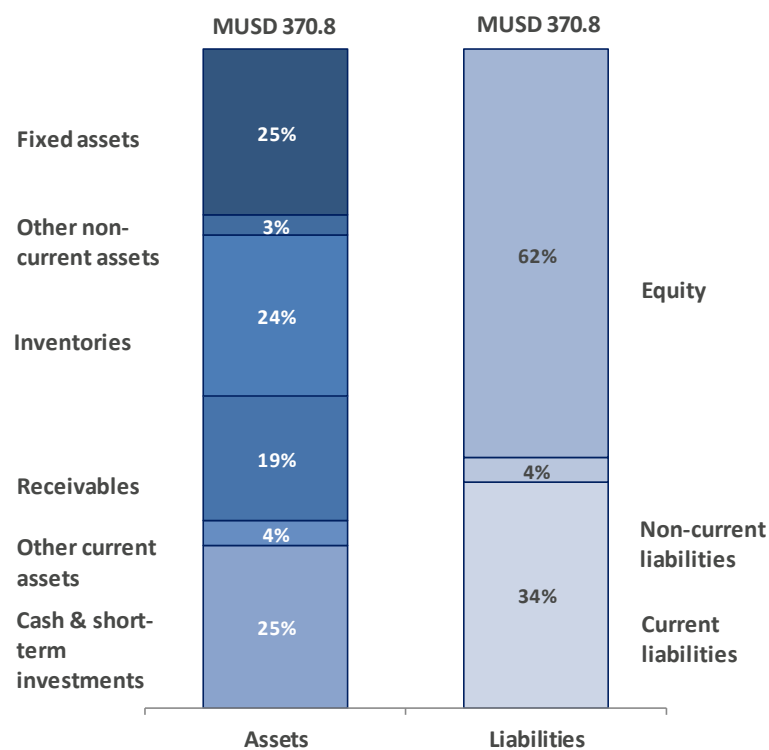
**EPS** (in USD, diluted)



- **Income tax:** Tax rate of 22.7% compared with 23.4% in Q3 last year
- **Net income & EPS:** Increase driven by improved operating income

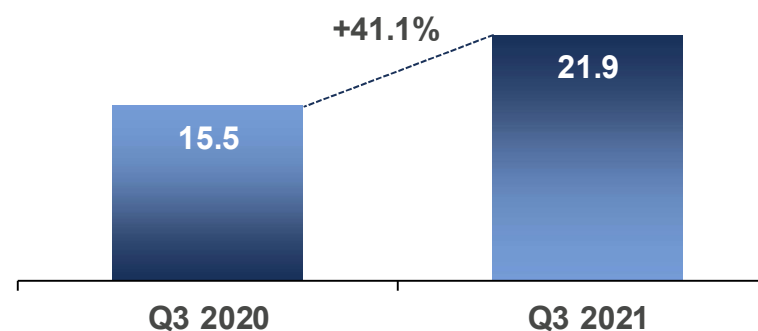
# Balance Sheet Highlights (in MUSD)

## Balance Sheet Structure 2021



	Q3 21	Q4 20
Net Cash	42.2	40.9
DSO	52.0	51.1
Inventory Turns	3.1	2.8
Working Capital	146.0	128.9
Operating Cash Flow	21.9	20.1

## Cash Flow



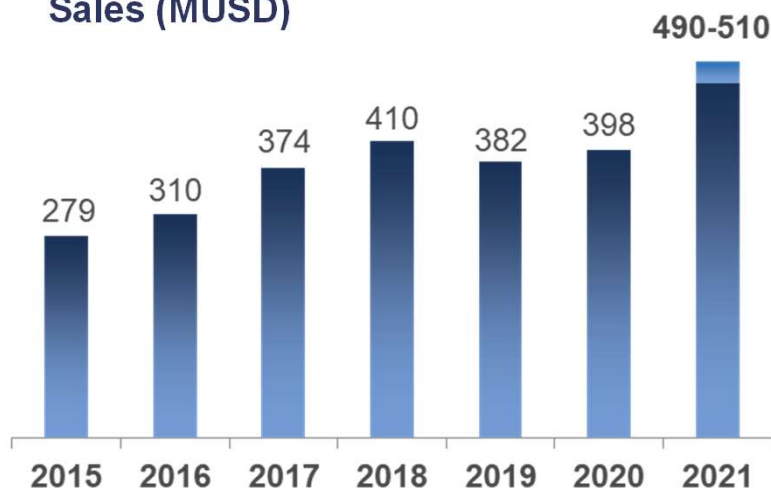
Solid balance sheet; working capital level higher due to higher A/R and inventories; cash flow at high level

# **GUIDANCE FY 2021 AND CORPORATE COMMUNICATION CALENDAR**



# Full Year 2021 Guidance

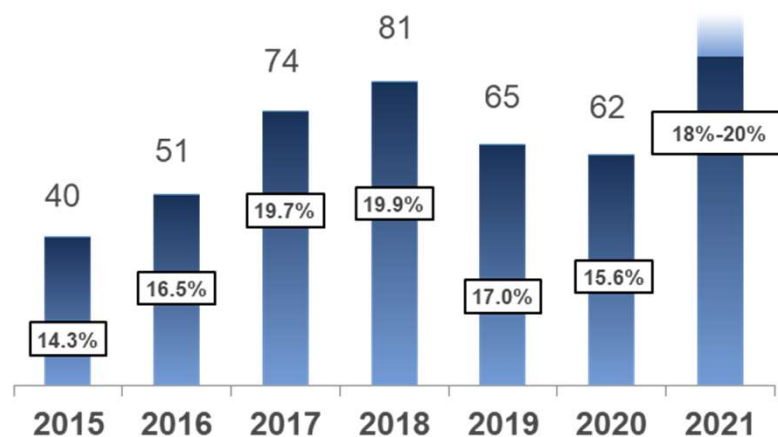
Sales (MUSD)



## Guidance 2021

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

Operating Income (MUSD)



**Sales**

**USD 490-510 million**

**Op. Income Margin**

**18% - 20%**

# Corporate Calendar FY 2021/22

- |   |                 |
|---|-----------------|
| ▪ Q4 and FY 2021 Earnings Conference            | March 3rd, 2022 |
| ▪ 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**