



**Q3 2022
EARNINGS CONFERENCE**

October 20, 2022

Bad Ragaz, Switzerland

Speakers

Lukas Winkler, President and CEO

- Key figures Q3 2022
- Target market business review
- Expectations 2022

Matthias Tröndle, Vice President and CFO

- Financials Q3 2022
- Guidance
- Corporate Calendar

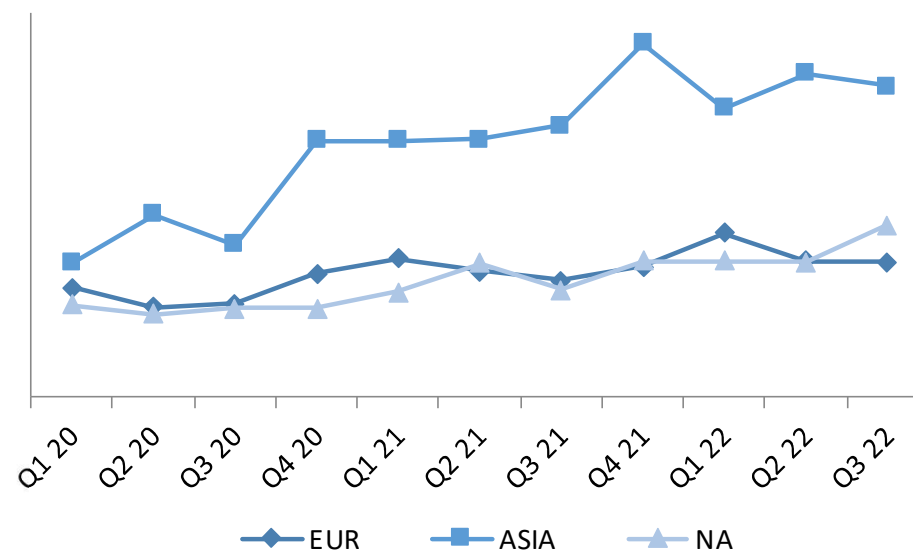
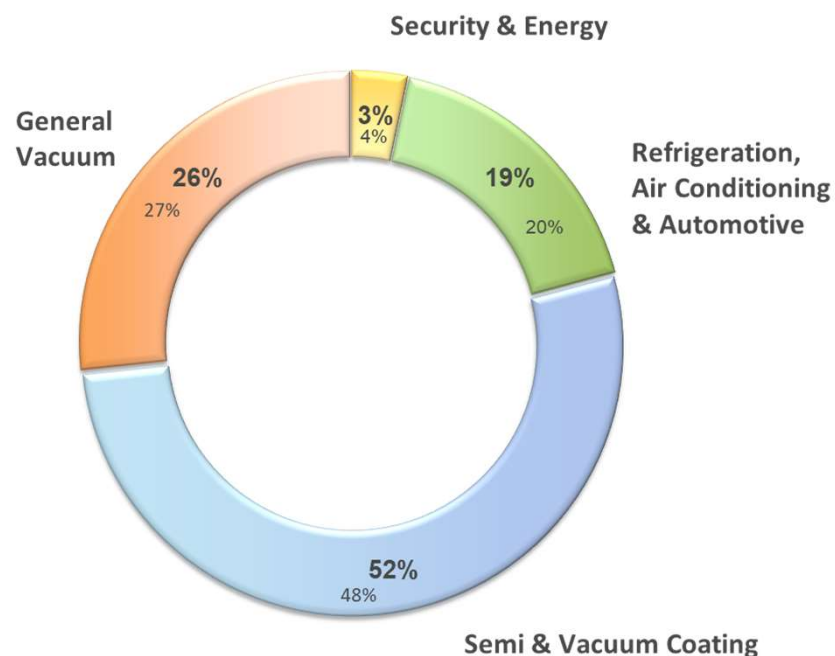
Q3 2022 – Key Figures

- **Broadly based growth in all markets and regions, year-over-year**
 - Sales increase of 17.7 % to high USD 143.8 million, organic increase of 24.6% compared with Q3 2021
 - Sequential Sales increase of 2.9% over Q2 2022
 - Book to bill ratio: > 1
- **Operating result**
 - High sales level with lower gross margin at clearly higher operational costs
 - Operating income increased by 14.9% to USD 25.3 million (17.6% of sales) after USD 22.0 million (18.0% of sales) in Q3 2021

→ **Net income of USD 17.8 million or 12.4% of sales**

Net Sales by End Market

USD 143.8 million in Q3 2022
(+17.7% vs. Q3 2021 and +2.9% vs. Q2 2022)



Security & Energy

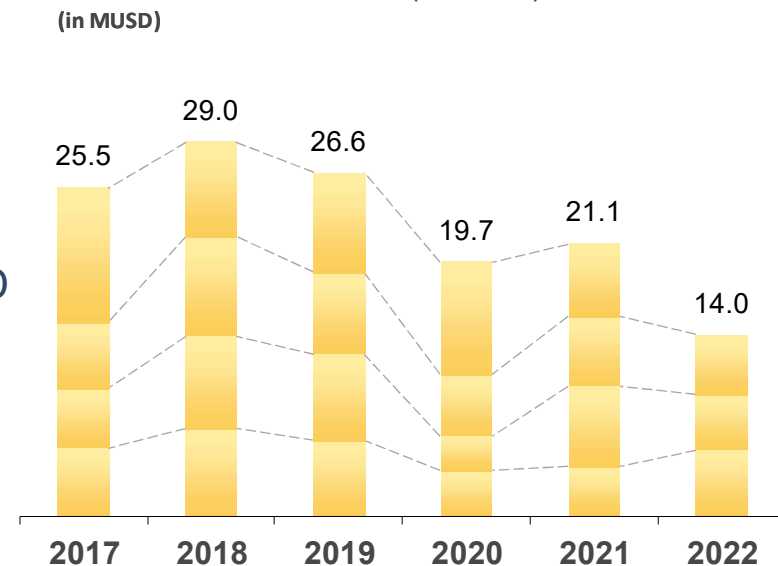
Q3 2022

- Sales decrease of 11.3% to USD 4.7 million in Q3 2022 vs. Q3 2021, and increase of +9.3% vs. Q2 2022
- Increased contribution from green energy and environmental applications
- Renewed HAPSITE shipments to the US DoD

Market Trends

- Short-term security and energy needs change due to the war in Ukraine
- Growing new target applications
 - Bio methane (EU)
 - Landfill monitoring (US)
 - Environment monitoring (CN)
- 2022 expectations: challenging
 - Security recovery (US DoD): Large 2-year contract awarded
 - Growing Energy & Environment monitoring activities

Sales to End Market
Security & Energy
-8.6% CAGR (2016 - 2021)



Refrigeration, Air Conditioning & Automotive

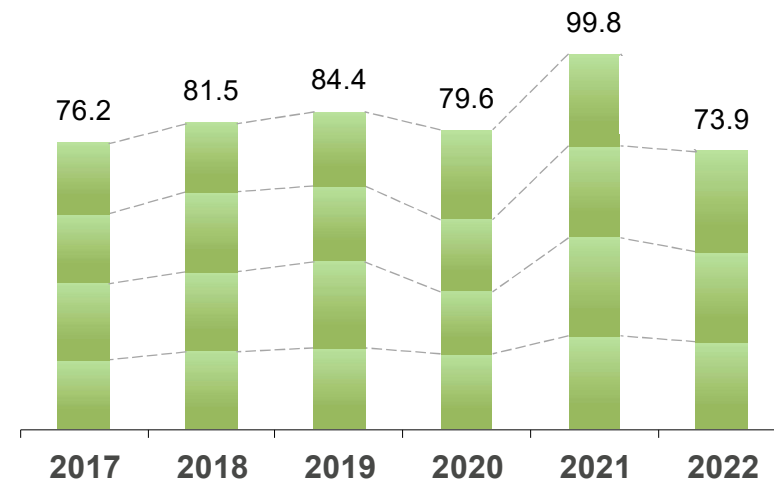
Q3 2022

- Q3 2022 sales increase of 11.2% to USD 26.9 million vs. Q3 2021, and increase of 12.6% vs. Q2 2022
- Stable RAC Market
- Growing battery testing and after-sales service activities

Market Trends

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

Sales to End Market
Refrigeration, Air Conditioning &
Automotive
(in MUSD)
+7.9% CAGR (2016 - 2021)



Semi & Vacuum Coating

Solar, Display, Optics & Semiconductor

Q3 2022

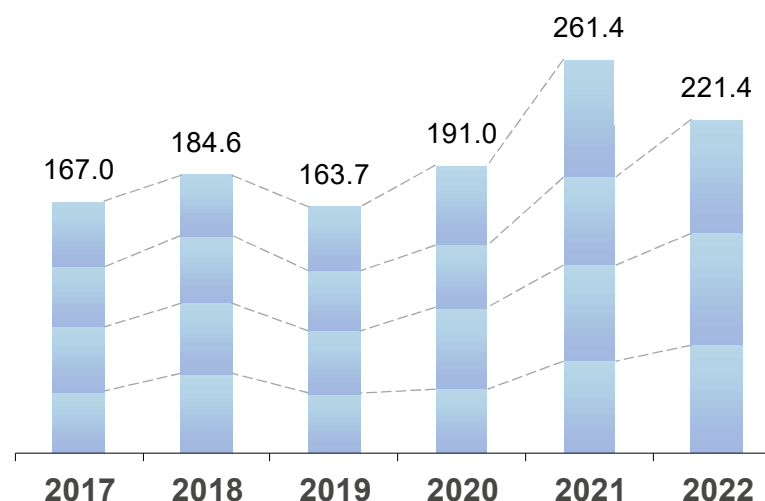
- Sales Q3 2022 increase of 27.4% vs. Q3 2021, and increase of 1.3% vs. Q2 2022 to USD 75.4 million
- Strong Semiconductor market
- Flat Display and Optics market

Market Trends

- Unchanged long-term demand for new smart sensors, 5G & 6G, IoT, AI & AD, Big Data, and computing power
- New US export regulations aim to stop the Chinese Semiconductor initiative
- 1st indications of a Semi downturn (Memory chip investments already down)
- Increased complexity (< 7nm node size) drives need for more process monitoring
- Modest investments in OLED flat panel display, Optics and Solar applications
- 2022 expectations:
 - growth (Semiconductor)
 - flat (Vacuum Coating)

Sales to End Market
Semi & Vacuum Coating
+16.7% CAGR (2016 - 2021)

(in MUSD)



General Vacuum

Q3 2022

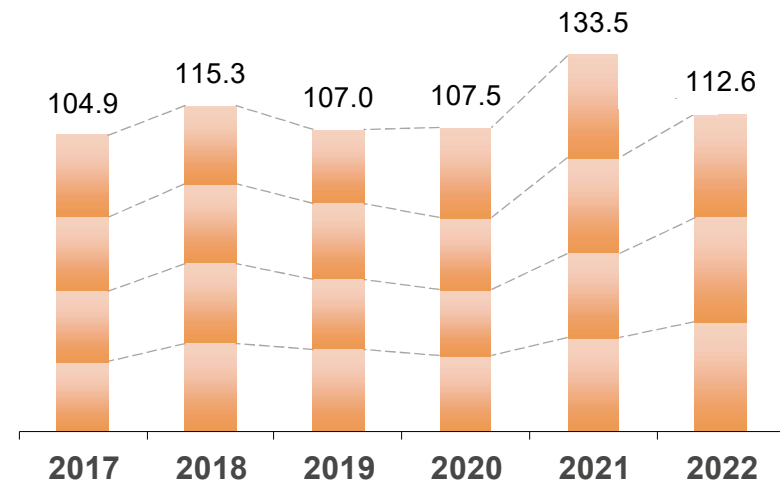
- Q3 2022 sales increase by 9.9% to USD 36.8 million vs. Q3 2021, and a decrease of 1.1% vs. Q2 2022
- European market influenced by a weak Euro

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, despite COVID-19 lockdowns
- Growing food-packaging applications
- 2022 expectations: growth

**Sales to End Market
General Vacuum**
+8.7% CAGR (2016 - 2021)

(in MUSD)



Outlook 2022

New annual record performance expected, despite new US export regulations, ongoing material supply shortages, inflations risks, and the war in Ukraine!

Year-end sales depend on solving supply chain issues, only!

- *Ongoing strong Semiconductor market (Industry 4.0, IoT, Big Data, 5G, AI & AD etc.)*
 - *Foundry and Logic Fabs remain at a high level (but with reduced 2023 Capex plans)*
 - *EUV Lithography technology: soon to be the standard for all advanced high-volume chips*
 - *Chinese Semiconductor Initiative ongoing, but challenged by new US regulations*
 - *New SEMI programs (government support) in US, Europe and Asia*
- *Only modest investments in OLED flat panel display and Optics manufacturing capacities*
- *Increased E-Mobility investments, Li-Ion battery as bottleneck*
- *Ongoing growth for alternative energy and environmental monitoring applications and renewed shipments to US DoD (large 2-year program)*
- *Capacity expansion programs on track to increase capacity by > 50% (compared to 2020)*

Guidance for 2022

→ Sales between USD 570-590 million

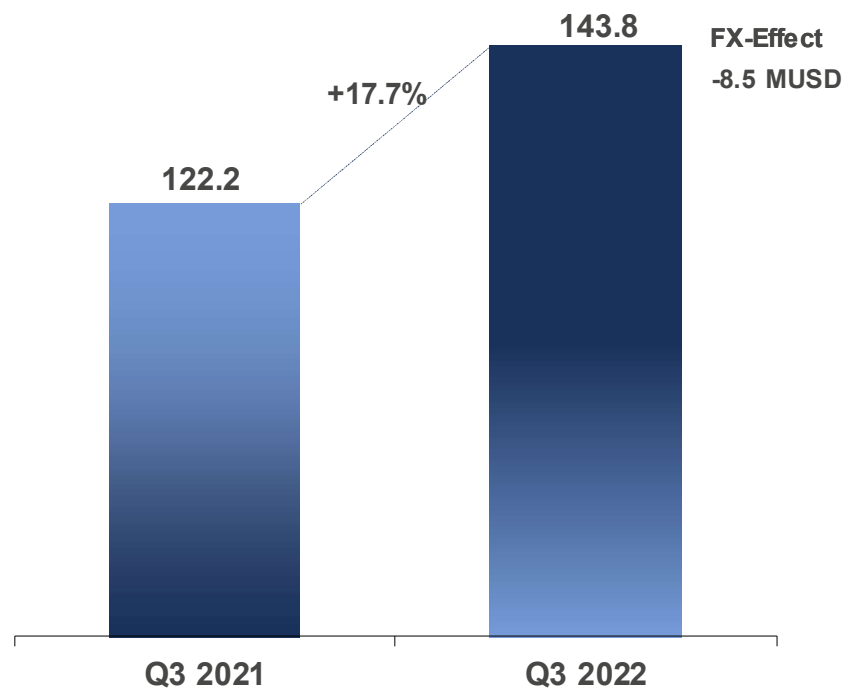
→ Operating Income Margin: approx. 19%

Speaker

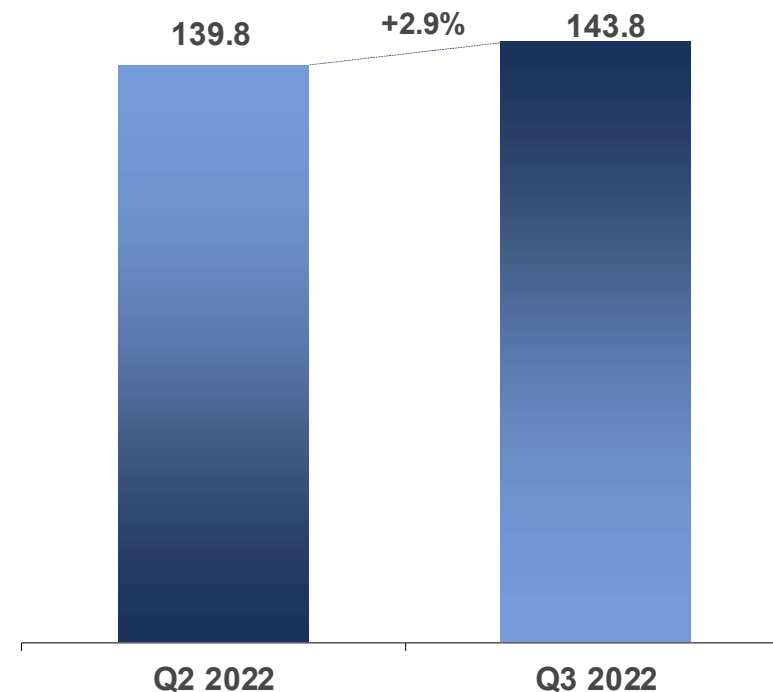
Matthias Tröndle, Vice President and CFO

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Sales (in MUSD)

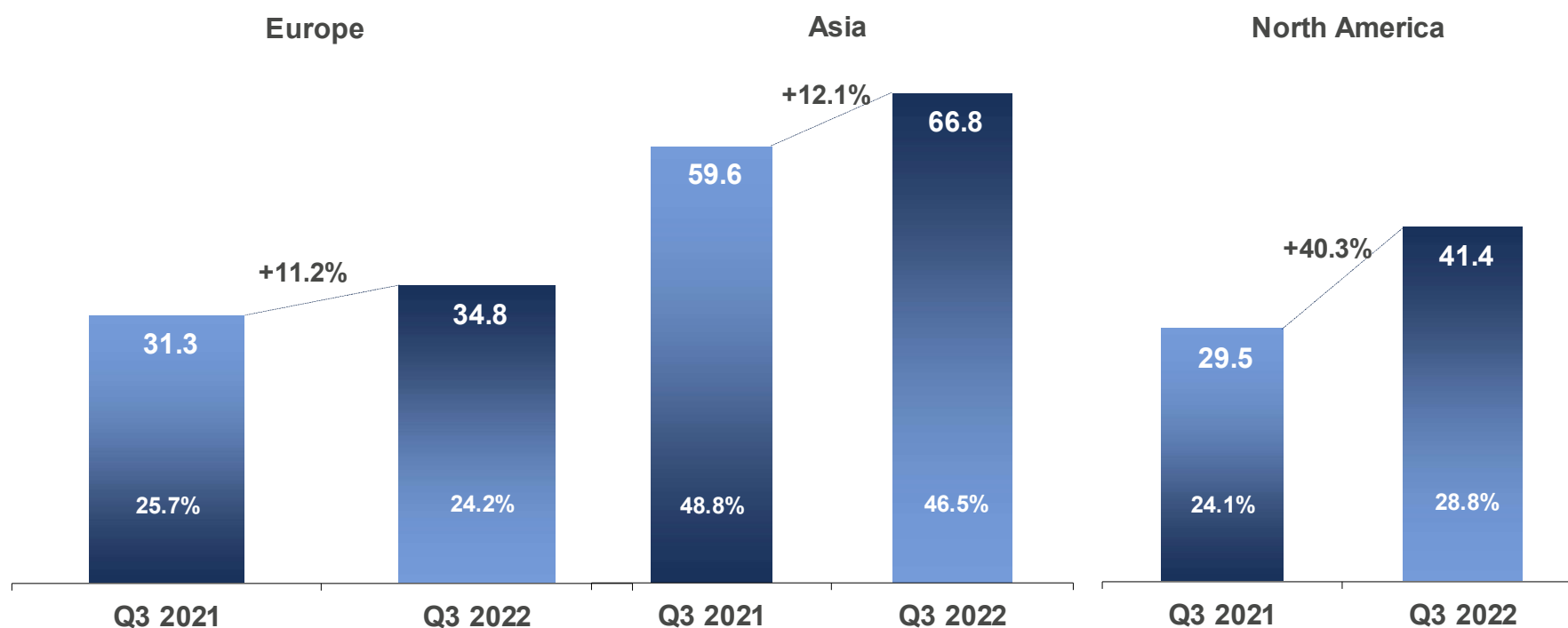


Year-over-year: increase in all markets,
except Security & Energy



Sequential: growth driven by
Refrigeration, Air Cond &
Automotive market

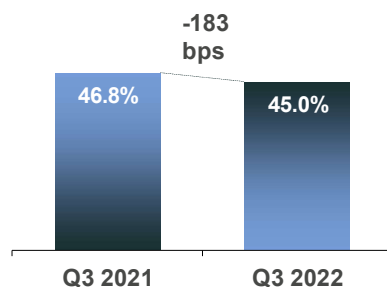
Geographic Sales Breakdown – Quarter (in MUSD)



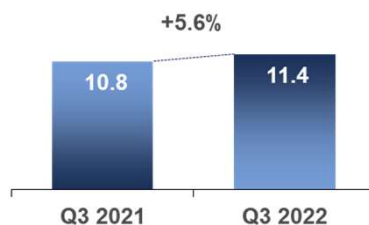
All regions with growth; North America with strongest plus and significant gains
(Semiconductor; Refrigeration, Air Conditioning & Automotive)

Gross Profit, Costs, and Operating Income

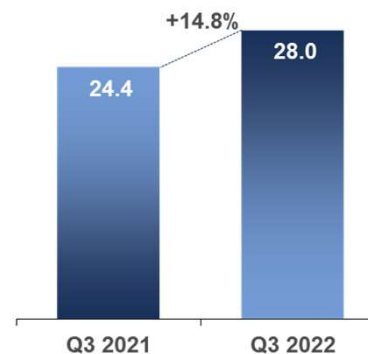
Gross Profit Margin



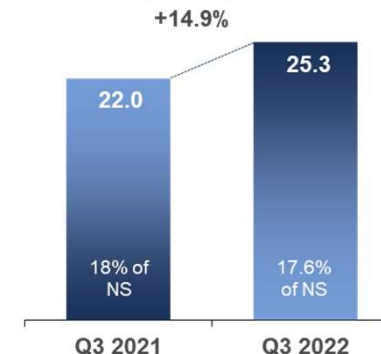
R&D (in MUSD)



SG&A (in MUSD)

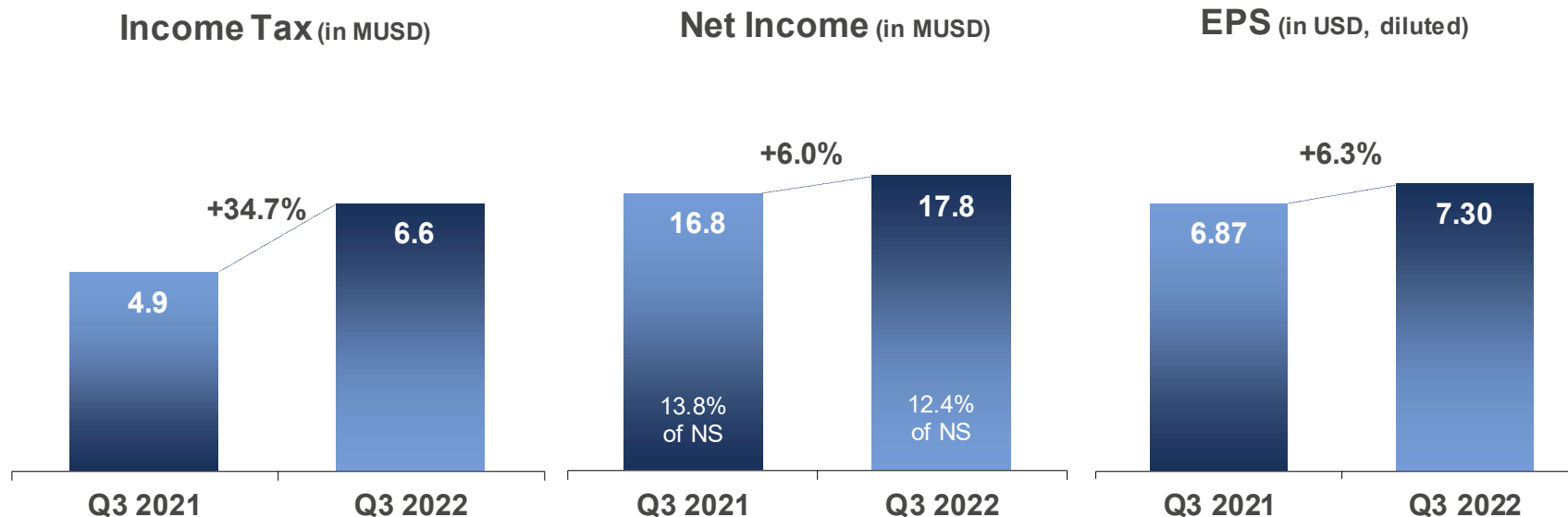


Operating Income
(in MUSD)



- **Gross profit margin:** Decrease in margin of 183 bps. Improved by 13% in absolute numbers and decreased by 35 bps 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. Favorable FX impacts
- **SG&A:** Costs increase, additional headcounts and related personnel expense as main drivers. Favorable FX impacts
- **Operating income:** Clearly improved due to higher sales volume

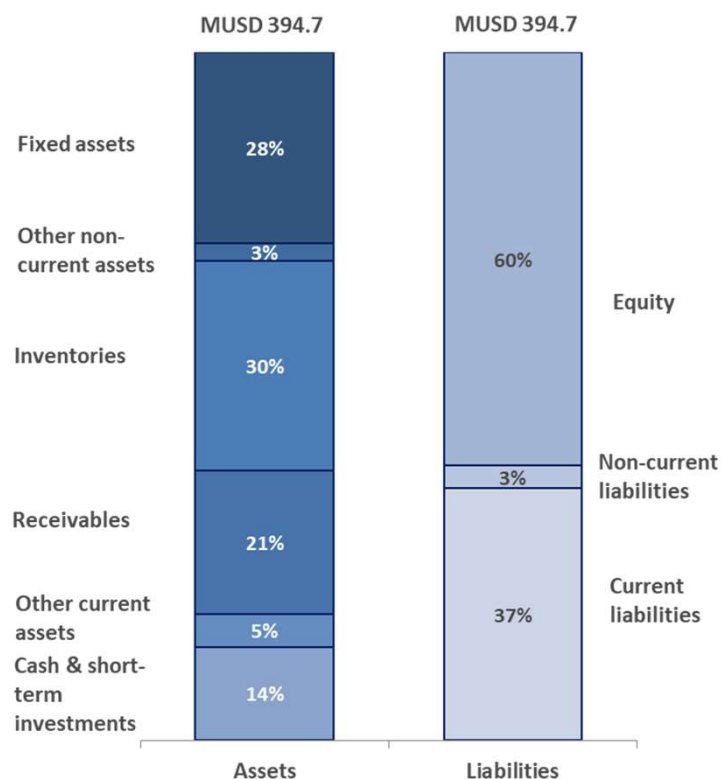
Net Income and EPS Development



- **Income tax:** Tax rate of 27.1% compared with 22.7% in Q3 last year. Tax rate impacted by the profit mix of the various international entities
- **Net income & EPS:** Increase driven by improved operating income at higher tax rate

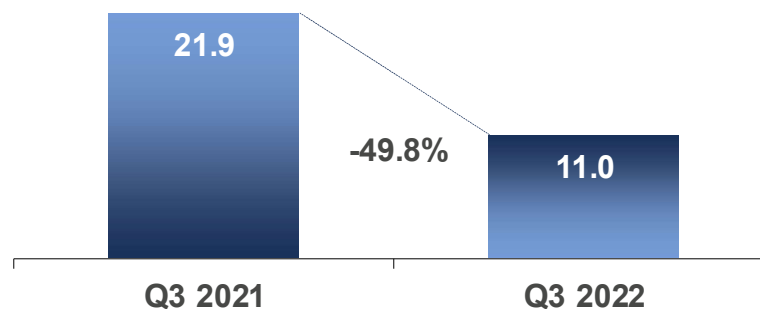
Balance Sheet Highlights (in MUSD)

Balance Sheet Structure 2022



	Q3 22	Q4 21
Net Cash	0.8	54.6
DSO	52.2	52.4
Inventory Turns	3.0	3.2
Working Capital	181.4	151.8
Operating Cash Flow	11.0	13.4

Cash Flow

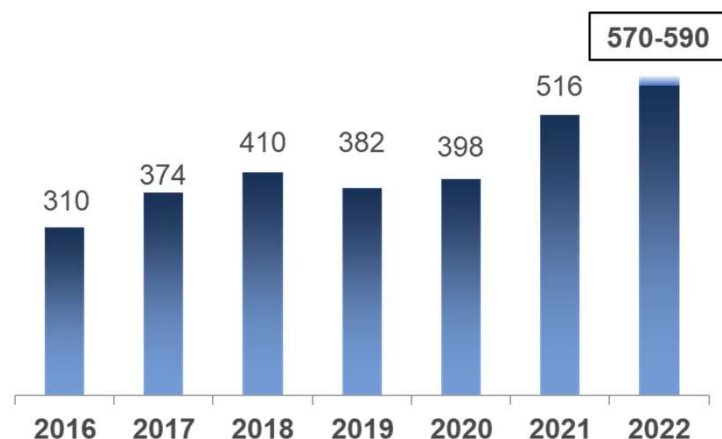


Solid balance sheet; working capital level increased due to higher inventories; this in combination with high capex/investments with impact on cash flow and net cash

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 geo-political situation remains nevertheless fragile and restricts partially our forecasting capability, INFICON assesses the outlook for the current year as optimistic.

Sales

Op. Income Margin

USD 570-590 million

approx. 19%

Corporate Calendar FY 2022/2023

- | | |
|---|------------------|
| ▪ Q4 and FY 2022 Earnings Conference Call | March 2, 2023 |
| ▪ Q1 FY 2023 Earnings Conference Call | April 26, 2023 |
| ▪ Q2 and HY 2023 Earnings Conference Call | July 27, 2023 |
| ▪ Q3 FY 2023 Earnings Conference Call | October 19, 2023 |

Earnings dates are subject to change



Inspired by visions. Proven by success.

THANK YOU!

Q&A