



Q2 2022 EARNINGS CONFERENCE

July 28, 2022

Bad Ragaz, Switzerland

Speakers

Lukas Winkler, President and CEO

- Key figures Q2 2022
- Target market business review
- Expectations 2022

Matthias Tröndle, Vice President and CFO

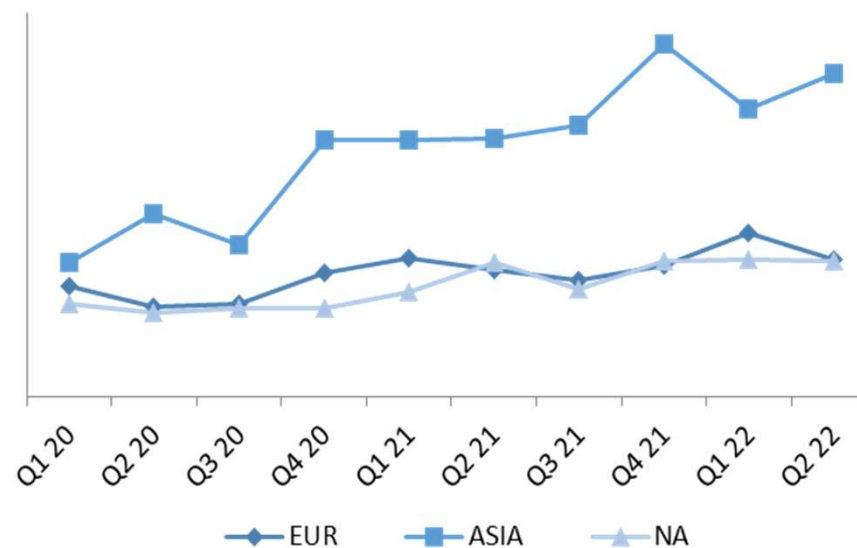
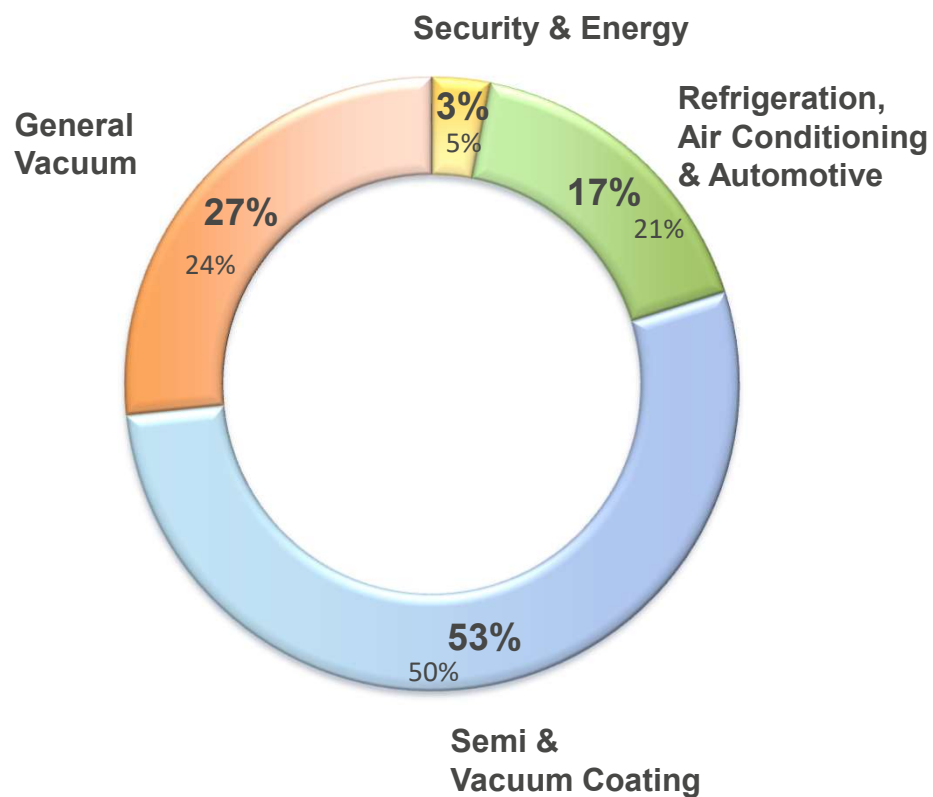
- Financials Q2 2022
- Key financials half-year 2022
- Guidance

Q2 2022 – Key Figures

- **Broadly based growth in all regions, year-over-year**
 - Sales increase of 10.7% to high USD 139.8 million, organic increase of 14.9% compared with Q2 2021
 - Sequential sales increase of 1.1% over Q1 2022
 - Book to bill ratio: > 1
 - **Operating result**
 - High sales with lower gross margin at stable operational costs
 - Operating income increased by 10.1% to USD 25.1 million (18.0% of sales) after USD 22.8 million (18.1% of sales) in Q2 2021
- **Net income of USD 19.9 million or 14.2% of sales**

Net Sales by End Market

USD 139.8 million in Q2 2022
(+10.7% vs. Q2 2021 and +1.1% vs. Q1 2022)



Security & Energy

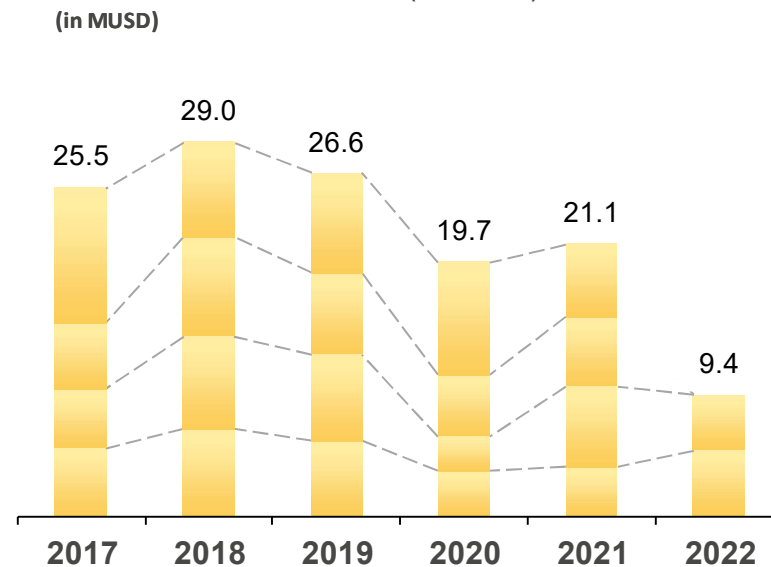
Q2 2022

- Sales decrease of 31.4% to USD 4.3 million in Q2 2022 vs Q2 2021, and decrease of 15.7% vs Q1 2022
- Increased contribution from green energy and environmental applications

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)



**IRwin® Mobile Methane
Leak Detector**



New HAPSITE® CDT

Refrigeration, Air Conditioning & Automotive

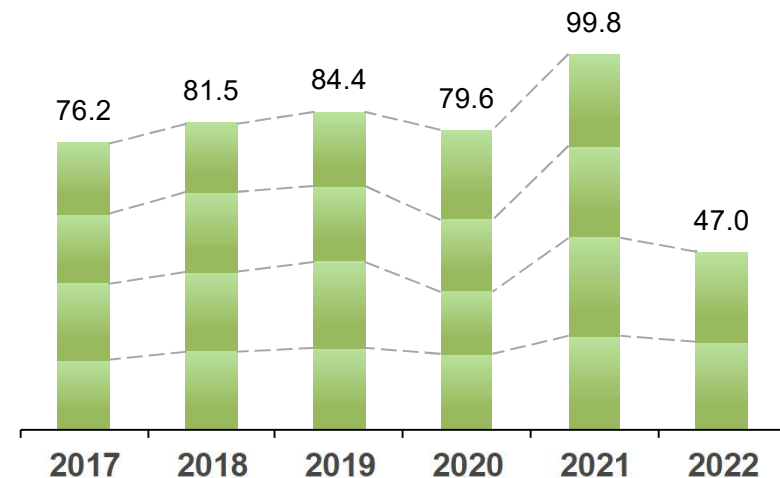
Q2 2022

- Q2 2022 sales decrease of 9.5% to USD 23.9 million vs Q2 2021, and sales increase 3.5% vs Q1 2022
- 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)



Modular Leak Detector
LDS 3000



Protec® P3000
Helium Leak Detector

Semi & Vacuum Coating

Solar, Display, Optics & Semiconductor

Q2 2022

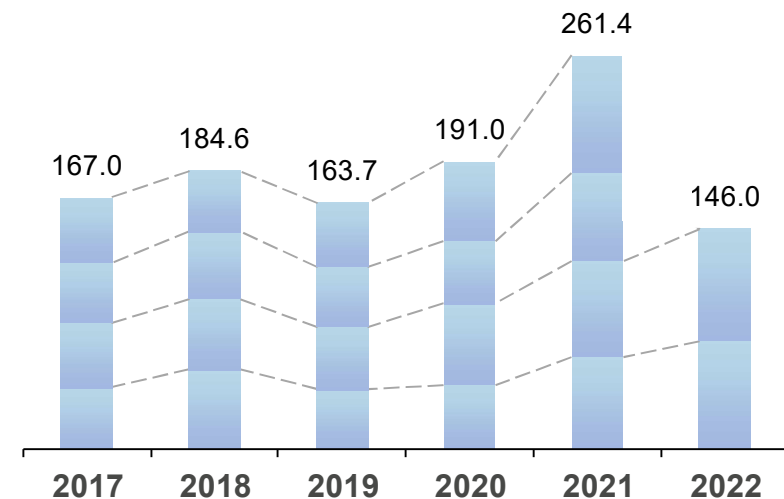
- Sales Q2 2022 increase of 17.4% vs Q2 2021, and 3.9% vs Q1 2022 to USD 74.4 million
- Ongoing strong Semiconductor market (equipment CAPEX)
- Stable Vacuum Coating market

Market Trends

- Unchanged long-term demand for new smart sensors, 5G & 6G, IoT, AI & AD, Big Data, and computing power
- Global chip supply shortage not over yet
- Increased complexity (< 7nm node size) drives need for more process monitoring
- Chinese Semiconductor initiative ongoing, but challenged by ongoing US/China conflicts
- 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)



Transpector™ RGA



High Temperature CDG

General Vacuum

Q2 2022

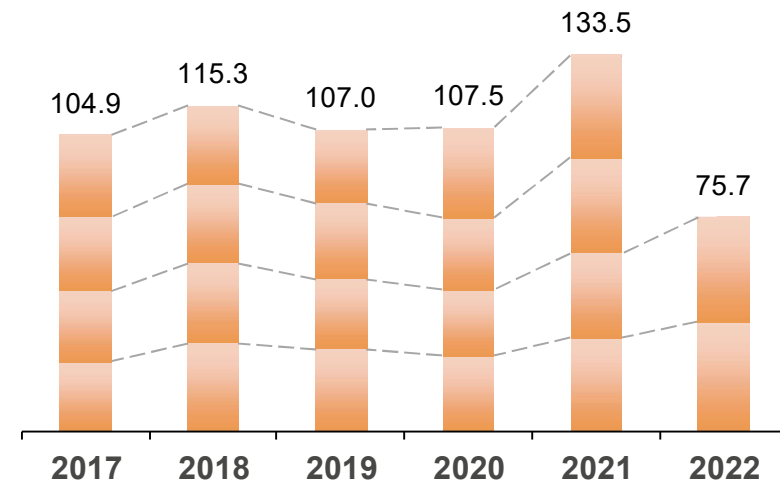
- Q2 2022 sales increase by 22.8% to USD 37.2 million vs Q2 2021, sales decrease by 3.4% vs Q1 2022
- China strong, EU influenced by weak EURO

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)



Pressure Measurement Products

Outlook 2022

INFICON expects to reach new annual record performance despite ongoing COVID-19 uncertainties in China, the war in Ukraine, and inflation risks!

Year-end sales depends on solving supply chain and capacity issues!

- *Ongoing strong Semiconductor market (Industry 4.0, IoT, Big Data, 5G, AI & AD etc.)*
 - *Foundry and Logic Fabs remain at a high level (global supply shortages ongoing)*
 - *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*
- *Increased E-Mobility investments, Li-Ion battery as bottleneck*
- *Ongoing growth for alternative energy and environmental monitoring applications and first 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 560-600 million

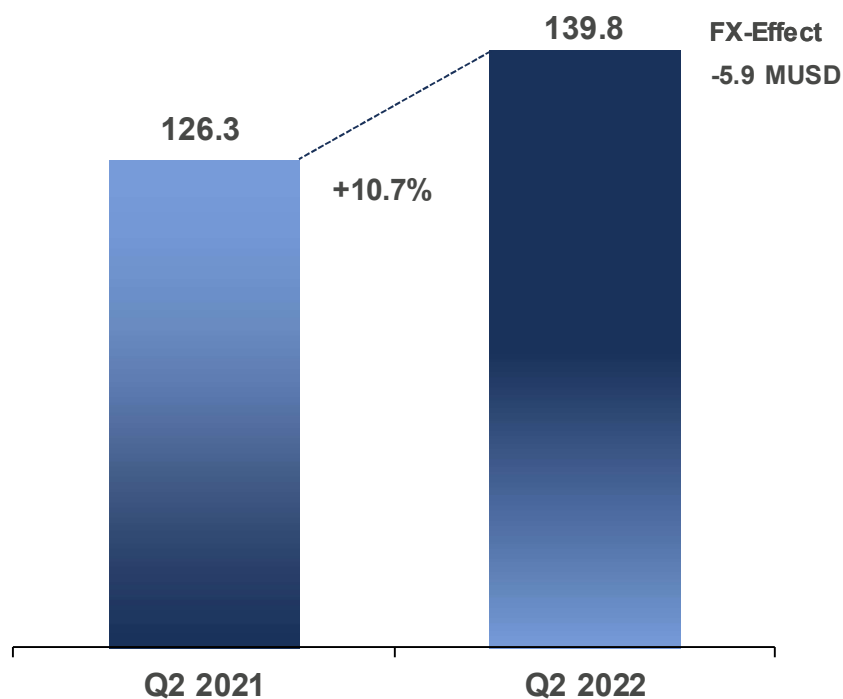
→ Operating Income Margin: approx. 19%

Speaker

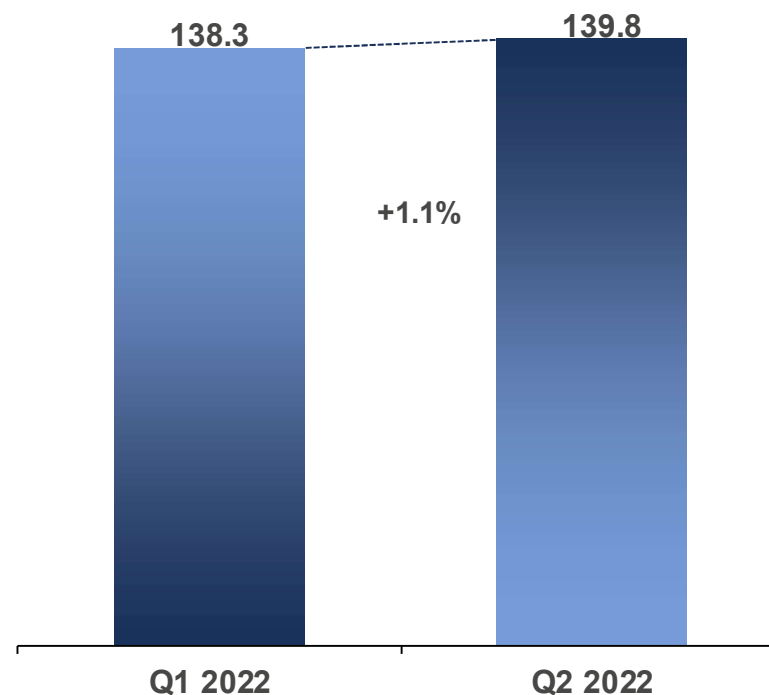
Matthias Tröndle, Vice President and CFO

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Sales (in MUSD)

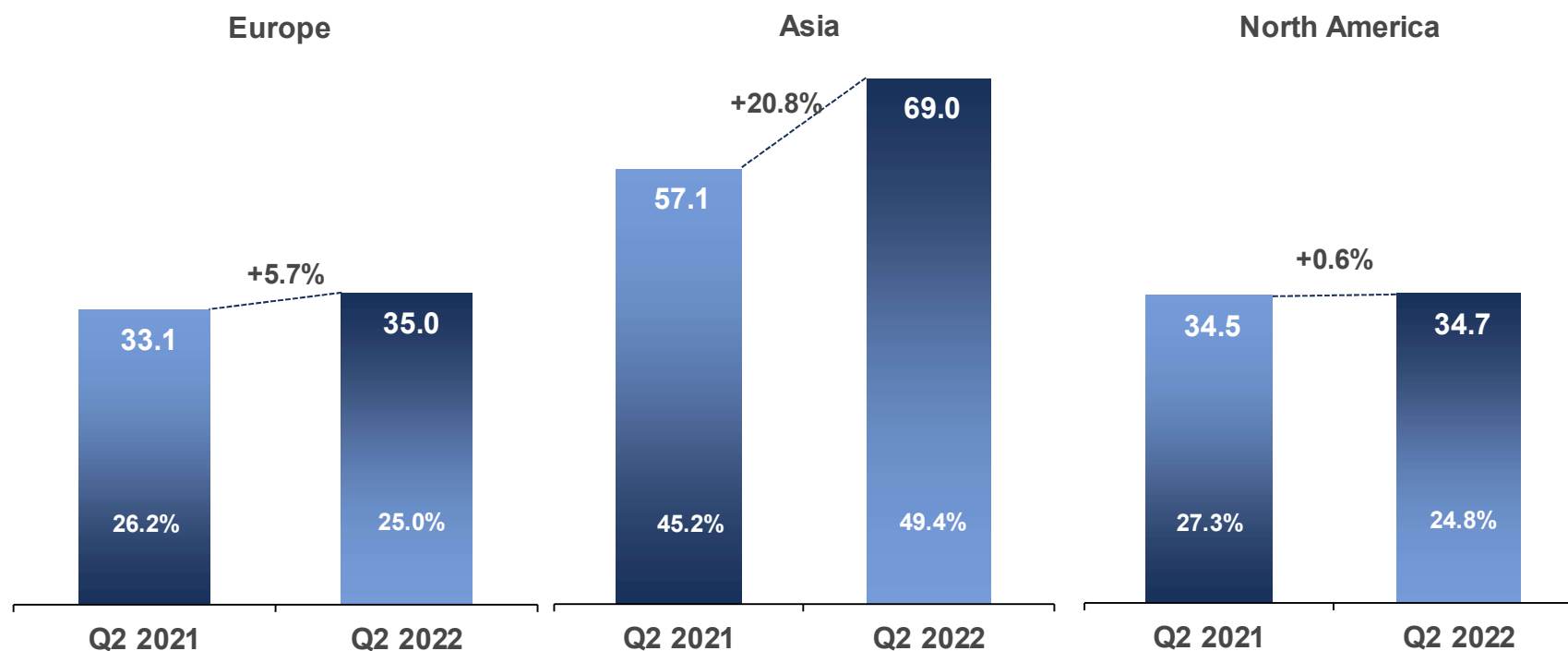


Year-over-year: Semi & Vacuum Coating and General Vacuum as growth driver



Sequential: Growth in Semi & Vacuum Coating and RAC&A market

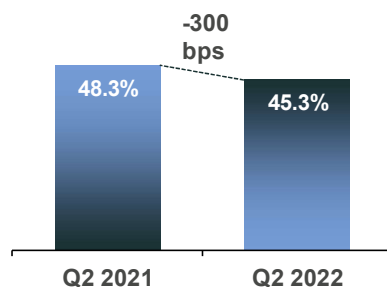
Geographic Sales Breakdown – Quarter (in MUSD)



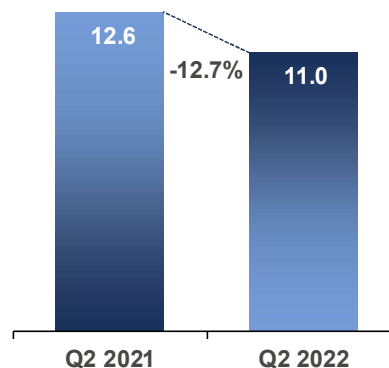
Asia-Pacific with strongest growth rates
(Semiconductor and General Vacuum end-market)

Gross Profit, Costs, and Operating Income

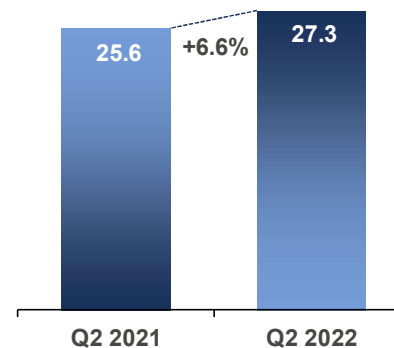
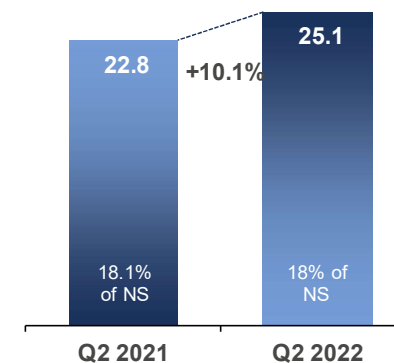
Gross Profit Margin



R&D (in MUSD)

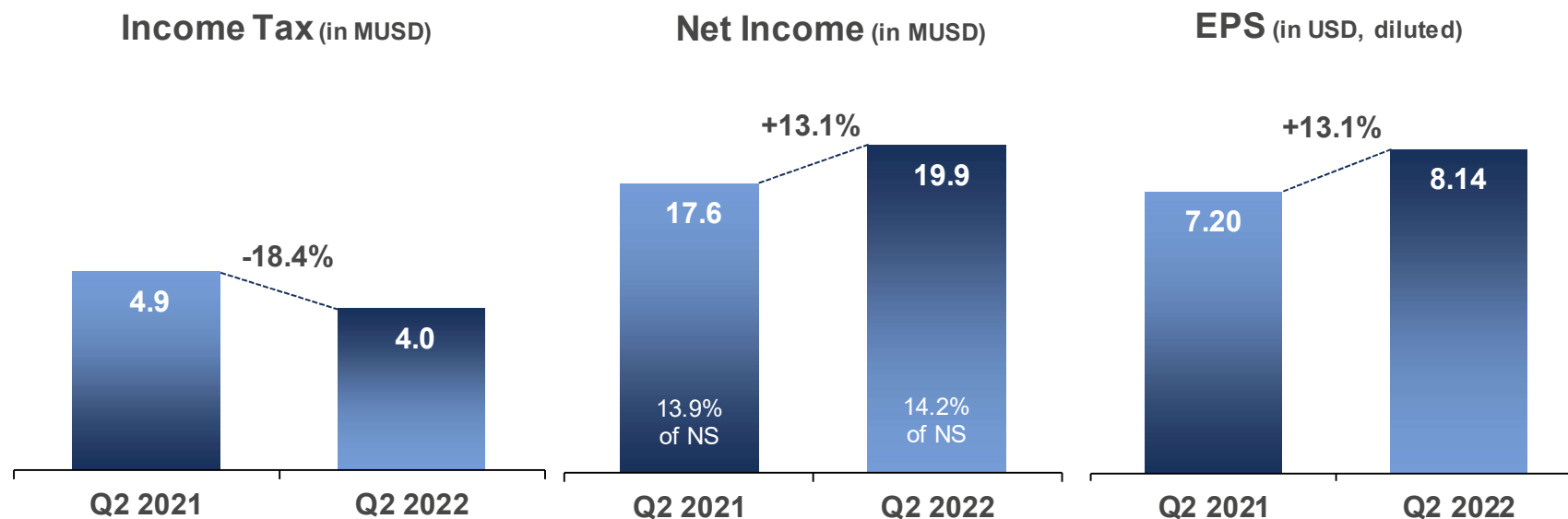


SG&A (in MUSD)

Operating Income
(in MUSD)

- **Gross profit margin:** Decrease in margin of 300 bps. Improved by 3.8% in absolute numbers and decreased by 177 bps vs. previous quarter. Higher volume partially offset by rising material prices, increasing broker fees, freight and duties
- **R&D cost:** Slight decrease – but development efforts and research project with unchanged pace. Favorable FX impacts
- **SG&A:** Costs increase, additional headcounts and related personnel expense as main drivers. Favorable FX impacts
- **Operating income:** Improved due to higher sales volume at stable costs

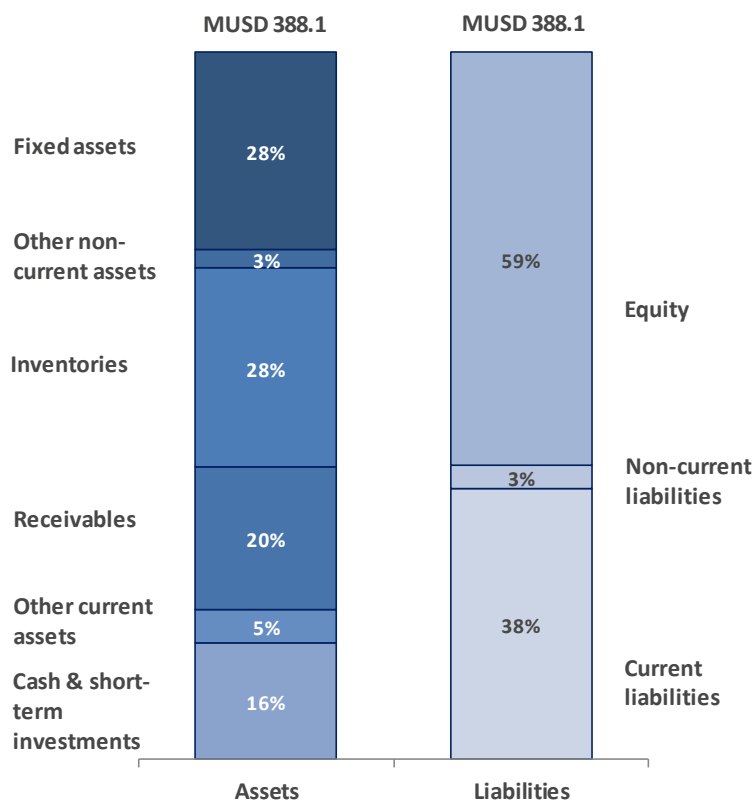
Net Income and EPS Development



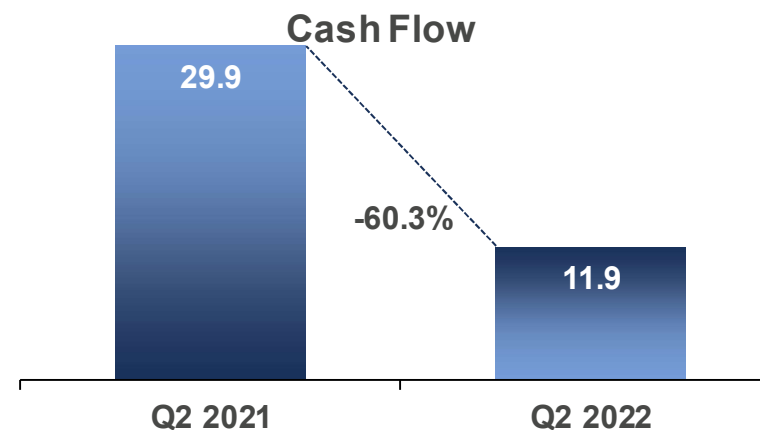
- **Income tax:** Tax rate of 16.7% compared with 21.8% in Q2 last year. Decrease driven by the profit mix of the various international entities
- **Net income & EPS:** Increase driven by improved operating income and slightly lower tax rate

Balance Sheet Highlights (in MUSD)

Balance Sheet Structure 2022



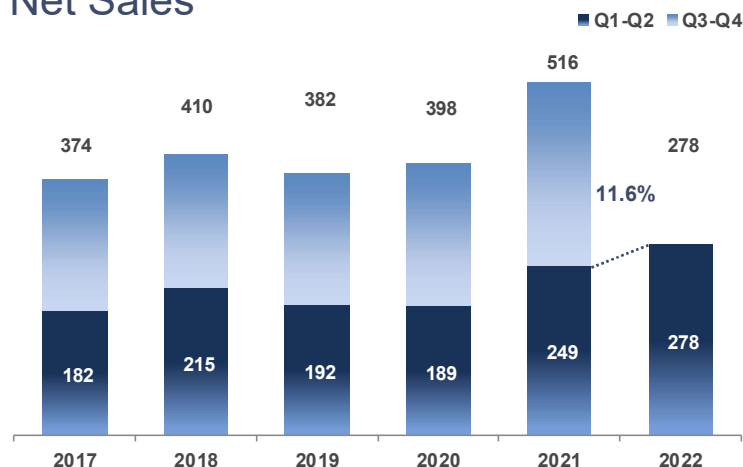
	Q2 22	Q4 21
Net Cash	-1.3	54.6
DSO	52.4	52.4
Inventory Turns	3.1	3.2
Working Capital	163.7	151.8
Operating Cash Flow	11.9	19.8



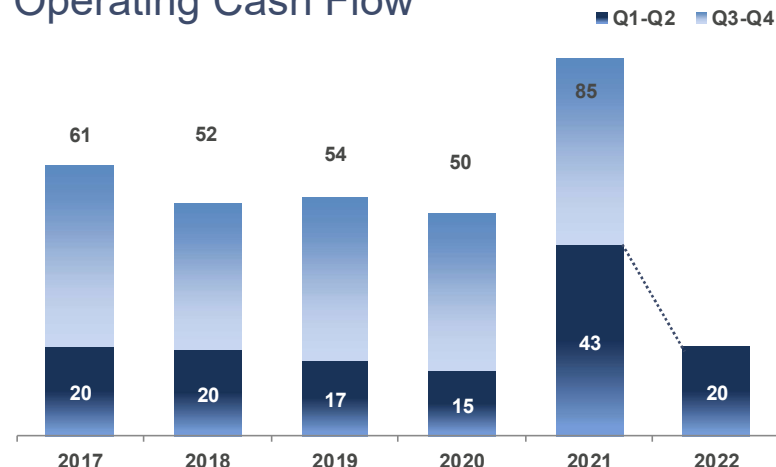
Solid balance sheet; working capital increased due to higher inventories; this in combination with high capex/investments impact on cash flow and net cash

Financial Performance Half-Year 2022 (in MUSD)

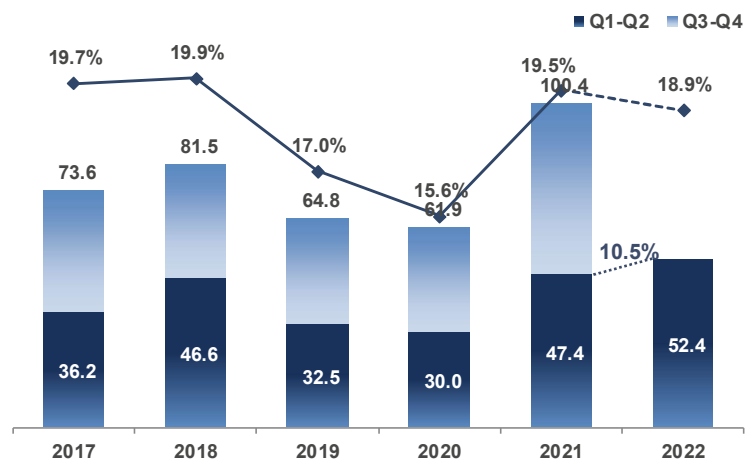
Net Sales



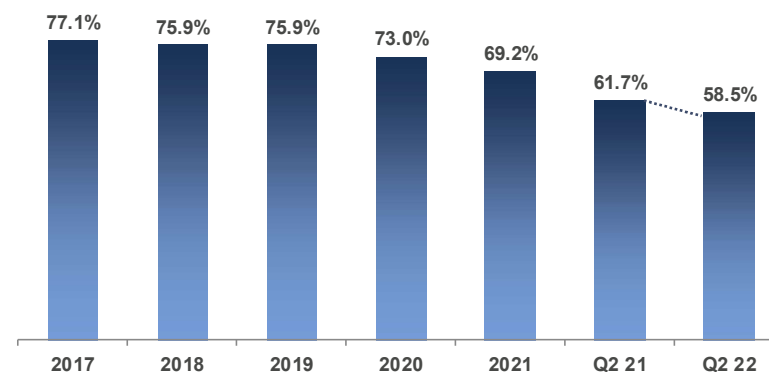
Operating Cash Flow



Operating Income and Ratio



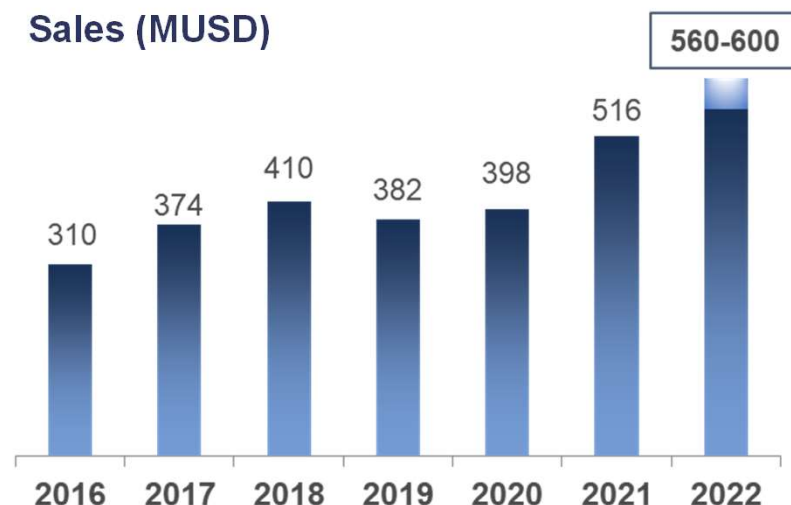
Equity Ratio



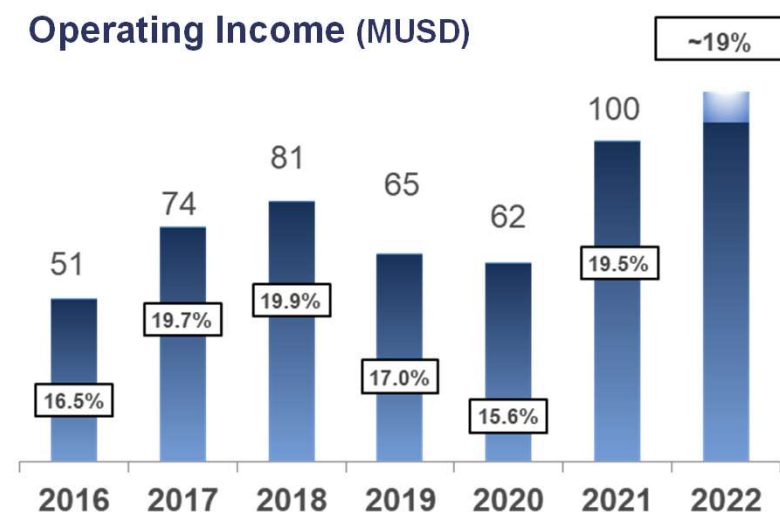
GUIDANCE FY 2022 AND CORPORATE COMMUNICATION CALENDAR

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 USD 560-600 million
Op. Income Margin approx. 19%

Corporate Calendar FY 2022

- Q3 FY 2022 Earnings Conference Call October 20, 2022
- Q4 and FY 2022 Earnings Conference Call March 2, 2023

Earnings dates are subject to change



Inspired by visions. Proven by success.

THANK YOU!

Q&A