



## **Q1 2022 EARNINGS CONFERENCE**

April 22, 2022

Bad Ragaz, Switzerland

# Speakers

## **Lukas Winkler, President and CEO**

Key figures Q1 2022

Target market business review

Expectations 2022

## **Matthias Tröndle, Vice President and CFO**

Financials Q1 2022

Guidance

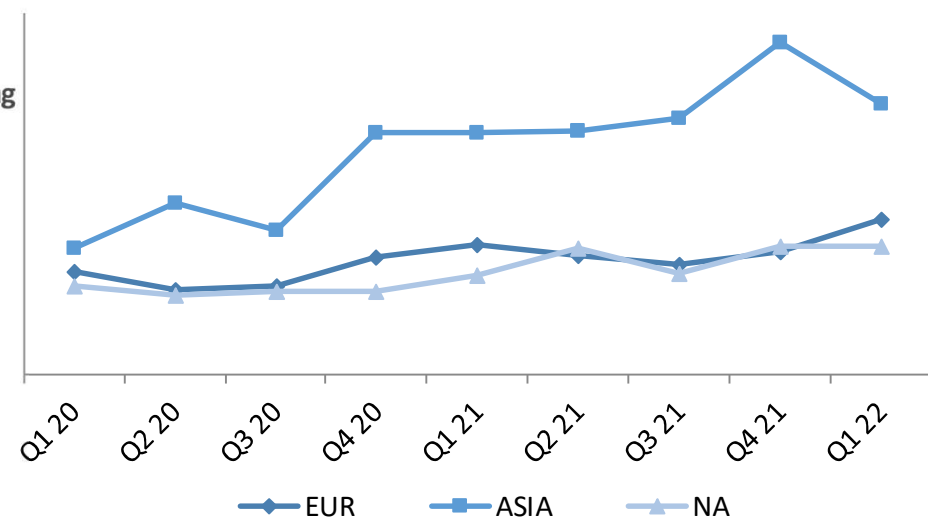
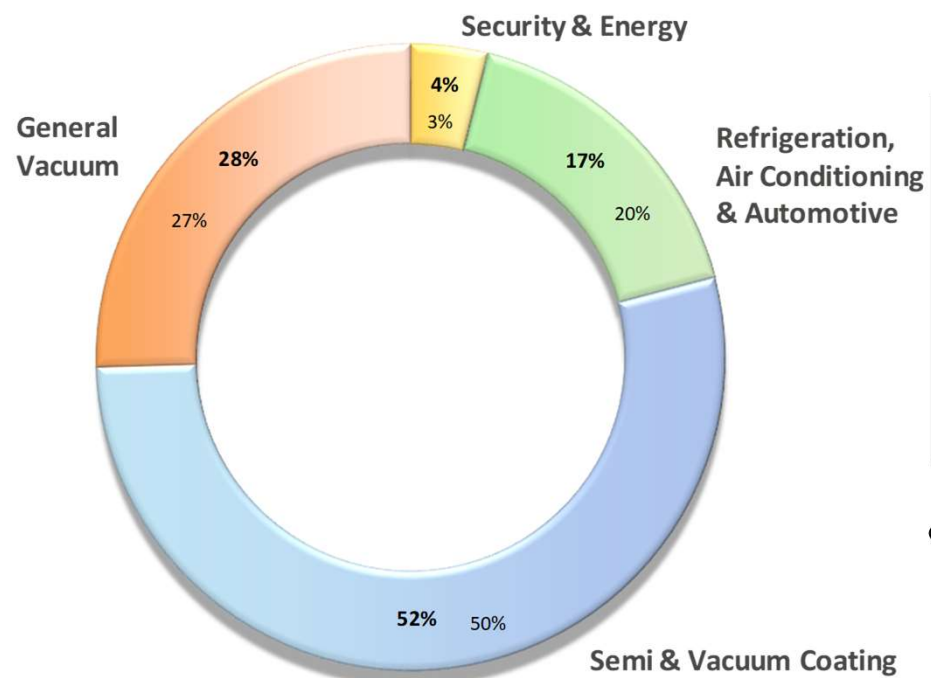
# Q1 2022 – Key Figures

- **Growth in all regions and all markets except Refrigeration, Air Conditioning & Automotive; Europe and North America with new quarterly highs**
  - Sales increase of 12.6% to USD 138.3 million (second best quarter), organic growth of 14.9%
  - Sequential sales decrease of 4% over Q4 2021, our record quarter so far
  - Book to bill ratio: >1
- **Operating result**
  - High sales and operating income with an improved gross profit margin 47.1% over Q4 2021 (46.7%)
  - Operating income of USD 27.3 million (19.8% of sales) after USD 24.6 million (20.0% of sales) in Q1 2021

→ **Net income of USD 21.2 million or 15.3% of sales**

# Net Sales by End Market

USD 138.3 million in Q1 2022 (+12.6%)



# Security & Energy

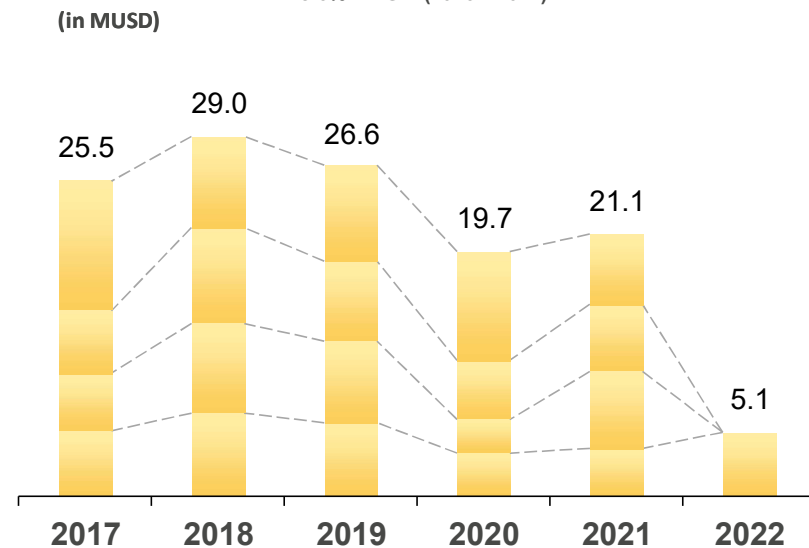
## Q1 2022

- Sales increase of 35.2% to USD 5.1 million vs Q1 2021, and decrease of 11.0% vs Q4 2021
- Increased contribution from new products for energy applications, but low security activities

## Market Trends

- Short-term security needs may change due to the war in Ukraine
- New target markets
  - Bio-Methane (EU)
  - Landfill Monitoring (US)
  - Environment Monitoring (CN)
- 2022 expectations: Growth
  - US DoD 2022 programs with new Hapsite™
  - Growing Energy & Environment monitoring businesses

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



Irwin® Mobile Methane  
Leak Detector



New HAPSITE® CDT

# Refrigeration, Air Conditioning & Automotive

## Q1 2022

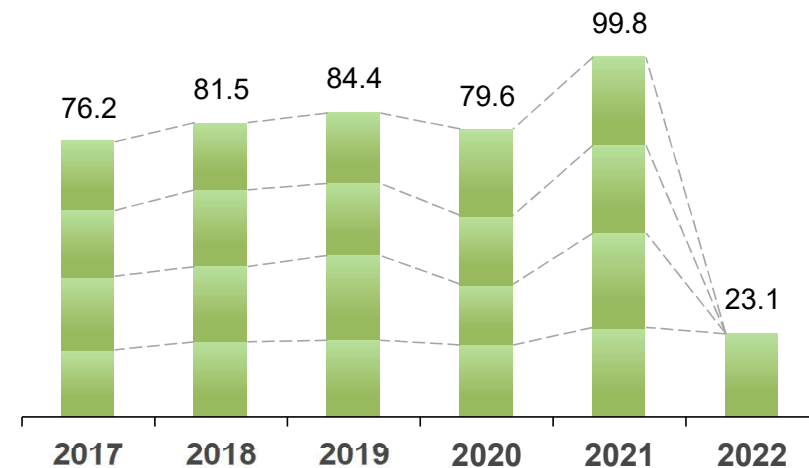
- Sales decrease of 6.4% to USD 23.1 million vs Q1 2021, and decrease of 5.7% vs Q4 2021
- Stable Refrigeration market with growing after-sales service activities
- Growing battery testing market

## Market Trends

- Ongoing 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 market and product initiatives for handheld after sale service products in automotive market
- 2022 expectations: Growth

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

(in MUSD)



Modular Leak Detector  
LDS 3000



Protec® P3000  
Helium Leak Detector

# Semi & Vacuum Coating

Solar, Display, Optics & Semiconductor

## Q1 2022

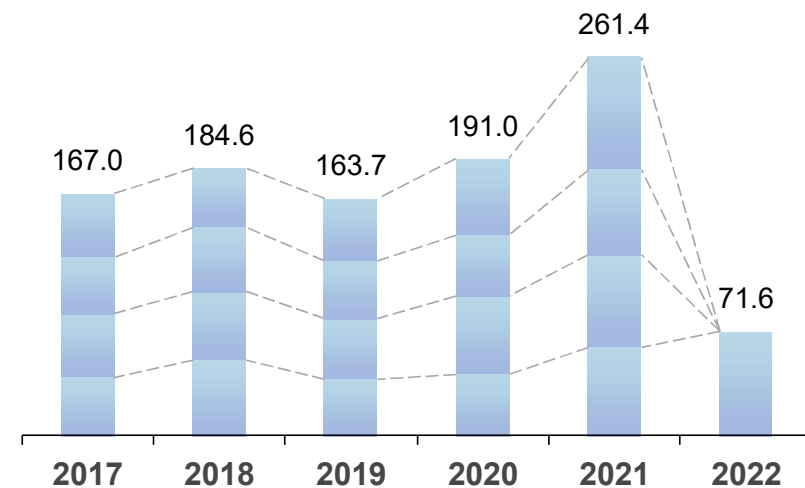
- Sales increase of 16.7% vs Q1 2021, and decrease 7.6% vs Q4 2021 to USD 71.6 million
- Ongoing strong Semiconductor market (equipment CAPEX)

## Market Trends

- Unchanged long-term demand for new smart sensors, 5 & 6G, IoT, AI & AD, Big Data, and computing power
- Ongoing global supply shortages
- Government incentives in US, EU & Asia
- EUV lithography enables < 7nm technology
- Chinese Semiconductor initiative ongoing, but challenged by US/China technology & trade issues
- Modest investments in OLED flat panel display, Optics and Solar applications
- 2022 expectations: Growth

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

(in MUSD)



Transpector™ RGA



High Temperature CDG

# General Vacuum

## Q1 2022

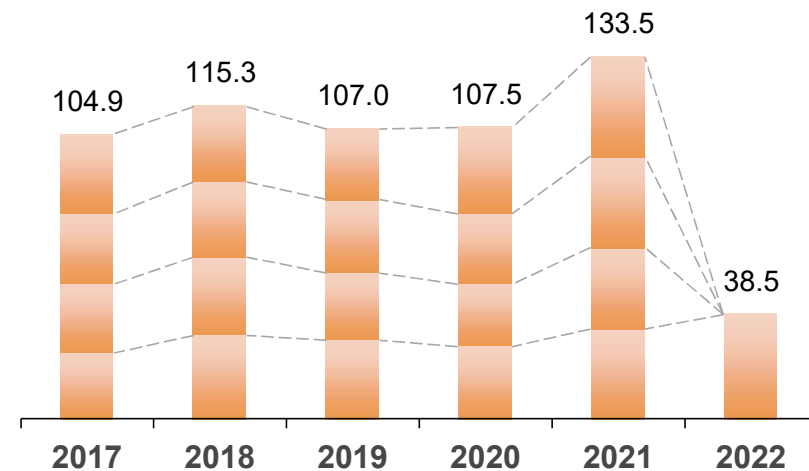
- Sales increase of 17.2% to USD 38.5 million vs Q1 2021, and of 4.6% vs Q4 2021
- Strong EU & China markets

## 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, strong growth in China at risk due to 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

- *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*
- *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, with uncertain impact from COVID-19 lockdowns in China*
- *Ongoing growth for alternative energy and environmental monitoring applications*
- *Capacity expansion programs on track to increase capacity by 50% (compared to 2020)*

**Guidance for 2022**    ➔ **Sales between USD 550-600 million**  
➔ **Operating Income Margin > 20%**

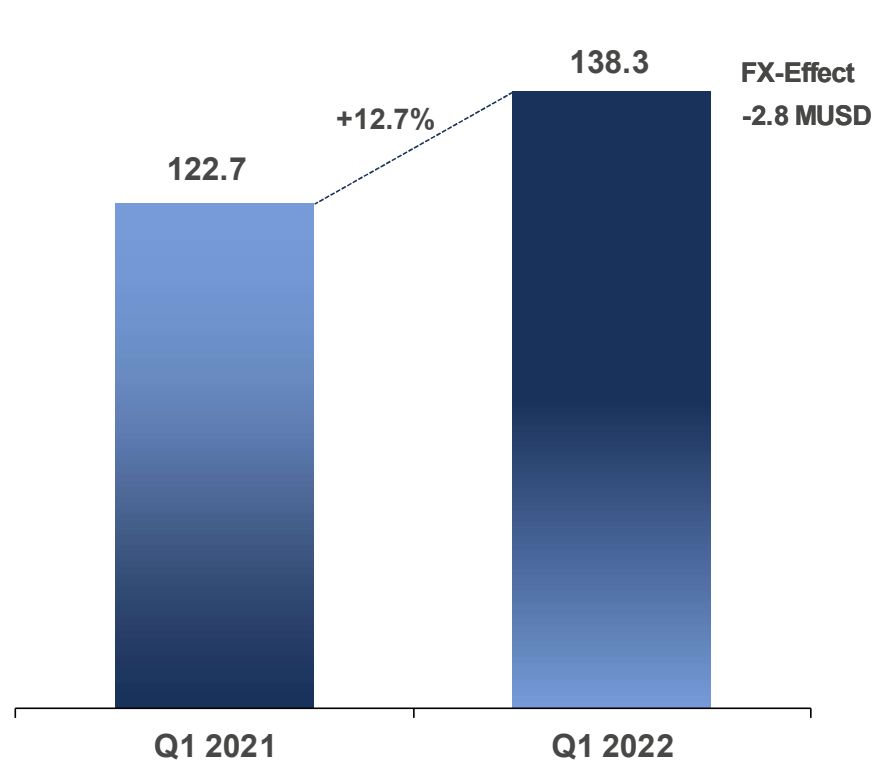
# Speaker

## Matthias Tröndle, Vice President and CFO

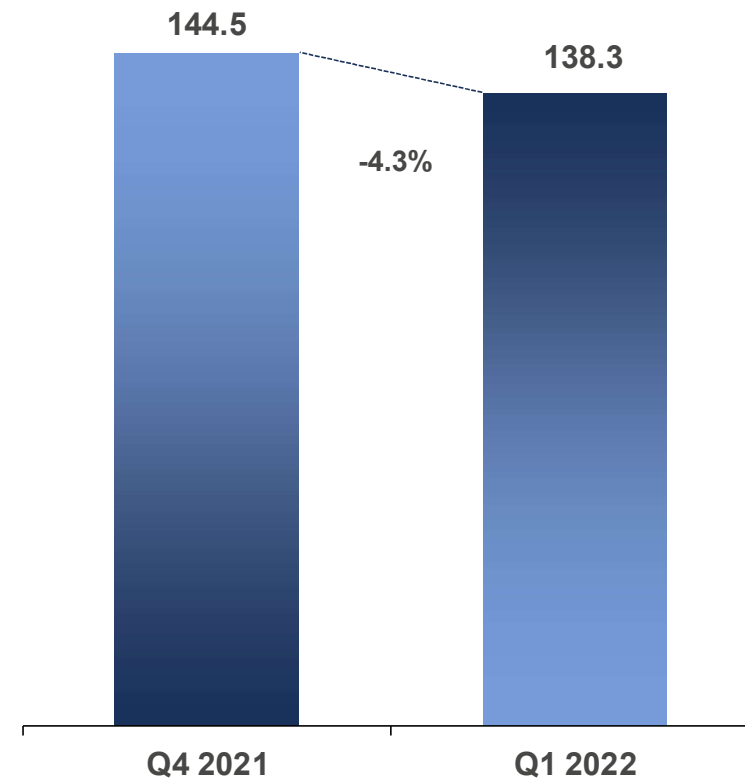
Financials Q1 2022

Guidance

# Sales (in MUSD)

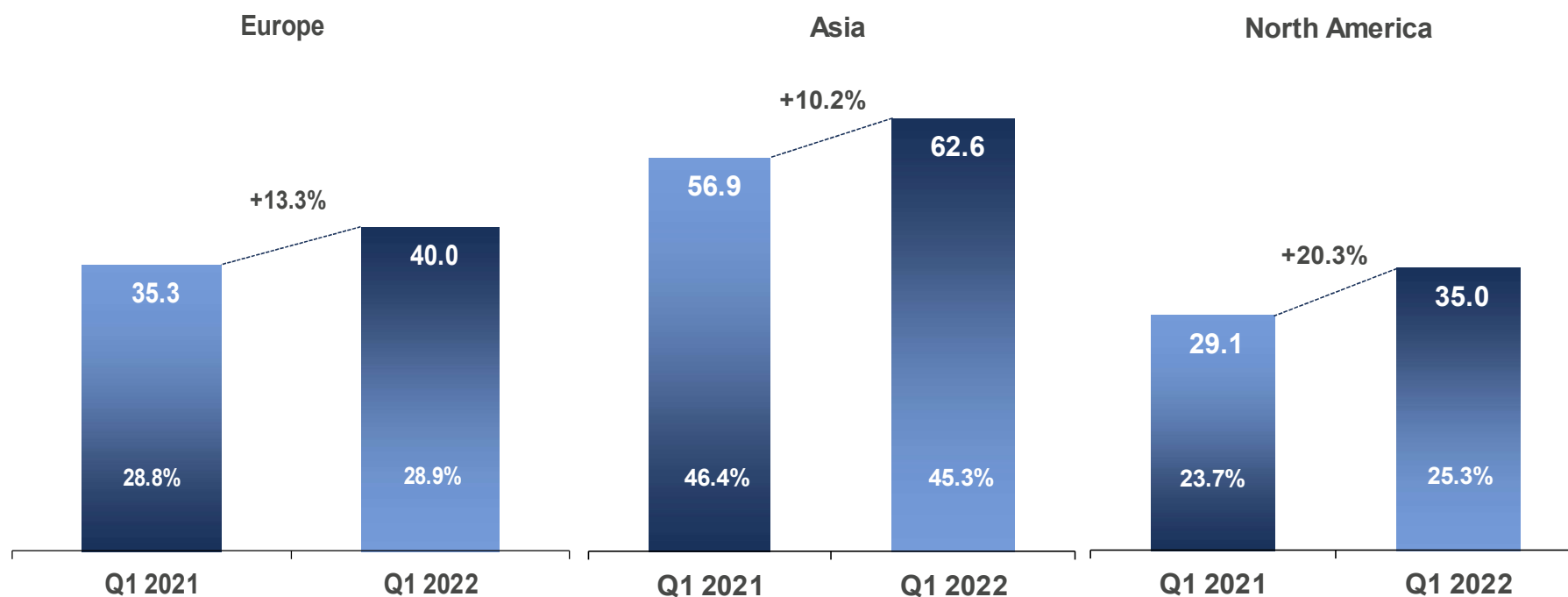


Year-over-year: Increase in all markets, except Refrigeration, Air-Conditioning & Automotive



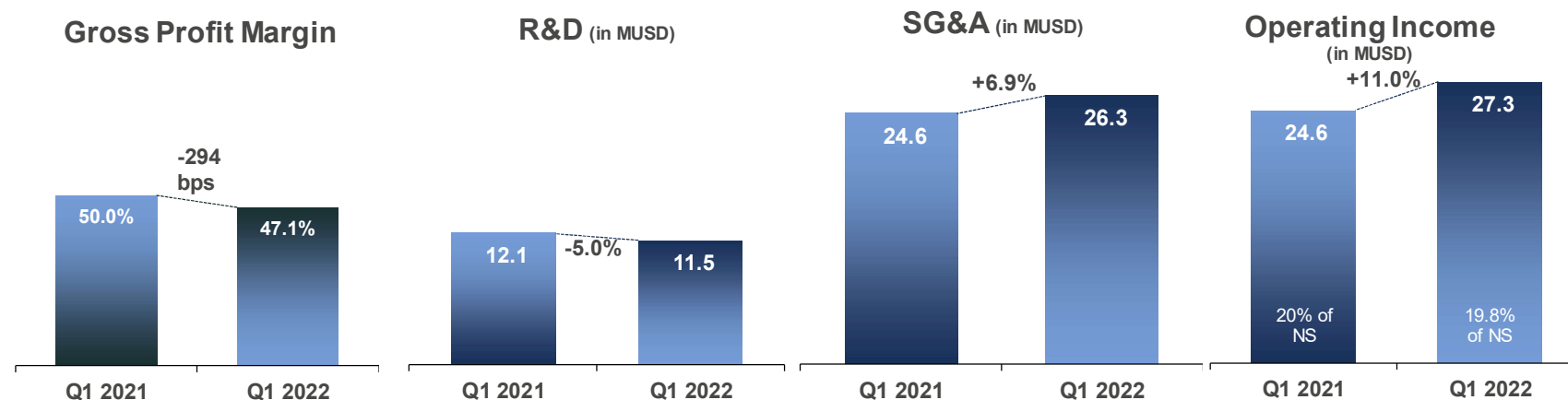
Sequential: Growth in General Vacuum end-market

# Geographic Sales Breakdown – Quarter (in MUSD)



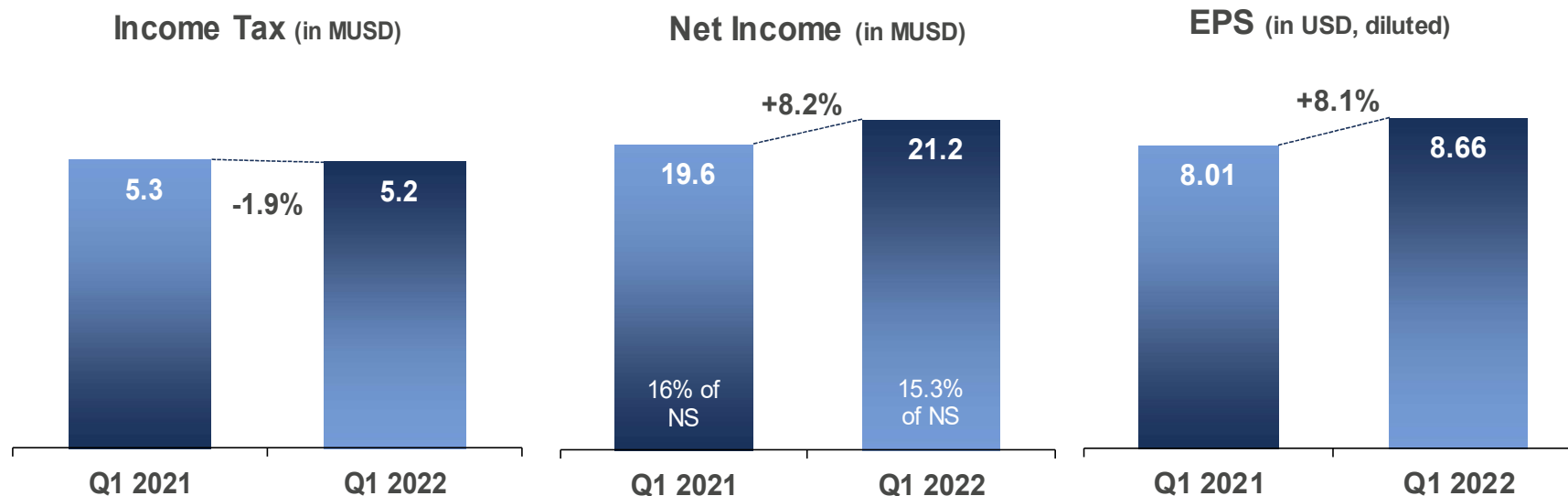
Europe and North America with new quarterly highs (Semiconductor and General Vacuum markets). Asia-Pacific with good growth in General Vacuum

# Gross Profit, Costs, and Operating Income



- **Gross profit margin:** margin decrease of 294 bps. Improved by 6% in absolute numbers and improved by 41 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 projects 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 thanks to higher sales volume, second best quarterly result.

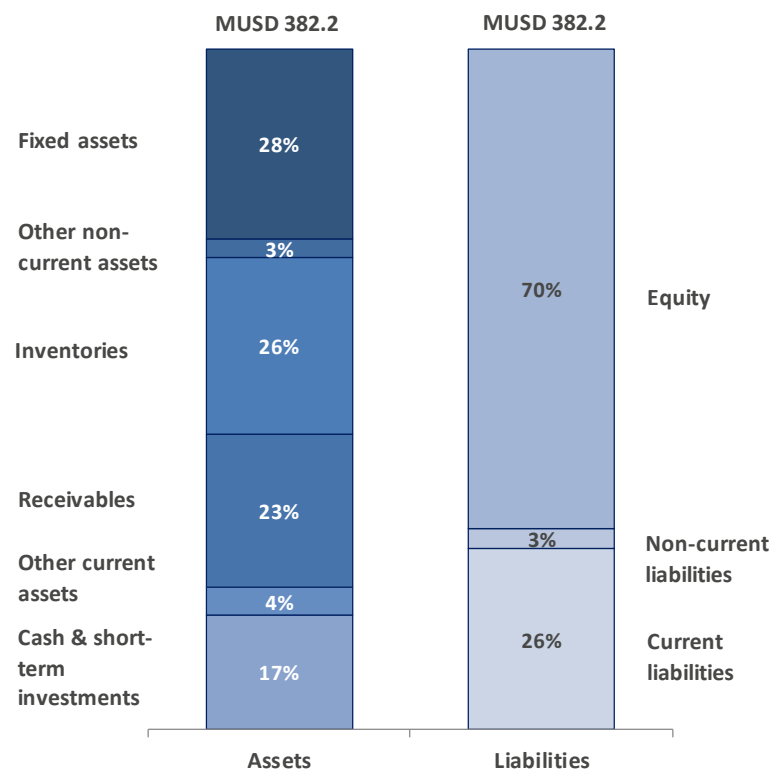
# Net Income and EPS Development



- **Income tax:** Tax rate in Q1 2022 at 19.8% and at average level
- **Net income & EPS:** Increase in line with operating income change

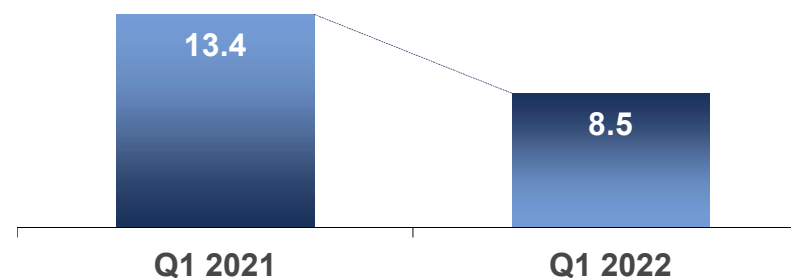
# Balance Sheet Highlights (in MUSD)

Balance Sheet Structure 2022



	Q1 22	Q4 21
Net Cash	51.6	54.6
DSO	53.0	52.4
Inventory Turns	3.1	3.2
Working Capital	162.6	151.8
Operating Cash Flow	8.5	19.8

Cash Flow



Solid balance sheet; working capital level higher mainly due to higher Inventories and A/R; as a consequence, Cash flow slightly lower vs previous year Q1

# **GUIDANCE FY 2022 AND CORPORATE COMMUNICATION CALENDAR**

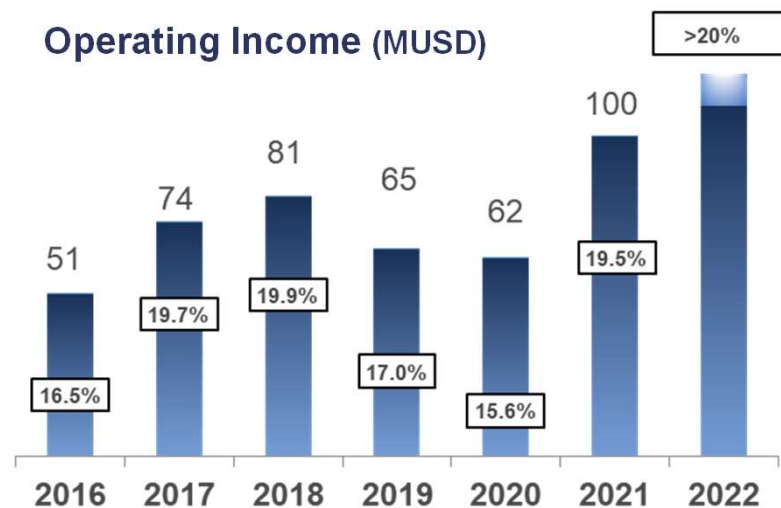


# Full Year 2022 Guidance

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 550-600 million**  
**Op. Income Margin**    **over 20%**

# Corporate Calendar 2022

- Q2 FY 2022 and Half-Year Results Earnings Conference Call July 28, 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**