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Strong final quarter drives organic growth in 2013

- **Strong Q4 2013:** Sales of USD 80.5 million in Q4 2013 (Q4 2012: USD 71.0 million +13.5%); operating income of USD 14.6 million or 18.1% of sales (Q4 2012: USD 11.6 million; 16.3%)
- **FY 2013 results:** 1.9% organic sales growth to USD 293.0 million (2012: USD 297.2 million; absolute change -1.4%); operating income of USD 46.2 million (USD 50.1 million, -7.8%); net income of USD 35.3 million (USD 39.9 million, including one-time effect of USD 4.3 million from the sale of the vacuum valve business)
- **Annual General Meeting scheduled for April 29:** The Board of Directors proposes to the AGM to distribute for FY 2013 CHF 14.00 out of reserves from capital contributions; this equals a payout ratio of around 100%.
- **Annual report at** <http://phx.corporate-ir.net/phoenix.zhtml?c=124424&p=irol-ReportsAnnual>
- **Media/Analyst conference today** at 09:00 a.m., Zunfthaus zum Rüden, Limmatquai 42, Zürich

Bad Ragaz/Switzerland, March 13, 2014

Strong fourth quarter 2013

INFICON has partially worked off the relatively large order backlog built up during the third and fourth quarter of 2013 with a special focus on shipments in the last quarter of the year. INFICON also benefitted from a strong year-end business with customers in the semiconductor industry. At

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USD 80.5 million, fourth quarter sales were 17.0% higher than in the third quarter and 13.5% (organically: 15.5%) higher than in the respective prior-year quarter. The year-over-year increase was strongest in the markets for *Specific Vacuum Process Industries* (USD 29.8 million; +38.6%) and *Emergency Response & Security* (USD 10.8 million; +36.7%). Driven by larger shipments to chip manufacturers, INFICON registered one of its best quarters ever in the semiconductor market. Sales to the vacuum coating market developed favorably, too. Large shipments of devices to analyze hazardous organic compounds (HAPSITE) to the USA, Europe, and Asia resulted for the fourth quarter of 2013 in record sales and a 77.0% increase over the preceding quarter in INFICON's *Emergency Response & Security* target market. Sales to the *Refrigeration and Air Conditioning* market grew by 14.2% to USD 12.1 million compared with the same prior-year quarter, yet recorded a slight decline of 3.2% over the preceding third quarter. Despite the gradually increasing direct sales which are now contributing as much as the private label business, the USD 27.8 million generated in the market for *General Vacuum Applications* were 1.4% lower than in the preceding third quarter, respectively 10.3% lower for prior year's fourth quarter.

Supported by a strong gross margin of 50.8%, INFICON achieved in the last quarter of 2013 (see "Factsheet Q4 2013") an operating income of USD 14.6 million or a margin of 18.1% of sales and a net income of USD 12.5 million or USD 5.37 per share after USD 5.46 a year ago.

Year-end results 2013

The year-end results 2013 (see "Factsheet 2013") are at the upper end of the guidance corridor which INFICON had narrowed and stated more precisely several times during the course of the year: Adjusted for the vacuum valve business sold at the end of 2012 and for exchange rate effects, sales grew organically by 1.9% to USD 293.0 million; in absolute terms sales, however, they declined by 1.4% compared with the prior year's level. Sales to the market for *Specific Vacuum Process Industries* recovered increasingly (USD 102.1 million; +6.2%) over the course of the year. Yet, they did not fully make up for the especially in Europe partly sluggish trend in the market for *General Vacuum Applications* (USD 115.8 million; -7.1%) and the lower sales contribution from the *Emergency Response & Security* market (27.2 million; -4.9%) during the earlier months of the year. The business with customers in the market for *Refrigeration & Air Conditioning* (incl. Automotive) remained largely stable (+0.2%; USD 47.9 million).

The gross margin increased slightly to 50.3% during the course of the year. After higher investments in product development as well as sales and marketing – both measures supporting future growth – the operating income resulted at a robust USD 46.2 million: At 15.8% of sales, the operating income margin was 1.1 percentage points below the respective prior-year figure. With USD 35.3 million or 12.1% of sales, net income was also below the 2012 figure which had include a



positive one-time effect of USD 4.3 million from the sale of the vacuum valve business. Earnings per share amounted to USD 15.24 after USD 17.86 a year ago.

High level of liquidity allows targeted investments into the future

At year-end, INFICON's balance sheet showed USD 75 million cash which is 19% below the respective figure a year ago. Cash flow from operations amounted to USD 7.1 million after USD 16.5 million for the fourth quarter and USD 29.2 million after USD 48.8 million for the full fiscal year. The rather restrained cash flow development and the lower year-end liquidity reflect on the one hand the raised distribution to the shareholders, capital expenditures and investments, as well as higher levels of accounts receivable and inventories which were driven by the accelerating business towards year-end. The tightly managed net working capital improved a notch to 21.3% of sales. The lower liquidity level at year-end depicts, on the other hand, INFICON's robust balance sheet which was consistently kept debt free, its high innovation pace as highlighted by eight product and technology innovations launched in 2013 alone, wise investments into complementing technology and into property and plant in Cologne/Germany. INFICON shows a further strengthened equity ratio of high 84.2% per year-end.

Proposed distribution to shareholders

The Board of Directors suggests to the Annual General Meeting of Shareholders scheduled for April 29, 2014, to distribute CHF 14.00 per share for the business year 2013 from capital contributions reserves. This represents a payout ratio of around 100%.

Outlook

With a view to the currently well-loaded order books, a series of successful product specifications at customers for new tools, and a mid-term reasonably favorable industry outlook, INFICON assesses the coming months with confidence. INFICON expects for the new business year 2014 sales of USD 290 million to USD 320 million and an operating income of USD 44 million to USD 56 million.

Media and Analyst conference

INFICON will discuss the results for the fourth quarter and the full business year 2013 in more details today at a joint media and analyst conference held in German at 09:00 a.m. CET at Zunfthaus zum Rüden, Limmatquai 42, 8001 Zürich. The respective presentation slides are available in English in the investors' section of the INFICON website www.inficon.com.

Annual Report 2013

INFICON's Annual Report 2013 is optimized for online reading on desktop and mobile devices. It is available for download as a structured pdf in the investors' section of the INFICON website www.inficon.com at <http://phx.corporate-ir.net/phoenix.zhtml?c=124424&p=irol-reportsAnnual>.



Communication calendar 2014

INFICON will report on its first quarter 2014 results on April 16, 2014, by internationally issuing a press release and holding a conference call later that same day. The conference call will also be archived on www.inficon.com.

The ordinary Annual General Meeting of Shareholders is scheduled for April 29, 2014. It will take place at 15:00 CET at the Sorell Hotel Tamina, Am Platz 35, Bad Ragaz/Switzerland.

The communication calendar of INFICON is regularly updated and available at <http://phx.corporate-ir.net/phoenix.zhtml?c=124424&p=irol-calendar>.

INFICON Fact Sheet		Q4 2013			
according SWISS GAAP FER					
Income Statement (USD in Millions)	Q4 2013	Q4 2012	Change	%	
Net Sales	80.5	71.0	9.6	13%	
Gross Profit	40.9	35.4	5.5	16%	
% of Sales	50.8%	49.8%	+0.9 %pts		
Research & Development	7.0	6.8	0.2	3%	
Selling, General & Administrative	19.3	17.1	2.3	13%	
Income from Operations	14.6	11.6	3.1	26%	
% of Sales	18.1%	16.3%	+1.9 %pts		
Net Income	12.5	12.3	0.2	2%	
% of Sales	15.6%	17.3%	-1.8 %pts		
Earnings per Share (diluted, USD)	\$ 5.37	\$ 5.46	-0.09	-2%	
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Balance Sheet (USD in million)	31-Dec-13	31-Dec-12	Change	%	
Cash & Short Term Investments	75.0	92.2	-17.3	-19%	
Trade Accounts Receivable	41.9	36.1	5.7	16%	
Inventories	34.8	31.6	3.2	10%	
Trade Accounts Payable	8.2	6.0	2.2	37%	
Stockholders' Equity	179.8	171.5	8.3	5%	
Total Liabilities and Stockholders' Equity	213.6	215.6	-1.9	-1%	

INFICON Fact Sheet 2013

according SWISS GAAP FER

Income Statement (USD in Millions)	2013	2012	Change	%
Net Sales	293.0	297.2	-4.2	-1%
Gross Profit	147.3	147.0	0.4	0%
% of Sales	50.3%	49.5%	+0.8 %pts	
Research & Development	27.8	26.7	1.1	4%
Selling, General & Administrative	73.4	70.2	3.2	5%
Income from Operations	46.2	50.1	-3.9	-8%
% of Sales	15.8%	16.9%	-1.1 %pts	
Net Income	35.3	39.9	-4.6	-12%
% of Sales	12.1%	13.4%	-1.4 %pts	
Earnings per Share (diluted, USD)	\$ 15.23	\$ 17.86	-2.62	-15%

E-mail Alerts

To automatically receive notification via e-mail of the latest financial information from INFICON, sign up for e-mail alerts in the investors' section of the INFICON website.

ABOUT INFICON

INFICON is a leading provider of innovative instrumentation, critical sensor technologies, and advanced process control software that enhance productivity and quality in sophisticated industrial vacuum processes. These analysis, measurement and control products are essential for gas leak detection in air conditioning/refrigeration, and automotive manufacturing. They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells and industrial vacuum coating applications. Other users of vacuum based processes include the life sciences, research, aerospace, packaging, heat treatment, laser cutting and many other industrial processes. We also leverage our expertise in vacuum technology to provide unique, toxic chemical analysis products for emergency response, security, and environmental monitoring. INFICON is headquartered in Switzerland and has world-class manufacturing facilities in Europe, the United States and China, as well as subsidiaries in China, Finland, France, Germany, India, Italy, Japan, Korea, Liechtenstein, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. INFICON registered shares (IFCN) are listed on SIX Swiss Exchange. For more information about INFICON and its products, please visit www.inficon.com.

This press release and oral statements or other written statements made, or to be made, by us contain forward-looking statements that do not relate solely to historical or current facts. These forward-looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.