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INFICON with modest upswing in Q2 2014, slight increase in first half-year

- **Q2 2014: Sales of USD 74.8 million (+5.4% over prior-year period; +2.9% organically), strengthened gross margin of 51.1%, stronger operating profit margin of 15.2%**
- **1HY 2014: Sales of USD 146.4 million (+2.0% over prior-year period)**
- **Confirmed guidance: USD 290-320 million in sales; operating profit USD 44-56 million**

Bad Ragaz/Switzerland, August 7, 2014

Confirmed guidance for full fiscal year 2014

INFICON Holding AG (SIX Swiss Exchange: IFCN) recorded a 5.4% sales increase to USD 74.8 million in the second quarter of 2014. Excluding foreign exchange (+1.5 percentage points) and acquisition (+1 percentage point) effects, sales rose organically by 2.9%. With this second quarter sales growth, INFICON states a 2% increase to USD 146.4 million for the first half of 2014, while revenues remained stable organically. With a view to its appealing order book, INFICON confirms its guidance for the full fiscal year with a sales forecast of USD 290 to 320 million and an expected operating profit of USD 44 to 56 million.

Second quarter results reveal stronger margins

The net sales increase of 4.4% over the preceding first quarter and a more favorable product mix reveal an improved gross margin for the second quarter of 51.1% of sales. Investments into new

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markets led to higher sales and administrative expenditures. The virtually unchanged high research and development costs reflect INFICON's strong focus on product innovation. INFICON's innovation efforts have just been recognized with prestigious awards for two of its recently launched products: Micro CG Fusion, a compact gas chromatography instrument, and Stripe CDG, an ultra-rapid, high-precision vacuum gauge, were both honored with an R&D 100 Award. The operating profit for the second quarter amounts to USD 11.3 million. This translates into a margin of 15.2% of sales, an increase of 0.1 percentage points over last year's figure. The net profit of USD 8.3 million yields a margin of 11.2% of sales, slightly up from 11.0% at mid-year 2013. Fully diluted, net profit per share amounted to USD 3.57, up from USD 3.38 recorded 12 months ago.

Condensed balance sheet with strong equity ratio

The balance sheet total as of June 30, 2014 was considerably lower at USD 202.0 million compared with USD 213.6 million at year-end 2013. This contraction is primarily due to the distribution of the entire net profit for 2013 to the shareholders. The balance sheet of INFICON per June 30, 2014 reveals no long-term debt, and features a net cash position (cash minus short-term borrowings) of USD 57.4 million and a strong, just slightly inferior equity ratio of 79.4%. INFICON generated a remarkable cash flow from operations of USD 12.8 million after USD 10.4 million generated a year ago. The net working capital continued to be tightly managed and amounted to 21.9% of sales at the end of the second quarter. Days sales outstanding were marginally shortened by 0.5 days to 47.1 days.

Modest upswing in sales development in second quarter

With USD 25.1 million, the sales to the *Specific Vacuum Process Industries* market remained unchanged over the same period of last year. Yet, they represent – as expected – a strong 16.1% increase compared with the preceding first quarter of 2014. In the semiconductor market, sales to end-user customers gained globally; in Asia, however, the higher sales have not entirely reached the previous year's level. The vacuum coating market also showed a positive trend, while the photovoltaic market remained slow. Sales to customers in the *General Vacuum Processes* market developed modestly overall and rather sluggishly in Europe: With USD 28.8 million, sales for the reporting quarter decreased both compared with the preceding first quarter and the respective quarter of last year. In contrast, sales to the *Refrigeration & Air Conditioning* market (including Automotive) grew relative to both comparison periods: With a total of USD 13.4 million, sales increased by 10.7% versus the same period last year and by 11.6% over the first quarter of 2014. This positive trend reflects a growing level of activity in Asia and Europe and a stable development in America, with the automotive business being a key driver in all areas. Sales recorded with *Emergency Response & Security* customers, a market which traditionally depends on large orders, recorded a year-over-year surge of 56.3% to USD 7.5 million. While this high quarterly volume remained below the record figures of the preceding quarters, this market should remain robust based on the globally solid demand.



INFICON Fact Sheet Q2 2014

according SWISS GAAP FER

Income Statement (USD in Millions)	Q2 2014	Q2 2013	Change	%
Net Sales	74.8	71.0	3.8	5%
Gross Profit	38.2	35.6	2.6	7%
% of Sales	51.1%	50.2%	+0.9 %pts	
Research & Development	6.9	7.0	-0.1	-1%
Selling, General & Administrative	20.0	18.0	2.0	11%
Income from Operations	11.3	10.7	0.6	6%
% of Sales	15.2%	15.1%	+0.1 %pts	
Net Income	8.3	7.8	0.5	7%
% of Sales	11.2%	11.0%	+0.2 %pts	
Earnings per Share (diluted, USD)	\$ 3.57	\$ 3.38	0.19	6%
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Balance Sheet (USD in million)	30-Jun-14	31-Dec-13	Change	%
Cash & Short Term Investments	64.1	75.0	-10.9	-15%
Trade Accounts Receivable	36.4	41.9	-5.5	-13%
Inventories	39.1	34.8	4.3	12%
Trade Accounts Payable	9.9	8.2	1.7	21%
Stockholders' Equity	160.5	179.8	-19.3	-11%
Total Liabilities and Stockholders' Equity	202.0	213.6	-11.6	-5%

Half-year report and presentation slides available for download

The complete half-year report 2014 and detailed presentation slides on the quarterly results are now available in the Investor section of the INFICON website www.inficon.com at <http://phx.corporate-ir.net/phoenix.zhtml?c=124424&p=irol-IRHome>.



Conference call

INFICON's group management will provide a detailed presentation of the second quarter results today at 09.30 a.m. CEST. Participants can dial in at:

Europa:	+41 (0)58 310 5000
UK:	+44 (0)203 059 5862
USA (Toll free):	+1 (1)866 291 4166
USA (local):	+1 (1)631 570 5613

All participants should dial in at least 10 minutes prior to the call. There is no PIN required to access the call. A live webcast of the conference call and the presentation visuals are available in the Investor section of the INFICON website at www.inficon.com where the webcast will later also be archived.

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.