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INFICON gains momentum and confirms guidance for 2016

- **USD 75.5 million sales in Q2 2016; increase of 9.9% over prior-year period**
- **30.8% higher operating income of USD 11.8 million yields strengthened margin of 15.6%**
- **USD 145.2 million sales in first half year; 7.4% increase over prior-year period**
- **Reaffirmed guidance for 2016: Sales exceeding USD 300 million and operating income margin of over 15%**

Bad Ragaz/Switzerland, August 4, 2016

INFICON Holding AG (SIX Swiss Exchange: IFCN) reports sales of USD 75.5 million for the second quarter of 2016. This is an increase of 8.3% over the first three months of the year and a rise of 9.9% over the second quarter of 2015. Excluding the effect from the acquisition of InstruTech (+2.3 percentage points) and considering currency effects (-0.7 percentage points), the organic growth rate for the second quarter of 2016 was 8.3%. For the first half of 2016, INFICON achieved sales of USD 145.2 million. This represents an increase of 7.4% and organically of 6.7%. As announced previously, INFICON expects to achieve for the fiscal year 2016 sales of over USD 300 million and an operating income margin exceeding 15%.

Sales development in the various target markets

INFICON increased its sales to the **Semi & Vacuum Coating** market both compared with the same period of last year (+18.7%) as well as over the first quarter of 2016 (+19.7%) remarkably to USD 27.9 million. This stronger than expected gain reflects a growing popularity of the OLED technology for flat panel displays, the normal business trend in the semiconductor industry and last but not least, a slowly strengthening solar panel business. In the thin film coating market, a clearly perceptible shift towards China dampens

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the dynamics in Europe and Japan. The sales achieved with customers of the **Refrigeration, Air Conditioning & Automotive** market grew double-digit (+11.4%) compared with last year's period, yet hardly increased (+1.1%) over the preceding first quarter. The main drivers for this development was a globally strong automotive business, whereas the traditional air conditioning and refrigeration market shows signs of saturation in China. The demand for after-sales service tools developed positively. In **Security & Energy**, a market dominated by large-scale orders, strong sales increases were realized in comparison with the same period of last year. Sales for Security & Energy surged by 90.2% to USD 7.8 million, and showed a rise of 21.9% over the first three months of the year. INFICON has somewhat reduced the backlog which resulted from delayed shipments over the last quarters. Sales in the **General Vacuum** market remained quite stable compared with the first quarter of this year (-1.8%), while the USD 22.2 million of sales represent a decrease of 12.3% over the same period of last year. A portion of this decline is due to the reclassification of certain customers which are now included in the Refrigeration, Air Conditioning & Automotive market. In addition, the subdued trend is also consequence of a dragging economy in Europe. Good news for this market is the positive response from first users of the new Contura leak detector, specially designed to leak-test packaging of all sorts (http://bit.ly/inficon_Contura).

Stronger margins

With a gross profit of USD 38.1 million, INFICON increased its gross margin for the reporting period to 50.4%. The expenses for research and development as well as selling, general, and administrative costs increased also because of the acquisition. The operating income for the second quarter picked up by 30.8% to USD 11.8 million or 15.6% of sales. Net income for the period was USD 9.7 million. This translates into a net income margin of 12.8%. Earnings per share were USD 4.08 after USD 2.66 a year ago.

After the distribution of USD 32 million to the shareholders in May, the acquisition of InstruTech, and having generated an appealing cash flow of USD 10.6 million, INFICON's balance sheet shows liquidity of USD 45.6 million after USD 60.9 million at year-end. The working capital was USD 74.7 million or 24.7% of sales. Based on the balance sheet total of USD 207.1 million, the equity ratio was approximately 70% at mid-year.

Full half-year report and presentation available for download

The complete half-year report 2016 and a detailed presentation on the second quarter and half-year results are available for download in the investor section of the INFICON website at <http://phx.corporate-ir.net/phoenix.zhtml?c=124424&p=irol-IRHome> or following bit.ly/IFCN_IR_home.



INFICON Fact Sheet Q2 2016

according to SWISS GAAP FER

Income Statement (USD in Millions)	Q2 2016	Q2 2015	Change	%
Net sales	75.5	68.7	6.8	10%
Gross profit	38.1	33.2	4.9	15%
% of Sales	50.4%	48.3%	+2.1 %pts	
Research & development	6.8	6.0	0.8	13%
Selling, general & administrative	19.5	18.2	1.3	7%
Operating income	11.8	9.0	2.8	31%
% of Sales	15.6%	13.1%	+2.5 %pts	
Net result	9.7	6.3	3.4	54%
% of Sales	12.8%	9.2%	+3.6 %pts	
Earnings per share (diluted, USD)	\$ 4.08	\$ 2.66	1.42	53%

Balance Sheet (USD in Millions)	30-Jun-16	31-Dec-15	Change	%
Cash & short term investments	45.6	60.9	-15.3	-25%
Trade accounts receivable, net	41.0	33.5	7.5	22%
Inventories	42.2	37.0	5.2	14%
Trade accounts payable	8.5	4.8	3.7	78%
Shareholders' equity	144.8	171.0	-26.2	-15%
Total liabilities and shareholders' equity	207.1	204.5	2.6	1%

Conference call and international webcast

INFICON explains its second quarter and half-year 2016 results in more detail in an English-speaking conference call, scheduled for 09:30 a.m. CEST. Participants are requested to kindly dial in using the following numbers:

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

Please dial in some 10 minutes prior to the call. No PIN is needed for the call. The accompanying presen-



tation is available on the INFICON website www.inficon.com where the conference call can be followed as a webcast and later on as a recording. You can access the webcast directly at http://bit.ly/IFCN_WebcastQ2.

Communication calendar 2016

INFICON regularly updates its communication calendar which is available on the company's website or directly at http://bit.ly/IFCN_Calendar.

E-mail Alerts

To automatically receive notification via e-mail of the latest financial information from INFICON, sign up for e-mail Alert in the Investors section of the INFICON website at http://bit.ly/IFCN_alerts.

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.

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