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INFICON with Stable Third Quarter While the Recovery in the Semiconductor Market is Slow

- **3.5% sales decline versus prior quarter to USD 93.2 million; 8.1% lower than a year ago**
- **Sequentially stronger operating profit of USD 16.3 million (second quarter: USD 15.8 million); Operating profit margin of 17.5% after 16.3% in the second quarter and 19.7% a year ago**
- **Focus on achieving guidance in fourth quarter**

Bad Ragaz/Switzerland, October 17, 2019

INFICON Holding AG (SIX Swiss Exchange: IFCN) reports sales of USD 93.2 million for its third quarter. This represents a decline of 8.1% over the same period last year. Excluding currency effects (-1 percentage point) and acquisitions (+1.5 percentage points), sales declined organically by 8.6%. With a view to the increasing trade and geopolitical uncertainties and taking into account the much slower than anticipated recovery in the semiconductor market, the third quarter 2019 sales remained quite stable (-3.5%) compared with the preceding quarter.

Development in the target markets

In its largest target market, Semi & Vacuum Coating, INFICON achieved sales of USD 40.1 million in the third quarter after USD 41.7 million recorded for the preceding second quarter. Compared with the respective strong quarter of last year, this is a decline of 9.5%. While the sales to customers in Europe and the USA followed a rather stable trend, the recovery expected for the second half of this year in certain Asian markets failed to substantiate so far, mainly due to the globally rising trade and geopolitical imponderables. Sales for thin film applications declined mainly as a consequence of the downturn in the OLED market. INFICON,

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however, remains optimistic for the whole Semi & Vacuum Coating market for the intermediate run. Sales to the Refrigeration, Air Conditioning & Automotive market dropped for the first time in many quarters: Compared with the respective quarter of last year, sales declined by 5.6% and slowed by as much as 13.7% against the second quarter of 2019 to a total of USD 20.1 million. Apart from a typical seasonal pattern, this decline is attributable to the global economic reserve. INFICON's forecast for this target market remains stable on a high level for the months to come. Sales to customers in the General Vacuum market showed a marked increase over the preceding quarter of 7.2% to USD 26.7 million, yet a decline of 5.0% compared with the respective figure a year ago. Specific business trends in all regions, and especially so in Europe, supported this development while the global uncertainties slowed the trend down. INFICON recorded in its smallest target market, Security & Energy a sales decline of -6.0% over the second quarter and -18.2% when compared with the respective prior-year figure to USD 6.3 million, which is mostly the result of the timing of shipments of large public sector orders. The quarterly sales development remains difficult to predict while the overall outlook for this market is attractive.

The analysis of INFICON's regional sales pattern shows a growth of 7.5% to USD 27.2 million for North America compared with last year. The business in Europe remained practically stable (-1.5% to USD 27.1 million), while sales generated in Asia declined by 18.8% to USD 37.9 million, as explained above.

Margins and balance sheet

INFICON achieved a gross profit of USD 46.2 million after USD 50.4 million a year ago. The gross profit margin increased from 48.4% recorded at mid-year to 49.6% and remained practically unchanged versus the respective prior-year (49.7%) figure. Expenses for research and development were – as in the former quarters – higher due to acquisitions and reached USD 8.8 million, up from USD 7.8 million a year ago. At USD 21.2 million, general, sales, and administrative costs were 6.0% lower than last year (USD 22.5 million). The operating profit for the period was USD 16.3 million and thus stronger than the second quarter result. The operating profit margin was raised from 16.3% to 17.5%. The net profit for the period increased from the USD 11.8 million achieved in the second quarter to now USD 12.4 million, yielding a stronger margin of 13.3%, compared with 12.2% for the second quarter and 15.1% a year ago. The earnings per share were USD 5.10 after USD 6.30 a year ago.

The balance sheet of INFICON shows per end of September a net cash position of USD 29.2 million. Based on a balance sheet total of USD 288.7 million, the equity ratio was 66% at the end of September after 76% at year end. INFICON achieved a cash flow from operations of USD 14.7 million after USD 9.9 million in the second quarter and a high USD 22.5 million in the respective prior-year period. The working capital was reduced to now USD 115.4 million from USD 117.4 million per mid-year thanks to lower inventories and accounts receivable.



Presentation available for download

A detailed presentation on the third quarter 2019 results is available for download in the investor section of the INFICON website at <https://ir.inficon.com/>.

Conference call and international webcast

INFICON discusses its third quarter 2019 results in more detail today at an English-language conference call at 09:30 a.m. CEST. Participants are requested to dial-in using any of the following numbers.

Europe:	+41 (0)58 310 50 00
UK:	+44 (0)207 1070613
USA (Toll free):	+1 (1)866 291 41 66
USA (local):	+1 (1)631 570 56 13

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, including a visual presentation in addition to the audio, will also be available in the Investors section of the INFICON website www.inficon.com. You can access the webcast directly at http://bit.ly/IFCN_IR_home.

Webcast access for mobile devices – QR code

Access the live and on-demand versions of the webcast from mobile devices running iOS and Android using the QR code shown here:



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 at http://bit.ly/IFCN_alerts.

Communication calendar 2019

INFICON's communication calendar is continuously updated and available at http://bit.ly/IFCN_calendar.



INFICON Fact Sheet Q3 2019

according to SWISS GAAP FER

Income Statement (USD in Millions)	Q3 2019	Q3 2018	Change	%
Net sales	93.2	101.4	-8.2	-8%
Gross profit	46.2	50.4	-4.2	-8%
% of Sales	49.6%	49.7%	-0.1 %pts	
Research & development	8.8	7.9	0.9	11%
Selling, general & administrative	21.2	22.5	-1.3	-6%
Operating income	16.3	20.0	-3.7	-19%
% of Sales	17.5%	19.7%	-2.2 %pts	
Net result	12.4	15.3	-2.9	-19%
% of Sales	13.3%	15.1%	-1.8 %pts	
Earnings per share (diluted, USD)	\$ 5.10	\$ 6.30	-1.20	-19%
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Balance Sheet (USD in Millions)	30-Sep-19	31-Dec-18	Change	%
Cash & short term investments	64.4	62.3	2.1	3%
Trade accounts receivable, net	57.2	53.7	3.5	7%
Inventories	68.0	65.3	2.7	4%
Trade accounts payable	9.7	8.6	1.1	13%
Shareholders' equity	189.4	205.8	-16.4	-8%
Total liabilities and shareholders' equity	288.7	271.2	17.5	6%

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, Denmark, 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.