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INFICON with Sales Growth Thanks to Strong Semiconductor Business

- Sales of USD 96.2 million: 3.9% over first quarter and stable year-over-year
- Significant plus in semiconductor business, lower sales in other markets
- Stronger operating profit margin of 16.6% (Q2 2019 16.3%; Q1 2020 15.1%)
- Guidance: Annual sales of USD 370-390 million, operating profit margin of around 16%

- Half-year report ready for Download at http://bit.ly/IFCN_IR_home

Bad Ragaz/Switzerland, July, 29, 2020

INFICON Holding AG (SIX Swiss Exchange: IFCN) reports second quarter 2020 sales of USD 96.2 million, practically unchanged from previous year (-0.4%). Compared with the first quarter 2020, this represents an increase of 3.9%. Clearly double-digit increases in the market Semi & Vacuum Coating (vs. Q2 2019 +28.5%; vs. Q1 2020 +26.1%) to USD 53.6 million kept group sales on track; the three other markets showed partly considerable declines in sales. The international trade disputes as well as the COVID-19 pandemic squeezed the gross margin slightly down to 47.8%. The Corona crisis increased on the one hand transportation costs and raw material prices and led on the other hand to costly changes and inefficiencies in production and to certain restrictions in the service and consultancy business at the customers. After lower selling, general and administrative costs and somewhat higher expenses for research and development, INFICON reports an operating income for the second quarter of USD 16.0 million after USD 15.8 million a year ago. The margin thus increased in the second quarter to 16.6%, up from 16.3% a year ago. Net profit improved to USD 12.9 million after USD 11.8 million recorded for the same period of last year, resulting in a respectively higher margin of 13.4%, up from 12.2%. The earnings per share were USD 5.27 compared with USD 4.84 reported for the same quarter of last year. INFICON generated in its second quarter an operating cash flow of USD 11.0 million, up from USD 9.9 million a year ago.

Sales for the first half-year 2020 were USD 188.8 million, 1.8% lower than a year ago. Looking at the half-yearly trend, the boom in the semiconductor business (+18.8%) again largely compensated for the declining sales in the other three markets. The gross margin fell slightly from 49.3% as at mid-2019 to 48.5%. At USD 30 million, the operating profit for the first half-year was USD 2.5 million below the prior year figure, leading to a margin of 15.9%, one percentage point lower than a year ago. The net profit for the half-year remained stable with USD 24.3 million (USD 24.6 million for HY1

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2019); the margin slightly increased by 0.1 percentage point to 12.9%. The earnings per share were USD 9.94 for the first half-year 2020 after USD 10.11 for the same period last year.

INFICON's balance sheet as per June 30, 2020, remains strong. Net cash and cash equivalents amounted to USD 12.8 million at mid-year. Inventories are also higher due to the uncertain market situation. The equity ratio remains very solid at 65%.

Strong performance in the Semi & Vacuum Coating market, other markets in decline

INFICON developed overall stably in the second quarter as well as in the first half-year supported by the strong performance in the **Semi & Vacuum Coating** market. INFICON achieved with second quarter sales of USD 53.6 million 55.7% of its quarterly and 50.9% of its semi-annual Group sales in this market. The respective figures last year were 43.2% and 42.1%. While the vacuum coating business was just about stable, the semiconductor business clearly accelerated, especially in Asia but also in America and Europe. The change to the EUV lithography technology led to a strong demand for INFICON components in the OEM business. In the end user business, customers invested especially into new INFICON software. Also, the memory chip business which had been slow in the prior year gathered momentum again. INFICON assesses the outlook for this market as positive for the next quarter.

With a 24.1% contribution to Group sales, the second largest target market **General Vacuum** declined year-over-year by 6.8% and compared with the first quarter of 2020 by 12.6% to USD 23.2 million. While the direct sales business developed nicely in Asia, the sales of private label components suffered from the Corona lockdown in Europe and the USA. As many countries are now loosening their lockdown measures, INFICON expects again a slight upswing in this market for the coming months. The **Refrigeration, Air Conditioning & Automotive** market suffered from even more significant declines. Here, sales fell by 28.3% compared with the same quarter of last year and by 16.5% versus the first quarter 2020 to USD 16.7 million. The service business suffered particularly from the pandemic. However, demand seems to be slowly recovering here. The demand from traditional automotive customers remains clearly on a lower level, while the quality insurance business with lithium-ion battery manufacturers continued to increase. The sales generated in the **Security & Energy** market fell by 59.7% compared with last year and by 22.9% in relation to the first quarter figure to now USD 2.7 million. In this target market, large public sector orders for security equipment were very scarce in the reporting quarter. Expectations for the year as a whole for this market, which remains attractive in the medium and long term, therefore remain quite modest.

A look at the regional distribution of sales shows that business in Asia is developing well due to the strong semiconductor business. Year-over-year, quarterly sales increased by almost 10% and even by 25.8% when compared to the first quarter to now USD 43.4 million. The very robust semiconductor business in Europe and America could not offset the declines in the other markets. In relation to the first quarter, sales dropped in Europe by 12.3% to USD 26.4 million and in America by 6.3% to USD 35.3 million.

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Outlook 2020

The international market situation and the further development of the COVID-19 pandemic are difficult to assess. The INFICON production sites in the USA, Germany and Liechtenstein were and continue to be operational and compliant to all required measures. Given the strength of the semiconductor market and in light of certain signs of recovery in the other target markets, INFICON assesses the outlook for the current year cautiously optimistic. Assuming that the COVID-19 pandemic will not worsen, INFICON expects for the full year 2020 sales of USD 370-390 million and an operating profit margin of around 16%.

Conference call, Webcast and Half-Year Report

INFICON discusses its second quarter and first half-year results today on an English-language conference call at 09:30 a.m. CEST. Participants are invited to dial-in using any of the following numbers:

Europe:	+41 (0)58 310 5000
UK:	+44 (0)207 1070613
USA (Toll free):	+1 (1)866 291 4166
USA (local):	+1 (1)631 570 5613

Please dial-in some minutes before the call begins. There is no PIN requested. The presentation covering the second quarter and first half-year results as well as the Half-year Report 2020 are available online in the investor section of the INFICON website www.inficon.com where the conference call is simultaneously webcast and later on archived. You can access the webcast directly using the following link 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:



Corporate communication calendar 2020

INFICON's corporate communication calendar is continuously updated and available online 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 Alerts in the Investors section of the INFICON website at http://bit.ly/IFCN_alerts.

INFICON Fact Sheet Q2 2020

according to SWISS GAAP FER

Income Statement (USD in Millions)	Q2 2020	Q2 2019	Change	%
Net sales	96.2	96.6	-0.4	0%
Gross profit	46.0	46.8	-0.8	-2%
% of Sales	47.8%	48.4%	-0.6 %pts	
Research & development	9.4	8.6	0.8	9%
Selling, general & administrative	20.6	22.4	-1.8	-8%
Operating income	16.0	15.8	0.2	1%
% of Sales	16.6%	16.3%	+0.3 %pts	
Net result	12.9	11.8	1.1	9%
% of Sales	13.4%	12.2%	+1.2 %pts	
Earnings per share (diluted, USD)	\$ 5.27	\$ 4.84	0.43	9%

Balance Sheet (USD in Millions)	30-Jun-20	31-Dec-19	Change	%
Cash & short term investments	56.2	57.4	-1.2	-2%
Trade accounts receivable, net	55.4	51.1	4.3	8%
Inventories	74.1	66.5	7.6	11%
Trade accounts payable	10.5	8.8	1.7	19%
Shareholders' equity	188.6	208.8	-20.2	-10%
Total liabilities and shareholders' equity	291.7	275.0	16.7	6%

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INFICON Fact Sheet HY 2020

according to SWISS GAAP FER

Income Statement (USD in Millions)	HY 2020	HY 2019	Change	%
Net sales	188.8	192.2	-3.4	-2%
Gross profit	91.5	94.7	-3.2	-3%
% of Sales	48.5%	49.3%	-0.8 %pts	
Research & development	18.7	17.2	1.5	9%
Selling, general & administrative	42.8	45.0	-2.2	-5%
Operating income	30.0	32.5	-2.5	-8%
% of Sales	15.9%	16.9%	-1.0 %pts	
Net result	24.3	24.6	-0.3	-1%
% of Sales	12.9%	12.8%	+0.1 %pts	
Earnings per share (diluted, USD)	\$ 9.94	\$ 10.11	-0.17	-2%

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Trade accounts receivable, net	55.4	51.1	4.3	8%
Inventories	74.1	66.5	7.6	11%
Trade accounts payable	10.5	8.8	1.7	19%
Shareholders' equity	188.6	208.8	-20.2	-10%
Total liabilities and shareholders' equity	291.7	275.0	16.7	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.

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