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INFICON expects a stronger second half-year and confirms its full-year 2013 targets

- **Q2 2013:** Sales of USD 71.0 million (-2% organic decline over prior-year period), strong gross margin of 50.2% and solid operating income margin of 15.1%
- **Full-year guidance:** Sales and operating income ranges confirmed and narrowed to USD 290-310 million and USD 45-55 million respectively
- **Organization:** Leaner Group Management
- **Downloads:** Half-year report 2013 and presentation slides available at www.inficon.com

Bad Ragaz/Switzerland, August 8, 2013

Confirmed expectations for full-year 2013

INFICON Holding AG (SIX Swiss Exchange: IFCN) recorded net sales of USD 71.0 million for the second quarter of 2013. Adjusted for foreign exchange effects (-1.2 percentage points) and excluding the vacuum valve business sold at the end of last year (-2.8 percentage points) this represents a small organic decrease of 2.0%. Supported by an appealing order intake and expecting some further market recovery, INFICON confirms its mid-point target values while narrowing at the same time the sales and operating income ranges to USD 290-310 million (previously USD 280-320 million) and USD 45-55 million (previously USD 43-57 million) respectively.

Stronger gross margin at slightly softer sales for the quarter

With net sales of USD 71.0 million, the gross margin for the second quarter increased to a strong 50.2% of sales, reflecting lower production cost and a more favorable product mix. Higher expenses for research and development as well as increased selling, general, and administrative costs show

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INFICON's intensive product development and the investments made into its marketing capabilities. The operating income for the second quarter resulted to USD 10.7 million, which translates into a solid operating income margin of 15.1% after 17.2% a year ago. INFICON generated a net income for the period of USD 7.8 million or 11.0% of sales, down from 12.1% for the same period last year. Diluted income per share for the second quarter was USD 3.38 after USD 4.08 at the middle of last year.

Reduced balance sheet total with equity ratio rising over 80%

With USD 192.3 million, the balance sheet total was lower on June 30, 2013 compared with the USD 215.6 million stated at year-end. This reduction is largely a consequence of the distribution of USD 38.9 million – virtually equal to last year's net income – to shareholders out of reserves from capital contributions. Net working capital was tightly managed as evidenced by the lower 45.1 days sales outstanding and remained nearly unchanged at 20.4% of sales. Not only due to the pleasing cash flow from operations of USD 10.4 million (Q1 2013: USD 3.4 million), INFICON closed the period with net cash (cash minus short-term borrowings) of USD 68.1 million, without any remaining bank debt. As a result, the equity ratio rose from 79.8% at the end of last year to 80.8%.

Second quarter sales development in line with expectations

In the *Specific Vacuum Process Industries* market (-9.7% to USD 25.1 million compared with the respective prior-year period; -0.4% compared with Q1 2013) demand especially from Asian equipment and semiconductor manufacturers weakened while sales to coating market customers increased. As the market condition softened particularly in Europe, sales generated with customers in the *General Vacuum Processes* market dropped somewhat versus Q1 2013 (-6.1% to USD 29.0 million), yet remained stable when compared with the same prior-year quarter. With USD 12.1 million, sales generated in the *Refrigeration & Air Conditioning* market remained virtually unchanged versus the respective quarter of last year, yet posted a 9.0% increase over Q1 2013 driven by invigorating demand from Asia and the automotive industry. Sales recorded with *Emergency Response & Security* customers, a market which continues to depend on large orders, declined by 26.2% to USD 4.8 million compared with the second quarter of last year and by 12.7% versus the preceding Q1 2013. The outlook for the second half of this year is rather appealing again for this market. The regional sales development for the first half-year of 2013 only trended upward in America; the record level achieved in the first three months of 2013 was, however, not entirely met with sales of USD 20.1 million. The second quarter has also shown a positive trend again for the Asian markets.

INFICON product launches open up new market opportunities

INFICON continues to innovate at a rapid pace. After the introduction of two new products in the spring, INFICON has again launched a series of new products at SEMICON West in San Francisco – the prime trade show for INFICON's industry sector. These innovations are expected to define new benchmarks in their specific application areas: four vacuum gauges targeting different end-user



markets as well as the mass spectrometer *Transpector MPH*, developed to enhance the efficiency of semiconductor manufacturing processes, should all provide inroads into new markets and applications. In addition, all INFICON gauges and sensors are ahead of the industry with the availability of *EtherCAT8®* field bus interfaces, the industry's next communication standard.

Leaner group management

The Board of Directors of INFICON has decided to condense the management of the company to the Swiss based group management only comprising Lukas Winkler, Chief Executive Officer, and Matthias Tröndle, Chief Financial Officer. This best reflects the lean, operational management of the company which is run as a one-segment entity.

Half-year report and presentation slides available for download

The complete half-year report 2013 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:

- Europe: +41 (0)91 610 41 11
- UK: +44 (0)203 059 58 64
- USA (Toll free): +1 (1) 866 666 56 64

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.

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INFICON Fact Sheet Q2 2013

according SWISS GAAP FER

Income Statement (USD in Millions)	Q2 2013	Q2 2012	Change	%
Net Sales	71.0	75.5	-4.5	-6%
Gross Profit	35.6	37.0	-1.4	-4%
% of Sales	50.2%	49.0%	+1.2 %pts	
Research & Development	7.0	6.4	0.5	8%
Selling, General & Administrative	18.0	17.6	0.4	2%
Income from Operations	10.7	13.0	-2.3	-18%
% of Sales	15.1%	17.2%	-2.1 %pts	
Net Income	7.8	9.1	-1.3	-14%
% of Sales	11.0%	12.1%	-1.1 %pts	
Earnings per Share (diluted, USD)	\$ 3.38	\$ 4.08	-0.70	-17%

Balance Sheet (USD in million)	30-Jun-13	31-Dec-12	Change	%
Cash & Short Term Investments	68.1	92.2	-24.2	-26%
Trade Accounts Receivable	35.9	36.1	-0.3	-1%
Inventories	32.4	31.6	0.8	3%
Trade Accounts Payable	10.3	6.0	4.3	72%
Stockholders' Equity	155.4	171.5	-16.1	-9%
Total Liabilities and Stockholders' Equity	192.3	215.6	-23.3	-11%

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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