



### **Corporate Contact**

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## Challenging Business Year 2019

- **Fourth Quarter 2019:** Sales of USD 96.3 million; increase of 2.2% over prior-year figure and 3.3% over Q3 2019, yet below expectations; operating income USD 16.0 million or 16.6% of sales (Q4 2018: USD 14.9 million; 15.8%)
- **Business Year 2019:** Sales decline of 7% to USD 381.7 million (2018: USD 410.4 million); operating income USD 64.8 million or 17.0% of sales (USD 81.5 million; 19.9%); net income USD 52.8 million or 13.8 % of sales (USD 64.2 million; 15.6%)
- **Annual General Meeting of Shareholders and Dividend Proposal:** The Board of Directors proposes a dividend of CHF 18.00 for the business year 2019. This represents a pay-out ratio of 86% of net income. The invitation to the Annual General Meeting of Shareholders scheduled for April 3, 2020, is available online.
- **Annual Report and Analyst/Media Conference:** The Annual Report 2019 is available online. The Analyst/Media Conference takes place today at 09:15 a.m. at Zunfthaus zum Rüden, Limmatquai 42, Zürich.

### **Positive signals in the fourth quarter 2019**

INFICON reports for the fourth quarter rising sales figures in three of its four target markets compared with the same period of last year. Some larger shipments to customers in the Security & Energy as well as the Semi & Vacuum Coating markets were delayed into the new year. There-

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fore, sales reached USD 94.2 million and increased by 2.2% only (excluding currency effects: 2.6%) over the respective prior-year figures, and by 3.3% when compared with the preceding third quarter.

The largest contribution to the sales increase came from INFICON's target market **Semi & Vacuum Coating**. Year over year, sales increased to USD 42.7 million, a plus of 5.2%, or by 6.5% when compared with the third quarter. This development primarily reflects the OEM and the software business in the semiconductor business which are newly gaining momentum since summer. In the vacuum coating business and the OLED market, the demand from end consumers as well as investments into new manufacturing capacities remained low.

In the **Refrigeration, Air Conditioning & Automotive** market, the fourth quarter sales increased by 6.5% to USD 19.6 million, year over year. Compared with the preceding third quarter, sales declined by 2.5%. This reflects on the one hand the seasonally lower demand for service tools in the traditional refrigeration and air conditioning market, and, on the other hand, the rather tight market condition in the traditional automotive business. Deliveries to the market for e-mobility showed an appealing trend.

The sales development in the **Security & Energy** market remains heavily dependent on large orders from the public sector. Year over year, INFICON achieved 5.4% higher sales of USD 7.8 million in the fourth quarter. Compared with the third quarter, the plus was 23.8%.

With a minus of 5.8% over the prior-year figure, or of 1.9% when compared with the third quarter, the sales in the **General Vacuum** market were disappointing. The sales in this market amounted to USD 26.2 million revealing the most pronounced declines in Europe and Asia.

The performance figures showed an overall positive trend in the fourth quarter of 2019 compared with the same period a year ago, although new import taxes and fiercer competition in China brought the margins under pressure. The gross profit for the fourth quarter was USD 47.3 million, resulting in a margin of 49.1% after 47.6% a year ago. The operating income increased from USD 14.9 million recorded a year ago to now USD 16.0 million, yielding a margin of 16.6% (previous year 15.8%) of sales. The net income for the period rose from USD 13.0 million achieved in the closing quarter of 2018 to USD 15.8 million, pushing the margin up from 13.8% a year ago to now 16.4%. The earnings per share for the fourth quarter amounted to USD 6.45, up from USD 5.35 last year.

### **Year-end results 2019**

2019 saw various challenges in the international business environment. Against this backdrop, the organic sales decline of 6.5% to USD 381.7 million reveals quite a stable trend. Taking into consideration the contribution from acquisitions (plus 1.1 percentage points) and the negative



currency impact (minus 1.7 percentage points), the nominal change was -7%. Compared with the business year 2018, the **Refrigeration, Air Conditioning & Automotive** market grew by 3.6% to a new record high of USD 84.4 million. The three other target markets were all in decline: INFICON's largest target market **Semi & Vacuum Coating** closed the year with 11.3% or USD 20.9 million lower sales, thus accounting for most of the 7% global sales decline of USD 28.7 million. The sales achieved in the **Security & Energy** market decreased by 8.3% to USD 26.6 million while **General Vacuum** closed the year with 7.2% lower sales of USD 107.0 million.

A look at the regional sales split shows a decline of 16.2% for Asia. This is largely due to the hesitant recovery in the memory chip and vacuum coating markets and the tougher competition in Asia. The sales decline in Europe was 2.6%, while the sales in the American markets rose by 6%.

Despite stronger competition in Asia and the newly imposed import duties, INFICON was well able to defend its gross margin. The respective figure only declined marginally from 49.9% to 49.3%. After higher expenses for research & development in the wake of the last acquisitions as well as somewhat under-proportionately lower costs, the operating income amounts to USD 64.8 million. This results in a margin of 17.0%, after 19.9% achieved a year ago. After tax, the net income for 2019 reaches USD 52.8 million. This translates into a margin of 13.8%, down from 15.6% a year ago. The earnings per share for the full business year amount to USD 21.66 compared with USD 26.44 for fiscal 2018.

### **Cashflow and Balance Sheet**

In its fourth quarter 2019, INFICON generated a high cash flow from operations of USD 21.3 million. Successfully managing its accounts receivable, INFICON was able to bring its working capital down to USD 108.8 million or 28.2%. During the full business year, INFICON generated a cash flow from operations of USD 53.3 million after USD 52.3 million a year ago and closed the year with net liquid assets of USD 50.1 million (prior year USD 62.3 million). The balance sheet features an unchanged and solid equity ratio of 75.9%.

### **Dividend proposal and Annual General Meeting of Shareholders**

The Board of Directors proposes to the Annual General Meeting of Shareholders to pay out a dividend of CHF 18.00 per share for the financial year 2019. The Annual General Meeting of Shareholders takes place on April 3, 2020 at 09:00 a.m. at the Sorell Hotel Tamina, Am Platz 3, Bad Ragaz.

The invitation including the full list of agenda items and the proposals of the Board of Directors is now available online at <https://ir.inficon.com/shareholder-services/annual-meeting>. Today, it will also be sent to registered shareholders by mail and published in the Swiss Official Gazette of Commerce.



### **Outlook 2020**

INFICON is cautiously positive for this year's outlook in most target markets. The current economic situation, however, is fragile. The Coronavirus (Covid-19) outbreak leads to new global uncertainties with possible market impacts and potential knock-on effects that are still hard to fathom, although we see first signs of a stabilization in INFICON's business in China. INFICON therefore refrains from publishing an outlook for 2020.

### **Media/Analyst conference**

INFICON will discuss its fourth quarter and year-end 2019 results today, March 5, 2020, in more detail at a German-language media and analyst conference scheduled for 09:15 a.m. at Zunfthaus zum Rüden, Limmatquai 42, 8001 Zürich. The respective presentation is available from 07:00 a.m. in the Investors section of the INFICON website [www.inficon.com](http://www.inficon.com).

### **Annual Report 2019**

INFICON's Annual Report 2019 is now available in the Investors section on [www.inficon.com](http://www.inficon.com) or directly at the following link: [http://bit.ly/IFCN\\_IR\\_publications](http://bit.ly/IFCN_IR_publications).

### **Communication Calendar 2020**

INFICON will publish its first quarter results on April 22, 2020, by issuing a press release at 07.00 a.m. followed by an English-language conference call which will be recorded and archived. INFICON continuously updates its communication calendar which is available online at <https://ir.inficon.com/financial-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 or following this link [http://bit.ly/IFCN\\_Alerts](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, 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](http://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.

## INFICON Fact Sheet Q4 2019

according to SWISS GAAP FER

Income Statement (USD in Millions)	Q4 2019	Q4 2018	Change	%
Net sales	96.3	94.2	2.1	2%
Gross profit	47.3	44.8	2.5	6%
% of Sales	49.1%	47.6%	+1.6 %pts	
Research & development	8.4	8.1	0.3	4%
Selling, general & administrative	22.9	21.8	1.1	5%
Operating income	16.0	14.9	1.1	7%
% of Sales	16.6%	15.8%	+0.8 %pts	
Net result	15.8	13.0	2.8	22%
% of Sales	16.4%	13.8%	+2.6 %pts	
Earnings per share (diluted, USD)	\$ 6.45	\$ 5.35	1.10	21%
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Balance Sheet (USD in Millions)	31-Dec-19	31-Dec-18	Change	%
Cash & short term investments	57.4	62.3	-4.9	-8%
Trade accounts receivable, net	51.1	53.7	-2.6	-5%
Inventories	66.5	65.3	1.2	2%
Trade accounts payable	8.8	8.6	0.2	3%
Shareholders' equity	208.8	205.8	3.0	1%
Total liabilities and shareholders' equity	275.0	271.2	3.1	1%



## INFICON Fact Sheet FY 2019

according to SWISS GAAP FER

Income Statement (USD in Millions)	FY 2019	FY 2018	Change	%
Net sales	381.7	410.4	-28.7	-7%
Gross profit	188.2	204.9	-16.7	-8%
% of Sales	49.3%	49.9%	-0.6 %pts	
Research & development	34.4	31.7	2.7	9%
Selling, general & administrative	89.1	91.7	-2.6	-3%
Operating income	64.8	81.5	-16.7	-20%
% of Sales	17.0%	19.9%	-2.9 %pts	
Net result	52.8	64.2	-11.4	-18%
% of Sales	13.8%	15.6%	-1.8 %pts	
Earnings per share (diluted, USD)	\$ 21.66	\$ 26.40	-4.74	-18%

Balance Sheet (USD in million)	31-Dec-19	31-Dec-18	Change	%
Cash & short term investments	57.4	62.3	-4.9	-8%
Trade accounts receivable, net	51.1	53.7	-2.6	-5%
Inventories	66.5	65.3	1.2	2%
Trade accounts payable	8.8	8.6	0.2	2%
Shareholders' equity	208.8	205.8	3.0	1%
Total liabilities and shareholders' equity	275.0	271.2	3.1	1%