



#### **Corporate Contact**

Matthias Tröndle

Chief Financial Officer

+423 388 3510

[matthias.troendle@inficon.com](mailto:matthias.troendle@inficon.com)

## **INFICON Expects Good Year-end Results 2018**

- **Third quarter with 13.4% sales increase to USD 101.4 million**
- **Operating income up 32% to USD 20.0 million**
- **Increased guidance for 2018: Thanks to broadly based business areas INFICON expects over USD 400 million in sales and an operating income margin of around 20%**

***Bad Ragaz/Switzerland, October 18, 2018***

INFICON Holding AG (SIX Swiss Exchange: IFCN) reports sales of USD 101.4 million for its third quarter 2018. This represents an increase of 13.4% over the same period of last year and, excluding exchange rate effects, an organic growth rate of 14.3%. In the first nine months of the year, sales increased by 16.5% (organically 13.9%) to USD 316.3 million. INFICON increases the guidance for the full business year 2018 even as some target markets weaken. With sales exceeding USD 400 million, INFICON expects a further increased operating income margin of around 20%. (previous: sales around USD 400 million and an operating income margin of over 19%)

#### **Sales development in the target markets**

The remarkable year-over-year results for the third quarter are lagging somewhat behind the dynamic of the first half-year. The combined sales volume for the months July to September is inferior to the second quarter by 2.7%. From a current perspective, INFICON expects the trend in the Semi & Vacuum Coating market to soften towards year-end after the boom phase of the preceding months. While the OEM and the end-user businesses in the semiconductor market developed appealingly in the third quarter, sales to OLED customers declined as expected. Compared with the same period last year, sales in this target market increased by 11.6% to USD 44.3 million, yet slipped 6.7% back over the preceding second quarter. The broadly based

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#### **INFICON Holding AG**

Hintergasse 15 B; CH-7310 Bad Ragaz / Switzerland  
T: +41 (0)81 300 4980; F: +41 (0)81 300 4988  
[www.inficon.com](http://www.inficon.com)



General Vacuum market overall kept its ongoing high sales level. The third quarter shows a plus of 7.7% to USD 28.1 million over the same period last year, yet it cooled slightly by 1.4% compared with the second quarter of 2018. INFICON reports a year-on-year sales increase of 51% to USD 7.7 million of its Security & Energy target market and 5.5% increase over the second quarter. The sales development in this market continues to be strongly influenced by large public sector orders and their quarterly timing. The Refrigeration, Air Conditioning & Automotive market continues to be positive for INFICON, as evidenced by a sales increase of 15.1% to a new quarterly record high of USD 21.3 million year-over-year and an increase of 1.9% over the preceding quarter. The ongoing strong business trend in all market regions supports both the traditional refrigeration and air conditioning market as well as the automotive industry. In addition, the expansion of lithium-ion battery manufacturing capacities for electric vehicles in Asia further reinforces this positive trend. These trends also show in the sales development in the various world regions. Compared with the second quarter of this year, INFICON's sales to Asia increased by 4%, while they declined in the mid-single digit range in Europe and North America. Compared with the same period last year, sales increased significantly in all world areas.

#### **Strengthening the software development capabilities for semiconductor process control**

INFICON acquired all assets of Final Phase Systems, a software developer based in Austin, Texas, effective October 1, 2018. Some additional 20 software specialists with whom INFICON has already been working on certain project tasks are now strengthening INFICON's position as a leading supplier of process control software and sensor integration systems for the semiconductor industry.

#### **Cash flow and margins**

INFICON recorded a 15.8% higher gross profit of USD 50.4 million (previous year: USD 43.5 million) in the reporting quarter and an increase of its gross profit margin by one percentage point to now 49.7%. The expenses for research and development grew under-proportionately to the sales development. The sales, general, and administrative costs continue to be tightly managed and as a result, operating income picked up by 32% to USD 20.0 million, yielding an operating income margin of 19.7% for the reporting quarter after 17.0% a year ago. The net profit for the period was USD 15.3 million. This yields a net profit margin of 15.1%, up from 12.5% a year ago. Earnings per share were USD 6.30 at the end of September after 4.61 a year ago.

INFICON generated a cash flow from operations of USD 22.5 million after USD 14.0 million a year ago. The balance sheet shows a net cash position of USD 64.6 million after USD 85.0 million at year-end. The inventories for raw and semi-finished materials increased in accordance to the order and sales situation to USD 61.6 million. This also shows in the working capital of USD 105.8 million which equals to 26.1% of sales, up from 87.4 million at the end of September last year. Inventory turns decreased from 4.3 to 3.7 times. Based on a balance sheet total of USD 293.1 million, the equity ratio continues to be strong at 70.8% after 71.2% at mid-year.



### **Conference call and international webcast**

Management will discuss the third quarter 2018 results today in greater detail on a conference call scheduled for 09:30 a.m. CEST today. The local dial-in numbers are as follows:

Europa:	+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

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](http://www.inficon.com). You can access the webcast directly at [http://bit.ly/INFICON\\_Q3\\_2018](http://bit.ly/INFICON_Q3_2018).

### **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 Alert in the Investors section of the INFICON website at [http://bit.ly/IFCN\\_alerts](http://bit.ly/IFCN_alerts).



## INFICON Fact Sheet Q3 2018

according to SWISS GAAP FER

Income Statement (USD in Millions)	Q3 2018	Q3 2017	Change	%
Net sales	101.4	89.4	12.0	13%
Gross profit	50.4	43.5	6.9	16%
% of Sales	49.7%	48.7%	+1.0 %pts	
Research & development	7.9	7.1	0.8	11%
Selling, general & administrative	22.5	21.3	1.2	6%
Operating income	20.0	15.1	4.9	32%
% of Sales	19.7%	17.0%	+2.7 %pts	
Net result	15.3	11.2	4.1	37%
% of Sales	15.1%	12.5%	+2.6 %pts	
Earnings per share (diluted, USD)	\$ 6.30	\$ 4.61	1.69	37%

Balance Sheet (USD in Millions)	30-Sep-18	31-Dec-17	Change	%
Cash & short term investments	85.0	85.0	-0.0	0%
Trade accounts receivable, net	56.0	53.6	2.4	4%
Inventories	61.6	48.1	13.5	28%
Trade accounts payable	11.8	10.4	1.4	14%
Shareholders' equity	207.6	207.0	0.6	0%
Total liabilities and shareholders' equity	293.1	268.6	24.5	9%

### 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).

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