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INFICON's Q3 results confirm guidance for 2016

- USD 78.3 million sales in third quarter 2016; increase of 8.2% over prior-year figure
- 9.5% higher operating income of USD 12.7 million in Q3 lifts margin up to 16.2%
- Sales exceeding USD 300 million and operating income margin of over 15% expected

Bad Ragaz/Switzerland, October 20, 2016

INFICON Holding AG (SIX Swiss Exchange: IFCN) reports sales of USD 78.3 million for the third quarter of 2016. This is an increase of 8.2% over the same prior-year period or 3.7% compared with the preceding second quarter. Excluding the acquisition of InstruTech (+2.0 percentage points) and currency effects (+1.3 percentage points), quarterly sales grew organically by 4.8% compared with the same period last year. Sales generated in the first nine months of 2016 picked up by 7.6% (organically 6.1%) to USD 223.5 million. INFICON confirms its guidance for the full year 2016, expecting sales of over USD 300 million and an operating income margin exceeding 15%.

Sales increase across the board except for General Vacuum market

With sales of USD 30.9 million recorded in the third quarter, INFICON achieved double-digit growth in its largest target market **Semi & Vacuum Coating**, both compared with the same prior-year period (+11.6%) as well as the second quarter of 2016 (+10.8%). While the dynamics in the traditional optics market slackened and selected players in the semiconductor market are still postponing new investments, the production capacities for OLED flat panel screens saw a rapid expansion in the reporting quarter. In the **Refrigeration, Air Conditioning & Automotive** market, INFICON continued to generate growing sales with customers in the global automotive industry while the traditional air conditioning and refrigeration markets declined a bit, especially in Asia. Overall, quarterly sales in this target market grew by 17.6% compared with the same prior-year period, yet weakened by 5.1% to USD 16.7 million over the preceding second quarter of 2016. The

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strongest growth was recorded in the **Security & Energy** market: dominated by large-scale orders, INFICON generated 62.7% higher sales of USD 9.6 million year-over-year. Compared with the preceding second quarter, sales picked up by 23.1%. Even with an ongoing strong order intake in this market, INFICON managed to further reduce the backlog resulting from delayed shipments at the beginning of the year. For the broadly based **General Vacuum** market, INFICON reports a decrease of 14.2% to USD 21.1 million. This decline is partly due to a reclassification of certain customers into the market Refrigeration, Air Conditioning & Automotive. The rather sluggish business trend in Europe continues to impact sales as shown by the sequential decline of 5% over the preceding second quarter.

Further strengthened operating income margin

INFICON achieved a gross margin of 50.1% in the third quarter. After somewhat higher investments into research and development and increased selling, general, and administrative cost, INFICON generated an operating income of USD 12.7 million in the third quarter. This translates into a further strengthened margin of 16.2%. Net profit for the period grew by 3.4% to USD 9.7 million. This equals a net profit margin of 12.4%. Earnings per share were USD 4.08 – after USD 3.98 in the third quarter of last year.

After a record high cash flow of USD 17.3 million generated during the third quarter, the balance sheet for INFICON shows cash and short-term investments of USD 49 million after USD 60.9 million at year-end. At the end of the quarter, working capital remained practically unchanged at USD 74.8 million which corresponds to slightly lower 23.9% of sales. With a balance sheet total of USD 210.9 million, the equity ratio increased from about 70% to now 75.6%.



INFICON Fact Sheet Q3 2016

according to SWISS GAAP FER

Income Statement (USD in Millions)	Q3 2016	Q3 2015	Change	%
Net sales	78.3	72.4	5.9	8%
Gross profit	39.2	35.4	3.8	11%
% of Sales	50.1%	48.9%	+1.2 %pts	
Research & development	6.8	6.0	0.8	14%
Selling, general & administrative	19.7	17.8	1.9	11%
Operating income	12.7	11.6	1.1	9%
% of Sales	16.2%	16.1%	+0.1 %pts	
Net result	9.7	9.4	0.3	3%
% of Sales	12.4%	13.0%	-0.6 %pts	
Earnings per share (diluted, USD)	\$ 4.08	\$ 3.98	0.10	3%

Balance Sheet (USD in Millions)	30-Sep-16	31-Dec-15	Change	%
Cash & short term investments	49.0	60.9	-11.9	-20%
Trade accounts receivable, net	41.7	33.5	8.2	24%
Inventories	41.4	37.0	4.4	12%
Trade accounts payable	8.3	4.8	3.5	75%
Shareholders' equity	159.5	171.0	-11.5	-7%
Total liabilities and shareholders' equity	210.9	204.5	6.4	3%

Conference call and international webcast

INFICON explains its third quarter results in more detail in an English-speaking conference call, scheduled for 09:30 a.m. Participants are requested to kindly dial in using the following numbers:

Europe: +41 (0) 58 310 5000

UK: +44 (0) 203 059 5862

USA: +1 (1) 631 570 5613

USA (Toll free): +1 (1) 866 291 4166

Please dial in 10 minutes prior to the call. No PIN is needed for the call. The accompanying presentation is available on the INFICON website www.inficon.com where the conference call can be followed as a webcast and later on as a recording. You can access the webcast directly at http://bit.ly/IFCN_WebcastQ3.



Communication calendar 2016

INFICON regularly updates its communication calendar which is available on the company's website or directly 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 an Email Alert in the Investors section of the INFICON website at 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, 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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