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INFICON with record figures

- **Fourth Quarter 2017 results:** Sales of USD 102.1 million are 18.4% over prior year and 14.2% over Q3 2017; Operating income of USD 22.2 million or 21.8% of sales (Q4 2016: USD 18.2 million; 21.1%)
- **Full-year results 2017:** Sales increase of 20.6% to USD 373.6 million (2016: USD 309.7 million); Operating income of USD 73.6 million or 19.7% of sales (USD 51.0 million; 16.5%); Net income of USD 59.5 million or 15.9% of sales (USD 40.3 million; 13.0%)
- **Annual General Meeting and Distribution to Shareholders:** The Board of Directors proposes to the Annual General Meeting to distribute for fiscal 2017 CHF 20.00 per share out of capital reserves; this represents a pay-out ratio of around 86% of the net result.
- **Outlook 2018:** Sales around USD 400 million and Operating income margin over 19%
- **Annual report and Media/Analyst conference:** The Annual Report 2017 is available online; a media/analyst conference is scheduled for 09:30 a.m. today at Zunfthaus zum Rüden, Limmatquai 42, Zürich.

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Record-high closing quarter 2017

INFICON (SIX Swiss Exchange: IFCN) achieved in the fourth quarter of 2017 with USD 102.1 million the highest quarterly sales in its history. Sales increased in all target markets and regions. Compared with the closing quarter of 2016, sales increased by 18.4%. Excluding currency effects (+2.2 percentage points), INFICON achieved an organic growth of 16.2%. Compared with the third quarter, the increase was 14.2%. The gross margin (51.6%) was slightly lower than the prior-year value (52.2%). After USD 7.4 million spent for research & development and USD 23.1 million for sales, general, and administrative cost, the operating income amounted to USD 22.2 million after USD 18.2 million a year ago. This translates into an operating income margin of 21.8% up from 21.1%. The net profit for the quarter rose to USD 21.5 million. Earnings per share amounted thus to USD 8.83 for the closing quarter after USD 5.79 a year ago.

In the **General Vacuum** market, sales improved in the fourth quarter by 32.7% to USD 29.2 million year-over-year, and by 11.9% compared with the preceding third quarter. These values reflect primarily the globally appealing economic trend, gains of market share, as well as first sales contributions from newly developed products such as those targeting the food packaging market. Overall, INFICON assesses the prospects for this broadly based, directly and indirectly served market optimistically.

In its biggest market, **Semi & Vacuum Coating**, INFICON's sales of USD 43.5 million grew 13.3% compared with the last quarter of 2016 and by 9.6% compared with the preceding third quarter. INFICON benefitted from the overall positive market conditions in the traditional semiconductor market. Both, the demand of semiconductor manufacturers for instruments as well as the request for INFICON components from equipment manufacturers remained high. In addition, INFICON benefitted from the continued strong demand for OLED flat panel displays and production capacity increases in Asia. INFICON is confident for this market for the months ahead.

Sales in the **Refrigeration, Air Conditioning & Automotive** market rose in the closing quarter year-over-year by 15.2% to USD 18.9 million. The comparison with the third quarter of 2017 reveals a plus of 2.2%. The traditional refrigeration and air conditioning business remained globally stable and on a high level. Product shipments for leak testing of automotive components, especially of batteries for electric cars, developed very nicely world-wide. INFICON is positive for the trend in this market for the upcoming months.

Sales to customers in the **Security & Energy** market more than doubled in the last quarter compared with the preceding third quarter and reached USD 10.5 million. This progress shows how much this market is dominated by large public orders and their timing. Compared with the prior-year figure, the fourth quarter sales rose by 11.7%. The influence of large orders from the public sector and their sequencing leads to an oscillating sales development which makes it challenging to reliably predict the business trend in this market.



Full year results 2017

The annual sales for 2017 rose by 20.6% to USD 373.6 million. Excluding currency effects (0.4% percentage points) and the sales contribution from acquisitions (0.2 percentage points), the organic growth achieved in 2017 was 20.1%. A year-over-year comparison shows that only the **Security & Energy** market did not reach its prior-year level. Due to its slow start into the year, the sales of USD 25.5 million achieved in this market declined by 23%, contributing 6.8% to overall sales. In all other target markets, sales increased considerably: Sales to customers in the **Semi & Vacuum Coating** market rose 38.5% to a record-high USD 167 million and contributed 44.7% to Group sales. In the **General Vacuum** market, INFICON grew its sales by 19.3% to USD 104.9 million, corresponding to 28.1% of global sales. The sales achieved in the **Refrigeration, Air Conditioning & Automotive** market increased – especially supported by the strong demand from the global automotive industry – by 11.9% to USD 76.2 million. This makes up for 20.4% of INFICON's global sales. A geographic analysis shows for Asia a surge of 33.3% to USD 174.2 million and for Europe a plus of 21.1% to USD 95.7 million. With 3.2%, America witnessed the smallest sales growth to USD 99.2 million.

The gross margin for the fiscal year 2017 amounted to 50.5% after 50.4% a year ago. Expenses for research and development as well as sales, general, and administrative costs rose in absolute terms, yet developed clearly under-proportionately compared with the overall sales trend. The operating income thus picked up from USD 51.0 million in 2016 to now USD 73.6 million. This translates into a strengthened operating income margin of 19.7% after 16.5% a year ago. After tax, net result amounted to USD 59.5 million, up from USD 40.3 million in 2016. This corresponds to a net income margin of 15.9%. Earnings per share for the full year 2017 rose from USD 16.94 at year-end 2016 to now USD 24.57.

Cash flow and balance sheet

INFICON generated in its fourth quarter of 2017 a markedly stronger cash flow from operations of USD 26.9 million, after having achieved USD 14 million in the third quarter. For the full year, INFICON achieved an operating cash flow of USD 61.4 million after USD 53.4 million a year ago. INFICON closed its books with liquid assets of USD 85.0 million (prior year USD 63.9 million). Inventory turns improved from 3.8 times at the end of 2016 to now 4.2 times. Due to the business development, inventories and accounts receivable augmented, so that the net working capital amounted to 22.4% after 20.7% a year ago. The debt-free balance sheet shows a solid equity ratio of 77.1%.

Distribution proposal and Annual General Meeting of Shareholders

The Board of Directors proposes to the Annual General Meeting of Shareholders scheduled for April 12, 2018 to distribute for fiscal 2017 CHF 20.00 per share out of capital reserves. The additional agenda items of the Annual General Meeting will be published shortly. The Meeting takes place at the Sorrell Hotel Tamina, Am Platz 3, Bad Ragaz, on April 12, at 11.00 a.m.



Outlook

Based on the positive market prospects, market share gains and rising sales generated with newly developed products and in additional application areas, INFICON expects to achieve sales of around USD 400 million and an operating income margin of over 19% for the current year 2018.

Media and Analyst conference

INFICON discusses its fourth quarter and full-year 2017 results today, March 13, 2018, in full detail at a live media and analyst conference held in German at 09:30 a.m. CET, at the Zunfthaus zum Rüden, Limmatquai 42, 8001 Zürich. The respective presentation slides in English are available for download from 07:00 a.m. in the Investor section of the INFICON Website www.inficon.com.

Annual Report 2017

INFICON's Annual Report 2017 is available for download on www.inficon.com or under http://bit.ly/IFCN_IR_publications.

Communication Calendar 2018

INFICON will publish the results for the first quarter 2018 on April 20, 2018 by distributing a press release internationally. Later that day, the results will be discussed in more detail during an international conference call in English which will also be archived.

INFICON continuously updates its communication calendar which is 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 or at http://bit.ly/IFCN_IR_home.

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.



INFICON Fact Sheet Q4 2017

according to SWISS GAAP FER

Income Statement (USD in Millions)	Q4 2017	Q4 2016	Change	%
Net sales	102.1	86.2	15.9	18%
Gross profit	52.7	45.0	7.7	17%
% of Sales	51.6%	52.2%	-0.6 %pts	
Research & development	7.4	6.8	0.6	9%
Selling, general & administrative	23.1	20.0	3.1	16%
Operating income	22.2	18.2	4.0	22%
% of Sales	21.7%	21.1%	+0.6 %pts	
Net result	21.5	13.8	7.7	56%
% of Sales	21.1%	16.1%	+5.0 %pts	
Earnings per share (diluted, USD)	\$ 8.83	\$ 5.79	3.04	53%

Balance Sheet (USD in Millions)	31-Dec-17	31-Dec-16	Change	%
Cash & short term investments	85.0	63.9	21.1	33%
Trade accounts receivable, net	53.6	42.6	11.0	26%
Inventories	48.1	36.9	11.2	30%
Trade accounts payable	10.4	8.0	2.4	30%
Shareholders' equity	207.0	168.3	38.7	23%
Total liabilities and shareholders' equity	268.6	213.4	55.2	26%



INFICON Fact Sheet 2017

according to SWISS GAAP FER

Income Statement (USD in Millions)	2017	2016	Change	%
Net sales	373.6	309.7	63.9	21%
Gross profit	188.5	156.2	32.3	21%
% of Sales	50.5%	50.4%	+0.1 %pts	
Research & development	28.2	26.8	1.4	5%
Selling, general & administrative	86.8	78.4	8.4	11%
Operating income	73.6	51.0	22.6	44%
% of Sales	19.7%	16.5%	+3.2 %pts	
Net result	59.5	40.3	19.2	48%
% of Sales	15.9%	13.0%	+2.9 %pts	
Earnings per share (diluted, USD)	\$ 24.57	\$ 16.94	7.63	45%

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Shareholders' equity	207.0	168.3	38.7	23%
Total liabilities and shareholders' equity	268.6	213.4	55.2	26%

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.