

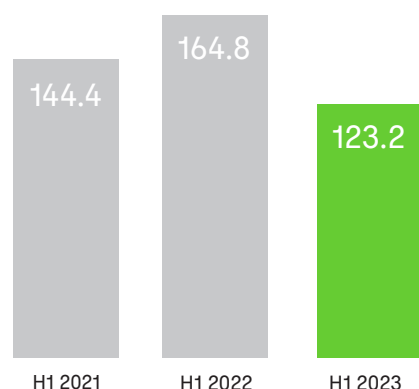
Interim Report

2023

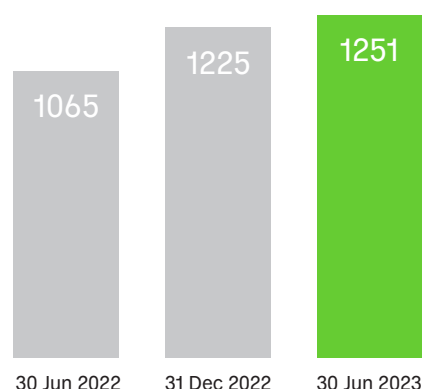
Key Figures	3
Letter to the Shareholders	6
Condensed Consolidated Interim Financial Statements	9
Consolidated Income Statement	9
Consolidated Balance Sheet	10
Consolidated Statement of Cash Flows	11
Consolidated Statement of Changes in Equity	12
Notes to the Condensed Consolidated Interim Financial Statements	13
Shareholder Information	16

Key Figures

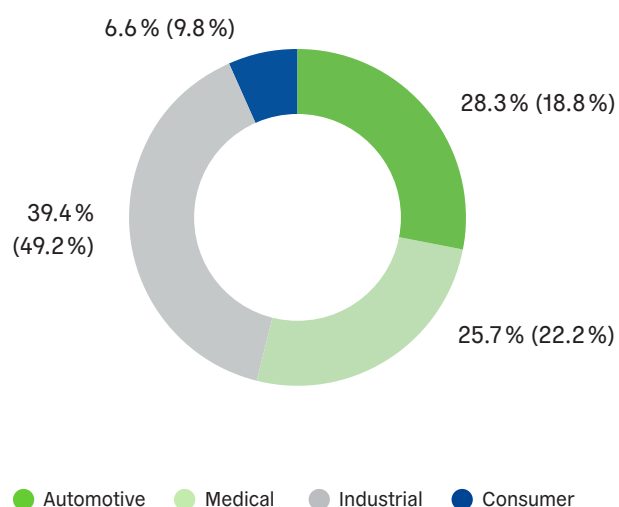
Revenue (in CHF million)



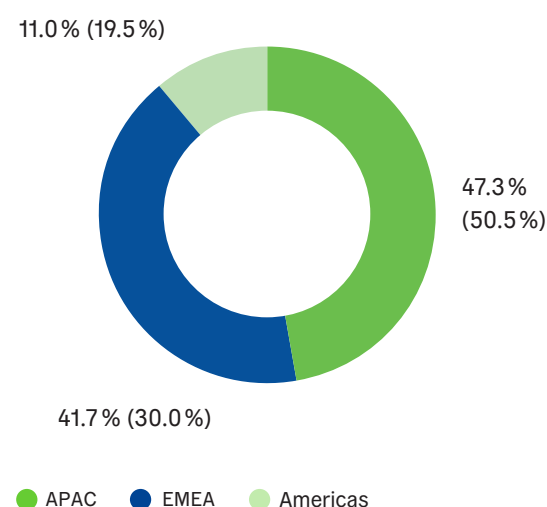
Number of employees (FTE)



Revenue by market H1 2023 (2022)



Revenue by region H1 2023 (2022)



123.2

Revenue
in CHF million

56.3 %

Gross Margin

8.7 %

EBITDA Margin

Key Figures

Consolidated, in millions of CHF	H1 2023	Δ in %	H1 2022
Revenue	123.2	-25.2 %	164.8
Gross profit	69.4		98.4
– as % of revenue	56.3 %		59.7 %
Operating profit (EBIT)	2.9	-93.1 %	41.6
– as % of revenue	2.3 %		25.3 %
Profit for the period	1.4	-95.9 %	35.0
– as % of revenue	1.2 %		21.2 %
Earnings per share (in CHF)	0.09		2.24
EBITDA¹	10.7	-78.1 %	48.9
– as % of revenue	8.7 %		29.6 %
Cash flow from operating activities	(1.9)		22.0
Capital expenditures²	(17.6)		(15.8)
Free cash flow³	(19.5)		6.2
	30 June 2023		31 December 2022
Total assets	348.7		358.0
Total liabilities	44.6		53.8
Total equity	304.2		304.1
Net cash (Net debt)⁴	101.8		123.0
Number of employees (FTE)	1251	2.1 %	1225

¹ Defined as the sum of operating profit (EBIT), depreciation and amortization.

² Defined as the sum of investments in property, plant and equipment, proceeds from sale of property, plant and equipment, investments in intangible assets and capitalized development expenditure.

³ Defined as the sum of cash flows from operating activities and cash flows from investing activities, excluding M&A activities.

⁴ Defined as the sum of cash and cash equivalents less loans and borrowing (current and non-current).

Dear Shareholders

After three very successful years of growth, we were hit by economic headwinds in the first half of 2023. The sluggish global economy and pandemic-related overconsumption in recent years led to generally weak demand from end consumers in the first half of the year, particularly in the appliances and consumer markets. This effect was further exacerbated by the reduction of inventories throughout the supply chain after concerns about supply bottlenecks subsided. Unlike many other electronics companies, we could not benefit from the reduction of the backlog as our delivery capability was maintained throughout the entire allocation phase.

Short-term visibility remains low due to the numerous geopolitical and macroeconomic challenges. However, we remain optimistic about the medium and long-term future thanks to a strong pipeline of new business wins for the coming years as well as supporting megatrends for sensor solutions such as energy efficiency, climate change and health.

Reduced sales due to the challenging market environment and elimination of the one-off medical business

The six-month period closed with sales totaling CHF 123.2 million (–25% over the same period in the previous year, –22.6% organic, –2.4% due to foreign currency effects). In contrast to the previous year, the one-off business in the CPAP medical sector did not boost sales this year (previous year: CHF 15 million). Adjusted for these one-off effects, revenue fell by 18% due to economic factors. This decline is solely attributable to reduced demand volumes; market prices developed as expected. In addition, we have not lost any customers or ongoing projects.

The gross margin was 56.3%, and the EBITDA margin reached 8.7%. Due to the low variable costs of our products, the EBITDA margin reacts disproportionately to changes in revenue. This effect has been demonstrated both positively (in years of strong growth) and negatively (as in this year). At the same time, we have continued to expand our R&D capacities to enable important product launches in new applications in 2024 and 2025 and thus strengthen our medium-term growth. In our own production plants, however, capacity adjustments have already been implemented through the reduction of temporary staff.

Profits totaling CHF 2.9 million were reported at the operating result level, yielding a net profit of CHF 1.4 million for the period in question. Operating cash flow was negative at CHF –1.9 million, particularly as a result of the continued build-up of strategic inventories.

Growing automotive and medical markets, strong braking effects in the industrial and consumer markets

The automotive market has so far been very resilient to the economic downturn. Sales increased to CHF 34.8 million (+12% year-on-year). Growth is mainly due to new module projects as a Tier 1 supplier for European OEM customers.

The medical market as a whole recorded a 13% decline in sales to CHF 31.7 million year-on-year. This was characterized by a one-off special transaction in the CPAP area of CHF 14.7 million, which has since fully normalized. Adjusted for this effect, the growth in the medical market was +44%. This growth was positively influenced by increased demand in the short term, especially from China. However, we assume that part of it was used for stockpiling.

After several years of pronounced growth momentum, the broadly diversified industrial market showed strong braking effects. Sales decreased by 40% to CHF 48.6 million compared with the same period in the previous year. The main reason for this is the appliances market: this market segment has posted strong growth figures over the past two years and also benefited from the sharp increase in awareness of indoor air quality solutions worldwide (also due to the pandemic). Although this trend continues, it has normalized somewhat. After the boom years, this has resulted in a temporary drop in demand, further exacerbated by continued high inventories that are only slowly declining. This sharp drop in sales is due exclusively to the economic situation; we did not lose any customers or projects in this market segment either. At the same time, we are working on numerous other design-in projects that will further boost business once the drop in demand and warehouse optimization have come to an end. All these future projects are proceeding according to plan. We recorded further, though less relevant, declines in the semiconductor and hard disk areas, while the gas metering business proved resilient.

Weak demand, accompanied by inventory corrections, also characterized the highly fragmented consumer market in the past six months. Sales fell by 49% to CHF 8.1 million. This market has also seen strong growth in recent years, driven by increased awareness of indoor air quality. However, sales are now suffering from a certain amount of pandemic-related overconsumption in the past year due to subdued global consumer sentiment.

Medium and long-term outlook remains positive; expansion of R&D

Despite the current difficult market environment, we are very optimistic about the medium and long-term future. Firstly, we continue to feel strong support from megatrends such as energy efficiency, climate change and health, which are accelerating the increased use of sensors in numerous applications. Secondly, we see a promising and full pipeline of new customer and design-in projects in all markets.

In particular, we are currently developing a new product family of gas leakage sensors for air conditioning units in the US market. A new class of coolants in air conditioning systems will become mandatory on the local market. Although these coolants are less harmful to the climate, they are more flammable. This opens up the opportunity to place new, innovative leakage sensors in this market. We expect first production starts towards the end of 2024.

At the same time, we are working on numerous other design-ins with its wide range of environmental sensors. This reinforces our assessment that there is great potential for further growth in the entire environmental sensor sector in the coming years. The implementation of our growth strategy, as presented at the Capital Markets Day in March 2021, is continuing according to plan. In particular, we are working on the next generation of particulate matter, CO₂ and formaldehyde sensors. Thanks to the further integration of many functions at chip level, further decisive miniaturization steps will be possible in all three product families. The respective product launches are planned for 2024 and 2025. As a result of all these projects, we are continuing to expand our R&D activities.

In our historic core market of humidity and flow sensors, we aim to further expand and strengthen our already strong market, cost and technology leadership. At the beginning of the year, we could agree a strategically important partnership with our former competitor STMicroelectronics. STMicroelectronics

will integrate and offer our humidity sensors on their boards in the future. Sensirion will benefit from another important sales channel to further expand our already leading role in this market.

A few months ago, we opened a sales office in Singapore. This will strengthen our direct global sales presence and provide even closer and better support to customers in the Southeast Asian and Australian markets.

Annual General Meeting in Rapperswil

At the Annual General Meeting 2023, all proposals of the Board of Directors were approved. All Board of Directors members were re-elected for a further term of office. We were particularly pleased to welcome you all back to Rapperswil for the first time in four years after the pandemic.

Outlook

Due to the challenging market environment, we adjusted our outlook for the 2023 financial year at the beginning of July and we now expect sales of CHF 235-255 million. The expectation for the gross margin remains unchanged in the mid-fifties. The EBITDA margin is expected to be at 5-10 %, depending on the topline development. In that term, we are slightly more cautious compared to July's forecast in order to reflect the H1 results as well as the weaker US dollar.

Thanks to a full and promising project pipeline, we continue to have a positive view of the medium and long-term future and, given the current market environment, anticipates a temporary drop in demand this year due to the end market. We therefore confirm our medium-term guidance of March 2021 and continue to expect average annual growth of 10-15 % and an average EBITDA margin of 17 % over a cycle of 3-5 years.

Many thanks to all our employees

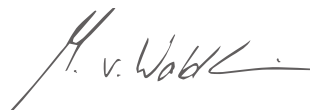
On behalf of the Board of Directors and the Executive Board, we would like to thank all our employees for their ongoing commitment and loyalty to Sensirion. In May of this year, we were once again awarded by "Great Place to Work" as one of the best employers in Switzerland in the category "Large Companies". This highlights our special corporate culture, which attracts talent and offers them opportunities to develop. We will continue to foster this culture. We would also like to thank you, our shareholders, for your loyalty.



Moritz Lechner
Co-Chairman of the Board



Felix Mayer
Co-Chairman of the Board



Marc von Waldkirch
CEO

Condensed Consolidated Interim Financial Statements

Consolidated Income Statement

In thousands of CHF, for the six months ended 30 June

	Note	2023	Δ in %	2022
Revenue	5	123,226	-25.2 %	164,835
Cost of sales		(53,838)		(66,394)
Gross profit		69,388		98,441
– as % of revenue		56.3%		59.7 %
Research and development expenses		(28,491)		(25,101)
Selling and distribution expenses		(20,417)		(16,184)
Administrative expenses		(17,607)		(15,516)
Operating profit (EBIT)¹		2,873	-93.1 %	41,640
– as % of revenue		2.3%		25.3 %
Financial result		(736)		(190)
Result of equity-accounted investees		(263)		(449)
Profit before tax		1,874		41,001
Income taxes		(449)		(6,016)
Profit for the period, attributable to owners of Sensirion Holding AG		1,425	-95.9 %	34,985
– as % of revenue		1.2%		21.2 %
Earnings per registered share				
Basic earnings per registered share (in CHF)		0.09		2.24
Diluted earnings per registered share (in CHF)		0.09		2.24
Earnings before interest, tax, depreciation and amortization (EBITDA)				
Earnings before interest, tax, depreciation and amortization (EBITDA)	2.2	10,724	-78.1 %	48,872
– as % of revenue		8.7%		29.6 %

¹ Defined as profit (loss) for the period before financial result, result of equity-accounted investees and income taxes (EBIT).

The notes are part of the Group's condensed consolidated interim financial statements.

Consolidated Balance Sheet

In thousands of CHF	Note	30 June 2023	in %	31 December 2022	in %
Assets					
Cash and cash equivalents		101,812		123,025	
Trade receivables		29,281		36,502	
Prepaid expenses		2,660		1,564	
Other receivables		8,488		6,680	
Inventories		69,465		60,055	
Total current assets		211,706	60.7 %	227,826	63.6 %
Property, plant and equipment		90,121		82,051	
Financial assets		27,356		29,392	
Equity-accounted investees		5,089		5,352	
Intangible assets		14,468		13,356	
Total non-current assets		137,034	39.3 %	130,151	36.4 %
Total assets		348,740	100.0 %	357,977	100.0 %
Liabilities					
Trade payables		8,196		10,062	
Accrued expenses		9,217		14,332	
Employee benefits		8,635		10,122	
Provisions		11		2,046	
Other liabilities		3,634		2,670	
Total current liabilities		29,693	8.5 %	39,232	11.0 %
Employee benefits		2,448		2,695	
Provisions		22		4	
Deferred tax liabilities		12,394		11,901	
Total non-current liabilities		14,864	4.3 %	14,600	4.0 %
Total liabilities		44,557	12.8 %	53,832	15.0 %
Equity					
Share capital		1,562		1,562	
Capital reserve		156,346		156,826	
Treasury shares		(2,790)		(3,774)	
Retained earnings		149,065		149,531	
Total equity, attributable to owners of Sensirion Holding AG	6	304,183	87.2 %	304,145	85.0 %
Total liabilities and equity		348,740	100.0 %	357,977	100.0 %

The notes are part of the Group's condensed consolidated interim financial statements.

Consolidated Statement of Cash Flows

In thousands of CHF, for the six months ended 30 June

	2023	2022
Cash flows from operating activities		
Profit for the period	1,425	34,985
Adjustments for:		
– Depreciation and amortization	7,851	7,232
– Gain on sale of property, plant and equipment	(3)	–
– Other non-cash expense (income)	545	271
– Financial result without foreign exchange (gain) loss	(270)	671
– Result of equity-accounted investees	263	449
– Equity-settled share-based payment transactions	434	372
– Tax expense	449	6,016
Changes in:		
– Trade and other receivables	5,413	(14,080)
– Prepaid expenses	(910)	(325)
– Inventories	(9,744)	(12,965)
– Trade and other payables	(1,061)	2,569
– Accrued expenses	515	1,654
– Employee benefits	(1,613)	817
– Asset from employer contribution reserve (in financial assets)	2,570	–
– Provisions	(1,974)	(411)
Interest and bank charges received (paid)	270	(180)
Income taxes paid	(6,093)	(5,111)
Net cash from operating activities	(1,933)	21,964
Cash flows from investing activities		
Investments in property, plant and equipment	(14,430)	(14,170)
Proceeds from sale of property, plant and equipment	3	–
Acquisition of financial assets (equity securities)	(12)	–
Acquisition of equity-accounted investees	–	(3,100)
Investments in intangible assets	(369)	(459)
Development expenditure capitalized	(2,843)	(1,165)
Net cash from investing activities	(17,651)	(18,894)
Cash flows from financing activities		
Proceeds from issue of share capital	–	5
Net cash from financing activities	–	5
Net change in cash and cash equivalents	(19,584)	3,075
Cash and cash equivalents at 1 January	123,025	112,104
Effect of movements in exchange rates on cash held	(1,629)	(511)
Cash and cash equivalents at 30 June	101,812	114,668

The notes are part of the Group's condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity

In thousands of CHF	Attributable to owners of Sensirion Holding AG						
	Share capital	Capital reserve	Treasury shares	Translation reserve	Other retained earnings	Total retained earnings	Total equity
Balance at 1 January 2022	1,557	153,999	(472)	(1,688)	82,598	80,910	235,994
Profit for the period	–	–	–	–	34,985	34,985	34,985
Capital increases	5	–	–	–	–	–	5
Currency translation of foreign operations	–	–	–	(809)	–	(809)	(809)
Equity-settled share-based payment transactions	–	372	–	–	–	–	372
Balance at 30 June 2022	1,562	154,371	(472)	(2,497)	117,583	115,086	270,547
Balance at 1 January 2023	1,562	156,826	(3,774)	(2,314)	151,845	149,531	304,145
Profit for the period	–	–	–	–	1,425	1,425	1,425
Currency translation of foreign operations	–	–	–	(1,891)	–	(1,891)	(1,891)
Transaction with treasury shares	–	(984)	984	–	–	–	–
Equity-settled share-based payment transactions	–	504	–	–	–	–	504
Balance at 30 June 2023	1,562	156,346	(2,790)	(4,205)	153,270	149,065	304,183

The notes are part of the Group's condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 Reporting entity

Sensirion Holding AG (the “Company”) is domiciled in Switzerland. The Company’s registered office is at Laubisrütistrasse 50, 8712 Stäfa. These consolidated financial statements comprise the Company, its subsidiaries (collectively the “Group” and individually “Group companies”), and their investments in equity-accounted investees.

Sensirion is one of the world’s leading manufacturers of digital microsensors and systems. The product range includes gas and liquid flow sensors, differential pressure sensors, and environmental sensors for the measurement of humidity and temperature, volatile organic compounds (VOCs), carbon dioxide (CO₂), and particulate matter (PM_{2.5}). Sensirion also provides sensor solutions and services based on connected sensor- and datasystems. Using Sensirion’s microsensor solutions, OEM customers benefit from the proven CMOSens® Technology.

2 Basis for the preparation of the financial statements

2.1 Basis of accounting

The unaudited financial statements for the six months ended 30 June 2023 have been prepared in accordance Swiss GAAP FER 31 “Complementary recommendation for listed companies” and the accounting principles described in the 2022 consolidated financial statements.

These financial statements are presented in Swiss francs. Unless otherwise stated, all financial information in Swiss francs has been rounded to the nearest thousand. For this reason, rounding differences may occur.

The consolidated interim financial statements should be read in conjunction with the consolidated financial statements compiled for the financial year ended 31 December 2022, as they represent an update of the last complete financial statements and therefore do not contain all information and disclosures required in the year-end consolidated financial statements.

These unaudited interim financial statements were authorized for issue by the Board of Directors on 22 August 2023.

2.2 Performance measures not defined by Swiss GAAP FER

Internally and externally Sensirion uses EBITDA as an additional performance measure, which is not defined by Swiss GAAP FER. EBITDA is calculated as the sum of operating profit and depreciation and amortization.

In thousands of CHF, for the six months ended 30 June	2023	2022
Reconciliation of operating profit to EBITDA for the period		
Operating profit (EBIT)	2,873	41,640
Depreciation and amortization	7,851	7,232
Earnings before interest, taxes, depreciation and amortization (EBITDA)	10,724	48,872

3 Use of judgments and estimates

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainties were the same as those described in the last annual financial statements.

4 Changes in the scope of consolidation

In the first half of 2023 the subsidiary IRSweep AG based in Switzerland was merged into the Sensirion AG. The merge was approved by the board of directors and the commercial register on 30 June 2023 with retroactive effect of 1 January 2023. An impairment test of the theoretical book value of the Goodwill associated with IRSweep AG was performed after the decision by the board with the result, that no impairment of the theoretical book value was needed.

There were no changes to the scope of consolidation in the first half of 2022.

5 Segment reporting and disaggregation of revenue

5.1 Basis of segmentation

The Group operates in one industry segment which encompasses the development, production, sales, and servicing of sensor systems, modules, and components. The allocation of resources and performance assessment is made at Group level. The Group's organization is not divided into business units, neither in the management structure nor the internal reporting system.

5.2 Breakdown of revenue

In thousands of CHF, for the six months ended 30 June, and as % of revenue	2023		2022	
Revenue – geographic information by regions				
APAC	58,228	47.3%	83,211	50.5%
EMEA	51,390	41.7%	49,452	30.0%
Americas	13,608	11.0%	32,172	19.5%
Total	123,226	100.0%	164,835	100.0%

The geographic information on revenues in the table above is based on the customers' location.

As additional voluntary information, revenue is allocated to end markets as follows:

In thousands of CHF, for the six months ended 30 June, and as % of revenue	2023		2022	
Revenue – per customer market				
Automotive	34,841	28.3 %	31,016	18.8 %
Medical	31,719	25.7 %	36,615	22.2 %
Industrial	48,565	39.4 %	81,178	49.2 %
Consumer	8,101	6.6 %	16,026	9.8 %
Total	123,226	100.0 %	164,835	100.0 %

6 Equity

6.1 Share capital

At 30 June 2023, the share capital of Sensirion Holding AG is composed of 15,615,723 registered shares (31 December 2022: 15,615,723) with a nominal value of CHF 0.10 each. Between 1 January and 30 June 2023 no changes have occurred.

6.2 Dividends

The Company has not paid any dividends in the periods presented.

7 Subsequent events

No events have occurred between 30 June 2023 and 23 August 2023 which would necessitate adjustments to the carrying values of the Sensirion Group's assets or liabilities, or which require additional disclosure.

Shareholder information

Valor symbol	SENS
Reuters symbol	SENSI.S
Bloomberg symbol	SENS.SW
Valor number	40,670,512
ISIN	CH 040 670512 6
End of fiscal year	31 December
Exchange	SIX Swiss Exchange
Trading currency	CHF
Listed since	22 March 2018
Number of issued shares (as recorded in the commercial register)	15,615,723
Nominal value	CHF 0.10
Accounting standard	Swiss GAAP FER

Financial calendar

23 August 2023	2023 half-year results and interim report
12 March 2024	2023 full-year results and annual report
13 May 2024	Annual general meeting 2024

Contact

For further information, please contact

Heiko Komaromi

Director Investor Relations and Business Development

Phone +41 44 544 16 44

heiko.komaromi@sensirion.com

Disclaimer

Certain statements in this document are forward-looking statements, including, but not limited to, those using words such as “believe”, “assume”, “expect” and other similar expressions. Such forward-looking statements are based on assumptions and expectations and, by their nature, involve known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors include, but are not limited to, future global economic conditions, changed market conditions, competition from other companies, effects and risks of new technologies, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting markets in which Sensirion operates, and other factors beyond the control of Sensirion. In view of these uncertainties, you should not place undue reliance on forward-looking statements. Sensirion disclaims any intention or obligation to update any forward-looking statements, or to adapt them to future events or developments.

Sensirion uses certain key figures to measure its performance that are not defined by Swiss GAAP FER. These alternative performance measures may not be comparable to similarly titled measures presented by other companies. Additional information on these key figures can be found at <http://www.sensirion.com/alternative-performance-measures>.

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Phone: +41 44 306 40 00 · info@sensirion.com

Editing and implementation

Sensirion AG

Concept and design

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