

Full-Year 2022 Results

Marc von Waldkirch, CEO

Matthias Gantner, CFO

14 March 2023



SENSIRION

SENSIRION

Please note that this event
will be recorded.

Agenda



Marc von Waldkirch
CEO

Full-year 2022 highlights

Business review

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Matthias Gantner
CFO

Full-year 2022 financial
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Marc von Waldkirch
CEO

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FY 2022 overview

Business

- Ongoing strong revenue growth, mainly driven by new environmental sensing products (CO2, formaldehyde, particulate matter PM2.5)
- Additional revenue of 28.3 MCHF achieved through one-off special business from CPAP business
- Demanding supply chain situation has relaxed. We returned to industry leading short lead times across all product segments
- Encouraging hiring period resulting in overall good growth of FTEs throughout the year

Financials

- **Revenue CHF** **321.7m, +11.9%** (12.0% organic, 0.2% inorganic, -0.3% FX effects)
- **Gross margin** **59.2%.**
- **EBITDA margin** **27.8%.**
- **Operating cash flow** **CHF 49.5m**, free cash flow **CHF 18.3m**

Outlook

- Visibility will remain low due to geopolitical and macro-economic challenges
- Current slow down in demand first of all in the Appliances and Consumer markets; revitalization of demand expected during the second half of the year based.
- New customer projects should help us to largely compensate for the weak phase in the existing business as well as the CPAP one-off business from last year.
- Ongoing implementation of our growth strategy as well as good progress of important R&D projects allow us to confirm our medium-term sales growth target of 10%–15% per year

Assuming unchanged foreign currency exchange rates, **we expect for FY 2023**

Revenue	CHF 300m to 340m	-7% to 6% (2% to 16%)*
Gross margin	mid fifties %	
EBITDA margin	around 20%	

*core business without one-off special effects

Automotive FY 2022 Business Review



Main results



FY 2022 revenue increased by **3.4%** YoY to CHF **65.1m**



Growth was achieved both in Tier-II component as well as the newer Tier-I module business.



After a weak H1/2022, sales picked up in H2, since automotive companies partially normalized their manufacturing activities in H2

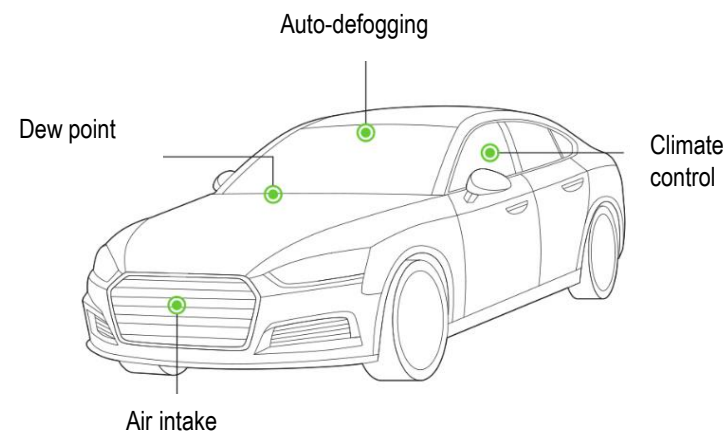
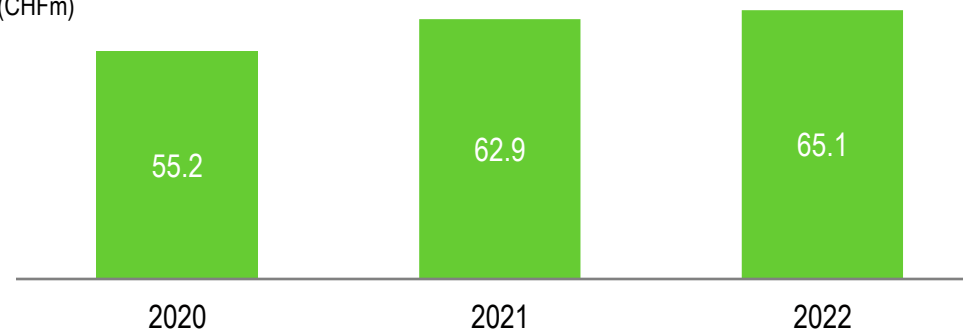


Growth in the module-based Tier-I business is driven by European OEMs for in-cabin air control applications



Revenue development

(CHFm)



Medical FY 2022 Business Review



Main results



One-Off extra business with CPAP customers due to a recall of their products amounted to a total off **CHF 28.3m**



As a result of this special item, sales figures in the medical market increased to **CHF 76.1m (+15.1%)**



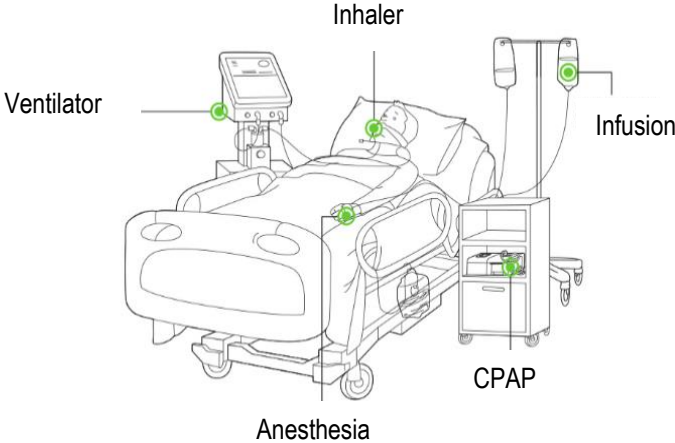
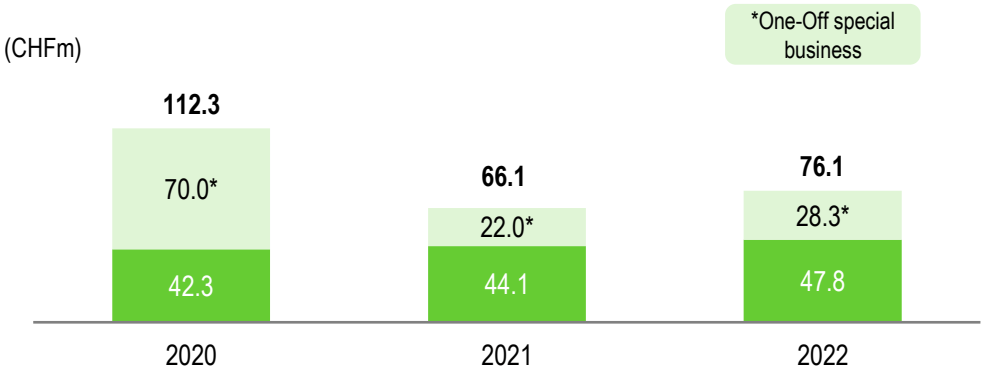
Adjusted for this one-time effect, there was solid growth in the core business **(+8.4%)**



Sensors sold for CPAP applications are expected to be on regular levels again in 2023



Revenue development



Industrial FY 2022 business review



Main results



FY 2022 revenue increased by **17.0%** YoY to **CHF 153.8m**



Key drivers for growth continue to be our recently launched **PM2.5** combo environmental modules as well as **CO2** sensors



Increasing demand for CO2 sensors is further supported by growing sensitivity to indoor air quality in many areas, for which CO2 is the most suitable metric.

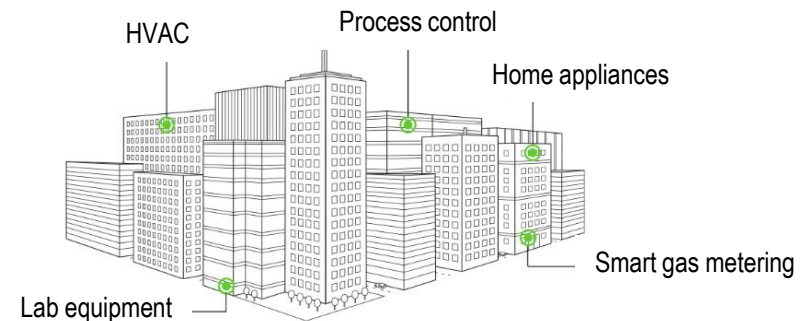
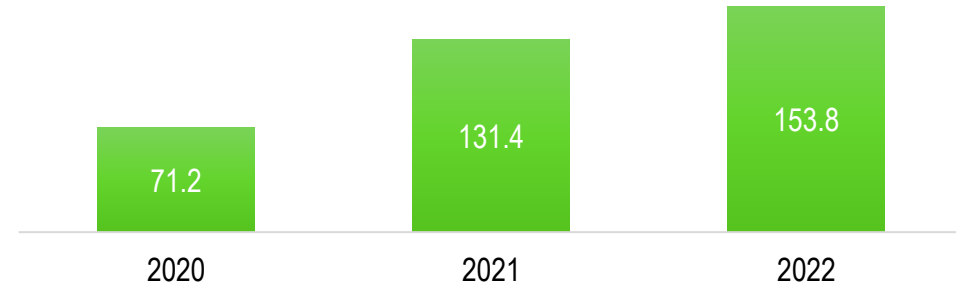


We anticipate that our recently launched environmental sensing products address the current market needs and will remain a major growth driver also during coming periods.



Revenue development

(CHFm)



Consumer FY 2022 business review



Main results



FY 2022 revenue decreased by **-1.1%** YoY to **CHF 26.7m**



Successful adaption for particulate matter and CO2 sensors thanks to various IAQ monitor projects

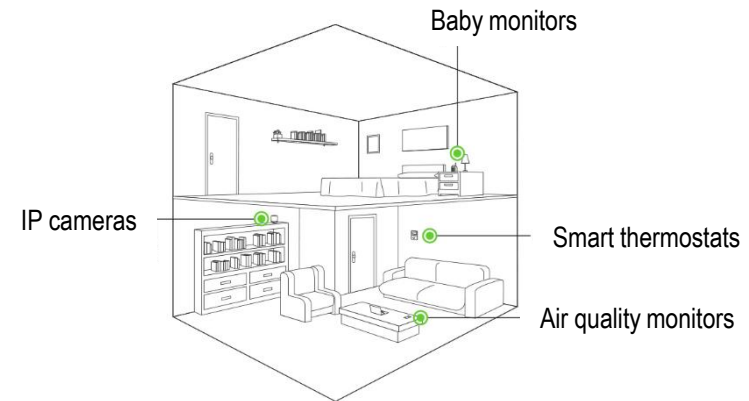
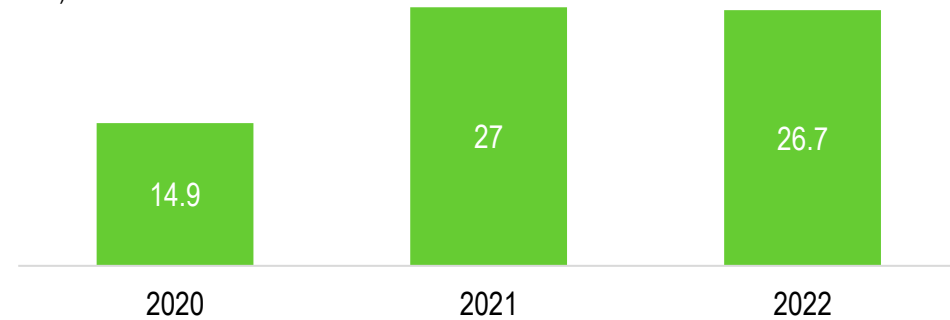


Year-end result was affected by weak demand in H2 due to general slow-down effects and inventory corrections

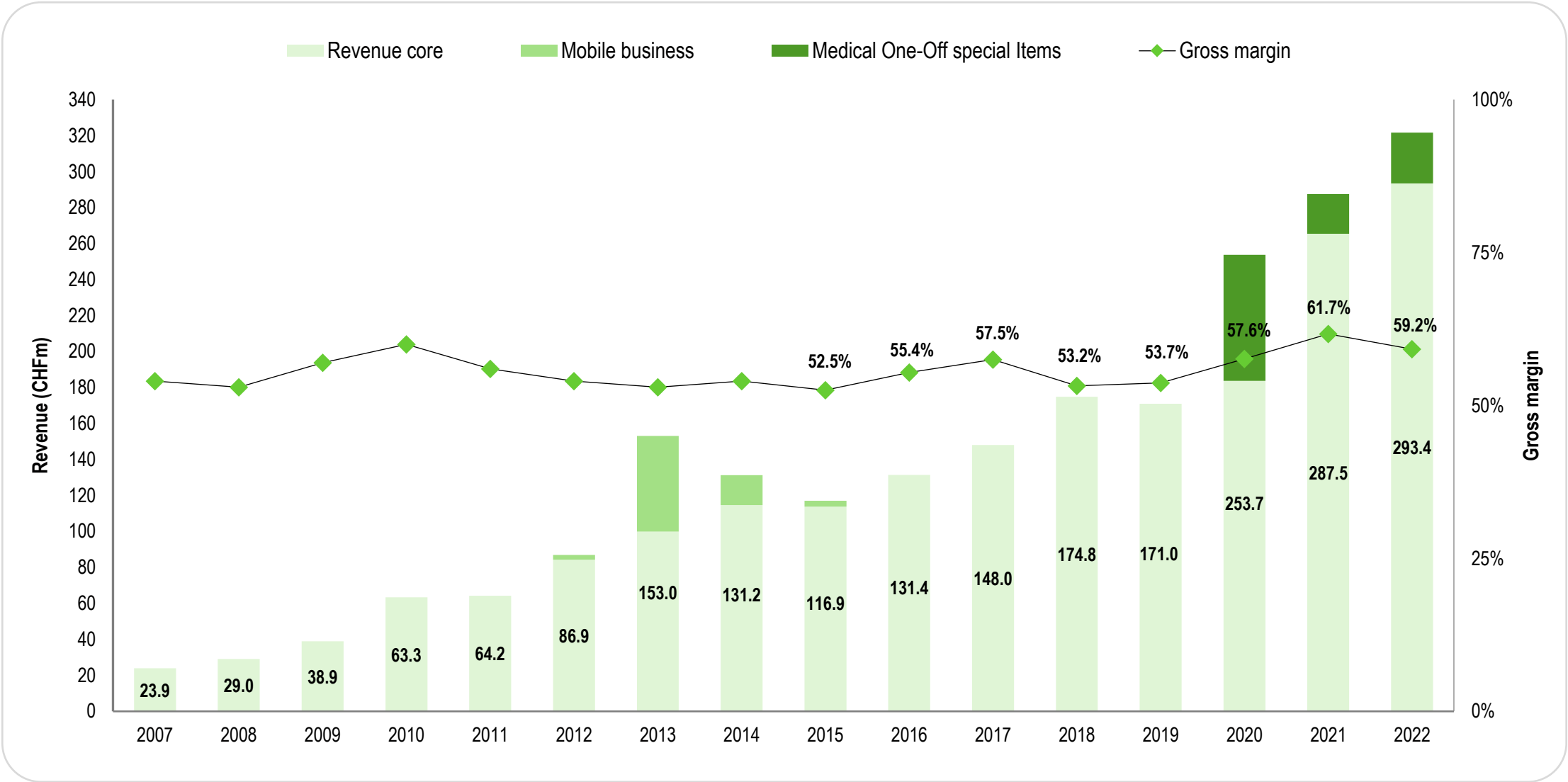


Revenue development

(CHFm)



Historical revenue and gross margin development



Strategic achievements FY 2022

Strategic focuses



Focus 3:

Develop technologies for long-term growth



Focus 2:

Become market leader for the entire environmental market



Focus 1:

Drive market and cost leadership in our core markets of RHT and flow



Fundamentals:

"SensiSpirit": unique culture of innovation and entrepreneurship

Strategic achievements

- Main focus on building up a complementary business area where the focus is on qualified sensor data rather than sensor hardware for OEM suppliers ("Sensor as a service")
- Our environmental sensor portfolio further increased its share of our total revenue and is expected to remain the major growth driver for the upcoming years
- European Automotive OEMs continue to nominate Sensirion as a Tier 1 supplier for their environmental sensor needs in upcoming projects
- Return to industry leading short lead times underpin our global leadership position
- One-off extra business for CPAP customer has been handled without any hick-ups
- Fourth generation of humidity and temperature sensors expanded by further product variants (automotive version and a high-precision variant)
- Switch of a former competitor to our humidity sensor solutions (ST Microelectronics)
- The "SensiSpirit" and the close cohesion among the employees were decisive prerequisites for achieving the good results during the pandemic.
- We have been certified a "Great Place to Work™" in all four locations in Europe — Switzerland, Germany, Hungary and the Netherlands

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FY 2022 financials overview

Key financials



Revenue

CHF 321.7m

+11.9% YoY

(12.0% organic, 0.2%
inorganic, -0.3% FX effects)



EBITDA margin

27.8%



Gross margin

59.2%



Operating cash flow

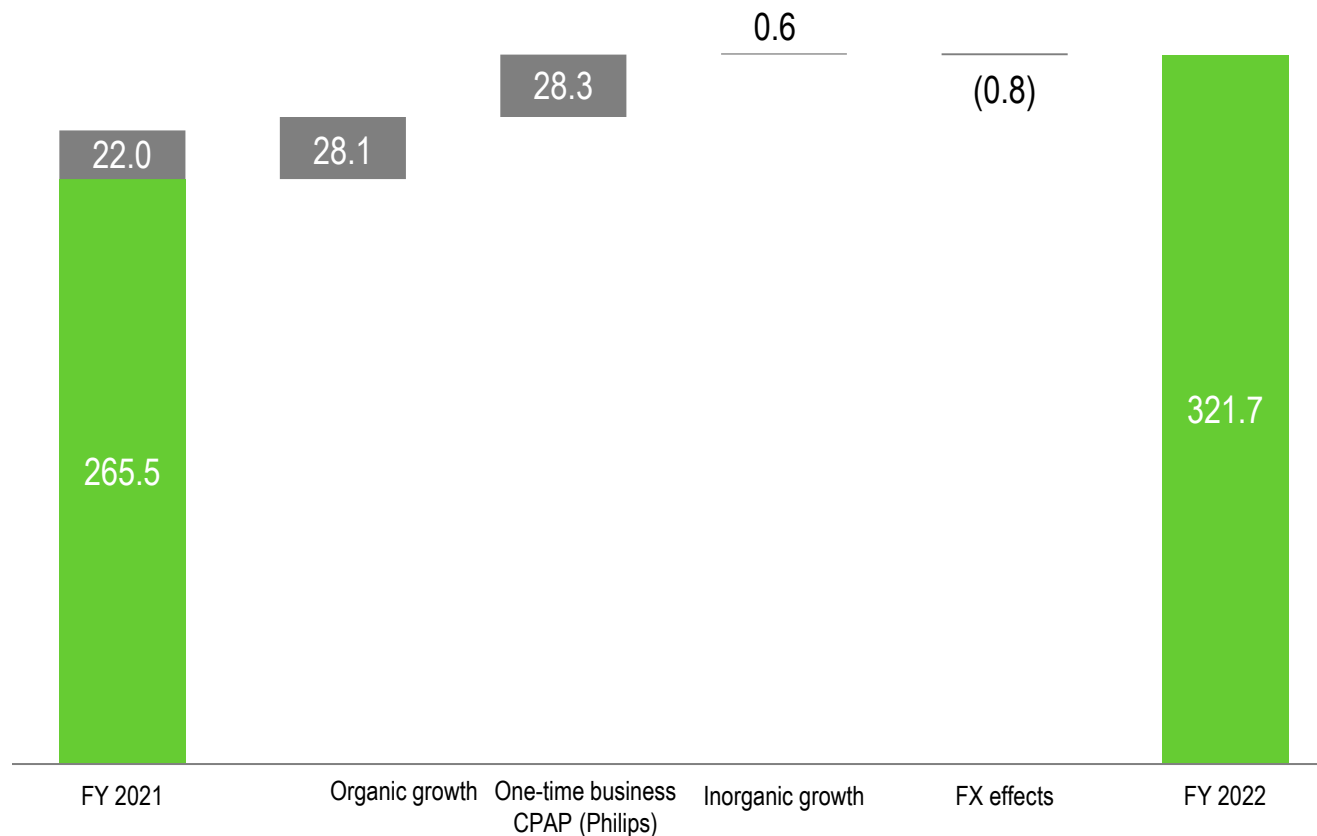
CHF 49.5m,

free cash flow

CHF 18.3m

Revenue development from FY 2021 to FY 2022

Components of revenue growth (CHFm)



Revenue FY 2022

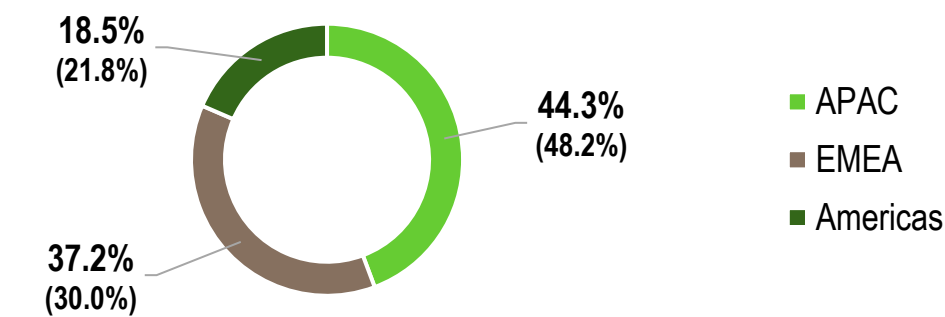
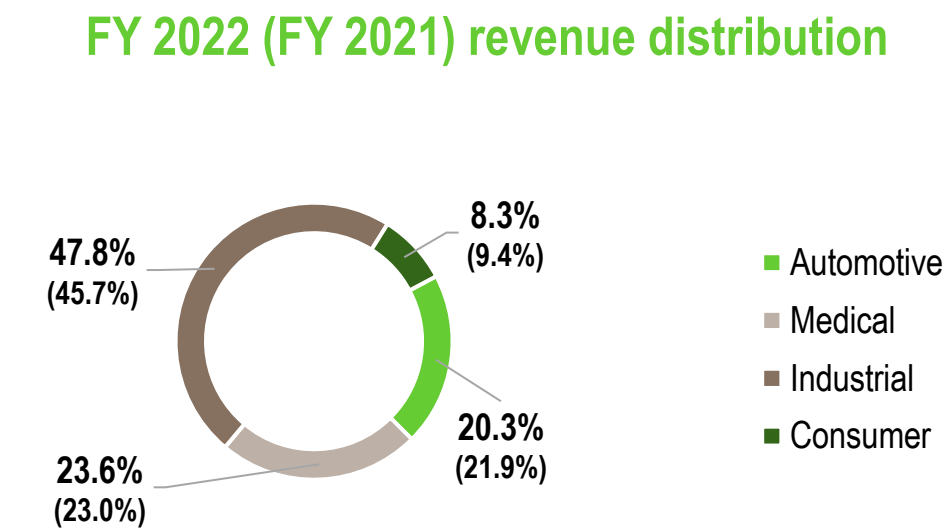
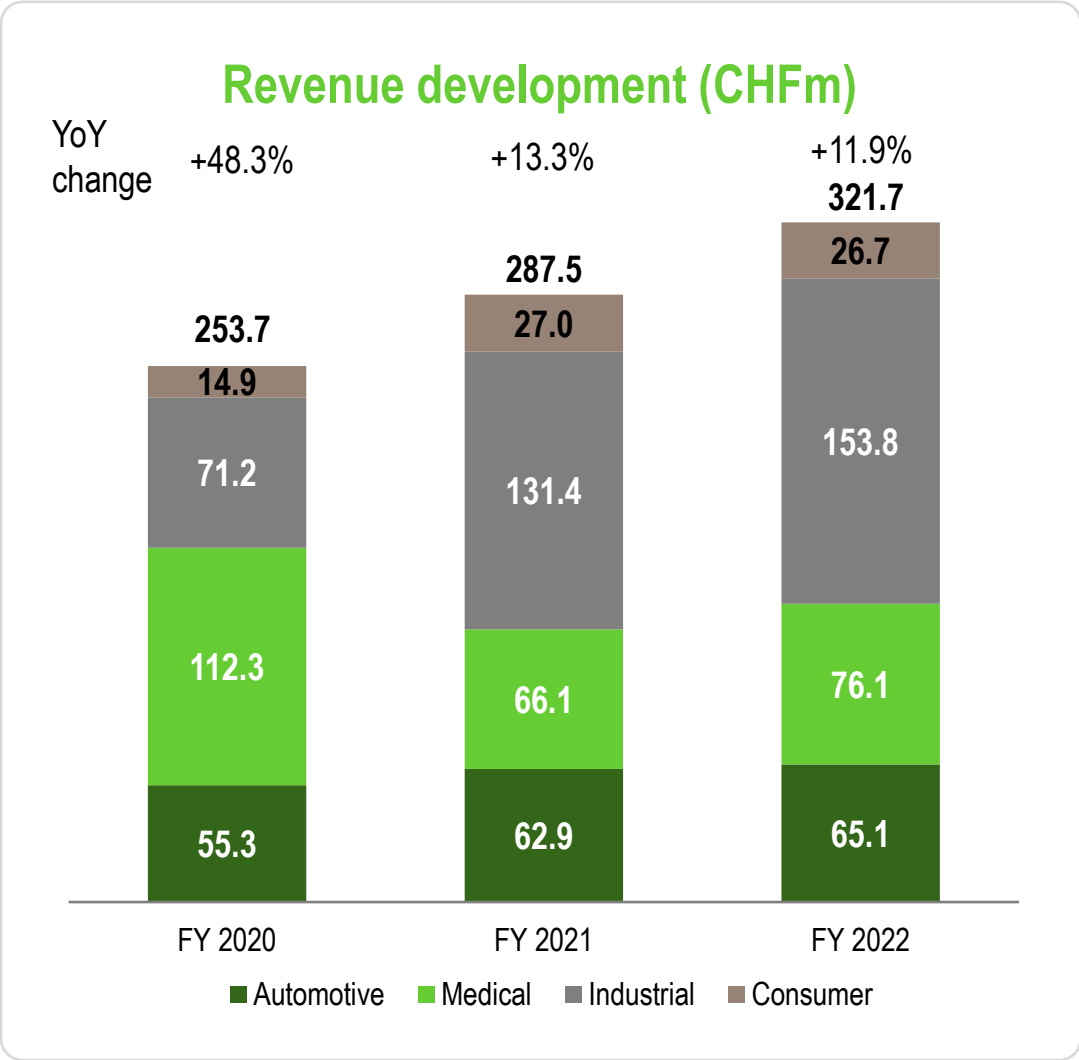
- +12 % YoY organic growth, driven by the ongoing design wins for projects with PM2.5 and CO2 sensors.
- Contribution from one-time business in medical market (CPAP), revenue CHF 28m



Foreign currency exchange effects

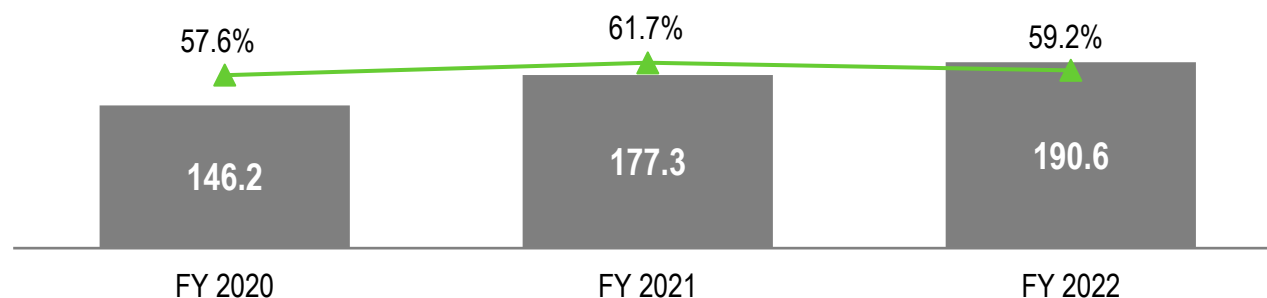
- Positive impact from USD, overcompensated by EUR, KRW and JPY.

Diversified Revenue Development Across all our End Markets



Gross margin and opex development

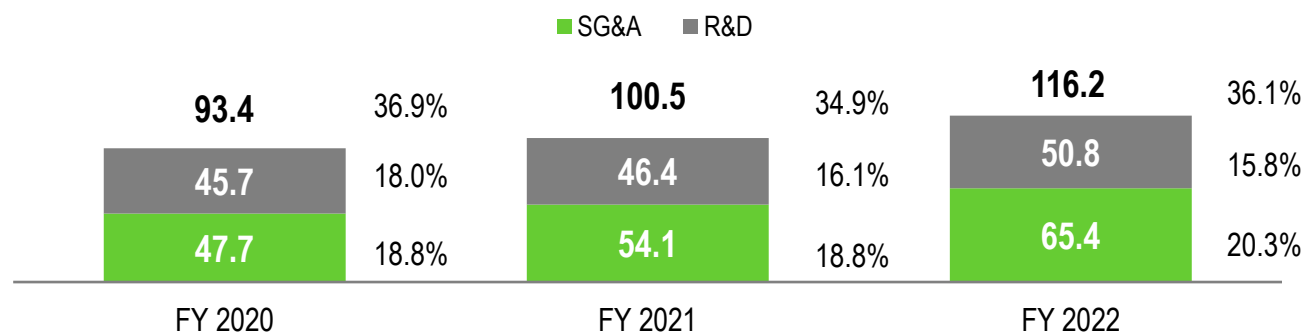
Gross profit and gross margin (CHFm / % of revenue)



Gross profit and margin FY 2022

- Higher material cost (purchase price) in majority compensated by increase ASP
- Normalization of utilization of production capacities, higher capex in production equipment

R&D and SG&A expenses (CHFm / % of revenue)

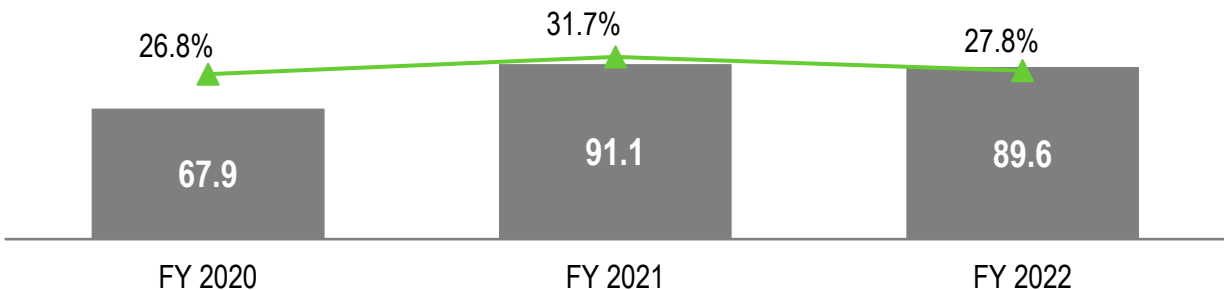


R&D, SG&A expenses FY 2022

- Build-up of resources in R&D limited by labour market
- Build-up of sales force in new business ("Sensor as a service")
- Adjustment of salary/wages worldwide

EBITDA development

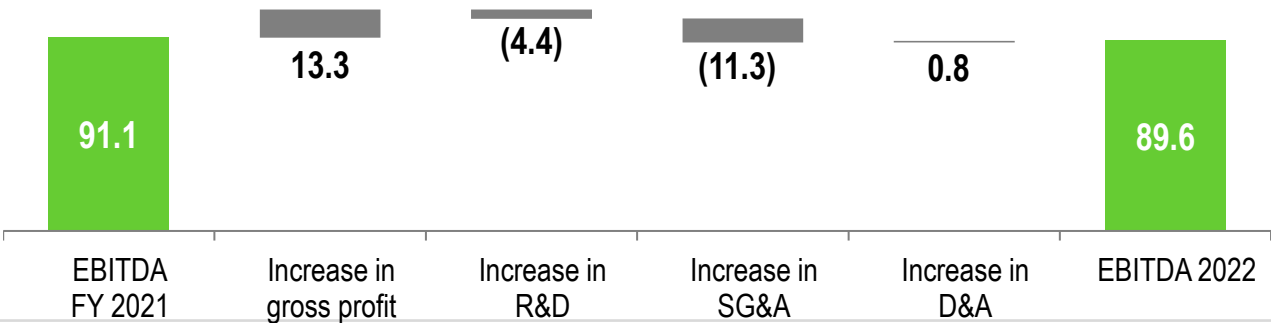
EBITDA¹ and EBITDA margin (CHFm / % of revenue)



EBITDA FY 2022

- EBITDA and EBITDA margin decreased due to normalization of utilization and in parallel build up of additional R&D and sales resources to address growth initiatives

FY 2021 to FY 2022



¹ EBITDA = Operating result + depreciation and amortization

Income statement



Condensed
consolidated
income statement

(CHFm / % of revenue)

	FY 2021		FY 2022	
Revenue	287.5		321.7	
Cost of sales	(110.2)		(131.1)	
Gross profit	177.3	61.7%	190.6	59.2%
R&D expenses	(46.4)	(16.1%)	(50.8)	(15.8%)
SG&A expenses	(54.0)	(18.8%)	(65.4)	(20.3%)
Operating profit (EBIT)	76.8	26.7%	74.4	23.1%
Net finance result	(0.4)		(3.4)	
Profit (loss) before tax	76.4	26.6%	71.0	22.1%
Income taxes	(10.5)		(7.4)	
Profit (loss) for the period	65.9	22.9%	63.6	19.8%
EBITDA	91.1	31.7%	89.6	27.8%

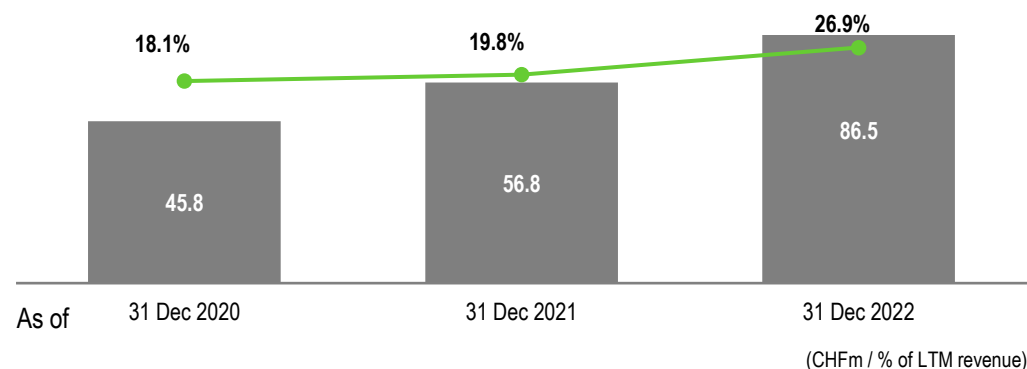


FY 2022

Profit for the period 19.8% of revenue

Net working capital and capital expenditures

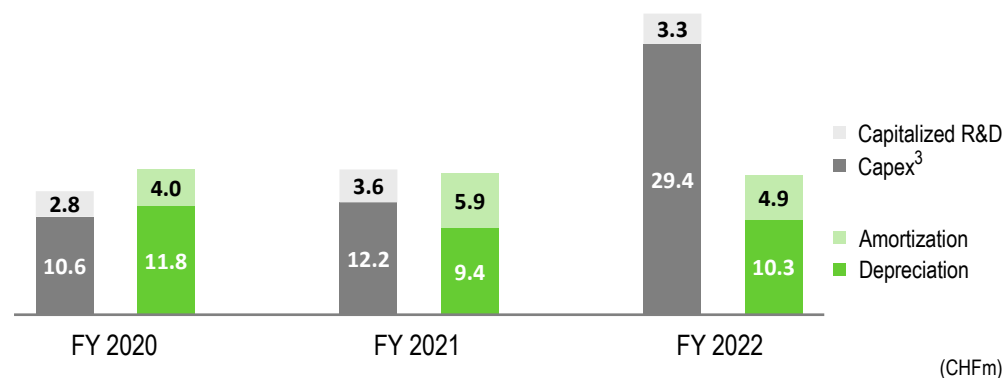
Net working capital¹



Net working capital FY 2022

- Proactive buildup of inventory to assure service level in case of shortage supply or energy.
- Receivables: ongoing marginal debtors' risk

Capex² vs. D&A



Capex FY 2022

- Higher capex PPE for adjustment of utilization of production capacities. Invest in infrastructure and machinery mainly in CH and HU.

Depreciation and amortization FY 2022

- D&A 2022 still at stable level YoY, since most capitalization in H2/22

¹ Defined as the sum of trade receivables and inventories, less trade payables.

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

³ Excluding technology, capitalized R&D, and M&A transactions (FY 2021 acquisition of IRsweep, Qmicro, and AiSight)

Continuing strong balance sheet

As of 31 December 2021

Equity / total assets	79.6%
Net cash ¹	CHF 112.1
Net cash / LTM EBITDA	1.2

Cash and short term deposits	CHF 112.1	Trade payables	CHF 9.2m
		Other current liabilities	CHF 33.2m
		Non-current liabilities	CHF 18.0m
Trade receivables	CHF 27.8m	Equity	CHF 236.0m
Inventories	CHF 38.3m		
Other current assets	CHF 9.1m		
PPE	CHF 64.8m		
Other non-current assets	CHF 44.2m		
CHF 296.4m		CHF 296.4m	

As of 31 December 2022

Equity / total assets	85.0%
Net cash ¹	CHF 123.0m
Net cash / LTM EBITDA	1.4

Assets

Liabilities and equity

Cash and short term deposits	CHF 123.0	Trade payables	CHF 10.1m
		Other current liabilities	CHF 29.2m
		Non-current liabilities	CHF 14.6m
Trade receivables	CHF 36.5m	Equity	CHF 304.1m
Inventories	CHF 60.1m		
Other current assets	CHF 8.2m		
PPE	CHF 82.1m		
Other non-current assets	CHF 48.1m		
CHF 358.0m		CHF 358.0m	

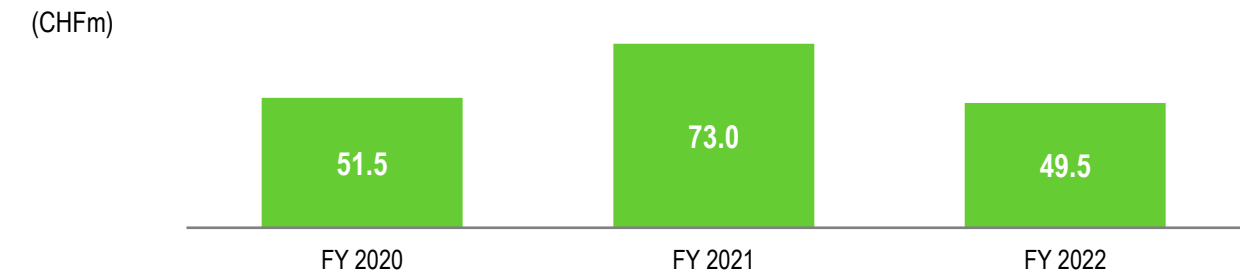
¹ Defined as the sum of cash, cash equivalents and short-term deposits less loans and borrowings (current and non-current).

Statement of cash flows

Condensed consolidated statement of cash flows

(CHFm)	FY 2021 adj	FY 2021	FY 2022
Cash flow from operating activities (CFO)	73.0	73.0	49.5
Cash flow from investing activities (CFI)		(22.3)	(34.3)
Adjusted CFI: excluding proceeds from short-term financial deposit (6 months) of CHF 30.0m	(52.3)		
Cash flow from financing activities (CFF)		0.0	(3.3)
Net change in cash and cash equivalents	20.7	50.7	11.9
Cash and cash equivalents at 1 January	91.9	61.9	112.1
Effect of movements in exchange rates on cash held	(0.5)	(0.5)	(1.0)
Cash and cash equivalents at 31 Dec	112.1	112.1	123.0

Condensed consolidated statement of operating cash flow



CFO FY 2022

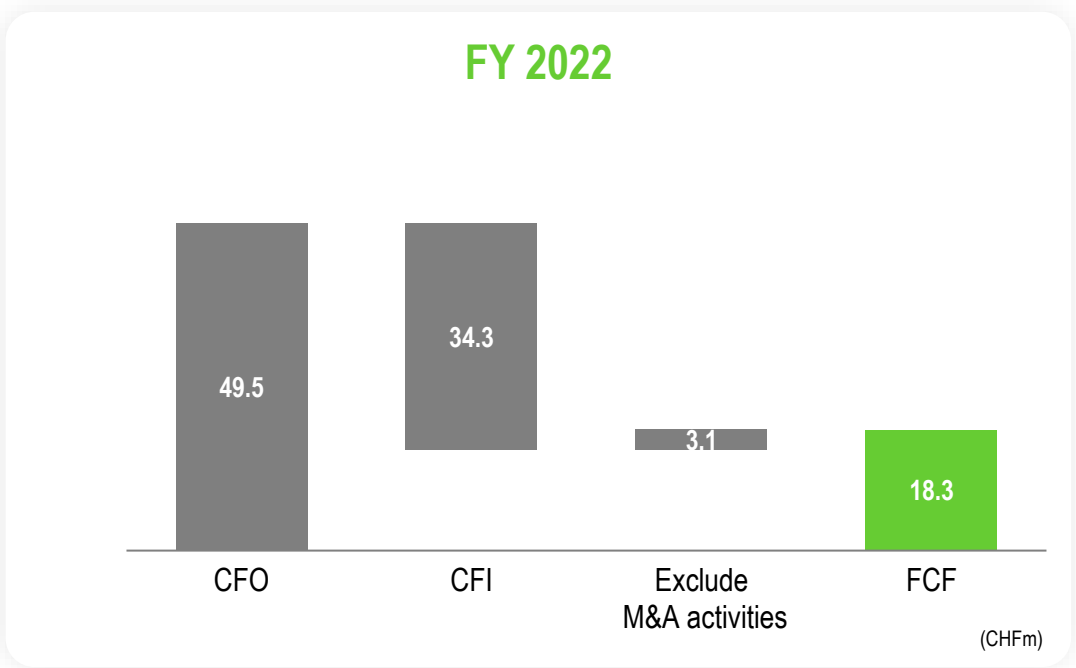
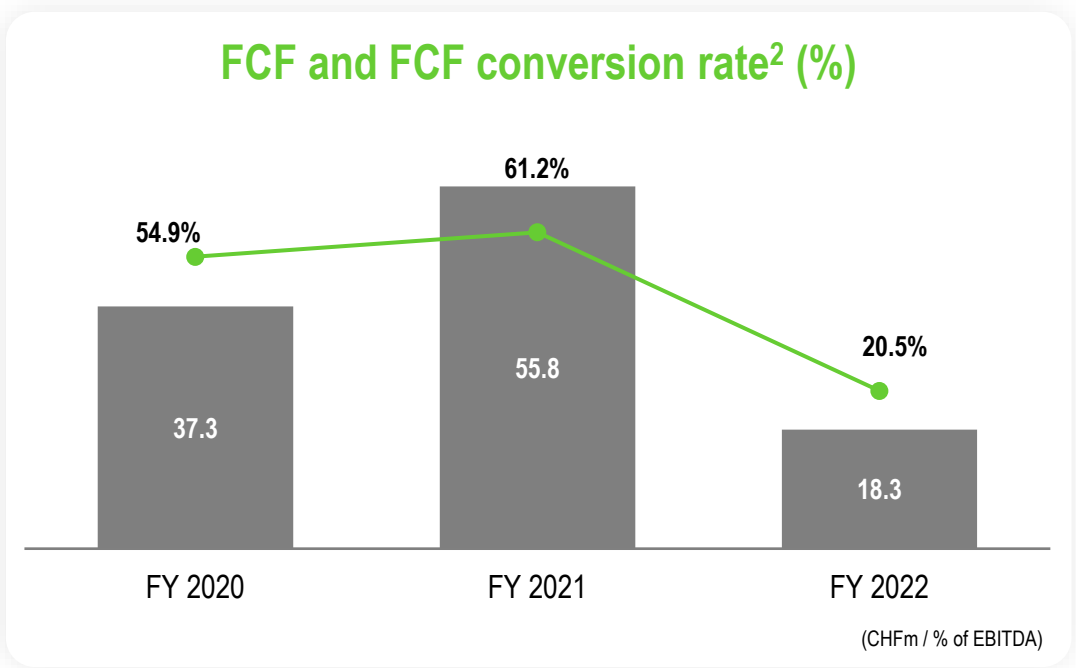
Impact of increase of net working capital on operating cashflow CHF 23m



CFI FY 2022

Cash out capex PPE CHF 28m
 Cash flow for M&A CHF 3m
 Cash flow for M&A in 2021 CHF 35m

Free cash flow¹ development



¹ Free cash flow (FCF) defined as the sum of CFO and CFI, excluding M&A activities.
² FCF conversion rate defined as FCF in percentage of EBITDA.

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Outlook 2023

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- Current slow down in demand first of all in the Appliances and Consumer markets; revitalization of demand expected during the second half of the year based.
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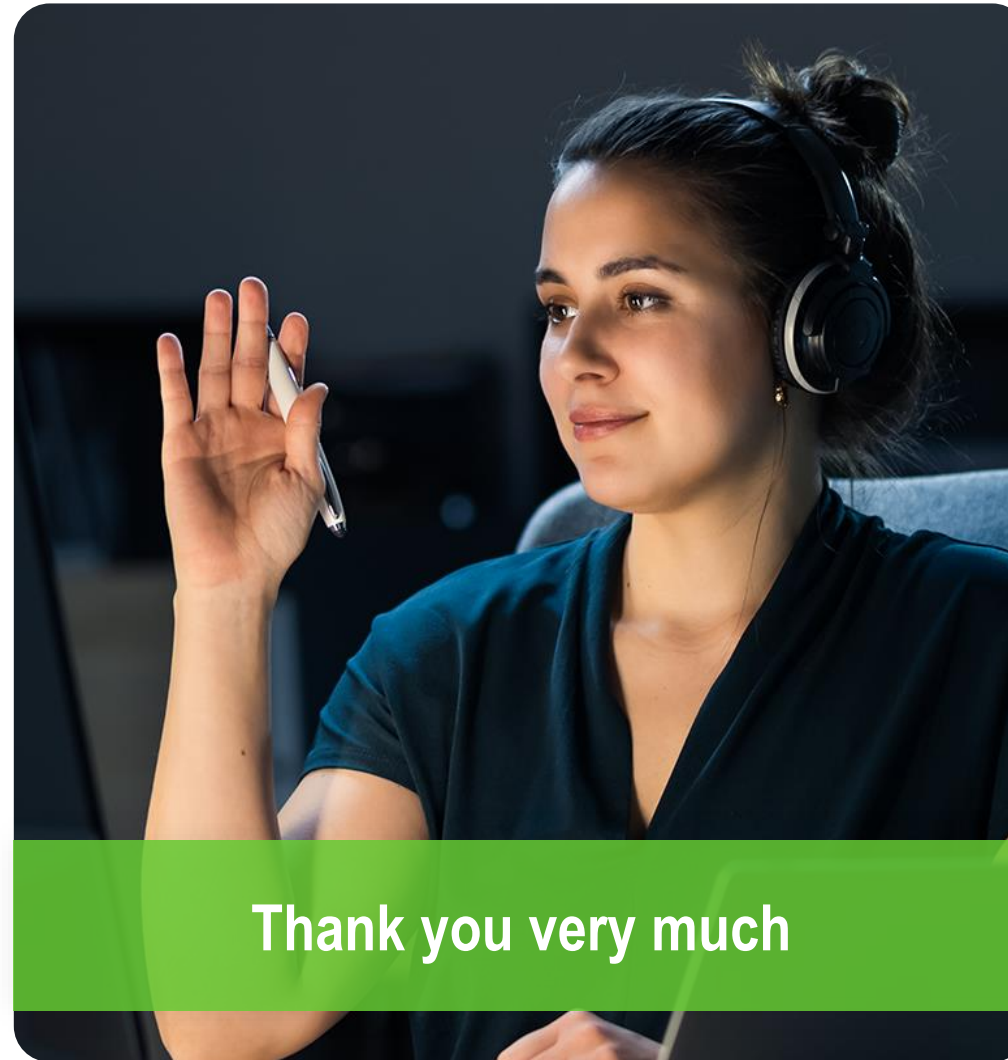
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Thank you very much

Financial calendar

Date	Event
14 March 2023	Full-year 2022 results and annual report
15 May 2023	Annual general meeting 2023
23 August 2023	Half-year 2023 results and interim report



Contact information

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