

Media Release

March 14, 2023, Sensirion Holding AG, 8712 Stäfa, Switzerland

Ad-hoc announcement pursuant to Art. 53 LR

Sensirion's revenue grows to CHF 321.7 million in a challenging economic environment

Despite a challenging economic environment, 2022 was once again a successful year for Sensirion. The environmental product portfolio (Dust [PM2.5], CO2 and Formaldehyde) remained the key growth driver, supported by a one-off special demand for medical CPAP devices.

In the second half of the year, a slowdown in demand from consumer-sensitive end markets such as Appliances and Consumer was observed. However, the long-term strategic goals remain on track thanks to further implementation of the growth strategy.

The year closed with consolidated sales of CHF 321.7 million (+11.9%), of which CHF 28.3 million can be attributed to the one-time special demand for CPAP devices. Adjusted for this one-time special item, sales grew by 10.5%. The gross margin achieved an above-average value of 59.2%, while the EBITDA margin reached high 27.8%. Both key profitability figures will normalize due to investments made in growth opportunities throughout the year.

Key figures

Consolidated, in millions of CHF	1 January – 31 December 2022	1 January – 31 December 2021
Revenue	321.7	287.5
Gross profit	190.6	177.3
- as % of revenue	59.2 %	61.7%
Operating profit (loss)	74.4	76.8
- as % of revenue	23.1 %	26.7%
Profit (loss) for the period	63.6	65.9
- as % of revenue	19.8 %	22.9%
Earnings per share (in CHF)	4.08	4.24
EBITDA	89.6	91.1
- as % of revenue	27.8 %	31.7%
Cash flow from operating activities	49.5	73.0
Capital expenditures	(31.2)	(15.4)
Free cash flow	18.3	55.8
	As of 31 December 2022	As of 31 December 2021
Net cash (net debt)	123.0	112.1
Number of employees (FTE)	1225	974

2022 was shaped by macroeconomic and geopolitical tensions and changes: the horrific conflict in Ukraine, the recurring lockdowns in China and fears about energy, inflation and the economy all exacerbated the overarching economic situation.

Despite this challenging environment, Sensirion can look back on a successful 2022. At the start of the year, we continued to benefit from strong post-pandemic demand. This largely returned to normal levels as the year went on. In the second half of the year, we experienced a slowdown in demand due to economic and inflation-related factors, primarily in the industrial and consumer markets.

Consolidated group revenue increased to CHF 321.7 million (+11.9% compared to the previous year, 12.0% organic, 0.2% inorganic, -0.3% due to foreign currency effects). Around CHF 28 million of this came from a one-off special demand in the CPAP medical segment. The previous year, 2021, saw CHF 22 million from the special sales of ventilation sensors driven by COVID-19. Adjusted for these two effects, the revenue growth figure was 10.5% in the core area.

The gross margin was 59.2%, while the EBITDA margin reached 27.8%. Profitability remained at an above-average level, benefiting from the consistently high utilization rate in manufacturing. As a result, we are currently making major investments to expand our capacity so that we can return the utilization of our manufacturing capacity to a sustainable level. At the same time, we are continuing to expand our Sales and R&D divisions in order to address a wide variety of promising market opportunities in line with our strategic priorities. However, these additional costs are not yet fully reflected in this financial statement. Therefore, we expect profitability to come closer to the medium-term guidance of 17% in the coming reporting periods.

Profits totaling CHF 74.4 million were reported as operating results, yielding a net profit of CHF 63.6 million for the period in question. Operating cash flow totaled CHF 49.5 million.

Revenue growth in three of four markets

Revenues in the automotive market amounted to CHF 65.1 million (+3% compared to the previous year). After a reduction in demand in the first six months of the year, sales picked up in the second half. As the situation on the supply markets eased, numerous automotive companies partially normalized their manufacturing activities over the second half of the year, thereby increasing their call-offs in our existing business. In addition, revenue was also supported by the ramp-up of new projects in both the modular and component segments.

The medical market was again impacted by one-off effects in the past financial year. As with the pandemic-related special sales of ventilator sensors in 2020 and 2021, we recorded additional sales worth CHF 28.3 million for home care devices to treat sleep apnea (so-called CPAP devices) in 2022. This was triggered by a major recall issued by a CPAP manufacturer due to quality issues, which were not caused by our sensors.

The overall revenue in the medical segment comprised CHF 76.1 million (+15% compared to the previous year). Adjusted for one-off effects, the medical market saw growth of 8.4% in its core business.

Once again, the broad-based industrial market experienced major growth momentum, attaining revenue of CHF 153.8 million (+17% compared to the previous year). After a very strong first half of the year, the second half was marked by a slowdown in demand, particularly in the economically sensitive Appliances segment.

This strong growth was primarily driven by new product lines in environmental sensing: these new, innovative products have led to industrial market revenue increasing by 116% within two years. Alongside the good performance of our existing business, we achieved additional design wins in the CO₂ and particulate matter (PM2.5) segment in the reporting year. These design wins will additionally support revenue development over the next few years.

Demand in the heavily fragmented consumer market experienced a downturn in the second half of 2022. Despite the strong first half of the year, revenue for the year overall stagnated at CHF 26.7 million (-1% compared to the previous year). We are also pleased to see increasing demand for CO₂ and particulate matter sensors in this market, particularly for monitoring indoor air quality.

Slight easing of supply chains

The challenging situation in the supply markets eased slightly as the year went on. However, the situation remains hard to predict, especially for niche products and products with complex, highly globalized supply chains. In-depth collaboration with our key suppliers enabled us to gradually return to our usual lead times for our humidity sensors as the year went on, thereby further reinforcing our market-leading position in this area.

The cost of raw materials and energy rose substantially during the reporting period. As our products are highly innovative, we were largely able to compensate for the increased raw material costs via price increases.

We are currently increasing our stocks of raw materials against the backdrop of the threat of energy shortages and ongoing tensions in the supply markets so that we can guarantee reliable delivery for our customers. Due to good inventory management and the long shelf life of our products, we do not see any obsolescence risk for these inventories.

Further progress in the implementation of our growth strategy

As before, our growth strategy remains based on three strategic pillars. The implementation of this strategy is proceeding according to plan and we have been able to make further progress in the year under review.

The first strategic focus is our traditional core market of humidity and flow sensors. Our goal here is to further expand and strengthen our already strong leading position with regards to the market, technology and costs. Following the successful launch of the fourth generation of humidity and temperature sensors last year, we have added further product variants to this family, such as an automotive version and a high-precision variant for applications with extremely stringent precision requirements. In gas metering, the start of the year also saw us present the first gas flow module capable of measuring the

flow rate of any gas mixture, including pure hydrogen and mixtures of hydrogen, biomethane and natural gas. This technological milestone is significant in light of the upcoming transition to a sustainable energy supply.

Our second strategic focus is to attain market leadership in the environmental sector as a whole. The successful launches of numerous new product families in the fields of CO₂, particulate matter, formaldehyde and VOCs over the past three years have helped to lay the cornerstone for this. Thanks to our extensive experience in chip design, MEMS and packaging, our aim in the second step is now to further miniaturize our existing products. In turn, this enables additional applications that are currently off-limits due to the form factor and pricing structure. We are seeing an increasing awareness of the importance of good indoor air quality and energy optimization in the automotive, industrial and consumer markets. As a result, we are expecting a lot of potential for further growth in the entire environmental sensor sector in the coming years.

The third strategic focus is internal development and the targeted acquisition of sensor technologies to lay the foundation for long-term growth in new areas. It is important to point out here that we have entered a complementary business area in which the focus is increasingly on qualified and merged sensor data rather than on sensor hardware for OEM suppliers. In order to consolidate this strategic initiative, we acquired the Berlin-based start-up AiSight GmbH, as reported in September 2021. The integration is still at an early stage, as is our collaboration on market and project development. As expected, however, the first significant revenue from this new initiative will not be registered for a few years.

Outlook

Visibility remains low due to the numerous current geopolitical and macroeconomic challenges. In recent months, we have seen a slowdown in demand, particularly in Appliances and Consumer, which was mainly driven by our customers' efforts at inventory optimization. We expect this period of low demand in the running business to continue for a few more months and to increasingly affect Automotive. Based on numerous responses from our customers, we expect demand to pick up in all markets in the second half of the year.

In the medical market, we expect the one-time additional business in the CPAP market to normalize in the course of 2023, and therefore no further significant contributions to sales are expected (FY 2022: CHF 28.3 million). Thanks to new customer projects in the pipeline, we expect to be able to largely compensate for the weak phase in the existing business as well as the CPAP one-off business from last year. Based on the progress made in the implementation of our growth strategy as well as important R&D projects, we also confirm our medium-term sales growth target of 10%–15% per year.

Assuming unchanged exchange rates and a stable economy, we expect consolidated sales of CHF 300–340 million in FY 2023 (FY 2022: CHF 321.7 million). This corresponds to a projected growth of -7% to 6% compared to 2022 (or 2% to 16% in the core business, excluding one-off effects). Despite the economic uncertainties, we continue to invest in growth opportunities and therefore expect the gross margin to normalize in the mid-50s and the EBITDA margin to continue normalizing at around 20%.

Analyst and media conference on the full-year 2022 results

Today, Tuesday, March 14, 2023, at 09:00 a.m. CET an analyst and media conference on the full-year 2022 results will be held. The conference will take place at the Hotel Schweizerhof, Bahnhofplatz 7, Zurich and will also be held as a live webinar. The presentation will be in English. You will have the opportunity to ask questions following the presentation.

Please sign up for the webinar [here](#).

Documentation

All documents will be available at <https://www.sensirion.com/company/investor-relations/results-reports> on March 14, 2023, from around 6:30 a.m. CET.

Financial calendar

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

Contact

Investor Relations

Heiko Komaromi
Director Investor Relations / Business Development
Tel.: +41 (0)44 544 1644
Email: heiko.komaromi@sensirion.com

About Sensirion Holding AG

Sensirion Holding AG (SIX Swiss Exchange: SENS), headquartered in Stäfa, Switzerland, is a leading manufacturer 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 (VOC), carbon dioxide (CO₂), and particulate matter (PM_{2.5}). An international network with sales offices in China, Europe, Japan, South Korea, Taiwan, and the US supplies international customers with standard and custom sensor system solutions for a vast range of applications. Sensirion sensors can commonly be found in the automotive, medical, industrial, and consumer end markets. For further information, visit www.sensirion.com.

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