

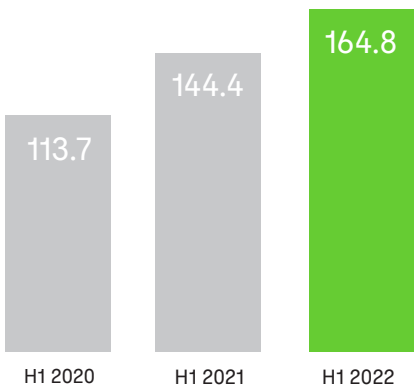
Interim Report 2022

SENSIRION

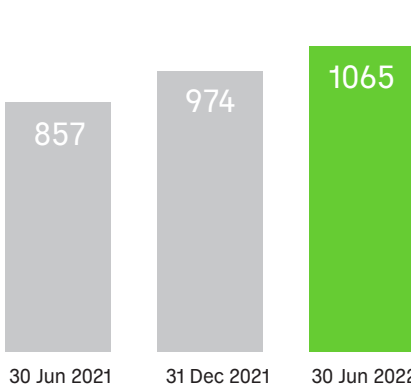
Key Figures	3
Letter to the Shareholders	6
Condensed Consolidated Interim Financial Statements	9
Consolidated Income Statement	10
Consolidated Balance Sheet	11
Consolidated Statement of Cash Flows	12
Consolidated Statement of Changes in Equity	13
Notes to the Condensed Consolidated Interim Financial Statements	14
Shareholder Information	17

Key Figures

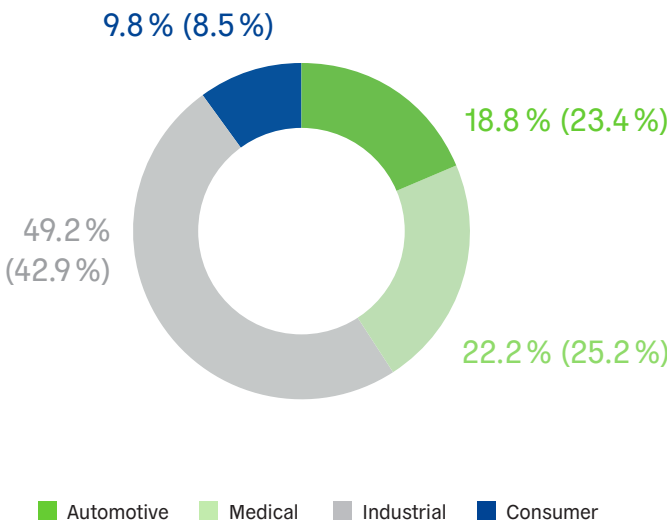
Revenue (in CHF million)



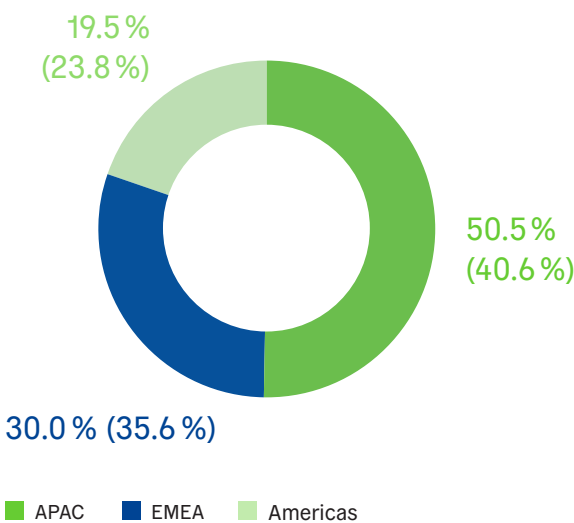
Number of employees (FTE)



Revenue by market H1 2022 (2021)



Revenue by region H1 2022 (2021)



164.8

Revenue
in CHF million

59.7%

Gross Margin

29.6%

EBITDA Margin

Key Figures

Consolidated, in millions of CHF	H1 2022	Δ in %	H1 2021
Revenue	164.8	14.2%	144.4
Gross profit	98.4		89.4
– as % of revenue	59.7%		61.9%
Operating profit (EBIT)	41.6	8.2%	38.5
– as % of revenue	25.3%		26.7%
Profit for the period	35.0	0.4%	34.8
– as % of revenue	21.2%		24.1%
Earnings per share (in CHF)	2.24		2.24
EBITDA¹	48.9	6.5%	45.9
– as % of revenue	29.6%		31.8%
Cash flow from operating activities	22.0		39.1
Capital expenditures²	(15.8)		(6.1)
Free cash flow³	6.2		33.0
	30 June 2022		31 December 2021
Total assets	333.4		296.4
Total liabilities	62.9		60.4
Total equity	270.5		236.0
Net cash (Net debt)⁴	114.7		112.1
Number of employees (FTE)	1065	9.3%	974

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 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

Once again, geopolitical events in Europe and throughout the world have snowballed over the last six months. Just as we had put the strictest of the coronavirus restrictions behind us, we were faced with a terrible war on European soil, the outcome of which remains unclear.

The resulting high level of inflation in western countries as well as the ongoing difficult situation in China in relation to the pandemic are further exacerbating geopolitical and macroeconomic uncertainties.

Here at Sensirion, however, we are nevertheless able to look back on a pleasant first half of 2022. We continued to experience strong demand, despite a loss of momentum over the course of the period.

Additional revenue driven by strong demand for new product lines in the environmental sector

The six-month period closed with sales totaling CHF 164.8 million (+14.2% over the same period in the previous year, 13.8% organic, 0.4% inorganic, 0.0% due to foreign currency effects). Around CHF 14.7 million of this came from a one-off transaction in the CPAP medical sector. This period in the previous year was influenced by CHF 17 million from the special business involving sensors for ventilators, which was driven by COVID-19. Adjusted for this effect, this yielded a solid revenue growth figure of 18%.

The gross margin was 59.7%, and the EBITDA margin reached 29.6%. Our profitability, which continues to be above average, benefited from the consistently high utilization rate in Operations. As a result, we are currently investing heavily in Capex in order to return to a sustainable level of utilization of our manufacturing capacities. At the same time, we are continuing to expand our Sales and R&D areas based on our strategic priorities in order to address a wide variety of promising market opportunities. However, these additional costs are only partially reflected in this financial statement.

Profits totaling CHF 41.6 million were reported at the operating result level, yielding a net profit of CHF 35.0 million for the period in question. Operating cash flow totaled CHF 22.0 million.

Strong growth in the industrial and consumer markets, subdued development in the automotive sector

Development in the automotive market has been rather subdued. After a strong recovery from the pandemic last year, revenue fell by 8% to CHF 31.0 million in the first half of 2022. This is primarily due to a loss of momentum in existing business. A lot of automotive companies are currently being forced to reduce production due to the continued lack of availability of certain components.

The medical market continues to be influenced by one-off special transactions. After the pandemic-related business involving sensors for ventilators normalized as expected (period in the previous year: CHF 17 million), we recorded one-off additional demand in the area of CHF 14.7 million for HomeCare devices for sleep apnea (CPAP devices) in the first half of 2022. This was triggered by a large-scale exchange campaign by a large CPAP manufacturer due to quality issues that were not caused by our sensors. The total sales in the medical market stagnated at CHF 36.6 million (+1% compared to the same period in the previous year). Adjusted for the aforementioned additional business in both six-month periods, this constitutes 13% growth in our core business.

The broadly diversified industrial market once again showed strong growth dynamics. Sales increased by 31% to CHF 81.2 million compared with the same period in the previous year. This growth was driven on the one hand by the continued high demand for our new environmental sensors such as particulate matter (PM2.5), CO₂ and formaldehyde, in particular for air purifiers. On the other hand, we also recorded good growth figures with flow sensors in the HVAC (heating, ventilation and air conditioning) and semiconductor sectors. As expected, the humidity sensor business in the hard disk sector is continuing to decline as a result of technological change in the data storage market.

There was also an equally positive growth dynamic in the highly fragmented consumer market, where sales increased by 30% to CHF 16.0 million. We are seeing a growing interest among consumer customers in air quality sensors for measuring the quality of indoor air. The distribution business also looked strong over the first half of the year.

Shorter delivery times despite continued strain in the supplier markets

Supplier markets remain unstable and unpredictable: in addition to the persisting global shortage of semiconductor chips, raw materials were and are causing unexpected delivery delays. Due to the uncertain pandemic situation in China and the war in Ukraine, we do not expect a complete recovery any time soon. Our production plant in Shanghai, which primarily produces modules for the industrial and consumer markets, had to stop production completely for four weeks in April due to official lockdown. Thanks to the commitment of our local employees, the plant was able to restart production in a closed-loop setup in May before the end of the official lockdown and has since been able to make up most of the backlog.

As a result of intensive collaboration with our suppliers as well as expansions of our production facilities, we were able to shorten the delivery times for our humidity and temperature sensors in June despite the uncertain supplier markets, thereby improving on delivery times that are already well ahead of our competitors in the industry.

Further progress in the implementation of our growth strategy

Our growth strategy, which we presented at the last investor day, is still based on three strategic priorities. The implementation of this strategy is proceeding according to plan, and we have been able to make further progress in recent months.

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. At the start of the year, we also presented the first gas flow module capable of measuring the flow rate of any gas mixtures, 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 sales launch of numerous new product families in the fields of CO₂, particulate matter, formaldehyde and VOCs over the past three years helped to lay the foundation for this. We recorded additional important strategic design wins over the reporting period in all new product families and in combo modules. We are seeing an increasing awareness of the importance of good indoor air quality in the automotive, industrial and consumer markets, and are therefore expecting a lot of potential for further growth in the entire environmental sensor sector over the coming years.

The third strategic focus is internal development and the targeted acquisition of sensor technologies to lay a foundation for further 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 have now acquired the Berlin-based start-up AiSight, as reported in September 2021. The integration and joint market development are proceeding according to plan. As expected, however, the first significant revenue from this new initiative will not be registered for a few years.

Farewell to our long-standing member of the board Heinrich Fischer

At the Annual General Meeting in 2022, which was only attended remotely once again due to the pandemic, all proposals put forward by the Board of Directors were approved. In addition, Heinrich Fischer went into retirement, thereby leaving the Board of Directors on which he had been a non-executive member since 2011. We would like to take this opportunity to thank him for his trustful and competent collaboration over the years. Heinrich Fischer essentially contributed to the successful strategic development of Sensirion and always exemplified our values and culture. His entrepreneurial spirit will continue to serve as a role model for us.

Outlook

Geopolitical tensions and macroeconomic uncertainties have intensified yet again in recent months. Visibility remains low, and forecasting is complicated.

In the coming months, we expect a further moderate slowdown in demand due to inflation-related consumer woes and the still-fraught COVID-19 situation in China. In addition, there is a risk that customers may postpone planned call-off orders to the coming year at short notice because they are forced to curb production due to ongoing supply chain issues.

Thus, we are adjusting our revenue forecast for 2022 and (assuming exchange rates do not change and there are no further lockdowns in China) now expect consolidated revenue between CHF 310 million and CHF 340 million (FY 2021: CHF 287.5 million). This translates to a growth projection of 8-18% compared to 2021. In terms of profitability, we nevertheless confirm our March forecast and expect a gross margin in the mid-fifties and an EBITDA margin in the mid-twenties. The long-term market trends, the technology and the product pipeline remain strong. Consequently we confirm our mid- and long-term growth perspectives.

Many thanks to all our employees

The factors behind our success – innovation, growth, high-quality products and reliable delivery – are ultimately the result of the great “Sensi spirit” shown by all of our employees around the world. We would like to extend a heartfelt thank you to all of our employees for this. This year, we would particularly like to thank our Chinese colleagues, who, despite the difficult conditions amid the pandemic, have done their best to provide our customers with optimal support and a reliable delivery service every single day.

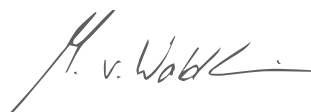
This spirit is based on our strong, multi-award-winning corporate culture. We are particularly happy that we have been able to get back to normality at many of our sites after two years of working from home and social distancing, and that we are once again able to meet our employees face-to-face and celebrate our successes with them.



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	2022	Δ in %	2021
Revenue	5	164,835	14.2 %	144,358
Cost of sales		(66,394)		(54,947)
Gross profit		98,441		89,411
– as % of revenue		59.7 %		61.9 %
Research and development expenses		(25,101)		(24,771)
Selling and distribution expenses		(16,184)		(11,336)
Administrative expenses		(15,516)		(14,805)
Operating profit (EBIT)¹		41,640	8.2 %	38,499
– as % of revenue		25.3 %		26.7 %
Financial result		(190)		991
Result of equity-accounted investees		(449)		(19)
Profit before tax		41,001		39,471
Income taxes		(6,016)		(4,640)
Profit for the period, attributable to owners of Sensirion Holding AG		34,985	0.4 %	34,831
– as % of revenue		21.2 %		24.1 %
Earnings per registered share				
Basic earnings per registered share (in CHF)		2.24		2.24
Diluted earnings per registered share (in CHF)		2.24		2.24
Earnings before interest, tax, depreciation and amortization (EBITDA)				
Earnings before interest, tax, depreciation and amortization (EBITDA)	2.2	48,872	6.5 %	45,900
– as % of revenue		29.6 %		31.8 %

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 2022	in %	31 December 2021	in %
Assets					
Cash and cash equivalents		114,668		112,104	
Trade receivables		42,719		27,824	
Prepaid expenses		2,192		1,866	
Other receivables		6,437		7,277	
Inventories		51,259		38,294	
Total current assets		217,275	65.2%	187,365	63.2%
Property, plant and equipment		73,640		64,845	
Financial assets		24,547		25,129	
Equity-accounted investees		4,226		4,650	
Intangible assets		13,758		14,432	
Total non-current assets		116,171	34.8%	109,056	36.8%
Total assets		333,446	100.0%	296,421	100.0%
Liabilities					
Trade payables		11,451		9,242	
Accrued expenses		15,603		14,085	
Employee benefits		11,543		10,439	
Provisions		2,838		2,897	
Other liabilities		2,990		5,729	
Total current liabilities		44,425	13.3%	42,392	14.3%
Employee benefits		3,430		3,718	
Provisions		7,198		7,551	
Deferred tax liabilities		7,846		6,766	
Total non-current liabilities		18,474	5.6%	18,035	6.1%
Total liabilities		62,899	18.9%	60,427	20.4%
Equity					
Share capital		1,562		1,557	
Capital reserve		154,371		153,999	
Treasury shares		(472)		(472)	
Retained earnings		115,086		80,910	
Total equity, attributable to owners of Sensirion Holding AG	6	270,547	81.1%	235,994	79.6%
Total liabilities and equity		333,446	100.0%	296,421	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	2022	2021
Cash flows from operating activities		
Profit for the period	34,985	34,831
Adjustments for:		
- Depreciation and amortization	7,232	7,401
- Other non-cash expense (income)	271	(36)
- Financial result without foreign exchange (gain) loss	671	(4)
- Result of equity-accounted investees	449	19
- Equity-settled share-based payment transactions	372	431
- Tax expense	6,016	4,640
Changes in:		
- Trade and other receivables	(14,080)	(9,211)
- Prepaid expenses	(325)	(544)
- Inventories	(12,965)	(1,303)
- Trade and other payables	2,569	466
- Accrued expenses	1,654	2,038
- Employee benefits	817	3,544
- Provisions	(411)	(903)
Interest and bank charges paid	(180)	(96)
Income taxes paid	(5,111)	(2,140)
Net cash from operating activities	21,964	39,133
Cash flows from investing activities		
Investments in property, plant and equipment	(14,170)	(3,754)
Acquisition of business, net of cash acquired	-	(13,345)
Proceeds from financial assets (short term deposit)	-	30,000
Acquisition of equity-accounted investees	(3,100)	-
Investments in intangible assets	(459)	(824)
Development expenditure capitalized	(1,165)	(1,539)
Net cash from investing activities	(18,894)	10,538
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	3,075	49,671
Cash and cash equivalents at 1 January	112,104	61,933
Effect of movements in exchange rates on cash held	(511)	65
Cash and cash equivalents at 30 June	114,668	111,669

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

Consolidated Statement of Changes in Equity

Attributable to owners of Sensirion Holding AG

In thousands of CHF	Share capital	Capital reserve	Treasury shares	Translation reserve	Other retained earnings	Total retained earnings	Total equity
Balance at 1 January 2021	1,557	151,211	(1,735)	(533)	63,769	63,236	214,269
Profit for the period	-	-	-	-	34,831	34,831	34,831
Currency translation of foreign operations	-	-	-	49	-	49	49
Transaction with treasury shares	-	(1,259)	1,259	-	-	-	-
Goodwill offset	-	-	-	-	(17,601)	(17,601)	(17,601)
Equity-settled share-based payment transactions	-	431	-	-	-	-	431
Balance at 30 June 2021	1,557	150,383	(476)	(484)	80,999	80,515	231,979
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

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 (PM2.5). 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 2022 have been prepared in accordance Swiss GAAP FER 31 “Complementary recommendation for listed companies” and the accounting principles described in the 2021 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 2021, 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 23 August 2022.

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	2022	2021
Reconciliation of operating profit to EBITDA for the period		
Operating profit (EBIT)	41,640	38,499
Depreciation and amortization	7,232	7,401
Earnings before interest, taxes, depreciation and amortization (EBITDA)	48,872	45,900

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

There were no changes to the scope of consolidation in the first half of 2022. We refer to the consolidated financial statements 2021 for the changes to the scope of consolidation in the 2021 financial year.

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	2022		2021	
Revenue – geographic information by regions				
APAC	83,211	50.5%	58,647	40.6%
EMEA	49,452	30.0%	51,388	35.6%
Americas	32,172	19.5%	34,323	23.8%
Total	164,835	100.0%	144,358	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	2022		2021	
Revenue – per customer market				
Automotive	31,016	18.8%	33,827	23.4%
Medical	36,615	22.2%	36,365	25.2%
Industrial	81,178	49.2%	61,867	42.9%
Consumer	16,026	9.8%	12,299	8.5%
Total	164,835	100.0%	144,358	100.0%

6 Equity

6.1 Share capital

In 2022, the Company increased its share capital from its conditional capital by CHF 4,237.30. At 30 June 2022, the share capital of Sensirion Holding AG is composed of 15,615,723 registered shares (31 December 2021: 15,573,350) with a nominal value of CHF 0.10 each.

6.2 Dividends

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

7 Subsequent events

No events have occurred between 30 June 2022 and 23 August 2022 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

24 August 2022	2022 half-year results and interim report
14 March 2023	2022 full-year results and annual report
15 May 2023	Annual general meeting 2023

Contact

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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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Design and implementation

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