

Full-Year 2021 Results

Marc von Waldkirch, CEO

Matthias Gantner, CFO

15 March 2022



Please note that this event
will be recorded.

Agenda

1

- Full-year 2021 highlights
- Business review

Marc von Waldkirch, CEO

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- Full-year 2021 financial review

Matthias Gantner, CFO

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- Outlook

Marc von Waldkirch, CEO

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- Q&A

FY 2021 overview

Business

- Strong growth contribution from successful ramp-ups of new environmental sensing products (CO2, formaldehyde, particulate matter PM2.5), additionally supported by a robust post-pandemic recovery in existing markets.
- COVID-19-driven demand for sensors used in medical ventilators leveled off as expected.
- Demanding supply chain situation.
- Sensirion strengthened its technology portfolio with further acquisitions as part of its longer-term growth strategy.

Financials

- **Revenue CHF 287.5m, +13.3% YoY** (14.8% organic, 0.8% inorganic, -2.2% FX effects)
- **Gross margin 61.7%.**
- **EBITDA margin 31.7%.**
- **Operating cash flow CHF 73.0m, free cash flow CHF 55.8m.**

Outlook

- Visibility will remain low due to geopolitical tensions and macroeconomic challenges. In particular, it is not yet foreseeable how the war in Ukraine will affect the global economy. In the first months of the year so far, we have continued to see solid demand in all markets. However, given the global shortage of semiconductor products, we believe that part of the current demand is being driven by stockpiling and could therefore slow down in several months. But this will greatly depend on further economic developments as well as solving the raw materials crisis. In the medical market, we expect the situation to normalize fully in the case of ventilators. However, we foresee a one-time contribution to sales in the CPAP area.
- Assuming unchanged foreign currency exchange rates, **we expect for FY 2022**

Revenue	CHF 325m to 365m (+13 to 27%)
Gross margin	mid fifties %
EBITDA margin	mid twenties %

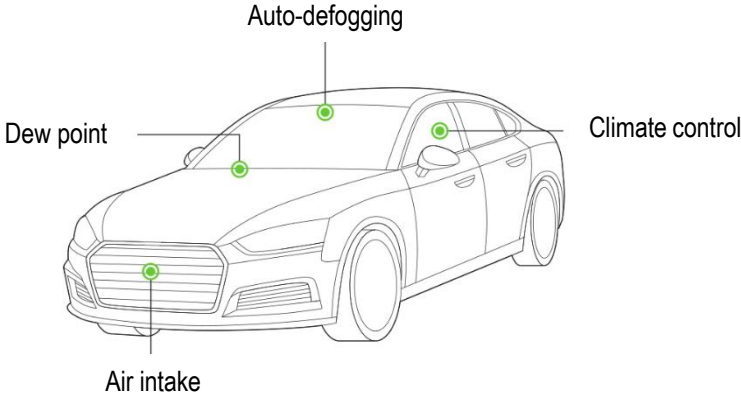
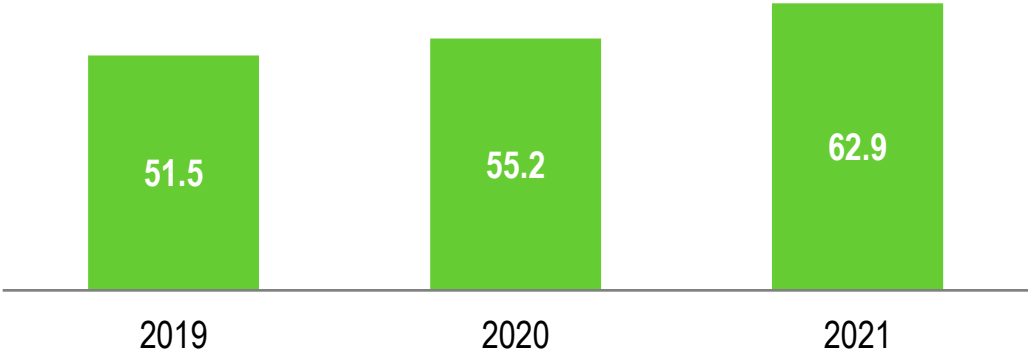
Automotive FY 2021 Business Review

Main results

- FY 2021 revenue increased by 13.9% YoY to CHF 62.9m
- Growth was achieved both in Tier-II component as well as the newer Tier-I module business.
- We observe steady increase in market share along with higher penetration rate for our sensor solutions
- Growth in the module-based Tier-I business is being driven by initial ramp-ups with European OEMs.

Revenue development

(CHFm)

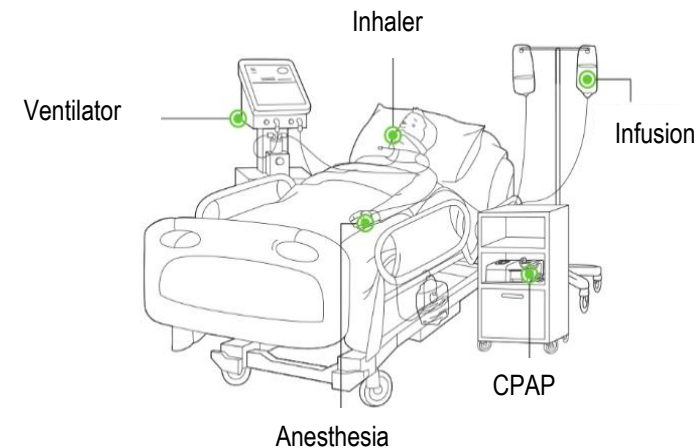
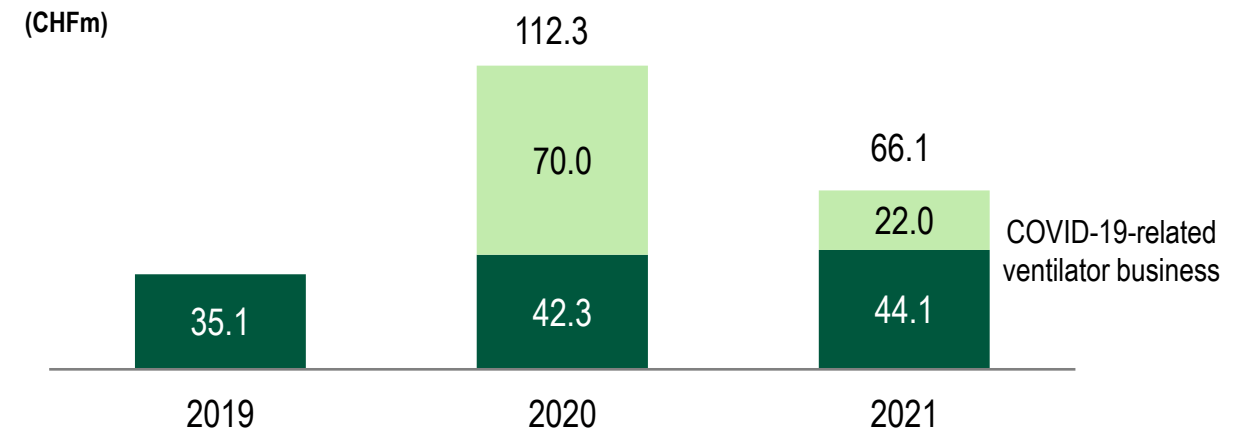


Medical FY 2021 Business Review

Main results

- COVID-19-driven demand for sensors used in ventilators leveled off as expected (from CHF 70m in 2020 to CHF 22m)
- As a result of this special item, sales figures in the medical market decreased from CHF 112.3m to CHF 66.1m (-41.2%).
- Adjusted for this one-time effect, there was moderate growth in the core business (+4.3%)
- We do not expect any further Covid related extra business for medical ventilators.

Revenue development



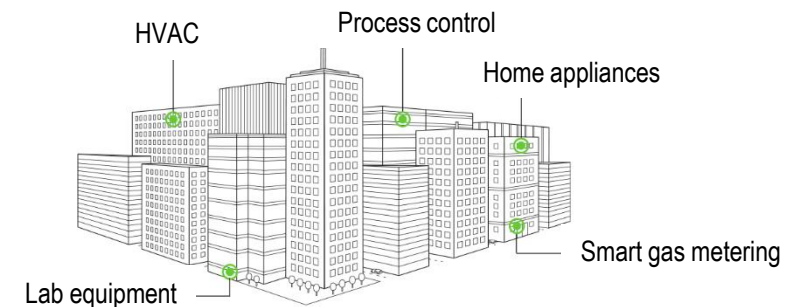
Industrial FY 2021 business review

Main results

- FY 2021 revenue increased by 84.6% YoY to CHF 131.4m
- Key drivers from the Air Purifier and HVAC sectors, enabled by our recently launched combo environmental modules for PM2.5 and Formaldehyde.
- Strong demand for CO₂ sensors, as the pandemic has increased sensitivity to indoor air quality in many areas, for which CO₂ is the most suitable metric.
- We continue to see growing market share as well as greater penetration from our existing sensor solutions for humidity and differential pressure.

Revenue development

(CHFm)



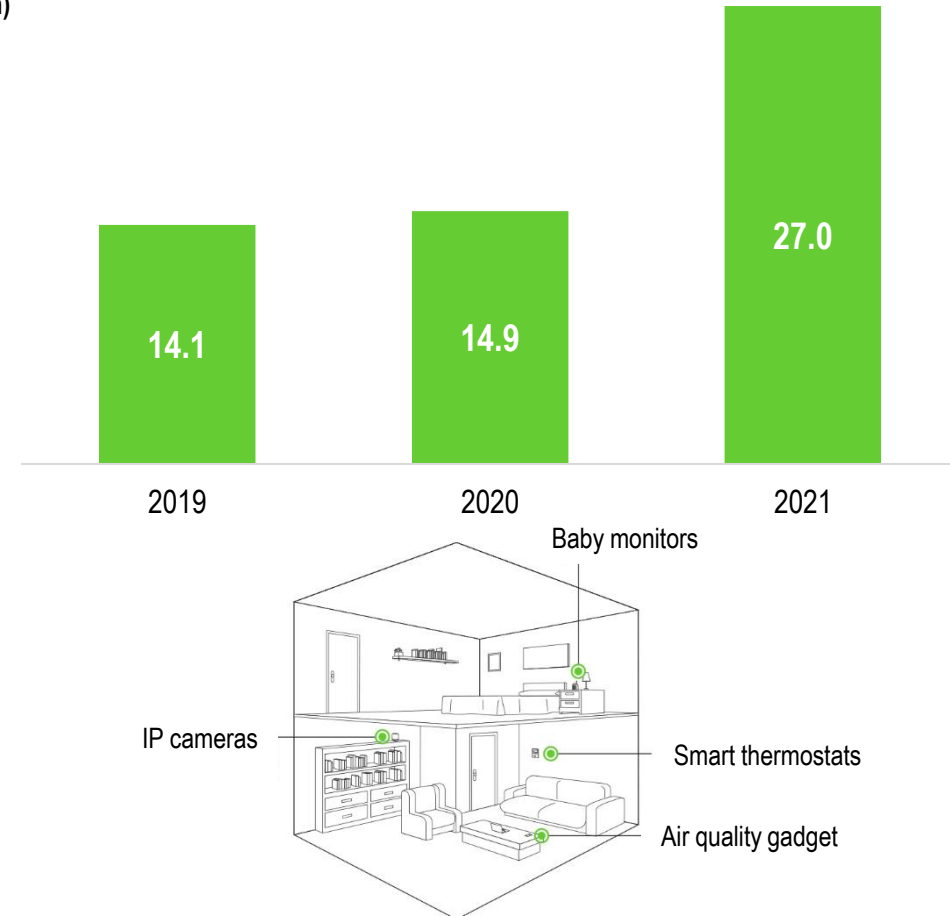
Consumer FY 2021 business review

Main results

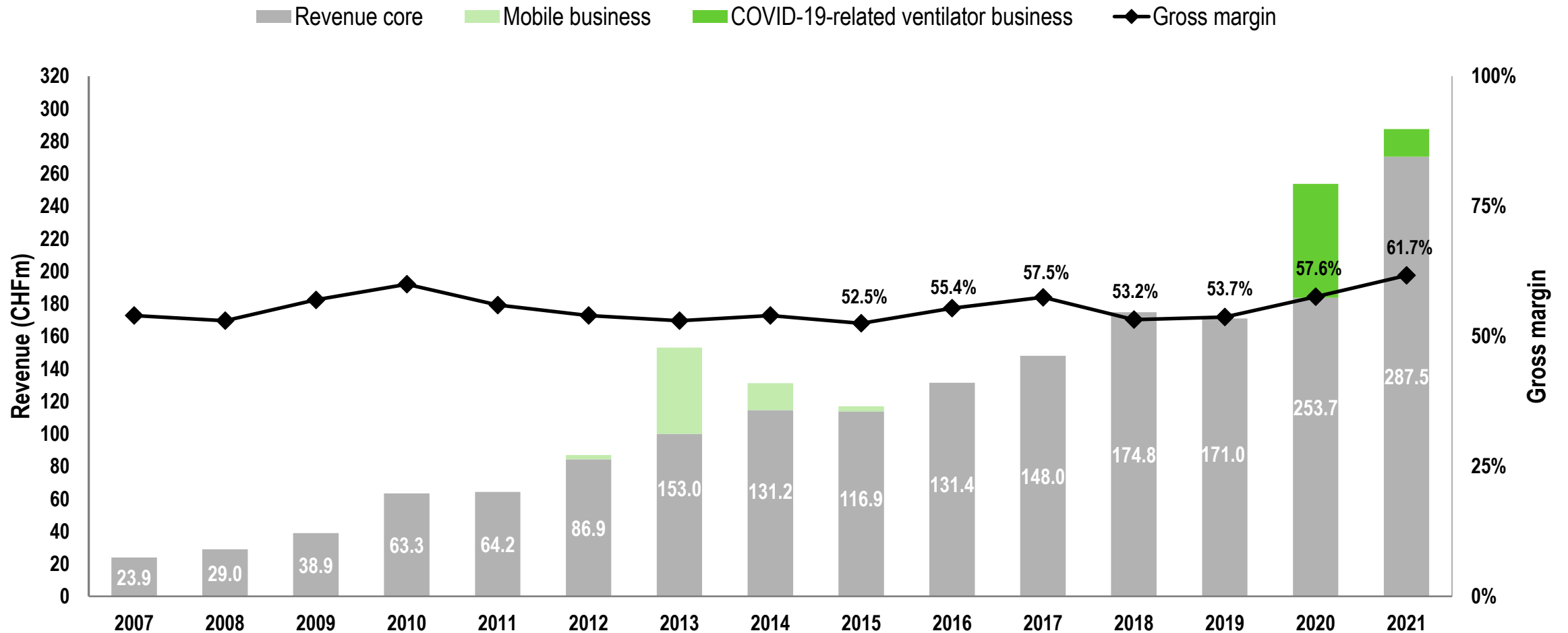
- FY 2021 revenue increased by 81.5% YoY to CHF 27.0m.
- Significant growth was primarily achieved thanks to strong demand from the wide-ranging distribution market and initial sales of the CO₂ sensor.
- Towards end of the year, several IAQ monitor projects, incorporating our environmental combo modules, have started production and contributed accordingly.

Revenue development

(CHFm)



Historical revenue and gross margin development



Note: revenues and gross margin from FY 2007 to FY 2014 according to Swiss GAAP FER, from FY 2015 to FY 2019 according to IFRS, and from FY 2020 onwards according to Swiss GAAP FER.

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FY 2021 financials overview

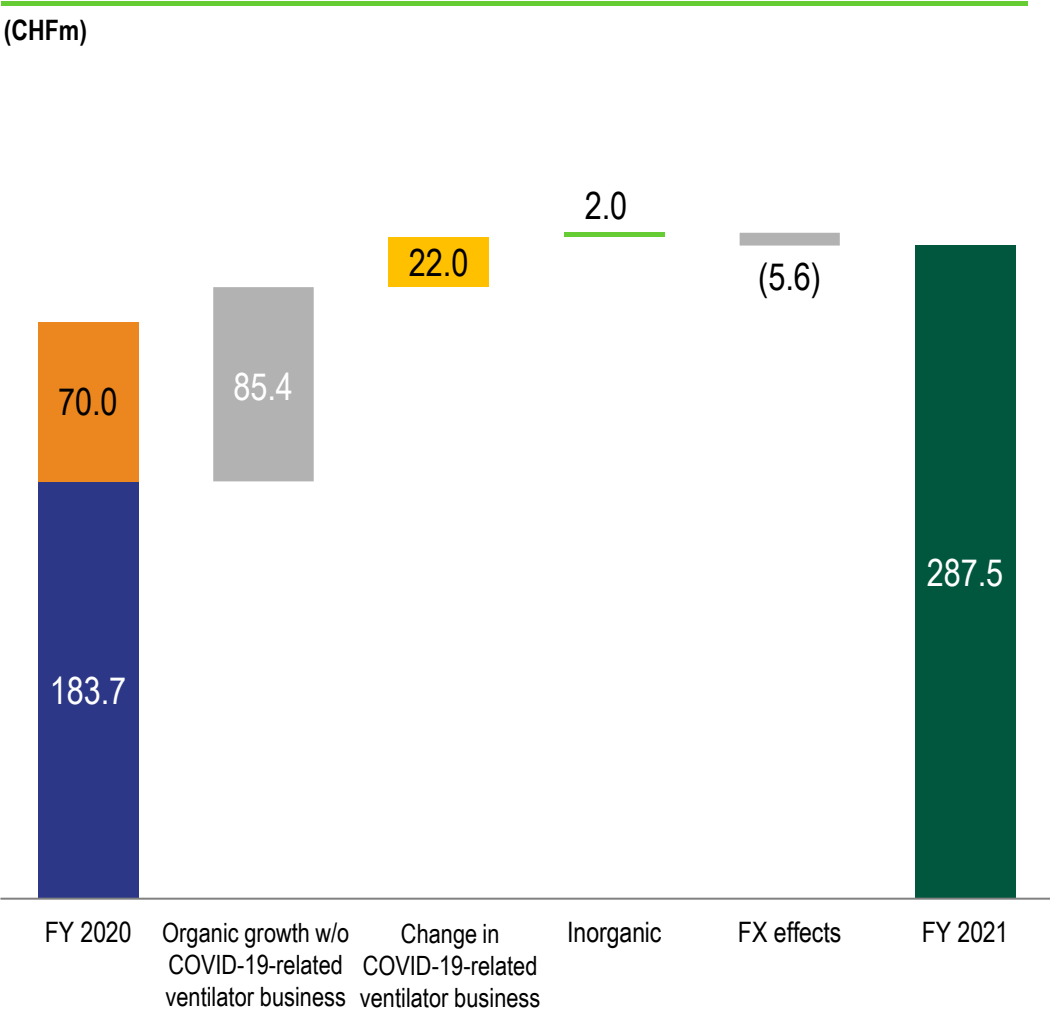
Key financials

- Revenue CHF 287.5m, +13.3% YoY (14.8% organic, 0.8% inorganic, -2.2% FX effects).
- Gross margin 61.7%.
- EBITDA margin 31.7%.
- Operating cash flow CHF 73.0m, free cash flow CHF 55.8m

Revenue development from FY 2020 to FY 2021

Components of revenue growth

(CHFm)



Revenue FY 2021

- +46.5% YoY organic growth, driven by the ramp-ups of projects with PM2.5 and CO₂ sensors and a strong post-pandemic recovery in the existing business
- Contribution from COVID-19-related revenue CHF 22m; declined by CHF -48m YoY.

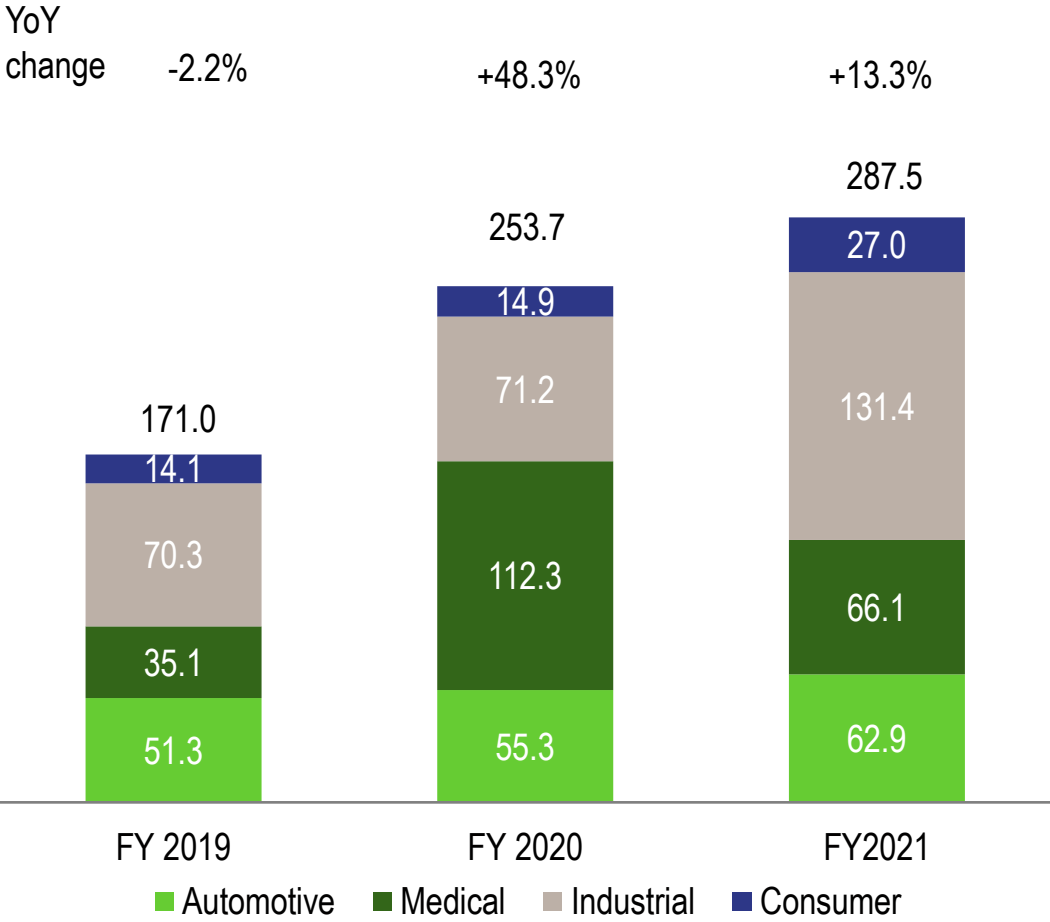
Foreign currency exchange effects

- CHF -5.6m mainly from USD

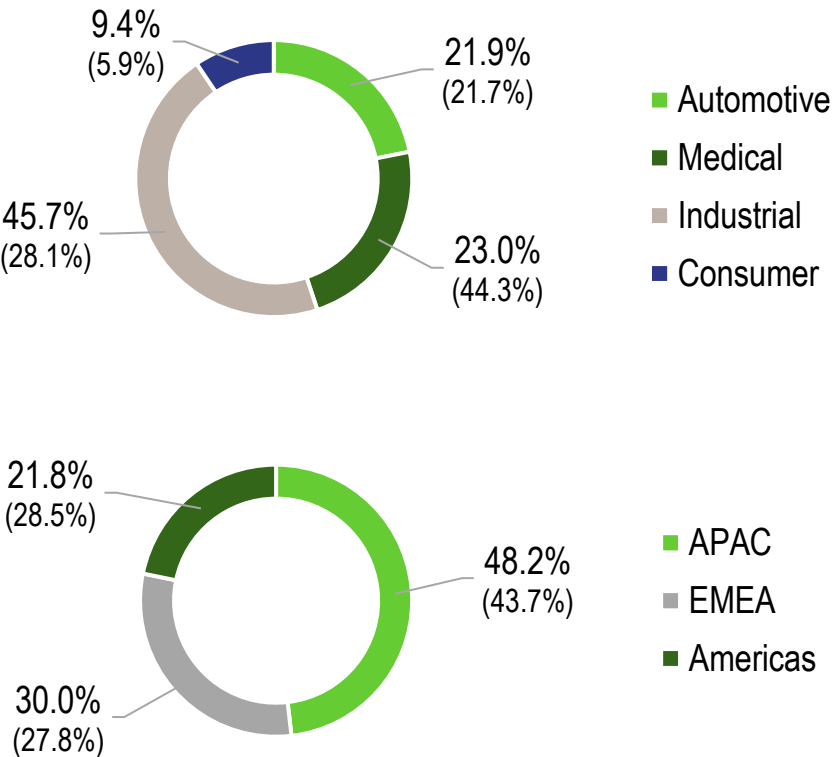
Diversified Revenue Development Across all our End Markets

Revenue development

(CHFm)



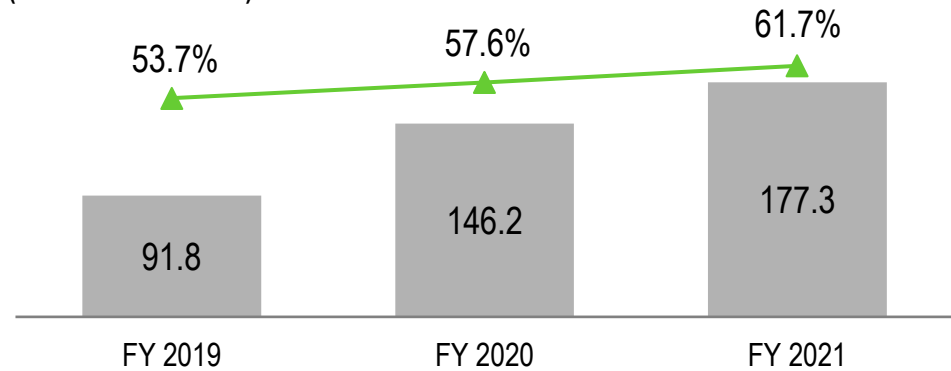
FY 2021 (FY 2020) revenue distribution



Gross margin and opex development

Gross profit and gross margin (%)

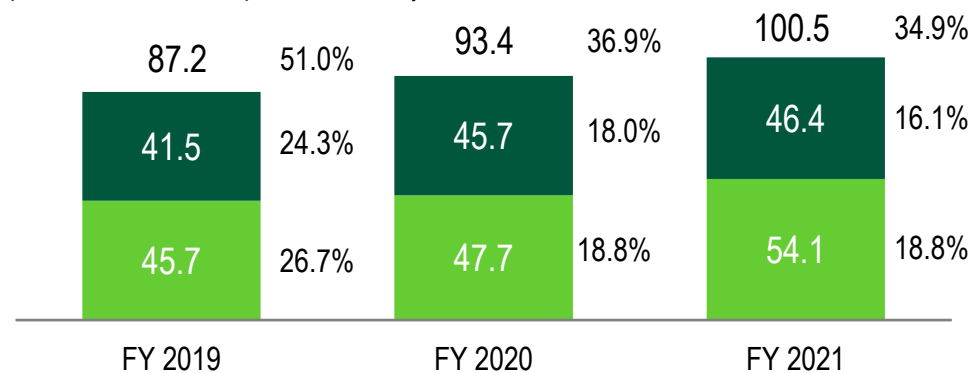
(CHFm / % of revenue)



R&D and adjusted SG&A¹ expenses

(CHFm / % of revenue)

■ Adjusted SG&A ■ R&D



Gross profit and margin FY 2021

- GM benefited in the short term from the high operating leverage resulting from sales growth.

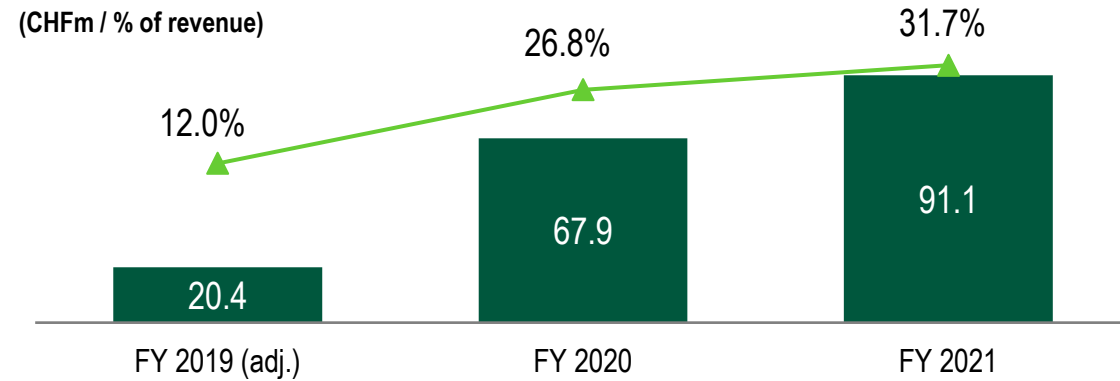
R&D, SG&A expenses FY 2021

- Build-up of resources in R&D through acquisition compensated by less external services R&D.
- Initial costs for new production site in Debrecen, Hungary.
- Overhead cost driven by acquired companies in sales and admin.

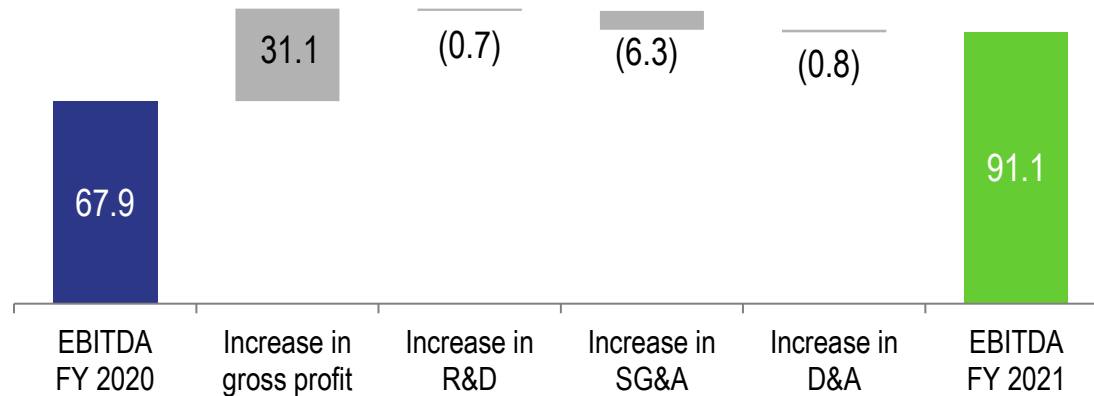
¹ SG&A expenses adjusted for costs related to IPO Loyalty Share Program incl. social security expenses in FY 2019. Total adjustments: FY 2019 CHF 6.5m.

EBITDA development

EBITDA¹ and EBITDA margin (%)



FY 2020 to FY 2021



EBITDA FY 2021

- EBITDA and EBITDA margin increased in the short term due to high operating leverage as a result of sales growth and the delayed addition of staff to take advantage of future opportunities

¹ EBITDA = Operating result + depreciation and amortization

Income statement

Condensed consolidated income statement

(CHFm / % of revenue)

	FY 2021		FY 2020	
Revenue	287.5		253.7	
Cost of sales	(110.2)		(107.5)	
Gross profit	177.3	61.7%	146.2	57.6%
R&D expenses	(46.4)	(16.1%)	(45.7)	(18.0%)
SG&A expenses	(54.0)	(18.8%)	(47.7)	(18.8%)
Operating profit (EBIT)	76.8	26.7%	52.7	20.8%
Net finance result	(0.4)		(4.8)	
Profit (loss) before tax	76.4	26.6%	47.9	18.9%
Income taxes	(10.5)		(4.0)	
Profit (loss) for the period	65.9	22.9%	44.0	17.3%
EBITDA	91.1	31.7%	67.9	26.8%

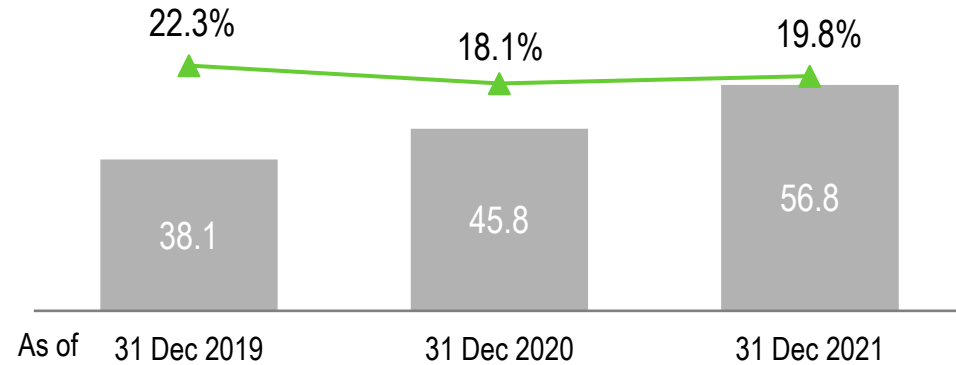
FY 2021

- Profit for the period 22.9% of revenue

Net working capital and capital expenditures

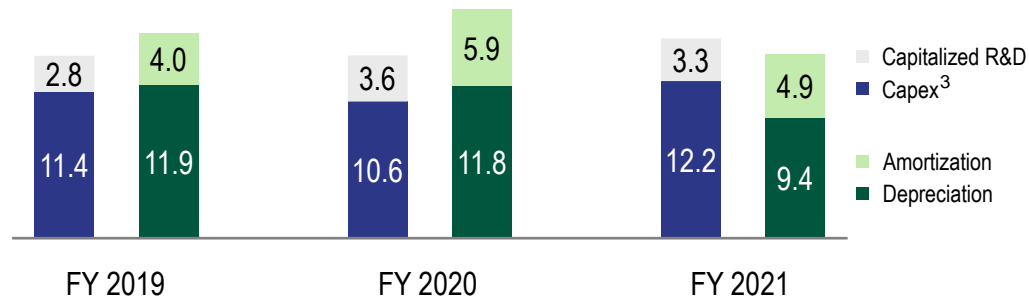
Net working capital¹

(CHFm / % of LTM revenue)



Capex² vs. D&A

(CHFm)



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 capitalized R&D, and M&A transactions (FY 2019 acquisition of electrochemical sensor technology, FY 2021 acquisition of Irsweep, Qmicro, and AiSight)

Net working capital FY 2021

- Increased YoY because of higher inventory as at 31 Dec 2021.
- DSO at approx. 35 days, receivables CHF 27.8m at year-end.

Capex FY 2021

- Capitalized R&D expenses amounted to 6.6% of total R&D expenses, 1.1% of revenue.

Depreciation and amortization FY 2021

- D&A remained at stable level YoY.

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		
Trade receivables	CHF 27.8m	Other current liabilities	CHF 33.2m		
Inventories	CHF 38.3m	Non-current liabilities	CHF 18.0m		
Other current assets	CHF 9.1m	Equity	CHF 236.0m		
PPE	CHF 64.8m				
Other non-current assets	CHF 44.2m				
CHF 296.4m				CHF 296.4m	

As of 31 December 2020

Equity / total assets	83.3%
Net cash ¹	CHF 91.9m
Net cash / LTM EBITDA	1.4

Assets

Liabilities and equity

Cash and short term deposits	CHF 91.9	Trade payables	CHF 7.0m		
Trade receivables	CHF 26.4m	Other current liabilities	CHF 25.4m		
Inventories	CHF 26.5m	Non-current liabilities	CHF 10.7m		
Other current assets	CHF 8.7m	Equity	CHF 214.3m		
PPE	CHF 63.0m				
Other non-current assets	CHF 40.8m				
CHF 257.4m				CHF 257.4m	

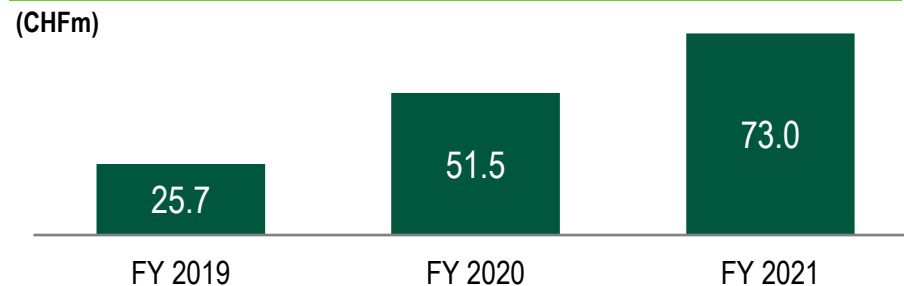
¹ Defined as the sum of cash, cash equivalents and short-term deposits less loans and borrowings (current and non-current).

Statement of cash flows

Condensed consolidated statement of cash flows

(CHFm)	<i>FY 2021 adj</i>	<i>FY 2021</i>	<i>FY 2020 adj.</i>	<i>FY 2020</i>
Cash flow from operating activities (CFO)	73.0	73.0	51.5	51.5
Cash flow from investing activities (CFI)		(22.3)		(49.1)
<i>Adjusted CFI: excluding proceeds from short-term financial deposit (6 months) of CHF 30.0m</i>	(52.3)		(19.1)	
Cash flow from financing activities (CFF)		0.0	(0.1)	(0.1)
Net change in cash and cash equivalents	20.7	50.7	32.3	2.3
Cash and cash equivalents at 1 January	91.9	61.9	60.3	60.3
Effect of movements in exchange rates on cash held	(0.5)	(0.5)	(0.7)	(0.7)
Cash and cash equivalents at 31 Dec	112.1	112.1	91.9	61.9

Cash flow from operating activities



CFO FY 2021

- Strong generation of cash through operating activities.

CFI FY 2021

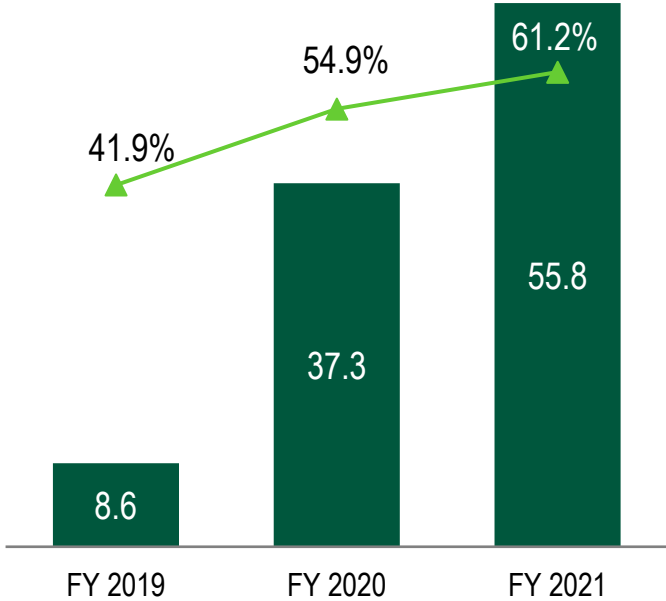
- Capex - CHF 17.3m
- M&As - CHF 35.1m
- Total CHF 52.3m

CHF 30.0m reclassification financial assets to cash/cash equivalents.

Free cash flow¹ development

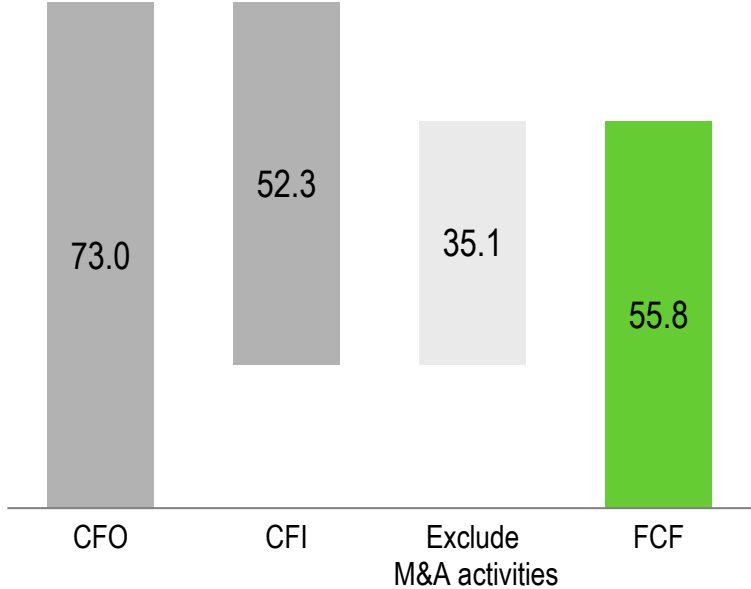
FCF and FCF conversion rate² (%)

(CHFm / % of EBITDA)



FY 2021

(CHFm)



FCF FY 2021

- FCF conversion rate extraordinarily high.
- M&A activities (Qmicro, IRsweep, AiSight) amount to CHF 35.1m, excluded from FCF.

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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Strategic achievements FY 2021

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

- Acquired micro gas analyzer company Qmicro B.V.
 - Completed full acquisition of IRsweep, provider of optical sensing solutions in the IR.
 - Acquired predictive maintenance company AiSight in Berlin
-
- New environmental sensor business generated >25% of total revenue.
 - Successful ramp-ups of the miniaturized CO₂ sensor, the formaldehyde sensor and an environmental combo sensor.
-
- Thanks to favorable delivery times, we were able to gain further market share even in the difficult phase of semiconductor shortages.
 - Opening of our new production plant in Debrecen, Hungary.
-
- The "SensiSpirit" and the close cohesion among the employees were decisive prerequisites for achieving the good results during the pandemic.
 - Recognized as second-best employer in category “large companies” in Switzerland and received special award for handling of pandemic by Great Place to Work.

Outlook

Visibility will remain low due to geopolitical tensions and macroeconomic challenges. In particular, it is not yet foreseeable how the war in Ukraine will affect the global economy.

In the first months of the year so far, we have continued to see solid demand in all markets. However, given the global shortage of semiconductor products, we believe that part of the current demand is being driven by stockpiling and could therefore slow down in several months. But this will greatly depend on further economic developments as well as solving the raw materials crisis. In the medical market, we expect the situation to normalize fully in the case of ventilators. However, we foresee a one-time contribution to sales in the CPAP area.

Assuming unchanged foreign currency exchange rates, **we expect for FY 2022**

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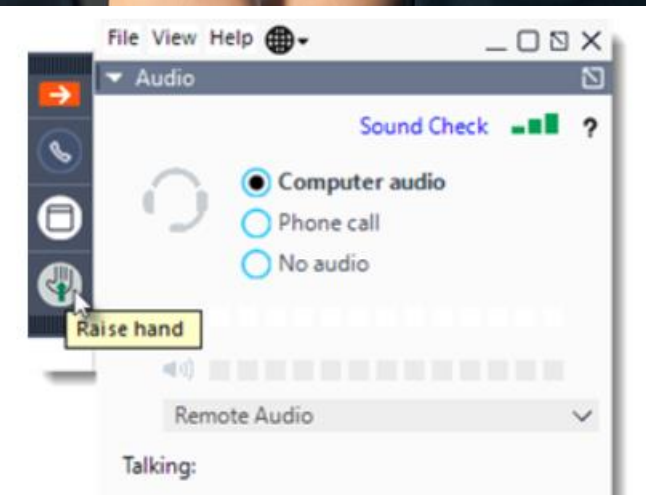
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- Q&A

Q&A

- To register a question, please use the “raise hand” function.
- The hand icon will then become green. 
- Wait for the moderator to ask you to speak.
- The moderator will unmute you.
- Please state your name and affiliation before asking your question(s).
- Afterwards, the moderator will mute you and lower your hand.
- Thank you very much.



Financial calendar

Date	Event
15 March 2022	Full-year 2021 results and annual report
16 May 2022	Annual general meeting 2022
24 August 2022	Half-year 2022 results and interim report

Contact information

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future in mind.

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