

# Half-Year 2021 Results

Marc von Waldkirch, CEO

Matthias Gantner, CFO

25 August 2021



Please note that this event  
will be recorded.

# Agenda

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- Half-year 2021 highlights
- Business review

Marc von Waldkirch, CEO

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- Half-year 2021 financial review

Matthias Gantner, CFO

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- Outlook

Marc von Waldkirch, CEO

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- Q&A

# H1 2021 overview

## Business

- Further customer ramp-ups with environmental sensors and a very dynamic post-pandemic demand in the existing business resulted in strong revenue growth.
- Pandemic-related demand for sensors for ventilators slowed down as expected.
- Sensirion strengthened its technology portfolio with further acquisitions as part of its longer-term growth strategy.

## Financials

- **Revenue CHF 144.4m, +27.0% YoY** (+29.2% organic, +1.3% inorganic, -3.5% FX effects).
- **Gross margin 61.9%.**
- **EBITDA margin 31.8%.**
- **Operating cash flow CHF 39.1m, free cash flow CHF 33.0m.**

## Outlook

- We confirm the outlook of July 2021 and **expect for FY 2021**

<b>Revenue</b>	<b>CHF 260 to 280m</b>	~CHF 17m comes from COVID-19- related ventilator business (FY 2020 CHF 70m).
<b>Annual revenue growth<sup>1</sup></b>	<b>+32 to 43% (+3 to 10%)</b>	<sup>1</sup> without (with) COVID-19-related ventilator business
<b>Gross margin</b>	<b>High fifties %</b>	Above average
<b>EBITDA margin</b>	<b>High twenties %</b>	Above average
- However, uncertainties remain high in the second half of 2021, as it is currently unclear how long the challenging situation in the supply chain and the associated inventory effects will persist.

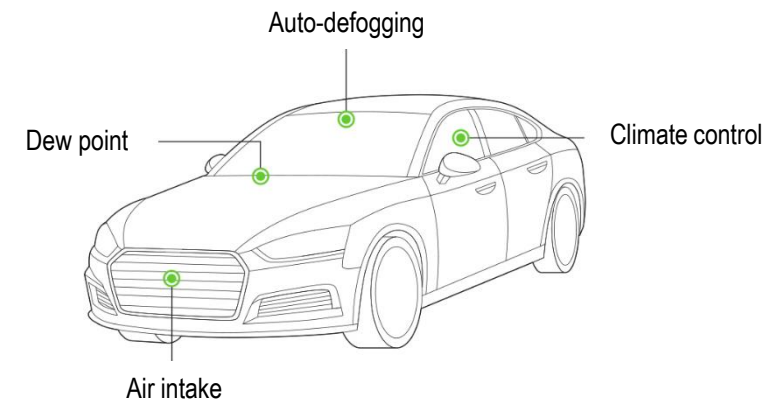
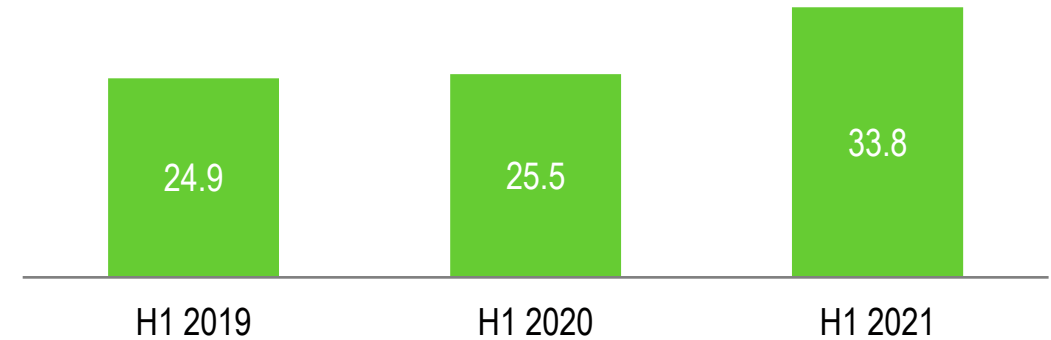
# Automotive H1 2021 business review

## Main results

- H1 2021 revenue increased by 32.9% YoY to CHF 33.8m.
- Revenue growth was driven by the Tier-II sensor component business as demand recovered, steadily increasing market share and an increased penetration rate of our sensor solutions.
- The module-based Tier-I business, on the other hand, showed a temporary consolidation after a strong increase in the previous year.
- As soon as the allocation situation in the international markets eases, we expect the strong demand in the automotive market to calm down.

## Revenue development

(CHFm)

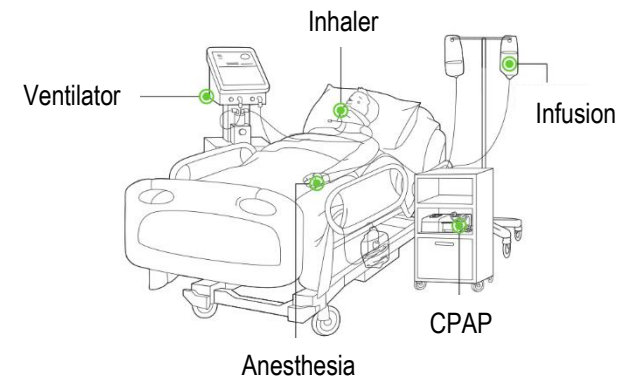
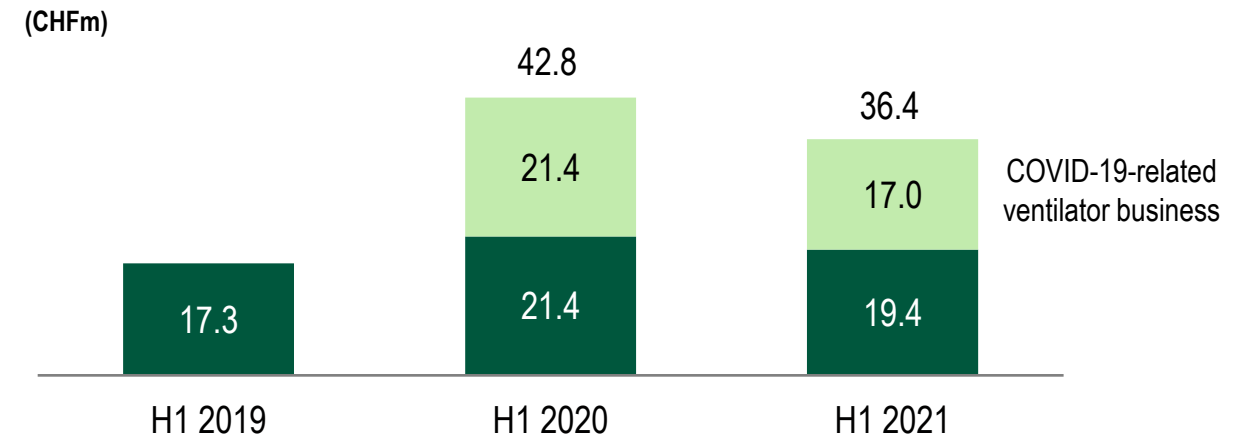


# Medical H1 2021 business review

## Main results

- At CHF 36.4m, revenue in H1 2021 decreased by -15.1% YoY. Adjusted for the COVID-19-related one-time sales of CHF 17.0m, revenue was stable YoY.
- Sales were for the last time dominated by the special business with ventilator sensors because of the COVID-19 pandemic. We expect a normalization of this special business and no further material sales contributions in H2 2021.

## Revenue development



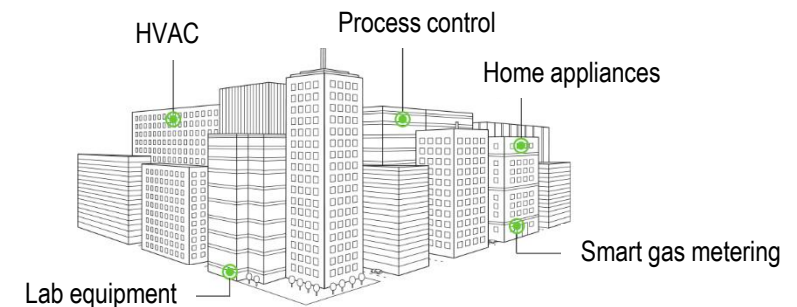
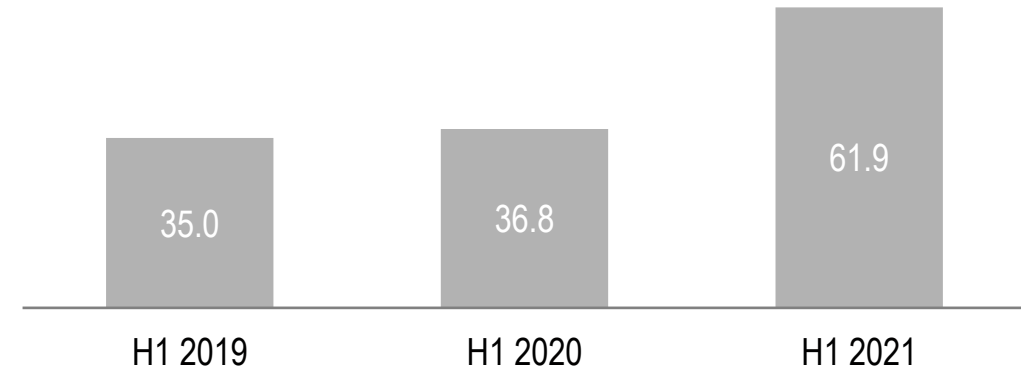
# Industrial H1 2021 business review

## Main results

- H1 2021 revenue increased by 68.0% YoY to CHF 61.9m.
- The main drivers here were important customer ramp-ups with our environmental solutions.
- In the appliances market, we are seeing strong demand for combo environmental modules. In addition, the recently launched formaldehyde sensor generated significant revenue.
- Both in the appliance and HVAC sectors, there was strong demand for CO<sub>2</sub> sensors, as the pandemic has increased sensitivity to indoor air quality in many areas, for which CO<sub>2</sub> is the most suitable metric.
- The gas meter segment stagnated during the period under review, and in the hard disk segment, as expected, demand for humidity sensors continued to decline as a result of the ongoing technology shift towards flash storage.

## Revenue development

(CHFm)



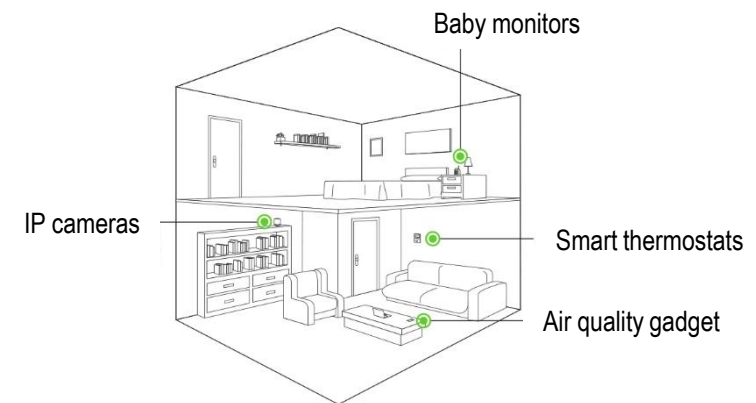
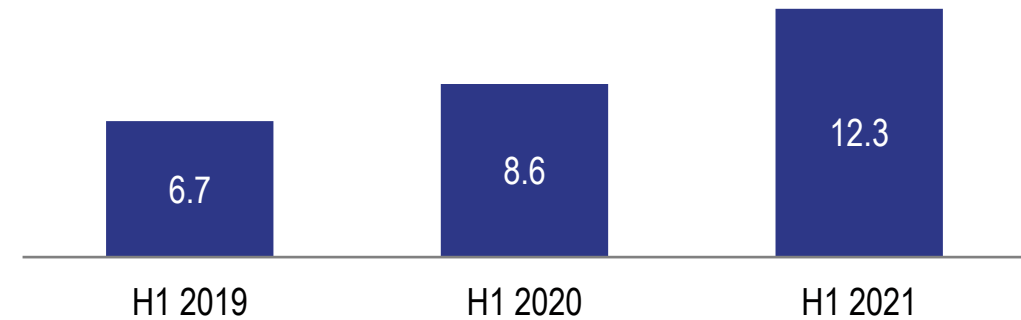
# Consumer H1 2021 business review

## Main results

- H1 2021 revenue increased by 43.5% YoY to CHF 12.3m.
- Growth was primarily achieved thanks to high demand in the broad-based distribution market and initial sales of the CO<sub>2</sub> sensor.

## Revenue development

(CHFm)





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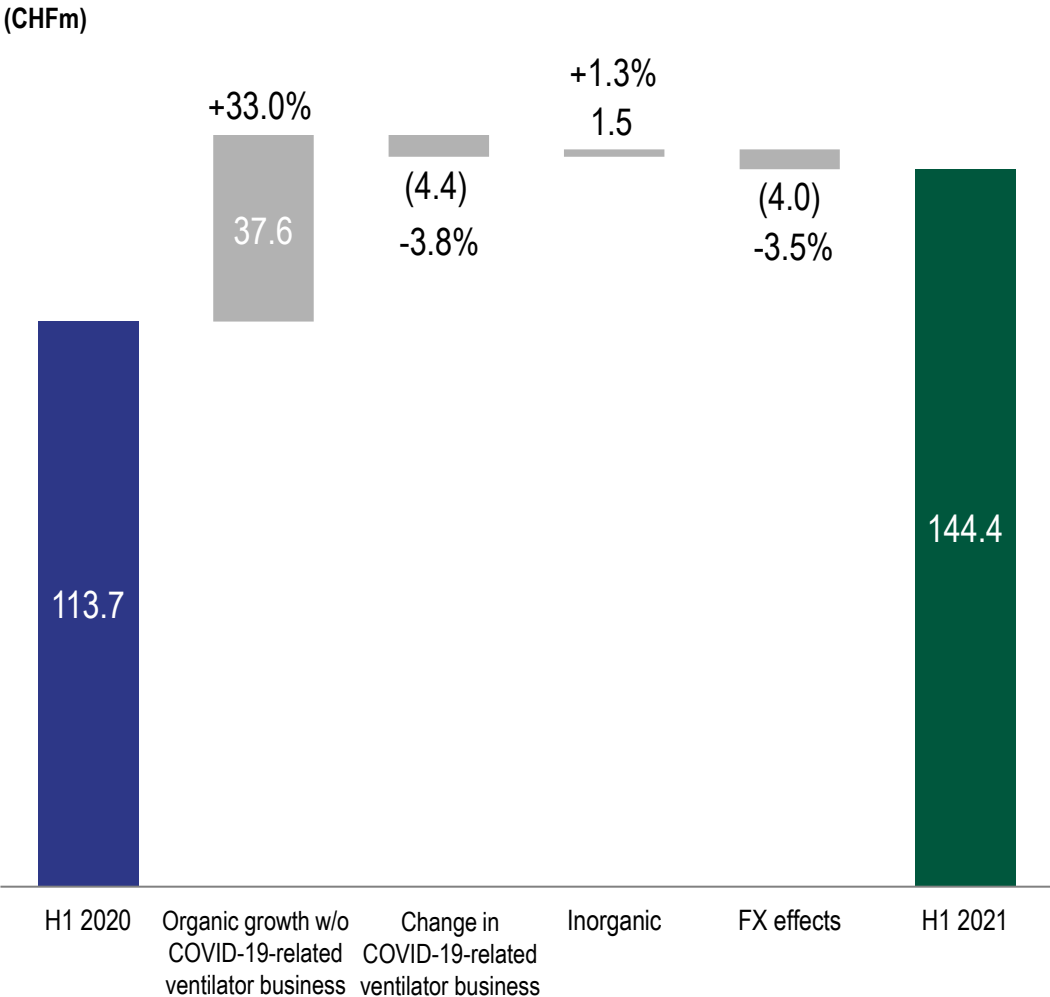
# H1 2021 financials overview

## Key financials

- Revenue **CHF 144.4m**, +27.0% YoY (+29.2% organic, +1.3% inorganic, -3.5% FX effects).
- Gross margin **61.9%**.
- EBITDA margin **31.8%**.
- Operating cash flow **CHF 39.1m**, free cash flow **CHF 33.0m**.
- Financial reports now prepared in accordance with Swiss GAAP FER.

# Revenue development from H1 2020 to H1 2021

## Components of revenue growth



### Revenue H1 2021

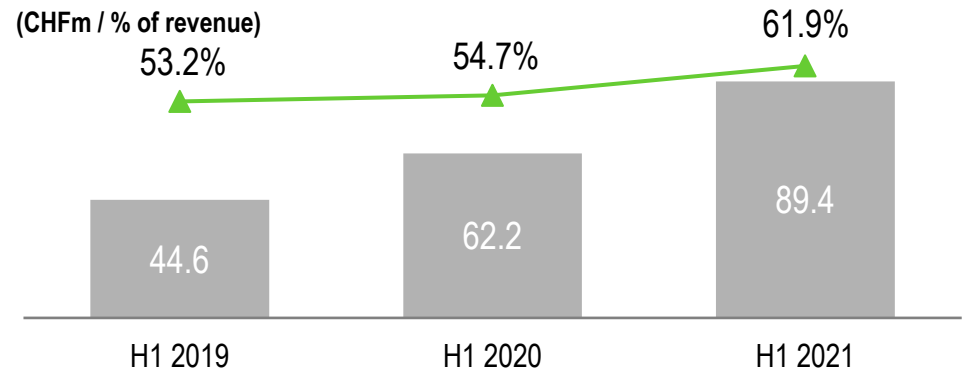
- +27.0% YoY, driven by the ramp-ups of projects with PM2.5 and CO<sub>2</sub> sensors
- Contribution from COVID-19-related revenue declined by –CHF 4.4m YoY.

### Foreign currency exchange effects

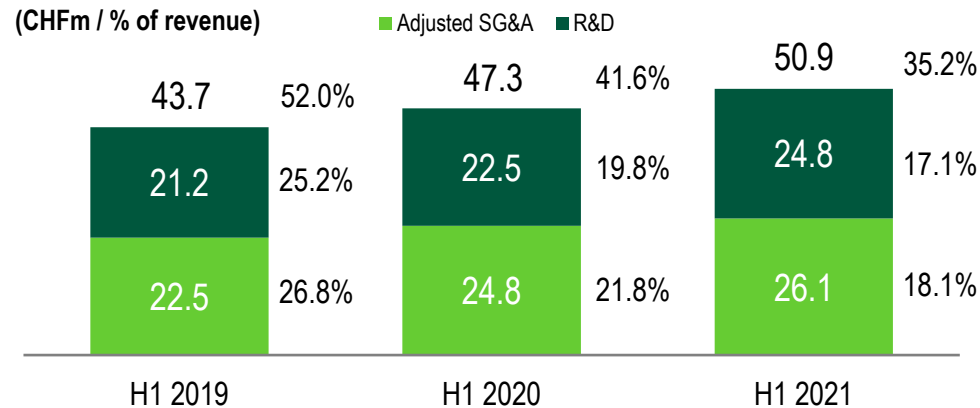
- -3.5%, mainly from USD, EUR and KRW.

# Gross margin and opex development

## Gross profit and gross margin (%)



## R&D and adjusted SG&A<sup>1</sup> expenses



### Gross profit and margin H1 2021

- Strong YoY increase in gross profit. Gross margin increased because of economies of scale. High capacity load in operations.

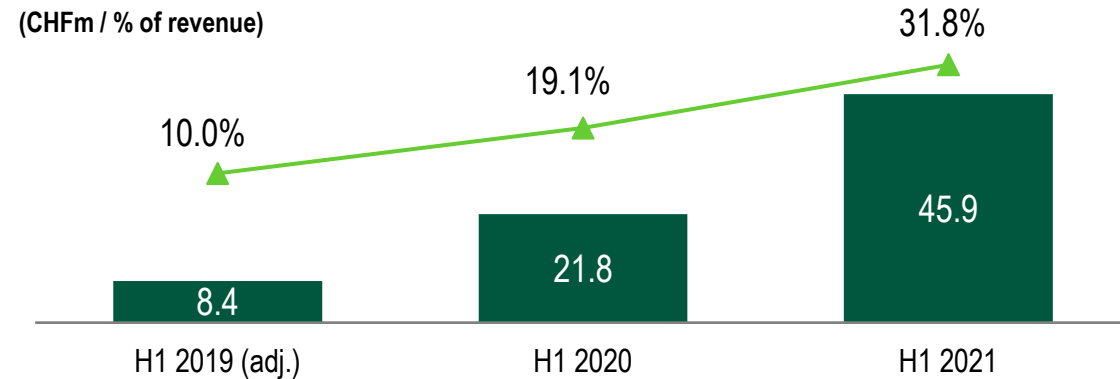
### R&D, SG&A expenses H1 2021

- Build-up of resources in R&D.
- Initial costs for new production site in Debrecen, Hungary.
- Overhead cost driven by acquired companies.

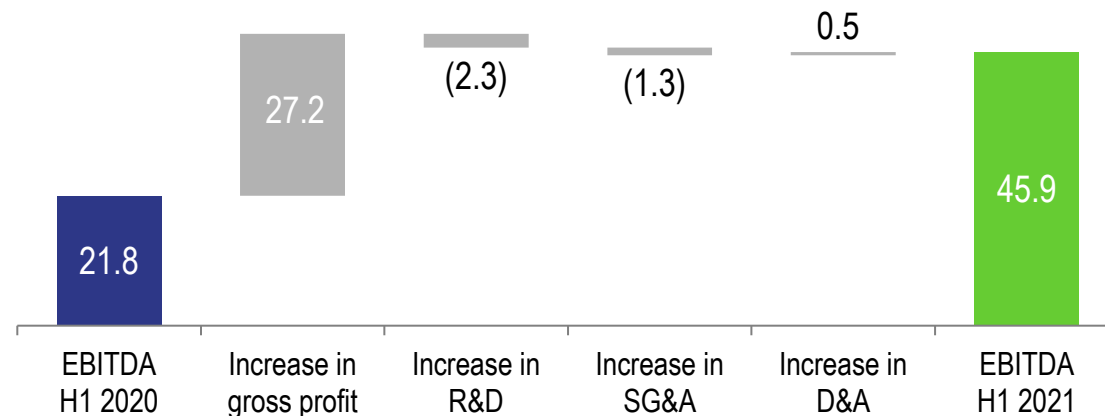
<sup>1</sup> SG&A expenses adjusted for costs related to IPO Loyalty Share Program incl. social security expenses in H1 2019. Total adjustments: H1 2019 CHF 2.9m.

# EBITDA development

## EBITDA<sup>1</sup> and EBITDA margin (%)



## H1 2020 to H1 2021



### EBITDA H1 2021

- EBITDA and EBITDA margin increased significantly because of the increase in gross profit in connection with economies of scale and one-time ventilator business, with stable opex.

<sup>1</sup> For H1 2019, adjusted for net finance costs excluding net interest expenses, share of profit or loss of equity-accounted investees, and costs related to the IPO Loyalty Share Program. Total adjustments H1 2019: CHF 3.6m. For H1 2020 and H1 2021, no adjustments to EBITDA.

# Income statement

## Condensed consolidated income statement

(CHFm / % of revenue)

	H1 2021		H1 2020	
<b>Revenue</b>	<b>144.4</b>		<b>113.7</b>	
Cost of sales	(55.0)		(51.5)	
<b>Gross profit</b>	<b>89.4</b>	<b>61.9%</b>	<b>62.2</b>	<b>54.7%</b>
R&D expenses	(24.8)	(17.1%)	(22.5)	(19.8%)
SG&A expenses	(26.1)	(18.1%)	(24.8)	(21.8%)
<b>Operating profit (EBIT)</b>	<b>38.5</b>	<b>26.7%</b>	<b>14.9</b>	<b>13.1%</b>
Net finance result	1.0		(2.3)	
<b>Profit (loss) before tax</b>	<b>39.5</b>	<b>27.3%</b>	<b>12.6</b>	<b>11.1%</b>
Income taxes	(4.7)		(0.8)	
<b>Profit (loss) for the period</b>	<b>34.8</b>	<b>24.1%</b>	<b>11.8</b>	<b>10.4%</b>
<b>EBITDA</b>	<b>45.9</b>	<b>31.8%</b>	<b>21.8</b>	<b>19.1%</b>

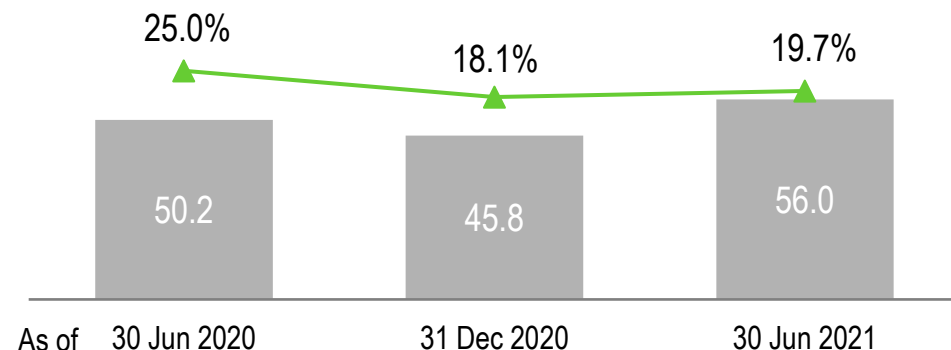
### H1 2021

- EBITDA of CHF 45.9m, with 31.8%, extraordinarily high in relation to revenue.
- Net finance result through foreign currency gains realized/unrealized.

# Net working capital and capital expenditures

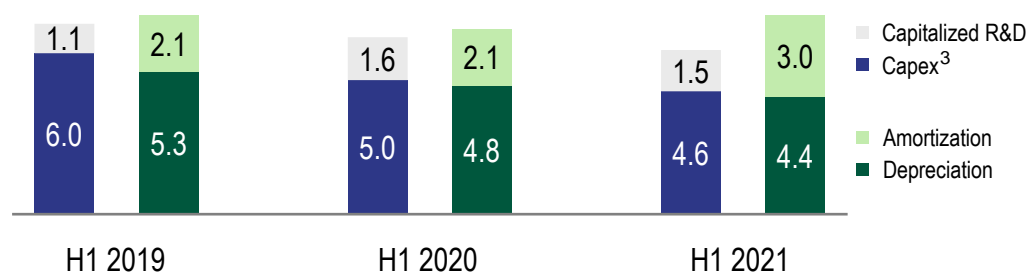
## Net working capital<sup>1</sup>

(CHFm / % of LTM revenue)



## Capex<sup>2</sup> vs. D&A

(CHFm)



<sup>1</sup> Defined as the sum of trade receivables and inventories, less trade payables.

<sup>2</sup> 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.

<sup>3</sup> Excluding capitalized R&D, and M&A transactions (H1 2019 acquisition of electrochemical sensor technology, H1 2021 acquisition of IRsweep and Qmicro)

### Net working capital H1 2021

- Increased HoH because of higher trade receivables as at 30 June 2021.
- DSO stable at approx. 45 days.

### Capex H1 2021

- Capitalized R&D expenses amounted to 6.2% of total R&D expenses, 1.1% of revenue.

### Depreciation and amortization H1 2021

- D&A remained practically stable YoY.

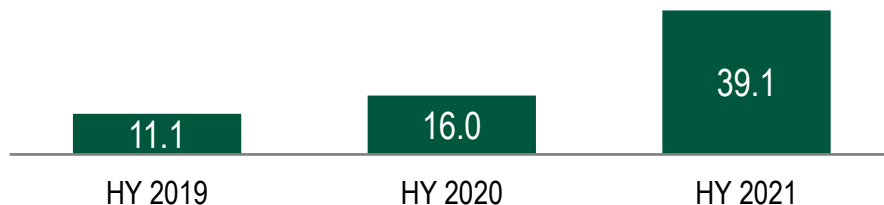
# Statement of cash flows

## Condensed consolidated statement of cash flows

(CHFm)	H1 2021 adj.	H1 2021	H1 2020
Cash flow from operating activities (CFO)	39.1	39.1	16.0
Cash flow from investing activities (CFI)		10.5	(6.6)
<i>Adjusted CFI: excluding proceeds from short-term financial deposit (6 months) of CHF 30.0m</i>	(19.5)		
Cash flow from financing activities (CFF)	0.0	0.0	0.0
<b>Net change in cash and cash equivalents</b>	<b>19.6</b>	<b>49.6</b>	<b>9.4</b>
Cash and cash equivalents at 1 January	91.9	61.9	60.3
Effect of movements in exchange rates on cash held	0.2	0.2	(0.3)
<b>Cash and cash equivalents at 30 June</b>	<b>111.7</b>	<b>111.7</b>	<b>69.4</b>

## Cash flow from operating activities

(CHFm)



### CFO H1 2021

- Strong generation of cash through operating activities.

### CFI H1 2021

Capex	- CHF 6.1m
M&As	- CHF 13.4m
Proceeds fin. assets	+ CHF 30.0m
<b>Total</b>	<b>CHF 10.5m</b>

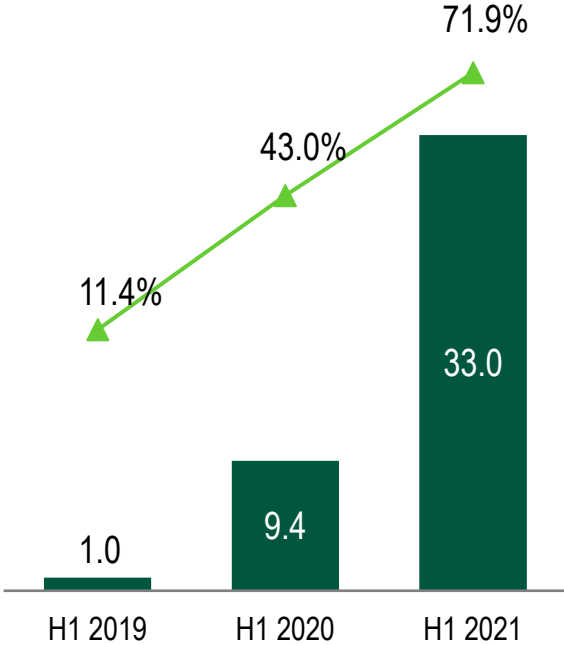
CHF 30.0m reclassification financial assets to cash/cash equivalents.



# Free cash flow<sup>1</sup> development

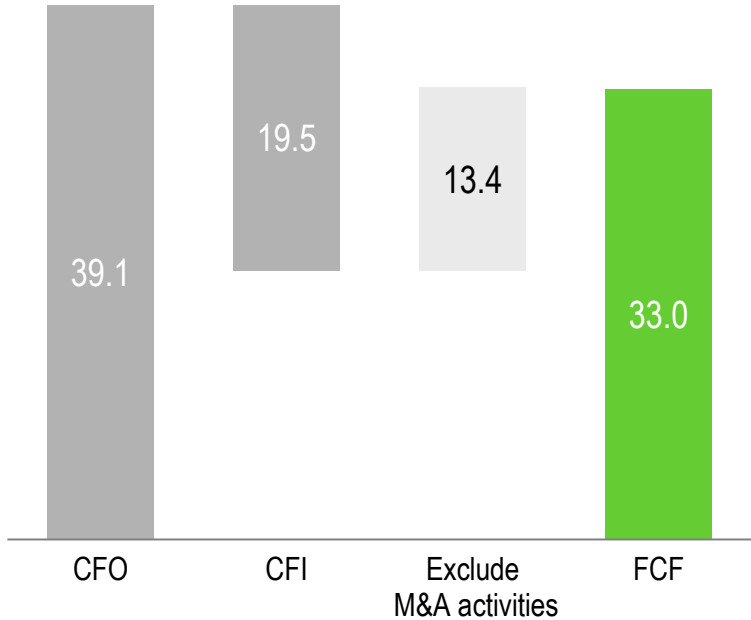
## FCF and FCF conversion rate<sup>2</sup> (%)

(CHFm / % of adjusted EBITDA)



## H1 2021

(CHFm)



### FCF H1 2021

- Strong growth compared YoY.
- FCF conversion rate extraordinarily high.
- M&A activities (Qmicro, IRsweep) amount to CHF 13.4m, excluded from FCF.

<sup>1</sup> Free cash flow (FCF) defined as the sum of CFO and CFI, excluding M&A activities.

<sup>2</sup> FCF conversion rate defined as FCF in percentage of EBITDA.

# Continuing strong balance sheet

## As of 30 June 2021

Equity / total assets	81.2%
Net cash <sup>1</sup>	CHF 111.7m
Net cash / LTM EBITDA	2.4

### Assets

### Liabilities and equity

Cash and short term deposits	CHF 111.7m	Trade payables	CHF 8.6m
Trade receivables	CHF 36.4m	Other current liabilities	CHF 32.8m
Inventories	CHF 28.3m	Non-current liabilities	CHF 12.4m
Other current assets	CHF 8.2m	Equity	CHF 232.0m
PPE	CHF 62.5m		
Other non-current assets	CHF 38.7m		
<b>CHF 285.8m</b>		<b>CHF 285.8m</b>	

## As of 31 December 2020

Equity / total assets	83.3%
Net cash <sup>1</sup>	CHF 91.9m
Net cash / LTM EBITDA	4.2

### Assets

### Liabilities and equity

Cash and short term deposits	CHF 91.9m	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 8.8m	Equity	CHF 214.3m
PPE	CHF 63.0m		
Other non-current assets	CHF 40.8m		
<b>CHF 257.4m</b>		<b>CHF 257.4m</b>	

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

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# Strategic achievements H1 2021

## Strategic focuses

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**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

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- Acquired micro gas analyzer company Qmicro B.V.
  - Completed full acquisition of IRsweep, provider of optical sensing solutions in the IR.
- 
- New environmental sensor business generated >25% of total revenue.
  - Successful ramp-ups of the miniaturized CO<sub>2</sub> sensor, the formaldehyde sensor and an environmental combo sensor.
- 
- Maintaining reasonable delivery times despite the challenging allocation situation in the global semiconductor industry.
  - Launched the fourth generation of humidity sensors .
  - Delivered one billionth sensor.
- 
- 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.

# FY 2021 outlook

As a result of the positive first half-year, we increased our revenue expectations for the full year 2021 at the beginning of July. However, uncertainties remain high in the second half of 2021, as it is currently unclear how long the challenging situation in the supply chain and the associated inventory effects will persist.

We confirm the outlook of July 2021 and now expect:

(CHFm)	FY 2021 <sup>1</sup>	Comments
<b>Revenue</b>	<b>CHF 260 to 280m</b>	✓ Approximately CHF 17m comes from COVID-19-related ventilator business (FY 2020 CHF 70m).
<b>Revenue growth YoY</b>	<b>+32 to 43%<sup>2</sup> (+3 to 10%)<sup>2</sup></b>	
<b>Gross margin</b>	<b>High fifties %</b>	✓ FY 2021 above average
<b>EBITDA margin</b>	<b>High twenties %</b>	✓ FY 2021 above average

<sup>1</sup> At fixed foreign currency exchange rates.

<sup>2</sup> Without (with) COVID-19-related ventilator business

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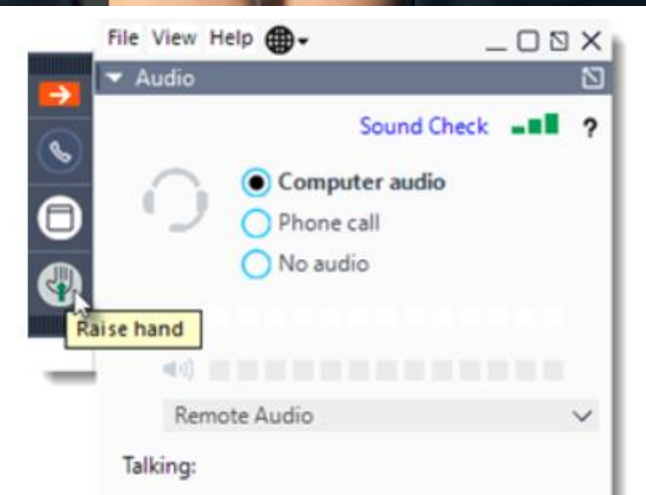
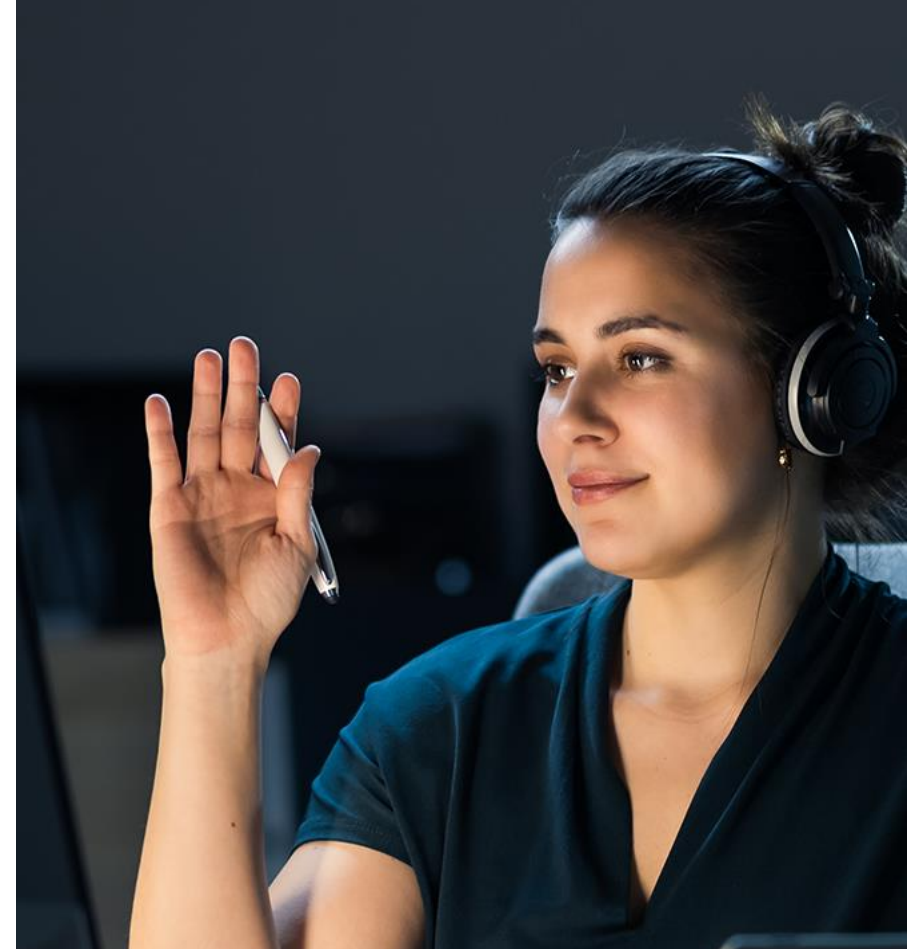
Marc von Waldkirch, CEO

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

## Contact information

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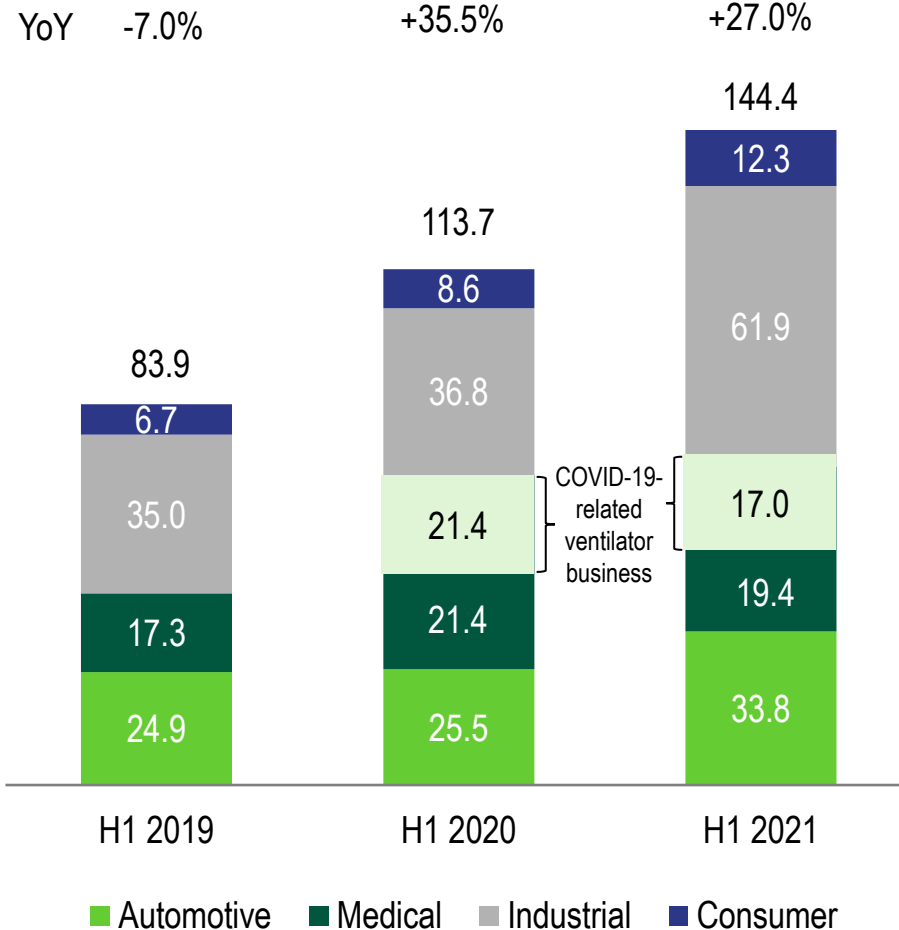
Email: [andrea.wueest@sensirion.com](mailto:andrea.wueest@sensirion.com)



# Diversified revenue development across all our end markets

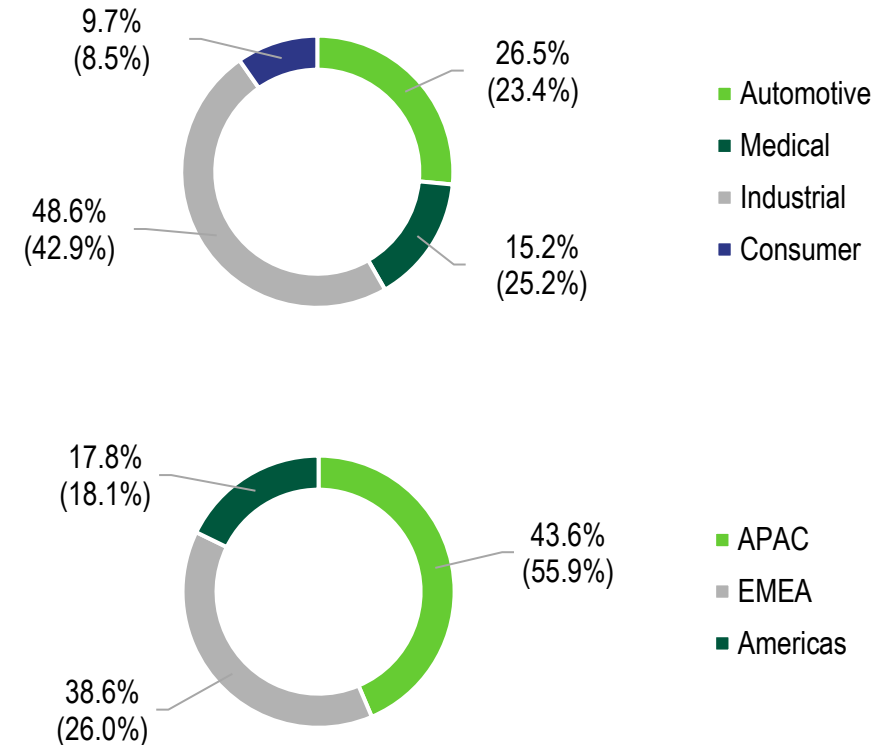
## Revenue development

(CHFm)



## H1 2021 (H1 2020) revenue distribution

Percentage values without COVID-19-related ventilator business



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Technology at heart,  
future in mind.

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