

**Media release**

August 21, 2024, Sensirion Holding AG, 8712 Stäfa, Switzerland

Ad hoc announcement pursuant to Art. 53 LR

**Broad-based return to growth, confirmation of full-year guidance 2024**

**The first half of the year closed with sales of CHF 128.0 million. This represents an organic revenue increase of 8.9 % in local currencies and 3.9 % in Swiss francs compared to the same period last year. Growth was driven by the automotive and industrial markets, whereas year-on-year sales comparisons in medical and consumer are impacted by ongoing de-stocking effects. The operating result was significantly impacted by the discontinuation of Sensirion condition monitoring activities in Berlin. Adjusted for these one-off effects, the gross margin amounts to 47.5 % and the adjusted EBITDA margin is 4.6 %.**

**Key figures**

Consolidated, in millions of CHF	1 January - 30 June 2024	1 January - 30 June 2024, adjusted*	1 January - 30 June 2023
Revenue	128.0	128.0	123.2
Gross profit	59.6	60.8	69.4
- as % of revenue	46.6%	47.5%	56.3%
Operating profit (loss)	(31.4)	(2.8)	2.9
- as % of revenue	(24.6%)	(2.2%)	2.3%
Profit (loss) for the period	(36.0)	(2.6)	1.4
- as % of revenue	(28.1%)	(2.0%)	1.2%
Earnings per share (in CHF)	(2.31)	(0.17)	0.09
EBITDA	(22.7)	5.9	10.7
- as % of revenue	(17.7%)	4.6%	8.7%
Cash flow from operating activities	7.2		(1.9)
Capital expenditures	(22.8)		(17.6)
Free cash flow	(15.5)		(19.6)
	As of 30 June 2024		As of 30 June 2023
Net cash (Net debt)	38.6		101.8
Number of employees (FTE)	1'235		1'251

\*Adjusted for non-recurring effects of CHF 28.6 million at EBITDA level and CHF 33.4 million at net profit level. In the year under review, these resulted from the closure of the condition monitoring activities at Berlin site (formerly Alisight).

The first half of 2024 was challenging for Sensirion, but the overall performance was largely in line with expectations. The company recorded solid growth in some of its end markets, such as automotive and industrial, thanks to new business and a partial recovery in demand. In the medical and consumer markets, however, demand remained subdued as a result of ongoing inventory reductions and the weak economic climate in general. Growth in total revenue in the first half of the year was therefore modest, as expected. Combined with the high fixed costs of our products and our sustained high level of investment in R&D, this culminated in a further period of lower profitability.

Short-term visibility remains limited due to ongoing geopolitical and macroeconomic challenges. Based on the first half of the year, Sensirion is confirming its guidance for 2024 as a whole. The medium- and long-term outlooks remain positive. This optimism is driven by a robust pipeline of new businesses for the coming years and growing megatrends such as energy efficiency, climate change and health, which are being supported by its sensor solutions.

**Broad-based return to growth**

The first half of the year closed with sales of CHF 128.0 million. This represents an organic revenue increase of 8.9 % in local currencies and 3.9 % in Swiss francs compared to the same period last year. The operating result was significantly impacted by the discontinuation of the condition monitoring activities in Berlin, which Sensirion will describe in detail below. Adjusted for these one-off effects, the gross margin stands at 47.5 %, which is within the expected range but below historical levels. This is partly due to the continued underutilization of production capacities in component manufacturing, where the proportion of fixed costs is higher. The higher sales proportion of lower-margin modules is also reducing the gross margin. The productivity enhancement measures introduced in the factories and other areas earlier this year are progressing as planned and are expected to start yielding some improvements in the second half of the year.

The adjusted EBITDA margin is 4.6 %. At the operating level, there was an operating loss (EBIT) of CHF 2.8 million, resulting in an adjusted net loss of CHF 2.6 million for the period. On a positive note, operating cash flow (CHF +7.2 million) was higher than in the same period last year.

**Discontinuation of condition monitoring activities**

Alongside its growth projects, Sensirion remains fully focused on improving cost efficiency. The company is consistently pursuing its optimization program and has subjected all ongoing research and development projects to a critical review. On the basis of this assessment, Sensirion decided to discontinue the activities in the condition monitoring segment and close the Berlin site (formerly AiSight), as announced back in April 9<sup>th</sup>, 2024. Sensirion acquired the Berlin start-up AiSight in September 2021 with the goal of becoming a leading provider of complete solutions in the field of condition monitoring. However, despite thorough due diligence before the acquisition, it became clear that the condition monitoring market is developing much more slowly and is more fragmented than initially assumed. There are a large number of competitors, which would make it difficult for Sensirion to differentiate itself in terms of technology. This market structure does not align strategically with Sensirion goal of becoming a leading provider in each sector through innovation. Therefore, the decision was made to withdraw from this development area on the basis of the reassessment, but Sensirion remains committed to its strategic goal of building a data-driven service business alongside the important OEM business. For now, Sensirion is focusing on the detection of environmentally harmful methane leaks in the oil and gas industry. This internal, data-driven innovation project is progressing well and is also set to benefit from new environmental regulations in the US and Europe. Innovation always brings both opportunities and risks. For an innovation-driven company like Sensirion, it is therefore crucial to closely monitor innovation projects and act decisively when a project no longer aligns with expectations. Looking back, many of the Sensirion innovation projects in recent years have been highly successful, such as the environmental sensor initiative and the A2L campaign that is about to be ramped up. Unfortunately, this was not the case with condition monitoring. Although disappointing, it is part of being an innovation-focused company.

Financially, the decision to discontinue the activities in Berlin will result in an extraordinary impairment of CHF 28.6 million at EBITDA level and CHF 33.4 million at net profit level. CHF 30.4 million of this consists of non-cash impairments, which includes CHF 25.6 million for goodwill recycling as required under Swiss GAAP FER and CHF 4.8 million due to the write-off of tax loss carryforwards. The remaining amount of approximately CHF 3.0 million is attributable to restructuring costs. All extraordinary expenses have been fully charged to the income statement for the first half of the year and adjusted for comparative purposes. The deconsolidation has no significant impact on sales as the Berlin activities were still in the start-up phase.

**Solid growth in the automotive and industrial markets; significant slowing effects in the medical and consumer markets**

The automotive market continues to record strong revenue growth and ended the first half of the year with sales of CHF 39.8 million (+14 % year-on-year). This growth is mainly due to new module projects as a Tier 1 supplier for European OEM customers. The existing business as a Tier 1 supplier, along with the Tier 2 component business, remained solid but did not experience any significant growth momentum.

The medical market sales declined by 42 % to CHF 18.3 million compared to the same period last year. This was mainly due to two factors: firstly, the medical market continues to be affected by ongoing inventory reductions in both the CPAP and ventilator segments after the strong and turbulent period of 2020 to 2022. Sensirion expects this phase to last until the end of 2024. Secondly, the sales volume in the previous year was unusually high due to a temporary surge in demand for ventilator sensors from China after local Covid restrictions were lifted.

The broadly diversified industrial market is showing a promising recovery after the dip in sales in 2023. At CHF 63.5 million, sales were up by 31 % on the same period last year, due to the recovery in demand for air purifiers after strong corrections in 2023. The inventory corrections in the air purifier segment appear to be largely complete. Despite this, Sensirion does not expect the growth momentum to be as strong in the second half of the year. Growth was additionally bolstered by the first moderate revenue contributions from the A2L leakage sensors used in air conditioning systems across North America. The A2L business is expected to make an increasing contribution to revenue growth in the second half of the year and beyond. The performance of the other sectors in the industrial market was varied. While gas metering recorded further growth due to new projects in European countries, the cyclical semiconductor business saw a decline.

The consumer market, which tends to be more cyclical, has shown few signs of recovery so far. At CHF 6.3 million (-22 % year-on-year), half-year sales came in slightly below the already subdued figures of the second half of 2023. This was due mainly to the weak economic conditions in general and the unresolved inventory situation in this highly fragmented end market. Sales were also impacted by the persistently weak distribution business.

**Medium- and long-term guidance remains positive**

Despite the challenging market environment at present, Sensirion remains positive about the medium- and long-term future. Sensirion continues to receive strong support from megatrends such as energy efficiency, climate change and health, which are accelerating the increased use of sensors in a wide range of applications.

Sensirion also has a full pipeline of promising new customers and design-in projects in all markets.

As mentioned in the last report, the start of production for two important new projects acts as a further catalyst for growth in the second half of the year. Alongside the further ramp-up of a particulate matter (PM2.5) project in the automotive sector, Sensirion is working intensively on a new product family of gas leakage sensors for air conditioning systems in the US market. A new refrigerant class for air conditioning systems will be introduced in the US in 2025, covering coolants that are less harmful to the climate but more flammable. This opens up new opportunities for Sensirion to introduce innovative leakage sensors in this market. The production preparations are on track and Sensirion expects this new sensor class to start making a meaningful contribution to revenue in the second half of 2024.

A technological milestone was reached a few months ago with the official announcement of an innovative, chip-based CO<sub>2</sub> sensor. As one of the world's smallest sensors for measuring carbon dioxide directly, it enables various new applications for monitoring indoor air quality that were previously not feasible due to size and cost constraints.

As part of our third strategic focus area – securing promising core technologies as a basis for long-term

growth – we participated in the capital increase of Lumiphase AG, in which Sensirion holds a stake of almost 50 %. This promising company is developing a new optical, CMOS-compatible photonics technology using novel materials and has made excellent progress since its foundation in 2020.

Sensirion is planning another Capital Markets Day at our headquarters in Stäfa in November 2024, at which the company will provide a detailed strategy update and an overview of the strategic progress Sensirion has made so far. As part of the long-term capacity and growth planning, Sensirion managed to secure two key plots of land in Stäfa after a lengthy search. This will preserve our long-term growth opportunities in the area and will allow the company to continue benefiting from the proximity of R&D and operations in the field of MEMS, a factor that is crucial for innovation. Sensirion acquired the first plot of land in January of this year, directly adjacent to the headquarters, and the company is planning to expand our cleanroom and production capacities there.

The second plot has been acquired from the municipality, although Sensirion has not been able to take possession of it yet due to regulatory issues.

### **Changes at Executive Board level**

After 16 years with Sensirion, 11 of which on the Executive Board, Andrea Orzati (VP Sales) has decided to pursue a new challenge outside the company. He will be replaced by Simon Sonderfeld on November 1, 2024. Furthermore, the CFO Matthias Gantner is retiring on December 31, 2024. He will be succeeded by Martin Wirz, who has been with Sensirion for over 11 years, covering various leadership roles.

### **Confirmation of full-year guidance 2024**

With regard to the full-year guidance for 2024, Sensirion confirms the full guidance as of March 2024.

Although the market environment remains challenging, Sensirion anticipates a return to growth in 2024, primarily due to the commencement of new projects. The new business in gas leakage sensors for air conditioning systems is expected to make a significant contribution to this growth, especially in the second half of the year. Regarding our existing business, Sensirion remains cautious and anticipates only a modest recovery this year due to ongoing inventory adjustments and the weak economic climate in general. Sensirion expects the positive growth momentum from the first half of the year to level off, especially in the appliance market.

Despite the return to growth, 2024 is expected to be a transition year in terms of profitability. The larger proportion of lower-margin module business, combined with the continued underutilization of capacities in component manufacturing, will result in a lower gross margin in 2024.

Based on this assessment, Sensirion is confirming our guidance for 2024 as a whole: assuming a smooth ramp-up of the growth projects and stable exchange rates, Sensirion expects consolidated sales in 2024 to remain in the range of CHF 250 to 280 million (FY 2023: CHF 233.2 million). This corresponds to the projected organic growth of 7 % to 20 % compared with 2023. The adjusted gross margin for 2024 is expected to lie between 47 % and 49 %. The adjusted EBITDA margin will consequently improve to 5-10 % (FY 2023: 4.3 %).

### **Conference call on the half-year 2024 results**

Today, Wednesday, August 21, 2024, at 10:00 am CEST (8 a.m. GMT/4 a.m. EDT), a conference call on the half-year 2024 results will be held. The presentation will be held in English. Participants will have the opportunity to ask questions during the telephone conference following the presentation.

Please register for the conference call using the following link  
<https://register.gotowebinar.com/register/8409008195257909592>

**Documentation**

All documents will be available at <https://sensirion.com/company/investor-relations/results-reports/> on August 21, 2024 from around 06:30 CEST.

**Financial calendar**

March 11, 2025 Full-year results and annual report 2024  
May 12, 2025 Annual General Meeting 2025

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**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 environmental sensors for the measurement of humidity and temperature, volatile organic compounds (VOC), carbon dioxide (CO<sub>2</sub>) and particulate matter (PM2.5), gas and liquid flow sensors, differential pressure sensors as well as gas leakage sensors.

An international network with sales offices in China, Europe, Japan, South Korea, Taiwan and the USA 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](http://www.sensirion.com).

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