



ZKB Swiss Equity Conference

8 November 2024





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VAT team presenting today



Urs Gantner
CEO

- Joined VAT in 2004, formed the Semiconductor BU in 2015 and joined the GEC in 2022
- Previously R&D engineer at Hamilton Medical and Scientist at PSI/ETH
- Holds a Master of Science in mechanical engineering ETH



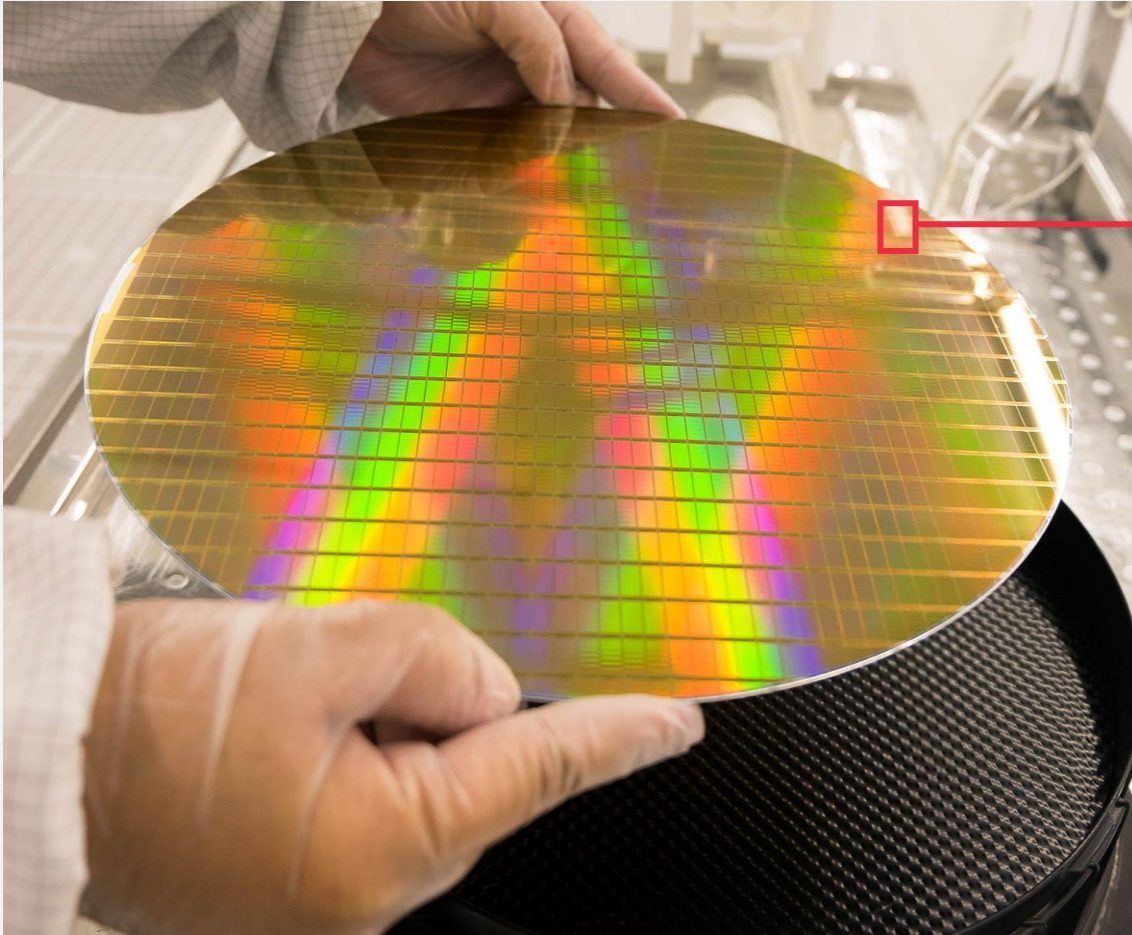
Christopher Wickli
Head of Investor Relations

- Joined VAT June 2023
- 17 years in financial industry and investment banking
- Equity capital markets at Citi and Lazard
- Master of Arts in International Relations and Archaeology

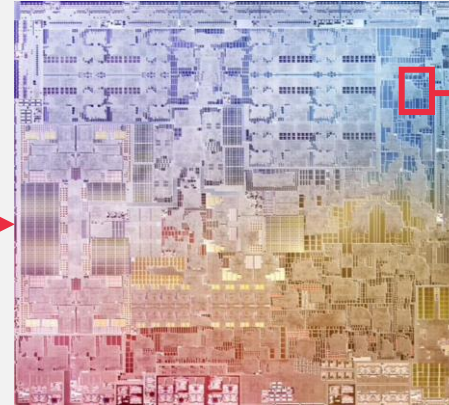
01

Semi manufacturing – requires vacuum

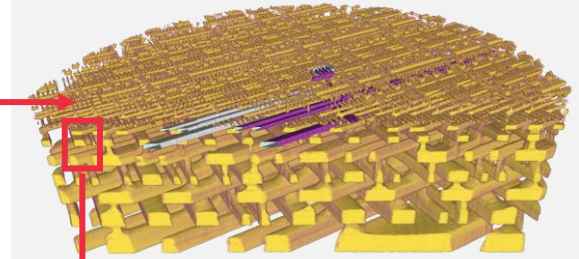
Chip manufacturing today



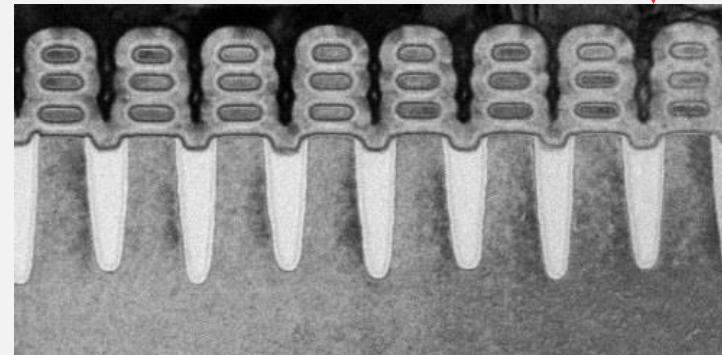
The individual computer chips on a semiconductor wafer.



A single chip.



Structure in cutthrough.



Individual transistors in nanometer size next to each other.

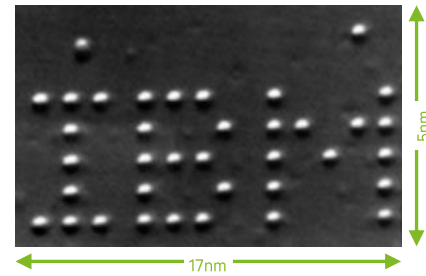
Vacuum is essential for leading-edge chip production



Challenges for the chip industry...

New manufacturing technology

- Introduction of ALD, GAA, EUV
- Purity at atomic level



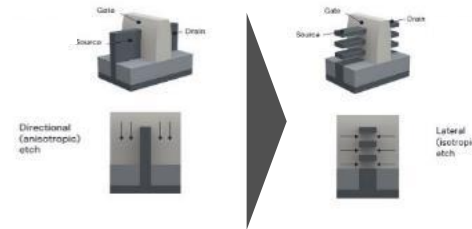
...mean OEMs have to rely on VAT

Vacuum valves are essential to modern chip manufacturing

- To maintain required conditions
- Total cost of ownership
- High customisation
- Technology leader with 60 years experience
- ~1-2% of COGS of a manufacturing tool

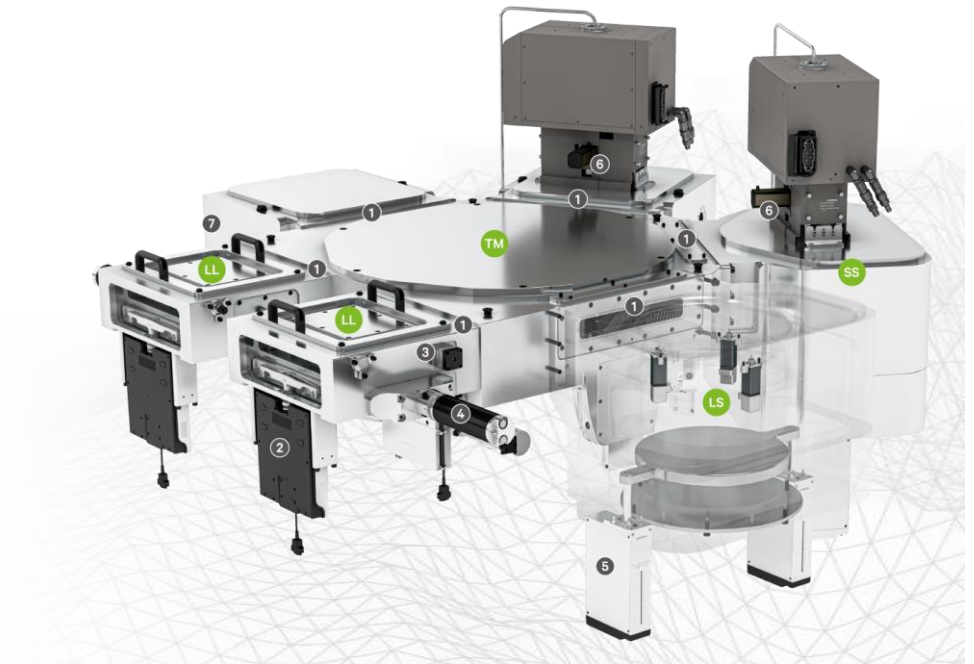
Complexity in manufacturing vs. yield

- Increase in process steps
- Capital intensity



Increased capital requirements

- State-of-the-art production machines significant cost
- Ever increasing larger capex asks, pressure to maintain yields



Vacuum valves are our core product



VAT offers both highly tailored valves as well as standard products

Based on three core valve types (transfer, control & isolation) our product portfolio comprises over 140 valve series with more than 8,000 customized products and 2,500 standard products.

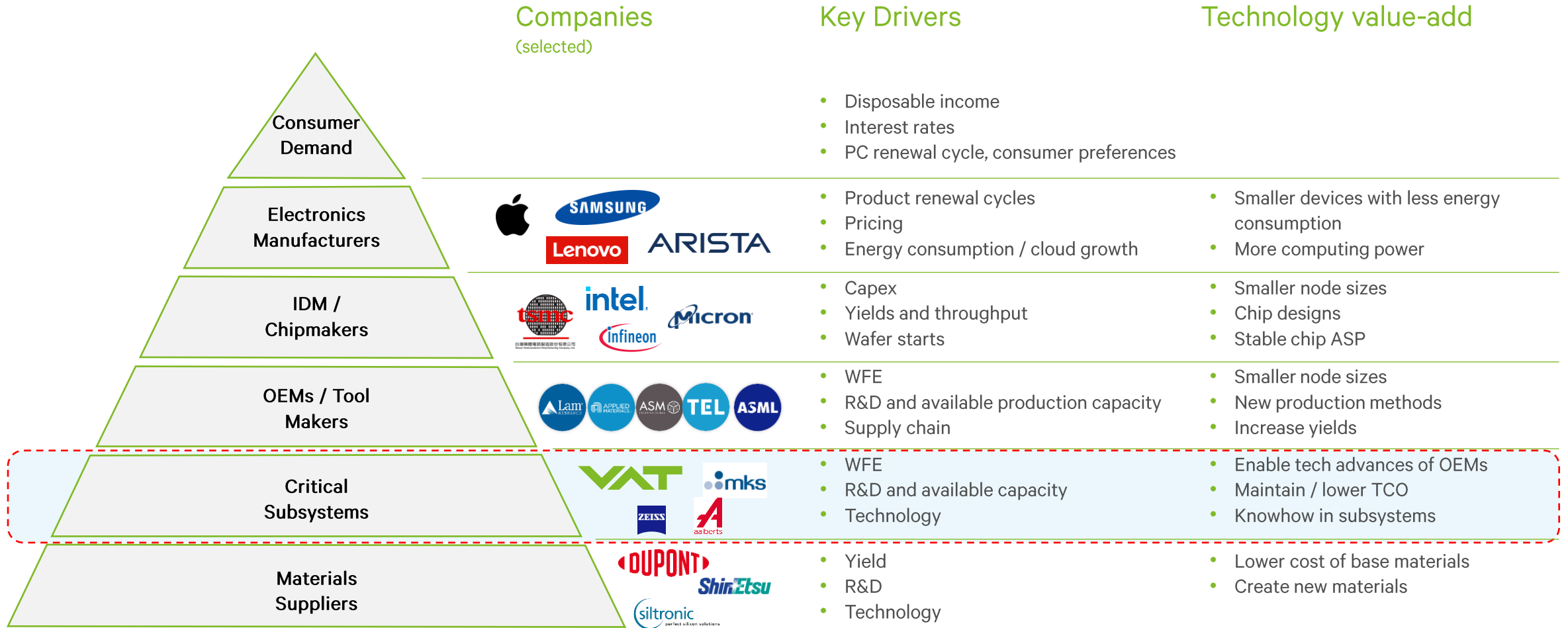
- VAT's product line includes:
- Gate valves and pendulum valves
- Control valves
- Transfer valves and doors
- Angle valves and diaphragm valves
- Customized products for high purity and industrial applications
- Flange connections & bellows
- Customized multi-valve modules



VAT's role in the semi value chain



VAT is a critical subsystem supplier and the global leader in vacuum valves

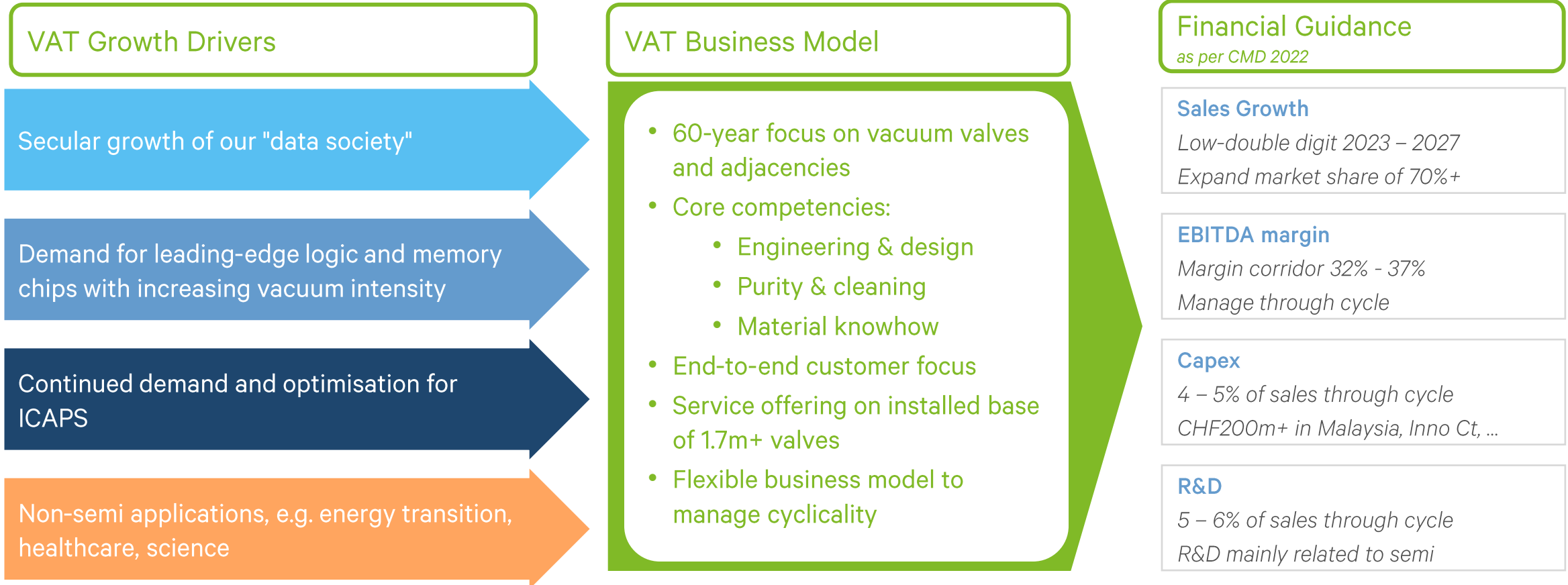


02

VAT – leading in vacuum valves

VAT in a nutshell

USD 1trn semi market driving growth, expanding share-of-wallet, backed-up by technology leadership – resulting in outstanding financial performance.

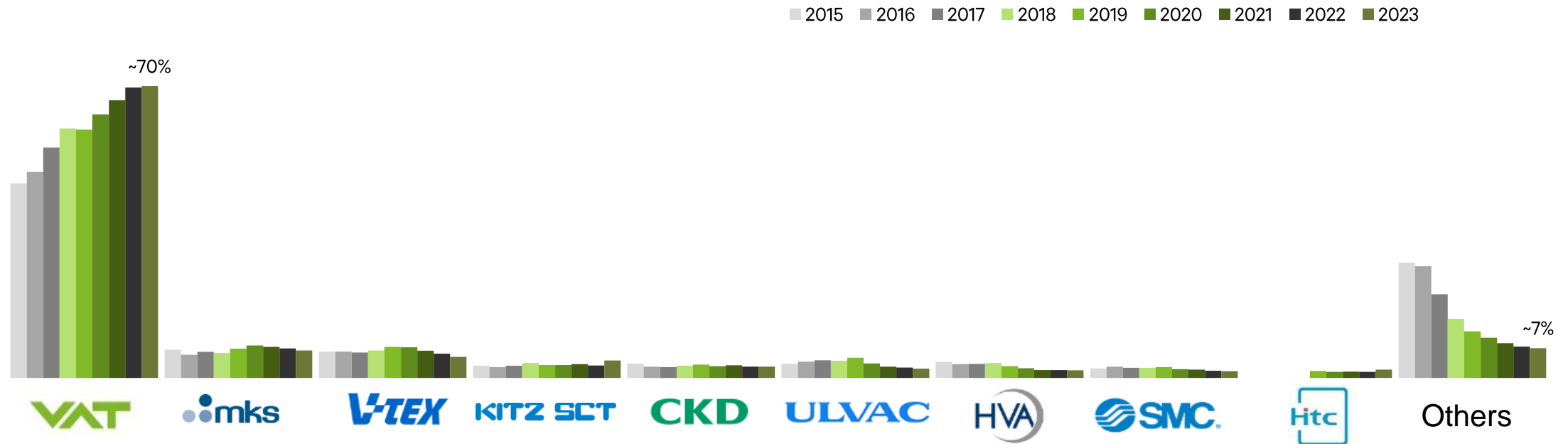


Leadership position built on focus and technology



VAT is the undisputed vacuum valves market leader - strong market position built on years of customer intimacy and superior product design

Market share Semi & related⁽¹⁾



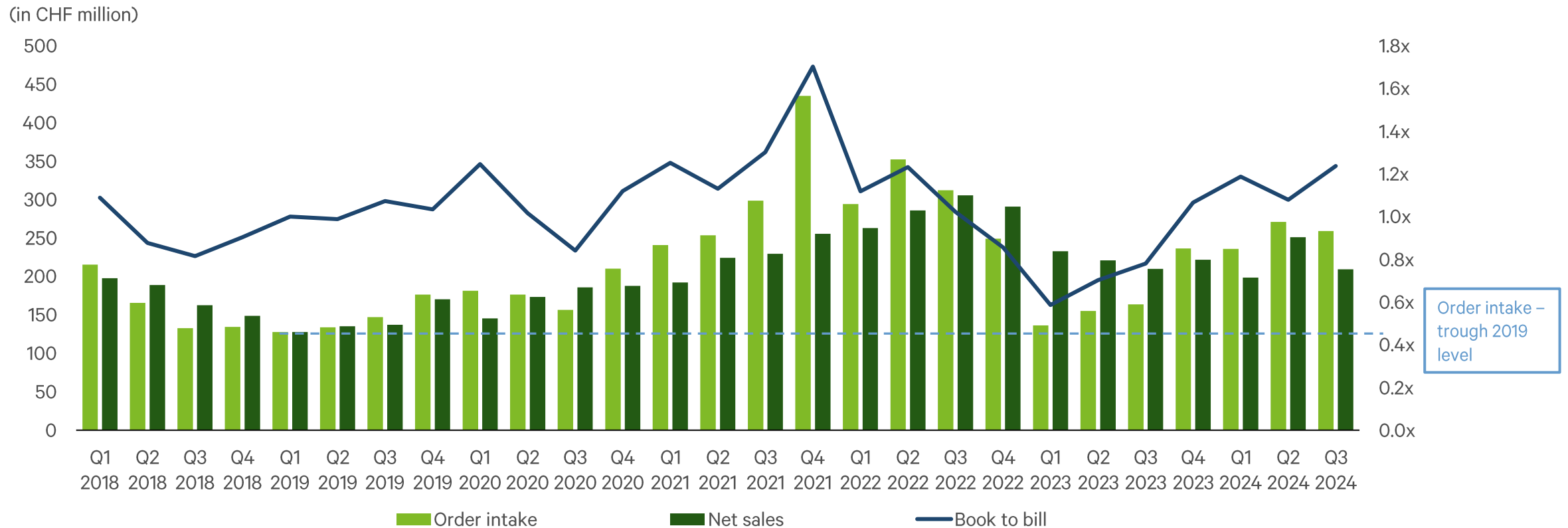
TechInsights February 2024

(1) Semi & related includes Semiconductors, Displays, Solar, LED Lighting, Hard Disk Drive

Orders and sales through the cycle



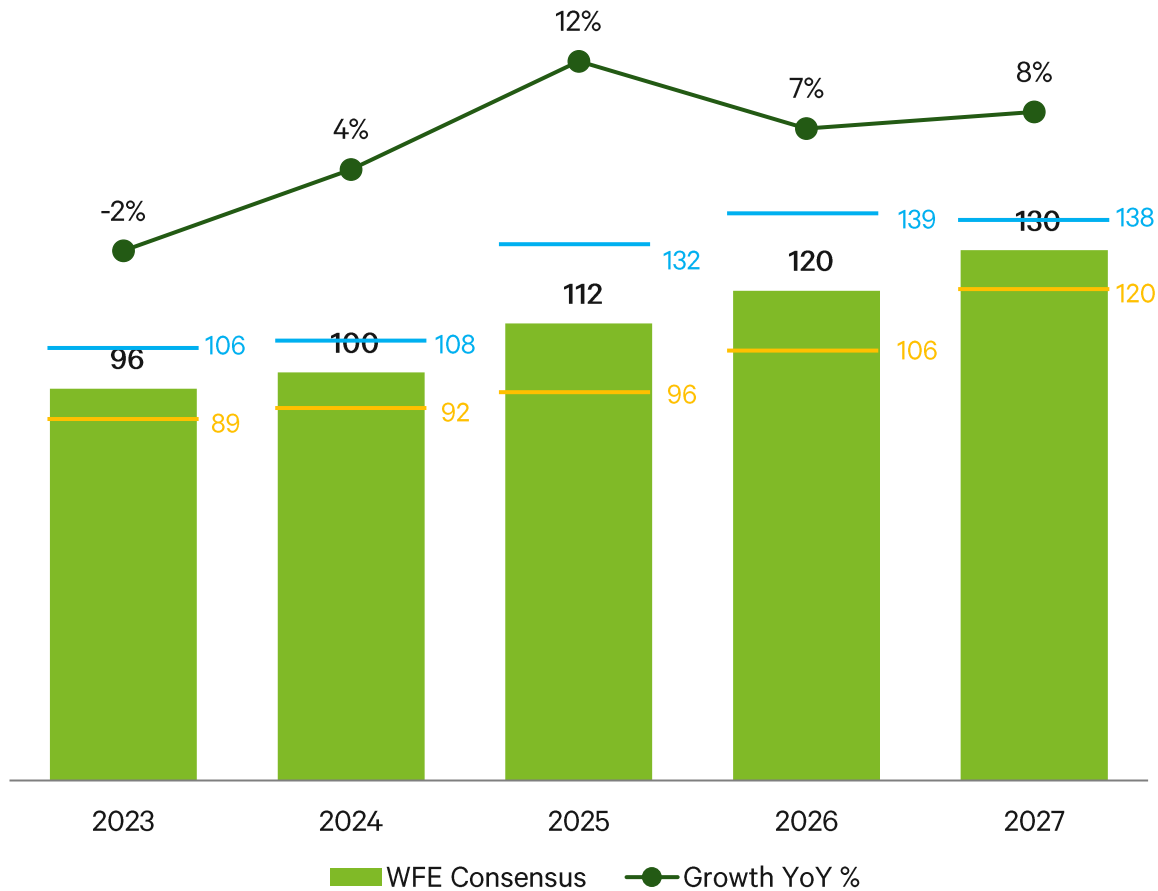
Order momentum rebounded since Q1 2023 with book-to-bill remaining above 1.0x since Q3 2023



- Improvement in order flow off the trough 2023 levels, with continuous sequential order recovery observed
- Book-to-bill remains above 1.0x since Q3 2023; Q2 2024 impacted by planned ERP pre-build

Further growth in WFE ahead

WFE estimates show a narrower width for 2024, expected to grow slightly, while there is a strong consensus that 2025 will be a stronger year.



- Leading Edge Logic
- Memory
- Onshoring
- China
- Advanced packaging

Source: TechInsights September 2024, Yole September 2024, SEMI.org June 2024; Barclays, BofA, DB, GS, Jefferies, JPM, MS, TD Cowen, UBS

Significant growth expected for semiconductors in 2025

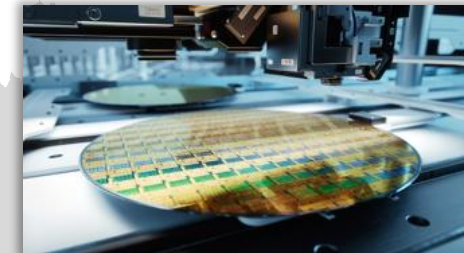


~100 fabs are coming online in the next 2 to 3 years – to achieve USD 1 trillion semi market by 2030



Americas: 18 fabs 80% leading edge

<https://medium.com/predict/the-coming-resurgence-in-us-semiconductor-manufacturing-e15d797128ba>



China: 41 fabs

<https://medium.com/predict/>

EMEA: 11 fabs
70% leading edge



<https://www.criticalmanufacturing.com/blog/>

Asia (ex-China): 33 fabs
80% leading edge



Lam Research

Fab status:

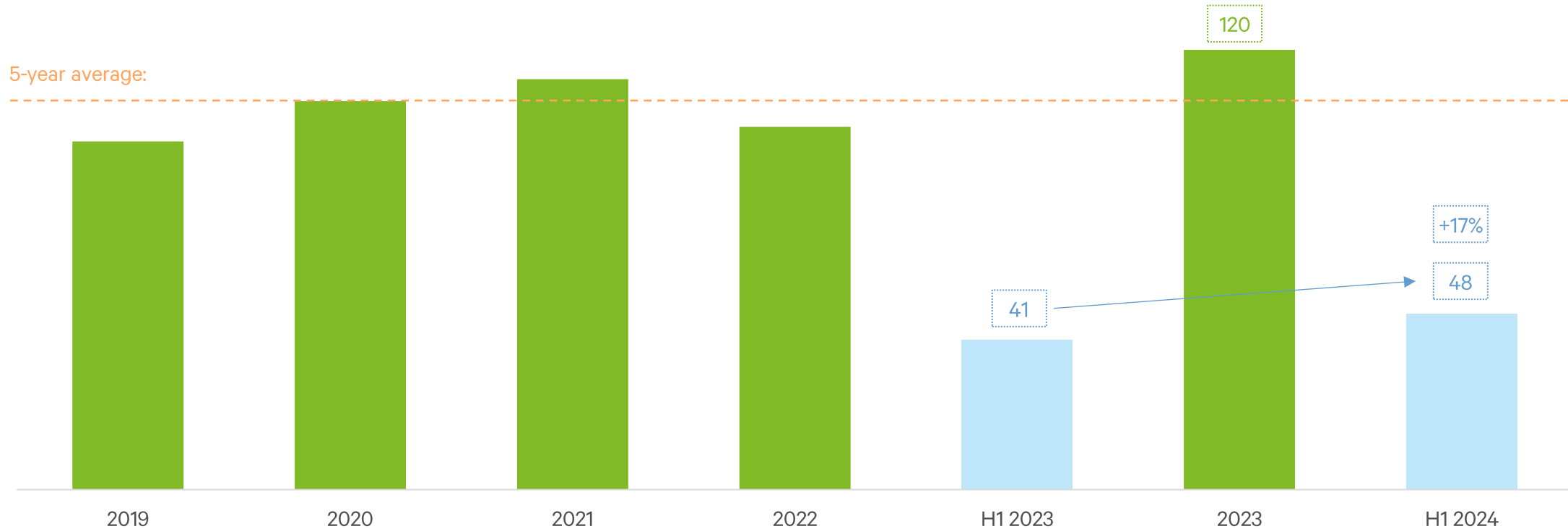
- 79 – in progress
- 22 – in operation
- 14 – equipping
- 43 – under construction
- 24 – planned

Source: Semi.org (March 2024)

R&D remains VAT's differentiator

VAT's focus and leadership on vacuum technology demonstrated by our spec-win rate

H1 2024 spec-wins continue at high level



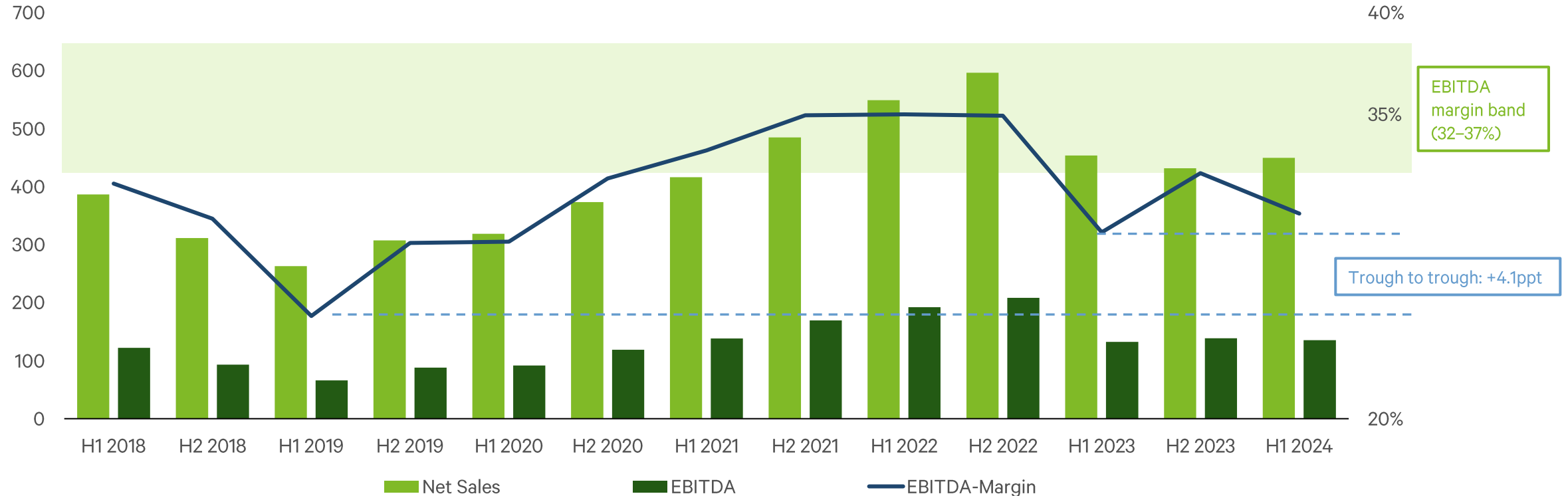
- Spec-wins have increased 17% y-o-y vs. H1 2023
- 2/3rds of all spec-wins in semi applications including adjacencies; 10% in ADV
- R&D focus on process resistance, purity and pressure control

EBITDA margin



EBITDA margin below bottom end of margin band; operating leverage yet to kick-in

Net sales (in CHF million)

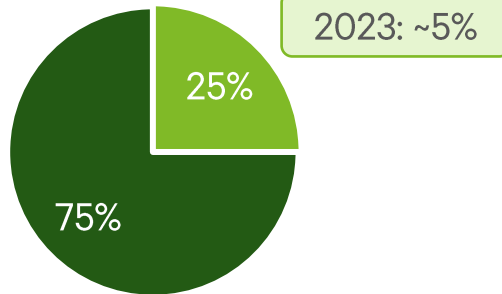


- EBITDA margin remains at the bottom end of the communicated EBITDA margin band as FX and ramp costs continue to weigh
- Continued improvement of EBITDA expected due to operating leverage

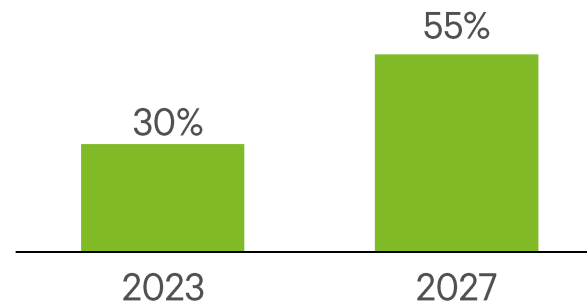
Cyclical industry – flexible operating model



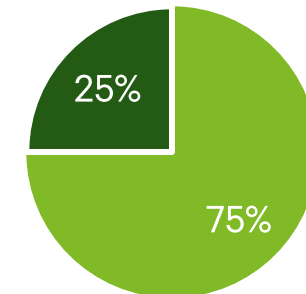
Proven downside protocols enabled VAT to reach margin guidance band in Q4 2023



Up to 25% flexible workforce group-wide (factory workers in CH, MY and RO)



Best cost country sourcing is expected to reach more than 55% by 2027 compared to 30% in 2023 (2022: 25%)



75% of our components are purchased from outside and around 2/3 of our costs are variable

The universe of ADV

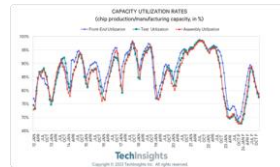
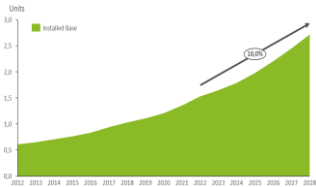


Global Service – growth drivers



VAT's service offering expected to develop in-line with semi market – installed base, retrofit adoption and new fabs will provide growth. ESG provides additional growth driver

Services revenue generated on basis of installed VAT valves, retrofits and adjacencies offering



VAT
repairable valve
installed-base

Average annual fab
utilization rate

Retrofit adoption rates of
competitors' valves

New fab construction
- linked to dry pump sales

Semi Adjacencies
products

Services products on offer

Spare parts & repairs; gates spare valves & upgrades

Retrofits

Subfab valves

Adjacency retrofits

IDM / OEM ESG considerations driving demand for VAT service products with measurable ESG impact



Spare gates with less
elastomers

Upgrades with lower energy
consumption

Retrofits with more efficient
VAT products

Higher spec valves – less
energy consumption

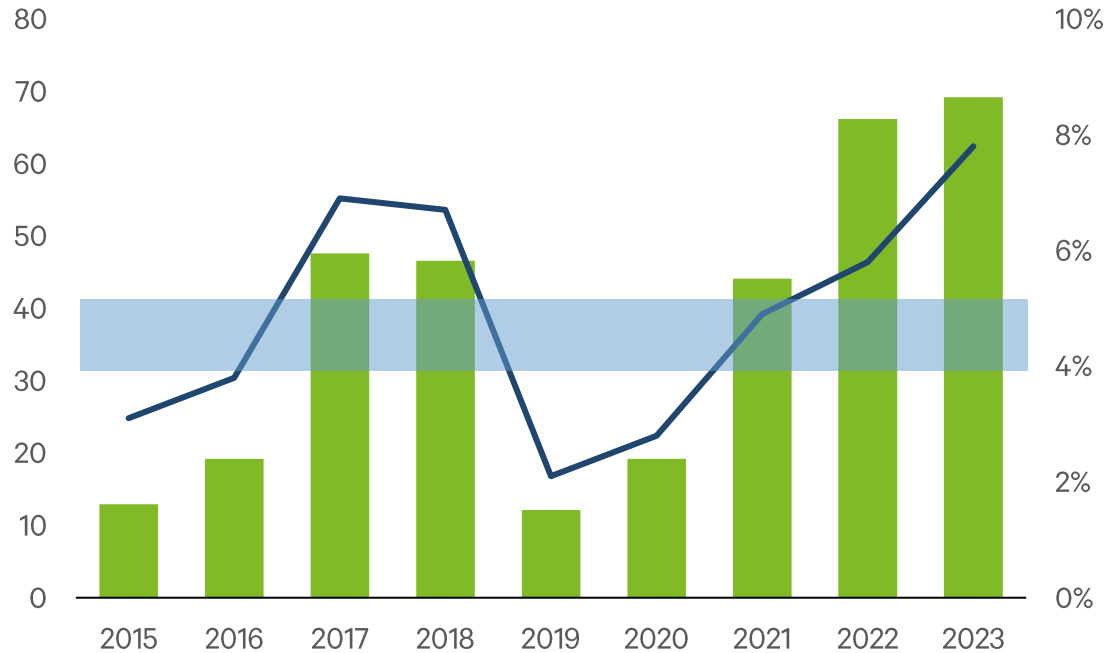
Smaller footprint
modules, efficiency

Investing and preparing VAT for market upturn

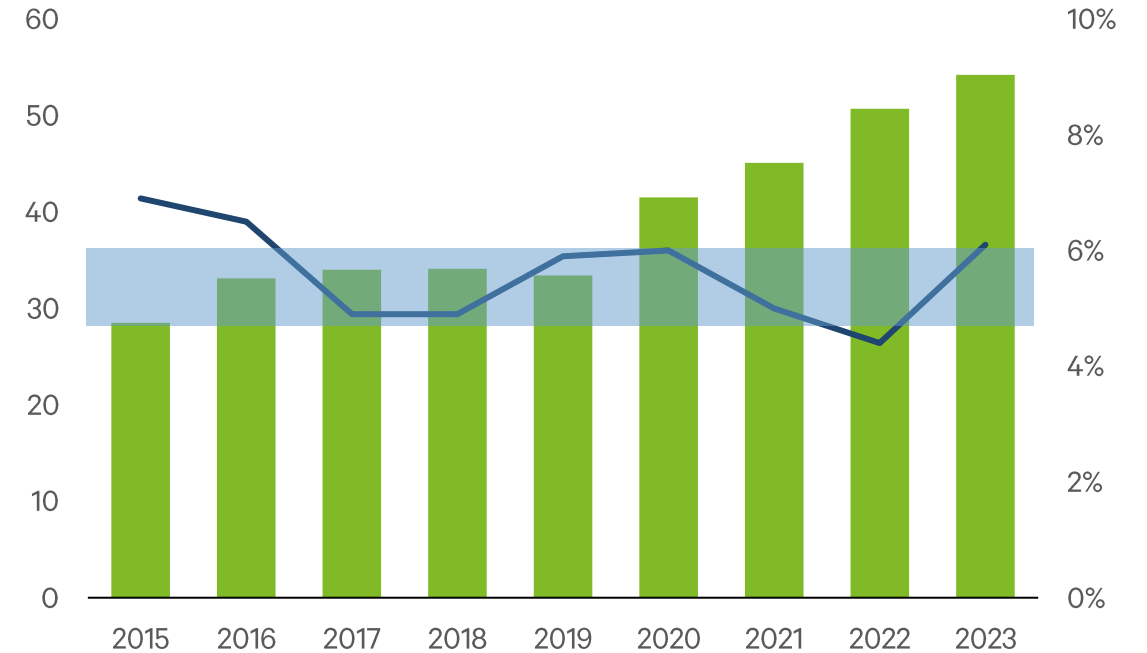


For VAT, maintaining capacity for customer and developing the next generation of technology around vacuum is a key differentiator.

Net Capex (in CHF million)



R&D (in CHF million)



Capex in CHF % of net sales Guidance range

R&D in CHF % of net sales Guidance range

- VAT remains focused on investing through the cycle – elevated capex and R&D to sales ratios to normalize when sales recover from trough
- Current expansions in Malaysia / Haag progressing well

VAT is ready for the significant ramp ahead



Investing ahead of market upswing essential to provide capacity when needed

>CHF 130m in Capacity Investments since 2020

2 primary production sites with total output capacity of CHF >2B by 2027

Factory output (CHFm)



Haag, Switzerland

2023 ~620

2027 1,000



Penang, Malaysia

2023 ~270

2027 >1,000

Doubling Capacity by 2027

- VAT Sales & Service Centers
- VAT Factories

Innovation Ctr. – Haag, CH



Site 1B – Penang, MY



In-House Weld Capacity – RO



Site 1A – Penang, MY



- VAT Sales & Sales Partners
- VAT Service Hubs

03

Q&A



Additional information



Investor information

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Financial calendar 2024 / 2025

2025

Thursday, January 9
Tuesday, March 4
Thursday, April 17
Tuesday, April 29
Wednesday, July 23
Thursday, October 16

Preliminary high-level Q4 and full-year 2024 results
Full-year 2024 results
Q1 2025 trading update
Annual General Meeting 2025
Half-year 2025 results
Q3 2025 trading update

Forward looking statements

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “believes,” “plans,” “anticipates,” “expects,” “estimates” and similar expressions) should be considered to be forward-looking statements. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the company to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the company’s ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the performance, security and reliability of the company’s information technology systems, political, economic and regulatory changes in the countries in which the company operates or in economic or technological trends or conditions. As a result, investors are cautioned not to place undue reliance on such forward-looking statements.

Except as otherwise required by law, VAT disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after this presentation was made.

Thank you!

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