

# Shareholder Information

Despite the prospect of a significantly lower result for the business year 2023, compared to the record level achieved a year earlier, VAT's share price rebounded sharply throughout 2023 as investors gained growing confidence that the market downturn witnessed in 2022 would reach its low point in 2023 and that 2024 would again be a year of growth. This change in investor sentiment was predominantly seen in the technology and semiconductor sectors, where share prices increased on a broad scale, while the broader markets recorded a much weaker recovery.

## Share price development



VAT's share price on December 31, 2023, amounted to CHF 421.50, compared with CHF 252.80 on December 31, 2022. VAT's market capitalization at year end amounted to CHF 12.7 billion, about 67% more than at the beginning of the year. The Swiss Leader Index increased by about 5% during the same period. Trading liquidity in VAT shares increased slightly to approximately 85,000 shares per day or CHF 28.1 million in value.

Short-term, VAT expects an improvement in its key semiconductor market in 2024, albeit at a moderate pace. Nevertheless, VAT's medium-term growth drivers – mainly in the semiconductor industry, VAT's largest end market – remain firmly in place. Megatrends, such as the Internet of Things, cloud computing and artificial intelligence, drive demand for more and higher performance semiconductors, that can only be manufactured in the purest vacuum environments, which plays to VAT's market-leading technology advantages. By 2030, global sales of semiconductors are expected to exceed USD 1 trillion, compared to about USD 600 billion in 2023. With this medium-term growth firmly in place, VAT expects its 2024 results to be higher than those recorded in 2023. Throughout the market downturn, VAT continued to invest in technology and production capacity in readiness to support its customers' requirements during the expected market recovery. As the global technology and market leader in vacuum valves – and by adding adjacent products to the existing offering – VAT has a proven strategy in place to harvest the opportunities offered in its markets. With a constant focus on cost and free cash flow, VAT has one of the best financial positions, allowing it to constantly invest in its future success.

### VAT's major shareholders

There have been some changes among VAT's major shareholders since the beginning of 2023. As of the publication of this annual report, there are now four institutions (formerly three) who each own more than 3% of VAT's outstanding shares and whose cumulative shareholding amounts to about 22% (previously 21%) of VAT's shares. The free float of VAT shares, as defined by the SIX Swiss Exchange, amounted to approximately 90% at the end of 2023 and the number of registered shareholders amounted to 20,160 (2022: 20,516).

### Stock exchange listing

<b>Ticker symbol</b>	VACN (SIX); VACN.S (Reuters); VACN SW (Bloomberg)	<b>Legal Entity Identifier (LEI)</b>	529900MVK7NVALR7Y83
<b>Valor number</b>	31 186 490	<b>Nominal value</b>	CHF 0.10 per share
<b>ISIN</b>	CH0311864901	<b>Free Float</b>	Approximately 90%
<b>Market capitalization as of December 31, 2023</b>	CHF 12.65bn	<b>Number of shares outstanding</b>	30,000,000
<b>Exchange</b>	SIX Swiss Exchange (International Reporting Standard)	<b>Segment</b>	Mid & Small Cap Swiss shares

### Distribution of shareholders by domicile and breakdown of registered shareholders by numbers of shares held

Switzerland	39%
Other countries	12%
Shares in transit	49%

The vast majority of registered shares not held in Switzerland are held in the rest of Europe (mainly the UK) and the US.

#### Number of shares held

1–100 shares	13,655
101–1,000 shares	5,667
1,001–10,000 shares	698
10,001–100,000 shares	126
100,001–1,000,000	13
More than 1,000,000 shares	1
<b>Total number of shareholders</b>	<b>20,160</b>

## Market Capitalization

in CHF bn as of December 31, 2023

# 12.65

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### Disclosure of shareholdings

With effect from January 1, 2016, under Art. 110 of the Federal Act on Financial Market Infrastructure (FinMIA), anyone who acquires or sells equity securities on their own account and thereby attains, falls below or exceeds the threshold of 3, 5, 10, 15, 20, 25, 33⅓, 50 or 66⅔% of the voting rights in a company (whether or not such rights may be exercised), is subject to a reporting obligation. This obligation applies to anyone who directly, indirectly or in concert with third parties acquires or disposes of shares in a company incorporated in Switzerland whose equity securities are listed in whole or in part in Switzerland. It also applies to anyone who can exercise the voting rights attached to such equity securities at their own discretion. Disclosure must be made to the company and stock exchanges on which the equity securities in question are listed.

### Significant shareholders

Information on significant shareholders is disclosed on page 49 of this report.

### Dividend policy

VAT Group AG is committed to an attractive dividend policy that reflects the company's strong free cash flow generation and solid balance sheet. In line with this policy, VAT Group intends to distribute to its shareholders up to 100% of free cash flow to equity (FCFE).

At its Annual General Meeting on May 14, 2024, VAT's Board of Directors will propose an unchanged dividend for the fiscal year ending December 31, 2023, of CHF 6.25 per registered share. The whole amount will be paid from the company's accumulated gains.

### Disclosure policy

VAT Group AG is committed to open and transparent communication with shareholders, financial analysts, customers, suppliers and all other stakeholders. VAT aims to communicate material developments in its business in a timely manner and in compliance with the rules of the SIX Swiss Exchange.

**Investor Relations**

VAT's Investor Relations team manages the company's interaction with the financial community, including attendance at key investor conferences and providing institutional investors and analysts with various opportunities to learn more about VAT Group's strategy, business operations and governance. Investor Relations is based at the Group's headquarters in Haag, Switzerland. More information is available on the VAT Group website: <https://ir.vatvalve.com>.

**Key data on VAT registered shares**

		2023	2022
Share capital	CHF	3,000,000	3,000,000
Number of shares on December 31		30,000,000	30,000,000
Nominal value per share	CHF	0.10	0.10
Shares outstanding		30,000,000	30,000,000
EBITDA per share	CHF	9.03	13.35
Free cash flow per share	CHF	6.29	7.61
Book value per share	CHF	25.24	26.01
Dividend per share <sup>1</sup>	CHF	6.25	6.25
Share price high	CHF	422.70	469.60
Share price low	CHF	252.80	198.70
Closing share price on December 31	CHF	421.50	252.80
Average daily trading volume	Shares	84'868	84,127
Average daily trading value	CHF million	28.1	23.8

<sup>1</sup> Proposed by the Board of Directors.

# Financial Calendar

Date	Event
<b>2024</b>	
Thursday, April 11, 2024	Q1 2024 trading update
Friday, May 3, 2024	Record date, closing of share register, 5.00p.m. CEST
Tuesday, May 14, 2024	Annual General Meeting, St Gallen, Switzerland
Thursday, May 16, 2024	Ex-date
Tuesday, May 21, 2024	Dividend payment
Thursday, July 18, 2024	Half-year 2024 results
Thursday, October 17, 2024	Q3 2024 trading update
<b>2025</b>	
Tuesday, March 4, 2025	Q4 and Full-year 2024 results

## 5-year key figures

In CHF million	2023	2022	2021	2020 restated <sup>1</sup>	2019 restated	CAGR 2019–2023
Order intake	691.9	1,209.9	1,227.9	724.5	585.0	4.3%
Order backlog as of December 31	291.6	517.7	461.2	145.3	114.5	26.3%
Net sales	885.3	1,145.5	901.2	692.4	570.4	11.6%
Gross profit	546.7	733.7	570.5	430.1	345.4	12.2%
Gross profit margin	61.7%	64.1%	63.3%	62.1%	60.6%	–
EBITDA	270.9	400.4	307.9	210.5	148.2	16.3%
EBITDA margin	30.6%	35.0%	34.2%	30.4%	26.0%	–
EBIT	228.6	359.4	264.9	169.8	102.5	22.2%
EBIT margin	25.8%	31.4%	29.4%	24.5%	18.0%	–
Net income	190.3	306.8	217.4	127.9	70.3	28.3%
Net income margin	21.5%	26.8%	24.1%	18.5%	12.3%	–
Basic earnings per share (in CHF)	6.35	10.23	7.25	4.27	2.34	28.3%
Diluted earnings per share (in CHF)	6.34	10.22	7.24	4.26	2.34	28.3%
Cash flow from operating activities	256.4	294.0	239.8	166.2	151.9	14.0%
Capex <sup>2</sup>	69.2	66.2	44.1	19.2	12.1	54.6%
Capex margin	7.8%	5.8%	4.9%	2.8%	2.1%	–
Free cash flow <sup>3</sup>	188.8	228.2	195.7	147.0	139.9	7.8%
Free cash flow margin	21.3%	19.9%	21.7%	21.2%	24.5%	–
Free cash flow conversion rate <sup>4</sup>	69.7%	57.0%	63.6%	69.8%	94.4%	–
Free cash flow to equity <sup>5</sup>	181.8	224.6	192.0	143.0	135.4	7.6%

As of December 31 In CHF million	2023	2022	2021	2020	2019	CAGR 2019–2023
Total assets	1,168.5	1,274.8	1,064.9	989.1	966.5	4.9%
Total liabilities	411.3	494.5	430.5	444.5	448.3	-2.1%
Equity	757.2	780.3	634.4	544.6	518.2	9.9%
Net debt	63.2	36.8	79.7	128.5	144.3	-18.6%
Net debt/EBITDA	0.2	0.1	0.3	0.6	0.9	-29.4%
Invested capital <sup>6</sup>	599.6	642.6	463.9	411.1	350.0	14.1%
NOPAT <sup>7</sup>	207.4	317.0	235.5	155.6	99.0	20.3%
Return on invested capital (ROIC)	33.4%	57.3%	53.8%	40.6%	28.0%	–
Dividend per share <sup>8</sup>	6.25	6.25	5.50	4.50	4.00	–
Payout ratio <sup>9</sup>	103.1%	83.5%	85.9%	94.4%	88.6%	–
Number of employees <sup>10</sup>	2,666	2,991	2,540	2,041	1,810	10.2%

1 Prior-period financial statements have been restated in line with a clarification in 2021 by the IFRS Interpretations Committee that costs for cloud-based services, such as VAT's new ERP system, are to be expensed through the income statement when they occur, rather than capitalized.

2 Capex: acquisitions of subsidiaries net of cash, purchases of property, plant and equipment, and intangible assets and proceeds from sale of property, plant and equipment.

3 Free cash flow: cash flow from operating activities minus cash flow from investing activities.

4 Free cash flow conversion rate: free cash flow as a percentage of EBITDA.

5 Free cash flow to equity: free cash flow less interest paid.

6 Invested capital is defined as total assets less acquired intangibles and non-interest bearing liabilities.

7 Net operating profit less adjusted taxes (NOPAT) is calculated as EBITDA minus depreciation and amortization plus finance income less taxes at the average Group rate of 16.0% (previous year 16.0%).

8 2023 dividend proposal of the VAT Board of Directors to its shareholders at the AGM on May 14, 2024; CHF 6.25 per share to be paid from accumulated gains.

9 Percentage of free cash flow to equity proposed to be paid out as dividend.

10 Number of employees expressed as full time equivalents (FTE).

# Technical Glossary

**5G** The fifth generation of wireless cellular networks used to connect digital devices for e-mobility, smart power grids, industrial automation and other applications.

**AI (artificial intelligence)** The simulation of human intelligence processes by machines, especially computer systems, and used in applications such as natural language processing, speech recognition and machine vision.

**ALD (atomic layer deposition)** An advanced deposition technique that allows for ultra-thin films of a few nanometers to be deposited in a precisely controlled way.

**Control Valve** A valve that controls pressures or gas flows in different steps of semiconductor manufacturing.

**Deposition** The transfer of material onto a semiconductor wafer, including physical vapor deposition (PVD), chemical vapor deposition (CVD), and molecular beam epitaxy (MBE).

**e-beam technologies** The use of a focused beam of electrons within a vacuum to perform processes such as ultra-thin coating and precision welding, as well as in medical and scientific research.

**Etching** A process for removing material in a specified area through a chemical reaction or physical bombardment.

**EUV (extreme ultraviolet) lithography** A photolithography process using light with a wavelength near 13.5 nm to make extremely small integrated circuits on the most advanced semiconductors.

**Fab** Common name for a semiconductor fabrication plant, a factory used to manufacture integrated circuits.

**Gate Valve** A valve that regulates the flow of gases, fluids or materials by opening, closing or obstructing a port or passageway.

**Integrated Circuit (IC)** A semiconductor product of electrically connected components (such as transistors and capacitors) fabricated on the same substrate.

**Internet of Things (IoT)** The interconnection via the Internet of computing devices embedded in everyday objects, enabling them to send and receive data.

**Isolation Valve** Used to seal high-vacuum process chambers from neighboring processes that are at different pressure levels.

**Liquid-Crystal Display (LCD)** A type of flat-panel display that uses an array of backlit thin-film transistors to control each pixel.

**Load Lock** A chamber used to transfer a wafer from an environment at atmospheric pressure into and out of the vacuum environment used for processing.

**MEMS (micro-electromechanical systems)** A process technology used to create microscopic integrated devices or systems that combine mechanical and electrical components.

**Nanometer (nm)** A unit of length; one billionth of a meter, commonly used in the semiconductor industry to describe device dimensions.

**Packaging** The protective container or housing for an electronic component or die, with external terminals to provide electrical access to the components inside.

**Organic Light-Emitting Diode (OLED)** A flat light-emitting technology made by placing a series of organic thin-films between two conductors. OLEDs can be used to make displays and lighting.

**Process Chamber** An enclosed area in which a single process is performed in the manufacture of an integrated circuit or other device.

**Photovoltaic (PV)** The generation of electricity from solar radiation.

**Semiconductor** A material whose electrical conductivity is between that of metals (conductors) and insulators (non-conductors) and can be modified physically or chemically to increase or decrease its conductivity.

**Subfab** The area underneath a semiconductor fabrication plant that contains support equipment (pumps, etc.) for processing tools.

**Thin-Film** A layer of material ranging from fractions of a nanometer to several micrometers thick.

**Transfer Valve** Used to move substrates such as wafers, glass panels and other materials into and out of manufacturing process chambers.

**Vacuum** A pressure below the ambient atmosphere.

- Typical atmospheric pressure at sea level: 1,000 millibars (mbar).
- Pressure at typical cruising altitude for commercial aircraft: 100 mbar.
- High vacuum used in coating processes:  $10^{-8}$  mbar (1 one-hundred-millionth of a millibar).
- Ultra-high vacuum used in deposition processes:  $10^{-10}$  mbar (1 ten-billionth of a millibar).