



Media Release

Haag, Switzerland, October 10, 2018

VAT ANNOUNCES SHORT TIME WORK FOR ITS PRODUCTION EMPLOYEES IN HAAG

VAT Group today announced that it will introduce a short time work scheme for about 400 production employees at VAT Vakuumventile AG. The move reflects the previously-announced softening of certain markets, especially in semiconductor equipment. The corresponding request has been granted by the Canton of St. Gallen's Office for Economy and Labor. VAT's welded bellow business at Comvat AG is not impacted by short time work.

The program will begin on October 15, 2018 and will be limited in an initial phase until December 31, 2018. It will not affect customers or product quality in any way.

As previously communicated during the Q1 2018 trading update in April and the revised full-year outlook on August 2, 2018, VAT is confronted with a market correction due to the significant capacity additions by the semiconductor companies during 2017 and the beginning of 2018 that need to be digested. VAT expects continued growth in its major markets but at a more moderate pace, reflecting in large part the push-out of several large semiconductor and display fab expansions to later dates.

Nevertheless, the future prospects for VAT's business and its fundamental growth drivers, such as digitalization, the Internet of Things, autonomous vehicles, etc., remain in place and VAT expects its markets to regain a healthy growth trajectory.

The implementation of a short time work program is a clear commitment to VAT's highly qualified employees in preparation for a return to healthier growth rates expected in the future.

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ABOUT VAT

VAT is the leading global developer, manufacturer and supplier of high-end vacuum valves. VAT vacuum valves are mission-critical components for advanced manufacturing processes of innovative products used in daily life such as portable devices, flat screen monitors or solar panels. VAT is organized into three different reporting segments: Valves, Global Service and Industry offering high-end vacuum valves, multi-valve modules, edge-welded bellows and related value-added services for an array of vacuum applications. VAT Group is a global player with over 1'900 employees and main manufacturing sites in Haag (Switzerland), Penang (Malaysia) and Arad (Romania). Net sales in the financial year 2017 amounted to CHF 692 million.