



Haag, Switzerland, May 18, 2021

VAT Annual General Meeting 2021

Speech of Dr. Martin Komischke, Chairman of the Board of Directors

Ladies and Gentlemen, fellow shareholders, good morning and welcome.

Today and for the second year in a row we are holding our annual general meeting in the absence of our valued shareholders. Regrettably, the ongoing global COVID-19 pandemic that has dominated our daily life for over a year now requires that we again take this step. The health and well-being of all of our stakeholders – employees, customers, suppliers, the communities in which we operate and, of course, our shareholders – are of utmost importance to us, but we are looking forward to hopefully meeting you all again in person in 2022.

At last year's AGM, I expressed my confidence that we would come through this pandemic stronger than we were before, as individuals, as a society and as a company. Despite the unprecedented challenges of the past 15 months—lockdowns and their dramatic economic impacts, anxiety about keeping ourselves and our loved ones safe, growing uncertainties about the future—our steadfast commitment to safety, solidarity and responsibility has helped turned the tide. Uncertainty remains, and there are still significant challenges ahead, such as ensuring that developing countries are also able to provide appropriate levels of medical care to their citizens. But as the roll-out of COVID vaccines gains momentum and our understanding of this virus increases, I'm hopeful that the worst is behind us.

As far as our business is concerned, I'm happy to report that we have so far managed our way through the pandemic in good shape. Our positive full-year 2020 results, including record EBITDA, EBITDA margin and free cash flow, were driven by strong demand from our core semiconductor end market, supported by our continued technology leadership, solid execution of targeted growth measures, and our ongoing efforts to reap the full operational benefits of our more balanced global footprint.

In fact, we started 2020 gearing up for a return to growth after the cyclical downturn we saw in the previous two years. But by the end of the first quarter, all our efforts were aimed at coming to grips with the global coronavirus pandemic.

The pandemic profoundly affected every aspect of our lives. Restrictions on movement and other measures to dampen the spread of the virus created huge uncertainties and demanded significant sacrifices from individuals, families and communities. The economic impacts were profound. Many businesses, large and small, have suffered.

One advantage that helped VAT successfully navigate these turbulent conditions was our strong position in a system-critical industry. Our vacuum valves are needed to make the semiconductors on which the world economy depends, whether for computers, smart phones, medical equipment or the data centers that enable us to better manage this increasingly complex world.

Our people give us another advantage. Despite the unprecedented challenges presented by COVID-19, they have shown an unflagging commitment to serving our customers. This



includes the discipline needed to keep each other, our suppliers and our customers connected yet safe as we rapidly implemented measures in all of our locations to contain the pandemic.

Thus, we continued to build our leading market share, launch new products, expand our global service business and increase the flexibility, speed and efficiency of our global footprint. It was a remarkable achievement, and I am proud of our employees' engagement and solidarity through this difficult period. On behalf of the Board of Directors, I would like to thank them all for their outstanding performance in 2020.

Last year, we also held our first capital markets day, when Mike Allison, our CEO, along with other senior management, explained how we intend to generate profitable growth in the years to come. We see four key drivers: gaining market share in our core valves business; growing our global service business; expanding into value-adding adjacencies; and continuing to improve our operational performance and optimizing our global footprint.

Market share in this highly demanding industry is built on cutting-edge technology and the ability to innovate quickly. We have consistently invested more than our competitors in research and development and have cultivated a deep knowledge of what technologies our customers need. As the industry moves to the high-precision semiconductors of the future, we intend to use our market and technology leadership to build our No. 1 market share even further.

Service is another area where we can build market share through innovation. VAT currently has more than one million valves installed around the world. The largest service network in the industry means we can support our customers quickly, wherever they are. And we're developing new service products to make repair and replacement faster so that our customers face less down time.

The third pillar in our strategy is to expand into profitable adjacent applications, such as motion components and device interconnectability. We'll make VAT valves smarter, with precise analytic and control algorithms that will create significant value for our customers. Finally, we will continue to drive operational excellence, delivering more value to our customers, faster and more efficiently, and more value to our share-holders through profitable growth.

Value creation also needs to be sustainable over the long term, not just for our customers and shareholders, but also for our people and the communities where they work and live. We address this in various ways, such as offering our people opportunities to develop their skills, transferring know-how across borders, and expanding our value chain into new communities. We're also reducing our impact on the environment in areas such as packaging and energy supply. We remain committed to creating a sustain-ability culture of which our employees can be proud, and that helps grow the business profitably so that we can continue to deliver superior value long into the future.

I'd also like to thank you, our shareholders, for supporting us as we continue to grow this exciting business. Buoyed by a strong year in 2020 and a positive long-term outlook driven by the steady growth of global digitalization, we seek your approval for a 12.5% higher dividend of CHF 4.50 per share under agenda item 2.

We are looking optimistically into 2021 and the start of the year confirmed our positive view. During the first quarter, VAT increased its order intake by 33% to CHF 241 million compared with the same period a year ago and our sales grew 32% to CHF 192 million. This strong



performance reflects higher investments by our customers on the back of a profound global chip shortage, the continuing development of new generations of semiconductors that require the most advanced vacuum technology, and a recovering global industrial market following the COVID-induced economic slowdown in 2020

The remarkably fast development of vaccines against the coronavirus shows the enormous power of human ingenuity. We at VAT strive to emulate this in our own way to create value and build a better future. I look forward to continuing this endeavor together with you in the coming years.

In the meantime, stay safe and healthy.

Dr. Martin Komischke
Chairman of the Board of Directors