

Dear Stakeholders,

In 2022, VAT delivered the best results in its history. We broke the CHF 1-billion mark in net sales for the first time. We further increased profitability with a record EBITDA margin and generated the best-ever free cash flow. At the same time, we consolidated our leading market position and reinforced our technology leadership with a range of new products and service solutions.

This is a remarkable achievement, especially in a dynamic environment with historically high demand combined with a variety of macroeconomic uncertainties. I can point to several reasons for our success. For example, we continue to benefit from our leadership position as the premier supplier of advanced vacuum valve technology to the semiconductor industry. Our products are indispensable for making the increasingly complex chips underlying digitalization. Another is the emergence of new opportunities in areas such as sustainable energy, the expansion of vacuum processes into a broader range of industries, and biomedical research.

In addition, we've been able to keep pace with this fast-changing market by consistently investing in technology innovation and in a robust and flexible global footprint and value chain. Combined with our ongoing efforts to steadily improve our operational performance—becoming faster, more efficient and, above all, keeping our customers at the center of everything we do—we've been able to create superior value reliably through the business cycle.

None of these accomplishments would have been possible without the energy, commitment and creativity of our 3,000 employees around the world. On behalf of the Board of Directors, I would like to express my thanks to this great team and their consistently outstanding performance.

Another highlight in 2022 was our second Capital Markets Day in December where we updated our medium-term business strategy. We showed that we've already surpassed some of the most ambitious targets that we set in 2020 for the period 2020–25 and so we've updated our new 2027 targets to reflect this positive development. I believe our performance in 2022 shows we are on the right track to meet these new targets.

We have also committed to play our part in the transition to a more sustainable society, and in 2022 we published our first Sustainability Review. There we highlighted the actions we've taken to reduce the impact of our business on the environment, to support the development of the communities in which we operate, and to provide our people with opportunities to grow, both professionally and personally. And we acknowledged that there is much more to do. We are strengthening our sustainability management and governance structures and you can expect to see continued improvements both in the scope of our sustainability activities in 2023 as well the way we report our progress.

As we look ahead, we operate in dynamic and fast-changing markets and 2023 will be no different. Short-term demand is currently being affected by factors such as inflation risks, uncertain consumer spending, the war in Ukraine and the ongoing trade tensions between the US and China. Our industry is adapting and many of our customers plan to reduce their capital investments in semiconductor manufacturing equipment this year.

“We have a robust financial foundation and a track record of value-creating capital allocation.”



DR. MARTIN KOMISCHKE
CHAIRMAN OF THE BOARD OF DIRECTORS

However, we believe we're very well positioned not only to meet these challenges but to achieve even greater success when the cycle turns again. Our steady investment in innovation ensures our technology leadership. We have deep, long-term relationships with all the major players in the market, a competitive edge in an uncertain environment. The global service business provides a profitable buffer in periods of lower capital spending on semiconductor equipment.

Our increasingly efficient global production and supply footprint means we can adjust capacity and cost quickly while continuing to meet our customers' technology and service requirements. We have a robust financial foundation and a track record of value-creating capital allocation. Finally, our team of dedicated and engaged people around the world has proven they can deliver against our commitments over the long term.

That's why your Board of Directors looks to the future with optimism and will ask shareholders to approve a dividend of CHF 6.25 per share at our Annual General Meeting on May 16. The Board and I would like to thank you for your ongoing support and we look forward to working with you to make this company even more successful in the years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Komischke".

Dr. Martin Komischke