

Shareholder Information

VAT's share price declined during 2022 along with those of most other equities, primarily reflecting global macroeconomic uncertainties centered on rapidly rising inflation, coupled with moves from many central banks to significantly increase interest rates and the ongoing war in Ukraine. These short-term macro concerns led to a broad sell-off in equities in 2022—including those of VAT—despite continued strong demand in VAT's largest market, semiconductors. Along with continued improvement in operational performance and successful execution of the company's profitable growth strategy, the favorable market helped drive record results in 2022, including net sales above CHF 1 billion for the first time, as well as record EBITDA, EBITDA margin and free cash flow.

Shareholder base

There have been no substantial changes among VAT's top shareholders since the beginning of 2022. As of the publication of this annual report, there are three shareholders who each own more than 3% of VAT's outstanding shares and whose cumulative shareholding amounts to about 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 2022 and the number of registered shareholders amounted to 20,516.

Information on significant shareholders is disclosed on pages 44–45 of this report.

Share price development



VAT's share price on December 31, 2022, amounted to CHF 252.80, compared with CHF 454.40 on December 31, 2021. VAT's market capitalization at the end of December amounted to CHF 7.6 billion, about 44% less than at the beginning of the year. The Swiss Leader Index decreased by about 20% during that period. Trading liquidity in VAT shares remained at the same level as a year ago at approximately 84,000 shares per day.

VAT added to Swiss Leader Index

On March 31, 2022, VAT was included into the Swiss Leader Index (SLI), replacing Vifor Pharma AG that was delisted as the result of a takeover. The SLI measures the development of the 30 largest and most liquid instruments of the Swiss equity market SPI and thus increases the weight of smaller components versus the SMI.

Stock exchange listing

Ticker symbol	VACN (SIX); VACN.S (Reuters); VACN SW (Bloomberg)	Legal Entity Identifier (LEI)	529900MVF7K7NVALR7Y83
Valor number	31 186 490	Nominal value	CHF 0.10 per share
ISIN	CH0311864901	Free Float	Approximately 90%
Market capitalization as of December 31, 2022	CHF 7.58 bn	Number of shares outstanding	30,000,000
Exchange	SIX Swiss Exchange (International Reporting Standard)	Segment	Mid & Small Cap Swiss shares

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

Switzerland	40%
Other countries	21%
Shares in transit	39%

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	13,435
101–1,000 shares	6,188
1,001–10,000 shares	757
10,001–100,000 shares	119
100,001–1,000,000	14
More than 1,000,000 shares	3
Total number of shareholders	20,516

Market Capitalization

in CHF bn as of December 31, 2022

7.58

Dividend Payout Ratio

in % of Free Cash Flow to Equity

83.5

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

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).

Supported by the company's continued strong free cash flow generation in 2022 and its positive medium-term growth outlook, VAT's Board of Directors will propose at its Annual General Meeting on May 16, 2023, a dividend for the fiscal year ending December 31, 2022, of CHF 6.25 per registered share, an increase of CHF 0.75 or 14%. 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 businesses 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

		2022	2021
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	13.35	10.26
Free cash flow per share	CHF	7.61	6.52
Book value per share	CHF	26.01	21.15
Dividend per share ¹	CHF	6.25	5.50
Share price high	CHF	469.60	484.20
Share price low	CHF	198.70	219.60
Closing share price on December 31	CHF	252.80	454.40
Average daily trading volume	Shares	84,127	81,002
Average daily trading value	CHF million	23.8	27.0

¹ Proposed by the Board of Directors

Financial Calendar

Date	Event
2023	
Thursday, April 13, 2023	Q1 2023 trading update
Friday, May 5, 2023	Record date, closing of share register, 5.00 pm CEST
Tuesday, May 16, 2023	Annual General Meeting, St Gallen, Switzerland
Friday, May 19, 2023	Ex-date
Wednesday, May 24, 2023	Dividend payment
Thursday, July 27, 2023	Half-year 2023 results
Thursday, October 12, 2023	Q3 2023 trading update
2024	
Thursday, March 7, 2024	Q4 and Full-Year 2023 results

5-year key figures

In CHF million	2022	2021	2020	2019	2018	CAGR 2018–2022
Order intake	1,209.9	1,227.9	724.5	585.0	648.0	16.9%
Order backlog as of December 31	517.7	461.2	145.3	114.5	113.6	46.1%
Net sales	1,145.5	901.2	692.4	570.4	698.1	13.2%
Gross profit	733.7	570.5	430.1	345.4	419.5	15.0%
Gross profit margin	64.1%	63.3%	62.1%	60.6%	60.1%	–
EBITDA	400.4	307.9	210.5	148.2	214.0	17.0%
EBITDA margin	35.0%	34.2%	30.4%	26.0%	30.7%	–
EBIT	359.4	264.9	169.8	102.5	178.8	19.1%
EBIT margin	31.4%	29.4%	24.5%	18.0%	25.6%	–
Net income	306.8	217.4	127.9	70.3	134.9	22.8%
Net income margin	26.8%	24.1%	18.5%	12.3%	19.3%	–
Basic earnings per share (in CHF)	10.23	7.25	4.27	2.34	4.50	22.8%
Diluted earnings per share (in CHF)	10.22	7.24	4.26	2.34	4.50	22.8%
Cash flow from operating activities	294.0	239.8	166.2	151.9	170.5	14.6%
Capex ¹	66.2	44.1	19.2	12.1	46.6	9.2%
Capex margin	5.8%	4.9%	2.8%	2.1%	6.7%	–
Free cash flow ²	228.2	195.7	147.0	139.9	123.9	16.5%
Free cash flow margin	19.9%	21.7%	21.2%	24.5%	17.7%	–
Free cash flow conversion rate ³	57.0%	63.6%	69.8%	94.4%	57.9%	–
Free cash flow to equity ⁴	224.6	192.0	143.0	135.4	119.6	17.1%

As of December 31 In CHF million	2022	2021	2020	2019	2018	CAGR 2018–2022
Total assets	1,274.8	1,064.9	989.1	966.5	967.3	7.1%
Total liabilities	494.5	430.5	444.5	448.3	403.9	5.2%
Equity	780.3	634.4	544.6	518.2	563.4	8.5%
Net debt	36.8	79.7	128.5	144.3	147.6	–29.3%
Net debt/EBITDA	0.1	0.3	0.6	0.9	0.7	–39.5%
Invested capital ⁵	642.6	463.9	411.1	350.0	357.4	15.8%
NOPAT ⁶	317.0	235.5	155.6	99.0	163.4	18.0%
Return on invested capital (ROIC)	57.3%	53.8%	40.6%	28.0%	47.7%	–
Dividend per share ⁷	6.25	5.50	4.50	4.00	4.00	–
Payout ratio ⁸	83.5%	85.9%	94.4%	88.6%	100.4%	–
Number of employees ⁹	2,991	2,540	2,041	1,810	1,712	15.0%

1 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.

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

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

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

5 Invested capital is defined as total assets less non-current liabilities.

6 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 15.9% (previous year 16.1%).

7 2022 dividend proposal of the VAT Board of Directors to its shareholders at the AGM on May 16, 2023; CHF 6.25 per share to be paid from accumulated gains.

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

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