



“Ad hoc announcement pursuant to Art. 53 LR”

Media Release

Haag, Switzerland, January 12, 2022

VAT POSTS RECORD FULL-YEAR RESULTS FOR SALES, EBITDA, EBITDA MARGIN AND FREE CASH FLOW AS STRONG GROWTH CONTINUES

Based on preliminary and unaudited figures, VAT's fourth-quarter and full-year 2021 results will be substantially above the previous year's periods, confirming the positive outlook given last year. The results include a change in accounting policy driven by a decision of the IFRS interpretations committee. Such change is applied retrospectively and consequently, prior period financial statements will be restated (further information on page 2).

In the Valves segment, the business unit Semiconductor reported record results in 2021, as high capital investment in the semiconductor industry continued. Strong order momentum in the Display & Solar business unit confirms that the bottom of the cycle has been reached in this market, while the Advanced Industrials business unit benefited from recovering industrial markets, supported by targeted growth initiatives. The Global Service segment also achieved record results driven by its increasing installed base, coupled with the high utilization levels in the semiconductor fabs that drove increased demand for spares and repairs as well as consumables.

Q4 2021 results

VAT recorded preliminary Q4 orders of around CHF 434 million, up 107% compared with the same period a year earlier and 45% higher than the third quarter of 2021. The order pattern seen in the fourth quarter confirms the significant capital investment programs that end customers, especially in the semiconductor industry, plan for 2022. VAT estimates that at least 20% of Q4 orders reflect generally extended lead times, as well as year-end concentration of order activity driven by price increases, last-buy announcements and a high level of advance orders from smaller OEM customers. Preliminary net sales came in slightly above the guidance of CHF 240 to 250 million provided in October 2021, and amounted to approximately CHF 255 million, an increase of 36 % compared with the same quarter a year earlier, and up 11% compared with the third quarter of 2021. This translates to a Q4 book-to-bill ratio of 1.7. At the end of December, the order book amounted to approximately CHF 461 million, 62% higher than at the end of the third quarter of 2021.

Full-year 2021 results

For the full-year 2021, preliminary orders amounted to approximately CHF 1'227 million, up 69% compared to a year earlier while net sales increased by 30% to approximately CHF 901 million. Preliminary figures indicate that VAT achieved a full-year EBITDA margin above 34% (including the impact of changes to IFRS accounting rules, see next page), a strong increase compared to prior year period. This strong performance reflects higher sales volume and operational leverage as well as VAT's ongoing operational improvements. Despite working capital investments to support the continued growth in 2021, preliminary free cash flow reached a full-year record level of approximately CHF 194 million.

Strong order growth in the fourth quarter and the high order backlog indicate a continued healthy business environment going into 2022. Despite an expected continuation of supply chain constraints across the entire industry, and the ongoing COVID pandemic, VAT expects a solid improvement in its 2022 results. A more detailed update on the outlook for 2022 and VAT's mid-term targets will be provided with the release of the company's final full-year 2021 results on March 3, 2022.

Guidance for Q1 2022

VAT expects net sales of CHF 270 - 280 million¹.

¹ At constant foreign exchange rates



VAT GROUP (ALL FY 2021 NUMBERS PRELIMINARY AND UNAUDITED;)

in CHF million	Q4 2021	Q3 2021	CHANGE ¹	Q4 2020	CHANGE ²	FY 2021	FY 2020	CHANGE ²
Order intake	434	298.7	+45%	210.0	+107%	1227	724.5	+69%
Net sales	255	229.4	+11%	187.6	+36%	901	692.4	+30%
Order backlog	461	283.7	+62%	145.3	+217%			

¹ Quarter-on-Quarter; ² Year-on-Year

Change in interpretation of accounting standard requires restatement of previously reported numbers

Earlier in 2021, the IFRS Interpretations Committee clarified how implementation costs for cloud-based service costs are to be treated in the company accounts. As a result, costs for VAT's new ERP system can no longer be capitalized but are expensed through the income statement when they occur.

In accordance with IFRS, this change in accounting policy will be applied retrospectively and consequently, the prior period financial statements will be restated. VAT estimates that the changes will have a small negative impact of about -0.6 percentage points on its reported half-year 2021 EBITDA margin, and about -0.6 percentage points on its full-year 2021 EBITDA margin.

Additional information

There is a short media and investor conference call today, January 12, 2022, at 10am CEST.

To participate in the call please dial:

+41 58 310 50 00 (CH/Europe)

+44 207 107 06 13 (UK)

+1 631 570 56 13 (USA)

A playback of the call can be accessed through our website, www.vatvalve.com, approximately one hour after the call has finished.

For further information please contact:

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Financial calendar 2022

Thursday, March 3, 2022	Full-year 2021 results
Thursday, April 14, 2022	Q1 2022 trading update
Tuesday, May 17, 2022	Annual General Meeting 2022
Thursday, August 4, 2022	Half-year 2022 results
Thursday, October 13, 2022	Q3 2022 trading update

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 two different reporting segments: Valves and Global Service 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 2'000 employees and main manufacturing sites in Haag (Switzerland), Penang (Malaysia) and Arad (Romania). Net sales in the financial year 2020 amounted to CHF 692 million.

FORWARD-LOOKING STATEMENT

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "estimates" and similar expressions) should be considered to be forward-looking statements. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the company to be materially different from those expressed or implied by such forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the performance, security and reliability of the company's information technology systems, political, economic and regulatory changes in the countries in which the company operates or in economic or technological trends or conditions. As a result, investors are cautioned not to place undue reliance on such forward-looking statements.

Except as otherwise required by law, VAT disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this report.