



Media Release

Haag, Switzerland, October 17, 2017

VAT CONTINUES ON STRONG GROWTH PATH WITH Q3 NET SALES UP 29% OVER HIGH Q3 2016

Q3 2017 highlights

- Continued strong demand for high-vacuum valves from equipment suppliers to semiconductor and display panel manufacturers drives substantial increase in VAT's business
- Q3 order intake up 30% year-over-year, net sales increase 29%

Nine months 2017 highlights

- VAT continues to benefit from its No. 1 market position
- Nine months order intake up 40% year-over-year, net sales increase 35%

VAT confirms Outlook 2017

- Sales growth of around 30% expected at constant FX
- Adjusted EBITDA margin to be maintained approximately at the same level as in 2016
- CAPEX to be around 6% of net sales

VAT GROUP

in CHF million	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
Order intake	178.5	137.0	+30.3%	550.5	393.8	+39.8%
Net sales	166.9	129.7	+28.7%	493.3	365.2	+35.1%
	Sept 30, 2017	June 30, 2017	Change			
Order Backlog	178.9	167.9	+6.5%			

Market conditions remain favorable

Customers continue to expand manufacturing capacity in semiconductors and displays, driven both by increasing demand for digital products as well as technology innovations in areas such as solid state memory devices and OLED. VAT remains well-positioned to capture these growth opportunities, with strong customer relationships, leading technology and quality, and the broadest product portfolio in the industry. The company's ability to rapidly adapt capacity while maintaining quality in a high-growth market also contributed to the strong performance.

At the end of the third quarter of 2017, VAT's order backlog was CHF 179 million, a plus of about 6.5% compared with the end of June 2017. Orders in the quarter grew 30% to CHF 179 million. Group net sales in the quarter amounted to CHF 167 million, an increase of 29%. These growth rates were achieved despite the comparison against an already-strong third quarter in 2016. Excluding foreign exchange (FX) movements in the third quarter,



VAT's net sales growth was about 2.5 percentage points higher than the reported number. For the first nine months of 2017, FX movements had no impact on net sales.

Growth in all business segments

The Valves segment again reported the strongest net sales growth in the third quarter, up 31% to CHF 130.7 million. Net sales grew 29% in Global Service to CHF 26.6 million. The Industry segment's net sales were up 6% to CHF 9.6 million. During the third quarter, Valves accounted for 78%, Global Service for 16% and Industry for 6% of Group net sales.

Within the Valves segment all business units posted higher results. The Modules business unit reported the highest percentage change, followed by Semiconductors, then General Vacuum. In absolute terms, the biggest growth contributor was Semiconductors, followed by Display & Solar.

Global Service grew net sales in all its three activities. Spare parts grew fastest and represent about 53% of total segment net sales. The retrofit and the maintenance business posted similar growth rates as larger-scale retrofits inquiries from previous quarters materialized.

In the Industry segment, net sales growth is driven by the mechanical components business followed by edge-welded bellows

Outlook for the rest of 2017 confirmed

Business conditions in VAT's markets continue to be favorable. Long-term growth drivers such as digitalization, cloud computing, internet of Things and e-mobility are becoming even more prominent in our daily lives. Leading digital device and display manufacturers continue to invest in fabrication expansion and technology upgrades, and VAT expects to remain a main beneficiary of these developments for the rest of 2017 and beyond.

For the full year 2017, VAT expects to grow net sales by around 30% at constant foreign exchange rates. The company also expects to maintain its adjusted EBITDA margin at approximately the same level as in 2016, as the benefits of strong net sales growth are offset by significant investments in future growth. Capital expenditure for the full year is expected to be around 6% of net sales temporarily above the target level of 4% of net sales, as the expansion of the plant in Malaysia is being accelerated.



Segment data

VALVES

in CHF million	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
Order intake	140.0	108.5	+29.0%	437.9	303.6	+44.2%
Net sales	130.7	99.9	+30.8%	394.5	278.2	+41.8%
Inter-segment sales	10.8	10.2	+5.9%	28.4	28.4	+0.0%
Segment net sales	141.5	110.1	+28.5%	422.9	306.6	+37.9%

GLOBAL SERVICE

in CHF million	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
Order intake	28.5	19.6	+45.3%	82.1	64.1	+28.0%
Net sales	26.6	20.6	+29.1%	70.1	61.5	+14.0%
Inter-segment sales	0.0	0.0		0.0	0.0	
Segment net sales	26.6	20.6	+29.1%	70.1	61.5	+14.0%

INDUSTRY

in CHF million	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
Order intake	10.0	8.8	+13.4%	30.5	26.1	+16.8%
Net sales	9.6	9.1	+5.5%	28.7	25.5	+12.5%
Inter-segment sales	5.2	5.4	-3.7%	16.6	10.8	+53.7%
Segment net sales	14.7	14.5	+1.4%	45.3	36.3	+24.8%

Additional information

There is a short media and investor conference call today, October 17, 2017, 2016, at 10am CET.

To participate in the call please dial:

+41 58 310 50 00 (Europe)

+44 207 107 0613 (UK)

+1 631 570 5613 (USA)



A playback on demand 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:

VAT Group AG

Investor Relations & Corporate Communications

Michel R. Gerber

T +41 81 772 42 55

Email: investors@vat.ch

Financial calendar

2018

Full-year 2017 results	Monday, March 12, 2018
Q1 2018 Trading Update	Tuesday, April 17, 2018
Annual General Meeting	Thursday, May 17, 2018

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 1,600 employees and main manufacturing sites in Haag (Switzerland), Penang (Malaysia) and Arad (Romania). Net sales in the financial year 2016 amounted to CHF 508 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.