Semiconductor Climate Consortium
FOUNDING MEMBER

PASSION. PRECISION. PURITY.

PASSION.PRECISION.PURITY.

VAT – We change the world with vacuum solutions

Investor Deck Winter 2023

www.vatvalve.com

Investment case

VAT is the clear technology and market leader in the vacuum valves market

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- Sustainable long-term top-line growth driven by secular growth factors: digitalization and the data-driven society, energy transition and aging
- Undisputed market leadership due to technology leadership, coupled with global scale and customer intimacy, with a commitment to customer needs
- Superior product portfolio offering differentiated by VAT core competencies, tailored to customer specifications and an attractive TCO proposition
- Highly flexible operating model permits rapid upscale capabilities in upturn, resulting in superior financial returns – and retains profitability in downturns
- Clear multi-pillar strategy to achieve strategic plan VAT2B by 2027 resulting in an attractive total return story – backed by sustainability mindset

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Q3 2023 trading update

Group key figures

- Lower semiconductor equipment spending leads to weaker Q3 orders and sales compared to previous year; orders sequentially higher vs. Q2 and Q1
- Operating cost adjustments and preparations for return to growth in 2024 continue, including R&D and investment in production capacity
- Orders down 48% year-on-year to CHF 164 million; group net sales decreased to CHF 210 million, down 31% vs. Q3 2022

Outlook 2023

- VAT believes market bottom has been reached, modest sequential demand improvement expected
- Conditions for Valves segment are expected to gradually improve in Q4 2023 and into 2024, with increased orders in Advanced Industrials; Global Service segment sees weaker market conditions

Guidance for Q4 2023

- EBITDA margin for H2 2023 expected to be higher compared to H1 but slightly below the target range of 32-37%
- VAT expects Q4 2023 net sales of CHF 200-230 million

Q3 2023 trading update

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VAT Group

in CHF million	Q3 2023	Q2 2023	Change[1]	Q3 2022	Change[2]	9M 2023	9M 2022	Change[2]
Order intake	**163.7**	155.2	5.5%	312.2	-47.6%	**455.4**	960.6	-52.6%
Net sales	**209.8**	221	-5.1%	305.5	-31.3%	**663.5**	854.5	-22.4%
Order Backlog	**282.1**	339.7	-17.0%	563.0	-49.9%	**282.1**	563.0	-49.9%

Valves

in CHF million	Q3 2023	Q2 2023	Chg.[1]	Q3 2022	Chg.[2]	9M 2023	9M 2022	Chg.[2]
Order intake	**135.8**	**120.3**	12.9%	**244.1**	-44.4%	**358.6**	**776.1**	-53.8%
Semiconductors	*105.3*	*79.1*	*33.1%*	*200*	*-47.4%*	*243.2*	*631.4*	*-61.5%*
Advanced Industrials	*30.5*	*41.2*	*-26.0%*	*44.1*	*-30.8%*	*115.4*	*144.7*	*-20.2%*
Order backlog	**252.1**	**299**	-15.7%	**489.4**	-48.5%	**252.1**	**489.4**	-48.5%
Net sales	**172.9**	**175.7**	-1.6%	**251.0**	-31.1%	**531.5**	**699.2**	-24.0%
Semiconductors	*120.1*	*126.8*	*-5.3%*	*204.3*	*-41.2%*	*386.2*	*578.3*	*-33.2%*
Advanced Industrials	*52.8*	*48.9*	*8.0%*	*46.7*	*13.1%*	*145.3*	*120.9*	*20.2%*
Inter segment sales	**15.0**	**17.9**	-16.2%	**22.2**	-32.4%	**54.3**	64.9	-16.3%
Segment net sales	**187.9**	**193.6**	-2.9%	**273.2**	-31.2%	**585.8**	764.1	-23.3%

Global Service

in CHF million	Q3 2023	Q2 2023	Chg.[1]	Q3 2022	Chg.[2]	9M 2023	9M 2022	Chg.[2]
Order intake	**27.9**	**34.9**	-20.1%	**68.1**	-59.0%	**96.8**	**184.5**	-47.5%
Order backlog	**30.0**	**40.8**	-26.5%	**73.6**	-59.2%	**30.0**	**73.6**	-59.2%
Net sales	**36.9**	**45.3**	-18.5%	**54.6**	-32.4%	**132.0**	**155.3**	-15.0%
Inter segment sales	-	-	-	-	-	-	-	-
Segment net sales	**36.9**	**45.3**	-18.5%	**54.6**	-32.4%	**132.0**	**155.3**	-15.0%

(1) Quarter-on-Quarter (2) Year-on-Year

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Q2 and half-year 2023 results

6M 2023 Highlights

Slowdown in semiconductor spending shows expected impact on Q2 and H1 orders, sales and profitability

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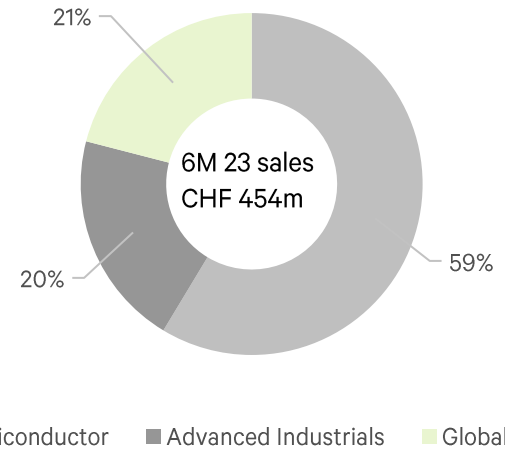
Orders down y-o-y but up sequentially	Decrease in y-o-y orders reflects lower investment activities mainly in Semiconductors; Global Service in-line with softer market conditions, especially in semiconductors; Advanced Industrials less severely impacted
Strong Q2 business execution	Negative sales development driven by weak orders and FX headwind; execution of order backlog softens sales decline
Lower profitability	EBITDA-margin impacted by lower volumes and FX headwind Operational cost reduction measures are implemented and maintaining readiness for expected market recovery
Investments into the future	R&D spend and investment in additional production capacity in Malaysia on track; construction of Innovation Center started
Outlook for 2023 reiterated	Investment conditions in Semiconductors expected to remain soft but gradually improving; growth is forecast in Advanced Industrials; Global Service segment sees weaker market conditions due to lower demand in its semiconductor business

Focus remains on cost, R&D, capacity – readiness for next upcycle

Semiconductors remain our driving force, Advanced Industrial softens down-cycle

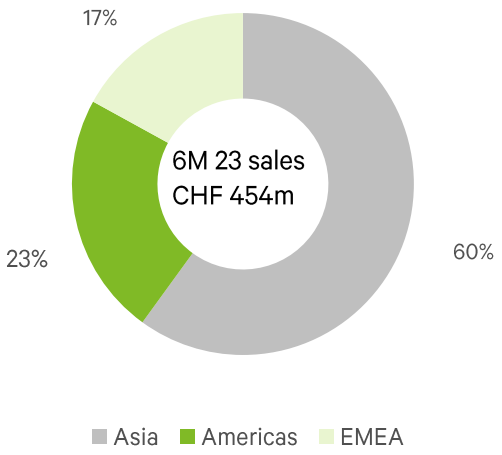
Our markets

Sales breakdown by market segment 6M 2023



~75% of VAT's Group sales are semiconductor related

Sales breakdown by region 6M 2023



Strong backlog softens the blow from weak orders

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Our business segments
(Share of 6M 2023 net sales)

Valves (79%)

Global Service (21%)

Delivering outstanding performance

292 (-55%)
6M 2023 order intake (M CHF)

454 (-17%)
6M 2023 net sales (M CHF)

29.2%
6M 2023 EBITDA margin

37 (-53%)
6M 2023 free cash flow (M CHF)

41 (+13%)
High specification win level maintained

0.6x
Leverage ratio (NET debt / LTM EBITDA)

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Strategic Pillars to VAT2B

VAT's business units are well positioned to harness the major megatrends

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Digitalization

- Strong semiconductor growth across all markets
- **IC market** >USD 1 trillion by 2030
- Wafer Fab Equipment (WFE) to grow to USD 150-170bn by 2030
- Benefits **all** our businesses

Energy and Emissions

- **Energy demand** with double-digit growth; needs to be generated with low GHG emissions
- ADV benefits from solar, nuclear and coating (batteries)
- Mid-term **carbon capture,** long-term **fusion** – both vacuum intensive

Population Growth and Aging

- Growing demand in **biotech and life sciences**
- ADV benefits from analytical and medical non-invasive equipment, and medical inserts
- Medical drives 10% CAGR on ICs

SAM market growth (CAGR 21-27)

WFE +8%	Renewable Energy +8%	Life Science & Analytical Instr. +7%

Sources: McKinsey "Global Energy Perspective 2022" Apr. 22; TechInsights/VLSIresearch WFE Aug. 22; Allied Market Research Renewable Energy Market Sep. 21; Market Research Future Life Science and Analytical Instruments Sep. 22

VAT Strategic Pillars

Focus on four strategic priorities to sustain and accelerate performance to 2027 and beyond

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1

Gain market share in all our core businesses and markets

2

Expand Share of Wallet (SoW) with adjacencies

3

VAT2B: Build strong capabilities and further improve operational excellence

4

Execute VAT's ESG strategy that creates value for all stakeholders

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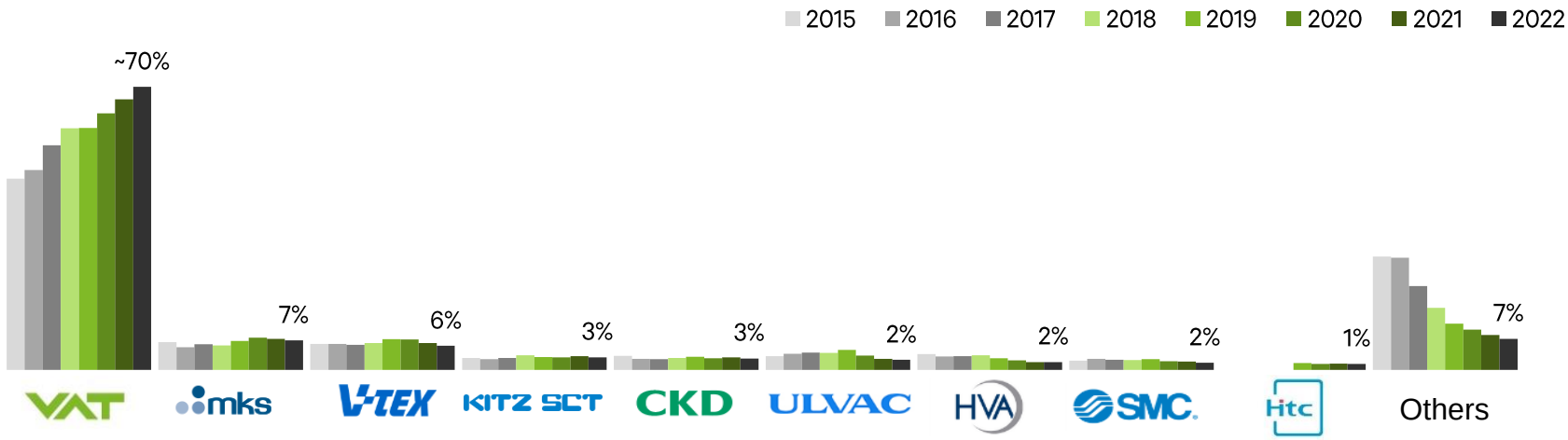
Strong market position built on years of customer intimacy and superior product design

Market share Semi & related (1)



Source: TechInsights February 2023
(1) Semi & related includes Semiconductors, Displays, Solar, LED Lighting, Hard Disk Drive

Growth fuelled by superior product offering

VAT core competences represent both a driver of growth while holding up barriers to entry

Machining & Design

- Programming and milling excellence, including proprietary tools
- Full customization available as required
- Engineering knowhow based on 60-year history

Cleaning & Cleanliness throughout Supply Chain

- Use of self-designed, fully automated cleaning machines
- ISO6 clean-room standards from cleaning to installation in the fab
- Elimination of human factor as risk to purity

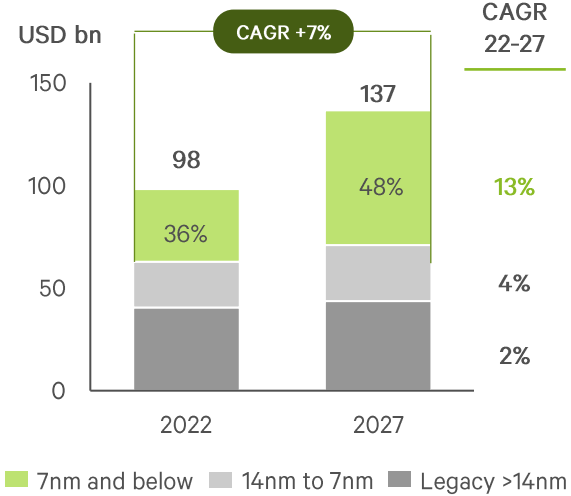
Material Know-How

- Raw materials: e.g. proprietary aluminum recipe
- Supply chain: in-house material analysis labs
- Vulcanization: Elastomers are fused to the metal gate materials

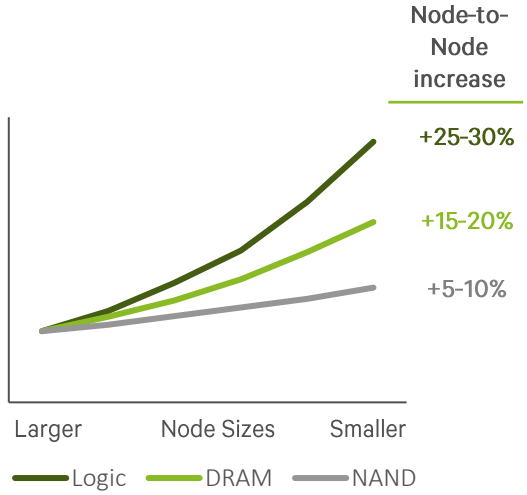
Growth through increase in vacuum content

Leading edge growth to drive increase in vacuum-related WFE

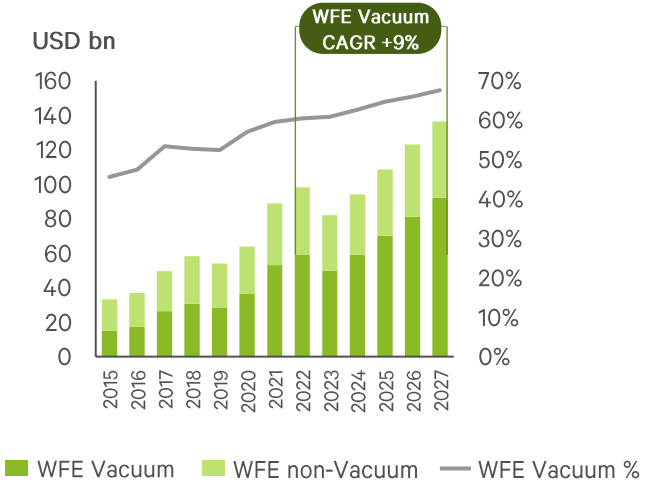
Fastest growth in **leading edge nodes,** VAT's stronghold ...



... capital intensity expected to increase from node to node ....



... driving strong medium-term growth **in overall WFE and even faster on vacuum based WFE**



Source: WFE growth forecast, VLSITechInsights Inc. Nov. 22

Expand SoW through Adjacencies

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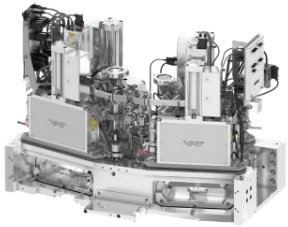
Adjacencies allows VAT to deliver additional products in the vacuum domain to our customers

Adjacencies are fully aligned with VAT's core expertise: Vacuum and Semiconductors

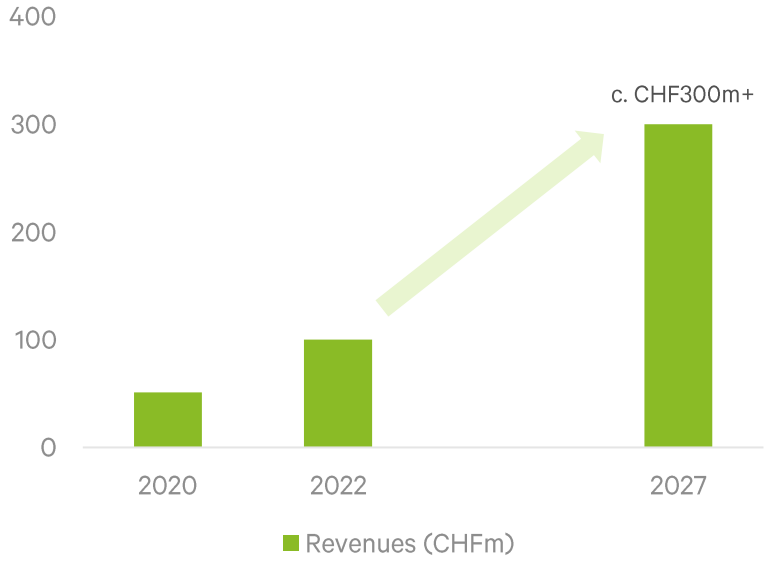
Advanced Modules



Motion Components

- Adjacencies do not compete with customer business and expertise
- Margin profile of adjacent business supportive of VAT's overall profitability profile

Adjacencies an essential element of VAT2B strategy



A History of Innovation

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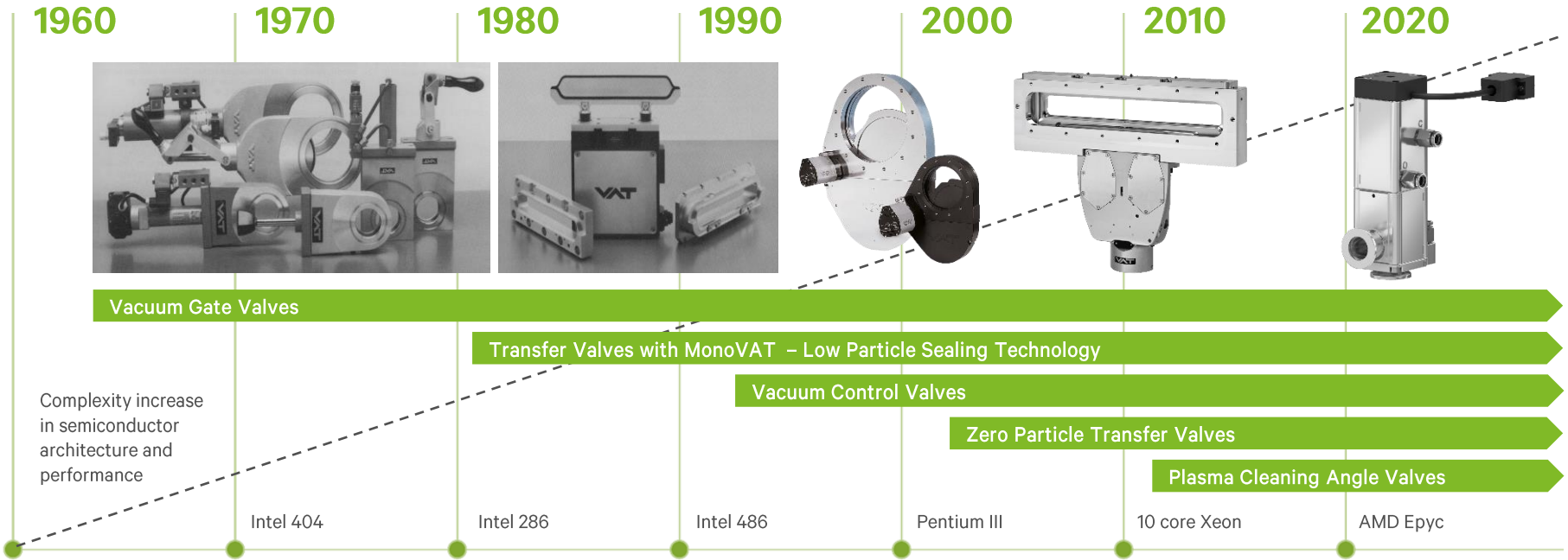
Our valves have a long heritage: Faster, cleaner, more durable, more precise – and continue to develop

Vacuum valve performance development – vs. semiconductor development



Global Services ties us closely to valve lifecycle

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Increases our reach to beyond the OEMs and closer understanding of how our valves are utilized

Global Services Product Offering

Spares & Repairs

- Spare Parts & spare part packages for OEMs and end customers

Gates

- Various types of Gates and Sealings

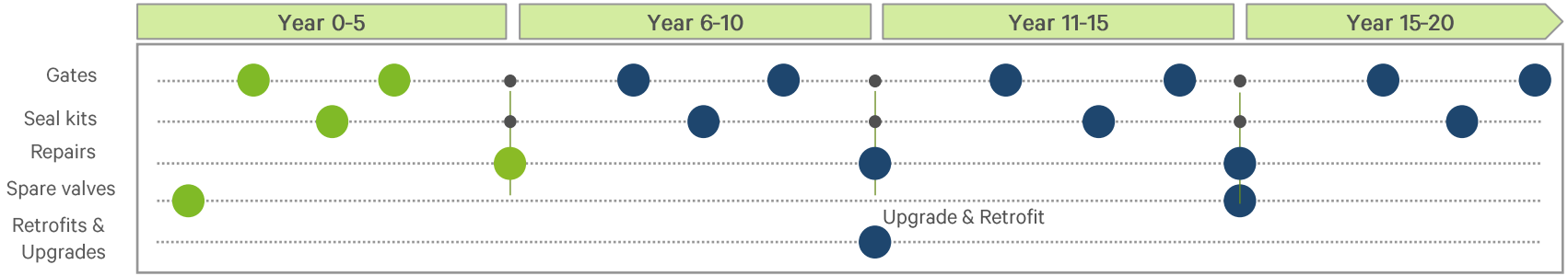
Upgrades & Retrofits

- Upgrade & retrofit of valves and motion components

Subfab

- Range of valves for forelines and abatement systems

Illustrative Customer Service Journey across an OEM equipment platform's life



Over the course of the lifecycle, services have the potential to generate 3.5x – 5.0x the original sales value

Flexible operating model permits controlled scaling

Offers +/- 30% year-on-year ramp capability while maintaining a global, best cost operating model

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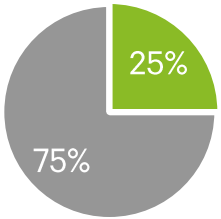
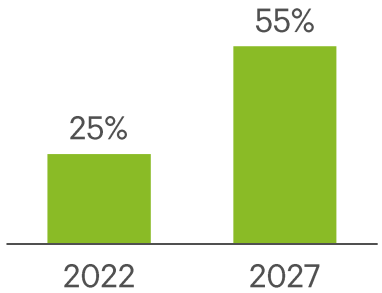
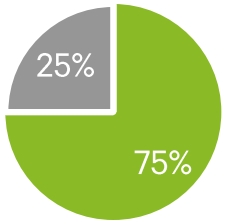


25% flexible workforce group-wide (factory workers in CH, MY and RO)



Best cost country sourcing is expected to reach more than 55% by 2027 compared to 25% in 2022



75% of our components are purchased from outside and around 2/3 of our costs are variable

VAT global footprint – aligned with customers

Global presence ensures proximity to the customer – with sales and service representations in 29 countries

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2 major production sites with total capacity of CHF2bn+ by 2027

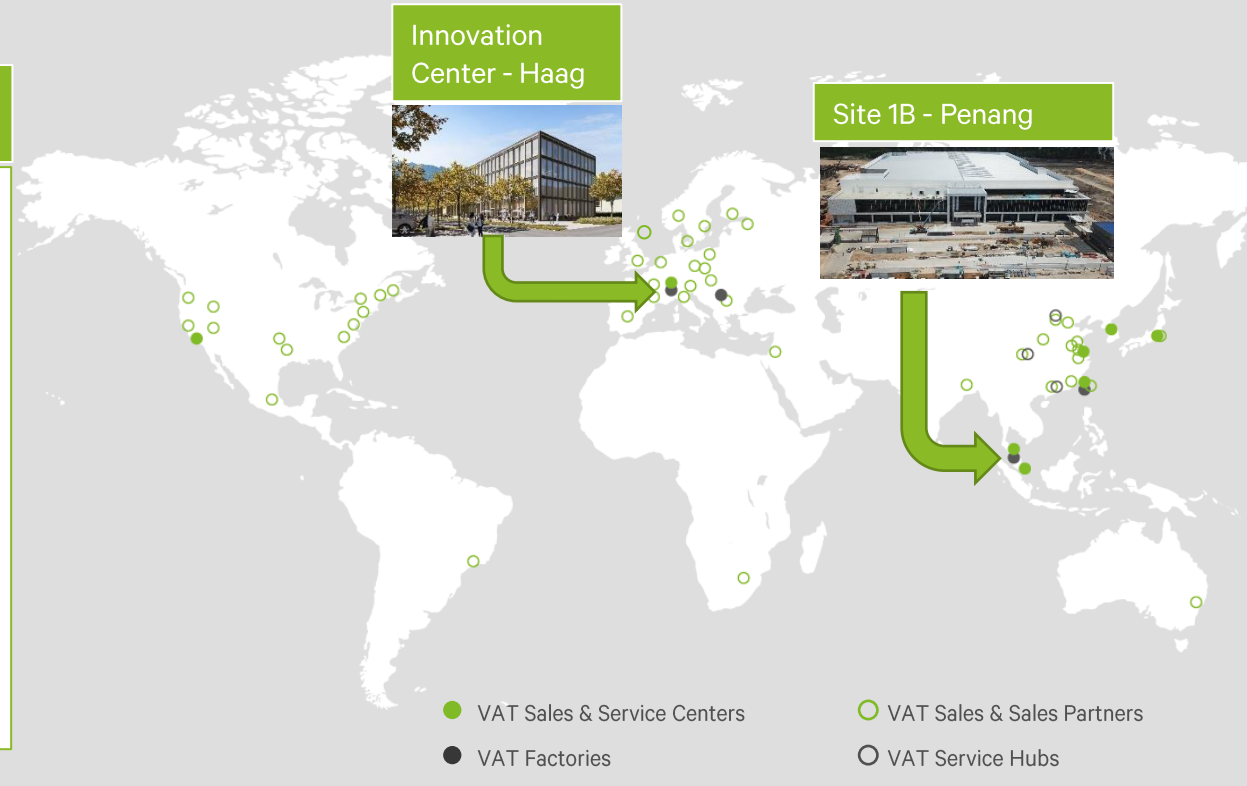
Factory output (CHFm)

Haag

As-is	800
2027	1,000

Penang

As-is	~275
2027	>1,100



Our Mid- and Long-Term Strategy

Ambition is to move beyond valves to the broader vacuum domain – growing our SoW with customers

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SEMI as the **CORE market** and the main **technology driver** for all products and solutions

Leverage all products and technologies into Advanced Industrial applications

2022 — 2027 — 2032

CMD 2022

A successful valves business with 1-2% SoW

- 75% share in SEMI valves, #1 in all markets
- Growing Advanced Modules share
- #1 in Motion Components

NEXT 5 YEARS

Current adjacencies will drive >CHF 200m additional sales by 2027, 2-4% SoW

- Gas inlet systems and valves (ALD)
- EUV
- Advanced Pressure Control
- Adjacencies by 2027 >CHF 300m

NEXT 10 YEARS

To: Vacuum sub-systems business with 4-5% SoW

VAT has a track-record of delivering on guidance

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Stakeholder value proposition 2022-2027

Our sustainable value creation is based on 3 key pillars:

	Growth	Profitability	Capital allocation
Main drivers	1 Market / WFE growth 2 Share of wallet and adjacencies 3 Market share gains	1 Operational excellence 2 Cycle management with operating flex model 3 Best cost country footprint	1 Leading edge innovation 2 Capex **ahead** of the curve 3 Strong dividend focus
Key metrics	Low double digit(1) Sales growth 2022-2027	32-37% EBITDA margin band 60-65% Free cash flow conversion rate	5-6% of sales R&D rates 2023-2027 4-5% of sales Capex rates 2023-2027 Up to 100% Dividend payout of free cash flow to equity

(1) At midpoint of sales guidance of CHF 1.8-2.2bn in 2027

Creating Value Sustainably

Second Sustainability Report published with greater level of detail; further progress in CO2 emissions vs. 2021

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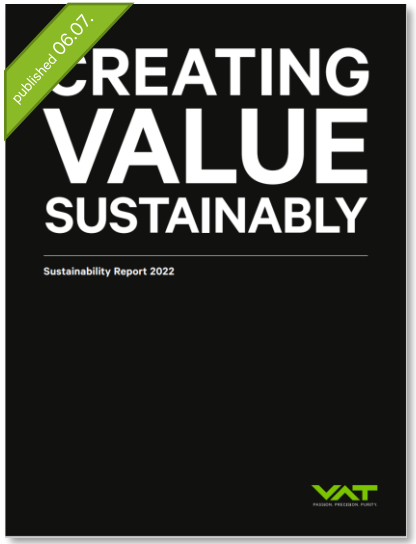
Delivering outstanding results in 2022

Inaugural ESG targets for VAT



Founding member - Semiconductor Climate Consortium

Semiconductor Climate Consortium
FOUNDING MEMBER

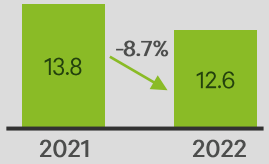
Equal pay for equal work

Improvement to **Advanced**

FAIR-ON PAY ADVANCED
FOUNDED BY
COMP-ON AG
GENDER EQUALITY

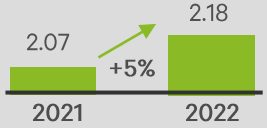
37.5%
Women
on the Board of Directors
*As of May 16, 2023

CO_2 emissions in tons per CHF 1m revenue



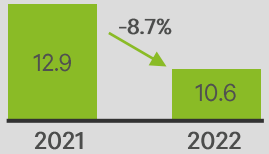
Lower emission intensity

Self-generated solar power consumption in kWh millions



Increased use of solar energy

LTIFR per 1,000,000 hours worked



Fewer accidents and illnesses

LTIFR= Lost Time Injury Frequency Rate

Inaugural ESG Targets

Confirmed Strategic Directives

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"Today we have a much better view of how our business – along the entire value chain – affects the environment, our people and society as a whole."

Dr. Martin Komischke,
Chairman of the Board of Directors

INAUGURAL ESG TARGETS

Based on VAT's first Materiality Assessment, improved measurement of greenhouse gas emissions and other impacts and the integration of ESG performance into mid-term strategic and operational planning, the company has established its first ESG targets for the period 2022-2030.

Climate protection

50%

reduction in Scope 1 & Scope 3 CO_2 emissions by 2025

Leadership diversity

25%

share of women in leadership positions by 2027

Workforce diversity

23%

share of women among new hires by 2027

→

25%

share of women among new hires by 2030

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Welcome to VAT

High Performance Vacuum Valve & System Solutions

2023

www.vatvalve.com

VAT – Serving Vacuum Needs since 1965

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We offer the highest standard of valves wherever vacuum is utilised in production.

Global market leader for high performance vacuum valves,

- mission-critical components for advanced R&D and manufacturing
- processes of semiconductors, LED, solar cells, displays and other high vacuum demanding products.

Broadest valve technology and related products portfolio

- Vacuum valves, gas inlet valves, multi valve modules (manifolds)
- Vacuum chambers with integrated valves
- Motion components (like wafer lift systems)
- Edge welded bellows
- Retrofitting, refurbishment and upgrading services
- Custom engineering and ultra-clean production

Close to customer

Sales/Service representations in 29 countries.
R&D sites: Haag (Switzerland), San Jose CA (United States), Penang (Malaysia)
Manufacturing sites: Haag (Switzerland), Penang (Malaysia), Arad (Romania) and Xinwu (Taiwan).

Over 2,900 employees* worldwide

*Full time equivalents (FTE)

Vacuum Technology Enables Modern Technology

Todays technological advances are based on production processes in a vacuum.

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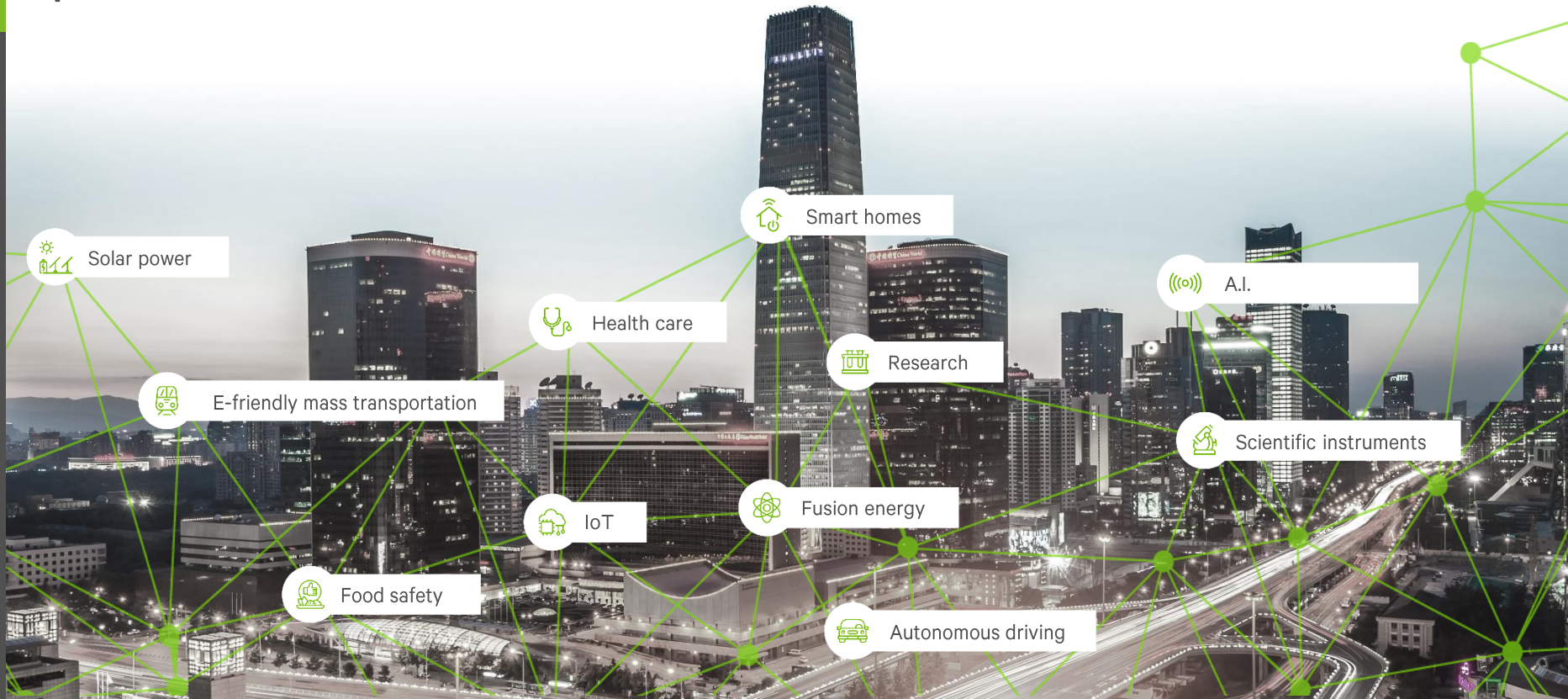

Why Do You Need a Vacuum?

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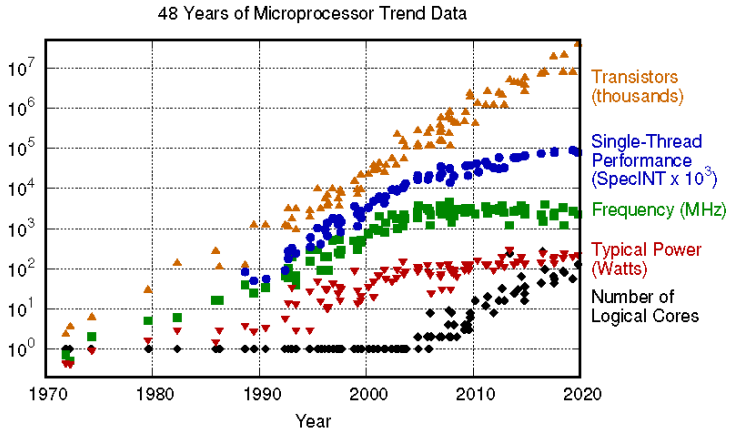
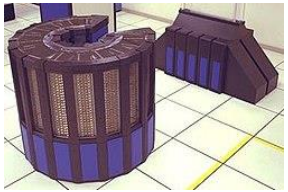
Moores Law has brought semiconductor manufacturing to the atomic level – no tolerance for impurities in manufacturing

- **Transistor Density Increases**
  Chip design goes from 2D to 3D



- **Moores Law in Practice**
  Lower energy consumption, higher performance, smaller size



CRAY-2
1985
c. 2.5 tonnes
1.5m^2
1.9bn FLOPS
Use: Nuclear research

iPhone
2020
c. 160 g
15 x 7 cm
11 trn FLOPS
Use: Social media

- Chip industry today is working at atomic level (silicon atoms c. 0.21nm wide, a human hair is 90,000nm)
- Node sizes have moved from 90nm to 14, 10, 7, 5, 3 nm
- A single atom, speck of dust can damage a chip – perfect "nothingness" is crucial to the chip industry

Sources: Scott Fulton, Datacentreknowledge.com; Apple; Adobe.

VAT has Accompanied Technological Advances

R&D is in our DNA - technological leadership is the result.

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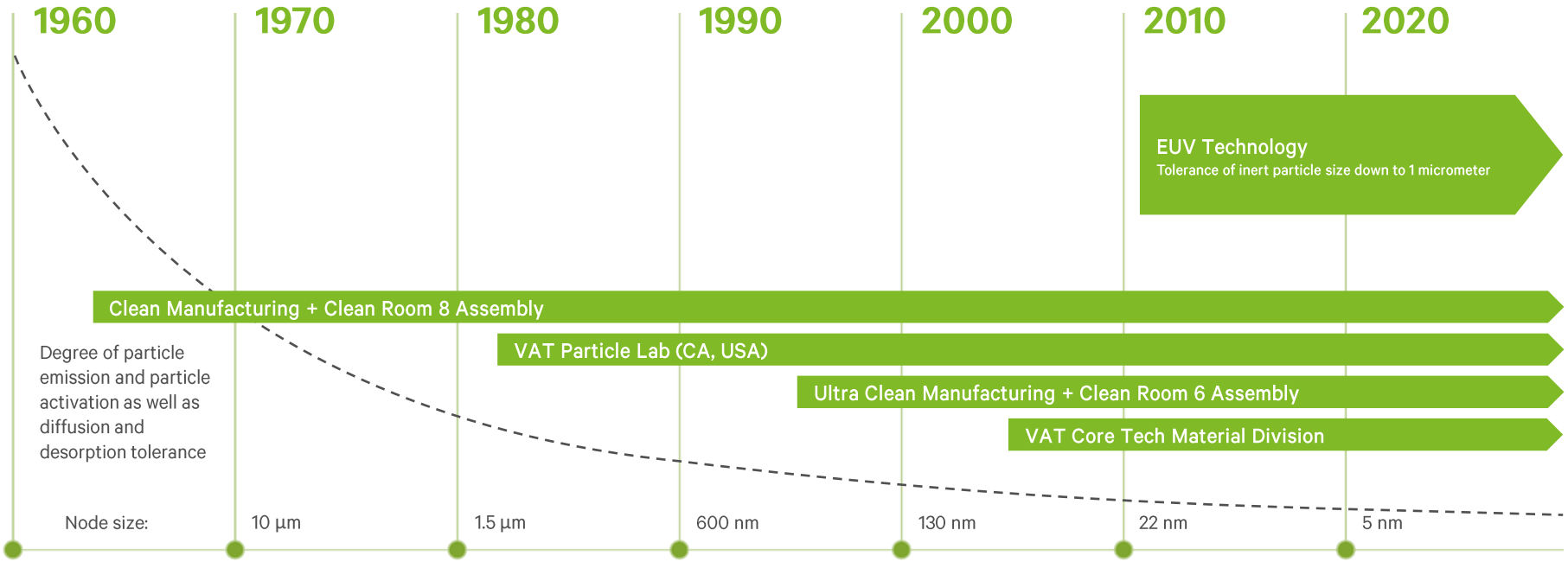
Vacuum valve performance development – example ultra clean vacuum development (UCV).



VAT offers both highly tailored valves as well as standard products

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Based on three core valve types (transfer, control & isolation) our product portfolio comprises over 140 valve series with more than 8,000 customized products and 2,500 standard products.

- VAT's product line includes:
- Gate valves and pendulum valves
- Control valves
- Transfer valves and doors
- Angle valves and diaphragm valves
- Customized products for high purity and industrial applications
- Flange connections & bellows
- Customized multi-valve modules

Valves are Critical to Semiconductor Tools

A tool will have multiple valves installed to control and seperate vacuum from atmosphere

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Vacuum Components

- Load-Lock Modules (LL)
- Transfer Modules (TM)

Vacuum Motion Components

Substrate Lift Systems (LS)

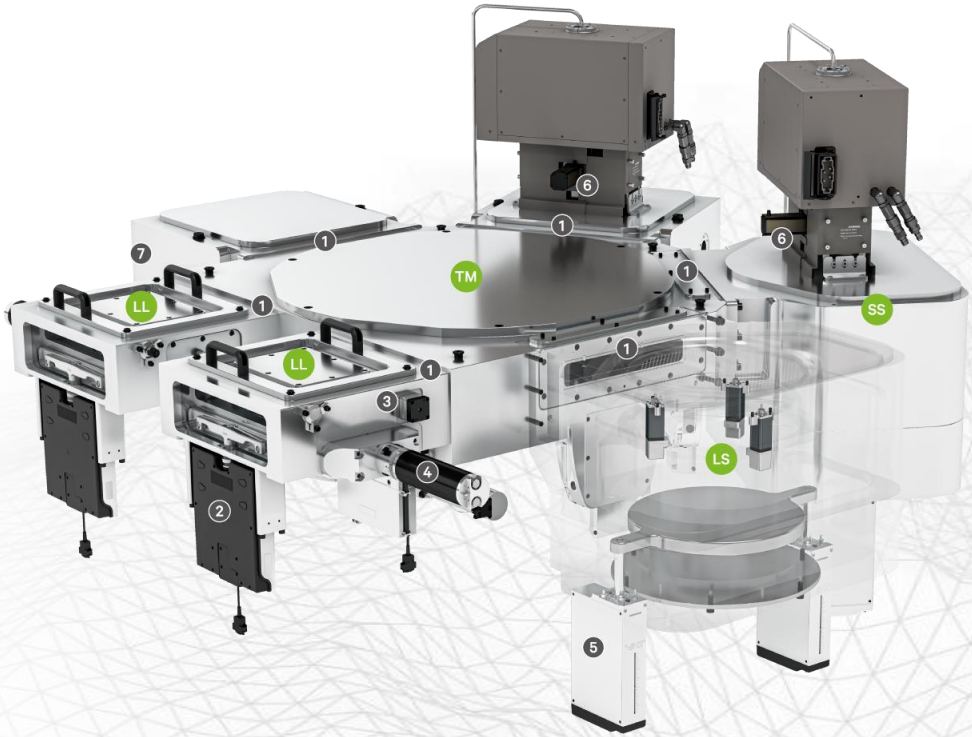
- Wafer Lift Systems
- Wafer Cassette Lift Systems
- Wafer Tray Lift Systems
- Solar Cell and Display and Substrate Lift Systems

Movable Shield Systems (SS)

- Shield Mover Systems
- Ring Lift Systems

Vacuum Valves

- Vacuum Transfer Valves (1)
- Vacuum Transfer Doors (2)
- Vacuum Angle Valves (3)
- Vacuum Gate Valves (4)
- Vacuum Control Valves (5)
- Vacuum Cylinder Valves (6)
- Vacuum Pendulum Valves (7)

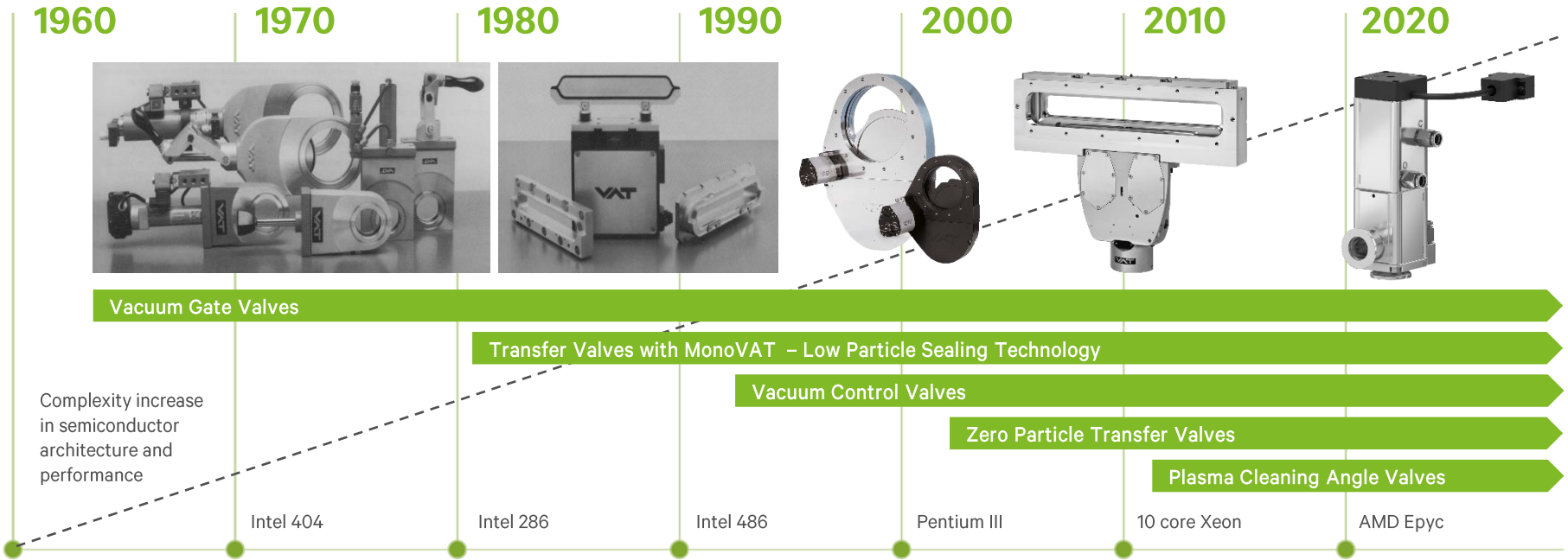


VAT Over the Years

Our products have become faster, cleaner, more durable, more precise

PASSION. PRECISION. PURITY.

Vacuum valve performance development – example semiconductor development.

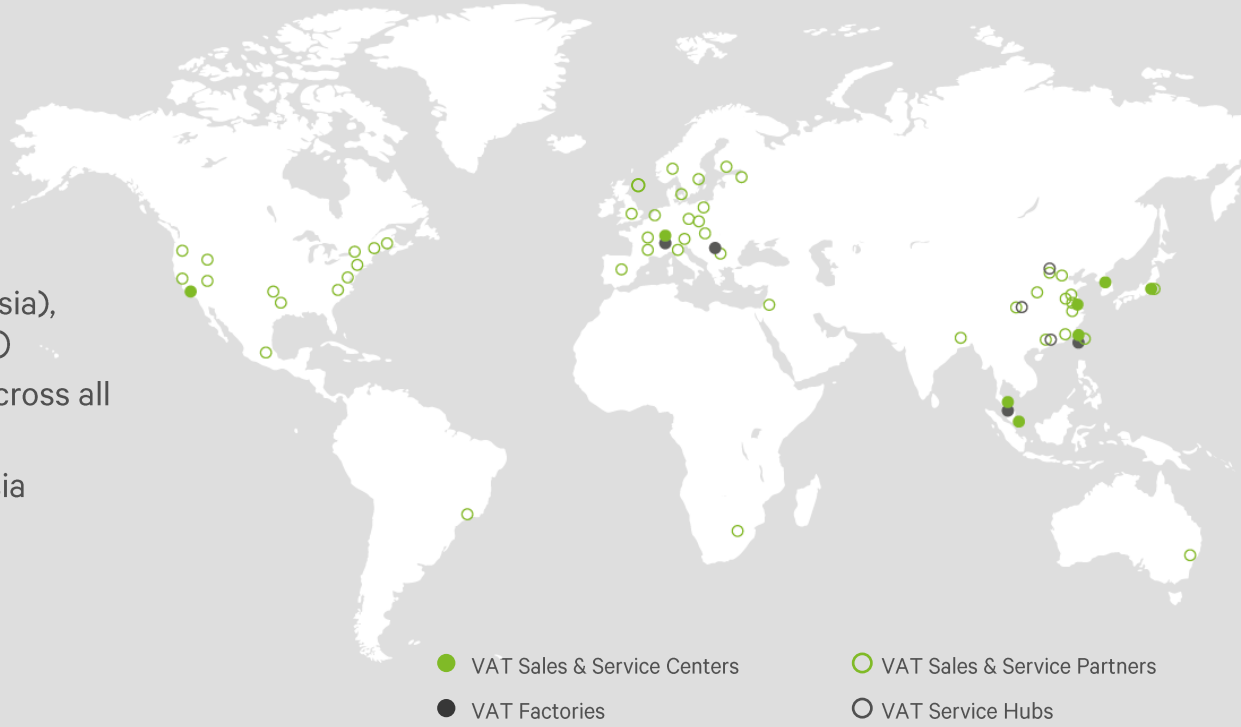


A Global Footprint for Customers

Presence on the ground providing support

PASSION. PRECISION. PURITY.

- Global presence ensures proximity to the customer
- Sales and Service representations in 29 countries
- R&D sites: Haag (Switzerland), San Jose CA (United States)
- Manufacturing sites: Haag (Switzerland), Penang (Malaysia), Arad (Romania) and Xinwu (Taiwan)
- Installed base of over 1.5m valves across all industries
- 70 % of our products installed in Asia



VAT Corporate History

From family-owned valve manufacturer to global vacuum-valve leader

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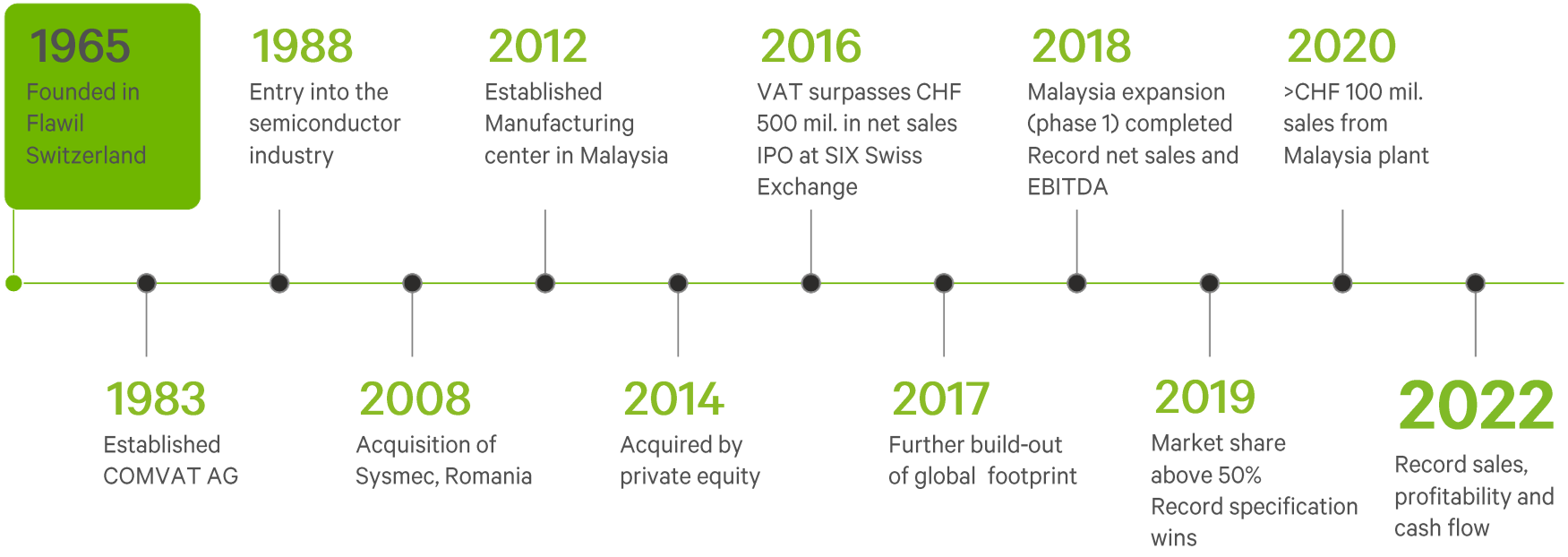
- Over 60 years of experience in valves and over 35 years of experience in semiconductors



VAT Group Executive Committee

Highly experienced leadership with a track record of success

PASSION. PRECISION. PURITY.

Michael Allison
CEO

Fabian Chiozza
CFO

Urs Gantner
EVP Semiconductor Solutions Group and CEO-designate as of January 2024

Thomas Berden
COO

Enabling the US$1trn Semiconductor Market

VAT SEMI counts the leading WFE OEMs to its customer base – delivering on highest manufacturing standards

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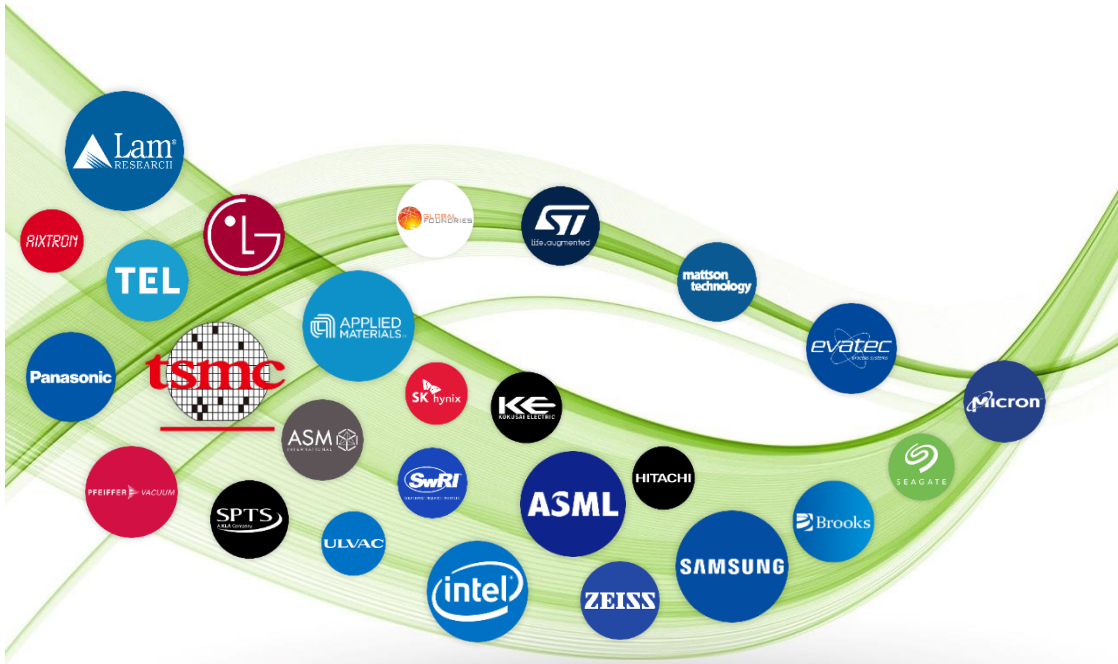
VAT is crucial to progress in semiconductor manufacturing

- Moore's Law continues to hold up and drives node sizes down – driven by increased calculation needs and energy consumption considerations
- As node sizes decrease, more production steps move into vacuum
- Simultaneously, a wafer will go through more production steps overall – sometimes over 2,000 steps
- VAT products are used in all critical semiconductor manufacturing steps:

Epitaxy	Lithography
Atomic Layer Deposition	Testing
Etch	Packaging

Serving Clients across the Semiconductor Value Chain



Trusted Partner for "Big Science"

VAT ADV continues work on high profile scientific projects and technologies with world-class expertise in vacuum

PASSION. PRECISION. PURITY.

- LHC hunts for the basic constituents of matter
- VAT sector valves help avoid leaks over the large LHC volume

- NASA's Europa Clipper Mission to Jupiter's
- VAT developed a key valve for the mission's mass spectrometer

- World's largest magnetic fusion device
- Dedicated VAT "ITER Catalog"; all-metal 1.6 m valve developed for ITER is world's largest

- Provides beam facilities for researchers
- VAT valves are part of the IHEP particle accelerator

- Built to detect gravitational waves
- VAT valves integrated in the long LIGO laser tubes

PASSION. PRECISION. PURITY.

Visit us at

www.vatvalve.com