

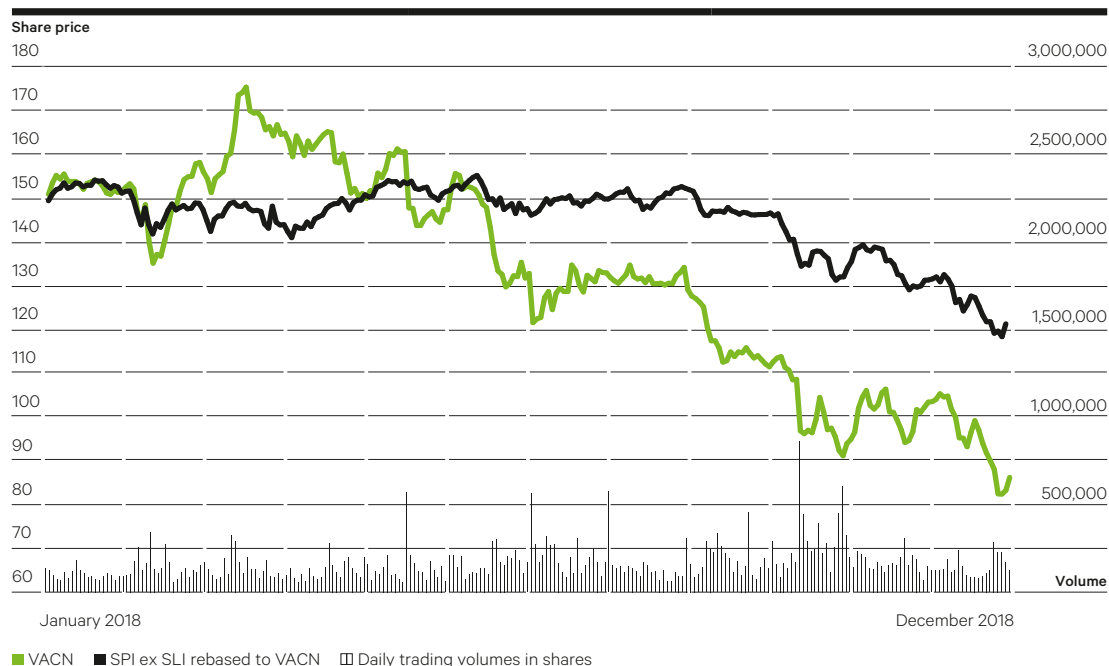
Shareholder Information

After a solid first-half performance – driven by strong demand across most of VAT’s end markets – VAT’s share price decreased significantly in the second half of 2018 as VAT’s orders declined and it became clear that large capital investments by customers during 2016 and 2017 had created a temporary oversupply of fabrication equipment, especially in the memory semiconductor and OLED display industries. Share prices for all companies exposed to these sectors came under pressure as investors revised their short-term outlooks and reduced their valuations accordingly. Nevertheless, VAT’s long-term growth drivers, such as Big Data, device interconnectivity, the Internet of Things and artificial intelligence remain unchallenged, and the company continued to expand its clear No. 1 market position in 2018, with steady profitability and strong free cash flow generation, allowing it to continue to offer an attractive dividend of CHF 4.00 per share.

Broadening of the shareholder base

After the last placement of VAT shares by Partners Group in January of 2018, private equity ownership at VAT came to an end. As a consequence, all VAT shares are now held by independent investors. As of the publication of this annual report, there are five shareholders who each own more than 3% of VAT’s outstanding shares and whose cumulative shareholding amounts to about 26% of VAT’s shares. The free float of VAT shares, as defined by the SIX Swiss Exchange, decreased from approximately 90% at the end of 2017 to approximately 79% at the end of 2018. The number of registered shareholders increased from about 12,000 at the end of 2017 to over 15,500 at the end of 2018.

Share price development



In 2018, the price of VAT shares declined from CHF 144.40 to CHF 86.30, a decrease of 40%. During the same period, the Swiss stock market as measured by the SPI ex SLI® TR Index decreased by 16%. On May 23, 2018, shareholders received for the second time a dividend of CHF 4.00 per share.

Stock exchange listing

Ticker symbol	VACN (SIX); VACNS (Reuters); VACN SW (Bloomberg)	Legal Entity Identifier (LEI)	529900MVFK7NVALR7Y83
Valor number	31 186 490	Nominal value	CHF 0.10 per share
ISIN	CH0311864901	Free Float	Approximately 89%
Market capitalization as of December 31, 2018	CHF 2.6 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

Number of shares held	
Switzerland	42%
Other countries	24%
Shares in transit	34%

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	6,144
101–1,000 shares	8,312
1,001–10,000 shares	995
10,001–100,000 shares	117
100,001–1,000,000	16
More than 1,000,000 shares	2
Total number of shareholders	15,546

Market Capitalization in CHF bn

2.6

Disclosure of shareholdings

With effect from January 1, 2016, under Art. 110 of the Federal Act on Financial Market Infrastructures (Financial Market Infrastructure Act, 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.

Significant shareholders

Information on significant shareholders is disclosed on page 45 of this report.

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) so long as the Group's net debt does not significantly exceed 1x EBITDA.

For the fiscal year 2018, VAT's Board of Directors is proposing to pay out a dividend of CHF 4.00 per registered share out of reserves from capital contributions.

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.

Dividend Payout Ratio in % of Free Cash Flow to Equity

100.4

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: <http://www.vatvalve.com/InvestorRelations/investor-relations>.

Key data on VAT registered shares

		2018	2017
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	7.17	7.07
Free cash flow per share	CHF	4.13	3.62
Book value per share	CHF	18.79	18.60
Dividend per share ¹	CHF	4.00	4.00
Share price high	CHF	170.30	144.90
Share price low	CHF	82.70	86.65
Closing share price on December 31	CHF	86.30	144.40
Average daily trading volume	Shares	193,873	115,543

¹ Proposed by the Board of Directors

Financial Calendar

Date	Event
2019	
Tuesday, April 16, 2019	Q1 2019 trading update
Thursday, May 16, 2019	Annual General Meeting
Monday, May 20, 2019	Ex-date
Wednesday, May 22, 2019	Dividend payment
Thursday, August 8, 2019	Half-year results 2019
Thursday, October 24, 2019	Q3 2019 trading update
2020	
Tuesday, March 3, 2020	Full-year 2019 results