

Media Release

Haag, Switzerland, April 11, 2024

- **Q1 2024 orders of CHF 236 million up 73% versus Q1 2023 driven by improving global semiconductor investments and continued strong demand from Chinese customers**
- **Sales of CHF 199 million at upper end of guidance for Q1 2024**
- **Expected market development for 2024 and into 2025 confirmed; business activity to gain pace throughout 2024**

Q1 2024 results

- Orders up 73% year-on-year to CHF 236 million as investment activity in semiconductor demand recovers; orders flat vs. Q4 2023
- Group net sales of CHF 199 million down 15% versus Q1 2023 and down 11% versus Q4 2023
- Book-to-bill ratio of 1.2x; backlog at CHF 324 million, up 11% vs. year-end 2023 backlog

Outlook for full-year 2024

- Improving market conditions expected to persist throughout 2024
- VAT continues to expect better sales, EBITDA, EBITDA margin, net income, and free cash flow in 2024
- Semiconductor business to benefit from higher investments and more balanced inventory levels in semiconductor manufacturing equipment. This is visible especially in the memory sector, but also due to leading edge technology inflection and strong investments in China. Advanced Industrials business forecasts further growth; Global Service business anticipated to benefit from increasing capacity utilizations at semi fabs

Guidance for Q2 2024

- VAT expects sales of CHF 235 to 255 million

VAT GROUP

in CHF million	Q1 2024	Q4 2023	Chg. ¹	Q12023	Chg. ²
Order intake	235.8	236.5	-0.3%	136.4	72.8%
Net sales	198.5	221.8	-10.5%	232.7	-14.7%
Order backlog	323.9	291.6	11.1%	416.4	-22.2%

¹ Quarter-on-Quarter ² Year-on-Year

Q1 2024 summary

As previously indicated, demand for VAT products continued to show good momentum in Q1 2024. Adjusted for seasonal year-end impacts, order intake sequentially improved over the past quarters, indicating a continued recovery in demand for wafer fab equipment. Order flow from customers in Asia, especially China, remained strong, fueled by subsidies intended to accelerate the Chinese regionalization efforts. Following a period of de-stocking, inventory levels are normalizing at our customers, which in turn is creating growing demand again for valves.

In the **Valves** segment, orders in the **Semiconductors** business unit in Q1 2024 were up 7% compared with Q4 2023. As communicated, Q4 2023 orders were increased by some project wins in the display business and year-end seasonality. Despite the strong order intake in Q4 2023, sales came out lower quarter-on-quarter as not all orders received are executed in the following quarter, which was indicated in the sales guidance provided. Compared to Q1 2023, sales decreased 9% to CHF 127 million and were 4% below Q4 2023 sales.

In the **Advanced Industrials** business unit, orders slowed vs. Q4, demonstrating the project nature of the business. Orders were down 29% and sales were down 29% vs. Q4 2023. Demand from energy transition names remains



promising, in particular from nuclear fission customers. Orders from solar and industrial coating customers remain constrained due to market downcycle and customer overcapacity. At the same time, scientific and research customers saw order growth.

VAT's **Global Service** segment has seen a gradual increase in demand for spares and consumables as capacity utilization is increasing in semiconductor fabs, especially for memory chips. With the build-out of new fabs commencing again, we see promising demand for upgrades and retrofits with key customers in addition to servicing the high installed base.

Overall, Q1 2024 Group orders amounted to CHF 236 million, up 73% year-on-year and 0.3% lower than in Q4 2023. Net sales were CHF 199 million, a 15% decrease compared with the same quarter in 2023, and at the upper end of the guidance of CHF 185 to 205 million communicated at the beginning of March 2024. Foreign exchange movements, especially the US dollar against the Swiss franc, had a negative year-on-year impact of about 6% on the change in reported Q1 sales.

The first quarter book-to-bill ratio was 1.2x and the order backlog on March 31 amounted to CHF 324 million, 22% lower than at the end of the same period in 2023.

Segment Review

VALVES

in CHF million	Q1 2024	Q4 2023	CHG. ¹	Q1 2023	CHG. ²
Order intake	190.7	195.8	-2.6%	102.4	86.2%
<i>Semiconductors</i>	154.2	144.5	6.8%	58.8	162.3%
<i>Advanced Industrials</i>	36.5	51.3	-28.9%	43.6	-16.4%
Order backlog	287.0	262.5	9.3%	363.4	-21.0%
Net sales	162.1	180.9	-10.4%	182.9	-11.4%
<i>Semiconductors</i>	127.1	131.8	-3.6%	139.3	-8.8%
<i>Advanced Industrials</i>	35.0	49.1	-28.8%	43.6	-19.7%
Inter segment sales	14.8	16.0	-7.1%	21.4	-30.8%
Segment net sales	176.9	196.9	-10.2%	204.3	-13.4%

¹ Quarter-on-Quarter ² Year-on-Year

Valves reported Q1 orders of CHF 191 million, down 2.6% sequentially. Year-on-year order intake was up 86% from the trough order level seen in Q1 of 2023. Net sales in the quarter decreased to CHF 162 million, down 10% sequentially and 11% on a year-on-year comparison.

The year-on-year Q1 order development was mainly driven by the **Semiconductors** business unit, where orders increased 162% year-on-year to CHF 154 million off a particularly weak Q1 2023. Net sales amounted to CHF 127 million, down 4% compared with Q4 2023.

Orders in the **Advanced Industrials** business unit declined in Q1 year-on-year by 16% to CHF 37 million and by 29% compared to Q4 2023. Sales decreased similarly in Q1 year-on-year by 20% to CHF 35 million.

GLOBAL SERVICE

in CHF million	Q1 2024	Q4 2023	CHG. ¹	Q1 2023	CHG. ²
Order intake	45.0	40.7	10.6%	34.0	32.5%
Order backlog	36.9	29.2	26.8%	53.0	-30.2%
Net sales	36.4	40.8	-10.9%	49.8	-27.0%
Inter segment sales	-	-	-	-	-
Segment net sales	36.4	40.8	-10.9%	49.8	-27.0%

¹ Quarter-on-Quarter ² Year-on-Year



The **Global Service** segment reported Q1 orders of CHF 45 million, 11% higher than in Q4 2023 and 33% higher year-on-year. Sales reached CHF 36 million, down 27% compared to the same period last year.

Outlook: Improving market conditions through 2024 expected to lead to better annual results

VAT expects investments in semiconductor manufacturing equipment to gradually improve over the course of 2024 as investments – especially in the memory sector – are expected to recover from the lower levels seen in 2023.

This development is expected to benefit the semiconductor exposure in the Valves business and the Global Service business at VAT. Being the undisputed technology and market leader, VAT is confident to benefit from the anticipated recovery, especially as a large part of the spend will be geared towards the leading-edge technologies in both the logic and the memory area. In addition, VAT expects further growth in adjacent products such as advanced modules or motion components. Also, the display business is anticipated to gain traction as renewed investments are executed for the production of advanced OLED products. Increasing factory capacity utilizations in the existing fabs will on the other hand increase the requirement for spare parts and consumables for our service business. Together with the growing installed base of serviceable VAT products, Global Service is estimated to grow again in 2024. The continued expansion of vacuum-based manufacturing into industries such as industrial coatings and e-beam applications is expected to benefit the Advanced Industrials business, while solar photovoltaic demand is expected to grow as the transition to renewable energies continues in most parts of the world.

On this basis, VAT continues to expect full-year sales and EBITDA in 2024 to be higher compared to 2023. The EBITDA margin is also expected to increase, however the expected continuing strength of the Swiss franc against VAT's trading currencies will continue to present headwinds to the company's margin recovery.

In 2024, VAT will complete construction of the new production facility in Malaysia, thereby ramping-up production, and engineering services in Penang. At the same time, significant investments in R&D will also continue, including in the new Innovation Center in Switzerland.

Net income and free cash flow are also expected to be higher; capex is forecast at CHF 70 to 80 million.

Despite the positive outlook, short-term market factors such as slower progress on reducing inflation, concerns about the overall strength of the global economy, or ongoing geopolitical tensions represent uncertainty factors influencing the timing and magnitude of the expected recovery. This uncertainty is also displayed in the rather wide range of WFE growth expectations by the semiconductor market research firms. On average, these firms look at WFE spend in 2024 between USD 90 to 100 billion with accelerated double-digit growth in 2025.

Guidance for Q2 2024

VAT expects sales of CHF 235 to 255 million.



Additional information

VAT will host a short media and investor conference call today, April 11, 2024, at 10:00 a.m. CEST.

Participants of the conference call will also be able to join the moderated Q&A session. Please follow the link below to access the conference call pre-registration:

[LINK TO CONFERENCE CALL PRE-REGISTRATION](#)

Participants unable to pre-register may dial in by calling:

+41 58 810 70 00 (Switzerland / Rest of World)

+44 207 098 0702 (UK)

+1 631 570 5612 (USA)

A replay of the conference call will be available on the VAT website approximately 2 hours after the event.

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Financial calendar

2024

Friday, May 3	Record date, closing of share register, 5:00 p.m. CEST
Tuesday, May 14	Annual General Meeting, St Gallen, Switzerland
Thursday, May 16	Ex-date
Tuesday, May 21	Dividend payment
Thursday, July 18	Half-year 2024 results
Thursday, October 17	Q3 2024 trading update

ABOUT VAT

We change the world with vacuum solutions – that is our purpose as the world’s leading supplier of high-end vacuum valves. The Group reports in two segments: Valves and Global Service. The Valves segment is a global developer, manufacturer and supplier of vacuum valves for the semiconductor, displays, photovoltaics and vacuum coating industries as well as for the industrial and research sector. Global Service provides local expert support to customers and offers genuine spare parts, repairs and upgrades. VAT reported net sales of CHF 885 million in 2023 and employs some 2,700 people worldwide, with representatives in 29 countries and manufacturing sites in Switzerland, Malaysia, and Romania.

FORWARD-LOOKING STATEMENTS

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.