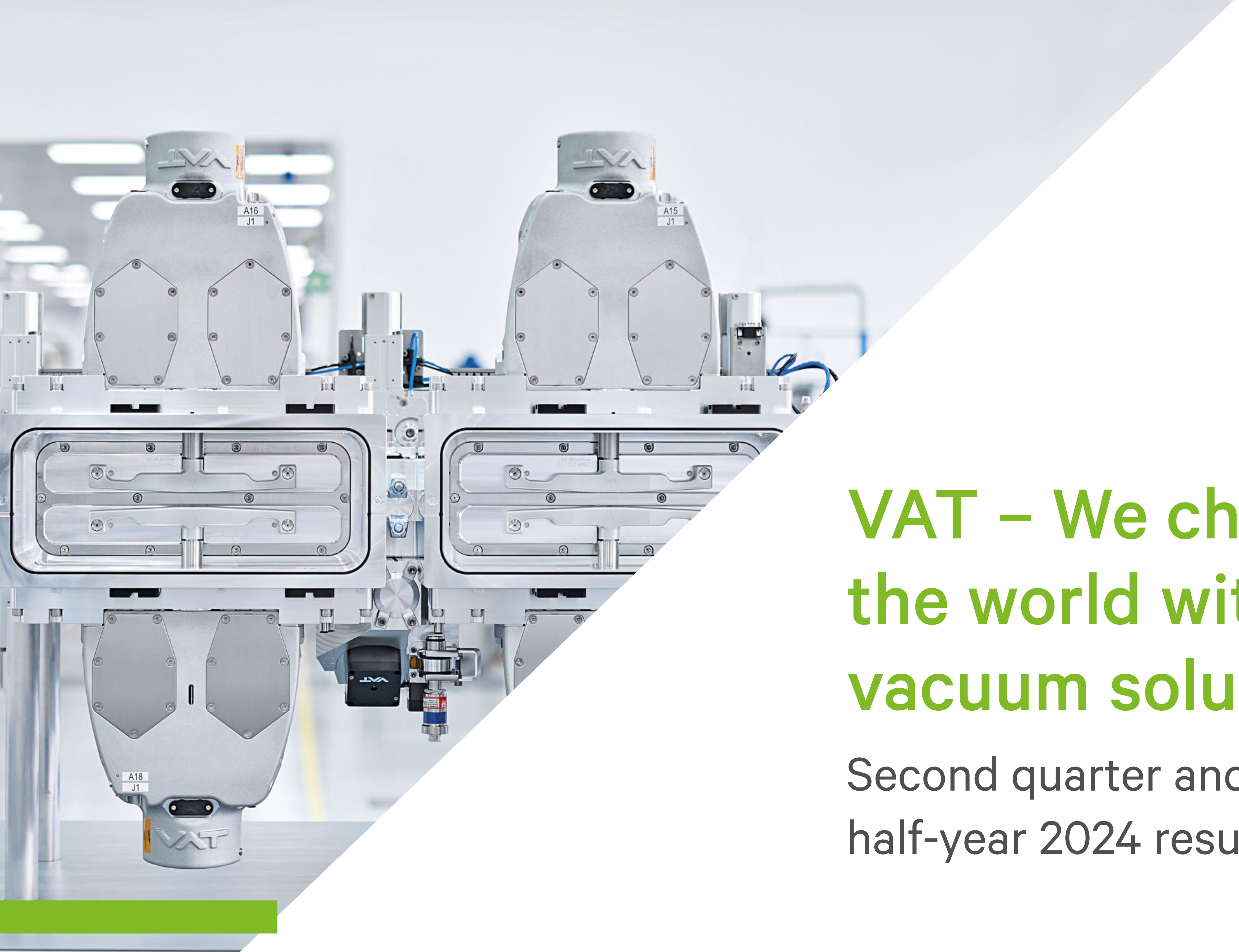


PASSION. PRECISION. PURITY.

VAT – We change the world with vacuum solutions

Second quarter and half-year 2024 results

Agenda

Highlights	Urs Gantner, CEO
Second quarter and half-year 2024 financial review	Fabian Chiozza, CFO
Sustainability update 2024	Fabian Chiozza, CFO
2024 / 2025 market expectations and outlook	Urs Gantner, CEO
Q&A	

01

Highlights

Urs Gantner, CEO

Working together in the semiconductor industry

The industry is working together to solve four key challenges in order to grasp the opportunities of AI, mobility, and high-performance computing

The semiconductor industry faces clear asks…

- Relentless drive to USD 1 trillion market by 2030
- Requirement to drive R&D at edge of physics
- Affordability of chips

… while dealing with external challenges…

- Rising geopolitical / policy concerns
- Finding and retaining talent
- ESG challenges – path to net zero
- Redefining supply chain

… resulting in close collaboration across industry

semi Initiatives

- Comprehensive Workforce Development Program
- Semiconductor Climate Consortium and Energy Collaborative
- SEMI International Policy Summit (SIPS)

Our business focus and performance

Orders considerably higher vs. 2023, with sales flat on previous year

Our business segments

(Share of H1 2024 net sales)

Valves
(81%)

Global Service
(19%)

Delivering outstanding performance

507 H1 2024 order intake in M CHF (+74% vs. H1 2023)	**450** H1 2024 sales in M CHF (-1% vs. H1 2023)	**30.1%** H1 reported EBITDA margin (+0.9 ppts vs. H1 2023)
26 H1 2024 free cash flow in M CHF (-29% vs. H1 2023)	**48** Spec-wins (+17% vs. H1 2023)	**0.8x** Leverage (vs. 0.6x H1 2023)

Highlights H1 2024

Cyclical recovery continues in semi, however inflection point for growth not reached yet

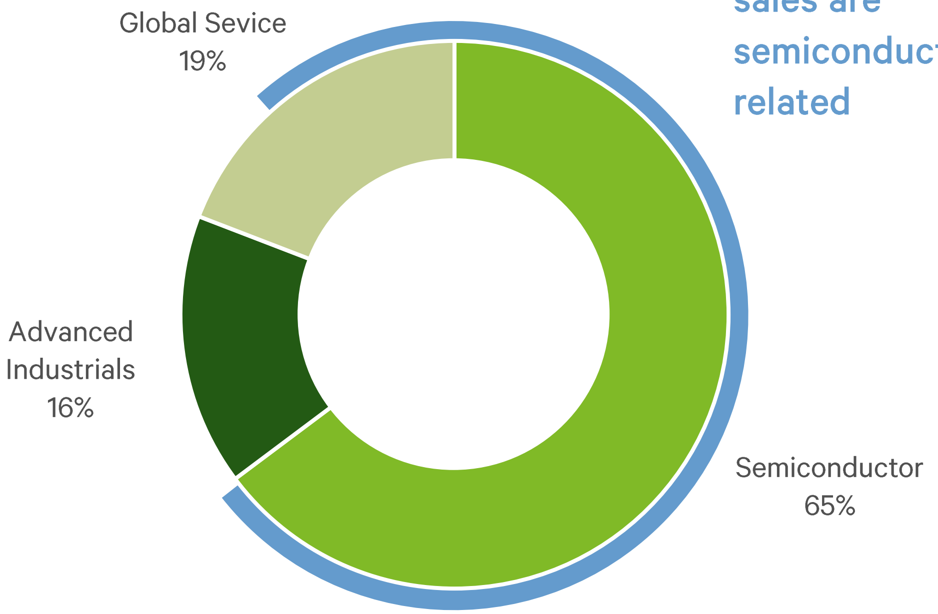
Orders – recovery since Q2 2023	Order intake up significantly vs. 2023 on overall more optimistic WFE forecast for FY 2024 driven by AI-related technology inflection and recovered fab utilization. ADV orders lagging as some end-markets are behind expectations.
Sales – on track	Sales growing sequentially and consistently since Q1 2023: +27% since Q1 2024 and flat vs. H1 2023. Largest sales booked from both Western and Chinese customers.
Profitability	EBITDA margin of 30.1% achieved in H1 2024, up vs. 29.2% H1 2023. Capex and R&D expenditure remains at elevated levels due to Malaysia, and Switzerland capacity expansions.
ERP – on track	Implementation of ERP system in Switzerland to be executed in August 2024. Objective: no noticeable impact for our customers.
Ramp readiness and future growth	VAT continues to prepare for 2025 ramp with inventories normalizing and adjusting for the ramp. Lead time requirements tightening – speed is king. 48 spec-wins achieved in H1 2024 which will turn into sales in 2 to 5 years.

Continued client dialogue to ensure full readiness with capacity and new products

Sales breakdown by markets and regions

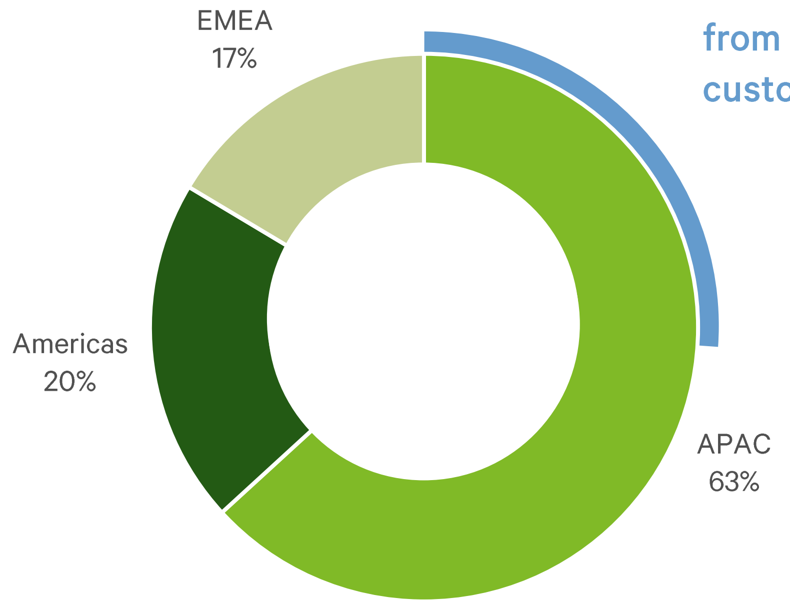
Semiconductor end-markets remain core focus – sales to Asian customers remain strong

Sales breakdown by market segment H1 2024



~80% of VAT's sales are semiconductor related

Regional sales breakdown H1 2024



~28% of VAT's sales originate from Chinese customers

Observed market trends 2024 YTD

End-markets remain constrained, but good basis being established for 2025 ramp in semi

Semiconductors

- Memory: DRAM recovery underway, driven by HBM; NAND slowly recovering
- Logic: Market slowly recovering as AI is fueling technology inflection (GAA, high NA EUV, 2nm roll-out, HBM)
- PC/desktops: 2024E volumes to grow +8%; adaption of AI PCs (30–50% of sales in 2025E)

Solar and energy transition

- Market conditions remain soft in solar in China, with significant oversupply still being managed
- Fusion energy experiments and fission renaissance supporting business development in ADV; impact of recent European elections on nuclear to be assessed

Industry and scientific instruments

- Scientific instrument applications continue to perform worse than expected; initially 2024 believed to be a recovery year – more likely 2025
- Industrial applications remain tied to volatile industrial cycle

Consumer/end-user market demand

- Lower smartphone shipments, which remain volatile; limited short-term catalysts with AI enabled smart-phones expected for late 2025
- EV demand has slowed as well as roll-out of autonomous and assisted driving

02

Second quarter and half-year 2024 financial review

Fabian Chiozza, CFO

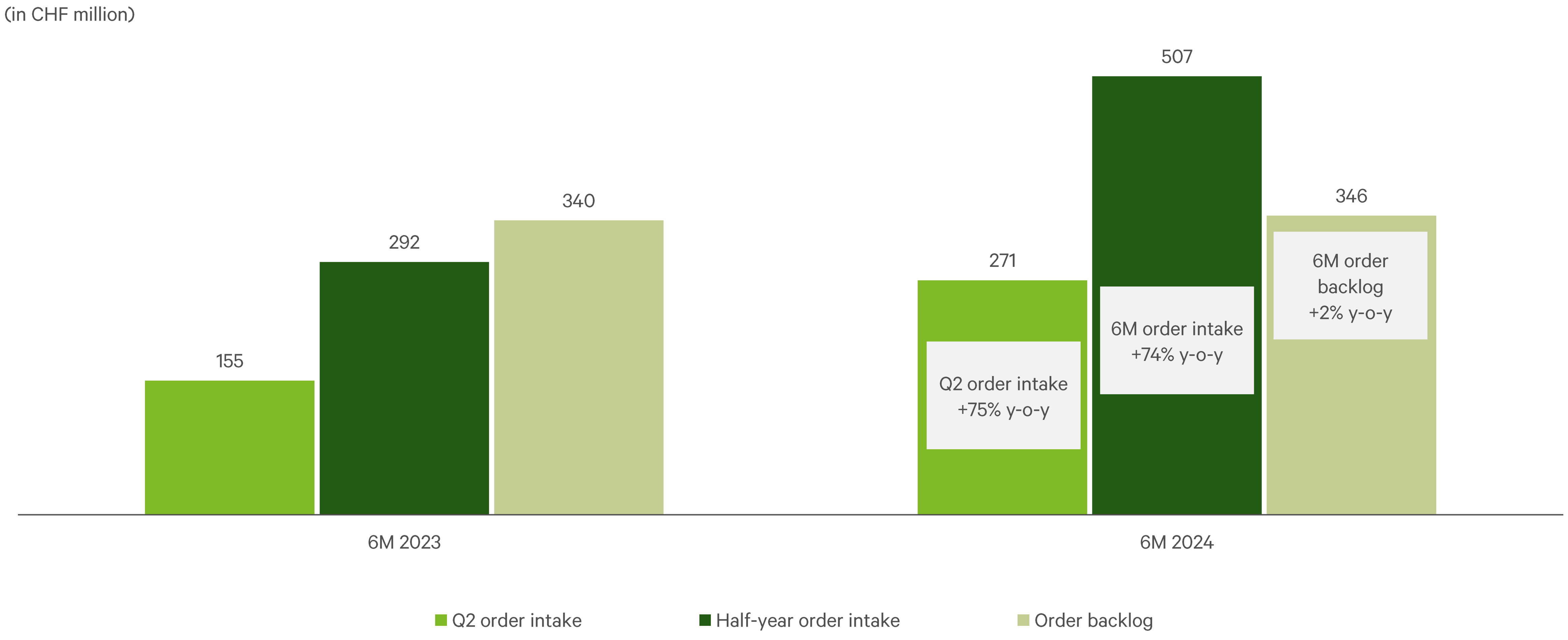
Financial highlights H1 2024

Group key figures H1 2024 compared to H1 2023

Orders CHF 507 million +74%	**Net sales** CHF 450 million -1%	**EBITDA** CHF 135 million (+2%) **EBITDA margin** 30.1% (+0.9ppt)
Net income CHF 94 million +12%	**Free cash flow** CHF 26 million -29%	**Leverage (Net debt/LTM EBITDA)** 0.8x

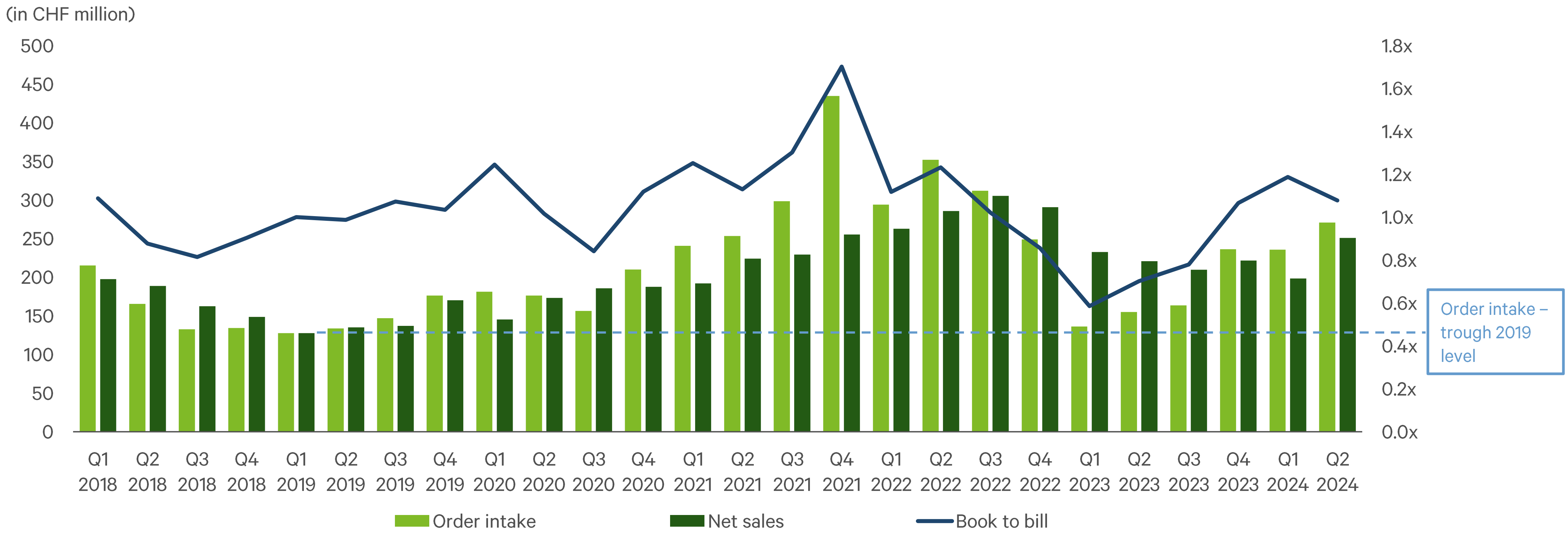
Order intake

Q2 2024 orders up 75% y-o-y and H1 2024 orders up 74% up y-o-y as recovery accelerates



Orders and sales through the cycle

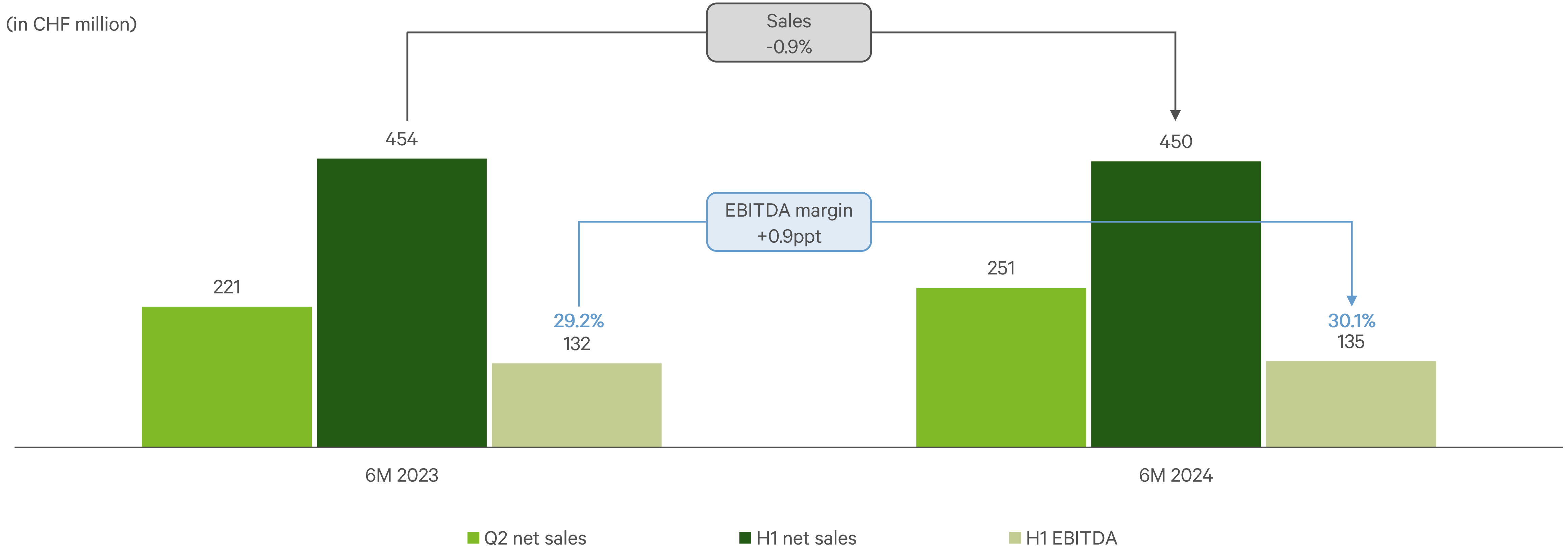
Order momentum rebounded since Q1 2023 with book-to-bill remaining above 1.0x since Q3 2023



- Improvement in order flow off the trough 2023 levels, with continuous sequential order recovery observed
- Book-to-bill remains above 1.0x since Q3 2023; Q2 2024 impacted by planned ERP pre-build

EBITDA and EBITDA-margin

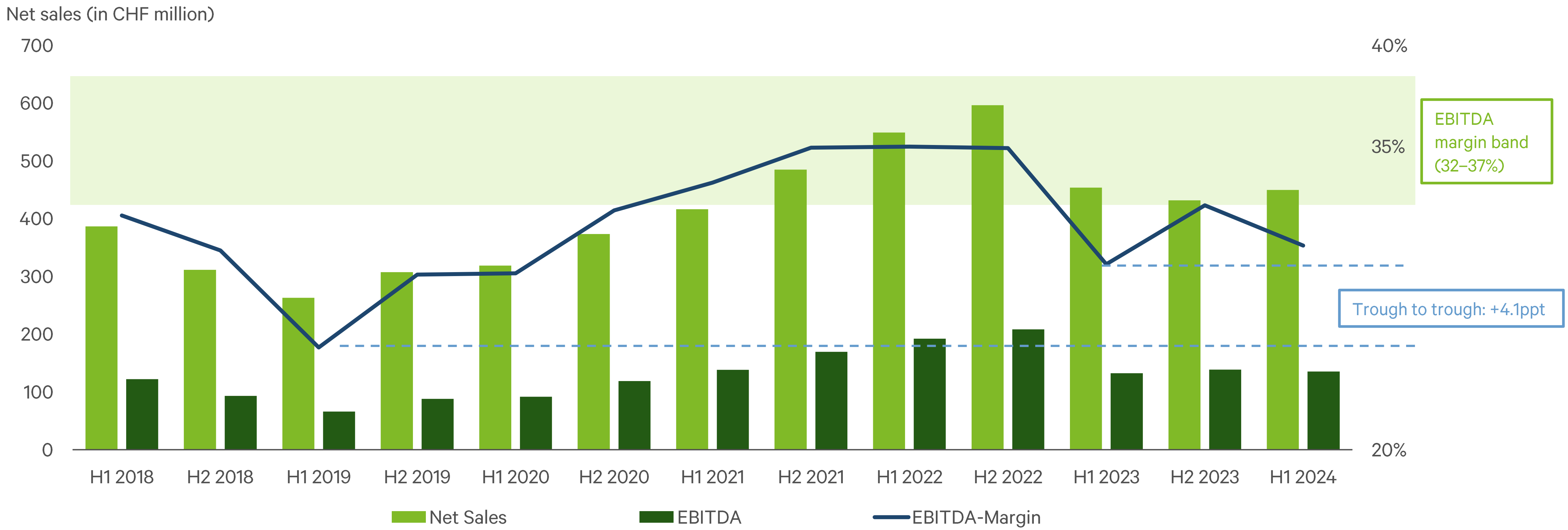
Despite flat sales, EBITDA margin increased year-on-year



- FX movements (mainly USD/CHF) had a negative impact on 6M 2024 sales of about 4%

EBITDA margin

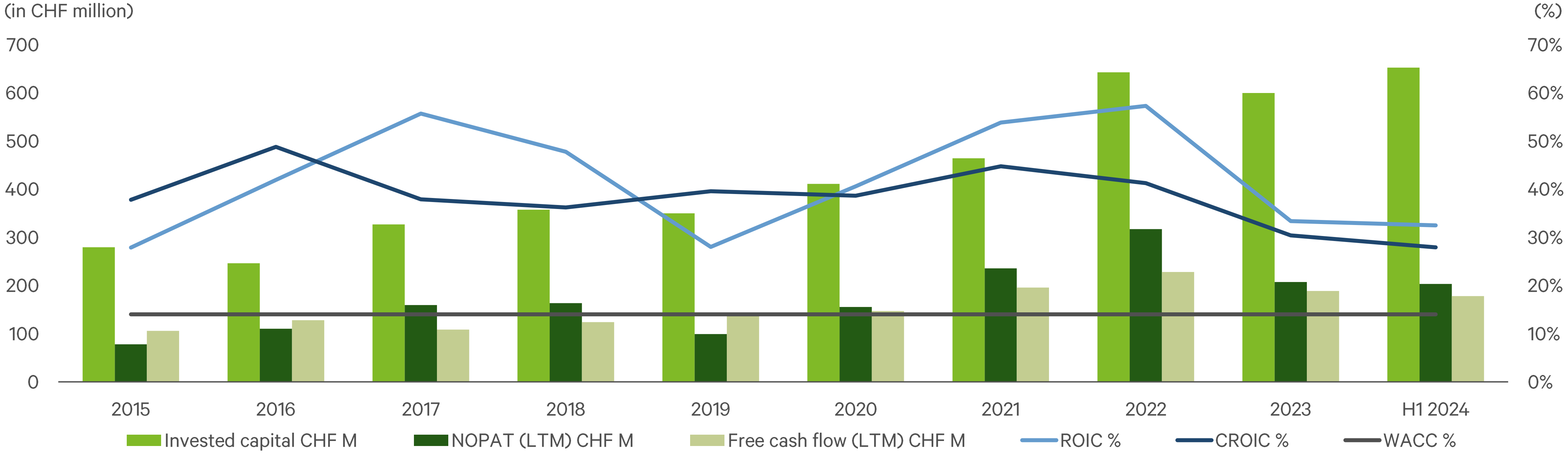
EBITDA margin below bottom end of margin band; operating leverage yet to kick-in



- EBITDA margin remains at the bottom end of the communicated EBITDA margin band as FX and ramp costs continue to weigh
- Continued improvement of EBITDA expected due to operating leverage

Value creation

Despite sector downturn, VAT's business model generates consistently high returns



- The return on invested capital (ROIC) and the cash return on invested capital (CROIC) remain both above the Group's weighted average cost of capital (WACC, 14.0% as used in the 2023 impairment test)
- Sustainable generation of economic profit over the cycle benefits all VAT stakeholders

- ROIC calculated as NOPAT over average invested capital
- CROIC calculated as free cash flow over average invested capital
- Net operating profit less adjusted taxes (NOPAT) is calculated as EBITDA minus depreciation and amortization (excluding amortization of acquired technology and customer relationships) plus finance income (excluding net foreign exchange gains/losses from financing activity) less taxes at the average Group rate of 18% (previous year 16%)

Below the EBIT line

Lower EBITDA, higher finance costs yield in lower net income

(in CHF million)	6M 2024	6M 2023	Change
EBITDA	135.3	132.4	+2.2%
Depreciation, amortization and impairment	-21.5	-20.7	+3.9%
EBIT	113.8	111.7	+1.9%
Finance net	0.8	-11.3	-107.1%
EBT	114.6	100.4	+14.1%
Income tax expenses	-20.6	-16.2	+27.2%
Effective Tax Rate	-18.0%	-16.1%	-1.9 ppt
Net income	94.0	84.2	+11.6%

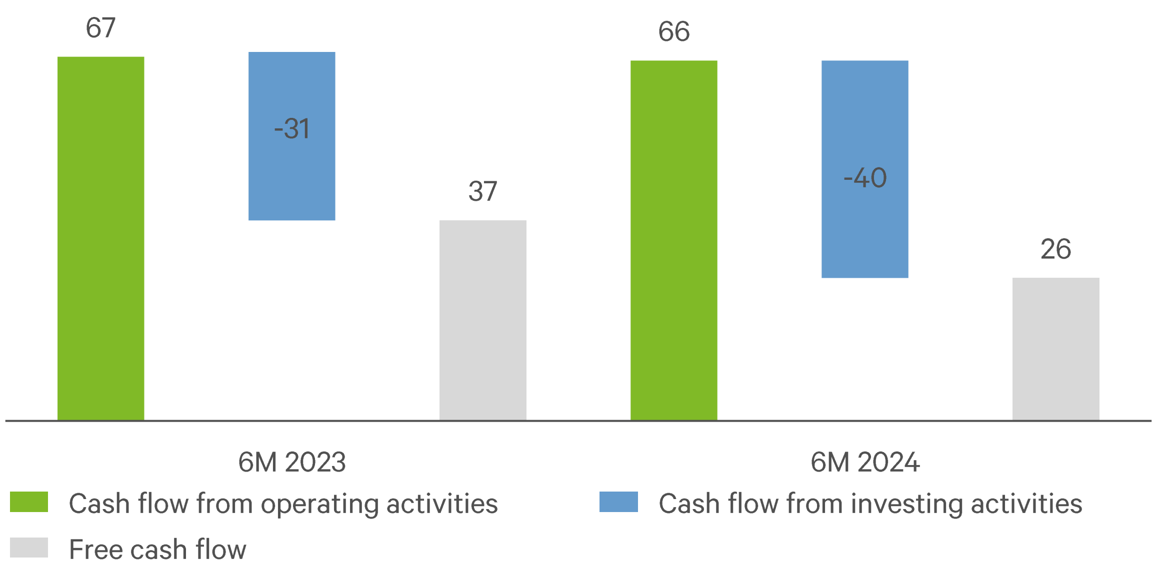
- Net finance results reflects FX related revaluation of bank loans and bank balances as well as hedging costs
- Effective 6M 2024 tax rate slightly higher due implementation of OECD minimum tax rules

Free cash flow

Free cash flow lower as expected on slightly lower operating cash flow coupled with high capex

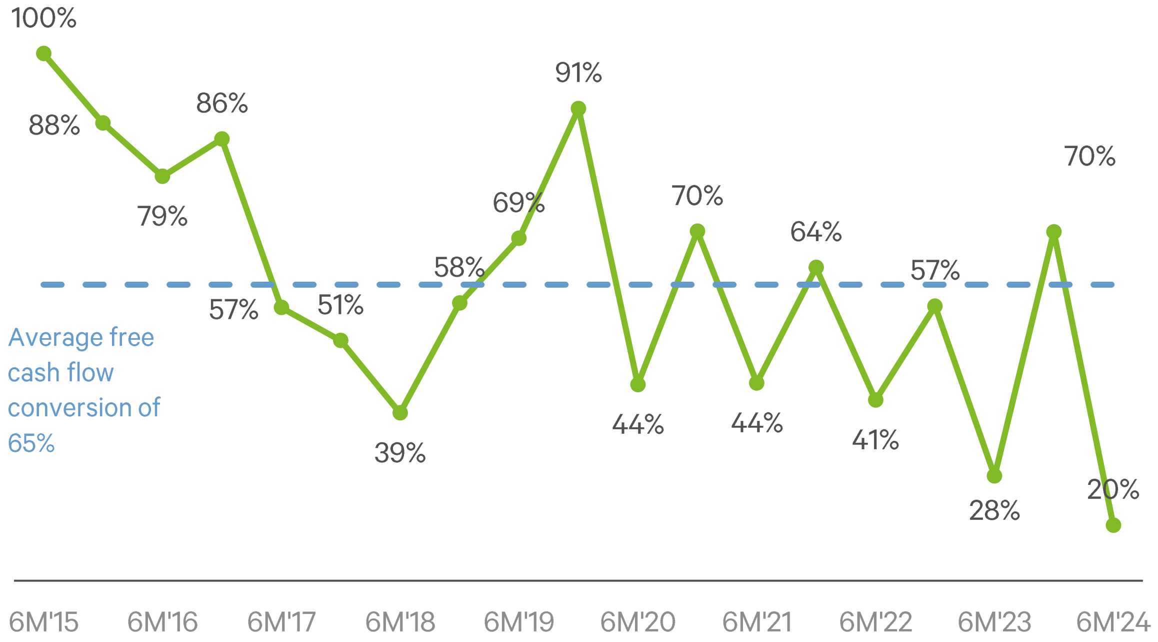
Free cash flow development

(in CHF million)



Free cash flow conversion

(%)



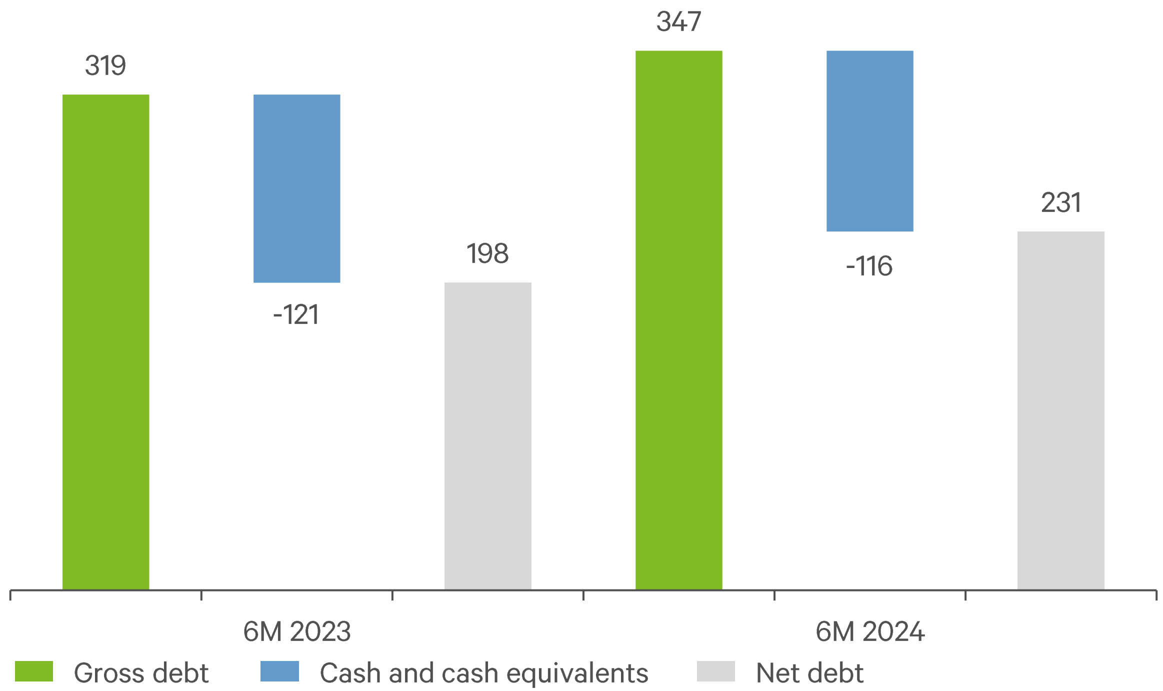
- Growth related capex of 8.9% of sales during 6M 2024 compared to 6.9% a year earlier
- 6M 2024 trade working capital vs. sales at 36% vs. 30% 6M 2023 due to inventory build-up as part of ERP preparations

Net debt

Net debt and leverage increased due to dividend payment – VAT retains conservative balance sheet

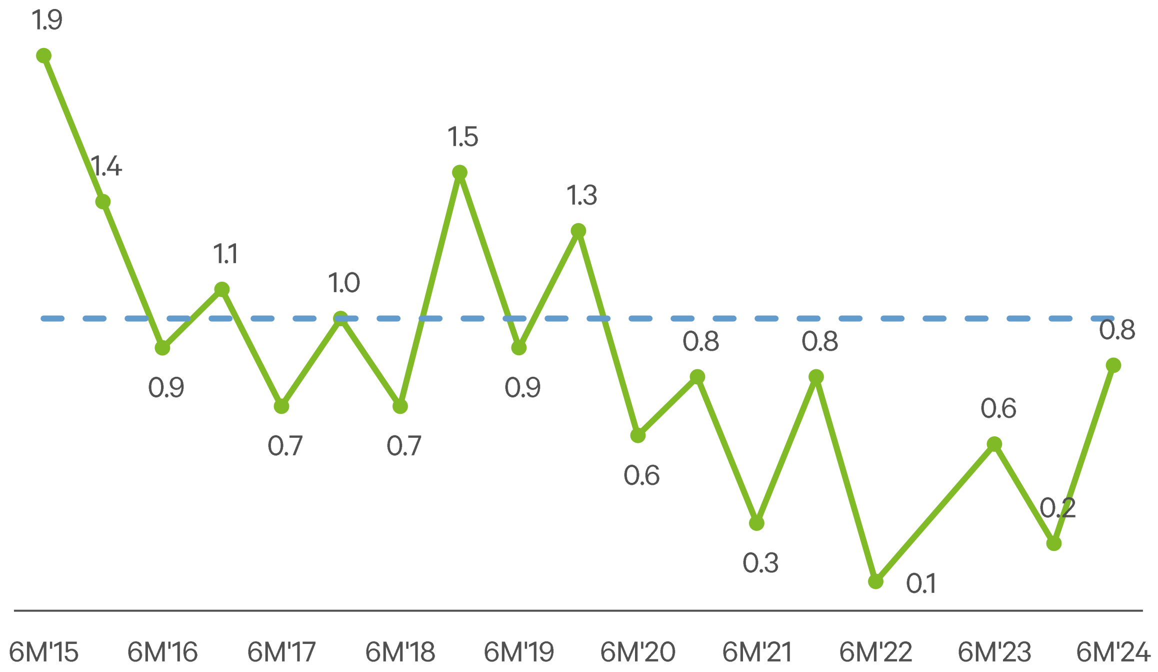
Net debt development

(CHFm)



- Net debt position remains healthy and conservative
- Gross debt on June 30 includes CHF 200 million term-loan (extended; maturing 2026) and partial use of CHF 250 million RCF (CHF 140 million drawn)

Leverage development



- Half-year leverage remains below 1x; current leverage of 0.8x reflects dividend payment in May 2024
- Strong balance sheet prerequisite for future success; organic growth initiatives based on substantial R&D investments

Finance summary

Business and FX environment remains challenging, but on course to achieve mid-term guidance

Reflections on 6M 2024	• VAT weathered the worst of the downturn during 2023 and has seen a marked improvement in the business conditions in H1 2024 • Semiconductor orders are improving, driving operating leverage but ongoing investments in personnel and R&D capabilities continue weighing in on profitability • Focus on balancing cost discipline with operational requirements to prepare for market ramp • ERP implementation has resulted in pre-building of products in close communication with customers • No slowdown in preparing for the ramp: infrastructure, personnel and technology are focus areas for investment
Finance priorities for rest of 2023 and into 2024	• ERP as immediate focus of management and organization: – Planned lower output from production ramp-up in August – Sell-down of pre-built products in H2 • Continue disciplined spend to build capacity and required capabilities in Malaysia and Switzerland • Focus on our continuous improvement program (DarWin) key to drive productivity and cope with inflation • Malaysia plant 1B and Innovation Center in Switzerland to go live in late 2024 and March 2025 respectively

03

ESG update

Fabian Chiozza, CFO

VAT Sustainability Report 2023

Overview of changes compared to the 2022 report and ESG highlights of 2023 edition

Improvements compared to the 2022 report

- ✓ Incorporating additional information as requested by ESG ratings
- ✓ Implementation of the Swiss KVI requirements
- ✓ Improved data quality and data availability

ESG highlights 2023

Announcement regarding the newly created Environmental Product Declarations (EPDs)
Our Products

Decrease of GHG Scope 1 and 2 (market-based) emissions by 45%, driven by changes in power mix in Malaysia
GHG emissions and climate protection

Increase of renewable energy proportion of the energy mix from 55% (2021) to 68% (2023)
Highlights p. 9 and Energy consumption

Increase of the employee engagement score for the 7th year in a row from 3.94 (2022) to 4.09 (2023)
Highlights

Female new hires increased to 23.8% (2023) from 21.9% (2022); target of 23% by 2027 on track
Diversity, inclusion and equity

Reduction of no. of accidents from 49 (2022) to 32 (2023)
Occupational Health and Safety

04

2024 market expectations and outlook

Urs Gantner, CEO

Short term market outlook

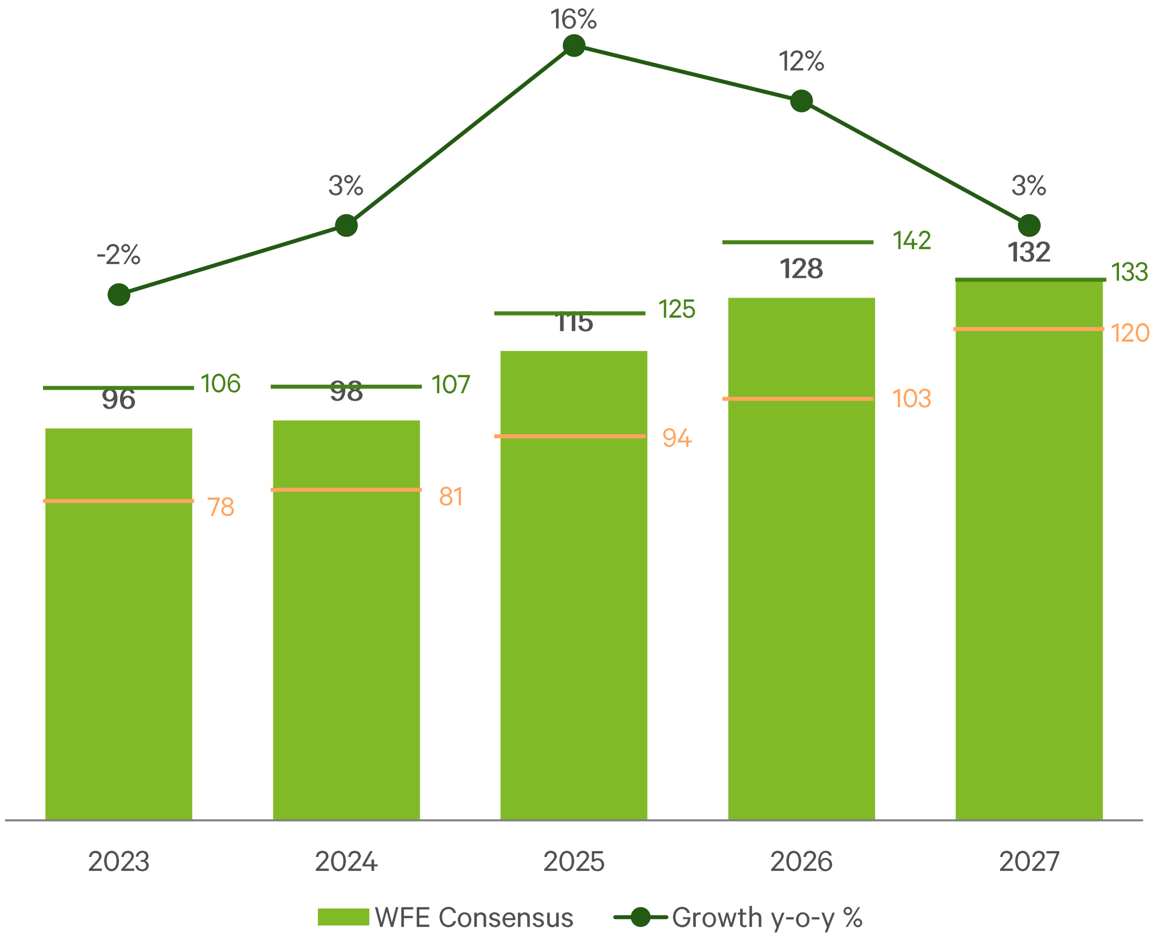
H2 2024 – preparing for 2025 ramp

	H2 2024 expected market growth	VAT H2 2024 expectations
Semi	• Demand from China, especially related to ICAPS, expected to remain at high levels but unlikely to grow further • Investments continue to grow due to demand for high-end memory and logic applications • Market research estimates WFE between USD 90 and USD 105 billion	• Continued growth of quarter-on-quarter order intake • Adjacencies will see product launches that will expand product offering
Advanced Industrials	• Overall sales to remain flat on 2024 • Growth areas: energy transition/nuclear fission, science, SiC • Lagging: solar, scientific instruments	• Monitor markets and maintain share with customers in lagging end-markets • Continue to grow in select markets • Continue to build on previous wins to generate repeat orders
Service	• Fab utilization rates to increase further, demand for gates and repairs will continue to grow • Drive retrofits and upgrades order flow • Service market expected to grow by low single digits	• NAND fab utilization rate increases will result in additional gate and repair business • Acceleration in demand for chip production drives upgrades of older tools to new specs • Continue to drive adjacencies services and ESG-related upgrades

(1) expected, year-on-year

2024/2025 forecasts firming up

WFE estimates show a wide range – but the direction of travel is up



Source: TechInsights, Yole, SEMI.org, Banks.

Key drivers

Leading edge logic – AI driving demand for high-end computing power at lower energy consumption

Memory – demand for HBM/3D DRAM as AI demonstrates hunger for memory

Onshoring – driving build-outs of new fabs in different locations

China – overstocking of tools that are anticipated to be restricted in future

Vacuum-related WFE – shift in WFE towards lithography; increase of China-related WFE; vacuum-related WFE growing

Mid-term pathway to capacity build-out

~100 fabs are coming online in the next 2 to 3 years – to achieve USD 1 trillion semi market by 2030

Fab status:

79 – in progress
- 22 – in operation
- 14 – equipping
- 43 – under construction

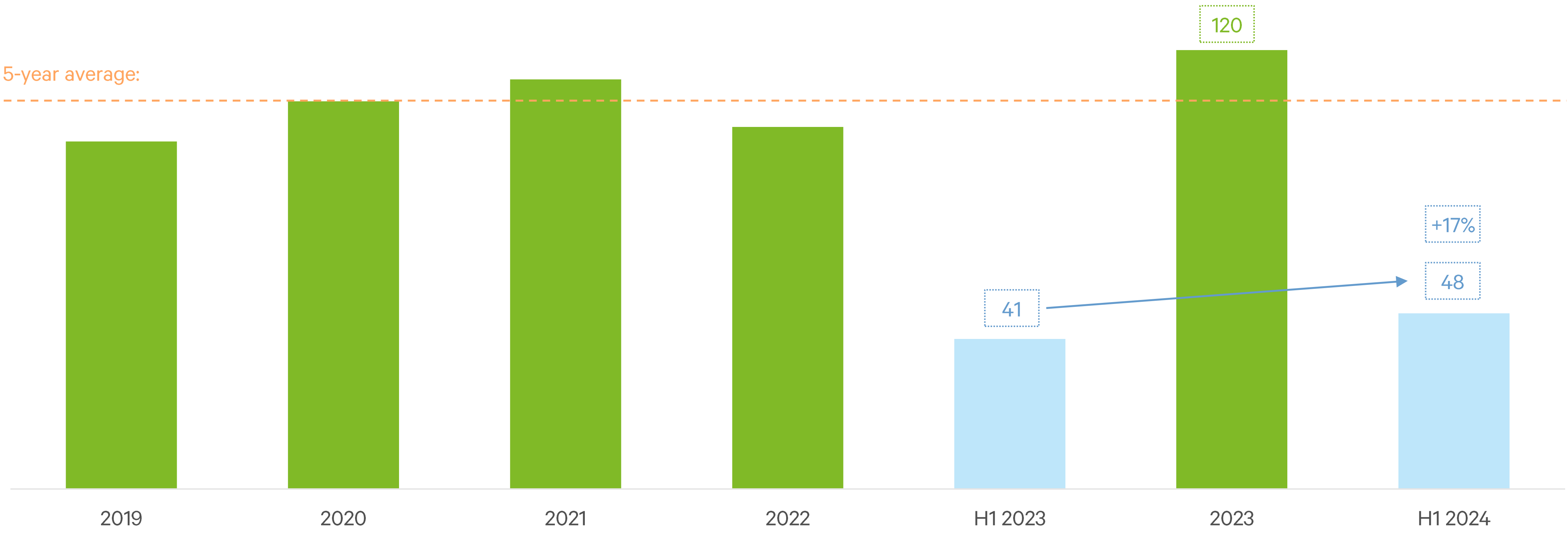
24 – planned

Source: Semi.org (March 2024)

R&D remains VAT's differentiator

VAT's focus and leadership on vacuum technology demonstrated by our spec-win rate

H1 2024 spec-wins continue at high level



- Spec-wins have increased 17% y-o-y vs. H1 2023
- 2/3rds of all spec-wins in semi applications including adjacencies; 10% in ADV
- R&D focus on process resistance, purity and pressure control

Qualitative FY outlook and guidance for Q3 2024

H2 order flow and sales to grind higher – sequentially and continuously growing

Group	• Investment conditions for Semiconductor segment expected to grind higher over H2 2024, similar to the run-rate for H1; stronger growth expected starting in 2025 • Advanced Industrials markets to remain flat as order-flow in lagging end-markets expected to recover later this year • Global Service segment continues to grow on increasing fab utilization rates, and higher demand for upgrades and retrofits driven by ESG needs as well as increased chip demand • VAT expects higher sales, EBITDA, EBITDA margin, net income and free cash flow in 2024 vs. 2023, but FX headwinds likely to prevail • Due to ERP implementation, gross margin normalized by inventory sell-down • Capital expenditure at circa CHF 70–80 million; R&D investments continue to remain high as VAT invests into its people and infrastructure
Q3 2024 guidance	• VAT expects sales[1] of CHF 235–255 million, including the planned lower output from production ramp-up after the ERP implementation in Switzerland

(1) At constant foreign exchange rates.

05

Q&A

Second quarter and half-year 2024 results

Additional information

Investor information

Listing:	SIX Swiss Exchange
Currency:	CHF
Ticker symbol	VACN
ISIN	CH 031 186490 1

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Financial calendar 2024 / 2025

2024

Thursday, October 17	Q3 2024 trading update

2025

Thursday, January 9	Preliminary high-level Q4 and full-year 2024 results
Tuesday, March 4	Full-year 2024 results
Thursday, April 17	Q1 2025 trading update
Tuesday, April 29	Annual General Meeting 2025
Wednesday, July 23	Half-year 2025 results
Thursday, October 16	Q3 2025 trading update

Second quarter and half-year 2024 results

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.

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Thank you!

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