

Webinar with Intevac

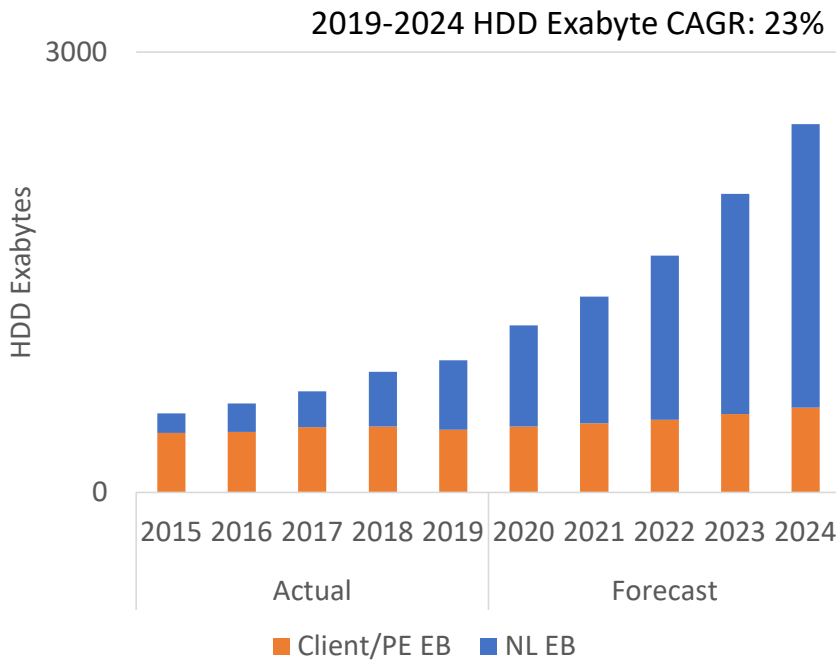
Hosted by Intro-Act

John Chen

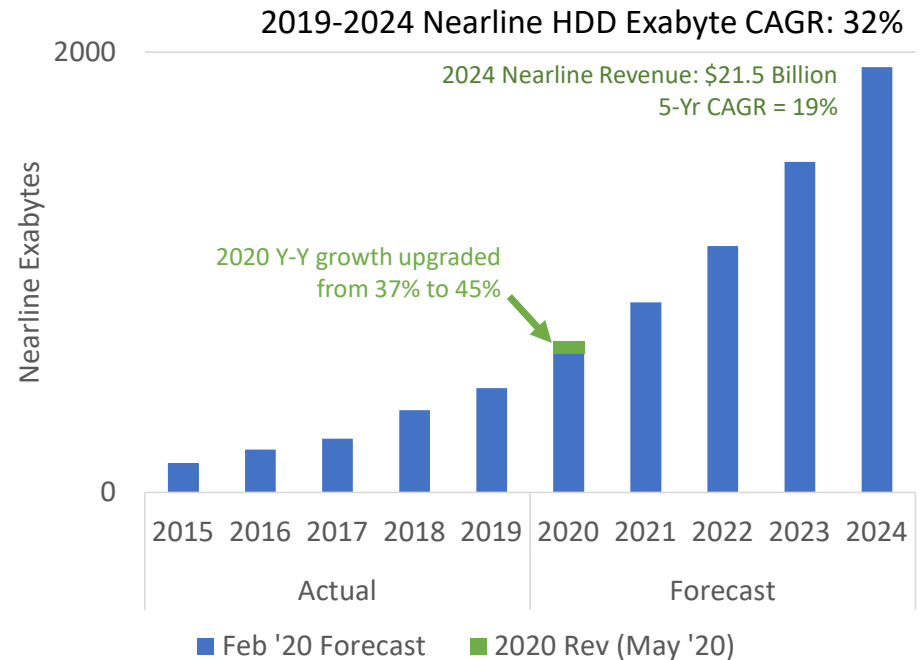
June 18, 2020

June 2020

HDD Capacity Shipments Fueled by Nearline



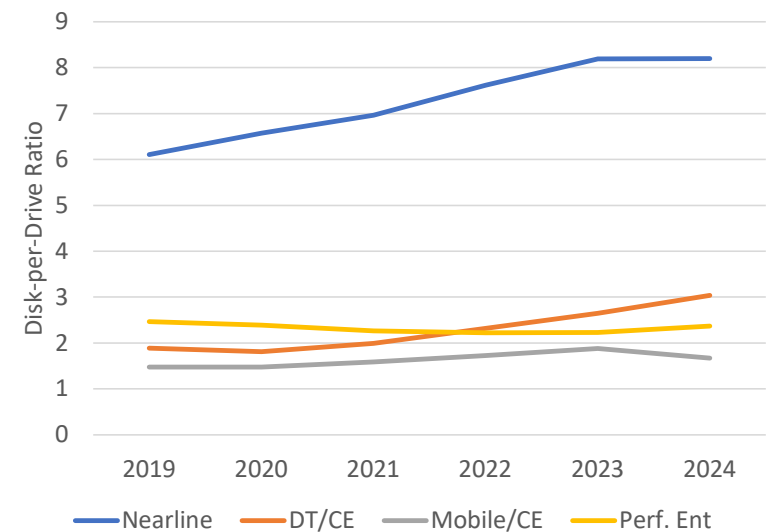
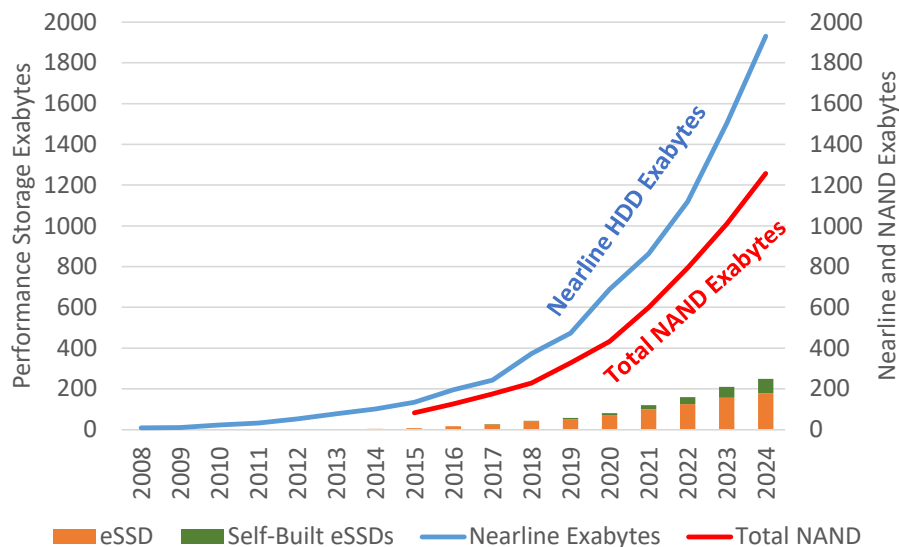
- >50% of capacity shipped in 2019 was nearline
- By 2024, nearline will capture more than three-quarters of all HDD capacity shipped



- COVID-19 and WFH accelerating cloud growth
- 2020 nearline capacity outlook upgraded due to the stronger growth of the cloud
- Longer-term shift to WFH and economic recovery may further accelerate move to cloud

June 2020

Nearline Critical for Cloud/Enterprise Storage

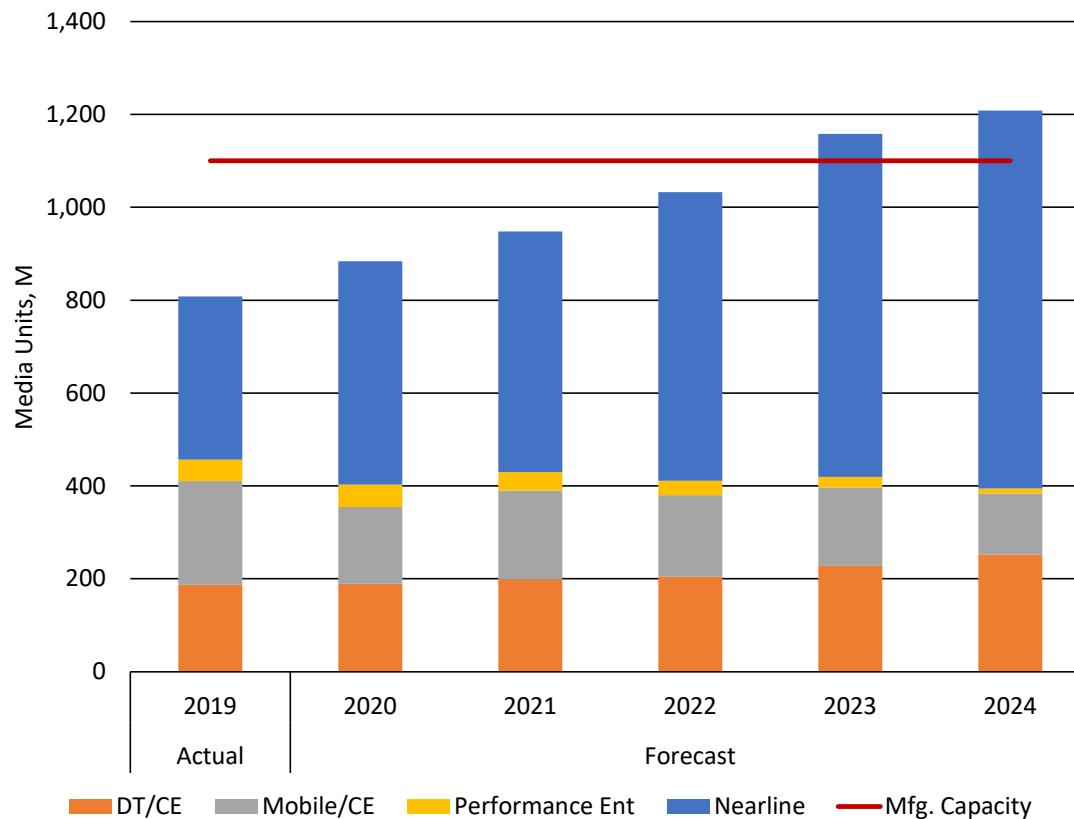


- Nearline capacity growth dwarfs SSDs in enterprise storage
- Even if new flash technologies enable some nearline cannibalization, there will not be enough overall NAND to significantly replace nearline HDDs
- SSDs for cloud applications will remain 8X to 10X higher in \$/GB compared to nearline through 2024

- New recording technologies will still require high disk-per-drive ratios to deliver the needed capacity to the cloud
- Nearly 40% of all HDD units shipped in 2024 will be nearline

June 2020

Media Forecast: Units by Type



- Media growing at 8% CAGR (Feb. '20 pre-COVID forecast)
- New recording technologies such as HAMR and MAMR will improve areal density at increased costs
- High disk-per-drive ratios for nearline will drive maximum capacity and lowest \$/GB with these new technologies
- Demand for media expected to cross over industry capacity by 2023
- Faster cloud growth or a push to >nine disks-per-drive could outpace production capacity sooner, accelerating media growth rates beyond 8% CAGR (Feb '20 forecast)

June 2020



INTEVAC



Intevac Webinar with TrendFocus

Hosted by Intro-Act

June 18, 2020

Wendell T. Blonigan
Chief Executive Officer

James P. Moniz
Chief Financial Officer

PROPRIETARY

POWERING INNOVATION. DELIVERING VALUE.

Cautionary Disclaimer



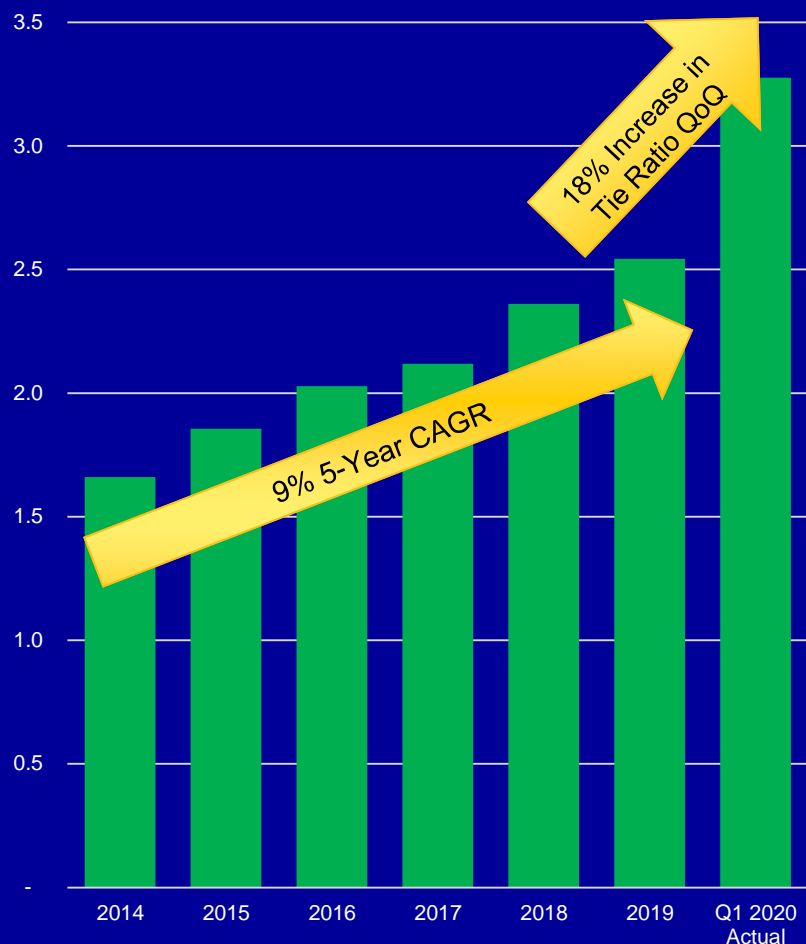
During the course of this presentation, we will comment upon future events and may make projections about our future financial performance, including statements related to strategies, our expected sales, product shipments and acceptance, gross margin, operating expense, profit, cash flow, income tax expense, and capital allocation. We will discuss our business strategy, our products, the markets our products address, our position in those markets, expected market acceptance of those products and production capacity. We wish to caution you that these are forward looking statements that are based upon our current expectations, and that actual results could differ materially as a result of various risks and uncertainties, including, without limitation, the following: inability to develop and deliver new products as planned; inability to accurately forecast the demand for our products and services; the possibility that orders in backlog may be cancelled, delayed or rescheduled; inability to achieve gross margin and expense goals; and other risk factors discussed in documents filed by us with the Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. We undertake no obligation to update the forward-looking statements made during this presentation.

Q1'20 Data Center/Nearline Demand Drove Record Tie Ratio

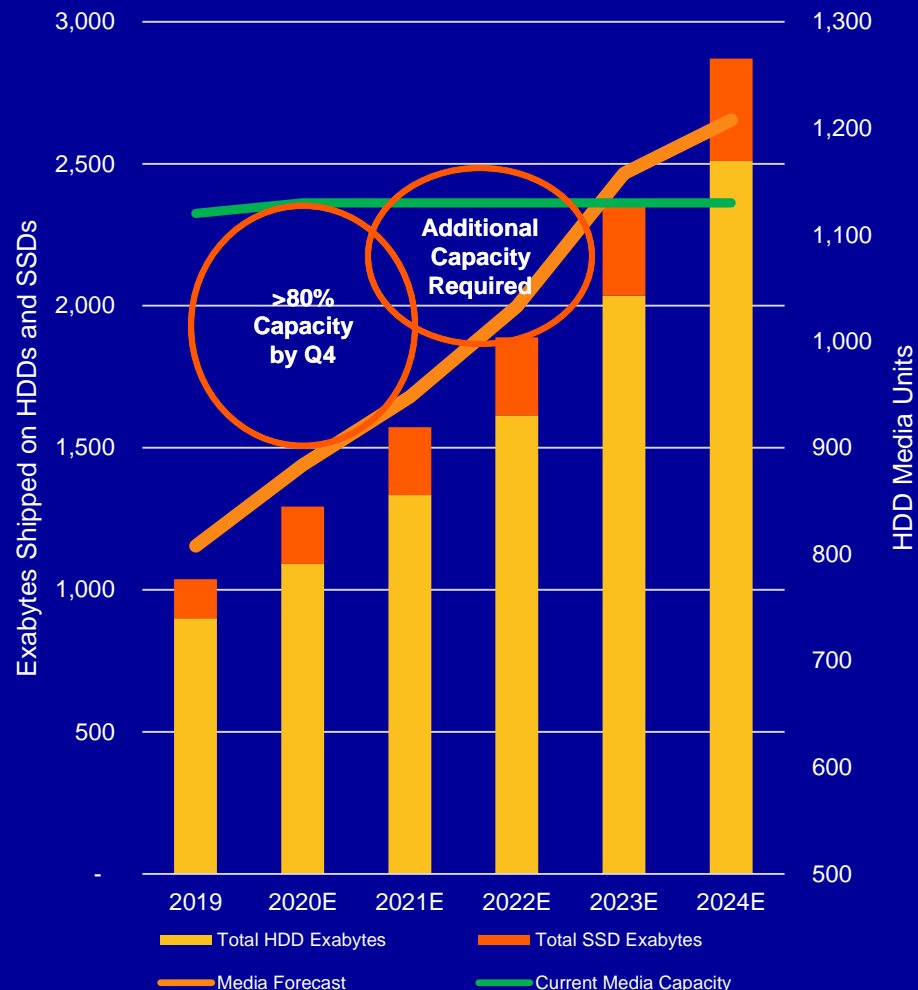
Strong Data Center in COVID-19 Era Drove Sharp YoY Increase in Media Units



Average # of Disks per Drive



Total Industry Exabyte Shipments vs. Forecasted Media Units

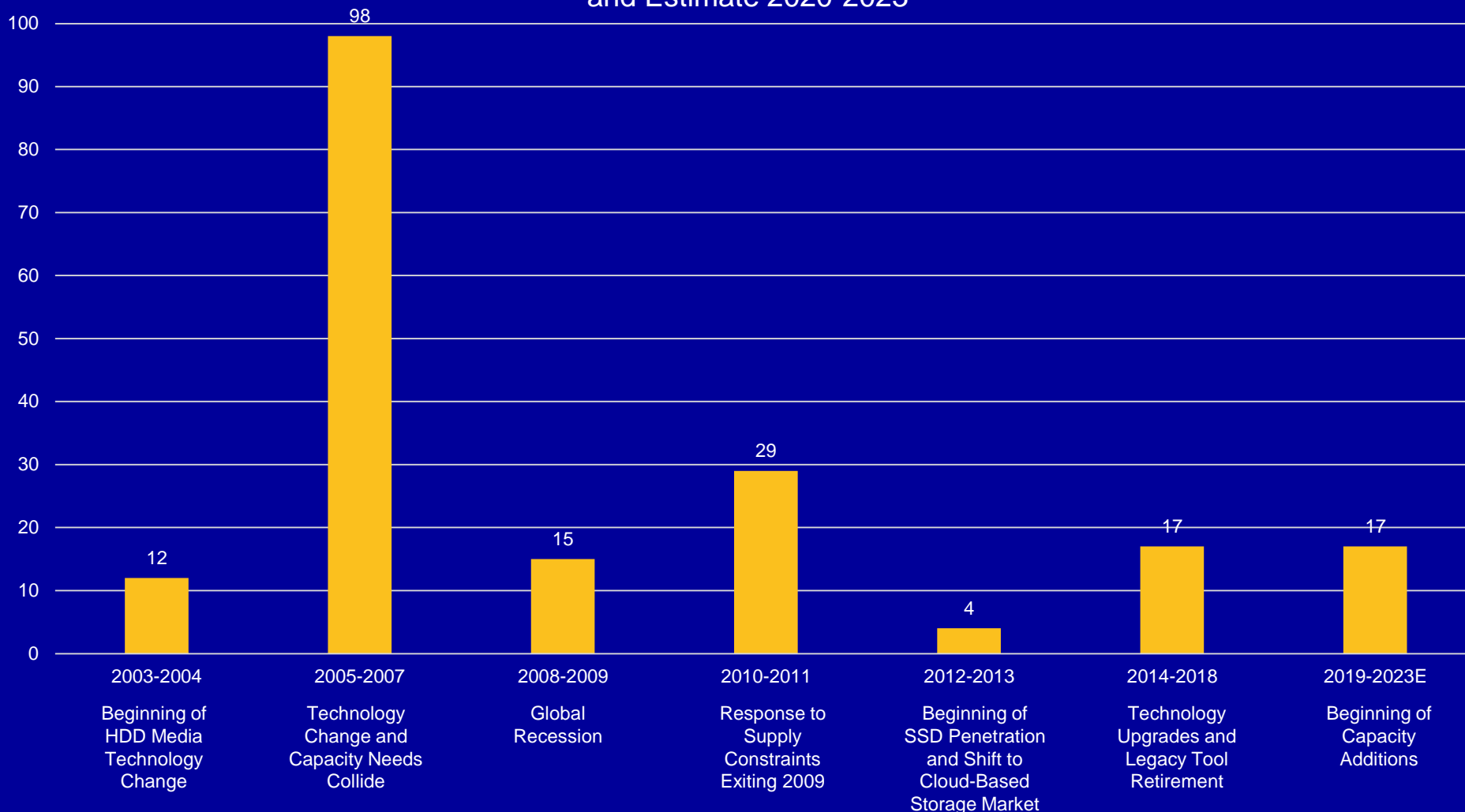


Source – Q1 2020 actual media units and CY 2020 media unit est. from TrendFocus May 8, 2020. Long-Range media unit estimates, and HDD and SSD exabytes, from TrendFocus February 2020.



HDD Media Capacity Cycles

200 Leans Shipped To Date
and Estimate 2020-2023



5-year estimate for 2019-2023 period provided in all 2019 and 2020 Investor Presentations

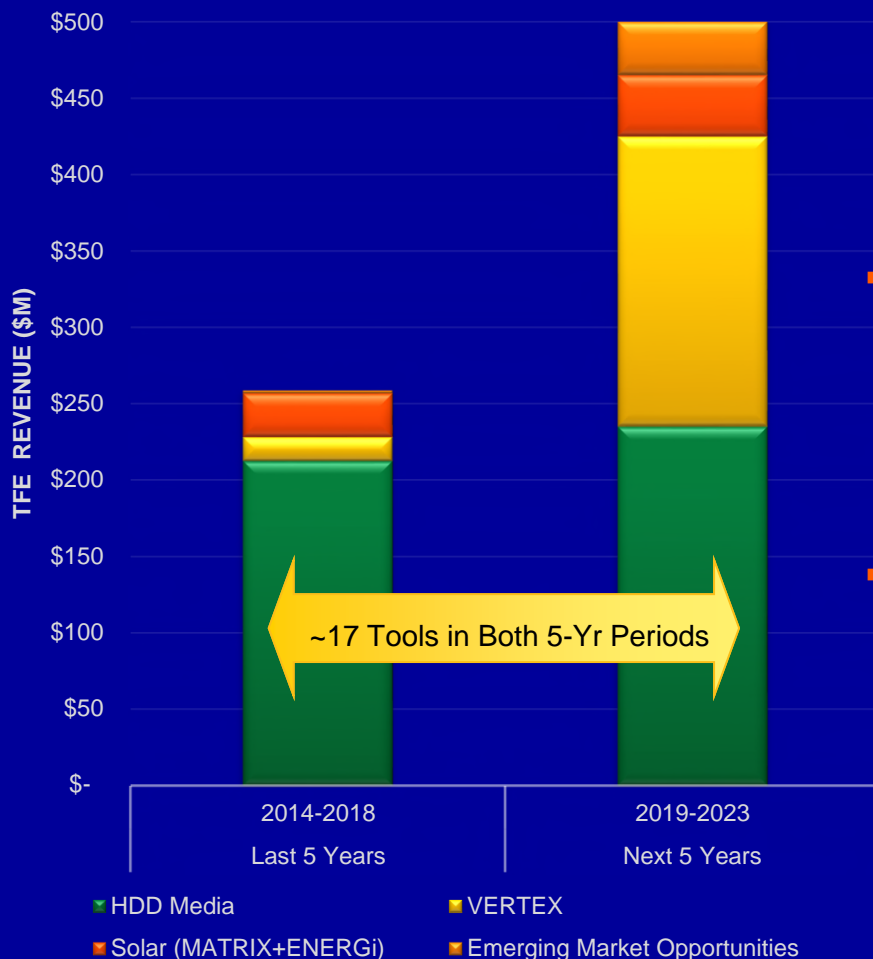
PROPRIETARY

INTEVAC

June 2020 4

How to Look at Potential Upside to HDD Media Business

TFE Revenue Drivers *



- **Expectation to Date: Intevac's Revenues from HDD Media Market in 2019-2023E Time Period at Least Equal To, Or Will Slightly Exceed, Prior 5-Year Period**

- 17 Tools Shipped 2014-2018 (No Capacity Added) + Technology Upgrades, Spares and Field Service
- 6 Tools to Ship 2019-2020E (Adding Capacity)
- ~11 (+/-) Systems Expected in 2021-2023 Based on ~8% CAGR Forecast for Media Units

- **Upside Scenario Based on Secular Shift in Data Center / Nearline Spending**

- Each 1% Increase in Media CAGR Adds Need for ~1.5 Additional 200 Leans Per Year
- If Media CAGR Increases to 10-12% Range, Result Could be Upside of 10 to 12 Additional Systems in 2021-2023 Timeframe

- **Potential Upside in 200 Lean Shipments 2021-2023 Subject to a Number of Caveats**

- Our customers are still running at modest utilization rates; supply constraints exist for substrates
- Current media capacity levels appear to be sufficient for several quarters
- Current forecast for ~17 tools is an estimate subject to risk and potential revision at any time
- Sustained upside in nearline spending will need to be evident for 2H'21 in order to drive upside in tool orders for the next 3 years

* TFE Revenue Drivers and 5-year estimate for 2019-2023 period provided in all 2019 and 2020 Investor Presentations

PROPRIETARY

INTEVAC

June 2020 5