

INTEVAC INC

FORM 8-K (Current report filing)

Filed 08/08/07 for the Period Ending 08/08/07

Address	3560 BASSETT STREET SANTA CLARA, CA, 95054
Telephone	4089869888
CIK	0001001902
Symbol	IVAC
SIC Code	3559 - Special Industry Machinery, Not Elsewhere Classified
Industry	Industrial Machinery & Equipment
Sector	Industrials
Fiscal Year	12/31

INTEVAC INC

FORM 8-K (Current report filing)

Filed 8/8/2007 For Period Ending 8/8/2007

Address	356O BASSETT ST SANTA CLARA, California 95054
Telephone	408-986-9888
CIK	0001001902
Industry	Computer Storage Devices
Sector	Technology
Fiscal Year	12/31

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**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

August 8, 2007

Date of Report (date of earliest event reported)

INTEVAC, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

0-26946

(Commission File Number)

94-3125814

(IRS Employer
Identification Number)

**3560 Bassett Street
Santa Clara, CA 95054**

(Address of principal executive offices)

(408) 986-9888

(Registrant's telephone number, including area code)

N/A

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure

Please find the August 2007 Intevac Investor Presentation attached as Exhibit 99.1. This Current Report on Form 8-K and the attached exhibit are furnished to, but not filed with, the Securities Exchange Commission (“SEC”) and shall not be deemed to be incorporated by reference into any of the Company’s filings with the SEC under the Securities Act of 1933, as amended, or the Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 August 2007 Intevac Investor Presentation.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTEVAC, INC.

Date: August 8, 2007

By: /s/ CHARLES B. EDDY III
Charles B. Eddy III
Vice President, Finance and Administration,
Chief Financial Officer, Treasurer and Secretary

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Exhibit Index

99.1 August 2007 Intevac Investor Presentation.



INTEVAC

Investor Presentation
August 2007

Charles Eddy
Chief Financial Officer

Jeff Andreson
Executive V.P., Finance



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 our expected sales, product shipments and acceptance, gross margin, operating expense, profit, cash flow and income tax expense. 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.

Growth Business

Equipment Products

- Leader in Thin Film Deposition Equipment for Hard Disk Drive Industry

	2004	2005	2006
Growth	126%	114%	92%

- Ultra High Speed (800 Disks per Hour) Thin Film System Design Utilizing Lean Thinking Principles
- Entering Much Larger Semiconductor Equipment Market
 - Unique competitive solutions
 - Our Team has successful track record in this market

Imaging Instrumentation

- Leading Innovator in Digital Low Light Sensor Technology and Miniature Raman Systems
- Business Transitioning From Contract R&D Incubator Phase to Rapid Growth Products Based Business

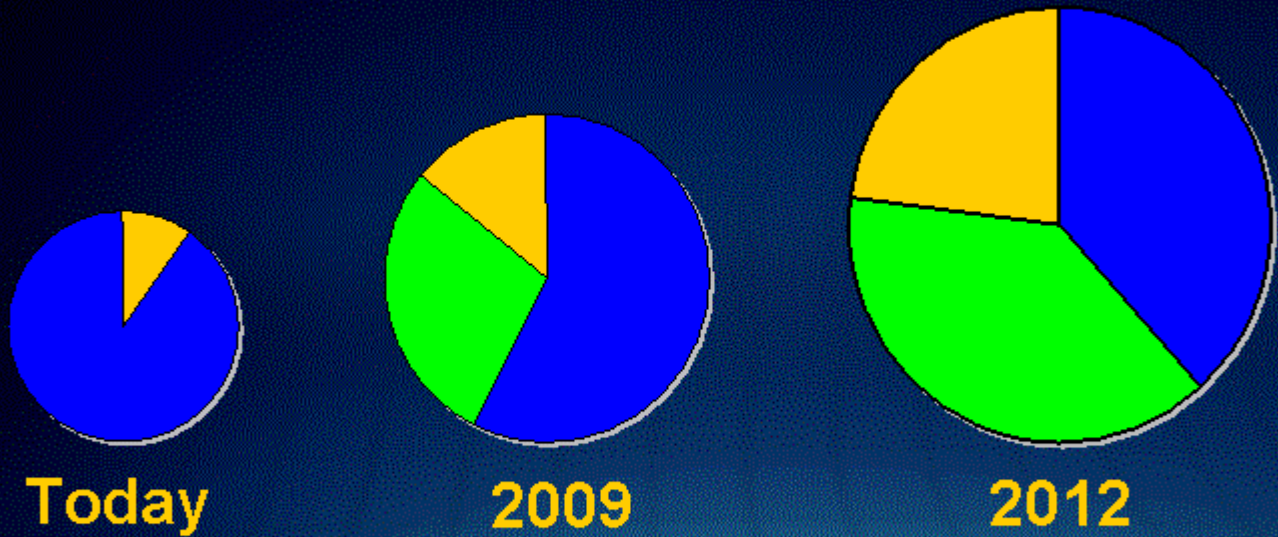
	2006	2007 Est.
Growth	42%	~100%

- \$2B Served Available Market:
 - Military
 - Life Sciences
 - Physical Science
 - Industrial

Intevac Growth Drivers

Goal: 30% CAGR

Actual: 59% CAGR (2002 – 2007 est.)



Hard Drive Systems



Imaging Instrumentation



Semiconductor Systems

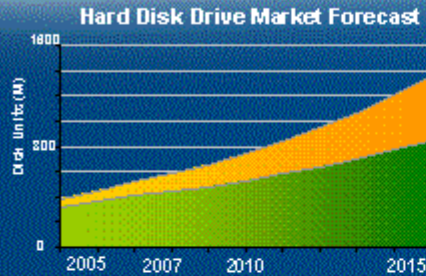
Global Presence



- **Headquarters in Santa Clara, CA**
- **Pilot and Volume Manufacturing in California & Wyoming**
- **Volume Manufacturing in Singapore**

Equipment Products Business

Hard Drive Market Growth Driving Need for More Equipment



2010

- Hard Drives Per Year 750M
- Disks Per Year 1200M
- Assume All Legacy Systems Obsolete by Next Generation Media Thin Film Systems, e.g., Intevac "200 Lean"

- 200 Lean Yearly Output 3.5M Disks
- Intevac Market Share 65%
- 200 Lean™ in 2010 ~ 235 (Production and R&D)



2008 - 2010
~ 125 Additional 200 Leans Required

Beyond 2010

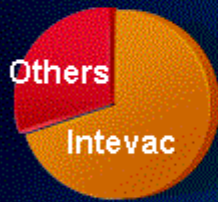
Annual Disk Growth	200 Lean Shipments
20%	46
10%	23

Expanding Intevac's Served Market



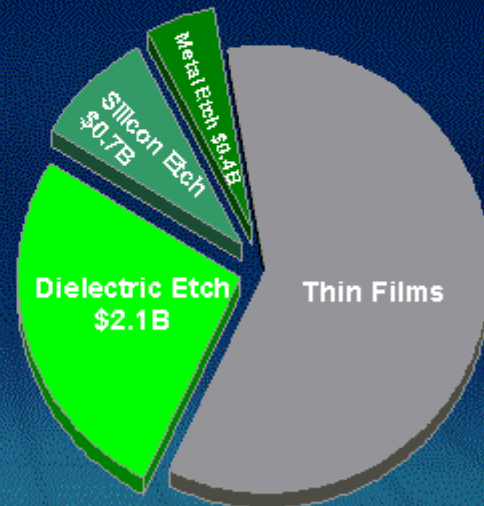
Current

**Hard Disk Drive
Deposition Equipment**
~\$350 Million SAM



Future

**Semiconductor Plasma
Process Equipment**
~\$8 Billion SAM



- Initial Target Dielectric Etch
- Top CapEx Customer Focus

Semiconductor Customers Want Change

Recent Industry Statements On Productivity



- “The industry needs a twofold improvement in tool productivity before the advent of the next wafer size”
Rick Tsai, TSMC, Industry Strategy Symposium 2006
- “A 300mm Prime analysis.... Potential productivity improvement options are being evaluated to target a 30% cost reduction and a 50% cycle time reduction by 2012”
J. Draina, D. Fandel, J. Ferrel, International Sematech Manufacturing Initiative, 2007
- “No less than a paradigm shift is underway ... which is requiring drastic changes at the tool level. Perhaps most significant to realizing the throughput and cycle time changes in the factory of the future are the substantial changes that must take place at the tool design level”
“You can’t tell me that when one module in a cluster tool goes down the whole system doesn’t go down”
Arieh Lev Greenberg, Qimonda, Advanced Semiconductor Manufacturing Conference, 2007
- “What the Joint Productivity Working Group uncovered is that there are significant opportunities for improving productivity that were not being effectively addressed by equipment manufacturers and factory management”
Mike Splinter, Applied Materials, Semi Update 2007

Demand For Productivity Increase is Universal

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LeanETCH

Double the Throughput

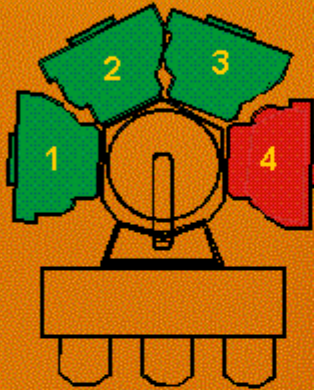


- Addressing Need for Significant Productivity Improvements and Enabling Etch Technology for 45nm and Beyond
- Designed With “Lean Thinking” Principles
- Universal Etch System



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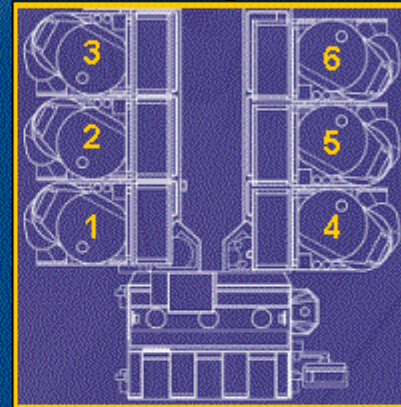
Cluster Tool



Legacy Issues

- 4 Chambers, Typically 3
- Throughput Bottleneck
 - ~100 Wafers/Hour
- Wasteful of Space
- Difficult to Service Due to Poor Access
- Maintenance Requires Complete Shutdown

Lean System



Intevac Solution

- Configurable to 6 Chambers
- Dual Transport Modules
 - 200 Wafers/Hour
- Compact Footprint
- Unparalleled Service Access
- "Availability Redundancy"

Fab Efficiency Comparison Cluster vs. Lean Etch

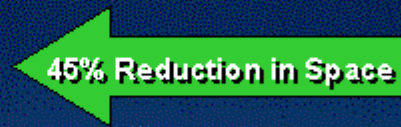


Cluster Fab -- 16 Systems, 376 m²



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Lean Fab -- 8 Systems, 208 m²



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Lean Etch Uses 45% Less Expensive Clean Room Space

Assumptions: 5 Etch Passes, 100w WSPM Fab

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Lean Etch: Formula for Success

- ☑ **Unique Competitive Product**
 - Enabling etch technology for 45nm and beyond
 - Double the throughput
 - 30% Reduction in cost of manufacturing

- ☑ **Customers Have Multi Supplier Strategies**

- ☑ **Focus on Limited Number of Customers**

- ☑ **Intevac Team Track Record**
 - 75% of management have prior semiconductor equipment experience
 - Innovative engineering and technology team
 - Many of today's successful products created and bought to market by Intevac staff at prior companies
 - Used to selling to and supporting largest semiconductor customers

- ☑ **Solid Global Business Foundation**

Imaging Instrumentation Business

Unique Solutions Addressing \$2 Billion Annual Market

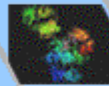


\$2 Billion Served Available Market

Physical
Science
Cameras



Life
Science
Cameras



Chemical
Detection



Industrial
Vision



Surveillance
Cameras
NightVista®



IPD Photon
Counters



Head Mounted
Night Vision
Systems

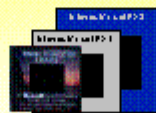


LIVAR®
Cost Effective
Targeting &
ID System



Sensors, Cameras & Systems

Unique Digital Sensor Technology



- Ultra Sensitivity
- Mega Pixel, Low Power
- Multi Spectral

Imaging Instrumentation Business



Digital Night Vision System



- ◆ Intevac Solution Used for 1st Major Deployment (NATO Country)
 - >\$55M Over Seven Years
- ◆ U.S. Army
 - Engaged on multi fronts
 - \$600M/year markets (Legacy)

LIVAR Cameras Laser-Illuminated Viewing and Ranging



- ◆ Cost Effective and Long Range (many miles)
- ◆ Qualifying on Multiple Programs
- ◆ Potential Sales of > \$100M Over Ten Years

MOSIR™ Scientific Cameras



- ◆ High Sensitivity
- ◆ Ultraviolet – Near Infrared
- ◆ Spectroscopy, Microscopy, Medical, Astronomy

DeltaNu Raman Systems



- ◆ Real-Time, Non Destructive Chemical Identification
- ◆ Miniature, Low Cost
- ◆ Large Range of Applications

Business Model Trends and Goals



	2005	2006	2007 Est. ¹	Long Term Goal	Improvement Initiatives
Revenue (\$M)	137	260	210-220		
Gross Margin	32%	39%	42%- 43%	>45%	<ul style="list-style-type: none"> • Imaging Products and Semiconductor Equipment Margin Increase • Asia Manufacturing Expansion
Operating Expense	21%	20%	31%-33%	<25%	<ul style="list-style-type: none"> • Lean Thinking Business Principles <ul style="list-style-type: none"> ○ Consistently eliminate waste ○ Reduce cycle times
Other Income	1%	1%	3%		
Profit Before Tax	12%	20%	12%-14%	> 20%	

¹ Based Upon July 30, 2007 Conference Call

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Investment Rationale

- **Significant Growth Opportunities**
 - Growth in Digital Storage Requires More Equipment
 - Entering Large Semiconductor Equipment Market
 - Imaging Instrumentation Products
- **Management and Technology Team With Proven Track Record**
 - Developing and Managing Global Billion Dollar Businesses
 - Developing Advanced Equipment and Imaging Solutions
 - Marketing to Industry Leaders
 - Grew Business by 616% Since 2003
- **Attractive Valuation**
 - Profitable, Generating Cash and Investing in Future Growth
 - \$5.30 Per Share in Cash and Investments
 - Semiconductor and Imaging Investments Offers Opportunity for Future Enhanced Valuations



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