

INTEVAC INC

FORM 8-K (Current report filing)

Filed 01/13/10 for the Period Ending 01/13/10

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

Item 7.01 Regulation FD Disclosure

Please find the 12th Annual Needham & Company, LLC Growth Conference 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 12th Annual Needham & Company, LLC Growth Conference Presentation

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: January 13, 2010

/s/ JEFFREY ANDRESON

Jeffrey Andreson
Executive Vice President, Finance and Administration,
Chief Financial Officer, Treasurer and Secretary



INTEVAC

12th Annual Needham Growth Conference

January 2010

Kevin Fairbairn
Chief Executive Officer

Jeff Andreson
Chief Financial Officer



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.

Multiple Growth Drivers

Equipment Business Hard Drive Media

Capacity Fully Utilized

- >15-20% Growth Estimated for 2010
- Backlog Building

Major Technology Shifts

- Patterned Media Doubles Market Opportunity
- Advanced Planar Media Requires Additional Process Stations and Technology Upgrades

Photonics Business

Military Business

- Multiple Production Programs Ramping
- Development Programs Expansion

Commercial Business

- Multiple OEM Production Programs Ramping
- Explosives and Narcotics Detection Focus

Equipment Business New Markets

Solar Cell Manufacturing Platform

- Very Competitive \$/Watt
- Builds Upon HDD Expertise

Semiconductor Market

- Lean Etch in Qualification through Alliance Partner
- Mainframe OEM Sales Opportunity



Operating Leverage

Equipment Business Hard Drive Media

- Increasing Volume
- Volume Products Transitioned to Asia Manufacturing
- Supply Chain Migrated to Low Cost Regions
- GM Expansion 300 BPS from 2006
- Tax Holiday

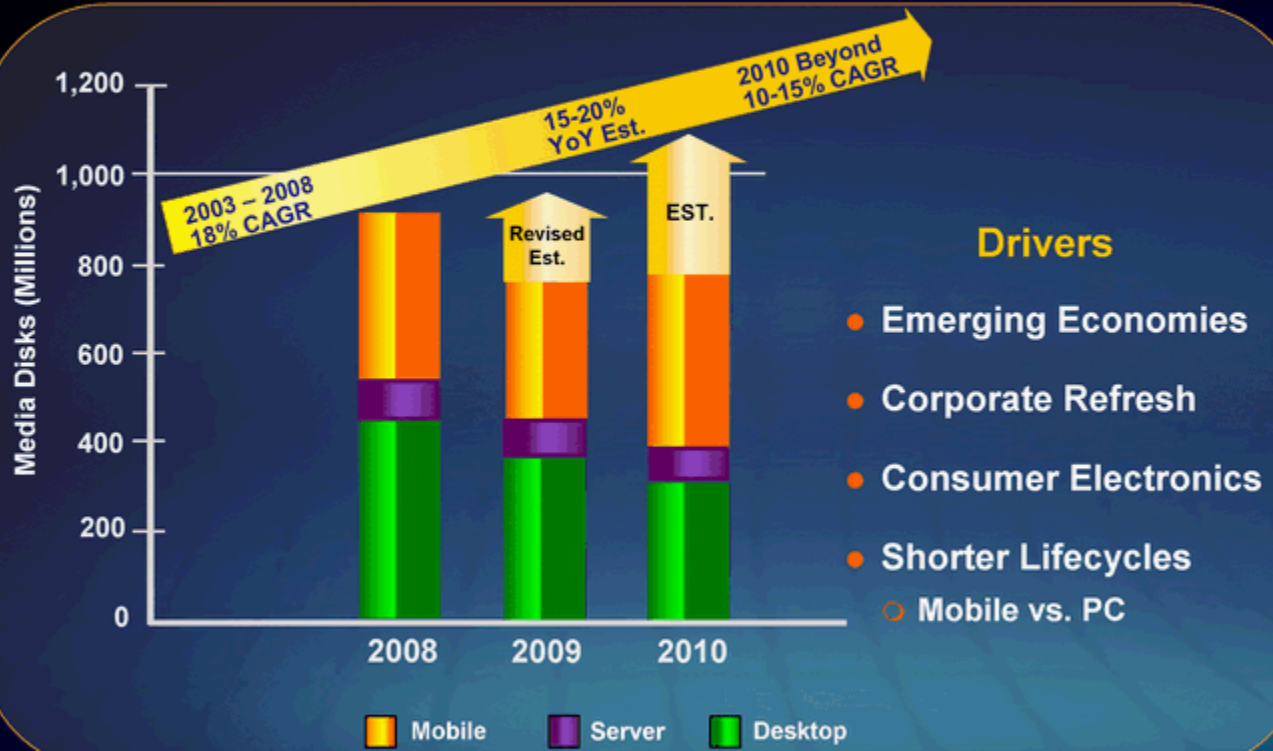
Photonics Business

- Ramping High Margin Products
- Yield Improvements with Volume Ramp
- Strong Base of Contract R&D

Equipment Business Emerging Markets

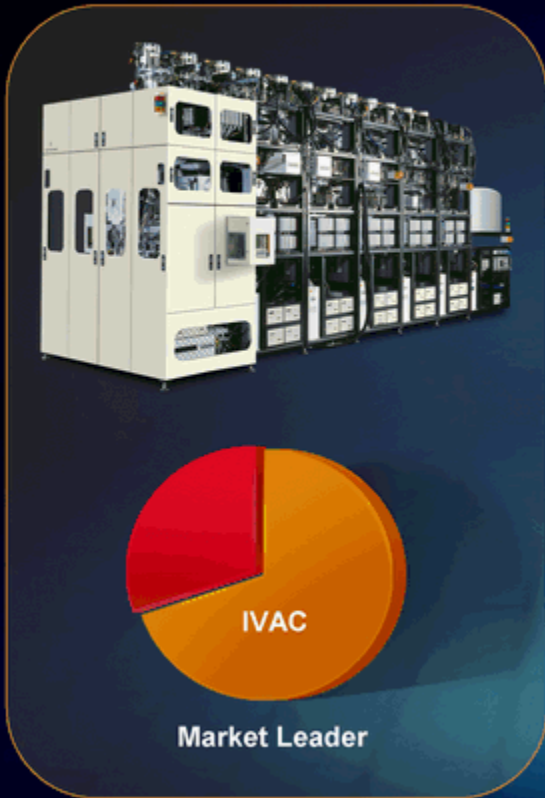
- Semiconductor Equipment Development Complete
- Solar Product Leverages Existing Platforms
- Utilizes Existing Supply Chain Manufacturing Infrastructure

Media Growth Exceeding Expectations



Source: TrendFocus April 2009; Company Projections for 2009-2010.

200 Lean Magnetic Media Manufacturing System



Leading System for Disk Production

- Deposition
- Etch and Planarization - NEW

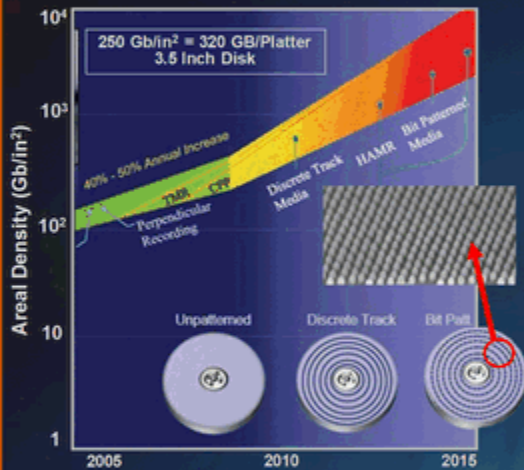
Highest Output Per Square Foot

Enabling the Industry's Technology Roadmap

- Patterned Media
- Heat Assisted Recording

Impact of Media Technology Evolution

Media Technology Roadmap*



Goal: Areal Density Increase
40% Per Year

* Source: Semiconductor International, 5/22/2008

Scenarios

A Patterned Media

Deposition System and Etch System Per Media Line



Doubles Market Opportunity

B Extension of Planar Media

Additional 4 to 8 Process Chambers



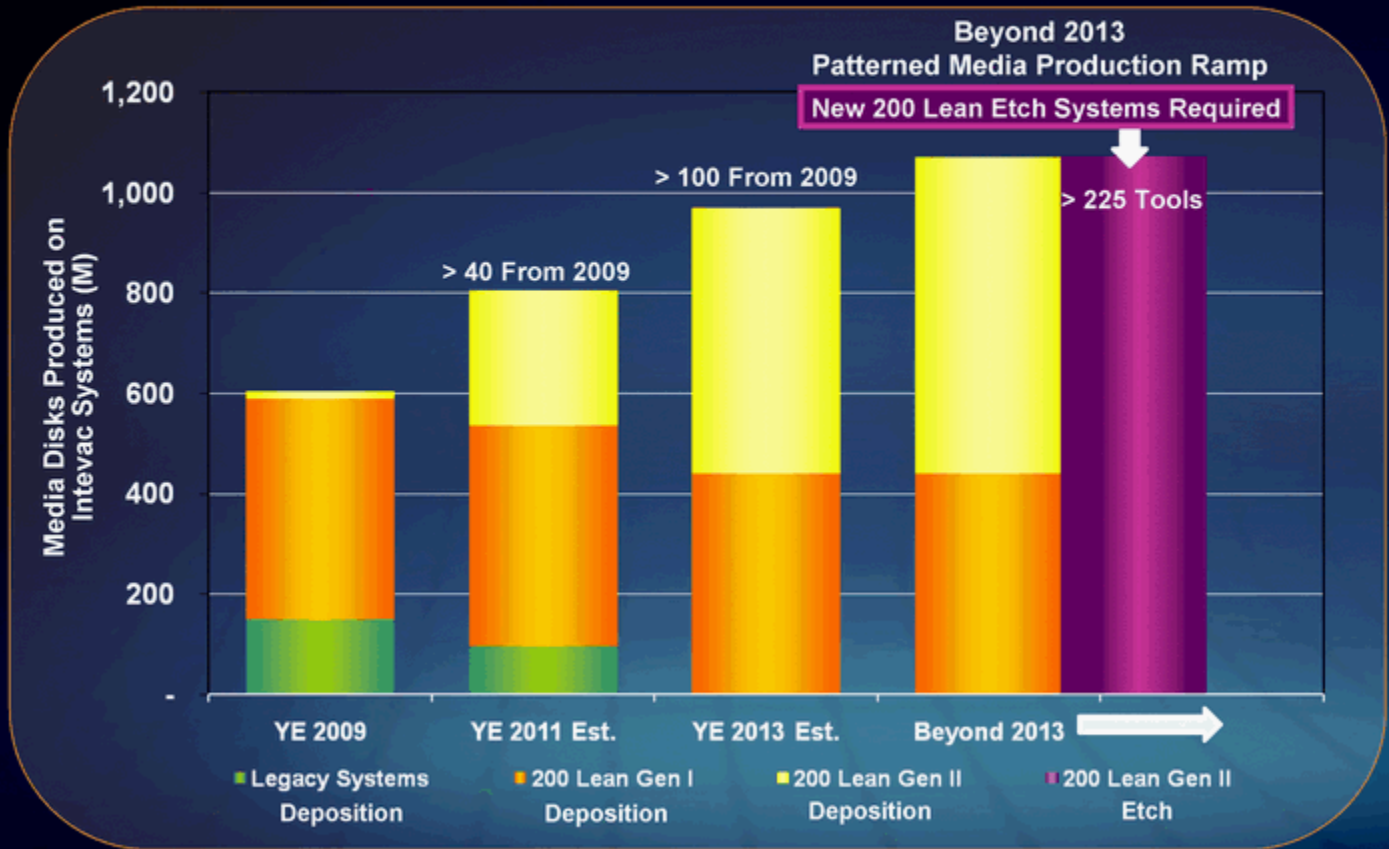
Upgrade of Installed Base
Higher ASPs on New Systems

C Slow Down in Areal Density Improvement

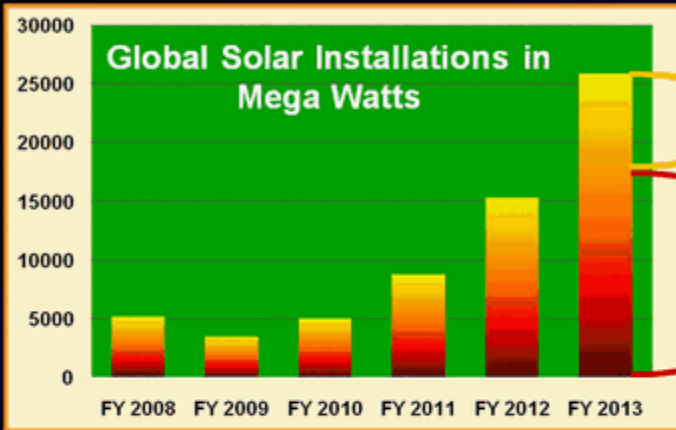


More Capacity Systems Required

Expected Intevac Media Installed Capacity at Peak Production Levels



Extension into Solar Market Opportunity and Approach



Thin Film Panels

23% Market Share
Pro: Lower Cost
Con: Lower Efficiency



Silicon Cell Panels

77% Market Share
Pro: Higher Efficiency
Con: Higher Cost



CIGS Cells

Direct Substitute For Silicon
Pro: Lower Cost
Pro: Higher Efficiency



Expansion into Semiconductor Market

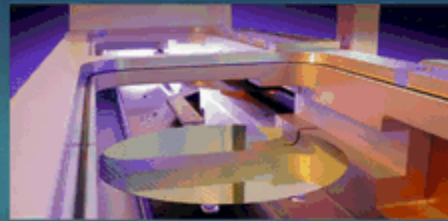
Lean Etch

- Enabling Technology for Advanced <45nm Processes
- Focus on Korean Memory Market with TES Co., Ltd.
- IP Royalty Model



Lean Mainframe

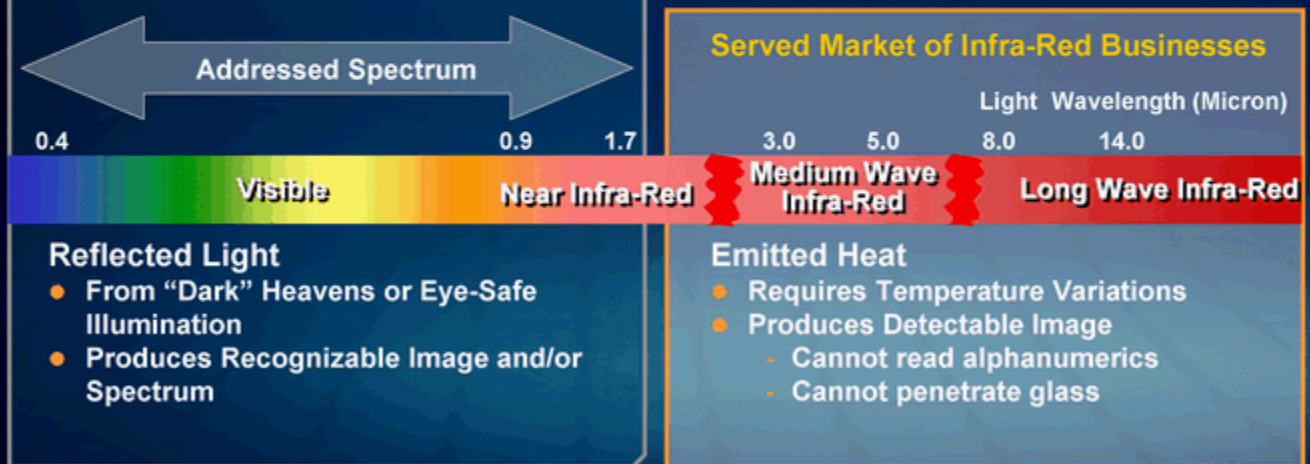
- Competitive Platform
 - Productivity
 - Space efficiency especially at 450nm
 - Flexible integration of OEM process chambers
- OEM Supplier to Process Equipment Companies



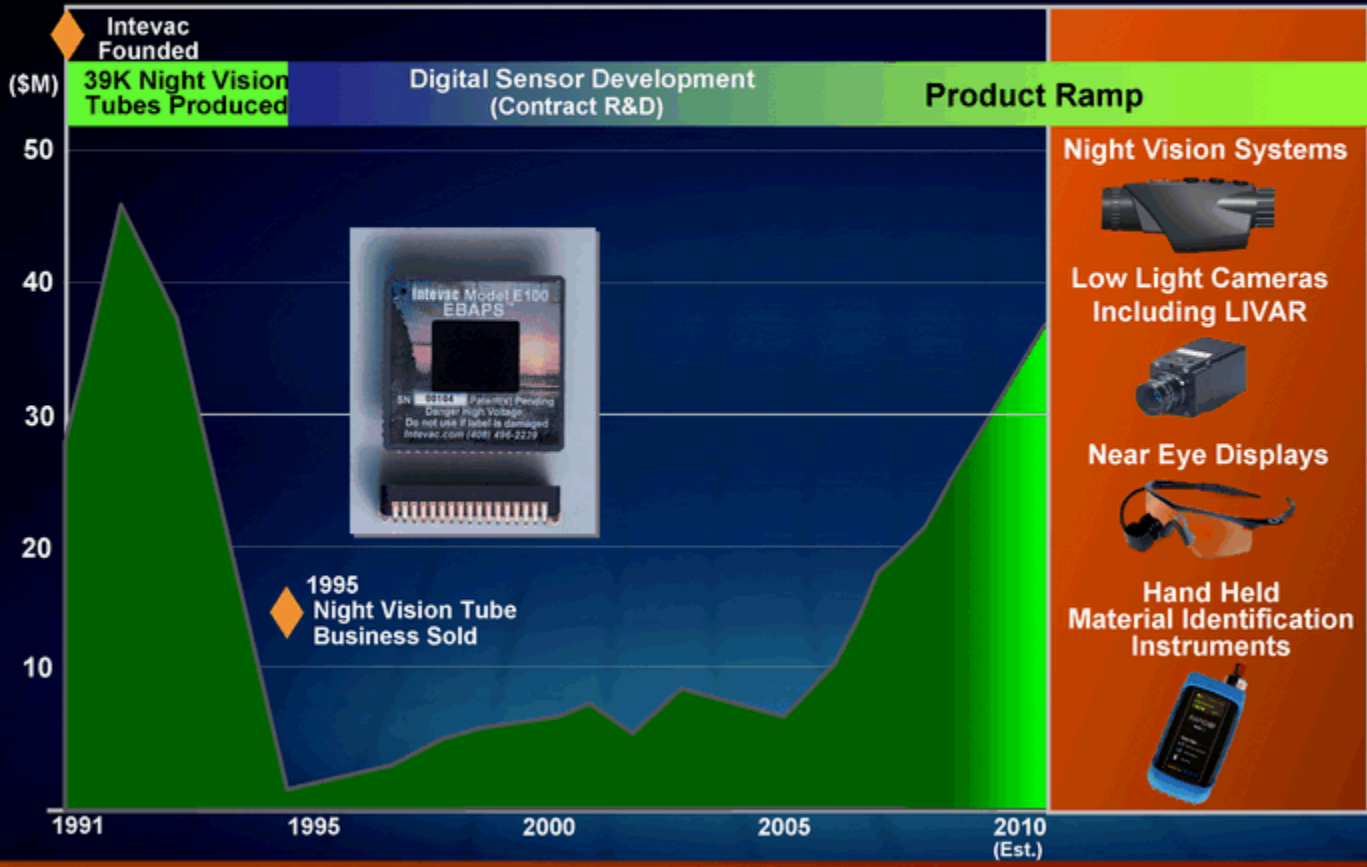
Intevac Photonics Business

Objective:

- Global Leader in Digital-Optical Products Leveraging Unique IP in Sensors and Raman Systems
 - Capture and Display of Low Light Images
 - Optical Analysis of Materials for Identification
- Multi-Hundred Million Dollar Business with Gross Margin >50%
- Split ~ 50/50 Government/Commercial, US/International



Intevac Photonics Revenue Drivers



Intevac Photonics 2010 and Beyond



- **Entering Profitable Growth Phase**
- **Digital Low Light Imaging Products Penetrating and Ramping on Multiple Programs and Platforms**
- **Ramping Hand-Held Raman Material Identification Instruments**
- **Solid Base of Contract R&D Revenues**

Positioned for Operating Leverage

Revenue	\$100M	\$150M	\$200M	\$250M	Model
Gross Margin	40.0%	42.0%	43.5%	44.0%	45%
Operating Expenses	50.0%	38.0%	32.5%	26.5%	< 25%
Pre-Tax Profit	-9.0%	5.0%	12.0%	18.5%	> 20%
Free Cash Flow	~0%	6%	11%	15%	

Free Cash Flow Defined as Net Income plus Stock Comp, Depr. & Amort. and Less CAPEX
 Changes in Product Mix Will Impact Gross Margin and Pre-Tax Profit.

Intevac Investment Rationale

Equipment

- Hard Disk Growth Driving Additional Capacity Systems
- Media Technology Shifts
- Incremental Opportunities in Solar and Semiconductor Markets

Photonics

- Growing Product Revenues
- Government Programs Beginning Volume Ramp





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