

INTEVAC INC

FORM 8-K (Current report filing)

Filed 11/06/07 for the Period Ending 11/06/07

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

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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**

November 6, 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 November 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 November 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: November 6, 2007

By: /s/ JEFFREY ANDRESON
Jeffrey Andreson
Vice President, Finance and Administration,
Chief Financial Officer, Treasurer and Secretary



INTEVAC

AeA Classic Financial Conference

November 2007

Kevin Fairbairn
President and CEO

Luke Marusiak
Chief Operating 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.

Intevac Serves Growth Markets



Equipment Business

- **Hard Drive Industry**
 - Leading Provider of Media Deposition Equipment Worldwide
 - Ultra-High Productivity System Utilizing Lean Thinking Principles
- **Semiconductor Equipment Industry**
 - New Tool Launched July 2007
 - Addressing Multi \$Billion Markets
 - Unique Competitive Solutions
 - Team With Proven Track Record

Imaging Instrumentation

- **Leader in Enabling, Compact and Cost Effective Digital Optical Products**
 - Low-Light Imaging
 - Miniature Raman Instruments
 - Near-Eye Micro-Displays
- **Rapidly Growing Business Addressing \$2 Billion Market**
 - Now Generating Cash
 - Expanding Product Portfolio
 - Well Positioned for Revenue Breakout on Major Government Programs

Stacking Up the Value Proposition



Entering New Large Markets

Semiconductor Equipment
2007 Product Launch
2008 Tool Qualification

Lean Etch™
Addresses
\$2B Initial SAM
→ \$8B Later

High Growth

Imaging Business Ramping
and Newly Profitable



Established Market Leader

Providing 2/3 of the World's Hard
Drive Media Deposition Tools

Solid Foundation

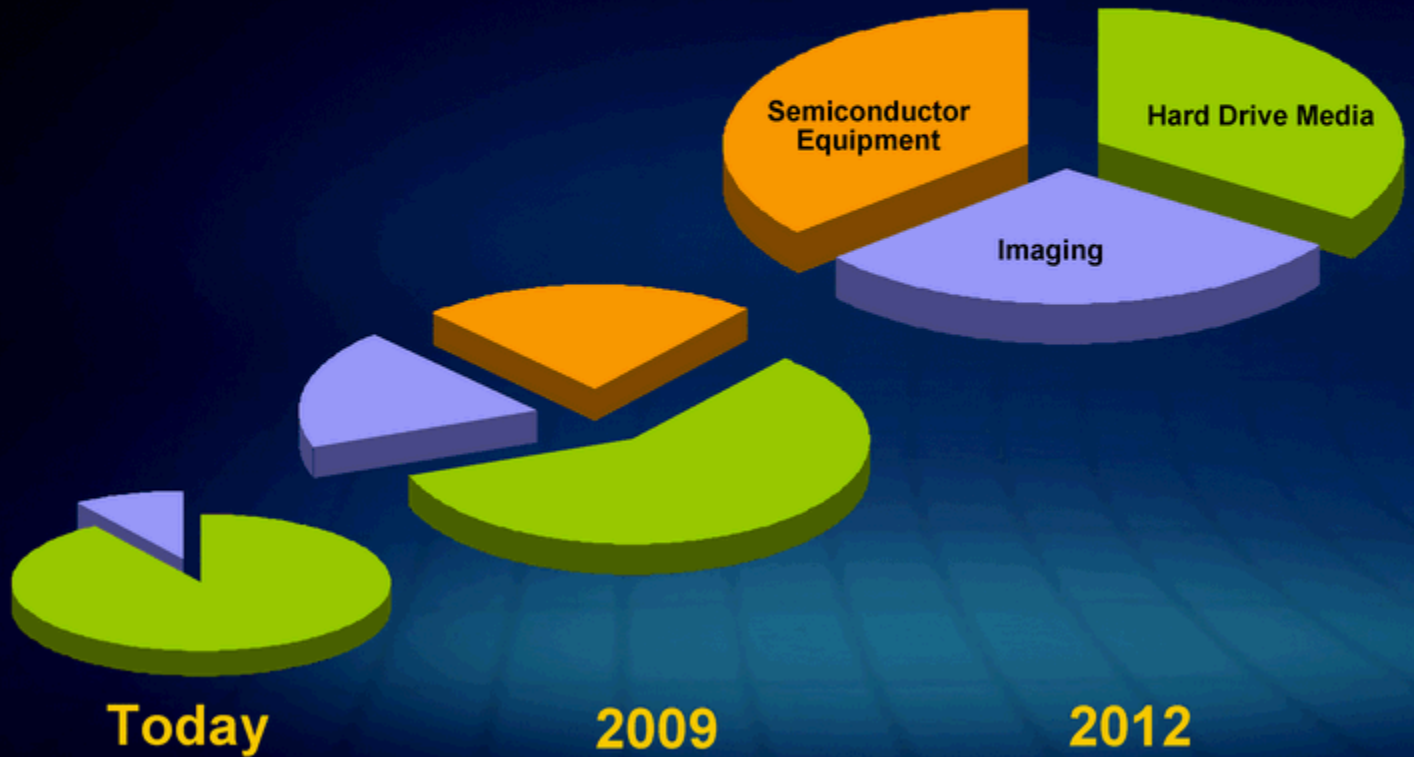
Strong Balance Sheet

* Average Annual HDD Revenue 2005-2007est.

Result: Multiple Growth Opportunities

Goal: 30% CAGR

Actual: 59% CAGR (2002 – 2007 est.)



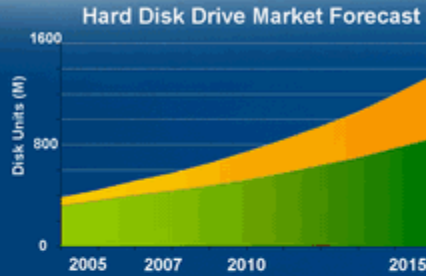
Global Presence



- 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 Obsoleted 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)



Beyond 2010

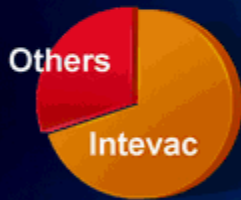
2008 - 2010
~ 125 Additional 200 Leans Required

Annual Disk Growth	200 Lean Shipments
15%	35
10%	23

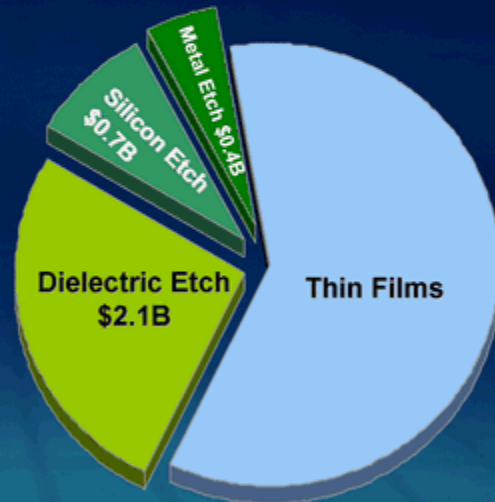
Expanding Intevac's Served Market



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



- “The industry needs a twofold improvement in tool productivity before the advent of the next wafer size”

Rick Tsai, TSMC, Industry Strategy Symposium 2006

- “No less than a paradigm shift is underway ...which is requiring drastic changes at the tool 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

Demand For Productivity Increase is Universal

LeanETCH

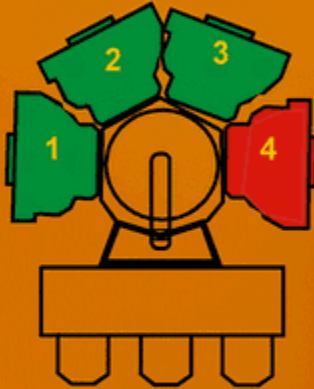
Enabling Technology, Double the Throughput



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



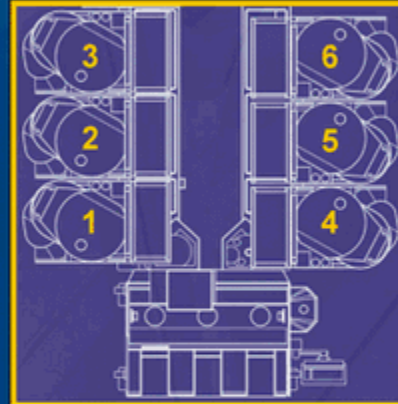
Cluster Tool



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"

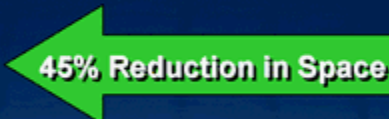
Fab Efficiency Comparison Cluster vs. Lean Etch

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, 100k WSPM Fab

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**

Intevac Imaging Business



Enabling, Compact and Cost Effective Digital-Optical Products

- Sensors, Cameras and Systems
- Capture of Low Light in Ultraviolet, Visible and Near Infra Red
- Low Power Electronics and Algorithms for Image Enhancement
- Near Eye High Resolution Micro-Displays
- Real Time, Non Destructive Chemical Analysis

Imaging Expansion Strategy



Low Light Products

NIGHT VISION SYSTEMS



- Intevac Solution Used for 1st Major Deployment (NATO Country)
- U.S. Army - Engaged on Multi Fronts

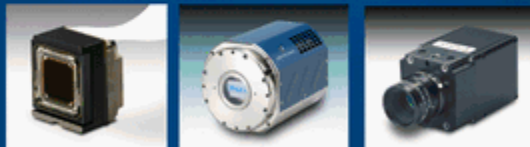
LIVAR CAMERAS

Laser-Illuminated Viewing and Ranging



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

LOW LIGHT CAMERAS



- High Sensitivity
- Ultraviolet – Near Infra Red
- Spectroscopy, Microscopy, Medical, Astronomy

INTENSIFIED PHOTODIODES



- Very High-Sensitivity
- High Data Rate

Creative Display Systems Products



MEDICAL



Image-Guided
Surgery

TRAINING & SIMULATION



Binocular
Training Viewer

VETERINARIAN



Portable
Ultrasound
Viewer

MILITARY



Vision Systems

DeltaNu Products

PHYSICAL SCIENCES



Table-Top
Raman Systems
Chemical Analysis

LIFE SCIENCES



Microscope-
Mounted
Raman Systems
Biological Research
Drug Development

MEDICAL



Point-of-Care
Health Diagnostics

INDUSTRIAL AND MILITARY



Remote
Stand-off Raman
Chemical
Biological
Hazard Detection

Business Model Trends and Goals

	2005	2006	2007 Est. ¹	Long Term Goal	Improvement Initiatives
Revenue (\$M)	137	260	212-215		
Gross Margin	32%	39%	43%- 44%	>45%	<ul style="list-style-type: none"> ● Imaging Products and Semiconductor Equipment Margin Increase ● Asia Manufacturing Expansion
Operating Expense	21%	20%	32%-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%	13%-15%	> 20%	

¹ Based Upon November 1, 2007 Conference Call

Investment Rationale

- **Significant Growth Opportunities**

- Growth in Digital Storage Requires Continued Capacity Additions
- Entering Large Semiconductor Equipment Market
- Imaging Instrumentation Products Ramping

- **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 Value Proposition**

- Generating Profits and Cash while Investing in Future Growth
- \$6.64 Per Share in Cash and Investments
- Semiconductor and Imaging Investments Offer Opportunity for Future Enhanced Valuations



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