

INTEVAC INC

FORM 8-K (Current report filing)

Filed 07/14/09 for the Period Ending 07/14/09

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|-------------|---|
| 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 |

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

July 14, 2009

Date of Report (date of earliest event reported)

INTEVAC, INC.

(Exact name of Registrant as specified in its charter)

State of California
(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 July 2009 Intevac Investor Update 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 Intevac Investor Update 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: July 14, 2009

/s/ JEFFREY ANDRESON

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



INTEVAC

Investor Update

July 2009

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.

Strong Foundation, Significant Future Growth

(Financial Data as of Q1 2009)



Solid Financial Foundation

- \$101M or \$4.60/share in Cash and Investments
- Tangible Book Value \$7.20 per Share
- No Debt
- Record of Cash Flow Generation and Margin Expansion
- Significant Cost Reductions Executed
- Cash Flow Break-Even at \$100M to \$105M in Annual Revenues

Numerous Drivers for Future Growth

- Underlying Demand for Storage Remains Strong
- HDD Industry Continues to Invest in Technology
- Photonics Products Ramping
- Innovative Solutions for Semiconductor Manufacturing

Equipment Revenue Drivers

HDD

- Legacy Tool Retirements Driven by Product Mix Shift Toward Mobile Applications
- Patterned Media: 200 Lean (Etch) and LithoPrime
- Ongoing Media Evolution: Upgrades for Installed Base
- Capacity Buys as Economy Recovers

Solar

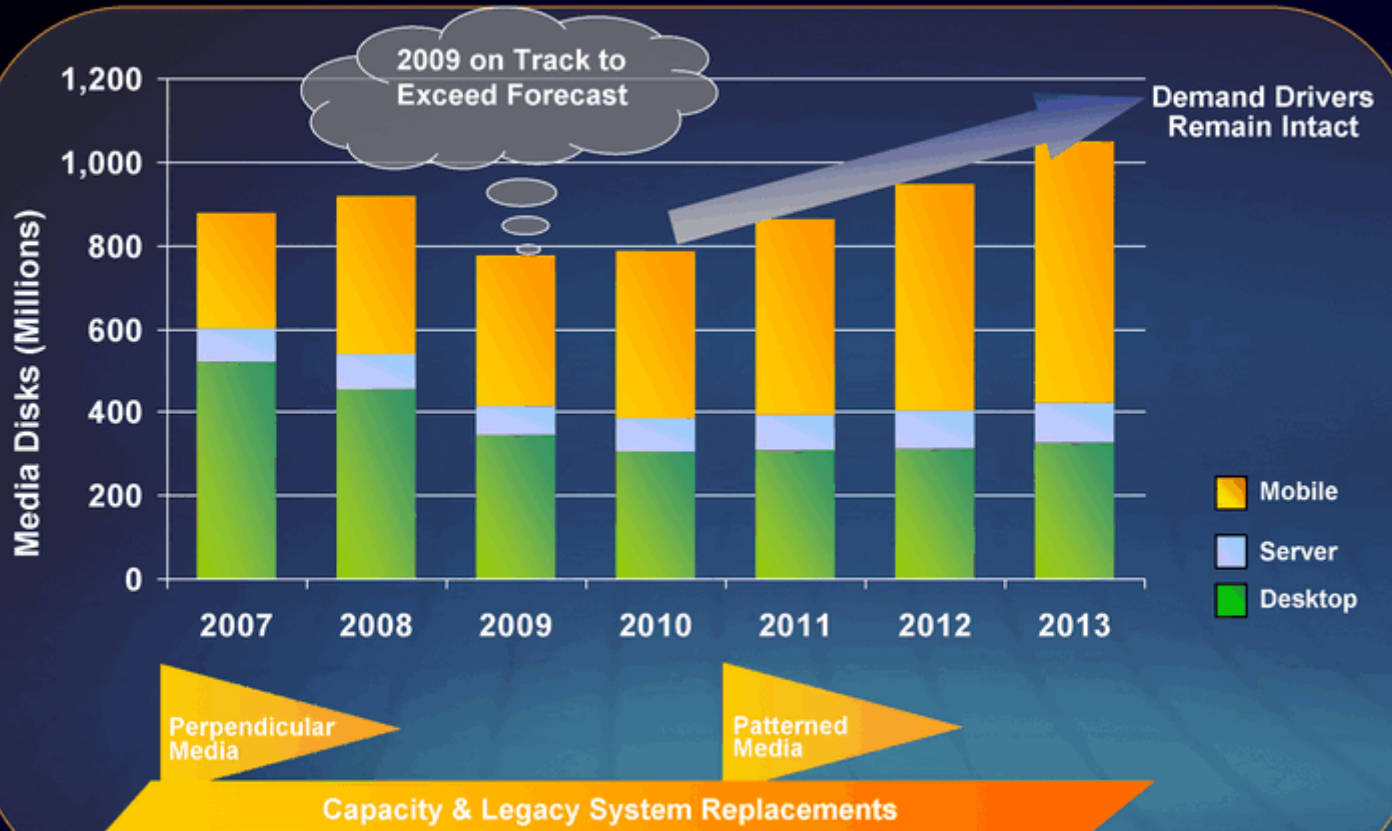
- Development Systems Leading to Volume Buys for Manufacturing 2011 Onward

Semiconductor

- Ongoing Alliance for Korea Market for 2010 on Opportunity



Media Growth and Technology Drivers



Source: TrendFocus April 2009

200 Lean Magnetic Media Manufacturing System

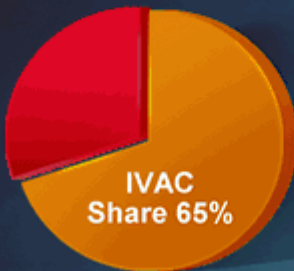
Leading System for Disk Production

- Deposition
- Etch and Planarization - NEW

Highest Output Per Square Foot

Enabling the Industry's Technology Roadmap

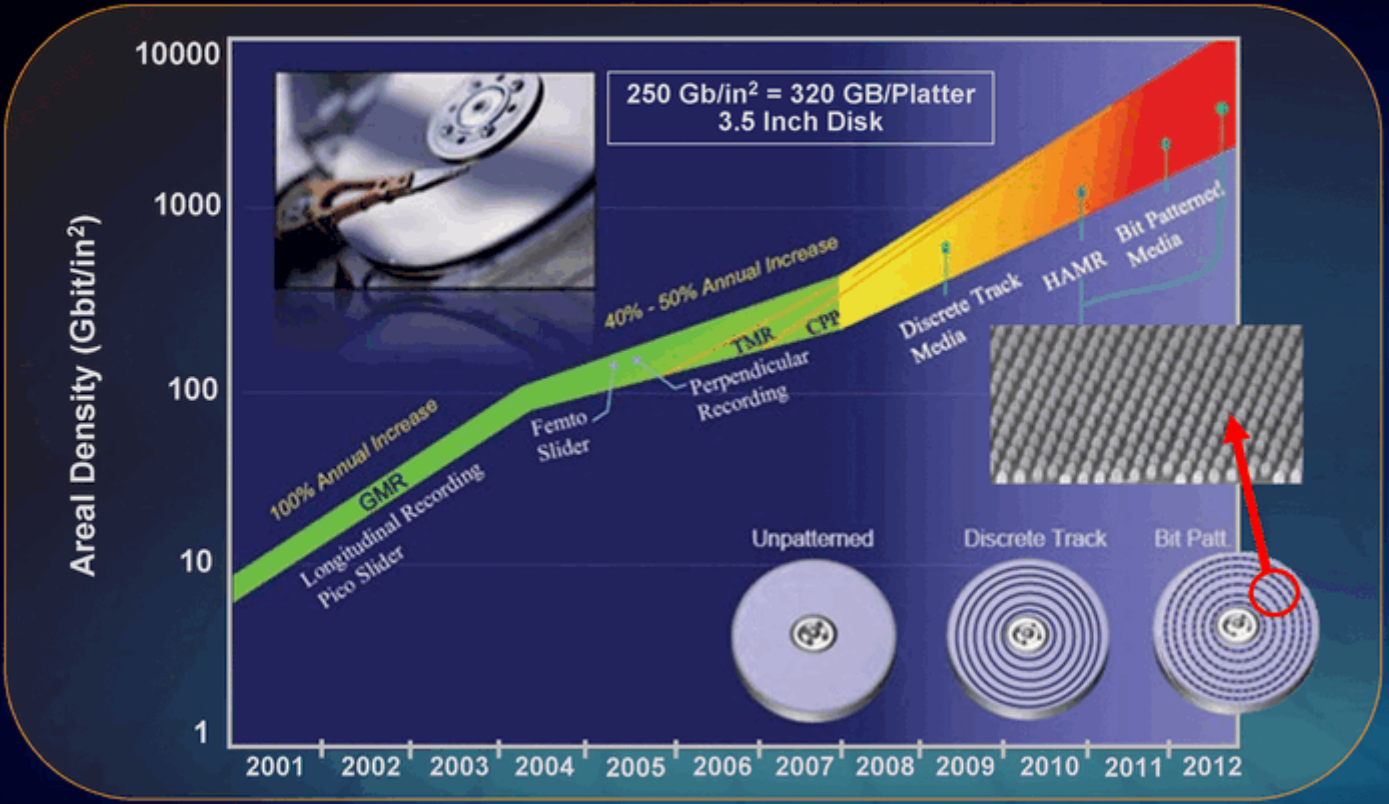
- Patterned Media
- Heat Assisted Recording



Market Leader

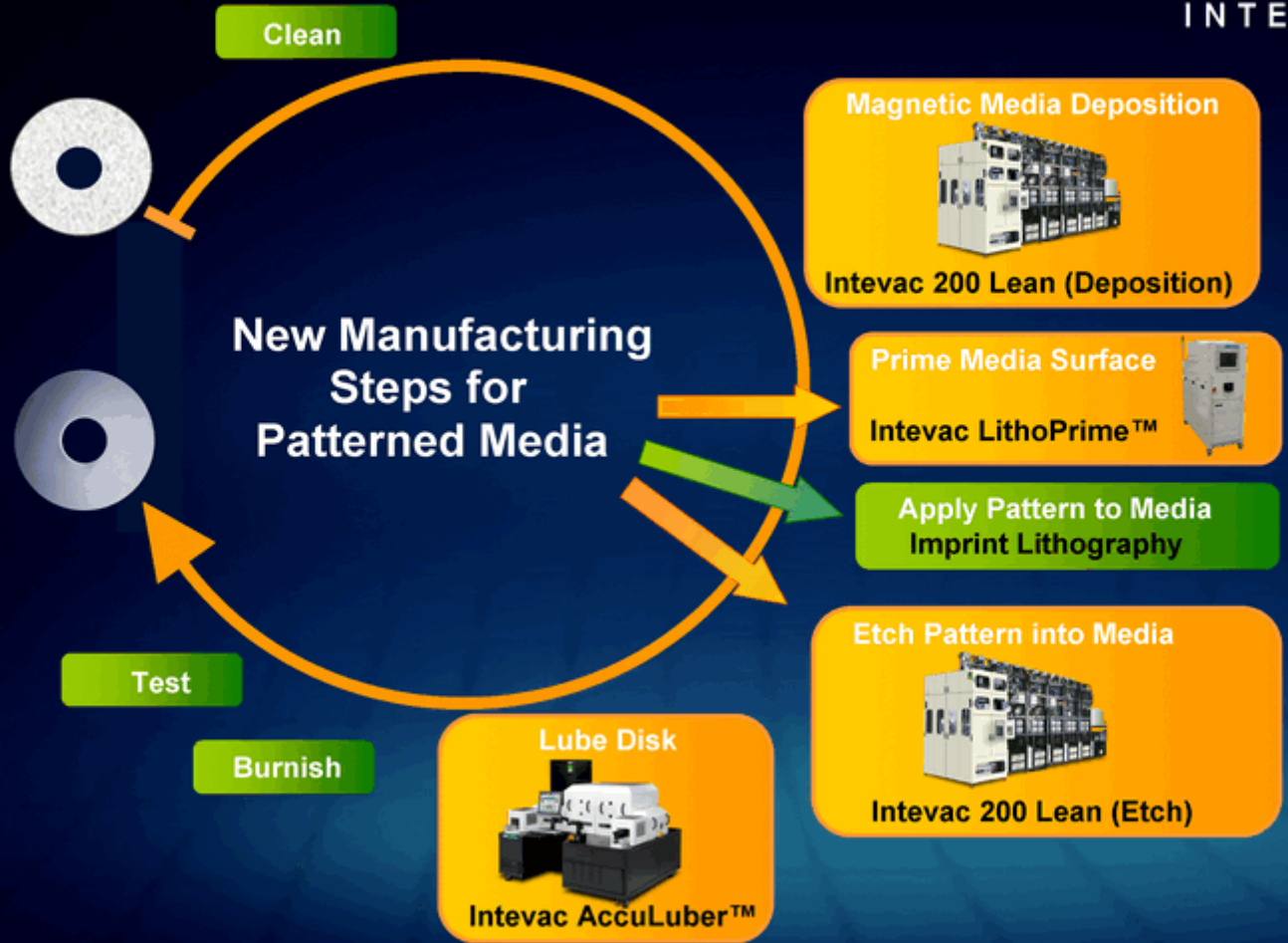


Evolution of Media Technology



Source: Semiconductor International, 5/22/2008

Patterned Media Manufacturing



200 Lean Application Expansion to Solar

Builds on Experience from Thin Film Magnetic Disk Manufacturing

- High Throughput, Individual Cell Processing
- Precise Thin Film Property Control
- Production Proven

CIGS Manufacturing Platform

- Simplified Process Scaling from High Efficiency R&D Lab Feasibility
- Very Competitive Cost Structure
- Low Capital Investment - <\$6M for >10MW/yr Cell Line

Advanced Anti-Reflective Multi-Layer Films Deposition

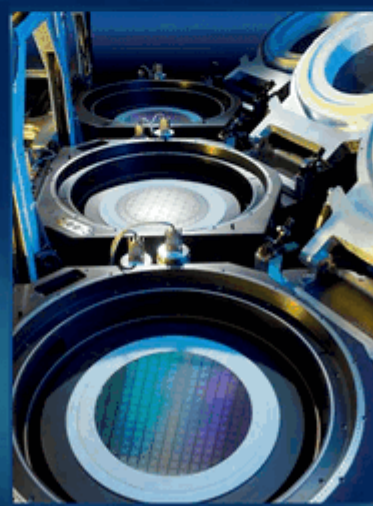
- Poly and Crystalline Silicon Cells



Development of Lean Etch Complete

Enabling Technology, Double the Throughput

- Major Technology and Architecture Evolution for Semiconductor Etch Market
- Enabling Technology for Advanced <45nm Processes
- Focus on Korean Memory Market with TES Co., Ltd.



Groundbreaking Alliance

- Semiconductor Equipment Alliance with TES Co. Ltd.
- Korean Mandate to Source 40% of Equipment from Local Providers
- TES Co. Ltd. has Successfully Penetrated CVD Market with Major Korean Semiconductor Companies
- IP Royalty Model
 - TES to Sell Etch (and CVD) in Korea and China
 - Intevac to Sell CVD (and Etch) to Rest of World
- Accelerates Intevac CVD Product Offering
- First Lean Etch Shipped to TES Q4'08



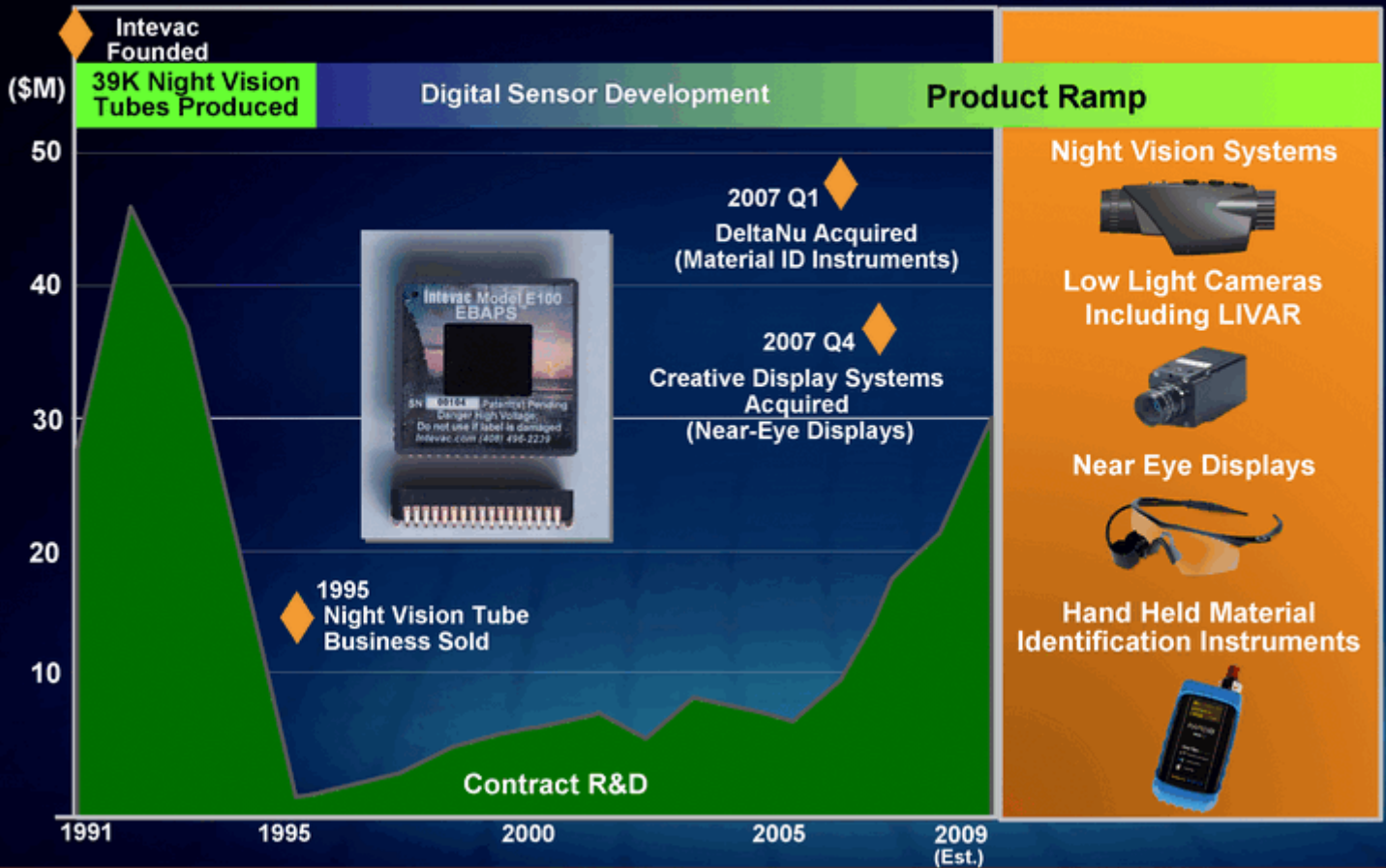
Intevac Photonics Business

Objective:

- Global Leader in Digital-Optical Products
 - 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 Revenue Drivers 2009



Product Ramp

- Night Vision Systems
- Low Light Cameras
- Hand-Held Material Identification Instruments

Multiple Military and OEM Production Ramps

Solid Base of Contract R&D Revenues

- Maintaining our Technology Leadership

Products - Government

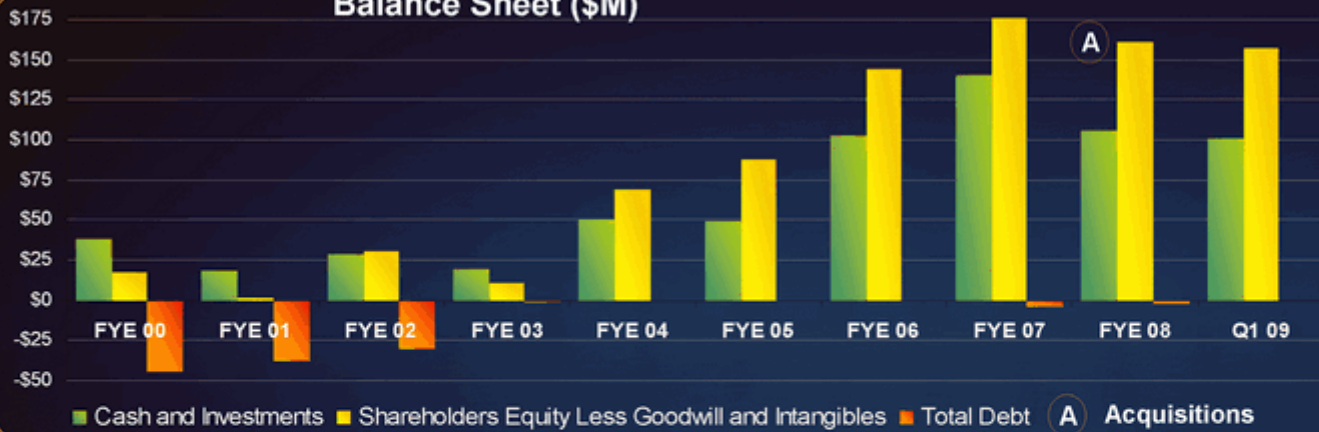
| Products | | Applications |
|---|---|---|
| Night Vision Systems |    <p>Module DENVG Night Port</p> | <ul style="list-style-type: none"> ■ Head Mounted ■ Gun Mounted ■ Binocular ■ Monocular |
| Near Eye Displays |  <p>I-Port</p> | <ul style="list-style-type: none"> ■ Covert PC Display ■ Remote Gun Sight ■ Training |
| Low Light Cameras Including LIVAR |   <p>LIVAR® Camera NightVista®</p> | <ul style="list-style-type: none"> ■ Airborne ■ Maritime ■ Perimeter Security ■ Vehicles ■ UAV |
| Hand Held Material Identification Instruments |  <p>Observer</p> | <p>Biological and Chemical Threat Detection</p> |

Products - Commercial

| Products | | Applications |
|---|--|---|
| Hand Held Material Identification Instruments |  ReporterR™ | <ul style="list-style-type: none"> ■ Law Enforcement ■ Industrial Inspection |
| OEM Cameras |  MicroVista® NightVista® Mosir® | <ul style="list-style-type: none"> ■ Industrial Inspection ■ Bio Medical ■ Scientific |
| Night Vision Systems |  Night Port™ | <ul style="list-style-type: none"> ■ Law Enforcement ■ Recreational Use <p>Availability Post 2009</p> |
| Head Mounted Displays |  I-Port Surgical Viewer | <ul style="list-style-type: none"> ■ Medical ■ Training and Simulation |

Solid Cash and Liquidity to Weather Current Downturn

Balance Sheet (\$M)



- Global Cost Reduction Plan Announced November 2008
- Reduces Costs \$15M+ Annually
- Cash Flow Break-Even at \$100M to \$105M in Annual Revenues
- Operating Expenses Down >\$3M Per Quarter from Q3'08
- 2009 Operating Expenses Reduced ~ 20% from 2008

Positioned for Operating Leverage

| Revenue | \$100M | \$150M | \$200M | \$250M | Model |
|--------------------|--------|--------|--------|--------|-------|
| Gross Margin | 40.0% | 43.0% | 43.5% | 44.0% | 45% |
| Operating Expenses | 50.0% | 39.0% | 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

- Media Technology Transition
- Need for Future Capacity Additions for Mobile Drives
- Expanding Markets in Semiconductor and Solar

Photonics

- Growing Product Revenues
- Government Programs Beginning Volume Ramp



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Investor Update

July 2009

Jeff Andreson
Chief Financial Officer