

INTEVAC INC

FORM 8-K (Current report filing)

Filed 06/01/09 for the Period Ending 06/01/09

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 June 2009 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 Intevac Investor 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: June 1, 2009

/s/ JEFFREY ANDRESON

Jeffrey Andreson

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



INTEVAC

Investor Update

June 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 2009

HDD Legacy Tool Conversions

- Required for Product Mix Shift Toward Mobile Applications

Investment in New Technologies

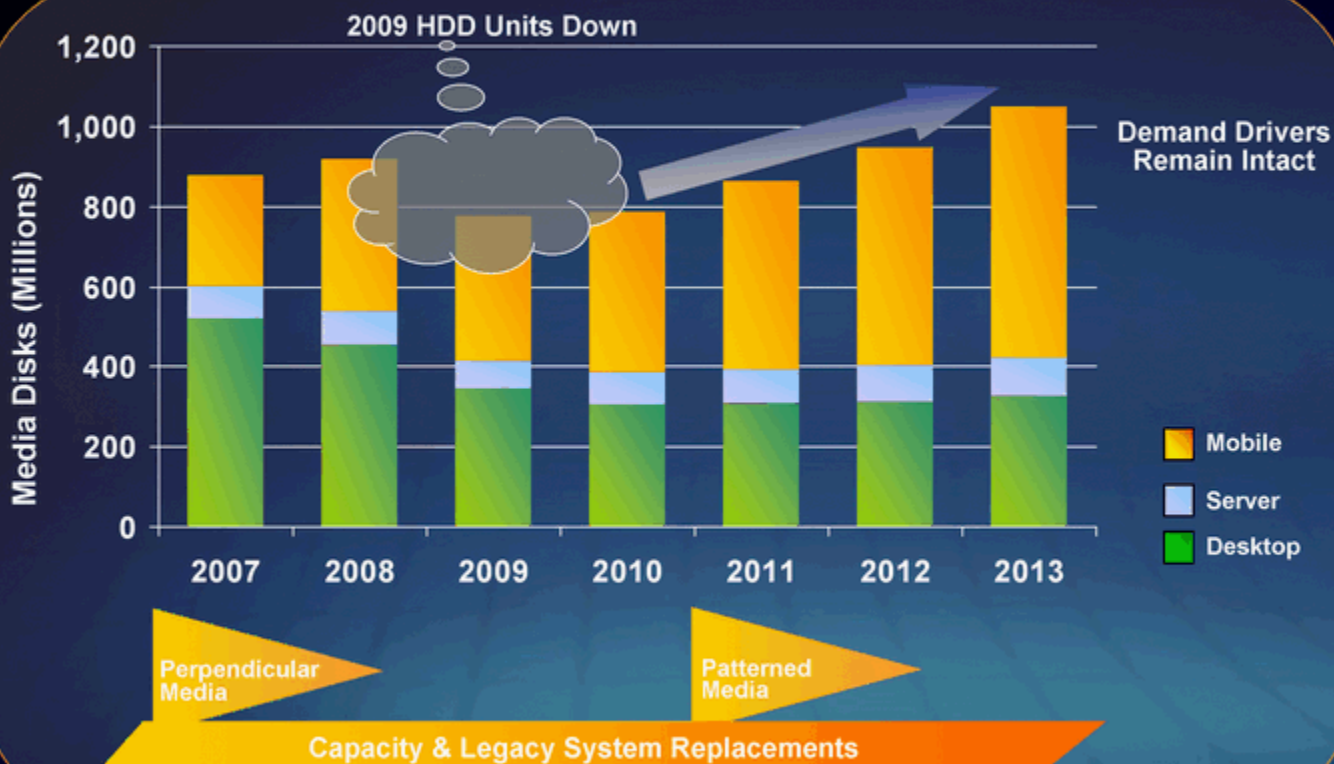
- Patterned Media: 200 Lean (Etch) and LithoPrime
- Ongoing Media Evolution: Upgrades for Installed Base
- Other Non-Magnetic Thin Film Applications

Capacity Additions as Needed

- Shortest Lead Time in Industry

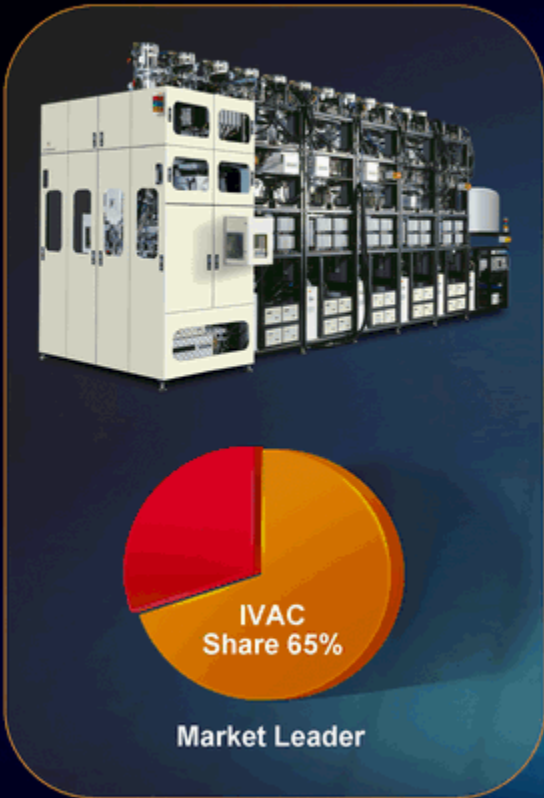


Media Growth and Technology Drivers



Source: TrendFocus April 2009

200 Lean Magnetic Media Manufacturing System



Leading System for Disk Production

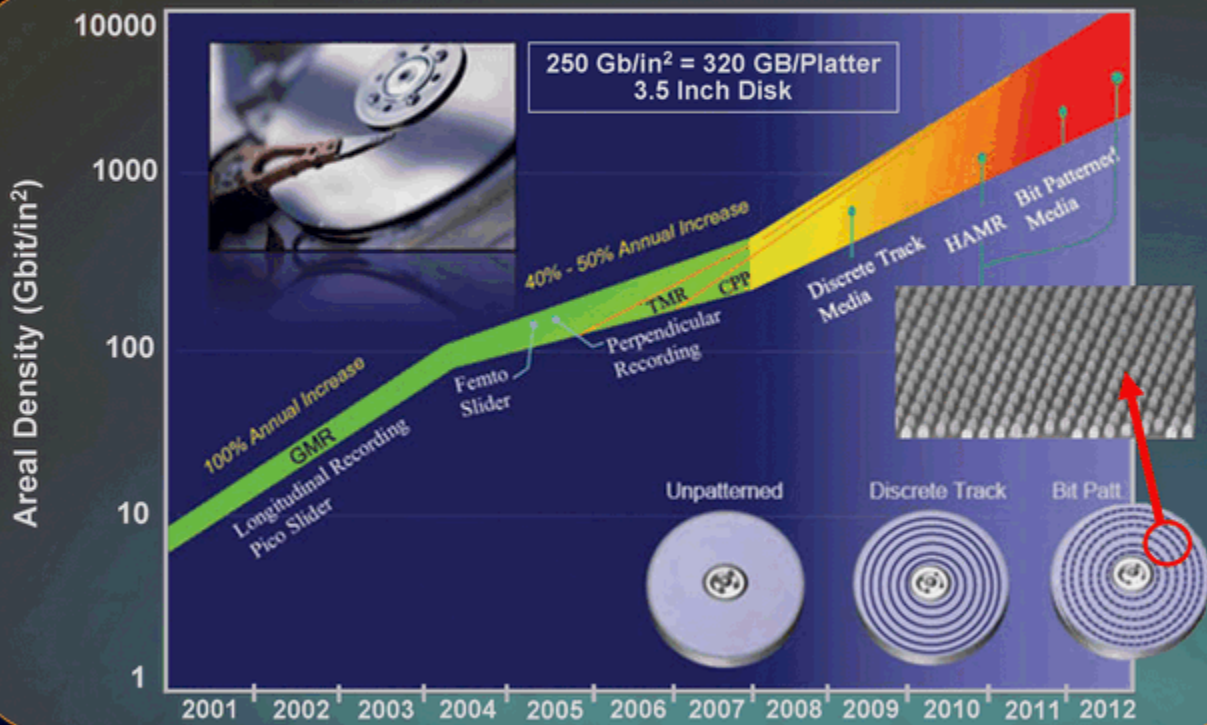
- Deposition
- Etch and Planarization - NEW

Highest Output Per Square Foot

Enabling the Industry's Technology Roadmap

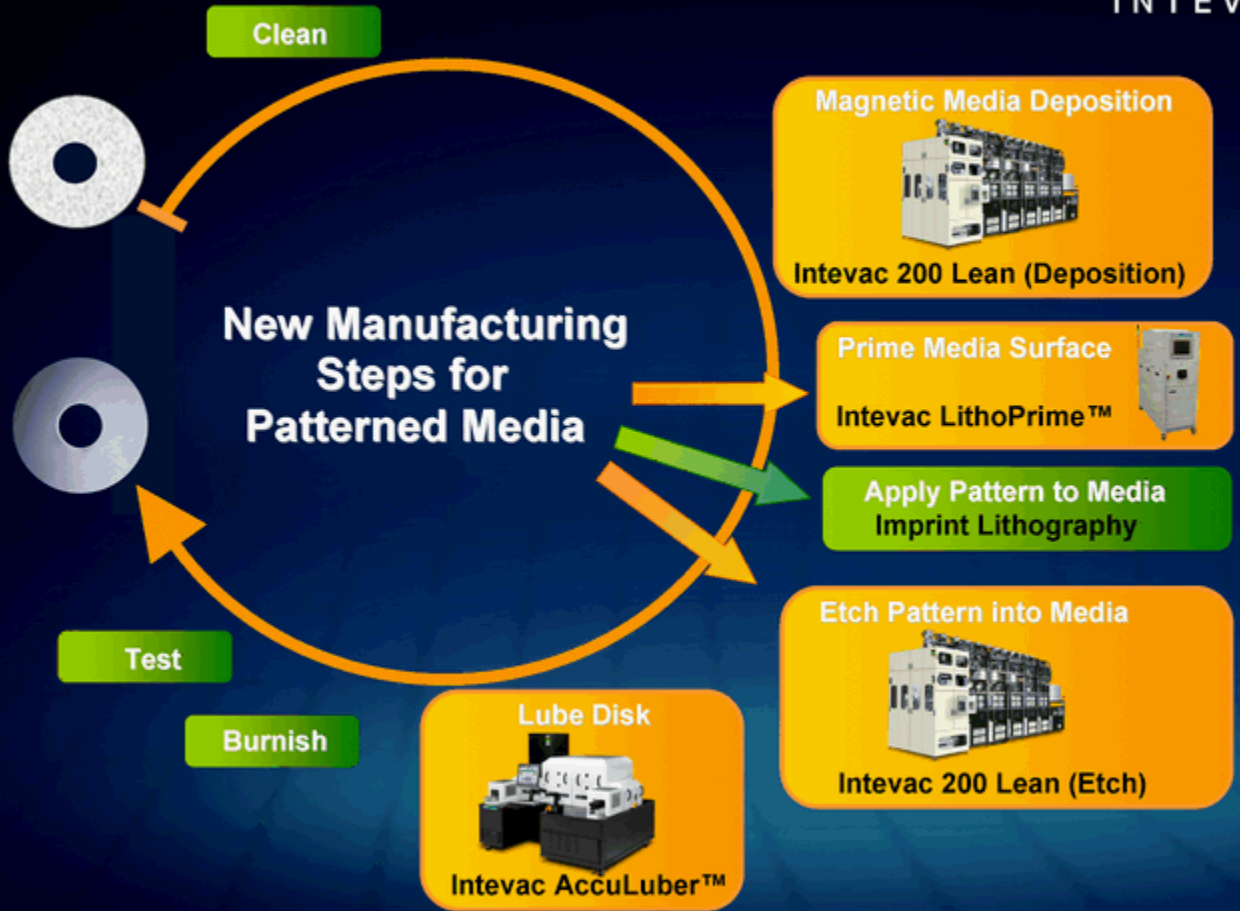
- Patterned Media
- Heat Assisted Recording

Evolution of Media Technology



Source: Semiconductor International, 5/22/2008

Patterned Media Manufacturing



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
- Addressing Need for Significant Productivity Improvements



Groundbreaking Alliance



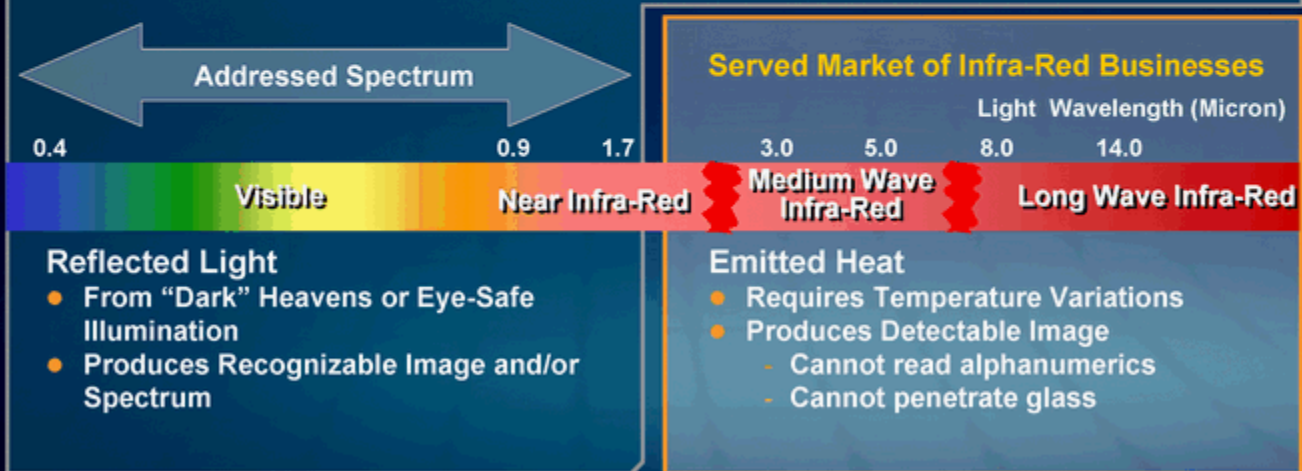
- **Semiconductor Equipment Alliance with TES Co. Ltd.**
- **Korean Mandate to Source 40% of Equipment from Local Providers**
- **TES Co. Ltd. has Successfully Penetrated CVD Market with Major Korean Semiconductor Companies**
- **IP Royalty Model**
 - TES to Sell Etch (and CVD) in Korea and China
 -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



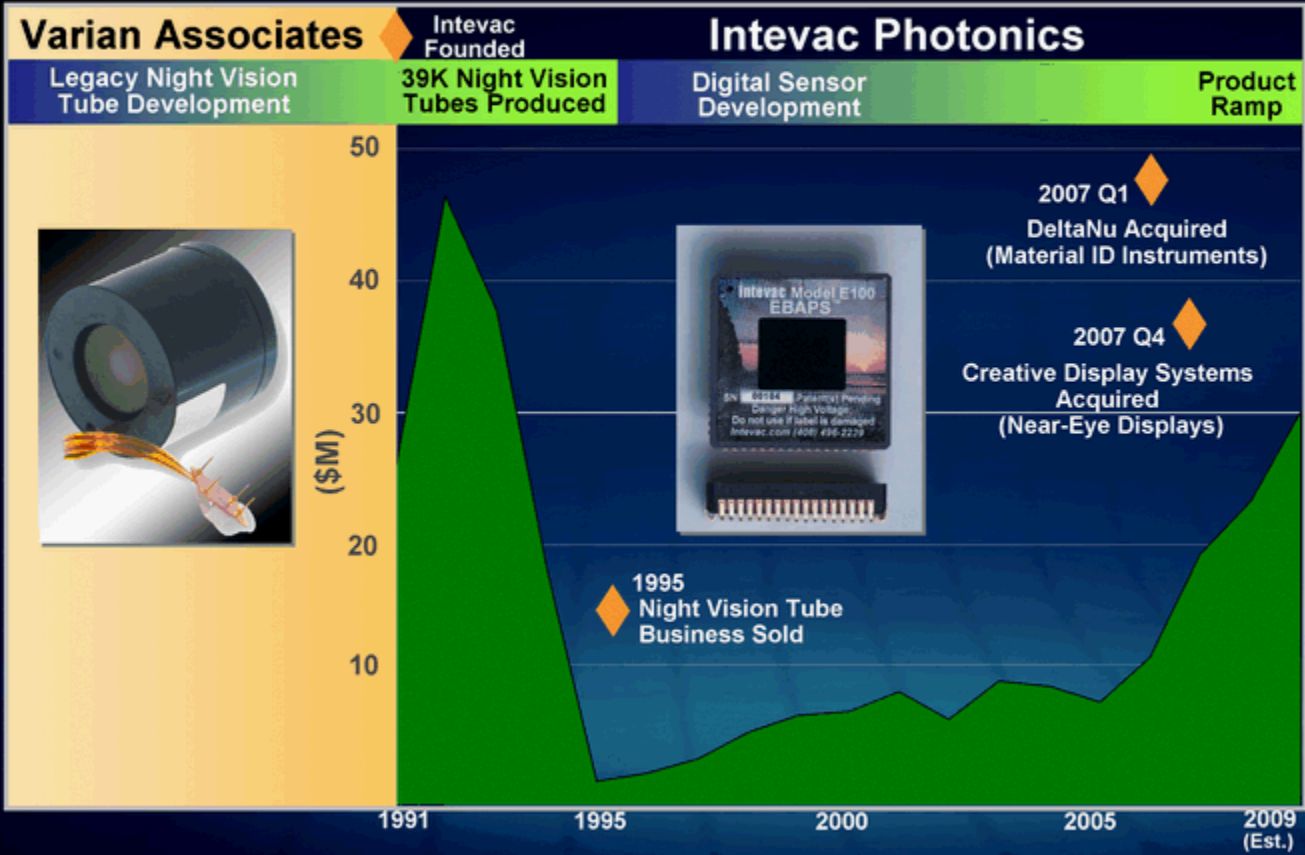
Intevac Photonics Business

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 History



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

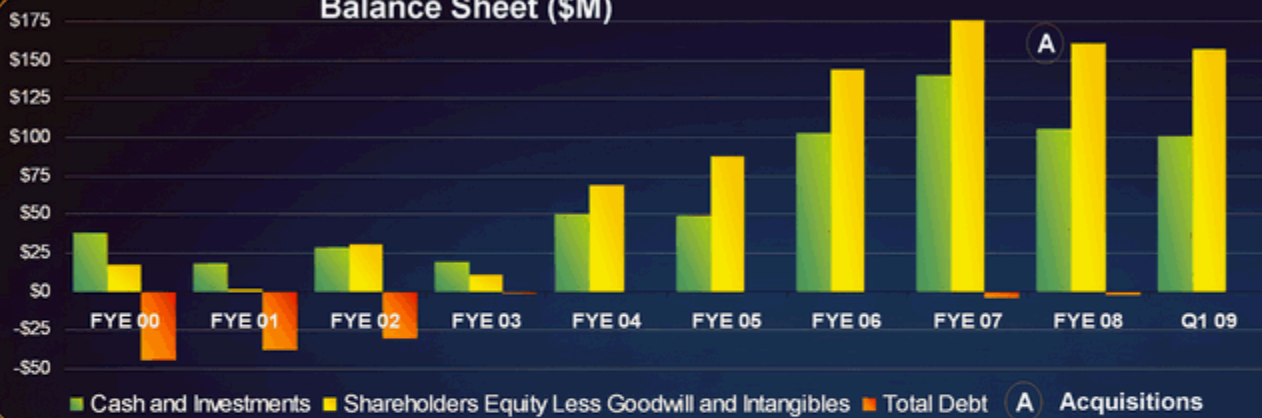
Products		Applications
Night Vision Systems	 <p>Module DENVG Night Port</p>	<ul style="list-style-type: none"> ▪ Head Mounted ▪ Gun Mounted ▪ Binocular ▪ Monocular
Near Eye Displays	 <p>I-Port</p>	<ul style="list-style-type: none"> ▪ Covert PC Display ▪ Remote Gun Sight ▪ Training
Low Light Cameras including 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	 <p>ReporterR™</p>	<ul style="list-style-type: none"> Law Enforcement Industrial Inspection
OEM Cameras	 <p>MicroVista® NightVista® Mosir®</p>	<ul style="list-style-type: none"> Industrial Inspection Bio Medical Scientific
Night Vision Systems	 <p>Night Port™</p>	<ul style="list-style-type: none"> Law Enforcement Recreational Use <p>Availability Post 2009</p>
Head Mounted Displays	 <p>I-Port Surgical Viewer</p>	<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 Expense	50.0%	39.0%	32.5%	26.5%	< 25%
Pretax 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.

Investment Rationale



Equipment

- Technology Transition
- Future Media Capacity Needs
- Expanding Markets

Photonics

- Growing Product Revenues
- Government Programs Beginning Volume Ramp

INTEVAC

Investor Update

June 2009

Jeff Andreson
Chief Financial Officer