

INTEVAC INC

FORM 8-K (Current report filing)

Filed 03/06/03 for the Period Ending 03/05/03

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**

March 5, 2003

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)

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Item 9.

Please find the March 2003 Business Presentation attached as Exhibit 99.1.

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 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: March 5, 2003

By: /s/ CHARLES B. EDDY III

Charles B. Eddy III
Vice President, Finance and Administration,
Chief Financial Officer, Treasurer and Secretary

EXHIBIT INDEX

(c) Exhibits

99.1 Investor Presentation.

Intevac, Inc.



**Investment Presentation
March 2003
Kevin Fairbairn, CEO
Charles Eddy, CFO**

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Cautionary Disclaimer

During the course of this presentation, we will comment upon future events and make projections about the future financial performance of the Company, including statements related to the Company's expected sales, product shipments and acceptance, gross margins, operating expenses, profits, cash flow, and income tax expense. We will discuss our products, the markets they address and acceptance of those products by the market. 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 and technologies 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; and other risk factors discussed in documents filed by the Company with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company undertakes no obligation to update the forward-looking statements made during this presentation.

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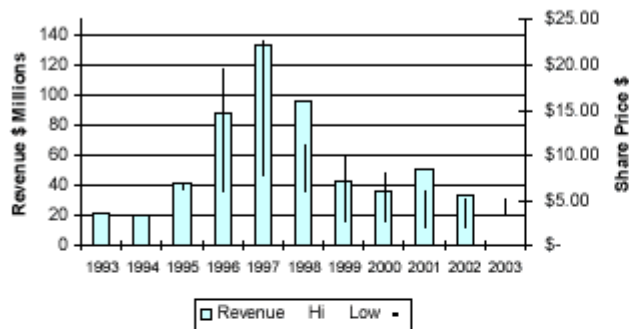
Intevac Profile

- LBO From Varian Associates 1991
- IPO 1995
- Imaging Business
 - Photonic Technology Division
 - Military market focus
 - Break through technologies for next generation intensified imaging
 - Commercial Imaging Division
 - Apply technologies developed for military to commercial applications
- Equipment Systems Business
 - Principally focused on hard drive disk coating equipment
 - Presence in flat panel display sputtering equipment market

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Intevac Opportunity



NASDAQ NM	IVAC
Shares Outstanding	12.1M
Float	5.7M

- **Imaging Business**

- Revenue driven by contract R&D, average \$7 million annually last 3 years
- Transition from R&D to products in 2003/2004
- Significant military revenues in future
- Commercial market represents large shorter term opportunity

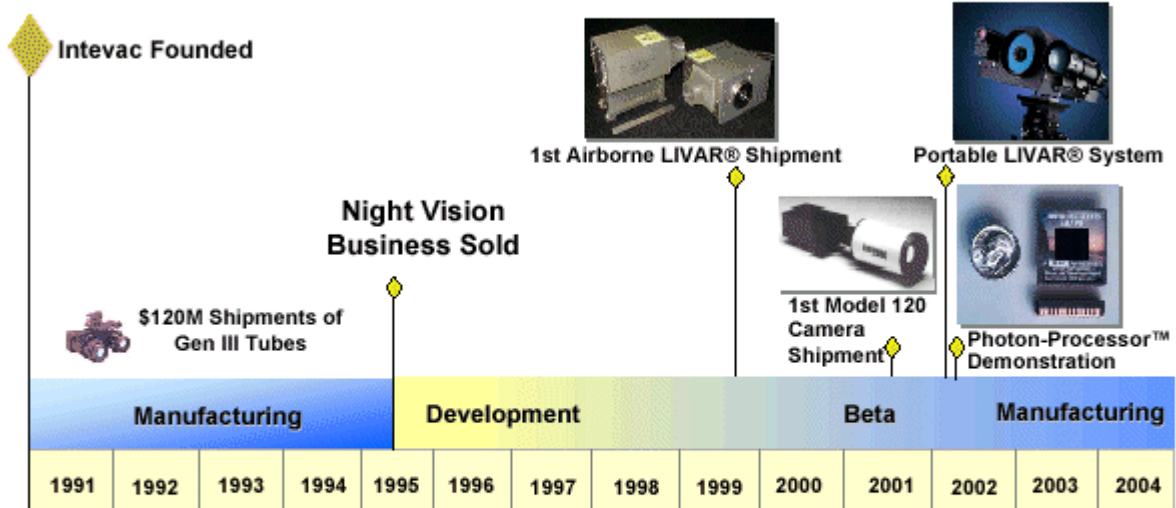
- **Equipment Systems Business**

- Peak revenues in '97 driven by hard disk drive capacity tool buys
- Market share leader
- Next wave of buys in 03-05 driven by technology and capacity needs

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Intensified Imaging History



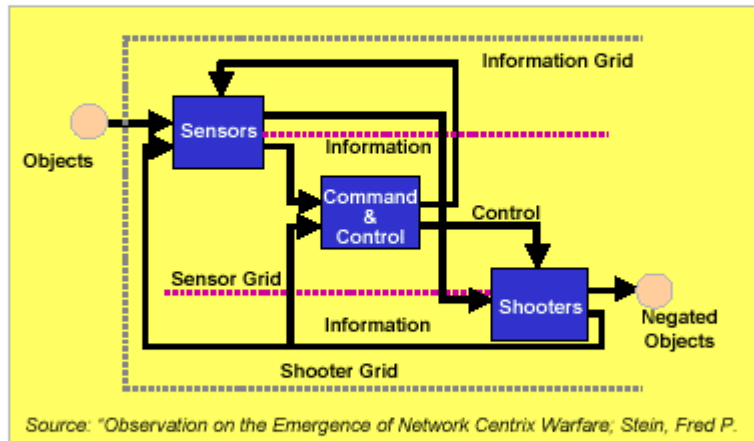
>\$60 Million Spent On Development Of Next Generation Technology

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Military Intensified Imaging Products

- Military Prefers to Fight In The Dark
- Military Is Evolving to “Network Centric” Warfare



Intevac Has Developed Revolutionary Digital Based Intensified Imaging Products That Address These Military Needs

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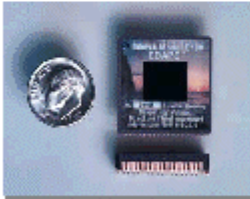
Cost Effective Digital Intensified Imaging Solution

Long Range: **LIVAR®**



- Covert target ID at significantly longer ranges than Forward Looking Infra Red Systems
- Compact and man portable
- Retrofittable to existing targeting systems

Short Range: **Photon Processor™**



- Miniature extreme low light CMOS digital imager
- Performance comparable to Gen III Night Vision technology at 1/3 cost

Utilizing Digital Technology to Enhance Performance and Lower Cost

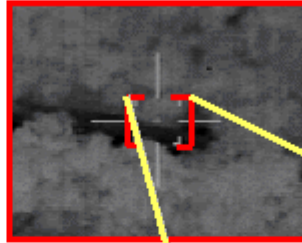
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LIVAR[®] Operational Concept

■ Detect

- Forward Looking Infra Red
- Finds "Hot" Objects in Dark



■ Range and Illuminate

- Eye Safe Laser
- Covert

■ Image

- 5x Increase in ID Range



■ Communicate

- Digital Information

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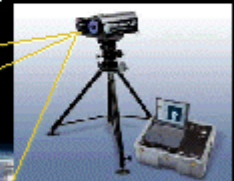
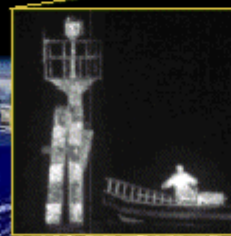
LIVAR[®] Product Applications



Target Tracking for Airborne Laser



Manned / Unmanned Airborne



Man-Portable
Land / Marine



Scout Vehicles

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NEWS From:

Congressman Mike Honda

FIFTEENTH DISTRICT - CALIFORNIA



For Immediate Release
October 23, 2002

Contact: Ruben Pulido Jr.
202.225.3327 ruben.pulido@mail.house.gov

Rep. Honda Secures Funding for Silicon Valley Companies in Defense Bill Signed by President

WASHINGTON, October 23, 2002 — Today, President Bush signed into law a \$355.1 billion defense appropriations bill for fiscal year 2003 that includes provisions that Representative Mike Honda (D-San Jose) lobbied for. "This defense bill gives the federal government the necessary resources to continue to fight the war against terrorism," said Rep. Honda. "We will increase national security by allowing the military to continue to take advantage of technological advancements, many of which are developed in Silicon Valley." Following are earmarks that Rep. Honda secured for Department of Defense programs with a Silicon Valley impact:

LIVAR Sensor Development Program – \$4.2 million

Laser Illuminated Viewing and Ranging (LIVAR) technology enables target identification at longer ranges than presently possible. This capability will give U.S. forces more effective systems by increasing targeting effectiveness and reducing collateral damage. Intevac, a Santa Clara-based manufacturer of complex capital equipment, produces LIVAR technology.



LIVAR® 2200

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CETS: Cost Effective Targeting System



Santa Clara, California, July 3, 2002 - Intevac, Inc. (NASDAQ: IVAC), today announced an order from DRS Sensor Systems, Inc. ("DRS") for the Phase 2 System Development of a LIVAR® sub-system to be incorporated into Cost Effective Targeting System ("CETS"). CETS is an autonomous gimbal-mounted sensor suite for Unmanned Ground Vehicle ("UGV") applications designed to provide target detection, location and identification.

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Airborne Laser Program

Wednesday July 18, 2002 8:01 am Eastern

Time Press Release

Modified Airborne Laser Aircraft Completes First Flight From Boeing Flight Line in Wichita

ST. LOUIS, July 18, 2002 -- The first Airborne Laser (ABL) aircraft, extensively modified by Boeing [NYSE: BA] to house the revolutionary ABL ballistic missile-defense system, successfully flew for the first time today.

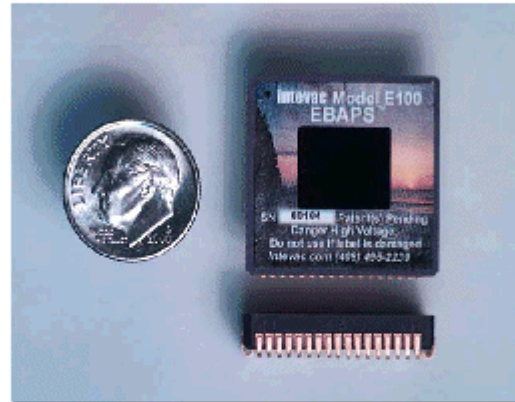
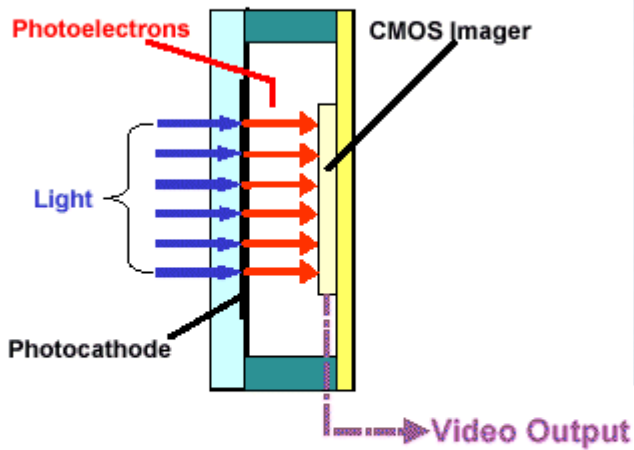


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Photon-Processor™

Extreme Low Light Level Digital Video Imager



Photon-Processor™

- Low Cost
- Patented Technology
- Camera Electronics On-chip
- Day/Night Operation
- SXGA (1024 X 1280) Resolution
- Low Power <600 Mw @ 3 VDC

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Photon Processor™ Based Products

- Intensified Imaging Camera Product Applications

- Head Mounted and Miniature Cameras
- Scientific Cameras / Machine Vision
- Security and Night Time Surveillance



- Performance Comparable to Gen III Night Vision Technology at 1/3 the Cost
- Digital Output vs. “Green Glow”

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Head-Mounted Cameras



Military HMD

- **Low Light Level Camera Module Integrated into a Head-Mounted Imaging System**
- **Gen III Night Vision Performance Coupled with a High Resolution Miniature Display**

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3560 Bassett Street, Santa Clara CA 95054

For Immediate Release

Contact: Charley Eddy, CFO
(408) 496-2259
ceddy@intevac.com

INTEVAC ANNOUNCES CONTRACT WITH SAIC FOR DEVELOPMENT OF A PROTOTYPE INTENSIFIED CMOS CAMERA FOR ARMY HEAD MOUNTED DISPLAY APPLICATIONS

Santa Clara, California, October 29, 2002 - Intevac, Inc. (NASDAQ: IVAC) today announced that it has been awarded an \$860,000 contract from SAIC for development of a miniature intensified CMOS camera based on Intevac's EBAPS™ technology. The program is funded by the U.S. Army and is managed by the Night Vision and Electronic Sensors Directorate (NVESD) at Ft. Belvoir, VA.

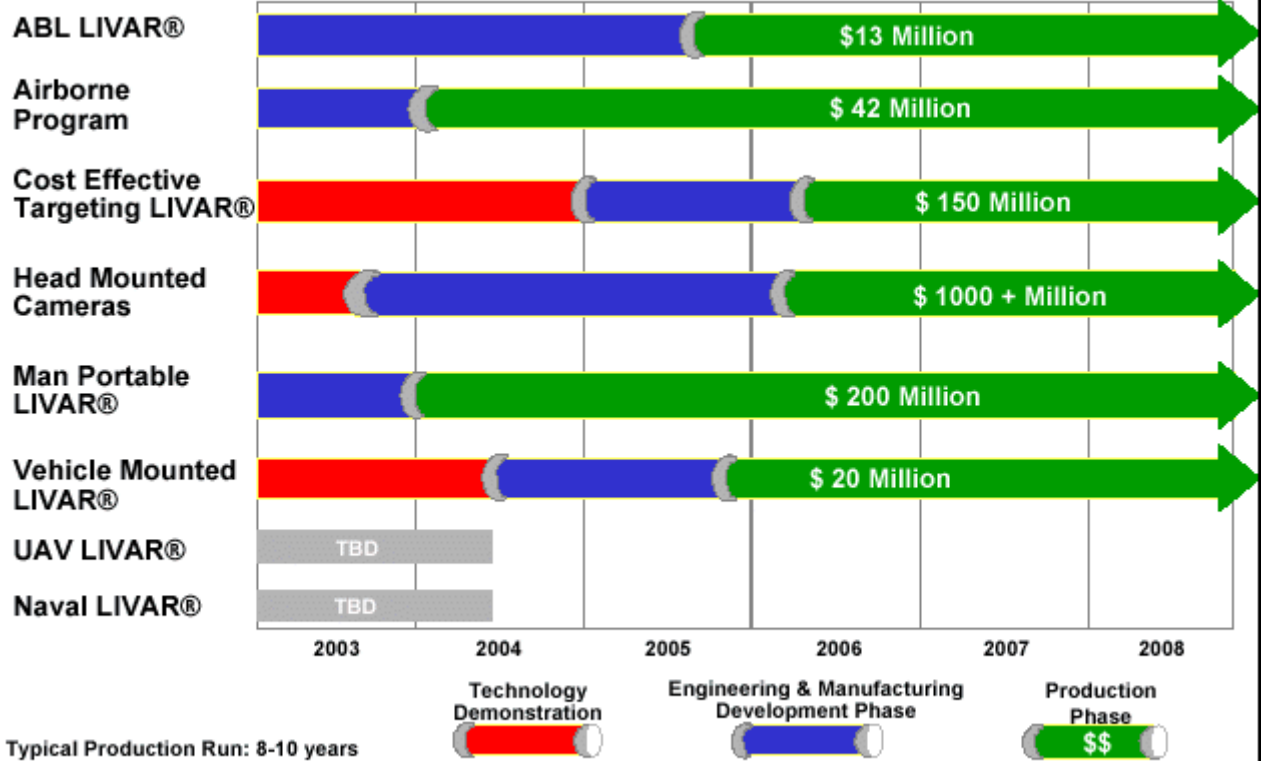
\$200M Annual Potential Military Market Beginning 2007*

* Company Estimate

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Military Intensified Imaging Product Pipe Line



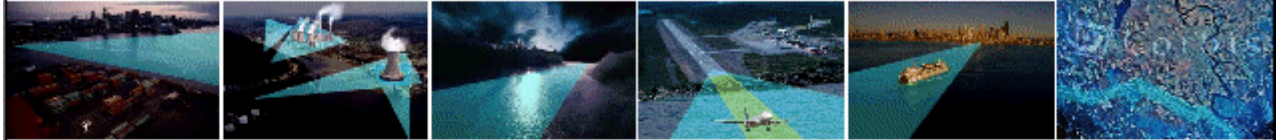
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Commercialized Intensified Imaging Business

Leveraging Technology Developed for Military both at Intevac and Elsewhere

Large Scale Infrastructure Security



Port Authority

Infrastructure Support

Water Watch

Extended Runway

Ferry or Tanker Watch

Border Control

- LIVAR® Enables Automated Detection and Identification of Potential Threats Over Large Areas
- Available Q4 2003

Extreme Low Light Video Cameras Available Q2 2003



- Addressing Shorter Range Nighttime Security/Surveillance Needs

Total Available Market Estimated at > \$700 Million

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LIVAR Competitive Comparison Long Range Identification >5Km

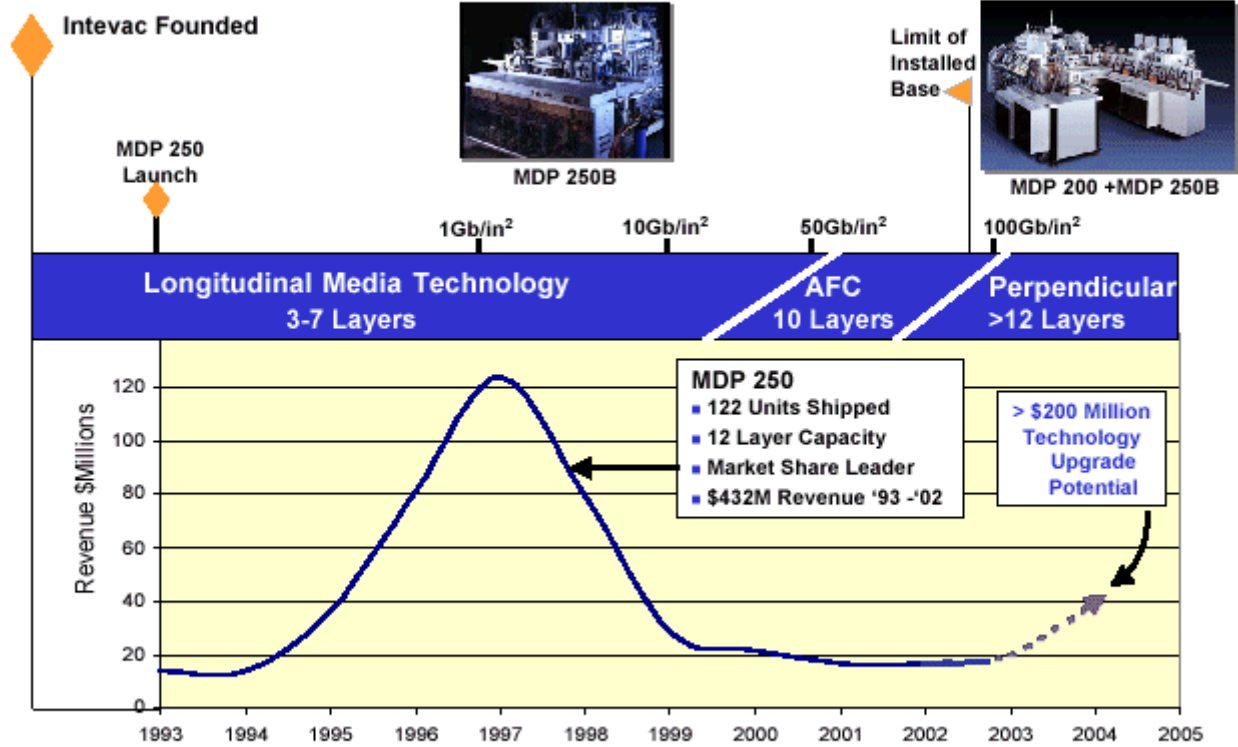
	Intensified Imaging Camera & Illuminator	LIVAR	Gen III InSb Camera
Wave Length (Micron)	Visible → 0.9	1.5	3 - 5
Eye Safety	X Legal	○	○
Stealth	X Physics	○	○
Size	○	○	X Large Telescope
Power Requirements	○	○	X Refrigeration
Window Penetration	○	○	X Physics
Read Alphanumerics	○	○	X Physics
Smoke Penetration	△	△	○
Low Thermal Contrast Scene	○	○	△ / X
Cost	○	○	X

○ Acceptable
 △ Marginal
 X Bad

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Business Opportunity: Memory Equipment



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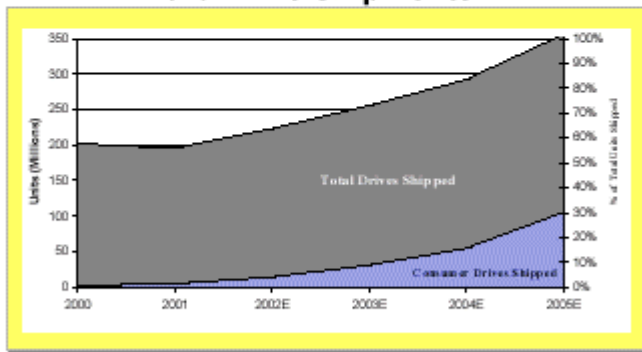
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Memory Equipment Outlook

2002/2003 Inflection Point

- First Capacity Buys in 2002 Since 1998
 - Quotation activity up
- Analysts Forecasting 25% Growth Over Next 3 Years in Hard Drive Unit Shipments

Hard Drive Shipments



Consumer Applications Fuel Growth

Source: TrendFocus & Salomon Smith Barney

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Operating Results

(\$ Millions)

	<u>2002</u>	<u>2001</u>
Revenue	\$34	\$51
Gross Profit	7	10
Gross Margin	22%	19%
Operating Expense		
R&D	11	14
SG&A	8	7
Total	<u>19</u>	<u>21</u>
Operating Income	(11)	(12)
Other Income/Expense	13	(1)
Taxes	<u>7</u>	<u>(4)</u>
Net Income	\$9	(\$17)

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Balance Sheet

(\$ millions)

	<u>12/31/02</u>	<u>12/31/01</u>
Cash	\$28	\$18
RM & WIP	6	18
Finished Goods	10	4
Accounts Receivable	5	8
Property, Plant and Equipment	7	9
Other	4	3
Total Assets	\$60	\$60
Accounts Payable and Accruals	\$7	\$8
Customer Advances	12	13
Convertible Notes due 2004	1	38
Convertible Notes due 2009	30	-
Shareholder Equity	10	1
Liabilities and Shareholders' Equity	\$60	\$60

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Intevac Management

Kevin Fairbairn, CEO
(February 2002)

- Former VP & GM, Applied Materials (16 years)
- 28 years in high technology
- Multiple successful new product developments, launches and market developments

Verle Aebi, President,
Photonics Technology Division
Military

- Conceptualized and productized LIVAR® and associated technologies
- 26 years photonic technology including 12 years at Intevac
- Led higher performance GEN III Night Vision development

Chris Lane, GM
Intensified Imaging Division
Commercial

- Former Director, New Products, Applied Materials (12 years)
- Demonstrated skills to bring new products to market
- Systems background

Charles B. Eddy
CFO

- 12 years CFO, Intevac, led IPO
- CFO at 2 start-ups
- Plant Manager and Controller at Intel

Intensified Imaging Team

- Continuity from inception to productization
- 50% of team have 12 years Intevac experience
- Demonstrated success in manufacturing leading edge night vision tubes (60,000 units)

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2003 Priorities

- **Additional LIVAR® Military Program Wins**
- **Military Head Mounted Display Program Win**
- **1000 Unit/Month Pilot Production Capability for LIVAR and EBAPS Sensors**
- **Introduce Commercial Security Camera Line**
- **Introduce Commercial Long Range ID systems**
- **Establish Commercial Imaging Sales and Distribution**
- **Win Lion's Share of Media Capacity and Technology Upgrades**
- **Design/Ship First Perpendicular Media System**
- **Extract Value from FPD**

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