

# INTEVAC INC

## **FORM 8-K** (Current report filing)

Filed 05/28/08 for the Period Ending 05/28/08

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**

**May 28, 2008**

**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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EXHIBIT 99.1

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### **Item 7.01 Regulation FD Disclosure**

Please find the May 2008 Cowen and Company 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 Cowen and Company Conference 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: May 28, 2008

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



# INTEVAC

***Cowen and Company***  
***20/20 Technology Media Telecom Conference***

***May 2008***

**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 Investment Thesis



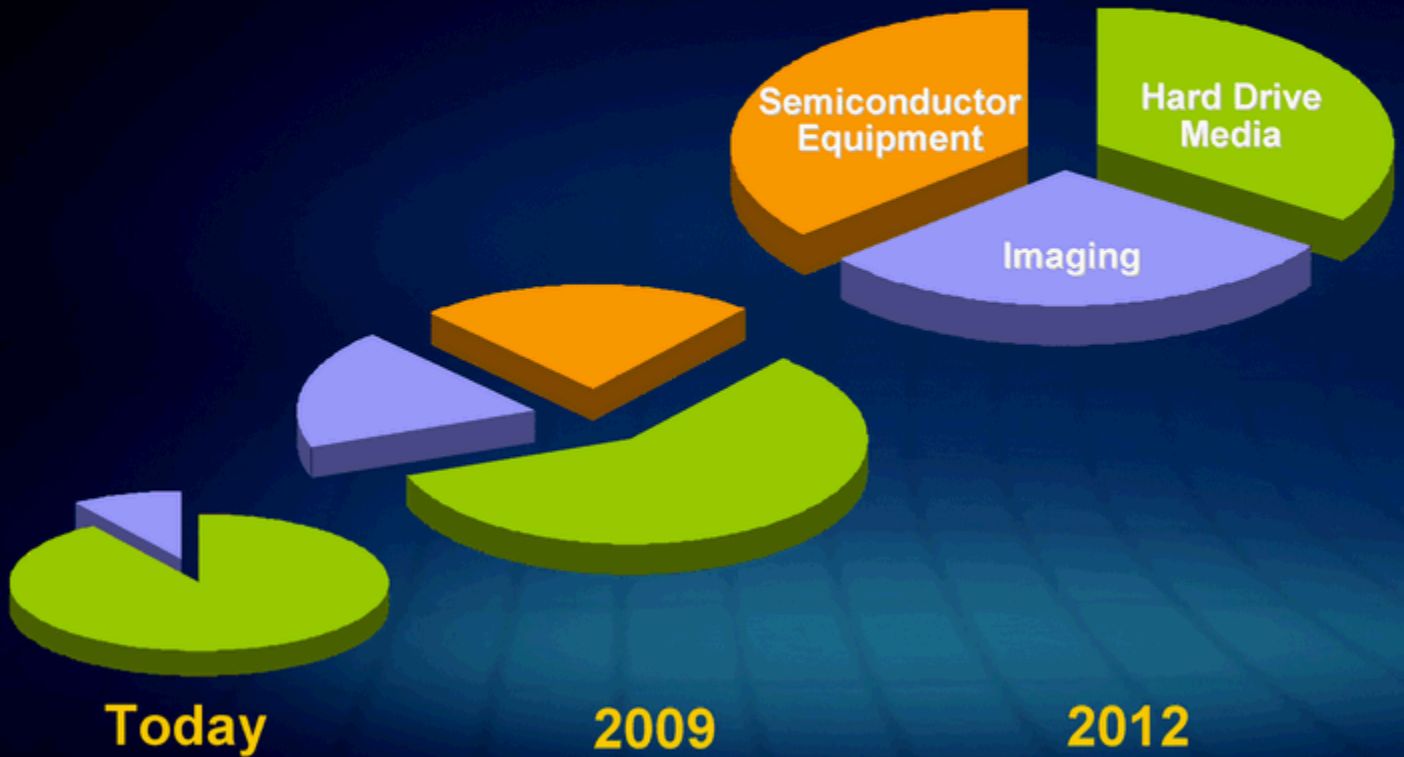
- **Established Company With Significant Growth Opportunities**
- **Share Leader in ~\$350M<sup>1</sup> Disk Media Deposition Market**
  - Growth driven by continuously increasing demand for hard drives
- **Entering \$2B Semiconductor Dielectric Etch Market**
  - Revolutionary approach, competing on technology and cost
  - Team with proven track record in launching successful semiconductor equipment products
- **Achieving Rapid Growth in Imaging Instrumentation Business**
  - Successful record of both organic and acquisitive growth
  - Serving markets exceeding \$2 billion
- **Record of Operational Excellence**
  - Continued margin expansion in fluctuating market conditions
  - Record of generating significant cash flow from operations

<sup>1</sup> Estimate Average FY06 - 07

# Multiple Growth Opportunities

Goal: 30% CAGR

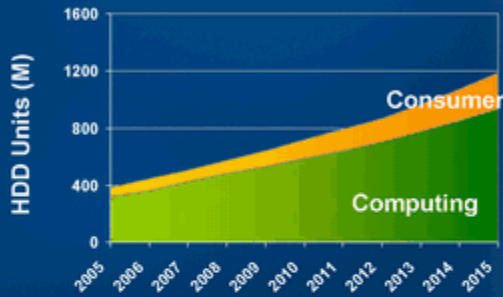
Actual: 56% CAGR (2003 – 2007)



# Leading Position in Media Deposition Market

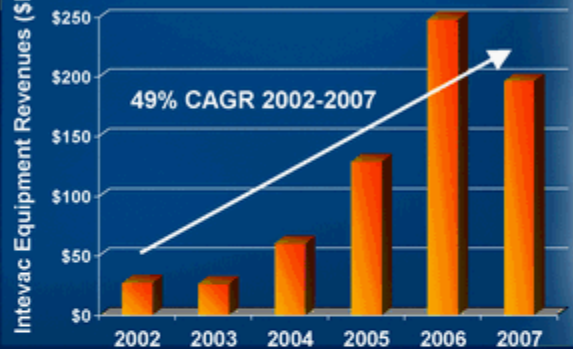


## Ever-Increasing Demand for Hard Drives

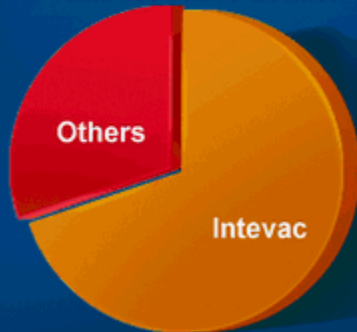


Source: TrendFocus, Annual 2008, Intevac Marketing After 2012

## Intevac's Growth Record



## Market Share Leader



## Future Capacity Requirements

- Drive Demand 2011 790M\*
- Disk Capacity Needed 1,485M\*
- IVAC Customers' Share 965M
- # Leans, ea. Making 3.5M Disks/Yr: 275
- 200 Lean® Tools Shipped >2008 (110)
- **200 Leans Deployed 2008-11 165**
- Leans >2011, at 10% Disk Growth Per Year 25

\* Source: TrendFocus 04/08. Assumes Retirement Of All Legacy Tools.

# Intevac Strategy: Become \$1 Billion Revenue Company by Expanding Served Markets



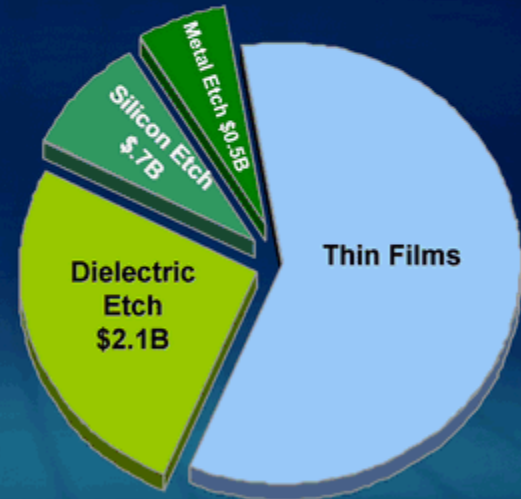
## Current

Disk Media  
Deposition Equipment  
~\$350 Million SAM



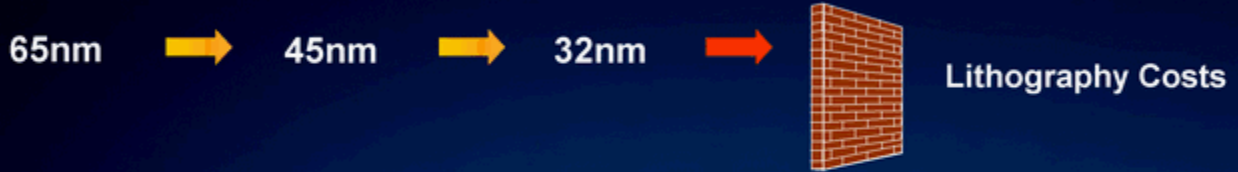
## Future

Semiconductor Plasma  
Process Equipment  
~\$8 Billion SAM

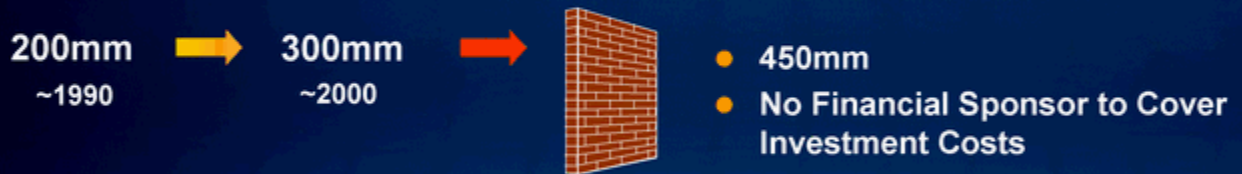


# Addressing Market Need for Lower Semiconductor Costs

- Shrinks (Moore's Law) ~ 30% Reduction Per Generation



- Wafer Size Increase ~ 30% Reduction



- Productivity Innovation



# LeanETCH

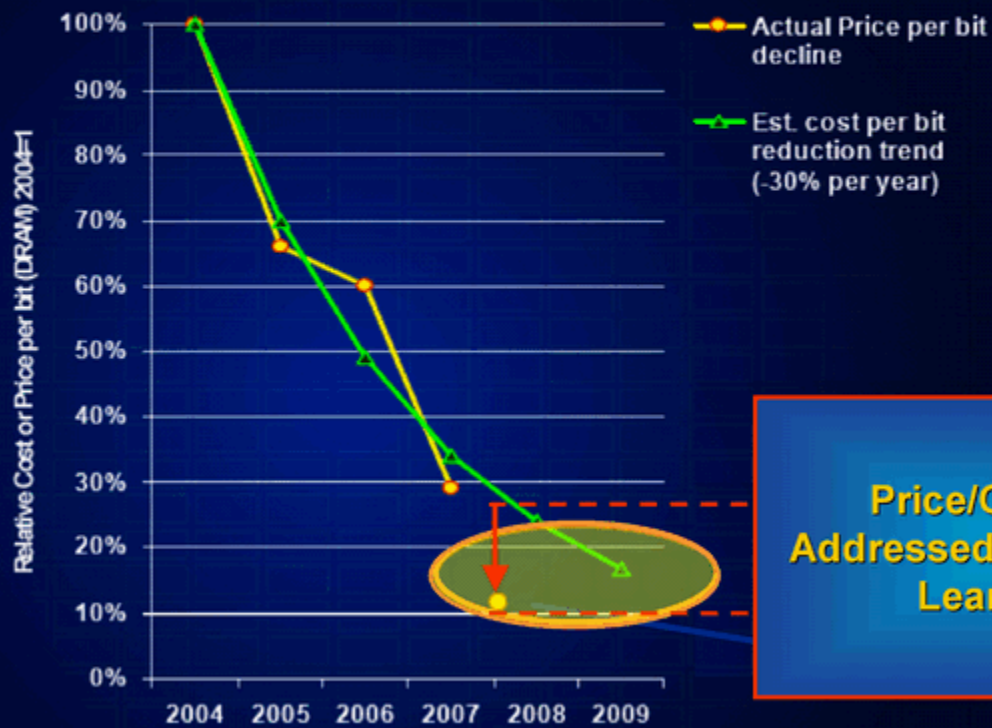
## Enabling Technology, Double the Throughput



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



# Memory Market Most in Demand of Aggressive Cost Reduction Strategies



Source: Lam Research, ISS January 2008

# Formula for Success in Dielectric Etch



## ● **LeanETCH** Value Proposition

- Leading-Edge Process Technology
- Revolutionary Approach to System Productivity
- Lowering the Cost Equation for Markets With Accelerating Price Declines

## ● **Intevac Strategy**

- Focus on Leading Memory Companies
- Assemble World-Class Team With Proven Track Record in the Industry
- Work Closely With Customers to Meet Their Needs
- Achieve Tool Qualification in 2008
- Revenue Ramp 2009
- Add Other Applications on Lean Mainframe to Expand Served Market



# Intevac Imaging Instrumentation

## Successful Record of Organic and Acquisitive Growth



### NIGHT VISION SYSTEMS



- Intevac Solution Used for 1<sup>st</sup> Major Deployment (NATO Country)
- U.S. Army - Engaged on Multi Fronts
- Potential Market >\$400M Per Year

### LIVAR AND LOW-LIGHT CAMERAS



- Qualifying on Multiple Programs
- Potential Sales of > \$100M Over Ten Years

### DELTA NU Acquired Q1'07



- Raman Systems and Chemical Analyzers
- Medical, Life Sciences, Military, Industrial Markets
- Accretive to Earnings in 2H'07

### CREATIVE DISPLAY SYSTEMS Acquired Q4'07



- Low-Power, High-Resolution Display Technology
- Medical, Sim/Training, Veterinary, Military Markets
- Accretive to Earnings by Q1 09

# Intevac Imaging Enabling Advanced Military Systems



**Creative Display Systems**  
**Micro-Display Goggle**  
*LCD, OLED Displays*



**Digital-Enhanced Night Vision Goggle**  
*Image Fusion Electronics*



**DeltaNu Stand-Off Portable Raman Systems**  
*Chemical, Biological Threat Detection*



**Digital Night Vision Sensors**  
*Head Mounted, Rifle Site*



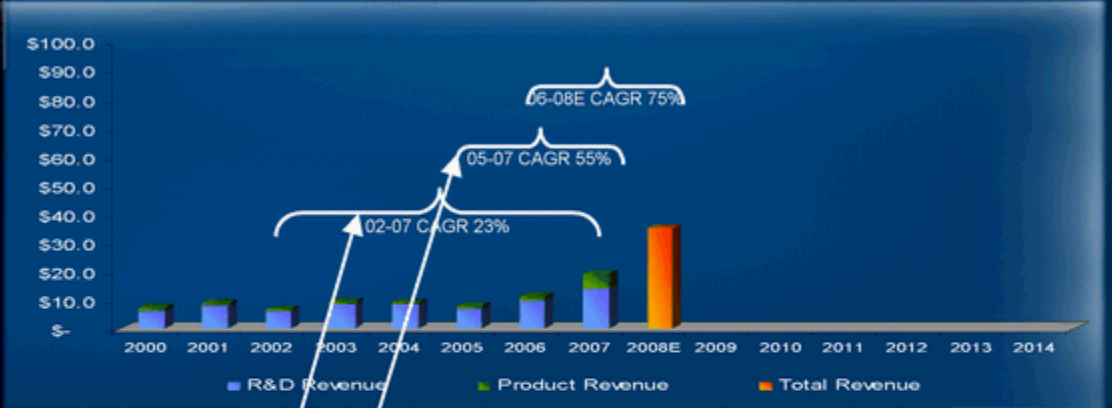
**LIVAR Cameras**  
*Long-Range Viewing, Range Detection Ground & Airborne*



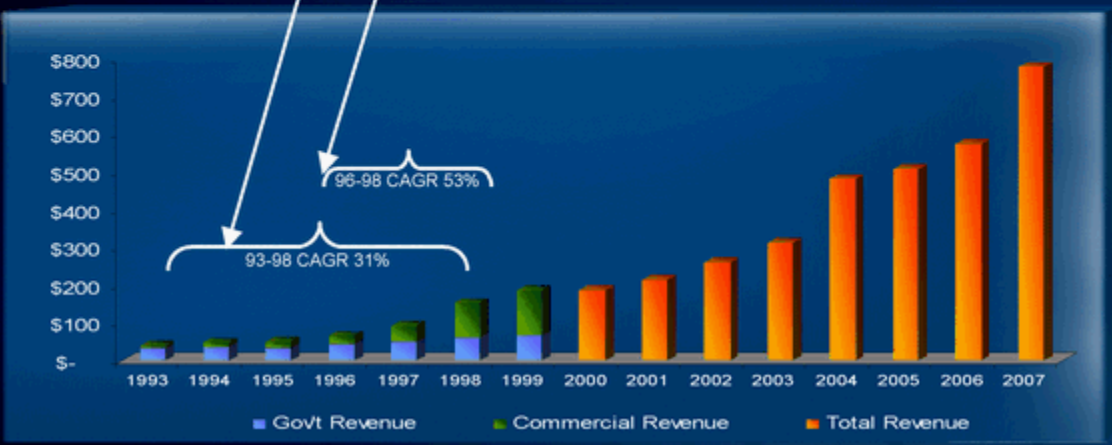
**Night Vision Surveillance Cameras & Systems**  
*UAV, UGV Surveillance*



# Imaging Business Ramping



**Intevac Imaging Instrumentation Business**



**Leading Thermal Imaging Company**

# Significant Value in Imaging Business



**Intevac  
Imaging  
Instrumentation  
Business**



**Leading  
Thermal  
Imaging  
Company**

# Intevac Record of Operational Excellence



**11 Percentage Points Added to Gross Margin  
Q1'06-Q1'08**

# Business Model Trends and Goals

	2006	2007	2008 Est. <sup>1</sup>	Long Term Goal	Improvement Initiatives
Revenue (\$M)	260	216	120-150		
Gross Margin	39%	45%	41-43%	>45%	<ul style="list-style-type: none"> <li>Continued Margin Expansion in Equipment and Imaging Products</li> <li>Continue to Increase Manufacturing in Asia</li> </ul>
Operating Expense	20%	32%	45-53%	<25%	<ul style="list-style-type: none"> <li>Lean Thinking Business Principles                             <ul style="list-style-type: none"> <li>Consistently eliminate waste</li> <li>Reduce cycle times</li> </ul> </li> </ul>
Other Income	1%	4%	3%		
Profit / (Loss) Before Tax	20%	16%	(5%)- 2%	> 20%	

<sup>1</sup> Based Upon April 28, 2008 Conference Call

# Investment Rationale

## ● Significant Growth Opportunities

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

## ● 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 500% Since 2003

## ● Attractive Value Proposition

- Record of Expanding Gross Margins and Cash Flow Generation
- \$5.67 Per Share in Cash & Investments, Tangible Book \$8.16 Per Share
- Semiconductor and Imaging Investments Offer Opportunity for Future Enhanced Valuations



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