

# INTEVAC INC

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

Filed 05/09/07 for the Period Ending 05/09/07

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

# INTEVAC INC

## FORM 8-K (Current report filing)

Filed 5/9/2007 For Period Ending 5/9/2007

Address	356O BASSETT ST SANTA CLARA, California 95054
Telephone	408-986-9888
CIK	0001001902
Industry	Computer Storage Devices
Sector	Technology
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 9, 2007

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))

**Item 7.01 Regulation FD Disclosure**

Please find the May 2007 Piper Jaffray Semiconductor and Communications 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 Needham & Company Growth 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 9, 2007

By: /s/ CHARLES B. EDDY III  
Charles B. Eddy III  
Vice President, Finance and Administration,  
Chief Financial Officer, Treasurer and Secretary

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## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Needham & Company Growth Conference Presentation.







**INTEVAC**

**Piper Jaffray  
Semiconductor and Communications  
Conference**

May 9, 2007

**Kevin Fairbairn**  
President & CEO

**Charles Eddy**  
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.

# Growth Businesses

## Equipment Products

- Leader in Magnetic Media Deposition Equipment for Hard Disk Drive Industry

	2004	2005	2006
Growth	126%	114%	92%

- Growth in Digital Storage Driving Need for More Magnetic Media Deposition Equipment
- Entering Much Larger Semiconductor Equipment Market
  - Unique competitive solutions
  - Our people have successful track record in this market

## Imaging Instrumentation

- Unique Digital Video Sensors Enable Advanced Imaging Instrumentation
  - Ultra-sensitivity
  - Extended spectral coverage
- Business Transitioning From Contract R&D Incubator Phase to Rapid Growth Products Based Business

	2006	2007 Est.
Growth	42%	~100%

- \$2B Served Available Market:
  - Military
  - Life Sciences
  - Physical Science
  - Industrial

# Revenue Growth Drivers

## Growth Goal: 30% CAGR



- Ahead of Growth Goal

△ 2007 Forecast

- Progress May Be Lumpy, Especially Quarter to Quarter

# Business Model Trends and Goals

	2005	2006	2007 Est. <sup>1</sup>	Long Term Goal	Improvement Initiatives
Revenue (\$M)	137	260	245-285		
Gross Margin	32%	39%	42%- 43%	>45%	<ul style="list-style-type: none"> <li>• Imaging Products and Semiconductor Equipment Margin Increase</li> <li>• Asia Manufacturing Expansion</li> </ul>
Operating Expense	21%	20%	25%-28%	<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%	1%	2%		
Profit Before Tax	12%	20%	16%-19%	> 20%	

<sup>1</sup> Based Upon April 30, 2007 Conference Call

# Equipment Products Business

Leading Provider of Magnetic Media Deposition Equipment



## Market Share



## Customers

Seagate *WE TURN IDEAS INTO REALITY*      FE *e-front runners*

Hitachi Global Storage Technologies

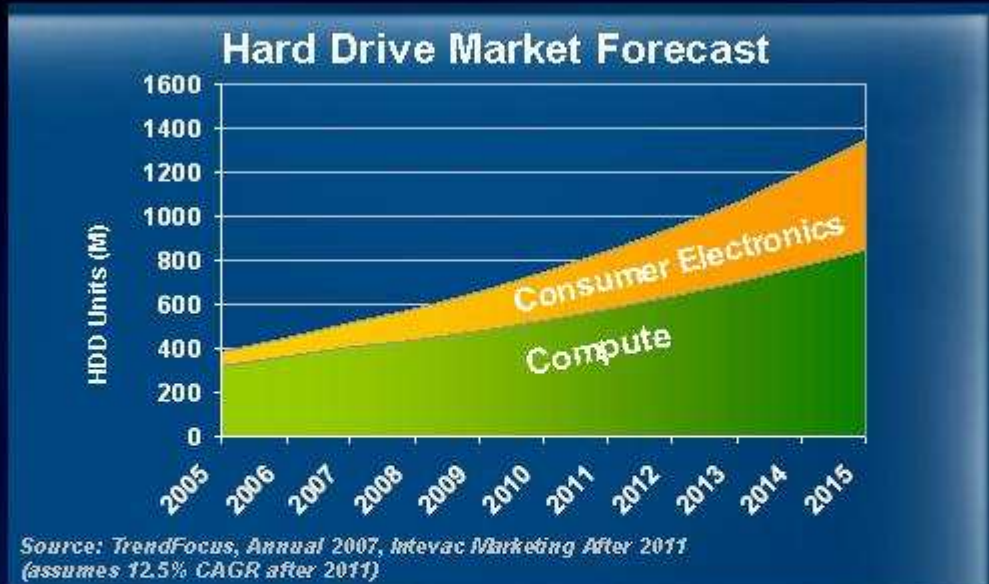
昭和電工株式会社  
SHOWA DENKO

KOMAG

Source: Company Estimates @ 10/2006, Total System Installed Base

# Equipment Products Business

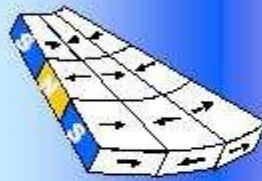



## Hard Drive Market Growth Driving Need for More Equipment

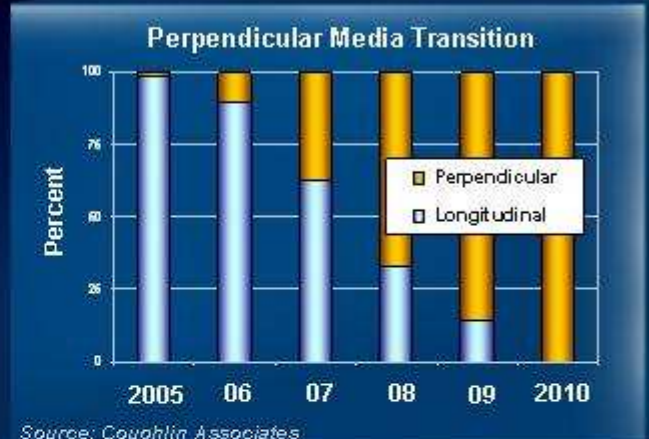


	Growth Year to Year
Demand for Digital Data	~ 60%
Minus Areal Density (GB/in <sup>2</sup> )	≤ 40%
Growth In Hard Drives	~ 20%

# Equipment Products Business

## Media Technology Change Requires New Systems

< 2004	>2010	
100% Longitudinal	160	100% Perpendicular
< 80GB (Platter Capacity)	240	> 600GB
Longitudinal	Perpendicular	
		
≤ 12 Process Steps	12-20+ Process Steps	
Legacy System MDP 250B	Next Generation System 200 Lean	
		
550 Disks/Hour Installed Base 110 Systems	800 Disks/Hour	

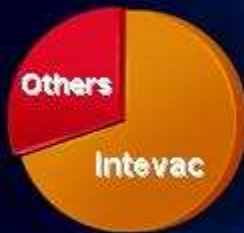


- 200 Lean Designed to Meet Technology and Productivity Needs of Perpendicular Media
- Transition to Perpendicular Requires New Systems for Optimum Productivity



# Expanding Equipment Served Market

## Today



Served Market  
~ \$ 350 Million

Magnetic Media  
Deposition Equipment



## Future

### Semiconductor Plasma Process Equipment Market ~ \$ 8 Billion

- Intevac Has Expertise to Address This Market
- Many of Today's Successful Semiconductor Manufacturing Systems Were Created by Intevac Staff at Prior Companies
- Intevac Staff Experienced in Supporting Major Semiconductor Customers
- Address Market With Innovative and Differentiated System Solutions

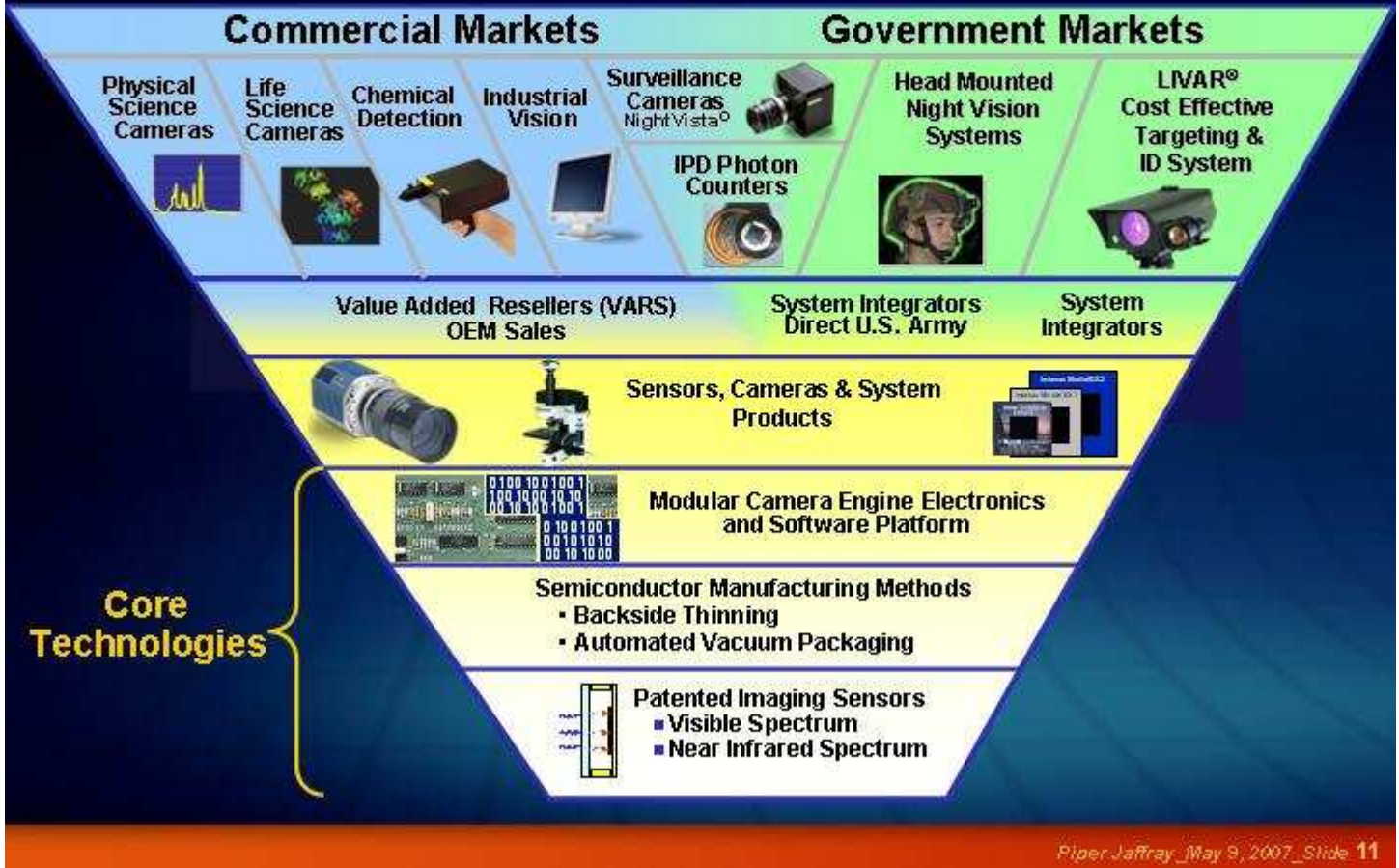
**2007 Qualification**  
**2008 Ramp Revenues**

## Sensors, Cameras and Systems

- **Unique Digital Video Sensor Technology**
  - Ultra-sensitivity
  - Least Power Consuming
  - Visible and Near Infra Red Light Spectrum
  
- **1995 - 2006 Incubation Period**
  - Contract R&D Revenues
  - Significant Intevac R&D Investment
  
- **2007 Rapid Growth Driven by Product Sales**
  - Head Mounted Night Vision
  - MOSIR™ Physical Science Cameras
  - DeltaNu Raman Spectrometers

# Imaging Instrumentation Business

## Unique Solutions Addressing \$2 Billion Annual Market



# Imaging Instrumentation Business

## Head Mounted Night Vision

### Legacy



### Night Vision Goggle

- Direct View Analog Technology
- Two U.S. Suppliers Today
  - Intevac Supplier pre 1995
- Market Size ~ \$600M/Year

### Next Generation

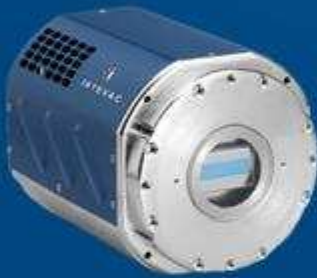


### Night Vision System

- Digital Low Light Video
- Enhanced Performance and new Capabilities
- Intevac Solution Used for First Major Deployment
  - NATO Country Program
  - >\$55M Over Seven Years
  - Initial Export Approval
- Intevac Teamed With DRS for U.S. Army System
  - First Prototype to U.S. Army Q1 2007

# Imaging Instrumentation Business Commercial Products

MOSIR™



- Uniquely Designed For Commercial Markets
- Significant 2007 Product Ramp

# Investment Rationale

- **Significant Growth Opportunities**
  - Growth in Digital Storage Requires More Equipment
  - Entering Large Semiconductor Equipment Market
  - Imaging Instrumentation Products (Military and Commercial)
- **Management and Technology 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 Valuation**
  - Profitable, Generating Cash and Investing in Future Growth
  - \$5.16 Per Share in Cash and Investments



**INTEVAC**

**Piper Jaffray**  
**Semiconductor and Communications**  
**Conference**

May 9, 2007

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