

INTEVAC INC

FORM 8-K (Current report filing)

Filed 11/09/04 for the Period Ending 11/09/04

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

Table of Contents

**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**

November 9, 2004

Date of Report (date of earliest event reported)

INTEVAC, INC.

(Exact name of Registrant as specified in its charter)

State of California

0-26946

94-3125814

(State or other jurisdiction
of incorporation or
organization)

(Commission File Number)

(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))
-
-

TABLE OF CONTENTS

Item 7.01 Regulation FD Disclosure

Item 9.01. Financial Statements and Exhibits

EXHIBIT INDEX

EXHIBIT 99.1

Table of Contents

Item 7.01 Regulation FD Disclosure

Please find the November 2004 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 Investor Presentation.

Table of Contents

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: November 9, 2004

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

EXHIBIT INDEX

99.1 Investor Presentation.

AeA Classic Financial Conference

November 9, 2004



I N T E V A C

**Kevin
Fairbairn**

President and CEO

Cautionary Disclaimer



INTEVAC

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.

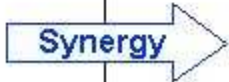
Proprietary

Innovation At the Speed of Light™

11/09/04_AeA_Slide 2



Equipment Products	Low Light Imaging
<p>Leader in Process Equipment for Hard Disk Media Manufacturing</p> <p>Major Growth Opportunity</p> <ul style="list-style-type: none">- Hard Disk Drive Market Growing- New Media Technology Requires Re-Tooling of Installed Base- Technology and Expertise Applicable to New Growing Markets <p>Equipment Expertise</p>	<p>Leader in Advanced Low Light Video Imaging Technology</p> <p>Major Growth Opportunity</p> <ul style="list-style-type: none">- Video Based Military Night Vision- Cost Effective Long Distance Target Identification Systems- Medical, Scientific and Industrial Applications <p>Low Cost Sensors</p>





Equipment Products Business

Equipment Products Business Driver: Growing End Market for Hard Disk Drives



INTEVAC



Source: TrendFocus 2004, HGST 2004

Proprietary

Innovation At the Speed of Light™

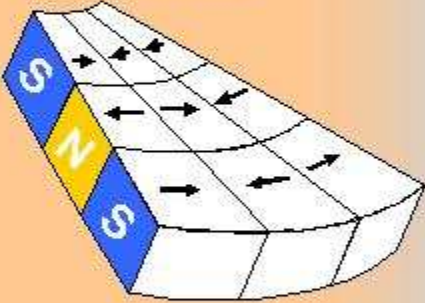
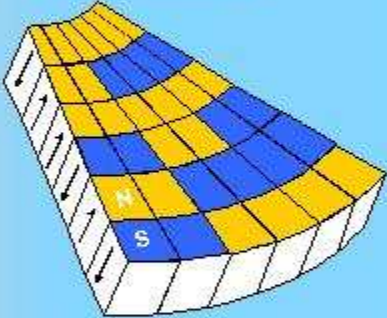


11/09/04_AeA_Slide 5

Equipment Products Business Drivers:

Media Technology Change Requires Installed Base Re-Tooling



INTEVAC

Year	< 2002	2005	>2008	
Capacity (GB)	< 40	160	240	> 480
Process Steps	≤ 12		12 – 20+	
Media Technology	<p>Longitudinal</p> 		<p>Perpendicular</p> 	
Manufacturing Systems	 <p>MDP 250B</p>		 <p>200 Lean</p>	

Proprietary

Innovation At the Speed of Light™

11/09/04_AeA_Slide 6

Equipment Products Business: 200 Lean Media Manufacturing System



Flexibility For Future Media

- Modular design – simple to add additional process stations
- Easy to reconfigure
- Perpendicular capable

Economic Solution

- 800 disks per hour
- Small footprint
- Simple to replace legacy systems
- Minimal reconfiguration of media plant

Production Proven at Major Customer

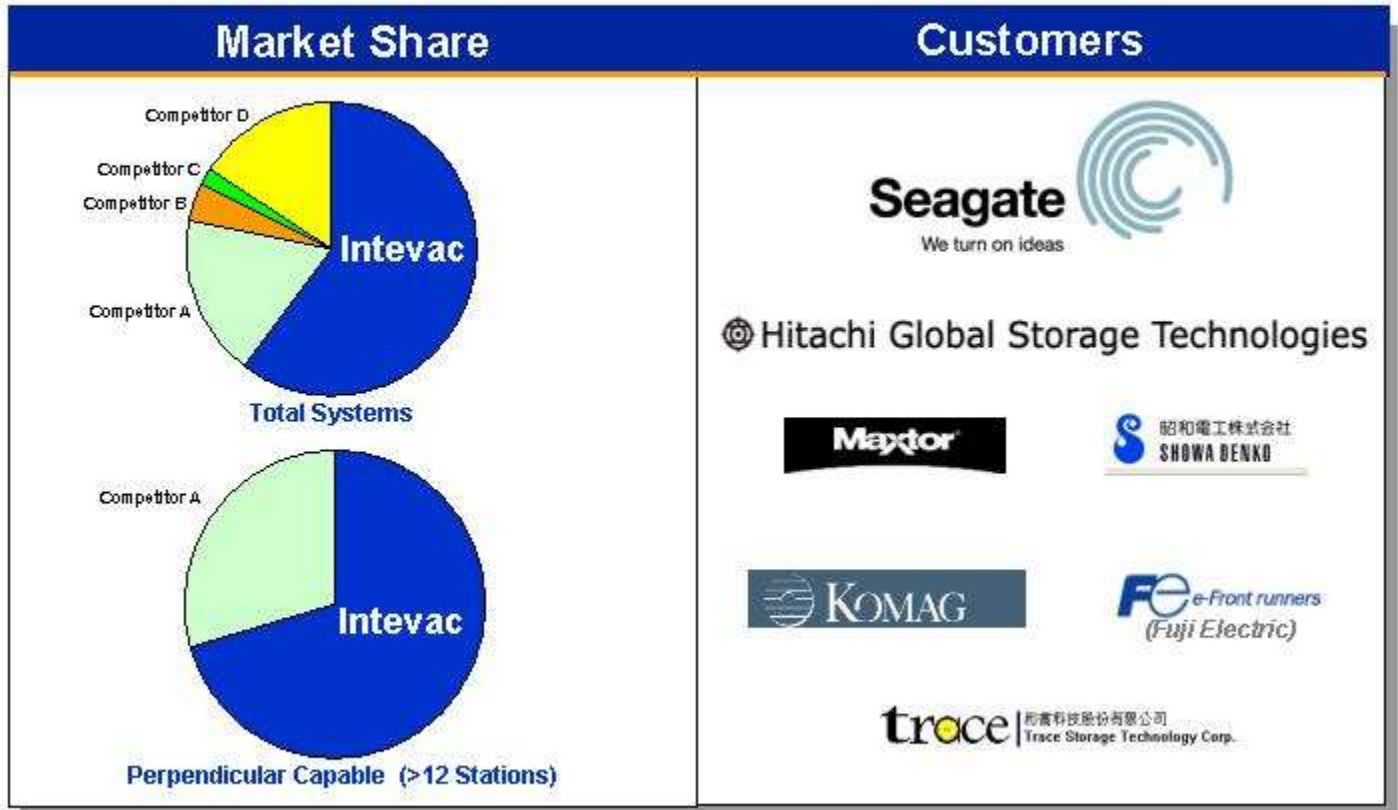
Proprietary

Innovation At the Speed of Light™

11/09/04_AeA_Slide 7

Equipment Products Business

Market Leader Production & New Media Capable



Source: Company Estimates

Proprietary

Innovation At the Speed of Light™

11/09/04_AeA_Slide 8

Equipment Products Business: Opportunity Sizing (Tops Down)



INTEVAC

	Pre 2004 Longitudinal	Post 2007 Perpendicular
Industry Capacity (Million Disk Drives / Year)	250	400
Typical System Output (Disks / Hour)	550	800
System ASP	\$3.5M	\$4.5M
Industry Capital Investment Expenditure	\$800M	> \$1000M
Timing Start of Spending	1995	2004

Company Estimates
Assume No Change in Disks/Drive Ratio
ASP Includes Initial System Price Plus Upgrades

Proprietary

Innovation At the Speed of Light™

11/09/04_AeA_Slide 9



Short Term

- **Win the Market Leaders**
 - Won First Major Customer (Development & Production Systems)
- **Reduce System Cost to Achieve Target Gross Margins**
 - Significant progress made

Long Term

- **>50% Market Share**
- **Expand Consumables, Spares and Service Offerings**
- **Leverage Intevac Technology Into New Markets**
 - High growth applications
 - Ability to be market leader with good gross margins



INTEVAC

Low Light Imaging Business

Innovation At the Speed of Light™

Low Light Imaging Business Drivers



U.S. Military Prefers to Fight at Night

- Ideal: night vision for every soldier

U.S. Night Vision Dominance Based Upon 80's Varian (Intevac) Technology

- Superiority has been eroded



Major Initiative to Re-Establish U.S. Superiority in Night Vision

New Digital Imaging Solutions Required

- Wider light spectrum: visible, near infra red and infra red
- Lighter, cheaper, lower power
- Networkable


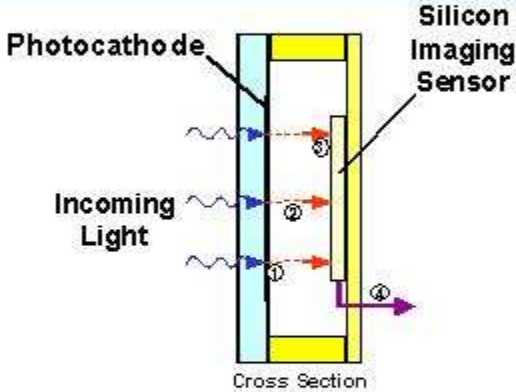
Intevac Now Providing Solutions for Visible and Near Infra Red Applications

Low Light Imaging Business

Unique Sensor Technology



INTEVAC

Light Spectrum Addressed		How Sensor Works
0.4μm	Visible 0.9μm	Near Infra Red 1.7μm
<p>Patented Sensor</p> 		 <p>How Sensor Works</p> <ol style="list-style-type: none"> 1. Light Converted to Electrons by Photocathode 2. Electrons Accelerated by High Voltage 3. Electrons Collected on Mega Pixel Silicon Sensor <ul style="list-style-type: none"> - CCD, or - Low cost, low power CMOS 4. Digital Output
<p>Superior Performance</p> <ul style="list-style-type: none"> - Visible - Near Infra Red - Resolution - Frame Rate - Low Power <p> } Selectable by Photocathode Choice } Selectable by Silicon Sensor Choice </p>		

Proprietary

Innovation At the Speed of Light™

11/03/04_AeA_Slide 13

Low Light Imaging Business

LIVAR® Cost Effective Long Range Target Identification



INTEVAC

LIVAR®



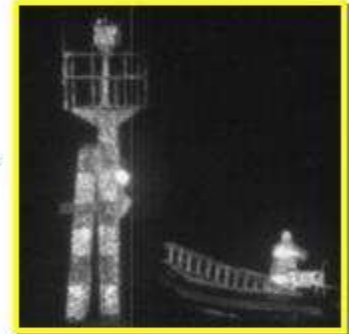
- Operates in Near Infra Red Eye Safe Regime
- Covert
- Long Range (Miles)
- Applications: Manportable, Airborne, Marine and Ground Vehicle

How It Works



Detect
(Forward Looking Infra Red)

Laser Pulse
Illuminate



Identify with LIVAR

Opportunity

- Today Mainly Contract R&D Revenue
- Production Deployment 2006 and Beyond
- Potential 15,000 Platforms

Proprietary

Innovation At the Speed of Light™

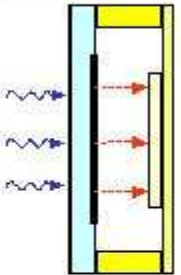


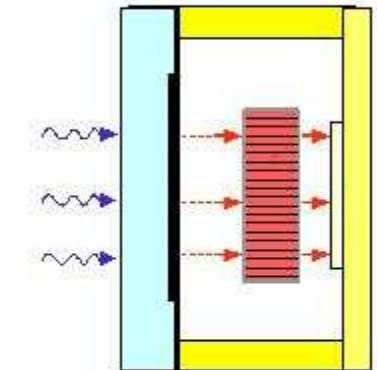
11/03/04_AeA_Slide 14

Low Light Imaging Business

Head Mounted Night Vision: Competitive Position



INTEVAC

Intevac Solution	Competing Sensor
 <p>Advantages of Intevac Sensor</p> <ul style="list-style-type: none">- Simpler- Higher Sensitivity- Lower Cost- Smaller- Night AND Day  <p>NightVista® Only Commercially Available Camera Using CMOS Low Light Sensor</p>  <p>Chosen for First Large Deployment of Head Mounted Night Vision</p> <ul style="list-style-type: none">- Production Ramp 2006	
<p>Large Opportunity; 2003 Legacy Market Size \$347M</p>	

Low Light Imaging Business

Product Roll Out



INTEVAC

Markets / Products	2004	2005	2006	2007	2008
Visible Spectrum					
Head Mounted Night Vision	Contract R&D		Production Deployment		
NightVista® (Surveillance)	◆				
Life Science Camera		◆			
Near Infra Red Spectrum					
LIVAR®: Long Distance Imaging	Contract R&D		Production Deployment		
LIVAR 400 Camera	◆				
Physical Science Camera		◆			

◆ = Product Release Commercial Markets

Proprietary

Innovation At the Speed of Light™

11/03/04_AeA_Slide 16

Low Light Imaging Business Strategy



INTEVAC

- **Develop State of the Art Sensors, Cameras and Systems to Address the Exacting Performance and Cost Requirements of U.S. Military and Allies**
- **Leverage Developed Capabilities Into Large Commercial Markets**
- **Utilize Equipment Expertise to Enable Low Cost Sensors for Price Sensitive Volume Markets**
- **Partner With Large System Integrators to Win Major Programs**
- **Partner With Established Value Added Resellers to Address Diverse Commercial Markets**

Target Business Model



INTEVAC

	Equipment Products		Low Light Imaging
	2005	Long Term	Long Term
Revenue	100%	100%	100%
Gross Profit	34	45	50
RD&E	12	15	10
MG&A	9	10	20
Operating Expenses	21	25	30
Operating Profit	13%	20%	20%
	Today: Hard Disk Drive Market Future: Enter New Markets		Today: Contract R&D Revenue Future: High Value Imaging Products

Balance Sheet Highlights

Capitalized for Business Growth



INTEVAC

As of September 25, 2004

Investments	
Cash and Short Term Investments	\$34M
Long Term Investments	\$14M
Debt	\$0
Goodwill, Intangibles	\$0
Shareholder Equity	\$72M
Shares Outstanding	20M



Investment Rationale

Two Businesses With Significant Growth Opportunities

- Proprietary Technology
- Market Leading Positions
- Rapidly Growing Market Opportunities

Sound Balance Sheet and Leveraged Business Model

Management and Technology Team With Proven Track Records

- Developing and Managing Billion Dollar Businesses
- Developing Advanced Equipment Solutions
- Creating Cutting Edge Imaging Technology

AeA Classic Financial Conference

November 9, 2004



I N T E V A C

**Kevin
Fairbairn**

President and CEO