

# INTEVAC INC

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

Filed 01/08/08 for the Period Ending 01/07/08

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**

**January 7, 2008**

**Date of Report (date of earliest event reported)**

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**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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**Item 7.01 Regulation FD Disclosure**

Please find the January 2008 Needham & Company Growth 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: January 7, 2008

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





**INTEVAC**

***Needham 10th Annual  
Growth Stock Conference***

*January 2008*

**Kevin Fairbairn**  
President and CEO

**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 Serves Growth Markets



## Equipment Business

- **Hard Drive Industry**
  - Leading Provider of Media Deposition Equipment Worldwide
  - Ultra-High Productivity System Utilizing Lean Thinking Principles
- **Semiconductor Equipment Industry**
  - New Tool Launched July 2007
  - Addressing Multi \$Billion Markets
  - Unique Competitive Solutions
  - Team With Proven Track Record

## Imaging Instrumentation

- **Leader in Enabling, Compact and Cost Effective Digital Optical Products**
  - Low-Light Imaging
  - Miniature Raman Instruments
  - Near-Eye Micro-Displays
- **Rapidly Growing Business Addressing \$2 Billion Market**
  - Now Generating Cash
  - Expanding Product Portfolio
  - Well Positioned for Revenue Breakout on Major Government Programs

# Stacking Up the Value Proposition



**Entering New Large Markets**

Semiconductor Equipment  
2007 Product Launch  
2008 Tool Qualification



**High Growth**

Imaging Business Ramping  
and Newly Profitable



**Established Market Leader**

Providing 2/3 of the World's Hard  
Drive Media Deposition Tools



**Solid Foundation**

Strong Balance Sheet

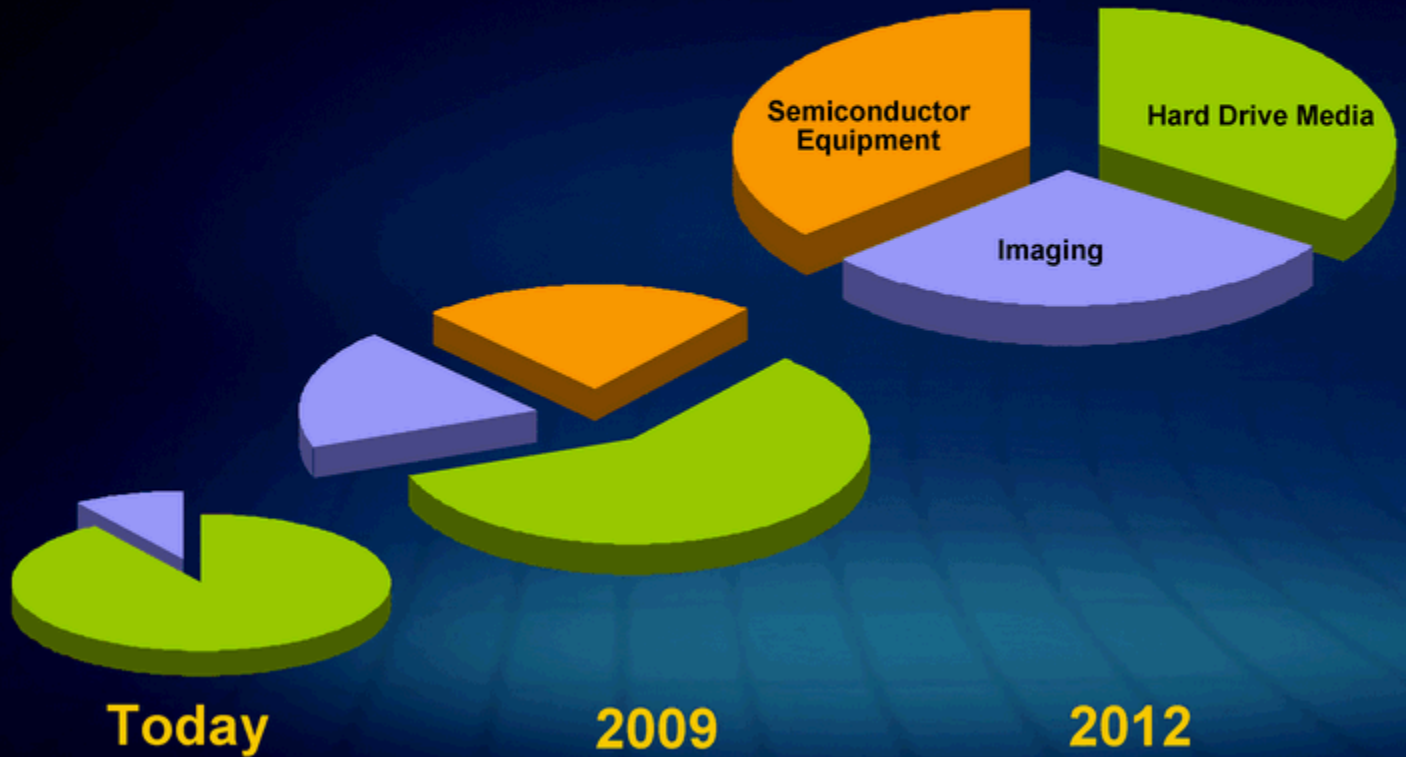


\* Average Annual HDD Revenue 2005-2007est.

# Result: Multiple Growth Opportunities

Goal: 30% CAGR

Actual: 59% CAGR (2002 – 2007 est.)



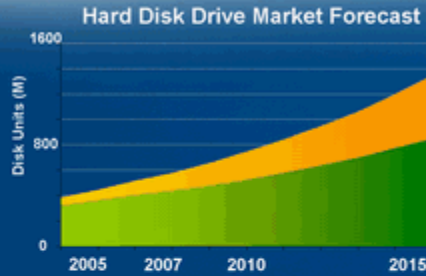
# Global Presence



- Headquarters in Santa Clara, CA
- Pilot and Volume Manufacturing in California & Wyoming
- Volume Manufacturing in Singapore

# Equipment Products Business

## Hard Drive Market Growth Driving Need for More Equipment



### 2010

- Hard Drives Per Year 750M\*
- Disks Per Year 1200M
- Assume All Legacy Systems Obsoleted by Next Generation Media Thin Film Systems, e.g., Intevac "200 Lean"

- 200 Lean Yearly Output 3.5M Disks
- Intevac Market Share 65%
- 200 Lean™ in 2010 ~ 235 (Production and R&D)



2008 - 2010

- ~ 125 Additional 200 Leans Required
- ~ Legacy System Replacements Back-End Loaded

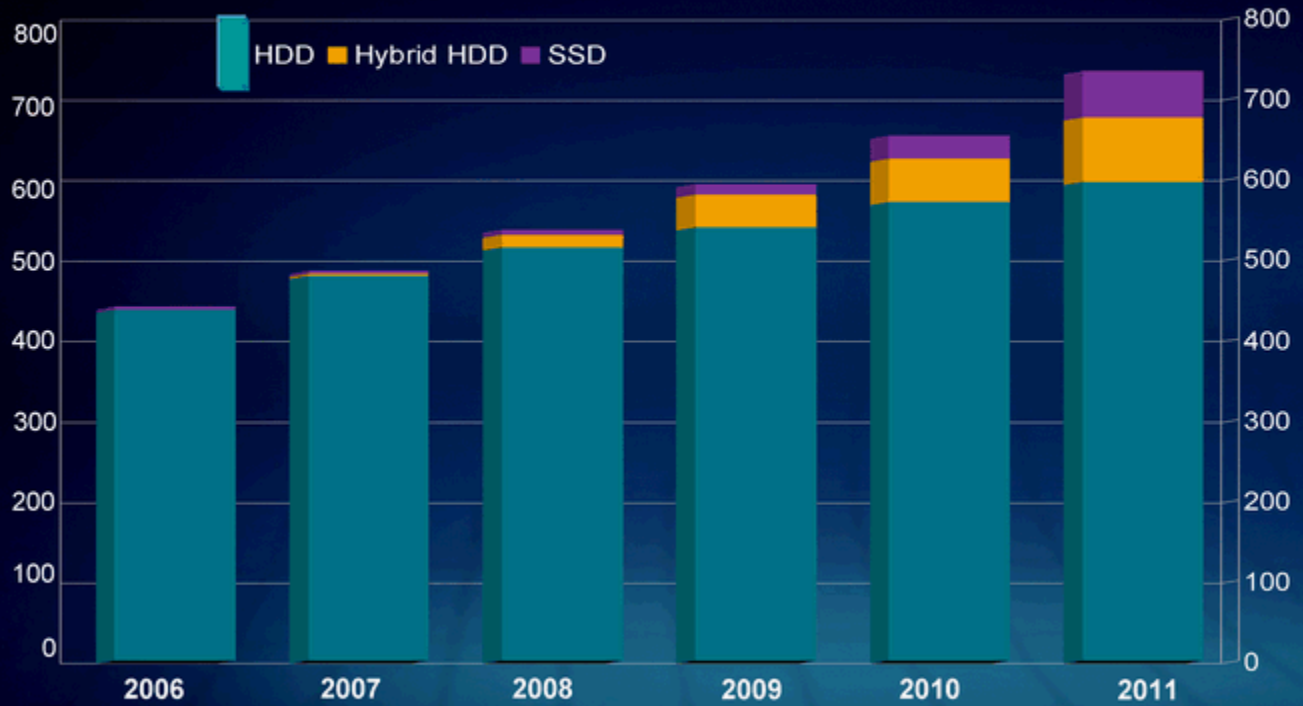
### Beyond 2010

Annual Disk Growth	200 Lean Shipments
15%	35
10%	23

\* Source: TrendFocus 03/07

# Flash vs. Hard Disk Drive

Compute Storage Market in Millions of Units



Source: Estimates from Seagate Research  
Source: IDC

# Flash vs. Hard Disk Drive



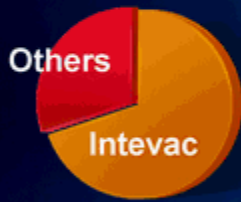
## Time-tested PC Storage Attribute Model (circa 1989)



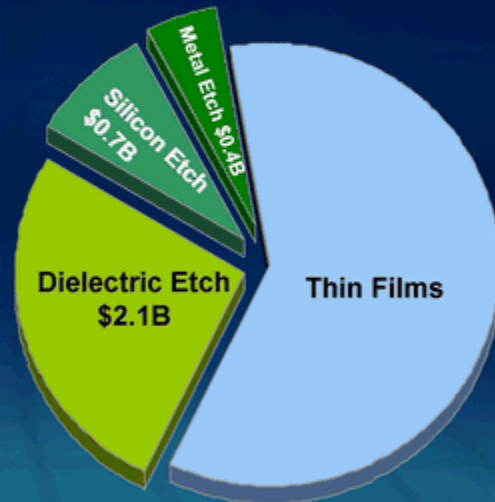
# Expanding Intevac's Served Market



**Current**  
Hard Disk Drive  
Deposition Equipment  
~\$350 Million SAM



**Future**  
Semiconductor Plasma  
Process Equipment  
~\$8 Billion SAM

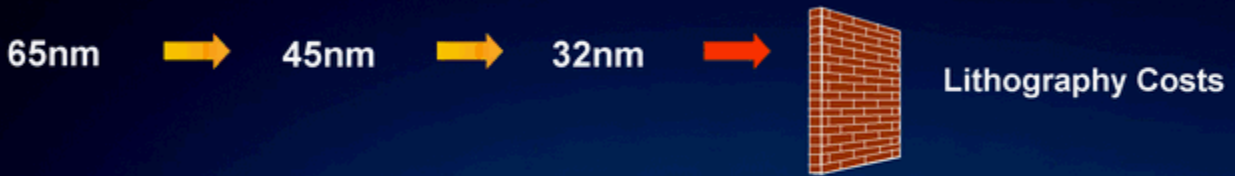


- Initial Target Dielectric Etch
- Top CapEx Customer Focus



# 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



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



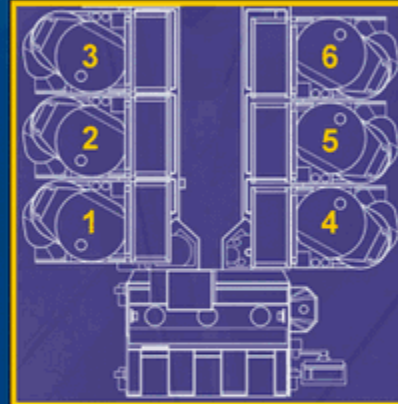
### Cluster Tool



### Legacy Issues

- 4 Chambers, Typically 3
- Throughput Bottleneck
  - ~100 Wafers/Hour
- Wasteful of Space
- Difficult to Service Due to Poor Access
- Maintenance Requires Complete Shutdown

### Lean System



### Intevac Solution

- Configurable to 6 Chambers
- Dual Transport Modules
  - 200 Wafers/Hour
- Compact Footprint
- Unparalleled Service Access
- "Availability Redundancy"

# Lean Etch: Formula for Success



## ✓ Unique Competitive Product

- Enabling etch technology for 45nm and beyond
- Double the throughput
- 30% Reduction in cost of manufacturing

## ✓ Customers Have Multi Supplier Strategies

## ✓ Top CapEx Spender's Focus Simplifies Global Support Requirements

## ✓ Intevac Team Track Record

- 75% of management have prior semiconductor equipment experience
- Innovative engineering and technology team
- Many of today's successful products created and bought to market by Intevac staff at prior companies
- Used to selling to and supporting largest semiconductor customers

## ✓ Solid Global Business Foundation

# Intevac Imaging Business

## Enabling, Compact and Cost Effective Digital-Optical Products

- Sensors, Cameras and Systems
- Capture of Low Light in Ultraviolet, Visible and Near Infra Red
- Low Power Electronics and Algorithms for Image Enhancement
- Near Eye High Resolution Micro-Displays
- Real Time, Non Destructive Chemical Analysis

# Imaging Expansion Strategy



# Low Light Products

## NIGHT VISION SYSTEMS



- Intevac Solution Used for 1<sup>st</sup> Major Deployment (NATO Country)
- U.S. Army - Engaged on Multi Fronts

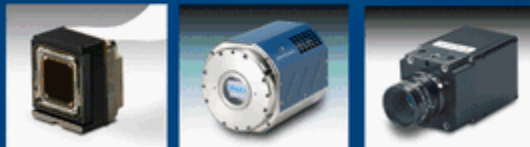
## LIVAR CAMERAS

Laser-Illuminated Viewing and Ranging



- Cost Effective and Long Range (many miles)
- Qualifying on Multiple Programs
- Potential Sales of > \$100M Over Ten Years

## LOW LIGHT CAMERAS



- High Sensitivity
- Ultraviolet – Near Infra Red
- Spectroscopy, Microscopy, Medical, Astronomy

## INTENSIFIED PHOTODIODES



- Very High-Sensitivity
- High Data Rate

# Creative Display Systems Products

## MEDICAL



Image-Guided  
Surgery

## TRAINING & SIMULATION



Binocular  
Training Viewer

## VETERINARIAN



Portable  
Ultrasound  
Viewer

## MILITARY



Vision Systems





# DeltaNu Products



## PHYSICAL SCIENCES



Table-Top  
Raman Systems  
Chemical Analysis

## LIFE SCIENCES



Microscope-  
Mounted  
Raman Systems  
Biological Research  
Drug Development

## MEDICAL



Point-of-Care  
Health Diagnostics

## INDUSTRIAL AND MILITARY



Remote  
Stand-off Raman  
Chemical  
Biological  
Hazard Detection

# Business Model Trends and Goals



	2005	2006	2007 Est. <sup>1</sup>	Long Term Goal	Improvement Initiatives
Revenue (\$M)	137	260	212-215		
Gross Margin	32%	39%	43%- 44%	>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%	32%-33%	<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%	3%		
Profit Before Tax	12%	20%	13%-15%	> 20%	

<sup>1</sup> Based Upon November 1, 2007 Conference Call

# Investment Rationale

- **Significant Growth Opportunities**

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

- **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 Value Proposition**

- Generating Profits and Cash while Investing in Future Growth
- \$6.64 Per Share in Cash and Investments
- Semiconductor and Imaging Investments Offer Opportunity for Future Enhanced Valuations



# INTEVAC

## *Needham 10th Annual Growth Stock Conference*

*January 2008*

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