

# INTEVAC INC

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

Filed 11/07/05 for the Period Ending 11/07/05

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 7, 2005**  
**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))
- 
-

**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 2005 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 7, 2005

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

---

## **Table of Contents**

## **Exhibit Index**

99.1 Investor Presentation.





**AeA Classic Financial Conference**  
San Diego, CA  
November 2005



**I N T E V A C**

**Kevin Fairbairn**  
*President & CEO*

**Charles Eddy**  
*Chief Financial Officer*

**Luke Marusiak**  
*Chief Operations Officer*

## 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.



## Equipment Products

**Leader in Media Manufacturing Systems for Hard Disk Drive Industry**

**2004: 126% Growth YTY**

**2005: >100% Growth YTY**

**2006: Further Growth Projected**

- Hard Disk Drive Market Growing
- New Media Technology Requires Re-Tooling of Installed Base
- Technology and Expertise Applicable to New Growing Markets

**Equipment Expertise**

**Synergy** 

## Low Light Imaging

**Leader in Advanced Low Light Video Imaging Technology**

**Major Growth Opportunity**

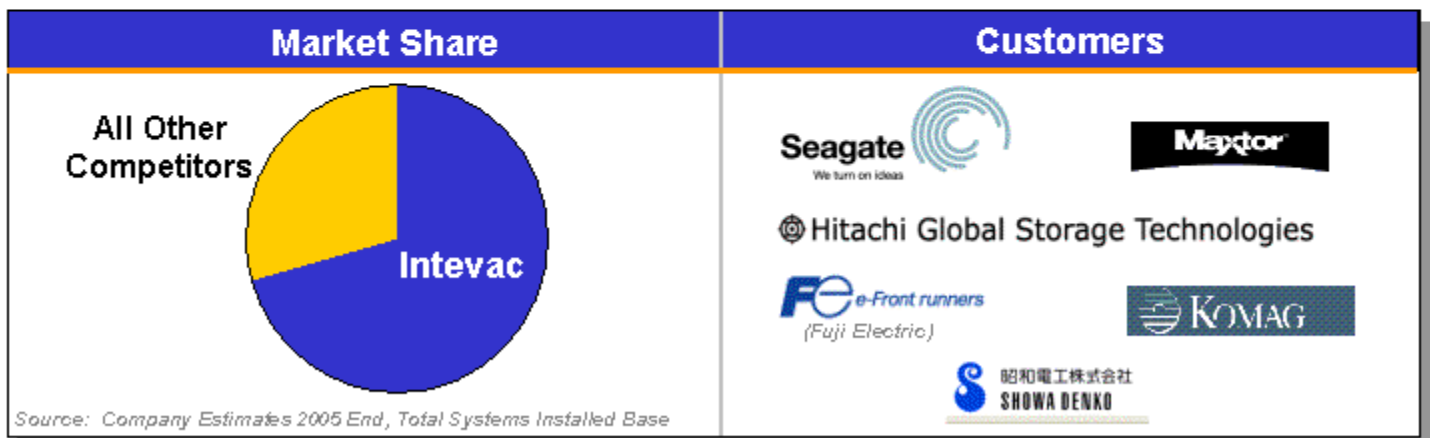
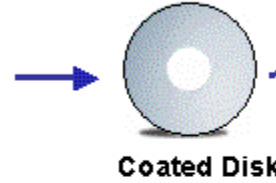
**2006: Ramp Product Revenues**

- Video Based Military Night Vision
- Cost Effective Long Distance Target Identification Systems
- Medical, Scientific and Industrial Applications

**Low Cost Sensors**

# Equipment Products Business

## Leading Provider of Media Manufacturing Systems



**Innovation At the Speed of Light®**

11.07.05 AeA\_Slide 4

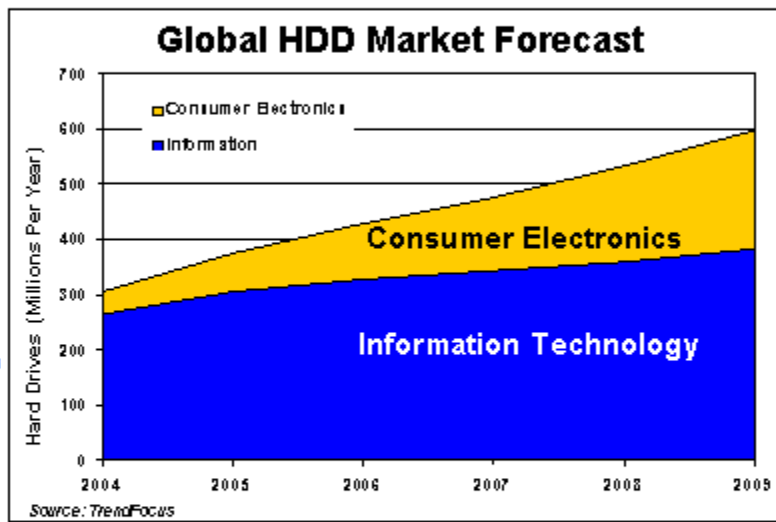
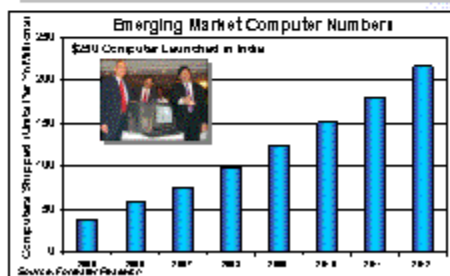
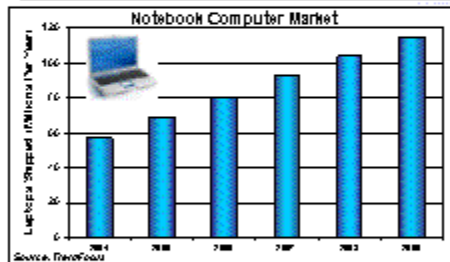
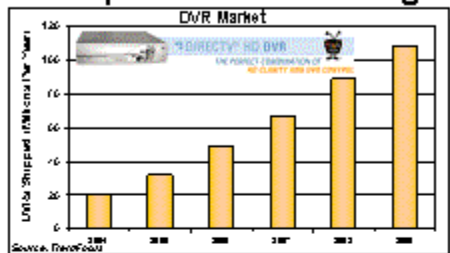
# Equipment Products Business

## Growing End Market for Hard Drives Requires Additional Systems



INTEVAC

### Multiple Markets Growing



**Additional Systems  
Required To Meet Growth**

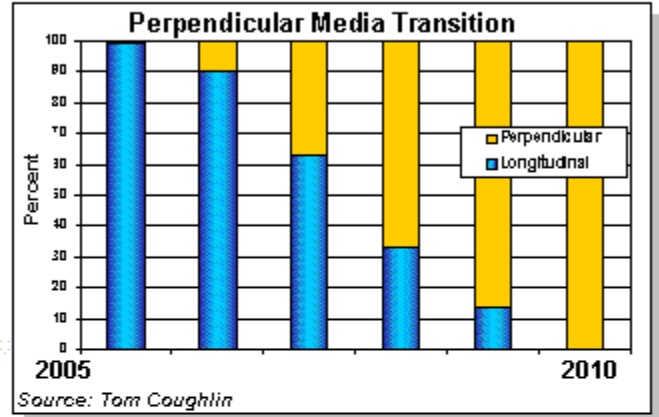
# Equipment Products Business

## Media Technology Change Requires New Systems



INTEVAC

< 2004	2006	>2010
< 80GB (Platter Capacity)	160	240
		> 600GB
<b>Longitudinal</b>	<b>Perpendicular</b>	
≤ 12 Process Steps	12-20+ Process Steps	
<b>Legacy System</b> MDP 250B	<b>Next Generation System</b> 200 Lean	
550 Disks/Hour	800 Disks/Hour	
>110 Systems Installed Base	>30 Systems Installed 2005 End	
60% Market Share	>60% Market Share	



**Large Number of Systems Required For Transition To Perpendicular Over Next 5 Years**

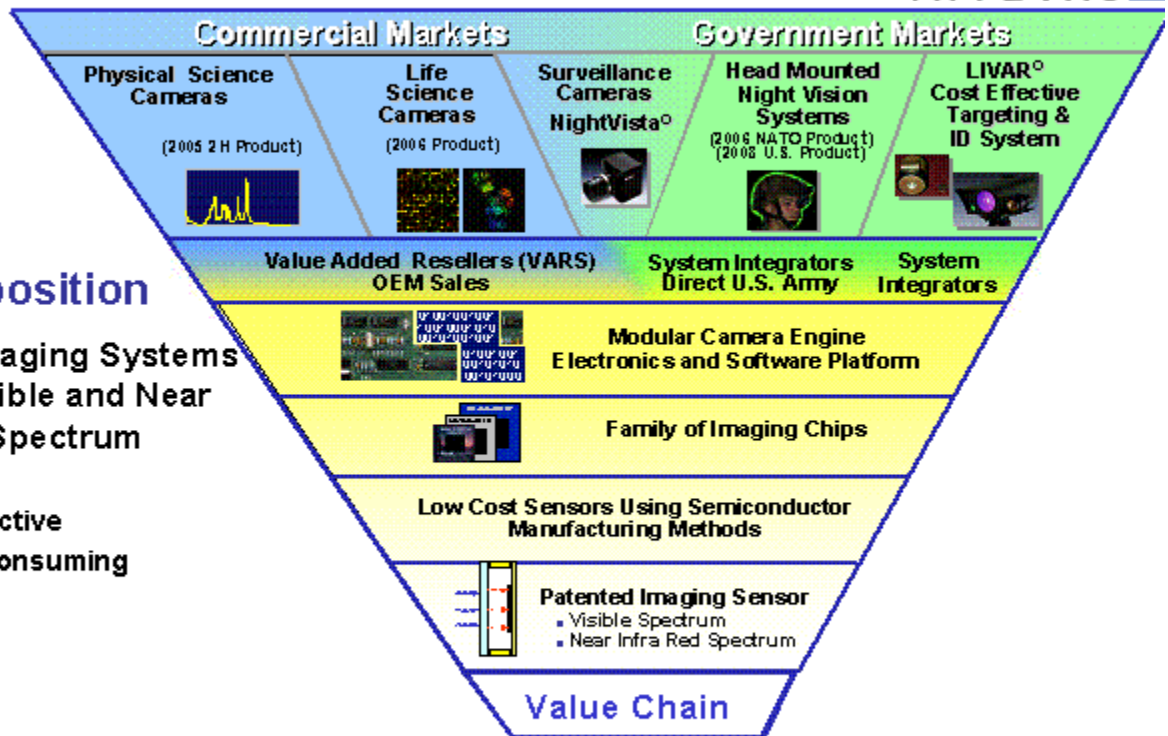
**Innovation At the Speed of Light®**

11.07.05 AeA\_Slide 6

# Low Light Imaging Business Overview



INTEVAC



## Value Proposition

Cameras and Imaging Systems Operating in Visible and Near Infra Red Light Spectrum

- Most Sensitive
- Most Cost Effective
- Least Power Consuming
- Mega Pixels

**Goal: Multi-Hundred Million Dollar Global Business Split Between Government and Commercial Markets by 2010**

**Innovation At the Speed of Light®**

11.07.05 AeA\_Slide 7

# Low Light Imaging Business

## Head Mounted Night Vision



INTEVAC

	Legacy	Interim	Future
			
<b>Product</b>	Night Vision Goggle	Enhanced Night Vision Goggle	Digital Enhanced Night Vision Goggle
<b>Technology</b>	Direct View Analog	Direct View Analog & Optical Overlay Infra Red	Digitally Fused Night Vision & Infra Red
<b>Prime Supplier</b>	ITT Northrop Grumman	ITT	<b>Intevac Solution</b> <ul style="list-style-type: none"> <li>■ Teamed For Complete Product</li> <li>■ OEM Supplier of Camera Module</li> <li>■ Won 1<sup>st</sup> Major NATO Program (Night Vision Only)</li> </ul>
<b>Recent Contracts</b>	2005 5 Year Award \$3.2B	2005 5 Year Award \$560M	

**Innovation At the Speed of Light®**

11.07.05 AeA\_Slide 8



# Low Light Imaging Business Commercial Products



**MOSIR™950** [www.mosir950.com/](http://www.mosir950.com/)  
**MOSIR™350/150**  
Intevac's low-light, NIR image intensified CCD platform designed for high performance imaging and spectroscopy

**APPLICATIONS**  
LOW LIGHT SPECTROSCOPY  
Raman  
Fluorescence  
Absorbance  
Chemical Imaging  
Silicon Wafer Inspection

**LOW LIGHT IMAGING**  
Microscopy  
Medical Imaging  
Astronomy

**THE MOSIR CAMERA FEATURES**  
Low Noise - Near Infrared Intensification  
1024 x256 CCD with 26µm pixel pitch  
16 bit Digitization  
USB 2.0 for High Speed Connectivity  
Application support for third party software  
INTE for LABVIEW™  
INTE for MATLAB  
VSPEC  
VSPEC PRO  
Single, Compact - Smart Camera Head Design  
No External Controller is needed

*Innovation at the Speed of Light®*



- Derived From LIVAR® Military Technology
- Q4 2005 Release
- Addresses \$30M Plus Physical Science Market

***Innovation At the Speed of Light®***

11.07.05 AeA\_Slide 9

# Global Operational Initiatives



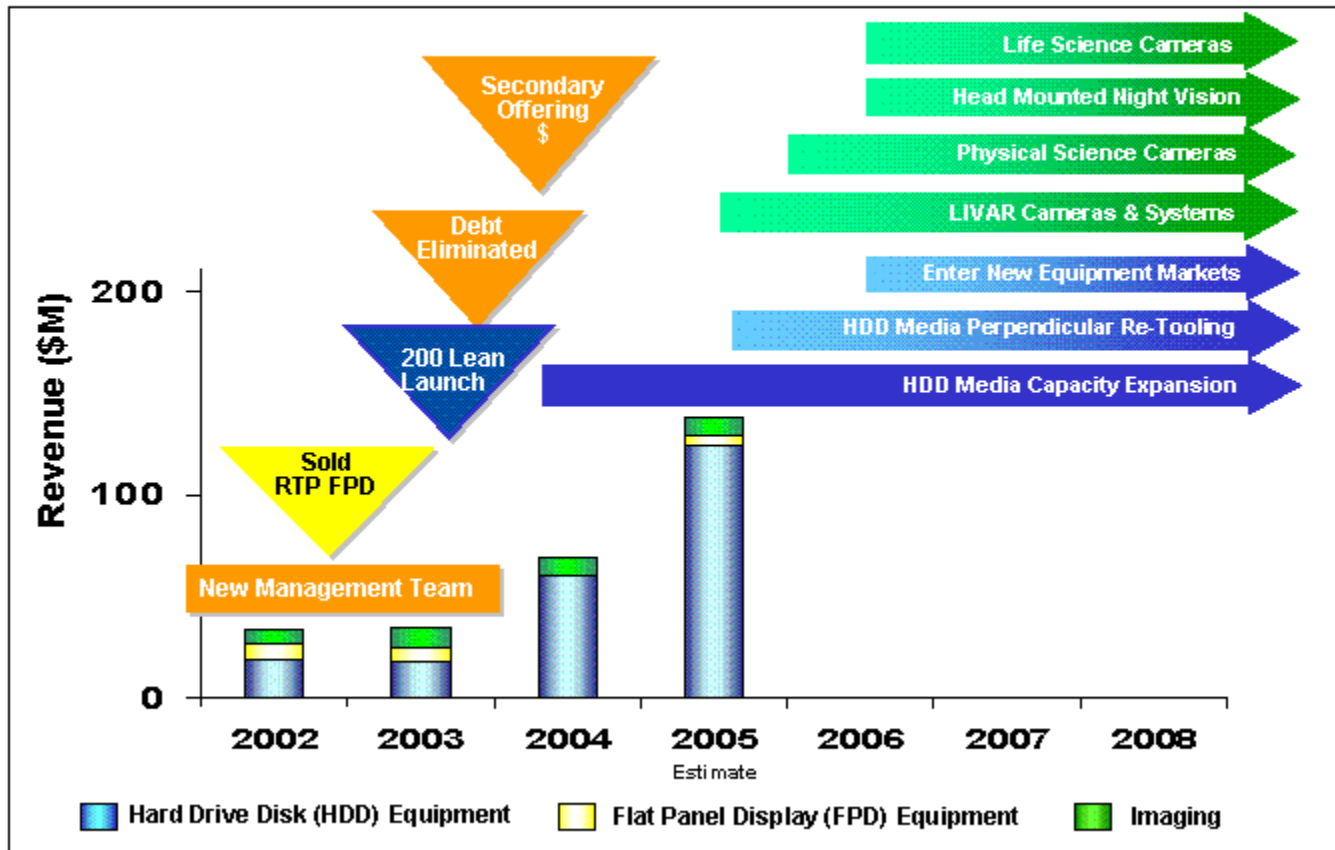
Activities	Intevac Inc Santa Clara	Intevac-Asia Singapore	Drivers
<b>Field Operations</b>			
■ Installation	◆	2005 → ◆	Cost
■ Service	◆	2005 → ◆	Cost
<b>Manufacturing Operations</b>			
■ Modules		2006 → ◆	Cost
■ Spares	◆	2006 → ◆	Cost
■ Consumables	◆	2006 → ◆	Cost, Cycle Time
<b>Engineering</b>	◆	2006 → ◆	Cost, Cycle Time

◆ Primary    ◆ Secondary

# Intevac Growth Drivers



INTEVAC



# Business Model Trends



INTEVAC

	2004	2005		Long Term Goal	
		9 Mos.	Q4 (Est.)	Equipment	Imaging
Gross Margin	23%	30%	33-35%	45%	50%
R&D	16	12	10-12	15	10
MG&A	<u>14</u>	<u>12</u>	<u>8-10</u>	<u>10</u>	<u>20</u>
Operating Expense	30	24	18-20	25	30
Operating Income	(7)	6	14-16	20	20
Other Income	1	1	1	0	0
Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>7</u>
Net Income	(6%)	7%	15-17%	13%	13%



## Investment Rationale

---

### Two Businesses With Significant Growth Opportunities

- Proprietary Technology
- Market Leading Positions
- Rapidly Growing Market Opportunities
- Equipment Expertise Applicable to Other Growing Markets

### Sound Balance Sheet and Leveraged Business Model

- Zero Debt and \$45M Cash and Equivalents
- 2005 Revenue Growth > 100% vs. ~ 40% Growth in Operating Expenses
- Opportunities for Gross Margin Growth

### 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**  
San Diego, CA  
*November 2005*



**I N T E V A C**

**Kevin Fairbairn**  
*President & CEO*

**Charles Eddy**  
*Chief Financial Officer*

**Luke Marusiak**  
*Chief Operations Officer*