

# INTEVAC INC

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

Filed 05/19/03 for the Period Ending 05/19/03

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 19, 2003

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Date of Report (date of earliest event reported)

**INTEVAC, INC.**

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(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**

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(Address of principal executive offices)

**(408) 986-9888**

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(Registrant's telephone number, including area code)

**N/A**

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(Former name or former address if changed since last report)

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Item 9.  
Item 7. Financial Statements and Exhibits  
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EXHIBIT 99.1

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### **Item 9.**

Please find the Needham Investment Presentation attached as Exhibit 99.1.

### **Item 7. Financial Statements and Exhibits**

(c) Exhibits

99.1 Investor 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 19, 2003

By: /s/ CHARLES B. EDDY III

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Charles B. Eddy III  
Vice President, Finance and Administration,  
Chief Financial Officer, Treasurer and Secretary

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99.1 Investor Presentation.





# Intevac, Inc.



**Needham Investment Presentation**  
**Kevin Fairbairn, CEO**  
**May 2003**

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Innovation at the Speed of Light

**intevac**

## ***Cautionary Disclaimer***

During the course of this presentation, we will comment upon future events and make projections about the future financial performance of the Company, including statements related to the Company's expected sales, product shipments and acceptance, gross margins, operating expenses, profits, cash flow, and income tax expense. We will discuss our products, the markets they address and acceptance of those products by the market. 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 and technologies 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; and other risk factors discussed in documents filed by the Company with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company undertakes no obligation to update the forward-looking statements made during this presentation.

# Intevac

NASDAQ NM

IVAC

Shares Outstanding

12.2M

Market Cap

\$ 60M

## Equipment Products Business

- Hard Disk Drive Media Coating Equipment
- Market Share Leader
  - Top 6 customers use Intevac Equipment
- Significant Recovery and Growth Opportunity
  - New tools driven by capacity and technology upgrades

**Potential > \$100 Million/year**

## Intensified Imaging Business

# Equipment Products Business

## Mission

To Be the Leading Supplier of Equipment and Services to the Hard Disk Drive Industry Built Upon:

- Winning Our Customer's Trust By Delivering Timely Results
- Enabling Our Customer to Improve Their Business Results Through Our Product Innovation and Enhancement of Customer Productivity

## Opportunity

- The HDD Industry is a \$20B Business With Significant Technology and Cost Challenges
  - Capital spending is > \$1B
  - Intevac share today is < 5%

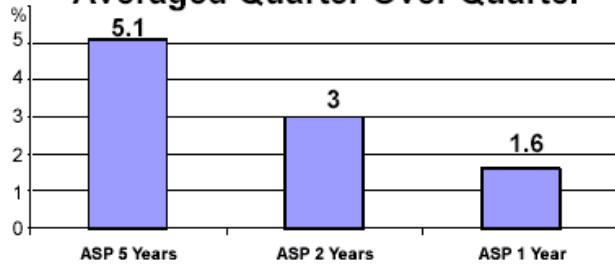
# Equipment Products Business Strategy

- **Win Majority of Technology and Capacity Hard Disk Drive Media Coating Tool Buys in 2003 - 2006**  
Timeframe
  - Critical for ongoing business success
- **Build Service, Spares and Consumable Business**
  - Protect against cyclic nature of system buys
  - Establishing larger presence in Asia to manage after system sales business
- **Expand Served Available Market by Providing Equipment for Other Hard Disk Drive Manufacturing Applications**

# Good News!

## Our Customer's Business Results Are Improving

### Annualized ASP Erosion Averaged Quarter Over Quarter



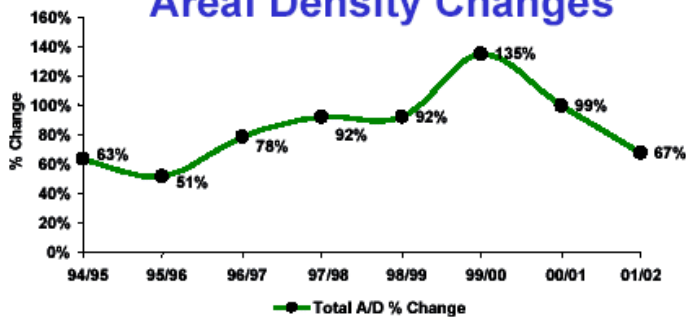
**Pricing Is Stabilizing!**

### Public HDD Companies

	Most Recent Quarter
Seagate	\$ 0.37/Share
Maxtor	\$0.11/Share
Western Digital	\$0.26/Share
Komag	\$0.21/Share

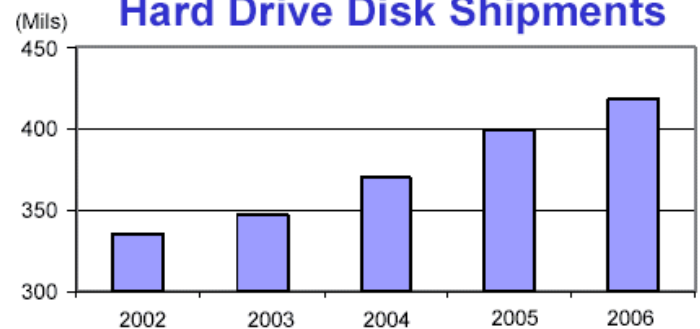
**Customer Finances Improving**

### Areal Density Changes



**Rate of Change Slowing**

### Hard Drive Disk Shipments

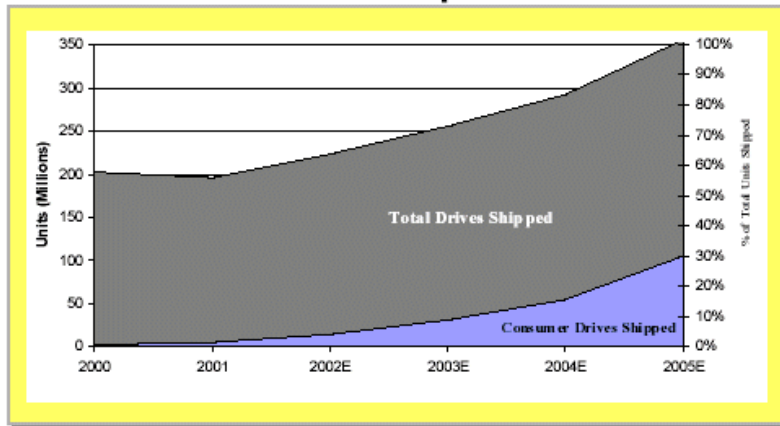


**Market Is Growing**

# Equipment Products Business Outlook

- First Capacity Buys in 2002 Since 1998
  - Quotation activity up
- Analysts Forecasting 25% Growth Over Next 3 Years in Hard Drive Unit Shipments

## Hard Drive Shipments



Consumer Applications Fuel Growth

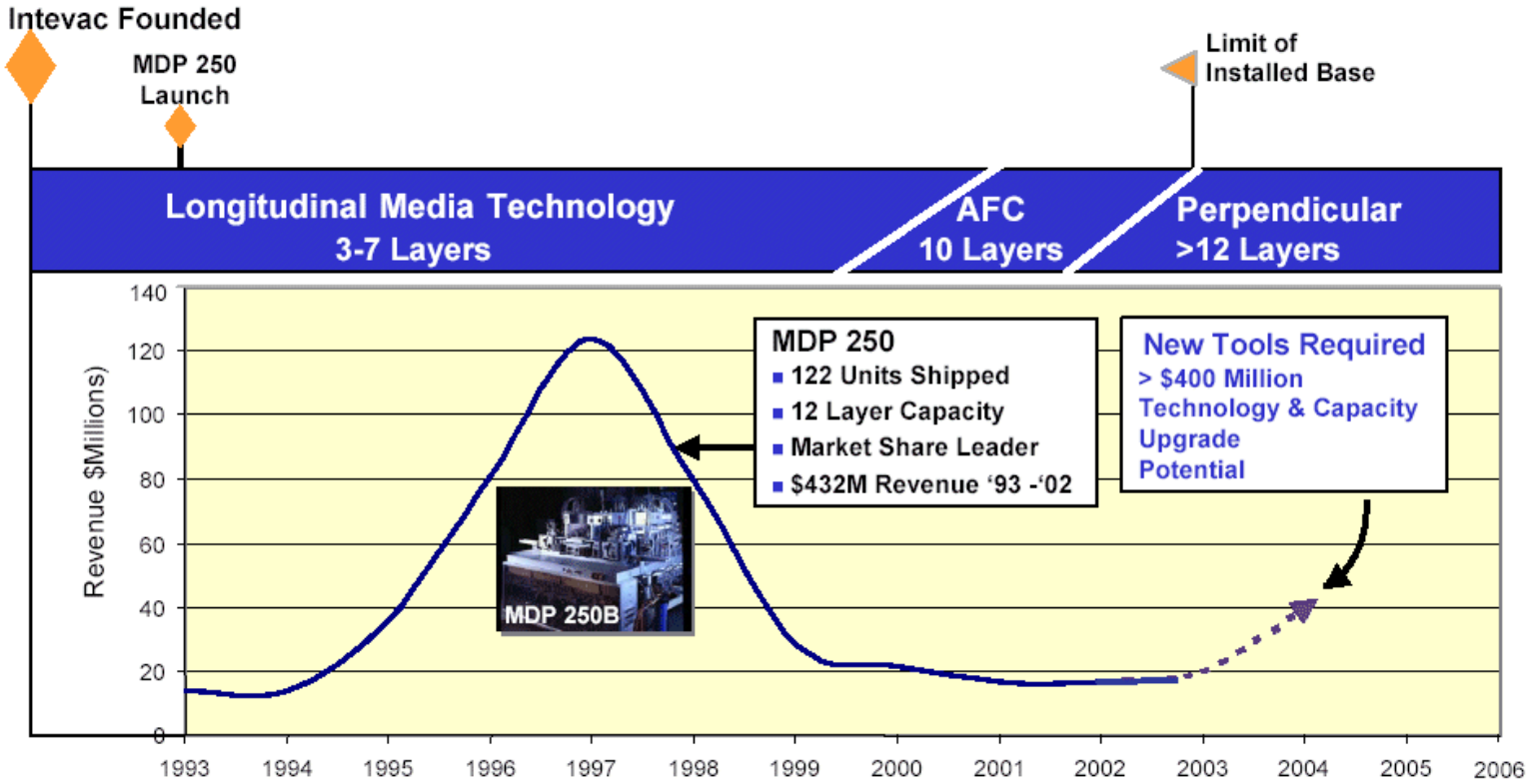
Source: TrendFocus & Salomon Smith Barney

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**intevac**

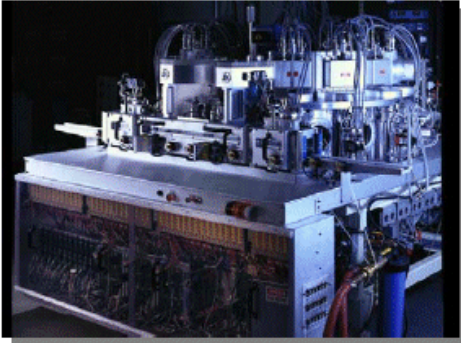
# Business Opportunity Equipment Products Division



*2002 – 2003 Represent A Positive Turning Point*

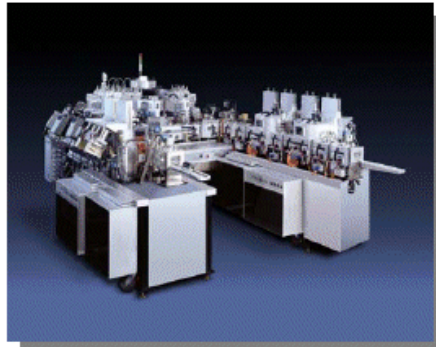


# Hard Drive Media Coating Equipment Family



**MDP 250B**

- Industry Work Horse
- ≤ 12 Process Steps
- 122 Systems Shipped



**MDP 200 + MDP 250B**

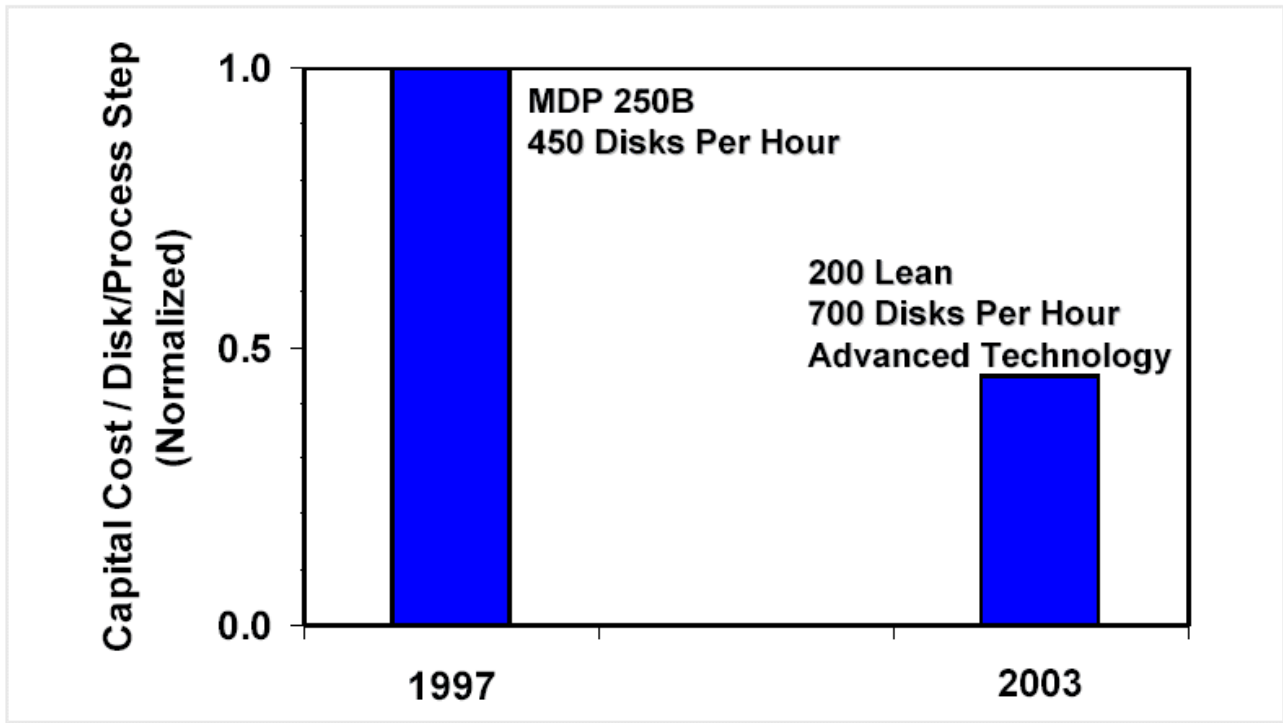
- Extends Capability of MDP 250B
- ≤ 18 Process Step Capability
- Multiple Units Shipped



**200 Lean**

- Industry Work Horse for Future Media
- > 20 Process Step Capability
- 1st Shipments Planned Q3 03

# Reducing Cost of Media Production



*Step Improvement in Capital Cost / Disk / Process Step*

# Intevac

NASDAQ NM

IVAC

Shares Outstanding

12.2M

Market Cap

\$ 60M

**Equipment Products Business**

**Intensified Imaging Business**

- Unique Next Generation Digital Imaging Systems for Night Vision
- Transitioning From Contract R&D to Product Revenues
- Significant Growth Opportunity
  - Multiple Military applications already in qualification
  - Commercial market in development

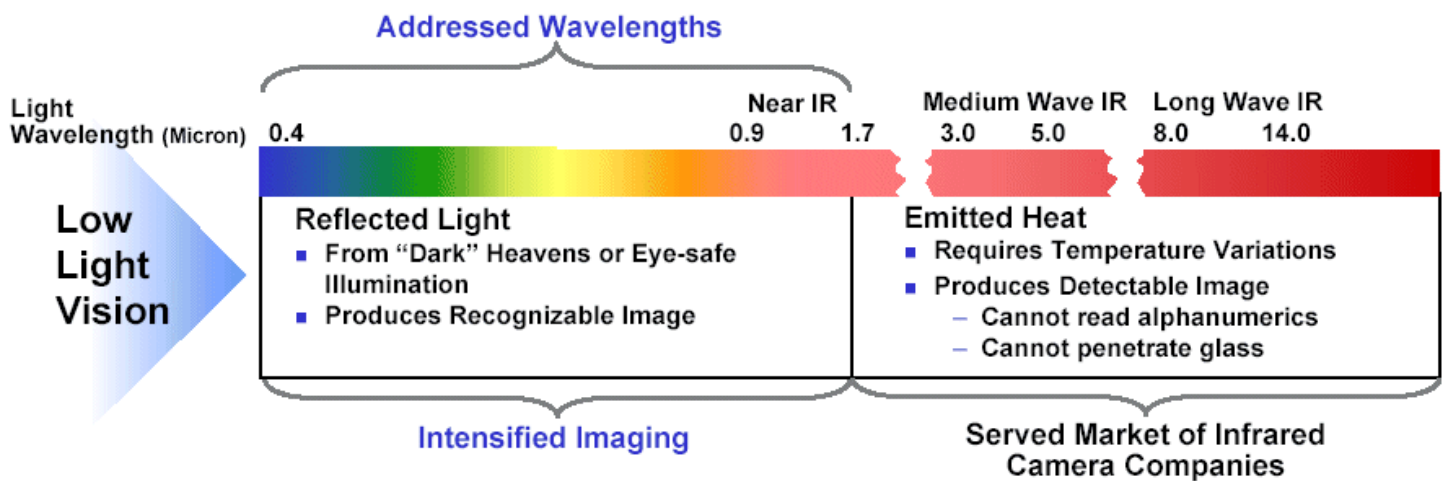
***Potential > \$200 Million/year***

# Intensified Imaging Business

## Mission

To Be The Global Leader in Cost Effective Intensified Imaging Products Built Upon:

- Leveraging advances from the digital world to provide cost effective, smart imaging solutions
- Strategic partnerships with major system providers to address multiple markets



# Intensified Imaging Products & Applications

Long Range

Medium to Short Range

Airborne

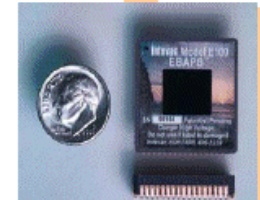
Airborne Laser  
Anti-Missile



Security Cameras



NightVista™



Photon-Processor™  
Solid State Sensor



Ground Vehicle



Maritime



Manportable



Head Mounted Display

Homeland Security

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**intevac**

# Cost Effective Long Range Imaging LIVAR®

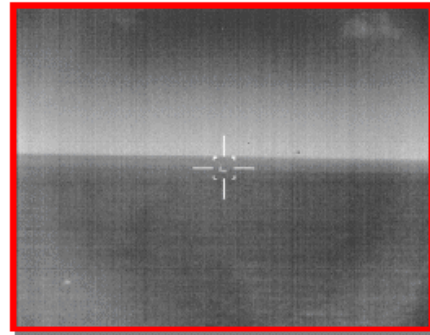


- Covert Target Identification at Long Range
- Eye-Safe
- Compact and Light Weight
  - Man Portable
  - Retrofitable to Existing Targeting Systems

# How LIVAR<sup>®</sup> Works

## ■ Detect

Forward Looking Infra Red  
Or Radar  
Or GPS Coordinates



## ■ Range and Illuminate

- Eye Safe Laser
- Covert

## ■ Image

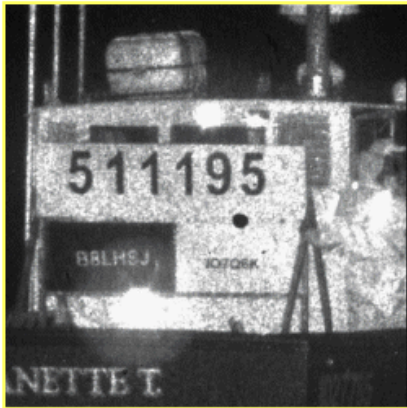
- 5x Increase in ID Range



## ■ Communicate

- Digital Information

# LIVAR<sup>®</sup> Technology Breakthrough



Alphanumeric



Sees Through Glass

Range = 11km  
over water at Night



Range = 28 km at Night



Range = 10 km at Night





# Short To Medium Range Night Vision

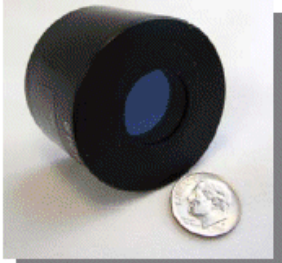
Today  
(1970's Technology)



Heavy, Cumbersome



Direct View  
(Blinded by Light)



Vacuum Tube Technology  
Expensive

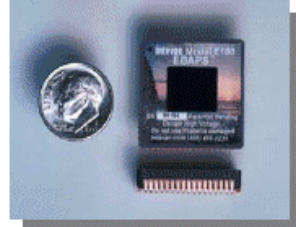
Tomorrow



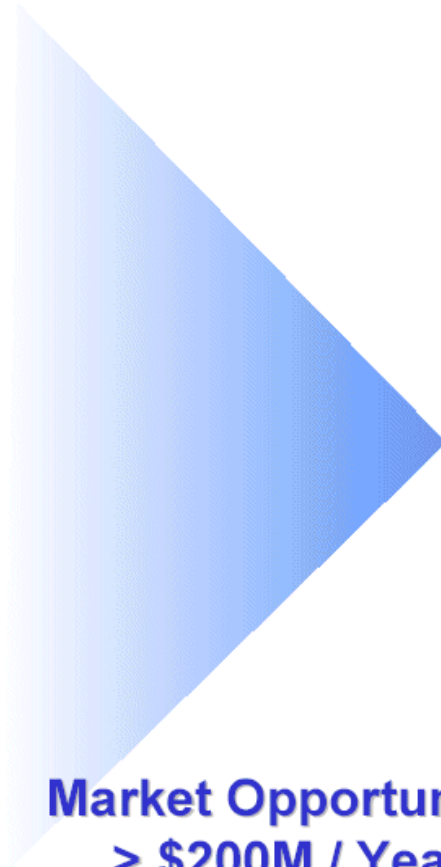
Light, Compact



Video Output  
(Day/Night Operation)

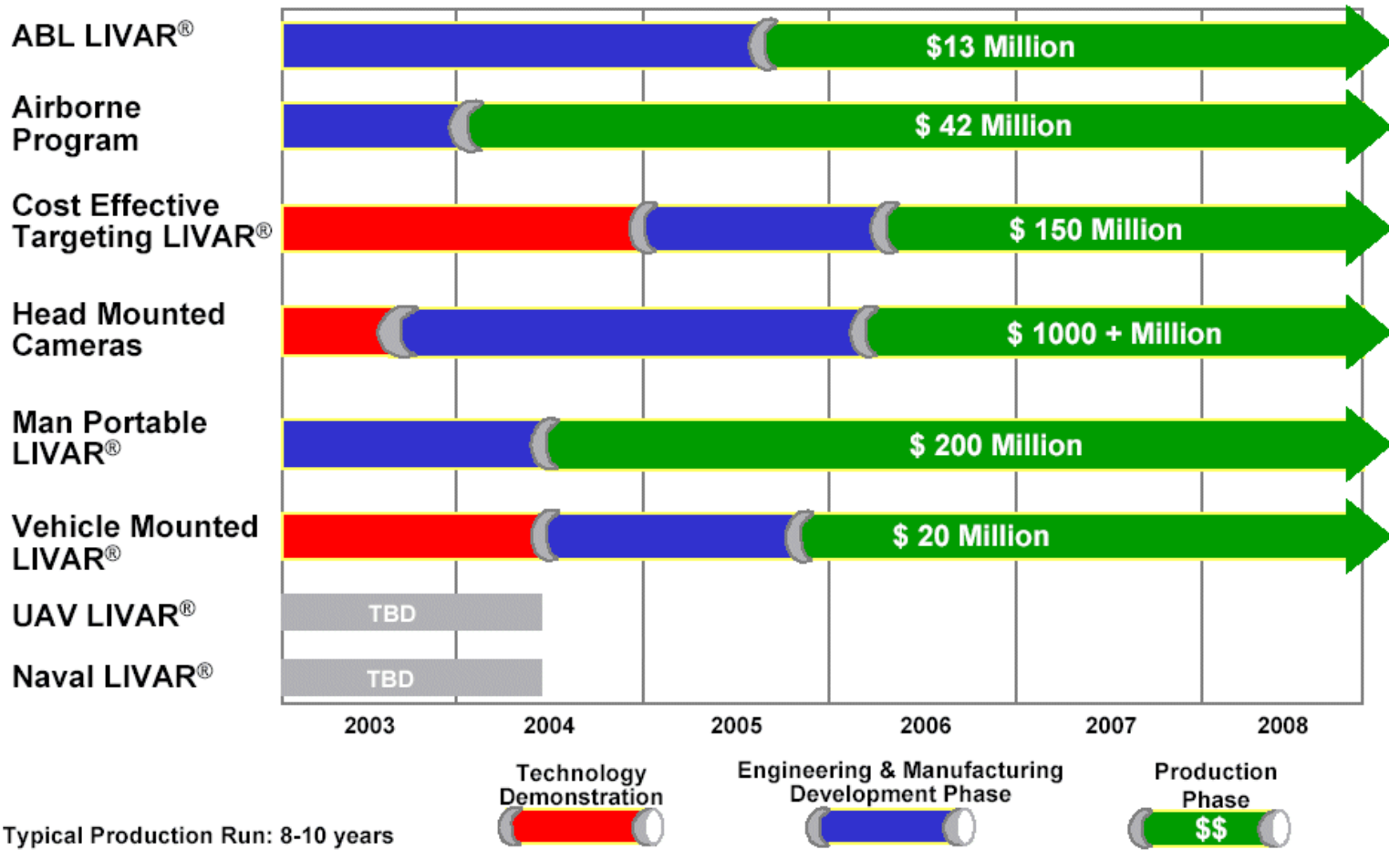


Solid State Intevac Device  
Low Cost, Low Power



Market Opportunity  
> \$200M / Year

# Military Intensified Imaging Product Pipe Line



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Innovation at the Speed of Light



# Commercialized Intensified Imaging Business

Leveraging Technology Developed for Military both at Intevac and Elsewhere

## Large Scale Infrastructure Security Using LIVAR®



Port Authority

Infrastructure Support

Water Watch

Extended Runway

Ferry or Tanker Watch

Border Control

- LIVAR® Enables Automated Detection and Identification of Potential Threats Over Large Areas
- Available Q4 2003

## Short to Medium Range Night Time Security/Surveillance



- NightVista™ Extreme Low Light Video Cameras Available Q2 2003

***Total Available Market Estimated at > \$700 Million***

# Intevac Summary

## Equipment Products Business

- Major New Equipment Investment Cycle Starting
- Market Share Leader

## Intensified Imaging Business

- Unique Technology to Address Significant and Growing Markets
- Significant Market
  - Military market development in process
  - Commercial market development starting

***Opportunity for Significant Revenue and Value Growth***