UNITED STATES
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

December 10, 2024
Date of Report (date of earliest event reported)

INTEVAC, INC.
(Exact name of Registrant as specified in its charter)

State of Delaware	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 (see General Instruction A.2):

☐ 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock ($0.001 par value)	IVAC	The Nasdaq Stock Market LLC (Nasdaq) Global Select

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.05 Costs Associated with Exit or Disposal Activities.

On December 10, 2024, the Board of Directors (the "Board") of Intevac, Inc. ("the Company") approved a plan to cease the development and manufacturing of the Company's TRIO product. This decision was based on cost-reduction initiatives intended to reduce the Company's ongoing operating expenses while it pursues strategic alternatives. In connection with this action, the Company will eliminate 7 positions, representing approximately 6% of its workforce, and expects to record severance and other employee-related costs of approximately $300,000. Substantially all cash outlays in connection with this workforce reduction are expected to occur in the fourth quarter of fiscal 2024.

Item 2.06 Material Impairments.

The information set forth under Item 2.05 of this report is incorporated by reference in this Item 2.06. As a result of the cessation of the development and manufacturing of its TRIO product, the Company estimates that it will recognize a non-cash charge of approximately $20 million related to inventory write downs and a cash charge of up to $1 million, of which $600,000 is purchase order cancellation fees and the remainder is related to severance and other employee-related costs. Due to the cessation of the product development activities and resulting reduced space requirements, the Company estimates that it will also recognize non-cash impairment charges of $11 million to $12 million related to its facility lease right of use asset, other intangible assets and certain equipment. The Company does not expect material cash expenditures in connection with these impairment charges. In addition, the Company will incur non-lease common area maintenance charges in the aggregate of approximately $1.8 million over the remaining lease period through June 2029 related to the reduced space requirements. The Company expects to incur approximately $28 million to $35 million of the total estimated restructuring and asset impairment charges in the fourth quarter of fiscal 2024. The charges the Company expects to incur are subject to assumptions, and actual charges may differ from the amount disclosed in this Current Report on Form 8-K.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Amendment to CEO Employment Agreement

On December 10, 2024, following the recommendation of the Board's Human Capital Committee (the "Committee"), the Board approved an amendment (the "Amendment") to the Employment Agreement, dated as of January 18, 2022, with Nigel Hunton, the Company's President and Chief Executive Officer (the "Employment Agreement"), as described below.

If the Company terminates Mr. Hunton's employment with the Company for a reason other than Cause (as such term is defined in the Employment Agreement) (and not by reason of Mr. Hunton's death or Disability (as such term is defined in the Employment Agreement)) or if Mr. Hunton resigns from employment with the Company for Good Reason (as such term is defined in the Employment Agreement), Mr. Hunton will receive as severance from the Company: (i) continuing payments of Mr. Hunton's base salary in effect on the date of Mr. Hunton's termination, payable in accordance with the Company's standard payroll procedures for a period of twelve (12) months (or, if such termination occurs within the twelve (12) month period following a Change in Control (as defined in the 2020 Plan) (the "Change in Control Period"), the Amendment provides that this will instead be for a period of eighteen (18) months) (the "Severance Period"); (ii) the immediate vesting of each of Mr. Hunton's then-outstanding equity awards as to 50% of the unvested number of shares subject to each equity award (or, if such termination occurs within the Change in Control Period, the immediate vesting as of 100% of Mr. Hunton's then-outstanding equity awards); (iii) payment or reimbursement for premiums for medical, vision and dental coverage under COBRA for Mr. Hunton and his eligible dependents for up to the length of the Severance Period; (iv) a lump sum payment equal to a prorated portion of the average bonus paid to Mr. Hunton over the three (3) most recently completed bonus periods or such lesser period of time that Mr. Hunton has been employed (or at target bonus if no bonus period has been completed), or, if the termination occurs within the Change in Control Period, payment of 150% (increased by the Amendment from 100%) of Mr. Hunton's target bonus; (v) if bonuses have not been paid for the calendar year preceding the year in which the termination occurs, a lump sum payment equal to the bonus that Mr. Hunton would have received had he remained employed through the bonus payment date based on actual performance; and (vi) as added by the Amendment, if Mr. Hunton's termination occurs within the Change in Control Period, a lump sum payment equal to a prorated portion of Mr. Hunton's target bonus, based on the number of completed days in such year for which Mr. Hunton was employed by the Company as of the termination date. The receipt of severance under the Employment Agreement (including pursuant to the Amendment) remains contingent upon Mr. Hunton signing and not revoking a release of claims in favor of the Company, and his continued compliance with the terms of his confidentiality agreement entered into with the Company.

Amended and Restated Change in Control Agreement

On December 10, 2024, following the recommendation of the Committee, the Board approved an Amended and Restated Change in Control Agreement (the "Amended Agreement") with each of Cameron McAulay and John Dickinson (each, an "Executive"), which amends certain severance benefits contained in Mr. McAulay's Change in Control Agreement dated as of July 9, 2024 and Mr. Dickinson's Change in Control Agreement dated as of June 20, 2023 (each, an "Original Change in Control Agreement").

As per the terms of the Amended Agreement, if within twelve (12) months following a Change in Control (as such term is defined in the Amended Agreement), the Company terminates the Executive's employment without Cause (as such term is defined in the Amended Agreement) or if the Executive resigns for Good Reason (as such term is defined in the Amended Agreement) (a "Qualifying Termination"), the Executive will receive (i) severance from the Company in the amount of twelve (12) months (increased from the six (6) months provided under the Original Change in Control Agreement) of the Executive's then-existing base salary, and (ii) immediate vesting of each of the Executive's then-outstanding Company equity awards other than performance-based equity awards, which will instead be treated as provided in the award agreement related to such Company equity. The Amended Agreement provides for the following additional benefits upon a Qualifying Termination: (i) payment or reimbursement for premiums for medical, vision and dental coverage under COBRA for the Executive and the Executive's eligible dependents for up to the length of the severance period; (ii) a lump sum payment equal to 100% of the Executive's target bonus; (iii) if bonuses have not been paid for the calendar year preceding the year in which the termination occurs, a lump sum payment equal to the bonus that the Executive would have received had the Executive remained employed through the bonus payment date based on actual performance; and (iv) a lump sum payment equal to a prorated portion of the Executive's target bonus, based on the number of completed days in such year for which the Executive was employed by the Company as of the termination date. The receipt of severance under the Amended Agreement remains contingent upon the Executive signing and not revoking a release of claims in favor of the Company.

Item 7.01 Regulation FD Disclosure.

On December 10, 2024, the Company issued a press release announcing the restructuring activities described in Items 2.05 and 2.06 of this report, providing guidance ranges for the Company's cash position at the end of its current fiscal year, providing guidance ranges for fiscal 2025 revenue, and announcing that the Board intends to commence a quarterly dividend of $0.05 per share to be paid beginning in the first quarter of 2025. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information included under Item 7.01 and in Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Cautionary Note Regarding Forward Looking Statements

This report and the exhibit furnished herewith contain forward-looking statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Intevac claims the protection of the safe-harbor for forward-looking statements contained in the Reform Act. These forward-looking statements are often characterized by the terms "may," "believes," "projects," "expects," or "anticipates," and do not reflect historical facts. Specific forward-looking statements contained in this report and the exhibit furnished herewith include, but are not limited to: quotations from management, the Company's expected 2024 cash balance, 2025 revenue and revenue growth potential, improved profitability, effects of restructuring activities, exploration of strategic alternatives, market capitalization, strategies, and future financial performance, including improved operating results and preserving the strength of the balance sheet. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the Company's expectations. These risks include, but are not limited to, global macroeconomic conditions and supply chain challenges including shipment delays, availability of components, and freight, logistics and other disruptions, and changes in costs and market dynamics that could change the forecasts and delivery schedules for both the Company's systems and upgrades, as well as risks regarding exploring strategic alternatives, each of which could have a material impact on the Company's business, financial results and most recent stock price. These risks and other factors are detailed in the Company's periodic Form 10-K and 10-Q filings with the U.S. Securities and Exchange Commission. The Company does not assume any obligation to update these forward-looking statements to reflect new information and developments.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release dated December 12, 2024
104	Cover Page Interactive Date File (embedded within the Inline XBRL document)

SIGNATURES

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: December 12, 2024	/s/ CAMERON MCAULAY
	Cameron McAulay Chief Financial Officer, Secretary and Treasurer

Exhibit 99.1

3560 Bassett Street, Santa Clara CA 95054

INTEVAC

Cameron McAulay
Chief Financial
Officer
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Jack Perkins
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Intevac Provides Cash and Revenue Guidance, Announces Dividend, Further Restructuring to Strengthen Profitability, and Investigation of Strategic Options

2024 Year-end Cash Expected to be $70-$72 million

2025 Revenue Expected to be $52-$55 million

Quarterly Dividend of $0.05 per share to Begin in Q1 2025

HDD Business Projected to Generate ~$200 million of Revenue Over Next Three Years

SANTA CLARA, Calif.— Intevac, Inc. (Nasdaq: IVAC) ("Intevac" or the "Company") today announced its anticipated year end cash position, 2025 revenue guidance, commencement of quarterly dividends, further restructuring to strengthen profitability, and a renewed focus on its pursuit of strategic options.

At year end Intevac's cash position, composed of restricted cash, and investments, is expected to be in the range of $70-$72 million. 2025 revenue is expected to be in the range of $52-$55 million. The Company is committed to maintaining disciplined spending and balance sheet strength for long-term competitiveness and sustainability.

Intevac also announced today that its Board of Directors intends to commence quarterly dividends of $0.05 per share to be paid beginning in the First Quarter of 2025. These quarterly dividends are subject to approval by the Board of Directors at the customary times that those dividends are declared.

"The strength of Intevac allows us to commence a capital distribution to our shareholders," commented Chairman of the Board Kevin Barber. "This is supported by our strong cash flows enabling a sustainable ongoing quarterly dividend. This new dividend policy demonstrates our confidence in the growth potential and future cash flow of the Company."

As previously announced on the Company's Third Quarter earnings call, Intevac has made a strategic shift from its TRIO technology ("TRIO") to focus on the Hard Disk Drive ("HDD") sector. This was the result of TRIO not meeting the Company's expected performance and market penetration, and as a consequence, the Company has decided to close the TRIO business and impair the remaining assets. This rightsizing has been completed with Intevac recording a one-time charge of up to $35 million consisting of the following:

- Up to $1.0 million in cash charges, consisting of severance payments and purchase order commitments
- Up to $34 million in non-cash charges, consisting of inventory, fixed assets, intangible assets and facilities costs.

The Company anticipates that this restructuring will materially strengthen its profitability, with annualized savings being realized in 2025.

Intevac is a critical supplier to the HDD industry. The restructuring will allow Intevac to both increase efficiency and streamline complexity as it strengthens its core HDD business in anticipation of HAMR being adopted industry wide. This industry adoption of HAMR is driven by data center growth fueled by the cloud and AI, and the Company expects growth in HDD moving forward.

“There is no question that our outlook for the HDD business over the 2025 to 2027 time period has improved materially and we now have a strong outlook for growth, and a return to EBITDA profitability and positive free cash flow generation expected in our 2025 forecast,” said Mr. Barber. “Intevac has value embedded across the range of our HDD products, technology, and customer relationships that we’ve developed over the years, and we believe our current market capitalization does not fully reflect the growth potential and profitability of the Company.”

“We see a robust HDD business in the future with around $200 million of revenue forecasted for the next three years,” said CEO, Nigel Hunton. “We have strong confidence in our long-term strategy, the capability of our leadership team and ability to deliver growth, and we have the vision and capabilities to achieve our goal of enabling the HDD industry’s transition to HAMR.”

In 2024, Intevac secured a second significant customer for HAMR with initial upgrades completed. As the HDD market opportunity strengthens, the Company plans to leverage its large installed base, its leadership position in HDD, its R&D capabilities in Santa Clara, CA, and its infrastructure in Singapore to deliver on its next phase of growth.

As announced in June 2023, Intevac has retained investment banking firm Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) to advise management and the Board of Directors on the Company’s strategic alternatives. The active pursuit and focus on TRIO opportunities during 2023 and the first three quarters of 2024, along with unfavorable market conditions for the Company’s HDD products, inhibited Intevac’s ability to pursue strategic alternatives at that time.

Following Intevac’s restructuring with an increased focus and improved market conditions for HDD, and the resulting improved pro forma forecasted EBITDA profitability, Houlihan Lokey is actively pursuing strategic alternatives, including discussions with interested parties, for the Company.

Additionally, the Company's Board of Directors has updated the composition of its Strategic Committee. This committee is now comprised of independent directors Kevin Barber, David Dury and Ryan Vardeman. The Strategic Committee will work with Company management and Houlihan Lokey in evaluating options to increase stockholder value.

Regarding the appointment of Houlihan Lokey and a Strategic Committee of the Board of Directors, there can be no assurance that the exploration process will result in any transaction or other strategic alternative, and Intevac has not set a definitive timetable for completion of this process. The Company does not expect to disclose further developments relating to this strategic evaluation process, unless and until the Board of Directors approves a specific transaction or otherwise concludes this review of strategic alternatives.

About Intevac

Founded in 1991, we are a leading provider of thin-film process technology and manufacturing platforms for high-volume manufacturing environments. With over 30 years of leadership in designing, developing, and manufacturing high-productivity, thin-film processing systems, we deploy our materials science expertise primarily to the hard disk drive (HDD) industry. Our industry-leading 200 Lean® platform is our flagship system, supporting the majority of the world's capacity for HDD disk media production, including the vast majority of the industry's most advanced, leading-edge, heat-assisted magnetic recording (HAMR) media. The majority of Intevac's HDD business for the last several years has been focused on enabling the upgrades of the installed base of worldwide media capacity in close partnership with our HDD customers, thus enabling their technology roadmaps. For more information call 408-986-9888, or visit the Company's website at www.intevac.com.

200 Lean® is a registered trademark of Intevac, Inc.

Safe Harbor Statement

This press release includes statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Intevac claims the protection of the safe-harbor for forward-looking statements contained in the Reform Act. These forward-looking statements are often characterized by the terms "may," "believes," "projects," "expects," or "anticipates," and do not reflect historical facts. Specific forward-looking statements contained in this press release include, but are not limited to: quotations from management, the Company's expected 2024 cash balance, 2025 revenue and revenue growth potential, improved profitability, effects of restructuring activities, exploration of strategic alternatives, market capitalization, strategies, and future financial performance, including improved operating results and preserving the strength of the balance sheet. The forward-looking statements contained herein involve risks and uncertainties that could cause actual results to differ materially from the Company's expectations. These risks include, but are not limited to, global macroeconomic conditions and supply chain challenges including shipment delays, availability of components, and freight, logistics and other disruptions, and changes in costs and market dynamics that could change the forecasts and delivery schedules for both our systems and upgrades, as well as risks regarding exploring strategic alternatives, each of which could have a material impact on our business, our financial results, and the Company's most recent stock price. These risks and other factors are detailed in the Company's periodic Form 10-K and 10-Q filings with the U.S. Securities and Exchange Commission.

All forward-looking statements in this press release are based on information available to the Company as of the date hereof, and Intevac does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made, except as required by law. Any future product, service, feature, or related specification that may be referenced in this release is for informational purposes only and is not a commitment to deliver any offering, technology or enhancement.

Investor Relations Contact:

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