

Investor Update

Q2 2023 Earnings Call

August 2, 2023



POWERING INNOVATION, DELIVERING VALUE

FORWARD LOOKING STATEMENTS

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 strategies, our expected sales, product shipments and acceptance, gross margin, operating expense, profit, cash flow, income tax expense, and capital allocation. 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.

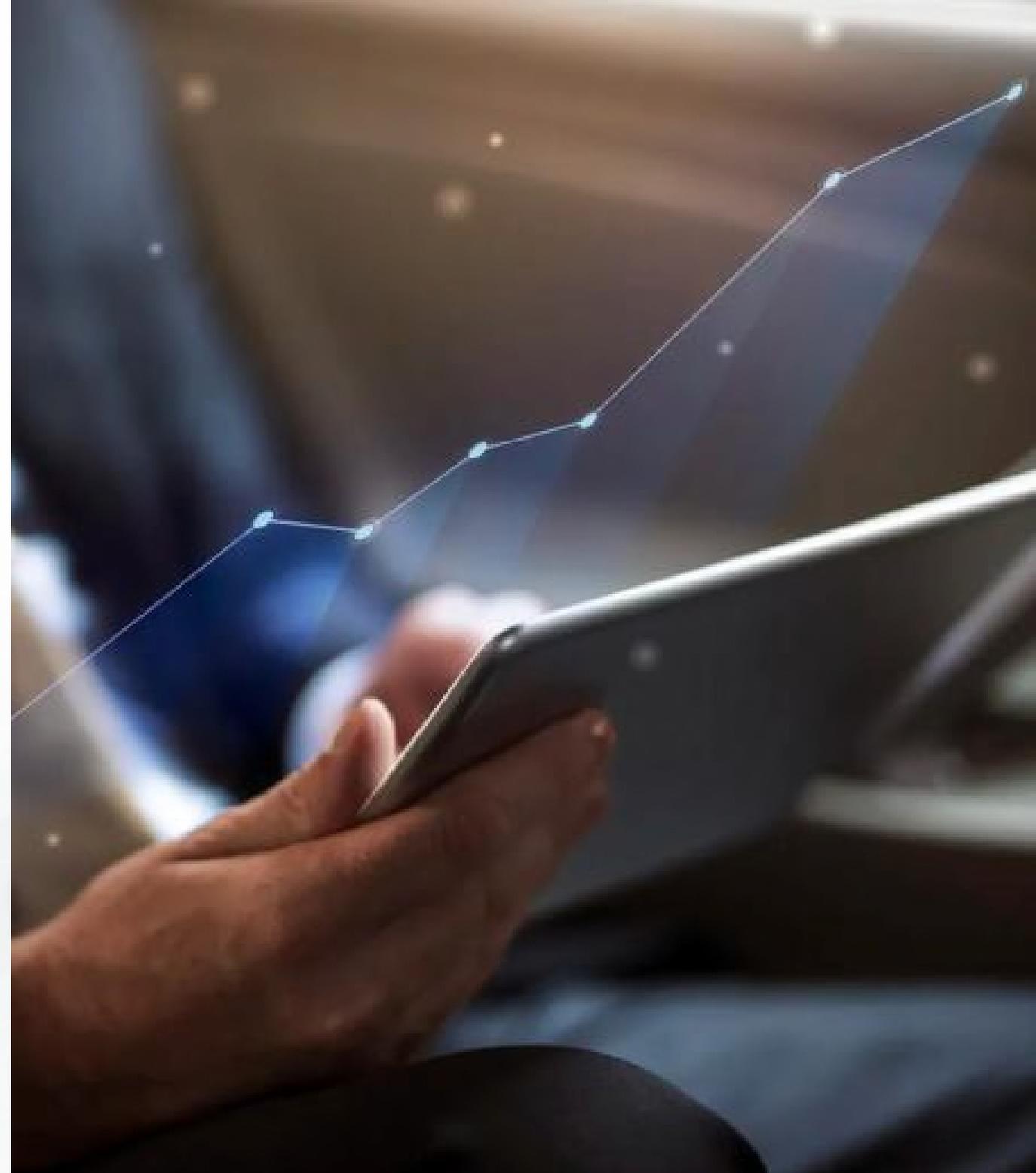
We wish to caution you that these are forward looking statements that are based upon our current expectations, and that actual results could differ materially as a result of various risks and uncertainties, including, without limitation, the following: inability to develop and deliver new products as 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.



A TRANSFORMED COMPANY

- ✓ **Industry leader in process technology**
 - ✓ **Critical role in advancing HDD media technology**
 - ✓ **Announced a transformational partnership to deploy TRIO™ for consumer electronics applications – currently in the process of entering qualification in August 2023**
 - ✓ **Utilizing our strong cash balance to make strategic investments in support of key customers**
- = *A transformed company, with a strong foundation for growth***





ENABLING TECHNOLOGY THROUGH THIN-FILM DEPOSITION

- Experts in materials science who create world-leading, highly precise and durable coatings
- ~30 years of HDD media leadership and experience
- Recent development of a significant industry partnership with the industry leader in display glass for the consumer electronics market (December 2022)
- Led by a highly experienced management team with a vision and strategy to deliver growth
- A culture of innovation and execution, with our new product development focused on expanding into attractive new growth markets that leverage our core expertise
- 120+ patents issued or pending





ENABLING TECHNOLOGY THROUGH THIN-FILM DEPOSITION

- Intevac is a global supplier for hard disk drive (HDD) manufacturing and a key enabler of process advancement
- ~65% market share of worldwide media capacity – currently expanding share through technology upgrades (immediate term) and capacity additions (longer term)
- We are a customer-focused industry leader with people and products that are deeply embedded with HDD suppliers
- ~30-year relationships with these customers





A GLOBAL COMPANY WITH 129 EMPLOYEES

Located in the heart of Silicon Valley



USA

Intevac USA (Santa Clara, CA USA)

- Corporate HQ
 - Research center
 - Sales & Business development
 - 75,000 ft² facility



Japan (Distributor)



China



Malaysia



Singapore

Intevac Asia (Singapore)

- Manufacturing & Engineering
- Sales & Service
 - 32,000 ft² Manufacturing facility
 - Class-10k Cleanroom
 - Center of Excellence for 200 Lean[®]



GROWTH STRATEGY



Expand into new markets with leading partners

Leveraging decades of thin film technology expertise to penetrate new markets – including the recently-announced JDA to deploy the TRIO™ platform in partnership with the industry leader in display glass for the consumer electronics market.



Continue to drive market leadership in HDD

Continued engagement and partnership with key customers, with 100% of investments taking place on flagship 200 Lean® platform.



Create opportunities that go beyond

Long-term investment in R&D.
Develop and acquire technologies.





TRANSFORMATIONAL TECHNOLOGY; WORLD-CLASS PARTNERSHIP

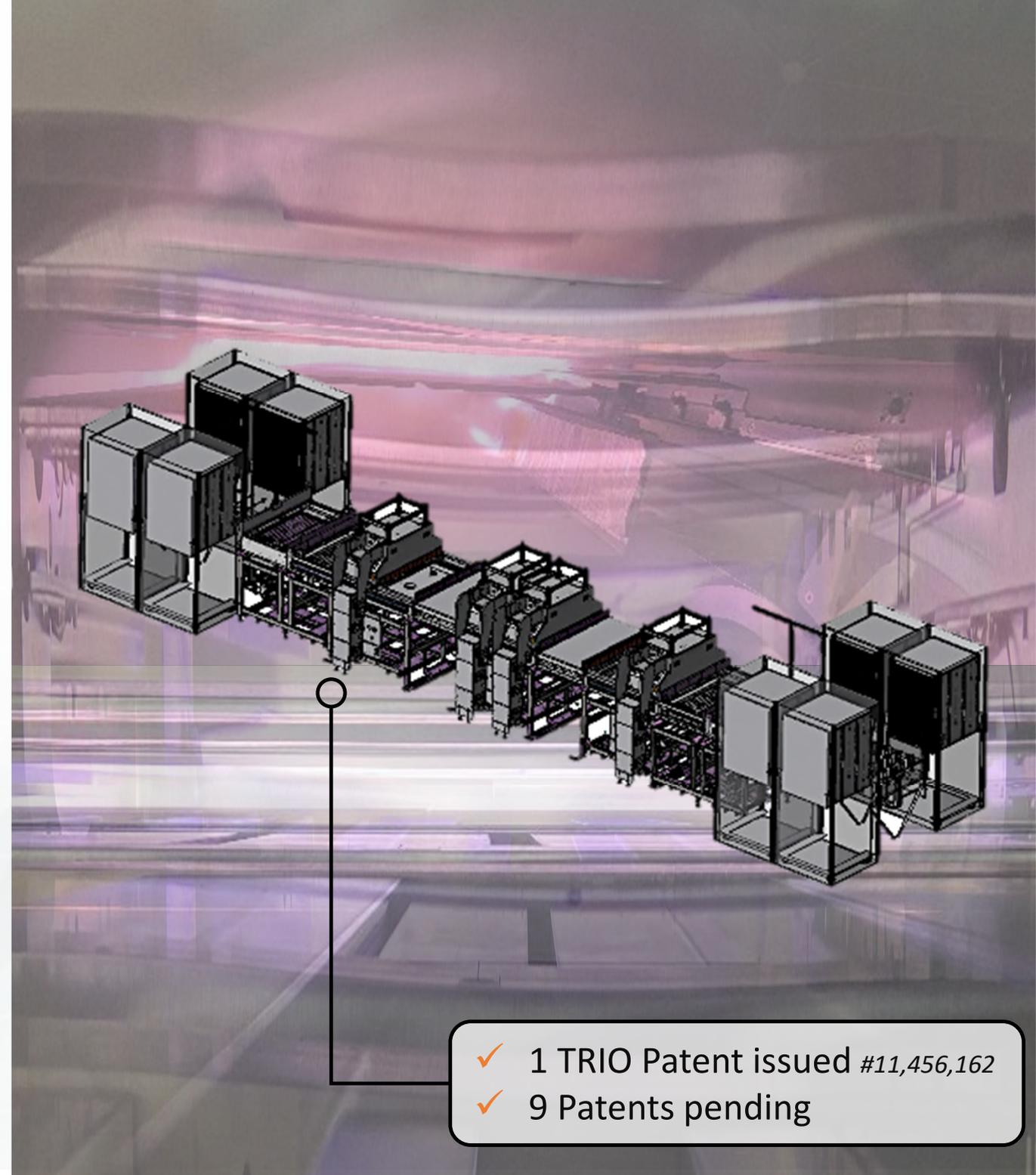
New Platform, Developed 2022: TRIO™

New Partnership, Signed 2022: One of the World's Leading Innovators in Glass and Glass-Ceramic Materials for Mobile Consumer Electronics Applications

Entering Qualification, August 2023: Initial TRIO system

The TRIO enables customized coatings for applications in diverse end-markets of consumer electronics, IT products, automotive, and semiconductor.

- ✓ Leveraging materials science expertise, and the system and modular automation technology, built upon decades of market leadership in HDD.
- ✓ Uniquely capable of depositing customized, application-specific coatings onto a variety of substrate sizes, at very high throughputs, high yields, and lowest cost of ownership.
- ✓ Patent-protected hardware and AI software controls for best-in-class uniformity at the sub-micron level.
- ✓ Provides the ability to cost-effectively add high-performance coatings on a wide range of devices, enabling customers and partners to utilize a single manufacturing platform for nearly every end market application.
- ✓ Modular design that can be built to handle individual component parts or large panels, including 3D shapes, and coat various types of substrate materials, including glass, glass-ceramics, silicon, polymers and more.



- ✓ 1 TRIO Patent issued #11,456,162
- ✓ 9 Patents pending



INTRODUCING TRIO™ - SUPERIOR PRODUCTIVITY & FLEXIBILITY

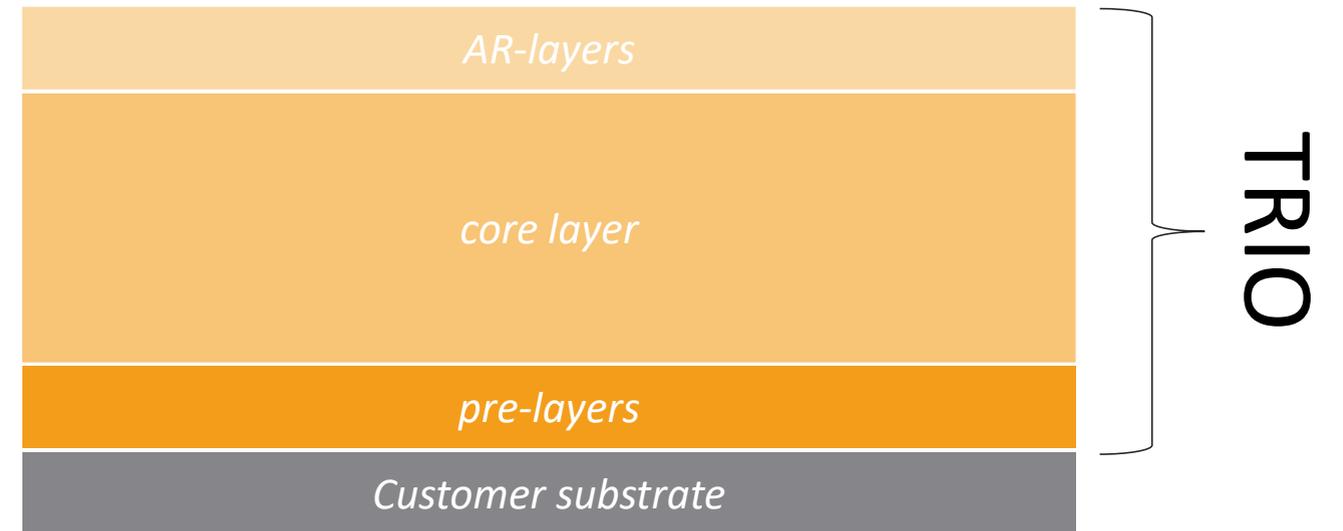
A single, compact, machine capable of coating 2D & 3D cover glass substrates at high continuous volume with all 3 layers of the film stack in one flow process.

High speed output, with fast processing time to produce thick core layer coatings (> 1µm).

Unique patented plasma control technology enables high-rate sputtering, resulting in ultra-dense, high hardness coatings at low CoO.

TRIO™ system combines both capabilities of Drum and In-Line coating systems.

TRIO™ system is modular and expandable to meet future technology needs.



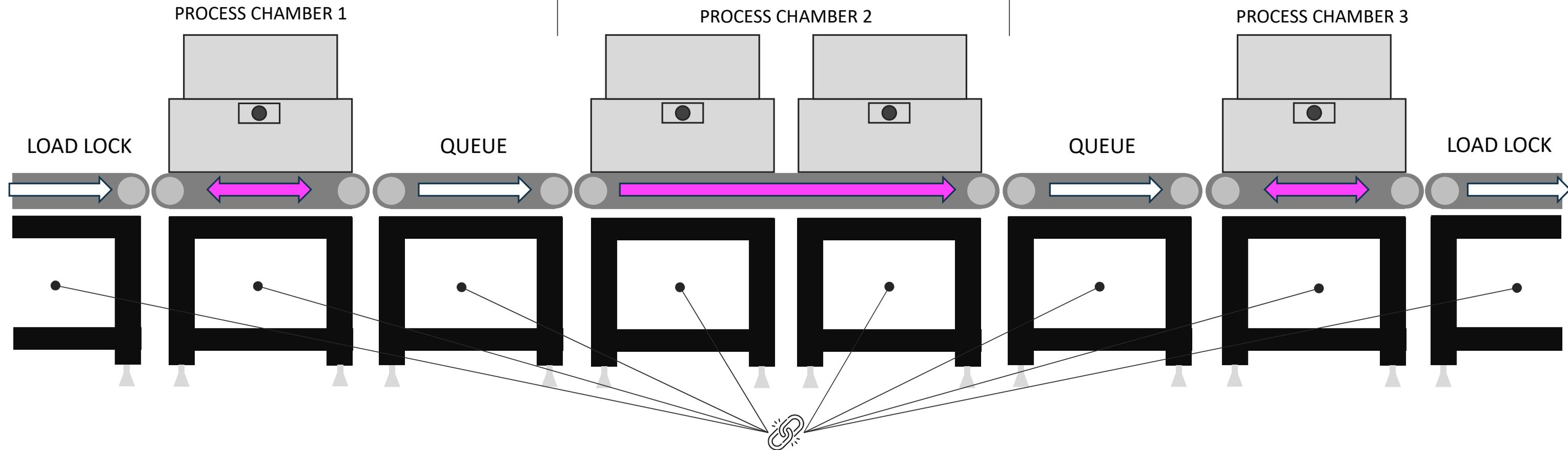


TRIO DESIGN SIMULTANEOUSLY OPERATES IN ALL 3 PROCESS MODES

PRE-LAYERS APPLIED IN A FORWARD-BACKWARD CONSTANT MOTION OPERATION

THICK CORE LAYER APPLIED IN CONTINUOUS LINEAR FLOW

ANTI-REFLECTIVE LAYER APPLIED IN FORWARD-BACKWARD CONSTANT MOTION OPERATION



All common modules linked to form a linear system



HDD MARKET ENVIRONMENT

HDD Media – Demand driven by mass-capacity drives

- HDD market has completely transitioned from being user-driven to Cloud-driven
- Cloud-based storage (Nearline/Mass-Capacity drives for the Data Center) represents the majority of Exabytes shipped
- As of mid-2023 – growth rates for Mass-Capacity drive demand have slowed considerably, following burst of pandemic-driven demand
- We believe HDD media capacity has gone from being >90% utilized to <50% utilized in the last five quarters
- Current priority is accelerating the deployment of next-generation (HAMR) drive technology
 - ✓ Intevac working in close partnership with customers on their heat-and energy-assisted media technology roadmaps
 - ✓ Technology upgrades driving majority of revenues near-term
- HDDs play a critical role in the longer-term storage needs of the Data Center
 - ✓ >85% of storage industry needs (in Exabytes) served by HDD over SSD
 - ✓ At least 5-to-1 cost-per-bit advantage vs SSD expected to persist

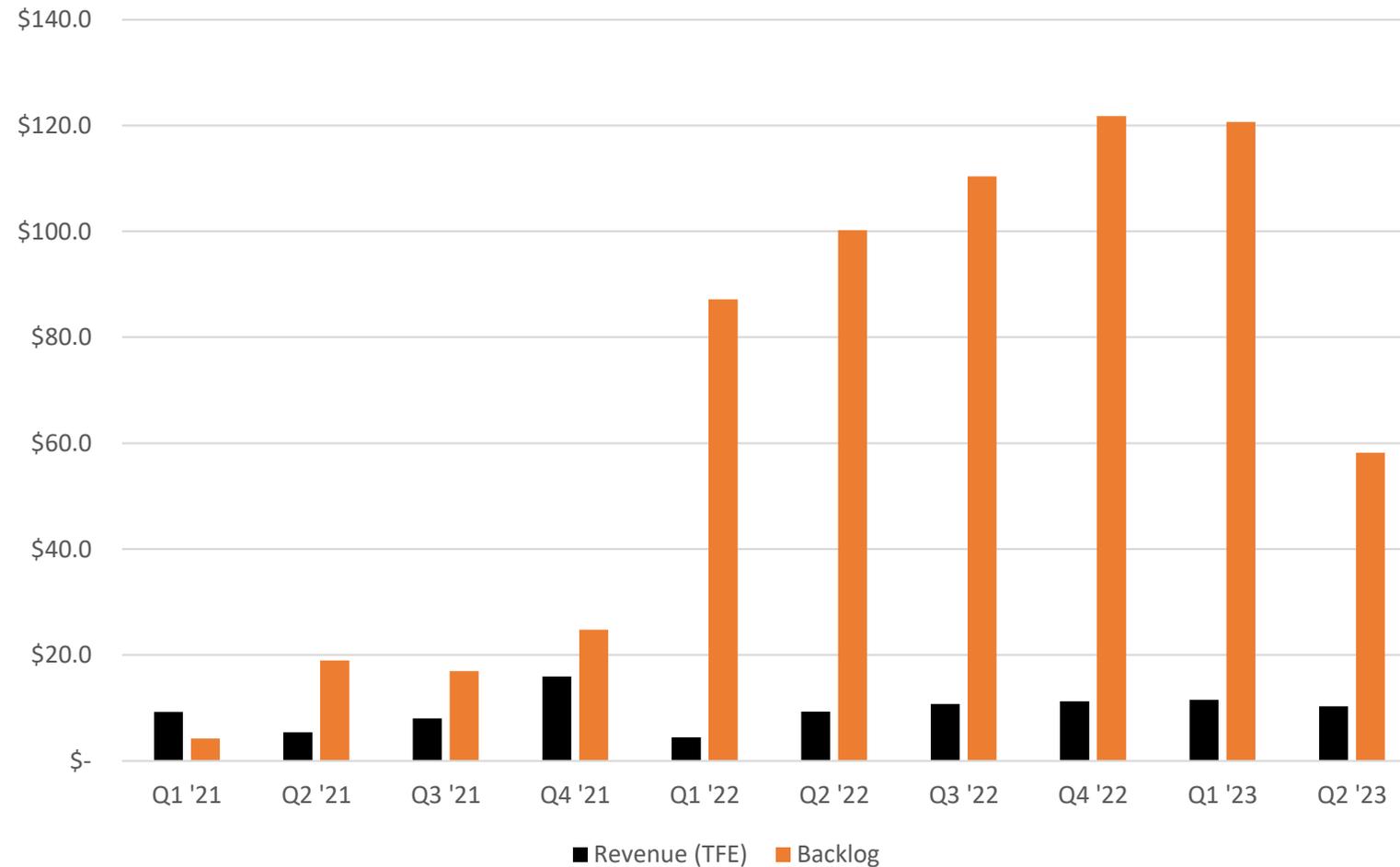




FINANCIAL SUMMARY

Revenue and Backlog

(Thin-film Equipment, in \$M)



Q2 2023 Results

Revenue	\$10.3M
Gross Margin	25%
Operating Expenses	\$8.0M
EPS	(\$0.19)
Total Qtr-End Cash & Investments	\$74M

2023 Guidance⁽¹⁾

Revenue	~\$44M
Gross Margin	35% - 37%
Operating Expenses	~\$33M
Total Yr-End Cash & Investments	\$75M - \$80M

2024 Outlook⁽¹⁾

Revenue	Low- to Mid-\$50Ms
Gross Margin	38% - 40%
Operating Expenses	\$28M - \$29M
Non-Cash Operating and Mfg Costs	\$7M - \$8M

(1) Outlook as of August 2, 2023 earnings call. 2023 Operating Expenses include \$1.8M of severance and other restructuring costs. Non-cash costs of \$7-\$8M include stock-based compensation and depreciation & amortization.



CAPITAL STRUCTURE

IVAC  Nasdaq  Russell 2000 Index

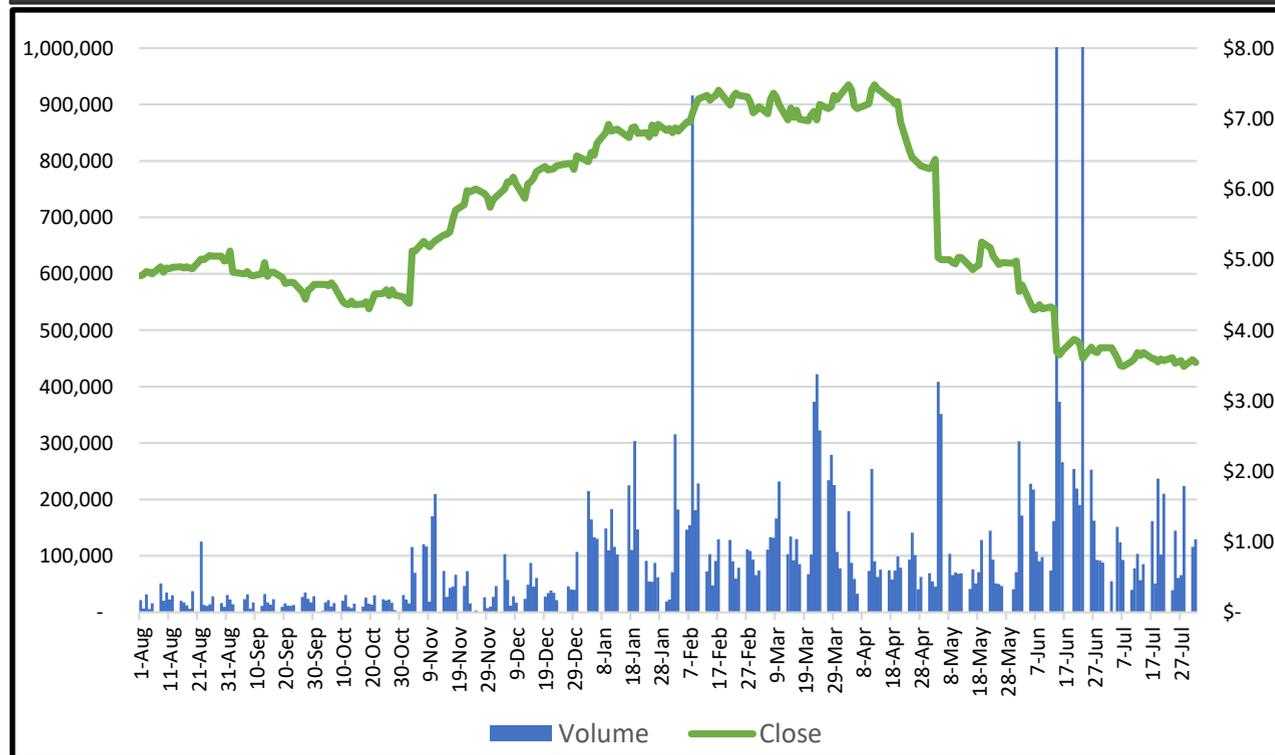
Analyst Coverage

Rating

 = Hold

 = VALUE BUY

Share Performance



Share Structure ⁽¹⁾

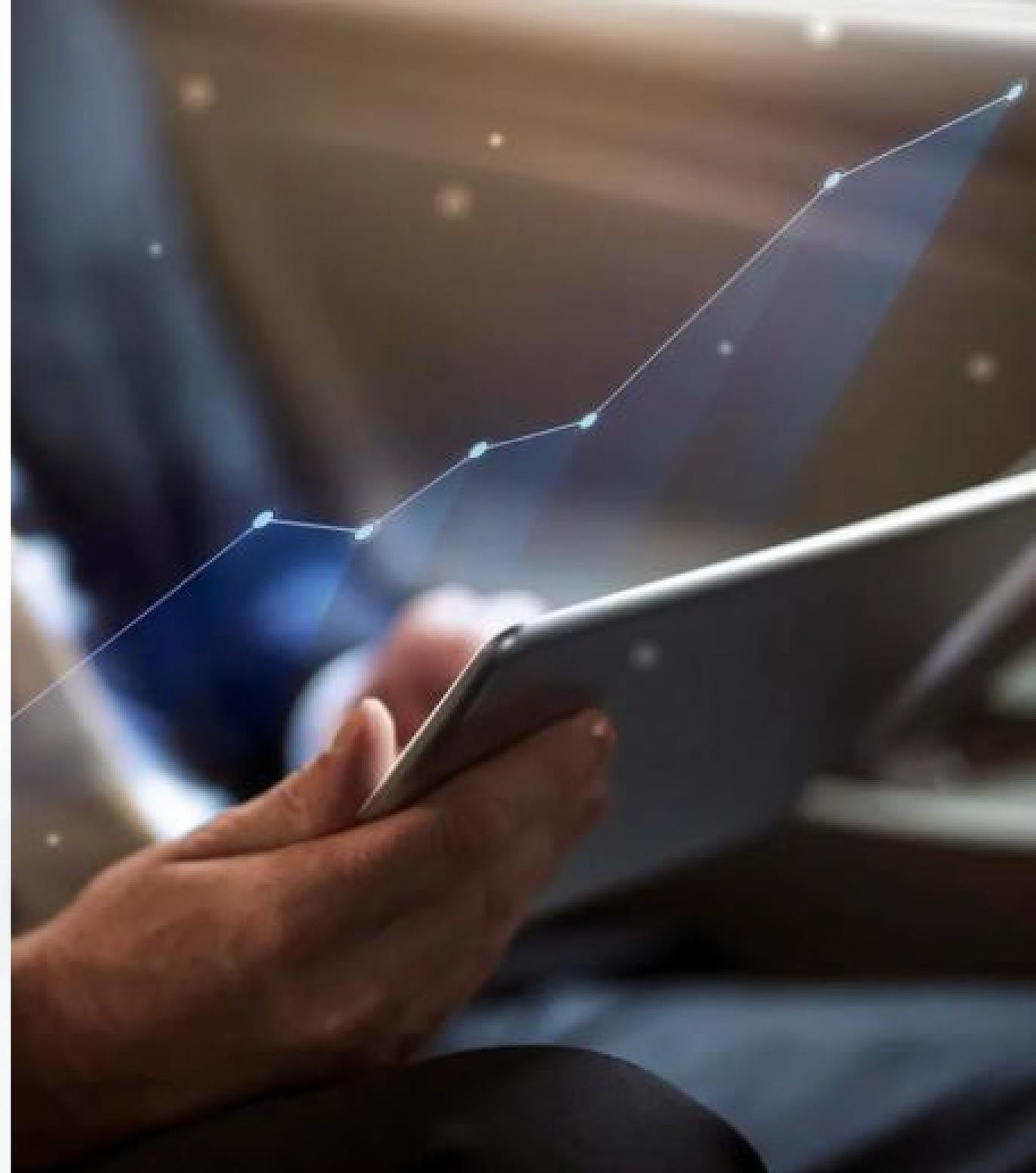
Common Shares Outstanding	26.1
Dilutive Securities – Options & RSUs	1.1
Fully-Diluted Shares Outstanding	27.2
Share Price	\$3.54
Market Capitalization	\$96M
Total Cash & Investments	\$74M
Debt	\$0M
Deemed Enterprise Value	\$22M

(1) Common shares outstanding as of July 1, 2023. Total Cash, Restricted Cash, and Investments as of July 1, 2023. Share Price at August 1, 2023.



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THANK YOU

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Intevac logo consisting of a vertical bar with five orange dots to its left, and the word "INTEVAC" in bold, black, uppercase letters below it.