

# Dear Stakeholders

For VAT, 2024 was a year of transition. Semiconductors, our main growth market, saw continued growth in wafer fabrication equipment (WFE) and semiconductors sales reached a new record of around USD 680 billion, which gives us confidence that USD one trillion by 2030 is within reach.

At the same time, geopolitics and market developments led to growing uncertainty as the year progressed. Over 50 percent of the global population participated in democratic votes and elections. The US responded to the increasing importance of computing technology by ushering in a new round of trade restrictions. Major conflicts remained unresolved.

Aside from geopolitics, there have been many developments in our key market. Two of the world's largest chip manufacturers are repositioning their businesses, while the world's number one foundry by a clear margin is preparing for the next generation of leading-edge chip manufacturing, including efforts to regionalize and diversify its business.

Once again, VAT has proven its resilience in the face of adverse developments. Orders, sales, and EBITDA came in higher in 2024 than the previous year.

Our customers are at the core of what we do. We collaborate with them to develop innovative solutions in some of the fastest-growing and most demanding industries in the world. Several key trends, such as digitalization, energy transition, and the rise of artificial intelligence (AI), are combining to drive long-term growth in these industries. Digitalization, for example, continues to fuel growth in the chip industry. Digitalization is also driving miniaturization, resulting in gains in computing power under the famous Moore's law. AI is adding further growth on top of digitalization and is likely to impact our everyday lives as much as the internet has. Another key growth driver is energy. VAT is heavily involved in creating a sustainable energy economy. Our all-metal valves, for example, are facilitating big strides toward stable fusion reactions. Nuclear energy is seeing a renaissance globally, and VAT is responding with its valves to the challenge of producing enriched uranium to high standards. Our efforts to make a difference in energy are also helped by our close ties to the semiconductor industry. With AI and digitalization driving energy consumption up, it's more crucial than ever to make chip nodes smaller and computing more energy efficient. With AI alone expected to consume as much energy as Japan by 2026, our contribution to continued progress on miniaturization is essential to the development of AI computing.

In close collaboration with our customers, we've continued to push the boundaries of physics through research and development. Chip manufacturing and vacuum environments are getting more demanding, and processes must run more precisely in spatial and timing terms than ever. Our engineers have been extending these boundaries even further. As the industry waited for an upswing in 2024, we continued to work with our customers to develop the technology solutions for the next generations of tools.



Dr. Martin Komischke  
Chairman of the Board  
of Directors



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Another major landmark in 2024 was the completion of Malaysia Plant 1B. This additional capacity will prepare us for any future ramp-up in our markets. In the second quarter of 2025, we will be opening our new Innovation Center in Haag, Switzerland. And the launch of our new facility in Romania is planned for this summer. We at VAT must make sure that we have sufficient capacity on the ground to help our customers master the next step in technology, strategy, and growth. In late 2024, the Board of Directors and management reviewed VAT's strategy beyond what was communicated at the Capital Markets Day in December 2022. We will be sharing more information on this later in the year. In the meantime, we're able to reiterate our 2027 targets – provided that the underlying assumptions about the semiconductor industry's investments, measured by the overall volume of wafer fabrication equipment (WFE), remain broadly as forecast at about USD 135 billion in 2027.

VAT can look forward to an exciting year in 2025. We expect the work of the last two years and our close collaboration with customers to translate into solid earnings growth. In the semiconductor market, it's never a question of "if" but of "when," and we anticipate an acceleration in our business, especially toward the second half of 2025. Our technology and market leadership, the investments in our new plant in Malaysia and the Innovation Center in Haag, and our dedicated people will enable us to continue our success and harness the results of

the products and solutions we have been developing with our customers in recent years.

Let me also highlight our progress in 2024 regarding sustainability. VAT continues to build on the work of the past years to improve our sustainable footprint in all areas. In 2024, we published our third sustainability report, and our shareholders were invited to vote on it at the Annual General Meeting. We see the very high percentage of votes to approve the report as an expression of confidence that we are on the right track, in the realization that further improvements are necessary. During 2024 we also demonstrated our commitment to our customers by becoming an affiliate member of the Responsible Business Alliance (RBA), allowing us to engage much more deeply with our customers and suppliers. We also started work on collecting and analyzing our Scope 3 baseline data, allowing us to commit to the Science Based Target initiative (SBTi). We are now working on detailed greenhouse gas reduction initiatives in line with the SBTi. To demonstrate the strategic importance of sustainability at VAT, we also established a formal Sustainability Committee at the board level.

With 2024 behind us and the business outlook for 2025 positive, the Board of Directors will propose a dividend of CHF 6.25 per share at the Annual General Meeting on April 29, 2025.

This will also be a special year for a different reason: 2025 marks the 60th anniversary of VAT's existence, and the board and I would like to thank all our stakeholders for their tremendous support and collaboration during this time. Our customers are our purpose, but our suppliers help us to reach our goals. The support of the communities wherever we operate is also essential.

On behalf of VAT's Board of Directors, I would like to express my appreciation and gratitude to our employees for their hard work and resilience in 2024. You've helped deliver innovations that will shape the future of crucial industries. You have also shown great discipline when it comes to costs and



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spending. Together we haven't just weathered external challenges; we've also prepared VAT for significant anticipated growth. I am confident that the cooperation within the global VAT team will help our company and all our stakeholders in the coming year.

In accordance with our new brand promise, we and our team will continue to empower your tomorrow based on the path, technologies, and solutions that lie ahead of us at VAT.

A handwritten signature in black ink, appearing to read 'Dr. Komischke'.

Dr. Martin Komischke  
Chairman of the Board of Directors

## CEO interview

