

“Ad hoc announcement pursuant to Art. 53 LR”

Media Release

Haag, Switzerland, March 4, 2025

- **VAT accelerates growth in orders, sales, and profitability in 2024**
- **Q4 2024 orders and sales up 13% and 28% respectively year-on-year; full-year 2024 orders and sales up 49% and 6% respectively**
- **Full-year EBITDA margin 31.2%, 0.6 percentage points higher than previous year: EBITDA margin in the second half of the year above 32% and within 32% to 37% target band**
- **Board of Directors proposes a dividend of CHF 6.25 per share (unchanged)**
- **2025 expected to be a year of solid revenue growth for VAT**

Q4 2024 results

- Q4 order intake confirms modest improvement in semiconductor capex, with orders up 3% sequentially and 13% yoy, less seasonality seen vs. 2023; Q4 sales CHF 283 million, up 28% yoy and at the midpoint of Q4 guidance of CHF 270 to 300 million
- Q4 sales include CHF 22 million in sales carried over from Q3 2024 when ERP implementation delayed full revenue recognition.
- Book-to-bill ratio 0.94x, but 1.02x adjusted for sales carry-over from Q3

Full-year 2024 results

- Full-year orders of CHF 1,033 million up 49% yoy, driven by the gradually improving Semiconductor (SEMI) business; the Advanced Industrial (ADV) business saw less year-end seasonality and fewer large project orders, while the Global Service (GSE) business improved over the year
- Net sales increased by 6% to CHF 942 million as growth in SEMI more than offset the lower service and industrial business
- Full-year EBITDA margin 31.2%, reflecting the higher sales volumes and operational improvements
- Free cash flow CHF 183 million, around 2023 levels despite higher working capital levels from ERP transition

Outlook for 2025

- 2025 expected to be a growth year for VAT, driven by technology transition in semi-related investments, especially for 2nm node manufacturing lines, gate all around (GAA) architectures, and atomic layer deposition (ALD) systems; demand from Chinese OEMs likely to remain high to support self-sufficiency; AI advances to drive demand for new devices such as phones
- ADV expected to see a rebound in scientific instruments and in industrial applications
- GSE expected to see higher demand due to upgrades and retrofits of existing fabs and higher capacity utilization overall
- VAT expects higher orders, sales, EBITDA, EBITDA margin, net income, and free cash flow in 2025

Guidance for Q1 2025

- VAT expects sales of CHF 275 to 295 million

Q4 2024

in CHF million	Q4 2024	Q3 2024	CHANGE ¹	Q4 2023	CHANGE ²
Order intake	267.5	259.1	+3.3%	236.5	+13.1%
Net sales	283.2	209.4	+35.2%	221.8	+27.7%
Order backlog	370.3	388.7	-4.7%	291.6	+27.0%

Full-year 2024

in CHF million	2024	2023	CHANGE
Order intake	1,033.3	691.9	+49.3%
Net sales	942.2	885.3	+6.4%
EBITDA	293.7	270.9	+8.4%
EBITDA margin	31.2%	30.6%	+0.6ppt
Net income	211.8	190.3	+11.3%
Earnings per share (EPS, in CHF)	7.06	6.35	+11.3%
Capex	55.7	69.2	-19.6%
Free cash flow ³	183.2	188.8	-2.9%
Dividend per share (in CHF) ⁴	6.25	6.25	unchg.
Number of employees ⁵	3,203	2,666	+20.1%

¹ Quarter-on-quarter; ² Year-on-year; ³ Free cash flow is calculated as cash flow from operating activities minus cash flow from investing activities;

⁴ Proposal of the Board of Directors to shareholders at the Annual General Meeting on April 29, 2025; ⁵ Number of employees expressed as full-time equivalents (FTEs)

Q4 2024 summary

Demand for VAT products gradually increased over the course of 2024, with a further increase in the order run-rate in Q4 from the same time last year. Orders were up sequentially on Q3 2024, further pointing to a slow recovery in semiconductor investments. Strong order flows were observed in semiconductors and from Asian customers in Q4, with industrial orders in ADV declining year-over-year.

In the **Valves** segment, Q4 2024 orders were up 16% versus the same quarter in 2023 and up 4% versus Q3 2024. In Q4 2024, sales increased by 31% versus the same period a year earlier and 35% versus Q3 2024. This was mostly due to the strong performance of the Semiconductor business unit, which was up 50% year-on-year as customers prepared for a significant market ramp fueled by technology transitions in logic and memory in 2025. Fourth-quarter **Global Service** sales were 37% higher than in Q3 2024 and up 15% versus the same period in 2023. While capex constraints at major chip manufacturers impacted Q3 service revenues, there was a pick-up in demand again, driven among other things by increasing demand for upgrades of older chip manufacturing tools.

As a result, total Group orders in the fourth quarter amounted to CHF 268 million, 13% higher than in the same quarter in 2023, while net sales increased by 28% to CHF 283 million. Fourth-quarter net sales came in slightly below the mid-point of the guidance range of CHF 270 to 300 million and included CHF 22 million sales pushed from Q3 into Q4 because of invoicing issues related to the introduction of a new ERP system in Q3. Compared with the third quarter of 2024, orders and net sales were up 3% and 35% respectively. In 2024, there was a distinct lack of seasonality in the fourth quarter, as customers did not pull orders forward as seen in the fourth quarter of the previous two years, mainly because they did not anticipate price increases and there was a lack of larger project-related orders.

Full-year 2024 results

In 2024, the global semiconductor industry – VAT's largest market – experienced a transitional year. This followed a slowdown that started in late 2022 and only slowly recovered towards the end of 2023. The proliferation of artificial intelligence (AI) and continued growth in digitalization contributed to the market's overall recovery. However, the lack of anticipated replacement cycles in consumer goods such as smartphones and personal computing indicates that the semiconductor market is still in transition. As things stand at present, AI computing, while growing, has not driven widespread upgrading of data centers, and manufacturing capacity for memory chips (DRAM and NAND) remains underutilized. Chip manufacturers have, however, continued to work towards key technology transitions, such as 2nm node sizes, GAA chip architecture, and manufacturing tools like ALD and extreme ultraviolet (EUV) lithography, that are expected to materialize soon.

Overall front-end investments in manufacturing capacity by the chip manufacturers, measured by their wafer fab

equipment (WFE) spend, are estimated to have grown about 4% in 2024, indicating a slow recovery in market demand overall. Providing chips for investments in AI by hyperscalers has been a major source of this growth. In logic, capex declined by 6% as the high investment levels seen in 2022 and 2023 still needed to be digested. This trend was counterbalanced by spending in memory (+24%), with expanding DRAM capacities fueled by AI initiatives. NAND investments, however, remain constrained. The strongest growth in capex was observed at Japanese and Chinese fabs, up 33% and 11% respectively. Capex spending in Europe and South Korea was weaker, with major chip manufacturers delaying capex plans due to restructuring.

WFE spending is estimated to have increased by about 4% in 2024 to just over USD 100 billion. VAT's core product areas, deposition and etching, have seen growth of 5% and 12% respectively, representing approximately 45% of total WFE spending. Lithography declined by 4% on the back of lower Chinese spending following two years of strong growth coupled with the high costs of the latest generation of EUV lithography tools. Lithography now accounts for about 28% of WFE. Chinese WFE sales were a key driver of 2024 WFE growth, estimated to reach USD 41 billion for 2024 as China aims to reach self-sufficiency in chip manufacturing as soon as possible.

Overall, VAT benefited in the semiconductor market from Chinese ambitions of self-sufficiency and the strong demand for both domestically built semiconductor manufacturing tools and imported tools from legacy manufacturers. WFE spending also increased in deposition and etch, where VAT has a stronger market share, which also contributed to overall revenue growth from new semiconductor valve sales. VAT's overall market share in semiconductor and semi-related vacuum valves increased to 70% from 68% a year earlier.

In the Global Service segment, which sells over 90% to the semiconductor market, orders increased by 27%. While fabs shut down entire production lines in 2023 during the trough, with inventories in spare parts and consumables being reduced, utilization rates picked up again in 2024, peaking at close to 80% for all chip types. Nonetheless, the fact that major chip manufacturers put capital expenditure on hold during mid-2024 resulted in slower service business in H2, with maintenance reduced owing to the possibility that fabs would be shut down. Upgrades and retrofits recovered in H2 as major logic and memory manufacturers disclosed plans to upgrade existing fabs for leading-edge chips.

Advanced Industrial markets present a mixed picture. In 2024, solar-related business remained weak and investment activity in the sector continued to be sluggish. Additionally, the anticipated return of demand for scientific and medical testing equipment after COVID did not materialize in 2024 and has been pushed back into 2025. Demand for automotive applications such as silicon carbide (SiC) for electric vehicles has also been limited. However, demand for valves in the nuclear fusion industry remains strong, and the establishment of more privately funded ventures, especially in the United States, has created additional demand. Finally, the reactivation of nuclear power plants in Europe and the United States, driven by CO2 reduction targets and the increasing need for data centers, has accelerated demand for VAT UF6 valves used in nuclear enrichment.

Innovation remains a key differentiator for VAT alongside the ability to provide sufficient production capabilities

VAT has identified innovation, both in its existing production portfolio and in new products in adjacent product portfolios, as a key differentiator. Customers rely on VAT to drive progress in technology that will further benefit chip manufacturing and other high-vacuum applications. In 2024, VAT achieved a new record spend of CHF 61 million in R&D, representing a 13% increase in investments in innovation and product development. This equates to 6.5% of sales, in line with the long-term target range of 5-6%.

As a result of ongoing innovation efforts and close collaboration with its customers, VAT won 132 specifications for future manufacturing platforms, 10% higher than the previous record specification wins in 2023. These wins, achieved in Adjacencies and in leading-edge chip manufacturing applications, give VAT visibility on business two to five years out.

VAT also successfully completed the construction of its second manufacturing site in Penang, Malaysia. Site 1B will increase the total potential installed annual production capacity in Malaysia to more than CHF 1 billion, which will support

VAT's growth plans beyond 2027. VAT's ability to invest proactively in capacity is a key differentiator for customers and is key to ensuring the company's preferred supplier status. In 2024, our site in Penang achieved the highest ever factory output to date, with c. CHF 330 million or c. 35% of VAT's total output.

Work on the Innovation Center in Switzerland continued during 2024. It will open in April 2025, offering both R&D and corporate working space. Additionally, VAT is providing additional space to establish a dedicated production in Haag to manufacture vacuum solutions for European customers.

Better results than 2023 reflect recovery in the semiconductor investing environment, with the ramp still to come

Total orders amounted to CHF 1,033 million, up 49% from the depressed levels seen in 2023. The increase reflects a stronger overall investment environment in semiconductor manufacturing equipment. Overall order flows toward the end of 2024 reflect an ordinary run rate of client activity in the current market. Inventory levels at customers were back to normalized levels by year-end. At the end of 2024, VAT's order backlog amounted to CHF 370 million, up 27% versus 2023 but still about 28% lower than the record level seen at the end of 2022. Over 60% of these orders will be fulfilled over the next two quarters.

Group net sales in 2024 reached CHF 942 million, up 6% versus 2023. The recovery was most pronounced in the Semiconductor business unit, which saw an increase of 22% over the course of the year. In Global Service, sales declined by 3% on the back of weaker upgrading activity. Sales in the Advanced Industrials business unit were 27% lower than in 2023 due to the steep decline of investment activity in solar end markets. Foreign exchange movements, especially in the US dollar against the Swiss franc, had a negative impact of about 3 percentage points on 2024 net sales.

Gross profit¹ increased by 15% compared with 2023 to CHF 626 million. Gross profit margin² for the year increased to 66% from 62% a year earlier, reflecting the effect of working capital build-up, benefits from operational efficiency gains and mix effects.

Personnel costs as a percentage of net sales increased from 24% in 2023 to 26% in 2024, reflecting VAT's continued investment in highly qualified permanent employees to prepare for the next market upswing. In absolute terms, personnel costs increased by CHF 32 million. The total number of employees (measured as full-time equivalents, FTEs) increased by 20% from 2,666 to 3,203 versus a year earlier.

Operational execution measures, operating leverage, and targeted investments enabled VAT to increase EBITDA by 8% to CHF 294 million in 2024. Continuous efficiency gains contributed around three percentage points to the EBITDA margin. The full-year EBITDA margin increased by 0.6 percentage points versus 2023 to 31.2%, still slightly below the EBITDA margin band of 32% to 37%. However, the H2 EBITDA margin exceeded 32%. VAT remains committed to maintaining surge capacity to be able to serve its customers in the event of the anticipated ramp in the market. Foreign exchange movements, primarily in the US dollar against the Swiss franc, had a positive impact of about 0.9 percentage points on the reported 2024 EBITDA margin on a like-for-like basis.

VAT's 2024 EBIT amounted to CHF 250 million, up 9% versus 2023, while the EBIT margin increased by about 0.8 percentage points to 26.6%.

Below the EBIT line, VAT showed a substantially improved financial net result of around CHF 2 million (positive) versus negative CHF 21 million a year ago when the company suffered from net foreign exchange losses on financing activities.

Earnings before taxes (EBT) increased 22% to CHF 253 million from CHF 207 million. The effective tax rate for 2024 increased to 16% from 8% a year earlier. This is mainly attributable to additional tax expenses related to the global minimum top-up tax in Switzerland and one-off effects from previous years that had reduced the effective tax rate in

¹ Gross profit = net sales minus cost of materials plus/minus changes in inventories of finished goods and work in progress

² Gross profit margin: gross profit as a percentage of net sales

2023.

Net income for 2024 increased to CHF 212 million, 11% higher than in 2023. On December 31, 2024, VAT's net debt amounted to CHF 84 million, representing a leverage ratio (expressed as net debt-to-EBITDA) of around 0.3 times versus 0.2 times at the end of 2023.

Substantial free cash flow despite higher net working capital, supported by lower capital investments

One of VAT's key performance indicators and the basis for its dividend consideration is free cash flow, which in 2024 declined 3% to CHF 183 million from CHF 189 million in 2023. Cash inflows from operating activities decreased by about CHF 16 million while cash outflows for capex decreased by CHF 13 million, down from CHF 69 million in 2023 to CHF 56 million in 2024. In light of market developments, especially in semiconductors, VAT has deferred some of its investment activity into 2025. A capex-to-sales ratio of approximately 6% for the year is still slightly above the guidance corridor of 4-5% and includes investments in Plant 1B in Malaysia and the Innovation Center in Switzerland, which will be completed during the first half of 2025.

At year-end 2024, net trade working capital amounted to CHF 312 million, approximately 28% higher than at the end of 2023. Net trade working capital represented 33% of sales, a six-percentage-point increase versus 2023. This increase was driven by the preparation for required output increases to meet customer demand more effectively as well as a strategic rebalancing of our supply chain post-ERP transition, including selective stocking of key components to enhance operational efficiency and reduce lead times in the future.

Free cash flow as a percentage of net sales decreased slightly from 21% to 19% in 2024. The free cash flow conversion rate was 62% of EBITDA. Free cash flow to equity amounted to CHF 179 million compared with CHF 182 million in 2023.

At the Annual General Meeting on April 29, 2025, VAT's Board of Directors will propose an unchanged dividend for the fiscal year ending December 31, 2024, of CHF 6.25 per registered share. This reflects continued solid free cash flow generation in 2024 and the anticipated positive development of business in 2025. The proposed dividend of CHF 6.25 per registered share will be paid from the company's accumulated gains. The proposal amounts to a total dividend of CHF 187.5 million or 105% of VAT's free cash flow to equity.

Outlook: technology transition in 2025 will allow VAT to outperform the market

VAT expects investments in semiconductor manufacturing equipment to grow further over the course of 2025, as the installation and upgrading of new manufacturing tools related to leading-edge logic chips and high-performance memory chips will require significant capex on the part of chip manufacturers. Large logic manufacturers have already announced extensive capex plans for 2025, which will enable them to build experience with low-volume production before moving to volume production in 2026. In memory, fabs are moving rapidly to build high bandwidth memory (HBM) capacity, announcing the partial conversion of existing DRAM capacity. The technology transition is taking place across multiple applications and markets and requires both green-field and upgrading activities.

Additionally, large investment programs have been announced by hyperscalers, partially in cooperation with the US government, in response to demand for artificial intelligence and data centers. While still a small part of the market, VAT believes that these investments will catalyze more rapid AI adaptation. Aside from the direct benefits of new data centers being built, AI proliferation will also fuel the sale of new devices such as AI-enabled smartphones and laptops that meet the requirements to run AI models.

On the other hand, global geopolitics have created a more volatile backdrop to business overall. The regulatory environment has placed greater restrictions on the technologies and products that can be sold. Global trade is facing an increased risk of tariffs and potential retaliatory measures. China continues to invest in its domestic manufacturing capabilities and aims to achieve self-sufficiency in the coming years. In 2024, WFE sales in China reached more than 40% of total global spending; estimates for 2025 foresee a decline in China's spending. This spending was predominantly in the

lagging-edge size bracket.

Overall, global market research firms expect WFE growth to amount to around 5% overall globally, and total WFE spend to reach between USD 100 and 110 billion.

VAT is uniquely set up to outpace the market growth anticipated for 2025 and beyond. With its higher market share in leading-edge applications, VAT expects to benefit extraordinarily from the anticipated technology shift. VAT has historically been strong in the market for etch and deposition tools, so an anticipated shift in the WFE spend from lithography to etch and deposition will contribute positively, through mix effects, to VAT's growth. Finally, the time needed to create a chip is increasing overall because more process steps are needed to manufacture the nanometer node structures, requiring the installation of more tools in the fabs to achieve the same throughput and yield. This will serve as an additional growth driver for VAT in the coming year. The Adjacencies business will also benefit from the increased demand for leading-edge tools, as this also increases the demand for VAT's high-spec advanced modules and motion components.

In Global Services, VAT's consumables and spares business will benefit from a further increase in fab utilization. Given the announcement of major capex plans to upgrade from 7 to 3nm in logic and DRAM to HBM in memory, the upgrade and refurbishment business is expected to benefit as well. In ADV, a rebound in the scientific instrument and research business is expected. Customers supplying the semiconductor market, in line with the growth anticipated in VAT's semiconductor business, are expected to continue investments resulting in higher orders and sales.

On this basis, VAT expects full-year 2025 orders, sales, EBITDA, and EBITDA margin to be higher than in 2024.

Net income and free cash flow are also expected to be higher in 2025; capex is forecast at CHF 90 to 100 million.

Guidance for Q1 2025

VAT expects sales of CHF 275 – 295 million.

Segment results Q4 and full year 2024

Valves

in CHF million	Q4 2024	Q3 2024	CHG. ¹	Q4 2023	CHG. ²	2024	2023	CHG. ²
Order intake	227.3	218.6	4.0%	195.8	16.1%	858.1	554.4	54.8%
Semiconductors	183.3	186.2	-1.6%	144.5	26.9%	713.4	387.7	84.0%
Advanced Industrials	44.0	32.3	36.2%	51.3	-14.3%	144.7	166.7	-13.2%
Order Backlog	337.2	347.8	-3.1%	262.5	28.5%	337.2	262.5	28.5%
Net sales	236.1	175.1	34.9%	180.9	30.5%	774.7	712.4	8.7%
Semiconductors	197.5	143.5	37.6%	131.8	49.8%	632.2	518.0	22.0%
Advanced Industrials	38.7	31.5	22.7%	49.1	-21.3%	142.5	194.4	-26.7%
Inter-segment sales	18.9	14.0	35.5%	16.0	18.7%	68.1	70.3	-3.1%
Segment net sales	255.1	189.0	34.9%	196.9	29.5%	842.8	782.7	7.7%
Segment EBITDA						266.3	239.3	11.3%
Segment EBITDA margin ³						31.6%	30.6%	+1.0PPT

¹ Quarter-on-quarter ² Year-on-year, ³ Segment EBITDA margin as a percentage of segment net sales

Global Service

in CHF million	Q4 2024	Q3 2024	CHG. ¹	Q4 2023	CHG. ²	2024	2023	CHG. ²
Order intake	40.2	40.5	-0.8%	40.7	-1.3%	175.1	137.5	27.4%
Order backlog	33.1	40.9	-19.0%	29.2	13.6%	33.1	29.2	13.6%
Net sales	47.0	34.4	36.8%	40.8	15.2%	167.5	172.9	-3.1%
Inter-segment sales	-	-		-		-		
Segment net sales	47.0	34.4	36.8%	40.8	15.2%	167.5	172.9	-3.1%
Segment EBITDA						63.6	69.1	-7.9%
Segment EBITDA margin ³						37.9%	39.9%	-2.0PPT

1 Quarter-on-quarter 2 Year-on-year, 3 Segment EBITDA margin as a percentage of segment net sales

Additional information

The analyst presentation of the results and the 2024 annual report are available on VAT's investor relations website under this [LINK](#).

VAT will host a media and investor event today in Zurich at 11 a.m. CET. The event can also be followed via a webcast or conference call. Participants in the webcast or conference call will also be able to join the moderated Q&A session. Please follow the link below to access the webcast:

[LINK TO WEBCAST](#)

For the conference call, please dial one of the following numbers:

+41 58 310 50 00 (Europe)

+44 207 107 0613 (UK)

+1 631 570 5613 (USA)

A replay of the webcast will be available on the VAT website approximately 24 hours after the event.

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Financial calendar

2025	
Thursday, April 17, 2025	Q1 2025 trading update
Thursday, April 17, 2025	Record day
Tuesday, April 29, 2025	Annual General Meeting, St. Gallen
Friday, May 2, 2025	Ex-date
Tuesday, May 6, 2025	Dividend payment
Tuesday, May 20, 2025	Capital Markets Day, Haag
Wednesday, July 23, 2025	Half-year 2025 results
Thursday, October 16, 2025	Q3 2025 trading update
2026	
Tuesday, March 3, 2026	Q4 and full-year 2025 results



ABOUT VAT

We change the world with vacuum solutions – that is our purpose as the world's leading supplier of high-end vacuum valves. The Group reports in two segments: Valves and Global Service. The Valves segment is a global developer, manufacturer and supplier of vacuum valves for the semiconductor, displays, photovoltaics and vacuum coating industries as well as for the industrial and research sector. Global Service provides local expert support to customers and offers genuine spare parts, repairs and upgrades. VAT reported net sales of CHF 942 million in 2024 and employs some 3,200 people worldwide, with representatives in 29 countries and manufacturing sites in Switzerland, Malaysia, and Romania.

FORWARD-LOOKING STATEMENTS

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “believes,” “plans,” “anticipates,” “expects,” “estimates,” and similar expressions) should be considered to be forward-looking statements. Forward-looking statements involve inherent known and unknown risks, uncertainties, and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the company to be materially different from those expressed or implied by such forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the performance, security and reliability of the company's information technology systems, political, economic and regulatory changes in the countries in which the company operates or in economic or technological trends or conditions. As a result, investors are cautioned not to place undue reliance on such forward-looking statements.

Except as otherwise required by law, VAT disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this report.