

Letter to the stakeholders

Dear stakeholders

Considering the geopolitical uncertainties and foreign exchange headwinds, 2025 was a year of strong growth. Semiconductor sales and wafer fabrication equipment (WFE) spend again reached record highs, climbing to around USD 740 billion and over USD 115 billion respectively. With artificial intelligence a key growth driver, VAT – the market and technology leader – is best positioned to continue along its profitable growth path.

The year under review marks the second 12-month period of growth after the downturn in our business in 2023. This confirms our strong position as the market and technology leader in high-end vacuum valves and solutions used to make semiconductors, photovoltaic solar cells, digital displays, and a wide variety of other products for advanced industrial and research applications. The manufacturing of these products requires a level of precision only attainable in near-perfect vacuum environments.

With WFE expected to have grown by about 10% in 2025 (although the final numbers have still to be released), VAT achieved sales growth of 14% in reported currency and 20% on a constant currency basis. This is firmly within our aspiration of outgrowing our markets by up to twofold. Orders in 2025 remained flat on a reported basis but were up 6% at constant currencies.

It was also a year of two faces. During the first three quarters of 2025, global tariffs, the unsolved conflict in Eastern Europe, and doubts about the sustainability of Chinese semiconductor investment left many question marks over the health of the semiconductor industry in general. This dampened immediate investment appetite during most of the year. This was also reflected in VAT's share price,

which traded down to a low of CHF 258 before ending the year at CHF 386, up 13% since the start of 2025.

The last quarter of 2025, in contrast, saw – at least from an industry and capital markets perspective – a rapid turn in opinions. As demand for semiconductors continued to grow and production capacities filled up, the semiconductor industry embarked on new green-field investments, leading to more demand for VAT products during the last three months of the year.

Again, VAT proved its readiness to support its customers at any given moment. Being resilient in the face of adverse business conditions, VAT always maintains its ramp readiness in terms of production capacity, qualified employees, and unwavering commitment to innovation. These critical success factors are acknowledged by our customers and are very, very hard for our competition to break. Since starting to work with semiconductor customers back in 1988, VAT has demonstrated its ability to support this segment in its need for constant technological advancements. From node sizes of 1,500nm in 1988 all the way down to 2nm and less in 2025, VAT has proven itself and has built a strong position as the supplier of choice.



Being at the forefront of technology and its future development, VAT is best positioned to capture the many opportunities presented by the tech required for the future growth of AI.



Dr. Martin Komischke
Chairman of the Board
of Directors

Throughout our 60-year history since 1965, we have never forgotten that customers are at the absolute core of what we do. As a result, VAT has transformed from a mere supplier to become a strategic partner and enabler. We not only collaborate with our customers to develop innovative solutions in some of the fastest-growing and most demanding industries in the world, but we also try to anticipate what they may need a couple of years down the road.

Being at this level of partnership isn't about having a plan for the next five years only. We are already looking way beyond 2030 – not always with fully formulated ideas about what will be needed by then, but always with the curiosity and eagerness of an unbiased mind allowed to explore all directions.

This open mindset is also applied in our annual strategy cycle when the board of directors, together with VAT's management, reviews progress against previous strategies, considers potential adjustments in light of possible changes in underlying assumptions, and openly discusses additional facets and directions that may not have been in focus in previous discussions.

While one can argue that the VAT story has changed little since the IPO – which in broad terms is correct – the areas of future growth and the set of success factors that need to be explored are now different. VAT is no longer a pure vacuum valve company as it was in 2016 at the time of the IPO. Despite being the global market leader in vacuum valves, with a market share of over 70%, a couple of years back we started looking into additional products and solutions that are not valves in the traditional sense: our adjacencies. These are products that are still very close to our core valves but which allow us to increase our share of wallet within our customer base. Instead of delivering only valves, we now integrate them into advanced modules. And given that movement is required in every process or transfer chamber where robotic arms move the wafer around, we have also identified pin-lifters as a suitable addition to our offering.



Given that we expect the improving business conditions seen in the second half of 2025 to continue throughout the year, VAT can confidently look forward to another year of growth in 2026.

Since the introduction of these two adjacencies as an additional business opportunity in 2020, we have managed to gain market share. At the same time, we have continued to develop a third product – VAT's first gas inlet valve for atomic layer deposition (ALD) processes – which was successfully launched in 2024 and gained good business traction in 2025. These three adjacencies are now well on track to represent up to 20% of our expected 2029 sales, making VAT an even more attractive business partner for our customers.

But what does this tell you about VAT? It shows you our capability to look ahead, identify additional business opportunities, and have the willingness and confidence to take a bold step and enter previously uncharted territory. If we want to remain an innovative company and maintain and expand our technology leadership, we don't just need a solid financial base and capable engineers; we also need the courage to leap into new territories, even at the risk of not enjoying immediate success. These are the big leaps where a close and trusting relationship between the board of directors and the management team is of utmost importance. Plans, proposals, and ultimately decisions can and must be challenged, reviewed, and potentially changed. But without the courage to accept the risk of failure or delays, progress through innovation is not possible.

What else stood out at VAT in 2025? The highlights certainly included our 60th anniversary, marked by a number of festivities in Switzerland, Romania, and Malaysia. Some of our shareholders will also remember our 2025 annual general meeting, held at the Knie Swiss National Circus in St. Gallen instead of the traditional venue at OLMA Messen.

But even as we look back on these milestones, we can already look forward to the next. On April 14, 2016, your VAT shares were traded for the first time on the SIX Swiss Exchange. Issued in the initial public offering (IPO) at the price of CHF 45 per share, VAT traded upwards on its debut day and closed at CHF 51.55. What nobody knew at the time was that this marked only the start of a fantastic share performance. At the time of writing this report, VAT shares are trading at CHF 544, up 1,110% from their IPO level and as such the most successful stock exchange listing in Switzerland in the last ten years by a long margin.

Another important topic remains sustainability. In 2025, we continued the journey along our defined sustainability strategy, while at the same time building a true sustainability culture in the organization and pursuing our ambition of becoming industry leaders in sustainability. I strongly encourage you to learn more about our journey in the fifth edition of our sustainability report, issued simultaneously with this annual report.

VAT can confidently look forward to an exciting 2026. We expect the improving business conditions seen in the second half of 2025 to continue, allowing us to fully leverage our strong market position in close collaboration with all our stakeholders, and to translate our efforts into another year of solid earnings growth. As I said in last year's letter to you: In the semiconductor market, it's never a question of "if" but of "when." Now it seems that an emphatic "when" is ahead of us.

With 2025 behind us and the business outlook for 2026 positive, the board of directors will propose a dividend increase of 12% to CHF 7.00 per share at the annual general meeting on April 28, 2026. This 12% dividend increase is a sign of confidence in our ability to continue generating strong and growing free cash flows on the basis of sales and EBITDA growth.

On behalf of VAT's board of directors, I would like to express my deep gratitude to our employees for their great work and resilience in 2025, despite massive foreign exchange headwinds. It is your performance on all fronts that helps us shape not only VAT's future, but also the future of the global semiconductor industries. You have shown great discipline when it comes to costs and spending, always with the clear goal of making VAT stronger. I am convinced that the qualities we have within VAT will yield superior results for all our stakeholders in the coming year.



Dr. Martin Komischke
Chairman of the Board of Directors