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Q3 2016 Trading Update

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Q3 2016 highlights

High demand for equipment

- High customer demand for equipment purchases geared at new technologies in semiconductor and display production
- Technology advances in OLED fuels display growth; 3D NAND in semiconductor
- Overall market sentiment improved over the course of the year

Improved results

- Group order intake up 40% to CHF 137 million
- Q3 2016 net sales increase by 17% to CHF 130 million

Outlook 2016

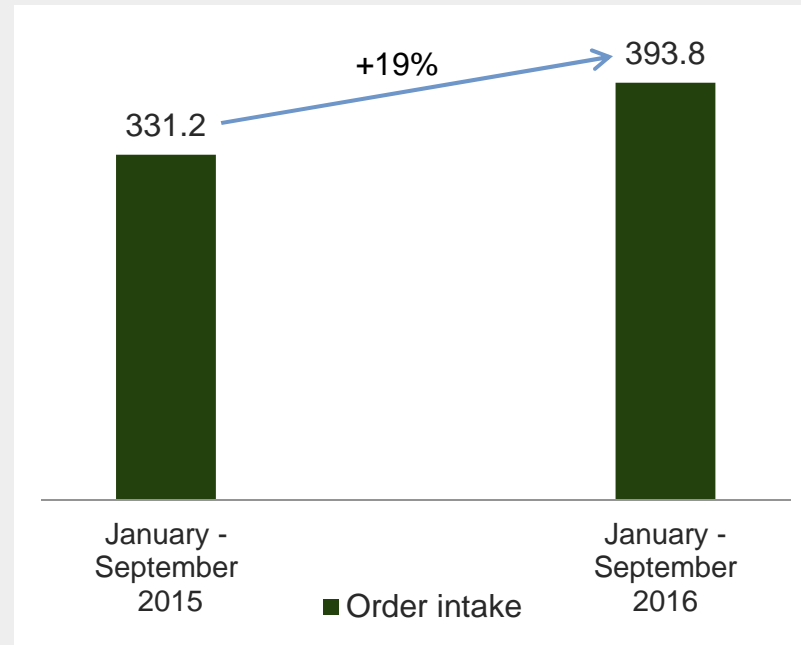
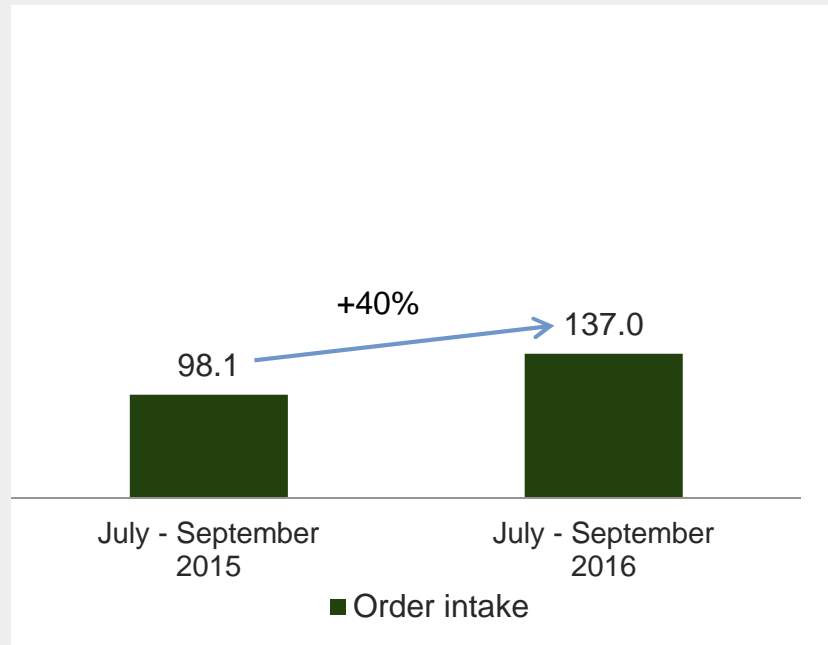
- Net sales growth expectations for full year 2016 increased to 15-18% from 12-15%
- Adjusted EBITDA margin expected around 31% due to high output and investments in future growth
- Dividend guidance confirmed at CHF 80 million for the financial year 2016

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Accelerated order intake in Q3

in CHF million



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Valves – 77% of Group Net Sales

in CHF million	July - Sep 2016	July - Sep 2015	Change	Jan - Sep 2016	Jan - Sep 2015	Change
Order intake	108.5			303.6		
Third party net sales	99.9	84.5	18.2%	278.2	234.3	18.7%
Inter-segment sales	10.2	8.7	17.2%	28.4	25.9	9.5%
Total segment sales	110.1	93.2	18.1%	306.6	260.2	17.8%



- Record order intake in Q3 2016
- Investments in OLED production remains dominant growth driver in displays
- High demand for new technology in the semiconductor industry
- First high volume order for new Pendulum Pressure Control Valve

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Global Service – 16% of Group Net Sales

in CHF million	July - Sep 2016	July - Sep 2015	Change	Jan - Sep 2016	Jan - Sep 2015	Change
Order intake	19.6			64.1		
Third party net sales	20.6	18.0	14.7%	61.5	54.7	12.3%
Inter-segment sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total segment sales	20.6	18.0	14.7%	61.5	54.7	12.3%



- Collection of valve retrofit orders from a key customer with potential for additional orders
- Ongoing alignments with key Original Equipment Manufacturers (OEM's) allowing VAT to offer global service contracts tailored to specific customer needs

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Industry – 7% of Group Net Sales

in CHF million	July - Sep 2016	July - Sep 2015	Change	Jan - Sep 2016	Jan - Sep 2015	Change
Order intake	8.7			26.1		
Third party net sales	9.1	8.3	10.7%	25.5	24.5	4.2%
Inter-segment sales	5.4	5.3	1.0%	10.8	10.6	1.5%
Total segment sales	14.5	13.6	6.9%	36.3	35.1	3.4%



- New orders mainly from Europe and the US
- Several new customized bellows solutions qualified for medical, airspace, automotive and medical applications



Refinancing of term loan

Financing costs improvement

- Further reduction of financing costs following the conversion of the shareholder loan into equity in the IPO in April 2016
- New syndicated five-year revolving credit facility of USD 300 million signed in September
- New arrangement used to pay off outstanding senior secured credit facility of USD 276 million
- Non-cash effective one-off costs of CHF 5 million related to the amortization of the remaining transaction costs for the secured senior credit
- Overall interest expense savings of about USD 5 million per annum expected going forward

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Outlook 2016 - Continued profitable growth expected

Positive market conditions expected to persist

- Attractive growth markets for displays, semiconductors and related
- Technology advances such as OLED displays and 3D NAND require substantial investments in new manufacturing capacity
- VAT to capture growth due to technological leadership and strong customer relationship
- VATmotion: capture full growth potential, increase efficiency and ensure highest resilience through the cycle

Outlook 2016

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Information

Investor information

Listing:	SIX Swiss Exchange
Currency:	CHF
Ticker symbol:	VACN
ISIN:	CH0311864901

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Event calendar

March 31, 2017	Full-year results 2016
May 17, 2017	Q1 2017 Trading update & Annual General Meeting 2017
August 24, 2017	Half-year results 2017
November 10, 2017	Q3 2017 Trading update

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Forward looking statements

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