"Ad hoc announcement pursuant to Art. 53 LR"

Media Release
Haag, Switzerland, July 23, 2025

- **Strong top line growth in the first six months of 2025 despite continued global uncertainties**
- **Orders up 3% quarter on quarter in Q2 (up 10% at constant FX)**
- **Sales up 3% quarter on quarter in Q2 to CHF 283 million (up 10% at constant FX), above the midpoint of the guidance range because of strong order book execution and despite FX headwinds; but book-to-bill below 1x**
- **EBITDA up 22% to CHF 165 million in H1 (up 33% at constant FX); EBITDA margin 29.6% on FX challenges (31.2% at constant FX)**
- **Very strong H1 free cash flow of CHF 51 million demonstrates VAT's cash conversion strength**
- **VAT confirms previously communicated expectations of developments in the markets and its results for 2025**

Q2 2025 results

- Slow order growth in Semiconductors and soft Advanced Industrials offset by 23% sequential growth in Global Service; sequential sales growth in both Semiconductors and Global Service offset sluggish Advanced Industrials performance
- Book-to-bill ratio of 0.9x; order backlog at CHF 294 million, down 15% year on year

H1 2025 results

- Orders down 3% and sales up 24% year on year; EBITDA margin 29.6% vs. 30.1% in H1 2024; net income CHF 106 million, up 12% year on year; EPS CHF 3.52
- Free cash flow strong at CHF 51 million, up 93% year on year thanks to higher EBITDA and lower trade working capital as a percentage of sales
- 61 spec wins achieved in H1, with over 80% in Semiconductors and Global Service

Outlook for 2025

- 2025 expected to be a growth year for VAT, with the Semiconductors business benefiting from technology transition-related investments in leading applications such as 2nm nodes and gate all around (GAA) architectures, ongoing solid demand from Chinese OEMs to support self-sufficiency, and increased hyperscaler investment programs announced for 2025 to support AI applications
- Mixed signals prevail; while advanced logic and DRAM developments drive WFE investments, NAND capacity expansions have been further pushed out by major players
- Advanced Industrials expected to pick up in H2 due to demand for scientific instruments and industrial applications
- Global Service anticipates higher demand owing to higher capacity utilization overall and upgrades and retrofits of existing fabs
- Direct negative financial impact of global tariffs estimated to be non-material at this stage
- VAT expects higher orders, sales, EBITDA, EBITDA margin, net income, and free cash flow in 2025

Guidance for Q3 2025

VAT expects sales of CHF 255 to 285 million

Q2 2025

in CHF million	Q2 2025	Q1 2025	Change[1]	Change (at Q1 25 FX)	Q2 2024	Change[2]	Change (at Q2 24 FX)
Order intake	247.7	241.7	2.5%	9.8%	270.9	−8.6%	−1.1%
Net sales	282.9	275.1	2.8%	10.2%	251.1	12.7%	22.0%
Order backlog	293.8	339.1	−13.4%	–	345.6	−15.0%	–

1 Quarter on quarter; 2 Year on year

H1 2025

in CHF million	H1 2025	H1 2024	Change	Change (at H1 24 FX)
Order intake	489.4	506.7	−3.4%	−0.4%
Net sales	558.0	449.6	24.1%	28.0%
EBITDA	165.0	135.3	22.0%	32.7%
EBITDA margin	29.6%	30.1%	−0.5ppt	+1.1ppt
Net income	105.6	94.0	12.3%	
Basic earnings per share (EPS, in CHF)	3.52	3.14	12.1%	
Capex	42.1	40.0	5.3%	
Free cash flow[3]	50.7	26.3	92.8%	
Number of employees[4]	3,406	2,983	14.2%	

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 Number of employees expressed as full-time equivalents (FTE)

Q2 2025 summary

The trend in demand for VAT products seen in the past quarters continued. As a result, orders increased 3% sequentially in Q2 2025 despite ongoing global uncertainties surrounding global trade tariffs, geopolitics and a general lack of certainty about when the high-volume manufacturing of 2nm/GAA architecture chips will start. On a constant FX basis, orders grew 10% sequentially to CHF 268 million. Positive sentiment was fueled by continued significant investment announcements by major fab operators, as well as commitments by hyperscalers to invest in AI infrastructure. Chinese order patterns remained strong, highlighting an accelerated drive to self-sustainability. Year-on-year orders were down 1% at constant FX and 9% down at actual rates.

In the Valves segment, Q2 2025 orders were down 2% sequentially versus Q1 2025 while sales increased 1%. Semiconductors orders were down 11% over the same period, a year earlier, but sales increased by 23% thanks to strong backlog execution, despite the increased uncertainty. This uncertainty is also expressed in our customers' demands for shorter lead times for VAT products to manage the expected future ramp in fab investments.

In Advanced Industrials, the quarter saw orders and sales decrease both year on year and sequentially quarter over quarter. These declines were driven by lower orders from the power generation sector, slower business from US academic research institutes facing funding cuts, and limited activity in the coating business. This more than offset the benefit of a major spec win in scientific instruments, a large order for an advanced module confirming the success of adjacencies outside semiconductor applications as well. Overall Q2 orders were down 18% sequentially and 6% year on year; sales declined 15% and 10% respectively.

Q2 Global Service orders were flat year on year as fab utilization rates remained elevated throughout the quarter. Sequentially however, orders were up 23% as all subsegments grew on ongoing initiative by fabs to increase ramp readiness. Segment sales were up 12% sequentially but down 3% year on year. In consumables sales were slightly down year on year in Q2, but demand from Chinese customers remained strong. Utilization rates supported growth in spares and repairs for the quarter. In retrofits and upgrades, VAT has several projects in the pipeline, which should see approval in H2 2025. Sales in the sub-fab business were up slightly. However, in Q2, retrofit orders and sales declined substantially year on year in anticipation of upgrading activity toward H2 2025.

As a result, total Group orders in the second quarter amounted to CHF 248 million, increasing sequentially by 3% on Q1 (10% at constant FX), but 9% lower than in the same quarter in 2024 (down 1% at constant FX). Net sales increased 3% quarter on quarter (10% at constant FX) and 13% year on year (22% at constant FX) to CHF 283 million, which is above the midpoint of the guidance range of CHF 260 to 290 million.

Six-month 2025 summary

During the first six months of 2025, VAT's total order intake amounted to CHF 489 million, a decrease of 3% compared with the levels seen the previous year (flat at constant FX); all business units saw a lower order intake. At CHF 558 million, net sales were up 24% on last year (28% at constant FX), with all business units showing a positive development.

Orders in the Valves segment decreased 3% during the first half of 2025 versus 2024 amounting to CHF 400 million. Net sales were 29% higher at CHF 467 million, the result of strong order backlog execution. The Semiconductors business unit saw orders fall 3% but sales increased 35% in H1 2025. In the Advanced Industrials business unit, orders in the first six months also declined 3% versus 2024, reflecting softer conditions across several ADV end-markets. Sales were up slightly by 1% to CHF 73 million.

The Global Service segment reported orders of CHF 90 million, down 5% orders year on year, while the segment's sales increased 5% to CHF 91 million. This development in sales reflects higher semiconductor fab utilization rates, which have benefited the consumables and repair business. Sub-fab activity also increased, while the upgrade and retrofit business was significantly down year on year.

Gross profit and EBITDA margins remain at high levels, albeit slightly lower than in 2024 on FX headwinds and ongoing inventory reduction

Gross profit[1] for the first six months of 2025 amounted to CHF 365 million, an increase of 22%. The H1 2025 gross profit margin[2] decreased slightly to 65% in 2025 from 66% in the same period in 2024 as adverse FX developments and increased sales from inventory over the last six months posted headwinds.

EBITDA for the first half of the year increased 22% to CHF 165 million. This reflects the significant topline growth in combination with operational measures, focused on productivity and cost improvements as well as continued investment in capacity and capabilities ahead of the anticipated technology transition. Commitments to clients concerning ramp readiness require VAT to retain production capacity and execution reserves, because of expected higher sales volumes, reducing some of the operating leverage realized. The net foreign exchange impact (including hedging and balance sheet revaluations) on EBITDA margin was negative by 1.6 percentage points for H1 2025, resulting in an EBITDA margin of 29.6% (31.2% at constant FX). EBIT for the first six months of 2025 increased 25% to CHF 142 million, the EBIT margin remained largely flat at 25.4% versus 25.3% a year earlier.

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[1] Gross profit is calculated as net sales minus costs of raw materials and consumables used plus/minus changes in inventory of finished goods and work in progress.

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

R&D expenses amounted to CHF 36 million or 7% of sales. VAT engineering teams reported 61 spec wins in H1 2025, an increase of 27% over the first six months of 2024. Most of these spec wins were achieved in the semiconductor related businesses in Valves and Global Service and about 20% in adjacencies.

Below the EBIT line, net financial costs amounted to CHF 12 million compared to plus CHF 1 million in H1 2024. The main reasons for this negative result were revaluation losses on cash balances and intercompany loans. The effective tax rate for the first six months of 2025 was 19% compared with 18% a year earlier.

Net income for the first half of 2025 amounted to CHF 106 million, 12% higher than in the first six months of 2024. This includes the impact of an overall increase in business activities, the negative financial results and the higher tax rate of 19% versus 18% a year earlier. EPS for H1 2025 amounted to CHF 3.52.

On June 30, 2025, net debt stood at CHF 262 million compared with CHF 231 million a year ago. The leverage ratio on a last-twelve-month (LTM) basis and measured as net debt to LTM EBITDA was 0.81x, slightly down from 0.84x a year earlier. This is in line with the normal seasonal pattern, which includes the dividend payment in early May. The equity ratio on June 30, 2025, was 51% compared with 53% on June 30, 2024.

Free cash flow commentary

Free cash flow in the first six months of 2025 was very strong, amounting to CHF 51 million, up 93% year on year, representing free cash flow conversion of 31% compared with 20% a year earlier. This is mainly the result of the higher EBITDA and reduced trade working capital requirements as trade working capital, measured as a percentage of sales, improved by 4.8 percentage points to 31.2% during the first six months of 2025. Capital expenditures (capex) amounted to CHF 42 million, up 5% versus 2024. This represents 7.6% of sales in the first six months of 2025 compared with 8.9% a year earlier.

At the end of June 2025, VAT had 3,406 employees worldwide (measured as full-time equivalents, FTEs), representing an increase of around 420 FTEs, or 14.2%, compared with the end of June 2024.

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

As communicated at the full-year 2024 results presentation on March 4, 2025, VAT expects investments in semiconductor manufacturing equipment to grow further over the course of 2025, albeit at a slower pace than originally anticipated. The installation and upgrading of new manufacturing tools related to leading-edge logic chips and high-performance memory chips requires significant capex on the part of chip manufacturers. Large chip manufacturers have recently announced or confirmed extensive capex plans for 2025 and beyond, which will enable them to build experience with low-volume production of leading-edge logic chips before moving to volume production over the course of 2026. In memory, fabs are moving rapidly to build high bandwidth memory (HBM) capacity, announcing the partial conversion of existing DRAM capacity. These technological transitions in memory are taking place across multiple applications and markets and require both green-field and upgrading activities. However, mixed signals prevail for NAND capacity expansion investments that have been further pushed out by major players.

Overall, global market research firms expect global WFE to grow by around 5% overall, putting it within a range of between USD 100 and 110 billion.

As the undisputed market and technology leader, VAT is uniquely positioned to outpace the anticipated market growth in 2025 and beyond. With its high market share in leading-edge applications, VAT expects to benefit extraordinarily from the ongoing technology shift. VAT has historically been strong in etch and deposition tools, so the forecasted changes in the WFE spend mix from a non-vacuum lithography to etch and deposition will contribute positively to VAT's growth. Finally, more and in particular more advanced process steps in vacuum are required to manufacture the smallest node structures of 2nm or less. In addition, VAT will continue to benefit from healthy demand in its direct business with Chinese OEMs, as China is working towards achieving higher grades of self-sufficiency in chip manufacturing.

While it is too early to determine the global economic impact of the most recent global tariff announcements, VAT estimates that the direct negative financial impact is non-material at this stage.

On this basis, VAT expects full-year 2025 orders, sales, EBITDA, EBITDA margin, net income, and free cash flow to be higher than in 2024; capex is now forecast at CHF 75 to 85 million.

Guidance for Q3 2025

VAT expects sales of CHF 255 to 285 million.

Segment results for Q2 and H1 2025

Valves

in CHF million	Q2 2025	Q1 2025	Change[1]	Q2 2024	Change[2]	6M 2025	6M 2024	Change[2]
Order intake	198.3	201.5	−1.6%	221.5	−10.5%	399.8	412.3	−3.0%
Semiconductors	168.2	165.0	1.9%	189.6	−11.3%	333.2	343.9	−3.1%
Advanced Industrials	30.1	36.5	−17.5%	31.9	−5.6%	66.6	68.4	−2.6%
Order backlog	259.7	307.8	−15.6%	308.2	−15.7%	259.7	308.2	−15.7%
Net sales	234.9	232.3	1.1%	201.4	16.6%	467.2	363.5	28.5%
Semiconductors	201.4	192.7	4.5%	164.0	22.8%	394.1	291.2	35.3%
Advanced Industrials	33.5	39.6	−15.4%	37.3	−10.2%	73.1	72.3	1.1%
Inter-segment sales	18.0	17.3	4.0%	20.4	−11.8%	35.3	35.2	0.3%
Segment net sales	252.9	249.7	1.3%	221.8	14.0%	502.6	398.7	26.1%
Segment EBITDA						152.5	116.9	30.5%
Segment EBITDA margin[3]						30.3%	29.3%	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	Q2 2025	Q1 2025	Change[1]	Q2 2024	Change[2]	6M 2025	6M 2024	Change[2]
Order intake	49.4	40.2	22.9%	49.4	0.0%	89.6	94.5	−5.2%
Order backlog	34.0	31.3	8.6%	37.3	−8.8%	34.0	37.3	−8.8%
Net sales	48.0	42.8	12.1%	49.7	−3.4%	90.7	86.1	5.3%
Inter-segment sales	–	–		–		–		
Segment net sales	48.0	42.8	12.1%	49.7	−3.4%	90.7	86.1	5.3%
Segment EBITDA						39.2	34.0	15.3%
Segment EBITDA margin[3]						43.2%	39.5%	3.7ppt

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

Additional information

The presentation of the Q2 and half-year results 2025 and the 2025 half-year report are available on the VAT website at www.vatgroup.com.
VAT will host a remote media and investor event today at **10:00 a.m. CEST** via webcast and conference call.

Please follow the link below to access the webcast:

Live webcast

Alternatively, participants via phone may pre-register here and will receive dedicated dial-in details to easily and quickly access the call.

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A replay of the conference call will be available on the VAT website approximately two hours after the event.

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Financial calendar

2025	
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.