

# Veeco Instruments

## Q1 2026 Financial Results Conference Call

May 5<sup>th</sup>, 2026



# Disclaimer

## **No Offer or Solicitation**

This communication is not intended to and shall not constitute an offer to purchase or the solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made, except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

## **Forward-looking Statements**

This presentation contains “forward-looking statements”, within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, as amended, that are based on management’s expectations, estimates, projections and assumptions. Words such as “expects,” “anticipates,” “plans,” “believes,” “scheduled,” “estimates” and variations of these words and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, but are not limited to, those regarding anticipated growth and trends in our businesses and markets, industry outlooks and demand drivers, including trends related to artificial intelligence and high-performance computing, statements regarding the pending merger with Axcelis, the timing of shipments, deliveries and revenue recognition, statements regarding shipments currently being held by U.S. Customers, our investment and growth strategies, our development of new products and technologies, our business outlook for current and future periods, our ongoing transformation initiative and the effects thereof on our operations and financial results, the timing, completion and expected benefits of the proposed transaction and other statements that are not historical facts. These statements and their underlying assumptions are subject to risks and uncertainties and are not guarantees of future performance. Factors that could cause actual results to differ materially from those expressed or implied by such statements include, without limitation: the level of demand for our products; global economic and industry conditions; global trade issues, including the effects of foreign and domestic tariffs and the ongoing trade disputes between the U.S. and China, and changes in trade and export license policies; our dependency on third-party suppliers and outsourcing partners; the timing of customer orders; our ability to develop, deliver and support new products and technologies; our ability to expand our current markets, increase market share and develop new markets; the concentrated nature of our customer base; cybersecurity attacks and our ability to safeguard sensitive information and protect our intellectual property rights in key technologies; the effects of regional or global health epidemics; delays in or failure to complete the proposed transaction, whether due to an inability by either party to satisfy one or more conditions to closing, including an inability to obtain regulatory approval in China, the occurrence of events or changes in circumstances that give rise to the termination of the applicable merger agreement by either party, or otherwise; risks related to the pendency of the proposed transaction and its effect on our business, financial condition, results of operations, cash flows and stock price; our ability to achieve the objectives of operational and strategic initiatives and attract, motivate and retain key employees, including as a result of the proposed transaction; diversion of management time and attention from ordinary course business operations to the proposed transaction and other potential disruptions to our business relating thereto; the variability of results among products and end-markets, and our ability to accurately forecast future results, market conditions, and customer requirements; the impact of our indebtedness, including our convertible senior notes and our capped call transactions; and other risks and uncertainties described in our SEC filings on Forms 10-K, 10-Q and 8-K, and from time-to-time in our other SEC reports. All forward-looking statements speak only to management’s expectations, estimates, projections and assumptions as of the date of this presentation. The Company does not undertake any obligation to update or publicly revise any forward-looking statements to reflect events, circumstances or changes in expectations after the date of this presentation.

## **Non-GAAP Financial Measures**

This presentation also includes references to financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America (“GAAP”). These non-GAAP measures include, but are not limited to, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income and non-GAAP diluted earnings per share. Any non-GAAP financial measures used in this presentation are in addition to, and should not be considered superior to, or a substitute for, financial statements prepared in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation or as an alternative to financial statements prepared in accordance with GAAP and are subject to significant inherent limitations. We believe these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Veeco's financial condition and results of operations. The non-GAAP measures presented herein should not be comparable to similar non-GAAP measures presented by other companies. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. A reconciliation of non-GAAP financial measures used in this presentation to the most directly comparable GAAP financial measures is included in the Appendix.

# CEO Overview

Bill Miller, Ph.D.

# Q1 2026 Highlights

## Key Takeaways

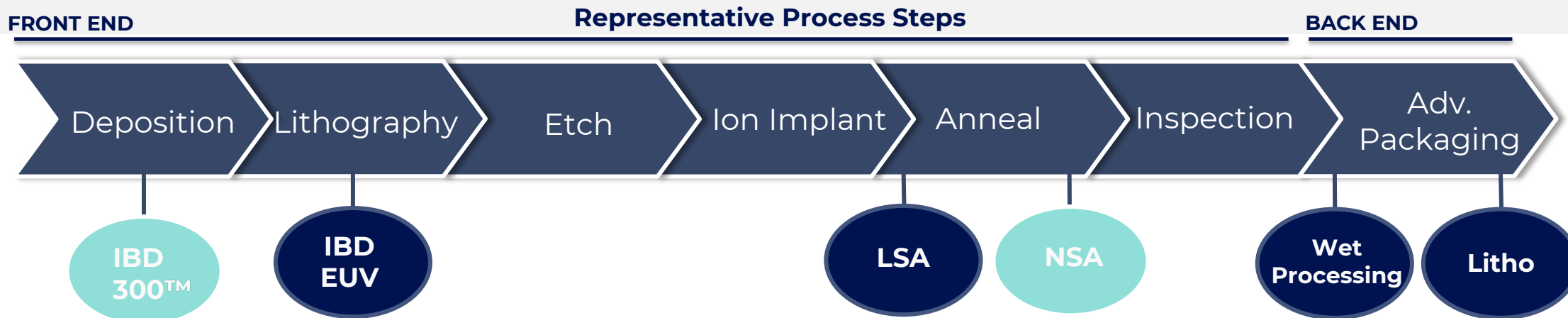
1. Major **industry inflection** with **AI infrastructure** build-out
2. Order **activity acceleration** from back-half of 2025 **into Q1 2026**
3. Stronger than expected **revenue opportunity** for **InP laser manufacturing**
4. Operational manufacturing **footprint expansion**
5. Reiterate FY 2026 guide with **increased visibility into 2027**

Revenue  
**\$158M**

Non-GAAP  
Operating Income  
**\$9M**

Non-GAAP  
EPS  
**0.14¢**

# Veeco's Critical Role in Semi Manufacturing



● New products ● Driving business today

**Key:**

**IBD:** Ion Beam Deposition

**EUUV:** Extreme ultraviolet

**LSA:** Laser Spike Annealing

**NSA:** Nanosecond Annealing

System	Tier 1 Customer	Current Evaluations
<b>LSA</b>	Logic	1
	Memory	1
<b>NSA</b>	Logic	2
	Memory	0
<b>IBD300</b>	Logic	0
	Memory	2

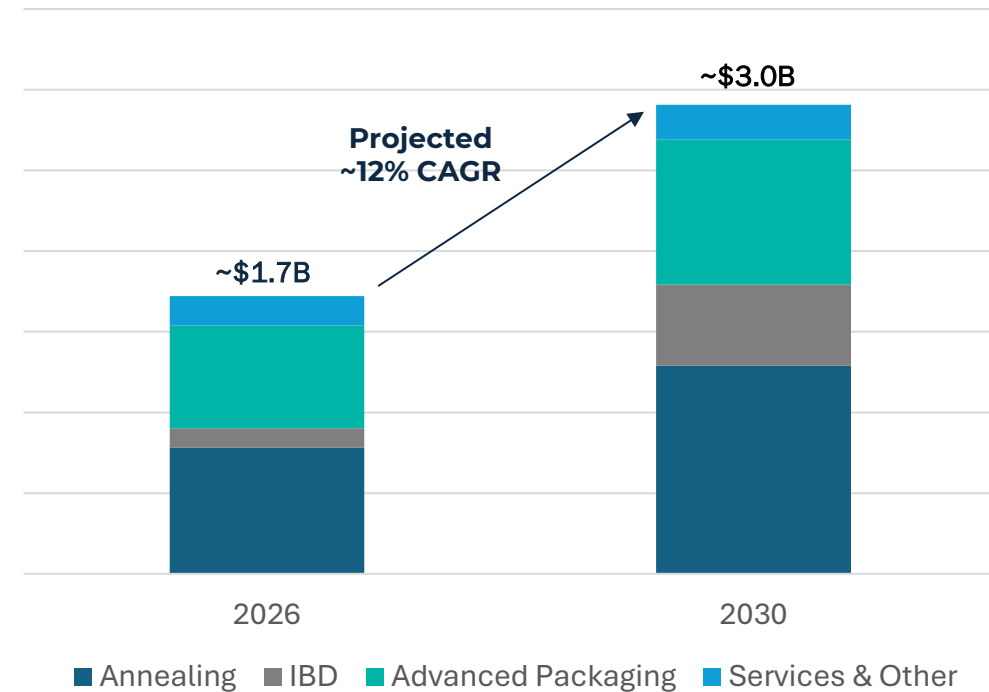
**Note:** Opportunity for forecasted revenue of \$30M-\$60M per application at 100K wspm



# Semi SAM Expansion To Drive Outperformance

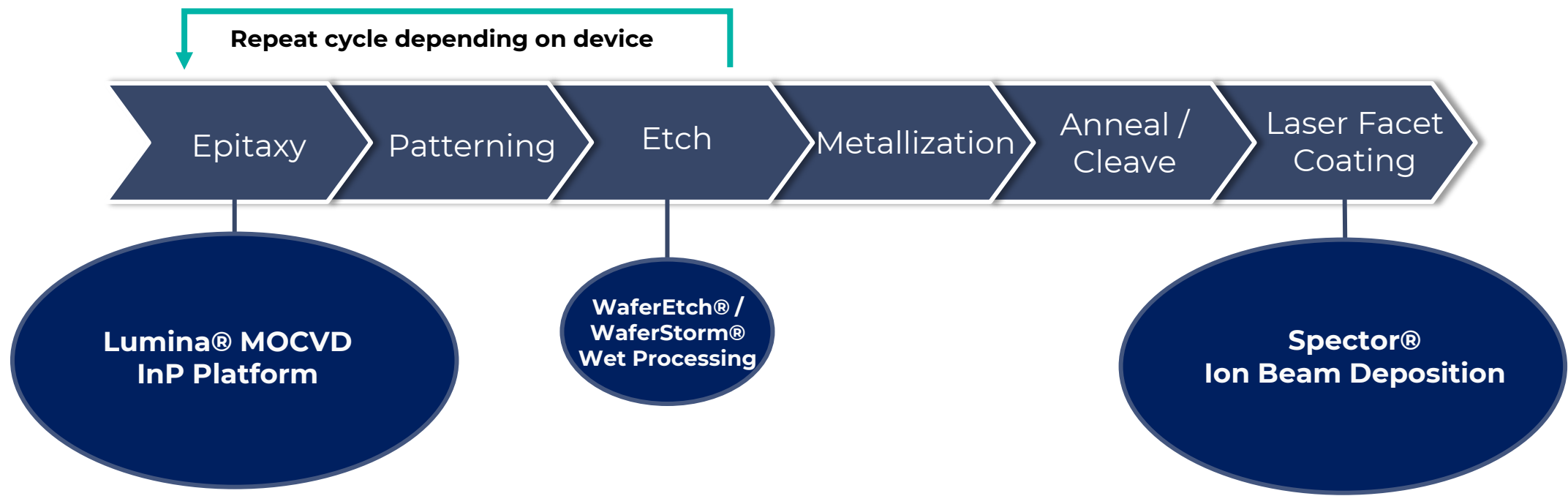
Key Process		2026	2030
Annealing	Laser Spike Annealing (LSA)	~\$800M	~\$1.3B
	Nanosecond Annealing (NSA)		
Ion Beam Deposition	IBD300™ Front End Semi	~\$120M	~\$500M
	IBD EUV Mask Blanks & Pellicles		
Advanced Packaging	Wet Processing and Lithography	~\$600M	~\$1.0B

Total Served Available Market



**Veeco's Technology Enables Gate-All-Around, High-Bandwidth Memory, EUV Lithography and Advanced Packaging**

# Veeco's Critical Role in Compound Semi: Indium Phosphide Laser Solutions



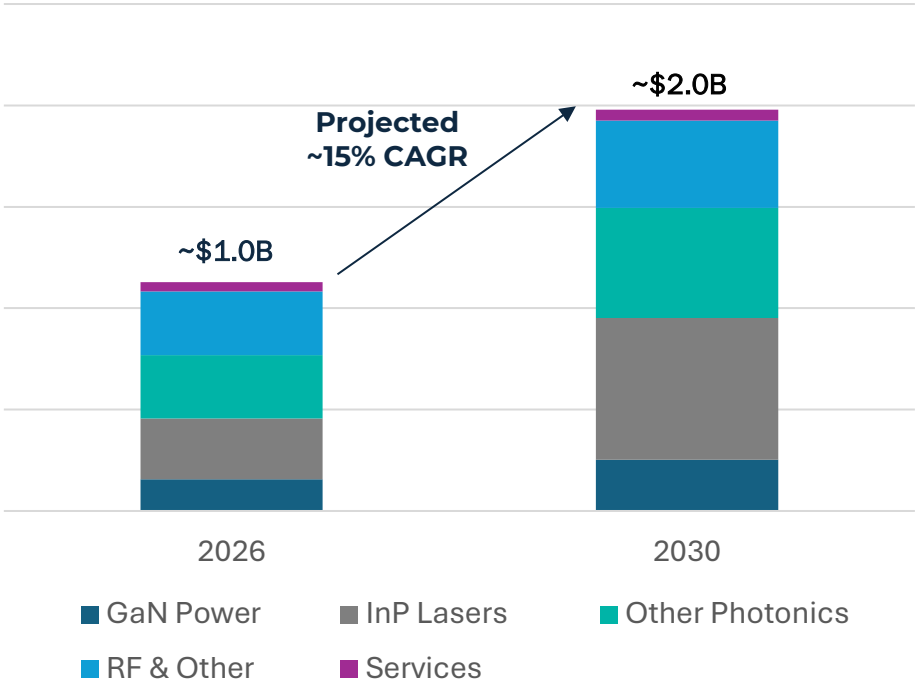
● Size of bubble represents approximate market opportunity

**Veeco Provides Differentiated Solutions for Key Steps in manufacturing InP Lasers Driven by AI Infrastructure**  
**Cumulative ~\$2B Total Market Opportunity over the next several years**

# Compound Semi Projected SAM Growth

Key Driver		2026	2030
<b>Silicon Photonics (InP Lasers)</b>	<ul style="list-style-type: none"> <li>Lumina® MOCVD InP platform</li> <li>WaferEtch® and WaferStorm® systems</li> <li>Spector® IBD for laser diode facets coatings</li> </ul>	~\$300M	~\$700M
<b>Other Photonics</b>	<ul style="list-style-type: none"> <li>Lumina® MOCVD platform for red MicroLED and solar cells</li> <li>Propel® 300 for GaN on Si MicroLED for AR / VR and optical communications</li> </ul>	~\$300M	~\$550M
<b>GaN Power</b>	<ul style="list-style-type: none"> <li>Propel® single wafer MOCVD platform for 200mm and 300mm GaN</li> <li>Propel® 300mm GaN on Si evaluation system at leading IDM customer</li> <li>Received Propel® 300mm pilot line order in 2H '25</li> </ul>	~\$150M	~\$250M

## Total Served Available Market



**Veeco's Technology Supports AI, Power Efficiency, and Advanced Connectivity, which are Reshaping the Industry**



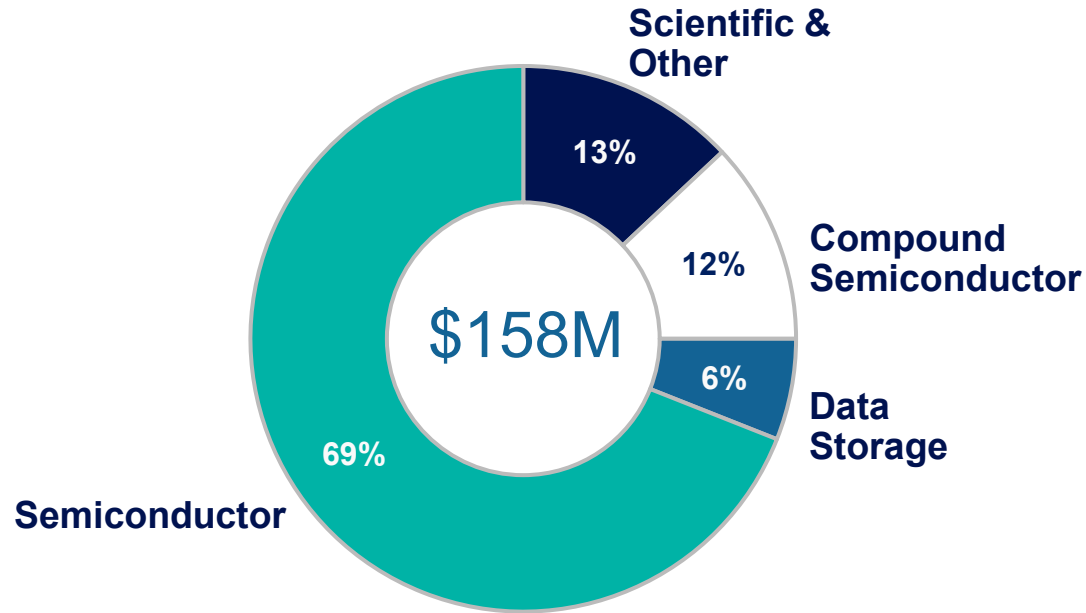
Source: Veeco Served Available Market based on TrendFocus, Gartner, Yole Group and internal analysis

# CFO Overview

John Kiernan

# Q1 2026 Revenue by Market & Region

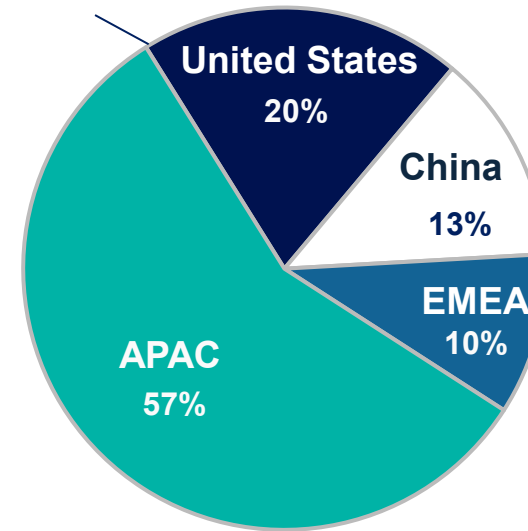
## Revenue by Market



Revenue Trend (\$M)	Q1 25	Q4 25	Q1 26
Semiconductor	124	111	109
Compound Semi	14	20	19
Data Storage	7	10	10
Scientific & Other	22	24	20
Total	167	165	158

## Revenue by Region

ROW is negligible



Revenue Trend (\$M)	Q1 25	Q4 25	Q1 26
APAC	60	90	90
USA	24	29	32
China	71	38	20
EMEA & ROW	12	8	16
Total	167	165	158

# Q1 2026 Operating Results

In millions (except per share amounts)	GAAP		Non-GAAP		Non-GAAP
	Q4 25	Q1 26	Q4 25	Q1 26	Q1 26 Guidance (as of Feb. 25 <sup>th</sup> , 2026)
<b>Revenue</b>	<b>\$165.0</b>	<b>\$158.3</b>	<b>\$165.0</b>	<b>\$158.3</b>	<b>\$150M - \$170M</b>
<b>Gross Profit</b>	<b>60.5</b>	<b>55.8</b>	<b>62.3</b>	<b>57.3</b>	
<b>Gross Margin</b>	<b>36.7%</b>	<b>35.3%</b>	<b>37.7%</b>	<b>36.2%</b>	<b>37% - 38%</b>
<b>Operating Expenses</b>	<b>61.9</b>	<b>58.5</b>	<b>48.5</b>	<b>48.8</b>	<b>\$48M - \$50M</b>
<b>Operating Income (Loss)</b>	<b>(1.4)</b>	<b>(2.7)</b>	<b>13.8</b>	<b>8.6</b>	
<b>Net Income (Loss)</b>	<b>1.1</b>	<b>(0.3)</b>	<b>14.7</b>	<b>8.9</b>	<b>\$9M - \$15M</b>
<b>Diluted Earnings Per Share (Loss)</b>	<b>0.02</b>	<b>(0.01)</b>	<b>0.24</b>	<b>0.14</b>	<b>\$0.14 - \$0.24</b>
<b>Diluted Shares</b>	<b>61.5</b>	<b>60.4</b>	<b>61.5</b>	<b>61.9</b>	



Amounts may not calculate precisely due to rounding. A reconciliation of GAAP to Non-GAAP financial measures can be found in the backup section of this presentation.

# Balance Sheet and Cash Flow Highlights

\$ millions	Q4 2025	Q1 2026
<b>Cash &amp; Short-Term Investments</b>	<b>390</b>	<b>383</b>
<b>Accounts Receivable</b>	<b>111</b>	<b>151</b>
<b>Inventories</b>	<b>275</b>	<b>282</b>
<b>Accounts Payable</b>	<b>55</b>	<b>60</b>
<b>Long-Term Debt</b>	<b>226</b>	<b>226</b>
<b>Cash Flow from Operations</b>	<b>25</b>	<b>8</b>
<b>Capital Expenditures</b>	<b>3</b>	<b>5</b>
<b>DSO (days)</b>	<b>60</b>	<b>86</b>
<b>DIO (days)</b>	<b>232</b>	<b>245</b>
<b>DPO (days)</b>	<b>48</b>	<b>54</b>

# Q2 & FY 2026 Outlook

	Q2 2026		FY 2026	
	GAAP	Non-GAAP	GAAP	Non-GAAP
<b>Revenue</b>	\$170M - \$190M	\$170M - \$190M	\$740M - \$800M	\$740M - \$800M
<b>Gross Margin</b>	37% - 39%	38% - 40%	40% - 42%	41% - 43%
<b>Operating Expenses</b>	\$62M - \$65M	\$52M - \$55M	\$244M - \$259M	\$205M - \$220M
<b>Net Income</b>	\$2M - \$10M	\$12M - \$21M	\$52M - \$73M	\$94M - \$115M
<b>Diluted Earnings Per Share</b>	\$0.02 - \$0.15	\$0.20 - \$0.32	\$0.83 - \$1.17	\$1.50 - \$1.85

# Q&A

# Backup & Financial Tables

# Historical Revenue by End-Market

\$M	2022		2023				2024					2025					2026	
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	
<b>Semi</b>	369.4	93.1	106.3	98.2	115.2	412.7	120.4	109.9	124.1	112.1	466.6	123.8	123.9	118.3	110.5	476.6	109.0	
<b>Compound Semi</b>	121.2	21.2	24.1	25.7	16.3	87.3	21.0	18.2	15.6	22.8	77.6	14.4	14.2	10.9	20.1	59.6	18.8	
<b>Data Storage</b>	87.5	21.5	13.9	34.0	19.1	88.5	18.0	34.0	32.8	14.1	98.9	6.7	12.4	10.0	10.2	39.2	10.2	
<b>Scientific &amp; Other</b>	68.0	17.7	17.4	19.6	23.4	78.0	15.1	13.8	12.4	33.0	74.2	22.4	15.7	26.7	24.2	88.9	20.3	
<b>Total</b>	646.1	153.5	161.6	177.4	173.9	666.4	174.5	175.9	184.8	182.1	717.3	167.3	166.1	165.9	165.0	664.3	158.3	

# 2029 Convertible Notes Outstanding

As of March 31, 2026

Convertible Notes Due June 2029	Principal Amount	Carrying Value	Coupon	Annual Cash Interest	Annual Non-Cash Interest	Initial Conversion Price
	230M	226M	2.875%	6.6M	1.1M	29.22

## Effect of Convertible Notes on Diluted EPS (GAAP and Non-GAAP)\*

Average Stock Price per Common Share	Incremental Dilutive Shares (in thousands)
\$29.00	-
\$30.00	205
\$35.00	1,300
\$40.00	2,121
\$45.00	2,760
\$50.00	3,271
\$55.00	3,689
\$60.00	4,037



\* The Company is required to settle the principal amount of the 2029 Convertible Notes in cash, and has the option to settle the excess above principal in any combination of cash or shares. As such, only "in-the-money" shares above the implied conversion price of \$29.22 are added to the diluted share count, and there is no interest expense add-back to the numerator for purposes of calculating diluted EPS.

# Note on Reconciliation Tables

These tables include financial measures adjusted for the impact of certain items; these financial measures are therefore not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). These Non-GAAP financial measures exclude items such as: share-based compensation expense; charges relating to restructuring initiatives; non-cash asset impairments; certain other non-operating gains and losses; and acquisition-related items such as transaction costs, non-cash amortization of acquired intangible assets, incremental transaction-related compensation, and certain integration costs.

These Non-GAAP financial measures may be different from Non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. By excluding these items, Non-GAAP financial measures are intended to facilitate meaningful comparisons to historical operating results, competitors' operating results, and estimates made by securities analysts. Management is evaluated on key performance metrics including Non-GAAP Operating Income, which is used to determine management incentive compensation as well as to forecast future periods.

These Non-GAAP financial measures may be useful to investors in allowing for greater transparency of supplemental information used by management in its financial and operational decision-making. In addition, similar Non-GAAP financial measures have historically been reported to investors; the inclusion of comparable numbers provides consistency in financial reporting. Investors are encouraged to review the reconciliation of the Non-GAAP financial measures used in this news release to their most directly comparable GAAP financial measures.

# Supplemental Information—GAAP to Non-GAAP Reconciliation

			\$ millions, except per share amounts		
\$ millions	<b>Q4 25</b>	<b>Q1 26</b>		<b>Q4 25</b>	<b>Q1 26</b>
Net sales	\$165.0	\$158.3	GAAP Basic weighted average shares	60.1	60.4
GAAP gross profit	60.5	55.8	GAAP Diluted weighted average shares	61.5	60.4
GAAP gross margin	36.7%	35.3%	GAAP Basic EPS	\$0.02	(\$0.01)
Add: Share-based comp	1.7	1.5	GAAP Diluted EPS	\$0.02	(\$0.01)
Non-GAAP gross profit	\$62.3	\$57.3	GAAP Net income (loss)	\$1.1	(\$0.3)
Non-GAAP gross margin	37.7%	36.2%	Add: Share-based comp	9.0	8.5
			Add: Amortization	0.7	0.7
			Add: Merger related expenses	6.3	2.0
			Add: Changes in contingent consideration	(0.9)	-
			Add: Non-cash interest expense	0.3	0.2
			Add: Tax adjustment from GAAP to Non-GAAP	(1.8)	(2.3)
			Non-GAAP net income	14.7	8.9
			Non-GAAP basic EPS	\$0.24	\$0.15
			Non-GAAP diluted EPS	\$0.24	\$0.14
			Non-GAAP basic weighted average shares	60.1	60.4
			Non-GAAP diluted weighted average shares	61.5	61.9
\$ millions	<b>Q4 25</b>	<b>Q1 26</b>	\$ millions	<b>Q4 25</b>	<b>Q1 26</b>
GAAP Net income (loss)	\$1.1	(\$0.3)	GAAP operating expenses	\$61.9	\$58.5
Add: Share-based comp	9.0	8.5	Share-based compensation	(7.3)	(7.0)
Add: Amortization	0.7	0.7	Amortization	(0.7)	(0.7)
Add: Merger related expenses	6.3	2.0	Merger related expenses	(6.3)	(2.0)
Add: Changes in contingent consideration	(0.9)	-	Changes in contingent consideration and other	0.9	-
Add: Interest expense (income)	(1.3)	(1.2)	Non-GAAP operating expenses	\$48.5	\$48.8
Add: Tax expense (benefit)	(1.2)	(1.2)			
Non-GAAP operating income	\$13.8	\$8.6			

Amounts may not calculate precisely due to rounding.

# Q1 2026 Actual: GAAP to Non-GAAP Reconciliation

\$ millions	Non-GAAP Adjustments				Non-GAAP
	GAAP	Share-Based Compensation	Amortization	Other	
Net Sales	\$158.3				\$158.3
Gross Profit	55.8	1.5	—	—	57.3
Gross Margin	35.3%				36.2%
Operating Expenses	\$58.5	(7.0)	(0.7)	(2.0)	\$48.8
Operating Income (Loss)	(\$2.7)	8.5	0.7	2.0	\$8.6
Net Income (Loss)	(\$0.3)	8.5	0.7	0.0	\$8.9

Other Non-GAAP Adjustments	
Merger related expenses	2.0
Subtotal	2.0
Non-cash Interest Expense	0.2
Non-GAAP tax adjustment	(2.3)
Total Other	\$0.0

Income per Diluted Common Share		
	GAAP	Non-GAAP
Net Income (Loss) available to common shareholders	(\$0.3)	\$8.9
Basic weighted average common shares	60.4	60.4
Add: Dilutive effect of share-based awards	—	0.8
Add: Dilutive effect of 2029 Convertible Senior Notes	—	0.6
Diluted weighted average common shares	60.4	61.9
Basic income (loss) per common share	(\$0.01)	\$0.15
Diluted income (loss) per common share	(\$0.01)	\$0.14

Amounts may not calculate precisely due to rounding.



# Q2 2026 Guidance

(\$ millions, except per share amounts)

Reconciliation of GAAP to non-GAAP Financial Data					
	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net Sales	\$170-\$190				\$170-\$190
Gross Profit	63-74	2	—	—	65-76
Gross Margin	37%-39%				38%-40%
Operating Expenses	\$62-\$65	(7)	(1)	(2)	\$52-\$55
Operating Income	\$1-\$10	9	1	2	\$13-\$22
Net Income	\$2-\$10	9	1	1	\$12-\$21
Income per Diluted Share	\$0.02-\$0.15				\$0.20-\$0.32

Reconciliation of GAAP Net Income to non-GAAP Operating Income	
GAAP Net Income	\$2-\$10
Share-Based Compensation	9
Amortization	1
Merger related expenses	2
Interest expense (income)	(1)
Income tax expense (benefit)	1
Non-GAAP Operating Income	\$13-\$22

Income per Diluted Common Share		
	GAAP	Non-GAAP
Net income available to common shareholders	\$2-\$10	\$12-\$21
Basic weighted average common shares	61	61
Add: Dilutive effect of share-based awards	1	1
Add: Dilutive effect of 2029 Convertible Senior Notes	2	2
Diluted weighted average common shares	64	64
Income per diluted common share	\$0.02-\$0.15	\$0.20-\$0.32

Amounts may not calculate precisely due to rounding.



# FY 2026 Guidance

(\$ millions, except per share amounts)

	Reconciliation of GAAP to non-GAAP Financial Data				
	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net Sales	\$740-\$800				\$740-\$800
Gross Profit	298-338	8	—	—	306-346
Gross Margin	40%-42%				41%-43%
Operating Expenses	\$244-\$259	(31)	(2)	(6)	\$205-\$220
Operating Income	\$54-\$79	39	2	6	\$101-\$126
Net Income	\$52-\$73	39	2	1	\$94-\$115
Income per Diluted Share	\$0.83-\$1.17				\$1.50-\$1.85

Reconciliation of GAAP Net Income to non-GAAP Operating Income	
GAAP Net Income	\$52-\$73
Share-Based Compensation	39
Amortization	2
Merger related expenses	6
Interest expense (income)	(4)
Income tax expense (benefit)	7-10
Non-GAAP Operating Income	\$101-\$126

Income per Diluted Common Share		
	GAAP	Non-GAAP
Net income available to common shareholders	\$52-\$73	\$94-\$115
Basic weighted average common shares	61	61
Add: Dilutive effect of share-based awards	1	1
Add: Dilutive effect of 2029 Convertible Senior Notes	1	1
Diluted weighted average common shares	63	63
Income per diluted common share	\$0.83-\$1.17	\$1.50-\$1.85

Amounts may not calculate precisely due to rounding.

