

Veeco Instruments

Q1 2025 Financial
Results Conference Call

May 7th, 2025



Safe Harbor



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, 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; 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: 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; the level of demand for our products; global economic and industry conditions; global conflicts; 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; our ability to achieve the objectives of operational and strategic initiatives and attract, motivate and retain key employees; 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.

CEO Overview

Bill Miller, Ph.D.



Q1 2025 Highlights

- Revenue above mid-point of guidance, EPS above guidance
- Another strong quarter for Semi business, grows sequentially and year-over-year
 - Growth driven by wet processing and lithography system shipments in Advanced Packaging
 - Shipped several LSA systems for Gate-all-around (GAA) and High-Bandwidth-Memory (HBM)
- Several key wins reflecting progress on long-term strategy
 - Awarded Intel's 2025 EPIC Supplier Award
 - LSA system orders for GAA and HBM
 - LSA system named Production Tool of Record at two leading-edge customers for new applications
 - Wet processing system qualified at IDM for two new applications

Strong quarter from Semiconductor business and several key strategic wins

Revenue

\$167M

Non-GAAP
Operating Income

\$24M

Diluted
Non-GAAP EPS

0.37¢

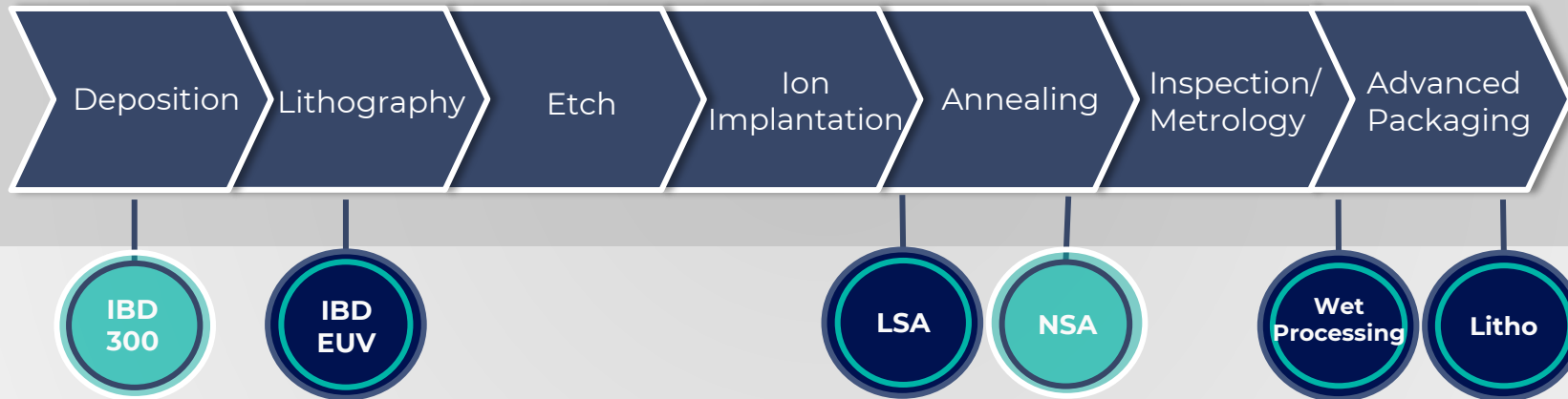


Veeco Role in the Semi Manufacturing

Representative Process Steps

FRONT END

BACK END



Veeco technologies are critical for several Semi manufacturing process steps






IBD – Ion Beam Deposition
EUV – Extreme ultraviolet

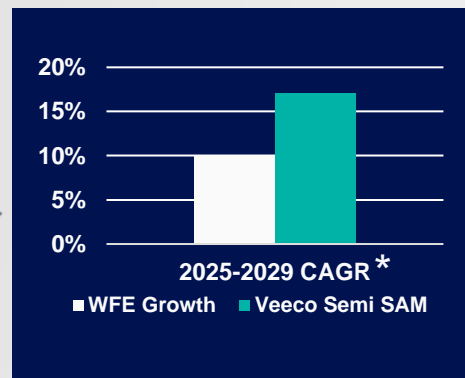
LSA- Laser Spike Annealing
NSA – Nanosecond Annealing

● Driving business today

● New products

Semi SAM Expansion To Drive Outperformance

Markets	Industry Inflections	Enabling Technologies
Advanced Logic	GAA/BSPD	 LSA  NSA  IBD 300  IBD EUV
	Device Shrink - EUV/High NA Lithography	
Memory	HBM/3D Devices	 Wet Processing
Advanced Packaging	3D Packaging For AI	
	Heterogeneous Integration	



Enabling technologies for industry inflections provide opportunity to outperform WFE growth

*WFE CAGR based on Tech Insights Long-Term Semiconductor, Silicon, and Equipment forecast, Veeco Semi SAM CAGR based on TrendFocus, Gartner, Yole Group and internal analysis.

BSPD – Backside Power Delivery



Semi Evaluations Capture Industry Inflections

System	Tier 1 Customer	Tools at Customer	Forecasted Revenue Per Application Win 100K wspm*
LSA	Logic	1	\$40-50M
	Memory	0	\$40-50M
NSA	Logic	2	\$50-60M
	Memory	0	\$40-50M
IBD300	Logic	0	\$50-60M
	Memory	2	\$30-40M

*Evaluations typically compete to win several applications. The number of applications under evaluation will vary by system, customer, and market.

Increase in evaluations to enable penetration of key SAM growth opportunities

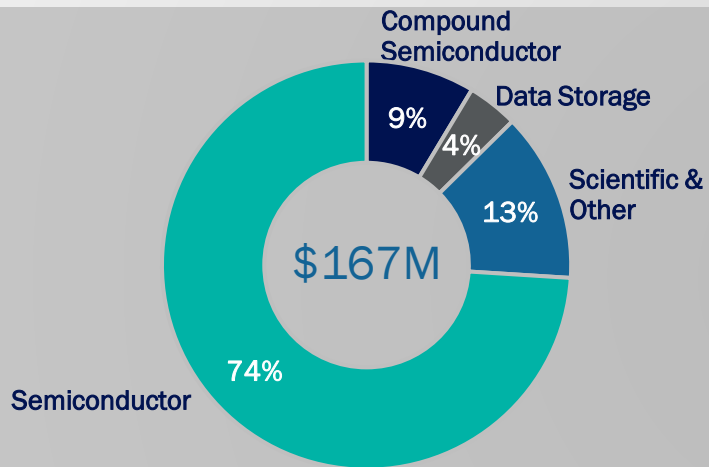
CFO Financial Overview

John Kiernan

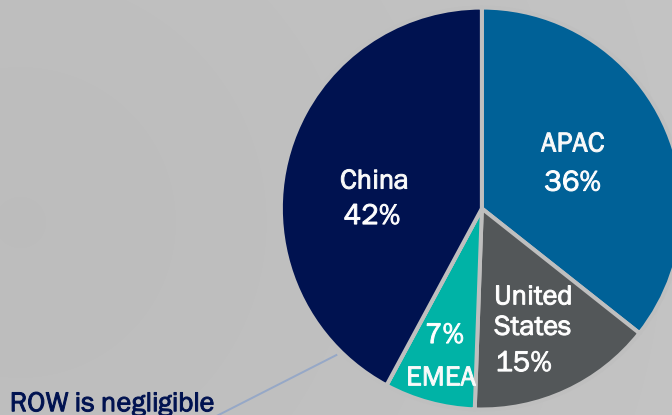


Q1 Revenue by Market & Region

Revenue by Market



Revenue by Region



ROW is negligible

Revenue Trend (\$M)	Q1 24	Q4 24	Q1 25
Semiconductor	120	112	124
Compound Semi	21	23	14
Data Storage	18	14	7
Scientific & Other	15	33	22
Total	174	182	167

Revenue Trend (\$M)	Q1 24	Q4 24	Q1 25
China	64	71	71
APAC	73	56	60
USA	28	35	24
EMEA & ROW	8	20	12
Total	174	182	167

Amounts may not calculate precisely due to rounding.

Q1 Operating Results

In millions (except per share amounts)	GAAP		Non-GAAP	
	Q4 24	Q1 25	Q4 24	Q1 25
Revenue	\$182.1	\$167.3	\$182.1	\$167.3
Gross Profit	74.0	68.5	75.5	69.8
Gross Margin	40.6%	40.9%	41.5%	41.7%
Operating Expenses	70.1	54.3	48.1	45.5
Operating Income	3.9	14.2	27.4	24.3
Net Income	15.0	11.9	24.2	22.2
Diluted Earnings Per Share	0.26	0.20	0.41	0.37
Diluted Shares	60.5	60.2	60.1	60.0



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 24	Q1 25
Cash & Short-Term Investments	345	353
Accounts Receivable	97	114
Inventories	247	254
Accounts Payable	44	58
Cash Flow from Operations	28	20
Capital Expenditures	5	7
DSO (days)	48	62
DIO (days)	203	228
DPO (days)	37	53



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Q2 2025 Outlook

	GAAP	Non-GAAP
Revenue	\$135M - \$165M	\$135M - \$165M
Gross Margin	39%-41%	40%-42%
Operating Expenses	\$57M - \$58M	\$47M - \$48M
Net Income	\$(3M) - \$10M	\$7M - \$20M
Diluted Earnings Per Share	\$(0.05) - \$0.17	\$0.12 - \$0.32



A reconciliation of GAAP to Non-GAAP financial measures can be found in the backup section of this presentation.

Q&A



Backup & Financial Tables



Historical Revenue by End-Market



\$M	2021	2022					2023					2024				2025	
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Semi	247.1	77.6	97.5	100.4	93.8	369.4	93.1	106.3	98.2	115.2	412.7	120.4	109.9	124.1	112.1	466.6	123.8
Compound Semi	107.0	37.1	31.1	28.1	24.9	121.2	21.2	24.1	25.7	16.3	87.3	21.0	18.2	15.6	22.8	77.6	14.4
Data Storage	168.8	21.6	21.5	27.7	16.7	87.5	21.5	13.9	34.0	19.1	88.5	18.0	34.0	32.8	14.1	98.9	6.7
Scientific & Other	60.5	20.1	13.8	15.7	18.4	68.0	17.7	17.4	19.6	23.4	78.0	15.1	13.8	12.4	33.0	74.2	22.4
Total	583.3	156.4	164.0	171.9	153.8	646.1	153.5	161.6	177.4	173.9	666.4	174.5	175.9	184.8	182.1	717.3	167.3

Amounts may not calculate precisely due to rounding.

Convertible Notes – Outstanding

As of March 31, 2025

Convertible Notes	Principal Amount	Carrying Value	Coupon	Annual Cash Interest	Annual Non-Cash Interest	Initial Conversion Price
Convertible Notes Due June 2027	25M	25M	3.75%	0.9M	0.1M	18.46*
Convertible Notes Due June 2029	230M	225M	2.875%	6.6M	1.1M	29.22
Total Convertible Notes	\$255M	\$250M	2.96%**	\$7.5M	\$1.2M	\$28.17**

* Conversion price for 2027 Convertible Notes includes the effect of the Capped Call transaction

**Weighted average



Effect of Convertible Notes on Diluted EPS (Effective Q1 2025)

2027 Convertible Notes

Quarterly					
GAAP			Non-GAAP*		
EPS threshold before effect of Notes	Reduction to Interest expense for EPS calculation (In thousands)	Incremental Dilutive Shares** (In thousands)	EPS threshold before effect of Notes	Reduction to Interest expense for EPS calculation (In thousands)	Incremental Dilutive Shares** (In thousands)
> \$0.14	\$257	1,788	> \$0.17	\$234	1,354

Annual					
GAAP			Non-GAAP*		
EPS threshold before effect of Notes	Reduction to Interest expense for EPS calculation (In thousands)	Incremental Dilutive Shares** (In thousands)	EPS threshold before effect of Notes	Reduction to Interest expense for EPS calculation (In thousands)	Incremental Dilutive Shares** (In thousands)
≥ \$0.57	\$1,100	1,788	≥ \$0.69	\$1,000	1,354

2029 Convertible Notes (GAAP and Non-GAAP)**

Average Stock Price per Common Share	Incremental Dilutive Shares (in thousands)
\$29.00	-
\$30.00	205
\$31.00	452
\$32.00	684
\$33.00	902
\$34.00	1,106
\$35.00	1,300
\$36.00	1,482
\$37.00	1,655
\$38.00	1,818
\$39.00	1,974
\$40.00	2,121
\$41.00	2,261
\$42.00	2,395
\$43.00	2,522
\$44.00	2,644
\$45.00	2,760

Based upon current 2027 Convertible Notes outstanding. The above calculations are intended to be estimates only, and reflect the use of the if-converted method for diluted EPS purposes. The EPS thresholds mentioned above represent various ranges at which some of our Convertible Notes may become dilutive. No shares are added for dilution purposes if the addition of such shares (and reduced interest expense) would be anti-dilutive.

* The non-GAAP incremental dilutive shares includes the impact of the Company's capped call transactions issued concurrently with our 2027 Convertible Notes, and assumes an average per share stock price above \$18.46.

** 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		Q4 24	Q1 25
\$ millions	Q4 24	Q1 25		
Net sales	\$182.1	\$167.3		
GAAP gross profit	74.0	68.5		
GAAP gross margin	40.6%	40.9%		
Add: Share-based comp	1.5	1.3		
Non-GAAP gross profit	\$75.5	\$69.8		
Non-GAAP gross margin	41.5%	41.7%		
In millions	Q4 24	Q1 25		
GAAP Net income	\$15.0	\$11.9		
Add: Share-based comp	9.1	9.2		
Add: Amortization	1.6	0.8		
Add: Asset impairment	28.1	-		
Add: Changes in contingent consideration	(16.5)	-		
Add: Other	1.2	0.1		
Add: Interest expense (income)	(0.5)	(0.8)		
Add: Tax expense (benefit)	(10.6)	3.0		
Non-GAAP operating income	\$27.4	\$24.3		
	\$ millions, except per share amounts		Q4 24	Q1 25
GAAP Basic weighted average shares			56.5	57.8
GAAP Diluted weighted average shares			60.5	60.2
GAAP Basic EPS			\$0.26	\$0.21
GAAP Diluted EPS			\$0.26	\$0.20
GAAP Net income			\$15.0	\$11.9
Add: Share-based comp			9.1	9.2
Add: Amortization			1.6	0.8
Add: Asset impairment			28.1	-
Add: Changes in contingent consideration			(16.5)	-
Add: Other			1.2	0.1
Add: Non-cash interest expense			0.3	0.3
Add: Tax benefit associated with asset impairments			(12.2)	-
Add: Tax adjustment from GAAP to Non-GAAP			(2.4)	(0.1)
Non-GAAP net income			24.2	22.2
Non-GAAP basic EPS			\$0.43	\$0.38
Non-GAAP diluted EPS			\$0.41	\$0.37
Non-GAAP basic weighted average shares			56.5	57.8
Non-GAAP diluted weighted average shares			60.1	60.0
In millions	Q4 24	Q1 25		
GAAP operating expenses	\$70.1	\$54.3		
Share-based compensation	(7.6)	(7.9)		
Amortization	(1.6)	(0.8)		
Other	(12.9)	(0.1)		
Non-GAAP operating expenses	\$48.1	\$45.5		

Amounts may not calculate precisely due to rounding.

Q1 2025 Actual: GAAP to Non-GAAP Reconciliation

\$ millions	Non-GAAP Adjustments				Non-GAAP
	GAAP	Share-Based Compensation	Amortization	Other	
Net Sales	\$167.3				\$167.3
Gross Profit	68.5	1.3	—	—	69.8
Gross Margin	40.9%				41.7%
Operating Expenses	\$54.3	(7.9)	(0.8)	(0.1)	\$45.5
Operating Income	\$14.1	9.2	0.8	0.1	\$24.3
Net Income	\$11.9	9.2	0.8	0.2	\$22.2

Other Non-GAAP Adjustments

Other	0.1
Subtotal	0.1
Non-cash Interest Expense	0.3
Non-GAAP tax adjustment	(0.1)
Total Other	\$0.2

Income per Diluted Common Share

	GAAP	Non-GAAP
Net Income	\$11.9	\$22.2
Add: Interest on Convertible Senior Notes	0.3	0.3
Net income available to common shareholders	12.2	22.5
Basic weighted average common shares	57.8	57.8
Add: Dilutive effect of share-based awards	0.7	0.7
Add: Dilutive effect of 2025 Convertible Senior Notes	-	0.2
Add: Dilutive effect of 2027 Convertible Senior Notes	1.8	1.4
Diluted weighted average common shares	60.2	60.0
Basic income per common share	\$0.21	\$0.38
Diluted income per common share	\$0.20	\$0.37

Amounts may not calculate precisely due to rounding.

Q2 2025 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	\$135–\$165				\$135–\$165
Gross Profit	54–69	1	—	—	55–70
Gross Margin	39%–41%				40%–42%
Operating Expenses	\$57–\$58	(9)	(1)	—	\$47–\$48
Operating Income (loss)	(\$3)–\$11	10	1	—	\$8–\$22
Net Income (loss)	(\$3)–\$10	10	1	(1)	\$7–\$20
Income (loss) per Diluted Share	(\$0.05)–\$0.17				\$0.12–\$0.32

Reconciliation of GAAP Net Income to non-GAAP Operating Income	
GAAP Net Income (loss)	(\$3)–\$10
Share-Based Compensation	10
Amortization	1
Interest income	(1)
Income tax expense	0-1
Non-GAAP Operating Income	\$8–\$22

Income per Diluted Common Share		
	GAAP	Non-GAAP
Net income (loss) available to common shareholders	(\$3)–\$10	\$7–\$20
Basic weighted average common shares	58	58
Add: Dilutive effect of share-based awards	0-1	1-1
Add: Dilutive effect of 2027 Convertible Senior Notes	0-2	0-1
Diluted weighted average common shares	58-61	59-61
Income per diluted common share	(\$0.05)-\$0.17	\$0.12-\$0.32

Amounts may not calculate precisely due to rounding.