# Investor Fact Sheet

Q4 2014
2/17/2015

## 2014: Solid Execution in a Transition Year

### Improved Financial Performance

**Revenue up 18%**
**Bookings up 54%**

**Achieved EBITDA Profitability**

**Gross Margin up 3 percentage points**

**Successful Cost Reduction and Site Consolidation Activities**

**Generated $42M in Cash from Operations**

### New Product Wins

**EPIK700™ MOCVD Gained Traction in Multiple Regions**

**Secured Sizeable Q4 Orders in Data Storage**

**Propel™ Launched for new opportunity in GaN Power**

**GENxplor® MBE Captures Research Market Share**

## Acquired SSEC – Now Veeco Precision Surface Processing…New Trajectory for Revenue & Profit Growth

## PSP: Great Fit to Support our Growth in 2015, Beyond

| Increased Access to High Growth Markets | Complimentary Differentiated Technology | Synergistic Combination to Drive Growth & Profitability |
|---|---|---|
| 1  | 2  | 3 ANADIGICS, San'an, Avago Technologies, Cree, Epcos, Epistar, Nichia, Philips Lumileds, tsmc, Skyworks, Raytheon, Micron, rfmd, Seoul Semiconductor, ON Semiconductor, TriQuint Semiconductor |
| Extends Compound Semi and MEMS Footprint<br>Stepping Stone to Advanced Packaging Market | Soak and Spray” Technology enables Single Wafer Control with Low Cost of Batch Processing<br>Highly Configurable Platform Serves Multiple Applications and Wafer Sizes | Significant Overlap in Business Opportunities<br>Working to Accelerate Growth for a Robust, Highly Profitable Business |


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## Fourth Quarter 2014 Highlights

**Orders up >80% sequentially to $196M**

**Revenue grows 22% sequentially to $114M**

**Cash and Short Term Investments $392M**

## Q1 2015 Guidance

| | GAAP | Non-GAAP |
|---|---|---|
| Revenue | $92M - $100M | $92M - $100M |
| Gross Margins | 33% - 35% | 36% - 38% |
| OPEX | $52M - $54M | $37M - $39M |
| Adjusted EBITDA | N/A | $0M - $2M |
| EPS | ($0.59) - ($0.53) | ($0.13) – ($0.07) |

**Q1 2015 Deferred Revenue >$25M (new EPIK700 Systems)**

## Q4 2014 Bookings and Revenue Highlights

### Bookings

| $M | Q4 13 | Q1 14 | Q2 14 | Q3 14 | Q4 14 |
|---|---|---|---|---|---|
| MOCVD | 52 | 83 | 75 | 81 | 142 |
| MBE | 11 | 4 | 6 | 9 | 5 |
| PSP | NA | NA | NA | NA | 3 |
| ALD | 0 | 0 | 0 | 3 | 0 |
| Data Storage | 22 | 15 | 23 | 14 | 45 |
| **Total** | **85** | **103** | **104** | **107** | **196** |

### Revenue

| $M | Q4 13 | Q1 14 | Q2 14 | Q3 14 | Q4 14 |
|---|---|---|---|---|---|
| MOCVD | 50 | 64 | 67 | 71 | 78 |
| MBE | 6 | 7 | 10 | 6 | 5 |
| PSP | NA | NA | NA | NA | 8 |
| ALD | 0 | 0 | 0 | 0 | 0 |
| Data Storage | 16 | 20 | 18 | 16 | 23 |
| **Total** | **73** | **91** | **95** | **93** | **114** |

## Veeco's Outlook: A Better 2015

| | |
|---|---|
| **Existing and New Market Opportunities Drive Revenue Growth** | **LED, Power Electronics & Mobility** |
| **Focus on Differentiated Products & Lower Manufacturing Costs** | **Targeting Gross Margins >40%** |
| **Continued Bottom Line Improvement** | **Expect EBITDA Profitability Every Quarter of 2015** |

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