



VEECO REPORTS FIRST QUARTER 2025 FINANCIAL RESULTS

First Quarter 2025 Highlights:

- Revenue of \$167.3 million, compared with \$174.5 million in the same period last year
- GAAP net income of \$11.9 million, or \$0.20 per diluted share, compared with \$21.9 million, or \$0.37 per diluted share in the same period last year
- Non-GAAP net income of \$22.2 million, or \$0.37 per diluted share, compared with \$26.4 million, or \$0.45 per diluted share in the same period last year

Plainview, N.Y., May 7, 2025 -- Veeco Instruments Inc. (Nasdaq: VECO) today announced financial results for its first quarter ended March 31, 2025. Results are reported in accordance with U.S. generally accepted accounting principles ("GAAP") and are also reported adjusting for certain items ("Non-GAAP"). A reconciliation between GAAP and Non-GAAP operating results is provided at the end of this press release.

U.S. Dollars in millions, except per share data		
GAAP Results		
	Q1 '25	Q1 '24
Revenue	\$ 167.3	\$ 174.5
Net income	\$ 11.9	\$ 21.9
Diluted earnings per share	\$ 0.20	\$ 0.37
Non-GAAP Results		
	Q1 '25	Q1 '24
Operating income	\$ 24.3	\$ 29.4
Net income	\$ 22.2	\$ 26.4
Diluted earnings per share	\$ 0.37	\$ 0.45

"Veeco delivered solid results during the first quarter, including sequential and year-over-year growth in our Semiconductor business driven by growth in Advanced Packaging," commented Bill Miller, Ph.D., Veeco's Chief Executive Officer. "In addition, Veeco shared several exciting announcements, including receipt of Intel's 2025 EPIC supplier award, new application wins in Laser Annealing, and new application wins in Wet Processing. Each reflect our continued execution and confidence our long-term strategy can generate value for shareholders in the coming years."

Guidance and Outlook

The following guidance is provided for Veeco's second quarter 2025:

- Revenue is expected in the range of \$135 million to \$165 million
- GAAP diluted earnings (loss) per share are expected in the range of (\$0.05) to \$0.17
- Non-GAAP diluted earnings per share are expected in the range of \$0.12 to \$0.32

Conference Call Information

A conference call reviewing these results has been scheduled for today, May 7, 2025 starting at 5:00pm ET. To join the call, dial 1-877-407-8029 (toll-free) or 1-201-689-8029. Participants may also access a live webcast of the call by visiting the investor relations section of Veeco's website at ir.veeco.com. A replay of the webcast will be made available on the Veeco website that evening. **We will post an accompanying slide presentation to our website prior to the beginning of the call.**

About Veeco

Veeco (NASDAQ: VECO) is an innovative manufacturer of semiconductor process equipment. Our laser annealing, ion beam, single wafer etch & clean, lithography, and metal organic chemical vapor deposition (MOCVD) technologies play an integral role in the fabrication and packaging of advanced semiconductor devices. With equipment designed to optimize performance, yield and cost of ownership, Veeco holds leading technology positions in the markets we serve. To learn more about Veeco's systems and service offerings, visit www.veeco.com.

Forward-looking Statements

This press release 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: the level of demand for our products; global economic and industry conditions; global trade issues, including 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; our ability to obtain and protect 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 press release or, in the case of any document referenced herein or incorporated by reference, the date of that document. 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 press release.

-financial tables attached-

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Veeco Instruments Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three months ended March 31,	
	2025	2024
Net sales	\$ 167,292	\$ 174,484
Cost of sales	98,825	99,065
Gross profit	68,467	75,419
Operating expenses, net:		
Research and development	28,514	29,642
Selling, general, and administrative	25,028	24,700
Amortization of intangible assets	821	1,891
Other operating expense (income), net	(44)	(2,859)
Total operating expenses, net	54,319	53,374
Operating income	14,148	22,045
Interest income (expense), net	836	705
Income (loss) before income taxes	14,984	22,750
Income tax expense (benefit)	3,037	896
Net income	\$ 11,947	\$ 21,854
Income per common share:		
Basic	\$ 0.21	\$ 0.39
Diluted	\$ 0.20	\$ 0.37
Weighted average number of shares:		
Basic	57,753	55,968
Diluted	60,234	60,764

Veeco Instruments Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2025 (unaudited)	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 174,898	\$ 145,595
Restricted cash	169	224
Short-term investments	178,395	198,719
Accounts receivable, net	114,368	96,834
Contract assets	33,586	37,109
Inventories	254,051	246,735
Prepaid expenses and other current assets	39,338	39,316
Total current assets	794,805	764,532
Property, plant and equipment, net	113,787	113,789
Operating lease right-of-use assets	25,991	26,503
Intangible assets, net	8,010	8,832
Goodwill	214,964	214,964
Deferred income taxes	118,567	120,191
Other assets	2,700	2,766
Total assets	\$ 1,278,824	\$ 1,251,577
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 57,845	\$ 43,519
Accrued expenses and other current liabilities	62,257	55,195
Contract liabilities	57,211	64,986
Income taxes payable	1,546	2,086
Current portion of long-term debt	—	26,496
Total current liabilities	178,859	192,282
Deferred income taxes	663	689
Long-term debt	249,955	249,702
Long-term operating lease liabilities	33,694	34,318
Other liabilities	3,795	3,816
Total liabilities	466,966	480,807
Total stockholders' equity	811,858	770,770
Total liabilities and stockholders' equity	\$ 1,278,824	\$ 1,251,577

Note on Reconciliation Tables

The below 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, 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 (loss), 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.

Reconciliation of GAAP to Non-GAAP Financial Data (Q1 2025)

(in thousands)

(unaudited)

Three months ended March 31, 2025	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net sales	\$ 167,292				\$ 167,292
Gross profit	68,467	1,343			69,810
Gross margin	40.9 %				41.7 %
Operating expenses	54,319	(7,865)	(821)	(99)	45,534
Operating income	14,148	9,208	821	99 ^	24,276
Net income	11,947	9,208	821	231 ^	22,207

^ - See table below for additional details.

Other Non-GAAP Adjustments (Q1 2025)

(in thousands)

(unaudited)

Three months ended March 31, 2025	
Other	\$ 99
Subtotal	99
Non-cash interest expense	257
Non-GAAP tax adjustment *	(125)
Total Other	\$ 231

* - The 'with or without' method is utilized to determine the income tax effect of all Non-GAAP adjustments.

Net Income per Common Share (Q1 2025)

(in thousands, except per share amounts)

(unaudited)

	Three months ended March 31, 2025	
	GAAP	Non-GAAP
Numerator:		
Net income	\$ 11,947	\$ 22,207
Interest expense associated with 2025 and 2027 Convertible Senior Notes	253	273
Net income available to common shareholders	\$ 12,200	\$ 22,480
Denominator:		
Basic weighted average shares outstanding	57,753	57,753
Effect of potentially dilutive share-based awards	693	693
Dilutive effect of 2025 Convertible Senior Notes	—	174
Dilutive effect of 2027 Convertible Senior Notes ⁽¹⁾	1,788	1,354
Diluted weighted average shares outstanding	60,234	59,974
Net income per common share:		
Basic	\$ 0.21	\$ 0.38
Diluted	\$ 0.20	\$ 0.37

⁽¹⁾ - The non-GAAP incremental dilutive shares includes the impact of the Company's capped call transaction issued concurrently with our 2027 Notes, and as such, an effective conversion price of \$18.46 is used when determining incremental shares to add to the dilutive share count. The GAAP incremental dilutive shares does not include the impact of the Company's capped call transaction, and as such, an effective conversion price of \$13.98 is used when determining incremental shares to add to the dilutive share count.

Reconciliation of GAAP to Non-GAAP Financial Data (Q1 2024)

(in thousands)

(unaudited)

Three months ended March 31, 2024	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-based Compensation	Amortization	Other	
Net sales	\$ 174,484				\$ 174,484
Gross profit	75,419	1,730			77,149
Gross margin	43.2 %				44.2 %
Operating expenses	53,374	(6,352)	(1,891)	2,658	47,789
Operating income	22,045	8,082	1,891	(2,658)^	29,360
Net income	21,854	8,082	1,891	(5,384)^	26,443

^ - See table below for additional details.

Other Non-GAAP Adjustments (Q1 2024)

(in thousands)

(unaudited)

Three months ended March 31, 2024	
Changes in contingent consideration	\$ (625)
Sale of productive assets	(2,033)
Subtotal	(2,658)
Non-cash interest expense	296
Non-GAAP tax adjustment *	(3,022)
Total Other	\$ (5,384)

* - The 'with or without' method is utilized to determine the income tax effect of all Non-GAAP adjustments.

Net Income per Common Share (Q1 2024)

(in thousands, except per share amounts)

(unaudited)

	Three months ended March 31, 2024	
	GAAP	Non-GAAP
Numerator:		
Net income	\$ 21,854	\$ 26,443
Interest expense associated with 2025 and 2027 Convertible Senior Notes	514	466
Net income available to common shareholders	\$ 22,368	\$ 26,909
Denominator:		
Basic weighted average shares outstanding	55,968	55,968
Effect of potentially dilutive share-based awards	939	939
Dilutive effect of 2025 Convertible Senior Notes	1,104	1,104
Dilutive effect of 2027 Convertible Senior Notes ⁽¹⁾	1,788	1,354
Dilutive effect of 2029 Convertible Senior Notes	965	965
Diluted weighted average shares outstanding	60,764	60,330
Net income per common share:		
Basic	\$ 0.39	\$ 0.47
Diluted	\$ 0.37	\$ 0.45

(1) - The non-GAAP incremental dilutive shares includes the impact of the Company's capped call transaction issued concurrently with our 2027 Notes, and as such, an effective conversion price of \$18.46 is used when determining incremental shares to add to the dilutive share count. The GAAP incremental dilutive shares does not include the impact of the Company's capped call transaction, and as such, an effective conversion price of \$13.98 is used when determining incremental shares to add to the dilutive share count.

Reconciliation of GAAP Net Income to Non-GAAP Operating Income (Q1 2025 and 2024)

(in thousands)

(unaudited)

	Three months ended March 31, 2025	Three months ended March 31, 2024
GAAP Net income	\$ 11,947	\$ 21,854
Share-based compensation	9,208	8,082
Amortization	821	1,891
Sale of productive assets	—	(2,033)
Changes in contingent consideration	—	(625)
Interest (income) expense, net	(836)	(705)
Other	99	—
Income tax expense (benefit)	3,037	896
Non-GAAP Operating income	<u>\$ 24,276</u>	<u>\$ 29,360</u>

Reconciliation of GAAP to Non-GAAP Financial Data (Q2 2025)

(in millions, except per share amounts)

(unaudited)

Guidance for the three months ending June 30, 2025				Non-GAAP Adjustments					
	GAAP			Share-based Compensation	Amortization	Other	Non-GAAP		
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 common share	\$ (0.05)	-	\$ 0.17				\$ 0.12	-	\$ 0.32

Income per Diluted Common Share (Q2 2025)

(in millions, except per share amounts)

(unaudited)

Guidance for the three months ending June 30, 2025	GAAP				Non-GAAP					
Numerator:										
Net income (loss) available to common shareholders	\$	(3)	-	\$	10	\$	7	-	\$	20
Denominator:										
Basic weighted average shares outstanding		58			58		58			58
Effect of potentially dilutive share-based awards		—			1		1			1
Dilutive effect of 2027 Convertible Senior Notes ⁽¹⁾		—			2		—			1
Diluted weighted average shares outstanding		58			61		59			61
Net income per common share:										
Income (loss) per diluted common share	\$	(0.05)	-	\$	0.17	\$	0.12	-	\$	0.32

⁽¹⁾ - The non-GAAP incremental dilutive shares includes the impact of the Company's capped call transaction issued concurrently with our 2027 Notes, and as such, an effective conversion price of \$18.46 is used when determining incremental shares to add to the dilutive share count. The GAAP incremental dilutive shares does not include the impact of the Company's capped call transaction, and as such, an effective conversion price of \$13.98 is used when determining incremental shares to add to the dilutive share count.

Reconciliation of GAAP Net Income to Non-GAAP Operating Income (Q2 2025)

(in millions)

(unaudited)

Guidance for the three months ending June 30, 2025				
GAAP Net income (loss)	\$	(3)	-	\$ 10
Share-based compensation		10	-	10
Amortization		1	-	1
Interest income, net		(1)	-	(1)
Income tax expense (benefit)		—	-	1
Non-GAAP Operating income	\$	8	-	\$ 22

Note: Amounts may not calculate precisely due to rounding.