Veeco Instruments

Q2 2025 Financial Results Conference Call

August 6th, 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.

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Q2 2025 Highlights

- **Revenue, Non-GAAP Operating Income, and Non-GAAP EPS all above high-end of guidance**

- **Strong quarter for Semi business in key areas:**
  - Wet processing and lithography systems for Advanced Packaging systems from AI demand
  - Ion Beam Deposition EUV systems for mask blanks
  - Laser Spike Annealing systems for Gate-all-around and High-Bandwidth Memory

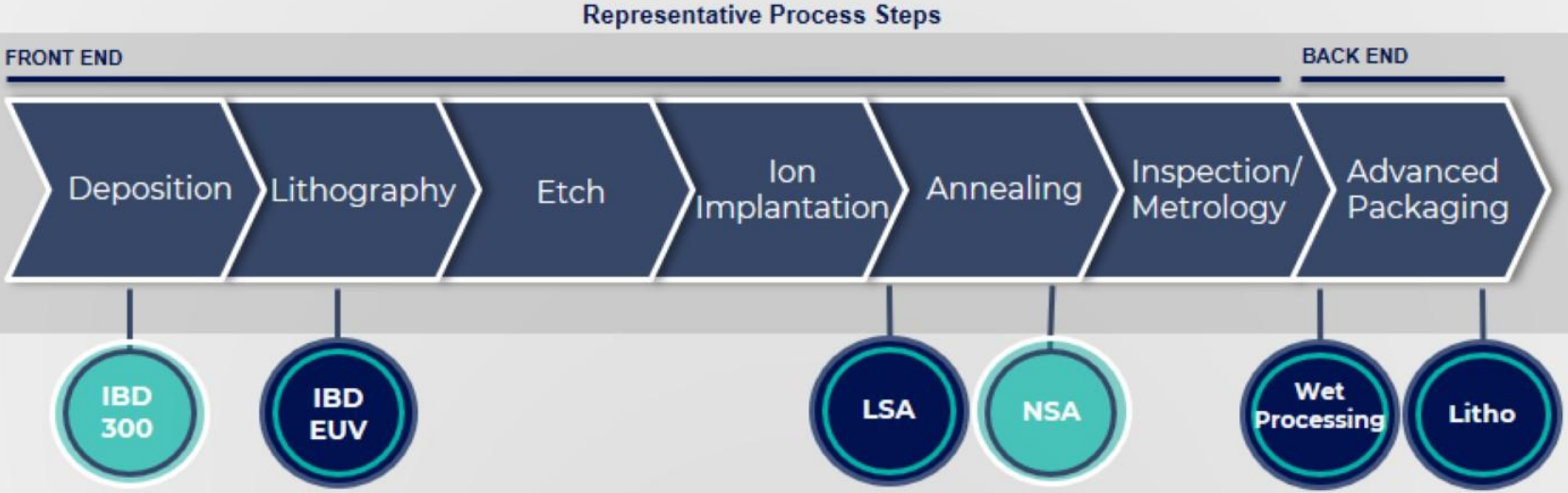
Revenue
$166M

Non-GAAP Operating Income
$23M

Non-GAAP EPS
0.36¢

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Veeco Role in the Semi Manufacturing



Veeco Technologies are Critical for Several Semi Manufacturing Process Steps

IBD: Ion Beam Deposition LSA: Laser Spike Annealing
EUV: Extreme ultraviolet NSA: Nanosecond Annealing

- Driving business today
- New products

Semi SAM Expansion To Drive Outperformance

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





Enabling technologies for industry inflections provide opportunity to outperform WFE growth

GAA: Gate-All-Around
BSPD: Backside Power Delivery
HBM: High Bandwidth Memory

WFE: Wafer Fab Equipment
SAM: Served Available Market

*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.

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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

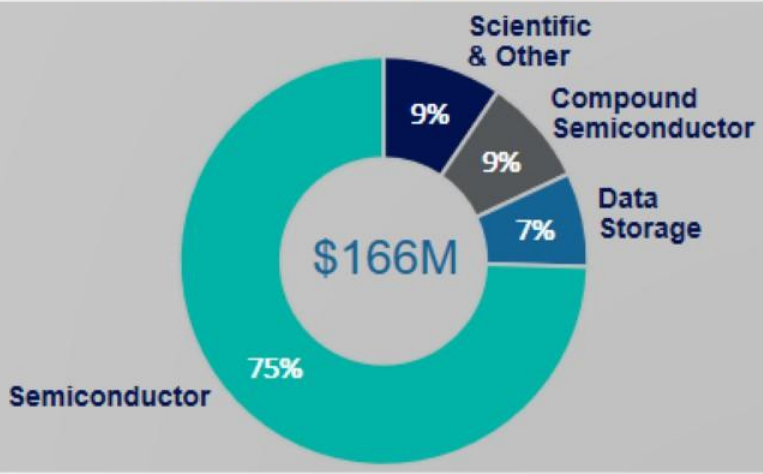
CFO Financial Overview

John Kiernan

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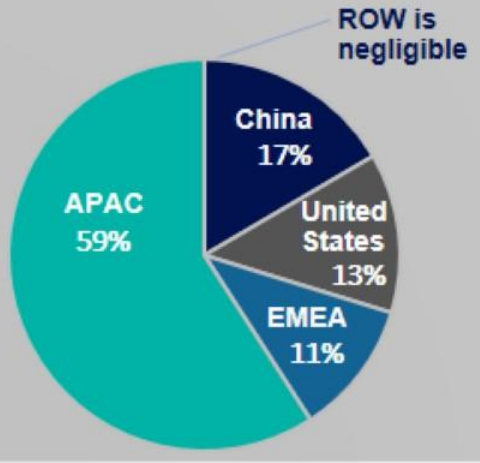
Q2 Revenue by Market & Region

Revenue by Market



Revenue Trend ($M)	Q2 24	Q1 25	Q2 25
Semiconductor	110	124	124
Compound Semi	18	14	14
Data Storage	34	7	12
Scientific & Other	14	22	16
Total	176	167	166

Revenue by Region



Revenue Trend ($M)	Q2 24	Q1 25	Q2 25
APAC	44	60	98
China	65	71	27
USA	43	24	22
EMEA & ROW	44	12	18
Total	176	167	166

Amounts may not calculate precisely due to rounding.

Q2 Operating Results

In millions (except per share amounts)	GAAP Q1 25	GAAP Q2 25	Non-GAAP Q1 25	Non-GAAP Q2 25	Non-GAAP Q2 25 Guidance (as of May 7th, 2025)
Revenue	$167.3	$166.1	$167.3	$166.1	$135M - $165M
Gross Profit	68.5	68.7	69.8	70.7	
Gross Margin	40.9%	41.4%	41.7%	42.6%	40% - 42%
Operating Expenses	54.3	56.4	45.5	47.6	$47M - $48M
Operating Income	14.2	12.4	24.3	23.1	
Net Income	11.9	11.7	22.2	21.5	$7M -$20M
Diluted Earnings Per Share	0.20	0.20	0.37	0.36	$0.12 -$0.32
Diluted Shares	60.2	60.2	60.0	60.0	

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Balance Sheet and Cash Flow Highlights

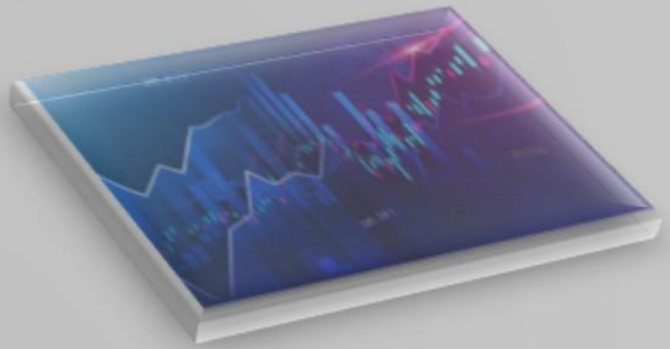
$ millions	Q1 25	Q2 25
Cash & Short-Term Investments	353	355
Accounts Receivable	114	107
Inventories	254	259
Accounts Payable	58	50
Long-Term Debt	250	225
Cash Flow from Operations	20	9
Capital Expenditures	7	3
DSO (days)	62	58
DIO (days)	228	237
DPO (days)	53	46

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Q3 2025 Guidance

	GAAP	Non-GAAP
Revenue	$150M - $170M	$150M - $170M
Gross Margin	39% - 41%	40% - 42%
Operating Expenses	$57M - $58M	$48M - $49M
Net Income	$3M - $13M	$12M - $21M
Diluted Earnings Per Share	$0.04 - $0.22	$0.20 - $0.35



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

Q&A

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Backup & Financial Tables

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Historical Revenue by End-Market

$M	2022					2023					2024					2025	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Semi	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	123.9
Compound Semi	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	14.2
Data Storage	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	12.4
Scientific & Other	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	15.7
Total	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	166.1

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Convertible Notes – Outstanding

As of June 30, 2025

Convertible Notes	Principal Amount	Carrying Value	Coupon	Annual Cash Interest	Annual Non-Cash Interest	Initial Conversion Price
Convertible Notes Due June 2029	230M	225M	2.875%	6.6M	1.1M	29.22

Effect of Convertible Notes on Diluted EPS

(Effective Q2 2025)

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

* 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.

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Supplemental Information—GAAP to Non-GAAP Reconciliation

$ millions	Q1 25	Q2 25
Net sales	$167.3	$166.1
GAAP gross profit	68.5	68.7
GAAP gross margin	40.9%	41.4%
Add: Share-based comp	1.3	2.0
Non-GAAP gross profit	$69.8	$70.7
Non-GAAP gross margin	41.7%	42.6%

$ millions	Q1 25	Q2 25
GAAP Net income	$11.9	$11.7
Add: Share-based comp	9.2	9.7
Add: Amortization	0.8	0.8
Add: Other	0.1	0.9
Add: Interest expense (income)	(0.8)	(0.9)
Add: Tax expense (benefit)	3.0	0.9
Non-GAAP operating income	$24.3	$23.1

$ millions, except per share amounts	Q1 25	Q2 25
GAAP Basic weighted average shares	57.8	59.1
GAAP Diluted weighted average shares	60.2	60.2
GAAP Basic EPS	$0.21	$0.20
GAAP Diluted EPS	$0.20	$0.20
GAAP Net income	$11.9	$11.7
Add: Share-based comp	9.2	9.7
Add: Amortization	0.8	0.8
Add: Other	0.1	0.9
Add: Non-cash interest expense	0.3	0.3
Add: Tax adjustment from GAAP to Non-GAAP	(0.1)	(1.9)
Non-GAAP net income	22.2	21.5
Non-GAAP basic EPS	$0.38	$0.36
Non-GAAP diluted EPS	$0.37	$0.36
Non-GAAP basic weighted average shares	57.8	59.1
Non-GAAP diluted weighted average shares	60.0	60.0

$ millions	Q1 25	Q2 25
GAAP operating expenses	$54.3	$56.4
Share-based compensation	(7.9)	(7.7)
Amortization	(0.8)	(0.8)
Other	(0.1)	(0.3)
Non-GAAP operating expenses	$45.5	$47.6

Amounts may not calculate precisely due to rounding.

Q2 2025 Actual: GAAP to Non-GAAP Reconciliation

$ millions		Non-GAAP Adjustments			
	GAAP	Share-Based Compensation	Amortization	Other	Non-GAAP
Net Sales	$166.1				$166.1
Gross Profit	68.7	2.0	—	—	70.7
Gross Margin	41.4%				42.6%
Operating Expenses	$56.4	(7.7)	(0.8)	(0.3)	$47.6
Operating Income	$12.4	9.7	0.8	0.3	$23.1
Net Income	$11.7	9.7	0.8	(0.7)	$21.5

Other Non-GAAP Adjustments	
Other	0.3
Subtotal	0.3
Non-cash Interest Expense	0.3
Other (income) expense, net	0.7
Non-GAAP tax adjustment	(1.9)
Total Other	($0.7)

Income per Diluted Common Share		
	GAAP	Non-GAAP
Net Income	$11.7	$21.5
Add: Interest on Convertible Senior Notes	0.2	0.1
Net income available to common shareholders	11.9	21.6
Basic weighted average common shares	59.1	59.1
Add: Dilutive effect of share-based awards	0.3	0.3
Add: Dilutive effect of 2027 Convertible Senior Notes	0.9	0.7
Diluted weighted average common shares	60.2	60.0
Basic income per common share	$0.20	$0.36
Diluted income per common share	$0.20	$0.36

Amounts may not calculate precisely due to rounding.

Q3 2025 Guidance

($ millions, except per share amounts)

Reconciliation of GAAP to non-GAAP Financial Data					
		Non-GAAP Adjustments			
	GAAP	Share-Based Compensation	Amortization	Other	Non-GAAP
Net Sales	$150–$170				$150–$170
Gross Profit	59–70	2	—	—	61–72
Gross Margin	39%–41%				40%–42%
Operating Expenses	$57–$58	(8)	(1)	—	$48–$49
Operating Income	$2–$12	10	1	—	$13–$24
Net Income	$3–$13	10	1	(2)	$12–$21
Income per Diluted Share	$0.04–$0.22				$0.20–$0.35
Weighted average number of shares	60-60				60-60

Reconciliation of GAAP Net Income to non-GAAP Operating Income	
GAAP Net Income	$3–$13
Share-Based Compensation	10
Amortization	1
Income tax expense (benefit)	(1)-1
Non-GAAP Operating Income	$13–$24

Amounts may not calculate precisely due to rounding.