VEECO REPORTS SECOND QUARTER 2026 FINANCIAL RESULTS

Second Quarter 2026 Highlights:

- Revenue of $193.5 million, compared with $166.1 million in the same period last year
- GAAP net income of $11.9 million, or $0.18 per diluted share, compared with $11.7 million, or $0.20 earnings per diluted share in the same period last year
- Non-GAAP net income of $21.8 million, or $0.33 per diluted share, compared with $21.5 million, or $0.36 per diluted share in the same period last year

Plainview, N.Y., August 5, 2026 -- Veeco Instruments Inc. (Nasdaq: VECO) today announced financial results for its second quarter ended June 30, 2026. 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	**Q2 '26**	**Q2 '25**
Revenue	$ 193.5	$ 166.1
Net income	$ 11.9	$ 11.7
Diluted earnings per share	$ 0.18	$ 0.20
Non-GAAP Results	**Q2 '26**	**Q2 '25**
Operating income	$ 23.1	$ 23.1
Net income	$ 21.8	$ 21.5
Diluted earnings per share	$ 0.33	$ 0.36

"Veeco delivered strong quarterly results, exceeding market expectations while continuing to build momentum across our business," said Bill Miller, Ph.D., Veeco's Chief Executive Officer. "The rapid expansion of AI is driving increased demand across our broad portfolio of advanced technologies, resulting in robust order activity and deeper customer engagement throughout our markets. Supported by growing visibility into 2027 and the execution of our manufacturing expansion strategy, we remain confident in our long-term growth outlook."

Guidance and Outlook

The following guidance is provided for Veeco's third quarter 2026:

- Revenue is expected in the range of $200 million to $220 million
- GAAP diluted earnings per share are expected in the range of $0.20 to $0.34
- Non-GAAP diluted earnings per share are expected in the range of $0.35 to $0.49

The following revised guidance is provided for Veeco's fiscal year 2026:

- Revenue is expected in the range of $780 million to $810 million
- GAAP diluted earnings per share are expected in the range of $0.78 to $1.02
- Non-GAAP diluted earnings per share are expected in the range of $1.36 to $1.61

Conference Call Information

A conference call reviewing these results has been scheduled for today, August 5, 2026 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, metal organic chemical vapor deposition (MOCVD), single wafer etch & clean and lithography 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.

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 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, including trends related to artificial intelligence and high-performance computing, industry outlooks and demand drivers, statements regarding the pending merger with Axcelis, the timing of shipments, deliveries and revenue recognition, statements regarding shipments currently being held by U.S. Customs, 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 press release. 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-

Veeco Contacts:

Investor Relations: Alex Delacroix	(516) 528-1020	adelacroix@veeco.com
Media: Brenden Wright	(410) 984-2610	bwright@veeco.com

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

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Net sales	$ 193,481	$ 166,104	$ 351,822	$ 333,396
Cost of sales	118,649	97,377	221,162	196,202
Gross profit	74,832	68,727	130,660	137,194
Operating expenses, net:				
Research and development	33,343	31,560	63,218	60,074
Selling, general, and administrative	27,629	23,927	53,645	48,955
Amortization of intangible assets	607	821	1,312	1,642
Merger costs	1,464	—	3,476	—
Other operating expense (income), net	(64)	49	(186)	5
Total operating expenses, net	62,979	56,357	121,465	110,676
Operating income	11,853	12,370	9,195	26,518
Interest income (expense), net	1,171	905	2,346	1,741
Other income (expense), net	—	(653)	—	(653)
Income before income taxes	13,024	12,622	11,541	27,606
Income tax expense	1,167	889	8	3,926
Net income	$ 11,857	$ 11,733	$ 11,533	$ 23,680
Income per common share:				
Basic	$ 0.19	$ 0.20	$ 0.19	$ 0.41
Diluted	$ 0.18	$ 0.20	$ 0.18	$ 0.40
Weighted average number of shares:				
Basic	61,064	59,076	60,777	58,434
Diluted	66,782	60,237	64,936	60,072

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

	June 30, 2026 (unaudited)	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 214,458	$ 163,466
Short-term investments	214,940	226,763
Accounts receivable, net	148,369	110,685
Contract assets	23,430	34,838
Inventories	292,495	275,298
Prepaid expenses and other current assets	36,582	34,286
Total current assets	930,274	845,336
Property, plant and equipment, net	110,265	108,646
Operating lease right-of-use assets	23,634	24,606
Intangible assets, net	4,384	5,696
Goodwill	214,964	214,964
Deferred income taxes	124,045	122,935
Other assets	6,899	3,612
Total assets	$ 1,414,465	$ 1,325,795
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 57,480	$ 55,345
Accrued expenses and other current liabilities	54,087	45,503
Contract liabilities	123,682	74,161
Income taxes payable	1,720	3,048
Total current liabilities	236,969	178,057
Deferred income taxes	492	532
Long-term debt	226,543	226,009
Long-term operating lease liabilities	30,470	31,837
Other liabilities	17,209	3,852
Total liabilities	511,683	440,287
Total stockholders' equity	902,782	885,508
Total liabilities and stockholders' equity	$ 1,414,465	$ 1,325,795

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 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 (Q2 2026)

(in thousands)

(unaudited)

		Non-GAAP Adjustments			
Three months ended June 30, 2026	**GAAP**	**Share-Based Compensation**	**Amortization**	**Other**	**Non-GAAP**
Net sales	$ 193,481				$ 193,481
Gross profit	74,832	1,600			76,432
Gross margin	38.7 %				39.5 %
Operating expenses	62,979	(7,615)	(607)	(1,464)	53,293
Operating income	11,853	9,215	607	1,464 ^	23,139
Net income	11,857	9,215	607	71 ^	21,750

^ - See table below for additional details.

Other Non-GAAP Adjustments (Q2 2026)

(in thousands)

(unaudited)

Three months ended June 30, 2026	
Merger related expenses	$ 1,464
Subtotal	1,464
Non-cash interest expense	290
Non-GAAP tax adjustment *	(1,683)
Total Other	$ 71

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

Net Income per Common Share (Q2 2026)

(in thousands, except per share amounts)

(unaudited)

	Three months ended June 30, 2026	
	GAAP	**Non-GAAP**
Numerator:		
Net income available to common shareholders	$ 11,857	$ 21,750
Denominator:		
Basic weighted average shares outstanding	61,064	61,064
Effect of potentially dilutive share-based awards	1,972	1,972
Dilutive effect of 2029 Convertible Senior Notes	3,746	3,746
Diluted weighted average shares outstanding	66,782	66,782
Net income per common share:		
Basic	$ 0.19	$ 0.36
Diluted	$ 0.18	$ 0.33

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

Three months ended June 30, 2025	GAAP	Non-GAAP Adjustments: Share-based Compensation	Non-GAAP Adjustments: Amortization	Non-GAAP Adjustments: Other	Non-GAAP
Net sales	$ 166,104				$ 166,104
Gross profit	68,727	1,991			70,718
Gross margin	41.4 %				42.6 %
Operating expenses	56,357	(7,660)	(821)	(255)	47,621
Operating income	12,370	9,651	821	255 ^	23,097
Net income	11,733	9,651	821	(670)^	21,535

^ - See table below for additional details.

Other Non-GAAP Adjustments (Q2 2025)
(in thousands)
(unaudited)

Three months ended June 30, 2025	
Other	$ 255
Subtotal	255
Non-cash interest expense	292
Other (income) expense, net	653
Non-GAAP tax adjustment *	(1,870)
Total Other	$ (670)

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

Net Income per Common Share (Q2 2025)
(in thousands, except per share amounts)
(unaudited)

	Three months ended June 30, 2025: GAAP	Three months ended June 30, 2025: Non-GAAP
Numerator:		
Net income	$ 11,733	$ 21,535
Interest expense associated with 2025 and 2027 Convertible Senior Notes	125	113
Net income available to common shareholders	$ 11,858	$ 21,648
Denominator:		
Basic weighted average shares outstanding	59,076	59,076
Effect of potentially dilutive share-based awards	257	257
Dilutive effect of 2027 Convertible Senior Notes (1)	904	685
Diluted weighted average shares outstanding	60,237	60,018
Net income per common share:		
Basic	$ 0.20	$ 0.36
Diluted	$ 0.20	$ 0.36

(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 2026 and 2025)
(in thousands)
(unaudited)

	Three months ended June 30, 2026	Three months ended June 30, 2025
GAAP Net income	$ 11,857	$ 11,733
Share-based compensation	9,215	9,651
Amortization	607	821
Merger related expenses	1,464	—
Interest (income) expense, net	(1,171)	(905)
Other	—	908
Income tax expense (benefit)	1,167	889
Non-GAAP Operating income	$ 23,139	$ 23,097

Reconciliation of GAAP to Non-GAAP Financial Data (Q3 2026)
(in millions, except per share amounts)
(unaudited)

Guidance for the three months ending September 30, 2026	GAAP			Non-GAAP Adjustments: Share-based Compensation	Non-GAAP Adjustments: Amortization	Non-GAAP Adjustments: Other	Non-GAAP		
Net sales	$ 200	-	$ 220				$ 200	-	$ 220
Gross profit	80	-	92	1	—	—	82	-	93
Gross margin	40%	-	42%				41%	-	42%
Operating expenses	66	-	67	(8)	—	(1)	57	-	58
Operating income	14	-	25	9	—	1	25	-	35
Net income	$ 14	-	$ 23	9	—	—	$ 23	-	$ 33
Income per diluted common share	$ 0.20	-	$ 0.34				$0.35	-	$ 0.49

Income per Diluted Common Share (Q3 2026)
(in millions, except per share amounts)
(unaudited)

Guidance for the three months ending September 30, 2026	GAAP			Non-GAAP		
Numerator:						
Net income available to common shareholders	$ 14	-	$ 23	$ 23	-	$ 33
Denominator:						
Basic weighted average shares outstanding	61	-	61	61	-	61
Effect of potentially dilutive share-based awards	2	-	2	2	-	2
Dilutive effect of 2029 Convertible Senior Notes	4	-	4	4	-	4
Diluted weighted average shares outstanding	67	-	67	67	-	67
Net income per common share:						
Income per diluted common share	$ 0.20	-	$ 0.34	$ 0.35	-	$ 0.49

Reconciliation of GAAP Net Income to Non-GAAP Operating Income (Q3 2026)
(in millions)
(unaudited)

Guidance for the three months ending September 30, 2026			
GAAP Net income	$ 14	-	$ 23
Share-based compensation	9	-	9
Merger related expense	1	-	1
Interest expense (income)	(1)	-	(1)
Income tax expense	2	-	3
Non-GAAP Operating income	$ 25	-	$ 35

Note: Amounts may not calculate precisely due to rounding.

Reconciliation of GAAP to Non-GAAP Financial Data (FY 2026)
(in millions, except per share amounts)
(unaudited)

Guidance for the year ending December 31, 2026	GAAP			Non-GAAP Adjustments: Share-based Compensation	Non-GAAP Adjustments: Amortization	Non-GAAP Adjustments: Other	Non-GAAP		
Net sales	$ 780	-	$ 810				$ 780	-	$ 810
Gross profit	306	-	334	6	—	—	312	-	340
Gross margin	39%	-	41%				40%	-	42%
Operating expenses	253	-	263	(30)	(2)	(6)	215	-	225
Operating income	53	-	71	36	2	6	97	-	115
Net income	$ 52	-	$ 68	36	2	1	$ 91	-	$ 107
Income per diluted common share	$ 0.78	-	$ 1.02				$1.36	-	$ 1.61

Income per Diluted Common Share (FY 2026)
(in millions, except per share amounts)
(unaudited)

Guidance for the year ending December 31, 2026	GAAP			Non-GAAP		
Numerator:						
Net income available to common shareholders	$ 52	-	$ 68	$ 91	-	$ 107
Denominator:						
Basic weighted average shares outstanding	62	-	62	62	-	62
Effect of potentially dilutive share-based awards	1	-	1	1	-	1
Dilutive effect of 2029 Convertible Senior Notes	4	-	4	4	-	4
Diluted weighted average shares outstanding	67	-	67	67	-	67
Net income per common share:						
Income per diluted common share	$ 0.78	-	$ 1.02	$ 1.36	-	$ 1.61

Reconciliation of GAAP Net Income to Non-GAAP Operating Income (FY 2026)
(in millions)
(unaudited)

Guidance for the year ending December 31, 2026			
GAAP Net income	$ 52	-	$ 68
Share-based compensation	36	-	36
Amortization	2	-	2
Merger related expense	6	-	6
Interest expense (income)	(4)	-	(4)
Income tax expense	5	-	7
Non-GAAP Operating income	$ 97	-	$ 115