



MAKING A **MATERIAL** DIFFERENCE

Oppenheimer 26th Annual Technology, Internet & Communications Conference

August 9, 2023

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 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; 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, including the effects of the COVID-19 pandemic on the Company’s operations and on those of our customers and suppliers; 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.

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Overview

Background

Transformed Company on Growth Trajectory

Markets & Technologies



Veeco at a Glance



Global provider of semiconductor capital equipment



Differentiated technology with opportunities to expand served available markets

Patents

~400

Employees

~1,200

2022 Revenue

\$646M

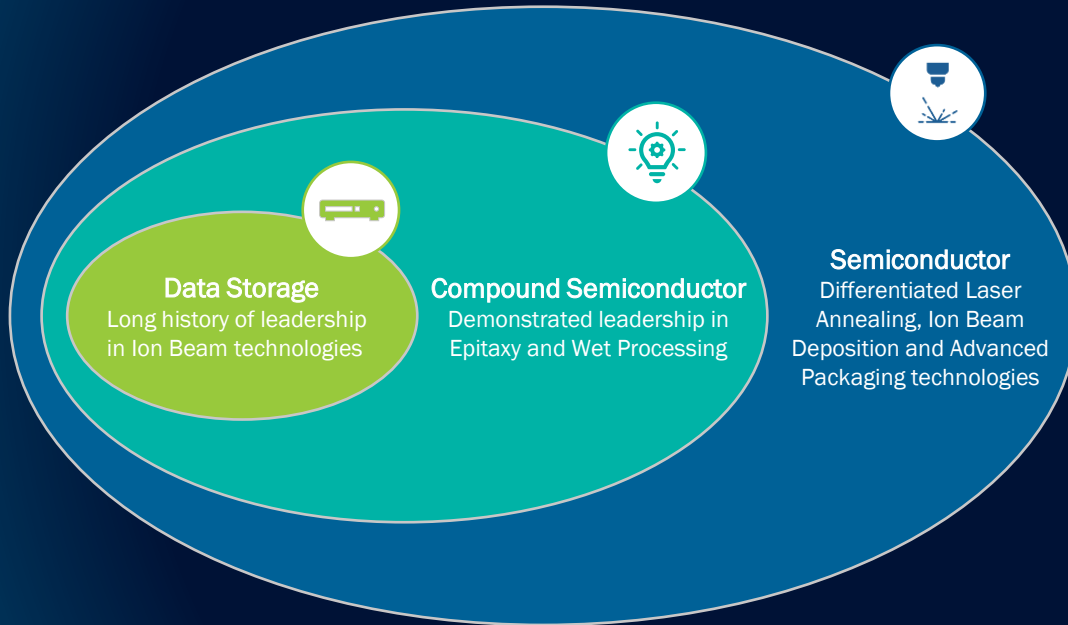


Solving customers high value materials challenges



Financial strength and flexibility

Transformed Company on Growth Trajectory



Strong History

Solving materials challenges

Transformed

Returned to profitability and investing for growth

Growth Focus

Semiconductor & Compound Semiconductor

Well Positioned

Leading edge customers drive growth

Markets & Technologies



Semiconductor Market strength driven by broad based demand for LSA product line from both leading and trailing edge customers



Compound Semiconductor Market opportunity driven by demand for epitaxy equipment for power electronics and photonics applications



Data Storage Market growth expected in 2023 despite ongoing industry challenges

Core Technologies

Laser
Annealing



Ion Beam



Wet
Processing



Lithography



Epitaxy



Wet
Processing



Ion Beam



Veeco Semiconductor Technologies for AI



GPU

Current PTOR

- Laser-Spike Annealing (LSA)
- IBD for EUV mask blanks

Future Opportunities

- Nano-Second Annealing (NSA)
- IBD for low resistivity metals

High-Bandwidth Memory (HBM) DRAM

Current PTOR

- Laser-Spike Annealing (LSA)

Future Opportunities

- Nano-Second Annealing (NSA)
- IBD for low resistivity metals

Advanced Packaging

Current PTOR

- Wet Processing for micro-bump flux clean
- Lithography for Cu bumps

Future Opportunities

- Wet Processing for temporary bond clean

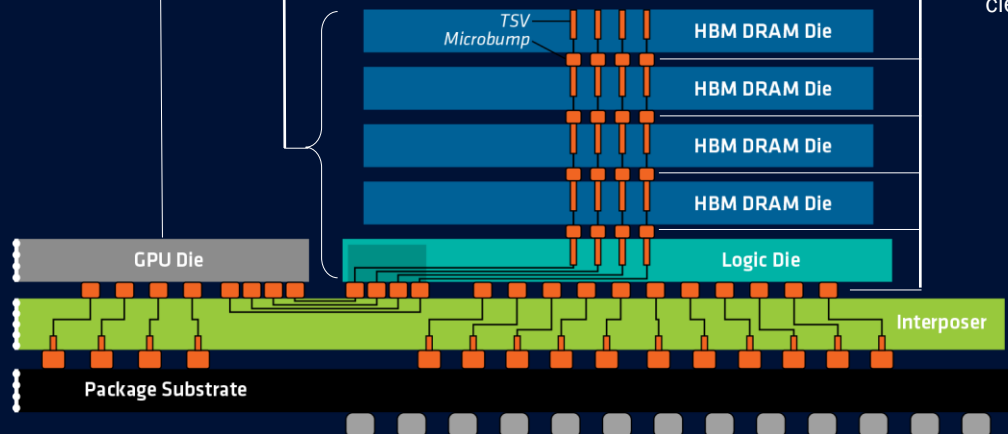


Illustration of typical AI chip

PTOR = Production Tool of Record
TSV = Through Silicon Via
GPU = Graphics Processing Unit
IBD = Ion Beam Deposition

Laser Annealing Semiconductor Opportunity



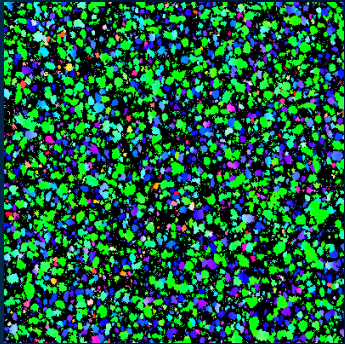
- Continued execution of LSA growth strategy
- LSA platform production tool of record for Tier 1 IDM's, foundries, and memory customers
- Progress toward winning additional applications
- In early stages of adoption in memory market
- NSA provides expansion into new applications

Growth driven by new logic and memory applications with LSA and NSA

Ion Beam Deposition – Advanced Node Semiconductor Opportunity

Illustration of grain size and distribution

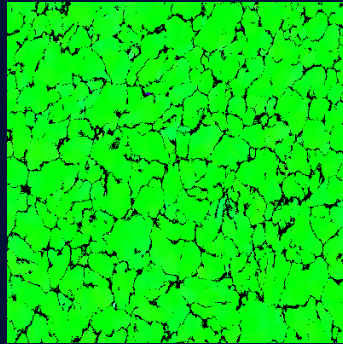
PVD



Non-uniform, randomly oriented grains of small size



IBD



Uniformly oriented large grains = lowest resistivity

- Engaged with Tier 1 advanced memory and logic customers
- Leveraging decades of experience and core IBD technology in Semiconductor market
- Innovative technology addresses gaps with existing technologies
- Potential to expand to multiple advanced node applications

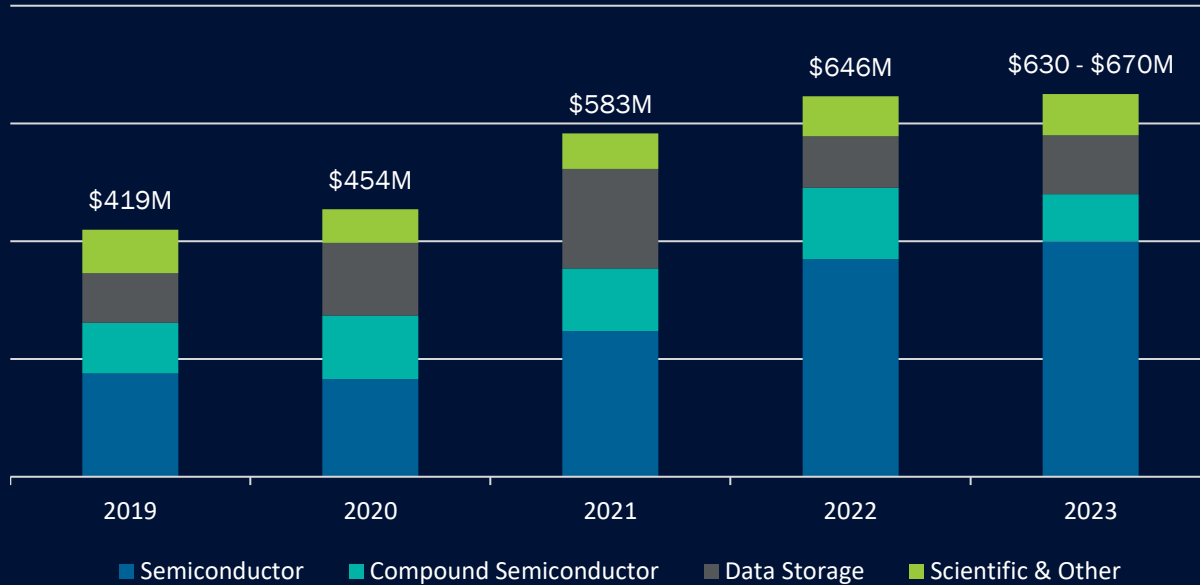
Adapting IBD technology for additional advanced node semiconductor applications

Financials

Historical Financials & 2023 Outlook

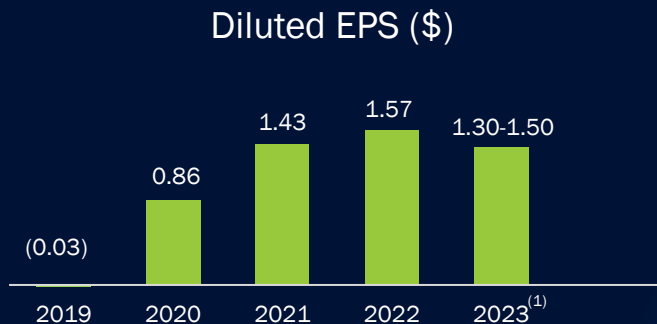
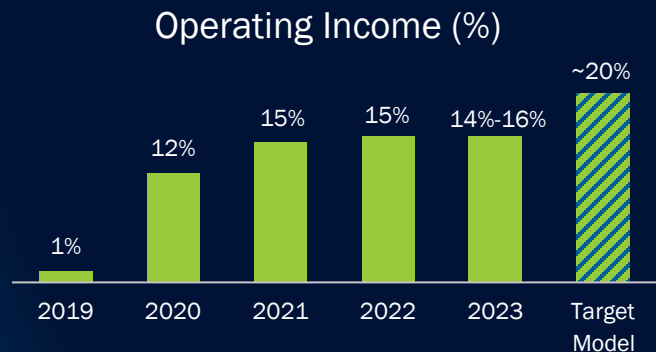
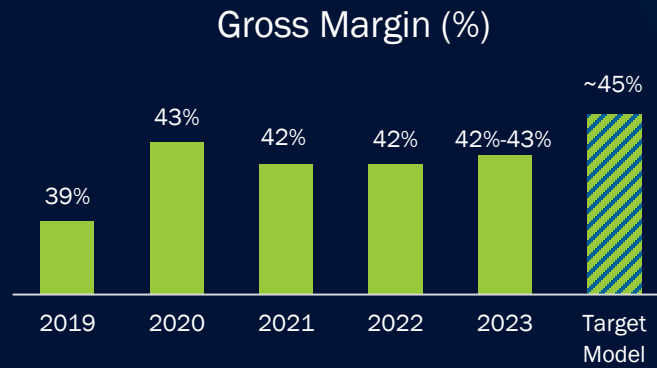
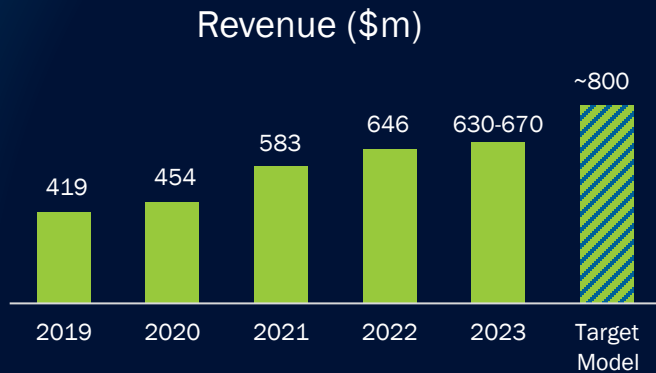


Revenue by End-Market



Semiconductor revenue increases from 42% in 2019 to ~60% of total revenue in 2023

Historical Financials & 2023 Outlook (Non-GAAP)



Compelling Investment Opportunity

Compelling Investment Opportunity

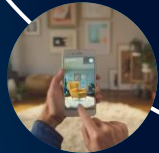
High Performance
Computing/AI



The Cloud



- ✓ Differentiated technologies in growth markets
- ✓ Laser Annealing share growing and roadmap advancing
- ✓ Leveraging IBD leadership for semiconductor applications
- ✓ Long-term opportunities for epitaxy equipment



Mobility and Immersive
User Experience



Transformation of
the Automotive Industry

Megatrends

Q&A

Note on Reconciliation Table

This table includes 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	2022	2021	2020	2019
Net sales	\$646.1	\$583.3	\$454.2	\$419.3
GAAP gross profit	263.1	242.3	194.3	158.2
GAAP gross margin	40.7%	41.5%	42.8%	37.7%
Add: Release of inventory fair value step-up for purchase accounting	-	-	0.3	1.3
Add: Share-based comp	4.6	2.4	1.9	1.9
Add: Other	3.3	0.4	-	0.2
Non-GAAP gross profit	\$271.0	\$245.1	\$196.5	\$161.6
Non-GAAP gross margin	41.9%	42.0%	43.3%	38.5%

\$ millions	2022	2021	2020	2019
GAAP Net income (loss)	\$166.9	\$26.0	\$(8.4)	\$(78.7)
Add: Share-based comp	23.0	15.2	12.7	15.3
Add: Amortization	10.0	12.3	15.3	17.1
Add: Restructuring	-	-	1.1	6.0
Add: Asset impairment	-	-	0.3	4.0
Add: Release of inventory fair value step-up for purchase accounting	-	-	0.3	1.3
Add: Transition expenses related to San Jose expansion project	6.2	2.0	-	-
Add: Depreciation of PP&E fair value step-up for purchase accounting	0.3	0.3	0.2	0.6
Add: Accelerated depreciation	-	-	-	0.4
Add: Interest expense	9.3	26.0	23.2	17.4
Add: Other (income) expense, net	-	5.0	7.8	21.0
Add: Tax expense (benefit)	(116.0)	(0.4)	(0.1)	0.8
Non-GAAP operating income (loss)	\$99.8	\$86.6	\$52.5	\$5.1

\$ millions, except per share amounts	2022	2021	2020	2019
GAAP Basic weighted average shares	49.9	49.1	48.4	47.5
GAAP Diluted weighted average shares	65.6	53.6	48.4	47.5
GAAP Basic EPS	\$3.35	\$0.53	\$(0.17)	\$(1.66)
GAAP Diluted EPS	\$2.71	\$0.49	\$(0.17)	\$(1.66)
GAAP Net income (loss)	\$166.9	\$26.0	\$(8.4)	\$(78.7)
Add: Share-based comp	23.0	15.2	12.7	15.3
Add: Amortization	10.0	12.3	15.3	17.1
Add: Restructuring	-	-	1.1	6.0
Add: Asset impairment	-	-	0.3	4.0
Add: Release of inventory fair value step-up for purchase accounting	-	-	0.3	1.3
Add: Transition expenses related to San Jose expansion project	6.2	2.0	-	-
Add: Depreciation of PP&E fair value step-up for purchase accounting	0.3	0.3	0.2	0.6
Add: Accelerated depreciation	-	-	-	0.4
Add: Non-cash interest expense	0.9	13.8	13.8	12.7
Add: Other (income) expense, net	-	5.0	7.8	21.0
Add: Tax adjustment from GAAP to Non-GAAP	(117.9)	(1.1)	(0.8)	(0.8)
Non-GAAP net income (loss)	\$89.6	\$73.6	\$42.3	\$(1.3)

Non-GAAP basic EPS	\$1.79	\$1.50	\$0.88	\$(0.03)
Non-GAAP diluted EPS	\$1.57	\$1.43	\$0.86	\$(0.03)
Non-GAAP basic weighted average shares	49.9	49.1	48.4	47.5
Non-GAAP diluted weighted average shares	63.4	51.5	49.3	47.5

\$ millions	2022	2021	2020	2019
GAAP operating expenses	\$202.9	\$185.6	\$171.7	\$197.8
Share-based compensation	(18.4)	(12.9)	(10.8)	(13.4)
Amortization	(10.0)	(12.3)	(15.3)	(17.1)
Other	(3.2)	(1.9)	(1.5)	(10.8)
Non-GAAP operating expenses	\$171.2	\$158.5	\$144.0	156.5