

Veeco

MAKING A *MATERIAL* DIFFERENCE

Investor Presentation

May 2024

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; 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.

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Veeco at a Glance



Global provider of semiconductor capital equipment



Differentiated technologies with opportunities to expand served available markets

Patents

>350

Employees

~1,200

2023 Revenue

$666M



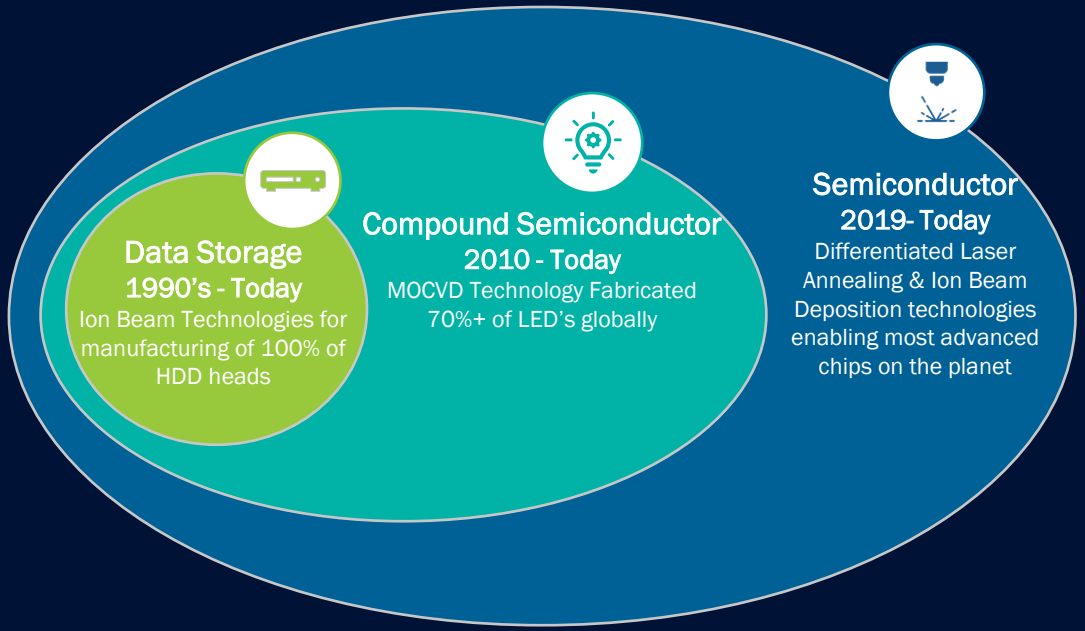
Solving customers high value materials challenges



Financial strength and flexibility

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Who is Veeco?



Strong History
Solving materials challenges

Growth Focus
Semiconductor & Compound Semiconductor

Well Positioned
Leading edge customers drive growth

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Strategy & SAM

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Investment Strategy Enabling SAM Expansion

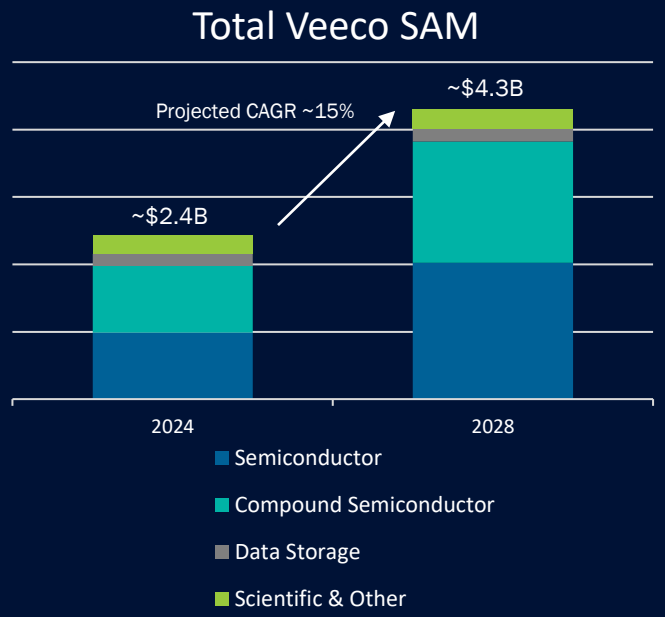
Technologies Driving Growth TODAY	➢ LSA gaining share in advanced logic due to performance benefits ➢ EUV Mask Blank Business well-positioned for High NA adoption ➢ Strength in Wet processing driven by High-Bandwidth Memory
SAM Expansion Driving FUTURE Growth	➢ Laser Annealing SAM to grow above 1.0B from $600M ▪ LSA penetrating new memory customers ▪ Nanosecond Annealing for 3D devices, backside power, & material modification in logic & memory ➢ IBD for Front End Semi growing from $0 to $350M ▪ Low resistance metals applications in memory & logic ➢ Compound Semi opportunities in Power Electronics and Photonics
Evaluation Program Anchors Growth Strategy	➢ NSA & IBD programs progressing well ➢ Targeting LSA shipment to 2nd leading Memory customer in late 2024 ➢ Compound Semi program advancing

LSA – Laser Spike Annealing
NSA – Nanosecond Annealing
EUV – Extreme Ultraviolet
IBD – Ion Beam Deposition
SAM – Served Available Market

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Available Market

- Veeco's Served Available Market to grow to ~4.3B
- **Semiconductor** opportunity expected to grow to ~**$2.0B** driven by Laser Annealing, Nanosecond Annealing and Ion Beam Deposition equipment
- **Compound Semiconductor** opportunity expected to grow to ~**$1.8B** driven by equipment for Power Electronics (SiC & GaN) and Photonics



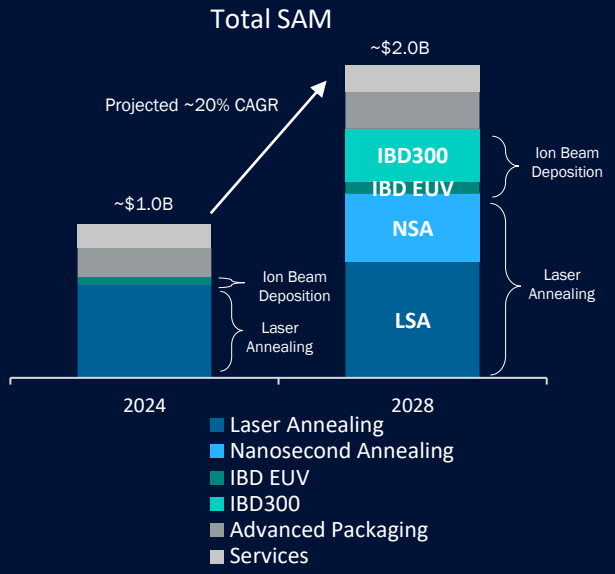
SAM – Served Available Market SiC – Silicon Carbide GaN – Gallium Nitride

** Veeco Served Available Market based on TrendFocus, Gartner, Yole Group and internal analysis*

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Semiconductor SAM Growth

	Key Drivers of SAM Growth *(Systems Only)*	2024	2028
Laser Spike Annealing (LSA)	• PTOR at three Tier 1 logic and one Tier 1 memory customers' advanced nodes	~$600M	~$750M
New Nanosecond Annealing (NSA)	• Under evaluation at two Tier 1 logic customers • Ideal for new advanced node 3D device applications, including backside power delivery	~$0M	~$450M
IBD EUV Mask Blanks	• PTOR for EUV mask blank deposition	~$50M	~$100M
New IBD300 Front End Semi	• Under evaluation at two Tier 1 memory customers • IBD differentiates vs. traditional PVD for deposition of high-density films requiring low resistivity • Key applications are memory bit-line & logic wiring	~$0M	~$350M



Laser Annealing, Nanosecond Annealing and IBD300 to drive growth in Semiconductor market

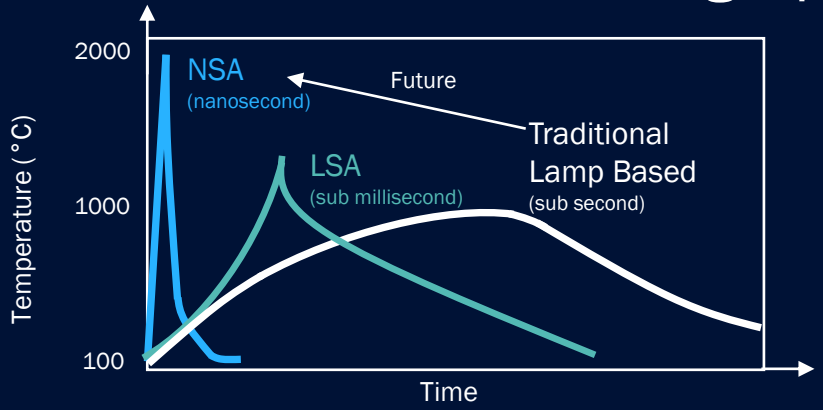
Source: Veeco Served Available Market based on TrendFocus, Gartner, Yole Group and internal analysis

EUV – Extreme Ultraviolet
IBD – Ion Beam Deposition
PVD – Physical Vapor Deposition

PTOR – Production Tool of Record
Amounts may not calculate precisely due to rounding.

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Nanosecond Annealing Opportunity



- Device scaling challenges driving the need for new annealing capabilities
- NSA broadening Laser Annealing adoption to new Logic and Memory applications
  - **Shallow anneal** enabling backside power delivery and 3D devices
  - **Material Modification** steps to improve performance by changing device structure and properties
- Potential for initial logic HVM orders in 2025 & strong pull from memory customers

Illustration of Wafer Cross Section



Nanosecond Annealing to enable a broad range of advanced logic and memory applications

HVM – High Volume Manufacturing

NSA – Nanosecond Annealing
LSA – Laser Spike Annealing

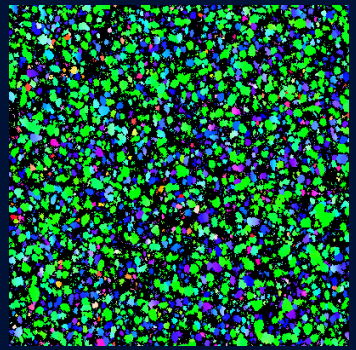
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IBD300– 300mm Front End Semi Opportunity

Illustration of grain size and distribution

TODAY

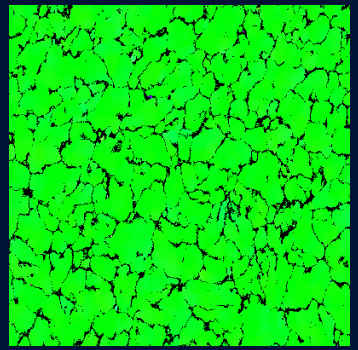
Incumbent Technology



Non-uniform, randomly oriented grains of small size = higher resistivity

FUTURE

IBD



Uniformly oriented large grains = lowest resistivity

- Industry leader in Ion Beam Technology
- Lower resistance metals essential for improved device performance & customer scaling
- IBD achieving superior thin film properties vs incumbent technologies, including lower resistivity
- Ideal for advanced applications where low resistance is critical
- Potential for initial memory HVM orders in 2025

IBD achieving superior thin film properties versus incumbent technologies for advanced applications

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IBD – Ion Beam Deposition

Veeco Growth Technologies for Artificial Intelligence



CPU/GPU

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

Additional Future Opportunities
- Nanosecond Annealing (NSA)
- IBD300 for low resistivity metals

High-Bandwidth Memory (HBM) DRAM

Current PTOR
- Laser-Spike Annealing (LSA)

Additional Future Opportunities
- Nanosecond Annealing (NSA)
- IBD300 for low resistivity metals

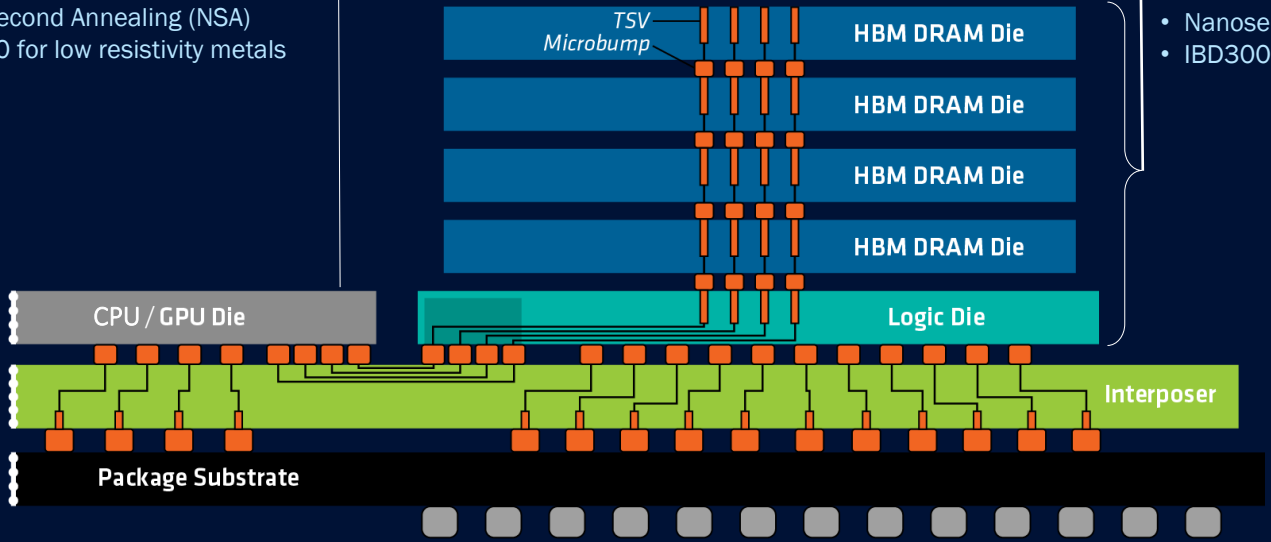


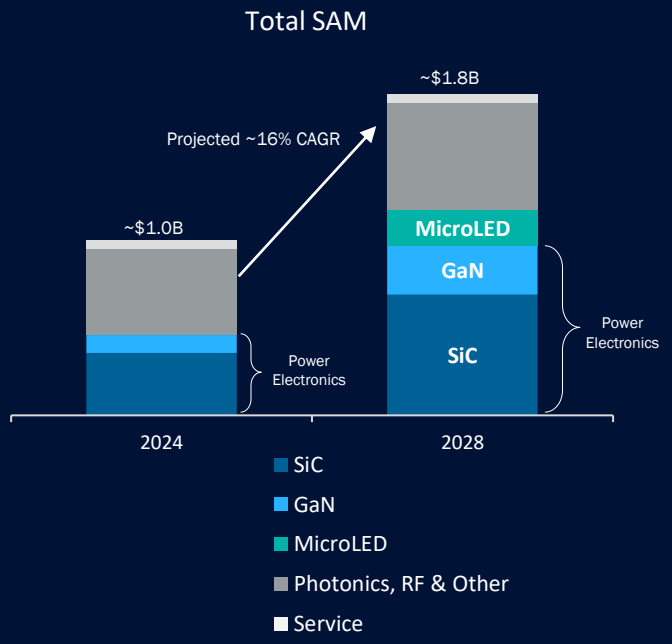
Illustration of typical AI chip

PTOR – Production Tool of Record
TSV – Through Silicon Via
GPU – Graphics Processing Unit
EUV – Extreme Ultraviolet
IBD – Ion Beam Deposition

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Compound Semiconductor SAM Growth

	Key Drivers of SAM Growth *(Systems Only)*	2024	2028
SiC Power Electronics	• Single wafer SiC CVD for 8 inch addresses high voltage and power applications such as EVs	~$350M	~$650M
GaN Power Electronics	• Single wafer MOCVD platform for 8 & 12 inch GaN wafer sizes	~$100M	~$300M
MicroLED	• MOCVD batch platform for traditional red MicroLED • Single wafer MOCVD platform for disruptive red, green and blue on same wafer using GaN on Si	~$0M	~$200M



Significant growth opportunities in Epitaxy Equipment for Power Electronics

Source: Veeco Served Available Market based on TrendFocus, Gartner, Yole Group and internal analysis

SiC – Silicon Carbide
GaN – Gallium Nitride

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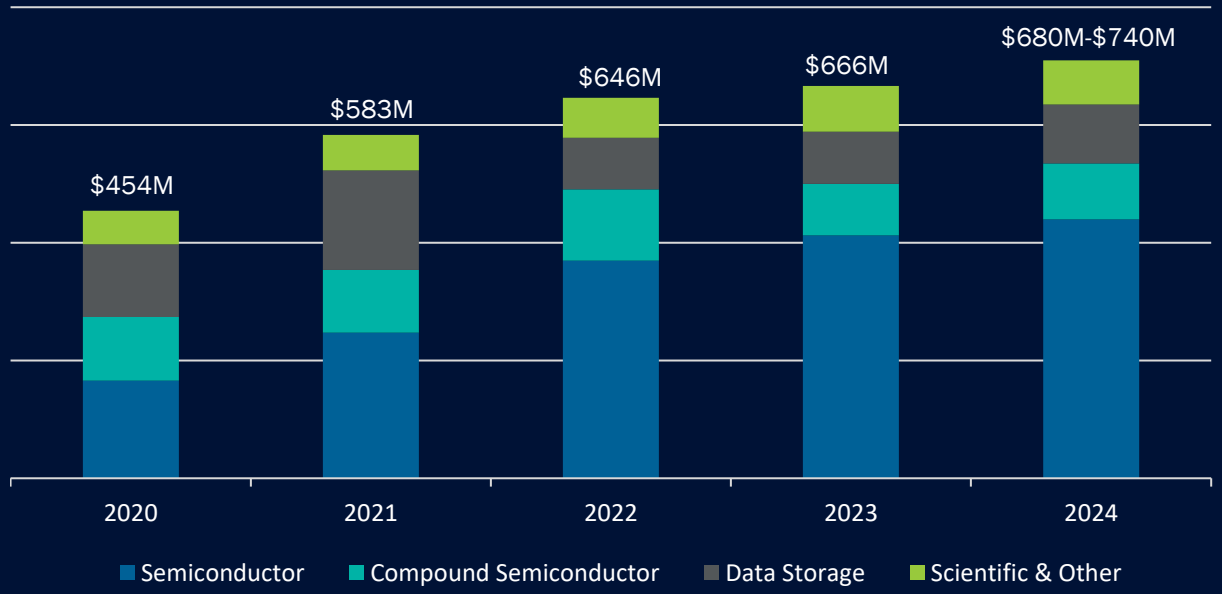
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Financials

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Revenue by End-Market



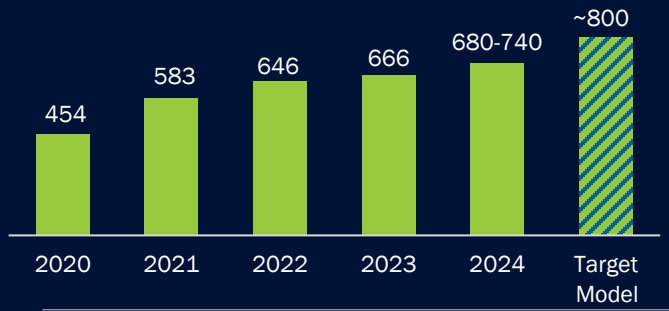
Semiconductor CAGR of ~30% drives increase from 37% of total 2020 revenue to >60% in 2024

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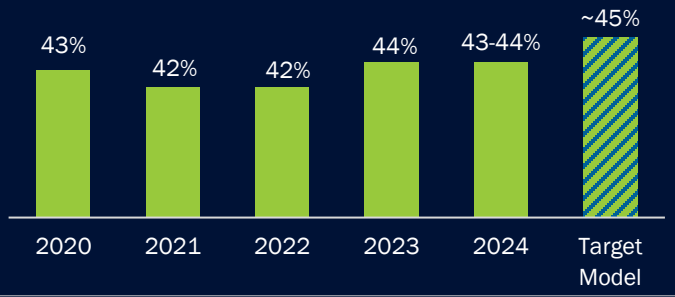
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Historical Financials & 2024 Outlook (Non-GAAP)

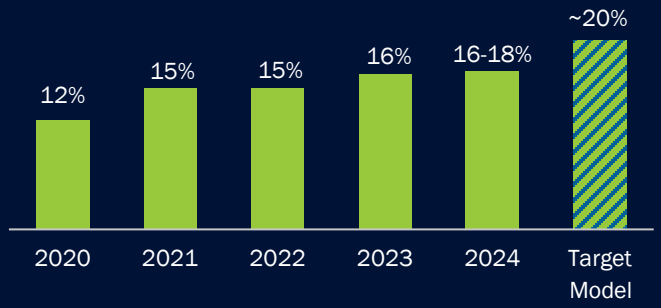
Revenue ($m)



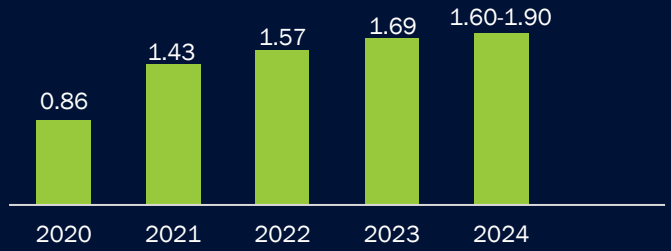
Gross Margin (%)



Operating Income (%)



Diluted EPS ($)



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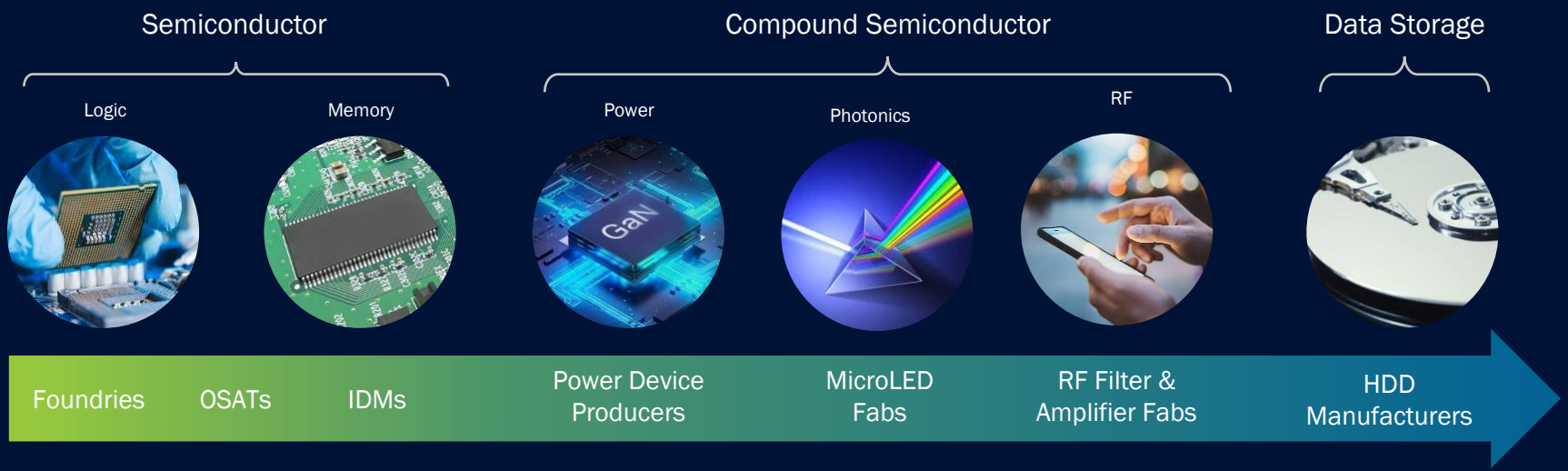
A reconciliation of GAAP to Non-GAAP financial measures can be found in the backup section of this presentation.

Customers, Resource Alignment, Veeco Team & ESG

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Serving a Diverse Customer Base



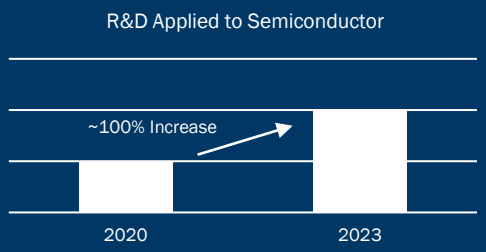
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RF – Radio Frequency
IDM – Integrated Device Manufacturer
OSAT – Outsourced Semiconductor Assembly and Test
HDD – Hard Disk Drive

Resources Aligned for Growth

R&D

Strategic Optimization of our R&D Spending Portfolio



Manufacturing

In 2022 we completed our capacity build-out of a new leased facility in San Jose to support manufacturing our Semiconductor products.



Service

- Increasing investments in customer facing infrastructure
  - Semi experienced leaders
  - Service logistics
  - Quality team
- Investing ahead of revenue
  - Supporting evaluation systems
  - Training department & curriculum

Evaluations

	Historically	2021	2023+
Evals	1 to 2	~10	Similar*
Markets	Compound Semi	Semi & Compound Semi	Semi & Compound Semi

* Number of evals will fluctuate given timing of acceptances and shipments

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Leadership Team and Core Values

- We will always put our CUSTOMERS first
- We will never compromise on SAFETY
- We will always demonstrate RESPECT
- We will never stop IMPROVING
- We will always be ACCOUNTABLE
- We will never forget that DIVERSITY & INCLUSION make us stronger



Bill Miller
CEO



John Kiernan
CFO



Susan Wilkerson
Global Customer Operations



Adrian Devasahayam
Product Organization



Peter Porshnev
Engineering



Robert Bradshaw
CAO



Jean-Charles Bossert
Global Operations



Veeco United Team Committed to Making a Material Difference

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ESG Goals: Commitment to Corporate Responsibility



Environment

- Renewable Energy
- Emissions Reduction
- Hazardous Chemical Management



Social

- Representation of women and underrepresented employees
- Veeco STEM Scholarships
- Outreach & volunteerism



Governance

- Expand ESG Reporting and Alignment

"Making a material difference as a **sustainable** and **transparent** company is at the core of the Veeco United team"

–Bill Miller, CEO



MSCI AA

ISS ESG

Quality Scores

Governance:	1
Social:	1
Environment:	4

Corporate Score

'21: D+ ⇨ '22: C- ⇨ '23: C

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Complete text of Veeco's ESG Goals available at https://ir.veeco.com/news-and-events/

STEM – Science, Technology, Engineering, and Math

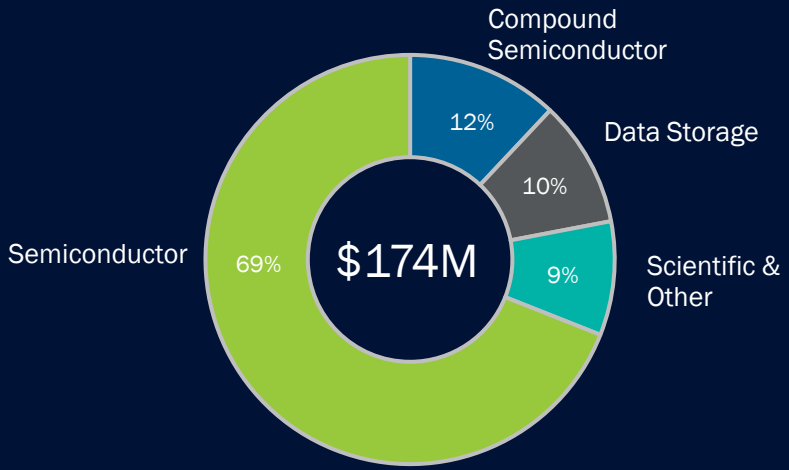
Backup and Financial Tables

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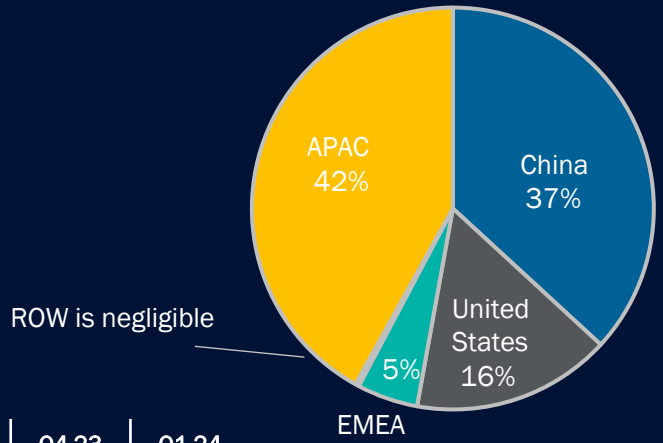
MAKING A *MATERIAL* DIFFERENCE

Q1 Revenue by Market & Region

Revenue by Market



Revenue by Region



Revenue Trend ($M)	Q1 23	Q4 23	Q1 24
Semiconductor	93	115	120
Compound Semi	21	16	21
Data Storage	22	19	18
Scientific & Other	18	23	15
Total	154	174	174

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Amounts may not calculate precisely due to rounding.

Q1 Operating Results

In millions (except per share amounts)	GAAP		Non-GAAP	
	Q4 23	Q1 24	Q4 23	Q1 24
Revenue	$173.9	$174.5	$173.9	$174.5
Gross Profit	78.7	75.4	79.0	77.1
Gross Margin	45.2%	43.2%	45.4%	44.2%
Operating Expenses	54.5	53.4	46.9	47.8
Operating Income	24.2	22.0	32.1	29.4
Net Income	$21.6	$21.9	$29.8	$26.4
Diluted Earnings Per Share	$0.37	$0.37	$0.51	$0.45
Diluted Shares	59.8	60.8	59.4	60.3

Amounts may not calculate precisely due to rounding. A reconciliation of GAAP to Non-GAAP financial measures can be found in the backup section of this presentation.

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Balance Sheet and Cash Flow Highlights

$ millions	Q4 23	Q1 24
Cash & Short-Term Investments	306	297
Accounts Receivable	103	107
Inventories	238	243
Accounts Payable	42	54
Cash Flow from Operations	29	9
Capital Expenditures	11	6

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Historical Revenue by End-Market

$M	2021					2022					2023					2024
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Semiconductor	51.6	53.7	76.3	65.4	247.1	77.6	97.5	100.4	93.8	369.4	93.1	106.3	98.2	115.2	412.7	120.4
Compound Semi	24.8	24.2	23.3	34.7	107.0	37.1	31.1	28.1	24.9	121.2	21.2	24.1	25.7	16.3	87.3	21.0
Data Storage	41.0	52.0	39.3	36.5	168.8	21.6	21.5	27.7	16.7	87.5	21.5	13.9	34.0	19.1	88.5	18.0
Scientific & Other	16.4	16.4	11.4	16.3	60.5	20.1	13.8	15.7	18.4	68.0	17.7	17.4	19.6	23.4	78.0	15.1
Total	133.7	146.3	150.2	153.0	583.3	156.4	164.0	171.9	153.8	646.1	153.5	161.6	177.4	173.9	666.4	174.5

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Amounts may not calculate precisely due to rounding.

2024 Guidance

Q2 2024

	GAAP	Non-GAAP
Revenue	$165M - $185M	$165M - $185M
Gross Margin	42% - 43%	43% - 44%
Operating Expenses	$55M - $57M	$46M - $48M
Net Income / (Loss)	$13M - $20M	$22M - $29M
Diluted Earnings / (Loss) Per Share	$0.22 - $0.33	$0.38 - $0.48



FY 2024

	Non-GAAP
Revenue	$680M - $740M
Non-GAAP Diluted EPS	$1.60 - $1.90

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

Convertible Notes – Outstanding

As of March 31, 2024

Convertible Notes	Principal Amount	Carrying Value	Coupon	Annual Cash Interest	Annual Non-Cash Interest	Initial Conversion Price
Convertible Notes Due Jan 2025	$27M	$26M	3.5%	$0.9M	$0.1M	$24.00
Convertible Notes Due June 2027	25M	25M	3.75%	0.9M	0.1M	18.46*
Convertible Notes Due June 2029	230M	224M	2.875%	6.6M	1.1M	29.22
Total Convertible Notes	$282M	$275M	3.0%**	$8.4M	$1.3M	$27.77**

* Conversion price for 2027 Convertible Notes includes the effect of the Capped Call transaction
**Weighted average

Amounts may not calculate precisely due to rounding.

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Effect of Convertible Notes on Diluted EPS (Effective Q1 2024)

2025 and 2027 Convertible Notes

Quarterly					
GAAP			Non-GAAP*		
EPS threshold before effect of Notes	Reduction to Interest expense for EPS calculation *(In thousands)*	Incremental Dilutive Shares** *(In thousands)*	EPS threshold before effect of Notes	Reduction to Interest expense for EPS calculation *(In thousands)*	Incremental Dilutive Shares** *(In thousands)*
≥ $0.14 < $0.23	$257	1,788	≥ $0.17 < $0.21	$234	1,354
≥ $0.23	$513	2,893	≥ $0.21	$466	2,458

Annual					
GAAP			Non-GAAP*		
EPS threshold before effect of Notes	Reduction to Interest expense for EPS calculation *(In thousands)*	Incremental Dilutive Shares** *(In thousands)*	EPS threshold before effect of Notes	Reduction to Interest expense for EPS calculation *(In thousands)*	Incremental Dilutive Shares** *(In thousands)*
≥ $0.57 < $0.93	$1,028	1,788	≥ $0.69 < $0.84	$938	1,354
≥ $0.93	$2,054	2,893	≥ $0.84	$1,865	2,458

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

Based upon current 2025 and 2027 Convertible Notes outstanding. The above calculations are intended to be estimates only, and reflect the use of the if-converted method for diluted EPS purposes. The EPS thresholds mentioned above represent various ranges at which some of our Convertible Notes may become dilutive. No shares are added for dilution purposes if the addition of such shares (and reduced interest expense) would be anti-dilutive.

* The non-GAAP incremental dilutive shares includes the impact of the Company's capped call transactions issued concurrently with our 2027 Convertible Notes, and assumes an average per share stock price above $18.46.

** 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.

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Amounts may not calculate precisely due to rounding.

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	Q4 23	Q1 24
Net sales	$173.9	$174.5
GAAP gross profit	78.7	75.4
GAAP gross margin	45.2%	43.2%
Add: Share-based comp	0.3	1.7
Non-GAAP gross profit	$79.0	$77.1
Non-GAAP gross margin	45.4%	44.2%

In millions	Q4 23	Q1 24
GAAP Net income	$21.6	$21.9
Add: Share-based comp	6.2	8.1
Add: Amortization	2.1	1.9
Add: Sale of productive assets	-	(2.1)
Add: Changes in contingent consideration	(0.5)	(0.6)
Add: Acquisition related	0.1	-
Add: Interest expense (income)	-	(0.7)
Add: Tax expense	2.5	0.9
Non-GAAP operating income	$32.1	$29.4

$ millions, except per share amounts	Q4 23	Q1 24
GAAP Basic weighted average shares	55.5	56.0
GAAP Diluted weighted average shares	59.8	60.8
GAAP Basic EPS	$0.39	$0.39
GAAP Diluted EPS	$0.37	$0.37
GAAP Net income	$21.6	$21.9
Add: Share-based comp	6.2	8.1
Add: Amortization	2.1	1.9
Add: Sale of productive assets	-	(2.1)
Add: Changes in contingent consideration	(0.5)	(0.6)
Add: Acquisition related	0.1	-
Add: Non-cash interest expense	0.3	0.3
Add: Tax adjustment from GAAP to Non-GAAP	(0.1)	(3.0)
Non-GAAP net income	29.8	26.4
Non-GAAP basic EPS	$0.54	$0.47
Non-GAAP diluted EPS	$0.51	$0.45
Non-GAAP basic weighted average shares	55.5	56.0
Non-GAAP diluted weighted average shares	59.4	60.3

In millions	Q4 23	Q1 24
GAAP operating expenses	$54.5	$53.4
Share-based compensation	(5.9)	(6.4)
Amortization	(2.1)	(1.9)
Other	0.4	2.7
Non-GAAP operating expenses	$46.9	$47.8

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Supplemental Information—GAAP to Non-GAAP Reconciliation

$ millions	2023	2022	2021	2020
Net sales	$666.4	$646.1	$583.3	$454.2
GAAP gross profit	285.1	263.1	242.3	194.3
GAAP gross margin	42.8%	40.7%	41.5%	42.8%
Add: Release of inventory fair value step-up for purchase accounting	-	-	-	0.3
Add: Share-based comp	4.9	4.6	2.4	1.9
Add: Other	0.2	3.3	0.4	-
Non-GAAP gross profit	$290.2	$271.0	$245.1	$196.5
Non-GAAP gross margin	43.5%	41.9%	42.0%	43.3%

In millions	2023	2022	2021	2020
GAAP Net income (loss)	($30.4)	$166.9	$26.0	($8.4)
Add: Share-based comp	28.6	23.0	15.2	12.7
Add: Amortization	8.5	10.0	12.3	15.3
Add: Restructuring	-	-	-	1.1
Add: Asset impairment	-	-	-	0.3
Add: Release of inventory fair value step-up for purchase accounting	-	-	-	0.3
Add: Transition expenses related to San Jose expansion project	0.8	6.2	2.0	-
Add: Depreciation of PP&E fair value step-up for purchase accounting	-	0.3	0.3	0.2
Add; Changes in contingent consideration	0.7	-	-	-
Add: Acquisition related	1.1	-	-	-
Add: Interest expense (income), net	1.2	9.3	26.0	23.2
Add: Other (income) expense, net	-	-	5.0	7.8
Add: Tax expense (benefit)	2.0	(116.0)	(0.4)	(0.1)
Non-GAAP operating income (loss)	$109.6	$99.8	$86.6	$52.5

FY 2024 Reconciliation of GAAP to non-GAAP Financial Data

GAAP earnings per diluted share for 2024 is expected between $1.10 and $1.40. Guidance regarding 2024 Non-GAAP earnings per diluted share excludes charges related to estimated share-based compensation expenses of $0.47 per share and amortization expense of $0.12 per share, while including additional estimated income tax expense of $0.09.

In millions, except per share amounts	2023	2022	2021	2020
GAAP Basic weighted average shares	53.8	49.9	49.1	48.4
GAAP Diluted weighted average shares	53.8	65.6	53.6	48.4
GAAP Basic EPS	($0.56)	$3.35	$0.53	($0.17)
GAAP Diluted EPS	($0.56)	$2.71	$0.49	($0.17)
GAAP Net income (loss)	($30.4)	$166.9	$26.0	($8.4)
Add: Share-based comp	28.6	23.0	15.2	12.7
Add: Amortization	8.5	10.0	12.3	15.3
Add: Restructuring	-	-	-	1.1
Add: Asset impairment	-	-	-	0.3
Add: Release of inventory fair value step-up for purchase accounting	-	-	-	0.3
Add: Transition expenses related to San Jose expansion project	0.8	6.2	2.0	-
Add: Depreciation of PP&E fair value step-up for purchase accounting	-	0.3	0.3	0.2
Add; Changes in contingent consideration	0.7	-	-	-
Add: Acquisition related	1.1	-	-	-
Add: Non-cash interest expense	1.1	0.9	13.8	13.8
Add: Other (income) expense, net	97.1	-	5.0	7.8
Add: Release of valuation allowance on DTA	-	(105.0)	-	-
Add: Tax adjustment from GAAP to Non-GAAP	(9.1)	(12.9)	(1.1)	(0.8)
Non-GAAP net income (loss)	$98.3	$89.6	$73.6	$42.3
Non-GAAP basic EPS	$1.83	$1.79	$1.50	$0.88
Non-GAAP diluted EPS	$1.69	$1.57	$1.43	$0.86
Non-GAAP basic weighted average shares	53.8	49.9	49.1	48.4
Non-GAAP diluted weighted average shares	60.8	63.4	51.5	49.3

In millions	2023	2022	2021	2020
GAAP operating expenses	$215.1	$202.9	$185.6	$171.7
Share-based compensation	(23.6)	(18.4)	(12.9)	(10.8)
Amortization	(8.5)	(10.0)	(12.3)	(15.3)
Other	(2.4)	(3.2)	(1.9)	(1.5)
Non-GAAP operating expenses	$180.6	$171.2	$158.5	$144.0

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Q1 2024 Actual: GAAP to Non-GAAP Reconciliation

$ millions	GAAP	Non-GAAP Adjustments: Share-Based Compensation	Non-GAAP Adjustments: Amortization	Non-GAAP Adjustments: Other	Non-GAAP
Net Sales	$174.5				$174.5
Gross Profit	75.4	1.7	—	—	77.1
Gross Margin	43.2%				44.2%
Operating Expenses	$53.4	(6.4)	(1.9)	2.7	$47.8
Operating Income	$22.0	8.1	1.9	(2.7)	$29.4
Net Income	$21.9	8.1	1.9	(5.4)	$26.4

Other Non-GAAP Adjustments	
Changes in contingent consideration	($0.6)
Sale of productive assets	(2.1)
Subtotal	(2.7)
Non-cash Interest Expense	0.3
Non-GAAP tax adjustment	(3.0)
Total Other	($5.4)

Income per Diluted Common Share	GAAP	Non-GAAP
Net Income	$21.9	$26.4
Add: Interest on Convertible Senior Notes	0.5	0.5
Net income available to common shareholders	22.4	26.9
Basic weighted average common shares	56.0	56.0
Add: Dilutive effect of share-based awards	0.9	0.9
Add: Dilutive effect of 2025 Convertible Senior Notes	1.1	1.1
Add: Dilutive effect of 2027 Convertible Senior Notes	1.8	1.3
Add: Dilutive effect of 2029 Convertible Senior Notes	1.0	1.0
Diluted weighted average common shares	60.8	60.3
Basic income per common share	$0.39	$0.47
Diluted income per common share	$0.37	$0.45

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Q2 2024 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	$165–$185				$165–$185
Gross Profit	69–80	2	—	—	71–82
Gross Margin	42%–43%				43%–44%
Operating Expenses	$55–$57	(7)	(2)	—	$46–$48
Operating Income	$14–$23	9	2	—	$25–$33
Net Income	$13–$20	9	2	(2)	$22–$29
Income per Diluted Share	$0.22–$0.33				$0.38–$0.48

Reconciliation of GAAP Net Income to non-GAAP Operating Income	
GAAP Net Income	$13–$20
Share-Based Compensation	9
Amortization	2
Interest income, net	(1)
Income tax expense	2
Non-GAAP Operating Income	$25–$33

FY 2024 Reconciliation of GAAP to non-GAAP Financial Data

GAAP earnings per diluted share for 2024 is expected between $1.10 and $1.40. Guidance regarding 2024 Non-GAAP earnings per diluted share excludes charges related to estimated share-based compensation expenses of $0.47 per share and amortization expense of $0.12 per share, while including additional estimated income tax expense of $0.09.

Income per Diluted Common Share		
	GAAP	Non-GAAP
Net Income	$13–$20	$22–$29
Add: Interest on Convertible Senior Notes	0-0	0-0
Net income available to common shareholders	13-20	22-29
Basic weighted average common shares	56	56
Add: Dilutive effect of share-based awards	2-2	2-2
Add: Dilutive effect of 2025 Convertible Senior Notes	1-1	1-1
Add: Dilutive effect of 2027 Convertible Senior Notes	2-2	1-1
Add: Dilutive effect of 2029 Convertible Senior Notes	1-1	1-1
Diluted weighted average common shares	62	61
Income per diluted common share	$0.22-$0.33	$0.38-$0.48

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Thank You

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