Veeco Instruments

Needham Growth Conference
Investor Presentation



January 14th 2025

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- Role in the Semi Manufacturing

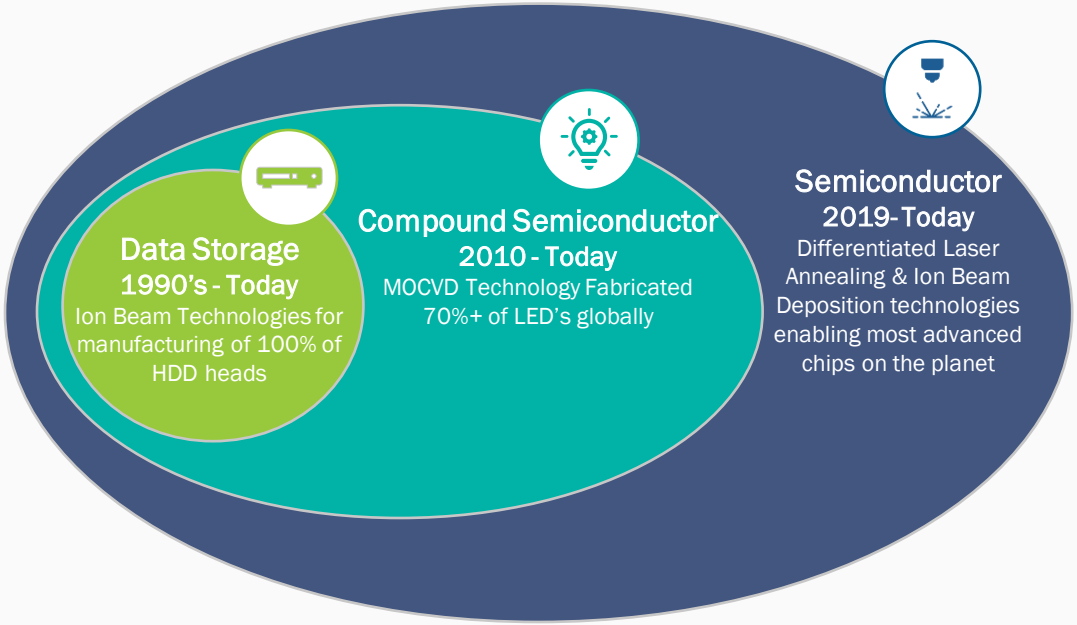
Strategy & SAM Opportunities
- Available Market
- SAM Opportunities

Financials
- Historical Revenue
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Why own Veeco?

Q&A/Appendix

Who is Veeco ?



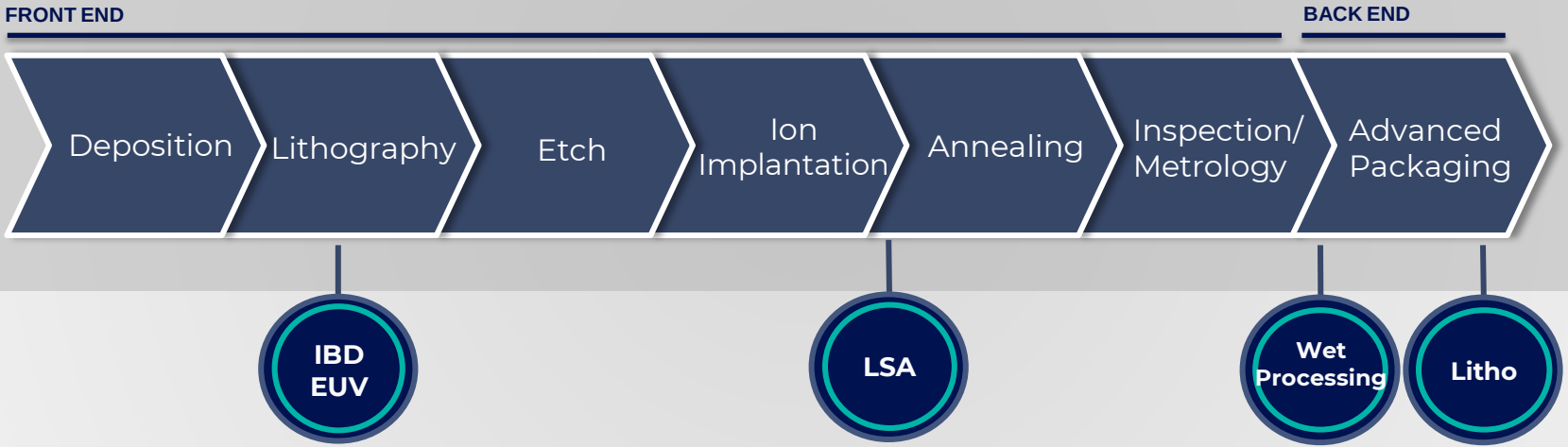
Strong History
Solving materials challenges

Growth Focus
Semiconductor & Compound Semiconductor

Well Positioned
Leading edge customers drive growth

Veeco's Role in Semi Manufacturing

Representative Process Steps



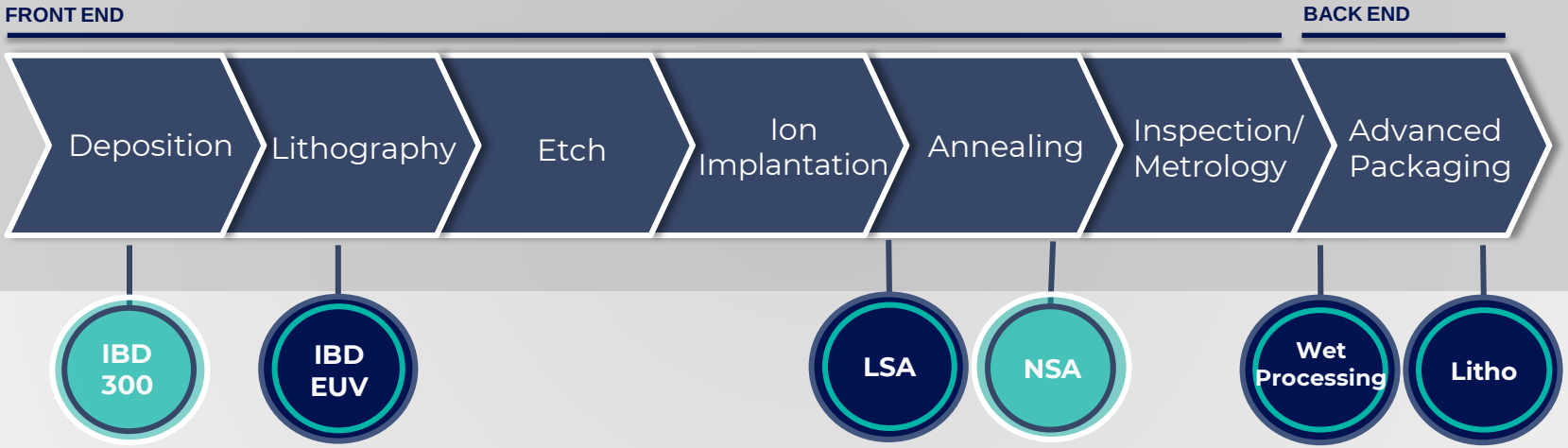
Veeco technologies are critical for several Semi manufacturing process steps

IBD – Ion Beam Deposition
EUV – Extreme ultraviolet
LSA- Laser Spike Annealing

● **Driving business today**

Veeco's Role in Semi Manufacturing

Representative Process Steps



Veeco technologies are critical for several Semi manufacturing process steps

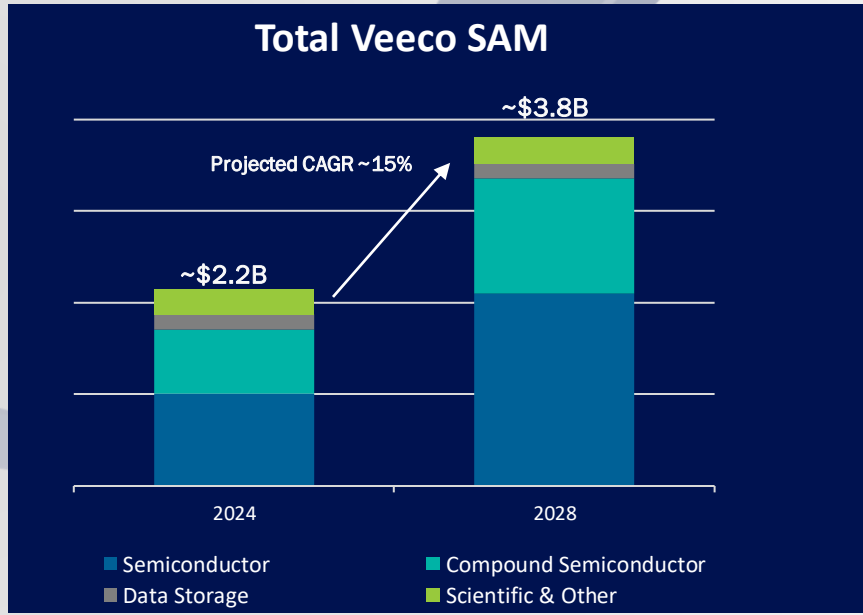
IBD – Ion Beam Deposition
EUV – Extreme ultraviolet

LSA- Laser Spike Annealing
NSA – Nanosecond Annealing

- **Driving business today**
- **New products**

Available Market

- Veeco's Served Available Market projected to grow to **~$3.8B**
- **Semiconductor** opportunity projected to grow to **~$2.1B** driven by Laser Annealing, Nanosecond Annealing and Ion Beam Deposition equipment
- **Compound Semiconductor** opportunity projected to grow to **~$1.3B** driven by equipment for GaN Power and Photonics

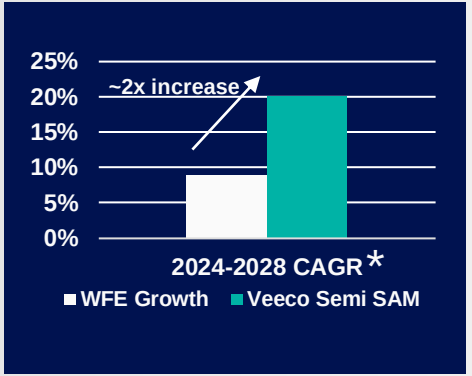


SAM – Served Available Market GaN – Gallium Nitride

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

Semi SAM Expansion To Drive Outperformance

Markets	Industry Inflections	Enabling Technologies
Advanced Logic	GAA/BSPD	 LSA  NSA  IBD 300  IBD EUV
	Device Shrink - EUV/High NA Lithography	
Memory	HBM/3D Devices	
Advanced Packaging	3D Packaging For AI	 Wet Processing
	Heterogeneous Integration	



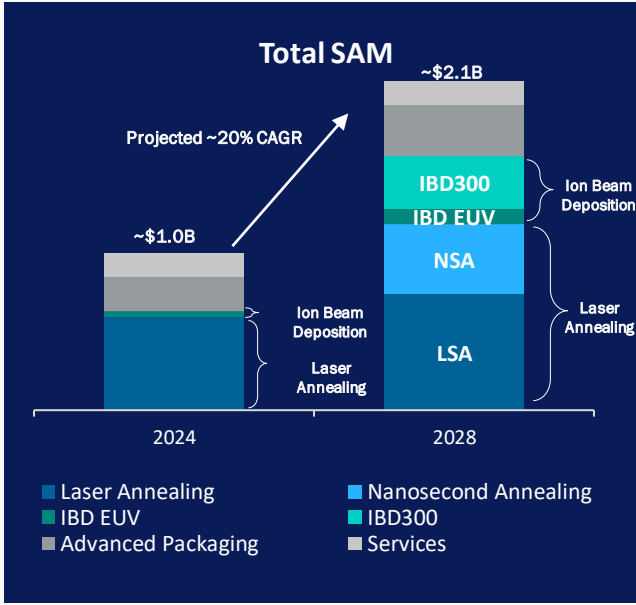
Enabling technologies for industry inflections provide opportunity to outperform WFE growth

*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.

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

Semiconductor SAM Projected Growth

Key Growth Drivers		2024	2028
Laser Spike Annealing (LSA)	• PTOR at 3 Tier 1 logic and 1 HBM DRAM customer • Targeting evaluation agreement in late 2024 & early 2025 evaluation shipment to 2nd HBM customer	~$600M	~$750M
NEW Nanosecond Annealing (NSA)	• 2 evaluation systems at Tier 1 logic customers • Strong pull from 3rd Tier 1 logic customer for evaluation tool	~$0M	~$450M
IBD EUV Mask Blanks	• PTOR for EUV mask blank deposition	~$50M	~$100M
NEW IBD300 Front End Semi	• 2 evaluation systems at HBM customers • Strong pull from Tier 1 logic customers for evaluation tools	~$0M	~$350M

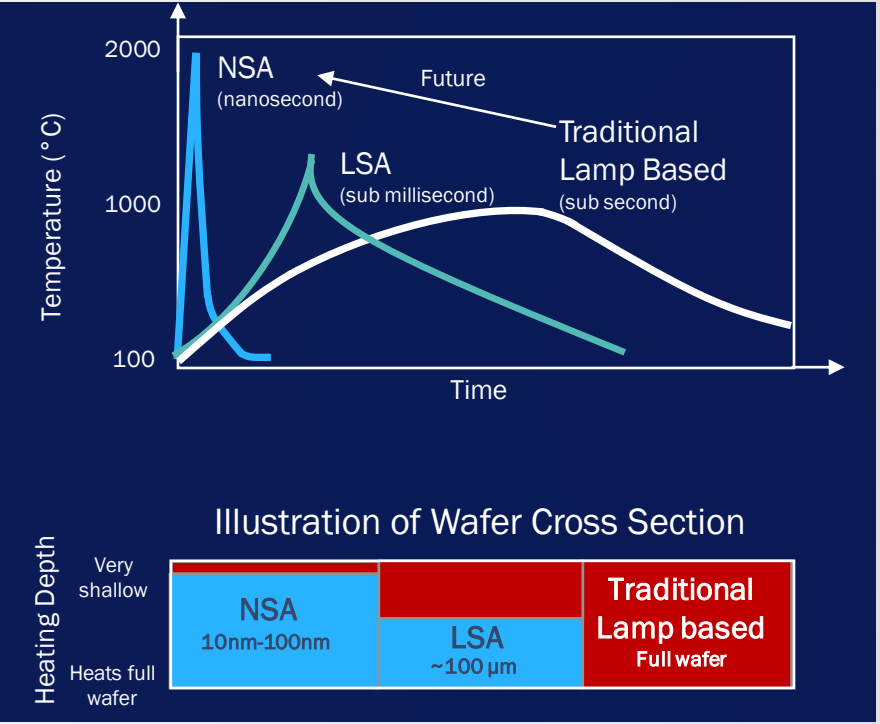


Laser Annealing, Nanosecond Annealing and IBD300 to drive growth in Semiconductor market

EUV – Extreme Ultraviolet
IBD – Ion Beam Deposition
PTOR – Production Tool of Record

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

Nanosecond Annealing Opportunity



- Scaling challenges driving the need for new annealing capabilities
- NSA broadening Laser Annealing adoption to new leading-edge 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

Nanosecond Annealing a substantial opportunity to expand to new leading-edge applications

HVM – High Volume Manufacturing

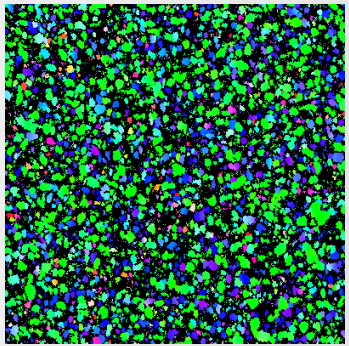
NSA – Nanosecond Annealing
LSA – Laser Spike Annealing

IBD300– 300mm Front End Semi Opportunity

ILLUSTRATION OF GRAIN SIZE AND DISTRIBUTION

TODAY

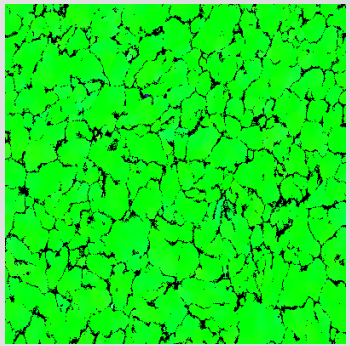
Incumbent Technology



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 most critical

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

IBD – Ion Beam Deposition

Veeco Technologies for Artificial Intelligence

GPU

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

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

High-Bandwidth Memory (HBM) DRAM

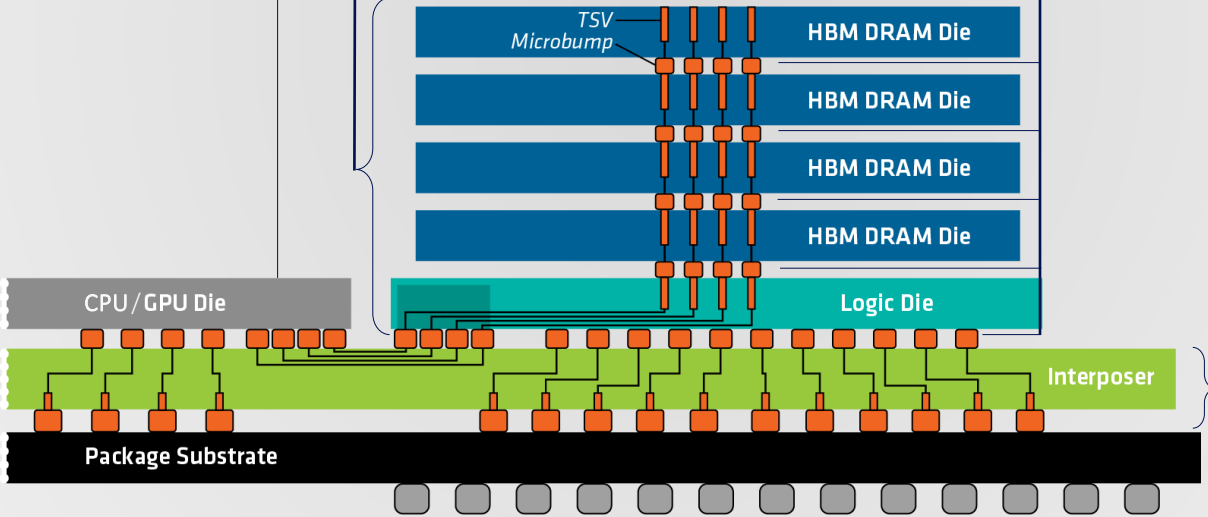
Current PTOR
- Laser-Spike Annealing (LSA)
- IBD for EUV mask blanks

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

Advanced Packaging

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

Additional Future Opportunities
- Wet Processing for temporary bond clean



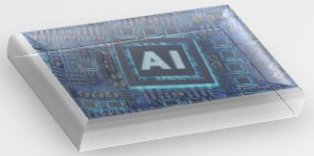


ILLUSTRATION OF A TYPICAL AI CHIP

PTOR = Production Tool of Record
TSV = Through Silicon Via
GPU = Graphics Processing Unit
HBM = High-Bandwidth Memory

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

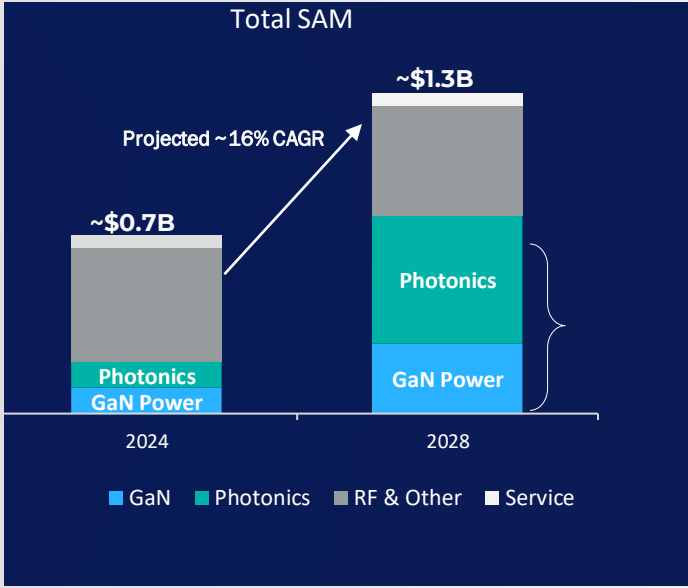
***Evaluations typically compete to win several applications. The number of applications under evaluation will vary by system, customer, and market.**

Increase in evaluations to enable penetration of key SAM growth opportunities

LSA- Laser Spike Annealing
NSA – Nanosecond Annealing
IBD – Ion Beam Deposition

Compound Semiconductor Projected SAM Growth

Key Growth Drivers		2024	2028
GaN Power	• Single wafer MOCVD platform for 200 and 300mm GaN wafer sizes • Shipped 300mm evaluation for GaN on Si Power to leading Power Device customer	~$100M	~$300M
Photonics	• Batch platform for traditional red MicroLED • Single wafer platform for disruptive Red, Green and Blue MicroLEDs on same wafer using GaN on Si • Batch platform for solar and other applications	~$100M	~$500M



Growth opportunities in GaN Power & Photonics

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

GaN – Gallium Nitride

Financials

Updated Q4 & FY 2024 Outlook

Q4 2024

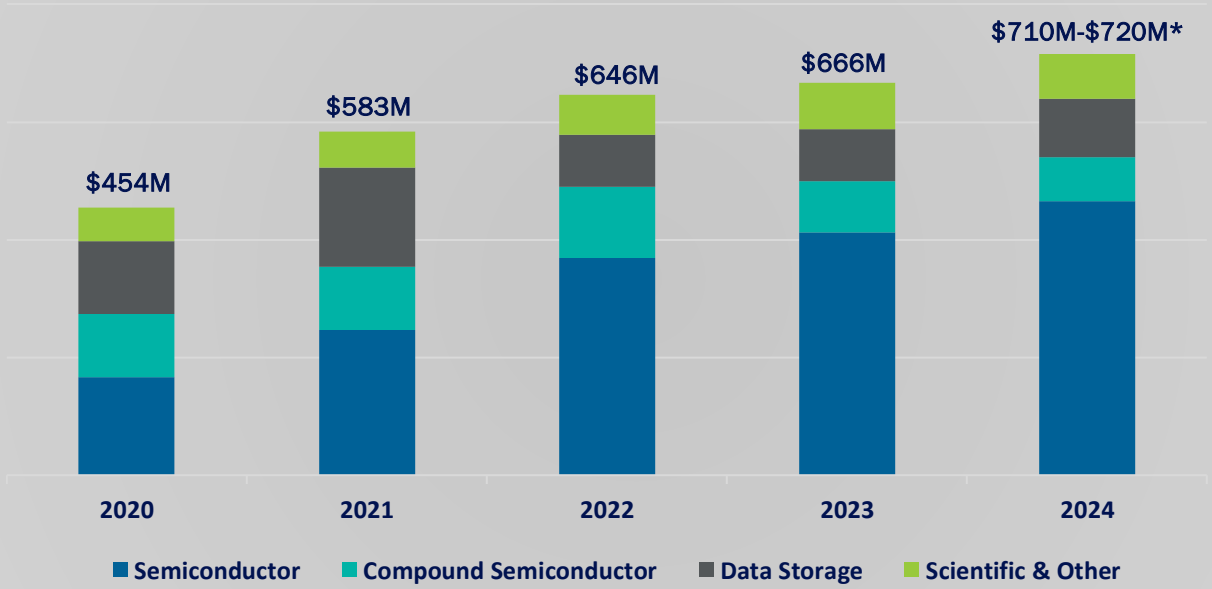
	Prior Guide	Updated Guide
Revenue	$165M - $185M	$175M - $185M
Non-GAAP Diluted EPS	$0.35 - $0.45	$0.36 - $0.44

FY 2024

	Prior Guide	Updated Guide
Revenue	$700M - $720M	$710M - $720M
Non-GAAP Diluted EPS	$1.68 - $1.78	$1.69 - $1.76

Refer to Appendix for a GAAP to Non-GAAP Reconciliation

Revenue by End-Market

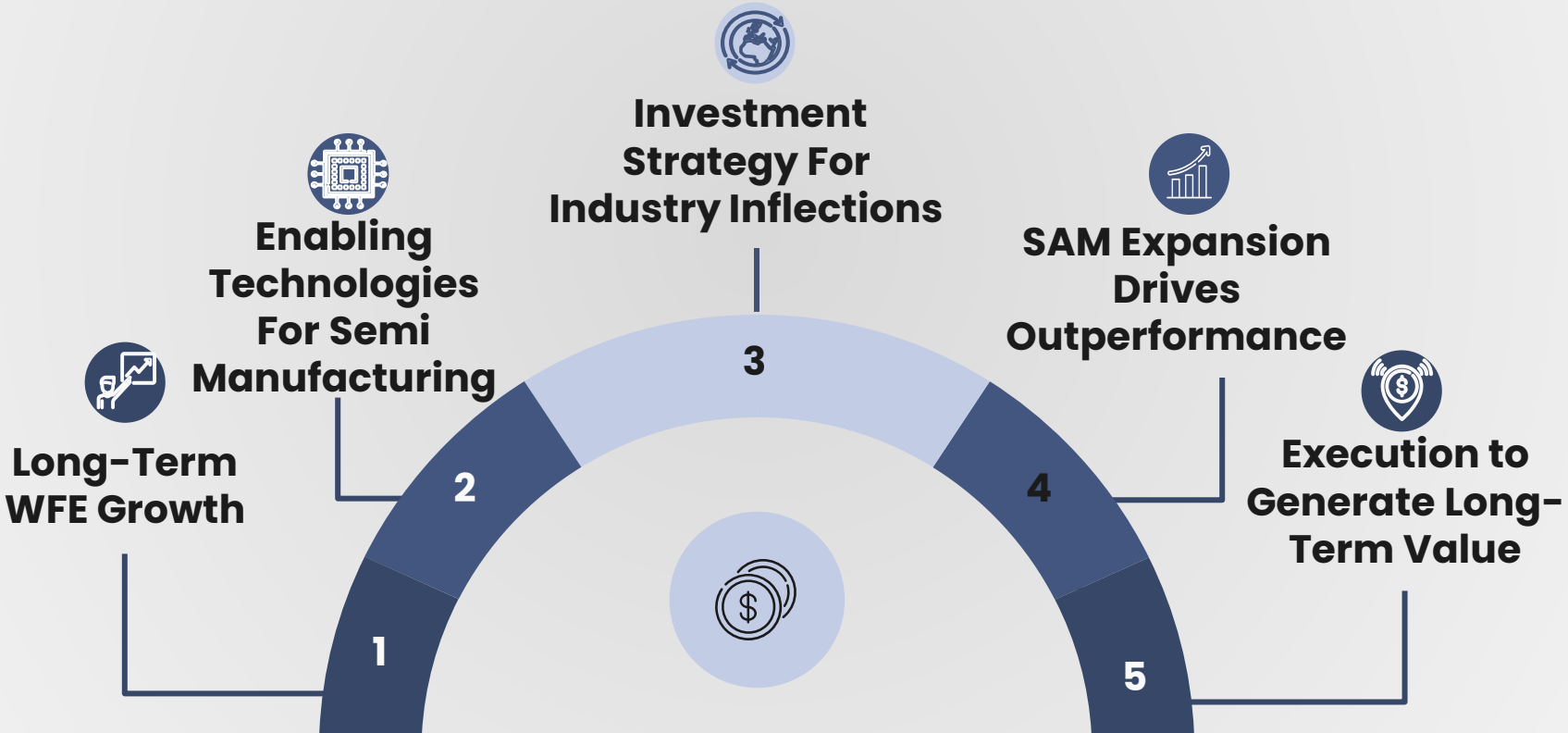


Semiconductor CAGR of ~30% drives increase from 37% of total 2020 revenue to >60% in 2024

*Based on actual 2024 YTD results and updated Q4 guidance

Amounts may not calculate precisely due to rounding.

Why own Veeco?



Q&A

Appendix

2024 Guidance GAAP to Non-GAAP Reconciliations

	Q4 2024	FY 2024
GAAP Diluted EPS	$0.09 - $0.28	$1.07 - $1.26
GAAP Net Income	$4M - $17M	$63M - $76M
Add: Impairment of Intangible Assets	$30M - $26M	$30M - $26M
Add: Reduction in contingent consideration	$(16M) - $(17M)	$(21M) - $(22M)
Add: Tax benefits associated with non-cash impairments	$(5M) - $(13M)	$(5M) - $(13M)
Add: Equity Compensation	~$9M	~$36M
Add: Other charges	$(1M) - $4M	$(2M) - $3M
Non-GAAP Net Income	$21M - $26M	$101M - $106M
Non-GAAP Diluted EPS	$0.36 - $0.44	$1.69 - $1.76

The above 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; amortization of acquired intangible assets; and certain other non-operating gains and losses.

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.