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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

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Date of Report (Date of earliest event reported): **May 3, 2019**

**VEECO INSTRUMENTS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-16244**  
(Commission  
File Number)

**11-2989601**  
(IRS Employer  
Identification No.)

**Terminal Drive, Plainview, New York 11803**  
(Address of principal executive offices)

**(516) 677-0200**  
(Registrant's telephone number, including area code)

**Not applicable**  
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	VECO	The NASDAQ Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

On May 6, 2019, Veeco Instruments Inc. issued a press release announcing its financial results for the quarter ended March 31, 2019. In connection with the release and the related conference call, Veeco posted a presentation relating to its first quarter 2019 financial results on its website (www.veeco.com). Copies of the press release and presentation are furnished as Exhibit 99.1 and Exhibit 99.2 to this report.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

On May 3, 2019, Veeco held its 2019 Annual Meeting. The matters voted on at the meeting are described in detail in the Company’s proxy statement for the meeting, which was filed with the SEC on March 19, 2019.

As of the record date for the meeting, there were 48,034,009 shares of common stock outstanding, each of which was entitled to one vote with respect to each of the matters voted on at the meeting. Each of the directors up for election was elected and each of the other matters was approved by the required number of votes on each such matter. The terms of each of the following directors continued after the meeting: Kathleen A. Bayless, Richard A. D’Amore, Gordon Hunter, Keith D. Jackson and Peter J. Simone.

The final voting results were:

Matter	For	Withheld	Broker Non-votes	
1. Election of Directors				
(a) William J. Miller, Ph.D.	39,318,797	565,791	3,479,336	
(b) John R. Peeler	36,408,219	3,476,369	3,479,336	
(c) Thomas St. Dennis	39,179,328	705,260	3,479,336	
Matter	For	Against	Abstained	Broker Non-votes
2. Amendment and Restatement of 2010 Stock Incentive Plan	34,401,022	5,429,831	53,735	3,479,336
3. Amendment to the 2016 Employee Stock Purchase Plan	39,752,648	76,456	55,484	3,479,336
4. Approval of the advisory vote on executive compensation	27,295,507	11,628,650	960,431	3,479,336
5. Ratification of the appointment of KPMG LLP	43,234,124	86,283	43,517	0

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits* .

Exhibit	Description
99.1	Press release issued by Veeco dated May 6, 2019
99.2	Veeco Q1 2019 Conference Call, May 6, 2019

The information in this report, including the exhibits, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, nor shall this information or these exhibits be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

## EXHIBIT INDEX

<b>Exhibit</b>	<b>Description</b>
99.1	<a href="#">Press release issued by Veeco dated May 6, 2019</a>
99.2	<a href="#">Veeco Q1 2019 Conference Call, May 6, 2019</a>

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

May 6, 2019

**VEECO INSTRUMENTS INC.**

By: /s/ Gregory A. Robbins

Name: Gregory A. Robbins

Title: Senior Vice President and General Counsel

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# NEWS

## VEECO REPORTS FIRST QUARTER 2019 FINANCIAL RESULTS

### First Quarter 2019 Highlights:

- Revenues of \$99.4 million, compared with \$158.6 million in the same period last year
- GAAP net loss of \$18.5 million, or \$0.40 loss per diluted share
- Non-GAAP net loss of \$6.4 million, or \$0.14 loss per diluted share

Plainview, N.Y., May 6, 2019 -- Veeco Instruments Inc. (Nasdaq: VECO) today announced financial results for its first quarter ended March 31, 2019. 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		
<b>GAAP Results</b>		
	<b>Q1 '19</b>	<b>Q1 '18</b>
Revenue	\$ 99.4	\$ 158.6
Net income (loss)	\$ (18.5)	\$ (15.8)
Diluted earnings (loss) per share	\$ (0.40)	\$ (0.34)
<b>Non-GAAP Results</b>		
	<b>Q1 '19</b>	<b>Q1 '18</b>
Net income (loss)	\$ (6.4)	\$ 9.2
Operating income (loss)	\$ (4.8)	\$ 11.3
Diluted earnings (loss) per share	\$ (0.14)	\$ 0.20

“We are executing according to our plan with Q1 revenue and EPS results above the midpoint of our guided range. Our transition away from the commodity LED business is largely complete and our revenue has stabilized. In addition, we are seeing strength in our Data Storage and EUV products driven by technology advancements,” commented William J. Miller, Ph.D., Chief Executive Officer.

“We also shipped the first ion beam deposition system for EUV mask-blank volume production in April. Looking ahead, we remain confident about growing our top line and returning to profitability,” concluded Dr. Miller.

## **Guidance and Outlook**

The following guidance is provided for Veeco's second quarter 2019:

- Revenue is expected in the range of \$90 million to \$110 million
- GAAP earnings (loss) per share are expected in the range of (\$0.47) to (\$0.27)
- Non-GAAP earnings (loss) per share are expected in the range of (\$0.18) to \$0.02

Please refer to the tables at the end of this press release for further details.

## **Conference Call Information**

A conference call reviewing these results has been scheduled for today, May 6, 2019 starting at 5:30pm ET. To join the call, dial 1-888-204-4368 (toll free) or 1-929-477-0402 and use passcode 6759738. Participants may also access a live webcast of the call by visiting the investor relations section of Veeco's website at [ir.veeco.com](http://ir.veeco.com). A replay of the webcast will be made available on the Veeco website beginning at 8:00pm ET this 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 proven MOCVD, lithography, laser annealing, ion beam, and single wafer etch & clean technologies play an integral role in the fabrication and packaging of advanced semiconductor devices. With equipment designed to maximize 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](http://www.veeco.com).

## **Forward-looking Statements**

To the extent that this news release discusses expectations or otherwise makes statements about the future, such statements are forward-looking and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the statements made. These factors include the risks discussed in the Business Description and Management's Discussion and Analysis sections of Veeco's Annual Report on Form 10-K for the year ended December 31, 2018 and in our subsequent quarterly reports on Form 10-Q, current reports on Form 8-K and press releases. Veeco does not undertake any obligation to update any forward-looking statements to reflect future events or circumstances after the date of such statements.

*- financial tables attached -*

## **Veeco Contacts:**

Investors: Media:  
Anthony Bencivenga (516) 252-1438 David Pinto (408) 325-6157  
abencivenga [@veeco.com](mailto:abencivenga@veeco.com) dpinto@veeco.com

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

	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Net sales	\$ 99,371	\$ 158,574
Cost of sales	64,655	101,894
Gross profit	34,716	56,680
Operating expenses, net:		
Research and development	23,340	24,320
Selling, general, and administrative	19,902	26,383
Amortization of intangible assets	4,218	13,532
Restructuring	1,430	2,695
Acquisition costs	—	1,342
Other, net	(34)	(157)
Total operating expenses, net	48,856	68,115
Operating income (loss)	(14,140)	(11,435)
Interest expense, net	(4,200)	(4,622)
Income (loss) before income taxes	(18,340)	(16,057)
Income tax expense (benefit)	190	(230)
Net income (loss)	\$ (18,530)	\$ (15,827)
Income (loss) per common share:		
Basic	\$ (0.40)	\$ (0.34)
Diluted	\$ (0.40)	\$ (0.34)
Weighted average number of shares:		
Basic	46,848	46,963
Diluted	46,848	46,963

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

	March 31, 2019	December 31, 2018
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 169,439	\$ 212,273
Restricted cash	804	809
Short-term investments	67,215	48,189
Accounts receivable, net	74,860	66,808
Contract assets	10,479	10,397
Inventories	148,103	156,311
Deferred cost of sales	2,921	3,072
Prepaid expenses and other current assets	24,943	22,221
<b>Total current assets</b>	<b>498,764</b>	<b>520,080</b>
Property, plant and equipment, net	77,737	80,284
Operating lease right-of-use assets	12,874	—
Intangible assets, net	80,931	85,149
Goodwill	184,302	184,302
Deferred income taxes	1,869	1,869
Other assets	29,117	29,132
<b>Total assets</b>	<b>\$ 885,594</b>	<b>\$ 900,816</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 36,315	\$ 39,611
Accrued expenses and other current liabilities	44,040	46,450
Customer deposits and deferred revenue	68,881	72,736
Income taxes payable	792	1,256
<b>Total current liabilities</b>	<b>150,028</b>	<b>160,053</b>
Deferred income taxes	5,675	5,690
Long-term debt	290,473	287,392
Operating lease long-term liabilities	8,382	—
Other liabilities	9,238	9,906
<b>Total liabilities</b>	<b>463,796</b>	<b>463,041</b>
<b>Total stockholders' equity</b>	<b>421,798</b>	<b>437,775</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 885,594</b>	<b>\$ 900,816</b>

**Veeco Instruments Inc. and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Financial Data**  
(in thousands, except per share amounts)  
(unaudited)

Three months ended March 31, 2019	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net sales	\$ 99,371				\$ 99,371
Gross profit	34,716	470		47	35,233
Gross margin	34.9 %				35.5 %
Operating expenses	48,856	(2,687)	(4,218)	(1,967)	39,984
Operating income (loss)	(14,140)	3,157	4,218	2,014 ^	(4,751)
Net income (loss)	(18,530)	3,157	4,218	4,787 ^	(6,368)
Income (loss) per common share:					
Basic	\$ (0.40)				\$ (0.14)
Diluted	(0.40)				(0.14)
Weighted average number of shares:					
Basic	46,848				46,848
Diluted	46,848				46,848

^ - See table below for additional details.

**Veeco Instruments Inc. and Subsidiaries**  
**Other Non-GAAP Adjustments**  
(in thousands)  
(unaudited)

Three months ended March 31, 2019	
Restructuring	1,430
Depreciation of PP&E fair value step-up associated with the Ultratech purchase accounting	142
Accelerated depreciation	397
Other	45
Subtotal	2,014
Non-cash interest expense	3,081
Non-GAAP tax adjustment *	(308)
Total Other	4,787

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

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, 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.

**Veeco Instruments Inc. and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Financial Data**  
(in thousands, except per share amounts)  
(unaudited)

<b>Three months ended March 31, 2018</b>	<b>GAAP</b>	<b>Non-GAAP Adjustments</b>			<b>Non-GAAP</b>
		<b>Share-based Compensation</b>	<b>Amortization</b>	<b>Other</b>	
Net sales	\$ 158,574				\$ 158,574
Gross profit	56,680	554		611	57,845
Gross margin	35.7 %				36.5 %
Operating expenses	68,115	(3,983)	(13,532)	(4,053)	46,547
Operating income (loss)	(11,435)	4,537	13,532	4,664 ^	11,298
Net income (loss)	(15,827)	4,537	13,532	6,985 ^	9,227
Income (loss) per common share:					
Basic	\$ (0.34)				\$ 0.20
Diluted	(0.34)				0.20
Weighted average number of shares:					
Basic	46,963				47,022
Diluted	46,963				47,191

^ - See table below for additional details.

**Veeco Instruments Inc. and Subsidiaries**  
**Other Non-GAAP Adjustments**  
(in thousands)  
(unaudited)

<b>Three months ended March 31, 2018</b>	
Restructuring	2,523
Acquisition related	1,342
Release of inventory fair value step-up associated with the Ultratech purchase accounting	514
Depreciation of PP&E fair value step-up associated with the Ultratech purchase accounting	293
Other	(8)
Subtotal	4,664
Non-cash interest expense	2,859
Non-GAAP tax adjustment *	(538)
Total Other	6,985

\* - The 'with or without' method is utilized to determine the income tax effect of all Non-GAAP adjustments, as well as the exclusion of certain tax benefits attributed to the change in U.S. taxlaws.

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, and certain integration costs.

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**Veeco Instruments Inc. and Subsidiaries**  
**Reconciliation of GAAP Net Income (loss) to Non-GAAP Operating Income (loss)**  
(in thousands)  
(unaudited)

	<b>Three months ended March 31, 2019</b>	<b>Three months ended March 31, 2018</b>
GAAP Net income (loss)	\$ (18,530)	\$ (15,827)
Share-based compensation	3,157	4,537
Amortization	4,218	13,532
Restructuring	1,430	2,523
Acquisition related	—	1,342
Release of inventory fair value step-up associated with the Ultratech purchase accounting	—	514
Depreciation of PP&E fair value step-up associated with the Ultratech purchase accounting	142	293
Accelerated depreciation	397	—
Interest (income) expense, net	4,200	4,622
Other	45	(8)
Income tax expense (benefit)	190	(230)
Non-GAAP Operating income (loss)	<u>\$ (4,751)</u>	<u>\$ 11,298</u>

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, and certain integration costs.

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**Veeco Instruments Inc. and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Financial Data**  
(in thousands, except per share amounts)  
(unaudited)

Guidance for the three months ending June 30, 2019	Non-GAAP Adjustments					
	GAAP		Share-based			Non-GAAP
			Compensation	Amortization	Other	
Net sales	\$ 90	- \$ 110				\$ 90 - \$ 110
Gross profit	32	- 42	1	—	—	33 - 43
Gross margin	36%	- 38%				37% - 39%
Operating expenses	~\$50		3	4	3	~\$40
Operating income (loss)	(18)	- (8)	4	4	3	(7) - 3
Net income (loss)	\$ (22)	- \$ (12)	4	4	5	\$ (9) - \$ 1
Income (loss) per diluted common share	\$ (0.47)	- \$ (0.27)				\$ (0.18) - \$ 0.02
Weighted average number of shares	47	47				47 47

**Veeco Instruments Inc. and Subsidiaries**  
**Reconciliation of GAAP Net Income (loss) to Non-GAAP Operating Income (Loss)**  
(in millions)  
(unaudited)

Guidance for the three months ending June 30, 2019			
GAAP Net income (loss)	\$ (22)	-	\$ (12)
Share-based compensation	4	-	4
Amortization	4	-	4
Restructuring	2	-	2
Interest expense, net	4	-	4
Income tax expense (benefit)	1	-	1
Non-GAAP Operating income (loss)	\$ (7)	-	\$ 3

Note: Amounts may not calculate precisely due to rounding.

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, and certain integration costs.

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Q1 2019  
Conference Call

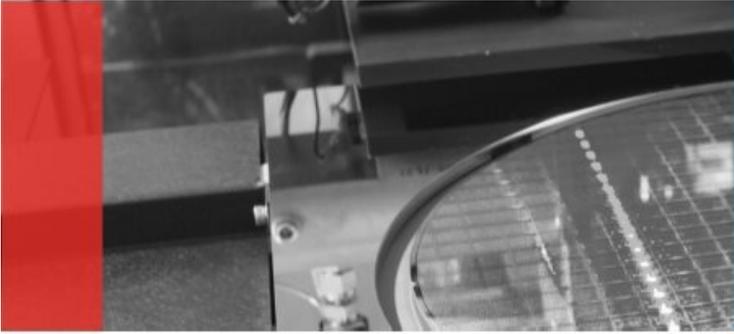
Veeco Instruments Inc.  
May 6, 2019

## Safe Harbor

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*To the extent that this presentation discusses expectations or otherwise makes statements about the future, such statements are forward-looking and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the statements made.*

*These items include the risk factors discussed in the Business Description and Management's Discussion and Analysis sections of Veeco's Annual Report on Form 10-K for the year ended December 31, 2018 and subsequent Quarterly Reports on Form 10-Q and current reports on Form 8-K. Veeco does not undertake any obligation to update any forward-looking statements to reflect future events or circumstances after the date of such statements.*



## CEO Overview William Miller

## Q1 2019 Highlights

<b>Q1</b> <i>Results</i>	<b>\$107.2M</b> <i>Bookings</i>	<b>\$99.4M</b> <i>Revenue</i>	<b>\$(4.8M)</b> <i>Non-GAAP Operating Loss</i>	<b>(14¢)</b> <i>Non-GAAP EPS</i>
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- Strength in Data Storage and EUV products
- Backlog grew to \$295M
- Stabilized revenue with de minimis commodity LED contribution
- Ending cash and short-term investments of \$237M

*Focused on Growing Top-Line and Returning to Profitability*

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

4 Q1 2019 Conference Call | © 2019 Veeco Instruments Inc.



# Executing 2019 Growth Opportunities

## Front-End Semiconductor

EUV Mask Blanks  
Ion Beam Deposition



Front-End Wafer Processing  
Laser Annealing



## Compound Semiconductor

3D Sensing / VCSEL  
MOCVD



## Advanced Packaging

Wafer Level Packaging  
Lithography



# 2019 Focus



## Innovate technology leadership

- Solve tough materials problems
- Execute product roadmaps



## Penetrate market growth

- EUV Mask Blanks – Ion Beam Deposition
- Leading-Edge Front-End Semiconductor – Laser Anneal
- 3D Sensing / VCSEL – MOCVD
- Advanced Packaging – Lithography



## Improve profitability

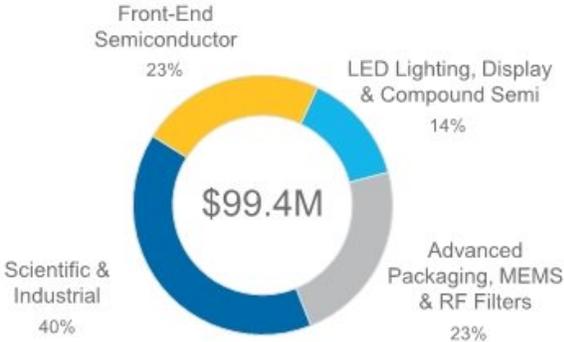
- Improve gross margin
- Reduce operating expenses

*Solving Customers' Tough Materials Problems to Restore Growth and Profitability*

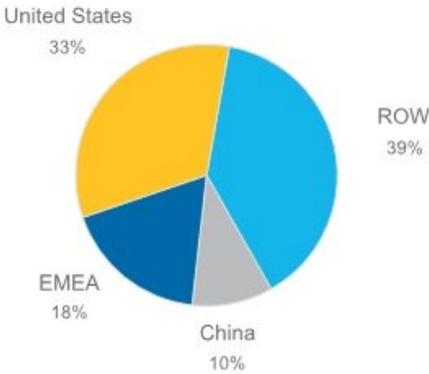


# Q1 2019 Revenue by Market & Region

Revenue by Market



Revenue by Region



# Operating Results

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\$ millions <i>(except per share amounts)</i>	GAAP		Non-GAAP	
	Q4 18	Q1 19	Q4 18	Q1 19
Revenue	\$99.0	\$99.4	\$99.0	\$99.4
Gross Profit	35.3	34.7	35.7	35.2
Gross Margin	35.6%	34.9%	36.0%	35.5%
Operating Expenses	174.2	48.9	42.6	40.0
Operating Income/(Loss)	(139.0)	(14.1)	(6.9)	(4.8)
Net Income/(Loss)	(144.7)	(18.5)	(7.5)	(6.4)
Earnings/(Loss) Per Share	\$(3.11)	\$(0.40)	\$(0.16)	\$(0.14)

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.

## Balance Sheet and Cash Flow Highlights

\$ millions	Q4 18	Q1 19
Cash & Short-Term Investments	261	237
Accounts Receivable	67	75
Inventories	156	148
Accounts Payable	40	36
Long-Term Debt	287	290
Cash Flow from Operations	2	(22)
DSO (days)	61	68
DOI	219	212
DPO	56	52

*Reduction in Cash Driven by Working Capital Investments, Debt Interest Payment and Net Loss*

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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## Q2 2019 Guidance

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	GAAP	Non-GAAP
Revenue	\$90M - \$110M	\$90M - \$110M
Gross Margin	36% - 38%	37% - 39%
Operating Expenses	~\$50M	~\$40M
Operating Income (Loss)	\$(18) - \$(8)	\$(7M) - \$3M
Net Income (Loss)	\$(22M) - \$(12M)	\$(9M) - \$1M
Earnings (Loss) Per Share	\$(0.47) - \$(0.27)	\$(0.18) - \$0.02



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

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## Note on Reconciliation Tables

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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.

## Supplemental Information—GAAP to Non-GAAP Reconciliation

US\$ millions	Q4 18	Q1 19	US\$ millions	Q4 18	Q1 19	US\$ millions, except per share amounts	Q4 18	Q1 19
Net Sales	\$29.0	\$29.4	GAAP Net Income (Loss)	\$(144.7)	\$(18.5)	GAAP Basic EPS	(3.11)	(0.40)
GAAP Gross Profit	35.3	34.7	Add: Share-Based Comp	3.4	3.2	GAAP Diluted EPS	(3.11)	(0.40)
GAAP Gross Margin	35.6%	34.9%	Add: Amortization	4.2	4.2	GAAP Net Income (Loss)	(144.7)	(18.5)
Add: Release of inventory fair value step-up for purchase accounting	0.1	-	Add: Restructuring	0.7	1.4	Add: Share-Based Comp	3.4	3.2
Add: Share-Based Comp	0.3	0.5	Add: Acquisition Related	0.1	-	Add: Amortization	4.2	4.2
Add: Depreciation of PP&E fair value step-up for purchase accounting	0.1	-	Add: Release of inventory fair value step-up for purchase accounting	0.1	-	Add: Restructuring	0.7	1.4
Non-GAAP Gross Profit	\$36.7	\$36.2	Add: Depreciation of PP&E fair value step-up for purchase accounting	0.2	0.1	Add: Acquisition Related	0.1	-
Non-GAAP Gross Margin	36.0%	35.5%	Add: Accelerated Depreciation	0.6	0.4	Add: Release of inventory fair value step-up for purchase accounting	0.1	-
			Add: Asset Impairment	123.8	-	Add: Depreciation of PP&E fair value step-up for purchase accounting	0.2	0.1
			Add: Interest Expense	4.5	4.2	Add: Accelerated Depreciation	0.6	0.4
			Subtract: Tax expense (benefit)	0.2	0.2	Add: Asset Impairment	123.8	-
			Non-GAAP Operating Income (Loss)	\$(5.9)	\$(4.8)	Add: Non-Cash Interest Expense	3.0	3.1
						Add: Tax Adjustment from GAAP to Non-GAAP	1.0	(0.3)
						Non-GAAP Net Income (Loss)	(7.5)	(6.4)
						Non-GAAP Basic EPS	(0.16)	(0.14)
						Non-GAAP Diluted EPS	(0.16)	(0.14)

Amounts may not calculate precisely due to rounding.

## Q1 2019 Actual: GAAP to Non-GAAP Reconciliation

In millions, except per share amounts	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net Sales	\$99.4				\$99.4
Gross Profit	34.7	0.5			35.2
Gross Margin	34.9%				35.5%
Operating Expenses	48.9	(2.7)	(4.2)	(2.0)	40.0
Operating Income (Loss)	(14.1)	3.2	4.2	2.0	(4.8)
Net Income (Loss)	\$(18.5)	3.2	4.2	4.8	\$(6.4)
Income (Loss) Per Common Share:					
Basic	\$(0.40)				\$(0.14)
Diluted	(0.40)				(0.14)
Weighted Average Number of Shares:					
Basic	46.8				46.8
Diluted	46.8				46.8
<u>Other Non-GAAP Adjustments</u>					
Restructuring					1.4
Depreciation of PP&E fair value step-up associated with the Ultratech purchase accounting					0.1
Accelerated Depreciation					0.4
Subtotal					2.0
Non-Cash Interest Expense					3.1
Non-GAAP Tax Adjustment					(0.3)
Total Other					4.8

Amounts may not calculate precisely due to rounding

## Q2 2019 Guidance: GAAP to Non-GAAP Reconciliation

In millions, except per share amounts	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net Sales	\$90-\$110				\$90-\$110
Gross Profit	32-42	1	—	—	33-43
Gross Margin	36%-38%				37%-39%
Operating Expenses	~\$50	3	4	3	~\$40
Operating Income (Loss)	\$(18)-\$(8)	4	4	3	\$(7)-\$3
Net Income (Loss)	\$(22)-\$(12)	4	4	5	\$(9)-\$1
Income (Loss) per Diluted Share	\$(0.47)-\$(0.27)				\$(0.18)-\$0.02

GAAP Net Income (Loss)	\$(22)-\$(12)
Share-Based Compensation	4
Amortization	4
Restructuring	2
Interest Expense, Net	4
Income Tax Expense (Benefit)	1
Non-GAAP Operating Income (Loss)	\$(7)-\$3

Amounts may not calculate precisely due to rounding



**Thank You**

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