Safe Harbor

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, 2017 and subsequent Quarterly Reports on form 10Q 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.
Veeco at a Glance

Leading process equipment solutions provider; Veeco enables high-tech electronic device manufacturing

» Global firm, HQ in Plainview, NY
» Strong Leadership, 1050 Employees
» $485M 2017 Revenue

» 6 Product Organizations in the US
» Sales and Service in 10 Countries
» Manufacturing in the US and Singapore
2017: A Transformational Year – Positioned to Grow

Expanded Market Reach with Complementary Acquisition

» Closed Ultratech acquisition; integration progressing well
» Synergies greater than originally expected

Executed Manufacturing Consolidation

» New Jersey manufacturing consolidation complete
» Generating $4M in annualized cost savings

Poised to Diversify Revenues; Accelerate Profitable Growth

» Delivered 40.6% Non-GAAP gross margin in 2017
» Bookings trends point to growth and diversification in 2018
Our Customers

**LED & Compound Semi**
- Aucksun
- Sumitomo
- OSRAM Opto Semiconductors
- OSARUM Opto Semiconductors
- LUMENTUM
- FINISAR
- EPISTAR
- HC SEMITEK
- IQE

**OSATs, MEMS & RF Filters**
- Powertech
- BROADCOM
- Qorvo
- SPIF
- Amkor Technology
- QUALCOMM
- ASE Inc.
- BOSCH

**IDMs & Foundries**
- SAMSUNG
- IBM
- GLOBAL FOUNDRIES
- TSMC
- SK hynix
- Texas Instruments
- Micron
- INTEL
- UMC

**Scientific & Industrial**
- Western Digital
- IPG PHOTONICS
- NIST
- Solar Junction
- Cornell University
Markets Aligned with Technology & Global Trends

Advanced Packaging, MEMS & RF Filters
- Leader in Lithography\(^{(1)}\)
- Leader in Wet Etch & Clean
- IBE

LED Lighting, Display & Compound Semi
- Leader in MOCVD\(^{(1)}\)
- Blue LED, ROY LED – Photonics, Compound Semi
- MBE, Wet Etch & Clean, Litho

Front-End Semiconductor
- Leader in Laser Spike Anneal\(^{(1)}\)
- IBD, IBE
- 3D Inspection

Scientific & Industrial
- Industry Benchmark for MBE & Ion Beam\(^{(1)}\)
- IBD, IBE, IBS
- ALD

Global Trends
- Mobile Devices
- Automotive
- Big Data
- Wireless Infrastructure

Technologies
- 3D Sensing
- LiDAR (automotive)
- High Speed Data
- Wireless Infrastructure Displays
- General Lighting
- Display Backlighting

- Miniaturization & Performance
- EUV Adoption
- Memory Requirements
- 3D Applications

- R&D
- Optical Coatings
- Industrial Lasers
- Optical Components

(1) Source: IHS
Veeco Technologies Serve Growing Markets

Markets
- Advanced Packaging, MEMS & RF Filters
- LED Lighting, Display & Compound Semi
- Front-End Semi
- Scientific & Industrial

Growth Drivers

Growth of Veeco’s Served Markets From 2017 to 2020*

$1.2B
$1.8B

2017
2020

~50% Growth from 2017 to 2020

Veeco Technologies: MOCVD | Lithography | Wet Etch/Clean | Laser Anneal | Ion Beam | MBE | 3D Inspection | ALD

*Source: Various industry reports and company estimates
# Key Markets and Technologies

<table>
<thead>
<tr>
<th>Advanced Packaging, MEMS &amp; RF Filters</th>
<th>LED Lighting, Display &amp; Compound Semi</th>
<th>Front-End Semiconductor</th>
<th>Scientific &amp; Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>RF MEMS</td>
<td>Photonics Micro LEDs</td>
<td>Melt Superfast Inspection</td>
<td>R&amp;D EUV R&amp;D</td>
</tr>
<tr>
<td>AP</td>
<td>GaN RF &amp; GaN Power</td>
<td>STT - MRAM</td>
<td></td>
</tr>
</tbody>
</table>

- **Served Market Size**
- **Growth Opportunity**
Advanced Packaging, MEMS & RF Filters
Advanced Packaging, MEMS & RF Filters

Significant Increase in Demand for WLP Applications

Broad-Based Growth Vectors
- Mobile devices and connectivity trends
- Automotive electronics growth, including ADAS
- Big Data Processing
- 5G infrastructure deployment

Path to Growth
- Evolve product lines to sustain Litho leadership
- Gain share with new generation Wet Etch & Clean tools
- Leverage new Ion Beam Etch tool into MEMS & RF Filter markets

Source: TechSearch International & IC Insights 2017

Applicable Technologies:  MOCVD | Lithography | Wet Etch/Clean | Laser Anneal | Ion Beam | MBE | 3D Inspection | ALD
Moore’s Law Not Enough, Need Advanced Packaging

More than Moore: Diversification

- Analog
- RF
- Passives
- Power
- Actuators
- Sensors
- Biochips

More Moore: Miniaturization

- Logic
- Memory

Advanced Packaging

Interacting with Environment and People

Information Processing
Advanced Packaging Leadership

Coat | Develop | Electroplate | Etch | Reflow

UBM | Lithography | Clean | Strip | Inspection | Dice

Lithography AP200/300 | Strip WaferStorm | Etch WaferEtch
Advanced Packaging Lithography Leadership

Highlights

Superior Operational Flexibility

- Leading position with 75% market share in 2017

- Extensive process knowledge for seamless integration of lithography steppers into new and existing packaging lines

- Production proven HVM solutions enable low risk manufacturing
Veeco Wet Etch & Clean at a Glance

>3,000 Tools
Installed
Global Customer Base

2 Platforms
WaferStorm® / WaferEtch®
Flexible / Configurable

Etch

Clean

Highly flexible single-wafer processing; well suited for multiple applications

Advanced Packaging
MEMS
Wireless (RF)
Power Electronics
LED
LED Lighting, Display & Compound Semi

Veeco Remains the LED Market Leader
» 55% market share for GaN LED*
» Fab utilization worldwide > 85%; market to remain robust

Non General-Lighting Areas Such as Photonics and RF Driving Meaningful Growth
» VCSELs & Laser Diodes
» Micro-LEDs & Fine Pitched Displays
» 5G driven RF devices
» Power Electronics

Applicable Technologies: MOCVD | Lithography | Wet Etch/Clean | Laser Anneal | Ion Beam | MBE | 3D Inspection | ALD

* Source IHS, Veeco
Compound Semiconductor Growth Drivers

- **Photonics**
  - Data Center
  - VCSELs
  - 3D Sensors
  - Lasers
  - LiDAR
  - IR Detectors

- **Power Electronics**
  - Power Conversion and Transmission
  - Energy Charging and Storage

- **Micro LED & Mini LED**
  - Display
  - AR / VR

- **5G RF**
  - Mobile Smart Devices
  - Base Stations
# Veeco MOCVD for Compound Semi Applications

## UV
- **LED**
- **mini & µLED**

## Visible
- **LED**
- **mini & µLED**

## Infra Red
- **VCSELs & IR LEDs**
- **Edge Emit. Lasers**

## Radio
- **RF**
- **Power**

<table>
<thead>
<tr>
<th>GaN</th>
<th>GaN</th>
<th>As/P</th>
<th>As/P</th>
<th>GaN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sapphire: 4&quot;, 6&quot;</td>
<td>Sapphire: 4&quot;, 6&quot;, 8&quot;</td>
<td>GaAs: 4&quot;, 6&quot;</td>
<td>InP: 3&quot;, 4&quot;</td>
<td>SiC: 4&quot;, 6&quot;</td>
</tr>
<tr>
<td>Sapphire: 8&quot; Silicon: 8&quot;</td>
<td></td>
<td></td>
<td></td>
<td>Si: 6&quot;, 8&quot;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Propell</th>
<th>Epik</th>
<th>Propell</th>
<th>K475i</th>
<th>K475i</th>
<th>Propell</th>
</tr>
</thead>
</table>

Install base at over 100 customers
Why Micro-LED Display?

Augmented Reality (AR)

- Power Efficiency
- High Brightness

SmartPhone

- Flexible/Robust
- Power Efficiency
- High Brightness

TV

- Better Performance

**Micro-LED Advantages:**

**AR:** Power Efficiency, High Brightness

**Phone:** Flexible/Robust, Power Efficiency, High Brightness

**TV:** Better Performance
Front-End Semi

LSA
» Demand from Taiwan and China
» 2017 market share was approx. 40%
» Melt being qualified for production at 7nm & 5nm

EUV Photomask
» Strong interest from photomask industry
» LDD-IBD ready for EUV adoption

STT-MRAM
» Well positioned for MRAM ramp with multiple engagements across 3 major customers

3D Inspection
» Evaluations in process with multiple customers in their fabs

Applicable Technologies: MOCVD | Lithography | Wet Etch/Clean | Laser Anneal | Ion Beam | MBE | 3D Inspection | ALD
Laser Spike Annealing: Leadership in Millisecond Annealing

Highlights

• Superior Performance
  • Minimal pattern effects
  • Real time temperature control
  • Low stress processing

• >90 LSA systems shipped

• Millisecond Annealing (MSA) Front End of Line (FEOL) market share 40% in 2017
  • Processing ~5M wafer passes
  • Supporting 40nm to 14nm

• LSA is the leading MSA technology used in volume production at all major logic foundries for 28/40nm

• In volume production for 14nm and 10nm FinFET devices
STT-MRAM

> **1st Application: Internet of Things**

- Replacement of eFLASH for Microcontrollers and FPGAs
- Non-volatility, fast On/Off, connectivity, and low power consumption
- Expected soon at 28nm node

> **Later: Application Processors in SoCs**

- Replacement of eSRAM in Automotive, Smartphone, and other mobile applications
- Small cell size, low standby power, and non-volatility
- Expected later at ≤ 5nm node

STT-MRAM is well placed to meet many application needs

Superfast 3D Wafer Inspection Technology

Highlights
• CGS (Coherent Gradient Sensing) Interferometry
  • Unique self-referencing interferometer
  • Can measure any patterned wafer surface
  • High density, high speed 3D topography
• High Performance 3D Inspection
  • Nanometer repeatability at 175wph
  • 3 million data points per wafer
  • Best in class displacement modeling
  • Tier1 DRAM, VNAND and scanner JDP’s for critical layer overlay control
  • Best CoO for HVM in-line monitoring
• Strategic development programs with industry leaders
Veeco IBD Required for EUV Mask Roadmap

> $300B+ semiconductor market investing heavily in EUV to solve lithography challenges

> Defect-free photomasks are a significant enabler

Currently engaged with key industry players on next-gen equipment solutions
Scientific & Industrial

Good Momentum in Optical Coating Systems
- Strong Bookings in 2017
- Broad-based market demand including industrial lasers, optical components for telecom, and R&D

Atomic Layer Deposition (ALD)
- Serving R&D market (mix of corporate research and Universities) & Production for non-Front end semiconductor applications

Molecular Beam Epitaxy (MBE)
- Broad product line to address R&D and production applications

Launched Lancer™ Ion Beam Etch System
- A reduced-footprint, R&D-focused, ion-beam etch platform for emerging MEMS and magnetic-sensor applications

Applicable Technologies: MOCVD | Lithography | Wet Etch/Clean | Laser Anneal | Ion Beam | MBE | 3D Inspection | ALD
ALD Systems – from R&D to Production

Focused on niche/emerging markets

» Thermal ALD for research
» Plasma enhanced ALD for research and industry
» Batch ALD for production

$65M Market in 2017 (and growing)

» R&D market (mix of corporate research and Universities) & Production for non-Front end semiconductor applications

Production markets include

» Conformal optical coatings, encapsulation, photovoltaics, flexible OLED, bullion coins,…
MBE - Thin Film Deposition

Critical Materials are deposited by MBE

MBE applications range from high temperature superconductors to cutting lasers to advanced solar cells to critical communication chips in your cell phone.
Q4 2017 Highlights

<table>
<thead>
<tr>
<th>Q4 Results</th>
<th>$179M</th>
<th>$143M</th>
<th>$10.5M</th>
<th>19¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP Op Income</td>
<td>$10.5M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP EPS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Bookings up 3rd consecutive quarter; backlog building
- Revenue up 9% from previous quarter
- Strongest quarter of the year in Non-GAAP operating income
- Non-GAAP EPS above high end of guided range

Executed well with positive momentum

---

Note: A reconciliation of GAAP to Non-GAAP financial measures may be found in Back-up & Reconciliation Tables
# Revenue by Market and Geography

## Revenue by Market ($M)

<table>
<thead>
<tr>
<th>Market</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Packaging, MEMS &amp; RF Filters</td>
<td>68</td>
<td>69</td>
</tr>
<tr>
<td>LED Lighting, Display &amp; Compound Semi</td>
<td>145</td>
<td>254</td>
</tr>
<tr>
<td>Front-End Semi</td>
<td>8</td>
<td>41</td>
</tr>
<tr>
<td>Scientific &amp; Industrial</td>
<td>111</td>
<td>121</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>485</strong></td>
</tr>
</tbody>
</table>

## Revenue by Market (%)

<table>
<thead>
<tr>
<th>Market</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Packaging, MEMS &amp; RF Filters</td>
<td>21%</td>
<td>14%</td>
</tr>
<tr>
<td>LED Lighting, Display &amp; Compound Semi</td>
<td>44%</td>
<td>52%</td>
</tr>
<tr>
<td>Front-End Semi</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Scientific &amp; Industrial</td>
<td>33%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

## Revenue by Geography ($M)

<table>
<thead>
<tr>
<th>Geography</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>86</td>
<td>95</td>
</tr>
<tr>
<td>EMEA</td>
<td>83</td>
<td>77</td>
</tr>
<tr>
<td>China</td>
<td>86</td>
<td>108</td>
</tr>
<tr>
<td>ROW</td>
<td>78</td>
<td>205</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>485</strong></td>
</tr>
</tbody>
</table>

## Revenue by Geography (%)

<table>
<thead>
<tr>
<th>Geography</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>26%</td>
<td>20%</td>
</tr>
<tr>
<td>EMEA</td>
<td>25%</td>
<td>16%</td>
</tr>
<tr>
<td>China</td>
<td>26%</td>
<td>22%</td>
</tr>
<tr>
<td>ROW</td>
<td>23%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
2018: Growing Our Way to More Diversified Revenue Mix

- We expect 2018 to be a growth year for Veeco in all 4 market segments
- Strongest growth in Front-End Semi and Advanced Packaging
- Leading to a more balanced revenue mix
## P&L Highlights

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th></th>
<th>Non-GAAP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3 17</td>
<td>Q4 17</td>
<td>2017</td>
<td>Q3 17</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$131.9</td>
<td>$143.4</td>
<td>$484.8</td>
<td>$131.9</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>53.1</td>
<td>58.3</td>
<td>184.3</td>
<td>55.8</td>
</tr>
<tr>
<td><strong>%</strong></td>
<td>40.2%</td>
<td>40.7%</td>
<td>38.0%</td>
<td>42.3%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>24.1</td>
<td>24.3</td>
<td>82.0</td>
<td>23.2</td>
</tr>
<tr>
<td><strong>SG&amp;A &amp; Other</strong></td>
<td>29.6</td>
<td>28.5</td>
<td>99.9</td>
<td>25.7</td>
</tr>
<tr>
<td>**Operating **</td>
<td>(18.9)</td>
<td>(12.0)</td>
<td>(63.8)</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>(21.9)</td>
<td>(5.6)</td>
<td>(44.8)</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td>($0.47)</td>
<td>($0.12)</td>
<td>($1.01)</td>
<td>$0.09</td>
</tr>
</tbody>
</table>

- 6th consecutive quarter of revenue growth
- Non-GAAP gross margin benefiting from favorable product mix

*Note: A reconciliation of GAAP to Non-GAAP financial measures may be found in Back-up & Reconciliation Tables*
## Balance Sheet Highlights

<table>
<thead>
<tr>
<th>($M)</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Short-Term Investments</td>
<td>321</td>
<td>328</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>114</td>
<td>99</td>
</tr>
<tr>
<td>Inventories</td>
<td>114</td>
<td>120</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>54</td>
<td>50</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>273</td>
<td>276</td>
</tr>
<tr>
<td>Cash Flow from Operations</td>
<td>25</td>
<td>19</td>
</tr>
<tr>
<td>DSO (days)</td>
<td>78</td>
<td>62</td>
</tr>
<tr>
<td>DOI</td>
<td>133</td>
<td>130</td>
</tr>
<tr>
<td>DPO</td>
<td>61</td>
<td>54</td>
</tr>
</tbody>
</table>
2018 Priorities

- Complete Integration of Ultratech
- Launch New Products
- Deliver Growth in all 4 Markets
- Diversify Revenue by End Market
- Grow Earnings Faster than Revenue
Back Up & Reconciliation Tables
Glossary of Acronyms

ADAS – Advanced Driver Assisted Systems
ALD – Atomic Layer Deposition
EUV – Extreme Ultraviolet
IBD – Ion Beam Deposition
IBE – Ion Beam Etch
IBS – Ion Beam Sputtering
LDD-IBD – Low Defect Density - Ion Beam Deposition
LiDAR – Light Detection and Ranging
LSA – Laser Spike Anneal
MBE – Molecular Beam Epitaxy
MOCVD – Metal Organic Chemical Vapor Deposition
ROY – Red, Orange, Yellow
STT-MRAM – Spin Transfer Torque - Magnetic Random Access Memory
VCSEL – Vertical Cavity Surface-Emitting Laser
WLP – Wafer Level Packaging
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, and incremental transaction-related compensation.

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

<table>
<thead>
<tr>
<th>US$ millions</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$131.9</td>
<td>$143.4</td>
<td>$484.8</td>
</tr>
<tr>
<td>GAAP Gross Profit</td>
<td>53.1</td>
<td>58.3</td>
<td>184.3</td>
</tr>
<tr>
<td>GAAP Gross Margin</td>
<td>40.2%</td>
<td>40.7%</td>
<td>38.0%</td>
</tr>
<tr>
<td>Add: Release of inventory fair value step-up for purchase accounting</td>
<td>1.9</td>
<td>0.4</td>
<td>9.7</td>
</tr>
<tr>
<td>Add: Share-Based Comp</td>
<td>0.7</td>
<td>0.6</td>
<td>2.5</td>
</tr>
<tr>
<td>Add: Depreciation of PP&amp;E fair value step-up for purchase accounting</td>
<td>0.1</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Non-GAAP Gross Profit</td>
<td>$55.8</td>
<td>$59.5</td>
<td>$196.9</td>
</tr>
<tr>
<td>Non-GAAP Gross Margin</td>
<td>42.3%</td>
<td>41.5%</td>
<td>40.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>US$ millions, except per share data</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Basic EPS</td>
<td>(0.47)</td>
<td>(0.12)</td>
<td>(1.01)</td>
</tr>
<tr>
<td>GAAP Diluted EPS</td>
<td>(0.47)</td>
<td>(0.12)</td>
<td>(1.01)</td>
</tr>
<tr>
<td>GAAP Net Income (Loss)</td>
<td>(21.9)</td>
<td>(5.6)</td>
<td>(44.8)</td>
</tr>
<tr>
<td>Add: Share-Based Comp</td>
<td>6.2</td>
<td>4.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Add: Amortization</td>
<td>12.5</td>
<td>13.8</td>
<td>35.5</td>
</tr>
<tr>
<td>Add: Restructuring</td>
<td>4.1</td>
<td>2.1</td>
<td>10.0</td>
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<tr>
<td>Add: Acquisition Related</td>
<td>0.8</td>
<td>1.5</td>
<td>13.6</td>
</tr>
<tr>
<td>Add: Release of inventory fair value step-up for purchase accounting</td>
<td>1.9</td>
<td>0.4</td>
<td>9.7</td>
</tr>
<tr>
<td>Add: Depreciation of PP&amp;E fair value step-up for purchase accounting</td>
<td>0.3</td>
<td>0.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Add: Asset Impairment</td>
<td>-</td>
<td>-</td>
<td>1.1</td>
</tr>
<tr>
<td>Add: Accelerated depreciation</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Add: Non-Cash Interest Expense</td>
<td>2.7</td>
<td>2.8</td>
<td>10.4</td>
</tr>
<tr>
<td>Add: Tax Adjustment from GAAP to Non-GAAP</td>
<td>(2.3)</td>
<td>(10.6)</td>
<td>(37.3)</td>
</tr>
<tr>
<td>Non-GAAP Net Income (Loss)</td>
<td>4.3</td>
<td>9.1</td>
<td>23.4</td>
</tr>
<tr>
<td>Non-GAAP Basic EPS</td>
<td>0.09</td>
<td>0.19</td>
<td>0.53</td>
</tr>
<tr>
<td>Non-GAAP Diluted EPS</td>
<td>0.09</td>
<td>0.19</td>
<td>0.53</td>
</tr>
</tbody>
</table>

- Note: Amounts may not calculate precisely due to rounding
### Q4 2017 GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th>In millions, except per share data</th>
<th>GAAP</th>
<th>Non-GAAP Adjustments</th>
<th>Non-GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Share-Based</td>
<td>Amortization</td>
</tr>
<tr>
<td>Net Sales</td>
<td>$143.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>58.3</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>40.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and Development</td>
<td>24.3</td>
<td>(1.0)</td>
<td></td>
</tr>
<tr>
<td>Selling, General, and Administrative and Other</td>
<td>28.5</td>
<td>(2.7)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$(5.6)</td>
<td>4.4</td>
<td>13.8</td>
</tr>
</tbody>
</table>

**Income (Loss) Per Common Share:**

- **Basic**: $(0.12)  
  - Diluted: (0.12)  
  - **Non-GAAP**: $0.19

**Weighted Average Number of Shares:**

- **Basic**: 47.0  
  - Diluted: 47.0  
  - **Non-GAAP**: 47.1

**Other Non-GAAP Adjustments**

- Restructuring: 2.1
- Acquisition Related: 1.5
- Release of inventory fair value step-up associated with the Ultratech purchase accounting: 0.4
- Depreciation of PP&E fair value step-up associated with the Ultratech purchase accounting: 0.3
- Non-Cash Interest Expense: 2.8
- Non-GAAP Tax Adjustment: (10.6)
- Total Other: (3.5)

**Note:** Amounts may not calculate precisely due to rounding.
## 2017 GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th>In millions, except per share data</th>
<th>GAAP</th>
<th>Share-Based Compensation</th>
<th>Amortization</th>
<th>Other</th>
<th>Non-GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$484.8</td>
<td></td>
<td></td>
<td></td>
<td>$484.8</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>184.3</td>
<td>2.5</td>
<td>10.1</td>
<td></td>
<td>196.9</td>
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<tr>
<td>Gross Margin</td>
<td>38.0%</td>
<td></td>
<td></td>
<td></td>
<td>40.6%</td>
</tr>
<tr>
<td>Research and Development</td>
<td>82.0</td>
<td>(3.0)</td>
<td></td>
<td></td>
<td>79.0</td>
</tr>
<tr>
<td>Selling, General, and Administrative and Other</td>
<td>99.9</td>
<td>(12.9)</td>
<td>(0.5)</td>
<td></td>
<td>86.5</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>(44.8)</td>
<td>24.4</td>
<td>35.5</td>
<td>8.4</td>
<td>23.4</td>
</tr>
</tbody>
</table>

### Income (Loss) Per Common Share:
- **Basic**: $(1.01) → $0.53
- **Diluted**: (1.01) → 0.53

### Weighted Average Number of Shares:
- **Basic**: 44.2
- **Diluted**: 44.2

### Other Non-GAAP Adjustments
- **Restructuring**: 10.0
- **Acquisition Related**: 13.6
- **Release of inventory fair value step-up associated with the Ultratech purchase accounting**: 9.7
- **Depreciation of PP&E fair value step-up associated with the Ultratech purchase accounting**: 0.7
- **Asset Impairment**: 1.1
- **Accelerated Depreciation**: 0.2
- **Non-Cash Interest Expense**: 10.4
- **Non-GAAP Tax Adjustment**: (37.3)
- **Total Other**: 8.4

*Note: Amounts may not calculate precisely due to rounding*