



Financial Model & Profitable Growth

Dror David, CFO
September 2022

Dror David

Chief Financial Officer



- Joined Nova in 1998.

- Appointed as CFO in 2005.

- Beforehand, held positions of Company Controller, Vice President of Operations and Vice President of Resources in charge of finance, operations, IT and HR.

- Led Nova's private placement in 2007, secondary public offering in 2010 and bond issuance in 2020.

On the Agenda Today



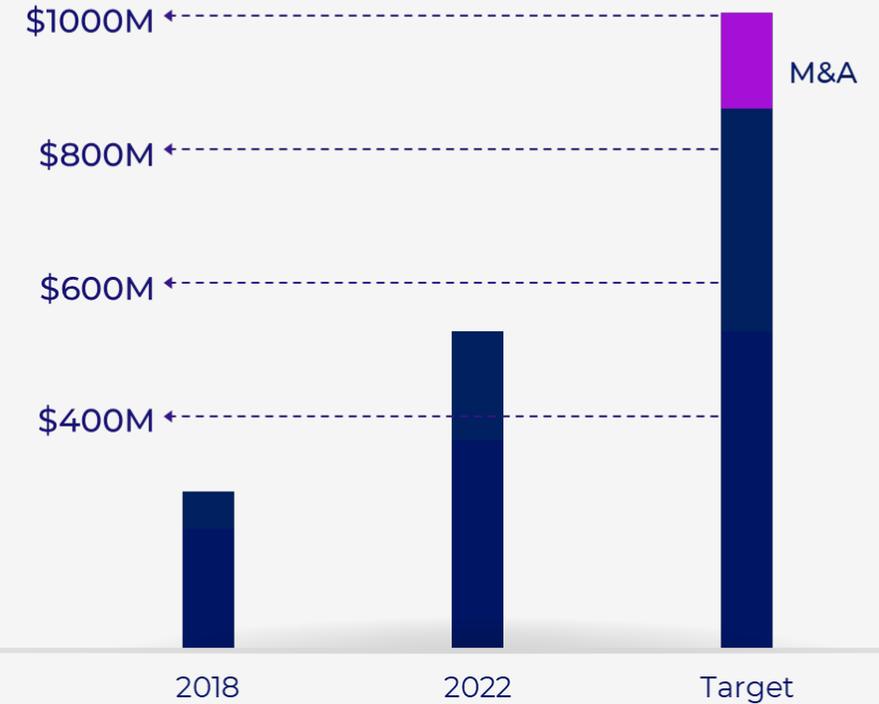
Nova 500 Strategic Plan Realized

Fundamentals for Profitable Growth

Charting a Course Toward Nova 1B

Nova 500 Financial Execution

Financial Target Model



✓ **Operating Margin**
26%-29%

✓ **Earnings**
Power of \$1 EPS

Non-GAAP Financials

Executing Nova 500

Revenue



Operating Income



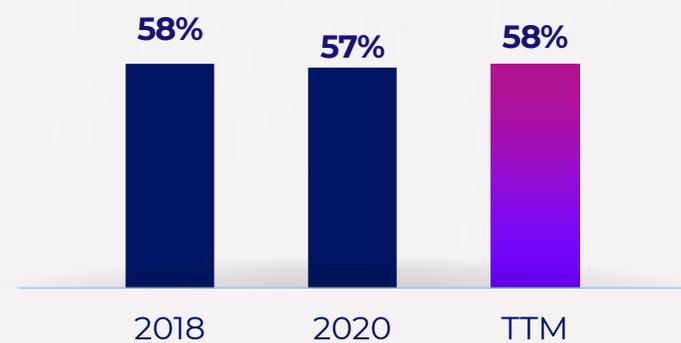
EPS



Operating Margin



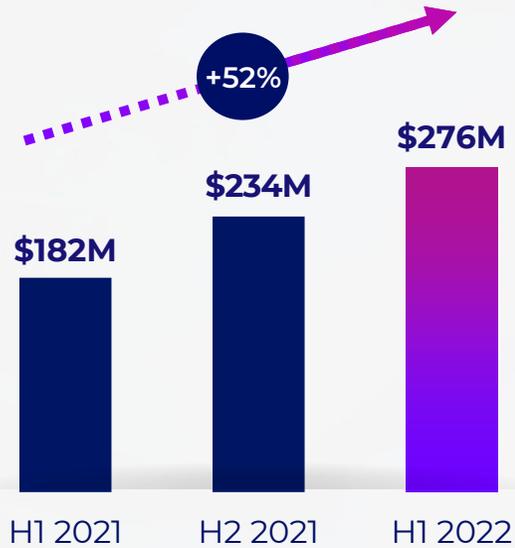
Gross Margin



Financial Performance

H1 2022

Revenue



Operating Income



Earnings Per Share



Gross Margin **59%**

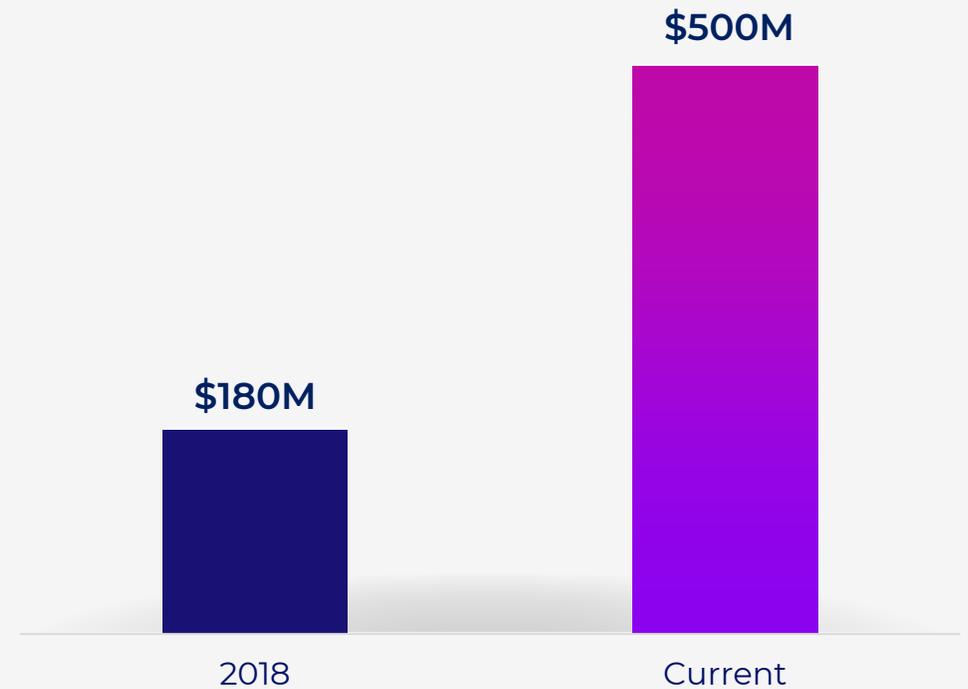
Operating Margin **33%**

Non-GAAP Financials

Investments



Gross Cash Reserves



Nova \$1B Fundamentals

Greater Exposure

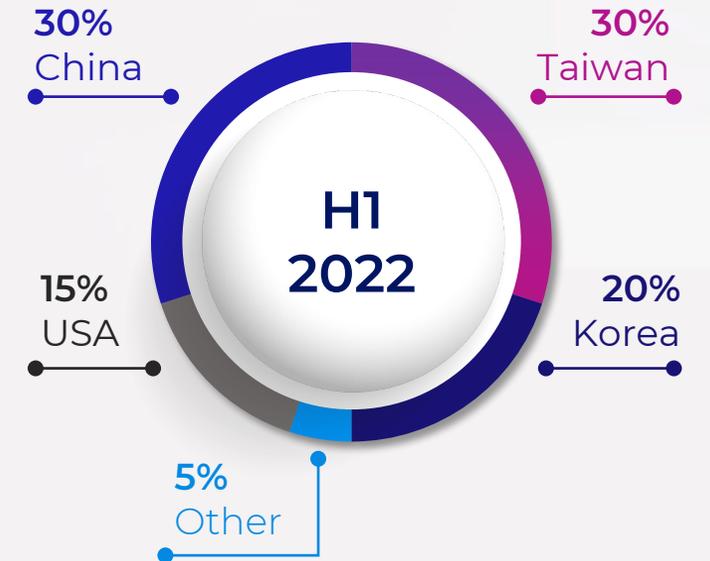
Segments



Nodes

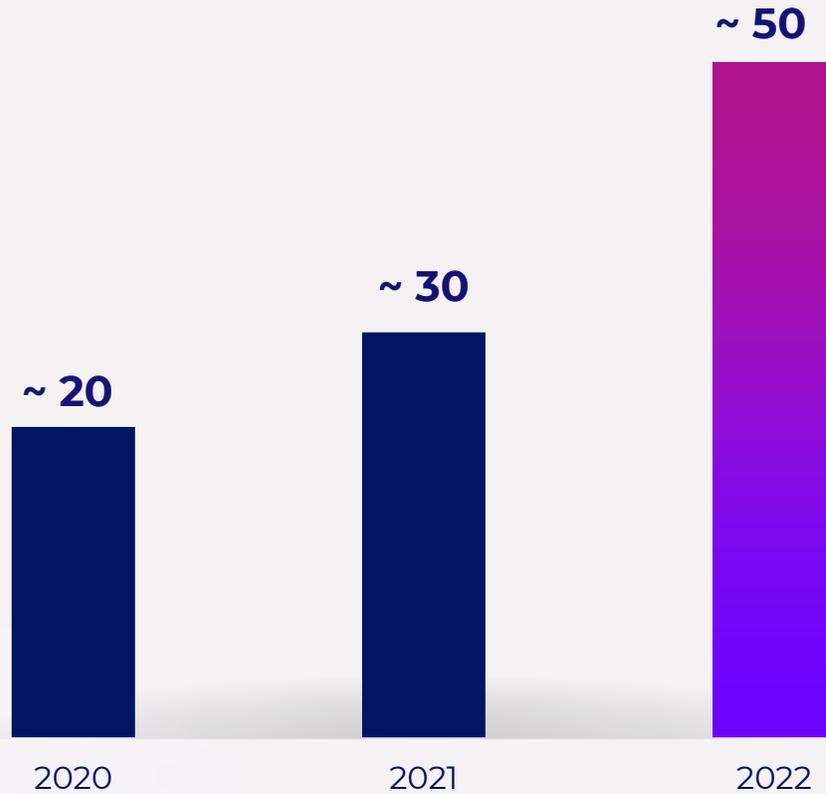


Geographies



Expanding Customer Base

Number of Customers



Geopolitical implications

Chip Acts drive localized investments

New technology to new segments (Backend, Advanced Packaging)

Advanced metrology penetration to new segments

Service Revenue Engine

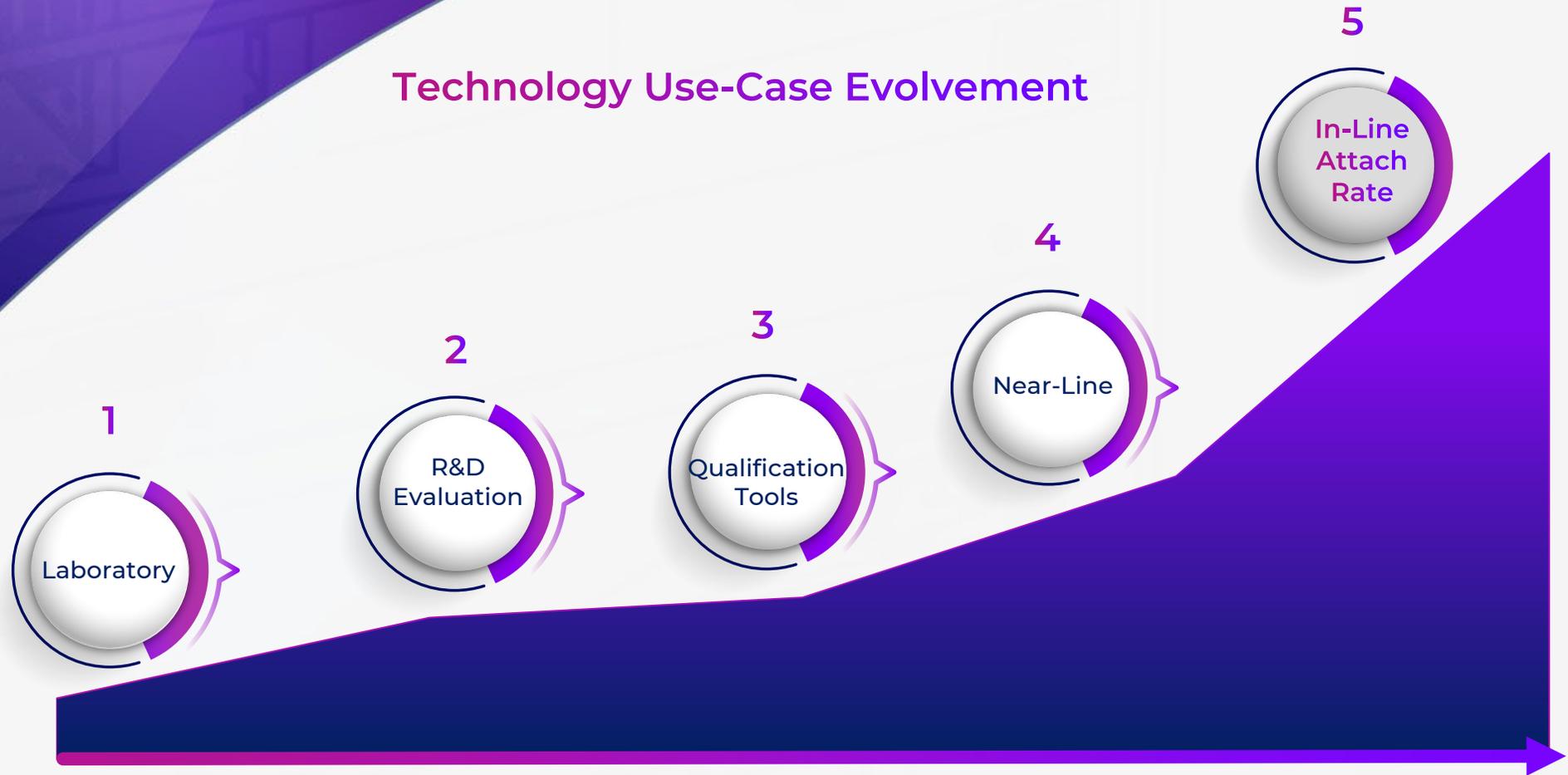
Expecting Double Digit Growth of Service Business in Coming Years



Non-GAAP Financials

Lab to Inline Cycle

From One to Many



Technology Use-Case Evolvment

3-5 Years from Penetration

Business Tailwind

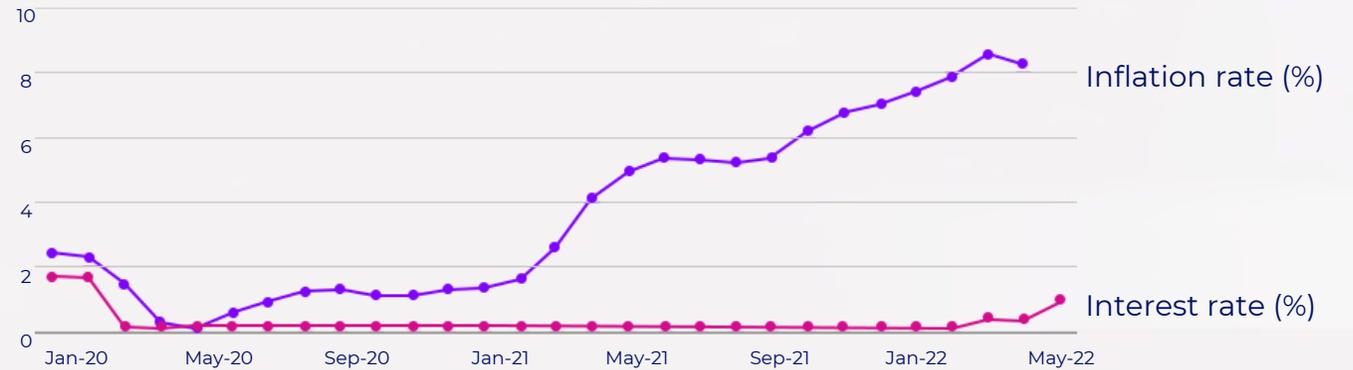


Headwinds

Supply chain constraints



Interest Rate & Inflation Rate



Source: NY Times

• Rising Product and Operating Costs •

Nova \$1B Financial Plan

Financial Target Model

(Organic)

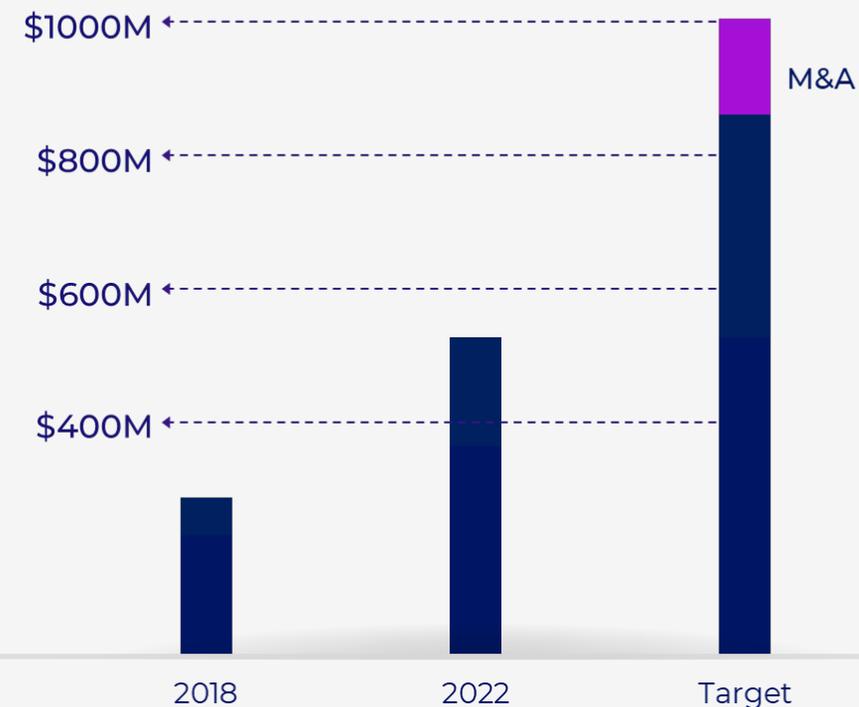
Revenue	R&D Investment	Tax
\$1B	15%-18%	14%
Gross Margin	SG&A	Share Count
57%-59%	13%-15%	32M

Operating Margin

27%-31%

Earnings

>7\$



Non-GAAP Financials

Infrastructure Projects

2022



**Israel
Cleanroom**

2022



**US Innovation
Center**

2022-
2024



**Chemical Metrology
Center**

2023-
2024



**Global IT Networks
and Applications**

2023-
2024



**Global
Offices**

Investment in Growth

\$1.5B



Working
Capital
\$100M



Capital
Expenditures
\$100M



Share
Repurchases
\$100M



M&A Opportunities
\$700M



R&D Expenditures
\$500M

Inorganic Approach

Search Guidelines



Early Access

Lab to Fab Technology



Materials Leadership

Leadership



Software Offering Enhancement

Enhancement



Adjacent

Process Control Markets

Accretive Acquisitions

ancosys Acquisition | Revera Acquisition

Top Line Synergy

Complementary Technology

Operational Leverage (Accretion)

Diversification within Core Capabilities

Transformational



Thank You
