



# Investor Presentation

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November 2024

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# Cautionary Statements

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## Use of Non-GAAP Adjusted Financial Measures

This presentation provides financial measures that exclude amortization of acquired intangible assets, acquisition-related expenses, inventory step-up and contingent consideration revaluation, stock-based compensation expenses, revaluation of operating lease liabilities and remeasurement of intercompany loans, amortization of debt discount and issuance costs and tax effect of non-GAAP adjustment, as applicable, and are therefore not calculated in accordance with generally accepted accounting principles (GAAP). Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding Nova's performance because they reflect our operational results and enhance management's and investors' ability to evaluate Nova's performance before charges or benefits considered by management to be outside Nova's ongoing operating results. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management believes that it is in the best interest of its investors to provide financial information that will facilitate comparison of both historical and future results and allow greater transparency to supplemental information used by management in its financial and operational decision making. A reconciliation of each GAAP to non-GAAP financial measure discussed in this presentation is contained in the accompanying financial tables.

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of safe harbor provisions of the Private Securities Litigation Reform Act of 1995 relating to future events or our future performance, such as statements regarding, but not limited to, anticipated growth opportunities and projections about our business and its future revenues, expenses and profitability. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied in those forward-looking statements.

Factors that may affect our results, performance, circumstances or achievements include, but are not limited to, the following: increased information technology security threats and sophisticated computer crime; foreign political and economic risks including supply-chain difficulties; regulations that could restrict our operations such as economic sanctions and export restrictions; changes in U.S. trade policies; indirect effects of the Russia – Ukraine conflict; market instability including inflation and recessionary pressures; risks related to doing business with China; catastrophic events; inability to protect our intellectual property; open source technology exposure, including risks related to artificial intelligence; failure to compete effectively or to respond to rapid technological changes; consolidation in our industry; difficulty in predicting the length and strength of any downturn or expansion period of the market we target; factors that adversely affect the pricing and demand for our product lines; dependency on a small number of large customers; dependency on a single manufacturing facility per product line; dependency on a limited number of suppliers; difficulty in integrating current or future acquisitions; lengthy sales cycle and customer delays in orders; risks related to conditions in Israel, including related to the recent attack by Hamas and other terrorist organizations from the Gaza Strip and Israel's war against them; risks related to our convertible notes; currency fluctuations; and quarterly fluctuations in our operating results. We cannot guarantee future results, levels of activity, performance or achievements. The matters discussed in this presentation also involve risks and uncertainties summarized under the heading "Risk Factors" in Nova's Annual Report on Form 20-F for the year ended December 31, 2023, filed with the Securities and Exchange Commission on February 20, 2024. These factors are updated from time to time through the filing of reports and registration statements with the Securities and Exchange Commission. Nova Ltd. does not assume any obligation to update the forward-looking information contained in this presentation.

Nova is a leading innovator and a key provider of **metrology** solutions for advanced **process control** used in semiconductor manufacturing





# A TRUSTED PARTNER

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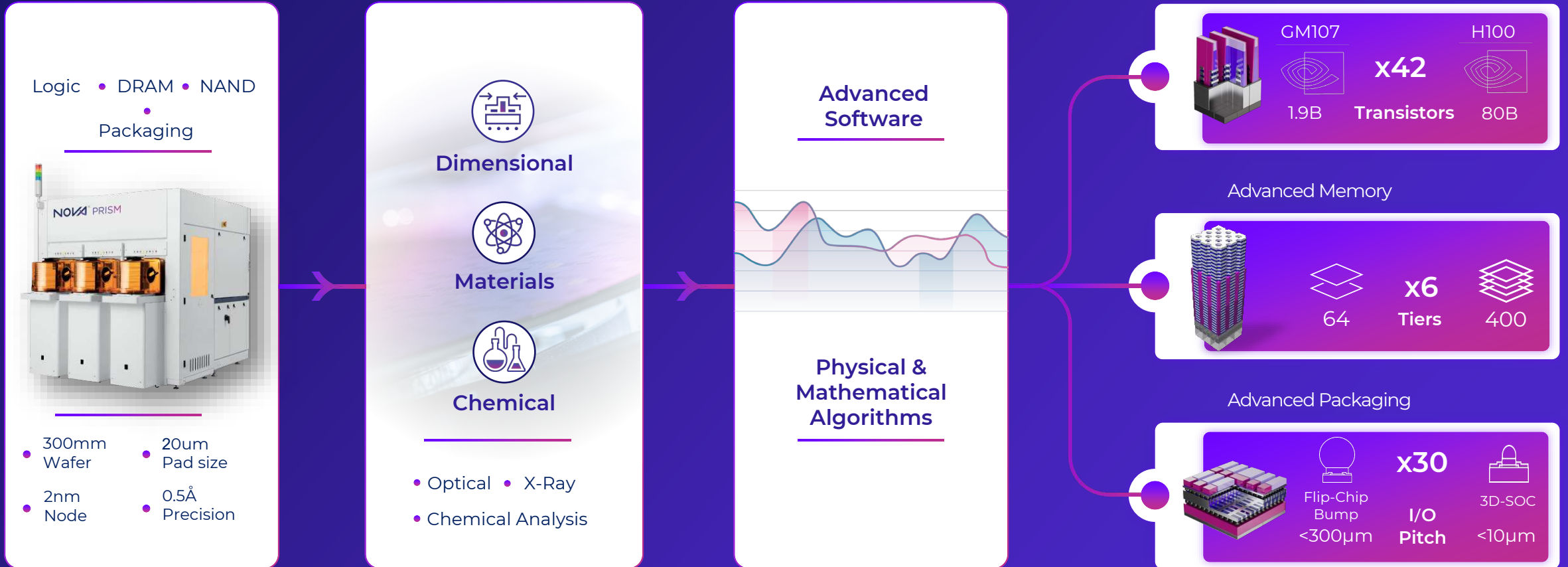
We measure ourselves by our ability to transcend expectations and boundaries

We partner with our customers to craft innovative process control solutions enhanced with unique value



# Revealing the Invisible

Actionable Insight, Critical Foresight



# Solid Track Record

Outperforming the WFE by >50%

- Proven execution
- Outperforming the industry
- Resilient business model

Wide Metrology Coverage

Differentiated Portfolio

Organic Growth Engines

Diverse Markets & Nodes

Global Footprint

Diverse Revenue Streams

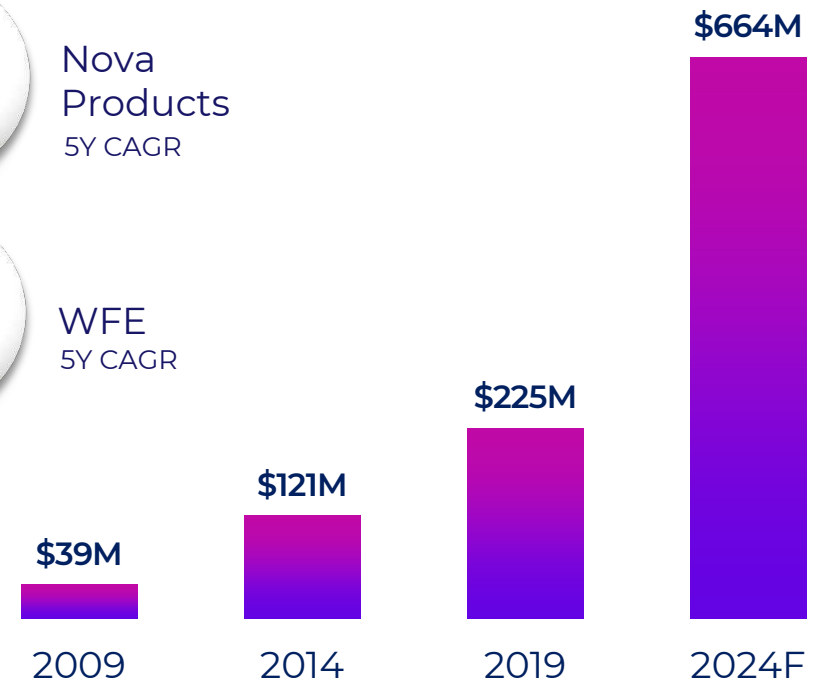
+26%

Nova  
Products  
5Y CAGR

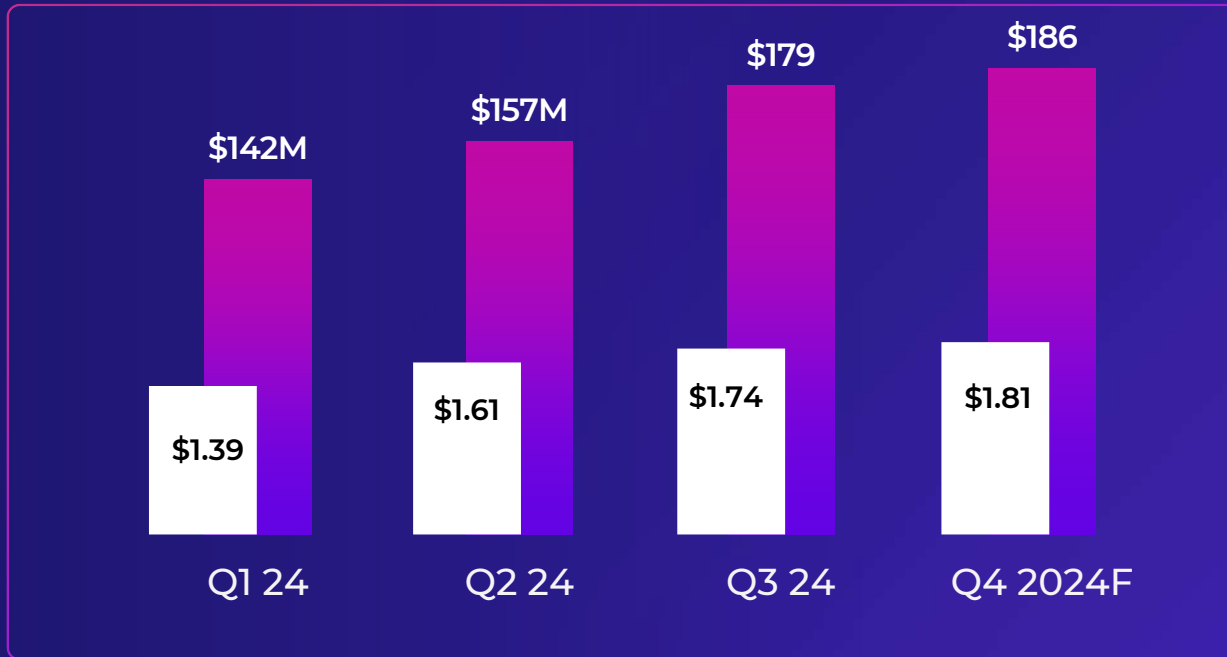
+14%

WFE  
5Y CAGR

## Annual Revenues



# Quarterly Performance



Company Guidance	Revenue	EPS
Q4 2024	\$181 - \$191M	\$1.51-\$1.70 (GAAP) \$1.72-\$1.91 (non-GAAP)

## Q3 24 Highlights

- Record Revenue and profitability
- Record Revenue from Materials Metrology
- Record revenue from Advanced Packaging
- Nova is set to outperform the market with an annual growth rate of 28%

# Global Footprint, Diversified Exposure

3 R&D and Production Centers

30 Offices



**Legend:**

- R&D and Production
- Field Office: Sales & Service

# Multiple Drivers for Secular Growth

Semiconductor Revenue Forecast – \$1T by 2030

Automotive

18%  
5Y CAGR

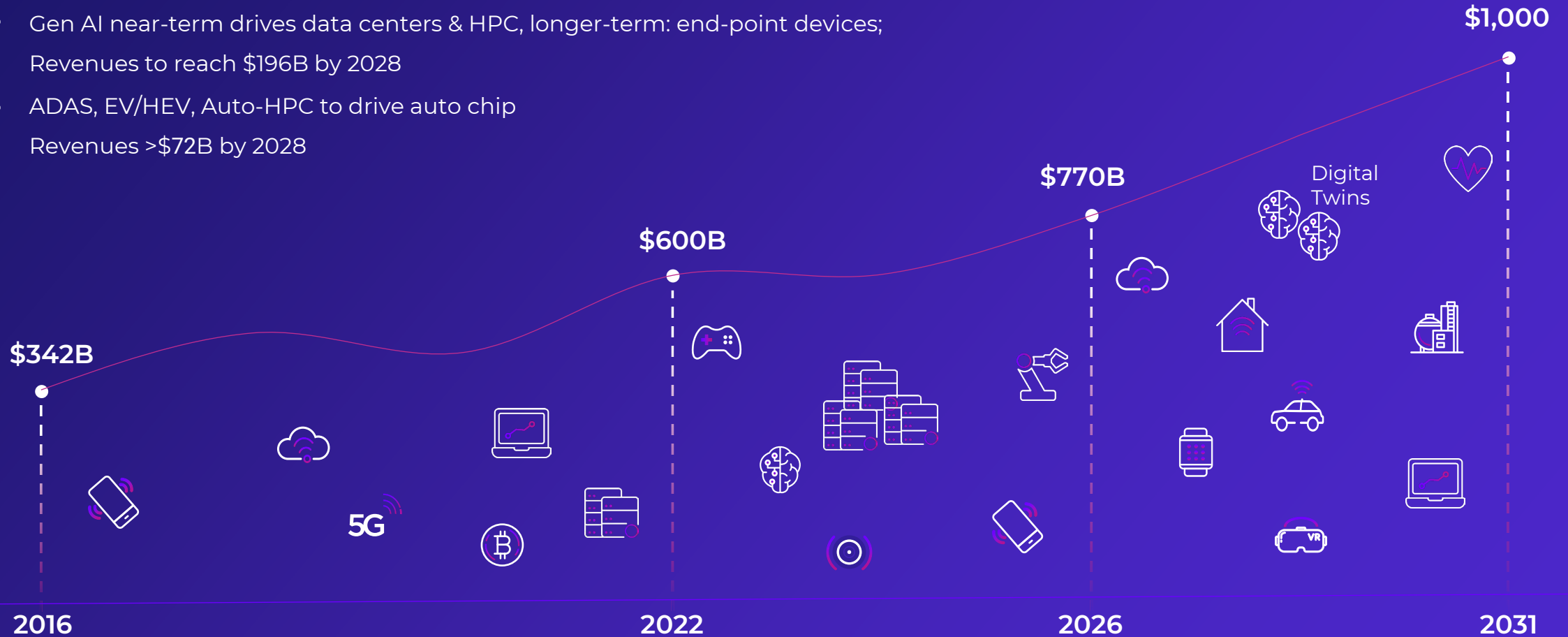
AI Semi

30%  
5Y CAGR

Industry

8%  
5Y CAGR

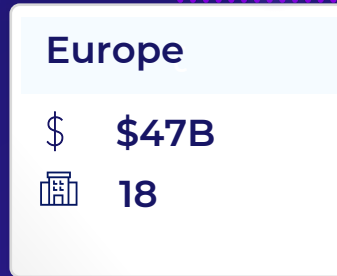
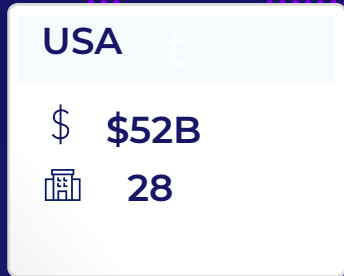
- Gen AI near-term drives data centers & HPC, longer-term: end-point devices;  
Revenues to reach \$196B by 2028
- ADAS, EV/HEV, Auto-HPC to drive auto chip  
Revenues >\$72B by 2028



# Government Funding Drives Technology Advancement and Global Fabrication Footprint

>\$300B in Funding and Incentives by 2030

>100 Fabrication Projects



## Legend:

\$ Government Funding/ incentives

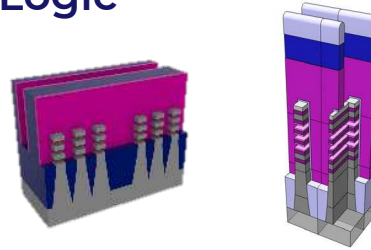
🏭 New Fab facilities / construction

# Next-Gen Dimensions Driven Opportunities

Scale and Complexity Drive Metrology Intensity

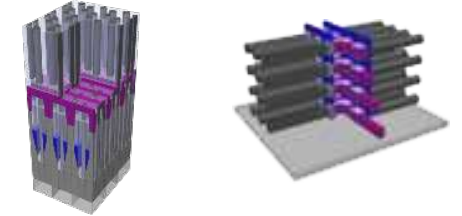
- Scaled Devices, Multiple Design Steps
- Moving toward 3D architectures
- Higher count of interconnect layers

## Logic



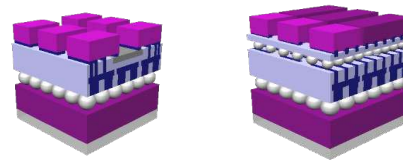
- GAA individual Nanosheets
- Backside power delivery

## DRAM



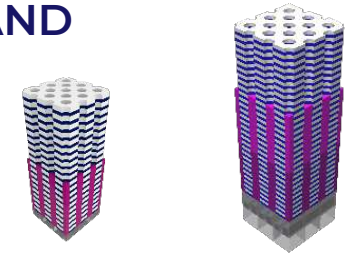
- High-Aspect Ratio
- Tight contact holes

## Advanced Packaging



- Buried structures
- Topography & Profile
- Wafer and Die bonding

## NAND



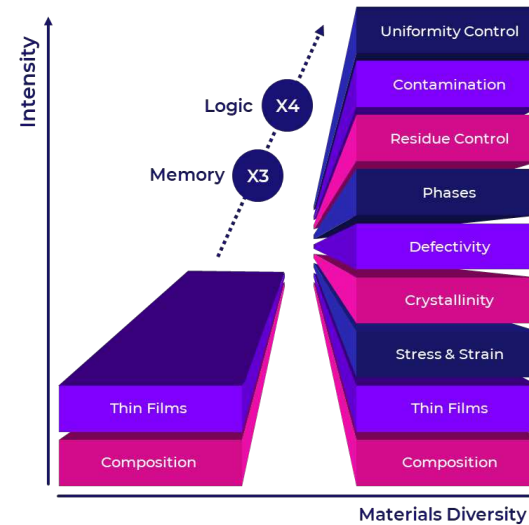
- High-Aspect ratio
- Full profile

# Next-Gen Materials Driven Opportunities

Materials Diversity Drives Broader Metrology Scope

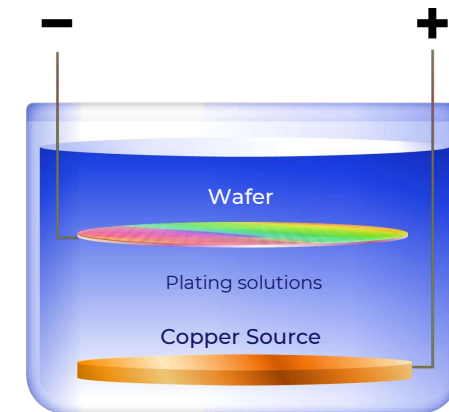
- From 12 to 67 elements
- New materials, new chemistries
- Composition, purity, stability
- Sustainability and waste management

## On-Wafer



- Uniformity & Residues
- Dielectric composition & thickness control
- Stress & strain on multiple nanosheets
- Doping control
- TSV filling

## In-Bath

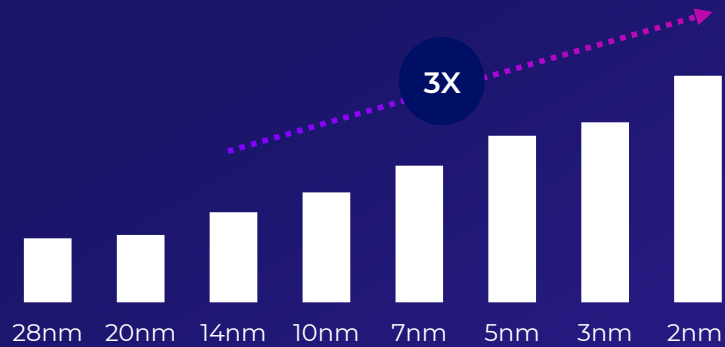


- Optimal plating
- Highly saturated bath management
- By-Products
- Contaminants and photoresist leach

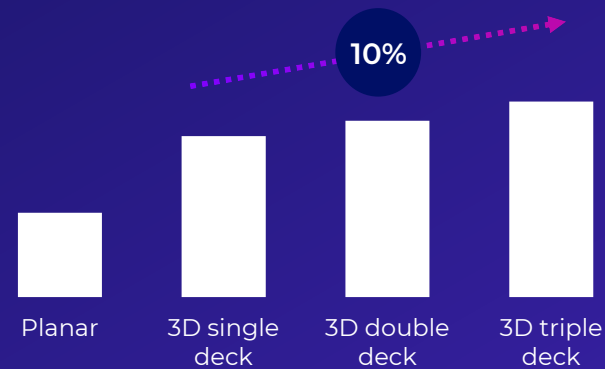
# Increasing Complexity

Driving Higher Metrology Intensity

Process Steps by Node - Logic



Process Steps by Node - NAND



Capital Investment Per Wafer (\$K)



Increasing complexity:  
+30% more metrology steps  
in GAA

Cost of a large

3nm fab:

~ \$25B, 3X of a 28nm fab

HBM3E consumes ~X3 wafer  
supply as DDR5

# Diversified Growth Engines

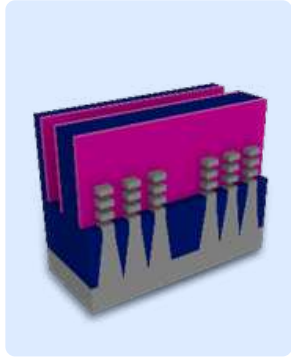
Increasing Share while Expanding TAM



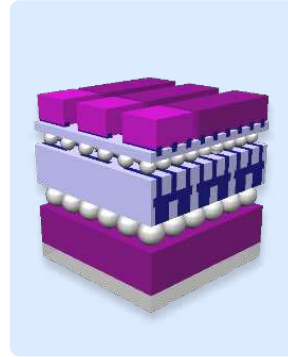
# Expanding TAM

by Addressing Multiple Markets

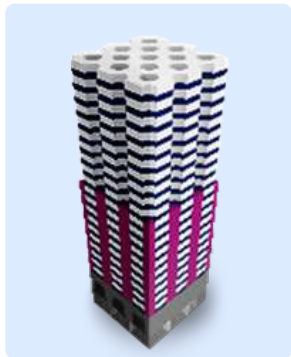
Advanced Logic



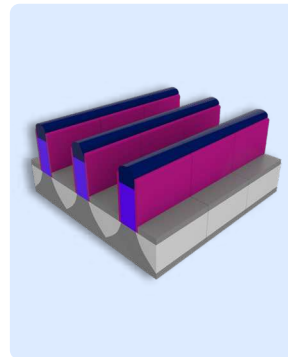
Advanced Packaging



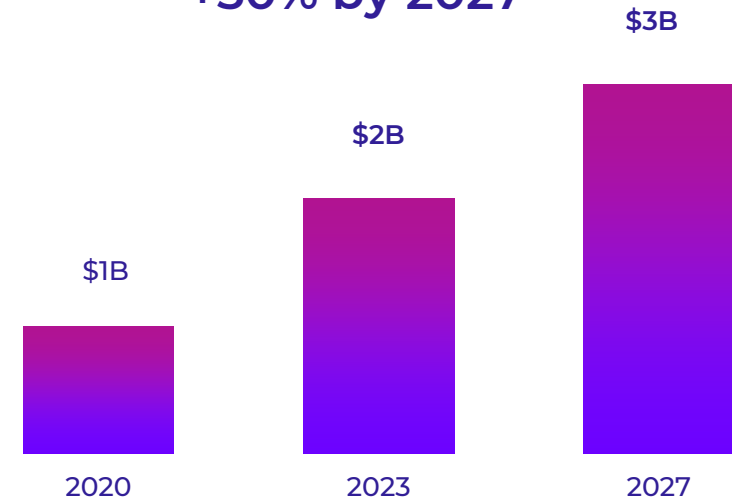
Advanced Memory



Legacy Nodes & specialty devices



Nova TAM  
+50% by 2027

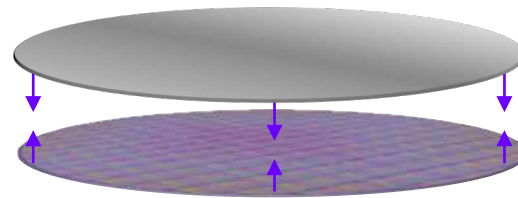
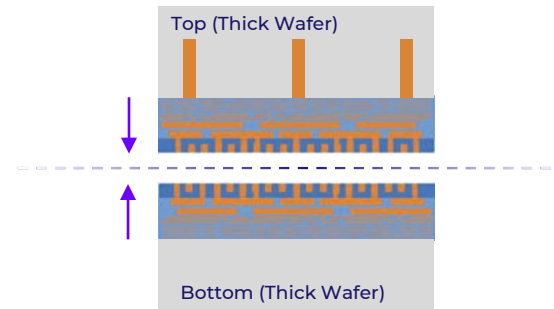


# Heterogenous Integration Driven Opportunities

Continued Scaling Requires New Integrations

- Wide Adoption: Advanced Logic, HBM, 3D NAND, 3D DRAM & advanced packaging
- CMP process control critical for successful hybrid bonding

## Hybrid Bonding

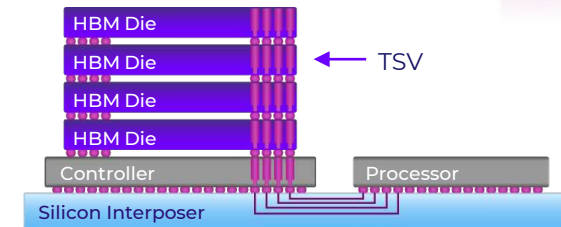


- Wafer edge profile
- Backside Thinning
- Cu dishing
- Through Silicon Via

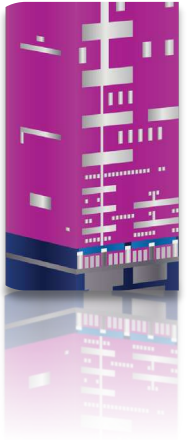
## Through Silicon Via

Logic: Backside Power Delivery

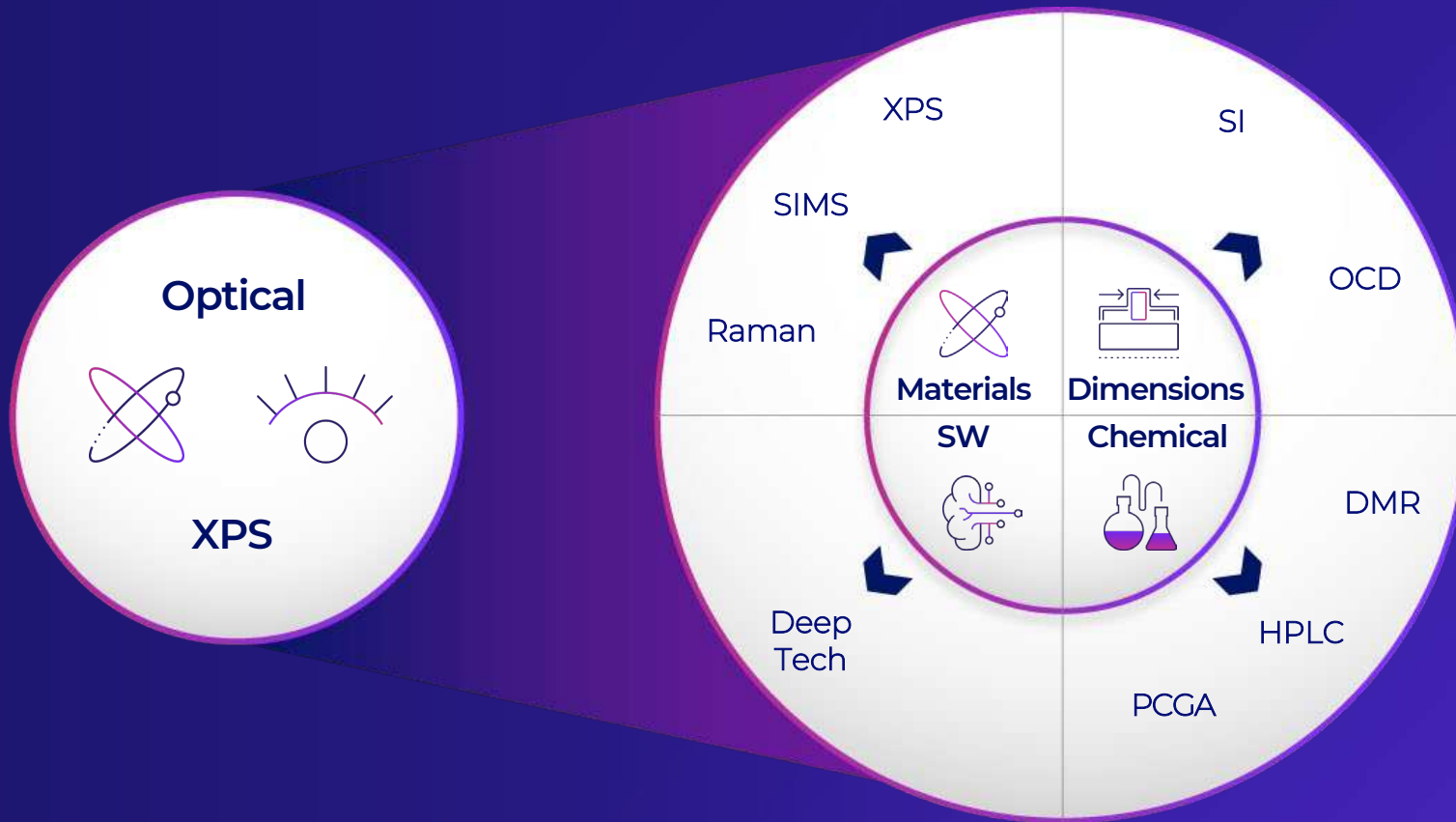
DRAM: High Bandwidth Memory



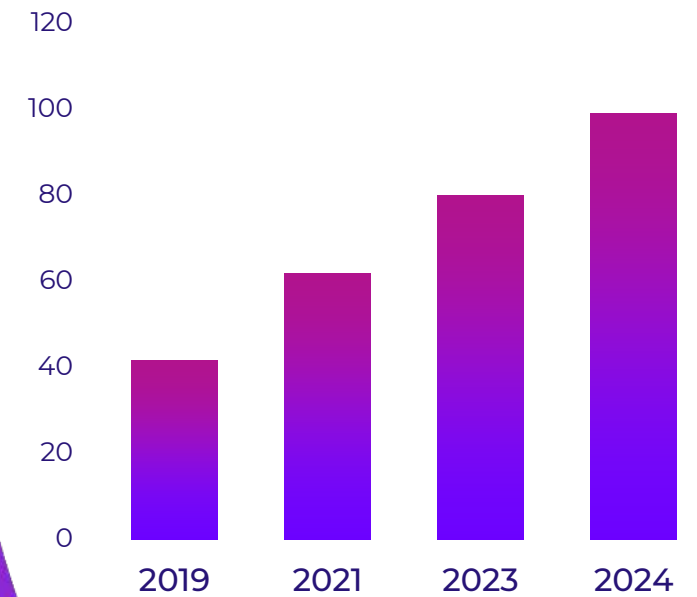
- TSV Dimensions: profile, depth & asymmetry
- TSV reveal
- TSV PR Patterning



# Diversifying Product Offering



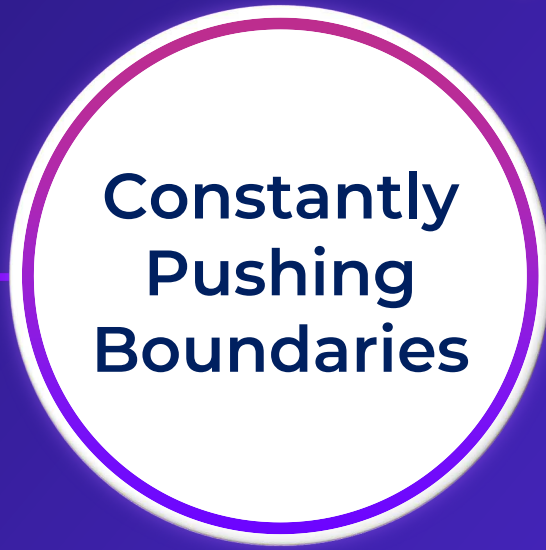
**R&D Investment**  
(Net, \$M)



Non-GAAP Financials. 2024+ Forecast

# Core Technology

- Spectral Reflectometry (SR)
- X-Ray Photoelectron Spectroscopy (XPS) & X-Ray Fluorescence (XRF)
- HPLC, CVS, Titration, Optical Spectroscopy
- Physical Modeling
- Fleet Management



# Disruptive Technology

- Spectral Interferometry (SI)
- Generative AI
- Raman Spectroscopy
- Secondary Ion Mass Spectrometry (SIMS)
- Direct Metal Replenishment

# Rich Metrology Portfolio

## Dimensional Metrology

Critical Dimensions



**Nova i570<sup>®</sup>**  
Integrated Metrology



**Nova MMSR**  
Standalone Metrology



**Nova Prism**  
Standalone Metrology

## Materials Metrology

Material Properties



**Nova VeraFlex<sup>®</sup>**  
XPS, XRF



**Nova Elipson<sup>®</sup>**  
Raman Spectroscopy



**Nova Metrion<sup>®</sup>**  
SIMS

## Chemical Metrology

Chemical Analytics



**Nova AncoScene<sup>®</sup>**  
Front End

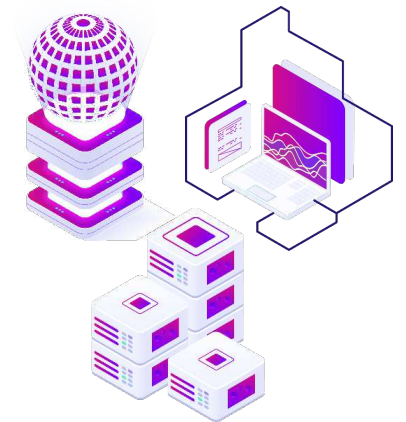


**Nova Ancolyzer<sup>®</sup>**  
Wafer Level Packaging



**Nova DMR<sup>®</sup>**  
Direct Metal Replenishment

## Software



- Physical & Mathematical Modeling
- Big Data Analytics
- Fleet Management

# Leveraging Technology Differentiation

## Dimensional Optical CD

Integrated



Stand alone



Prism



## Materials

VeraFlex®  
(XPS+SRF)



Elipson®  
(Inline Raman)



Metrion®  
(Inline SIMS)



## Chemical

AncoScene®  
Front-End



Ancolyzer®  
Wafer level  
packaging



DMR®  
Direct Metal  
Replenishment



Gate-All-Around



Advanced Memory



Hybrid Bonding



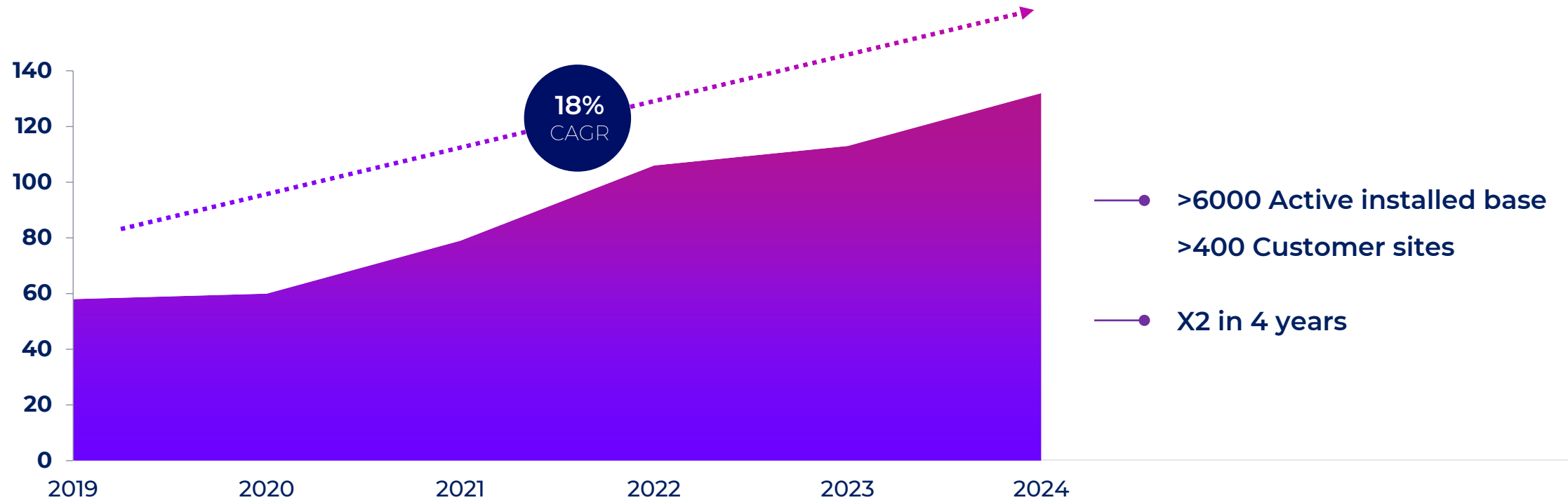
High Bandwidth Memory



● Qualified by customers to measure related applications

# Service Revenue Engine

Targeting Double-Digit Annual Growth



Non-GAAP Financials, Company service revenue Last Twelve Months, CAGR 2019-LTM

# Inorganic Approach

Search Guidelines



## Early Access

Lab to Fab Technology



## Materials

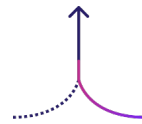
Leadership



## Adjacent

Process Control Markets

# Screening Elements



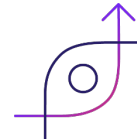
Top Line Synergy



Complementary  
Technology



Operational  
Leverage  
(Accretion)



Diversification  
Within Core  
Capabilities



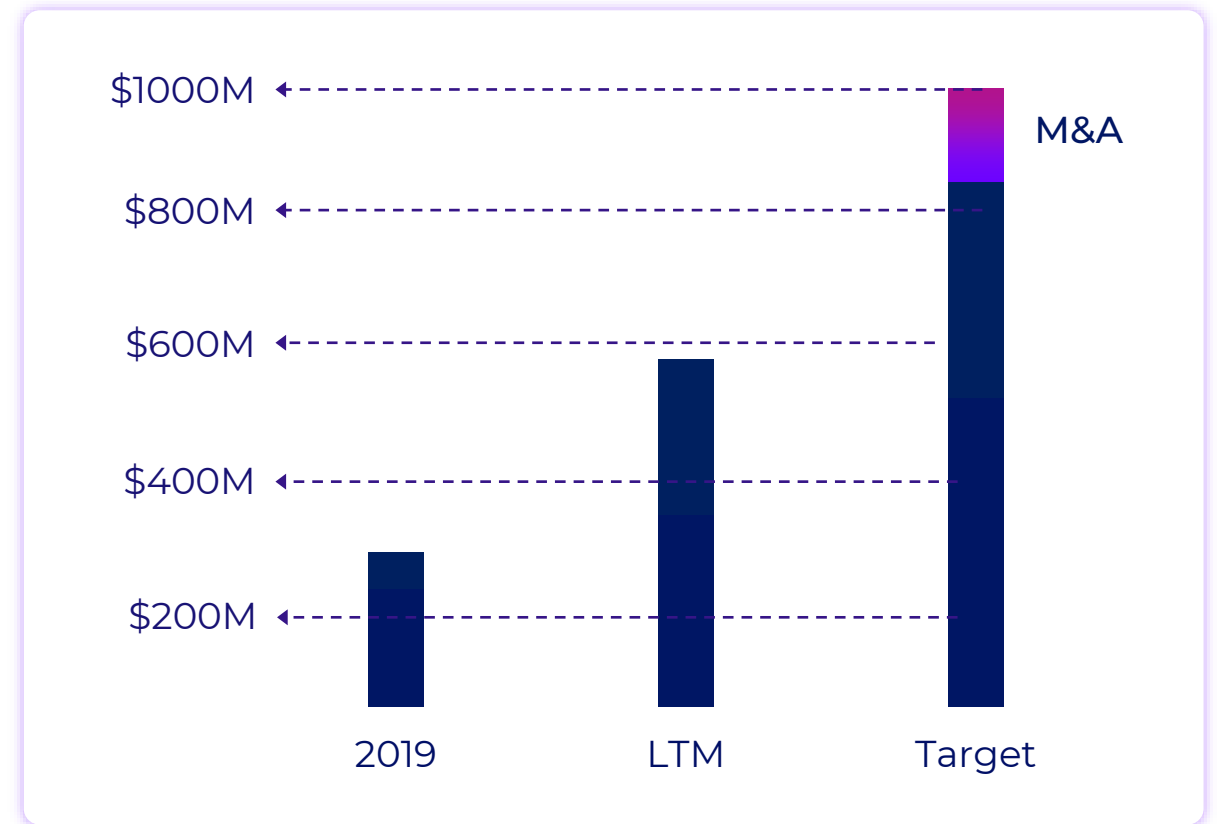
Transformational

# Nova \$1B Plan

Continuous Outperformance

- New Technologies Proliferation
- Chemical Analysis Growth
- Materials Metrology Leadership
- Diversified Markets
- Further M&A

**>\$800M Gross Cash Reserves**  
Supporting Long-Term Growth



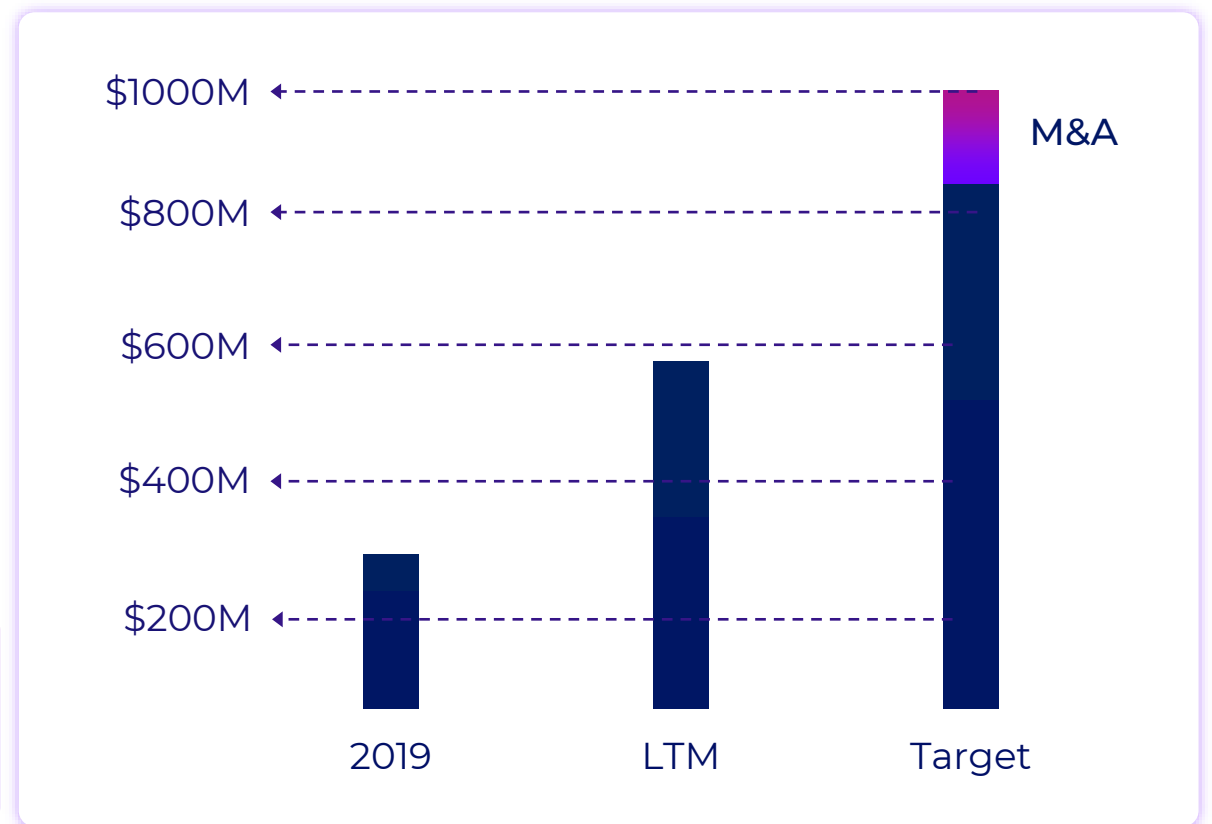
# Financial Target Model

Organic

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

<b>Operating Margin</b>
<b>27%-31%</b>

<b>Earnings</b>
<b>&gt;7\$</b>



# Preparing For Next Cycle Opportunities

## Increasing Manufacturing Capacity



**+50%**  
by 2025

Vs. 2022 capacity

## Tech Evaluations at Customer Sites



**22**

Evaluations in Process

## R&D Plans On Track



**15%**

of Annual Revenue - Last 3 Years

# Our ESG Vision

To become an active influencer in creating a more sustainable and equitable future.

We believe in a pragmatic approach to interlace ESG practices across daily operations, including culture, products, business, supply chain, customers, R&D and manufacturing.

## Our four Pillars

Our ESG strategy is built around four pillars- each with long-term goals and areas of focus. Annual planning and investments will align with these pillars



### Governance

As our compass



### People First

The individual as a whole & our community as our home



### Innovation

As our mission



### Environment

As our obligation

# Nova's Priority ESG topics



## Governance

- Governance compliance
- Data Privacy & cyber security
- Ethical business practices
- Product safety and quality
- Supply Chain and Procurement Management



## Social

- Talent Attraction & Retention
- Diversity, Equity and Inclusion
- Human capital development
- Occupational health and safety



## Environment

- Environmental management –
- Energy, water, waste
- Carbon footprint and GHG emissions

# Key Takeaways

Positioned for Continuous Growth



**Process complexity, new markets and geopolitics drive investments**

Increasing need for advanced metrology solutions



**Unique, disruptive technology portfolio**

Stronger position, penetrating new segments. expanding TAM



**Solid operational model**

Supports clear strategy for growth



**Proven performance towards 1B\$**

Outperforming the Industry



**Clear ESG Vision and priorities**

Implemented across the organization

## Financial Long-Term Target Model

Sales

**1B\$**

Gross Margin

**57%-59%**

Operating Margin

**27%-31%**

Non-GAAP Financials

**Thank You**

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