

December Quarter 2015

February 17th , 2016



Record revenue year – continuous profitable growth

PASSION. INNOVATION. PERFORMANCE

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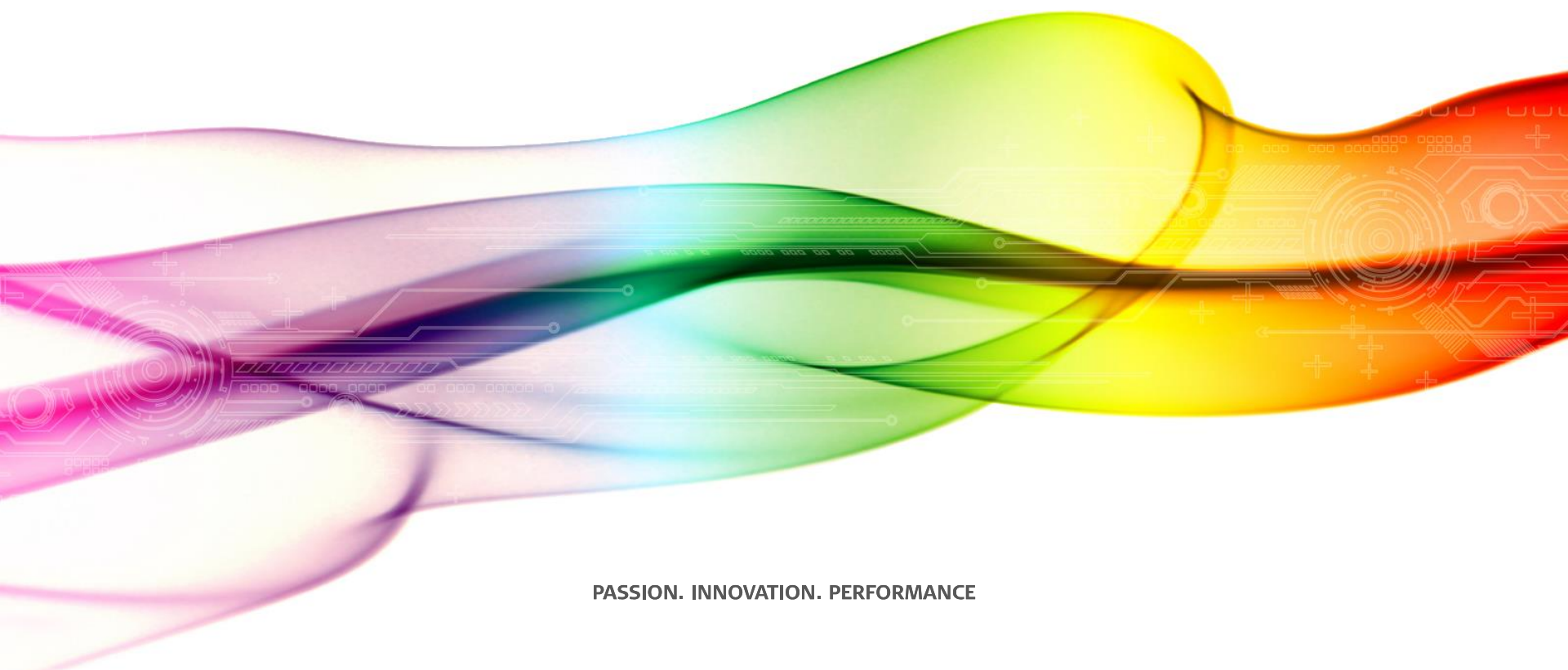
Certain of the information contained herein concerning economic trends and performance is based upon or derived from information provided by third party consultants and other industry sources. We have not independently verified and cannot assure the accuracy of any data obtained by or from these sources.

Business Highlights

2015 Fourth Quarter Results

Eitan Oppenheim

President and Chief Executive Officer



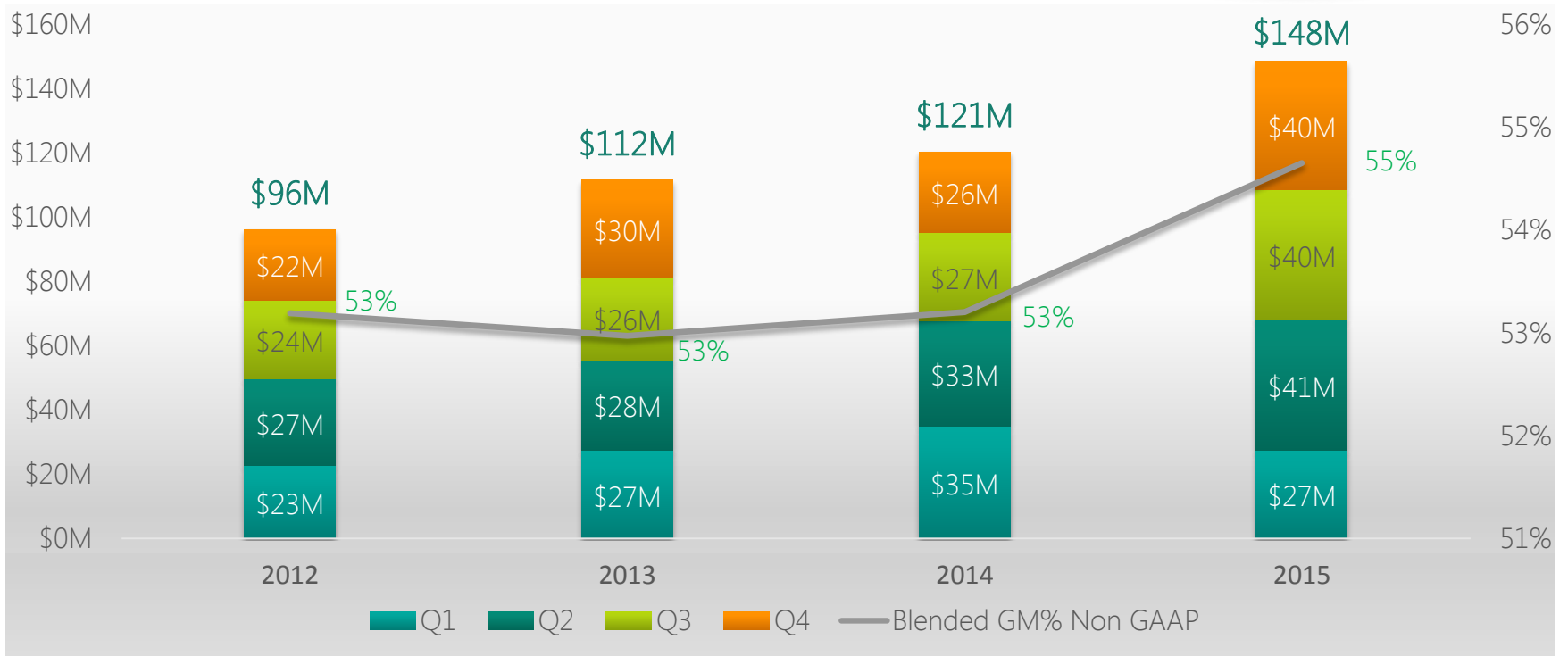
December Quarter Results - Highlights

- Quarterly Financial Results
 - Revenues - \$40M – high-end of guidance
 - Non GAAP Net Income - \$5.3M - EPS of \$0.19 – high-end of guidance
- Strong Foundry contribution
 - Wider delivery mix – 40nm to 5nm
 - Several competitive wins in several technology nodes
 - Selected by the world's leading foundry
 - Optical and X-ray metrology solutions
 - Multiple process steps at 10/7/5nm technology nodes
- Broader customer base
 - 4 customers accounted for more than 10% each
 - Including 1 memory customer

Strong finish to a well executed year

2015 Results

Record Revenues



Revenue Growth – 23% YoY, 11% CAGR
 Software Revenues – 104% Growth YoY
 Service Revenues – Record Level of \$37.3M

2015 Yearly Results - Highlights

- Full Year 2015 Financial Results
 - Record full-year revenues of \$148.5 million
 - Non-GAAP net income of \$21 million - \$0.76 Non- GAAP diluted EPS
 - Growing customers' adoption of Nova's software solutions - 104% growth
 - Service revenues - record levels of \$37.3M
- Solid financial model
 - Operational leverage with increased flexibility
 - Growing GMs to support elevated R&D investment and solid profitability
- Broader customer base
 - 5 customers contributed 10% or more to annual revenues - only 2 in 2014
 - Memory Revenues - 30% from annual product revenues - only 15% in 2014
- Expanding portfolio offering with extensive roadmap rollout
- Successfully integrated Nova's first significant acquisition (ReVera)

3rd Consecutive Growth Year

Guidance – Q1 2016

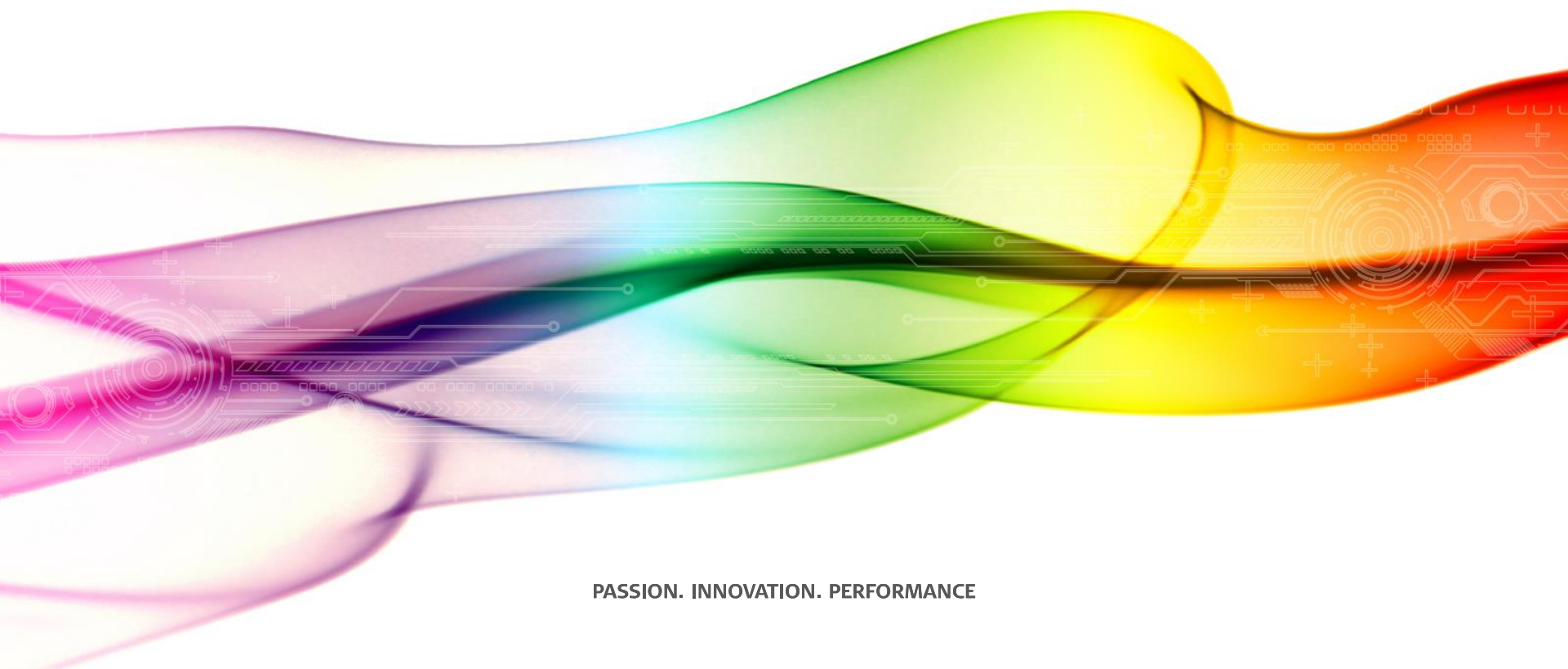
Guidance for the 1st quarter of 2016

- Revenues of \$33M-\$37M
- Diluted earnings per share of \$0.10-\$0.17 on a NON-GAAP basis
- Diluted earnings per share of \$0.06-\$0.11 on a GAAP basis

Financial Overview

2015 Fourth Quarter Results

Dror David
Chief Financial Officer



December Quarter Financial Results

- Quarterly revenues of \$40 million, up 55% YoY
- Product revenue distribution:
 - Foundry – 80%
 - Memory – 20%
 - 10% Customers:
 - TSMC 33%
 - Samsung 13%
 - Applied Materials 13%
 - UMC 12%

December Quarter Financial Results

- Blended gross margin - 55% (Non-GAAP)
- Operating expenses - \$16.3M (Non-GAAP)
- Operating margin - 14% (Non-GAAP)
- Tax expenses- \$0.7M (Non-GAAP)
 - Tax incentives in Israel
 - Acquired US R&D tax credits and NOL's
- Net income - \$5.3M; \$0.19 per diluted share (Non-GAAP)
- Operating cash flow - \$12.7M

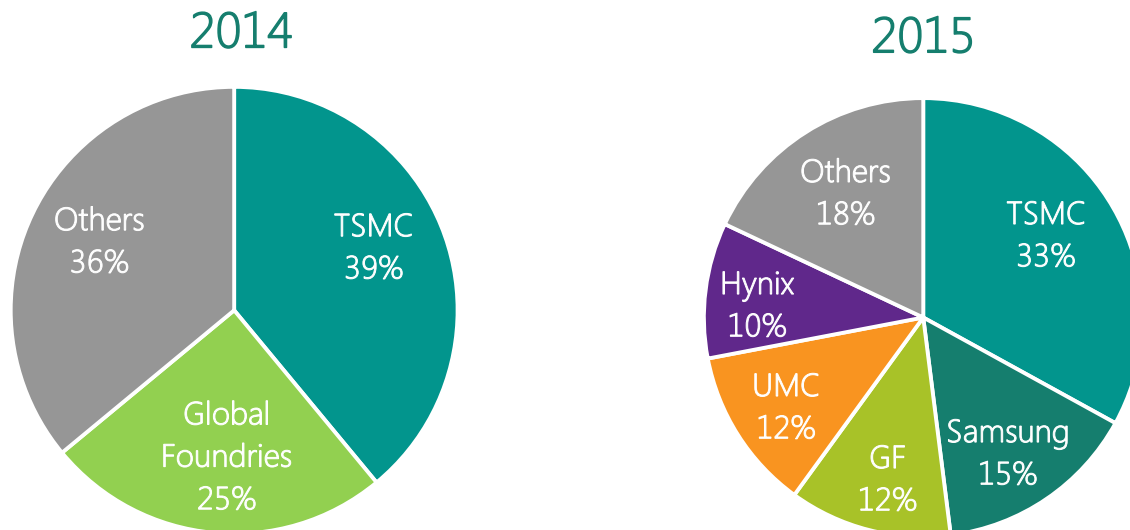
Key Balance Sheet Metrics

Key Metrics	Quarter ended	
	Dec 2015	Sep 2015
Total Cash Reserves	\$98M	\$87M
Accounts Receivables	\$19M	\$23M
DSO	47	50
Inventories	\$28M	\$28M
Inventory Turns	2.6*	2.6
Capital Investments	\$2.2M	\$0.6M

* Excluding amortization of intangible assets related to backlog

2015 Calendar Year - Financial Results

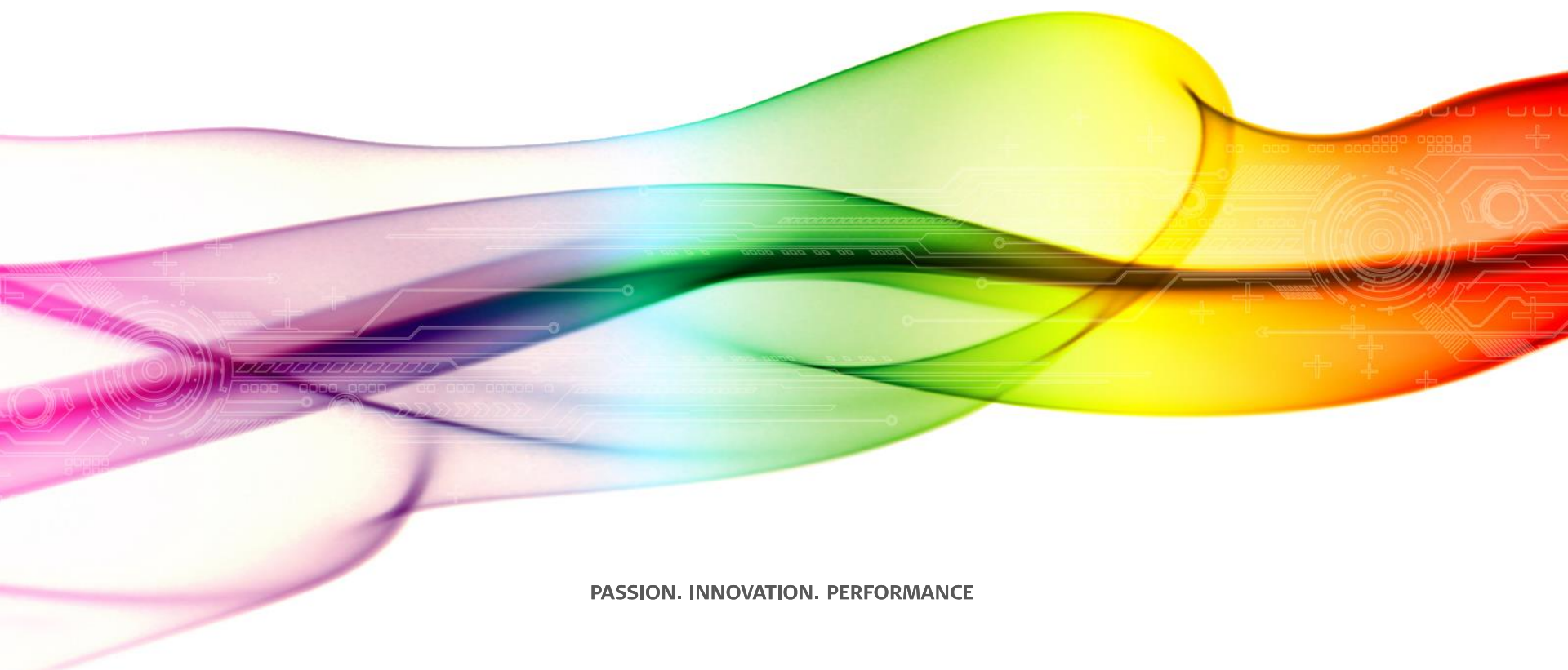
- Annual revenues of \$148.5 million, up 23% YoY
- Product revenue distribution:
 - Foundry – 70% (2014 – 85%)
 - Memory – 30% (2014 – 15%)
- Customer distribution:



2015 Calendar Year - Financial Results

- Blended gross margin - 55% (Non-GAAP)
- Operating margin - 15% (Non-GAAP)
- Tax expenses - \$1.6M (Non-GAAP)
- Net income - \$21M; \$0.76 per diluted share (Non-GAAP)
- Operating cash flow - \$25.8M

THANK YOU



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