

Onto Innovation

Investor Fireside Chat

JUNE 2021

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onto

Safe Harbor

- The information presented herein contains forward-looking statements that relate to anticipated future operating results and performance. These statements are only predictions based on management's current expectations and assumptions, including market size and forecasted growth, Total Available Market (or "TAM"), Served Available Market (or "SAM") and revenue estimates, and necessarily involve risks and uncertainties. We do not assume any obligation to update the information provided. Actual events or results may differ materially from those projected, including as a result of changing industry and market trends, reduced demand for our products, the timely development of our new products and their adoption by the market, increased competition in the industry, price reductions and other subsequent developments and business conditions. Additional information and considerations regarding the risks faced by Onto Innovation are available in our Form 10-K reports for the year ended December 2020 and other filings with the Securities and Exchange Commission.
- This presentation includes non-GAAP financial measures which are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management uses both GAAP and non-GAAP measures when evaluating the business internally and therefore believes it is important to make these non-GAAP measures available to the financial community. Reconciliations of non-GAAP measures to the most relevant GAAP amounts are included in the Company press releases.
- As the forward-looking statements are based on Onto Innovation's current expectations, the company cannot guarantee any related future results, levels of activity, performance or achievements. Onto Innovation does not assume any obligation to update the forward-looking information contained in this presentation.

ONTO: Serving the Semiconductor Industry's Three Facilities

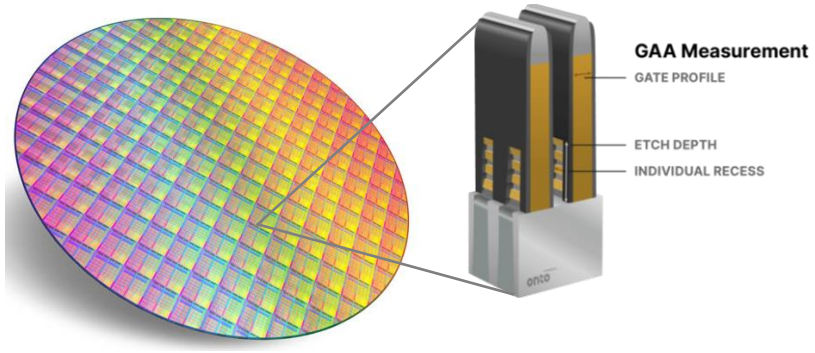
SILICON WAFER MANUFACTURING

Raw material for chips



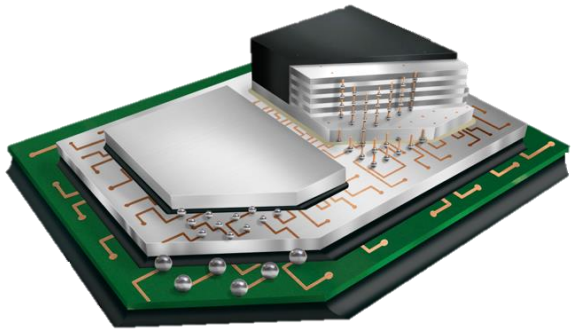
WAFER FABRICATION

Adding layers of printed circuitry



ADVANCED PACKAGING

Separating wafers to individual chips, connecting multiple chips into a single package



Onto Innovation Enables Leading-Edge Processes & Technologies

Physical Defect Control
- Cracks
- Pits
- Foreign Material

Material Analysis
- Silicon Purity
- Unwanted Elements

Yield Analysis Software
3D Metrology
- Nanometer Measurements
- Feature Shape/Slope/Angles

Planar Film Thickness
Macro Defect Inspection
- Foreign Material
- Scratches
- Residue

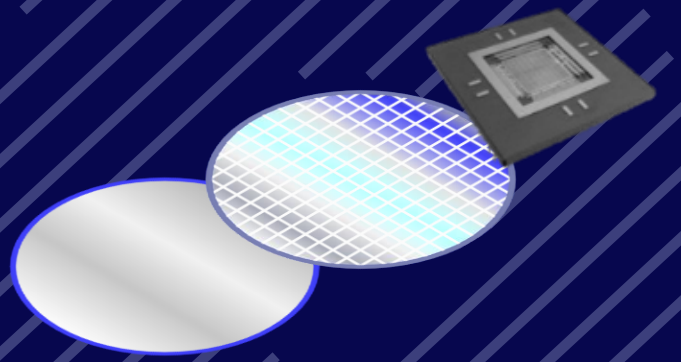
Yield Analysis Software
3D Metrology
- Bump Connections
- Thru-Silicon-Via's

Macro Defect Inspection
- Placement Locations

Lithography
- Printing Connecting Circuits

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Diverse Product Portfolio and Strong Financial Model



MARKET AND PRODUCT DIVERSITY

EXPAND GROSS AND OPERATING MARGINS

POTENTIAL M&A TO INCREASE SHAREHOLDER VALUE

EXPANDING MARKET SHARE WITH NEW PRODUCTS

LEADING MARGINS
54% GROSS MARGIN
25% OPERATING MARGIN

~ $400 MILLION CASH, NO DEBT

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Onto Innovation

Why We Matter to the largest Manufacturers (Strategic Partner)

- Doubled scope and scale in last 18 months
- Technology aligned to multiple secular growth drivers

Wafer Fab Equipment (WFE)
Market Share by Revenue



Source: Company Rank Order based on 2020 Share of Total WFE Revenue, Gartner Market Share Data, April 2021

Onto Innovation Snapshot

High tech capital equipment company specializing in optical process solutions for semiconductor and related markets

COMPANY

NYSE **(ONTO)**

CASH ON BALANCE SHEET (3/27/2021)

$393M Cash
No Debt

CASH FLOW FROM OPRERATIONS

30% of Revenue[3]

TTM REVENUE[1]

$613 Million

GROSS MARGIN[5]

54%

YOY GROSS MARGIN IMPROVEMENT[4]

+18%

COST REDUCTION[2]

$24 Million

OPERATING MARGIN[5]

25%

YOY OPERATING MARGIN IMPROVEMENT[4]

+56%



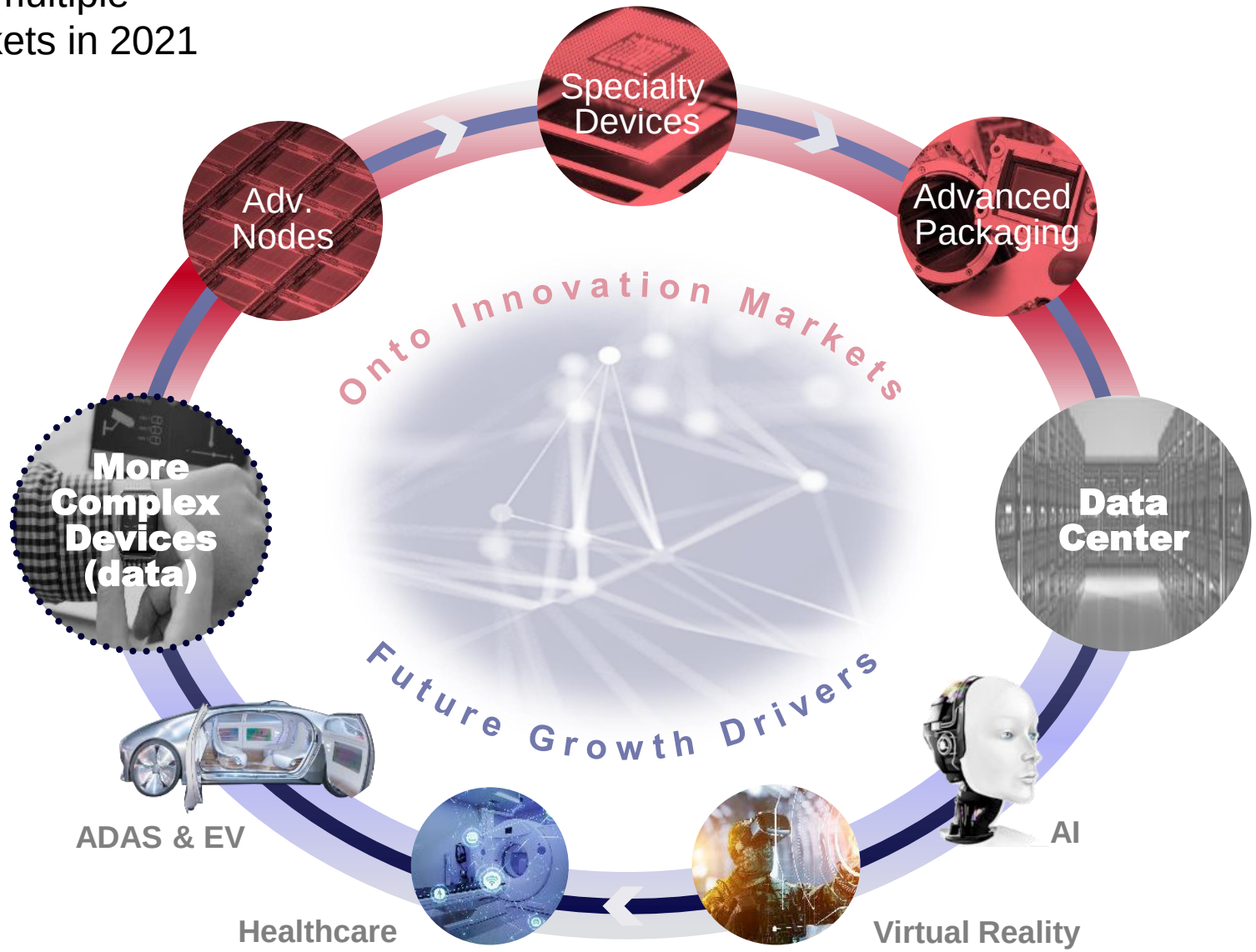
Note 1: Trailing 12 months actual results
Note 2: Implemented cost synergies from the Nanometric / Rudolph merger
Note 3: Q1-2021 Cash from Operations: $51 Million, 30% of Revenue
Note 4: Q1-2021 YoY change compared with Q1-2020
Note 5: Q1-2021 Non-GAAP Gross Margin & Operating Margin.

5G and Cloud Contribute to Virtuous Cycle Growth

Leading to growth in multiple
Onto Innovation markets in 2021

5G

2X 5G Handsets 2020- 2021[1]



Cloud

Servers
AI
Edge Compute
Streaming

Note 1: Needham Industry Forecast (MU) 1/8/21

“Data Era” Driving Multiple Secular Growth Industries

Advances in memory and transistor architectures enable growth in multiple industries



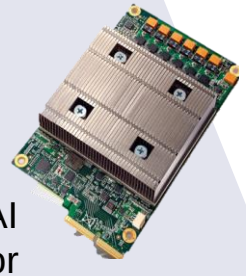
Smart City



Environment



Health



Google AI processor



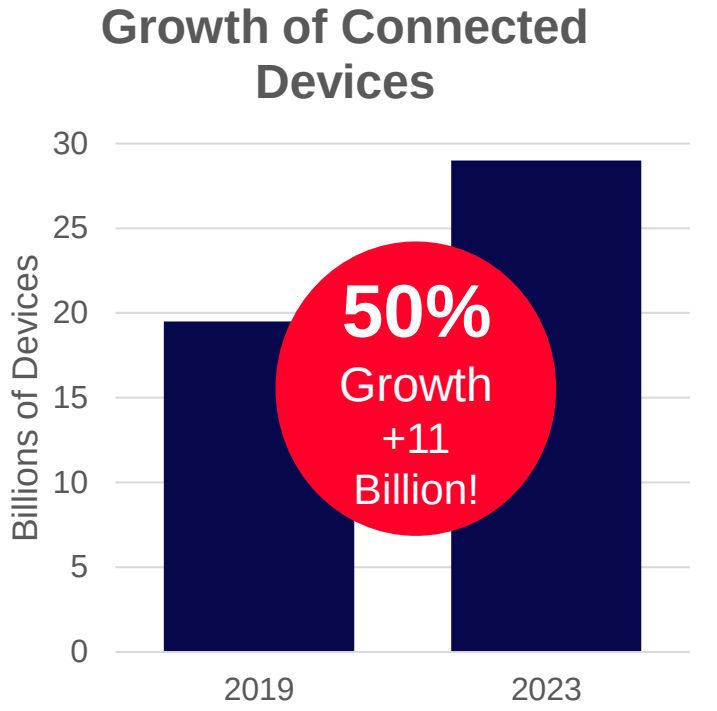
Mobile



Smart Home



Data Center



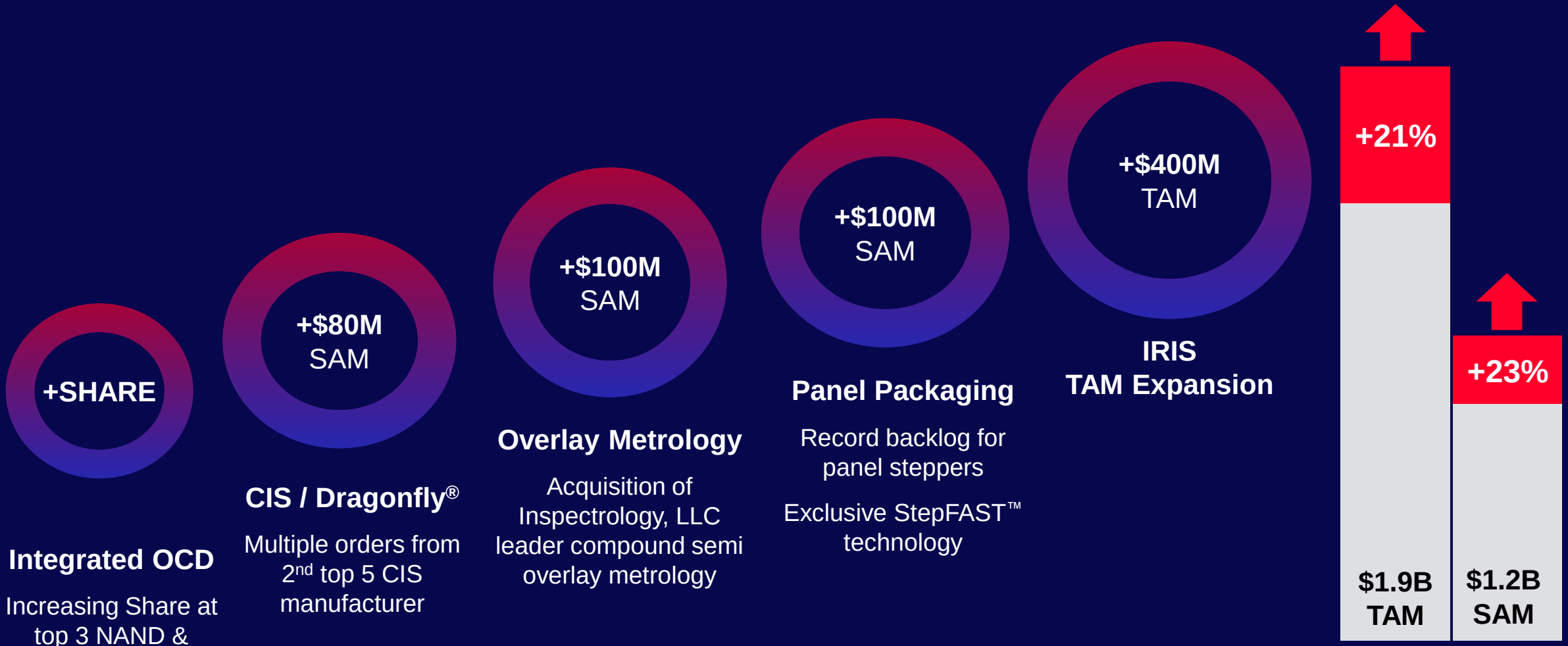
Global avg devices/connections per person grows from 2.4 to 3.6 in 2023

US Devices/Connections per person grows from 8.2 to 13.4 in 2023

Source: Cisco Annual Internet Report, 2020

Opportunities to Grow Above Secular Drivers in 2021!

Foundation laid in 2020 expands both total available and served markets by over 20%



Integrated OCD

Increasing Share at top 3 NAND & DRAM manufacturers

CIS / Dragonfly®

Multiple orders from 2nd top 5 CIS manufacturer

Overlay Metrology

Acquisition of Inspectrology, LLC leader compound semi overlay metrology

Panel Packaging

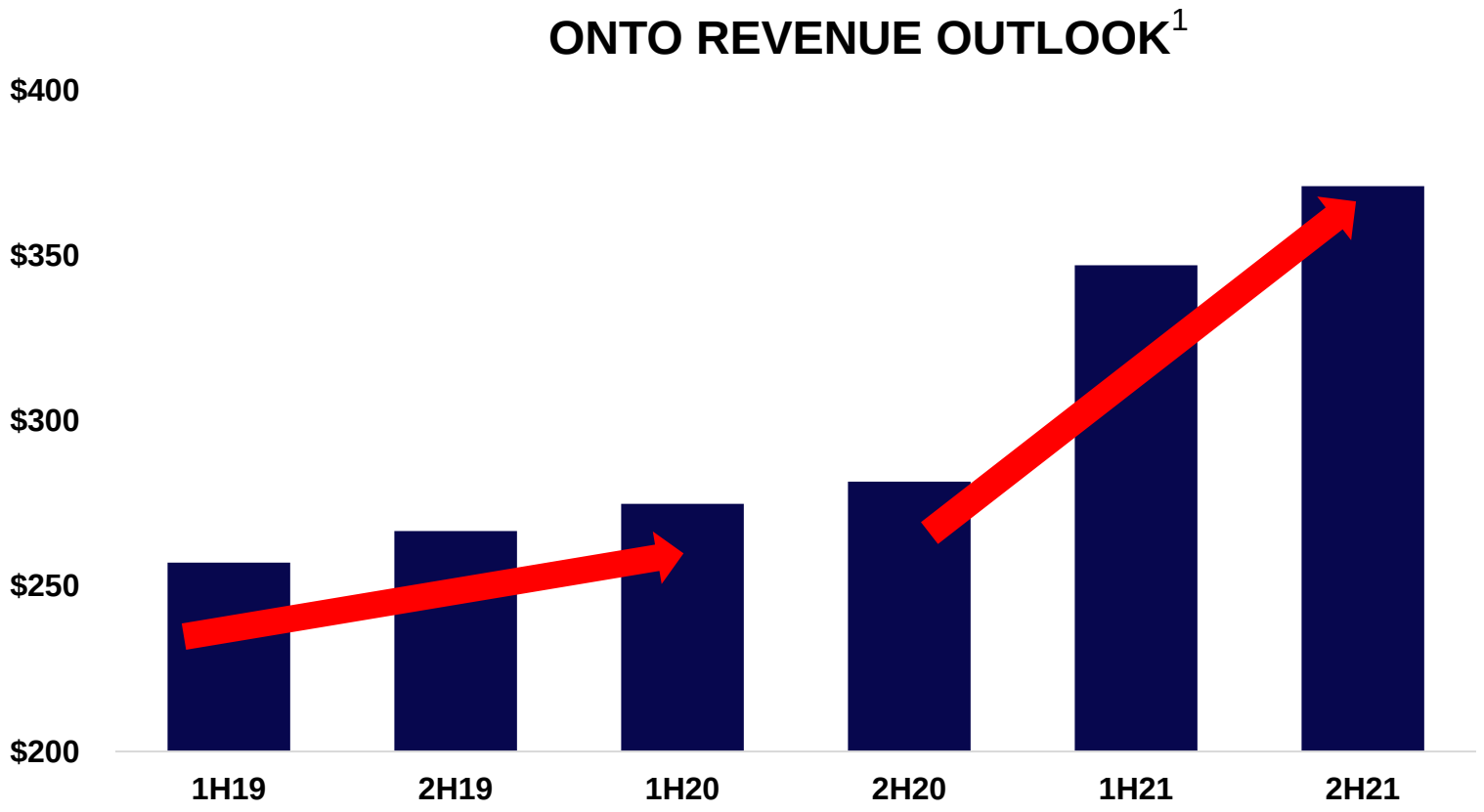
Record backlog for panel steppers

Exclusive StepFAST™ technology

IRIS TAM Expansion

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Revenue Growth



Note 1- 1H19, 2H19: Consolidated NANO+RTEC
1H20: Actual
1H21: 1Q21 Actual + 2Q21 Analyst Consensus (May 2021)
2H21: Analyst Consensus (May 2021)

26% YoY
1H 2021 Analyst Growth Outlook

~30% YoY
2H Analyst Growth Outlook

FY21 Analysts Consensus:
29% YoY

Long-term Operating Model*

Organic Growth Resulting from Share Gains & Potential to Enter New Addressable Markets

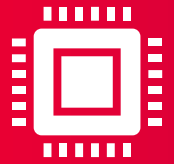
Annual Revenue	$800M Model	$1B Model
Gross Margin	55% - 56%	56% - 57%
Operating Profit	29% - 30%	32% - 33%
Earnings per Share	$3.85 - $4.00	$5.05 - $5.25

*Non-GAAP Long Term Financial Model: excludes amortization and merger costs; includes stock-based compensation

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Why Invest in Onto Innovation?

TECHNOLOGY



Strong adoption of new products expanding our markets.
Further supported by projected across our markets.

OPERATIONS



Global operations supporting diverse ~150 customer base.
Long term financial model with $5 per share earnings power

BALANCE SHEET



$390M Cash, No Debt, Cash From Ops 30% of revenue
Fuel for strategic M&A

Thank You

Onto Higher Yields

Onto Higher Margins

Onto Higher Productivity

Onto Innovation

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