CVD Equipment Corporation

Corporate Overview

Q1 2018

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Safe Harbor Statement

Certain statements in the following presentation relate to future results that are forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to those noted in our forms 10-K, 10-Q, and other filings with the SEC.

This presentation includes historical and forward-looking ProForma information. The Company assumes no responsibility to update the information contained in this presentation.

CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

Agenda

I. Business Fundamentals Today

II. Future Growth Strategy

III. Financial Update & Outlook

IV. Q&A



CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

At a Glance

NASDAQ:CVV

FOUNDED
1982

HEADQUARTERS
Central Islip, NY

NUMBER OF EMPLOYEES
212

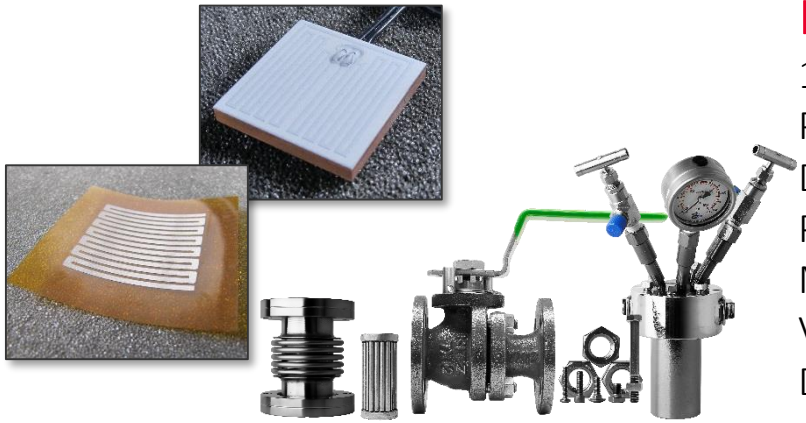
© 2018 CVD Equipment Corporation
All rights reserved

CVD Equipment Corporation

enabling tomorrow's technologies™

CVD Equipment Corporation is a leading deposition equipment and coating solutions supplier with ongoing innovation since 1982.





We are evolving from an equipment focused company to an equipment and materials company driven by our innovation, our unique capabilities, and the materials-driven demands and challenges of the markets we serve…

Market Drivers:

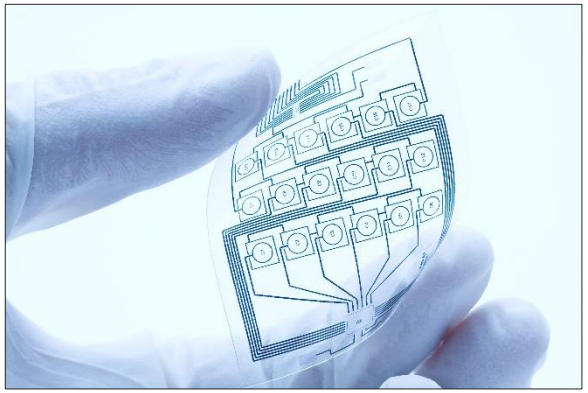
High performance Advanced Composite Materials
Additive Manufacturing to increase functionality
Energy Efficiency of advance electronic materials
Medical Devices driven by functional materials
Nanotechnology used to improve all elements of life

Keys to CVD's Value Proposition:

1000+ years of Equipment and Process Experience
Process Development and Process Library
Design Flexibility and Modeling
Proprietary Software and Control System
Manufacturing Capacity
Vertically Integrated Manufacturing
Direct Customer Engagement

EXPERIENCE. EQUIPMENT. MATERIAL SERVICES.

How we enable tomorrow's technologies



- Innovation leader since 1982
- Equipment, Thin Films, Coatings, and Surface Modification
  - Equipment Design and Development
  - Production Scale Manufacturing
  - Installation, Start-up, and Operational Service
  - Material Coating & Surface Treatment
- Process, Applications, Research & Development
  - Nanomaterial Research
  - Equipment Optimization
  - Customer Process Development Services
  - Funded Research Collaboration

CVD Equipment Corporation | firstnano | SDC | CVD Materials Corporation | TANTALINE | MESOSCRIBE TECHNOLOGIES

© 2018 CVD Equipment Corporation | All rights reserved

Vertically Integrated Capabilities

Vertically integrated design and manufacturing enables rapid system development

- ✓ We procure raw materials & components and deliver finished systems
- ✓ Leverage network of industry leading suppliers and contractors as required

Provide turnkey systems including instrumentation, process control software, gas handling, and exhaust abatement

- ✓ 35 years of experience in design, engineering, and manufacturing of chemical vapor deposition equipment

We enhance value by leveraging our equipment know-how to provide innovative materials, coatings, and services.

- ✓ Tantaline® anti-corrosion surface treatment
- ✓ MesoScribe™ direct write printed electronics

© 2018 CVD Equipment Corporation
All rights reserved

CVD Equipment Corporation

enabling tomorrow's technologies™



- Integrated equipment system design, engineering, modeling, and manufacturing



- Pre and post sales technical and equipment services



- Advanced applications laboratory, materials development, and analytical services



- Proprietary quartzware design and fabrication



- After sales Installation and performance validation testing



- Captive fully equipped machine and fabrication facility

CVD Facilities



Headquarters

Central Islip, NY
134,500 ft^2 facility with
6,000 ft^2 applications laboratory



SDC® Facility

Saugerties, NY
22,000 ft^2 facility with
4,000 ft^2 cleanrooms



Tantaline® Facility

Nordborg, Denmark
6,000 ft^2 facility (Q4 2016)

MesoScribe™ Facility

Huntington Beach, CA
22,142 ft^2 facility (Q4 2017)



CVD Materials Facility

Central Islip, NY
184,000 ft^2 facility (Q4 2017)

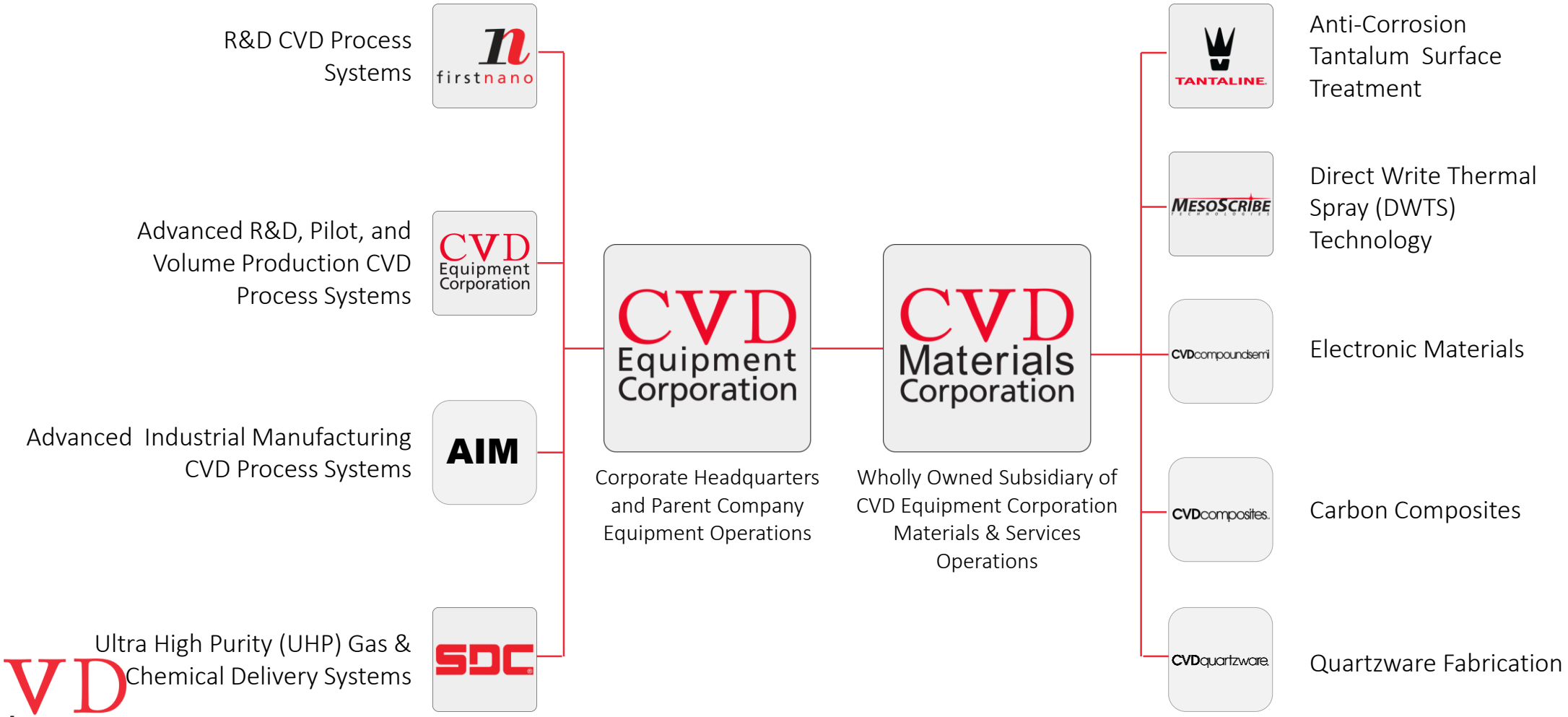


CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Our Company, Products, and Services



CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Our Customers are Innovators

















































© 2018 CVD Equipment Corporation | All rights reserved

Our Customers are Market Leaders



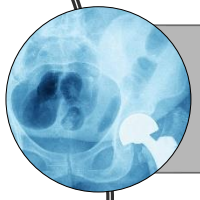
© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

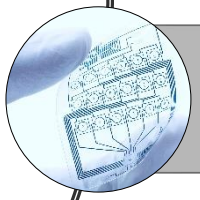
We Align Business Operations to Opportunities in Major Markets



Aerospace → Continued growth opportunities with multi-year backlog. The expansion of CVD Materials including MesoScribe™ is opening new functional coating opportunities



Medical & Life Sciences → Multi-equipment shipments, additional projects in incubation, and Materials Group coating opportunities



Research & Development → Growth for emerging opportunities in semiconductor material, advance Carbon Nanotubes, 2Dimensional crystal devices, MEMS, infiltrated carbon, and sensors.



Industrial → The expansion of CVD Materials including Tantaline® and MesoScribe™ is opening new coating and surface treatment opportunities

CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

Our Position in the Aerospace Industry



Leading Supplier of Next Generation Technology

- Received follow on orders for CVD systems in 2017
- Acquisition of MesoScribe Technologies, pioneer in robust sensors and high temperature coatings for engine and general aerospace applications
- CVD strengthens its position as a key supplier of next generation technology for the aerospace industry, both in CVD systems and specialty coatings and sensors



CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

Biomedical & Life Sciences Applications & Markets



Chemical vapor deposition to manufacture biomedical devices, equipment and services

- Biosensors using nanomaterials grown by chemical vapor deposition, providing both systems and deposition services
- Implant production using a CVD chemical vapor infiltration process
- Crystal growth of magnesium for biodegradable cardiovascular stents in a CVD system
- Carbon composites for biocompatible membrane applications, both CVD systems and deposition services
- Tantaline® services for pharmaceutical manufacturing equipment components





CVD Equipment Corporation

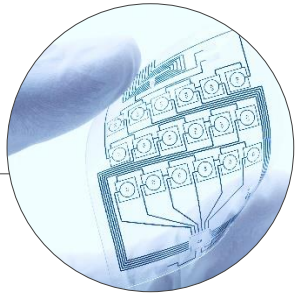
University of Cincinnati & CVD Equipment Corporation, Magnesium single crystals for biomedical applications grown in vertical Bridgman apparatus. AIP Publishing (2016). Retrieved December 6, 2016 from http://scitation.aip.org/content/aip/journal/rsi/87/10/10.1063/1.4965237

UNIVERSITY OF Cincinnati

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

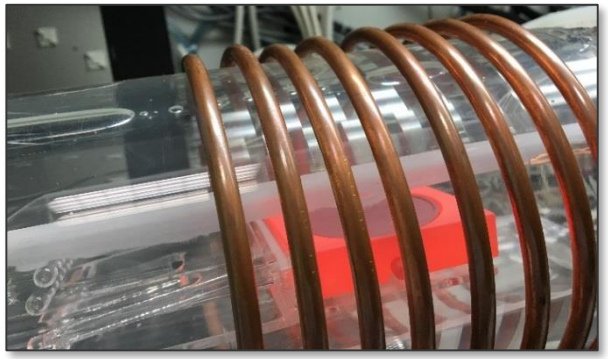
2 Dimensional Materials and Semiconductors

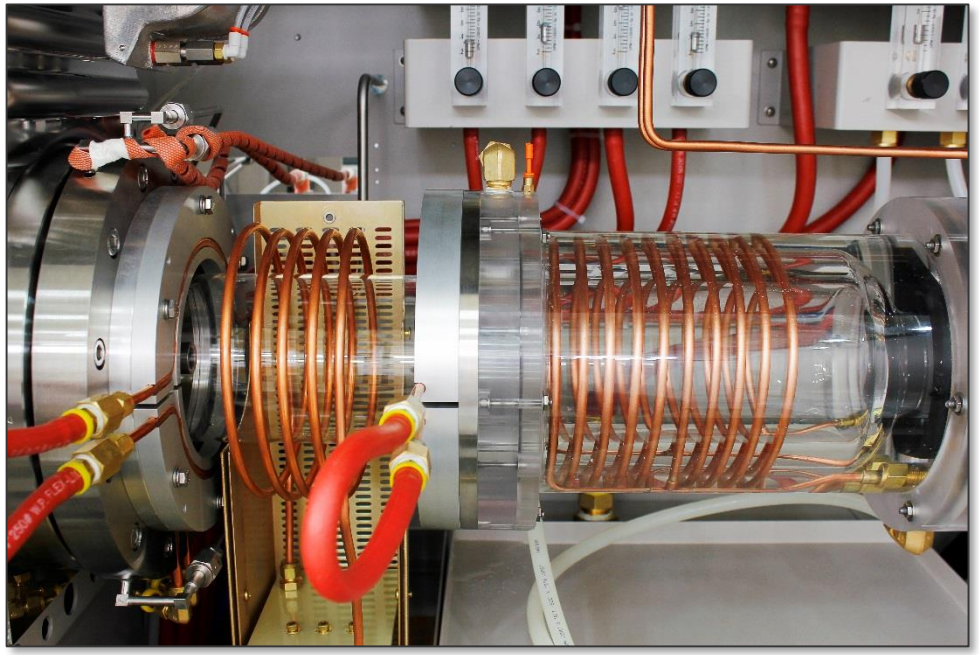


These are materials with unique electrical and mechanical properties in two dimensions

- Graphene was the first 2D material to be discovered and synthesized
- Now there are more than twenty 2D materials that can be made by chemical vapor deposition processes
- CVD has shipped multiple systems this year for 2D materials
- More systems in backlog and due to ship early next year







CVD Equipment Corporation

PennState Materials Research Institute

NAVAL RESEARCH LABORATORY WASHINGTON, DC

NSF

2D Crystal Consortium
NSF Materials Innovation Platform

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Industrial Applications



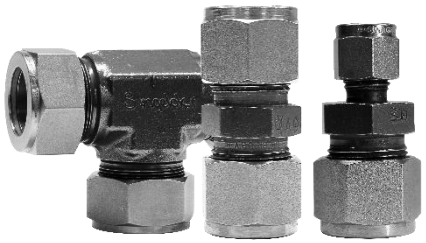
- Tantaline CVD provides products and services for robust and economical corrosion resistance across a broad range of industrial markets and applications
- Global customer base includes world class leaders in Chemical Process, Oil & Gas, Semiconductor, and Mining
- Leverages CVD's technical expertise to gain additional share in a >$100M market for high end coating services
- Facility located in Nordborg, Denmark provides production, technical and sales support
- Plans announced for operational manufacturing facility in the US in 2018
- IP portfolio includes nine (9) issued patents and multiple patent applications



Bellows



Valves



Fittings



Hardware



Instrumentation

CVD Equipment Corporation

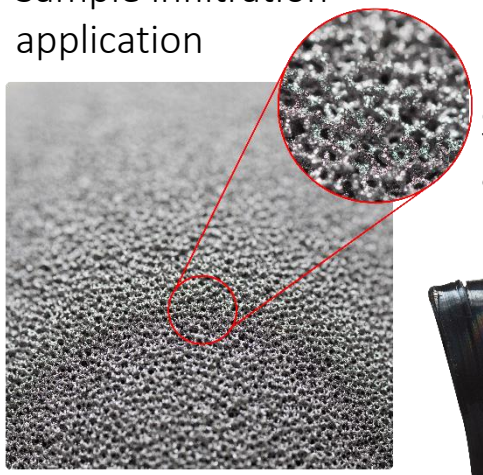
© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Application Development & Laboratory Services

- Our process engineers and materials scientists are busy developing next generation processes and equipment
- Predictive Software modelling assists process development
- Our Equipment customers can purchase services including equipment time and development in our applications laboratory to run their process and start producing material for evaluation and or ramp up of their manufacturing

Sample infiltration application



Sample growth application





CVD Research and Applications Development Laboratory

CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

CVD Growth 2017… Work in progress





- Successful launch of organic and acquired material products and companies
- Steady order rate for CVD and FirstNano® equipment
- Investing in infrastructure: People, Plant, and Process

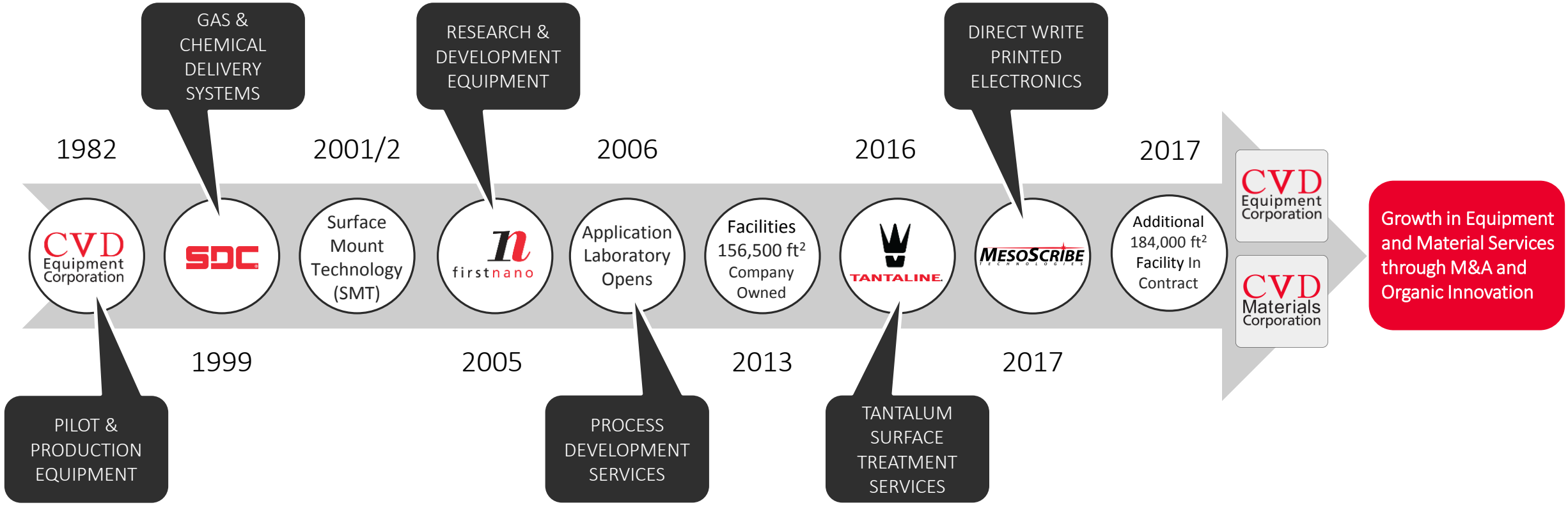
CVD Equipment actively diversifying into material offerings while we continue to grow our equipment business.

CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

CVD Heading into the Future

Leveraging know-how and expanding customer base to accelerate growth



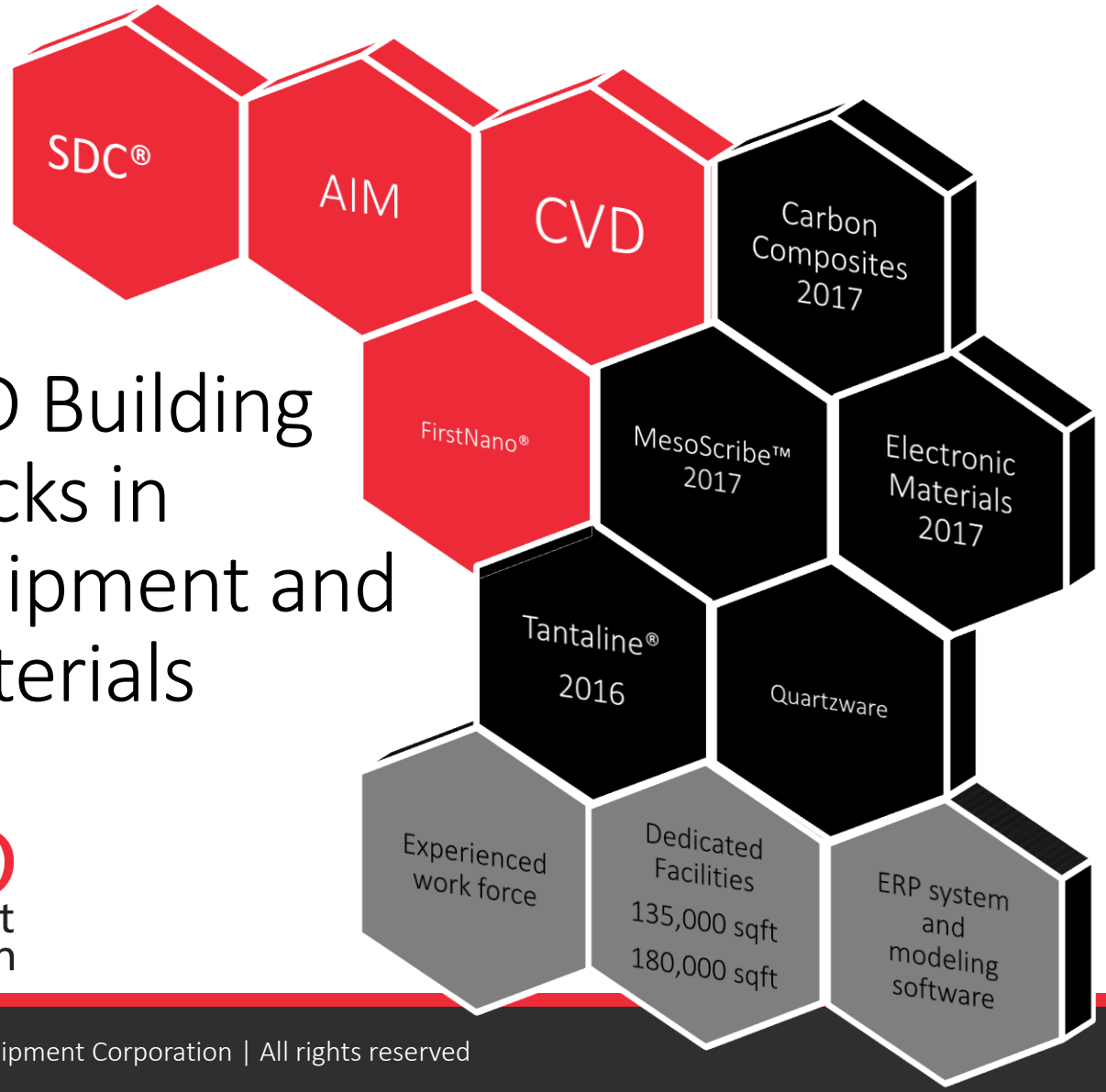
CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

CVD strategic growth activities

CVD Building Blocks in Equipment and Materials



- EQUIPMENT:
  - AIM, CVD Equipment, and FirstNano® product lines built over 35 years
  - SDC® provider of gas management systems
  - Serving multiple global markets
- MATERIALS:
  - Carbon Composites: Organically developed on FirstNano® equipment in our development laboratory
  - Electronic Materials: Organically developed on CVD equipment in our development laboratory
  - Tantaline®: Acquired CQ4 2016
  - MesoScribe™: Acquired CQ4 2017
- Company Backbone

CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Leveraging CVD Equipment for revenue growth

- AIM: Advanced Industrial Manufacturing equipment group serving the aerospace and other large manufacturing scale market applications. Dedicated engineering and manufacturing team experienced in high volume production applications enables CVD to address new opportunities.
- CVD Equipment: CVD, thermal, and other process technologies integrated into advanced equipment for research and mid scale production applications. History of 35 years of innovation in engineered products.
- FirstNano®: Academia and Research focused solutions designed to be customized to address fundamental research & development applications in a cost effective CVD system.
- SDC®: Leading gas management and delivery system provider, serving both captive (CVD Equipment) and merchant customers.
- Manufacturing and Engineering Backbone:
  - New ERP system implemented end CQ3 2017
  - Advance equipment and material modeling capability added in CQ3 2017.

CVD Equipment Corporation

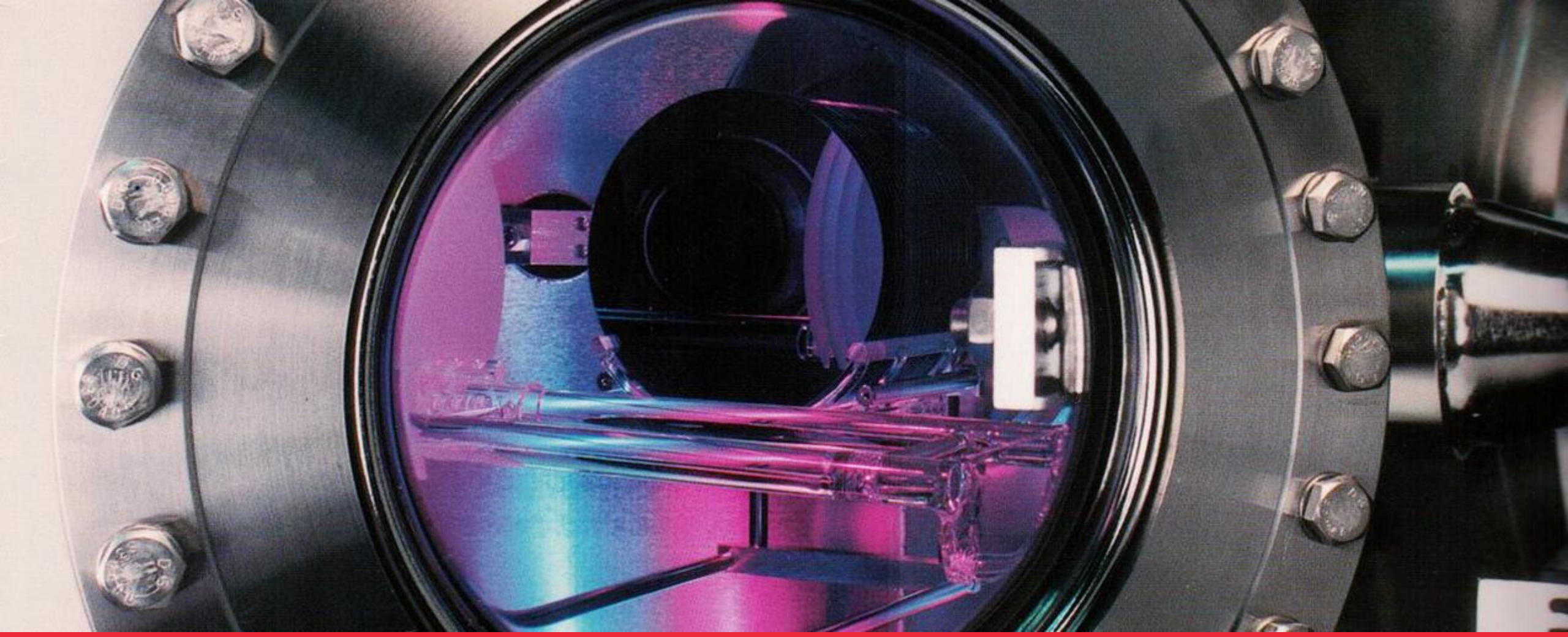
© 2018 CVD Equipment Corporation | All rights reserved

Expanding the CVD Material Corporation revenue offerings

- Tantaline®: Acquired in CQ4 of 2016, focus is on establishing relationships with legacy customers, has yielded a steady order run rate. Business is forecasted to reach breakeven within two years.
- Carbon Composites: Multiple orders have been received in 2017 for carbon composite products and services related to medical and MEMS applications. Organically created through CVD's FirstNano® applications laboratory developments.
- Electronic Materials: Initial order received in CQ3 2017 for $500,000 of semiconductor material used in high value added power electronics, LEDs and Lasers. Organically created through CVD's equipment engineering.
- MesoScribe™: Assets acquired in CQ4 2017. Technology and market leader in Direct Write circuit and structure deposition serving the aerospace, semiconductor, and industrial markets. Breakeven expected within two years. Complementing and additive value to Tantaline and CVD equipment group. Existing 22,142 square foot facility is strategically located in the Los Angeles California area, expansion will be in the new LI facility.
- Quartzware: Strategy to capitalize on the growing spare parts & consumable demand from our CVD equipment
- Dedicated materials facility: CQ4 2017 announcement of contract to purchase 184,000 square foot facility to support present and future growth of material product lines.
- Manufacturing and Engineering Backbone:
  - New ERP system implemented end CQ3 2017,
  - Advance modeling capability, equipment, and material added in CQ3 2017.

CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

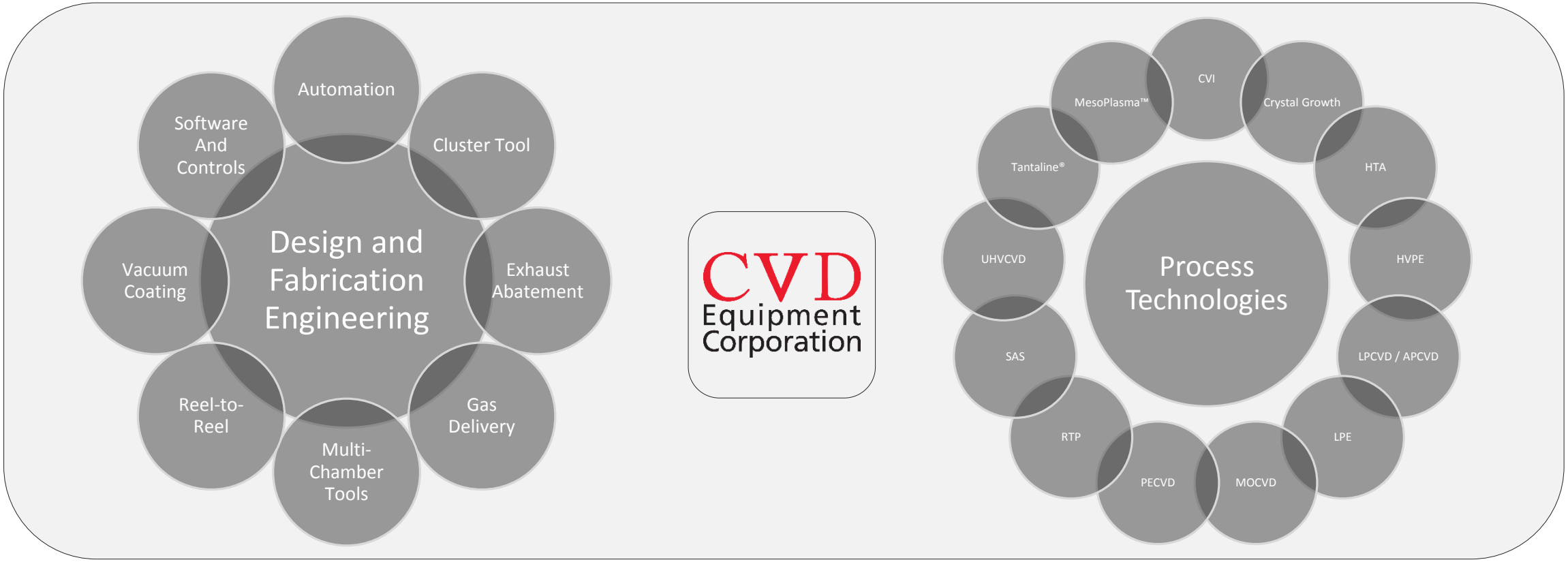


CVD EQUIPMENT

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Vertical integration, process technologies, and 35 years of design & fabrication expertise.... *enabling tomorrow's technologies™*



CVD Equipment Corporation



Application/Process Development



State-of-the-art Manufacturing



Design Infrastructure

© 2018 CVD Equipment Corporation | All rights reserved

Broad Equipment Product Line:

FirstNano® systems for R&D through to pilot production



EasyTube® 101



EasyTube® 2000



EasyTube® 3000



EasyTube® 3000EXT



EasyTube® 6000

CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Broad Equipment Product Line:

CVD Equipment for pilot and volume production









CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Broad Equipment Product Line:

AIM

Advanced Industrial Manufacturing, for large scale production







CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Broad Equipment Product Line:

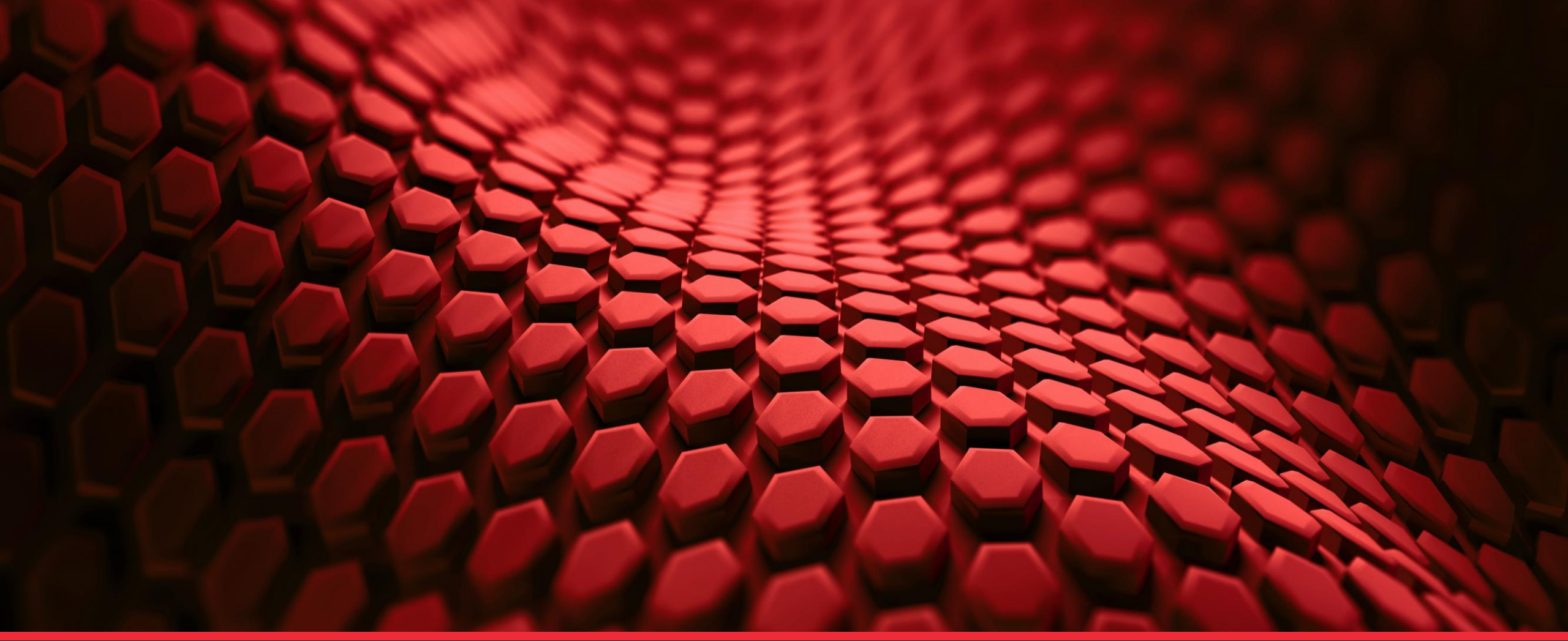
SDC® is a total solutions provider for your gas and chemical needs



CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™



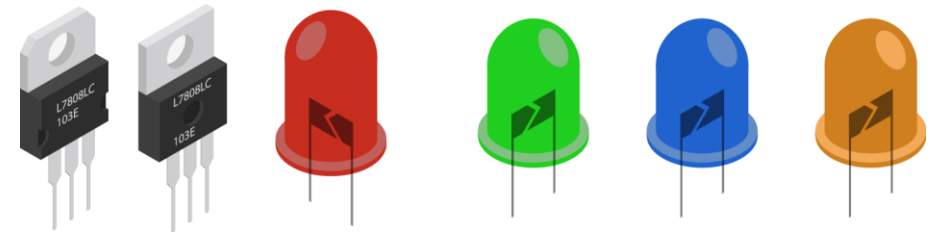
CVD MATERIALS

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Electronic Materials

- Advanced semiconductor materials
- Through the use of CVD equipment we are able to provide the electronics industry with advance bulk material, wafer deposition services, and thin/thick films for advanced electronic applications, such as Power Electronics, LEDs, and Lasers
- Performance of devices are directly related to the quality of the material of the device. Better control of properties and lower defects yield better performance
- Different materials both bulk and films are required to yield the desired device performance. As an equipment provider CVD has a cost and performance advantage over conventional material only providers





© 2018 CVD Equipment Corporation | All rights reserved

MesoScribe™ Direct Write Electronics

The unique MesoPlasma™ printed electronics adds functionality, durability, and improved performance to your products. Our unique, multi-material, 3D additive manufacturing process produces extremely robust deposits that are compatible with most substrate materials.





- Aerospace

  MesoScribe Technologies manufactures printed instrumentation for use on a production aircraft. The technology is an FAA approved manufacturing process.

- Power Generation

  Sensors are printed onto customer-supplied assemblies and gas turbine engine components to support engine testing, diagnostics, and component health monitoring.

- Satellite

  High watt density heaters are applied to both large and small satellite components. Heaters can be applied to complex geometries and provide up to 500W/cm2 (demonstrated to >1000W/cm2).

- US Department of Defense

  MesoScribe Technologies supports the US Department of Defense by working with Government laboratory, Prime Contractors, and Subcontractors to develop innovative solutions to challenging problems.

CVD Equipment Corporation

CVD Materials Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Tantaline® Anti-Corrosion Treatment

Since 1993 Tantaline® treated products have gained appeal across a growing number of industries because of its unmatched inertness, corrosion resistance, and biocompatibility.



- Chemical Process

  A proven safe, durable, and economical alternative to specialty metal alloys for the most challenging corrosive environments.

- Oil & Gas

  Higher impurity reserves containing high concentrations of corrosive gases like hydrogen sulfide (H_2S) are pushing the limits of conventional materials.

- Semiconductor

  Treated flexible bellows is an ideal solution to reduce downtime and maintenance costs for semiconductor processing and exhaust gas treatment equipment.

- Pharmaceutical

  Glass lined reactors with highly compatible Tantaline® treated manifolds.

CVD Equipment Corporation

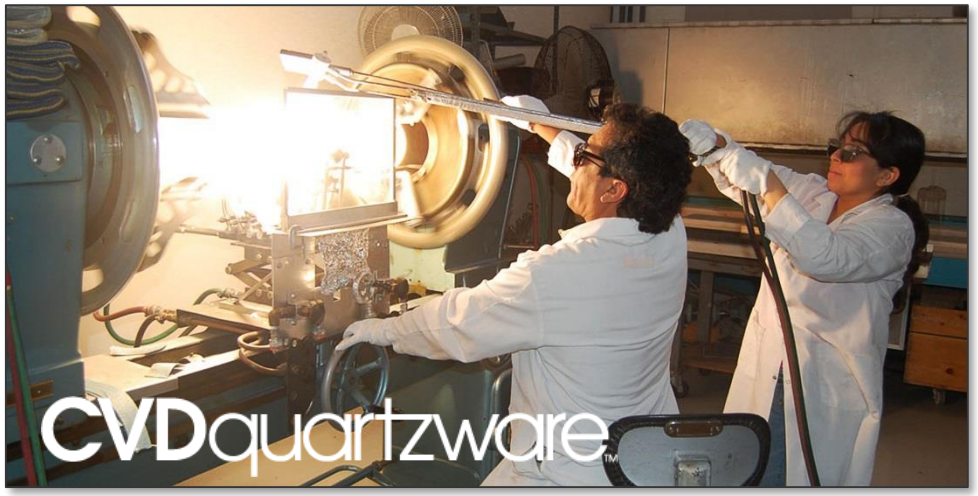
© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Fabricated Quartzware

CVD Materials Corporation

CVD Materials Corporation's fabricated quartzware is used in research and commercial applications. Our on-site quartzware manufacturing facility can produce prototype designs with rapid turnaround. We also stock quartzware components available for immediate purchase and shipment. Our stock includes spare components for our FirstNano®, CVD, and AIM process equipment, including substrate paddles, wafer boats, process gas injectors, process tubes, quartz bubblers, bell jars, etc. Quartzware is consumable and spare parts business.















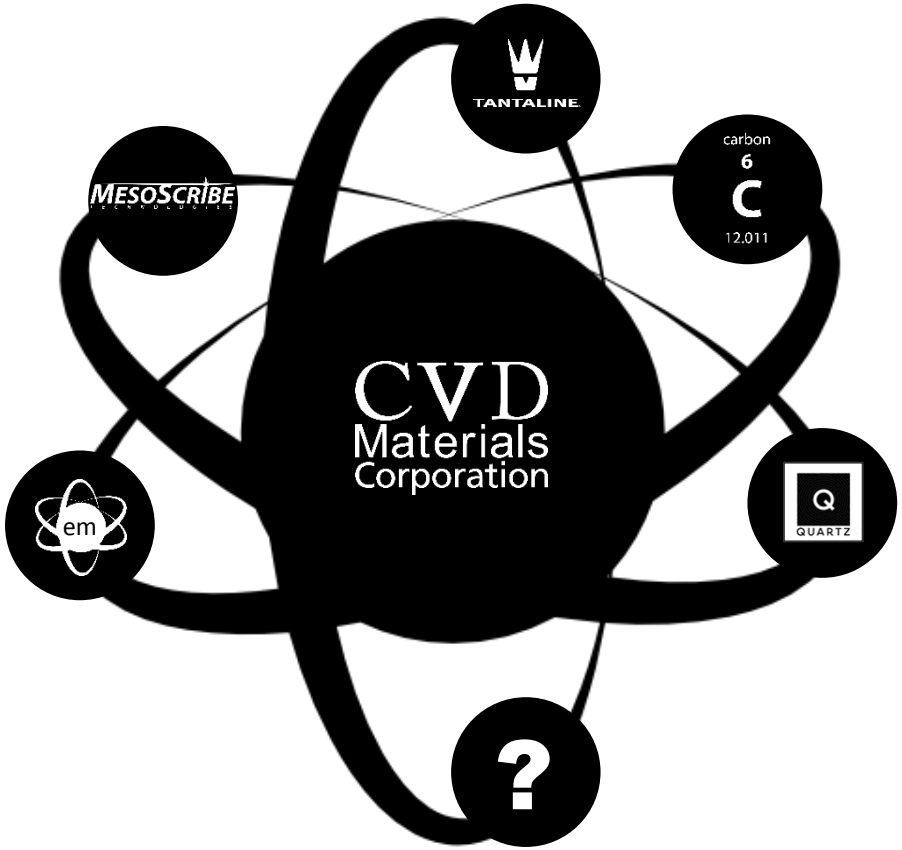
CVD Equipment Corporation

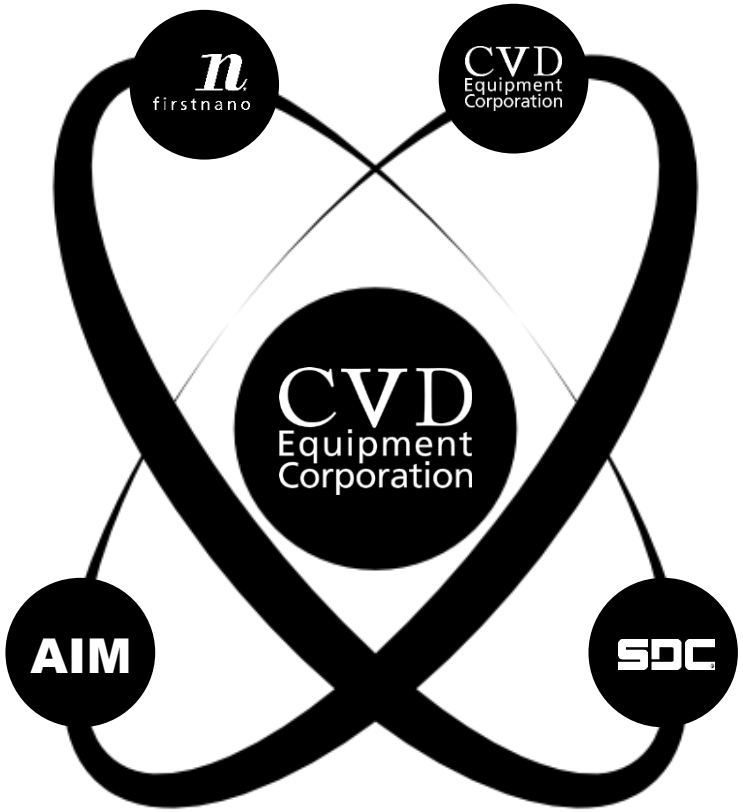
© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

Growth Strategy

Our focus on continued strategic growth





CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™



Financials for Q1 2018

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™

CVD Equipment Corporation and Subsidiaries
Condensed Consolidated Statements of Operations

(In thousands except per share information)

	Three Months Ended March 31	
	2018	**2017**
Revenue	$9,154	$9,651
Gross profit	3,761	5,480
Operating expenses	2,850	2,454
Operating income	911	1,717
Net income	558	1,708
Diluted earnings per share	$0.09	$0.16

CVD Equipment Corporation

Earnings release should be read in conjunction with Company's Annual Report on Form 10-K for fiscal year ended December 31, 2016

© 2018 CVD Equipment Corporation | All rights reserved

CVD Equipment Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

(In thousands)

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$13,135	$14,211
Accounts Receivable, net	8,979	2,059
Contract assets	3,719	8,397
Inventories	2,730	2,966
Other current assets	221	167
Total current assets	28,784	27,800
Property, plant and equipment, net	29,504	28,839
Deferred taxes	1,611	1,690
Other assets	206	68
Intangible assets	536	662
Total assets	$60,641	$58,978

CVD Equipment Corporation

Earnings release should be read in conjunction with Company's Annual Report on Form 10-K for fiscal year ended December 31, 2016

© 2018 CVD Equipment Corporation | All rights reserved

CVD Equipment Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

(In thousands)

	March 31, 2018	December 31, 2017
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$1,104	$1,175
Accrued expenses and other current liabilities	2,563	2,739
Current portion of long-term debt	651	647
Current portion acquisition related contingent payments	100	100
Contract liabilities	1,515	466
Deferred revenue	533	292
Total current liabilities	6,466	5,419
Long-term acquisition related contingent payments	200	200
Long-term debt, net of current portion	12,540	12,705
Long-term debt	12,740	12,905
Total liabilities	19,206	18,324
Total stockholders' equity	41,435	40,654
Total liabilities and stockholders' equity	$60,641	$58,978

Earnings release should be read in conjunction with Company's Annual Report on Form 10-K for fiscal year ended December 31, 2017

CVD Equipment Corporation

© 2018 CVD Equipment Corporation | All rights reserved

enabling tomorrow's technologies™