Camtek Inside

Advanced components are inspected and measured by Camtek
Ensuring defect free components
Help manufacturers to improve production
Increase yield
And deliver... on time
Camtek helps manufacture smart devices
Safe Harbor

The information presented today 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 with respect to market size, Total Available Market (or “TAM”) and revenue targets, and necessarily involve risks and uncertainties. Moreover, our stated revenue targets are inspirational and should not be taken as projections of actual future results. 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, as well as due to risks and other important information identified in the documents filed with the Securities and Exchange Commission, including the Company’s Annual Reports on Form 20-F and Reports on Form 6-K.

The 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.

This presentation includes the company’s estimations on Market size and TAM, (“Total Available Market,” or “TAM”) these estimations can vary and may be differ materially from the reality and are based on internal estimations. TAM or market size is the company’s estimation on the total yearly market size.
Fast Growing Semiconductor Capital Equipment Company

| Market Cap | $215m |
| Net Cash   | ~$45m |
| 2017E revenues | ~$92m |
| Gross margin | ~50% |
| Op. margin   | ~15% |
| Employees    | 270 |

- Doubled our revenue from 2013; aim to do it again in 3-4 years
- Develops and sells **inspection and metrology** systems to Semiconductor manufacturers
- Focused on fast growing **Advanced Packaging** sector
- Global presence

*Market cap as of Nov 15, 2017. Continuing operations only. Net cash estimate based on cash at Q3-end ($21.7m) plus cash from sale of PCB business received on October 2 ($22.0).
Strong and Improving Operating Performance

~16% growth in revenue expected in 2017
- Q4 revenue guidance of $24-25m

Profitability improvements in H2 2017 driven by:
- Semi growth - high margin & leverage
- Significantly reduced legal expenses
- Lower FIT expense structure

New operating model
- H217 gross margins grow to ~50%
- Operating margins increasing to ~15% by Q4 and continuing improvement into 2018

More than doubled semi revenue organically from 2013 to 2017
Recent developments (H2 2017)

- Signed agreement to divest PCB business
  - Strong PCB market created opportunity for divestment

- Reached final legal settlement with Rudolph
  - Settlement of $13m
  - Removed uncertainties
  - Saves $2.5-$3m/year in legal fees

- Partnered with leading ink Manufacturer for FIT
  - Lowers FIT expense
  - Reduced from $2m/yr
  - To $100-125/qtr

- Announced Q2 results
  - Strong results with record semiconductor revenues

- Announced Q3 results
  - Record semiconductor revenue with strong improvement in margins

- Completed sale of PCB business
  - Sold for $32m + potential $3m earn-out

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Camtek: Strong Customer Base

Systems installed at 23 out of the 25 top semiconductor spenders
2017 Top OSATs by Revenue

Outsourced Semiconductor Assembly and Test

Camtek has presence in all top OSATS

2017 OSAT MARKET SHARE

- ASE: 25%
- Amkor: 20%
- JCET: 15%
- SPIL: 13%
- PTI: 9%
- TSHT: 5%
- TFME: 4%
- UTAC Group: 3%
- KYEC: 3%
- ChipMost: 3%

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Leading Provider of Inspection and Metrology

- CMOS Image Sensors
  - 2D Inspection & metrology
- Bumping
  - 2D & 3D metrology
  - 2D inspection
- MEMS, RF
  - 2D inspection & metrology
- RDL
  - 2D inspection & metrology
- Post Dicing
  - 2D inspection & metrology
- Memory
  - 2D inspection & 3D metrology

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Camtek’s Strategy Into 2018

- Capitalize on the various engines driving growth within our space: cloud, automotive, IOT, mobile
- Higher margins through lower ongoing expenses since Q3 2017
- Focus on fast growing Advanced Packaging segment: increased demand for higher levels of inspection and metrology capabilities
- Leverage on Chinese market expansion: Camtek well positioned in this geography
- Double Revenue:
  - Since 2013, semiconductor revenue doubled from $44m to over ~$92M
  - Aim to double revenue again in 3-4 years
  - Though both organic growth & through M&A: over $40m in net cash
Our Market

Front-End

FE  BE

Testing  RDL & Bump  Dicing

Back-End

Assembly

Macro Inspection

Potential Growth  Our Market

Other players

Our Market (Mid End)
Semiconductor Market Growth Engines

Source: Cisco Global Cloud Index, Nov 2016
Why Advanced Packaging

2 Wafer Level Packaging

More Functionality in a Smaller Space
Source: TechSearch

Improved Performance and Form-Factor
Source: Infineon
Advanced Packing
Driving Increased Inspection & Metrology Capital Spending

Advanced Packaging penetration expected to double 2016-2020...

...and # of bumps/wafer is growing → driving AOI spending growth much faster

18% CAGR
CMOS Image Sensor Market

- The consumer devices segment accounted for 83% market share in 2016
  - Demand is growing from one camera to three and more
- The market is categorized into several application segments: consumer devices, security and industrial
- Automotive is the next fastest growth segment

The CIS market is expected to grow at a CAGR of more than ~12% during 2017-2021 period

Automotive Image Sensor – Fast Growing Market

Source: Technavio’s latest market research
MEMS Market

MEMS packaging market will increase from $2.56 billion last year to $6.46 billion in 2022

- Compound annual growth rate of 16.7%
- Key growth drivers include: Automotive, IoT, wearables, medical and other smart devices

2017 – 2022 MEMS Market Forecast – In US$B

(Source: Status of the MEMS Industry report, Yole Développement, May 2017)
Our Target Segments Show Double-digit Growth

Growth Rates of Semiconductor Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>% 2015-2020 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fan-out</td>
<td>30%</td>
</tr>
<tr>
<td>3D IC</td>
<td>17%</td>
</tr>
<tr>
<td>RF</td>
<td>11.5%</td>
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<tr>
<td>MEMS</td>
<td>10.9%</td>
</tr>
<tr>
<td>CIS</td>
<td>12%</td>
</tr>
<tr>
<td>Foundry</td>
<td>7.5%</td>
</tr>
<tr>
<td>Memory (2017)</td>
<td>* 7.3%</td>
</tr>
<tr>
<td>Semi total</td>
<td>5%</td>
</tr>
</tbody>
</table>

Camtek Semiconductor Install Base

Based on 660 machines installed worldwide

In 2016, Advanced Packaging was ~58%

* Memory Growth in 2017 is ~30%

Source: Yole, Gartner, IC Insights

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Recent Financial Highlights

Q3 2017 Summary
- Revenues $23.8m, up 13% YoY; Camtek record for semiconductors
- non-GAAP gross margin: 49.4%
- non-GAAP operating income: $3.0m 9.4% operating margin
- Issued $4.9m dividend

Q4 2017 Guidance
- Q4 revenue: $24-25m (~+17% YoY)
- 2018 revenue: continuous growth
- ~50% gross margin
- ~15% operating margin
- Start Q4 with net cash of ~$40m
Mid-Long Term Target Operating Model*

*Illustrative Purposes Only

100%

Double-digit growth from semi

Revenue

50-52%

Gross Margin

13-15%

R&D

15-20%

Operating Margin

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Why Are We Winning?

- High performance systems
- Strong R&D
- Dedicated employees
- Flexible operation organization
- Excellent sales and CS
Our market is growing fast
We focus on the fastest growing segments of the Semiconductor industry
Expects operating margin improvement in Q4 2017 and 2018
Aim to double revenues again within 3-4 years
Thank you!
## GAAP Financial Results

<table>
<thead>
<tr>
<th>(US $ in Millions)</th>
<th>Annual FY</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>Q1</td>
</tr>
<tr>
<td>Revenues</td>
<td>79.2</td>
<td>21.1</td>
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<tr>
<td>Gross Profit</td>
<td>32.5</td>
<td>10.2</td>
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<tr>
<td>Gross Margin</td>
<td>41%</td>
<td>48%</td>
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<tr>
<td>R&amp;D</td>
<td>12.6</td>
<td>3.5</td>
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<td></td>
<td>16%</td>
<td>17%</td>
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<tr>
<td>SG&amp;A</td>
<td>21.9</td>
<td>5.4</td>
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<td></td>
<td>28%</td>
<td>26%</td>
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<td>Reorganisation</td>
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<td>Loss from litigation</td>
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<tr>
<td>Operating Profit (Loss)</td>
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<td>Operating Margin</td>
<td>3%</td>
<td>7%</td>
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<td>Continuing Operations</td>
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<td>Discontinued Operations</td>
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<td>2</td>
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<td>Net Profit (Loss)</td>
<td>4.7</td>
<td>3.3</td>
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