

Velo3D, Inc.
Q1 2026 Earnings Conference Call
May 12, 2026 5 pm ET (2pm PST)

Operator

1 Greetings, and welcome to the Velo3D First Quarter 2026 Financial Results. [Operator
2 Instructions] Please note, this conference is being recorded. I will now turn the conference over to
3 your host, James Carbonara, Investor Relations. Thank you. You may begin.

4 **James Carbonara - Hayden IR, LLC**

5 Thank you, operator. Good day, everyone, and welcome to Velo3D's First Quarter 2026 Earnings
6 Call. Before we begin, please note that today's call will contain forward-looking statements within
7 the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject
8 to risks and uncertainties that could cause actual results to differ materially from those projected.
9 Please refer to our press release issued earlier today as well as our filings with the SEC, including
10 our 2025 Form 10-K for a discussion of these risks.

11 We will also reference certain non-GAAP financial measures during the call. Reconciliations
12 between GAAP and non-GAAP results can be found in today's press release, which is available on
13 the Investor Relations section of our website. A replay of this call will also be available shortly
14 after its conclusion.

15 With that, I will turn the call over to our CEO, Arun Jeldi. Arun please go ahead.

16 **Arun Jeldi - Chairman & CEO**

17 Good afternoon, everyone, and thank you for joining Velo3D's First Quarter 2026 Earnings
18 Call.

19 2026 is off to a strong start for Velo3D. We are seeing accelerating momentum across the
20 business, driven by strong execution, expanding customer demand, and increasing adoption
21 of additive manufacturing as a true production technology across defense and aerospace
22 markets.

23 In the first quarter, revenue increased 48% year-over-year, reflecting continued strength
24 across both our defense and commercial aerospace end markets as qualified programs
25 increasingly convert into full-scale production activity. We believe this performance
26 underscores the growing strategic importance of our technology and the confidence
27 customers are placing in Velo3D as a long-term manufacturing partner.

28 A major highlight this quarter was the continued expansion of our Rapid Production
29 Solutions, or RPS, business, which now represents an increasingly meaningful portion of
30 total revenue. We believe this evolution is transformational for Velo3D. Unlike traditional
31 one-time system sales, RPS creates long-duration production relationships with repeat
32 utilization across multiple programs, driving greater visibility, stronger customer integration,
33 and what we believe will be improved long-term economics for the business.

34 As adoption accelerates, we believe this mix shift positions us to pursue more durable,
35 higher-quality revenue streams and scalable, profitable growth over time.

36 From a profitability standpoint, we delivered positive gross margin of 17% during the quarter
37 — a significant milestone and another strong indicator that the structural improvements
38 we've implemented are taking hold. Gross margin expansion was driven by higher utilization

39 rates, improved manufacturing efficiency, better absorption of fixed costs, and continued
40 operational discipline throughout our production footprint.

41 Importantly, we believe we are still in the early innings of this margin expansion story. We
42 expect meaningful continued progress throughout 2026, as production volumes increase,
43 RPS continues to scale, and operating leverage improves.

44 Our backlog was approximately \$30 million, compared to approximately \$31 million at year-
45 end, reflecting a modest decline, while bookings totaled approximately \$12 million during
46 the first quarter. Demand trends remain highly encouraging, particularly across defense and
47 aerospace customers pursuing larger-scale production deployments.

48 It's important to recognize that bookings can fluctuate from quarter to quarter due to the
49 timing of government procurement cycles and the size of individual production awards.
50 However, the underlying pipeline continues to strengthen significantly and we are seeing
51 growing momentum in both the quantity and quality of opportunities entering the funnel.

52 This quarter also included several landmark commercial and defense achievements that we
53 believe further validate Velo3D's growing strategic importance within advanced
54 manufacturing.

55 As announced in our last earnings call in March 2026, we continue to execute on our
56 programs with defense contractors, supporting the US Navy, US Army and other defense
57 programs.

58 We had announced in February an \$11.5 million full-rate production contract from a major
59 U.S. defense prime contractor. This award represents a meaningful step beyond
60 qualification and pilot activity into scaled production deployment and reflects increasing
61 confidence in our ability to deliver complex, mission-critical components reliably and at
62 scale.

63 Also in February, we had announced that Velo3D became the first additive manufacturing
64 vendor qualified for U.S. Army ground vehicle applications. We believe this milestone is
65 particularly significant because it establishes a new benchmark for additive manufacturing
66 adoption within defense platforms and further expands our long-term opportunity across
67 military sustainment and modernization programs.

68 In March, we also announced that Velo3D was awarded a \$9.8 million, five-year IDIQ
69 contract with the Defense Logistics Agency supporting the Joint Additive Manufacturing
70 Acceptability, or JAMA, Pilot Parts Program.

71 This award is strategically important for several reasons. First, it reinforces Velo3D's growing
72 role within critical defense sustainment initiatives. Second, it validates the strength and
73 reliability of our technology for mission-critical applications. And third, it positions us at the
74 forefront of the Department of Defense's adoption of advanced manufacturing solutions
75 designed to improve readiness, resilience, and supply chain flexibility.

76 Collectively, these wins represent more than just contract value — they demonstrate
77 increasing institutional adoption of Velo3D technology across some of the most demanding
78 and strategically important manufacturing environments in the world.

79 More broadly, we continue to deepen engagement across our customer base. Existing
80 customers are expanding utilization into additional programs, while new customers are
81 progressing through evaluation and qualification cycles at an increasing pace.

82 We are seeing a growing number of defense primes and tier-one aerospace suppliers
83 transition from pilot projects into multi-system production deployments. This marks an
84 important inflection point for the additive manufacturing industry and further validates our
85 belief that the market is increasingly moving from experimentation to scaled production
86 adoption.

87 The macro backdrop in defense remains highly favorable. Governments and defense
88 organizations continue prioritizing modernization, domestic manufacturing capabilities,
89 supply chain resilience, and faster production timelines. We believe these trends align
90 directly with Velo3D's core strengths and significantly expand our long-term opportunity set.

91 In aerospace, demand for complex, high-performance metal components remain robust.
92 Customers increasingly require advanced manufacturing technologies capable of delivering
93 precision, repeatability, and scalability for mission-critical applications — and we believe
94 Velo3D is well positioned to meet these needs.

95 Importantly, the pipeline itself is evolving. Not only are we seeing more opportunities overall,
96 but we are also seeing larger, more sophisticated production opportunities emerge earlier in
97 the sales cycle. Increasingly, customers are evaluating multi-system deployments from the
98 outset rather than beginning with single-system installations.

99 We view this as a strong indicator of where the industry is headed and of Velo3D's growing
100 role in that transition.

101 To support this growing demand environment, we are actively advancing plans for our next
102 manufacturing capacity expansion. This expansion is expected to meaningfully increase
103 output while also improving operational efficiency through automation, optimized
104 workflows, and enhanced throughput capabilities.

105 At the same time, we continue investing strategically in our technology roadmap. Our teams
106 are making meaningful progress across AI-driven process optimization, advanced software
107 integration, and next-generation manufacturing intelligence tools designed to improve
108 consistency, accelerate cycle times, and enhance overall system performance.

109 We are also advancing robotics integration initiatives that we believe will further increase
110 scalability and reduce manual intervention across production environments. Together, we
111 expect these capabilities move us closer to our long-term vision of a fully connected,
112 intelligent manufacturing ecosystem.

113 Ultimately, we see a significant opportunity to evolve beyond discrete part production
114 toward a closed-loop digital manufacturing platform where customers can design, validate,
115 optimize, and manufacture mission-critical parts using real-time production intelligence.

116 Overall, the first quarter represents another important step forward in Velo3D's evolution.
117 We believe we are executing against a large and expanding market opportunity driven by
118 defense modernization, industrial reshoring, and the accelerating adoption of additive
119 manufacturing at production scale.

120 While we are encouraged by our progress, we recognize that execution at scale brings new
121 challenges, and we remain focused on managing costs and capital carefully as we grow.

122 We believe Velo3D is playing an increasingly important role in this transformation. Our focus
123 remains clear: execute with discipline, scale efficiently, deepen customer relationships, and
124 continue investing in the technologies and capabilities that will drive long-term growth,
125 profitability, and shareholder value creation.

126 With that, I'll turn the call over to our CFO, Jim Suva, to walk through our financial
127 performance in more detail

128 **Jim Suva- Acting Chief Financial Officer**

129 Thank you, Arun.

130 We are pleased to start off 2026 with a strong first quarter as revenue growth accelerated and gross
131 margin expanded both on a year-over-year basis and on a sequential quarter-over-quarter basis.
132 First quarter 2026 revenue was \$13.8 million, up 48% compared to \$9.3 million in the year ago
133 quarter. This increase was driven primarily by an increase in the average selling price, an increase
134 in the number of systems sold, and an increase in RPS revenue. First quarter 2026 revenue also
135 grew 46% sequentially from \$9.4 million in fourth quarter 2025.

136 Gross margin for the first quarter was 17.2% compared to gross margin of 7.5% in the year ago
137 quarter and negative (73.6)% in the fourth quarter 2025. We are not only pleased with the gross
138 margin improvement in the first quarter, but we also expect gross margin to improve as RPS scales
139 and new Sapphire XC systems are built to order.

140 Operating expenses for the first quarter were \$9.3 million, down from \$12.2 million a year ago.
141 On a non-GAAP basis, excluding \$1.2 million of stock-based compensation, operating expenses
142 were \$8.1 million, again down compared to \$8.8 million in the prior year quarter demonstrating
143 continued cost discipline without sacrificing revenue growth.

144 GAAP net loss for the quarter was \$(7.0) million and improved compared to a net loss of \$(25.0)
145 million in the year ago quarter and also improved from a net loss of \$(21.9) million in the
146 December 2025 quarter.

147 Non-GAAP net loss for the quarter was \$(5.1) million, excluding stock-based compensation of
148 \$1.9 million, an improvement compared to a non-GAAP net loss of \$(9.0) million in the year ago
149 quarter, and also an improvement from a non-GAAP net loss of \$(11.6) million in the December
150 2025 quarter.

151 Adjusted EBITDA for the first quarter of 2026 improved to negative \$(3.6) million compared to
152 negative \$(6.9) million in the first quarter of 2025 and also improved compared to negative (\$10.0)
153 million in the December 2025 quarter.

154 As of March 31, 2026, we had a backlog of \$30 million, slightly down compared to \$31 million at
155 the end of the December 2025 quarter which was the largest quarterly bookings in company history
156 and up from the \$18 million backlog in first quarter 2025. Our backlog reflects strong demand
157 across both defense and aerospace programs. Importantly, the composition of our backlog
158 continues to show year-over-year growth in RPS, fueled by strong demand from both the aerospace
159 and defense sectors.

160 Moving on to the balance sheet. We had \$16.6 million of cash and cash equivalents as of March
161 31, 2026, down from \$39.0 million at the end of 2025. We made significant progress on

162 strengthening our balance sheet during the first quarter of 2026 with the completion of debt-to-
163 equity conversions totaling \$15 million, including \$5 million converted at a premium to the
164 Company's share price on the date of conversion, and full repayment of the secured note. As a
165 result, we reduced our outstanding debt by approximately 70% to approximately \$9 million.

166 Subsequent to quarter end and not reported on the March 31, 2026 balance sheet, on April 27, 2026
167 we further enhanced our financial position through a successful equity financing, raising
168 approximately \$50 million in gross proceeds through a firm commitment underwritten registered
169 direct offering. These actions collectively strengthen our liquidity and provide additional flexibility
170 to support ongoing investments in our people, operations and growth initiatives.

171 In summary, our strategy is gaining traction, employee efforts are translating to positive operating
172 and financial progress, and we delivered a strong first quarter posting both revenue growth
173 acceleration and gross margin expansion.

174 With that, I will turn the call back to Arun for a few remarks regarding our outlook for 2026. Thank
175 you!

176 **Arun Jeldi - Chairman & CEO**

177 Looking ahead, we continue to expect strong momentum through 2026 as we scale our operations
178 and execute against growing demand across defense and commercial aerospace markets.

179 For the full year 2026, we are reiterating our guidance. We expect revenue in the range of \$60 to
180 \$70 million, reflecting continued adoption of our Rapid Production Solutions and expansion of our
181 large-format additive manufacturing capabilities across both existing and new programs.

182 We continue to expect sequential improvement in gross margins, with margins projected to exceed
183 30% in the second half of 2026 as production volumes increase and we realize further operational
184 efficiencies. Non-GAAP adjusted operating expenses are expected to remain disciplined in the
185 range of \$45 to \$55 million as we continue investing selectively to support strategic growth
186 initiatives.

187 Capital expenditures are expected to remain in the range of \$40 million to \$50 million, primarily
188 focused on expanding production capacity, enhancing automation, and supporting the scale-up of
189 our manufacturing footprint, subject to the availability of sufficient funding. We continue to expect
190 to achieve EBITDA profitability in the second half of 2026.

191 More broadly, we remain focused on executing the first phase of our long-term capacity expansion
192 strategy, which envisions a potential scaled production network over the next decade to support
193 approximately 400 production systems. The investments we are making in 2026 across
194 manufacturing infrastructure, supply chain optimization, and workforce development are
195 foundational to that plan, and we expect to provide periodic updates as we progress against key
196 capacity milestones.

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