

## Kulicke & Soffa Reports First Quarter 2015 Results

SINGAPORE--(BUSINESS WIRE)-- Kulicke and Soffa Industries, Inc. (NASDAQ: KLIC) ("Kulicke & Soffa", "K&S" or the "Company") today announced results for its first fiscal quarter ended December 27, 2014.

### Quarterly Results

	Fiscal Q1 2015	Change vs. Fiscal Q1 2014	Change vs. Fiscal Q4 2014
Net Revenue	\$107.4 million	up 35.8%	down 44.8%
Gross Profit	\$54.7 million	up 42.7%	down 40.7%
Gross Margin	50.9%	up 240 bps	up 350 bps
Income from Operations	\$9.7 million	up 540.5%	down 74.1%
Operating Margin	9.0%	up 1,180 bps	down 1,030 bps
Net Income	\$7.8 million	up 500.7%	down 73.2%
Net Margin	7.3%	up 980 bps	down 770 bps
EPS - Diluted	\$0.10	up 433.3%	down 73.7%

Bruno Guilmart, Kulicke & Soffa's President and Chief Executive Officer, said, "We were pleased to exceed our own expectations in the December quarter. Ongoing technology shifts enabling copper and QFN (Quad Flat No-lead) capability, as well as our broad exposure to macro industry trends such as the internet-of-things add further support to our core business and allowed us to surpass the high-end of guidance."

### First Quarter Fiscal 2015 Key Product Trends

- Ball bonder equipment net revenue decreased 54.9% over the September quarter.
- 72.1% of ball bonder equipment was sold as copper capable.
- Wedge bonder equipment net revenue decreased by 9.6% over the September quarter.

### First Quarter Fiscal 2015 Financial Highlights

- Net revenue of \$107.4 million.
- Gross margin of 50.9%.
- Net income of \$7.8 million or \$0.10 per share.
- Cash, cash equivalents and short-term investments were \$633.4 million as of December 27, 2014.

### Second Quarter Fiscal 2015 Outlook

The Company currently expects net revenue in the second fiscal quarter of 2015, ending March 28, 2015, to be in the range of approximately \$125 million to \$145 million.

Looking forward, Bruno Guilmart commented, "We continue to aggressively execute on our multi-faceted corporate strategy. Collectively, our solid and entrenched core market positions, organic development efforts in advanced packaging, active repurchase program execution and served market expansion through the recent Assembléon acquisition all demonstrate our ability to create and deliver meaningful value."

### Earnings Conference Call Details

A conference call to discuss these results will be held today, January 28, 2015, beginning at 8:00 am (EST). To access the conference call, interested parties may call +1-877-407-8037 or internationally +1-201-689-8037. The call will also be available by live webcast at [investor.kns.com](http://investor.kns.com).

A replay will be available from approximately one hour after the completion of the call through February 4, 2015 by calling toll-free +1-877-660-6853 or internationally +1-201-612-7415 and using the replay ID number of 13597979. A webcast replay will also be available at [investor.kns.com](http://investor.kns.com).

#### About Kulicke & Soffa

Kulicke & Soffa (NASDAQ: KLIC) is a global leader in the design and manufacture of semiconductor, LED and electronic assembly equipment. As a pioneer in this industry, K&S has provided customers with market leading packaging solutions for decades. In recent years, K&S has expanded its product offerings through strategic acquisitions and organic development, adding advanced packaging, advanced SMT, wedge bonding and a broader range of expendable tools to its core ball bonding products. Combined with its extensive expertise in process technology, K&S is well positioned to help customers meet the challenges of assembling the next-generation semiconductor and LED devices. ([www.kns.com](http://www.kns.com))

#### *Caution Concerning Results and Forward Looking Statements*

*In addition to historical statements, this press release contains statements relating to future events and our future results. These statements are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, and include, but are not limited to, statements that relate to our future revenue, sustained, increasing, continuing or strengthening demand for our products, the continuing transition from gold to copper wire bonding, replacement demand, our research and development efforts, our ability to identify and realize new growth opportunities and our ability to control costs. While these forward-looking statements represent our judgments and future expectations concerning our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to: the risk that customer orders already received may be postponed or canceled, generally without charges; the risk that anticipated customer orders may not materialize; the risk that our suppliers may not be able to meet our demands on a timely basis; the volatility in the demand for semiconductors and our products and services; a slowdown of transition from gold to copper wire bonding by our customers and the industry, volatile global economic conditions, which could result in, among other things, sharply lower demand for products containing semiconductors and for the Company's products, and disruption of capital and credit markets; the risk of failure to successfully manage our operations; acts of terrorism and violence; risks, such as changes in trade regulations, currency fluctuations, political instability and war, which may be associated with a substantial non-U.S. customer and supplier base and substantial non-U.S. manufacturing operations; and the factors listed or discussed in Kulicke and Soffa Industries, Inc. 2014 Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission. Kulicke and Soffa Industries, Inc. is under no obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.*

KULICKE & SOFFA INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS



Cost of sales	128	105
Selling, general and administrative	2,499	2,616
Research and development	808	675
Total equity-based compensation expense	\$ 3,435	\$ 3,396

	As of December 27, 2014	December 28, 2013
Backlog of orders 1	\$ 60,545	\$ 46,000
Number of employees	2,327	2,173

1. Represents customer purchase commitments. While the Company believes these orders are firm, they are generally cancellable by customers without penalty.

KULICKE & SOFFA INDUSTRIES, INC.  
CONSOLIDATED BALANCE SHEETS

*(In thousands)*

*(Unaudited)*

	As of December 27, 2014	September 27, 2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 622,590	\$ 587,981
Short-term investments	10,787	9,105
Accounts and notes receivable, net of allowance for doubtful accounts of \$0 and \$143 respectively	121,854	171,530
Inventories, net	51,930	49,694
Prepaid expenses and other current assets	11,143	15,090
Deferred income taxes	4,245	4,291
<b>TOTAL CURRENT ASSETS</b>	<b>822,549</b>	<b>837,691</b>
Property, plant and equipment, net	52,793	52,755
Goodwill	41,546	41,546
Intangible assets	4,562	5,891
Other assets	6,392	6,565
<b>TOTAL ASSETS</b>	<b>\$ 927,842</b>	<b>\$ 944,448</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 27,425	\$ 35,132
Accrued expenses and other current liabilities	32,544	43,731
Income taxes payable	2,682	2,488
<b>TOTAL CURRENT LIABILITIES</b>	<b>62,651</b>	<b>81,351</b>
Financing obligation	18,261	19,102
Deferred income taxes	45,261	44,963
Other liabilities	9,666	9,790
<b>TOTAL LIABILITIES</b>	<b>135,839</b>	<b>155,206</b>

SHAREHOLDERS' EQUITY		
Common stock, no par value	482,744	479,116
Treasury stock, at cost	(54,622 )	(46,984 )
Accumulated income	362,708	354,866
Accumulated other comprehensive income	1,173	2,244
TOTAL SHAREHOLDERS' EQUITY	792,003	789,242
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 927,842	\$ 944,448

KULICKE & SOFFA INDUSTRIES, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
*(In thousands)*

*(Unaudited)*

	Three months ended	
	December 27, 2014	December 28, 2013
Net cash provided by operating activities	\$ 46,442	\$ 37,249
Net cash used in investing activities, continuing operations	(4,176 )	(8,729 )
Net cash (used in) / provided by financing activities, continuing operations	(7,621 )	258
Effect of exchange rate changes on cash and cash equivalents	(36 )	32
Changes in cash and cash equivalents	34,609	28,810
Cash and cash equivalents, beginning of period	587,981	521,788
Cash and cash equivalents, end of period	\$ 622,590	\$ 550,598

Kulicke and Sofa Industries, Inc.  
Joseph Elgindy  
Investor Relations & Strategic Planning  
P: +1-215-784-7518  
F: +1-215-784-6180  
[jelgindy@kns.com](mailto:jelgindy@kns.com)

<https://investor.kns.com/2015-01-28-Kulicke-Soffa-Reports-First-Quarter-2015-Results>