

Quarterly Earnings Review

May 4, 2023

Q2F23
Ended Apr 1, 2023

Earnings Review

Safe Harbor

In addition to historical statements, this presentation contains statements relating to future events and our future results based on management's expectations as of May 3, 2023. These statements are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995.

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 factors listed or discussed in our 2022 Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission. Kulicke and Sofa 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.

A reconciliation of non-GAAP items is included in this presentation and available within our most recently filed earnings release.

Q2F23 Update

Multiple Growth Initiatives in Parallel

Market Update

High-Volume Markets

- Recent uptick in order & quote activity
- Resilience in Power Semi & Storage
- Recovery pace dependent on macro & industry's inventory digestion

Improving Fundamentals

- Enhanced trough-to-trough performance
- Record TCB revenue in Q2F23
- Capital Equipment production footprint expanding by 44%

Dispense Acquisition Closed in Q2F23

- New access to \$2B dispense market
- Over 40% increase to TAM
- Expect dispense contributions to become more meaningful in late F24

Integration Priorities to Leverage

- Manufacturing capabilities
- Direct sales & distribution network
- System & sub system-architectures

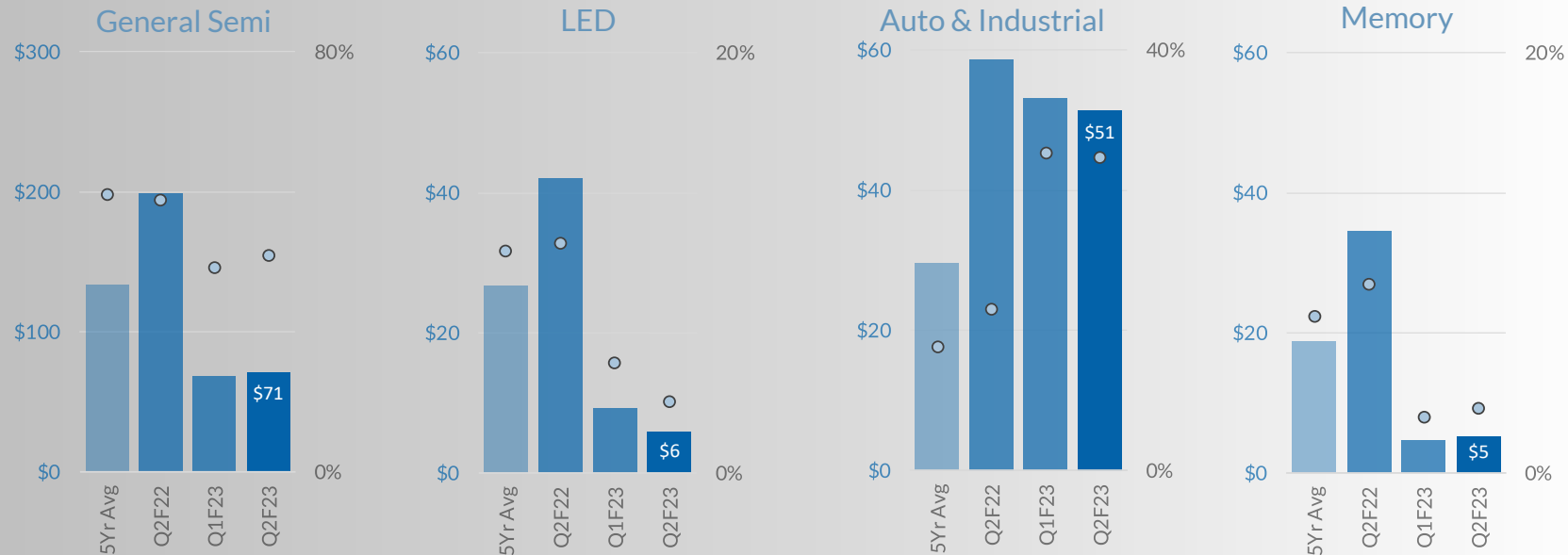
Q2F23 Revenue Composition

By Segment & End Market

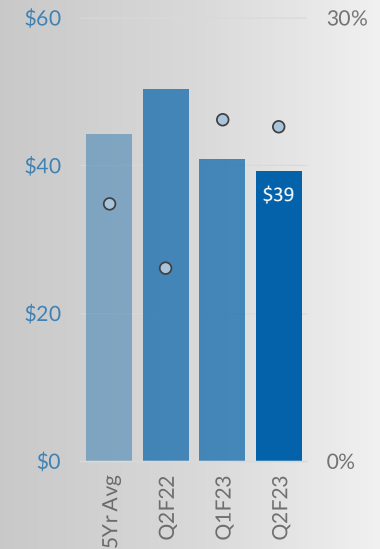
■ Revenue per quarter
 5Yr Avg = quarterly average of preceding five fiscal years

○ As a percent of total revenue

Capital Equipment Revenue: \$133.7M



APS Revenue: \$39.3M



- **General Semi** – Ongoing assembly complexity trends; share gains in HPC; executing margin enhancement strategy
- **LED** – Several engagements across three Advanced Display offerings
- **Auto & Industrial** – Resilient Power Storage & Power Semi demand supporting long-term transitions
- **APS** – Automotive, Advanced Packaging & Power Semi improvements mitigated mildly softer General Semi

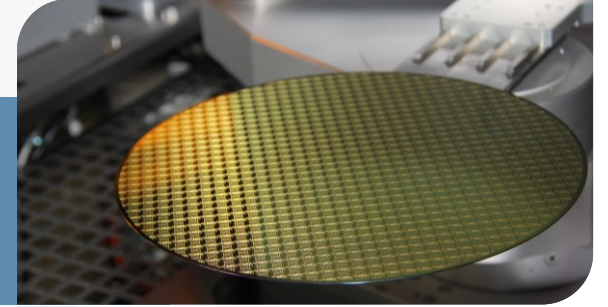
Q2F23 & Beyond

Key Market Takeaways

1

Actively Participating in Long-Term Transitions

Assembly Complexity – Both high-volume & leading edge
EV & Infrastructure – Expanding demand for market-leading power systems
Advanced Display – Several products & several leading customers



2

Delivering Value Through Investments

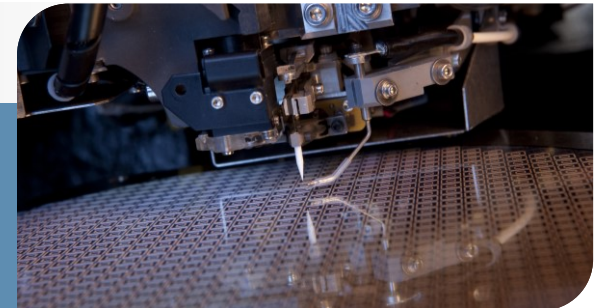
Market Expansion – Organic, inorganic development
Capacity Expansion – 44% footprint increase for capital equipment production
Shareholder Returns – Ongoing repurchases & dividend raises



3

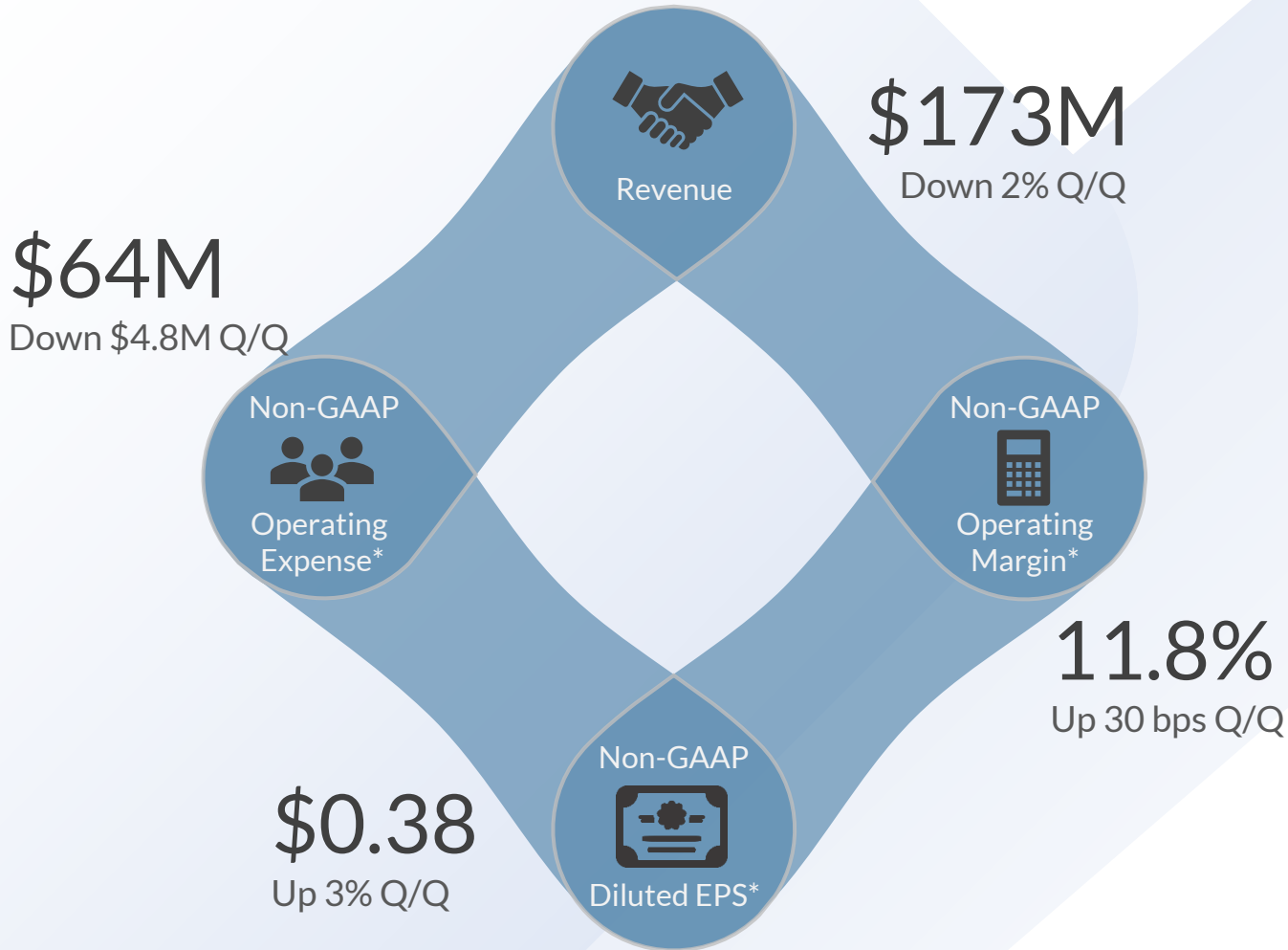
Improving High-Volume Market Dynamics

Utilization improvement & gradual recovery expected in 2HF23
Near-Term - Growth pace dependent on macro & industry factors
Long-Term - Above average semi-growth anticipated in F24 & F25



Q2F23

Financial Results



Q2F23 Expected Trough Revenue Quarter

TTM GAAP Operating Profit Up Nearly 9X from F19

OpEx Cost Controls Remained in Place

Income Statement

Q2F23 Summary Items

\$Millions, except %, EPS, and share count

| | Q2F22 | Q1F23 | Q2F23 | Q/Q | Y/Y |
|-----------------------|---------|---------|---------|-----------|-----------|
| Revenue | \$384.3 | \$176.2 | \$173.0 | (\$3.2) | (\$211.3) |
| Gross Margin | 52.5% | 50.3% | 48.6% | (170) bps | (390) bps |
| Operating Expenses | \$72.4 | \$76.9 | \$71.5 | (\$5.4) | (\$0.9) |
| Operating Income | \$129.3 | \$11.8 | \$12.6 | \$0.8 | (\$116.7) |
| Non-GAAP Net Income* | \$121.5 | \$21.8 | \$21.9 | \$0.1 | (\$99.6) |
| Diluted EPS | \$1.86 | \$0.25 | \$0.26 | \$0.01 | (\$1.60) |
| Non-GAAP Diluted EPS* | \$1.95 | \$0.37 | \$0.38 | \$0.01 | (\$1.57) |
| Diluted Share Count | 62.4 M | 57.7 M | 57.6 M | (0.1) M | (4.8) M |

Balance Sheet & Cash Flow

Q2F23 Summary Items

\$Millions

| | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 |
|------------------------|---------|---------|---------|---------|---------|
| Accounts Receivable | \$368.1 | \$350.0 | \$309.3 | \$200.3 | \$169.1 |
| Inventory | \$211.9 | \$215.3 | \$185.0 | \$211.6 | \$224.2 |
| Accounts Payable | \$100.2 | \$98.6 | \$67.3 | \$57.5 | \$54.9 |
| Net Cash* | \$415.6 | \$471.7 | \$526.9 | \$574.6 | \$538.4 |
| Working Capital Days** | 245 | 269 | 341 | 536 | 517 |
| Share Repurchases | \$146.2 | \$61.1 | \$60.2 | \$45.4 | \$5.0 |
| Dividends | \$10.1 | \$9.9 | \$9.7 | \$10.8 | \$10.8 |

Outlook

Q3F23

Demand & Quote Activity Improvement

Fiscal Second Half Weighted

10% Sequential Revenue Growth Expected in Q4F23

\$73M
+/- 2%

Non-GAAP



Operating Expense



Revenue

\$190M
+/- \$20M



Gross Margin

48%
+/- 100 bps

\$0.32
+/- 10%

Non-GAAP



Diluted EPS*

Earnings Review

Q&A

For additional information

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Non-GAAP Reconciliation

Reconciliation of U.S. GAAP to Non-GAAP Income from Operations and Operating Margin (In thousands, except percentages) (Unaudited)

| | Three months ended | | |
|--|--------------------|---------------|-------------------|
| | April 1, 2023 | April 2, 2022 | December 31, 2022 |
| Net revenue | \$ 173,021 | \$ 384,282 | \$ 176,233 |
| U.S. GAAP income from operations | 12,629 | 129,341 | 11,822 |
| U.S. GAAP operating margin | 7.3 % | 33.7 % | 6.7 % |
| Pre-tax non-GAAP items: | | | |
| Amortization related to intangible assets acquired through business combination- selling, general and administrative | 1,563 | 1,151 | 1,394 |
| Restructuring | 504 | — | 375 |
| Equity-based compensation | 5,379 | 4,696 | 6,521 |
| Acquisition-related costs | 334 | — | 107 |
| Non-GAAP income from operations | \$ 20,409 | \$ 135,188 | \$ 20,219 |
| Non-GAAP operating margin | 11.8 % | 35.2 % | 11.5 % |

Reconciliation of U.S. GAAP Net Income to Non-GAAP Net Income and U.S. GAAP net income per share to Non-GAAP net income per share (In thousands, except percentages and per share data) (Unaudited)

| | Three months ended | | |
|--|--------------------|---------------|-------------------|
| | April 1, 2023 | April 2, 2022 | December 31, 2022 |
| Net revenue | \$ 173,021 | \$ 384,282 | \$ 176,233 |
| U.S. GAAP net income | 15,041 | 116,001 | 14,589 |
| U.S. GAAP net margin | 8.7 % | 30.2 % | 8.3 % |
| Non-GAAP adjustments: | | | |
| Amortization related to intangible assets acquired through business combination- selling, general and administrative | 1,563 | 1,151 | 1,394 |
| Restructuring | 504 | — | 375 |
| Equity-based compensation | 5,379 | 4,696 | 6,521 |
| Acquisition-related costs | 334 | — | 107 |
| Net income tax benefit on non-GAAP items | (892) | (385) | (1,218) |
| Total non-GAAP adjustments | \$ 6,888 | \$ 5,462 | \$ 7,179 |
| Non-GAAP net income | \$ 21,929 | \$ 121,463 | \$ 21,768 |
| Non-GAAP net margin | 12.7 % | 31.6 % | 12.4 % |
| U.S. GAAP net income per share: | | | |
| Basic | 0.27 | 1.89 | 0.26 |
| Diluted ^(a) | 0.26 | 1.86 | 0.25 |
| Non-GAAP adjustments per share:^(b) | | | |
| Basic | 0.12 | 0.09 | 0.13 |
| Diluted | 0.12 | 0.09 | 0.12 |
| Non-GAAP net income per share: | | | |
| Basic | \$ 0.39 | \$ 1.98 | \$ 0.39 |
| Diluted ^(c) | \$ 0.38 | \$ 1.95 | \$ 0.37 |
| Weighted average shares outstanding: | | | |
| Basic | 56,684 | 61,482 | 57,051 |
| Diluted | 57,577 | 62,435 | 57,729 |

- (a) GAAP diluted net earnings per share reflects any dilutive effect of outstanding restricted stock, but that effect is excluded when calculating GAAP diluted net loss per share because it would be anti-dilutive.
- (b) Non-GAAP adjustments per share include amortization related to intangible assets acquired through business combinations, costs associated with restructuring and severance, acquisition and integration costs, equity-based compensation expenses, and income tax effects associated with the foregoing non-GAAP items.
- (c) Non-GAAP diluted net earnings per share reflects any dilutive effect of outstanding restricted stock.