

Quarterly Earnings Review

November 16, 2023

Q4F23

Ended September 30, 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 Nov 15, 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/A 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.

Q4F23 Update

Multiple Growth Initiatives in Parallel

Site Update

Haifa Site Remains Operational

*Development & Production
Aftermarket Products & Solutions*

Global D&I Initiative Continues

K&S Women in Engineering & Tech Summit

Market Update

Sequentially Improved

*General Semiconductor
LED - General Lighting*

2H24 Expectations

*K&S Specific: Battery
Opportunity, Co-Packaged Optics,
Advanced Display
Core Recovery
Gen Semi, Auto & Memory*

Longer-Term Outlook Remains Consistent

Many Opportunities with Strong Engagements

Providing Additional Value Through

*Increased Open Market Repurchase activity
4th Consecutive Annual Dividend Increase - \$0.20/Qtr (+5.2%)
Highest dividend yield across US peer group*

Q4F23 Results

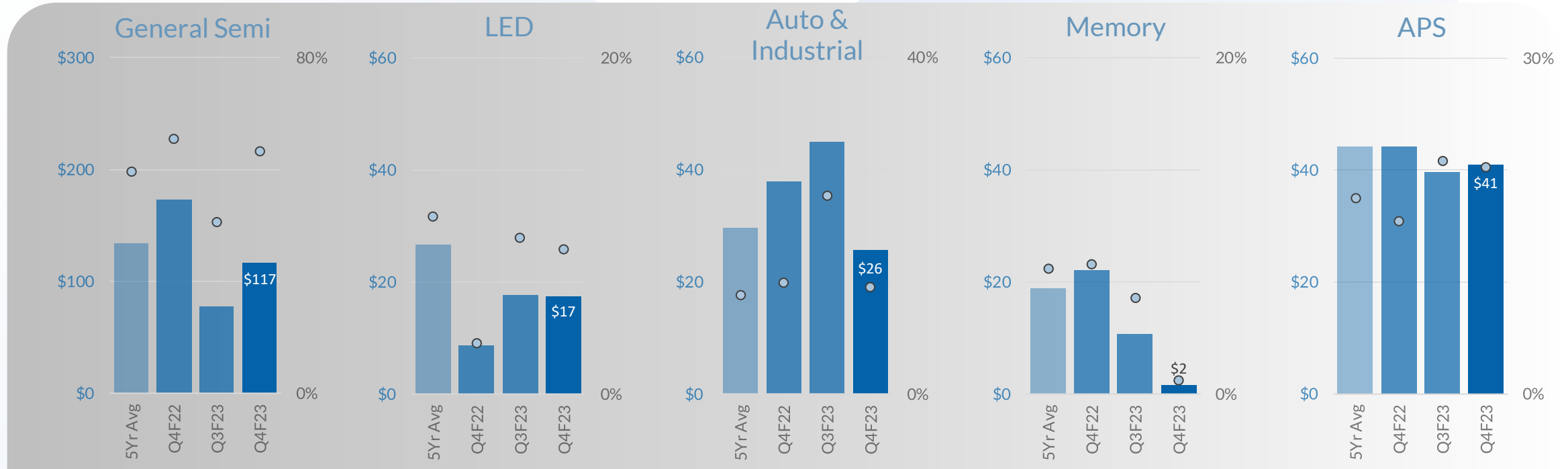
Revenue	\$202.3M
Net Income	\$23.4M
EPS	\$0.41
Non-GAAP EPS	\$0.51

Q4F23 Revenue Composition

By End Market

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

○ As a percent of total revenue



- **General Semi** up 50% sequentially; new POWERCOMM™ & POWERNEXX™ systems are performing well
- **LED** 200% increase in general lighting since Q2F23, ongoing technical progress on LUMINEX™ & Project W
- **Auto & Industrial** Near-term industry CapEx headwinds, aligned with long-term EV and sustainability transitions
- **Memory** Soft near-term environment, key HBM & VFO opportunities in 2HF24
- **APS** Sequential improvement aligned with gradually improving field Ball Bonding utilization

Q4F23 Update

New Layers of Growth: AI, Advanced Display, Dispense

Assembling the Building Blocks of AI

Well Positioned to continue taking share in high-performance computing, co-packaged optics (CPO) & leading-edge heterogeneous integration solutions
Enabling the performance & efficiency needed for the AI transition
Engaged with the most leading-edge customers

Machine Learning

Multi-die CPU, GPU, TPU
Assembly is a Critical Enabler for
Future Transistor Scaling

Network Infrastructure

CPO: 66% CAGR through C33
SiPh: 29% CAGR through C30
Leading CPO Solution – Significant
Recent Market Win

Devices on the Edge

Tech-driven growth opportunities

- Client, IoT, Mobile
- SIP/SOC-to-Memory
- Comm Shielding

New stacked LPDDR

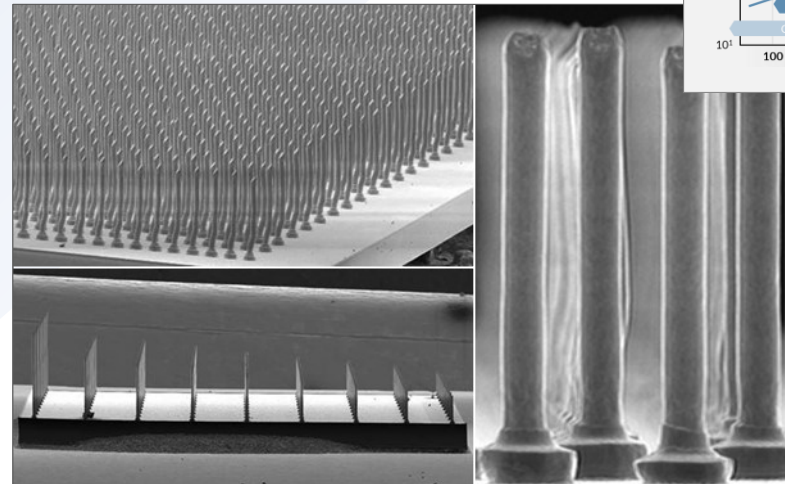
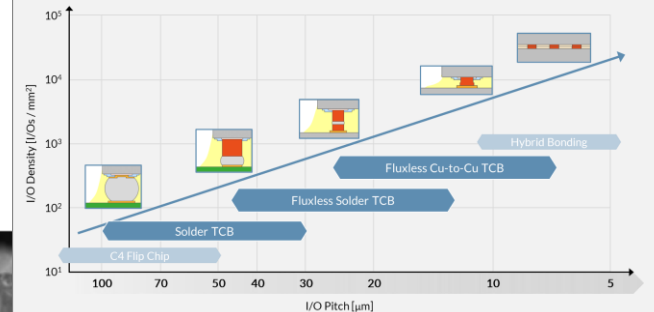


TCB Solutions
C2W, C2S
100um to <10um Pitch
Leading Fluxless Process



Thermocompression (TCB) Pitch Capabilities

- Large technology gap between FC & Hybrid
- Growing need for TCB capable applications



Vertical Wire Capability

Wafer Level
Vertical Fan Out
Cost-effective package level
density

- 40um pitch
- 1mm height
- Initially RF shielding & Low Power DDR

Q4F23 Update

New Layers of Growth: AI, Advanced Display, Dispense

Advanced Display

Significant long-term growth opportunities as mini & micro LED technology progresses

Positioned well for both:

Advanced backlight

Direct emissive

LUMINEX™ approaching 99.999% yield

Production ready at 540,000 UPH

SCAN mode at 3,000,000 UPH

Ongoing execution against Project W deliverables

Near-Term Assumptions

1. New products, features and customer wins over the coming quarters
2. Sequential improvement in March Qtr
3. Above average industry conditions F24

Dispense

Industry leading throughput & accuracy
High-potential customer engagements serving broad & diverse applications

Advanced Display

Advanced Packaging

Battery

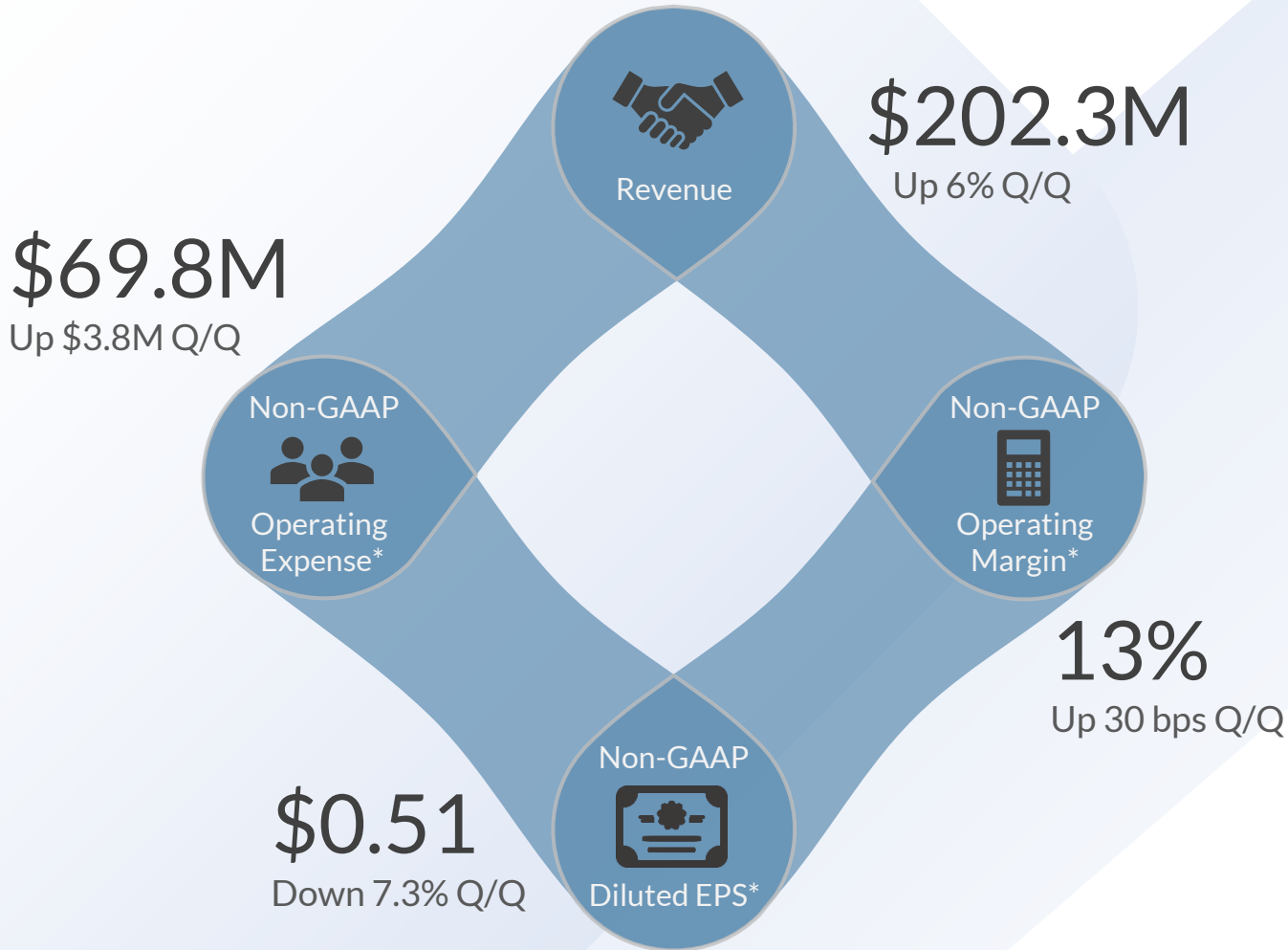
Medical

Sensing



Q4F23

Financial Results



Strong Sequential Demand Improvement in General Semiconductor

OpEx Cost Controls Remain in Place

Ongoing Through-Cycle Profitability

Income Statement

Q4F23 Summary Items

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

	Q4F22	Q3F23	Q4F23	Q/Q	Y/Y
Revenue	\$286.3	\$190.9	\$202.3	\$11.4	(\$84.0)
Gross Margin	46.3%	47.1%	47.4%	30 bps	110 bps
Operating Expenses	\$65.1	\$94.5	\$76.4	(\$18.1)	\$11.3
Operating Income	\$67.5	(\$4.5)	\$19.5	\$24.0	(\$48.0)
Non-GAAP Net Income*	\$70.2	\$31.9	\$29.4	(\$2.5)	(\$40.8)
Diluted EPS	\$1.10	\$0.07	\$0.41	\$0.34	(\$0.69)
Non-GAAP Diluted EPS*	\$1.19	\$0.55	\$0.51	(\$0.04)	(\$0.68)
Diluted Share Count	58.8 M	57.5 M	57.4 M	(0.1) M	(1.4) M

Balance Sheet & Cash Flow

Q4F23 Summary Items

\$Millions

	Q4F22	Q1F23	Q2F23	Q3F23	Q4F23
Accounts Receivable	\$309.3	\$200.3	\$169.1	\$198.1	\$158.6
Inventory	\$185.0	\$211.6	\$224.2	\$228.0	\$217.3
Accounts Payable	\$67.3	\$57.5	\$54.9	\$52.9	\$49.3
Net Cash*	\$526.9	\$574.6	\$538.4	\$515.0	\$577.9
Working Capital Days**	341	536	517	465	448
Share Repurchases	\$60.2	\$45.4	\$5.0	\$8.5	\$9.2
Dividends	\$9.7	\$10.8	\$10.8	\$10.8	\$10.7

Outlook

Q1F24

Core Utilization & Demand Improvements

Ongoing Execution on Several Parallel Growth Initiatives

Customer & Industry Momentum will Support 2H24 Improvement

\$71M
+/- 2%



Revenue

\$170M
+/- \$10M

Non-GAAP



Operating Expense



Gross Margin

47%
+/- 100 bps

\$0.25
+/- 10%

Non-GAAP



Diluted EPS*

Earnings Review

Q&A

For additional information

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Non-GAAP Reconciliations

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

	Three months ended		
	September 30, 2023	October 1, 2022	July 1, 2023
Net revenue	\$ 202,320	\$ 286,313	\$ 190,917
U.S. GAAP income from operations	19,474	67,544	(4,488)
U.S. GAAP operating margin	9.6 %	23.6 %	(2.4)%
Pre-tax non-GAAP items:			
Amortization related to intangible assets	\$ 1,356	\$ 1,374	1,786
Acquisition-related costs	13	118	57
Equity-based compensation	5,441	4,513	5,403
Restructuring	—	20	—
Impairment charges	—	—	21,535
Non-GAAP income from operations	\$ 26,284	\$ 73,569	\$ 24,293
Non-GAAP operating margin	13.0 %	25.7 %	12.7 %

Reconciliation of U.S. GAAP Cash provided by Operating Activities to Non-GAAP Adjusted Free Cash Flow (In thousands, except percentages) (unaudited)

	Twelve months ended	Three months ended		
	September 30, 2023	September 30, 2023	October 1, 2022	July 1, 2023
U.S. GAAP net cash provided by operating activities	\$ 173,404	\$ 77,492	\$ 116,563	\$ 8,976
Expenditures for property, plant and equipment	(44,406)	(9,281)	(12,605)	(10,610)
Proceeds from sales of property, plant and equipment	591	273	62	83
Non-GAAP adjusted free cash flow	129,589	68,484	104,020	(1,551)

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 per share data) (unaudited)

	Twelve months ended	Three months ended		
	September 30, 2023	September 30, 2023	October 1, 2022	July 1, 2023
Net revenue	\$ 742,491	\$ 202,320	\$ 286,313	\$ 190,917
U.S. GAAP net income	57,148	23,357	64,904	4,161
U.S. GAAP net margin	7.7 %	11.5 %	22.7 %	2.2 %
Non-GAAP adjustments:				
Amortization related to intangible assets	\$ 6,099	\$ 1,356	\$ 1,374	1,786
Restructuring	879	—	20	—
Acquisition-related costs	511	13	118	57
Equity-based compensation	22,744	5,441	4,513	5,403
Impairment charges	21,535	—	—	21,535
Net income tax benefit on non-GAAP items	(3,928)	(758)	(689)	(1,060)
Total non-GAAP adjustments	47,840	6,052	5,336	27,721
Non-GAAP net income	104,988	29,409	70,240	31,882
Non-GAAP net margin	14.1 %	14.5 %	24.5 %	16.7 %
U.S. GAAP net income per share:				
Basic	1.01	0.41	1.12	0.07
Diluted ^(a)	0.99	0.41	1.10	0.07
Non-GAAP adjustments per share:^(b)				
Basic	0.84	0.11	0.10	0.49
Diluted	0.83	0.10	0.09	0.48
Non-GAAP net income per share:				
Basic	\$ 1.85	\$ 0.52	\$ 1.22	\$ 0.56
Diluted ^(c)	\$ 1.82	\$ 0.51	\$ 1.19	\$ 0.55
Weighted average shares outstanding:				
Basic	56,682	56,442	57,804	56,553
Diluted	57,548	57,408	58,816	57,519

- (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 includes amortization related to intangible assets acquired through business combinations, costs associated with restructuring and severance, acquisition and integration cost, equity-based compensation expenses, impairment relating to assets acquired through business combinations, impairment relating to equity investments, 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.

