

Kulicke & Soffa

Nasdaq: KLIC

26th Annual Needham
Growth Conference

Group Discussion
January 16, 2024

Overview &
Q4F23 Update
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 2023 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.

Key Growth Trends

F24 SAM of \$6B: 20% CAGR from F18

Core Market Evolution

- 1 “More than Moore” trends increasing K&S value and market share
Benefiting high-volume Ball and Wedge bonding growth rates and profitability
Automotive – Semi-content per vehicle and infrastructure trends -> Power Semi, Battery Assembly, EA

Actively Taking Share in Leading-Edge

- 2 Taking share in leading-edge assembly markets, historically dominated by FlipChip
Key applications such as Apps Processors, Si Photonics, 3D Sensing and Heterogeneous via fluxless TCB

Growing Advanced Display Opportunities

- 3 Three unique assembly solutions create long-term opportunities in adv. backlighting and direct emissive
Strong relationships and engagements with several leading customers across the value chain

Supplemental F25 Opportunities

- 4 High-Precision Dispense – Recent acquisition provides access to \$2B adjacent mkt opportunities
Electronics Assembly – Upcoming systems will enable share gains in higher volume markets

Driving EV & Sustainability Transitions

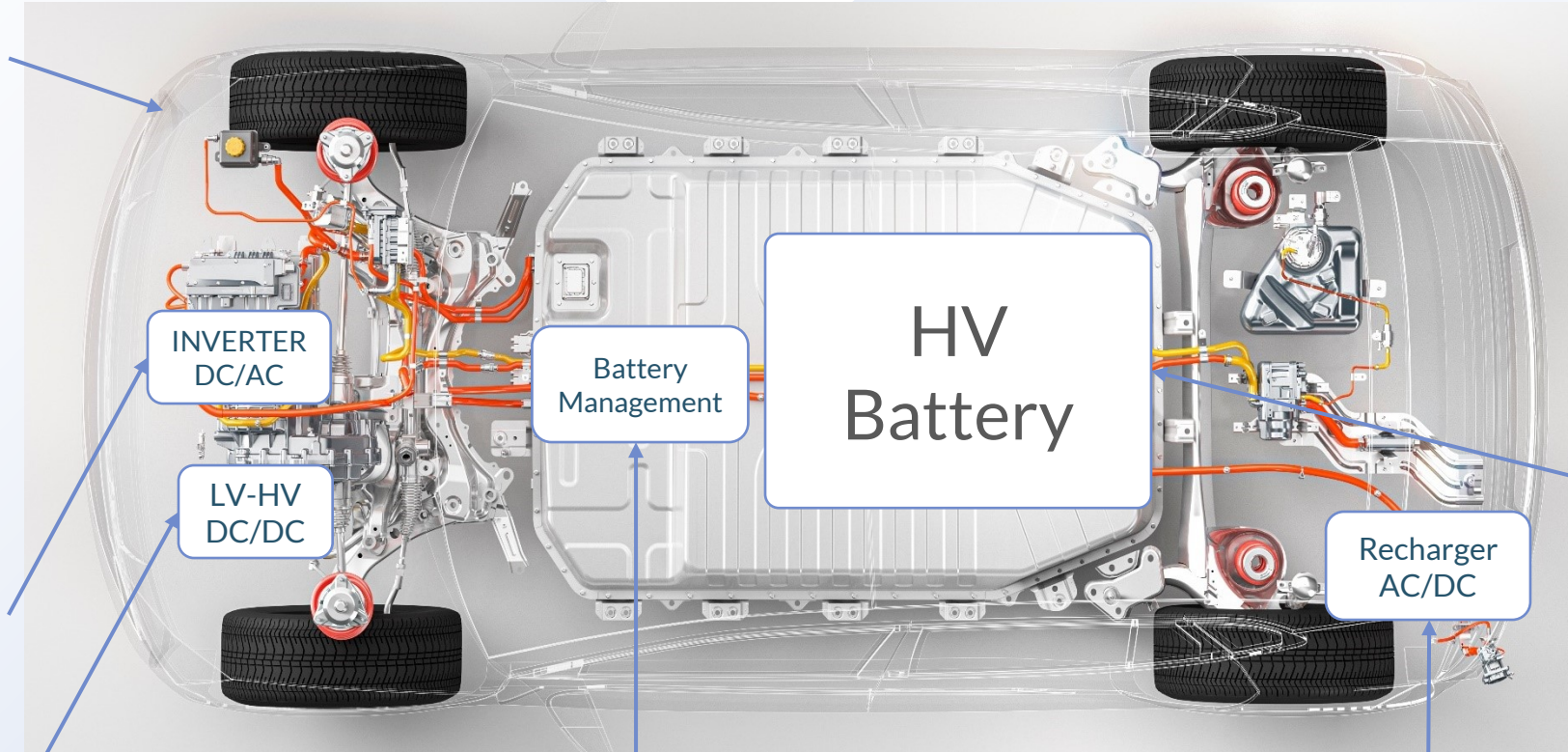
Semi Content per Vehicle to Grow - 2X (EV) - 8X (Autonomous)

- Sensors – Pressure sensors, air-bag sensors, parking sensors



- Tricore (32-bit MCU)
- IGBTs
- Diodes (Si, SiC)
- HybridPACK™
- Gate Driver (EICE Driver)

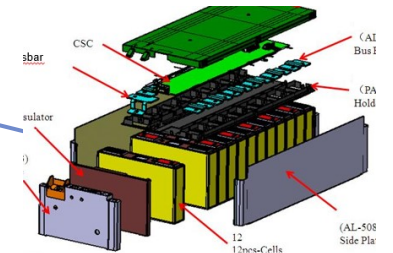
- Tricore (32-bit MCU, Master Control)
- MOSFETs
- Battery management IC (slave)



- Tricore (32-bit MCU, Master Control)
- MOSFETs
- Battery management IC (slave)



- XC2000 (16-bit MCU)
- Gate Driver (EICE Driver)
- CoolMOST™ (CFDA)
- Diodes (Si, SiC)
- Easy Module™



Assembling the Building Blocks of AI

Layers of Growth – Advanced Packaging

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

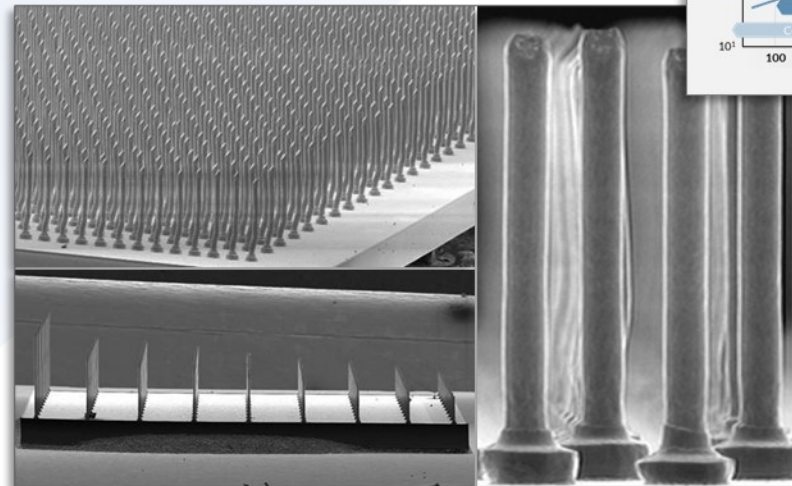
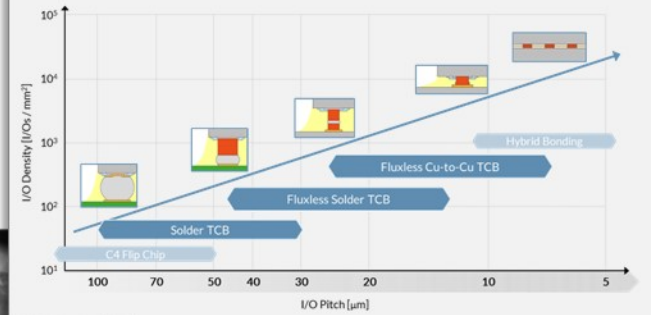


TCB Solutions
 C2W, C2S
 100um to <10um Pitch
 Leading Fluxless Process



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

Advanced Display

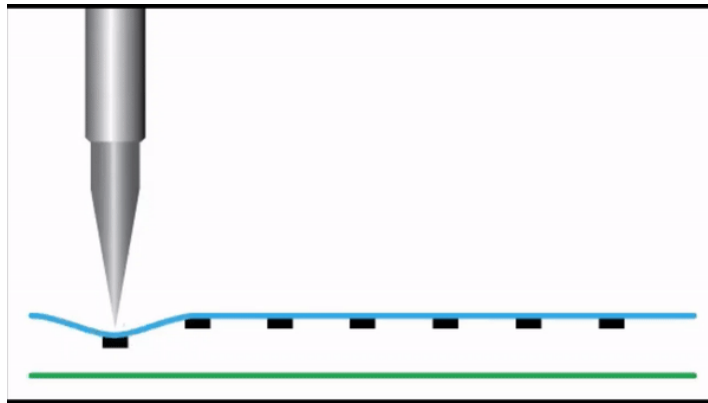
Layers of Growth – PIXALUX™, LUMINEX™, Project W

Supporting both emerging advanced backlighting & direct emissive display technologies
Key Customer engagements, ongoing qualifications



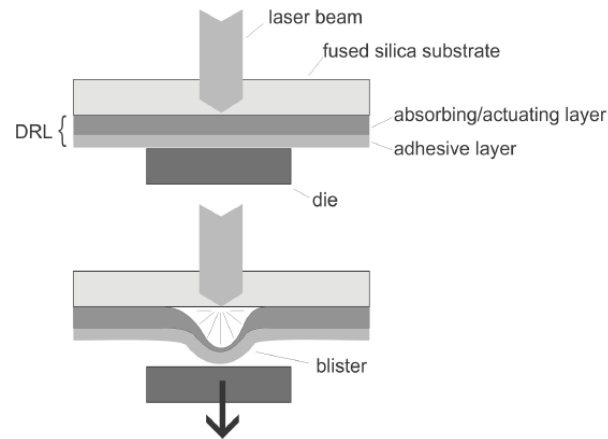
Mechanical Transfer

High-volume production since 2019



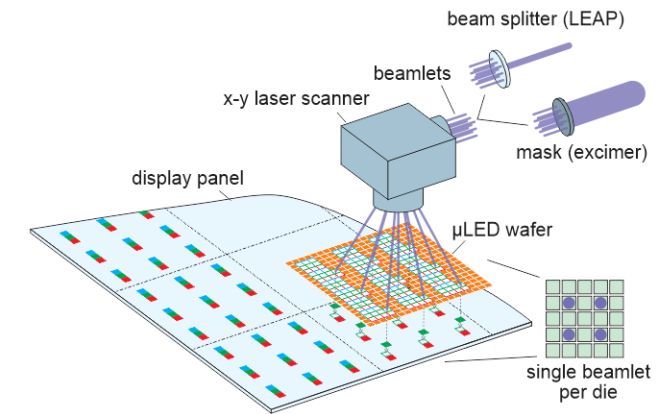
Patented Laser Transfer

First tool shipped Sep 2021



Multi-Die Laser Transfer

Volume production expected by 2024



Project W

Provides a supplemental path, beyond LUMINEX, to additional share gains in emerging Advanced Display

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, Co-
Packaged Optics, Advanced
Display
Core Recovery: General 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 |

Display & Dispense Update

Layers of Growth – Expanding Market Opportunities

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

Dispense

Industry leading throughput & accuracy

High-potential customer engagements serving broad & diverse applications

Advanced Display

Advanced Packaging

Battery

Medical

Sensing



Near-Term Expectations

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

Advanced Dispense Acquisition

Many Complementary Opportunities to Solve Customers' Challenges

Proven Competency-Based Acquisition Approach

Assembléon

- Extended market access
 - Expanded AP & Automotive Access
 - Enabled access to Advanced Display
 - Enabled access to Electronics Assembly
- Targeted F23 Share Gains in Elec Assembly

Uniqarta

- Extended Advanced Display opportunities with LUMINEX™ introduction

Advanced Jet Automation

- Extends market access
 - \$2B TAM in Dispense
 - Adjacencies in advanced display, advanced packaging and electronics assembly
 - Near-term focus is advanced display
- Anticipate to close by Q3F23
- Complimentary strengths

AJA

- Performance-oriented
- Market-ready portfolio
- New competencies

K&S

- R&D
- Sales & Distribution
- Operational

Group Meeting

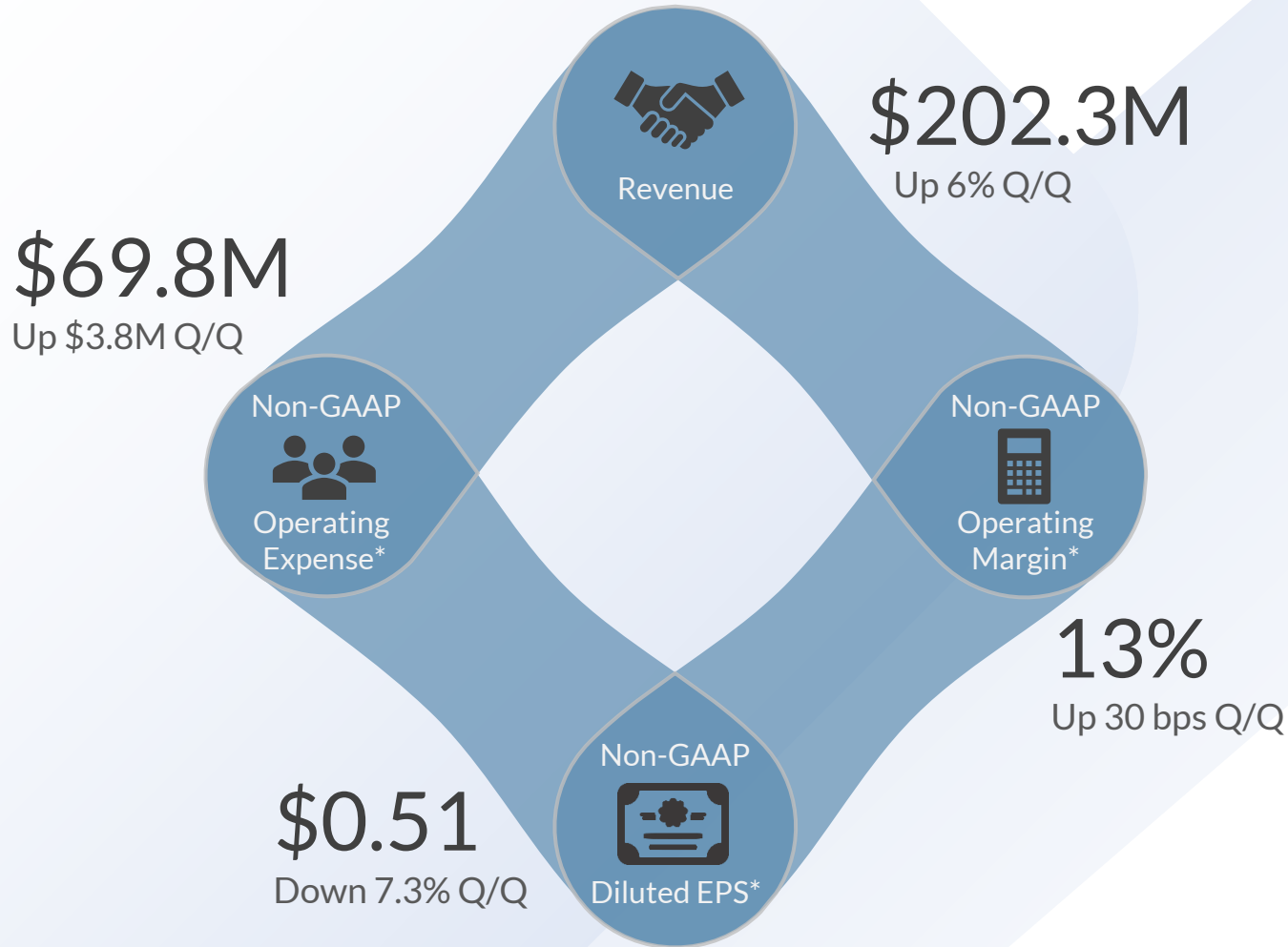
Q&A

Group Meeting

Q4F23 Results
Q1F24 Outlook

Q4F23 Update

Financial Results



Strong Sequential Demand Improvement in General Semiconductor

OpEx Cost Controls Remain in Place

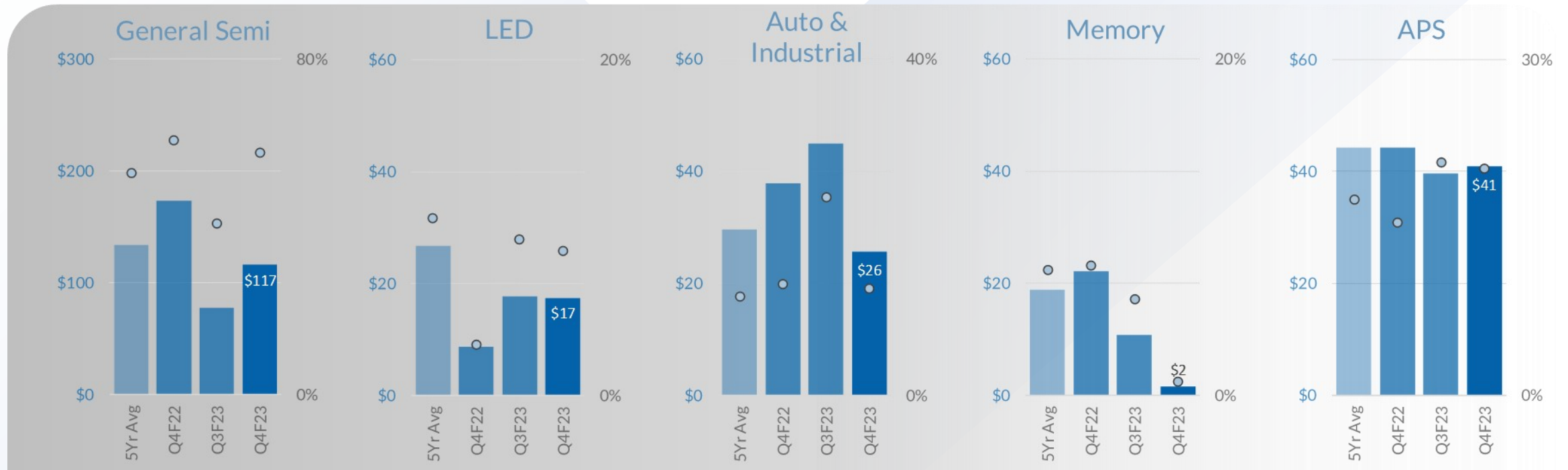
Ongoing Through-Cycle Profitability

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

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%

Non-GAAP
Operating
Expense


Revenue

\$170M
+/- \$10M


Gross
Margin

47%
+/- 100 bps

\$0.25
+/- 10%

Non-GAAP
Diluted EPS*

Q&A

For additional information

 investor.kns.com

 investor@kns.com

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.

