

Quarterly Earnings Review

May 2, 2024

Q2F24
Ended March 30, 2024

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 1, 2024. 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 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.

Q2F24 Update

Remain Customer & Future Focused

Project W

Customer-Focused Strategy

Remain committed to Customers' success

Delivered access to CPO, Chiplet, DRAM & Battery markets

Efficiently Allocating Resources

Shifting development priorities to support TCB, VFO & Advanced Dispense technology requests

Q2F24 Key Takeaways

Ongoing Ball Bonder demand improvement expected to accelerate

General Semiconductor recovery offsetting ongoing LED, Auto & Industrial headwinds

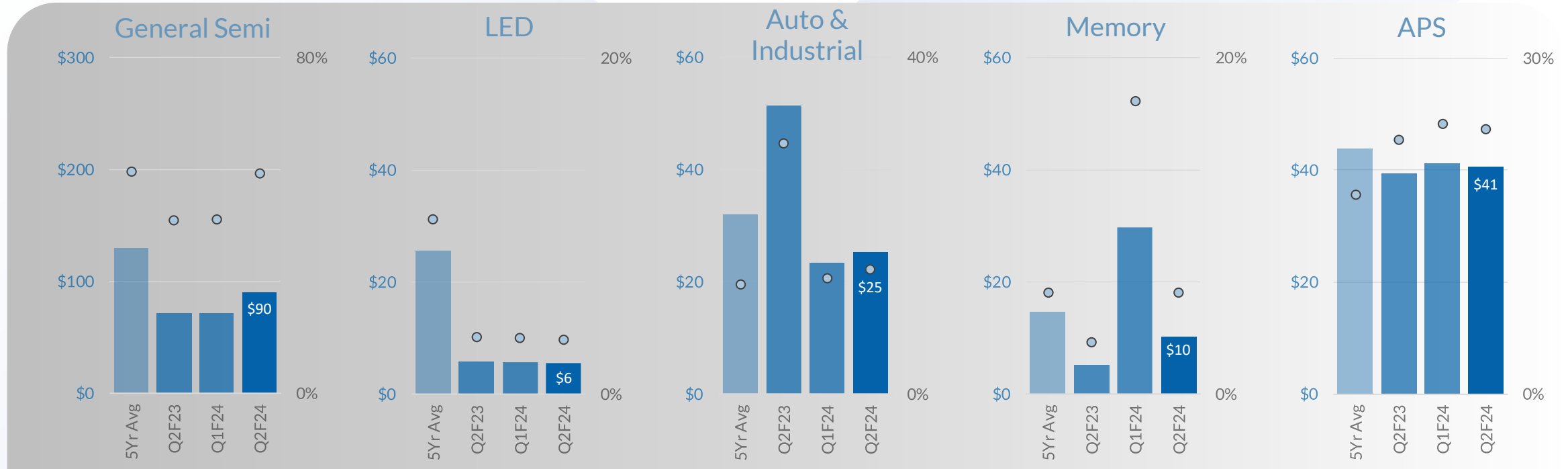
TCB & Advanced Dispense Momentum - New customer milestones anticipated in F24

Q2F24 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** anticipated seasonality; Power Semi softness; new HV systems being adopted
- **LED** Limited contribution from Advanced Display, General Lighting experiencing capacity digestion
- **Auto & Industrial** Better trough performance; closely aligned with long-term EV & sustainability transitions
- **Memory** NAND and DRAM demand strengthening; HBM and VFO becoming new share-gain opportunities
- **APS** Slight sequential demand shift due partially to customer mix and LED softness

Q2F24 Update

Solidifying Growth Platform for F25

Assembly Complexity = K&S Value Add

Building Foundation for 2025 – Qualification Milestones Anticipated in F24

Memory

Vertical Wire Solution Gaining Traction

- Wafer-Level Vertical Fan Out – VFO
- Engaged with leading memory customers
- RF IOT shielding applications

Expect VFO LPDDR to begin production in C25

Fluxless TCB HBM system to ship C24



Vertical Fan Out

TSV Alternative for HV applications
Cost-effective package level density
27% Form Factor improvement
5% Power Reduction
Higher I/O count
Ability to stack at 40µm pitch
Engaged on several LPDDR opportunities
New engagements with Fabless on connectivity SIP applications

Advanced Dispense

High Potential Engagements in

- Advanced Packaging
- Solid State Battery Engagement
- Display

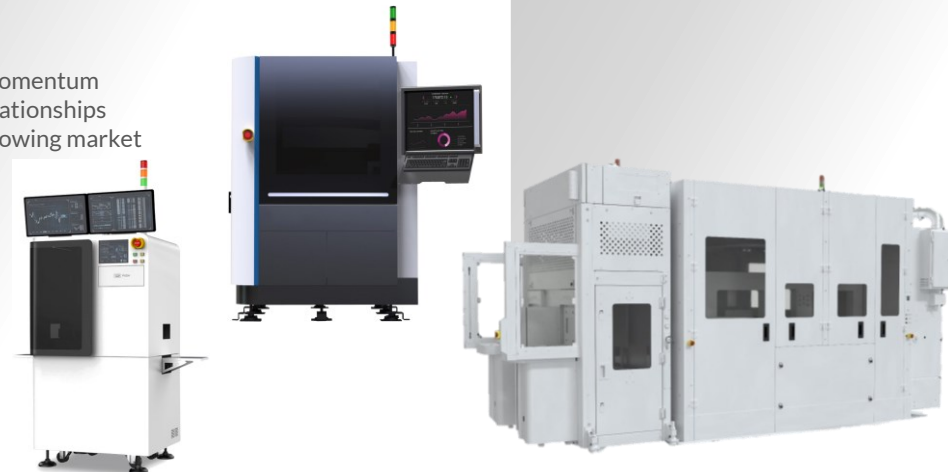
High-Precision, Micro-Dispense

- Self compensation
- In-line inspection
- Best-in-class repeatability

Near-term wins will secure foundation

Advanced Dispense

Strong interest and momentum
Leverages existing relationships
Capable systems in growing market



Thermocompression

4X Revenue Growth in 3 years

Fluxless TCB well positioned for growth

Reallocating resources to support high-potential engagements, including Foundry

Extending existing customer baseline

F25 Revenue Targets

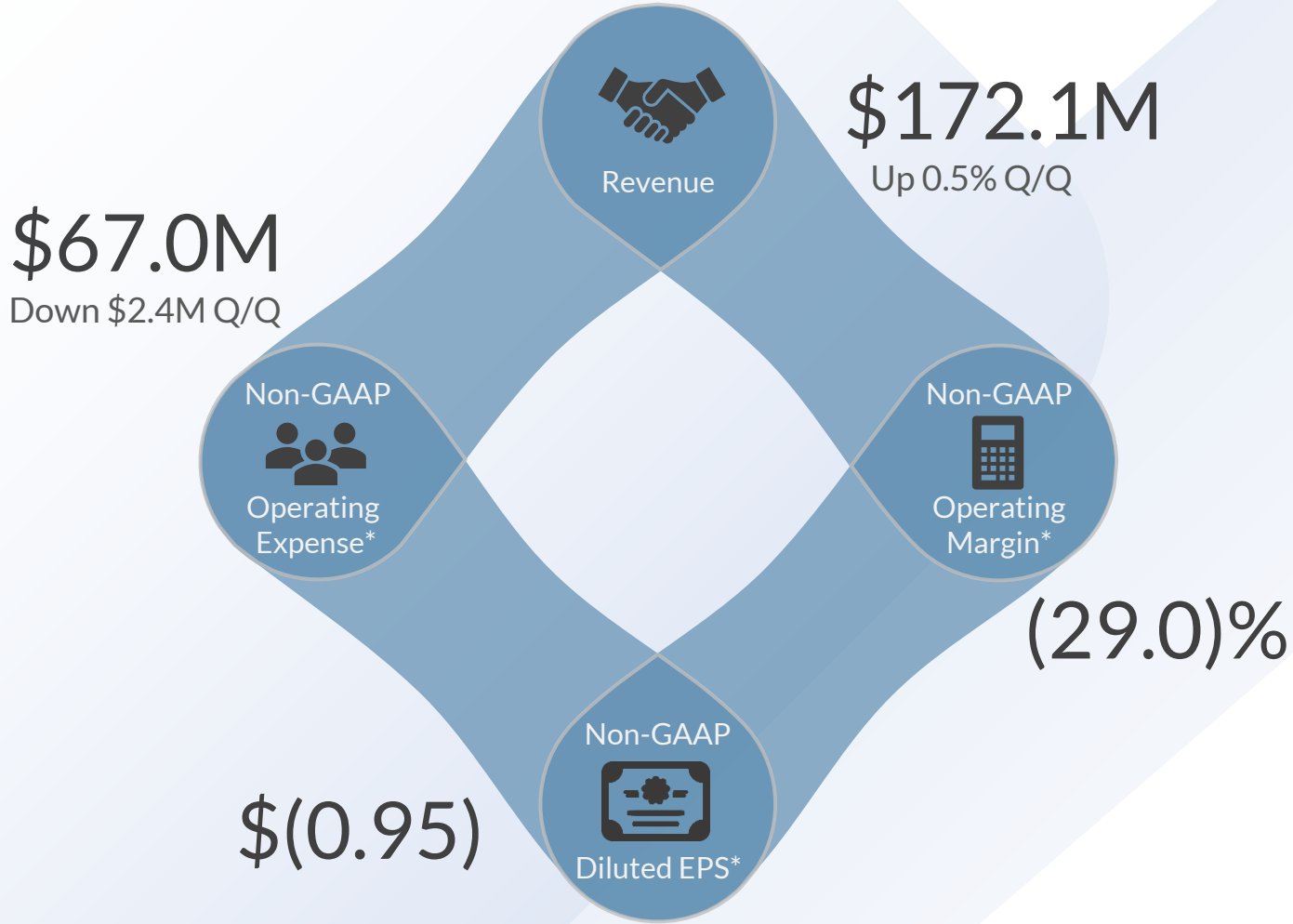
- Approach \$200M of Total Dedicated AP
- \$>400M of Total AP Revenue, including High-Volume Bonding markets

TCB Solutions

Chip to Substrate
Chip to Wafer
100µm to <10µm Pitch
Leading Fluxless Process

Q2F24

Financial Results



General Semi Improvements
Offset by LED & Auto/Industrial

\$105.5M of Project W Related
Charges in Q2F24

Total Project W related charges,
including FQ3 & FQ4 wind down
activities, to be below estimate**

Income Statement

Q2F24 Summary Items

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

	Q4F23	Q1F24	Q2F24	Q/Q	Y/Y
Revenue	\$202.3	\$171.2	\$172.1	\$0.9	(\$30.2)
Gross Margin	47.4%	46.7%	9.6%	(3,710) bps	(3,780) bps
Operating Expenses	\$76.4	\$78.2	\$121.6	\$43.4	\$45.2
Operating Income	\$19.5	\$1.7	(\$105.2)	(\$106.9)	(\$124.7)
Non-GAAP Net Income*	\$29.4	\$17.0	(\$53.2)	(\$70.2)	(\$82.6)
Diluted EPS	\$0.41	\$0.16	(\$1.83)	(\$1.99)	(\$2.24)
Non-GAAP Diluted EPS*	\$0.51	\$0.30	(\$0.95)	(\$1.25)	(\$1.46)
Diluted Share Count	57.4 M	57.0 M	56.2 M	(0.9) M	(1.3) M

Balance Sheet & Cash Flow

Q2F24 Summary Items

\$Millions

	Q2F23	Q3F23	Q4F23	Q1F24	Q2F24
Accounts & Other Receivable	\$169.1	\$198.1	\$158.6	\$184.4	\$194.8
Inventory	\$224.2	\$228.0	\$217.3	\$236.6	\$180.5
Accounts Payable	\$54.9	\$52.9	\$49.3	\$58.7	\$51.5
Net Cash*	\$538.4	\$515.0	\$577.9	\$528.4	\$469.0
Working Capital Days**	517	465	448	524	463
Share Repurchases	\$5.0	\$8.5	\$9.2	\$26.8	\$37.3
Dividends	\$10.8	\$10.8	\$10.7	\$11.3	\$11.2

Q3F24

Outlook

Ongoing Commitment to Efficiency

Preparing to Ramp Ball Bonder, as General Semi Continues Recovery

Anticipate Near-Term Milestones in Memory, Dispense & TCB

\$72M
+/- 2%

Non-GAAP
Operating Expense

Revenue

\$180M
+/- \$10M

Gross Margin

47%
+/- 100 bps

\$0.30
+/- 10%

Non-GAAP
Diluted EPS*

Earnings Review

Q&A

For additional information

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Non-GAAP Reconciliations

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

	Three months ended		
	March 30, 2024	April 1, 2023	December 30, 2023
Net revenue	\$ 172,074	\$ 173,021	\$ 171,189
U.S. GAAP income from operations	(105,155)	12,629	1,693
U.S. GAAP operating margin	(61.1)%	7.3 %	1.0 %
Pre-tax non-GAAP items:			
Amortization related to intangible assets	1,325	1,563	1,347
Restructuring and severance	2,940	504	—
Equity-based compensation	6,232	5,379	7,857
Impairment charges	44,472	—	—
Acquisition-related costs	—	334	—
Non-GAAP income from operations	\$ (50,186)	\$ 20,409	\$ 10,897
Non-GAAP operating margin	(29.2)%	11.8 %	6.4 %

(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, long-lived asset impairment relating to business cessation or disposal, 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.

Reconciliation of U.S. GAAP Net Income to Non-GAAP Net Income and Non-GAAP Net Margin 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		
	March 30, 2024	April 1, 2023	December 30, 2023
Net revenue	\$ 172,074	\$ 173,021	\$ 171,189
U.S. GAAP net (loss) / income	(102,680)	15,041	9,293
U.S. GAAP net margin	(59.7)%	8.7 %	5.4 %
Non-GAAP adjustments:			
Amortization related to intangible assets	1,325	1,563	1,347
Restructuring and severance	2,940	504	—
Equity-based compensation	6,232	5,379	7,857
Impairment charges	44,472	—	—
Acquisition-related costs	—	334	—
Net income tax benefit on non-GAAP items	(5,534)	(892)	(1,516)
Total non-GAAP adjustments	\$ 49,435	\$ 6,888	\$ 7,688
Non-GAAP net (loss) / income	\$ (53,245)	\$ 21,929	\$ 16,981
Non-GAAP net margin	(30.9)%	12.7 %	9.9 %
U.S. GAAP net (loss) / income per share:			
Basic	(1.83)	0.27	0.16
Diluted ^(a)	(1.83)	0.26	0.16
Non-GAAP adjustments per share: ^(b)			
Basic	0.88	0.12	0.14
Diluted	0.88	0.12	0.14
Non-GAAP net (loss) / income per share:			
Basic	\$ (0.95)	\$ 0.39	\$ 0.30
Diluted ^(c)	\$ (0.95)	\$ 0.38	\$ 0.30
Weighted average shares outstanding:			
Basic	56,154	56,684	56,650
Diluted	56,154	57,577	57,023

Non-GAAP Reconciliations

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

	Three months ended		
	March 30, 2024	April 1, 2023	December 30, 2023
U.S. GAAP net cash (used in)/provided by operating activities	\$ (20,148)	\$ 1,820	\$ (7,331)
Expenditures for property, plant and equipment	(6,571)	(10,637)	(4,426)
Proceeds from sales of property, plant and equipment	—	235	—
Non-GAAP adjusted free cash flow	(26,719)	(8,582)	(11,757)

Reconciliation of U.S. GAAP to Non-GAAP Outlook (In millions, except per share data) (Unaudited)

	Third quarter of fiscal 2024 ending June 29, 2024		
	GAAP Outlook	Adjustments	Non-GAAP Outlook
Net revenue	\$180 million +/- \$10 million	—	\$180 million +/- \$10 million
Operating expenses	\$79.6 million +/- 2%	\$7.6 million ^{B,C}	\$72.0 million +/- 2%
Diluted EPS ⁽¹⁾	\$0.17 +/- 10%	\$0.13 ^{A, B, C, D}	\$0.30 +/- 10%

Non-GAAP Adjustments

A. Equity-based compensation - Cost of sales	0.4
B. Equity-based compensation - Selling, general and administrative and Research and development	6.3
C. Amortization related to intangible assets	1.3
D. Net income tax effect of the above items	(0.6)

(1) GAAP and non-GAAP diluted EPS based on approximately 55.4 million diluted weighted average shares outstanding.

The tables above reconcile our GAAP to non-GAAP guidance based on the current outlook. The guidance does not incorporate the impact of any potential business combinations, divestitures, restructuring activities, strategic investments and other significant transactions. The timing and impact of such items are dependent on future events that may be uncertain or outside of our control.

