

# Quarterly Earnings Review

August 5, 2021

**Q3F21**  
Ended Jul 3, 2021



# 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 Aug 4, 2021. 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 2020 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.



# Q3F21 – Key Message

## Technology Transitions

**Assembly Complexity**  
Increased Capital Intensity in High-Volume & Leading-Edge Mkts

**Automotive Transitions**  
Electrification + Autonomous

**Advanced Display**  
Mini & Micro LED Leadership

+

## Industry Expansion

**Global 5G Rollout**  
Smartphones + Infrastructure

**New Devices**  
Increased Semiconductor Content  
Across Consumer Electronics

**Data Era**  
Big Data, Artificial Intelligence,  
Increased Network Bandwidth

=

## New Performance Level

**Market Execution**  
Growing Adoption of New  
Solutions

**Higher Profitability**  
Operating Margin &  
Cash Generation

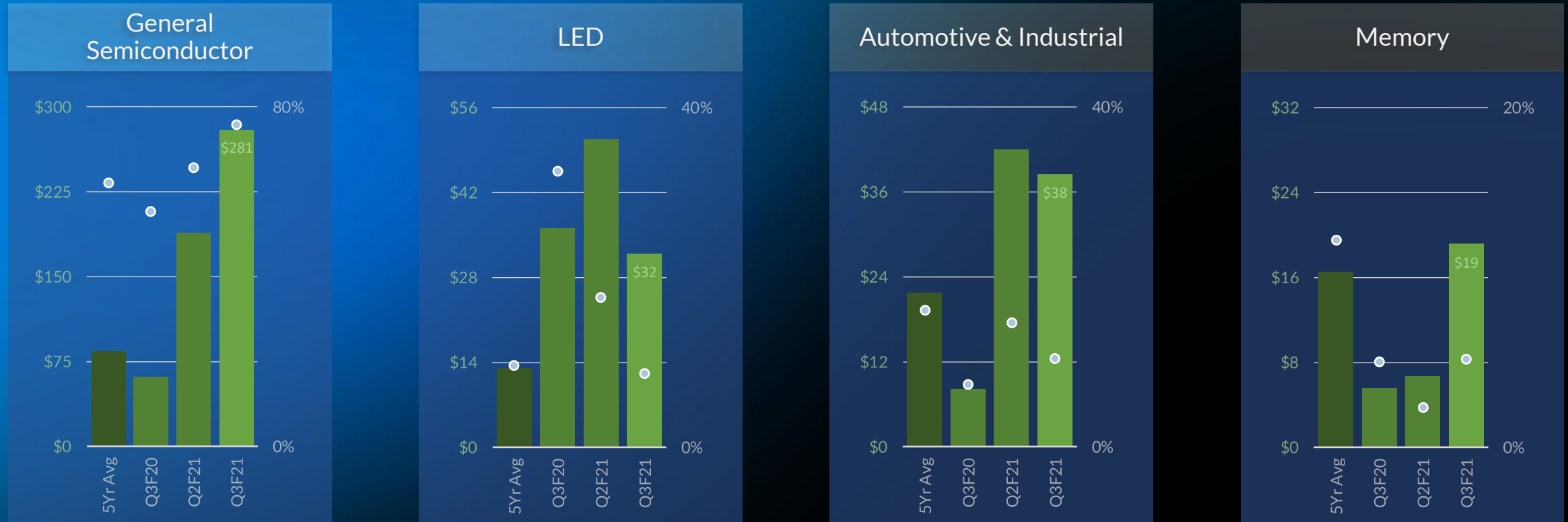
**New \$1.5 Billion Target**  
Average Annual Revenue  
Expectation, Coming Years

# End-Market Composition

## Capital Equipment

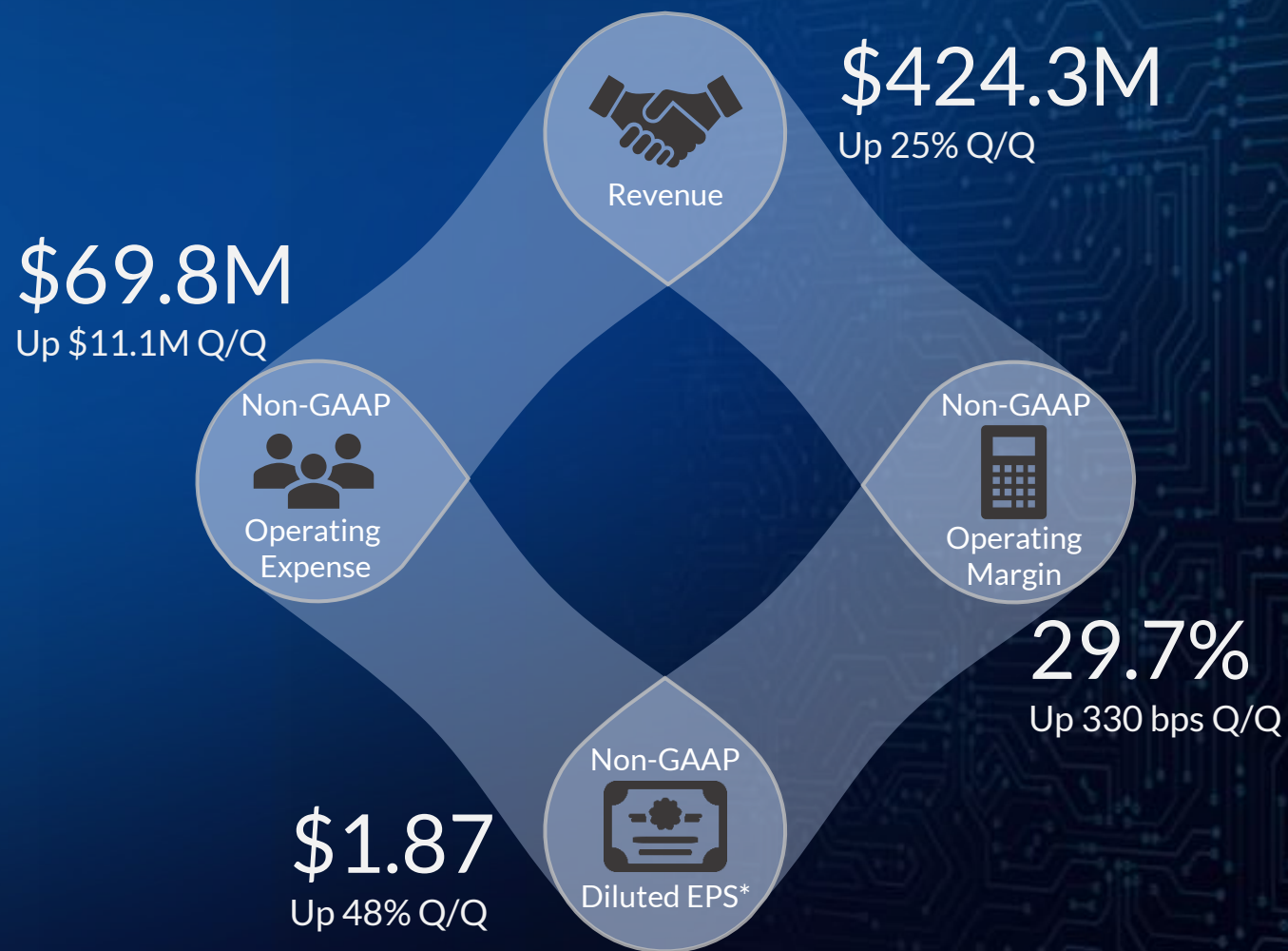
■ Capital Equipment revenue per quarter  
5Yr Avg = quarterly average of preceding five fiscal years

○ As a percent of period Capital Equipment revenue



- Continued strength across end markets
- High utilization rates & lead times extend visibility across end markets
- Advanced Display driving a new level of LED demand

# Fiscal Third Quarter 2021



Sequential Record  
Revenue Quarter

Optimized Operating  
Margins

New Level of Performance

# Income Statement

## *Summary Items*

*\$ values in millions of USD (except for EPS)*

	Q3F20	Q2F21	Q3F21	Q/Q	Y/Y
Revenue	\$150.5	\$340.2	\$424.3	\$84.1	\$273.8
Gross Margin	46.1%	43.7%	46.1%	240 bps	(4) bps
Operating Expenses	\$58.5	\$65.4	\$75.2	\$9.8	\$16.7
Operating Income	\$11.0	\$83.1	\$120.5	\$37.4	\$109.5
Non-GAAP Net Income*	\$16.3	\$79.4	\$118.8	\$39.4	\$102.5
Diluted EPS	\$0.18	\$1.13	\$1.79	\$0.66	\$1.61
Non-GAAP Diluted EPS*	\$0.26	\$1.26	\$1.87	\$0.61	\$1.61
Diluted Share Count	62.8M	63.2M	63.5M	0.2 M	0.7 M

# Balance Sheet & Cash Flow

## *Summary Items*

*\$ values in millions of USD*

	Q3F20	Q4F20	Q1F21	Q2F21	Q3F21
Accounts Receivable	\$195.5	\$198.6	\$226.7	\$307.9	\$369.3
Inventory	\$114.2	\$111.8	\$125.1	\$140.0	\$153.3
Accounts Payable	\$49.7	\$57.7	\$89.4	\$123.8	\$144.3
Net Cash	\$515.8	\$530.1	\$576.7	\$564.3	\$635.0
Working Capital Days*	417	359	252	205	185
Share Repurchases	\$22.4	\$8.8	\$1.2	\$1.1	\$4.1
Dividends	\$7.6	\$7.4	\$8.7	\$8.7	\$8.7



# Outlook

*Fiscal Fourth Quarter 2021*

Demand Extending

New Growth Execution

Non-GAAP Operating  
Margins >25%

**\$73M**

+/- 2%

Non-GAAP



Operating  
Expense



Revenue

**\$465M**

+/- \$20M



Gross  
Margin

**47.0%**

+/- 50 bps

Non-GAAP



Diluted EPS\*

**\$2.00**

+/- 10%



# Q&A

# 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		
	July 3, 2021	June 27, 2020	April 3, 2021
Net revenue	\$ 424,318	\$ 150,450	\$ 340,163
U.S. GAAP income from operations	120,455	10,971	83,114
U.S. GAAP operating margin	28.4 %	7.3 %	24.4 %
Pre-tax non-GAAP items:			
Amortization related to intangible assets acquired through business combination- selling, general and administrative	1,340	1,814	1,355
Equity-based compensation <sup>(a)</sup>	4,140	3,725	3,963
Acquisition-related costs	—	—	1,379
Non-GAAP income from operations	\$ 125,935	\$ 16,510	\$ 89,811

Non-GAAP operating margin 29.7 % 11.0 % 26.4 %

(a) This non-GAAP measure is newly included for the three months ended January 2, 2021. Comparatives have been included.

## 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		
	July 3, 2021	June 27, 2020	April 3, 2021
Net revenue	\$ 424,318	\$ 150,450	\$ 340,163
U.S. GAAP net income	113,766	11,151	71,320
U.S. GAAP net margin	26.8 %	7.4 %	21.0 %
Non-GAAP adjustments:			
Amortization related to intangible assets acquired through business combination- selling, general and administrative	1,340	1,814	1,355
Equity-based compensation	4,140	3,725	3,963
Acquisition-related costs	—	—	1,379
Income tax effects on non-GAAP items	(460)	(415)	1,429
Total non-GAAP adjustments	\$ 5,020	\$ 5,124	\$ 8,126
Non-GAAP net income	\$ 118,786	\$ 16,275	\$ 79,446
Non-GAAP net margin	28.0 %	10.8 %	23.4 %

U.S. GAAP net income per share:

Basic	1.83	0.18	1.15
Diluted <sup>(a)</sup>	1.79	0.18	1.13

Non-GAAP adjustments per share:<sup>(b)</sup>

Basic	0.08	0.08	0.13
Diluted	0.08	0.08	0.13

Non-GAAP net income per share:

Basic	\$ 1.91	\$ 0.26	\$ 1.28
Diluted <sup>(c)</sup>	\$ 1.87	\$ 0.26	\$ 1.26

- (a) GAAP diluted net earnings per share reflects any dilutive effect of outstanding restricted stock units and stock options, 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, equity-based compensation expenses and acquisition-related costs as well as 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 units and stock options.