



MKS Instruments, Inc.

An Industrial Technology Leader Built For Precision

June 2022



Use of Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding the future financial performance, business prospects and growth of MKS. These statements are only predictions based on current assumptions and expectations. Any statements that are not statements of historical fact (including statements containing the words “will,” “projects,” “intends,” “believes,” “plans,” “anticipates,” “expects,” “estimates,” “forecasts,” “continues” and similar expressions) should be considered to be forward-looking statements. Actual events or results may differ materially from those in the forward-looking statements set forth herein.

Among the important factors that could cause actual events to differ materially from those in the forward-looking statements are manufacturing and sourcing risks, including the impact and duration of supply chain disruptions, component shortages and price increases, and the changes in global demand and the impact of the COVID-19 pandemic with respect to such disruptions, shortages and price increases, the ability of MKS to complete its acquisition of Atotech Limited (“Atotech”), the terms of MKS’ existing term loan, the terms and availability of financing for the Atotech acquisition, the substantial indebtedness MKS expects to incur in connection with the Atotech acquisition and the need to generate sufficient cash flows to service and repay such debt, MKS’ entry into Atotech’s chemicals technology business, in which MKS does not have experience and which may expose it to significant additional liabilities, the risk of litigation relating to the Atotech acquisition, the risk that disruption from the Atotech acquisition materially and adversely affects the respective businesses and operations of MKS and Atotech, the ability of MKS to realize the anticipated synergies, cost savings and other benefits of the Atotech acquisition, competition from larger or more established companies in MKS’ and Atotech’s respective markets, the ability of MKS to successfully grow its business and the businesses of Atotech, Photon Control Inc., which it acquired in July 2021, and Electro Scientific Industries, Inc., which it acquired in February 2019, potential adverse reactions or changes to business relationships resulting from the pendency or completion of the Atotech acquisition, conditions affecting the markets in which MKS and Atotech operate, including the fluctuations in capital spending in the semiconductor industry and other advanced manufacturing markets, and fluctuations in sales to MKS’ and Atotech’s major customers, the ability to anticipate and meet customer demand, the challenges, risks and costs involved with integrating the operations of the companies we have acquired, potential fluctuations in quarterly results, dependence on new product development, rapid technological and market change, acquisition strategy, volatility of stock price, international operations, financial risk management, and the other factors described in “Risk Factors” in Part 1, Item 1A of the Form 10-K for the year ended December 31, 2021 and any subsequent Quarterly Reports on Form 10-Q, as filed with the U.S. Securities and Exchange Commission (the “SEC”). Additional risk factors may be identified from time to time in MKS’ future filings with the SEC. MKS is under no obligation to, and expressly disclaims any obligation to, update or alter these forward-looking statements, whether as a result of new information, future events or otherwise after June 13, 2022, the date this presentation was published to MKS’ website.

Pro Forma Combined Information; Use of Non-GAAP Financial Measures

Presentation of Pro Forma Combined Information

The pro forma combined financial information in this presentation has not been prepared in accordance with Article 11 of Regulation S-X but rather represents a combination of MKS' results with the results of Atotech, MKS' acquisition of which is pending. Except as otherwise stated herein, Atotech financial information has not been reconciled (a) from International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board to GAAP in accordance with Regulation S-X or (b) to the accounting policies followed by MKS. Pro forma combined financial information pursuant to Article 11 of Regulation S-X and pro forma combined financial information prepared using Atotech's financial information reconciled to GAAP could differ materially from the combined information presented herein. Please see the Appendix at the end of this presentation for additional information on pro forma combined information.

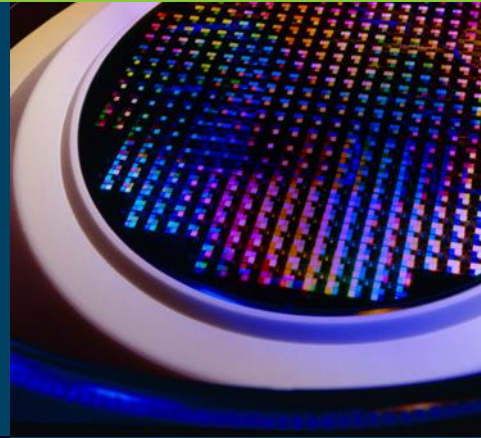
Use of Non-GAAP Financial Measures

This presentation includes measures that are not in accordance with U.S. generally accepted accounting principles ("Non-GAAP financial measures"). These Non-GAAP financial measures should be viewed in addition to, and not as a substitute for, MKS' reported GAAP results, and may be different from Non-GAAP financial measures used by other companies. In addition, these Non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. MKS management believes the presentation of these Non-GAAP financial measures is useful to investors for comparing prior periods and analyzing ongoing business trends and operating results. Please see the Appendix at the end of this presentation for reconciliations of our Non-GAAP financial measures to the comparable GAAP financial measures.

An Industrial Technology Leader Built for Precision



A leading critical subsystems supplier for **Semiconductor** manufacturing



Emerging solutions provider for **Advanced Electronics** manufacturing



Extending core domain expertise into diverse array of **Specialty Industrial** markets



Robust growth and profitability underpins **value creation**



Applying Broad Domain Expertise Across Attractive End Markets



SEMICONDUCTOR

62%

of Total Revenue in 2021

- Deposition and Etch
- Lithography
- Metrology and Inspection
- Wet Clean
- Packaging

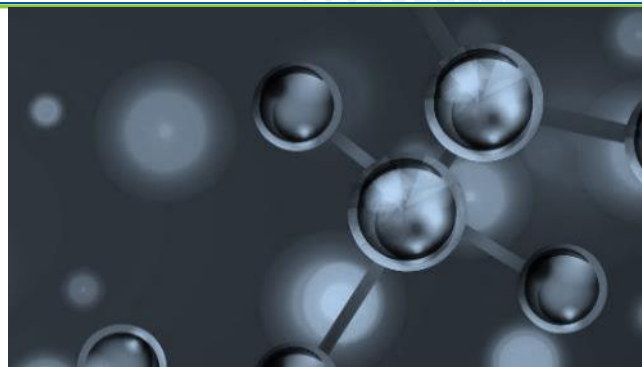


ADVANCED ELECTRONICS

15%

of Total Revenue in 2021

- PCB Via Drilling
- Solar and Display Processing
- Electronic Component Manufacturing



SPECIALTY INDUSTRIAL

23%

of Total Revenue in 2021

- Industrial
- Life & Health Sciences
- Research & Defense

← EXTREME PRECISION MANUFACTURING

LEVERAGING DOMAIN EXPERTISE →

Strong Multi-Year Secular Drivers

Semiconductor
Demand/Complexity
Drives WFE⁽¹⁾

⁽¹⁾Wafer Fabrication Equipment spend.

Mechanical to
Laser-Based
Manufacturing

5G+ and IoT
Proliferation

MKS is Uniquely Positioned for

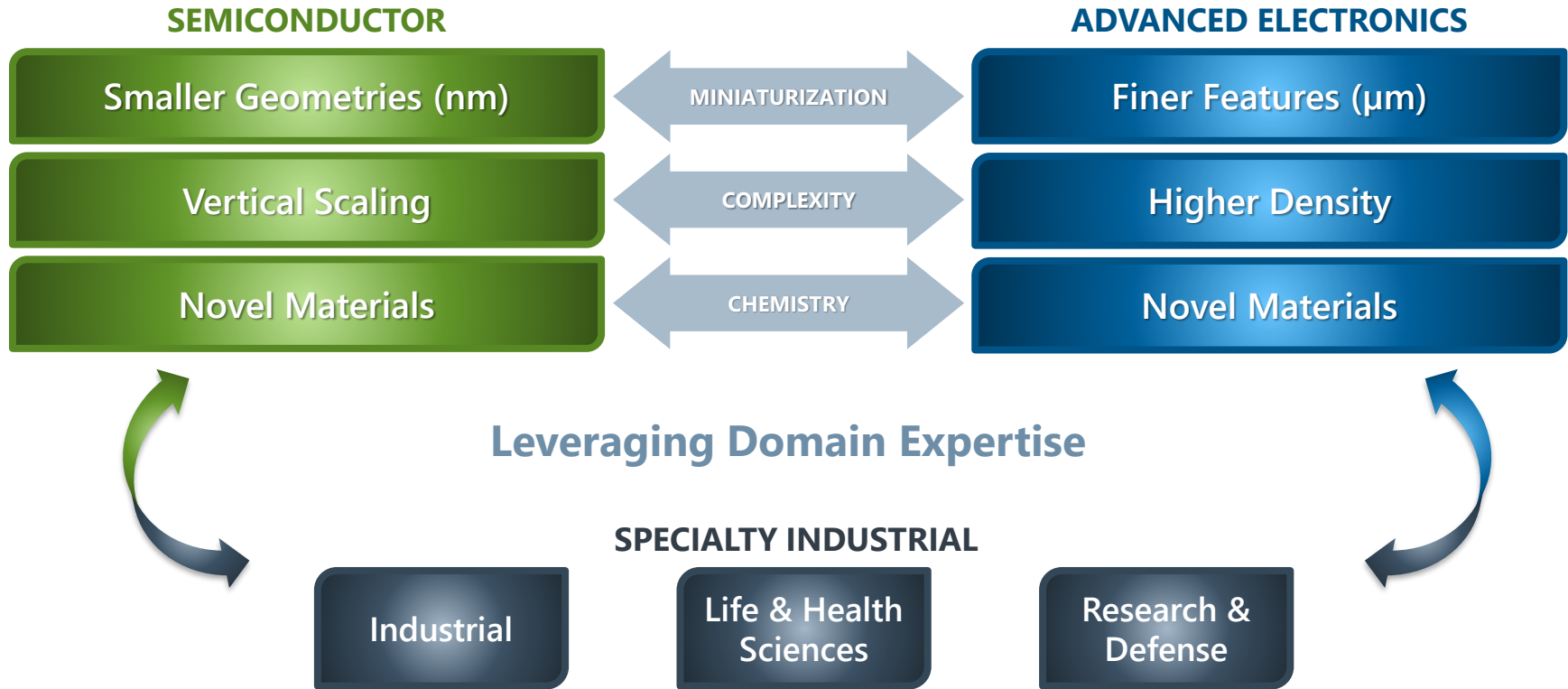
Market share gains
as complexity increases

Accelerating adoption
of Lasers, Optics
and Photonics

Ubiquitous expansion
of electronics

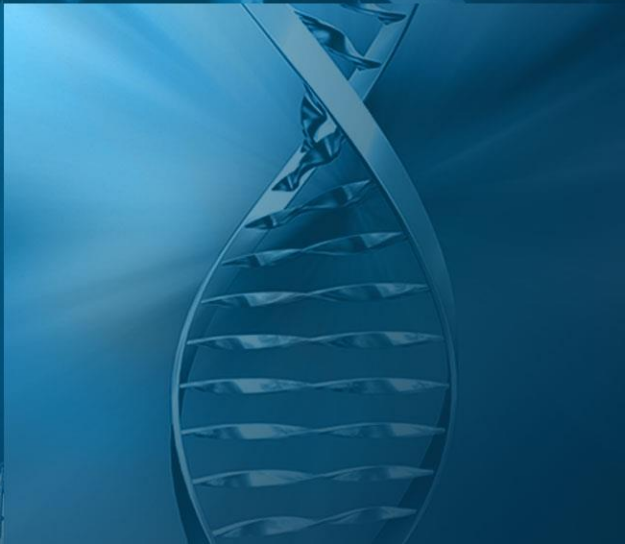
Customers Face Increasing Challenges To Address Industry Trends

MKS Built To Capitalize On Secular Trends



Semiconductor

*A Leader in Critical
Subsystems*

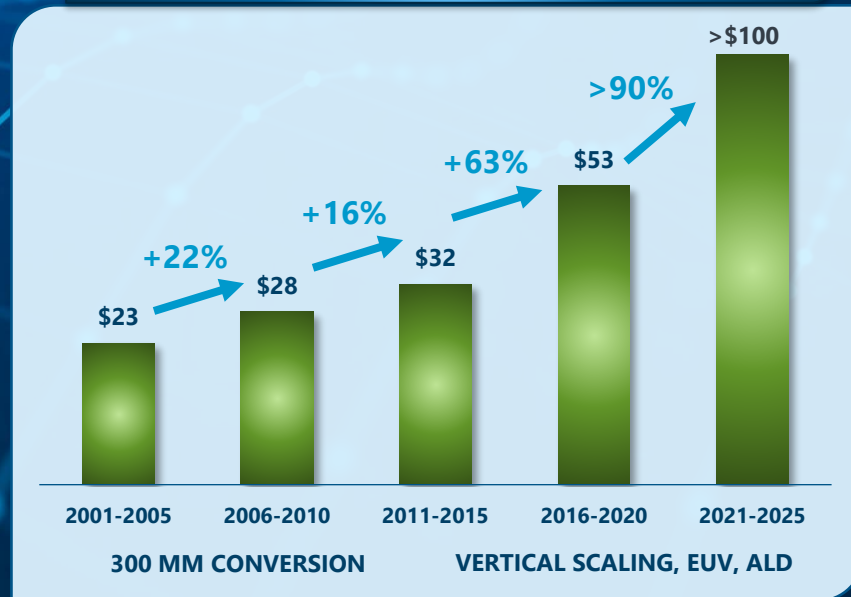


Attractive Long-Term Growth in Semiconductor Capital Equipment

Average Chip Revenue (\$B)



Average WFE Spending (\$B)



Source: Techn Insights

More Data → More Powerful Semi Chips → More Complexity → MKS Enabling Technologies

MKS: Broadest Critical Subsystem Provider in WFE Ecosystem

DEPOSITION & ETCH

- RF Power
- Plasma & Reactive Gas
- Pressure & Vacuum Measurement
- Gas Delivery & Pressure Control
- Temperature Sensing

CRITICAL WET PROCESSING

- Dissolved Reactive Gas

**Addresses
>85% of
WFE⁽¹⁾**

METROLOGY & INSPECTION

- Optics & Optical Subsystems
- Lasers
- Precision Motion
- High Performance DUV Thin Film Coating

LITHOGRAPHY

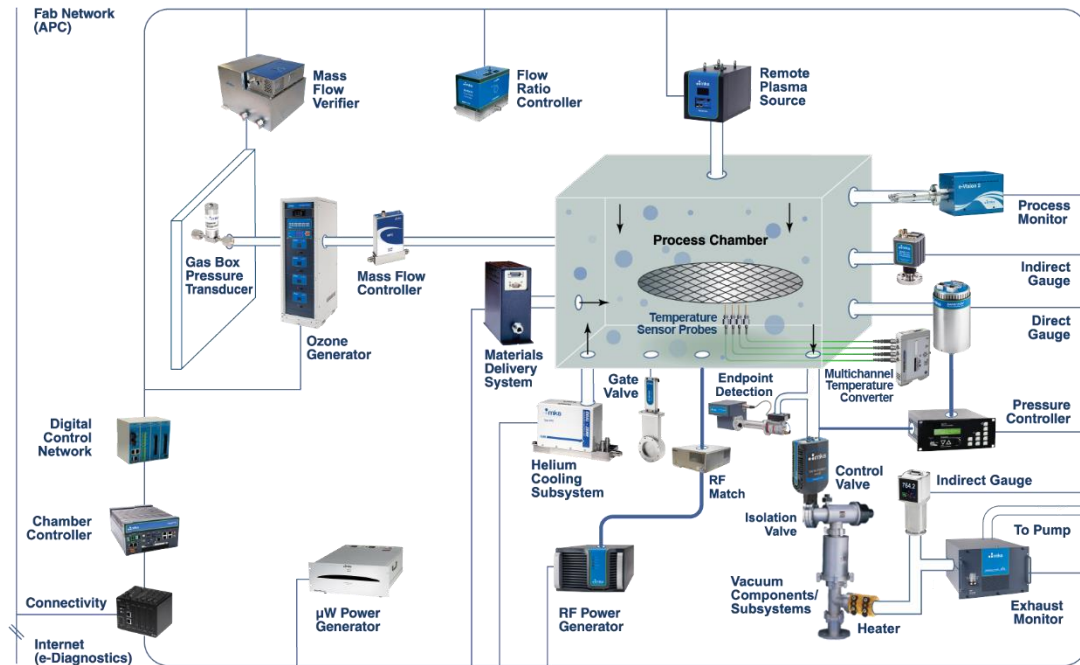
- Optics & Optical Subsystems
- Precision Motion
- Vibration Control
- Light Source Assemblies

⁽¹⁾Company estimate.

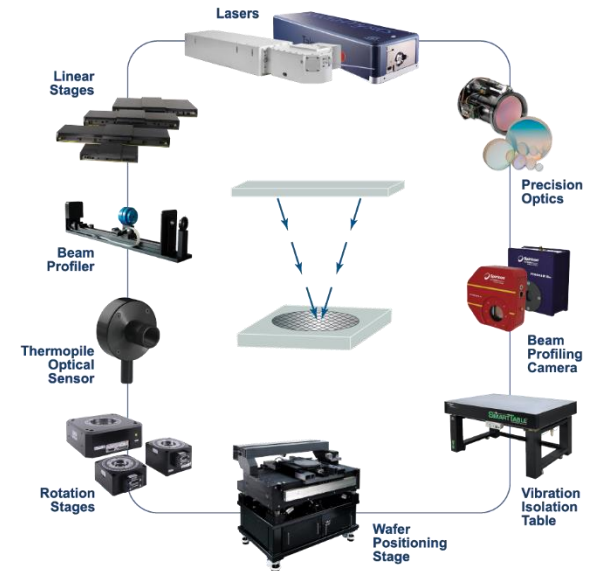
~100% of All Semiconductor Chips Manufactured In The World Today Are Made Possible By MKS⁽¹⁾

Semiconductor Market's Critical Solutions Provider

Deposition & Etch



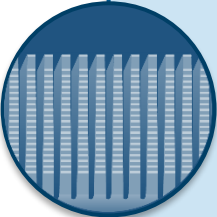
Lithography & Inspection



Leveraging Surround the Chamber[®] Portfolio to Drive Growth

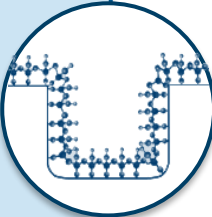
Addressing Semi Customers' Most Complex Challenges

RF Power



Enables drilling billions of holes with aspect ratios $>55:1$, perfectly straight & parallel; equivalent to hitting a target >1 mile away with a deviation of <0.5 inch


Plasma & Reactive Gas



Enables depositing thin films conformally – one atomic layer at a time, billions of atoms across with zero defects


**MKS is a Leader
in Critical
Subsystems
Vital to Future
Inflections**

Pressure Measurement



Enables unprecedented sensitivity and accuracy for pressure measurement detecting a $1/25$ of an inch movement from >0.5 mile away

Precision Optics



Enables focusing light to image features that are 10 atoms across (10,000x smaller than the width of a human hair)

MKS is a Key Enabler of Today's Most Vital Inflections

Advanced High Aspect Ratio (HAR) Etch

Increasing multi-frequency RF Power capabilities to improve uniformity and yield

Atomic Layer Processing (ALD, ALE)

Precise concentration of Plasma & Reactive Gases for on-wafer processing; precise Ozone control and advanced wafer pre-treatment solutions

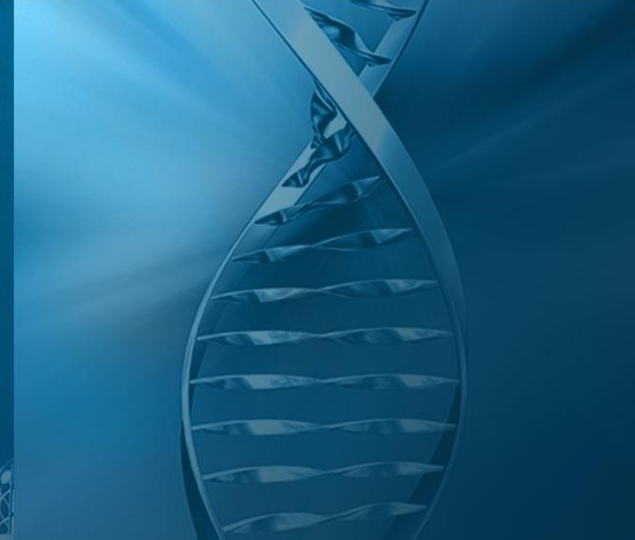
Advanced Lithography (DUV, EUV, High NA)

Very high precision and performance Optics, Optical Subsystems, Motion Stages, and Photonics Components

MKS Positioned to Deliver Differentiated Solutions as a Leader in Vacuum and Photonics

Advanced Electronics

*A Leader in Laser-based
Manufacturing*



Compounding Effects of Multiple Industry Drivers



Expansion
of Devices



100s
Components/Device

Greater
Density

10,000s
Components/Device



- TOUCHSCREEN PATTERNING
- PC BOARD DEPANELING
- FLEX PCB DRILLING
- CAMERA WINDOW CUTTING
- PACKAGE CUTTING
- ENCLOSURE MARKING
- CERAMIC SCRIBING

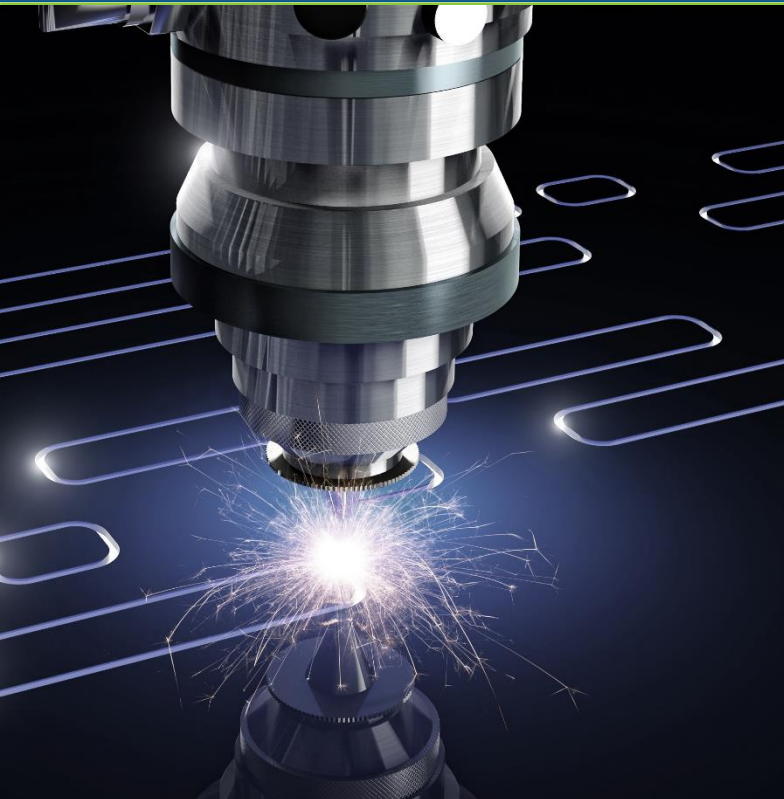
Increasing
Processes &
Complexity

- NANOMATERIALS PROCESSING
- FLEXIBLE DISPLAY FILM CUTTING
- SURFACE FUNCTIONALIZATION
- GLASS CUTTING & WELDING
- COMPOSITE MATERIAL PROCESSING
- ENCLOSURE DRILLING & CUTTING
- TOUCHSCREEN PATTERNING
- CAMERA WINDOW CUTTING
- LASER DOPING
- THIN FILM ABLATION
- BATTERY PROCESSING
- PC BOARD DEPANELING
- FLEX PCB DRILLING
- PACKAGE CUTTING
- ENCLOSURE MARKING
- CERAMIC SCRIBING



Growing Laser Processing Opportunity In Electronics Manufacturing

Stage is Set for Broad Adoption of Laser Manufacturing



2000 - 2010

**Advanced
Devices**

Large electronic components, less processing power, bulky design

**Mechanical
Manufacturing
Processes**

2010 - 2020

**Smartphones,
Wearables, IoT**

Very small electronic components, extremely fast processing power

**Laser
Manufacturing
Select Use-Cases**

2020+

**Hyper-
Connectivity,
Miniaturization**

Extremely small form-factor, continued acceleration of processing power

**Laser
Manufacturing
Broad Adoption**

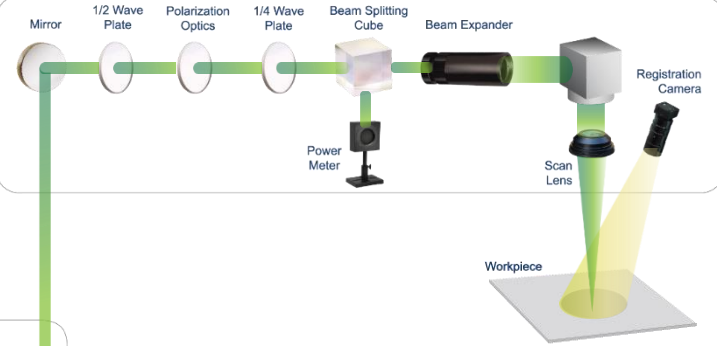
MKS' Solutions & Systems Expertise Addresses Precision Manufacturing of Electronics

A Leading Enabler of Laser Processing

Critical Solutions for Laser Processing

System Level Expertise

Beam Delivery & Conditioning



Laser Source



Motion & Positioning



Process Control

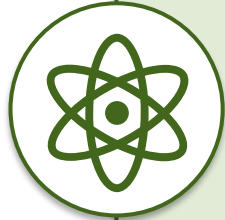


Leveraging Surround the Workpiece® Strategy to Drive Growth

Addressing Critical Need for Precision Manufacturing

Lasers

Enable processing materials with power output as much as that of a nuclear power plant compressed into a trillionth of a second



Precision Motion & Positioning

Enable moving an object at 5 billion atoms per second but with a positional accuracy of the width of a few atoms



**Photonics Domain
Expertise Critical
for Advanced
Electronics
Manufacturing**

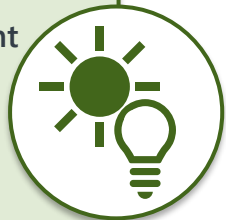
Beam Delivery & Conditioning

Enable targeting of the laser beam across the length of a football field to a spot the width of a human hair



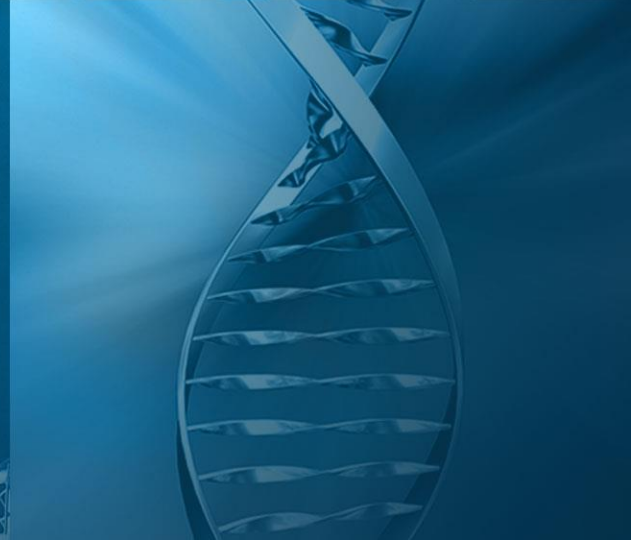
Light Measurement

Enables laser power measurement from 300 femtowatts to 120 kilowatts, equivalent to a power range from one light bulb to 100x total sunlight on earth

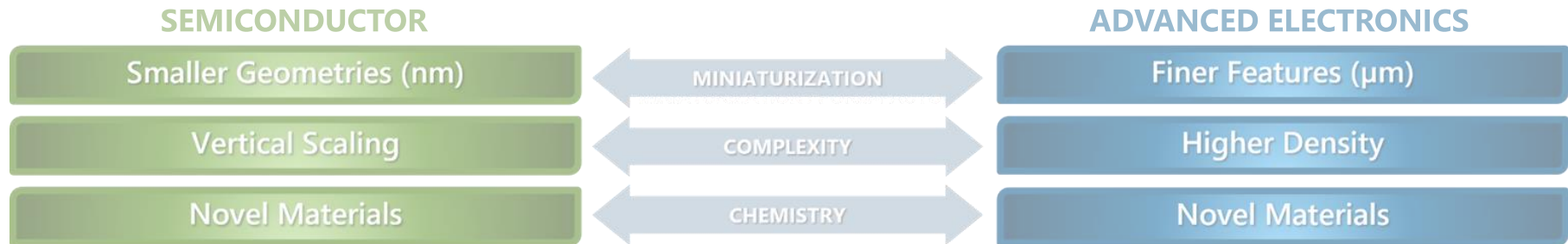


Specialty Industrial

*Harnessing Proprietary
Technologies Across
Broad End Markets*



Leveraging MKS Domain Expertise Across Specialty Applications



Leveraging Domain Expertise

Core Use-Case and R&D Focus

Leadership & Targeted Investments in Vacuum Solutions for Semiconductor

Expertise in Pulsed Lasers for Precision Manufacturing

Investments in Optics Capabilities for Lithography/Metrology/Inspection

FOR

FOR

FOR

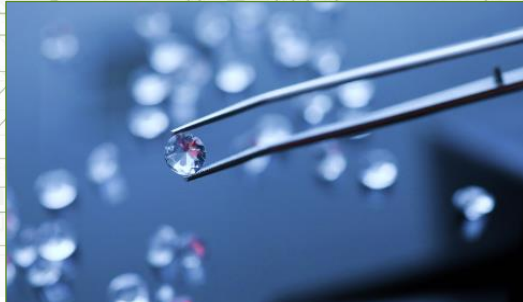
Extension to Specialty Applications

Synthetic Diamond Manufacturing

Laser-Based Ophthalmic Surgery and other Medical Procedures

Long-range Imaging for Commercial and Defense Applications

Specialty Industrial Offers Broad End-Market Exposure



Industrial

- **Synthetic Diamond Manufacturing**
- **Datacom/Telecom**
- **Commercial Surveillance**
- **Additive Manufacturing**



Life & Health Sciences

- **Neuroscience Imaging**
- **Ophthalmic Surgery**
- **Medical Diagnostics**
- **Analytical Instrumentation**



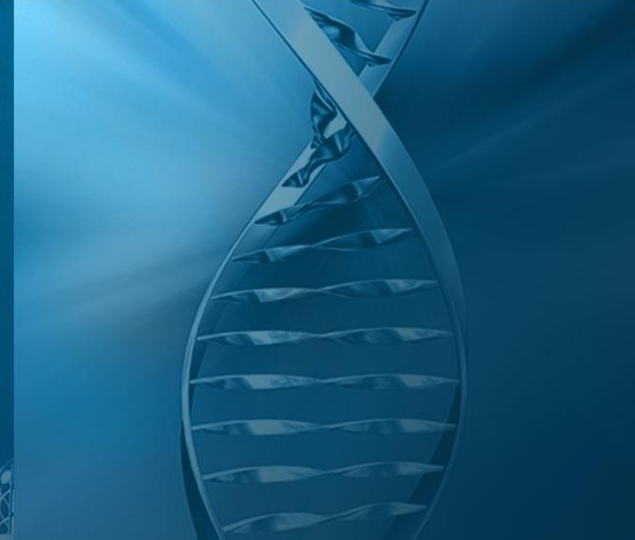
Research & Defense

- **Ultra High Performance Infrared Detection**
- **Quantum Computing**
- **Satellite Imaging**
- **Terahertz Science**

Specialty Industrial Markets Offer Stable Revenues With Good Margins & Cash Flow

Optimizing The Interconnect:

Pending Acquisition of Atotech Positions MKS to Accelerate Innovation for Customers



Pending Acquisition of Atotech

A Leading Chemistry Solutions Provider

On 7/1/21, MKS entered into an agreement to acquire Atotech Limited. Total value of cash and stock consideration was ~\$5.1B at time of deal announcement.

Completion of acquisition subject to regulatory approval from China's State Administration for Market Regulation (SAMR), required sanction by the Royal Court of Jersey, and customary closing conditions.

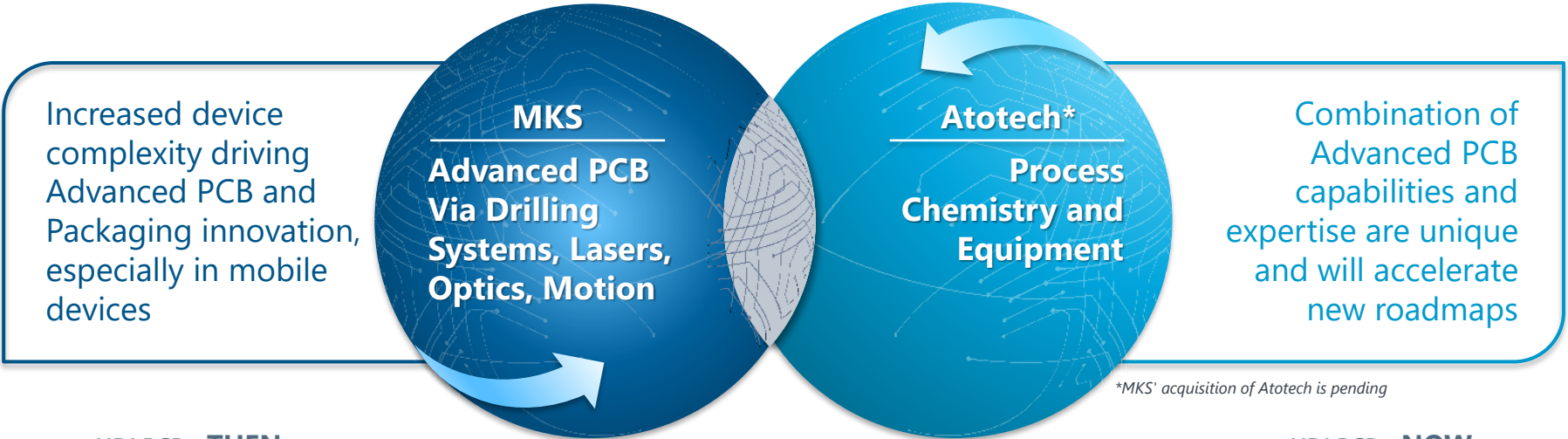
On 4/1/22, the parties agreed to extend date for completing acquisition to 9/30/22. Extension to allow additional time for regulatory approval from SAMR.

Acquisition has received approval from the 12 other required global antitrust regulatory authorities.

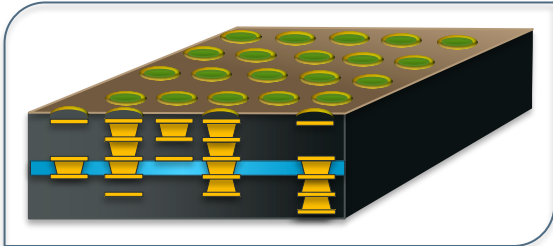


Specialty Chemistry Solutions for Advanced PCBs, IC Packaging & Surface Finishing

Optimizing the Interconnect Demands an Integrated Approach Int



HDI PCB - THEN

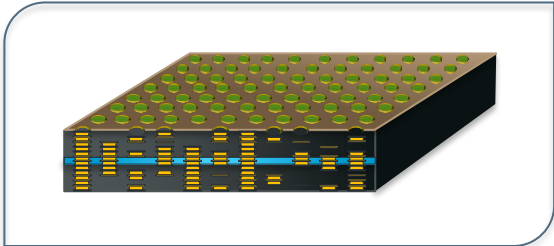


Number of vias has increased by more than 4x from 250,000 to >1 million



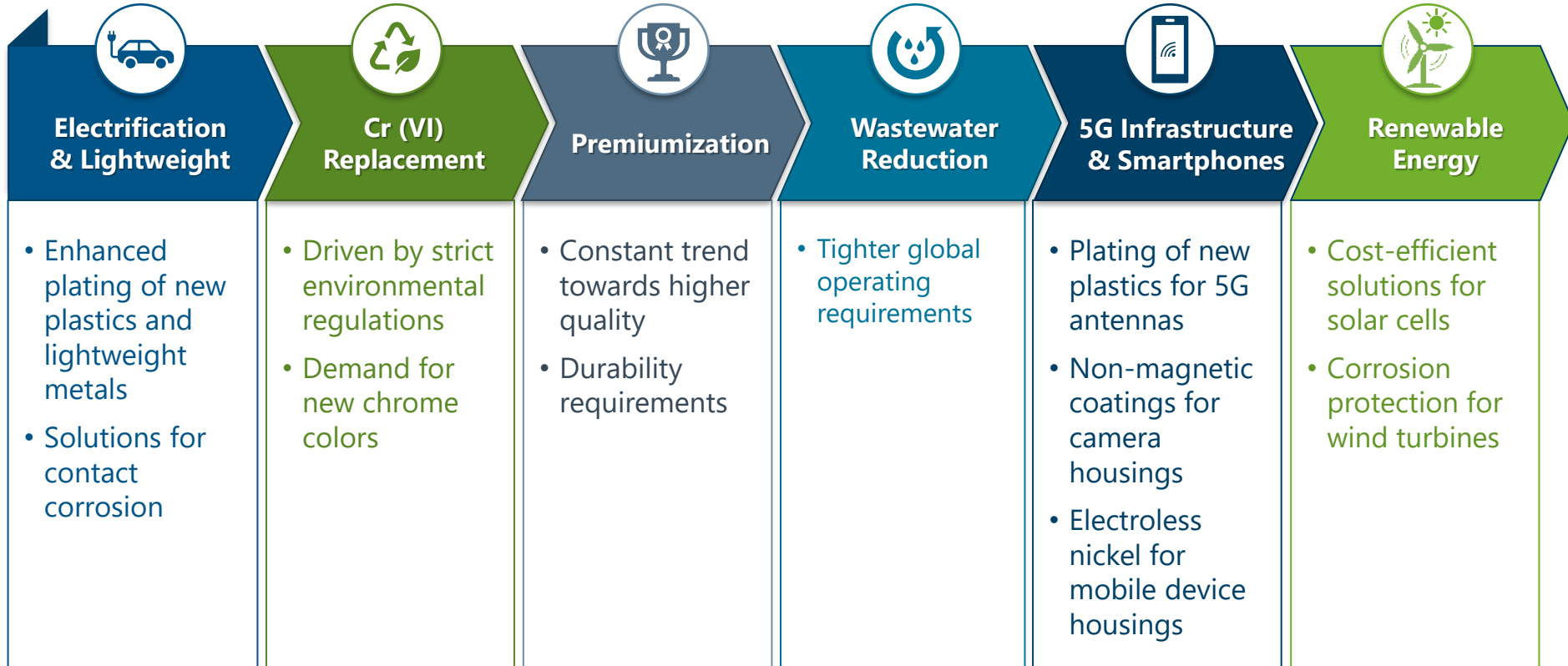
Line/space and via size has decreased by more than 60%

HDI PCB - NOW



Adjacent Expertise Creates Significant Market Share Opportunities

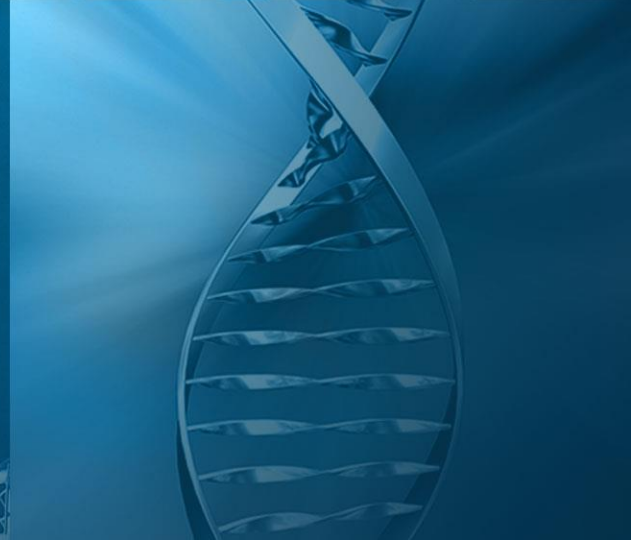
Atotech's* GMF Well-Positioned For Attractive Secular Trends



*MKS' acquisition of Atotech is pending

MKS Financial Profile

*Poised for Compelling
Value Creation*



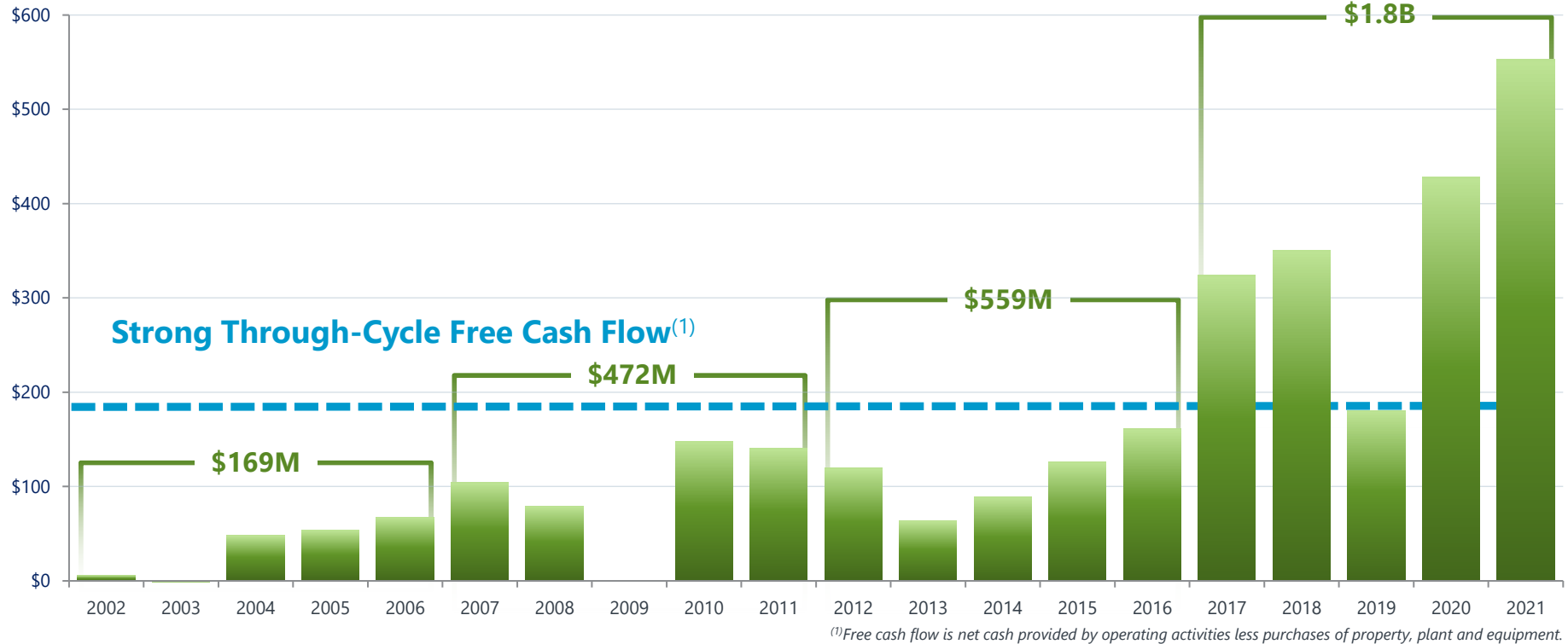
Strong Operating & Financial Profile ...

	2015	2021	2015-2021 CAGR
Total Revenue	\$0.8B	\$2.9B	+24%
<ul style="list-style-type: none"> Semiconductor Market 	\$0.6B	\$1.8B	+22%
<ul style="list-style-type: none"> Advanced Electronics 	\$0.1B	\$0.4B	+38%
<ul style="list-style-type: none"> Specialty Industrial 	\$0.2B	\$0.7B	+24%
Leading Product Categories ⁽¹⁾	7	16	
Non-GAAP Operating Margin	20%	27%	
Non-GAAP Diluted Earnings per Share	\$2.22	\$11.38	+31%

⁽¹⁾Product categories where Company estimates it is #1 or #2 in market share.

Strategic Transformation of MKS Underpins Strong EPS Growth

MKS Generates Attractive Through-Cycle Free Cash Flow ...



2019 "Trough" Greater than any "Peak" in MKS History through 2016

... Creating Balance Sheet Optionality

\$3.2 Billion Allocated Over Last 5 Years⁽¹⁾



⁽¹⁾Capital deployment from 2017-2021.

75%+ of Capital Reinvested in Growth Initiatives

Atotech Offers Revenue Diversity & Stable, Recurring Cash Flows

	MKS Standalone	Pro Forma with Atotech*
Total Revenue	\$2.9B	\$4.4B
Revenue mix	<ul style="list-style-type: none"> 62% Semiconductor 23% Advanced Electronics 15% Specialty Industrial 	<ul style="list-style-type: none"> 41% Semiconductor 32% Advanced Electronics 27% Specialty Industrial
Revenue streams	<ul style="list-style-type: none"> 87% Equipment 13% Services 	<ul style="list-style-type: none"> 61% Consumables 29% Services 10% Equipment
Customer concentration	27% Revenue contribution from AMAT/LAM	18% Revenue contribution from AMAT/LAM
Profitability ⁽¹⁾	47% % Non-GAAP Gross Margin \$0.88B / 30% Adj. EBITDA / Margin	48% % Non-GAAP Gross Margin \$1.35B ⁽²⁾ / 30% ⁽²⁾ Adj. EBITDA / Margin

Note: Based on LTM 12/31/2021 results. See Appendix for Atotech adjustments and reconciliations for MKS Non-GAAP Gross margin and Adj. EBITDA;

⁽¹⁾ Atotech FY 2021 gross profit includes adjustments to align with MKS financial reporting. Atotech FY 2021 Adj. EBITDA adjusted from IFRS to GAAP basis;

⁽²⁾ Pro forma FY 2021 Adj. EBITDA include \$55M of expected annualized run-rate synergies.

*MKS' acquisition of Atotech is pending

Reduces Exposure to Semiconductor Market to ~40% and Adds Recurring Revenue With Strong Profitability

Built for the Age of Miniaturization & Complexity

Growth Drivers



- A leading critical subsystem provider in Semi Market
- Advanced Electronics poised to capitalize on growing need for laser-based processing
- Specialty Industrial harnesses domain expertise while providing steady growth

Financial Execution



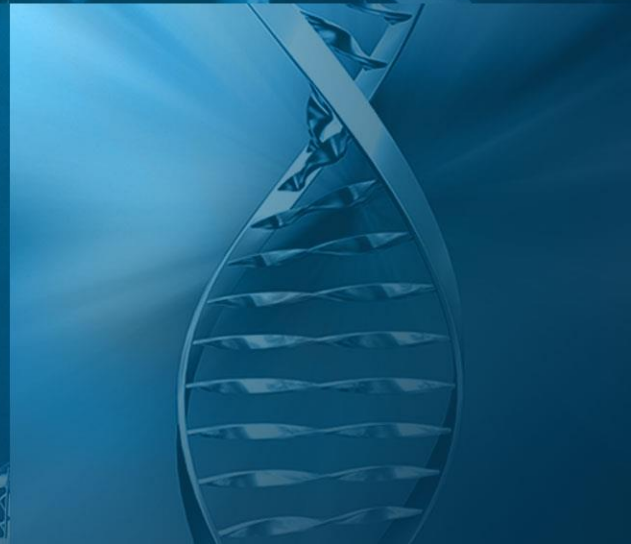
- Delivered on promised synergies in Newport and ESI acquisitions
- Culture of continuous cost improvement
- Consistent track record of de-levering post acquisitions

Value Creation



- Robust revenue and earnings growth
- Strong through-cycle free cash flow provides balance sheet optionality
- End-market diversity and execution underpin strong financial returns

Appendix



Appendix

MKS Standalone

(in millions, except per share data)	2015	2021
Revenue	813.5	2,949.6
Income from operations	\$ 156.6	\$ 698.9
Sale of previously written-down inventory (Note 1)	(2.1)	—
Inventory charge related to exit of product groups (Note 2)	0.5	—
Acquisition and integration costs (Note 3)	—	29.8
Restructuring and other (Note 5)	2.1	11.1
Amortization of intangible assets	6.8	55.3
Non-GAAP income from operations	<u>\$ 163.9</u>	<u>\$ 795.1</u>
Non-GAAP operating margin	20.1%	27.0%
Net income	\$ 122.3	\$ 551.4
Sale of previously written-down inventory (Note 1)	(2.1)	—
Inventory charge related to exit of product groups (Note 2)	0.5	—
Acquisition and integration costs (Note 3)	—	29.8
Amortization of debt issuance costs (Note 4)	—	1.2
Restructuring and other (Note 5)	2.1	11.1
Amortization of intangible assets	6.8	55.3
Release of tax reserves (Note 6)	(7.7)	—
Currency hedge loss (Note 7)	—	6.9
Windfall tax benefit on stock-based compensation (Note 8)	—	(4.6)
Withholding tax related to Brexit (Note 9)	—	3.2
Tax effect of Non-GAAP adjustments (Note 10)	(2.8)	(20.6)
Non-GAAP net earnings	<u>\$ 119.1</u>	<u>\$ 633.7</u>
Non-GAAP net earnings per diluted share	<u>\$ 2.22</u>	<u>\$ 11.38</u>
Weighted average diluted shares outstanding	53.6	55.7



MKS Standalone

(in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net cash provided by operating activities	\$ 20.1	\$ 13.8	\$ (0.2)	\$ 66.4	\$ 64.2	\$ 78.2	\$ 119.1	\$ 92.7	\$ 4.9	\$ 163.5	\$ 156.0	\$ 137.2	\$ 76.1	\$ 101.9	\$ 138.3	\$ 180.1	\$ 355.2	\$ 413.8	\$ 244.5	\$ 513.0	\$ 640.0
Purchases of property, plant and equipment	14.6	7.9	6.3	18.3	10.3	10.7	15.1	13.5	4.2	15.8	15.6	17.7	12.4	13.2	12.4	19.1	31.3	62.9	63.9	85.0	87.0
Free cash flow	\$ 5.5	\$ 5.9	\$ (6.5)	\$ 48.1	\$ 53.9	\$ 67.5	\$ 104.0	\$ 79.3	\$ 0.7	\$ 147.7	\$ 140.5	\$ 119.5	\$ 63.7	\$ 88.7	\$ 125.9	\$ 161.0	\$ 323.9	\$ 350.8	\$ 180.6	\$ 428.0	\$ 553.0

MKS Standalone

Non-GAAP financial measures adjust GAAP financial measures for the items listed below. These Non-GAAP financial measures should be viewed in addition to, and not as a substitute for, MKS' reported GAAP results, and may be different from Non-GAAP financial measures used by other companies. In addition, these Non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. MKS management believes the presentation of these Non-GAAP financial measures is useful to investors for comparing prior periods and analyzing ongoing business trends and operating results.

Note 1: We recorded a credit in cost of sales related to the sale of excess and obsolete inventory previously written down to net realizable value.

Note 2: We recorded an inventory charge related to the exit of certain product groups.

Note 3: Acquisition and integration costs during the twelve months ended December 31, 2021 related to our acquisition of Photon Control, our pending acquisition of Atotech and our proposed acquisition of Coherent, Inc.

Note 4: We recorded additional interest expense related to the amortization of debt issuance costs related to our Term Loan Credit Agreement and our ABL Credit Agreement (each credit agreement, as defined in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on February 28, 2022).

Note 5: Restructuring and other costs during the twelve months ended December 31, 2021 related to severance costs from a global cost saving initiative, costs related to the pending closure of two facilities in Europe, movement of certain products to low cost regions and duplicate facility costs attributed to entering into new facility leases. Restructuring and other costs during the twelve months ended December 31, 2015 included charges related to the outsourcing and consolidation of a international manufacturing operations.

Note 6: We recorded reserve releases related to the settlement of audits and expiration of the statute of limitations.



Note 7: During the twelve months ended December 31, 2021, we recorded a fair-value loss from Canadian dollar contracts related to hedge currency fluctuations in connection with the funding of our acquisition of Photon Control, which was consummated on July 15, 2021. This loss was partially offset by a fair-value gain from Euro contracts related to hedge currency fluctuations in connection with the funding of our pending acquisition of Atotech.

Note 8: We recorded windfall tax benefits on the vesting of stock-based compensation.

Note 9: We recorded additional withholding taxes on inter-company undistributed earnings following the United Kingdom's withdrawal from the European Union.

Note 10: Non-GAAP adjustments are tax effected at applicable statutory rates resulting in a difference between the GAAP and Non-GAAP tax rates.

Bridge to Pro Forma 2021 Adjusted EBITDA

			Pro forma
EBITDA (in millions)	\$794.0	\$358.4	\$1,152.3
Stock-based compensation	36.7	-	36.7
COVID-19 related net adjustment	-	0.9	0.9
Acquisition and integration costs	29.8	-	29.8
Restructuring and other	11.1	(0.6)	10.5
Transaction related costs	-	19.9	19.9
Currency hedge loss	6.9	-	6.9
Foreign exchange loss, net	-	(13.0)	(13.0)
Management fee	-	2.6	2.6
Non-cash adjustments	-	89.8	89.8
Adj. EBITDA	\$878.5	\$458.0	1,336.5
IFRS-16 depreciation	-	(10.2)	(10.2)
Capitalized R&D Expense	-	(25.6)	(25.6)
Other adjustments	-	(6.6)	(6.6)
Adj. EBITDA (inc. IFRS to GAAP adjustments)	\$878.5	\$415.6	\$1,294.1
Estimated run-rate synergies	-	-	55.0
Adj. EBITDA (inc. estimated run-rate synergies)	\$878.5	\$415.6	\$1,349.1
% Adj. EBITDA margin (inc. estimated run-rate synergies)			30%

MKS Adj. Gross Margin Reconciliation (GAAP to Non-GAAP)

(in millions)	2019	2020	2021
Gross Profit	\$830.4	\$1,049.5	\$1,380.2
COVID-19 related net costs	-	0.3	-
Acquisition inventory step-up	7.6	-	-
Inventory charge related to exit of product groups	-	3.9	-
Non-GAAP Adj. Gross profit	\$838.0	\$1,053.7	\$1,380.2
Non-GAAP Adj. Gross margin	44.1%	45.2%	46.8%

MKS Adj. EBITDA Reconciliation (GAAP to Non-GAAP)

(in millions)	2019	2020	2021	Q4 2021
Net income	\$140.4	\$350.1	\$551.4	\$150.2
Interest expense, net	38.7	27.7	24.8	6.1
Provision for income taxes	37.4	72.9	114.1	28.4
Depreciation	41.3	44.0	48.4	12.8
Amortization	67.4	55.2	55.3	15.2
EBITDA	\$325.2	\$549.9	\$794.0	\$212.7
Stock-based compensation	28.2	28.6	36.7	8.9
COVID-19 related net credits	-	(0.9)	-	-
Acquisition and integration costs	37.3	3.8	29.8	9.0
Acquisition inventory step-up	7.6	-	-	-
Inventory charge related to exit of product groups	-	3.9	-	-
Fees and expenses relating to re-pricing of term loan facility	6.6	-	-	-
Restructuring and other	7.0	9.4	11.1	1.2
Asset impairment	4.7	2.3	-	-
Gain on sale of long-lived assets	(6.8)	-	-	-
Other adjustments	3.4	-	6.9	(3.4)
Adjusted EBITDA	\$413.2	\$597.0	\$878.5	\$228.4
% Adjusted EBITDA margin	21.7%	25.6%	29.8%	29.9%

Atotech Adj. EBITDA Reconciliation (IFRS to Non-IFRS)

(in millions)	2019	2020	2021	Q4 2021
Consolidated net income (loss)	\$7.6	\$(289.4)	\$7.5	\$30.1
Interest expense, net	148.1	142.0	97.2	9.9
Income taxes	54.8	64.3	76.6	18.7
Depreciation and amortization (excluding impairment charges)	165.4	166.4	177.1	45.0
EBITDA	\$375.9	\$83.3	\$358.4	\$103.8
Non-cash adjustments	(10.2)	250.7	89.8	4.9
Gain on disposal of fixed asset	(6.1)	—	—	—
Foreign exchange (gain) loss, net	(2.4)	14.8	(13.0)	1.8
Restructuring	13.4	2.5	(0.6)	(0.2)
Transaction related costs	7.1	7.6	19.9	5.7
Management fee	2.4	2.7	2.6	1.2
COVID-19 adjustment	—	2.2	0.9	0.3
Adj. EBITDA (IFRS-basis)	\$380.1	\$363.9	\$458.0	\$117.6
% Adj. EBITDA margin	32.0%	29.5%	30.5%	30.4%

Atotech Financial Adjustments

(in millions)	2019	2020	2021
Revenue	\$1,187.8	\$1,234.3	\$1,499.2
Reported gross profit (ATC-basis)	\$699.6	\$676.3	\$767.4
<i>Reported gross margin (ATC-basis)</i>	59%	55%	51%
Less: Depreciation Reallocated to COGS	(11.9)	(11.2)	(14.8)
Less: External Warehousing Cost Reallocated to COGS	(7.6)	(10.2)	(10.6)
Adjusted gross profit (MKS-basis)	\$680.1	\$654.9	\$742.0
Adjusted gross margin (MKS-basis)	57%	53%	49%
Adj. EBITDA (IFRS and ATC-basis)	\$380.1	\$363.9	\$458.0
<i>Adj. EBITDA margin (IFRS and ATC-basis)</i>	32%	29%	31%
Less: IFRS-16 depreciation	(16.3)	(9.6)	(10.2)
Less: Capitalized R&D Expense	(27.0)	(22.8)	(25.6)
Less: Other adjustments	-	(11.4)	(6.6)
Adjusted EBITDA (GAAP and MKS-basis)	\$336.9	\$320.0	\$415.6
Adjusted EBITDA Margin (GAAP and MKS-basis)	28%	26%	28%
Intangible assets and PPE Additions, net of disposals (IFRS-basis)	\$66.0	\$52.6	\$51.0
Less: Intangible assets additions	(32.5)	(29.1)	(29.0)
Capex, net of disposals (IFRS-basis)	\$33.5	\$23.5	\$22.1
Adj. EBITDA (IFRS and ATC-basis)	\$380.1	\$363.9	\$458.0
Less: Capex, net of disposals (IFRS-basis)	(33.5)	(23.5)	(22.1)
Adj. EBITDA less Capex	\$346.6	\$340.4	\$435.9

Pro Forma Schedule

(in millions)	2019	2020	2021
MKS Revenue	1,900	2,330	2,950
Atotech Revenue	1,188	1,234	1,499
Total Revenue	\$3,088	\$3,564	4,449
% Growth	(6%)	15%	25%
MKS Adj. Gross Profit (Non-GAAP)	838	1,054	1,380
Atotech Adj. Gross Profit (MKS-basis)	680	655	742
Total Adj. Gross Profit	\$1,518	\$1,709	2,122
% Gross Margin	49%	48%	48%
MKS Adj. EBITDA (Non-GAAP)	413	597	879
Atotech Adj. EBITDA (GAAP and MKS-basis)	337	320	416
Total Adj. EBITDA	\$750	\$917	1,294
% Total Adj. EBITDA Margin	24%	26%	29%
Estimated run-rate synergies			55
Total Adj. EBITDA (inc. estimated run-rate synergies)			1,349
Total Adj. EBITDA Margin			30%
MKS Capex (Purchase of property, plant and equipment)	64	85	87
Atotech Capex, net of disposals (GAAP-basis)	34	24	22
Total Capex	\$97	\$108	\$109
% Revenue	3%	3%	2%