

Quarterly Earnings Review

Q2F21
Ended Apr 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 May 5, 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.

Q2F21 - Overview

Extended Visibility

- Transitional & Structural Trends
- New Advanced Packaging Wins
- Mini & Micro LED Progress
- Near-Term Supply Chain

Expanding ESG Efforts

- Committed to ESG
- Diversity & Inclusion Efforts
- 5th Annual Sustainability Report Issued
kns.com/Corporate-Responsibility

Strong Business Conditions Continue

Transitional Trends > Into FY22

- Prior Years of Underinvestment in Assembly Capital Equipment
- Work & Play-from-Home Supports PC & Gaming Markets
- Expected to Continue into FY22

Structural Trends > Next Decade

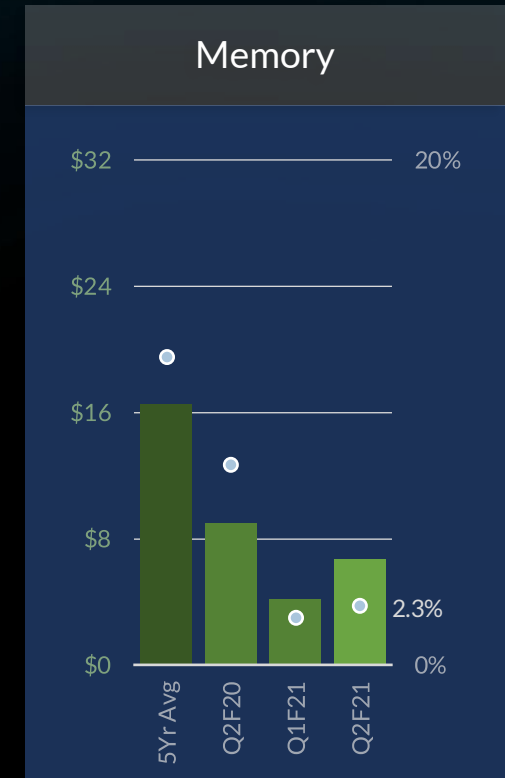
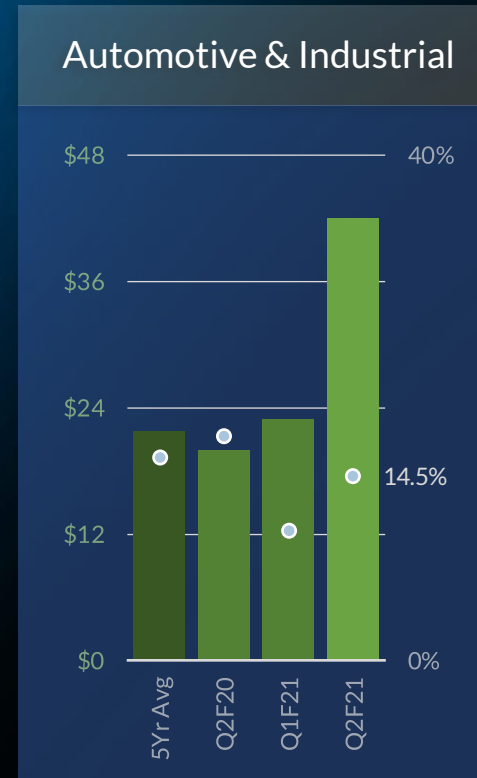
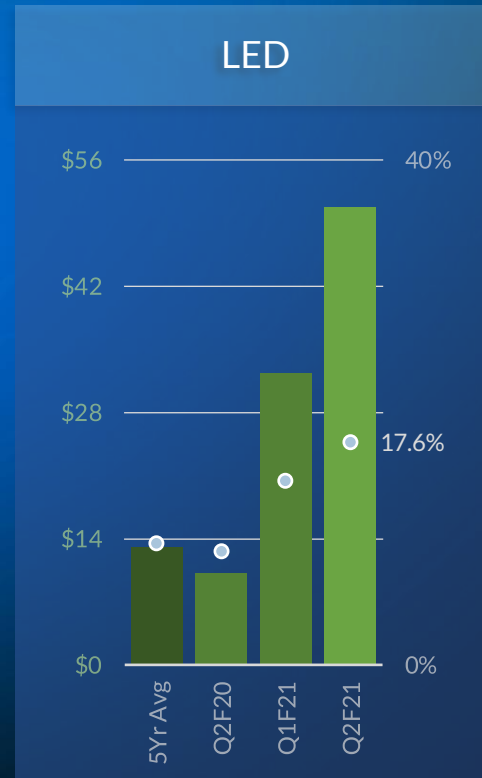
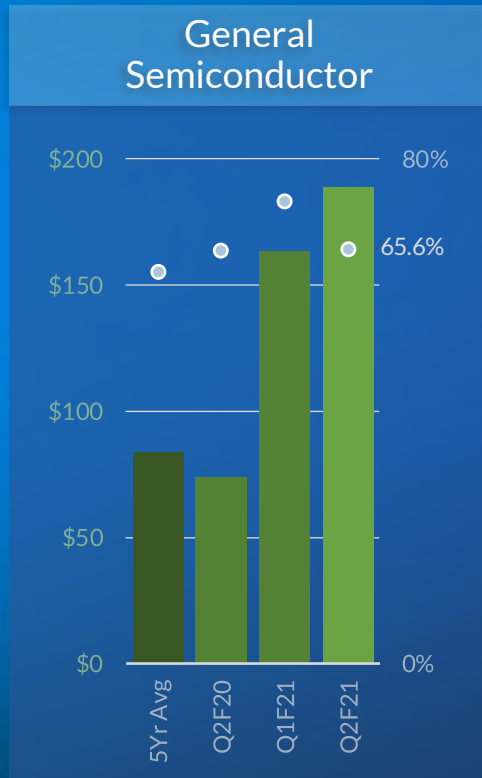
- Data Explosion – 5G, IoT, Big Data
- Electric & Autonomous Transition
- Assembly Complexity Extends Value
 - Benefits Core Business: Connectivity
 - Benefits New Business: Leading Edge, Technology Change

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



- High utilization rates & lead times extends visibility across end markets
- Advanced mini & micro LED rapid progress highlights growth execution
- Ongoing recovery within Automotive & Industrial

Fiscal Second Quarter 2021

\$58.7M
Down \$3M Q/Q

Non-GAAP



Operating
Expense



Revenue

\$340.2M

Up 27% Q/Q

Non-GAAP



Operating
Margin

26.4%

Up 410 bps Q/Q

Non-GAAP



Diluted EPS*

\$1.26

Up 47% Q/Q

Revenue up 27% Q/Q,
up 126% Y/Y

Strong operating margins
highlight leverage potential

Non-GAAP EPS up over 5X Y/Y

Income Statement

Summary Items

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

	Q2F20	Q1F21	Q2F21	Q/Q	Y/Y
Revenue	\$150.7	\$267.9	\$340.2	\$72.3	\$189.5
Gross Margin	46.0%	45.4%	43.7%	(170) bps	(227) bps
Operating Expenses	\$58.2	\$67.4	\$65.4	(\$2.0)	\$7.1
Operating Income	\$11.1	\$54.0	\$83.1	\$29.1	\$72.0
Non-GAAP Net Income*	\$17.0	\$53.7	\$79.4	\$25.7	\$62.4
Diluted EPS	\$0.19	\$0.77	\$1.13	\$0.36	\$0.94
Non-GAAP Diluted EPS*	\$0.26	\$0.86	\$1.26	\$0.40	\$1.00
Diluted Share Count	64.2M	62.7M	63.2M	0.5 M	(1.0) M

Balance Sheet & Cash Flow

Summary Items

\$ values in millions of USD

	Q2F20	Q3F20	Q4F20	Q1F21	Q2F21
Accounts Receivable	\$199.8	\$195.5	\$198.6	\$226.7	\$307.9
Inventory	\$106.2	\$114.2	\$111.8	\$125.1	\$140.0
Accounts Payable	\$50.5	\$49.7	\$57.7	\$89.4	\$123.8
Net Cash	\$524.7	\$515.8	\$530.1	\$576.7	\$564.3
Working Capital Days*	423	417	359	252	205
Share Repurchases	\$18.5	\$22.4	\$8.8	\$1.2	\$1.1
Dividends	\$7.7	\$7.6	\$7.4	\$7.4	\$8.7

Outlook

Fiscal Third Quarter 2021

Structural Dynamics
Continue

New Growth Execution

Non-GAAP Operating
Margins >25%

\$72M
+/- 2%

Non-GAAP
Operating
Expense

\$400M
+/- \$20M

Revenue

Gross
Margin

44%
+/- 50 bps

\$1.35
+/- 10%

Non-GAAP
Diluted EPS*

Q&A

Non-GAAP Reconciliation

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

	Three months ended		
	April 3, 2021	March 28, 2020	January 2, 2021
Net revenue	\$ 340,163	\$ 150,741	\$ 267,857
U.S. GAAP income from operations	83,114	11,076	54,042
U.S. GAAP operating margin	24.4 %	7.3 %	20.2 %
Pre-tax non-GAAP items:			
Amortization related to intangible assets acquired through business combination- selling, general and administrative	1,355	1,820	1,958
Restructuring	—	9	91
Equity-based compensation ^(a)	3,963	3,722	3,401
Acquisition-related costs	1,379	—	351
Non-GAAP income from operations	\$ 89,811	\$ 16,627	\$ 59,843
Non-GAAP operating margin	26.4 %	11.0 %	22.3 %

(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		
	April 3, 2021	March 28, 2020	January 2, 2021
Net revenue	\$ 340,163	\$ 150,741	\$ 267,857
U.S. GAAP net income	71,320	11,888	48,363
U.S. GAAP net margin	21.0 %	7.9 %	18.1 %
Non-GAAP adjustments:			
Amortization related to intangible assets acquired through business combination- selling, general and administrative	1,355	1,820	1,958
Restructuring	—	9	91
Equity-based compensation	3,963	3,722	3,401
Acquisition-related costs	1,379	—	351
Income tax effects on non-GAAP items	1,429	(432)	(474)
Total non-GAAP adjustments	\$ 8,126	\$ 5,119	\$ 5,327
Non-GAAP net income	\$ 79,446	\$ 17,007	\$ 53,690
Non-GAAP net margin	23.4 %	11.3 %	20.0 %
U.S. GAAP net income per share:			
Basic	1.15	0.19	0.78
Diluted ^(a)	1.13	0.19	0.77
Non-GAAP adjustments per share:^(b)			
Basic	0.13	0.08	0.09
Diluted	0.13	0.07	0.09
Non-GAAP net income per share:			
Basic	\$ 1.28	\$ 0.27	\$ 0.87
Diluted ^(c)	\$ 1.26	\$ 0.26	\$ 0.86

- (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, costs associated with restructuring, 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.