

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 3, 2026

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_ .

*Commission File No.: 000-00121*

**KULICKE AND SOFFA INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

**Pennsylvania**

(State or other jurisdiction of incorporation)

**23-1498399**

(IRS Employer  
Identification No.)

23A Serangoon North Avenue 5, #01-01, Singapore 554369

1005 Virginia Dr., Fort Washington, PA 19034

(Address of principal executive offices and Zip Code)

**(215) 784-6000**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Without Par Value	KLIC	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of January 30, 2026, there were 52,326,516 shares of the Registrant's Common Stock, no par value, outstanding.

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**PART I. - FINANCIAL INFORMATION**
**Item 1. – FINANCIAL STATEMENTS**

**KULICKE AND SOFFA INDUSTRIES, INC.**  
**CONSOLIDATED CONDENSED BALANCE SHEETS (Unaudited)**  
*(in thousands)*

	As of	
	January 3, 2026	October 4, 2025
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 282,128	\$ 215,708
Short-term investments	199,000	295,000
Accounts and other receivable, net of allowance for doubtful accounts of \$— and \$—, respectively	215,779	183,538
Inventories, net	176,507	160,225
Prepaid expenses and other current assets	40,800	47,064
<b>TOTAL CURRENT ASSETS</b>	<b>914,214</b>	<b>901,535</b>
Property, plant and equipment, net	57,468	58,993
Operating right-of-use assets	30,827	32,193
Goodwill	69,522	69,522
Intangible assets, net	5,292	5,600
Deferred tax assets	16,460	16,109
Equity investments	7,660	6,978
Investment in debt securities	10,000	10,000
Other assets	3,197	3,412
<b>TOTAL ASSETS</b>	<b>1,114,640</b>	<b>\$ 1,104,342</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 68,892	\$ 57,178
Operating lease liabilities	5,893	6,178
Accrued expenses and other current liabilities	88,409	97,786
Income taxes payable	33,683	27,029
<b>TOTAL CURRENT LIABILITIES</b>	<b>196,877</b>	<b>188,171</b>
Deferred tax liabilities	35,575	35,533
Income taxes payable	16,851	16,580
Operating lease liabilities	31,089	32,372
Other liabilities	9,213	10,195
<b>TOTAL LIABILITIES</b>	<b>\$ 289,605</b>	<b>\$ 282,851</b>
Commitments and contingent liabilities (Note 16)		
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, without par value: Authorized 5,000 shares; issued - none	\$ —	\$ —
Common stock, without par value: Authorized 200,000 shares; issued 85,364 and 85,364, respectively; outstanding 52,323 and 51,920 shares, respectively	620,350	620,043
Treasury stock, at cost, 33,041 and 33,444 shares, respectively	(976,177)	(974,202)
Retained earnings	1,205,569	1,199,500
Accumulated other comprehensive loss	(24,707)	(23,850)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 825,035</b>	<b>\$ 821,491</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,114,640</b>	<b>\$ 1,104,342</b>

The accompanying notes are an integral part of these consolidated condensed financial statements

**KULICKE AND SOFFA INDUSTRIES, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (Unaudited)**

*(in thousands, except per share data)*

	Three months ended	
	January 3, 2026	December 28, 2024
Net revenue	\$ 199,625	\$ 166,124
Cost of sales	100,670	79,040
Gross profit	98,955	87,084
Selling, general and administrative	40,759	38,614
Research and development	40,376	37,808
Gain relating to cessation of business	—	(75,987)
Operating expenses	81,135	435
Income from operations	17,820	86,649
Interest income	4,759	6,352
Interest expense	(40)	(27)
Income before income taxes	22,539	92,974
Provision for income taxes	5,743	11,332
Net income	\$ 16,796	\$ 81,642
Net income per share:		
Basic	\$ 0.32	\$ 1.52
Diluted	\$ 0.32	\$ 1.51
Weighted average shares outstanding:		
Basic	52,319	53,791
Diluted	52,521	54,212

The accompanying notes are an integral part of these consolidated condensed financial statements.

**KULICKE AND SOFFA INDUSTRIES, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)**  
*(in thousands)*

	Three months ended	
	January 3, 2026	December 28, 2024
Net income	\$ 16,796	\$ 81,642
Other comprehensive loss:		
Foreign currency translation adjustment	(293)	(8,257)
Net changes in pension plan, net of tax	(7)	118
Net changes from derivatives designated as hedging instruments, net of tax	(557)	(2,568)
Total other comprehensive loss	(857)	(10,707)
Comprehensive income	<u>\$ 15,939</u>	<u>\$ 70,935</u>

The accompanying notes are an integral part of these consolidated condensed financial statements.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**Consolidated Condensed Statements Of Changes In Shareholders' Equity (Unaudited)**
*(in thousands)*

	Common Stock		Treasury Stock	Retained earnings	Accumulated Other Comprehensive (loss) / income	Shareholders' Equity
	Outstanding Shares	Amount				
Balances as of October 4, 2025	51,920	\$ 620,043	\$ (974,202)	\$ 1,199,500	\$ (23,850)	\$ 821,491
Issuance of stock for services rendered	6	217	53	—	—	270
Repurchase of common stock	(168)	—	(6,663)	—	—	(6,663)
Issuance of shares for equity-based compensation	565	(4,970)	4,635	—	—	(335)
Equity-based compensation	—	5,060	—	—	—	5,060
Cash dividend declared (\$0.205 per share)	—	—	—	(10,727)	—	(10,727)
Components of comprehensive income						
Net income	—	—	—	16,796	—	16,796
Other comprehensive loss	—	—	—	—	(857)	(857)
Balances as of January 3, 2026	52,323	\$ 620,350	\$ (976,177)	\$ 1,205,569	\$ (24,707)	\$ 825,035

	Common Stock		Treasury Stock	Retained earnings	Accumulated Other Comprehensive (loss) / income	Shareholders' Equity
	Outstanding Shares	Amount				
Balances as of September 28, 2024	53,854	\$ 596,703	\$ (881,830)	\$ 1,242,558	\$ (13,422)	\$ 944,009
Issuance of stock for services rendered	7	245	70	—	—	315
Repurchase of common stock	(793)	—	(36,879)	—	—	(36,879)
Issuance of shares for equity-based compensation	473	(4,873)	4,549	—	—	(324)
Excise tax	—	—	(151)	—	—	(151)
Equity-based compensation	—	5,826	—	—	—	5,826
Cash dividend declared (\$0.205 per share)	—	—	—	(10,987)	—	(10,987)
Components of comprehensive income						
Net income	—	—	—	81,642	—	81,642
Other comprehensive loss	—	—	—	—	(10,707)	(10,707)
Balances as of December 28, 2024	53,541	\$ 597,901	\$ (914,241)	\$ 1,313,213	\$ (24,129)	\$ 972,744

The accompanying notes are an integral part of these consolidated condensed financial statements.

**KULICKE AND SOFFA INDUSTRIES, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)**  
*(in thousands)*

	Three months ended	
	January 3, 2026	December 28, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 16,796	\$ 81,642
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,959	5,013
Equity-based compensation	5,330	6,141
Adjustment for inventory valuation	4,028	1,321
Deferred taxes	(308)	10
Gain on disposal of property, plant and equipment	(1)	(107)
Gain on disposal of a subsidiary	—	(3,227)
Dividend income from equity investment	(410)	—
Unrealized fair value changes on equity investment	(272)	125
Unrealized foreign currency transactions	(391)	(2,867)
Changes in operating assets and liabilities, net of businesses acquired or sold:		
Accounts and other receivable	(32,237)	(53,938)
Inventories	(20,252)	(9,050)
Prepaid expenses and other current assets	6,172	1,860
Accounts payable, accrued expenses and other current liabilities	2,644	(15,798)
Income taxes payable	6,925	9,824
Other, net	(916)	(2,047)
Net cash (used in) provided by operating activities	\$ (8,933)	\$ 18,902
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Disposal of a subsidiary, net of cash disposed of	—	2,608
Purchases of property, plant and equipment	(2,676)	(10,202)
Proceeds from sales of property, plant and equipment	1	—
Investment in private equity fund	—	(367)
Purchase of short-term investments	(89,000)	(115,000)
Maturity of short-term investments	185,000	205,000
Net cash provided by investing activities	\$ 93,325	\$ 82,039

**KULICKE AND SOFFA INDUSTRIES, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)(continued)**  
*(in thousands)*

	Three months ended	
	January 3, 2026	December 28, 2024
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment for finance lease	(114)	(106)
Repurchase of common stock/treasury stock	(6,712)	(37,228)
Payments related to tax on vested equity compensation	(335)	(324)
Common stock cash dividends paid	(10,727)	(10,794)
Net cash used in financing activities	\$ (17,888)	\$ (48,452)
Effect of exchange rate changes on cash and cash equivalents	(84)	(1,311)
Changes in cash and cash equivalents	66,420	51,178
Cash and cash equivalents at beginning of period	215,708	227,147
Cash and cash equivalents at end of period	<u>\$ 282,128</u>	<u>\$ 278,325</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:</b>		
Dividend income reinvested to equity investment	(410)	—
<b>CASH (REFUNDED)/PAID FOR:</b>		
Interest	\$ 40	\$ 27
Income taxes, net of refunds	\$ (1,354)	\$ 886

The accompanying notes are an integral part of these consolidated condensed financial statements.

## NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

**NOTE 1. BASIS OF PRESENTATION**

These consolidated condensed financial statements include the accounts of Kulicke and Soffa Industries, Inc. and its subsidiaries (“K&S,” “we,” “us,” “our,” or the “Company”), with appropriate elimination of intercompany balances and transactions.

The interim consolidated condensed financial statements are unaudited and, in management’s opinion, include all adjustments (consisting only of normal and recurring adjustments) necessary for a fair statement of results for these interim periods. The interim consolidated condensed financial statements do not include all of the information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended October 4, 2025 (the “2025 Annual Report”) filed with the Securities and Exchange Commission on November 20, 2025, which includes the Consolidated Balance Sheets as of October 4, 2025 and September 28, 2024, and the related Consolidated Statements of Operations, Statements of Comprehensive Income, Changes in Shareholders’ Equity and Cash Flows for each of the years in the three-year period ended October 4, 2025. The results of operations for any interim period are not necessarily indicative of the results of operations for any other interim period or for a full year.

***Fiscal Year***

Each of the Company’s first three fiscal quarters end on the Saturday that is 13 weeks after the end of the immediately preceding fiscal quarter. The fourth quarter of each fiscal year ends on the Saturday closest to September 30. Fiscal 2026 quarters end on January 3, 2026, April 4, 2026, July 4, 2026 and October 3, 2026. In fiscal years consisting of 53 weeks, the fourth quarter will consist of 14 weeks. Fiscal 2025 quarters ended on December 28, 2024, March 29, 2025, June 28, 2025 and October 4, 2025.

***Nature of Business***

The Company designs, develops, manufactures and sells capital equipment and tools as well as services, maintains, repairs and upgrades equipment, all used to assemble semiconductor devices. The Company’s operating results depend upon the capital and operating expenditures of integrated device manufacturers (“IDMs”), outsourced semiconductor assembly and test providers (“OSATs”), foundry service providers, and other electronics manufacturers and automotive electronics suppliers worldwide which, in turn, depend on the current and anticipated market demand for semiconductors and products utilizing semiconductors. The semiconductor industry is highly volatile and experiences downturns and slowdowns which can have a severe negative effect on the semiconductor industry’s demand for semiconductor capital equipment, including assembly equipment manufactured and sold by the Company and, to a lesser extent, tools, solutions and services, including those sold or provided by the Company. These downturns and slowdowns have in the past adversely affected the Company’s operating results. The Company believes such volatility will continue to characterize the industry and the Company’s operations in the future.

On March 25, 2025, the Board of Directors of the Company approved a strategic plan related to the cessation of the Company’s Electronics Assembly (“EA”) equipment business. As part of the plan, the Company began the process of winding down the EA equipment business in an effort to prioritize core semiconductor assembly business opportunities and enhance overall through-cycle financial performance. The cessation of the EA equipment business is subject to a consultation process with the applicable works council and union representatives, which the Company initiated in the third fiscal quarter of 2025 and, as of January 3, 2026, has substantially completed. The wind down activities remain ongoing and are expected to be substantially completed by fiscal 2026, after which there will be some service support activities to serve out the remaining customer obligations.

In connection with the cessation of the EA equipment business, the Company has reclassified a product line previously included in the Aftermarket Products and Services (“APS”) segment. This product line is now reported within “All Others,” consistent with how the Chief Operating Decision Maker (“CODM”) evaluates the financial information of the EA equipment aftermarket spares and services product line together with the EA capital equipment business as one operating segment for performance assessment and resource allocation purposes. Refer to Note 3: Goodwill and Intangible Assets and Note 15: Segment Information for additional details.

## NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

***Use of Estimates***

The preparation of consolidated condensed financial statements requires management to make assumptions, estimates and judgments that affect the reported amounts of assets and liabilities, net revenue and expenses during the reporting periods, and disclosures of contingent assets and liabilities as of the date of the consolidated condensed financial statements. On an ongoing basis, management evaluates estimates, including but not limited to, those related to accounts receivable, reserves for excess and obsolete inventory and inventory valuation, carrying value and lives of fixed assets, goodwill and intangible assets, accrual for customer credit programs, the valuation estimates and assessment of impairment and observable price adjustments, income taxes, equity-based compensation expense, accrual for employee termination benefits and warranties. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable. As a result, management makes judgments regarding the carrying values of the Company's assets and liabilities that are not readily apparent from other sources. Authoritative pronouncements, historical experience and assumptions are used as the basis for making estimates, and on an ongoing basis, management evaluates these estimates. Actual results may differ from these estimates.

In light of macroeconomic headwinds, there has been uncertainty and disruption in the global economy and financial markets. The Company is not aware of any specific event or circumstance that would require an update to its estimates or judgments or a revision of the carrying value of its assets or liabilities as of January 3, 2026. While there was no material impact from macroeconomic headwinds to our consolidated condensed financial statements as of and for the quarter ended January 3, 2026, these estimates may change, as new events occur and additional information is obtained, including factors related to these headwinds, that could materially impact our consolidated condensed financial statements in future reporting periods.

***Significant Accounting Policies***

There have been no material changes to our significant accounting policies summarized in Note 1: Basis of Presentation to our Consolidated Financial Statements included in our 2025 Annual Report.

***Recent Accounting Pronouncements******Disclosure Improvements***

In October 2023, the Financial Accounting Standards Board (the "FASB") issued ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. This ASU aligns the requirements in the FASB Accounting Standards Codification with the SEC's regulations. The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics. They will also allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. This ASU will become effective for each amendment on the date on which the SEC removes the related disclosure from its regulations. However, if by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and not become effective for any entity. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

***Income Taxes***

In December 2023, the FASB issued ASU 2023-09 *Income Taxes* (Topic 740): Improvement to Income Tax Disclosures. The amendments in this update are intended to enhance the transparency and decision usefulness of income tax disclosures primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. This ASU is effective for the Company's fiscal year 2026. The Company will include disclosures for material items with the filing of its Annual Report on Form 10-K for the year ending on October 3, 2026.

***Disaggregation of Income Statement Expenses***

In November 2024, the FASB issued ASU 2024-03 *Income Statement - Reporting Comprehensive Income -Expense Disaggregation Disclosures* (Topic 220): Disaggregation of Income Statement Expenses. This ASU requires disclosure of certain expenses in the notes to the financial statements. This ASU will be effective for the Company's fiscal year 2028 on a prospective basis, with retrospective application permitted. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

**KULICKE AND SOFFA INDUSTRIES, INC.**

**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

*Government Grants*

In December 2025, the FASB issued ASU 2025-10 *Government Grants* (Topic 832): Accounting for Government Grants Received by Business Entities. This ASU establishes authoritative guidance in ASC 832 for business entities on recognizing, measuring, presenting, and disclosing government grants. The ASU will be effective for the first quarter of the Company's fiscal year 2030, with early adoption permitted. This ASU provides for adoption either on a modified prospective, modified retrospective, or retrospective basis. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

*Interim Reporting*

In December 2025, the FASB issued ASU 2025-11 *Interim Reporting* (Topic 270): Narrow-Scope Improvements. This ASU clarifies disclosure requirements for interim financial statements, adding a comprehensive list of required interim disclosures and introducing a principle to disclose events after year-end that materially affect the entity without changing the overall nature of interim reporting. This ASU will be effective for interim periods with the Company's fiscal year 2029 on a prospective basis, with retrospective application permitted. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**
**NOTE 2. BALANCE SHEET COMPONENTS**

Components of significant balance sheet accounts as of January 3, 2026 and October 4, 2025 are as follows:

<i>(in thousands)</i>	As of	
	January 3, 2026	October 4, 2025
Inventories, net:		
Raw materials and supplies	\$ 117,613	\$ 111,957
Work in process	53,203	45,725
Finished goods	72,085	73,045
	242,901	230,727
Inventory reserves	(66,394)	(70,502)
	\$ 176,507	\$ 160,225
Property, plant and equipment, net:		
Land	\$ 2,182	\$ 2,182
Buildings and building improvements	29,768	29,711
Leasehold improvements	33,168	33,793
Data processing equipment and software	38,539	37,987
Machinery, equipment, furniture and fixtures	105,098	104,459
Construction in progress	6,243	5,540
	214,998	213,672
Accumulated depreciation	(157,530)	(154,679)
	\$ 57,468	\$ 58,993
Accrued expenses and other current liabilities:		
Accrued customer obligations <sup>(1)</sup>	\$ 35,253	\$ 33,414
Wages and benefits	29,299	35,175
Commissions and professional fees	4,557	5,266
Accrued adverse purchase commitments	5,023	7,658
Severance <sup>(2)</sup>	10,582	12,285
Other	3,695	3,988
	\$ 88,409	\$ 97,786

(1) Represents customer advance payments, customer credit program, accrued warranty expense and accrued retrofit obligations.

(2) Please see Note 17: Cessation of Business for more information on the employee termination costs related to the cessation of the EA equipment business.

**NOTE 3. GOODWILL AND INTANGIBLE ASSETS**
**Goodwill**

Intangible assets classified as goodwill are not amortized. The goodwill established in connection with our acquisitions represents the estimated future economic benefits arising from the assets we acquired that did not qualify to be identified and recognized individually. The goodwill also includes the value of expected future cash flows from the acquisitions, expected synergies with our other affiliates and other unidentifiable intangible assets.

The Company performs an annual impairment test of its goodwill during the fourth quarter of each fiscal year, which coincides with the completion of its annual forecasting and refreshing of business outlook process.

The Company performed its annual impairment test in the fourth quarter of fiscal 2025 and concluded that no impairment charge was required. Any future adverse changes in expected operating results and/or unfavorable changes in other economic factors used to estimate fair values could result in a non-cash impairment in the future.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

During the three months ended January 3, 2026, the Company reviewed qualitative factors to ascertain if a “triggering” event may have taken place that would indicate it is more likely than not that the fair value of the reporting unit is less than the carrying value and concluded that no triggering event had occurred. While we have concluded that a triggering event did not occur during the quarter ended January 3, 2026, the persistent macroeconomic headwinds could, in the future, require changes to assumptions utilized in the determination of the estimated fair values of the reporting units which could result in future goodwill impairment charges. Net sales and earnings growth rates could be negatively impacted by reductions or changes in demand for our products. The discount rate utilized in our valuation model could also be impacted by changes in the underlying interest rates and risk premiums included in the determination of the cost of capital.

The following table summarizes the changes in the Company’s recorded goodwill, where applicable, by reportable segments and the “All Others” category as of January 3, 2026 and October 4, 2025.

(in thousands)		Wedge Bonding Equipment		APS		All Others		Total
Balance at October 4, 2025 and January 3, 2026	(1)	\$ 18,280	\$	23,266	\$	27,976	\$	69,522

(1) Cumulative goodwill impairment as of October 4, 2025 was \$21.5 million and \$32.9 million related to APS and All Others, respectively. As discussed in Note 1: Basis of Presentation, during the three months ended January 3, 2026, a certain product line from the APS segment was transferred to and reported within the “All Others” category. The goodwill associated with the impacted reporting unit within the APS segment had been fully impaired as of October 4, 2025; therefore, this transfer did not affect the goodwill ending balance by reportable segments as of January 3, 2026.

**Intangible Assets**

Intangible assets with determinable lives are amortized over their estimated useful lives. The Company’s intangible assets consist primarily of developed technology, customer relationships, in-process research and development, and trade and brand names.

The following table reflects net intangible assets as of January 3, 2026 and October 4, 2025:

(dollar amounts in thousands)	Average estimated useful lives (in years)	As of January 3, 2026			As of October 4, 2025		
		Gross carrying amount	Accumulated amortization	Net amount	Gross carrying amount	Accumulated amortization	Net amount
Developed technology	7.0 to 8.0	\$ 37,461	\$ (34,709)	\$ 2,752	\$ 37,461	\$ (34,576)	\$ 2,885
Customer relationships	5.0 to 8.0	\$ 21,430	\$ (20,055)	\$ 1,375	\$ 21,430	\$ (19,988)	\$ 1,442
Trade and brand name	8.0	\$ 4,600	\$ (4,600)	\$ —	\$ 4,600	\$ (4,600)	\$ —
Other intangible assets	1.0 to 8.0	\$ 5,618	\$ (4,912)	\$ 706	\$ 5,618	\$ (4,804)	\$ 814
In-process research and development	N.A	\$ 459	\$ —	\$ 459	\$ 459	\$ —	\$ 459
<b>Total</b>		<b>\$ 69,568</b>	<b>\$ (64,276)</b>	<b>\$ 5,292</b>	<b>\$ 69,568</b>	<b>\$ (63,968)</b>	<b>\$ 5,600</b>

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

The following table reflects estimated annual amortization expense related to intangible assets as of January 3, 2026:

<i>(in thousands)</i>	As of January 3, 2026
Remaining Fiscal 2026	942
Fiscal 2027	1,013
Fiscal 2028	922
Fiscal 2029	922
Fiscal 2030	922
Thereafter	571
<b>Total amortization expense</b>	<b>5,292</b>

**NOTE 4. CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS**

Cash equivalents consist of instruments with remaining maturities of three months or less at the date of purchase. In general, these investments are free of trading restrictions.

Cash, cash equivalents, and short-term investments consisted of the following as of January 3, 2026:

<i>(in thousands)</i>	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
<b>Current assets:</b>				
Cash	\$ 54,797	\$ —	\$ —	\$ 54,797
<b>Cash equivalents:</b>				
Mutual Funds <sup>(1)</sup>	209,751	154	—	209,905
Time deposits <sup>(2)</sup>	17,426	—	—	17,426
<b>Total cash and cash equivalents</b>	<b>\$ 281,974</b>	<b>\$ 154</b>	<b>\$ —</b>	<b>\$ 282,128</b>
<b>Short-term investments:</b>				
Time deposits <sup>(2)</sup>	199,000	—	—	199,000
<b>Total short-term investments</b>	<b>\$ 199,000</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 199,000</b>
<b>Total cash, cash equivalents, restricted cash, and short-term investments</b>	<b>\$ 480,974</b>	<b>\$ 154</b>	<b>\$ —</b>	<b>\$ 481,128</b>

(1) Mutual funds held by the Company include Money Market Funds and Ultra-Short Funds. The fair value was determined using unadjusted prices in active, accessible markets for identical assets, and as such they were classified as Level 1 assets in the fair value hierarchy.

(2) The fair value of the short-term investments approximates cost basis and is categorized within Level 2 of the fair value hierarchy due to the use of observable market inputs, including benchmark yields and credit spreads. The Company did not recognize any realized gains or losses on the sale of investments during the three months ended January 3, 2026.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

Cash, cash equivalents and short-term investments consisted of the following as of October 4, 2025:

<i>(in thousands)</i>	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
<b>Current assets:</b>				
Cash	\$ 40,570	\$ —	\$ —	\$ 40,570
<b>Cash equivalents:</b>				
Mutual Funds <sup>(1)</sup>	163,517	136	—	163,653
Time deposits <sup>(2)</sup>	11,485	—	—	11,485
<b>Total cash and cash equivalents</b>	<b>\$ 215,572</b>	<b>\$ 136</b>	<b>\$ —</b>	<b>\$ 215,708</b>
<b>Short-term investments:</b>				
Time deposits <sup>(2)</sup>	295,000	—	—	295,000
<b>Total short-term investments</b>	<b>\$ 295,000</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 295,000</b>
<b>Total cash, cash equivalents, restricted cash, and short-term investments</b>	<b>\$ 510,572</b>	<b>\$ 136</b>	<b>\$ —</b>	<b>\$ 510,708</b>

(1) Mutual funds held by the Company include Money Market Funds. The fair value was determined using unadjusted prices in active, accessible markets for identical assets, and as such they were classified as Level 1 assets in the fair value hierarchy.

(2) The fair value of the short-term investments approximates cost basis and is categorized within Level 2 of the fair value hierarchy due to the use of observable market inputs, including benchmark yields and credit spreads. The Company did not recognize any realized gains or losses on the sale of investments during the three months ended December 28, 2024.

**NOTE 5. EQUITY INVESTMENTS**

Equity investments consisted of the following as of January 3, 2026 and October 4, 2025:

<i>(in thousands)</i>	As of	
	January 3, 2026	October 4, 2025
Non-marketable equity securities	\$ 7,660	\$ 6,978

**Net Asset Value (“NAV”) (Private Equity Fund):** Equity investments in affiliated investment funds are valued based on the NAV reported by the investment fund in accordance with ASC Topic 820-10. Investments held by the affiliated investment fund include a diversified portfolio of investments in the global semiconductor industry. The Company receives distributions through the liquidation of the underlying investments by the affiliated investment fund. However, the period of time over which the underlying investments are expected to be liquidated is unknown. Additionally, the Company’s ability to withdraw from the fund is subject to restrictions. The term of the fund will continue until March 18, 2032, unless dissolved earlier or otherwise extended by the General Partner. In accordance with ASC Topic 820-10, this investment is measured at fair value using the NAV per share (or its equivalent) practical expedient and has not been classified in the fair value hierarchy. As of January 3, 2026, the Company has funded \$6.7 million into the affiliated investment fund and recognized a cumulative unrealized fair value gain of \$1.0 million. The Company has recorded the amount of funded capital that has been called as an equity investment.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**
**NOTE 6. INVESTMENT IN DEBT SECURITIES**

Debt securities have been classified in the Consolidated Condensed Balance Sheets according to management's intent. Investment in debt securities consisted of the following as of January 3, 2026 and October 4, 2025:

<i>(in thousands)</i>	As of	
	January 3, 2026	October 4, 2025
Held-to-maturity debt securities	10,000	10,000

The Company classifies its investment in debt securities as held-to-maturity, which were carried at amortized cost. Although held-to-maturity securities are recorded at amortized cost, the Company discloses the fair value in accordance with ASC 825-10. The fair value of the investment approximates cost basis and is categorized within Level 2 of the fair value hierarchy due to the use of observable market inputs, including benchmark yields and credit spreads.

Maturity of debt securities as of January 3, 2026 were as follows:

<i>(in thousands)</i>	Total	Maturity grouping			
		Within 1 year	1 - 5 years	5 - 10 years	After 10 years
Held-to-maturity debt securities	\$ 10,000	—	\$ 10,000	—	—
Total	\$ 10,000	\$ —	\$ 10,000	\$ —	\$ —

The Company did not recognize any unrealized gains or losses during the three months ended January 3, 2026.

**NOTE 7. FAIR VALUE MEASUREMENTS**

Accounting standards establish three levels of inputs that may be used to measure fair value: quoted prices in active markets for identical assets or liabilities (referred to as Level 1), inputs other than Level 1 that are observable for the asset or liability either directly or indirectly (referred to as Level 2) and unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities (referred to as Level 3).

***Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis***

We measure certain financial assets and liabilities as described in Note 4: Cash, Cash Equivalents, And Short-term Investments, Note 5: Equity Investments on a recurring basis. There were no transfers between fair value measurement levels during the three months ended January 3, 2026 and October 4, 2025.

***Fair Value Measurements on a Nonrecurring Basis***

Our non-financial assets such as intangible assets and property, plant and equipment are carried at cost unless impairment is deemed to have occurred.

***Fair Value of Financial Instruments***

Amounts reported as accounts receivables, prepaid expenses and other current assets, investment in debt securities, accounts payable and accrued expenses approximate fair value.

**NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS**

The Company's international operations are exposed to changes in foreign exchange rates due to transactions denominated in currencies other than U.S. dollars. Most of the Company's revenue and cost of materials are transacted in U.S. dollars. However, a significant amount of the Company's operating expenses is denominated in local currencies, primarily in Singapore.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

The foreign currency exposure of our operating expenses is generally hedged with foreign exchange forward contracts. The Company's foreign exchange risk management programs include using foreign exchange forward contracts with cash flow hedge accounting designation to hedge exposures to the variability in the U.S. dollar equivalent of forecasted non-U.S. dollar-denominated operating expenses. These instruments generally mature within twelve months. For these derivatives, we report the after-tax gain or loss from the effective portion of the hedge as a component of accumulated other comprehensive (loss) / income, and we reclassify it into earnings in the same period or periods in which the hedged transaction affects earnings and in the same line item on the Consolidated Condensed Statements of Comprehensive Income as the impact of the hedged transaction.

The fair value of derivative instruments on our Consolidated Condensed Balance Sheets as of January 3, 2026 and October 4, 2025 were as follows:

<i>(in thousands)</i>	As of			
	January 3, 2026		October 4, 2025	
	Notional Amount	Fair Value Liability Derivatives <sup>(1)</sup>	Notional Amount	Fair Value Asset Derivatives <sup>(2)</sup>
<b>Derivatives designated as hedging instruments:</b>				
Foreign exchange forward contracts <sup>(3)</sup>	\$ 42,821	\$ (472)	\$ 49,974	\$ 85
<b>Total derivatives</b>	<b>\$ 42,821</b>	<b>\$ (472)</b>	<b>\$ 49,974</b>	<b>\$ 85</b>

(1) The fair value of derivative liabilities is measured using level 2 fair value inputs and is included in accrued expenses and other current liabilities on our Consolidated Condensed Balance Sheets.

(2) The fair value of derivative assets is measured using level 2 fair value inputs and is included in prepaid expenses and other current assets on our Consolidated Condensed Balance Sheets.

(3) Hedged amounts expected to be recognized to income within the next twelve months.

The effects of derivative instruments designated as cash flow hedges in our Consolidated Condensed Statements of Comprehensive Income for the three months ended January 3, 2026 and December 28, 2024 were as follows:

<i>(in thousands)</i>	Three months ended	
	January 3, 2026	December 28, 2024
<b>Foreign exchange forward contract in cash flow hedging relationships:</b>		
Net loss recognized in OCI, net of tax	<sup>(1)</sup> \$ (316)	\$ (2,285)
Net gain reclassified from accumulated OCI into income, net of tax	<sup>(2)</sup> \$ 241	\$ 283

(1) Net change in the fair value of the effective portion classified in OCI.

(2) Effective portion classified as selling, general and administrative expense.

## NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

**NOTE 9. LEASES**

We have entered into various non-cancellable operating and finance lease agreements for certain of our offices, manufacturing, technology, sales support and service centers, equipment, and vehicles. We determine if an arrangement is a lease, or contains a lease, at inception and record the leases in our financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor. Our lease terms may include one or more options to extend the lease terms, for periods from one year to 20 years, when it is reasonably certain that we will exercise that option. As of January 3, 2026, there were no options to extend the lease which was recognized as a right-of-use ("ROU") asset, or a lease liability. We have lease agreements with lease and non-lease components, and non-lease components are accounted for separately and not included in our leased assets and corresponding liabilities. We have elected not to present short-term leases on the Consolidated Condensed Balance Sheets as these leases have a lease term of 12 months or less at lease inception.

Operating leases are included in operating ROU assets, current operating lease liabilities and non-current operating lease liabilities, and finance leases are included in property, plant and equipment, accrued expenses and other current liabilities, and other liabilities on the Consolidated Condensed Balance Sheets. As of January 3, 2026 and October 4, 2025, our finance leases were not material.

The following table shows the components of lease expense:

<i>(in thousands)</i>	Three months ended	
	January 3, 2026	December 28, 2024
Operating lease expense <sup>(1)</sup>	\$ 2,251	\$ 2,348

(1) Operating lease expense includes short-term lease expense and variable lease expenses, which is immaterial for the three months ended January 3, 2026 and December 28, 2024.

The following table shows the cash flows arising from lease transactions. Cash payments related to short-term leases are not included in the measurement of operating lease liabilities, and, as such, are excluded from the amounts below:

<i>(in thousands)</i>	Three months ended	
	January 3, 2026	December 28, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 2,520	\$ 2,570

The following table shows the weighted-average lease terms and discount rates for operating leases:

	As of	
	January 3, 2026	October 4, 2025
Operating leases:		
Weighted-average remaining lease term <i>(in years)</i> :	6.5	6.6
Weighted-average discount rate:	7.1 %	6.9 %

## KULICKE AND SOFFA INDUSTRIES, INC.

## NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

Future lease payments, excluding short-term leases, as of January 3, 2026, are detailed as follows:

(in thousands)	As of
	January 3, 2026
Remaining fiscal 2026	\$ 6,481
Fiscal 2027	7,527
Fiscal 2028	6,953
Fiscal 2029	6,651
Fiscal 2030	5,215
Thereafter	13,548
Total minimum lease payments	46,375
Less: Interest	\$ 9,393
Present value of lease obligations	\$ 36,982
Less: Current portion	\$ 5,893
Long-term portion of lease obligations	\$ 31,089

**NOTE 10. DEBT AND OTHER OBLIGATIONS*****Bank Guarantees***

On November 22, 2013, the Company obtained a \$5.0 million credit facility with Citibank in connection with the issuance of bank guarantees for operational purposes. As of January 3, 2026, no liability has been recognized on the Consolidated Condensed Balance Sheets in connection with these bank guarantees.

**NOTE 11. SHAREHOLDERS' EQUITY AND EMPLOYEE BENEFIT PLANS*****Share Repurchase Program***

As announced on November 13, 2024, the Company's Board of Directors authorized a new share repurchase program to repurchase up to \$300 million of the Company's common stock (the "New Program"). On December 2, 2024, the Company entered into a new written trading plan under Rule 10b5-1 of the Exchange Act, to facilitate repurchases under the New Program. The plan permits the purchase of up to approximately \$300 million of the Company's common stock from December 2, 2024 through December 2, 2029.

The New Program may be suspended or discontinued at any time and is funded using the Company's available cash, cash equivalents and short-term investments. Under the New Program, shares may be repurchased through open market and/or privately negotiated transactions at prices deemed appropriate by management. The timing and amount of repurchase transactions under the New Program depend on market conditions as well as corporate and regulatory considerations.

During the three months ended January 3, 2026, the Company repurchased a total of approximately 168.0 thousand shares of common stock under the New Program at a cost of approximately \$6.7 million.

The stock repurchases were recorded in the periods the repurchased shares were delivered and accounted for as treasury stock in the Company's Consolidated Condensed Balance Sheets. The Company records treasury stock purchases under the cost method using the first-in, first-out (FIFO) method. Upon re-issuance of treasury stock, amounts in excess of the acquisition cost are credited to additional paid-in capital.

If the Company reissues treasury stock at an amount below its acquisition cost and additional paid-in capital associated with prior treasury stock transactions is insufficient to cover the difference between acquisition cost and the reissue price, this difference is recorded against retained earnings.

As of January 3, 2026, our remaining stock repurchase authorization under the New Program was approximately \$227.1 million.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**
**Dividends**

On December 5, 2025, the Board of Directors declared a quarterly dividend of \$0.205 per share of common stock. Dividends paid during the three months ended January 3, 2026 totaled \$10.7 million. The declaration of any future cash dividend is at the discretion of the Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements, business conditions and other factors, as well as a determination that such dividends are in the best interests of the Company's shareholders.

**Accumulated Other Comprehensive Loss**

The following table reflects changes in accumulated other comprehensive income / (loss) by component as of January 3, 2026 and October 4, 2025:

<i>(in thousands)</i>	Cumulative Foreign Currency Translation Adjustment	Pension Plan Adjustments	(Loss) / Gain on Derivative Instruments	Total
As of October 4, 2025	\$ (22,169)	\$ (1,766)	\$ 85	\$ (23,850)
Other comprehensive income / (loss) before reclassifications	(242)	(7)	(316)	(565)
Amount reclassified out of accumulated other comprehensive income / (loss)	—	—	(241)	(241)
Tax effects	(51)	—	—	(51)
Accumulated other comprehensive loss	(293)	(7)	(557)	(857)
As of January 3, 2026	\$ (22,462)	\$ (1,773)	\$ (472)	\$ (24,707)

**Equity-Based Compensation**

The Company has a stockholder-approved equity-based compensation plan, the 2021 Omnibus Incentive Plan (the "Plan") from which employees and directors receive grants. As of January 3, 2026, 3.4 million shares of common stock are available for grant to the Company's employees and directors under the Plan.

- Relative Total Shareholder Return Performance Share Units ("Relative TSR PSUs") entitle the employee to receive common stock of the Company on the award vesting date, typically the third anniversary of the grant date (or as soon as administratively practicable if later), if market performance objectives which measure the relative TSR are attained. Relative TSR is calculated based upon the 90-calendar day average price at the end of the performance period of the Company's stock as compared to specific peer companies that comprise the GICS (45301020) Semiconductor Index. TSR is measured for the Company and each peer company over a performance period, which is generally three years. Vesting percentages range from 0% to 200% of awards granted. The provisions of the Relative TSR PSUs are reflected in the grant date fair value of the award; therefore, compensation expense is recognized regardless of whether the market condition is ultimately satisfied. Compensation expense is reversed if the award is forfeited prior to the vesting date.
- Revenue Growth Performance Share Units ("Growth PSUs") entitle the employee to receive common stock of the Company on the award vesting date, typically the third anniversary of the grant date (or as soon as administratively practicable if later), based on organic revenue growth objectives and relative growth performance against named competitors as set by the Management Development and Compensation Committee ("MDCC") of the Company's Board of Directors. Organic revenue growth is calculated by averaging revenue growth (net of revenues from acquisitions) over a performance period, which is generally three years. Revenues from acquisitions will be included in the calculation after four fiscal quarters after acquisition. Any portion of the grant that does not meet the revenue growth objectives and relative growth performance is forfeited. Vesting percentages range from 0% to 200% of awards granted.
- In general, Time-based Restricted Share Units ("Time-based RSUs") awarded to employees vest ratably over a three-year period on the anniversary of the grant date provided the employee remains employed by the Company.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

Equity-based compensation expense recognized in the Consolidated Condensed Statements of Operations for the three months ended January 3, 2026 and December 28, 2024 was based upon awards ultimately expected to vest, with forfeiture accounted for when they occur.

The following table reflects Time-based RSUs, Relative TSR PSUs and common stock granted during the three months ended January 3, 2026 and December 28, 2024:

<i>(shares in thousands)</i>	Three months ended	
	January 3, 2026	December 28, 2024
Time-based RSUs	568	563
Relative TSR PSUs	75	128
Common stock	6	7
Equity-based compensation in shares	649	698

The following table reflects total equity-based compensation expense, which includes Time-based RSUs, Relative TSR PSUs, Growth PSUs and common stock, included in the Consolidated Condensed Statements of Operations during the three months ended January 3, 2026 and December 28, 2024:

<i>(in thousands)</i>	Three months ended	
	January 3, 2026	December 28, 2024
Cost of sales	\$ 437	\$ 383
Selling, general and administrative	2,892	3,739
Research and development	2,001	2,019
Total equity-based compensation expense	\$ 5,330	\$ 6,141

The following table reflects equity-based compensation expense, by type of award, for the three months ended January 3, 2026 and December 28, 2024:

<i>(in thousands)</i>	Three months ended	
	January 3, 2026	December 28, 2024
Time-based RSUs	\$ 5,013	\$ 5,156
Relative TSR PSUs	1,459	1,778
Growth PSUs	(1,412)	(1,108)
Common stock	270	315
Total equity-based compensation expense	\$ 5,330	\$ 6,141

**NOTE 12. REVENUE AND CONTRACT BALANCES**

The Company recognizes revenue when we satisfy performance obligations as evidenced by the transfer of control of our products or services to customers. In general, the Company generates revenue from product sales, either directly to customers or to distributors. In determining whether a contract exists, we evaluate the terms of the agreement, the relationship with the customer or distributor and their ability to pay. Service revenue is generally recognized over time as the services are performed. For the three months ended January 3, 2026 and December 28, 2024, the service revenue was not material.

The Company reports revenue based on its reportable segments and end markets, which provides information about how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. Please refer to Note 15: Segment Information, for disclosure of revenue by segment and end market.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**
**Contract Balances**

(in thousands)	As of	
	January 3, 2026	October 4, 2025
Contract liabilities	\$ 25,356	\$ 23,936

Our contract liabilities are primarily related to payments received in advance of satisfying performance obligations, and are reported in the accompanying Consolidated Condensed Balance Sheets within accrued expenses and other current liabilities.

Contract liabilities increased as a result of receiving new advanced payments from customers, partially offset by the recognition in revenue of \$14.6 million that was included in contract liabilities as of October 4, 2025.

**NOTE 13. EARNINGS PER SHARE**

Basic income per share is calculated using the weighted average number of shares of common stock outstanding during the period. Restricted stock are included in the calculation of diluted earnings per share, except when their effect would be anti-dilutive.

The following table reflects a reconciliation of the shares used in the basic and diluted net income per share computation for the three months ended January 3, 2026 and December 28, 2024:

(in thousands, except per share)	Three months ended			
	January 3, 2026		December 28, 2024	
	Basic	Diluted	Basic	Diluted
<b>NUMERATOR:</b>				
Net income	\$ 16,796	\$ 16,796	\$ 81,642	\$ 81,642
<b>DENOMINATOR:</b>				
Weighted average shares outstanding - Basic	52,319	52,319	53,791	53,791
Dilutive effect of Equity Plans		202		421
Weighted average shares outstanding - Diluted		52,521		54,212
<b>EPS:</b>				
Net income per share - Basic	\$ 0.32	\$ 0.32	\$ 1.52	\$ 1.52
Effect of dilutive shares		—		(0.01)
Net income per share - Diluted		\$ 0.32		\$ 1.51
Anti-dilutive shares <sup>(1)</sup>		8		1

(1) Represents the Time-based RSUs, Relative TSR PSUs and Growth PSUs that are excluded from the calculation of diluted earnings per share for the three months ended January 3, 2026 and December 28, 2024 as the effect would have been anti-dilutive.

## KULICKE AND SOFFA INDUSTRIES, INC.

## NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

**NOTE 14. INCOME TAXES**

The following table reflects the provision for income taxes and the effective tax rate for the three months ended January 3, 2026 and December 28, 2024:

<i>(dollar amounts in thousands)</i>	Three months ended	
	January 3, 2026	December 28, 2024
Provision for income taxes	\$ 5,743	\$ 11,332
Effective tax rate	25.5 %	12.2 %

As previously disclosed in fiscal 2025, the Company received reimbursement from the cancellation of a prior project, for which the Company was engaged by one of its customers to support the customer with the development and future mass production of certain technologies (the "Project").

For the three months ended January 3, 2026, the decrease in provision for income taxes and the increase in the effective tax rate was primarily due to the reimbursement from cancellation of the Project, which was recorded as a discrete item in the first quarter of the prior fiscal year, partially offset by an increase in profitability.

For the three months ended January 3, 2026, the effective tax rate is higher than the U.S. federal statutory tax rate primarily due to nondeductible expenses, deemed income, and taxes on undistributed foreign earnings, partially offset by tax credits.

**NOTE 15. SEGMENT INFORMATION**

Reportable segments are defined as components of an enterprise that engage in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker (the "CODM") in deciding how to allocate resources and assess performance. The Company's Interim Chief Executive Officer is the CODM. Our CODM evaluates performance and allocates resources primarily based on income from operations. This measure is regularly provided to and reviewed by our CODM to support budgeting, forecasting, and decisions regarding resource allocation for strategic initiatives across segments, capital investments, and workforce planning. While income from operations is the primary measure used by our CODM to allocate resources, our CODM regularly reviews materials that present revenue, cost of sales and significant operating expenses. Accordingly, we have disclosed these segment items in the tables below. The CODM does not review discrete asset information.

Future changes to this internal financial structure may result in changes to our reportable segments. The Company has four reportable segments consisting of: (1) Ball Bonding Equipment, (2) Wedge Bonding Equipment, (3) Advanced Solutions, and (4) Aftermarket Products and Services ("APS"). The four reportable segments are disclosed below:

**Ball Bonding Equipment:** Reflects the results of the Company from the design, development, manufacture and sale of ball bonding equipment and wafer level bonding equipment.

**Wedge Bonding Equipment:** Reflects the results of the Company from the design, development, manufacture and sale of wedge and wedge-related bonding equipment.

**Advanced Solutions:** Reflects the results of the Company from the design, development, manufacture and sale of die-attach and thermocompression systems and solutions.

**APS:** Reflects the results of the Company from the design, development, manufacture and sale of a variety of tools, spares and services for our equipment.

Any other operating segments that have not been aggregated within the reportable segments described above which do not meet the quantitative threshold to be disclosed as a separate reportable segment have been grouped within an "All Others" category. This group is reflective of the results of the Company from the design, development, manufacture and sale of advanced dispense, electronics assembly systems and solutions and related aftermarket spares and services. Results for the "All Others" category and other corporate expenses are included as a reconciling item between the Company's reportable segments and its consolidated results of operations.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

The unallocated corporate expenses category includes certain operating expenses that are not allocated to our reportable segments and are managed separately at the corporate level. These operating expenses include costs related to certain management, finance, legal, human resources, and research and development functions provided at the corporate level. In addition, we do not allocate to our reportable segments severance costs related to restructuring actions. Segment operating income also excludes interest income/expenses, other financial charges and income taxes. Our CODM does not consider the unallocated costs in measuring the performance of the reportable segments.

The following table reflects operating information by segment for the three months ended January 3, 2026 and December 28, 2024:

(in thousands)

	Three months ended January 3, 2026						
	Reportable segments				Reconciling items		
	Ball Bonding Equipment	Wedge Bonding Equipment	Advanced Solutions	APS	All Others	Unallocated Corporate Expenses	Total Company
Net Revenue	\$ 110,283	\$ 21,121	\$ 17,221	\$ 39,624	\$ 11,376	\$ —	\$ 199,625
Cost of sales	54,910	12,846	9,626	18,978	4,304	6	100,670
Selling, general and administrative	6,641	2,396	4,535	3,298	3,773	20,116	40,759
Research and development	10,256	6,251	14,029	2,852	3,016	3,972	40,376
Total operating expenses	16,897	8,647	18,564	6,150	6,789	24,088	81,135
Income / (Loss) from operations	\$ 38,476	\$ (372)	\$ (10,969)	\$ 14,496	\$ 283	\$ (24,094)	\$ 17,820

(in thousands)

	Three months ended December 28, 2024						
	Reportable segments				Reconciling items		
	Ball Bonding Equipment	Wedge Bonding Equipment	Advanced Solutions	APS <sup>(1)</sup>	All Others <sup>(1)</sup>	Unallocated Corporate Expenses	Total Company
Net Revenue	\$ 59,686	\$ 32,223	\$ 28,178	\$ 32,117	\$ 13,920	\$ —	\$ 166,124
Cost of sales	30,998	17,906	6,304	14,950	8,873	9	79,040
Selling, general and administrative	5,614	2,122	(69,308)	3,001	2,900	18,298	(37,373)
Research and development	9,646	5,492	12,608	2,483	5,787	1,792	37,808
Total operating expenses	15,260	7,614	(56,700)	5,484	8,687	20,090	435
Income / (Loss) from operations	\$ 13,428	\$ 6,703	\$ 78,574	\$ 11,683	\$ (3,640)	\$ (20,099)	\$ 86,649

**KULICKE AND SOFFA INDUSTRIES, INC.****NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

(1) In view of the cessation of EA equipment business, the financial results for the three months ended January 3, 2026 now excludes a certain product line from the APS segment and now reports it as part of "All Others". This change in composition of reportable segments has been retrospectively applied to the corresponding results for the three months ended December 28, 2024.

The following table reconciles total segment profit to total income / (loss) before income taxes for the three months ended January 3, 2026 and December 28, 2024:

	Three months ended	
	January 3, 2026	December 28, 2024
Total income from reportable segments	\$ 41,631	\$ 110,388
All Others	283	(3,640)
Unallocated corporate expenses	(24,094)	(20,099)
Net interest income	4,719	6,325
Income before income taxes	\$ 22,539	\$ 92,974

We have considered: (1) information that is regularly provided to our CODM in evaluating financial performance and how to allocate resources; and (2) other financial data, including information that we include in our earnings releases but which is not included in our financial statements, to disaggregate revenues by end markets served. The principal category we use to disaggregate revenues is by the end markets served.

The following table reflects net revenue by end markets served for the three months ended January 3, 2026 and December 28, 2024:

(in thousands)	Three months ended	
	January 3, 2026	December 28, 2024
General Semiconductor <sup>(1)</sup>	\$ 124,682	\$ 65,559
Automotive & Industrial <sup>(1)</sup>	13,635	50,454
Memory <sup>(1)</sup>	16,222	10,725
APS <sup>(1)</sup>	45,086	39,386
Total revenue	\$ 199,625	\$ 166,124

(1) In view of the cessation of EA equipment business, the Company has simplified its end market disclosures by consolidating LED revenue within Automotive & Industrial revenue. As a result, the net revenue recorded within the previously-defined LED end market for prior periods has been consolidated within the Automotive & Industrial end market to conform to the current period presentation.

## KULICKE AND SOFFA INDUSTRIES, INC.

## NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The following table reflects capital expenditures, depreciation expense and amortization expense for the three months ended January 3, 2026 and December 28, 2024:

(in thousands)	Three months ended	
	January 3, 2026	December 28, 2024
<b>Capital expenditures:</b>		
Ball Bonding Equipment	\$ 35	\$ 7
Wedge Bonding Equipment	76	35
Advanced Solutions	—	78
APS <sup>(1)</sup>	749	307
All Others <sup>(1)</sup>	5	225
Corporate Expenses	1,204	1,459
	<u>\$ 2,069</u>	<u>\$ 2,111</u>
<b>Depreciation expense:</b>		
Ball Bonding Equipment	\$ 275	\$ 332
Wedge Bonding Equipment	227	227
Advanced Solutions	261	235
APS <sup>(1)</sup>	1,199	1,397
All Others <sup>(1)</sup>	282	330
Corporate Expenses	1,407	1,246
	<u>\$ 3,651</u>	<u>\$ 3,767</u>
<b>Amortization expense:</b>		
Ball Bonding Equipment	\$ —	\$ —
Wedge Bonding Equipment	—	—
Advanced Solutions	—	—
APS <sup>(1)</sup>	—	—
All Others <sup>(1)</sup>	216	1,154
Corporate Expenses	92	92
	<u>\$ 308</u>	<u>\$ 1,246</u>

(1) In view of the cessation of EA equipment business, the financial results for the three months ended January 3, 2026 now excludes a certain product line from the APS segment and now reports it as part of "All Others". This change in composition of reportable segments has been retrospectively applied to the corresponding results for the three months ended December 28, 2024.

**NOTE 16. COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS****Warranty Expense**

The Company's equipment is generally shipped with a one-year warranty against manufacturing defects. The Company establishes reserves for estimated warranty expense when revenue for the related equipment is recognized. The reserve for estimated warranty expense is based upon historical experience and management's estimate of future warranty costs, including product part replacement, freight charges and related labor costs expected to be incurred in correcting manufacturing defects during the warranty period.

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

The following table reflects the reserve for warranty activity for the three months ended January 3, 2026 and December 28, 2024:

(in thousands)	Three months ended	
	January 3, 2026	December 28, 2024
Reserve for product warranty, beginning of period	\$ 7,255	\$ 9,911
Provision for product warranty	3,452	2,529
Utilization of reserve	(3,068)	(3,014)
Reserve for product warranty, end of period	\$ 7,639	\$ 9,426

**Other Commitments and Contingencies**

The following table reflects obligations not reflected on the Consolidated Condensed Balance Sheets as of January 3, 2026:

(in thousands)	Payments due by fiscal year						
	Total	2026	2027	2028	2029	2030	Thereafter
Inventory purchase obligation <sup>(1)</sup>	\$ 297,699	\$ 297,699	\$ —	\$ —	\$ —	\$ —	\$ —

(1) The Company orders inventory components in the normal course of its business. A portion of these orders are non-cancelable and a portion may have varying penalties and charges in the event of cancellation.

From time to time, the Company is party to or the target of lawsuits, claims, investigations and proceedings, including for personal injury, intellectual property, commercial, contract, and employment matters, which are handled and defended in the ordinary course of business. The Company accrues a contingent loss liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When a single amount cannot be reasonably estimated but the cost can be estimated within a range, the Company accrues the minimum amount. The Company expenses legal costs, including those expected to be incurred in connection with a loss contingency, as incurred.

**Unfunded Capital Commitments**

As of January 3, 2026, the Company also has an obligation to fund uncalled capital commitments of approximately \$3.3 million, as and when required, in relation to its investment in a private equity fund.

**Concentrations**

The following table reflects significant customer concentrations as a percentage of net revenue for the three months ended January 3, 2026 and December 28, 2024:

	Three months ended	
	January 3, 2026	December 28, 2024
Tianshui Huatian Technology Co., Ltd	16.1 %	10.9 %
Changjin Technology (Shanghai) Co., Ltd	12.9 %	*
First Technology China Ltd	*	11.8 %
Haoseng Industrial Co., Ltd	11.0 %	*

\* Represents less than 10% of total net revenue

**KULICKE AND SOFFA INDUSTRIES, INC.**
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)**

The following table reflects significant customer concentrations as a percentage of total accounts receivable as of January 3, 2026 and December 28, 2024:

	As of	
	January 3, 2026	December 28, 2024
Tianshui Huatian Technology Co., Ltd	30.7 %	23.4 %
Haoseng Industrial Co Ltd	18.5 %	*
Forehope Electronic (Ningbo) Co., Ltd.	*	11.8 %

\* Represents less than 10% of total accounts receivable

**NOTE 17. CESSATION OF BUSINESS**
***Cessation of EA Equipment Business***

On March 25, 2025, the Board of Directors of the Company approved a strategic plan related to the cessation of the EA equipment business. As part of the plan, the Company began the process of winding down the EA equipment business in an effort to prioritize core semiconductor assembly business opportunities and enhance overall through-cycle financial performance. The cessation of the EA equipment business is subject to a consultation process with the applicable works council and union representatives, which the Company initiated in the third fiscal quarter of 2025 and, as of January 3, 2026, has substantially completed. The wind down activities remain ongoing and are expected to be substantially completed by fiscal 2026, after which there will be some service support activities to serve out the remaining customer obligations.

Wind down charges as a result of these activities incurred during the three months ended January 3, 2026 were accounted in accordance with ASC 420, *Exit or Disposal Cost Obligations* and ASC 712, *Compensation—Nonretirement Postemployment Benefits*. The wind down charges are primarily recorded in the Company's "All Others" category. We plan to fund the cash costs through existing cash balances.

***Employee termination benefits***

The Company incurred employee termination benefits pertaining to ongoing and one-time benefit arrangements in accordance with ASC 712 and 420. The movement of the balances as of January 3, 2026 is summarized below:

<i>(in thousands)</i>	Ongoing employee benefit arrangements	One-time employee benefit arrangements	Total
As of October 4, 2025	\$ 4,380	\$ 957	\$ 5,337
Additions charged to expense	\$ —	\$ 1,801	\$ 1,801
Cash payments	\$ (675)	\$ (755)	\$ (1,430)
As of January 3, 2026	\$ 3,705	\$ 2,003	\$ 5,708

The costs related to the one-time employee benefit arrangements were recorded within "Selling, general and administrative" in the Consolidated Condensed Statements of Operations, and are expected to be paid progressively as we complete the wind-down activities. We expect to record between approximately \$2.0 million and \$4.0 million of these costs throughout the completion of the wind-down period.

## Item 2. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Forward-Looking Statements

*In addition to historical information, this Quarterly Report contains statements relating to future events or our future results. These statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are subject to the safe harbor provisions created by statute. Such forward-looking statements include, but are not limited to, statements with respect to our future revenue increasing, continuing or strengthening, or decreasing or weakening; our capital allocation strategies, including any share repurchases; demand for our products, including replacement demand; our research and development efforts; our ability to identify and realize new growth opportunities; our ability to successfully execute our business; our ability to control costs; and our operational flexibility as a result of (among other factors):*

- our ability to successfully complete the cessation of our Electronics Assembly ("EA") equipment business, including delays or other problems arising from regulatory or judicial review of the activities concerning the cessation;*
- our ability to achieve expected organizational efficiencies after the successful cessation of our EA equipment business;*
- risks arising from changes or uncertainties in trade policies, including the imposition of new, reciprocal or increases in existing tariffs or other restrictive trade measures, affecting supply chain costs, product pricing and customer demand;*
- our expectations regarding the potential impacts on our business of actual or potential inflationary pressures, interest rate and risk premium adjustments, falling consumer sentiment, or economic recession caused, directly or indirectly, by the ongoing tensions in the Middle East, the prolonged Ukraine/Russia conflict, global trade relations, geopolitical tensions and other macroeconomic factors;*
- our expectations regarding supply chain disruptions caused, directly or indirectly, by various macroeconomic events, including increased tariffs, geopolitical tensions, catastrophic events resulting from climate change or other natural disasters and other factors;*
- our expectations regarding our effective tax rate and our unrecognized tax benefit;*
- our ability to operate our business in accordance with our business plan;*
- our ability to adequately protect our trade secrets and intellectual property rights from misappropriation;*
- our expectations regarding our success in integrating companies we may acquire with our business, and our ability to continue to acquire or divest companies;*
- risks inherent in doing business on an international level, including currency risks, regulatory requirements, systems and cybersecurity risks, political risks, evolving trade and export restrictions and other trade-related barriers;*
- disruptions, breaches or failures in our information technology systems and network infrastructures;*
- projected growth rates in the overall semiconductor industry, the semiconductor assembly equipment market, and the market for semiconductor packaging materials;*
- projected demand for our products and services; and*
- unexpected delays and difficulties in executing our environmental, social and governance ("ESG") targets and commitments.*

Generally, words such as “may,” “will,” “should,” “could,” “anticipate,” “expect,” “intend,” “estimate,” “plan,” “continue,” “goal” and “believe,” or the negative of or other variations on these and other similar expressions identify forward-looking statements. These forward-looking statements are made only as of the date of this filing. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements are based on current expectations and involve risks and uncertainties. Our future results could differ significantly from those expressed or implied by our forward-looking statements. These risks and uncertainties include, without limitation, those described below and in our Annual Report on Form 10-K for the fiscal year ended October 4, 2025 (our “2025 Annual Report”) and our other reports filed from time to time with the Securities and Exchange Commission. This discussion should be read in conjunction with the Consolidated Condensed Financial Statements and Notes included in this Quarterly Report, as well as our audited financial statements included in our 2025 Annual Report.

We operate in a rapidly changing and competitive environment. New risks emerge from time to time and it is not possible for us to predict all risks that may affect us. Future events and actual results, performance and achievements could differ materially from those set forth in, contemplated by or underlying the forward-looking statements, which speak only as of the date on which they were made. Except as required by law, we assume no obligation to update or revise any forward-looking statement to reflect actual results or changes in, or additions to, the factors affecting such forward-looking statement. Given those risks and uncertainties, investors should not place undue reliance on forward-looking statements as predictions of actual results.

## OVERVIEW

Kulicke and Soffa Industries, Inc. (“K&S,” “we,” “us,” “our,” or the “Company”) is a global leader in semiconductor assembly technology, advancing device performance across automotive, compute, industrial, memory and communications markets. Founded on innovation in 1951, K&S is uniquely positioned to overcome increasingly dynamic process challenges – creating and delivering long-term value by aligning technology with opportunity.

We design, develop, manufacture and sell capital equipment and consumables and provide services used to assemble semiconductor and electronic devices, such as integrated circuits, power discretes, light-emitting diode (“LEDs”), and sensors. We also service, maintain, repair and upgrade our equipment and sell consumable aftermarket solutions and services for our and our peer companies’ equipment. Our customers primarily consist of integrated device manufacturers (“IDMs”), outsourced semiconductor assembly and test providers (“OSATs”), foundry service providers, and other electronics manufacturers and automotive electronics suppliers.

Our goal is to be the technology leader and the most competitive supplier in terms of performance, cost and quality in each of our major product lines. Accordingly, we invest in research and engineering projects intended to expand our market access and enhance our leadership position in semiconductor, electronics and display assembly. We also remain focused on enhancing our value to customers through higher productivity systems, more autonomous capabilities and continuous improvement and optimization of our operational costs. Delivering new levels of value to our customers is a critically important goal.

Our Ball Bonding Equipment, Wedge Bonding Equipment and Advanced Solutions reportable segments engage in the design, development, manufacture and sale of ball bonding equipment, wafer level bonding equipment, wedge and wedge-related bonding equipment, die-attach and thermocompression systems and solutions to IDMs, OSATs, foundry service providers, and other electronics manufacturers and automotive electronics suppliers.

Our APS segment engages in the design, development, manufacture and sale of a variety of tools, spares and services for our equipment. For example, we manufacture capillaries, blades, wedge bonder consumables and other spare parts which complements our equipment and to support a broader range of semiconductor packaging applications. We also provide equipment repair, post-sale support, maintenance and servicing, training services, refurbishment and upgrades for our equipment.

All other operating segments that do not meet the quantitative threshold to be disclosed as a separate reportable segment have been grouped within an “All Others” category. This group is reflective of the results of the Company from the design, development, manufacture and sale of advanced dispense, electronics assembly, and die-attach systems and solutions.

## **Business Environment**

The semiconductor business environment is highly volatile and is driven by internal dynamics, both cyclical and seasonal, in addition to macroeconomic forces. Over the long term, semiconductor consumption has historically grown, and is forecasted to continue to grow. This growth is driven, in part, by regular advances in device performance and by price declines that result from improvements in manufacturing technology. In order to exploit these trends, semiconductor manufacturers, both IDMs and OSATs, periodically invest aggressively in the latest generation capital equipment. This buying pattern often leads to periods of excess supply and reduced capital spending — the so-called semiconductor cycle. Within this broad semiconductor cycle there are also, generally weaker, seasonal effects that are specifically tied to annual, end-consumer purchasing patterns. Typically, semiconductor manufacturers prepare for heightened demand by adding or replacing equipment capacity by the end of the September quarter. Occasionally, this results in subsequent reductions in demand during the December quarter. This annual seasonality can be overshadowed by effects of the broader semiconductor cycle. Macroeconomic factors also affect the industry, primarily through their effect on business and consumer demand for electronic devices, as well as other products that have significant electronic content such as automobiles, white goods, and telecommunication equipment. There can be no assurances regarding levels of demand for our products and we believe historic industry-wide volatility will persist.

From time to time, our customers may request that we deliver our products to countries where they own or operate production facilities or to countries where they utilize third-party subcontractors or warehouses as part of their supply chain. For example, customers headquartered in the U.S. may require us to deliver our products to their back-end production facilities in China. Our customer base in the Asia/Pacific region has become more geographically concentrated over time as a result of general economic and industry conditions and trends. Approximately 94.4% and 87.2% of our net revenue for the three months ended January 3, 2026 and December 28, 2024, respectively, were for shipments to customer locations outside of the U.S., primarily in the Asia/Pacific region. Approximately 59.0% and 48.9% of our net revenue for the three months ended January 3, 2026 and December 28, 2024, respectively, were for shipments to customers headquartered in China.

While our customers have generally been impacted by the current global macroeconomic conditions, those with operations in China, an important manufacturing and supply chain hub, have witnessed a faster decline in demand and, accordingly, a faster decline in product shipments, compared to the rest of the world. The shipments to customers headquartered in China are subject to heightened risks and uncertainties related to the respective trade and export control policies of the governments of China and the U.S, including the imposition of new tariffs or increases in existing tariffs and general inflationary considerations. Furthermore, there remains a potential risk of conflict and instability in the relationship between Taiwan and China that could disrupt the operations of our customers and/or suppliers in both Taiwan and China and our manufacturing operations in Taiwan and China.

The U.S. and several other countries have levied tariffs on certain goods and sectors and have introduced other trade restrictions resulting in substantial uncertainties in the semiconductor, LED, memory and automotive markets.

Our Ball Bonding Equipment, Wedge Bonding Equipment and Advanced Solutions reportable segments, as well as the remaining operating segments in the “All Others” category, are primarily affected by the industry’s internal cyclical and seasonal dynamics in addition to broader macroeconomic factors that can positively or negatively affect our financial performance. The sales mix of IDM and OSAT customers in any period also impacts financial performance, as changes in this mix can affect our products’ average selling prices and gross margins due to differences in volume purchases and machine configurations required by each customer type.

Our APS reportable segment has historically been less volatile than the other reportable segments. APS sales are more directly tied to semiconductor unit consumption rather than capacity requirements and production capability improvements.

We continue to position our business to leverage our research and development leadership and innovation and to focus our efforts on mitigating volatility, improving profitability and ensuring longer-term growth. We remain focused on operational excellence, expanding our product offerings through continuous research and development or acquisitions and managing our business efficiently throughout the business cycles. However, our visibility into future demand is generally limited, forecasting is difficult, and we generally experience typical industry seasonality.

To limit potential adverse cyclical, seasonal and macroeconomic effects on our financial position, we have continued our efforts to maintain a strong balance sheet. As of January 3, 2026, our total cash, cash equivalents and short-term investments were \$481.1 million, a \$29.6 million decrease from the prior fiscal year end. We believe our ability to maintain a strong cash position will allow us to continue to invest in product development, pursue non-organic growth opportunities and return capital to investors through our share repurchase and dividend programs. Please see “Liquidity and Capital Resources” for more information.

## **Key Events in Fiscal 2026 to Date**

### ***Senior Leadership Changes***

On October 28, 2025, the Company announced that Dr. Fusen Chen retired as President and Chief Executive Officer of the Company and as a member of the Board, effective December 1, 2025. Also, on October 28, 2025, the Board appointed Lester Wong, the Company's current Executive Vice President and Chief Financial Officer, as the Company's Interim Chief Executive Officer. A search for a permanent successor among external and internal candidates is underway.

Separately, on October 14, 2025, Mr Chan Pin Chong, Executive Vice President & General Manager, K&S Products & Solutions of the Company, retired from his position effective December 1, 2025.

### ***Macroeconomic Headwinds***

The cost of logistics remains high as a result of macroeconomic conditions, inflation and labor shortages across layers of the supply chain. The Company's management continues to monitor for signs of any expansion of economic or supply chain disruptions or broader supply chain inflationary and logistical costs resulting either directly or indirectly from the tensions in the Middle East or between Ukraine and Russia, as well as the rapid evolution of global trade policies, such as export controls and tariffs.

The ongoing tensions in the Middle East, including the Israel-Iran war, and the prolonged Ukraine/Russia conflict have not had a material impact on our financial condition and operating results in fiscal 2026 to date. We believe that our existing cash, cash equivalents, short-term investments, and anticipated cash flows from operations will be sufficient to meet our liquidity and capital requirements, notwithstanding the ongoing tensions in the Middle East and the prolonged Ukraine/Russia conflict and other macroeconomic factors, for at least the next twelve months from the date of this Quarterly Report.

As the macroeconomic situation remains highly volatile and the geopolitical situation remains uncertain, our business, our expectations regarding future demand or supply conditions, our near- and long-term liquidity and our financial condition. Consequentially, our operating results could deteriorate. However, we believe that the long-term semiconductor industry macroeconomics have not changed and we anticipate that the industry's growth projections will normalize.

For a description of the risks to our business arising from or relating to the general macroeconomic conditions, please see Part I, Item 1A, "Risk Factors" of our 2025 Annual Report.

## RESULTS OF OPERATIONS

As discussed in Note 15: Segment Information, the segment-related information within Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended January 3, 2026 now excludes a certain product line from the APS segment and reports it as part of "All Others". This change in composition of the reportable segments has been retrospectively applied to the corresponding results for the three months ended December 28, 2024.

The following tables reflect our income from operations for the three months ended January 3, 2026 and December 28, 2024:

<i>(dollar amounts in thousands)</i>	Three months ended		\$ Change	% Change
	January 3, 2026	December 28, 2024		
Net revenue	\$ 199,625	\$ 166,124	\$ 33,501	20.2 %
Cost of sales	100,670	79,040	21,630	27.4 %
Gross profit	98,955	87,084	11,871	13.6 %
Selling, general and administrative	40,759	38,614	2,145	5.6 %
Research and development	40,376	37,808	2,568	6.8 %
Gain relating to cessation of business	—	(75,987)	75,987	(100.0)%
Operating expenses	81,135	435	80,700	18,551.7 %
Income from operations	\$ 17,820	\$ 86,649	\$ (68,829)	(79.4)%

### Net Revenue

Our net revenue for the three months ended January 3, 2026 increased as compared to our net revenue for the three months ended December 28, 2024. The increase in net revenue is primarily due to higher volume in Ball Bonding Equipment and APS and partially offset by the lower volume in Wedge Bonding Equipment, Advanced Solutions and All Others, as further outlined in the tables presented immediately below.

The following tables reflect net revenue for the three months ended January 3, 2026 and December 28, 2024:

<i>(dollar amounts in thousands)</i>	Three months ended				\$ Change	% Change
	January 3, 2026		December 28, 2024			
	Net Revenue	% of total net revenue	Net Revenue	% of total net revenue		
Ball Bonding Equipment	\$ 110,283	55.2 %	\$ 59,686	35.9 %	\$ 50,597	84.8 %
Wedge Bonding Equipment	21,121	10.6 %	32,223	19.4 %	(11,102)	(34.5)%
Advanced Solutions	17,221	8.6 %	28,178	17.0 %	(10,957)	(38.9)%
APS	39,624	19.8 %	32,117	19.3 %	7,507	23.4 %
All Others	11,376	5.8 %	13,920	8.4 %	(2,544)	(18.3)%
Total net revenue	\$ 199,625	100.0 %	\$ 166,124	100.0 %	\$ 33,501	20.2 %

***Ball Bonding Equipment***

For the three months ended January 3, 2026, the increase in Ball Bonding Equipment net revenue as compared to the prior year period was primarily due to a higher volume of customer purchases from technology transitions and improving market conditions in general semiconductor and memory end markets.

***Wedge Bonding Equipment***

For the three months ended January 3, 2026, the decrease in Wedge Bonding Equipment net revenue as compared to the prior year period was primarily due to a lower volume of customer purchases in industrial and automotive markets.

***Advanced Solutions***

For the three months ended January 3, 2026, the decrease in Advanced Solutions net revenue as compared to the prior year period was primarily due to a lower volume of customer purchases in LED which is included in the industrial end market and partially offset by higher customer purchases in the general semiconductor end market.

***APS***

For the three months ended January 3, 2026, the increase in APS net revenue as compared to the prior year period was primarily due to a higher volume of customer purchases primarily in spares and services and partially offset by unfavorable pricing from bonding tools.

***All Others***

For the three months ended January 3, 2026, the decrease in All Others net revenue as compared to the prior year period was primarily due to a lower volume of customer purchases in the general semiconductor end market.

***Gross Profit Margin***

The following tables reflect gross profit margin as a percentage of net revenue by reportable segments for the three months ended January 3, 2026 and December 28, 2024:

	Three months ended		Basis Point Change
	January 3, 2026	December 28, 2024	
Ball Bonding Equipment	50.2 %	48.1 %	210
Wedge Bonding Equipment	39.2 %	44.4 %	(520)
Advanced Solutions	44.1 %	77.6 %	(3,350)
APS	52.1 %	53.5 %	(140)
All Others	62.2 %	36.3 %	2,590
Total gross profit margin	49.6 %	52.4 %	(280)

***Ball Bonding Equipment***

For the three months ended January 3, 2026, the increase in Ball Bonding Equipment gross profit margin as compared to the prior year period was primarily driven by a favorable product mix, including higher sales of higher margin products and a shift in customer mix, including higher sales to customers where we achieve higher average margins.

***Wedge Bonding Equipment***

For the three months ended January 3, 2026, the decrease in Wedge Bonding Equipment gross profit margin as compared to the prior year period was primarily driven by a less favorable product mix, including higher sales of lower margin products.

**Advanced Solutions**

For the three months ended January 3, 2026, the decrease in Advanced Solutions gross profit margin as compared to the prior year period was primarily due to a less favorable product mix. In addition, the prior year period included revenue recognized from delivered products relating to the cancellation of the Project.

**APS**

For the three months ended January 3, 2026, the decrease in APS gross profit margin as compared to the prior year period was primarily driven by unfavorable product mix from spares and services and unfavorable pricing from bonding tools.

**All others**

For the three months ended January 3, 2026, the increase in gross profit margin for the “All Others” category as compared to the prior year period was primarily driven by sales of previously impaired inventory as a result of the cessation of the EA equipment business.

**Operating Expenses**

The following tables reflect operating expenses for the three months ended January 3, 2026 and December 28, 2024:

<i>(dollar amounts in thousands)</i>	Three months ended		\$ Change	% Change
	January 3, 2026	December 28, 2024		
Selling, general and administrative	\$ 40,759	\$ 38,614	\$ 2,145	5.6 %
Research and development	40,376	37,808	2,568	6.8 %
Gain relating to cessation of business	—	(75,987)	75,987	(100.0)%
Total	\$ 81,135	\$ 435	\$ 80,700	18,551.7 %

**Selling, General and Administrative (“SG&A”)**

For the three months ended January 3, 2026, the higher SG&A expenses as compared to the prior year period were primarily due to \$1 million net unfavorable variance in foreign exchange and \$1 million higher staff costs.

**Research and Development (“R&D”)**

For the three months ended January 3, 2026, the higher R&D expenses as compared to the prior year period were primarily due to a \$2.5 million consortium participation fee and \$0.7 million higher staff costs. This was partially offset by \$0.5 million lower spending on prototype materials.

**Gain relating to cessation of business**

For the three months ended December 28, 2024, the gain relating to cessation of business was primarily due to the \$71.1 million reimbursement for certain costs and expenses from the cancellation of the Project, a \$3.2 million gain on the disposal of a subsidiary and a \$1.7 million gain from the supplier settlement.

### **Income from Operations**

The changes in income from operations for the respective segments are due to the changes in net revenue, gross profit margin and operating expenses as explained in the respective sections above.

The following tables reflect income from operations by reportable segments for the three months ended January 3, 2026 and December 28, 2024.

<i>(dollar amounts in thousands)</i>	Three months ended		\$ Change	% Change
	January 3, 2026	December 28, 2024		
Ball Bonding Equipment	\$ 38,476	\$ 13,428	\$ 25,048	186.5 %
Wedge Bonding Equipment	(372)	6,703	(7,075)	(105.5)%
Advanced Solutions	(10,969)	78,574	(89,543)	(114.0)%
APS	14,496	11,683	2,813	24.1 %
All Others	283	(3,640)	3,923	107.8 %
Corporate Expenses	(24,094)	(20,099)	(3,995)	(19.9)%
<b>Total income from operations</b>	<b>\$ 17,820</b>	<b>\$ 86,649</b>	<b>\$ (68,829)</b>	<b>(79.4)%</b>

### **Interest Income and Expense**

The following tables reflect interest income and interest expense for the three months ended January 3, 2026 and December 28, 2024:

<i>(dollar amounts in thousands)</i>	Three months ended		\$ Change	% Change
	January 3, 2026	December 28, 2024		
Interest income	\$ 4,759	\$ 6,352	\$ (1,593)	(25.1)%
Interest expense	\$ (40)	\$ (27)	\$ (13)	(48.1)%

#### **Interest income**

For the three months ended January 3, 2026, interest income decreased as compared to the prior year period primarily due to a lower weighted interest rate on cash, cash equivalents and short-term investments, and lower short-term investments balances.

#### **Provision for Income Taxes**

The following table reflects the provision for income taxes and the effective tax rate for the three months ended January 3, 2026 and December 28, 2024:

<i>(dollar amounts in thousands)</i>	Three months ended		Change
	January 3, 2026	December 28, 2024	
Provision for income taxes	\$5,743	\$11,332	\$(5,589)
Effective tax rate	25.5 %	12.2 %	13.3 %

For the three months ended January 3, 2026, the decrease in provision for income taxes and the increase in the effective tax rate was primarily due to the reimbursement from the cancellation of the Project which was recorded as a discrete item in the first quarter of the prior fiscal year, partially offset by an increase in profitability.

For the three months ended January 3, 2026, the effective tax rate is higher than the U.S. federal statutory tax rate primarily due to nondeductible expenses, deemed income, and taxes on undistributed foreign earnings, partially offset by tax credits.

## LIQUIDITY AND CAPITAL RESOURCES

The following table reflects total cash, cash equivalents, and short-term investments as of January 3, 2026 and October 4, 2025:

<i>(dollar amounts in thousands)</i>	As of		\$ Change
	January 3, 2026	October 4, 2025	
Cash and cash equivalents	\$ 282,128	\$ 215,708	\$ 66,420
Short-term investments	199,000	295,000	(96,000)
Total cash, cash equivalents, and short-term investments	\$ 481,128	\$ 510,708	\$ (29,580)
Percentage of total assets	43.2%	46.2%	

The following table reflects a summary of the Consolidated Condensed Statements of Cash Flow information for the three months ended January 3, 2026 and December 28, 2024:

<i>(in thousands)</i>	Three months ended	
	January 3, 2026	December 28, 2024
Net cash (used in) provided by operating activities	\$ (8,933)	\$ 18,902
Net cash provided by investing activities	93,325	82,039
Net cash used in financing activities	(17,888)	(48,452)
Effect of exchange rate changes on cash and cash equivalents	(84)	(1,311)
Changes in cash and cash equivalents	\$ 66,420	\$ 51,178
Cash and cash equivalents, beginning of period	215,708	227,147
Cash and cash equivalents, end of period	\$ 282,128	\$ 278,325

### Three months ended January 3, 2026

The net cash used in operating activities was primarily due to a net unfavourable change in operating assets and liabilities of \$37.7 million, partially offset by a net income of \$16.8 million and non-cash adjustments to net income of \$11.9 million. The net change in operating assets and liabilities was primarily driven by an increase in accounts and other receivable of \$32.2 million, an increase in inventories of \$20.3 million. This was partially offset by a decrease in prepaid expenses and other current assets of \$6.2 million, and an increase in income tax payable of \$6.9 million.

The increase in accounts and other receivable in the three months ended January 3, 2026 was mainly due to higher sales for the period. The increase in inventories was due to the higher material purchases. The decrease in prepaid expenses and other current assets was mainly due to the reduction in supplier prepayments. The increase in income tax payable was primarily due timing of tax payments and higher profitability.

Net cash provided by investing activities was due to net maturity of short-term investments of \$96.0 million partially offset by capital expenditures of \$2.7 million.

Net cash used in financing activities was primarily due to common stock repurchases of \$6.7 million and dividend payments of \$10.7 million.

### Three months ended December 28, 2024

The increase in net cash used in operating activities was primarily due to a net income of \$81.6 million and non-cash adjustments to net income of \$6.4 million, partially offset by a net unfavourable change in operating assets and liabilities of \$69.1 million. The net change in operating assets and liabilities was primarily driven by an increase in accounts and other receivable of \$53.9 million, an increase in inventories of \$9.1 million, and a decrease in accounts payable and accrued expenses and other current liabilities of \$15.8 million. This was partially offset by an increase in income tax payable of \$9.8 million and a decrease in prepaid expenses and other current assets of \$1.9 million.

The increase in accounts and other receivable in the three months ended December 28, 2024 was mainly due to the timing of payments due. The increase in inventories was due to the buildup of long lead time materials to fulfill certain customer purchase orders. The decrease in accounts payable and accrued expenses and other current liabilities was primarily due to lower customer advances, accrued employee compensation and lower material purchases. The increase in income tax payable was primarily due to higher profitability which included the reimbursement from the cancellation of the Project which was recorded as a discrete item in the quarter.

Net cash provided by investing activities was due to net maturity of short-term investments of \$90.0 million and net cash received from the disposal of a subsidiary of \$2.6 million, and offset by capital expenditures of \$10.2 million and investment in a private equity fund of \$0.4 million.

Net cash used in financing activities was primarily due to common stock repurchases of \$37.2 million and dividend payments of \$10.8 million.

### **Fiscal 2026 Liquidity and Capital Resource Outlook**

We expect our aggregate fiscal 2026 capital expenditures to be between approximately \$10.0 million and \$14.0 million, of which approximately \$2.1 million has been incurred through the first quarter. The actual amounts for 2026 will vary depending on market conditions. Expenditures are anticipated to be primarily for research and development projects, enhancements to our manufacturing operations, improvements to our information technology security, implementation of an enterprise resource planning system and leasehold improvements for our facilities. Our ability to make these expenditures will depend, in part, on our future cash flows, which are determined by our future operating performance and, therefore, subject to prevailing macroeconomic conditions, including actual or potential inflationary pressures, supply chain challenges, geopolitical tensions and other factors, some of which are beyond our control.

As of January 3, 2026 and October 4, 2025, approximately \$392.6 million and \$414.3 million of cash, cash equivalents, and short-term investments, respectively, were held by the Company's foreign subsidiaries, with a large portion of the cash amounts expected to be available for use in the U.S. without incurring additional U.S. income tax. The decrease is primarily due to the repatriation of cash held by the Company's foreign subsidiaries to the U.S.

The Company's operations and capital requirements are anticipated to be funded primarily by cash on hand and cash generated from operating activities. We believe these sources of cash and liquidity are sufficient to meet our additional liquidity needs for the foreseeable future, including payment of dividends, share repurchases and income taxes.

We believe that our existing cash, cash equivalents, short-term investments, and anticipated cash flows from operations will be sufficient to meet our liquidity and capital requirements, notwithstanding the macroeconomic headwinds, for at least the next twelve months and beyond. Our liquidity is affected by many factors, some based on normal operations of our business and others related to macroeconomic conditions including actual or potential inflationary pressures, tariff and industry-related uncertainties, and effects arising from the ongoing tensions in the Middle East and the prolonged Ukraine/Russia conflict, which we cannot predict. We also cannot predict economic conditions or industry downturns or the timing, strength or duration of recoveries. We intend to continue to use our cash for working capital needs and for general corporate purposes.

In this unprecedented macroeconomic environment, we may seek, as we believe appropriate, additional debt or equity financing that would provide capital for general corporate purposes, working capital funding, additional liquidity needs or to fund future growth opportunities, including possible acquisitions. The timing and amount of potential capital requirements cannot be determined at this time and will depend on a number of factors, including the actual and projected demand for our products, semiconductor and semiconductor capital equipment industry conditions, competitive factors, the condition of financial markets and the global economic situation.

### **Share Repurchase Program**

As announced on November 13, 2024, the Board of Directors authorized a new share repurchase program to repurchase up to \$300 million of the Company's common stock (the "New Program"). On December 2, 2024, the Company entered into a new written trading plan under Rule 10b5-1 of the Exchange Act, to facilitate repurchases under the New Program. The plan permits the purchase of up to approximately \$300 million of the Company's common stock from December 2, 2024 through December 2, 2029. The New Program may be suspended or discontinued at any time and is funded using the Company's available cash, cash equivalents and short-term investments. Under the New Program, shares may be repurchased through open market and/or privately negotiated transactions at prices deemed appropriate by management. The timing and amount of repurchase transactions under the New Program depend on market conditions as well as corporate and regulatory considerations.

During the three months ended January 3, 2026, the Company repurchased a total of approximately 168.0 thousand shares of common stock under the New Program at a cost of approximately \$6.7 million.

The stock repurchases were recorded in the periods the repurchased shares were delivered and accounted for as treasury stock in the Company's Consolidated Condensed Balance Sheets. The Company records treasury stock purchases under the cost method using the first-in, first-out (FIFO) method. Upon re-issuance of treasury stock, amounts in excess of the acquisition cost are credited to additional paid-in capital.

If the Company reissues treasury stock at an amount below its acquisition cost and additional paid-in capital associated with prior treasury stock transactions is insufficient to cover the difference between acquisition cost and the reissue price, this difference is recorded against retained earnings.

As of January 3, 2026, our remaining stock repurchase authorization under the New Program was approximately \$227.1 million.

### **Dividends**

On December 5, 2025, the Board of Directors declared a quarterly dividend of \$0.205 per share of common stock. Dividends paid during the three months ended January 3, 2026 totaled \$10.7 million. The declaration of any future cash dividend is at the discretion of the Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements, business conditions and other factors, as well as a determination that such dividends are in the best interests of the Company's shareholders.

### **Other Obligations and Contingent Payments**

In accordance with U.S. GAAP, certain obligations and commitments are not required to be included in the Consolidated Condensed Balance Sheets and Statements of Operations. These obligations and commitments, while entered into in the normal course of business, may have a material impact on our liquidity and are disclosed in the table below.

As of January 3, 2026, the Company had deferred tax liabilities of \$35.6 million and unrecognized tax benefits within the income taxes payable for uncertain tax positions of \$16.9 million, inclusive of accrued interest on uncertain tax positions of \$3.4 million, substantially all of which would affect our effective tax rate in the future, if recognized.

It is reasonably possible that the amount of the unrecognized tax benefit with respect to certain unrecognized tax positions will increase or decrease during the next twelve months due to the expected lapse of statutes of limitation and / or settlements of tax examinations. Given the number of years and numerous matters that remain subject to examination in various tax jurisdictions, we cannot practicably estimate the timing or financial outcomes of these examinations and, therefore, these amounts are excluded from the amounts below.

The following table presents certain payments due by the Company under contractual and statutory obligations with minimum firm commitments as of January 3, 2026:

<i>(in thousands)</i>	Total	Payments due in			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Inventory purchase obligations <sup>(1)</sup>	\$ 297,699	\$ 297,699	\$ —	\$ —	\$ —
U.S. one-time transition tax payable <sup>(2)</sup> (reflected on our Consolidated Condensed Balance Sheets)	\$ 11,947	11,947	—	—	—
<b>Total</b>	<b>\$ 309,646</b>	<b>\$ 309,646</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

(1) The Company orders inventory components in the normal course of its business. A portion of these orders are non-cancellable and some orders impose varying penalties and charges in the event of cancellation.

(2) Associated with the U.S. one-time transition tax on certain earnings and profits of our foreign subsidiaries in relation to the U.S. Tax Cuts and Job Act of 2017.

### **Credit facilities**

As of January 3, 2026, other than the bank guarantee disclosed in Note 10: Debt And Other Obligations in our Notes to Consolidated Condensed Financial Statements, we did not have any other off-balance sheet arrangements, such as contingent interests or obligations associated with variable interest entities.

## **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

### **Interest Rate Risk**

Our available-for-sale securities, if applicable, may consist of short-term investments in highly rated debt instruments of the U.S. Government and its agencies, financial institutions, and corporations. We continually monitor our exposure to changes in interest rates and credit ratings of issuers with respect to any available-for-sale securities and target an average life to maturity of less than 18 months. Accordingly, we believe that the effects on us of changes in interest rates and credit ratings of issuers are limited and would not have a material impact on our financial condition or results of operations.

### **Foreign Currency Risk**

Our international operations are exposed to changes in foreign currency exchange rates due to transactions denominated in currencies other than the location's functional currency. Our international operations are also exposed to foreign currency fluctuations that impact the remeasurement of net monetary assets of those operations whose functional currency, the U.S. dollar, differs from their respective local currencies, most notably in Israel, Singapore and Switzerland. Our U.S. operations also have foreign currency exposure due to net monetary assets denominated in currencies other than the U.S. dollar. In addition to net monetary remeasurement, we have exposures related to the translation of subsidiary financial statements from their functional currency, the local currency, into its reporting currency, the U.S. dollar, most notably in the Netherlands, China, Taiwan, Japan and Germany.

Based on our foreign currency exposure as of January 3, 2026, a 10.0% fluctuation could impact our financial position, results of operations or cash flows by \$6.0 million to \$7.0 million. Our attempts to hedge against these risks may not be successful and may result in a material adverse impact on our financial results and cash flow.

We enter into foreign exchange forward contracts to hedge a portion of our forecasted foreign currency-denominated expenses in the normal course of business and, accordingly, they are not speculative in nature. These instruments generally mature within twelve months. We have foreign exchange forward contracts with a notional amount of \$42.8 million outstanding as of January 3, 2026.

#### **Item 4. - CONTROLS AND PROCEDURES**

##### **Evaluation of Disclosure Controls and Procedures**

Our Management, with the participation of our Interim Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of January 3, 2026. Based on that evaluation, the Interim Chief Executive Officer and Chief Financial Officer concluded that, as of January 3, 2026, our disclosure controls and procedures were effective in providing reasonable assurance that the information required to be disclosed by us in reports filed under the Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (ii) accumulated and communicated to our management, including the Interim Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

##### **Changes in Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

In connection with the evaluation by our management, including with the participation of our Interim Chief Executive Officer and Chief Financial Officer, of our internal control over financial reporting, no changes during the three months ended January 3, 2026 were identified to have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. - OTHER INFORMATION****Item 1. - LEGAL PROCEEDINGS**

From time to time, we may be a plaintiff or defendant in legal proceedings and cases arising out of our business. We are party to ordinary, routine litigation incidental to our business. We cannot be assured of the results of any pending or future litigation, but we do not believe resolution of any currently pending matters will have a material adverse effect on our business, financial condition or operating results.

**Item 1A. - RISK FACTORS****Certain Risks Related to Our Business**

There have been no material changes from the risk factors discussed in Part I, Item 1A, "Risk Factors", of our 2025 Annual Report.

**Item 2. - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS***Purchases of Equity Securities by the Issuer and Affiliated Purchasers*

The following table summarizes the repurchases of common stock during the three months ended January 3, 2026 (in millions, except number of shares, which are reflected in thousands, and per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
October 5, 2025 to November 8, 2025	99	\$ 39.54	99	\$ 229,864
November 9, 2025 to December 6, 2025	60	\$ 38.85	60	\$ 227,547
December 7, 2025 to January 3, 2026	9	\$ 47.14	9	\$ 227,108
For the three months ended January 3, 2026	<u>168</u>		<u>168</u>	

(1) On December 2, 2024, the Company entered into a written trading plan under Rule 10b5-1 of the Exchange Act, to facilitate repurchases under the New Program. The plan permits the purchase of up to approximately \$300 million of the Company's common stock from December 2, 2024 through December 2, 2029. The New Program may be suspended or discontinued at any time and is funded using the Company's available cash, cash equivalents and short-term investments. Under the New Program, shares may be repurchased through open market and/or privately negotiated transactions at prices deemed appropriate by management. The timing and amount of repurchase transactions under the New Program depend on market conditions as well as corporate and regulatory considerations.

**Item 3. – Defaults Upon Senior Securities.**

None.

**Item 4. MINE SAFETY DISCLOSURES**

None.

**Item 5. OTHER INFORMATION**

*Director and Officer Trading Plans and Arrangements*

None of the Company's directors or officers (as defined in Rule 16a-1f of the Exchange Act) have adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended January 3, 2026, as such terms are defined under Item 408(a) of Regulation S-K.

**Item 6. - Exhibits**

Exhibit No.	Description
3.1	<a href="#">The Company's Amended and Restated Articles of Incorporation, dated December 5, 2007, are incorporated herein by reference to Exhibit 3(i) to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2007, SEC file number 000-00121.</a>
3.2	<a href="#">The Company's Amended and Restated By-Laws, dated June 5, 2025, are incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated June 9, 2025.</a>
10.1*	<a href="#">Letter Agreement between Kulicke and Sofa Industries, Inc. and Fusen Chen, dated December 1, 2025.</a>
31.1	<a href="#">Certification of Lester Wong, Interim Chief Executive Officer and Chief Financial Officer of Kulicke and Sofa Industries, Inc., pursuant to Rule 13a-14(a) or Rule 15d-14(a).</a>
32.1**	<a href="#">Certification of Lester Wong, Interim Chief Executive Officer and Chief Financial Officer of Kulicke and Sofa Industries, Inc., pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.INS).
*	Indicates a management contract or compensatory plan or arrangement.
**	This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KULICKE AND SOFFA INDUSTRIES, INC.

Date: February 5, 2026

By: /s/ LESTER WONG

Lester Wong  
Executive Vice President, Interim Chief Executive Officer, and Chief  
Financial Officer  
(Principal financial officer and Principal accounting officer)

## **SEPARATION AGREEMENT AND RELEASE**

This Separation Agreement and Release (“Agreement”) is made by and between Dr. Fusen Chen (“Employee”) and Kulicke and Soffa Industries, Inc. (the “Company”) (collectively referred to as the “Parties” or individually referred to as a “Party”) as of the Effective Date (as defined below).

### **RECITALS**

**WHEREAS**, Employee was employed by the Company;

**WHEREAS**, Employee’s employment with the Company terminated effective December 1, 2025 due to a “Mutually Agreed Retirement” (such term as set forth in paragraph 3 of this Agreement) (the “Termination Date”);

**WHEREAS**, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee’s employment with or separation from the Company;

**NOW, THEREFORE**, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

### **COVENANTS**

1. Recitals. The Recitals set forth above are expressly incorporated into this Agreement.

2. Consideration.

a. Bonus Payment. The Company agrees to pay Employee a one-time lump sum amount, less applicable withholdings, representing a pro-rated fiscal year 2026 incentive bonus payment (the “Bonus Payment”). The amount of the Bonus Payment shall be calculated and paid in accordance with the Company’s Incentive Compensation Plan applicable to fiscal year 2026. Employee acknowledges that but for the Company’s agreement, Employee would not have been eligible for any portion of the Bonus Payment. The Company shall pay the Bonus Payment to Employee in accordance with the Company’s regular payroll cycle and practices.

b. Health Benefits. The Company shall use commercially reasonable efforts to obtain and pay for health insurance benefits for Employee to provide Employee with health insurance benefits coverage for a period of eighteen (18) months, or until Employee has secured other employment, whichever occurs first. The foregoing is subject to Employee’s timely cooperation with the Company regarding any information the Company may need from Employee to obtain such post-termination health insurance benefits coverage. The Employee acknowledges and agrees that the Company shall have sole discretion over the selection of the benefits plan provider and shall not be liable for any determination of coverage by such provider.

3. Equity. The Company and Employee agree that (i) Employee shall remain eligible to vest under the outstanding performance share unit award agreements, granted by the Company on October 14, 2022 (growth award only) October 11, 2023 and October 16, 2024 (collectively, the “Performance Awards”) due to Employee’s employment being terminated due to a “Mutually Agreed Retirement” (as defined in such award agreements), with such vesting to be based on the actual achievement of the Performance Measures (as set forth in the applicable award agreement) as determined at the end of the applicable Performance Period (as set forth in the applicable award agreement) as if the Employee had remained employed by the Company through the end of the Performance Period, and (ii) all unvested restricted stock unit awards from the Company (other than the Performance Awards) shall be automatically forfeited upon Employee’s Termination Date.

EMPLOYEE UNDERSTANDS THAT NEITHER THIS AGREEMENT NOR THE COURSE OF EMPLOYEE’S EMPLOYMENT WITH THE COMPANY, OR ANY OTHER SERVICE TO THE COMPANY, GIVE OR GAVE EMPLOYEE ANY RIGHT, CONTINUING OR OTHERWISE, TO THE REVENUES AND/OR PROFITS OF THE COMPANY AND/OR ANY OTHER RELEASEE (AS DEFINED BELOW) OR ANY OTHER INTEREST, ECONOMIC OR OTHERWISE, IN THE COMPANY AND/OR ANY OTHER RELEASEE (AS DEFINED BELOW).

4. Benefits. The Employee’s participation in all benefits and incidents of employment, including, but not limited to, vesting in stock, and the accrual of bonuses, vacation, and paid time off, shall cease as of the Termination Date.

5. Release of Claims. Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "Releasees"). Employee, on Employee's own behalf and on behalf of Employee's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

a. any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination (including employment discrimination); harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; commission payments; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Sarbanes-Oxley Act of 2002; the Employment Act 1968 of Singapore; the Employment of Foreign Manpower Act 1990 of Singapore; the Income Tax Act 1947 of Singapore, and any other similar statutes, regulations or laws;

e. any and all claims for violation of the federal or any state constitution, and arising out of any other laws and regulations relating to employment;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement and any of the remuneration, benefits and incidents of employment received by Employee up to and until the Termination Date; and

h. any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release claims that cannot be released as a matter of law. Employee represents that Employee has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this section.

6. No Pending or Future Lawsuits. Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

7. Protected Disclosure. Nothing contained in this Agreement, any other agreement with the Company, or any Company policy limits Employee's ability, with or without notice to the Company, to: (i) file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"); (ii) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including by providing non-privileged documents or information; (iii) exercise any rights under Section 7 of the National Labor Relations Act, which are available to non-supervisory employees, including assisting co-workers with or discussing any employment issue as part of engaging in concerted activities for the purpose of mutual aid or protection; (iv) discuss or disclose information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful; or (v) testify truthfully in a legal proceeding. Any such communications and disclosures must not violate applicable law and the

information disclosed must not have been obtained through communications which were subject to the attorney-client privilege (unless disclosure of that information would otherwise be permitted consistent with such privilege or applicable law). If a Government Agency or any other third party pursues any claim on Employee's behalf, Employee waives any right to monetary or other individualized relief (either individually or as part of any collective or class action), but the Company will not limit any right Employee may have to receive an award pursuant to the whistleblower provisions of any applicable law or regulation for providing information to any relevant Government Agency.

8. No Admission of Liability. Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party.

9. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

10. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

11. No Representations. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

12. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

13. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, with the exception of any confidentiality, nondisclosure, assignment of intellectual property agreement between the Employee and the Company which shall remain in full force and effect.

14. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and a duly authorized representative of the Company.

15. Effective Date. Employee understands that this Agreement shall be null and void if not executed by Employee within the later of twenty-one (21) days following Employee's first receipt of this Agreement and the Termination Date (the "Deadline"). In the event that Employee signs this Agreement by the Deadline, then the Company has seven (7) days after such date to countersign the Agreement and return a fully-executed version to Employee. This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it has been signed by the Company and has not been revoked by either Party before that date (the "Effective Date").

16. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

17. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Employee's claims against the Company and any of the other Releasees. Employee acknowledges that:

(a) Employee has read this Agreement;

(b) Employee has been advised by this writing that Employee has the right to consult an attorney regarding this Agreement and has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice or has voluntarily elected not to retain legal counsel;

(c) Employee understands the terms and consequences of this Agreement and the releases it contains and is fully aware of the legal and binding effect of this Agreement.

***[Signature page follows; Remainder of page intentionally left blank]***

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

**Dr. Fusen Chen, an individual**

Dated:

/s/ FUSEN CHEN

Dr. Fusen Chen

**Kulicke and Soffa Industries, Inc.**

Date:

By: /s/ LESTER WONG

Name:

Its: For and on behalf of the Board of Directors

## CERTIFICATION

I, Lester Wong, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kulicke and Soffa Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2026

By: /s/ LESTER WONG

Lester Wong  
Executive Vice President, Interim Chief Executive Officer, and  
Chief Financial Officer  
(Principal Executive Officer and Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lester Wong, Interim Chief Executive Officer and Chief Financial Officer of Kulicke and Soffa Industries, Inc., do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of Kulicke and Soffa Industries, Inc. for the period ended January 3, 2026 (the "January 3, 2026 Form 10-Q"), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the January 3, 2026 Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Kulicke and Soffa Industries, Inc.

Date: February 5, 2026

By:           /s/ LESTER WONG            
Lester Wong  
Executive Vice President, Interim Chief Executive Officer, and  
Chief Financial Officer  
(Principal Executive Officer and Principal Financial Officer)