

Kulicke & Soffa

Nasdaq: KLIC

Quarterly Earnings Review

May 7, 2025

Q2F25

Ended March 29, 2025

Earnings Review

Safe Harbor

In addition to historical statements, this presentation contains statements relating to future events and our future results based on management's expectations as of May 6, 2025. These statements are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995.

While these forward-looking statements represent our judgments and future expectations concerning our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, the factors listed or discussed in our 2024 Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission. Kulicke and Soffa Industries, Inc. is under no obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

A reconciliation of non-GAAP items is included in this presentation and available within our most recently filed earnings release.

Q2F25 Update

Internally Focused & Optimized for Growth

Overview

Intent to secede EA Equipment announced on March 31, 2025

- Certain technology, long-term aftermarket parts and services to be retained
- Full commitment to support near-term customer needs
- EA Equipment represented in “All Other” financial disclosure
- Through-cycle performance improvements anticipated

Prioritizing long-term technology transitions

- Enhancing Ball, Wedge & TCB opportunities
- APS & Advanced Dispense expand on these opportunities

Near term headwinds not specific to K&S

- Anticipate near-term uncertainty, but long-term dynamics remains in our favor
- Softening demand in US and SEA markets
- China & Taiwan showed utilization improvements and demand uptake

Q2F25 Results

Revenue	\$162.0M
Net Loss	\$(84.5)M
Non-GAAP Net Loss	\$(27.9)M
EPS	\$(1.59)
Non-GAAP EPS	\$(0.52)

*Please see [Non-GAAP Reconciliation](#)

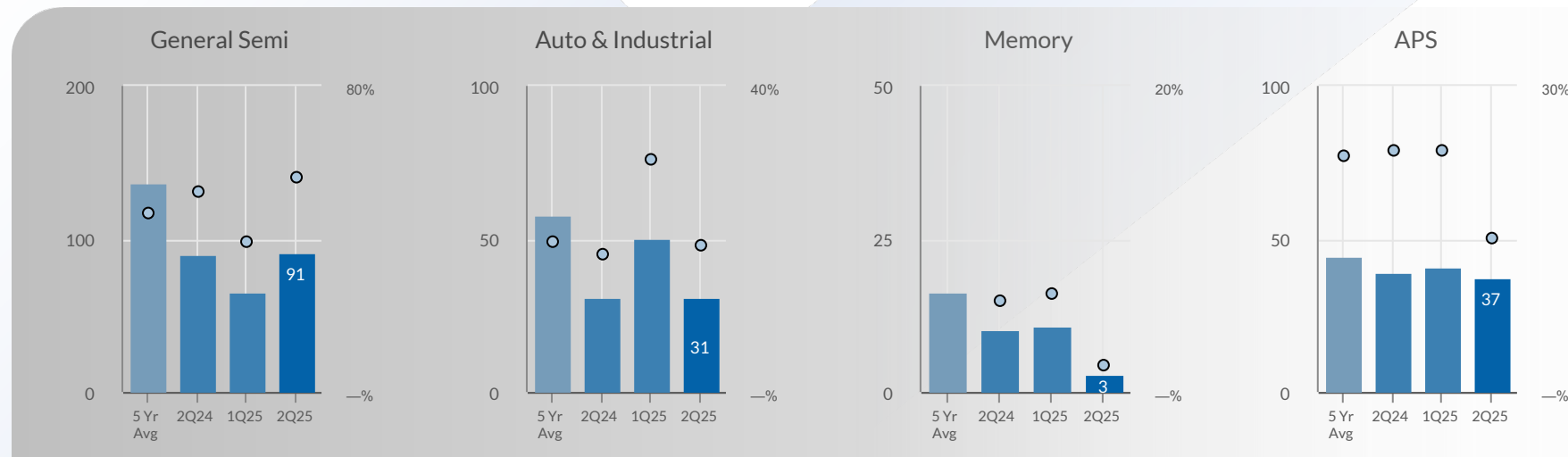
- *Regional shifts in utilization and demand anticipated to be short-term*
- *Expect ongoing digestion and semi industry growth through CY 2025*
- *Well optimized for the future*

Q2F25 Revenue Composition

By End Market

■ Revenue per quarter (millions USD)
5Yr Avg = quarterly average of preceding five fiscal years

○ As a percent of total Company revenue



General Semi
Auto & Industrial
Memory
APS

Ball, Wedge and Thermo-Compression sequentially improved
Unique 1Q25 LED revenue; order softness in SEA; aligned with LT trends
HBM and LPDDR transitions to expand market reach in 2026
Core field utilization improvements still anticipated

Q2F25 Update

Aligned with Technology Transitions

Ball

- Vertical Wire momentum accelerating in both memory & general semi applications
- Recently launched - AT Premier MEM Plus
- Field utilization improved in key regions

Advanced Dispense

- Expanding portfolio & customer base
- Solid state battery ramp anticipated
- Adjacent opportunities across served markets

Wedge

- PowerSemi demanding more complex assembly
- More capable equipment solutions needed to support long-term EV & sustainable energy
- Recently launched - Asterion® pin-welding system with Sonotrode™ technology

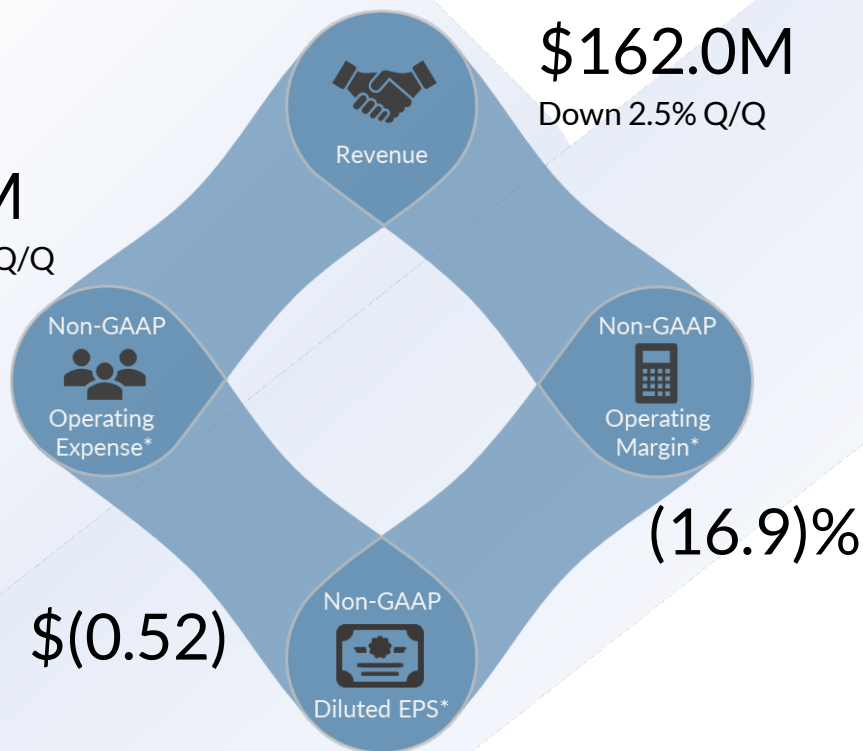
Thermo-Compression

- Gaining share in advanced logic
- FY25 TCB revenue growth to market
- TCB embedded in many leading AI, HPC & Mobile roadmaps
- Proven leadership – 120 systems at 10 customers

Q2F25

Financial Results

\$68.2M
Down \$0.4M Q/Q



EA-related expense aligned with range as disclosed on March 31, 2025

\$86.6M of EA related charges in Q2F25

Residual EA expense anticipated to be below \$15M

*Please see [Non-GAAP Reconciliation](#)

Income Statement

Q2F25 Summary Items

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

	Q2F24	Q1F25	Q2F25	Q/Q	Y/Y
Revenue	\$172.1	\$166.1	\$162.0	\$(4.1)	\$(10.1)
Gross Margin	9.6%	52.4%	24.9%	(2,750) bps	1,530 bps
Operating Expenses	\$121.6	\$0.4	\$125.1	\$124.7	\$3.5
Operating (Loss)/Income	\$(105.2)	\$86.6	\$(84.7)	\$(171.3)	\$20.5
Non-GAAP Net (Loss)/Income*	\$(53.2)	\$20.2	\$(27.9)	\$(48.1)	\$25.3
Diluted EPS	\$(1.83)	\$1.51	\$(1.59)	\$(3.10)	\$0.24
Non-GAAP Diluted EPS*	\$(0.95)	\$0.37	\$(0.52)	\$(0.89)	\$0.43
Diluted Share Count	56.2 M	54.2 M	53.3 M	(0.9) M	(2.9) M

*Please see [Non-GAAP Reconciliation](#)

Balance Sheets & Cash Flow

Q2F25 Summary Items

\$Millions	Q2F24	Q3F24	Q4F24	Q1F25	Q2F25
Accounts and Other Receivables	\$194.8	\$200.3	\$193.9	\$247.9	\$173.9
Inventory	\$180.5	\$175.6	\$177.7	\$185.1	\$155.7
Accounts Payable	\$51.5	\$52.1	\$58.8	\$49.0	\$48.4
Net Cash*	\$469.0	\$435.9	\$393.4	\$369.2	\$398.5
Working Capital Days**	463	420	403	458	425
Share Repurchases	\$37.3	\$44.0	\$42.7	\$36.9	\$21.3
Dividends	\$11.2	\$11.0	\$10.8	\$11.0	\$11.0

*Net cash = Total Cash & Investments /less Current Liabilities

**Calculated using ending period values

Outlook

Q3F25

Limited direct trade-related impact

Order intake slowed in SEA & improved in CN and TW

Expect ongoing digestion and utilization despite near-term softness

\$68.0M
+/- 2%

Non-GAAP
Operating Expense

\$0.05
+/- 10%

Non-GAAP
Diluted EPS*


Revenue

\$145M
+/- \$10M


Gross Margin

46.5%
+/- 100 bps

*Please see [Non-GAAP Reconciliation](#) for composition of Non-GAAP guidance items.

Earnings Review

Q&A

For additional information



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Non-GAAP Reconciliations

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

	Three months ended		
	March 29, 2025	March 30, 2024	December 28, 2024
Net revenue	\$ 161,986	\$ 172,074	\$ 181,319
U.S. GAAP (loss)/income from operations	(84,667)	(105,155)	86,649
U.S. GAAP operating margin	(52.3)%	(61.1)%	52.2 %
Pre-tax non-GAAP items:			
Amortization related to intangible assets	1,171	1,325	1,246
Restructuring	8,806	2,940	829
Equity-based compensation	7,493	6,232	6,141
Impairment charges	39,817	44,472	—
Gain relating to cessation of business	—	—	(75,987)
Non-GAAP (loss)/income from operations	<u>\$ (27,380)</u>	<u>\$ (50,186)</u>	<u>\$ 18,878</u>
Non-GAAP operating margin	(16.9)%	(29.2)%	11.4 %

Non-GAAP Reconciliations

**Reconciliation of U.S. GAAP Net Income to Non-GAAP Net Income and Non-GAAP Net Margin and
U.S. GAAP net income per share to Non-GAAP net income per share
(In thousands, except percentages and per share data)
(Unaudited)**

	Three months ended		
	March 29, 2025	March 30, 2024	December 28, 2024
Net revenue	\$ 161,986	\$ 172,074	\$ 181,319
U.S. GAAP net (loss)/income	(84,519)	(102,680)	81,642
U.S. GAAP net margin	(52.2)%	(59.7)%	49.1 %
Non-GAAP adjustments:			
Amortization related to intangible assets	1,171	1,325	1,246
Restructuring	8,806	2,940	829
Equity-based compensation	7,493	6,232	6,141
Impairment charges	39,817	44,472	—
Gain relating to cessation of business	—	—	(75,987)
Net income tax (benefit)/expense on non-GAAP items	(639)	(5,534)	6,349
Total non-GAAP adjustments	\$ 56,648	\$ 49,435	\$ (61,422)
Non-GAAP net (loss)/income	\$ (27,871)	\$ (53,245)	\$ 20,220
Non-GAAP net margin	(17.2)%	(30.9)%	12.2 %

Non-GAAP Reconciliations

**Reconciliation of U.S. GAAP Net Income to Non-GAAP Net Income and Non-GAAP Net Margin and
U.S. GAAP net income per share to Non-GAAP net income per share
(In thousands, except percentages and per share data)
(Unaudited)**

	Three months ended		
	March 29, 2025	March 30, 2024	December 28, 2024
U.S. GAAP net (loss)/income per share:			
Basic	(1.59)	(1.83)	1.52
Diluted(a)	(1.59)	(1.83)	1.51
Non-GAAP adjustments per share:(b)			
Basic	1.07	0.88	(1.14)
Diluted	1.07	0.88	(1.14)
Non-GAAP net (loss)/income per share:			
Basic	\$ (0.52)	\$ (0.95)	\$ 0.38
Diluted(c)	\$ (0.52)	\$ (0.95)	\$ 0.37
Weighted average shares outstanding:			
Basic	53,311	56,154	53,791
Diluted	53,311	56,154	54,212

- (a) GAAP diluted net earnings per share reflects any dilutive effect of outstanding restricted stock, but that effect is excluded when calculating GAAP diluted net loss per share because it would be anti-dilutive.
- (b) Non-GAAP adjustments per share include amortization related to intangible assets acquired through business combinations, costs associated with restructuring and severance, equity-based compensation expenses, impairment relating to assets acquired through business combinations, long-lived asset impairment relating to business cessation or disposal, gain relating to disposal or cessation of business, and income tax effects associated with the foregoing non-GAAP items.
- (c) Non-GAAP diluted net earnings per share reflects any dilutive effect of outstanding restricted stock, but that effect is excluded when calculating Non-GAAP diluted net loss per share because it would be anti-dilutive.

Non-GAAP Reconciliations

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

	Three months ended		
	March 29, 2025	March 30, 2024	December 28, 2024
U.S. GAAP net cash provided by / (used in) operating activities	\$ 79,877	\$ (20,148)	\$ 18,902
Purchases of property, plant and equipment	(1,954)	(6,571)	(10,202)
Proceeds from sales of property, plant and equipment	60	—	—
Non-GAAP adjusted free cash flow	77,983	(26,719)	8,700

Non-GAAP Reconciliations

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

Third quarter of fiscal 2025 ending June 28, 2025

	GAAP Outlook	Adjustments	Non-GAAP Outlook
Net revenue	\$145 million +/- \$10 million	—	\$145 million +/- \$10 million
Operating expenses	\$76.0 million +/- 2%	\$8.0 million ^{B, C, D}	\$68.0 million +/- 2%
Diluted EPS(1)	\$(0.09) +/- 10%	\$0.14 ^{A, B, C, D, E}	\$0.05 +/- 10%

Non-GAAP Adjustments

A. Equity-based compensation - Cost of sales	0.39
B. Equity-based compensation - Selling, general and administrative and Research and development	7.2
C. Amortization related to intangible assets	0.3
D. Restructuring expenses	0.5
E. Net income tax effect of the above items	(0.6)

(1) GAAP and non-GAAP diluted EPS based on approximately 52.6 million diluted weighted average shares outstanding.

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



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