

Second Quarter 2025 Financial Results

MKS Inc.
August 7, 2025



Safe Harbor for Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding the future financial performance, business prospects and growth of MKS Inc. (“MKS,” the “Company,” “our,” or “we”). These statements are only predictions based on current assumptions and expectations. Any statements that are not statements of historical fact (including statements containing the words “will,” “projects,” “intends,” “believes,” “plans,” “anticipates,” “expects,” “estimates,” “forecasts,” “continues” and similar expressions) should be considered to be forward-looking statements. Actual events or results may differ materially from those in the forward-looking statements set forth herein. Among the important factors that could cause actual events to differ materially from those in the forward-looking statements that we make are the level and terms of our substantial indebtedness and our ability to service such debt; our entry into the chemicals technology business through our acquisition of Atotech Limited (“Atotech”) in August 2022 (the “Atotech Acquisition”), which has exposed us to significant additional liabilities; the risk that we are unable to realize the anticipated benefits of the Atotech Acquisition; risks related to cybersecurity, data privacy and intellectual property; competition from larger, more advanced or more established companies in our markets; the ability to successfully grow our business, including through growth of the Atotech business, and financial risks associated with that acquisition and potential future acquisitions, including goodwill and intangible asset impairments; manufacturing and sourcing risks, including those associated with limited and sole source suppliers and the impact and duration of supply chain disruptions, component shortages, and price increases; changes in global demand; risks associated with doing business internationally, including geopolitical conflicts, such as the conflict in the Middle East, trade compliance, trade protection measures, such as import tariffs by the United States or retaliatory actions taken by other countries, regulatory restrictions on our products, components or markets, particularly the semiconductor market, and unfavorable currency exchange and tax rate fluctuations, which risks become more significant as we grow our business internationally and in China specifically; conditions affecting the markets in which we operate, including fluctuations in capital spending in the semiconductor, electronics manufacturing and automotive industries, and fluctuations in sales to our major customers; disruptions or delays from third-party service providers upon which our operations may rely; the ability to anticipate and meet customer demand; the challenges, risks and costs involved with integrating or transitioning global operations of the companies we have acquired; risks associated with the attraction and retention of key personnel; potential fluctuations in quarterly results; dependence on new product development; rapid technological and market change; acquisition strategy; volatility of stock price; risks associated with chemical manufacturing and environmental regulation compliance; risks related to defective products; financial and legal risk management; and the other important factors described under the heading “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024 and any subsequent Quarterly Reports on Form 10-Q, each as filed with the U.S. Securities and Exchange Commission. MKS is under no obligation to, and expressly disclaims any obligation to, update or alter these forward-looking statements, whether as a result of new information, future events or otherwise, even if subsequent events cause our views to change, after the date of this presentation. Amounts reported in this press release are preliminary and subject to finalization prior to the filing of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2025.

Notes on Presentation



Use of Non-GAAP Financial Measures

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

MKS is not providing a quantitative reconciliation of forward-looking full year Non-GAAP income tax rate to GAAP income tax rate because it is unable to estimate with reasonable certainty the ultimate timing or amount of certain significant items without unreasonable efforts. These items include, but are not limited to, restructuring expense, goodwill and intangible asset impairments, debt refinancing fees, debt extinguishment costs, and the income tax effect of these items as well as tax planning strategies, legislation and other discrete items.

For a detailed breakout of net revenues by end-market and division, please visit the Net Revenues by End Market & Division presentation available under Events & Presentation on the Investor Relations section of MKS' website at investor.mks.com.

Q2 2025 Results: Strong revenue and solid profitability



- Revenues above high end of guidance due to increased demand in Semiconductor and Electronic & Packaging markets
- Non-GAAP gross margin, inclusive of tariff impacts, and Non-GAAP operating expenses in line with guidance
- Non-GAAP earnings per share at high end of guidance
- Continued de-levering the balance sheet with voluntary principal prepayments in June and August, further reducing our annualized cash interest payments

Semiconductor

Q2 Highlights

Q2 2025

\$432M

REVENUE

Q/Q CHANGE +5%

Y/Y CHANGE +17%

Y/Y CHANGE¹ +16%
Excluding FX

- Revenue above high end of guidance range and increased sequentially due to strong NAND upgrade activity for RF power solutions and healthy demand for vacuum products
- Continued to gain traction in remote plasma and gas delivery solutions for advanced logic applications and achieved strong growth in our service business

¹ For further information regarding estimated impact of FX, refer to appendix at the end of this presentation.

Business Trends

Guidance

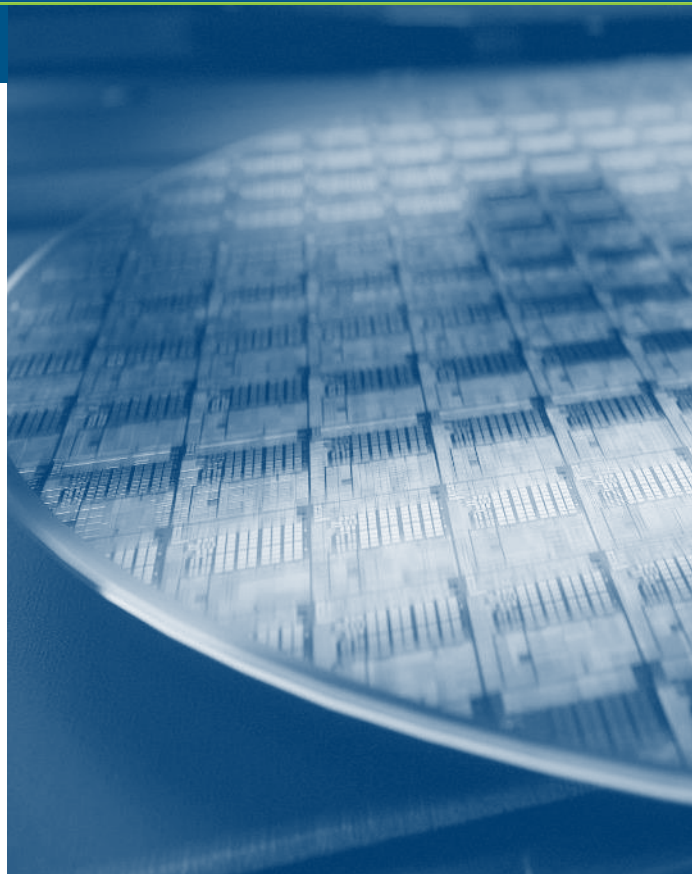
Q3 2025

\$405M

+/- \$15M

REVENUE

- Q3'25 revenue projected to moderate vs Q2'25 in alignment with the early innings of NAND upgrade cycle, with pace of conversions likely to fluctuate from quarter to quarter
- Guidance represents a mid-to-high single digits year-over-year growth rate for Q3'25



Electronics & Packaging

Q2 Highlights

Q2 2025

\$266M

REVENUE

Q/Q CHANGE 5%

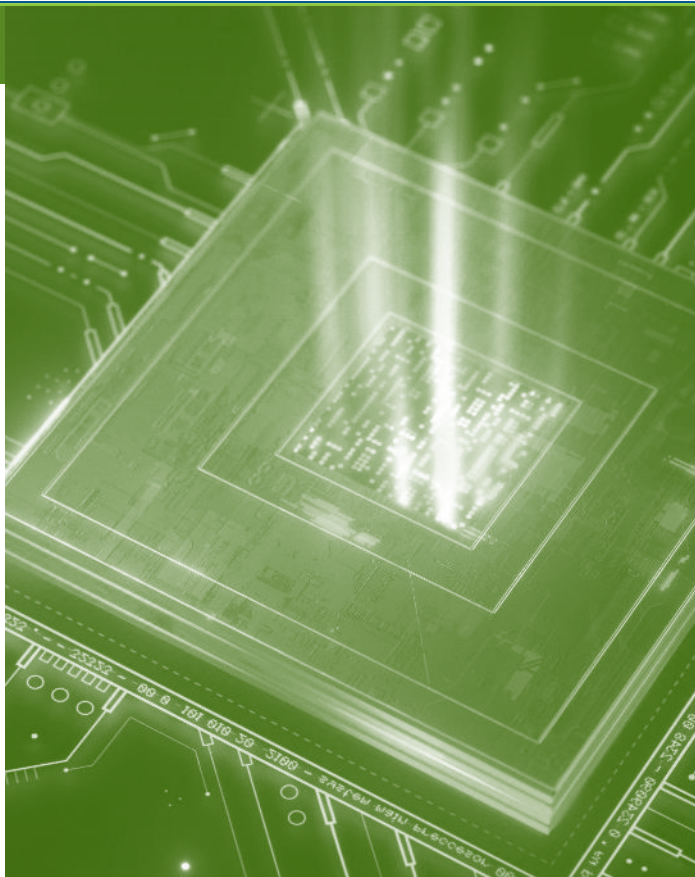
Y/Y CHANGE +16%

Y/Y CHANGE¹ +14%

Excluding FX & Palladium

- Revenue well above high end of guidance range driven by strength in both chemistry and chemistry equipment, which more than offset normalization of flexible PCB drilling equipment revenue following a strong Q1'25
- Continued momentum in orders for chemistry and chemistry equipment solutions for advanced packaging and AI related applications

¹ For further information regarding estimated impact of FX and Palladium, refer to appendix at the end of this presentation.



Business Trends

Guidance

Q3 2025

\$285M

+/- \$10M

REVENUE

- Increased device complexity driven by AI and advanced packaging applications driving healthy demand
- Q3'25 revenue expected to be higher vs. Q2'25 from sequential increase in chemistry and strength in chemistry equipment
- Equipment sales is a good leading indicator of future chemistry revenue given high attach rates

Specialty Industrial

Q2 Highlights

Q2 2025

\$275M

REVENUE

Q/Q CHANGE 2%

Y/Y CHANGE -5%

Y/Y CHANGE¹ -6%

Excluding FX & Palladium

- Revenue slightly above midpoint of guidance and higher sequentially from improvement in life and health sciences and research and defense markets
- Steady performance in general industrial end markets

¹ For further information regarding estimated impact of FX and Palladium, refer to appendix at the end of this presentation.



Business Trends

Guidance
Q3 2025

\$270M

+/- \$15M

REVENUE

- Leverages our proprietary technologies and R&D investments in other markets, yielding strong incremental margin and cash generation
- Expect continued sequential stability in Q3'25 as our industrial market remains muted

Q2'25 Revenue & Select Financial Measures

	Q2'25	Q1'25	Q2'24	Y/Y Change Excl. FX and Pd ¹
Semiconductor	\$432M	\$413M	\$369M	16%
Electronics & Packaging	\$266M	\$253M	\$229M	14%
Specialty Industrial	\$275M	\$270M	\$289M	-6%
Revenue	\$973M	\$936M	\$887M	9%

Non-GAAP Financial Measures

Gross Margin	46.6%	47.4%	47.3%
Operating Margin	20.8%	20.2%	21.7%
Interest Expense, Net	\$46M	\$45M	\$69M
Income Tax Rate	18.2%	19.9%	20.5%
Net Earnings	\$119M	\$116M	\$103M
Net Earnings per Diluted Share	\$1.77	\$1.71	\$1.53
Adjusted EBITDA	\$240M	\$236M	\$228M
Adjusted EBITDA Margin	24.7%	25.2%	25.7%

GAAP Financial Measures

Gross Margin	46.6%	47.4%	47.3%
Operating Margin	13.9%	11.9%	14.4%
Interest Expense, Net	\$51M	\$50M	\$74M
Income Tax Rate	13.6%	12.3%	-3.6%
Net Income	\$62M	\$52M	\$23M
Net Income per Diluted Share	\$0.92	\$0.77	\$0.33

Q2'25 SUMMARY

- Revenue above high end of guidance driven by demand growth in Semiconductor and Electronics & Packaging markets
- Gross margin slightly above midpoint of guidance and lower sequentially largely from incremental costs related to tariffs. Incremental tariffs negatively impacted gross margin by an estimated 115 basis points.
- Managing operating expenses while investing for growth and driving profitability
- Adjusted EBITDA above high end of guidance from higher revenues and gross margin and lower operating expenses
- Non-GAAP net earnings per diluted share at high end of guidance reflecting strong operating performance

¹ For further information regarding estimated impact of FX and Palladium, refer to appendix at the end of this presentation.

Balance Sheet & Cash Flow

	Q2'25	Q1'25
Cash and Cash Equivalents	\$674M	\$655M
Trade Accounts Receivable, Net	\$649M	\$639M
Inventories	\$918M	\$894M
Total Current Assets	\$2,484M	\$2,426M
Total Assets	\$8,826M	\$8,556M
Debt Principal	\$4,502M	\$4,562M
Total Liabilities	\$6,273M	\$6,202M
Stockholders' Equity	\$2,553M	\$2,354M
Operating Cash Flow	\$165M	\$141M
Capex	\$29M	\$18M
Free Cash Flow	\$136M	\$123M
Unlevered Free Cash Flow	\$180M	\$156M

Q2'25 SUMMARY

- Strong free cash flow of \$136 million
- Liquidity of about \$1.3 billion, consisting of \$674 million of cash and cash equivalents and an undrawn revolving credit facility of \$675 million
- Voluntary principal prepayment of \$100 million in June and another \$100 million prepayment earlier this month.
- Net leverage ratio of 4.0x

	Q3 '25		Q2'25 Actual
Revenue	\$960M	+/- \$40M	\$973M
Non-GAAP Financial Measures			
Gross Margin	46.5%	+/- 100 bps	46.6%
Operating Expenses	\$252M	+/- \$5M	\$251M
Operating Income	\$195M		\$202M
Operating Margin	20.3%		20.8%
Interest Expense, Net	\$45M		\$46M
Income Tax Rate	18%		18.2%
Net Earnings	\$121M	+/- \$19M	\$119M
Net Earnings per Diluted Share	\$1.80	+/- \$0.29	\$1.77
Adjusted EBITDA	\$232M	+/- \$24M	\$240M
Diluted Share Count	67.5M		67.4M
GAAP Financial Measures			
Gross Margin	46.5%	+/- 100 bps	46.6%
Operating Expenses	\$318M	+/- \$5M	\$318M
Operating Income	\$129M		\$135M
Operating Margin	13.4%		13.9%
Interest Expense, Net	\$48M		\$51M
Income Tax Rate	12%		13.6%
Net Income	\$67M	+/- \$21M	\$62M
Net Income per Diluted Share	\$0.99	+/- \$0.31	\$0.92
Diluted Share Count	67.5M		67.4M

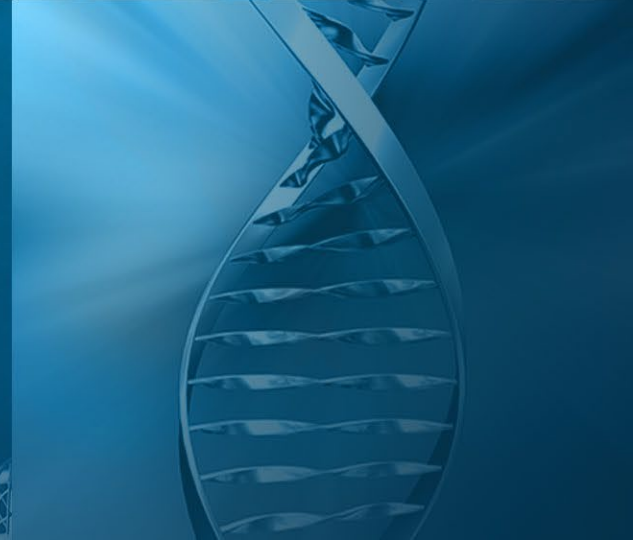
Outlook

- Revenue outlook by end-market:
 - Semiconductor – \$405M +/- \$15M
 - Electronics & Packaging – \$285M +/- \$10M
 - Specialty Industrial – \$270M +/- \$15M
- Gross Margin includes near-term tariff costs expected below 100 bps. We have implemented short term mitigation strategies and are committed to optimizing our performance and offsetting these costs.
- Non-GAAP Tax Rate of 18% with full year expected to be towards the low end of the 18% - 20% range

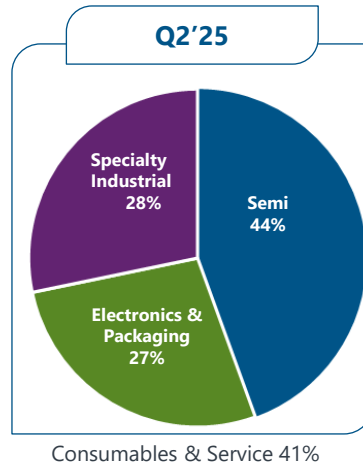
Strong execution in dynamic environment with cost discipline

- **Strong first half execution and financial results**
- **Maintaining cost discipline and focused on strong cash generation to support continued de-leveraging**
- **Key provider of enabling technologies that solve our customers' most difficult challenges**

Q&A



Q2'25 Revenue



Q2'25 vs Q2'24⁽¹⁾

	Q2'25	Q1'25	Q2'24	Total Change	FX	Pd	Change Excluding FX & Pd
Semiconductor	\$ 432	\$ 413	\$ 369	17%	1%	-	16%
Electronics & Packaging	266	253	229	16%	2%	0%	14%
Specialty Industrial	275	270	289	-5%	1%	0%	-6%
	\$ 973	\$ 936	\$ 887	10%	1%	0%	9%

¹ "Total Change" represents the percentage change in net revenues. "FX" and "Pd" reflect the estimated impact of foreign exchange rates and palladium prices on net revenues, respectively. "Change Excluding FX & Pd" is the difference between (i) "Total Change" and (ii) "FX" and "Pd."

in millions except percentages

Appendix – GAAP to Non-GAAP Reconciliations

	Q3'25	Q2'25	Q1'25	Q2'24
Net income	\$ 67	\$ 62	\$ 52	\$ 23
Acquisition and integration costs	—	—	—	2
Restructuring and other	4	5	16	2
Amortization of intangible assets	62	62	60	61
Loss on extinguishment of debt	2	2	3	38
Amortization of debt issuance costs	4	5	5	5
Fees and expenses related to amendments to the Term Loan Facility	—	—	2	—
Tax effect of Non-GAAP adjustments	(18)	(17)	(22)	(28)
Non-GAAP net earnings	<u>\$ 121</u>	<u>\$ 119</u>	<u>\$ 116</u>	<u>\$ 103</u>
Non-GAAP net earnings per diluted share	<u>\$ 1.80</u>	<u>\$ 1.77</u>	<u>\$ 1.71</u>	<u>\$ 1.53</u>
Weighted average diluted shares outstanding	67.5	67.4	67.7	67.5
GAAP and Non-GAAP gross profit	<u>\$ 447</u>	<u>\$ 453</u>	<u>\$ 444</u>	<u>\$ 419</u>
GAAP and Non-GAAP gross margin	46.5%	46.6%	47.4%	47.3%

in millions, other than per diluted share amounts and percentages

Appendix – GAAP to Non-GAAP Reconciliations

	Q3'25	Q2'25	Q1'25	Q2'24
Operating expenses	\$ 318	\$ 318	\$ 332	\$ 292
Acquisition and integration costs	—	—	—	2
Restructuring and other	4	5	16	2
Amortization of intangible assets	62	62	60	61
Fees and expenses related to amendments to the Term Loan Facility	—	—	2	—
Non-GAAP operating expenses	<u>\$ 252</u>	<u>\$ 251</u>	<u>\$ 254</u>	<u>\$ 227</u>
Income from operations	\$ 129	\$ 135	\$ 111	\$ 127
Operating margin	13.4%	13.9%	11.9%	14.4%
Acquisition and integration costs	—	—	—	2
Restructuring and other	4	5	16	2
Amortization of intangible assets	62	62	60	61
Fees and expenses related to amendments to the Term Loan Facility	—	—	2	—
Non-GAAP income from operations	<u>\$ 195</u>	<u>\$ 202</u>	<u>\$ 189</u>	<u>\$ 192</u>
Non-GAAP operating margin	20.3%	20.8%	20.2%	21.7%
Interest expense, net	\$ 49	\$ 51	\$ 50	\$ 74
Amortization of debt issuance costs	4	5	5	5
Non-GAAP interest expense, net	<u>\$ 45</u>	<u>\$ 46</u>	<u>\$ 45</u>	<u>\$ 69</u>

in millions, except percentages

Appendix – GAAP to Non-GAAP Reconciliations

	Q3'25	Q2'25	Q1'25	Q2'24
Net income	\$ 67	\$ 62	\$ 52	\$ 23
Interest expense, net	49	51	50	74
Other (income) expense, net	1	10	(1)	(7)
Provision (benefit) for income taxes	9	10	7	(1)
Depreciation	26	26	25	25
Amortization of intangible assets	62	62	60	61
Stock-based compensation	12	12	22	11
Acquisition and integration costs	—	—	—	2
Restructuring and other	4	5	16	2
Loss on extinguishment of debt	2	2	3	38
Fees and expenses related to amendments to the Term Loan Facility	—	—	2	—
Adjusted EBITDA	<u>\$ 232</u>	<u>\$ 240</u>	<u>\$ 236</u>	<u>\$ 228</u>
Adjusted EBITDA margin	24.2%	24.7%	25.2%	25.7%
Debt principal outstanding as of June 30, 2025		\$ 4,502		
Cash and cash equivalents as of June 30, 2025		<u>674</u>		
Net debt as of June 30, 2025		<u>\$ 3,828</u>		
Adjusted EBITDA for twelve months ended June 30, 2025		\$ 945		
Net leverage ratio at June 30, 2025		4.0x		

in millions, except percentages and net leverage ratio

Appendix – GAAP to Non-GAAP Reconciliations

	Q2'25	Q1'25	Q2'24
Net cash provided by operating activities	\$ 165	\$ 141	\$ 122
Purchases of property, plant and equipment	(29)	(18)	(26)
Free cash flow	<u>\$ 136</u>	<u>\$ 123</u>	<u>\$ 96</u>

	Q2'25	Q1'25	Q2'24
Free cash flow	\$ 136	\$ 123	\$ 96
Cash paid for interest	56	42	77
Tax effect on cash paid for interest ¹	(12)	(9)	(16)
Unlevered free cash flow	<u>\$ 180</u>	<u>\$ 156</u>	<u>\$ 156</u>

¹Tax effect of cash paid for interest was calculated at the US Federal Statutory rate of 21%

in millions

Appendix – GAAP to Non-GAAP Reconciliations

	Q2'25			Q1'25		
	Income Before Income Tax	Provision for Income Taxes	Effective Tax Rate	Income Before Income Tax	Provision for Income Taxes	Effective Tax Rate
GAAP	\$ 72	\$ 10	13.6%	\$ 59	\$ 7	12.3%
Restructuring and other	5	—		16	—	
Amortization of intangible assets	62	—		60	—	
Loss on extinguishment of debt	2	—		3	—	
Amortization of debt issuance costs	5	—		5	—	
Fees and expenses related to amendments to the Term Loan Facility	—	—		2	—	
Tax effect of Non-GAAP adjustments	—	17		—	22	
Non-GAAP	\$ 146	\$ 27	18.2%	\$ 145	\$ 29	19.9%

	Q2'24			Q3'25		
	Income Before Income Tax	(Benefit) Provision for Income Taxes	Effective Tax Rate	Income Before Income Tax	Provision for Income Taxes	Effective Tax Rate
GAAP	\$ 22	\$ (1)	-3.6%	\$ 77	\$ 9	12.4%
Acquisition and integration costs	2	—		—	—	
Restructuring and other	2	—		4	—	
Amortization of intangible assets	61	—		62	—	
Loss on extinguishment of debt	38	—		2	—	
Amortization of debt issuance costs	5	—		4	—	
Tax effect of Non-GAAP adjustments	—	28		—	18	
Non-GAAP	\$ 130	\$ 27	20.5%	\$ 149	\$ 27	18.3%

in millions, except percentages

Appendix – GAAP to Non-GAAP Reconciliations



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

Acquisition and integration costs include incremental expenses incurred to effect the Atotech Acquisition. Such acquisition costs may include advisory, legal, tax, accounting, valuation, and other professional or consulting fees. Such integration costs may include expenses directly related to integration of business and facility operations, information technology systems and infrastructure and other employee-related costs.

Restructuring and other include incremental expenses incurred in connection with restructuring programs and other strategic initiatives, primarily related to changes in business and/or cost structure. Such costs may include third-party services, one-time termination benefits, facility-related costs, contract termination fees and other items that have no direct correlation to our future business operations.

Amortization of intangible assets includes non-cash amortization expense associated with intangible assets acquired in acquisitions.

Loss on extinguishment of debt includes the non-cash write-off of unamortized debt issuance costs and original issue discount costs incurred from voluntary prepayments and/or repricing of our term loan facility.

Amortization of debt issuance costs includes non-cash additional interest expense related to the amortization of debt issuance costs associated with our term loan facility.

Fees and expenses related to amendments to the Term Loan Facility includes direct third-party costs related to repricings or refinancings of our term loan facility.

Tax effect of Non-GAAP adjustments includes the impact of Non-GAAP adjustments that are tax effected at applicable statutory rates resulting in a difference between the GAAP and Non-GAAP tax rates.