



First Quarter 2025 Financial Results

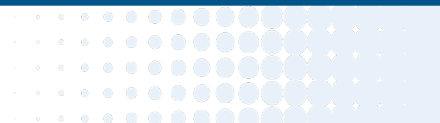
MKS Instruments, Inc.
May 8, 2025



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 Instruments, 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 presentation are preliminary and subject to finalization prior to the filing of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025.

Notes on Presentation



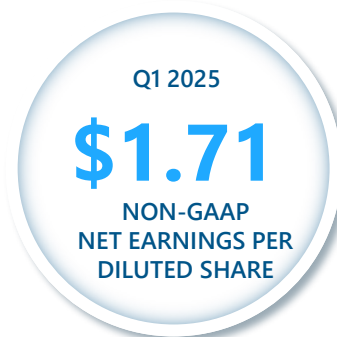
Use of Non-GAAP Financial Measures

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.

Q1 2025 Results: Strong start to the year



- Strong revenues better-than-expected across all end markets
- Gross margin at high end of guidance and tightly managed operating expenses
- Increased Non-GAAP earnings per share and free cash flow year-over-year
- Proactively managed leverage through a voluntary principal prepayment and term loan repricing, further reducing our annualized cash interest payments

Semiconductor

Q1 Highlights

Q1 2025

\$413M

REVENUE

Q/Q CHANGE +3%

Y/Y CHANGE +18%

Y/Y CHANGE¹ +20%
Excluding FX

- Revenue at high end of guidance range and increased sequentially related to demand in NAND, DRAM and Logic/Foundry applications
- NAND improving as customer inventories have largely normalized and system upgrades have increased

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

Business Trends

Guidance

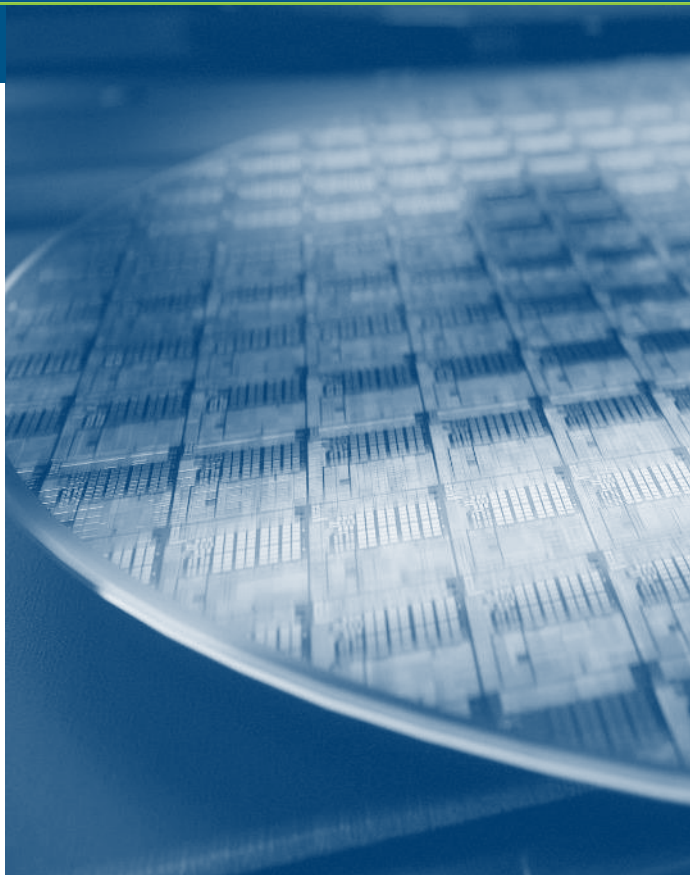
Q2 2025

\$415M

+/- \$15M

REVENUE

- Steadily improving environment and continue to be well positioned as market recovery gains momentum
- Expect Q2 revenue to be flattish vs Q1'25 and increasing low double digits year-over-year



Electronics & Packaging

Q1 Highlights

Q1 2025

\$253M

REVENUE

Q/Q CHANGE 0%

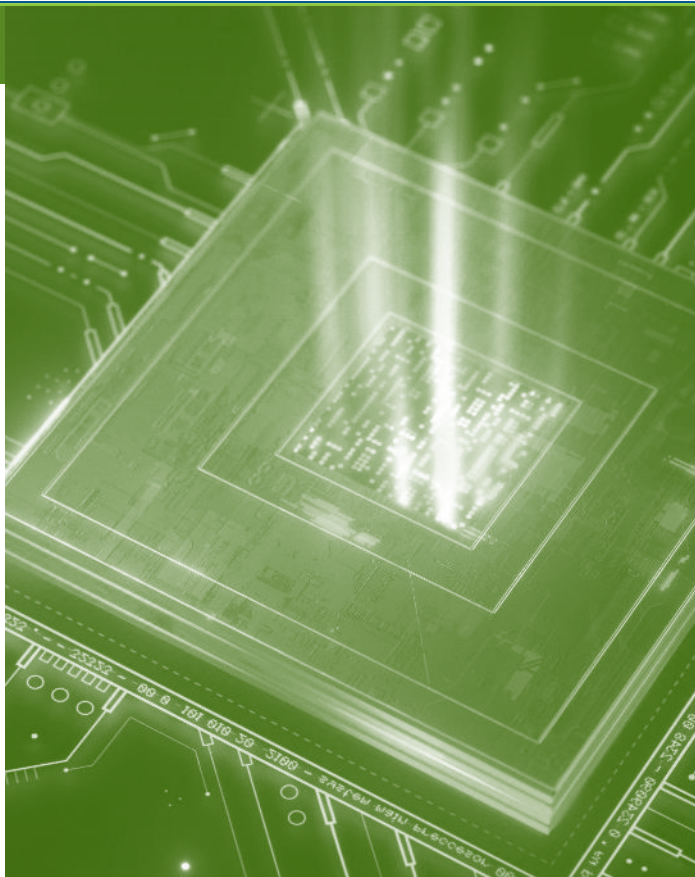
Y/Y CHANGE +22%

Y/Y CHANGE¹ +26%

Excluding FX & Palladium

- Revenue at high end of guidance range driven by increased sales of flexible PCB drilling equipment as well as chemistry equipment
- Continued momentum in orders for chemistry and chemistry equipment solutions for advanced MLB, HDI, and package substrates related to AI applications
- Strong orders of laser equipment for Low Earth Orbit satellite applications

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



Business Trends

Guidance

Q2 2025

\$240M

+/- \$10M

REVENUE

- Our products and technologies play a key role in enabling the manufacturing of increasingly complex electronic devices
- Q2 revenue expected to be lower sequentially due to flexible PCB drilling equipment pull forwards into Q1 partially offset by chemistry
- Low teens growth rate year over year in first half 2025 based on the midpoint

Specialty Industrial

Q1 Highlights

Q1 2025

\$270M

REVENUE

Q/Q CHANGE -4%

Y/Y CHANGE -13%

Y/Y CHANGE¹ -11%

Excluding FX & Palladium

- Revenue above midpoint of guidance but lower sequentially from broader industrial market softness, especially in automotive applications
- Steady performance in life and health sciences, and research and defense 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
Q2 2025

\$270M

+/- \$15M

REVENUE

- Leverages our proprietary technologies and R&D investments in other markets, yielding strong incremental margin and cash generation
- Expect Q2 revenue to remain flattish vs Q1'25 due to continued industrial market softness

Q1'25 Revenue & Select Financial Measures

	Q1'25	Q4'24	Q1'24	Y/Y Change Excl. FX and Pd ¹
Semiconductor	\$413M	\$400M	\$351M	20%
Electronics & Packaging	\$253M	\$254M	\$208M	26%
Specialty Industrial	\$270M	\$281M	\$309M	-11%
Revenue	\$936M	\$935M	\$868M	10%

Non-GAAP Financial Measures

Gross Margin	47.4%	47.2%	47.8%
Operating Margin	20.2%	21.3%	20.2%
Interest Expense, Net	\$45M	\$45M	\$75M
Income Tax Rate	19.9%	4.0%	23.3%
Net Earnings	\$116M	\$146M	\$79M
Net Earnings per Diluted Share	\$1.71	\$2.15	\$1.18
Adjusted EBITDA	\$236M	\$237M	\$217M
Adjusted EBITDA Margin	25.2%	25.3%	25.0%

GAAP Financial Measures

Gross Margin	47.4%	47.2%	47.8%
Operating Margin	11.9%	14.5%	12.2%
Interest Expense, Net	\$50M	\$49M	\$81M
Income Tax Rate	12.3%	-14.5%	23.1%
Net Income	\$52M	\$90M	\$15M
Net Income per Diluted Share	\$0.77	\$1.33	\$0.22

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

Q1'25 SUMMARY

- Revenue at high end of guidance driven by continued recovery in demand in Semiconductor and Electronics & Packaging markets
- Gross margin at high end of guidance and up sequentially despite higher equipment mix
- Managing operating expenses on balance with investing for growth and driving profitability
- Non-GAAP operating margin above midpoint of guidance and Adjusted EBITDA at high end of guidance on higher revenues and gross margin
- Non-GAAP net earnings per diluted share above high end of guidance reflecting strong operating performance and lower non-GAAP income tax rate

Balance Sheet & Cash Flow

	Q1'25	Q4'24
Cash and Cash Equivalents	\$655M	\$714M
Trade Accounts Receivable, Net	\$639M	\$615M
Inventories	\$894M	\$893M
Total Current Assets	\$2,426M	\$2,474M
Total Assets	\$8,556M	\$8,590M
Debt Principal	\$4,562M	\$4,649M
Total Liabilities	\$6,202M	\$6,268M
Stockholders' Equity	\$2,354M	\$2,322M
Operating Cash Flow	\$141M	\$176M
Capex	\$18M	\$51M
Free Cash Flow	\$123M	\$125M
Unlevered Free Cash Flow	\$156M	\$171M

Q1'25 SUMMARY

- Strong free cash flow of \$123 million
- Liquidity of about \$1.3 billion, consisting of \$655 million of cash and cash equivalents and an undrawn revolving credit facility of \$675 million
- Voluntary principal prepayment of \$100 million and term loan repricing reduced credit spreads by 25 bps
- Net leverage ratio of 4.2x
- Repurchased about 500,000 shares and issued cash dividend of \$15 million or \$0.22 per share

Outlook

	Q2'25		Q1'25 Actual
Revenue	\$925M	+/- \$40M	\$936M
Non-GAAP Financial Measures			
Gross Margin	46.5%	+/- 100 bps	47.4%
Operating Expenses	\$252M	+/- \$5M	\$254M
Operating Income	\$178M		\$189M
Operating Margin	19.2%		20.2%
Interest Expense, Net	\$48M		\$45M
Income Tax Rate	18%		19.9%
Net Earnings	\$106M	+/- \$19M	\$116M
Net Earnings per Diluted Share	\$1.56	+/- \$0.28	\$1.71
Adjusted EBITDA	\$216M	+/- \$23M	\$236M
Diluted Share Count	67.6M		67.7M
GAAP Financial Measures			
Gross Margin	46.5%	+/- 100 bps	47.4%
Operating Expenses	\$316M	+/- \$5M	\$332M
Operating Income	\$115M		\$111M
Operating Margin	12.4%		11.9%
Interest Expense, Net	\$52M		\$50M
Income Tax Rate	8%		12.3%
Net Income	\$55M	+/- \$21M	\$52M
Net Income per Diluted Share	\$0.81	+/- \$0.32	\$0.77
Diluted Share Count	67.6M		67.7M

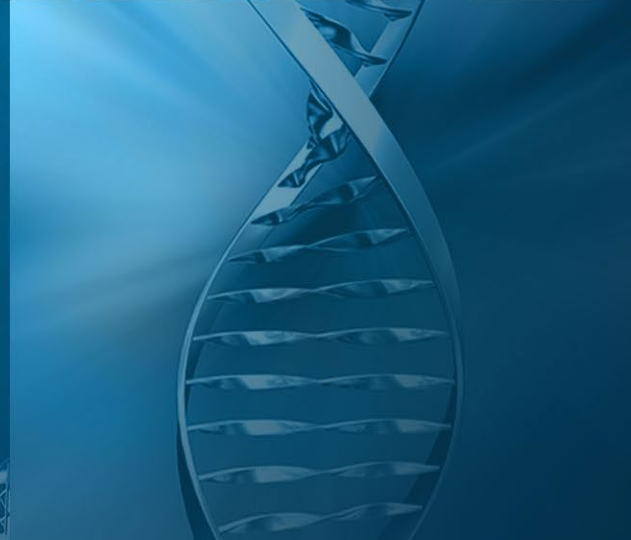
Outlook

- Revenue outlook by end-market:
 - Semiconductor – \$415M +/- \$15M
 - Electronics & Packaging – \$240M +/- \$10M
 - Specialty Industrial – \$270M +/- \$15M
- Gross Margin includes near-term tariff costs estimated up to 100 bps, though remaining agile and optimizing performance through cost mitigation strategies
- Non-GAAP Tax Rate of 18% with full year expected to be 18% - 20%
- Net Earnings per Diluted Share of \$1.56 +/- \$0.28 including the estimated impact of incremental tariff costs

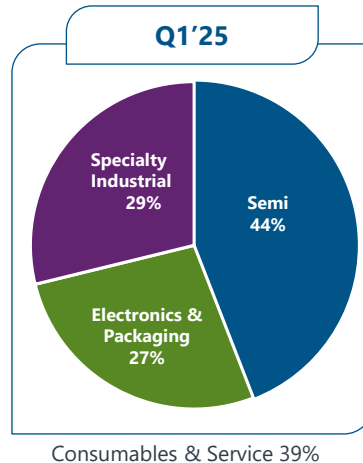
Navigating near-term; positioning for long-term opportunities

- **Strong Q1 execution and financial results**
- **Stable demand trends entering Q2**
- **Proven track record of managing through uncertainty**
- **Key provider of enabling technologies and strong customer relationships**

Q&A



Q1'25 Revenue



				Q1'25 vs Q1'24 ⁽¹⁾			
	Q1'25	Q4'24	Q1'24	Total Change	FX	Pd	Change Excluding FX & Pd
Semiconductor	\$ 413	\$ 400	\$ 351	18%	-2%	-	20%
Electronics & Packaging	\$ 253	254	208	22%	-3%	-1%	26%
Specialty Industrial	\$ 270	281	309	-13%	-2%	0%	-11%
	\$ 936	\$ 935	\$ 868	8%	-2%	0%	10%

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

	Q2'25	Q1'25	Q4'24	Q1'24
Net income	\$ 55	\$ 52	\$ 90	\$ 15
Acquisition and integration costs	—	—	3	1
Restructuring and other	4	16	1	3
Amortization of intangible assets	60	60	61	62
Loss on extinguishment of debt	2	3	4	9
Amortization of debt issuance costs	4	5	5	6
Fees and expenses related to amendments to the Term Loan Facility	—	2	—	3
Tax effect of Non-GAAP adjustments	(19)	(22)	(18)	(20)
Non-GAAP net earnings	<u>\$ 106</u>	<u>\$ 116</u>	<u>\$ 146</u>	<u>\$ 79</u>
Non-GAAP net earnings per diluted share	<u>\$ 1.56</u>	<u>\$ 1.71</u>	<u>\$ 2.15</u>	<u>\$ 1.18</u>
Weighted average diluted shares outstanding	67.6	67.7	67.7	67.4
GAAP and Non-GAAP gross profit	<u>\$ 430</u>	<u>\$ 444</u>	<u>\$ 441</u>	<u>\$ 415</u>
GAAP and Non-GAAP gross margin	46.5%	47.4%	47.2%	47.8%

in millions, other than per diluted share amounts and percentages

Appendix – GAAP to Non-GAAP Reconciliations

	Q2'25	Q1'25	Q4'24	Q1'24
Operating expenses	\$ 316	\$ 332	\$ 306	\$ 309
Acquisition and integration costs	—	—	3	1
Restructuring and other	4	16	1	3
Amortization of intangible assets	60	60	61	62
Fees and expenses related to amendments to the Term Loan Facility	—	2	—	3
Non-GAAP operating expenses	<u>\$ 252</u>	<u>\$ 254</u>	<u>\$ 242</u>	<u>\$ 240</u>
Income from operations	\$ 115	\$ 111	\$ 135	\$ 106
Operating margin	12.4%	11.9%	14.5%	12.2%
Acquisition and integration costs	—	—	3	1
Restructuring and other	4	16	1	3
Amortization of intangible assets	60	60	61	62
Fees and expenses related to amendments to the Term Loan Facility	—	2	—	3
Non-GAAP income from operations	<u>\$ 178</u>	<u>\$ 189</u>	<u>\$ 199</u>	<u>\$ 175</u>
Non-GAAP operating margin	19.2%	20.2%	21.3%	20.2%
Interest expense, net	\$ 52	\$ 50	\$ 49	\$ 81
Amortization of debt issuance costs	4	5	5	6
Non-GAAP interest expense, net	<u>\$ 48</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 75</u>

in millions, except percentages

Appendix – GAAP to Non-GAAP Reconciliations

	Q2'25	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
Net income	\$ 55	\$ 52	\$ 90	\$ 62	\$ 23	\$ 15
Interest expense, net	52	50	49	58	74	81
Other (income) expense, net	1	(1)	3	5	(7)	(3)
Provision (benefit) for income taxes	4	7	(11)	(2)	(1)	4
Depreciation	26	25	26	26	25	26
Amortization of intangible assets	60	60	61	61	61	62
Stock-based compensation	12	22	11	11	11	15
Acquisition and integration costs	—	—	3	3	2	1
Restructuring and other	4	16	1	1	2	3
Loss on extinguishment of debt	2	3	4	5	38	9
Fees and expenses related to amendments to the Term Loan Facility	—	2	—	2	—	3
Adjusted EBITDA	<u>\$ 216</u>	<u>\$ 236</u>	<u>\$ 237</u>	<u>\$ 232</u>	<u>\$ 228</u>	<u>\$ 217</u>
Adjusted EBITDA margin	23.3%	25.2%	25.3%	25.9%	25.7%	25.0%
Debt principal outstanding as of March 31, 2025		\$ 4,562				
Cash and cash equivalents as of March 31, 2025		<u>655</u>				
Net debt as of March 31, 2025		<u>\$ 3,907</u>				
Adjusted EBITDA for twelve months ended March 31, 2025		\$ 933				
Net leverage ratio at March 31, 2025		4.2x				

in millions, except percentages and net leverage ratio

Appendix – GAAP to Non-GAAP Reconciliations

Net cash provided by operating activities
Purchases of property, plant and equipment
Free cash flow

	Q1'25	Q4'24	Q1'24
	\$ 141	\$ 176	\$ 67
	(18)	(51)	(18)
	<u>\$ 123</u>	<u>\$ 125</u>	<u>\$ 49</u>

Free cash flow
Cash paid for interest
Tax effect on cash paid for interest¹
Unlevered free cash flow

	Q1'25	Q4'24	Q1'24
	\$ 123	\$ 125	\$ 49
	42	58	75
	(9)	(12)	(16)
	<u>\$ 156</u>	<u>\$ 171</u>	<u>\$ 108</u>

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

in millions

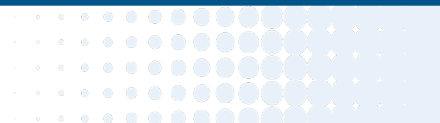
Appendix – GAAP to Non-GAAP Reconciliations

	Q1'25			Q1'24		
	Income Before Income Tax	Provision for Income Taxes	Effective Tax Rate	Income Before Income Tax	Provision for Income Taxes	Effective Tax Rate
GAAP	\$ 59	\$ 7	12.3%	\$ 19	\$ 4	23.1%
Acquisition and integration costs	—	—		1	—	
Restructuring and other	16	—		3	—	
Amortization of intangible assets	60	—		62	—	
Loss on extinguishment of debt	3	—		9	—	
Amortization of debt issuance costs	5	—		6	—	
Fees and expenses related to amendments to the Term Loan Facility	2	—		3	—	
Tax effect of Non-GAAP adjustments	—	22		—	20	
Non-GAAP	\$ 145	\$ 29	19.9%	\$ 103	\$ 24	23.3%

	Q4'24			Q2'25		
	Income Before Income Tax	Provision for Income Taxes (Benefit)	Effective Tax Rate	Income Before Income Tax	Provision for Income Taxes	Effective Tax Rate
GAAP	\$ 79	\$ (11)	-14.5%	\$ 60	\$ 4	7.8%
Acquisition and integration costs	3	—		—	—	
Restructuring and other	1	—		4	—	
Amortization of intangible assets	61	—		60	—	
Loss on extinguishment of debt	4	—		2	—	
Amortization of debt issuance costs	5	—		4	—	
Tax effect of Non-GAAP adjustments	—	18		—	19	
Non-GAAP	\$ 153	\$ 7	4.0%	\$ 129	\$ 23	18.1%

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 includes 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 and original issue discount 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.