

October 26, 2016

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# Earnings Summary Third Quarter FY 2016



## SAFE HARBOR

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Certain information contained in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve substantial risks and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Statements that include such words as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “may,” “will,” “should” or the negative thereof and similar expressions as they relate to Entegris or our management are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. These risks include, but are not limited to, fluctuations in the market price of Entegris’ stock, Entegris’ future operating results, other acquisition and investment opportunities available to Entegris, general business and market conditions and other factors. Additional information concerning these and other risk factors may be found in previous financial press releases issued by Entegris and Entegris’ periodic public filings with the Securities and Exchange Commission, including discussions appearing under the headings “Risks Relating to our Business and Industry,” “Risks Related to Our Indebtedness,” “Manufacturing Risks,” “International Risks” and “Risks Related to Owning Our Common Stock” in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the Securities and Exchange Commission on February 29, 2016, as well as other matters and important factors disclosed previously and from time to time in the filings of Entegris with the U.S. Securities and Exchange Commission. Except as required under the federal securities laws and the rules and regulations of the Securities and Exchange Commission, we undertake no obligation to update publicly any forward-looking statements contained herein.

## SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (GAAP)

\$ in millions, except per share data	3Q16	3Q16 Guidance	2Q16	3Q15	3Q16 over 2Q16	3Q16 over 3Q15
Net Revenue	\$296.7	\$285 to \$300	\$303.1	\$270.3	(2.1%)	9.8%
Gross Margin	41.5%		45.9%	43.0%		
Operating Expenses	\$88.3		\$92.8	\$85.2	(4.8%)	3.6%
Operating Income	\$34.7		\$46.4	\$31.1	(25.2%)	11.6%
Operating Margin	11.7%		15.3%	11.5%		
Tax Rate	15.2%		14.4%	14.6%		
Net Income	\$21.9	\$25 to \$30	\$32.9	\$23.4	(33.4%)	(6.4%)
EPS	\$0.15	\$0.18 to \$0.21	\$0.23	\$0.17	(34.8%)	(11.8%)

## SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (NON-GAAP)<sup>1</sup>

\$ in millions, except per share data	3Q16	3Q16 Guidance	2Q16	3Q15	3Q16 over 2Q16	3Q16 over 3Q15
Net Revenue	\$296.7	\$285 to \$300	\$303.1	\$270.3	(2.1%)	9.8%
Adjusted Gross Margin <sup>2</sup>	43.6%		45.9%	43.0%		
Non-GAAP Operating Expenses <sup>3</sup>	\$75.4		\$81.7	\$71.5	(7.7%)	5.5%
Adjusted Operating Income	\$53.9		\$57.5	\$44.8	(6.3%)	20.3%
Adjusted Operating Margin	18.2%		19.0%	16.6%		
Non-GAAP Tax Rate <sup>4</sup>	23.2%		18.5%	21.1%		
Non-GAAP Net Income	\$34.6	\$32 to \$37	\$40.3	\$32.4	(14.1%)	6.8%
Non-GAAP EPS	\$0.24	\$0.23 to \$0.26	\$0.28	\$0.23	(14.3%)	4.3%

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.
2. Adjusted gross margin excludes certain impairment of equipment and severance charges.
3. Non-GAAP Operating Expenses exclude amortization expense, severance and integration costs.
4. Non-GAAP Tax Rate reflects the tax effect of non-GAAP adjustments to GAAP taxes.

## SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (GAAP)

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\$ in millions, except per share data	Nine Months Ended October 1, 2016	Nine Months Ended September 26, 2015	Year-over-Year
Net Revenue	\$866.8	\$814.3	6.4%
Gross Margin	43.5%	44.3%	
Operating Expenses	\$266.3	\$263.0	1.3%
Operating Income	\$110.6	\$98.0	12.9%
Operating Margin	12.8%	12.0%	
Tax Rate	16.8%	19.2%	
Net Income	\$71.0	\$62.7	13.2%
EPS	\$0.50	\$0.44	13.6%

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## SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (NON-GAAP)<sup>1</sup>

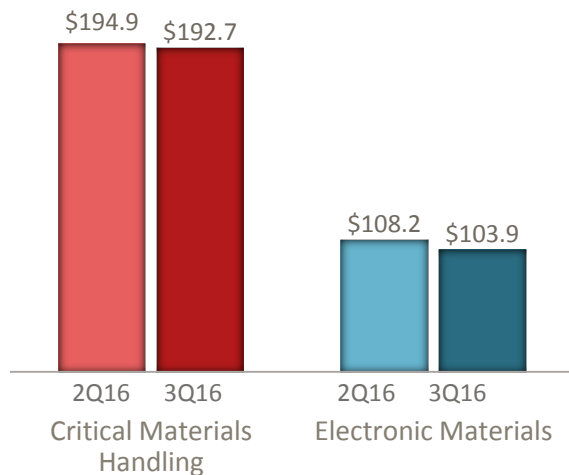
\$ in millions, except per share data	Nine Months Ended October 1, 2016	Nine Months Ended September 26, 2015	Year-over-Year
Net Revenue	\$866.8	\$814.3	6.4%
Adjusted Gross Margin <sup>2</sup>	44.2%	44.3%	
Non-GAAP Operating Expenses <sup>3</sup>	\$231.0	\$220.0	5.0%
Adjusted Operating Income	\$152.2	\$140.9	8.0%
Adjusted Operating Margin	17.6%	17.3%	
Non-GAAP Tax Rate <sup>4</sup>	22.3%	24.2%	
Non-GAAP Net Income	\$98.6	\$91.8	7.4%
Non-GAAP EPS	\$0.69	\$0.65	6.2%

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.
2. Adjusted gross margin excludes certain impairment of equipment and severance charges.
3. Non-GAAP Operating Expenses exclude amortization expense, severance related to organizational realignment, and integration costs.
4. Non-GAAP Tax Rate reflects the tax effect of non-GAAP adjustments to GAAP taxes.

## RESULTS BY SEGMENT

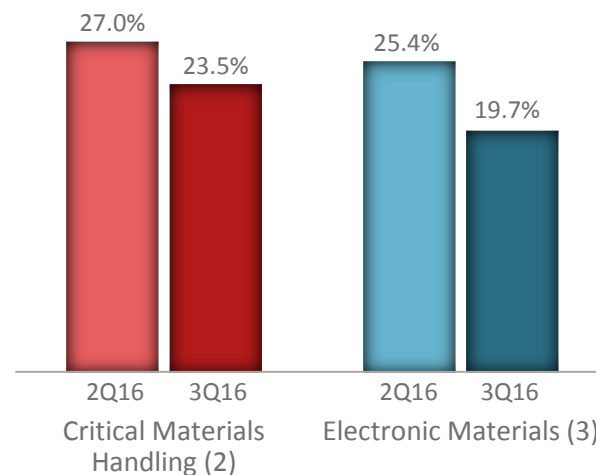
### Sales by Segment

\$ in millions



### Profit Margin by Segment<sup>(1)</sup>

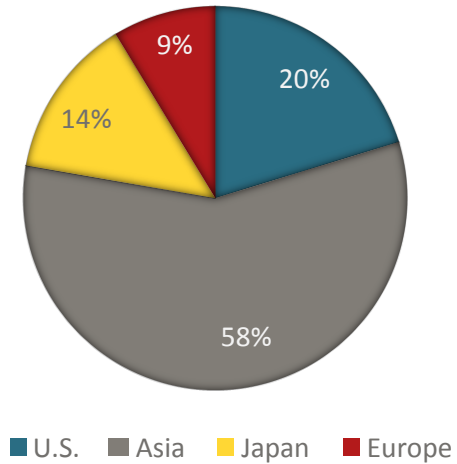
% Sales



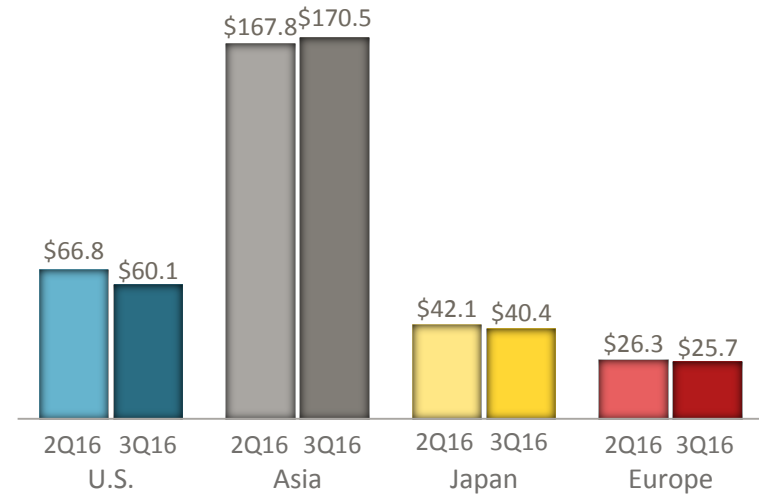
1. Excludes amortization of intangibles and unallocated expenses.
2. Segment profit for Critical Materials Handling for the three months ended October 1, 2016 includes charges for impairment of equipment and severance related to organizational realignment totaling \$7,518.
3. Segment profit for Electronic Materials for the three months ended October 1, 2016 includes a charge for severance related to organizational realignment of \$713.

## REVENUE BY GEOGRAPHY

Revenue By Geography  
Q3 2016



Quarter-to-Quarter Revenue by Geography  
\$ in millions



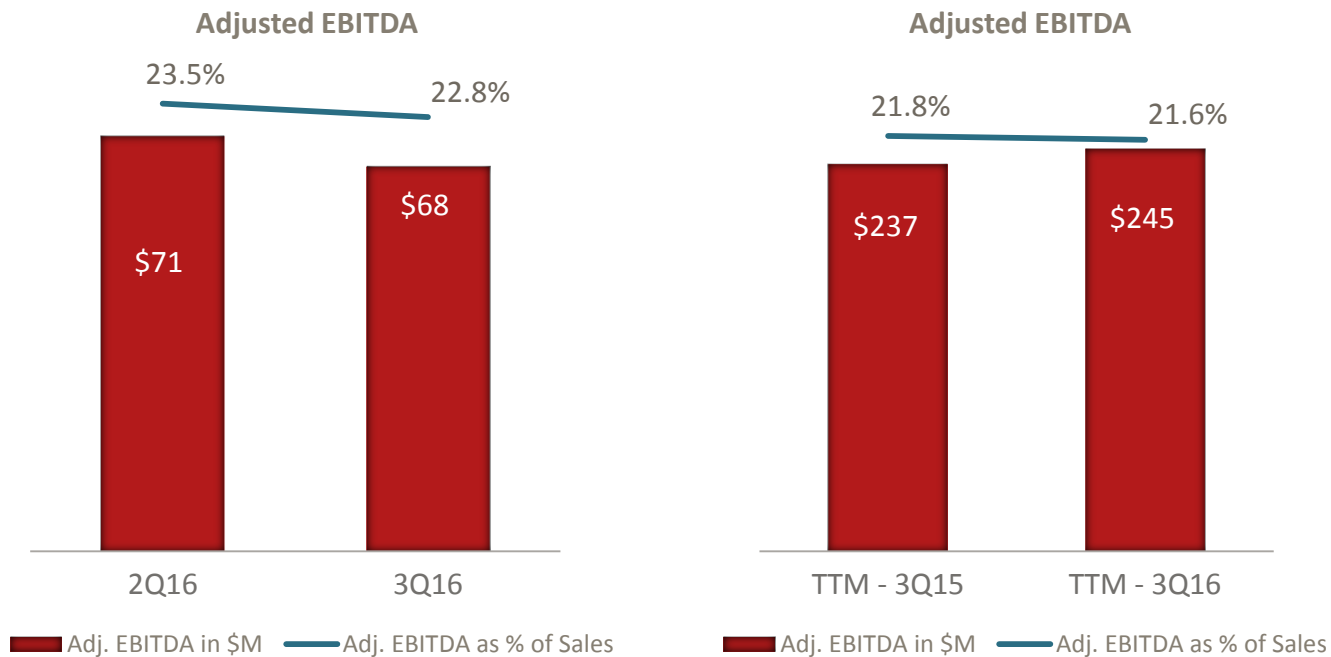


## SUMMARY – BALANCE SHEET ITEMS

\$ in millions	3Q16		2Q16		3Q15	
	\$ Amount	% Total	\$ Amount	% Total	\$ Amount	% Total
Cash & Cash Equivalents	\$411.8	24.0%	\$373.7	22.0%	\$301.1	18.1%
Accounts Receivable, net	\$167.6	9.8%	\$180.6	10.7%	\$184.3	11.1%
Inventories	\$186.0	10.9%	\$181.1	10.7%	\$188.4	11.3%
Net PP&E	\$315.5	18.4%	\$322.7	19.0%	\$315.7	18.9%
<b>Total Assets</b>	<b>\$1,713.6</b>		<b>\$1,695.5</b>		<b>\$1,666.5</b>	
Current Liabilities <sup>(1)</sup>	\$237.7	13.9%	\$187.1	11.0%	\$209.1	12.5%
Long-term debt, excluding current maturities	\$508.8	29.7%	\$582.2	34.3%	\$605.1	36.3%
<b>Total Liabilities</b>	<b>\$816.4</b>	<b>47.6%</b>	<b>\$834.3</b>	<b>49.2%</b>	<b>\$896.4</b>	<b>53.8%</b>
<b>Total Shareholders' Equity</b>	<b>\$897.2</b>	<b>52.4%</b>	<b>\$861.2</b>	<b>50.8%</b>	<b>\$770.1</b>	<b>46.2%</b>
AR - DSOs	51.5		54.4		62.2	
Inventory Turns	3.8		3.6		3.3	

1. Current Liabilities in 3Q15, 2Q16, 3Q16 includes \$50 million, \$50 million, and \$100 million of current maturities of long term debt.

## ADJUSTED EBITDA MARGIN



Note: See Reconciliation of GAAP Income to Adjusted Operating Income and Adjusted EBITDA on page 15 of this presentation.

## CASH FLOWS

\$ in millions	3Q16	2Q16	3Q15
Beginning Cash Balance	\$373.7	\$344.4	\$313.7
Cash from operating activities	71.9	61.2	32.6
Capital expenditures	(13.1)	(14.3)	(21.5)
Payments on long-term debt	(25.0)	(25.0)	(25.0)
Other investing activities	0.1	0.8	0.5
Other financing activities	(0.2)	2.3	1.9
Effect of exchange rates	4.3	4.3	(1.2)
Ending Cash Balance	\$411.8	\$373.7	\$301.1
Free Cash Flow <sup>1</sup>	\$58.8	\$46.9	\$11.1
Adjusted EBITDA	\$67.7	\$71.3	\$58.2

1. Free cash flow equals cash from operations less capital expenditures.

## OUTLOOK

### GAAP

\$ in millions, except per share data	4Q16 Guidance	3Q16	4Q15
Net Revenue	\$275 to \$290	\$296.7	\$266.8
Gross Margin		41.5%	41.0%
Operating Expenses	\$85 to \$87	\$88.3	\$89.2
Net Income	\$20 to \$26	\$21.9	\$17.6
EPS	\$0.14 to \$0.18	\$0.15	\$0.12

### Non-GAAP

\$ in millions, except per share data	4Q16 Guidance	3Q16	4Q15
Net Revenue	\$275 to \$290	\$296.7	\$266.8
Gross Margin		43.6%	41.0%
Non-GAAP Operating Expenses <sup>(1)</sup>	\$74 to \$76	\$75.4	\$72.2
Non-GAAP Net Income	\$27 to \$33	\$34.6	\$28.8
Non-GAAP EPS	\$0.19 to \$0.23	\$0.24	\$0.20

1. Non-GAAP operating expenses exclude amortization. In 4Q16, amortization is estimated to be approximately \$11 million, or \$0.05 per share.



## APPENDIX: NON-GAAP RECONCILIATION TABLES

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**NON-GAAP RECONCILIATION TABLE**  
**RECONCILIATION OF GAAP TO ADJUSTED OPERATING INCOME AND ADJUSTED EBITDA**

In thousands (unaudited)	Three months ended			Nine months ended	
	October 1, 2016	September 26, 2015	July 2, 2016	October 1, 2016	September 26, 2015
<b>Net sales</b>	\$296,692	\$270,253	\$303,052	\$866,768	\$814,335
<b>Net income</b>	\$21,947	\$23,403	\$32,890	\$71,049	\$62,723
<b>Adjustments to net income:</b>					
<b>Equity in net loss of affiliates</b>	-	68	-	-	218
<b>Income tax expense</b>	3,945	4,018	5,513	14,331	14,933
<b>Interest expense, net</b>	9,345	9,201	9,051	27,545	28,544
<b>Other income, net</b>	<u>(565)</u>	<u>(5,624)</u>	<u>(1,054)</u>	<u>(2,294)</u>	<u>(8,466)</u>
<b>GAAP – Operating income</b>	34,672	31,066	46,400	110,631	97,952
<b>Severance related to organizational realignment</b>	2,405	-	-	2,405	-
<b>Impairment of equipment</b>	5,826	-	-	5,826	-
<b>Integration costs</b>	-	2,075	-	-	7,083
<b>Amortization of intangible assets</b>	<u>10,974</u>	<u>11,673</u>	<u>11,062</u>	<u>33,325</u>	<u>35,908</u>
<b>Adjusted operating income</b>	53,877	44,814	57,462	152,187	140,943
<b>Depreciation</b>	<u>13,795</u>	<u>13,356</u>	<u>13,825</u>	<u>41,320</u>	<u>40,080</u>
<b>Adjusted EBITDA</b>	<u>\$67,672</u>	<u>\$58,170</u>	<u>\$71,287</u>	<u>\$193,507</u>	<u>\$181,023</u>
<b>Adjusted operating margin</b>	18.2%	16.6%	19.0%	17.6%	17.3%
<b>Adjusted EBITDA – as a % of net sales</b>	22.8%	21.5%	23.5%	22.3%	22.2%

**NON-GAAP RECONCILIATION TABLE**  
**RECONCILIATION OF GAAP PROFIT TO ADJUSTED GROSS PROFIT**

In thousands, except per share data (unaudited)

	Three months ended			Nine months ended	
	October 1, 2016	September 26, 2015	July 2, 2016	October 1, 2016	September 26, 2015
<b>Net sales</b>	\$296,692	\$270,253	\$303,052	\$866,768	\$814,335
<b>Gross profit-GAAP</b>	\$122,980	\$116,310	\$139,205	\$376,891	\$360,933
<b>Adjustments to gross profit:</b>					
<b>Severance related to     organizational realignment</b>					
	431	-	-	431	-
<b>Impairment of equipment</b>					
	<u>5,826</u>	-	-	<u>5,826</u>	-
<b>Adjusted gross profit</b>	<u>\$129,237</u>	<u>\$116,310</u>	<u>\$139,205</u>	<u>\$383,148</u>	<u>\$360,933</u>
<b>Gross margin – as a % of net sales</b>	41.5%	43.0%	45.9%	43.5%	44.3%
<b>Adjusted gross margin – as a % of net sales</b>	43.6%	43.0%	45.9%	44.2%	44.3%



## NON-GAAP RECONCILIATION TABLE RECONCILIATION OF GAAP TO NON-GAAP EARNINGS PER SHARE

	In thousands, except per share data (unaudited)					
	Three months ended			Nine months ended		
	October 1, 2016	September 26, 2015	July 2, 2016	October 1, 2016	September 26, 2015	
<b>Net income</b>	\$21,947	\$23,403	\$32,890	\$71,049	\$62,723	
<b>Adjustments to net income:</b>						
<b>Severance related to organizational realignment</b>	2,405	-	-	2,405	-	
<b>Impairment of equipment</b>	5,826	-	-	5,826	-	
<b>Integration costs</b>	-	2,075	-	-	7,083	
<b>(Gain) loss on impairment or sale of equity investment</b>	-	(50)	(38)	(156)	567	
<b>Amortization of intangible assets</b>	10,974	11,673	11,062	33,325	35,908	
<b>Tax effect of adjustments of net income</b>	(6,505)	(4,657)	(3,624)	(13,895)	(14,488)	
<b>Non-GAAP net income</b>	<u>\$34,647</u>	<u>\$32,444</u>	<u>\$40,290</u>	<u>\$98,554</u>	<u>\$91,793</u>	
<b>Diluted income per common share</b>	\$0.15	\$0.17	\$0.23	\$0.50	\$0.44	
<b>Effect of adjustments to net income</b>	0.09	0.06	0.05	0.19	0.21	
<b>Diluted non-GAAP income per common share</b>	\$0.24	\$0.23	\$0.28	\$0.69	\$0.65	