

# Earnings Summary

Fourth Quarter FY 2013

February 4, 2013



# Forward-Looking Statements and Non-GAAP Disclosures

## Safe Harbor

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 Borrowings,” “Manufacturing Risks,” “International Risks” and “Risks Related to Owning Our Securities” in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, 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.

## Non-GAAP Measures

Management uses certain non-GAAP measurements to assess the Company’s current and future financial performance. The non-GAAP measurements do not replace the presentation of the Company’s GAAP financial results. These measurements provide supplemental information to assist management in analyzing the Company’s financial position and results of operations. Reconciliations of the non-GAAP financial measures used throughout this presentation to comparable GAAP measures can be found in Appendix and on the Entegris website: [www.entegris.com](http://www.entegris.com).



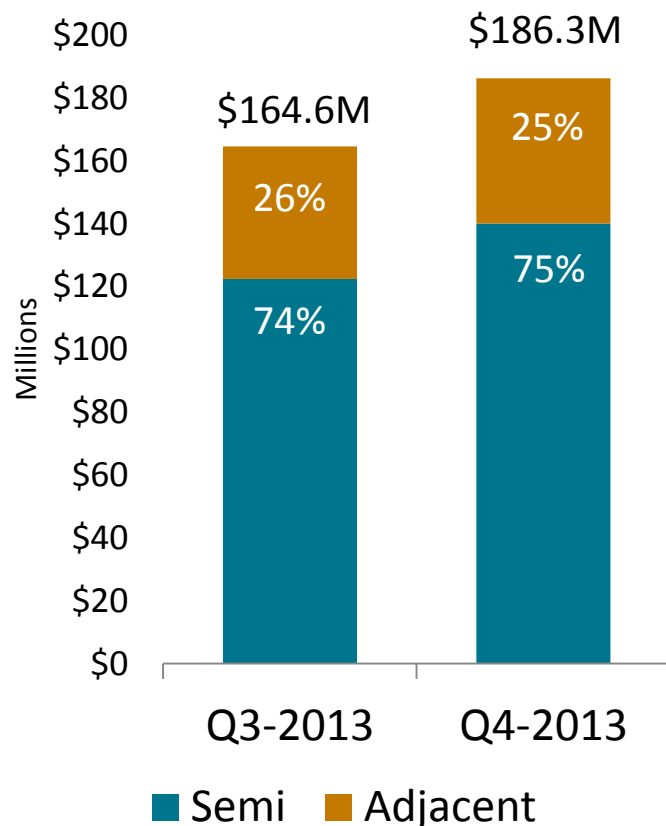
## 4Q 2013 Highlights

- Sales of \$186 million and Non-GAAP EPS of \$0.18 -- both above high end of Q4 guidance
- Adjusted operating margin of 15.3% at target model
- Cash flow from operations \$34.7 million
- Guidance for 1Q 2014:
  - Revenues of \$165 million to \$180 million
  - EPS of \$0.09 to \$0.13
  - Non-GAAP EPS\* of \$0.10 to \$0.14

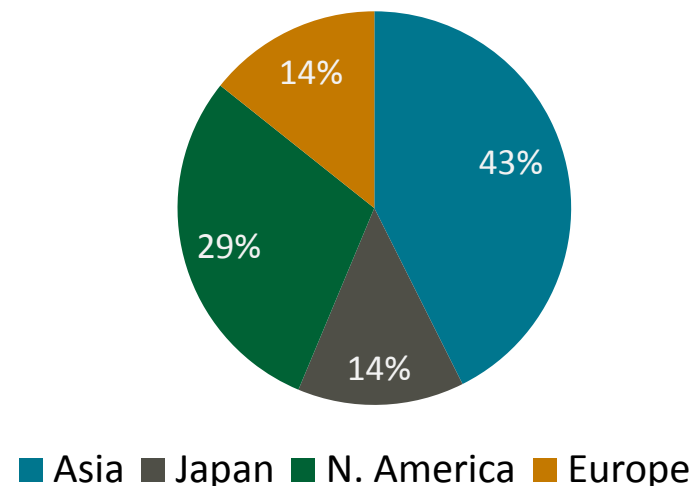
\* See GAAP-Non-GAAP reconciliation table

# Sales Trends

## Q4-2013 Sales by Market



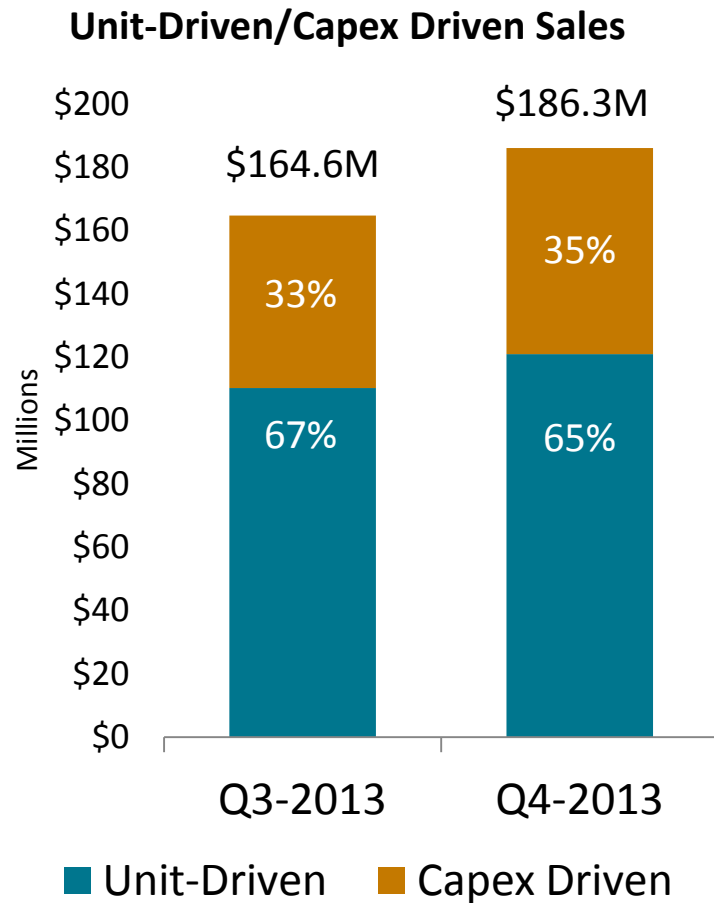
## Sales by Region Q4-2013



## Q4-2103 Commentary:

- Semiconductor related sales grew 14%
- Adjacent market sales grew 10%
- Q4 Asia sales increased 12%; Japan sales increased 30%; N. America sales grew 14%

# Sales Trends



## Commentary:

- Unit-driven sales decline 7% as key IDMs slow production of high end devices
- Capex-driven sales decline 7%, as lower sales of FOUPs offset growth in fluid handling components

# Quarterly and Year-to-Date Financial Overview

US\$ M	Q4 13	Q3 13	% Chg		12Mos 13	12Mos 12	% Chg
Revenue	\$186.3	\$164.6	13.2%		\$693.5	\$715.9	(3.1)%
Gross Profit	\$81.9	\$70.1	16.8%		\$296.7	\$307.4	(3.5)%
<i>Gross margin</i>	<i>44.0%</i>	<i>42.6%</i>			<i>42.8%</i>	<i>42.9%</i>	
Adj. Operating Income*	\$28.6	\$24.4	16.9%		\$104.3	\$113.0	(7.7)%
<i>Adj. Operating margin*</i>	<i>15.3%</i>	<i>14.8%</i>			<i>15.0%</i>	<i>15.8%</i>	
Tax Rate	14.2%	22.4%			22.0%	31.0%	
Net Income	\$23.1	\$17.8	29.4%		\$77.0	\$68.8	11.9%
Non-GAAP net income*	\$24.6	\$18.9	30.3%		\$82.6	\$76.2	8.5%
Non-GAAP EPS*	\$0.18	\$0.14	28.6%		\$0.59	\$0.55	7.3%

\* See GAAP-Non-GAAP reconciliation table

## Results by Division

	Sales				Operating Margin	
	4Q-13	3Q-13	Chg.		4Q-13	3Q-13
Contamination Control Solutions (CCS)	\$123.7	\$105.2	17.6%		26.3%	23.8%
Microenvironments (ME)	\$45.7	\$42.5	7.4%		19.4%	20.3%
Specialty Materials (SMD)	\$16.9	\$16.9	0%		5.7%	11.8%
Total	\$186.3	\$164.6	13.2%			

## Balance Sheet and Cash Flow Items

US\$ M	12/31/13	9/28/13
Cash & cash equivalents	\$384.4	\$358.8
Accounts receivables	\$101.9	\$106.8
DSOs	49.9	59.2
Inventories	\$96.6	\$97.4
Turns	4.3	3.9
Debt	\$0	\$0
Total Assets	\$877.8	\$847.7
Cash From Operations	\$34.7	\$32.4
Depreciation	\$7.7	\$7.2
Capital Expenditures	\$11.3	\$14.9
Free Cash Flow	\$23.4	\$17.5



# Appendix and Non-GAAP Reconciliation Table

# Non GAAP Reconciliation Table

## Reconciliation of GAAP to Adjusted Operating Income and Adjusted EBITDA

(in thousands)	Three Months Ended			Twelve Months Ended	
	December 31, 2013	September 28, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Net sales	\$186,260	\$164,585	\$167,818	\$693,459	\$715,903
Net income	\$23,052	\$17,807	\$11,256	\$77,037	\$68,825
Adjustments to net income:					
Equity in net income of affiliates	-	-	-	-	(3)
Income tax expense	3,816	5,139	3,581	21,669	30,881
Other expense (income), net	<u>(663)</u>	<u>963</u>	<u>(895)</u>	<u>(1,958)</u>	<u>(259)</u>
GAAP – Operating income	26,205	23,909	13,942	96,748	99,444
Amortization of intangible assets	2,358	2,343	2,335	9,347	9,594
Contingent consideration fair value adjustment	-	(1,813)	-	(1,813)	-
Charge associated with CEO succession and transition plan	=	=	=	=	<u>3,928</u>
Adjusted operating income	28,563	24,439	16,227	104,282	112,966
Depreciation	<u>7,656</u>	<u>7,205</u>	<u>7,151</u>	<u>29,468</u>	<u>28,013</u>
Adjusted EBITDA	<u>\$36,219</u>	<u>\$31,644</u>	<u>\$23,428</u>	<u>\$133,750</u>	<u>\$140,979</u>
Adjusted operating margin	15.3%	14.8%	9.7%	15.0%	15.8%
Adjusted EBITDA – as a % of net sales	19.4%	19.2%	14.0%	19.3%	19.7%

# Non GAAP Reconciliation Table

## Reconciliation of GAAP to Non-GAAP Earnings per Share

	Three Months Ended			Twelve Months Ended	
	December 31, 2013	September 28, 2013	December 31, 2012	December 31, 2013	December 31, 2012
GAAP net income	\$23,052	\$17,807	\$11,256	\$77,037	\$68,825
Adjustments to net income:					
Amortization of intangible assets	2,358	2,343	2,335	9,347	9,594
Charge associated with CEO succession and transition plan	-	(1,813)	-	(1,813)	-
Gain associated with equity investments	48	739	-	787	-
Contingent consideration fair value adjustment	-	-	-	-	(1,522)
Reclassification of cumulative translation adjustment associated with liquidated subsidiary	-	-	-	-	3,928
Tax effect of adjustments to net income	(850)	(190)	(841)	(2,714)	(4,643)
Non-GAAP net income	\$24,608	\$18,886	\$12,750	\$82,644	\$76,182
Diluted earnings per common share	\$0.17	\$0.13	\$0.08	\$0.55	\$0.50
Effect of adjustments to net income	0.01	0.01	0.01	0.04	0.05
Diluted non-GAAP earnings per common share	\$0.18	\$0.14	\$0.09	\$0.59	\$0.55

