
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) February 6, 2018

Entegris, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

001-32598
(Commission
File Number)

41-1941551
(I.R.S. Employer
Identification No.)

129 Concord Road, Billerica, MA
(Address of principal executive offices)

01821
(Zip Code)

(978) 436-6500
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On February 6, 2018, Entegris, Inc. issued a press release to announce results for the fourth quarter of 2017 and the year ended December 31, 2017 and will hold a conference call to discuss such results. A copy of this press release and the supplemental slides to which management will refer during the conference call are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

In accordance with General Instructions B.2 of Form 8-K, the information in this Item 2.02 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. The information set forth herein will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

Exhibit No.	Description
99.1	Press Release, dated February 6, 2018
99.2	Fourth Quarter and 2017 Year-End Earnings Release Presentation Slides, dated February 6, 2018

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENTEGRIS, INC.

Dated: February 6, 2018

By: /s/ Gregory B. Graves

Name: Gregory B. Graves

Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated February 6, 2018
99.2	Fourth Quarter and 2017 Year-End Earnings Release Presentation Slides, dated February 6, 2018



FOR RELEASE AT 7AM ET

ENTEGRIS' STRONG FOURTH-QUARTER CAPS RECORD YEAR

- *Record fourth-quarter revenue of \$350.6 million grew 14 percent from prior year*
- *GAAP loss per diluted share of \$0.20 reflected the one-time impacts of U.S. tax reform; and non-GAAP earnings per diluted share of \$0.42 grew 75 percent from prior year*
- *Fiscal 2017 revenue of \$1.34 billion increased 14 percent*
- *Fiscal 2017 GAAP earnings per diluted share were \$0.59; and non-GAAP earnings per diluted share reached \$1.44*

BILLERICA, Mass., February 6, 2018 - [Entegris](http://Entegris.com), Inc. (NasdaqGS: ENTG), a leader in specialty chemicals and advanced materials solutions for the microelectronics industry, today reported its financial results for the Company's fourth quarter and fiscal year ended December 31, 2017.

The Company reported sales of \$1.3 billion for fiscal 2017, an increase of 14 percent from the prior year. Net income for the year was \$85.1 million, or \$0.59 per diluted share, which included amortization of intangible assets of \$44.0 million, asset impairment charges of \$13.2 million, \$2.7 million of severance expenses, \$20.7 million related to the refinancing of senior notes, and \$66.7 million related to the effects of the Tax Cuts and Jobs Act. In the prior year, net income was \$97.1 million, or \$0.68 per diluted share, which included amortization of intangible assets of \$44.3 million, asset impairment charges of \$5.8 million, and \$2.4 million of severance expenses. Non-GAAP net income for fiscal 2017 was \$206.3 million, or \$1.44 per diluted share, which increased from \$132.8 million, or \$0.94 per diluted share, in the prior year.

Fourth-quarter sales were \$350.6 million, an increase of 14 percent from the same quarter last year and 1 percent higher sequentially. Fourth-quarter net loss was \$28.3 million, or \$0.20 per diluted share, which included amortization of intangible assets of \$11.0 million, \$20.7 million related to the refinancing of senior notes, and \$66.7 million related to the effects of the Tax Cuts and Jobs Act. Non-GAAP net income was \$59.7 million, or \$0.42 per diluted share, which compared to \$34.3 million, or \$0.24 per diluted share, in the same quarter a year ago. In the fourth quarter of 2017, the Company generated cash from operations less capital expenditures, or free cash flow, of \$60.1 million.

Bertrand Loy, president and chief executive officer, said: "The fourth quarter marked our fifth consecutive record quarter, capping the most successful year in Entegris' 51-year history. We grew fiscal 2017 sales 14 percent to \$1.3 billion, achieving growth across all three divisions, driven by demand for our solutions in advanced memory, logic, and mainstream semiconductor production. We were very pleased with the quality of execution by the Entegris teams around the world. We delivered on our commitment to grow our bottom line at twice the rate of our top line, increasing our adjusted EBITDA by 35 percent to a record high of \$357 million, or 26.6 percent of sales for the year. This strong cash flow is allowing us to create significant value through a balanced capital allocation strategy consisting of internal growth investments, strategic acquisitions, and returning available cash to shareholders through dividends and share repurchases.

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entegris.com Billerica, MA 01821 USA **F** + 1 978 436 6745

Mr. Loy added: "As we look ahead, we have great conviction that the semiconductor industry is in the midst of a multi-year period of growth driven by broadening demand related to artificial intelligence, automotive, industrial, and other new applications. Our value proposition, which is built on a broad array of solutions, is enabling us to expand our served markets and will allow us to continue to outpace our markets."

Quarterly Financial Results Summary

(in thousands, except per share data)

GAAP Results	<u>Q4-2017</u>	<u>Q4-2016</u>	<u>Q3-2017</u>
Net sales	\$350,562	\$308,502	\$345,591
Operating income	\$71,152	\$44,905	\$60,655
Operating margin	20.3%	14.6%	17.6%
Net (loss) income	\$(28,341)	\$26,098	\$40,902
Diluted (loss) earnings per share (EPS)	\$(0.20)	\$0.18	\$0.28
Non-GAAP Results			
Non-GAAP adjusted operating income	\$82,172	\$55,843	\$81,077
Adjusted operating margin	23.4%	18.1%	23.5%
Non-GAAP net income	\$59,694	\$34,294	\$56,989
Non-GAAP EPS	\$0.42	\$0.24	\$0.40

First-Quarter Outlook

For the first quarter ending March 31, 2018, the Company expects sales of \$355 million to \$365 million, net income of \$49 million to \$56 million, and net income per diluted share between \$0.34 and \$0.39. On a non-GAAP basis, EPS is expected to range from \$0.39 to \$0.44 per diluted share, which reflects net income on a non-GAAP basis in the range of \$56 million to \$63 million, which is adjusted for expected amortization expense of approximately \$11 million or \$0.05 per share.

Segment Results

The Company reports its results in the following segments:

Specialty Chemicals and Engineered Materials (SCEM): SCEM provides high-performance and high-purity process chemistries, gases and materials, as well as safe and efficient delivery systems to support semiconductor and other advanced manufacturing processes.

Microcontamination Control (MC): MC solutions purify critical liquid chemistries and gases used in semiconductor manufacturing processes and other high-technology industries.

Advanced Materials Handling (AMH): AMH develops solutions to monitor, protect, transport, and deliver critical liquid chemistries and substrates for a broad set of applications in the semiconductor industry and other high-technology industries.

Fourth-Quarter Results Conference Call Details

Entegris will hold a conference call to discuss its results for the fourth quarter on Tuesday, February 6, 2018, at 9:00 a.m. Eastern Time. Participants should dial 1-800-281-7973 or 1-323-794-2093, referencing confirmation code 4357050. Participants are asked to dial in 5 to 10 minutes prior to the start of the call. For a replay of the call, please [Click Here](#) using passcode 4357050. The replay will be available starting at 12:00 p.m. ET on Tuesday, February 6 until Thursday, March 22 at 12:00 p.m. A live and on-demand webcast of the call can also be accessed from the *investor relations* section of Entegris' website at www.entegris.com.

Management's slide presentation concerning the results for the fourth quarter and fiscal year, which may be referred to during the call, will be posted on the *investor relations* section of www.entebris.com Tuesday morning.

ABOUT ENTEBRIS

Entegris is a leader in specialty chemicals and advanced materials solutions for the microelectronics industry and other high-tech industries. Entegris is ISO 9001 certified and has manufacturing, customer service and/or research facilities in the United States, China, France, Germany, Israel, Japan, Malaysia, Singapore, South Korea and Taiwan. Additional information can be found at www.entebris.com.

Non-GAAP Information

The Company's condensed consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States (GAAP). Adjusted EBITDA, Adjusted Gross Profit, Adjusted Segment Profit, and Adjusted Operating Income together with related measures thereof, and non-GAAP EPS, are considered "Non-GAAP financial measures" under the rules and regulations of the Securities and Exchange Commission. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. The Company uses these non-GAAP financial measures for financial and operational decision-making, as a means to evaluate period-to-period comparisons, as well as comparisons to our competitors' operating results. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain items that may not be indicative of our recurring business operating results, such as amortization, depreciation and discrete cash charges that are infrequent in nature. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing and understanding our results and performance and when planning, forecasting, and analyzing future periods. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze our business. The reconciliations of GAAP Net Income to Adjusted Operating Income and Adjusted EBITDA, GAAP Gross Profit to Adjusted Gross Profit, GAAP Segment Profit to Adjusted Operating Income, and GAAP to Non-GAAP Earnings per Share are included elsewhere in this release.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "should," "may," "will," "would" or the negative thereof and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include statements related to future period guidance; future sales, net income, net income per diluted share, non-GAAP EPS, non-GAAP net income, expenses and other financial metrics; our performance relative to our markets; market and technology trends; the development of new products and the success of their introductions; Company's capital allocation strategy, which may be modified at any time for any reason, including share repurchases, dividends, debt repayments and potential acquisitions; the effect of the Tax Cuts and Jobs Act on our capital allocation strategy; the impact of the acquisitions we have made and commercial partnerships we have established; our ability to execute on our strategies; and other matters. These statements involve risks and uncertainties, and actual results may differ. These risks and uncertainties include, but are not limited to, weakening of global and/or regional economic

conditions, generally or specifically in the semiconductor industry, which could decrease the demand for our products and solutions; our ability to meet rapid demand shifts; our ability to continue technological innovation and introduce new products to meet our customers' rapidly changing requirements; our concentrated customer base; our ability to identify, effect and integrate acquisitions, joint ventures or other transactions; our ability to protect and enforce intellectual property rights; operational, political and legal risks of our international operations; our dependence on sole source and limited source suppliers; the increasing complexity of certain manufacturing processes; raw material shortages and price increases; changes in government regulations of the countries in which we operate; fluctuation of currency exchange rates; fluctuations in the market price of Entegris' stock; the level of, and obligations associated with, our indebtedness; and other risk factors and additional information described in our filings with the Securities and Exchange Commission, including under the heading "Risks Factors" in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed on February 17, 2017, and in our other periodic filings. The Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

Entegris, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three months ended		
	December 31, 2017	December 31, 2016	September 30, 2017
Net sales	\$350,562	\$308,502	\$345,591
Cost of sales	186,883	176,702	190,184
Gross profit	163,679	131,800	155,407
Selling, general and administrative expenses	55,018	48,734	57,699
Engineering, research and development expenses	26,489	27,223	26,002
Amortization of intangible assets	11,020	10,938	11,051
Operating income	71,152	44,905	60,655
Interest expense, net	7,533	8,983	7,599
Other expense, net	21,696	1,303	2,906
Income before income tax expense	41,923	34,619	50,150
Income tax expense	70,264	8,521	9,248
Net (loss) income	\$(28,341)	\$26,098	\$40,902
Basic net (loss) income per common share:	\$(0.20)	\$0.18	\$0.29
Diluted net (loss) income per common share:	\$(0.20)	\$0.18	\$0.28
Weighted average shares outstanding:			
Basic	141,329	141,315	141,684
Diluted	141,329	142,631	143,594

Entegris, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Twelve months ended	
	December 31, 2017	December 31, 2016
Net sales	\$1,342,532	\$1,175,270
Cost of sales	733,547	666,579
Gross profit	608,985	508,691
Selling, general and administrative expenses	216,194	201,901
Engineering, research and development expenses	106,951	106,991
Amortization of intangible assets	44,023	44,263
Operating income	241,817	155,536
Interest expense, net	31,628	36,528
Other expense (income), net	25,458	(991)
Income before income tax expense	184,731	119,999
Income tax expense	99,665	22,852
Net income	\$85,066	\$97,147
Basic net income per common share:	\$0.60	\$0.69
Diluted net income per common share:	\$0.59	\$0.68
Weighted average shares outstanding:		
Basic	141,553	141,093
Diluted	143,518	142,050

Entegris, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	December 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	\$625,408	\$406,389
Accounts receivable, net	183,434	165,675
Inventories	198,089	183,529
Deferred tax charges and refundable income taxes	18,012	20,140
Other current assets	32,665	24,398
Total current assets	1,057,608	800,131
Property, plant and equipment, net	359,523	321,562
Goodwill	359,688	345,269
Intangible assets	182,430	217,548
Deferred tax assets - non-current	9,103	8,022
Other assets	7,820	7,000
Total assets	\$1,976,172	\$1,699,532
LIABILITIES AND SHAREHOLDERS' EQUITY		
Long-term debt, current maturities	\$100,000	\$100,000
Accounts payable	68,762	61,617
Accrued liabilities	99,374	83,530
Income tax payable	22,835	16,424
Total current liabilities	290,971	261,571
Long-term debt, excluding current maturities	574,380	484,677
Other liabilities	117,803	54,066
Shareholders' equity	993,018	899,218
Total liabilities and shareholders' equity	\$1,976,172	\$1,699,532

Entegris, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three months ended		Twelve months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Operating activities:				
Net (loss) income	\$(28,341)	\$26,098	\$85,066	\$97,147
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation	15,035	14,303	58,208	55,623
Amortization	11,020	10,938	44,023	44,263
Stock-based compensation expense	3,849	3,373	15,306	13,436
Provision for deferred income taxes	1,841	(15,770)	2,095	(16,284)
Loss on extinguishment of debt	20,687	—	20,687	—
Other	4,267	3,326	28,295	22,993
Changes in operating assets and liabilities:				
Trade accounts and notes receivable	(56)	(3,046)	(15,401)	(25,298)
Inventories	(5,330)	(2,575)	(20,214)	(19,871)
Accounts payable and accrued liabilities	8,377	4,777	15,975	31,294
Income taxes payable and refundable income taxes	62,385	14,592	64,049	3,408
Other	(7,993)	1,063	(4,716)	844
Net cash provided by operating activities	85,741	57,079	293,373	207,555
Investing activities:				
Acquisition of property and equipment	(25,658)	(19,992)	(93,597)	(65,260)
Acquisition of business	—	—	(20,000)	—
Other	68	94	1,142	(1,426)
Net cash used in investing activities	(25,590)	(19,898)	(112,455)	(66,686)
Financing activities:				
Payments on long-term debt	(385,000)	(25,000)	(460,000)	(75,000)
Proceeds from long-term borrowings	550,000	—	550,000	—
Payments for debt extinguishment costs	(16,200)	—	(16,200)	—
Issuance of common stock	1,984	1,952	5,566	4,844
Taxes paid related to net share settlement of equity awards	(480)	(702)	(5,887)	(4,018)
Repurchase and retirement of common stock	(10,000)	(4,000)	(28,000)	(7,573)
Dividend payments	(9,896)	—	(9,896)	—
Other	(7,062)	(493)	(8,332)	—
Net cash provided by (used in) financing activities	123,346	(28,243)	27,251	(81,747)
Effect of exchange rate changes on cash	6,714	(14,326)	10,850	(2,558)
Increase (decrease) in cash and cash equivalents	190,211	(5,388)	219,019	56,564
Cash and cash equivalents at beginning of period	435,197	411,777	406,389	349,825
Cash and cash equivalents at end of period	\$625,408	\$406,389	\$625,408	\$406,389

Entegris, Inc. and Subsidiaries
Segment Information
(In thousands)
(Unaudited)

Net sales	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Specialty Chemicals and Engineered Materials	\$125,339	\$110,945	\$124,522	\$485,470	\$428,328
Microcontamination Control	115,650	98,717	116,113	436,225	362,658
Advanced Materials Handling	109,573	98,840	104,956	420,837	384,284
Total net sales	\$350,562	\$308,502	\$345,591	\$1,342,532	\$1,175,270

Segment profit	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Specialty Chemicals and Engineered Materials	\$35,898	\$25,919	\$34,647	\$132,859	\$96,060
Microcontamination Control	44,666	31,719	43,984	160,715	110,042
Advanced Materials Handling	23,240	16,644	16,882	77,971	73,452
Total segment profit	103,804	74,282	95,513	371,545	279,554
Amortization of intangibles	11,020	10,938	11,051	44,023	44,263
Unallocated expenses	21,632	18,439	23,807	85,705	79,755
Total operating income	\$71,152	\$44,905	\$60,655	\$241,817	\$155,536

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Gross Profit to Adjusted Gross Profit
(In thousands)
(Unaudited)

	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Net sales	\$350,562	\$308,502	\$345,591	\$1,342,532	\$1,175,270
Gross profit-GAAP	\$163,679	\$131,800	\$155,407	\$608,985	\$508,691
Adjustments to gross profit:					
Severance related to organizational realignment	—	—	740	740	431
Impairment of equipment	—	—	3,364	5,330	5,826
Adjusted gross profit	\$163,679	\$131,800	\$159,511	\$615,055	\$514,948
Gross margin - as a % of net sales	46.7%	42.7%	45.0%	45.4%	43.3%
Adjusted gross margin - as a % of net sales	46.7%	42.7%	46.2%	45.8%	43.8%

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Segment Profit to Adjusted Operating Income
(In thousands)
(Unaudited)

Segment profit-GAAP	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Specialty Chemicals and Engineered Materials	\$35,898	\$25,919	\$34,647	\$132,859	\$96,060
Microcontamination Control	44,666	31,719	43,984	160,715	110,042
Advanced Materials Handling	23,240	16,644	16,882	77,971	73,452
Total segment profit	103,804	74,282	95,513	371,545	279,554
Amortization of intangible assets	11,020	10,938	11,051	44,023	44,263
Unallocated expenses	21,632	18,439	23,807	85,705	79,755
Total operating income	\$71,152	\$44,905	\$60,655	\$241,817	\$155,536
Segment profit margin-GAAP					
Specialty Chemicals and Engineered Materials	28.6%	23.4%	27.8%	27.4%	22.4%
Microcontamination Control	38.6%	32.1%	37.9%	36.8%	30.3%
Advanced Materials Handling	21.2%	16.8%	16.1%	18.5%	19.1%
Adjusted segment profit	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Specialty Chemicals and Engineered Materials ¹	\$35,898	\$25,919	\$34,661	\$132,873	\$96,759
Microcontamination Control ²	44,666	31,719	44,180	162,354	110,779
Advanced Materials Handling ³	23,240	16,644	22,103	85,478	80,247
Total adjusted segment profit	103,804	74,282	100,944	380,705	287,785
Amortization of intangible assets ⁴	—	—	—	—	—
Unallocated expenses ⁵	21,632	18,439	19,867	81,765	79,755
Total adjusted operating income	\$82,172	\$55,843	\$81,077	\$298,940	\$208,030
Adjusted segment profit margin					
Specialty Chemicals and Engineered Materials	28.6%	23.4%	27.8%	27.4%	22.6%
Microcontamination Control	38.6%	32.1%	38.0%	37.2%	30.5%
Advanced Materials Handling	21.2%	16.8%	21.1%	20.3%	20.9%

¹ Adjusted segment profit for Specialty Chemicals and Engineered Materials for the three months ended September 30, 2017, and the twelve months ended December 31, 2017 and December 31, 2016 excludes charges for severance related to organizational realignment of \$14, \$14 and \$699, respectively.

² Adjusted segment profit for Microcontamination Control excludes charges for impairment of equipment and severance related to organizational realignment of \$1,639 and \$737 for the twelve months ended December 31, 2017 and 2016, respectively.

³ Adjusted segment profit for Advanced Material Handling excludes charges for impairment of equipment and severance related to organizational realignment of \$5,221 for the three months ended September 30, 2017. Adjusted segment profit for Advanced Material Handling excludes charges for impairment of equipment and severance related to organizational realignment of \$7,507 and \$6,795 for the twelve months ended December 31, 2017 and 2016, respectively.

⁴ Adjusted amortization of intangible assets excludes amortization expense of \$11,020, \$10,938, and \$11,051 for the three months ended December 31, 2017, December 31, 2016, and September 30, 2017, respectively, and \$44,023 and \$44,263 for the twelve months ended December 31, 2017 and December 31, 2016, respectively.

⁵ Adjusted unallocated expenses excludes charges for impairment of intangibles and severance related to organizational realignment of \$3,940 for the three months ended September 30, 2017 and the twelve months ended December 31, 2017.

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Net Income to Adjusted Operating Income and Adjusted EBITDA
(In thousands)
(Unaudited)

	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Net sales	\$350,562	\$308,502	\$345,591	\$1,342,532	\$1,175,270
Net (loss) income	\$(28,341)	\$26,098	\$40,902	\$85,066	\$97,147
Adjustments to net (loss) income:					
Income tax expense	70,264	8,521	9,248	99,665	22,852
Interest expense, net	7,533	8,983	7,599	31,628	36,528
Other expense (income), net	21,696	1,303	2,906	25,458	(991)
GAAP - Operating income	71,152	44,905	60,655	241,817	155,536
Severance	—	—	2,141	2,700	2,405
Impairment of equipment and intangibles ¹	—	—	7,230	10,400	5,826
Amortization of intangible assets	11,020	10,938	11,051	44,023	44,263
Adjusted operating income	82,172	55,843	81,077	298,940	208,030
Depreciation	15,035	14,303	14,785	58,208	55,623
Adjusted EBITDA	\$97,207	\$70,146	\$95,862	\$357,148	\$263,653
Adjusted operating margin	23.4%	18.1%	23.5%	22.3%	17.7%
Adjusted EBITDA - as a % of net sales	27.7%	22.7%	27.7%	26.6%	22.4%

¹ Includes product line impairment charges of \$3,364 classified as cost of sales for the three months ended September 30, 2017. Includes product line impairment charges of \$5,330 and \$5,826 classified as cost of sales for the twelve months ended December 31, 2017 and 2016, respectively.

Includes intangible impairment charge of \$3,866 classified as selling general and administrative expense for both the three months ended September 30, 2017 and the twelve months ended December 31, 2017.

Includes product line impairment charge of \$320 classified as selling general and administrative expense for the twelve months ended December 31, 2017.

Includes product line impairment charge of \$884 classified as engineering, research and development expense for the twelve months ended December 31, 2017.

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Net (Loss) Income to Non-GAAP Earnings per Share
(In thousands, except per share data)
(Unaudited)

	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
GAAP net (loss) income	\$(28,341)	\$26,098	\$40,902	\$85,066	\$97,147
Adjustments to net (loss) income:					
Severance	—	—	2,141	2,700	2,405
Impairment of equipment and intangibles ¹	—	—	10,030	13,200	5,826
Loss on debt extinguishment	20,687	—	—	20,687	—
Net gain on sale of investments	—	—	—	—	(156)
Amortization of intangible assets	11,020	10,938	11,051	44,023	44,263
Tax effect of adjustments to net income and discrete items	(10,385)	(2,742)	(7,135)	(26,046)	(16,637)
Tax effect of Tax Cuts and Jobs Act	66,713	—	—	66,713	—
Non-GAAP net income	<u>\$59,694</u>	<u>\$34,294</u>	<u>\$56,989</u>	<u>\$206,343</u>	<u>\$132,848</u>
Diluted (loss) earnings per common share	\$(0.20)	\$0.18	\$0.28	\$0.59	\$0.68
Effect of adjustments to net income	\$0.61	\$0.06	\$0.11	\$0.85	\$0.25
Diluted non-GAAP earnings per common share	<u>\$0.42</u>	<u>\$0.24</u>	<u>\$0.40</u>	<u>\$1.44</u>	<u>\$0.94</u>

¹ Includes product line impairment charges of \$3,364 classified as cost of sales for the three months ended September 30, 2017. Includes product line impairment charges of \$5,330 and \$5,826 classified as cost of sales for the twelve months ended December 31, 2017 and 2016, respectively.

Includes intangible impairment charge of \$3,866 classified as selling general and administrative expense for both the three months ended September 30, 2017 and the twelve months ended December 31, 2017.

Includes product line impairment charge of \$320 classified as selling general and administrative expense for the twelve months ended December 31, 2017.

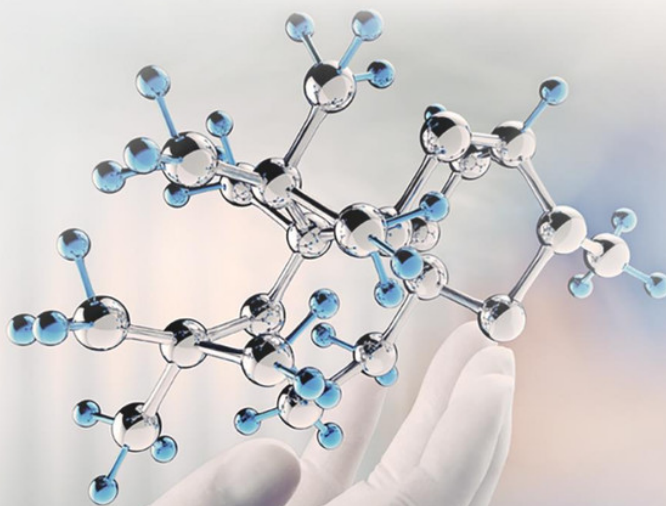
Includes product line impairment charge of \$884 classified as engineering, research and development expense for the twelve months ended December 31, 2017.

Includes product line impairment charge of \$2,800 classified as other expense for the three months ended September 30, 2017 and the twelve months ended December 31, 2017.

END

FEBRUARY 6, 2018

Earnings Summary Fourth Quarter and Fiscal Year 2017



SAFE HARBOR

This document contains, and management may make, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “should,” “may,” “will,” “would” or the negative thereof and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include statements related to future period guidance; future sales, net income, net income per diluted share, non-GAAP EPS, non-GAAP net income, expenses and other financial metrics; our performance relative to our markets; market and technology trends, including the duration and drivers of any growth trends; the development of new products and the success of their introductions; Company's capital allocation strategy, which may be modified at any time for any reason, including share repurchases, dividends, debt repayments and potential acquisitions; the effect of the Tax Cuts and Jobs Act on our capital allocation strategy; the impact of the acquisitions we have made and commercial partnerships we have established; our ability to execute on our strategies; and other matters. These statements involve risks and uncertainties, and actual results may differ. These risks and uncertainties include, but are not limited to, weakening of global and/or regional economic conditions, generally or specifically in the semiconductor industry, which could decrease the demand for our products and solutions; our ability to meet rapid demand shifts; our ability to continue technological innovation and introduce new products to meet our customers' rapidly changing requirements; our concentrated customer base; our ability to identify, effect and integrate acquisitions, joint ventures or other transactions; our ability to protect and enforce intellectual property rights; operational, political and legal risks of our international operations; our dependence on sole source and limited source suppliers; the increasing complexity of certain manufacturing processes; raw material shortages and price increases; changes in government regulations of the countries in which we operate; fluctuation of currency exchange rates; fluctuations in the market price of Entegris' stock; the level of, and obligations associated with, our indebtedness; and other risk factors and additional information described in our filings with the Securities and Exchange Commission, including under the heading “Risks Factors” in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed on February 17, 2017, and in our other periodic filings. The Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

This presentation contains references to “Adjusted EBITDA,” “Adjusted EBITDA Margin,” “Adjusted Operating Income,” “Adjusted Operating Income Margin” and “Non-GAAP Earnings per Share” that are not presented in accordance GAAP. The non-GAAP financial measures should not be considered in isolation or as a substitute for GAAP financial measures but should instead be read in conjunction with the GAAP financial measures. Further information with respect to and reconciliations of such measures to the most directly comparable GAAP financial measure can be found attached to this presentation.

4Q17 HIGHLIGHTS

- 4Q17 sales grew 14% from a year ago and 1% sequentially, reflecting growth across the portfolio and the fifth consecutive record quarter:
 - Specialty Chemicals and Engineered Materials sales grew 13% from a year ago, achieving its 4th consecutive quarter of record sales and reflecting strength in advanced deposition, specialty materials, and specialty gases
 - Microcontamination Control sales grew 17% from a year ago, reflecting strength in liquid filtration and purification, as well as gas filtration solutions
 - Advanced Materials Handling sales grew 11% from a year ago, reflecting growth in fluid handling and wafer shipper solutions
- 4Q17 GAAP Loss Per Share was \$0.20 reflecting the one-time effects of tax reform; non-GAAP EPS of \$0.42 grew 75% from the prior year;
- Generated record quarterly adjusted EBITDA of \$97 million, or approx. 28% of revenue, and free cash flow of \$60 million;
- In November, the Company raised \$550 million of senior notes at 4.625% interest; the Company used the proceeds to retire its existing \$360 million/6% senior notes;
- Subsequent to the quarter, in January the Company acquired Particle Sizing Systems, LLC, a provider of particle sizing instrumentation for liquid applications in both semiconductor and life science industries, for \$37 million in cash; The acquisition is expected to be accretive to 2018 earnings.

FY2017 HIGHLIGHTS

- Fiscal 2017 sales grew 14% from a year ago, reflecting record performances for all three divisions:
 - Specialty Chemicals and Engineered Materials sales grew 13%
 - Microcontamination Control sales grew 20%
 - Advanced Materials Handling sales grew 10%
- Exceeded our financial commitment for 2017 to grow our bottom-line at twice the rate of our top line on a Non-GAAP basis;
- Achieved GAAP net income of \$85.1 million, or GAAP EPS of \$0.59, which included amortization of \$44.0 million, asset impairment charges of \$13.2 million, \$2.7 million of severance expenses, \$20.7 million related to the refinancing of senior notes, and \$66.7 million related to the effects of the Tax Cuts and Jobs Act;
- Non-GAAP net income of \$206.3 million, or \$1.44 per share, grew 53% from the prior year;
- Increased EBITDA by 35% to \$357.1 million, or 27% of revenue, and recorded free cash flow of \$200.0 million;
- Expanded our capital allocation strategy to include a quarterly dividend and ongoing share repurchases; Paid down \$100 million of our term loan and ended the year with a net leverage ratio of .1x.

SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (GAAP)

<i>\$ in millions, except per share data</i>	4Q17	4Q17 Guidance	3Q17	4Q16	4Q17 over 4Q16	4Q17 over 3Q17
Net Revenue	\$350.6	\$335 to \$345	\$345.6	\$308.5	13.6%	1.4%
Gross Margin	46.7%		45.0%	42.7%		
Operating Expenses	\$92.5	\$90 to \$92	\$94.8	\$86.9	6.4%	(2.4%)
Operating Income	\$71.2		\$60.7	\$44.9	58.6%	17.3%
Operating Margin	20.3%		17.6%	14.6%		
Tax Rate	167.6%		18.4%	24.6%		
Net (Loss) Income	(\$28.3)	\$43 to \$50	\$40.9	\$26.1	(208.4%)	(169.2%)
(Loss) earnings per diluted share	(\$0.20)	\$0.30 to \$0.35	\$0.28	\$0.18	(211.1%)	(171.4%)

SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (NON-GAAP)¹

<i>\$ in millions, except per share data</i>	Q417	4Q17 Guidance	3Q17	4Q16	4Q17 over 4Q16	4Q17 over 3Q17
Net Revenue	\$350.6	\$335 to \$345	\$345.6	\$308.5	13.6%	1.4%
Adjusted Gross Margin ²	46.7%		46.2%	42.7%		
Non-GAAP Operating Expenses ³	\$81.5	\$79 to \$81	\$78.4	\$76.0	3.2%	0%
Adjusted Operating Income	\$82.2		\$81.1	\$55.8	46.1%	0.5%
Adjusted Operating Margin	23.4%		23.5%	18.1%		
Non-GAAP Tax Rate ⁴	18.9%		22.3%	24.7%		
Non-GAAP Net Income ⁵	\$59.7	\$50 to \$57	\$57.0	\$34.3	74.1%	4.7%
Non-GAAP EPS	\$0.42	\$0.35 to \$0.40	\$0.40	\$0.24	75.0%	5.0%

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 charges and impairment of equipment and intangibles.

4. Non-GAAP Tax Rate reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.

5. Non-GAAP Net Income excludes amortization expense, severance charges, loss on debt extinguishment and impairment of assets.

SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (GAAP)

<i>\$ in millions, except per share data</i>	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 31, 2016	Year-over-Year
Net Revenue	\$1,342.5	\$1,175.3	14.2%
Gross Margin	45.4%	43.3%	
Operating Expenses	\$367.2	\$353.2	4.0%
Operating Income	\$241.8	\$155.5	55.5%
Operating Margin	18.0%	13.2 %	
Tax Rate	54.0%	19.0%	
Net Income	\$85.1	\$97.1	(12.4%)
EPS	\$0.59	\$0.68	(13.2%)

SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (NON-GAAP)¹ – YEAR TO DATE

<i>\$ in millions, except per share data</i>	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 31, 2016	Year-over-Year
Net Revenue	\$1,342.5	\$1,175.3	14.2%
Adjusted Gross Margin ²	45.8%	43.8%	
Non-GAAP Operating Expenses ³	\$316.1	\$306.9	3.0%
Adjusted Operating Income	\$298.9	\$208.0	43.7%
Adjusted Operating Margin	22.3%	17.7%	
Non-GAAP Tax Rate ⁴	22.2%	22.9%	
Non-GAAP Net Income ⁵	\$206.3	\$132.8	55.3%
Non-GAAP EPS	\$1.44	\$0.94	53.2%

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 charges and impairment of equipment and intangibles.

4. Non-GAAP Tax Rate reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.

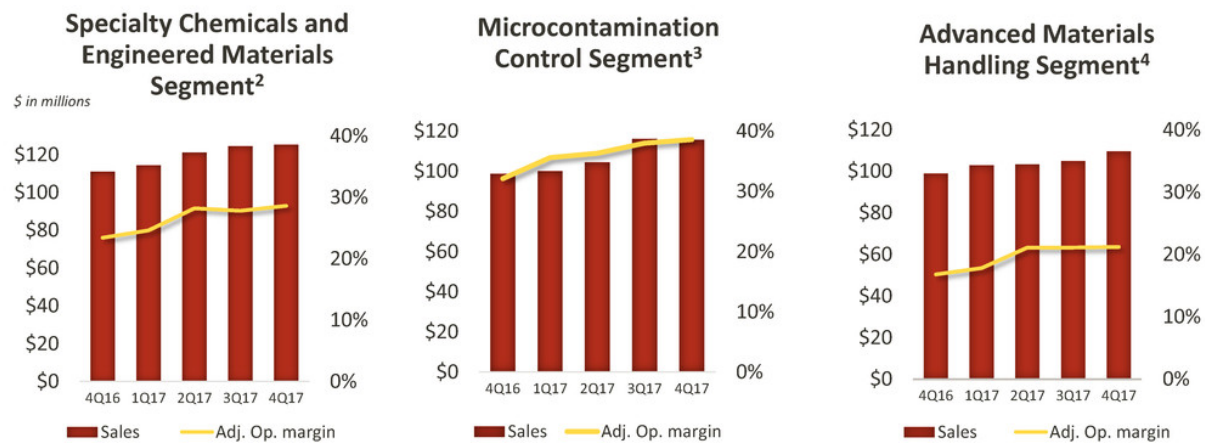
5. Non-GAAP Net Income excludes amortization expense, severance charges, loss on debt extinguishment and impairment of assets.

EARNINGS (LOSS) PER SHARE¹



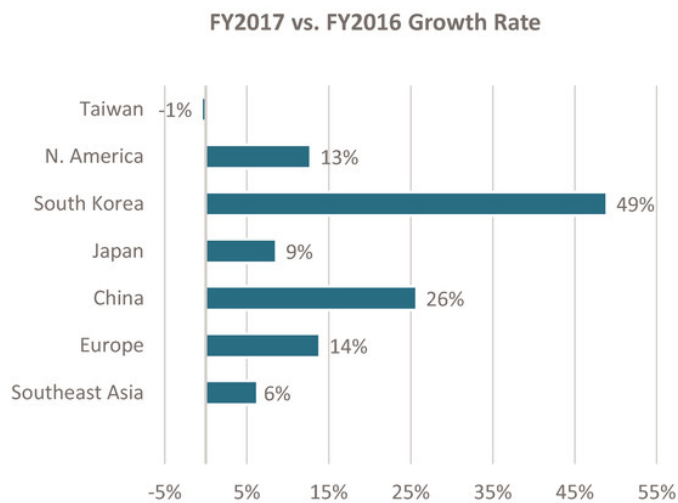
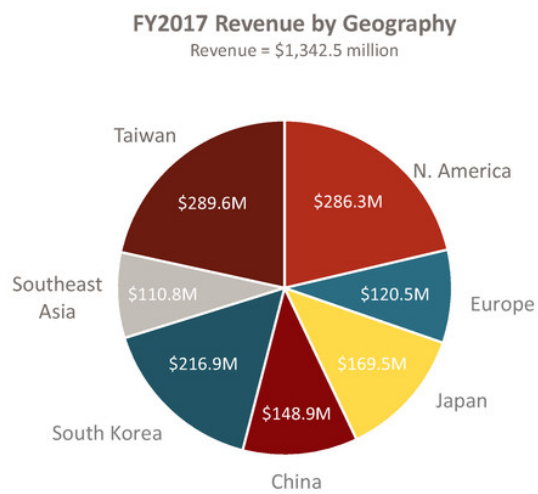
1. Represents diluted earnings (loss) per share. See Reconciliation of GAAP Net Income to Non-GAAP Earnings per Share in the appendix of this presentation.

RESULTS BY SEGMENT¹



1. Adjusted segment operating margin excludes amortization of intangibles and unallocated expenses.
2. Segment profit for SCEM for 3Q17 includes a charge for severance of \$14K.
3. Segment profit for MC for 3Q17 includes a charge for severance of \$196K. Segment profit for MC for 2Q17 includes charges for impairment of equipment and severance of \$884K and \$559K, respectively.
4. Segment profit for AMH for 2Q17 includes charges for impairment of equipment of \$2,286K. Segment profit for AMH for 3Q17 includes charges for impairment of equipment and severance totaling \$5,221K.

REVENUE BY GEOGRAPHY: STRONG GROWTH IN SOUTH KOREA AND CHINA

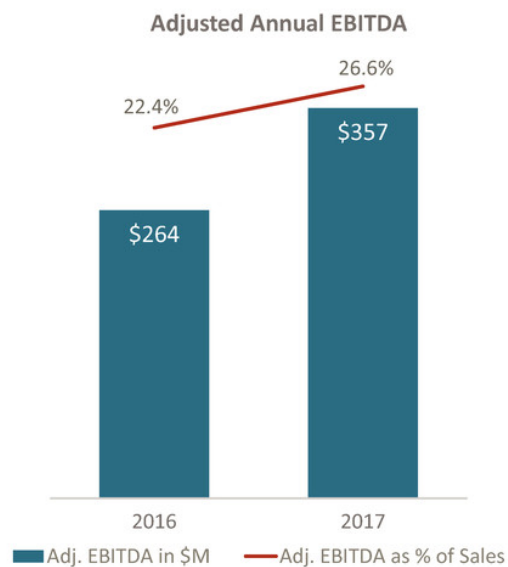
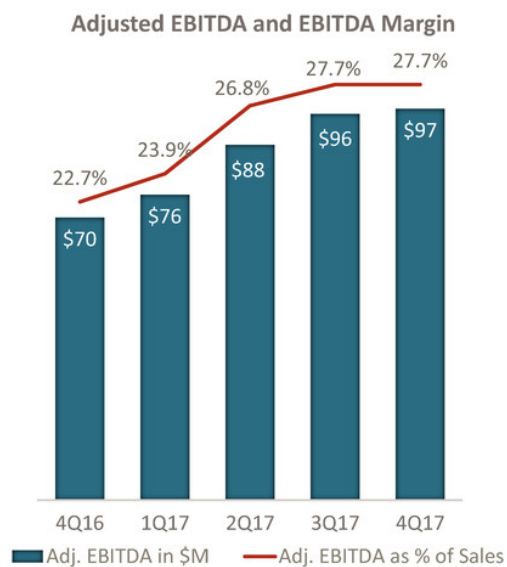


SUMMARY – BALANCE SHEET ITEMS

<i>\$ in millions</i>	4Q17		3Q17		4Q16	
	\$ Amount	% Total	\$ Amount	% Total	\$ Amount	% Total
Cash & Cash Equivalents	\$625.4	31.6%	\$435.2	24.8%	\$406.4	23.9%
Accounts Receivable, net	\$183.4	9.3%	\$183.4	10.4%	\$165.7	9.7%
Inventories	\$198.1	10.0%	\$193.3	11.0%	\$183.5	10.8%
Net PP&E	\$359.5	18.2%	\$346.7	19.7%	\$321.6	18.9%
Total Assets	\$1,976.2		\$1,757.7		\$1,699.5	
Current Liabilities ¹	\$291.0	14.7%	\$269.9	15.4%	\$261.6	15.4%
Long-term debt, excluding current maturities	\$574.4	29.1%	\$411.5	23.4%	\$484.7	28.5%
Total Liabilities	\$983.2	49.8%	\$739.4	42.1%	\$800.3	47.1%
Total Shareholders' Equity	\$993.0	50.2%	\$1,018.4	57.9%	\$899.2	52.9%
AR – DSOs	47.7		48.4		49.0	
Inventory Turns	3.8		3.9		3.8	

1. Current Liabilities in 4Q17, 3Q17 and 4Q16 includes \$100 million of current maturities of long term debt, respectively.

ADJUSTED EBITDA MARGIN¹



1. See Reconciliation of GAAP Income to Adjusted Operating Income and Adjusted EBITDA in the appendix of this presentation.

CASH FLOWS

<i>\$ in millions</i>	4Q17	3Q17	4Q16
Beginning Cash Balance	\$435.2	\$405.6	\$411.8
Cash from operating activities	\$85.7	\$89.0	\$57.1
Capital expenditures	(\$25.7)	(\$25.4)	(\$20.0)
Proceeds from long-term debt	550.0	-	-
Payments on long-term debt	(\$385.0)	(\$25.0)	(\$25.0)
Payments for debt extinguishment costs	(\$16.2)	-	-
Repurchase and retirement of common stock	(\$10.0)	(\$10.0)	(\$4.0)
Dividend payments	(\$9.9)	-	-
Other investing activities	\$0.1	\$0.9	\$0.1
Other financing activities	(\$5.5)	\$0.5	\$0.8
Effect of exchange rates	\$6.7	(\$0.4)	(\$14.3)
Ending Cash Balance	\$625.4	\$435.2	\$406.4
Free Cash Flow ¹	\$60.1	\$63.6	\$37.1
Adjusted EBITDA	\$97.2	\$95.9	\$70.1

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

OUTLOOK

GAAP

<i>\$ in millions, except per share data</i>	1Q18 Guidance	4Q17 Actual	1Q17 Actual
Net Revenue	\$355 to \$365	\$350.6	\$317.4
Operating Expenses	\$94 to \$96	\$92.5	\$88.7
Net Income (Loss)	\$49 to \$56	(\$28.3)	\$32.5
Earnings (Loss) Per Diluted Share	\$0.34 to \$0.39	(\$0.20)	\$0.23

Non-GAAP

<i>\$ in millions, except per share data</i>	1Q18 Guidance	4Q17 Actual	1Q17 Actual
Net Revenue	\$355 to \$365	\$350.6	\$317.4
Non-GAAP Operating Expenses ¹	\$83 to \$85	\$81.5	\$77.7
Non-GAAP Net Income	\$56 to \$63	\$59.7	\$40.8
Non-GAAP EPS	\$0.39 to \$0.44	\$0.42	\$0.28

1. Non-GAAP operating expenses exclude amortization. In 1Q18, amortization is estimated to be approximately \$11 million, or \$0.05 per share.



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

<i>\$ in thousands</i>	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Net Sales	\$350,562	\$308,502	\$345,591	\$1,342,532	\$1,175,270
Gross profit-GAAP	\$163,679	\$131,800	\$155,407	\$608,985	\$508,691
Adjustments to gross profit:					
Severance related to organizational realignment	-	-	740	740	431
Impairment of equipment	-	-	3,364	5,330	5,826
Adjusted gross profit	\$163,679	\$131,800	\$159,511	\$615,055	\$514,948
Gross margin - as a % of net sales	46.7%	42.7%	45.0%	45.4%	43.3%
Adjusted gross margin - as a % of net sales	46.7%	42.7%	46.2%	45.8%	43.8%

NON-GAAP RECONCILIATION TABLE

RECONCILIATION OF GAAP SEGMENT PROFIT TO ADJUSTED OPERATING INCOME

\$ in thousands	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Segment profit-GAAP					
Specialty Chemicals and Engineered Materials	\$35,898	\$25,919	\$34,647	\$132,859	\$96,060
Microcontamination Control	44,666	31,719	43,984	160,715	110,042
Advanced Materials Handling	23,240	16,644	16,882	77,971	73,452
Total segment profit	103,804	74,282	95,513	371,545	279,554
Amortization of intangible assets	11,020	10,938	11,051	44,023	44,263
Unallocated expenses	21,632	18,439	23,807	85,705	79,755
Total operating income	\$71,152	\$44,905	\$60,655	\$241,817	\$155,536
	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Adjusted segment profit					
Specialty Chemicals and Engineered Materials ¹	\$35,898	\$25,919	\$34,661	\$132,873	\$96,759
Microcontamination Control ²	44,666	31,719	44,180	162,354	110,779
Advanced Materials Handling ³	23,240	16,644	22,103	85,478	80,247
Total segment profit	103,804	74,282	100,944	380,705	287,785
Amortization of intangible assets ⁴	-	-	-	-	-
Unallocated expenses ⁵	21,632	18,439	19,867	81,765	79,755
Total adjusted operating income	\$82,172	\$55,843	\$81,077	\$298,940	\$208,030

1. Adjusted segment profit for SCEM for the three months ended September 30, 2017 and the twelve months ended December 31, 2017 excludes charges for severance related to organizational realignment of \$14K. Adjusted segment profit for Specialty Chemicals and Engineered Materials for the twelve months ended December 31, 2016 excludes charges for severance related to organizational realignment of \$699K.

2. Adjusted segment profit for MC excludes charges for impairment of equipment and severance related to organizational realignment of \$196K for the three months ended September 30, 2017. Adjusted segment profit for MC excludes impairment of equipment and charges for severance related to organizational realignment of \$1,639K and \$737K for the twelve months ended December 31, 2017 and 2016, respectively.

3. Adjusted segment profit for AMH excludes charges for impairment of equipment and severance related to organizational realignment of \$5,221K for the three months ended September 30, 2017. Adjusted segment profit for AMH excludes charges for impairment of equipment and severance related to organizational realignment of \$7,507 and \$6,795 for the twelve months ended December 31, 2017 and 2016, respectively.

4. Adjusted amortization of intangible assets excludes amortization expense of \$11,020K, \$10,938K, and \$11,051K for the three months ended December 31, 2017, December 31, 2016 and September 30, 2017, respectively, and \$44,023K and \$44,263K for the twelve months ended December 31, 2017 and 2016, respectively.

5. Adjusted unallocated expenses excludes charges for impairment of intangibles and severance related to organizational realignment of \$3,940K for the three months ended September 30, 2017 and the twelve months ended December 31, 2017.

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

<i>\$ in thousands</i>	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Net sales	\$350,562	\$308,502	\$345,591	\$1,342,532	\$1,175,270
Net (loss) income	(\$28,341)	\$26,098	\$40,902	\$85,066	\$97,147
Adjustments to net (loss) income:					
Income tax expense	70,264	8,521	9,248	99,665	22,852
Interest expense, net	7,533	8,983	7,599	31,628	36,528
Other expense (income), net	21,696	1,303	2,906	25,458	(991)
GAAP - Operating income	71,152	44,905	60,655	241,817	155,536
Severance	-	-	2,141	2,700	2,405
Impairment of equipment and intangibles ¹	-	-	7,230	10,400	5,826
Amortization of intangible assets	11,020	10,938	11,051	44,023	44,263
Adjusted operating income	82,172	55,843	81,077	298,940	208,030
Depreciation	15,035	14,303	14,785	58,208	55,623
Adjusted EBITDA	\$97,207	\$70,146	\$95,862	\$357,148	\$263,653
Adjusted operating margin	23.4%	18.1%	23.5%	22.3%	17.7%
Adjusted EBITDA - as a % of net sales	27.7%	22.7%	27.7%	26.6%	22.4%

1. Includes product line impairment charges of \$3,364K classified as cost of sales for the three months ended September 30, 2017. Includes product line impairment charges of \$5,330K and \$5,826K classified as cost of sales for the twelve months ended December 31, 2017 and 2016, respectively.

Includes intangible impairment charge of \$3,866K classified as selling general and administrative expense for both the three months ended September 30, 2017 and twelve months ended December 31, 2017.

Includes product line impairment charge of \$320K classified as selling general and administrative expense for the twelve months ended December 31, 2017.

Includes product line impairment charge of \$884K classified as engineering, research and development expense for the twelve months ended December 31, 2017.

NON-GAAP RECONCILIATION TABLE

RECONCILIATION OF GAAP TO NON-GAAP (LOSS) EARNINGS PER SHARE

\$ in thousands, except per share data

	Three months ended			Twelve months ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
GAAP net (loss) income	(\$28,341)	\$26,098	\$40,902	\$85,066	\$97,147
Adjustments to net (loss) income:					
Severance	-	-	2,141	2,700	2,405
Impairment of equipment and intangibles ¹	-	-	10,030	13,200	5,826
Loss on debt extinguishment	20,687	-	-	20,687	-
Gain on sale of equity investment	-	-	-	-	(156)
Amortization of intangible assets	11,020	10,938	11,051	44,023	44,263
Tax effect of adjustments to net income and discrete items	(10,385)	(2,742)	(7,135)	(26,046)	(16,637)
Tax effect of Tax Cuts and Jobs Act	66,713	-	-	66,713	-
Non-GAAP net income	\$59,694	\$34,294	\$56,989	\$206,343	\$132,848
Diluted (loss) earnings per common share	(\$0.20)	\$0.18	\$0.28	\$0.59	\$0.68
Effect of adjustments to net (loss) income	\$0.61	\$0.06	\$0.11	\$0.85	\$0.25
Diluted non-GAAP earnings per common share	\$0.42	\$0.24	\$0.40	\$1.44	\$0.94

1. Includes product line impairment charges of \$3,364K classified as cost of sales for the three months ended September 30, 2017. Includes product line impairment charges of \$5,330K and \$5,826K classified as cost of sales for the twelve months ended December 31, 2017 and 2016, respectively.

Includes intangible impairment charge of \$3,866K classified as selling general and administrative expense for both the three months ended September 30, 2017 and the twelve months ended December 31, 2017.

Includes product line impairment charge of \$320K classified as selling general and administrative expense for the twelve months ended December 31, 2017.

Includes product line impairment charge of \$884K classified as engineering, research and development expense for the twelve months ended December 31, 2017.

Includes product line impairment charge of \$2,800K classified as other expense for both the three months ended September 30, 2017 and the twelve months ended December 31, 2017.

GAAP SEGMENT TREND DATA

\$ in thousands

Sales

	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416	Q117	Q217	Q317	Q417
SCEM	\$ 99,897	\$ 110,569	\$ 105,285	\$ 103,127	\$ 101,107	\$ 111,782	\$ 104,494	\$ 110,945	\$ 114,435	\$ 121,174	\$ 124,522	\$ 125,339
MC	75,947	79,293	78,485	82,092	77,619	91,584	94,738	98,717	100,055	104,407	116,113	115,650
AMH	87,529	90,847	86,483	81,567	88,298	99,686	97,460	98,840	102,887	103,421	104,956	109,573
Total Sales	\$ 263,373	\$ 280,709	\$ 270,253	\$ 266,786	\$ 267,024	\$ 303,052	\$ 296,692	\$ 308,502	\$ 317,377	\$ 329,002	\$ 345,591	\$ 350,562

Segment Profit

SCEM	\$ 22,010	\$ 30,826	\$ 23,316	\$ 24,218	\$ 22,416	\$ 28,914	\$ 18,811	\$ 25,919	\$ 28,140	\$ 34,174	\$ 34,647	\$ 35,898
MC	19,874	20,605	21,926	20,671	18,140	28,566	31,617	31,719	35,581	36,484	43,984	44,666
AMH	19,679	20,860	15,786	10,094	18,911	22,519	15,378	16,644	18,276	19,573	16,882	23,240
Total Segment Profit	\$ 61,563	\$ 72,291	\$ 61,028	\$ 54,983	\$ 59,467	\$ 79,999	\$ 65,806	\$ 74,282	\$ 81,997	\$ 90,231	\$ 95,513	\$ 103,804

Segment Profit Margin

SCEM	22.0%	27.9%	22.1%	23.5%	22.2%	25.9%	18.0%	23.4%	24.6%	28.2%	27.8%	28.6%
MC	26.2%	26.0%	27.9%	25.2%	23.4%	31.2%	33.4%	32.1%	35.6%	34.9%	37.9%	38.6%
AMH	22.5%	23.0%	18.3%	12.4%	21.4%	22.6%	15.8%	16.8%	17.8%	18.9%	16.1%	21.2%

NON-GAAP SEGMENT TREND DATA

\$ in thousands

	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416	Q117	Q217	Q317	Q417
Sales												
SCEM	\$ 99,897	\$ 110,569	\$ 105,285	\$ 103,127	\$ 101,107	\$ 111,782	\$ 104,494	\$ 110,945	\$ 114,435	\$ 121,174	\$ 124,522	\$ 125,339
MC	75,947	79,293	78,485	82,092	77,619	91,584	94,738	98,717	100,055	104,407	116,113	115,650
AMH	87,529	90,847	86,483	81,567	88,298	99,686	97,460	98,840	102,887	103,421	104,956	109,573
Total Sales	\$ 263,373	\$ 280,709	\$ 270,253	\$ 266,786	\$ 267,024	\$ 303,052	\$ 296,692	\$ 308,502	\$ 317,377	\$ 329,002	\$ 345,591	\$ 350,562
Adjusted Segment Profit												
SCEM ¹	\$ 22,010	\$ 30,826	\$ 23,316	\$ 24,218	\$ 22,416	\$ 28,914	\$ 19,510	\$ 25,919	\$ 28,140	\$ 34,174	\$ 34,661	\$ 35,898
MC ²	19,874	20,605	21,926	20,671	18,140	28,566	32,354	31,719	35,581	37,927	44,180	44,666
AMH ³	19,679	20,860	15,786	10,094	18,911	22,519	22,173	16,644	18,276	21,859	22,103	23,240
Total Adj. Segment Profit	\$ 61,563	\$ 72,291	\$ 61,028	\$ 54,983	\$ 59,467	\$ 79,999	\$ 74,037	\$ 74,282	\$ 81,997	\$ 93,960	\$ 100,944	\$ 103,804
Adjusted Segment Profit Margin												
SCEM	22.0%	27.9%	22.1%	23.5%	22.2%	25.9%	18.7%	23.4%	24.6%	28.2%	27.8%	28.6%
MC	26.2%	26.0%	27.9%	25.2%	23.4%	31.2%	34.2%	32.1%	35.6%	36.3%	38.0%	38.6%
AMH	22.5%	23.0%	18.3%	12.4%	21.4%	22.6%	22.8%	16.8%	17.8%	21.1%	21.1%	21.2%

1. Adjusted segment profit for SCEM for Q316 excludes charges for severance of \$699K. Adjusted segment profit for SCEM for Q317 excludes charges for severance of \$14K.

2. Adjusted segment profit for MC for Q316 excludes charges for severance of \$737K. Adjusted segment profit for MC for 2Q17 excludes charges for impairment of equipment and severance of \$884K and \$559K, respectively. Adjusted segment profit for MC for Q317 excludes charges for severance of \$196K.

3. Adjusted segment profit for AMH for Q316 excludes charges for impairment of equipment and severance related to organizational realignment of \$5,826K and \$969K, respectively. Adjusted segment profit for AMH for 2Q17 excludes charges for impairment of equipment of \$2,286K. Adjusted segment profit for AMH for Q317 excludes charges for impairment of equipment and severance related to organizational realignment of \$3,364K and \$1,857K, respectively.

