# Earnings Summary

*First Quarter 2023*

May 11, 2023

# Safe Harbor

This presentation contains forward looking statements. The words “believe,” “expect,” “anticipate,” “intend,” “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 may include statements about supply chain matters and inflationary pressures; future period guidance or projections; the Company’s performance relative to its markets, including the drivers of such performance; market and technology trends, including the duration and drivers of any growth trends; the development of new products and the success of their introductions; the focus of the Company’s engineering, research and development projects; the Company’s ability to execute on our business strategies, including with respect to Company’s expansion of its manufacturing presence in Taiwan and in Colorado Springs; the 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 impact of the acquisitions the Company has made and commercial partnerships the Company has established, including the acquisition of CMC Materials, Inc. (now known as CMC Materials LLC) (“CMC Materials”); the closing of any announced divestitures, including the timing thereof; trends relating to the fluctuation of currency exchange rates; future capital and other expenditures, including estimates thereof; the Company’s expected tax rate; the impact, financial or otherwise, of any organizational changes; the impact of accounting pronouncements; quantitative and qualitative disclosures about market risk; and other matters. These forward looking statements are based on current management expectations and assumptions only as of the date of this Quarterly Report, are not guarantees of future performance and involve substantial risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from the results expressed in, or implied by, these forward looking statements. 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 the Company’s products and solutions; the level of, and obligations associated with, the Company’s indebtedness, including the debts incurred in connection with the acquisition of CMC Materials; risks related to the acquisition and integration of CMC Materials, including unanticipated difficulties or expenditures relating thereto; the ability to achieve the anticipated synergies and value-creation contemplated by the acquisition of CMC Materials and the diversion of management time on transaction-related matters; raw material shortages, supply and labor constraints, price increases, inflationary pressures and rising interest rates; operational, political and legal risks of the Company’s international operations; the Company’s dependence on sole source and limited source suppliers; the Company’s ability to meet rapid demand shifts; the Company’s ability to continue technological innovation and introduce new products to meet customers’ rapidly changing requirements; substantial competition; the Company’s concentrated customer base; the Company’s ability to identify, complete and integrate acquisitions, joint ventures, divestitures or other similar transactions; the Company’s ability to consummate pending transactions on a timely basis or at all and the satisfaction of the conditions precedent to consummation of such pending transactions, including the satisfaction of regulatory conditions on the terms expected, at all or in a timely manner; the Company’s ability to effectively implement any organizational changes; the Company’s ability to protect and enforce intellectual property rights; the increasing complexity of certain manufacturing processes; changes in government regulations of the countries in which the Company operates, including the imposition of tariffs, export controls and other trade laws and restrictions and changes to national security and international trade policy, especially as they relate to China; fluctuation of currency exchange rates; fluctuations in the market price of the Company’s stock; and other risk factors and additional information described in the Company’s filings with the Securities and Exchange Commission (the “SEC”), including under the heading “Risk Factors” in Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed on February 23, 2023, and in the Company’s other SEC filings. Except as required under the federal securities laws and the rules and regulations of the SEC, the Company undertakes no obligation to update publicly any forward-looking statements or information contained herein, which speak as of their respective dates.

This presentation contains references to “Adjusted EBITDA,” “Adjusted EBITDA – as a % of Net Sales,” “Adjusted Operating Income,” “Adjusted Operating Margin,” “Adjusted Gross Profit,” “Adjusted Gross Margin – as a % of Net Sales,” “Adjusted Segment Profit,” “Adjusted Segment Profit Margin,” “Non-GAAP Operating Expenses,” "Non-GAAP Tax Rate," “Non-GAAP Net Income,” “Diluted Non-GAAP Earnings per Common Share,” "Free Cash Flow" and other measures 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 measure can be found attached to this presentation.

# Summary – Consolidated Statement of Operations (GAAP)

| $ in millions, except per share data | 1Q23 | 1Q22 | 4Q22 | 1Q23 over 1Q22 | 1Q23 over 4Q22 |
|---|---|---|---|---|---|
| Net Revenue | $922.4 | $649.6 | $946.1 | 42.0% | (2.5)% |
| Gross Margin | 43.5% | 47.7% | 42.8% | | |
| Operating Expenses | $388.2 | $146.5 | $260.7 | 165.0% | 48.9% |
| Operating Income | $13.5 | $163.3 | $143.8 | (91.8)% | (90.6)% |
| Operating Margin | 1.5% | 25.1% | 15.2% | | |
| Tax Rate | (32.2)% | 13.7% | 11.9% | | |
| Net (Loss) Income | $(88.2) | $125.7 | $57.4 | (170.1)% | (253.5)% |
| Diluted (Loss) Earnings Per Common Share | $(0.59) | $0.92 | $0.38 | (164.1)% | (255.3)% |

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# Summary – Consolidated Statement of Operations (Non-GAAP)[1]

| $ in millions, except per share data | 1Q23 | 1Q22 | 4Q22 | 1Q23 over 1Q22 | 1Q23 over 4Q22 |
|---|---|---|---|---|---|
| Net Revenue | $922.4 | $649.6 | $946.1 | 42.0% | (2.5)% |
| Adjusted Gross Margin – as a % of Net Sales | 44.3% | 47.7% | 42.8% | | |
| Non-GAAP Operating Expenses[2] | $204.3 | $127.6 | $185.2 | 60.1% | 10.3% |
| Adjusted Operating Income | $204.8 | $182.3 | $219.4 | 12.4% | (6.6)% |
| Adjusted Operating Margin | 22.2% | 28.1% | 23.2% | | |
| Non-GAAP Tax Rate[3] | 16.9% | 14.2% | 12.3% | | |
| Non-GAAP Net Income[4] | $97.8 | $145.1 | $124.5 | (32.6)% | (21.4)% |
| Diluted Non-GAAP Earnings Per Common Share | $0.65 | $1.06 | $0.83 | (38.7)% | (21.7)% |

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.
2. Excludes amortization expense, deal and transaction costs, integration costs, goodwill impairment, restructuring costs and loss on sale of business.
3. Reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.
4. Excludes the items noted in footnotes 2, interest expense, net, Infineum termination fee, loss on extinguishment of debt and modification, and the tax effect of non-GAAP adjustments.

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# Microcontamination Control (MC)

## 1Q23 Highlights

| $ in millions | 1Q23 | 1Q22 | 4Q22 | 1Q23 over 1Q22 | 1Q23 over 4Q22 |
|---|---|---|---|---|---|
| Net Revenue | $269.3 | $266.6 | $284.7 | 1.0% | (5.4)% |
| Segment Profit | $96.0 | $98.6 | $107.4 | (2.6)% | (10.6)% |
| Segment Profit Margin | 35.6% | 37.0% | 37.7% | | |
| Adj. Segment Profit[1] | $98.8 | $98.6 | $107.4 | 0.2% | (8.0)% |
| Adj. Segment Profit Margin[1] | 36.7% | 37.0% | 37.7% | | |

Sales decline (SEQ) was driven primarily by lower sales of our CAPEX driven solutions in MC.

Segment profit margin (adjusted) decrease (SEQ) was driven primarily by lower volumes.

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.

# Advanced Materials Handling (AMH)

## 1Q23 Highlights

| $ in millions | 1Q23 | 1Q22 | 4Q22 | 1Q23 over 1Q22 | 1Q23 over 4Q22 |
|---|---|---|---|---|---|
| Net Revenue | $218.9 | $198.1 | $213.9 | 10.5% | 2.3% |
| Segment Profit | $48.2 | $46.7 | $48.0 | 3.2% | 0.4% |
| Segment Profit Margin | 22.0% | 23.6% | 22.4% | | |
| Adj. Segment Profit[1] | $49.4 | $46.7 | $48.0 | 5.8% | 2.9% |
| Adj. Segment Profit Margin[1] | 22.6% | 23.6% | 22.4% | | |

Sales growth (YOY) was driven by strength in wafer and fluid handling solutions.

Segment profit margin (adjusted) decline (YOY) was primarily driven by higher OPEX investments.

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.



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# Specialty Chemicals and Engineered Materials (SCEM)[2]

## 1Q23 Highlights

| $ in millions | 1Q23 | 1Q22 | 4Q22 | 1Q23 over 1Q22 | 1Q23 over 4Q22 |
|---|---|---|---|---|---|
| Net Revenue[1] | $198.0 | $210.5 | $204.2 | (5.9)% | (3.0)% |
| Segment Profit[1] | $3.3 | $52.2 | $14.8 | (93.7)% | (77.7)% |
| Segment Profit Margin | 1.7% | 24.8% | 7.2% | | |
| Adj. Segment Profit[1] | $23.4 | $41.5 | $14.8 | (43.6)% | 58.1% |
| Adj. Segment Profit Margin[1] | 11.8% | 19.7% | 7.2% | | |

Sales decline was driven primarily by the impact of the sale of QED in mid-Q1.

Segment profit margin (adjusted) increase (SEQ) was driven by lower OPEX spending, improved execution and favorable FX.

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.
2. 1Q22 is reported on a proforma basis, see proforma to proforma non-GAAP reconciliation tables in the appendix of this presentation.

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# Advanced Planarization Solutions (APS)[2]

## 1Q23 Highlights

| $ in millions | 1Q23 | 1Q22 | 4Q22 | 1Q23 over 1Q22 | 1Q23 over 4Q22 |
|---|---|---|---|---|---|
| Net Revenue | $250.3 | $299.1 | $253.8 | (16.3)% | (1.4)% |
| Segment Profit[1] | $(32.8) | $88.9 | $56.7 | (136.9)% | (157.8)% |
| Segment Profit Margin | (13.1)% | 29.7% | 22.3% | | |
| Adj. Segment Profit[1] | $56.7 | $81.9 | $56.4 | (30.8)% | 0.5% |
| Adj. Segment Profit Margin[1] | 22.6% | 27.4% | 22.2% | | |

Sales decline was primarily driven by lower sales of CMP consumables, except for SiC slurries, which had significant growth.

Segment profit margin (adjusted) decline (YOY) was driven primarily by lower volumes. Segment profit margin (adjusted) increase (SEQ) was driven primarily by solid cost controls.

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.
2. 1Q22 is reported on a proforma basis, see proforma to proforma non-GAAP reconciliation tables in the appendix of this presentation.



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# Summary – Balance Sheet Items

| **$ in millions** | **1Q23** | | **1Q22** | | **4Q22** | |
|---|---|---|---|---|---|---|
| | $ Amount | % Total | $ Amount | % Total | $ Amount | % Total |
| Cash, Cash Equivalents & Restricted Cash | $709.0 | 7.0% | $352.7 | 10.7% | $563.4 | 5.6% |
| Accounts Receivable, net | $511.4 | 5.1% | $372.8 | 11.4% | $535.5 | 5.3% |
| Inventories | $830.9 | 8.3% | $545.6 | 16.6% | $812.8 | 8.0% |
| Net PP&E | $1,464.4 | 14.5% | $698.6 | 21.3% | $1,393.3 | 13.7% |
| Total Assets | $10,067.1 | | $3,283.4 | | $10,138.9 | |
| Current Liabilities | $781.6 | 7.8% | $371.7 | 11.3% | $761.9 | 7.5% |
| Long-term Debt, Excluding Current Maturities | $5,634.7 | 56.0% | $937.3 | 28.5% | $5,632.9 | 55.6% |
| Total Liabilities | $6,898.9 | 68.5% | $1,463.1 | 44.6% | $6,920.9 | 68.3% |
| Total Shareholders' Equity | $3,168.2 | 31.5% | $1,820.3 | 55.4% | $3,218.0 | 31.7% |
| | | | | | | |
| AR – DSOs | 50.6 | | 52.4 | | 51.6 | |
| Inventory Turns | 2.5 | | 2.7 | | 2.6 | |

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# Cash Flows

| $ in millions | 1Q23 | 1Q22 | 4Q22 |
|---|---|---|---|
| Beginning Cash Balance | $563.4 | $402.6 | $754.7 |
| Cash provided by operating activities | 151.9 | 63.8 | 32.1 |
| Capital expenditures | (134.0) | (84.4) | (147.4) |
| Proceeds from revolving credit facilities and debt | 117.2 | 79.0 | — |
| Payments on revolving credit facilities and debt | (117.2) | (79.0) | (70.0) |
| Proceeds from sale of business | 133.5 | — | — |
| Payments for dividends | (15.2) | (13.9) | (14.9) |
| Other investing activities | 0.1 | 1.1 | (5.7) |
| Other financing activities | 8.7 | (13.7) | 5.1 |
| Effect of exchange rates | 0.6 | (2.7) | 9.6 |
| Ending Cash Balance | $709.0 | $352.7 | $563.4 |
| Free Cash Flow[1] | $17.9 | ($20.6) | ($115.3) |
| Adjusted EBITDA[2] | $251.5 | $206.2 | $261.2 |
| Adjusted EBITDA – as a % of net sales[2] | 27.3% | 31.7% | 27.6% |

1. Equals cash from operations less capital expenditures.
2. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.

# Outlook

**GAAP**

| $ in millions, except per share data | 2Q23 Guidance | 1Q23 Actual | 4Q22 Actual |
|---|---|---|---|
| Net Revenue | $870 - $900 | $922.4 | $946.1 |
| Operating Expenses | $262 - $267 | $388.2 | $260.7 |
| Net Income (Loss) | $14 - $21 | $(88.2) | $57.4 |
| Diluted Earnings (Loss) per Common Share | $0.09 - $0.14 | $(0.59) | $0.38 |
| Operating Margin | 12% - 13% | 1.5% | 15.2% |

**Non-GAAP**

| $ in millions, except per share data | 2Q23 Guidance | 1Q23 Actual | 4Q22 Actual |
|---|---|---|---|
| Net Revenue | $870 - $900 | $922.4 | $946.1 |
| Non-GAAP Operating Expenses[1] | $185 - $190 | $204.3 | $185.2 |
| Non-GAAP Net Income[1] | $80 - $87 | $97.8 | $124.5 |
| Diluted non-GAAP Earnings per Common Share[1] | $0.53 - $0.58 | $0.65 | $0.83 |
| Adjusted EBITDA Margin | 27% - 28% | 27.3% | 27.6% |

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.

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# Appendix

# Summary Consolidated Statement of Operations - Proforma

| $ in millions, except per share data | 1Q22 | 2Q22 | 3Q22 | 4Q22 | FY2022 | 1Q23 |
|---|---|---|---|---|---|---|
| Net Revenue | $969.1 | $1,011.9 | $993.8 | $946.1 | $3,920.9 | $922.4 |
| Gross Margin | 45.2% | 42.4% | 37.4% | 42.8% | 41.9% | 43.5% |
| Operating Expenses | $218.2 | $226.9 | $356.8 | $260.7 | $1,062.6 | $388.2 |
| Operating Income | $219.9 | $201.9 | $14.9 | $143.8 | $580.5 | $13.5 |
| Operating Margin | 22.7% | 19.9% | 1.5% | 15.2% | 14.8% | 1.5% |
| EBITDA | $289.2 | $271.3 | $125.4 | $239.1 | $925.0 | $(66.7) |
| Tax Rate | 16.1% | 24.8% | 8.7% | 11.9% | 21.5% | (32.2)% |
| Net Income (Loss) | $160.3 | $140.1 | $(73.7) | $57.4 | $284.1 | $(88.2) |
| Diluted Earnings (Loss) Per Common Share | $1.06 | $0.93 | $(0.50) | $0.38 | $1.85 | $(0.59) |

The above pro forma results include the addition of CMC Materials, Inc.'s financials recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported financials and are provided as a complement to, and should be read in conjunction with, the consolidated financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials, Inc have been eliminated. No other adjustments have been included.

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# Summary – Consolidated Statement of Operations (Non-GAAP)-Proforma [1]

| $ in millions, except per share data | 1Q22 | 2Q22 | 3Q22 | 4Q22 | FY2022 | 1Q23 |
|---|---|---|---|---|---|---|
| Net Revenue | $958.2 | $1,011.7 | $993.8 | $946.1 | $3,909.8 | $922.4 |
| Adjusted Gross Margin – as a % of Net Sales[2] | 44.5% | 42.0% | 43.6% | 42.8% | 43.2% | 44.3% |
| Non-GAAP Operating Expenses[3] | $177.4 | $178.8 | $180.4 | $185.1 | $721.7 | $204.3 |
| Adjusted Operating Income | $248.8 | $245.8 | $253.2 | $219.4 | $967.2 | $204.8 |
| Adjusted Operating Margin | 26.0% | 24.3% | 25.5% | 23.2% | 24.7% | 22.2% |
| Adjusted EBITDA | $296.6 | $294.0 | $298.4 | $261.3 | $1,150.3 | $251.5 |
| Non-GAAP Tax Rate[4] | 15.3% | 22.9% | 21.2% | 12.3% | 18.1% | 16.9% |
| Non-GAAP Net Income[5] | $137.6 | $120.0 | $127.6 | $124.6 | $509.8 | $97.8 |
| Diluted Non-GAAP Earnings Per Common Share | $0.91 | $0.80 | $0.85 | $0.83 | $3.39 | $0.65 |

1. See Proforma to non-GAAP Proforma reconciliation tables in the appendix of this presentation.
2. 3Q22 excludes charges for fair value write-up of acquired inventory sold, wood treatment and incremental depreciation expense
3. Excludes amortization and incremental depreciation expense, deal costs, integration costs, goodwill impairment, restructuring costs and loss on sale of business.
4. Reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.
5. Excludes the items noted in footnotes 2 and 3, interest expense, net, Infineum termination fee, loss on extinguishment of debt and modification, and the tax effect of non-GAAP adjustments.

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# Reconciliation of GAAP Gross Profit to Adjusted Gross Profit

| | Three months ended | | |
|---|---|---|---|
| $ in thousands | April 1, 2023 | April 2, 2022 | December 31, 2022 |
| Net sales | $922.4 | $649.6 | $946.1 |
| Gross profit-GAAP | $401.7 | $309.8 | $404.5 |
| Adjustments to gross profit: | | | |
| Restructuring costs [g*] | 7.4 | — | — |
| Adjusted gross profit | $409.1 | $309.8 | $404.5 |
| | | | |
| Gross margin – as a % of net sales | 43.5% | 47.7% | 42.8% |
| Adjusted gross margin – as a % of net sales | 44.3% | 47.7% | 42.8% |

*See footnotes section for reference



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# Reconciliation of GAAP Operating Expenses and Tax Rate to Non-GAAP Operating Expenses and Tax Rate

| | Three months ended | | |
|---|---|---|---|
| $ in millions | **April 1, 2023** | **April 2, 2022** | **December 31, 2022** |
| GAAP operating expenses | $388.2 | $146.5 | $260.7 |
| Adjustments to operating expenses: | | | |
| Goodwill impairment [a] * | 88.9 | — | — |
| Deal and transaction costs [b] * | 3.0 | 5.0 | 0.3 |
| Integration costs: | | | |
| Professional fees [c] * | 12.0 | 0.8 | 13.7 |
| Severance costs [d] * | 1.4 | — | 2.3 |
| Retention costs [e] * | 1.3 | — | 0.5 |
| Other costs [f] * | 2.2 | 0.4 | 2.0 |
| Contractual and non-cash integration costs - CMC retention costs [o] * | — | — | 3.5 |
| Restructuring costs [g] * | 3.9 | — | — |
| Loss (gain) on sale of business [h] * | 13.6 | — | (0.3) |
| Amortization of intangible assets [i] * | 57.6 | 12.7 | 53.5 |
| Non-GAAP operating expenses | $204.3 | $127.6 | $185.2 |
| GAAP tax rate | (32.2%) | 13.7% | 11.9% |
| Other | 49.1% | 0.5% | 0.4% |
| Non-GAAP tax rate | 16.9% | 14.2% | 12.3% |

*See footnotes section for reference

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

| $ in thousands | Three Months Ended | | |
|---|---|---|---|
| | April 1, 2023 | April 2, 2022 | December 31, 2022 |
| Net sales | $922.4 | $649.6 | $946.1 |
| Net (loss) income | (88.2) | 125.7 | 57.4 |
| Net (loss) income – as a % of net sales | (9.6)% | 19.3 % | 6.1 % |
| Adjustments to net (loss) income: | | | |
| Income tax expense | 21.5 | 19.9 | 7.8 |
| Interest expense, net | 84.8 | 12.8 | 82.0 |
| Other expense, net | (4.6) | 4.9 | (3.4) |
| GAAP - Operating income | $13.5 | $163.3 | $143.8 |
| Operating margin - as a % of net sales | 1.5 % | 25.1 % | 15.2 % |
| Goodwill impairment [a] * | 88.9 | — | — |
| Deal and transaction costs [b] * | 3.0 | 5.0 | 0.3 |
| Integration costs: | | | |
| Professional fees [c] * | 12.0 | 0.8 | 13.7 |
| Severance costs [d] * | 1.4 | — | 2.3 |
| Retention costs [e] * | 1.3 | — | 0.5 |
| Other costs [f] * | 2.3 | 0.5 | 2.0 |
| Contractual and non-cash integration costs [o] * | — | — | 3.5 |
| Restructuring costs [g] * | 11.2 | — | — |
| Loss (gain) on sale of business [h] * | 13.6 | — | (0.3) |
| Amortization of intangible assets [i] * | 57.6 | 12.7 | 53.5 |
| Adjusted operating income | $204.8 | $182.3 | $219.3 |
| Adjusted operating margin - as a % of net sales | 22.2 % | 28.1 % | 23.2 % |
| Depreciation | $46.7 | $23.9 | $41.9 |
| Adjusted EBITDA | $251.5 | $206.2 | $261.2 |
| Adjusted EBITDA – as a % of net sales | 27.3 % | 31.7 % | 27.6 % |

*See footnotes section for reference

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# Reconciliation of GAAP Net Income and Diluted Earnings per Common Share to Non-GAAP Net Income and Diluted Non-GAAP Earnings per Common Share

| $ in thousands, except per share data | Three months ended | | |
|---|---|---|---|
| | April 1, 2023 | April 2, 2022 | December 31, 2022 |
| GAAP net (loss) income | $(88.2) | $125.7 | $57.4 |
| Adjustments to net (loss) income: | | | |
| Goodwill impairment [a] * | 88.9 | — | — |
| Deal and transaction costs [b] * | 3.0 | 5.0 | 0.3 |
| Integration costs: | | | |
| Professional fees [c] * | 12.0 | 0.8 | 13.7 |
| Severance costs [d] * | 1.4 | — | 2.3 |
| Retention costs [e] * | 1.3 | — | 0.5 |
| Other costs [f] * | 2.4 | 0.4 | 2.1 |
| Contractual and non-cash integration costs [o] * | — | — | 3.5 |
| Restructuring costs [g] * | 11.2 | — | — |
| Loss (Gain) on sale of business [h] * | 13.6 | — | (0.3) |
| Amortization of intangible assets [i] * | 57.6 | 12.7 | 53.5 |
| Loss on extinguishment of debt and modification [k]* | 3.9 | — | 1.1 |
| Infineum termination fee, net [l]* | (10.9) | — | — |
| Interest expense, net [m]* | — | 4.7 | — |
| Tax effect of adjustments to net income and discrete items[n]* | 1.6 | (4.2) | (9.6) |
| Non-GAAP net income | $97.8 | $145.1 | $124.5 |
| Diluted (loss) earnings per common share | $(0.59) | $0.92 | $0.38 |
| Effect of adjustments to net income | $1.24 | $0.14 | $0.45 |
| Diluted non-GAAP earnings per common share | $0.65 | $1.06 | $0.83 |
| Weighted average diluted shares outstanding | 149,426 | 136,552 | 149,909 |
| Effect of adjustment to diluted weighted average shares outstanding | 955 | — | — |
| Diluted non-GAAP weighted average shares outstanding | 150,381 | 136,552 | 149,909 |

*See footnotes section for reference

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# Reconciliation of GAAP Outlook to Non-GAAP Outlook

| **$ in millions** | **Second -Quarter Outlook** |
|---|---|
| Reconciliation GAAP operating expenses to non-GAAP operating expenses | |
| GAAP operating expenses | $262 - $267 |
| Adjustments to net income: | |
| Deal, transaction and integration costs | 20 |
| Amortization of intangible assets | 57 |
| Non-GAAP operating expenses | $185 - $190 |

| **$ in millions** | **Second -Quarter Outlook** |
|---|---|
| Reconciliation GAAP net income to non-GAAP net income | |
| GAAP net income | $14 - $21 |
| Adjustments to net income: | |
| Deal, transaction and integration costs | 20 |
| Amortization of intangible assets | 57 |
| Income tax effect | (11) |
| Non-GAAP net income | $80 - $87 |

| | **Second -Quarter Outlook** |
|---|---|
| Reconciliation GAAP diluted earnings per share to non-GAAP diluted earnings per share | |
| Diluted earnings per common share | $0.09 - $0.14 |
| Adjustments to diluted earnings per common share: | |
| Deal, transaction and integration costs | 0.13 |
| Amortization of intangible assets | 0.38 |
| Income tax effect | (0.07) |
| Diluted non-GAAP earnings per common share | $0.53 - $0.58 |

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# Reconciliation of GAAP Outlook to Non-GAAP Outlook (continued)

| **$ in millions** | **Second -Quarter Outlook** |
|---|---|
| Reconciliation GAAP Operating Margin to non-GAAP Operating Margin and Adjusted EBITDA Margin | |
| Net sales | $870 - $900 |
| GAAP - Operating income | $103 - $119 |
| Operating margin - as a % of net sales | 12% - 13% |
| Deal, transaction and integration costs | 20 |
| Amortization of intangible assets | 57 |
| Adjusted operating income | $180 - 196 |
| Adjusted operating margin - as a % of net sales | 21% - 22% |
| Depreciation | 58 |
| Adjusted EBITDA | $238 - $254 |
| Adjusted EBITDA - as a % of net sales | 27% - 28% |



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# Proforma Segment Trend Data Unaudited[1 2]

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Sales | | | | | | |
| SCEM | $ 221.4 | $ 225.4 | $ 224.2 | $ 204.2 | $ 875.2 | $ 198.0 |
| APS | 299.1 | 305.3 | 293.9 | 253.8 | 1,152.1 | 250.3 |
| MC | 266.6 | 274.1 | 280.6 | 284.7 | 1,106.0 | 269.3 |
| AMH | 198.1 | 224.1 | 210.4 | 213.9 | 846.5 | 218.9 |
| Inter-segment elimination | (16.1) | (17.0) | (15.3) | (10.5) | (58.9) | (14.1) |
| Total Sales | $ 969.1 | $ 1,011.9 | $ 993.8 | $ 946.1 | $ 3,920.9 | $ 922.4 |
| | | | | | | 0 |
| Segment Profit: | | | | | | |
| SCEM | $ 52.2 | $ 38.1 | $ 34.2 | $ 14.8 | $ 139.3 | $ 3.3 |
| FV Step-up [4] | — | — | 5.1 | — | 5.1 | — |
| SCEM Segment Profit (Loss) Adjusted | $ 52.2 | $ 38.1 | $ 39.3 | $ 14.8 | $ 144.4 | $ 3.3 |
| APS | $ 88.9 | $ 84.9 | $ 18.9 | $ 56.7 | $ 249.4 | $ (32.8) |
| Depreciation [3] | (7.0) | (7.0) | — | — | (14.0) | — |
| FV Step-up [4] | — | — | 56.8 | — | 56.8 | — |
| APS Segment Profit Adjusted | $ 81.9 | $ 77.9 | $ 75.7 | $ 56.7 | $ 292.2 | $ (32.8) |
| MC | $ 98.6 | $ 100.1 | $ 105.3 | $ 107.4 | $ 411.4 | $ 96.0 |
| AMH | $ 46.7 | $ 46.9 | $ 42.1 | $ 48.0 | $ 183.7 | $ 48.2 |
| Total Segment Profit | $ 279.4 | $ 263.0 | $ 262.4 | $ 226.9 | $ 1,031.7 | $ 114.7 |

[1] During the three months ended October 1, 2022, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on four reportable segments: Specialty Chemicals and Engineered Materials (SCEM), Microcontamination Control (MC), Advanced Material Handling (AMH) and Advanced Planarization Solutions (APS). The following prior year information has been recast to reflect this realignment

[2] The above pro forma results include the addition of CMC Materials, Inc.'s net sales and segment profit amounts recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported GAAP net sales and segment profit amounts related to businesses that were transferred to the above business segments after the effectiveness of the merger and are provided as a complement to, and should be read in conjunction with, the condensed financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials, Inc have been eliminated, see table below.

[3] Represents the preliminary pro forma adjustment to recognize changes to straight-line depreciation expense resulting from the fair value adjustments to acquired property, plant, and equipment. The preliminary fair value of the property, plant and equipment may not represent the actual value of the property, plant and equipment when the Merger is completed resulting in a potential difference in straight-line depreciation expense, and that difference may be material.

[4] Represents the additional cost of goods sold recognized in connection with the step-up of inventory valuation. Entegris will recognize the increased value of inventory in cost of sales as the inventory is sold, which for purposes of these pro forma presentation is assumed to occur within the first quarter of 2021 based on inventory turns and is non-recurring in nature.



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# Proforma Segment Trend Data Unaudited[1 2] (continued)

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Total Segment Profit | $ 279.4 | $ 263.0 | $ 262.4 | $ 226.9 | $ 1,031.7 | $ 114.7 |
| Amortization of intangible assets | 28.5 | 28.3 | 65.3 | 53.5 | 175.6 | 57.6 |
| Additional Amortization [3] | 30.6 | 30.6 | — | — | 62.8 | — |
| Transaction Expenses [4] | (17.8) | (22.3) | (111.0) | (22.4) | (173.5) | (20.0) |
| Unallocated expenses | 38.0 | 39.9 | 120.3 | 29.7 | 227.9 | 43.6 |
| Total Operating Income | $ 200.1 | $ 186.5 | $ 187.8 | $ 166.1 | $ 738.9 | $ 33.5 |

[1] During the three months ended October 1, 2022, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on four reportable segments: Specialty Chemicals and Engineered Materials (SCEM), Microcontamination Control (MC), Advanced Material Handling (AMH) and Advanced Planarization Solutions (APS). The following prior year information has been recast to reflect this realignment

[2] The above pro forma results include the addition of CMC Materials, Inc.'s net sales and segment profit amounts recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported GAAP net sales and segment profit amounts related to businesses that were transferred to the above business segments after the effectiveness of the merger and are provided as a complement to, and should be read in conjunction with, the condensed financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials, Inc have been eliminated, see table below.

[3] Represents estimated incremental straight-line amortization expense resulting from the allocation of purchase consideration to definite-lived intangible assets subject to amortization.

[4] Represents one-time transaction-related costs for both Entegris and CMC that have yet to be expensed or accrued in the historical financial statements in connection with the Merger including bank fees, legal fees, consulting fees, severance payments, retention payments, CICSPA, and other transaction expenses.

# Proforma Non-GAAP Segment Trend Data Unaudited[1 2]

| $ in millions | | Q122 | | Q222 | | Q322 | | Q422 | | FY 2022 | | Q123 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales - Proforma | | | | | | | | | | | | |
| SCEM | $ | 221.4 | $ | 225.4 | $ | 224.2 | $ | 204.2 | $ | 875.2 | $ | 198.0 |
| APS | | 299.1 | | 305.3 | | 293.9 | | 253.8 | | 1,152.1 | | 250.3 |
| MC | | 266.6 | | 274.1 | | 280.6 | | 284.7 | | 1,106.0 | | 269.3 |
| AMH | | 198.1 | | 224.1 | | 210.4 | | 213.9 | | 846.5 | | 218.9 |
| Inter-segment elimination | | (16.1) | | (17.0) | | (15.3) | | (10.5) | | (58.9) | | (14.1) |
| Total Sales | $ | 969.1 | $ | 1,011.9 | $ | 993.8 | $ | 946.1 | $ | 3,920.9 | $ | 922.4 |
| | | | | | | | | | | | | |
| Adjusted Segment Proforma Sales: | | | | | | | | | | | | |
| SCEM | $ | 210.5 | $ | 225.2 | $ | 224.2 | $ | 204.2 | $ | 864.1 | $ | 198.0 |
| APS | | 299.1 | | 305.3 | | 293.9 | | 253.8 | | 1,152.1 | | 250.3 |
| MC | | 266.6 | | 274.1 | | 280.6 | | 284.7 | | 1,106.0 | | 269.3 |
| AMH | | 198.1 | | 224.1 | | 210.4 | | 213.9 | | 846.5 | | 218.9 |
| Inter-segment elimination | | (16.1) | | (17.0) | | (15.3) | | (10.5) | | (58.9) | | (14.1) |
| Total Adjusted Sales | $ | 958.2 | $ | 1,011.7 | $ | 993.8 | $ | 946.1 | $ | 3,909.8 | $ | 922.4 |
| | | | | | | | | | | | | |
| Adjusted SCEM segment Sales: | | | | | | | | | | | | |
| SCEM segment Sales | $ | 221.4 | $ | 225.4 | $ | 224.2 | $ | 204.2 | $ | 875.2 | $ | 198.0 |
| Removal of wood treatment sales r* | | (10.9) | | (0.2) | | — | | — | | (11.1) | | — |
| SCEM adjusted segment sales | $ | 210.5 | $ | 225.2 | $ | 224.2 | $ | 204.2 | $ | 864.1 | $ | 198.0 |

[1] During the three months ended October 1, 2022, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on four reportable segments: Specialty Chemicals and Engineered Materials (SCEM), Microcontamination Control (MC), Advanced Material Handling (AMH) and Advanced Planarization Solutions (APS). The following prior year information has been recast to reflect this realignment

[2] The above pro forma results include the addition of CMC Materials, Inc.'s net sales and segment profit amounts recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported GAAP net sales and segment profit amounts related to businesses that were transferred to the above business segments after the effectiveness of the merger and are provided as a complement to, and should be read in conjunction with, the condensed financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials, Inc have been eliminated.

*See footnotes section for reference

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# Proforma Non-GAAP Segment Trend Data Unaudited[1 2] (continued)

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Segment Profit - GAAP | | | | | | |
| SCEM | $ 52.2 | $ 38.1 | $ 39.3 | $ 14.8 | $ 144.4 | $ 3.3 |
| APS | 81.9 | 77.9 | 75.7 | 56.7 | 292.2 | 96.0 |
| MC | 98.6 | 100.1 | 105.3 | 107.4 | 411.4 | 48.2 |
| AMH | 46.7 | 46.9 | 42.1 | 48.0 | 183.7 | (32.8) |
| Total Segment profit | $ 279.4 | $ 263.0 | $ 262.4 | $ 226.9 | $ 1,031.7 | $ 114.7 |
| Amortization of intangible assets [i*] | 59.9 | 59.7 | 65.3 | 53.5 | 238.4 | 57.6 |
| Unallocated expenses | 20.2 | 17.6 | 9.3 | 7.3 | 54.4 | 23.6 |
| Total Operating Income | $ 199.3 | $ 185.7 | $ 187.8 | $ 166.1 | $ 738.9 | $ 33.5 |
| | | | | | | |
| Adjusted Segment Profit : | | | | | | |
| SCEM segment profit | $ 52.2 | $ 38.1 | $ 39.3 | $ 14.8 | $ 144.4 | $ 3.3 |
| Adjustments for wood treatment [r*] | (7.4) | 0.3 | — | — | (7.1) | — |
| Other adjustments [j*] | (3.3) | — | — | — | (3.3) | — |
| Loss on sale of business [h*] | — | — | — | — | — | 13.6 |
| Severance - Restructuring [g*] | — | — | — | — | — | 6.5 |
| SCEM adjusted segment profit | $ 41.5 | $ 38.4 | $ 39.3 | $ 14.8 | $ 134.0 | $ 23.4 |
| | | | | | | |
| MC segment Profit | 98.6 | 100.1 | 105.3 | 107.4 | 411.4 | 96.0 |
| Severance - Restructuring [g*] | — | — | — | — | — | 2.8 |
| MC adjusted segment profit | $ 98.6 | $ 100.1 | $ 105.3 | $ 107.4 | $ 411.4 | $ 98.8 |

[1] During the three months ended October 1, 2022, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on four reportable segments: Specialty Chemicals and Engineered Materials (SCEM), Microcontamination Control (MC), Advanced Material Handling (AMH) and Advanced Planarization Solutions (APS). The following prior year information has been recast to reflect this realignment

[2] The above pro forma results include the addition of CMC Materials, Inc.'s net sales and segment profit amounts recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported GAAP net sales and segment profit amounts related to businesses that were transferred to the above business segments after the effectiveness of the merger and are provided as a complement to, and should be read in conjunction with, the condensed financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials, Inc have been eliminated.

*See footnotes section for reference

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# Proforma Non-GAAP Segment Trend Data Unaudited[1 2] (continued)

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Adjusted Segment Profit | | | | | | |
| AMH segment Profit | $ 46.7 | $ 46.9 | $ 42.1 | $ 48.0 | $ 183.7 | $ 48.2 |
| Severance - Restructuring g* | — | — | — | — | — | 1.2 |
| AMH adjusted segment profit | $ 46.7 | $ 46.9 | $ 42.1 | $ 48.0 | $ 183.7 | $ 49.4 |
| | | | | | | |
| APS segment profit | $ 81.9 | $ 77.9 | $ 75.7 | $ 56.7 | $ 292.2 | $ (32.8) |
| Impairment of Goodwill a* | — | — | — | — | — | 88.9 |
| Other adjustments j* | — | — | — | (0.3) | (0.3) | 0.6 |
| APS adjusted segment profit | $ 81.9 | $ 77.9 | $ 75.7 | $ 56.4 | $ 291.9 | $ 56.7 |
| | | | | | | |
| Unallocated expenses | $ 20.2 | $ 17.6 | $ 9.3 | $ 7.3 | $ 54.4 | $ 43.6 |
| Other adjustments j* | 0.3 | 0.1 | 0.1 | 0.1 | 0.6 | 0.1 |
| Deal, transaction & integration costs o* | — | — | — | — | — | 20.0 |
| Adjusted unallocated expenses | $ 19.9 | $ 17.5 | $ 9.2 | $ 7.2 | $ 53.8 | $ 23.5 |
| | | | | | | $ — |
| Total Adjusted Segment Profit | $ 268.7 | $ 263.3 | $ 262.4 | $ 226.6 | $ 1,021.0 | $ 228.3 |
| Adjusted unallocated expenses | 19.9 | 17.5 | 9.2 | 7.2 | 53.8 | 23.5 |
| Total adjusted operating Income | $ 248.8 | $ 245.8 | $ 253.2 | $ 219.4 | $ 967.2 | $ 204.8 |

[1] During the three months ended October 1, 2022, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on four reportable segments: Specialty Chemicals and Engineered Materials (SCEM), Microcontamination Control (MC), Advanced Material Handling (AMH) and Advanced Planarization Solutions (APS). The following prior year information has been recast to reflect this realignment

[2] The above pro forma results include the addition of CMC Materials, Inc.'s net sales and segment profit amounts recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported GAAP net sales and segment profit amounts related to businesses that were transferred to the above business segments after the effectiveness of the merger and are provided as a complement to, and should be read in conjunction with, the condensed financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials, Inc have been eliminated.

*See footnotes section for reference

# Reconciliation of Proforma Net Sales to Proforma Non-GAAP Net Sales

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Proforma net sales [1] | $969.1 | $1,011.9 | $993.8 | $946.1 | $3,920.9 | $922.4 |
| Removal of Wood treatment [r*] | 10.9 | 0.2 | — | — | 11.1 | — |
| Proforma Non-GAAP net sales | $958.2 | $1,011.7 | $993.8 | $946.1 | $3,909.8 | $922.4 |

# Reconciliation of Proforma Gross Profit to Proforma Adjusted Gross Profit

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Proforma Gross Margin | $438.0 | $428.8 | $371.7 | $404.5 | $1,643.0 | $401.7 |
| Proforma Gross Margin -as a % of GAAP net sales | 45.7 % | 42.4 % | 37.4 % | 42.8 % | 41.9 % | 43.5 % |
| Inventory step-up [t*] | — | — | 61.9 | — | 61.9 | — |
| Wood treatment [r*] | (7.4) | 0.3 | — | — | (7.1) | — |
| Incremental Depreciation expense [s*] | (4.5) | (4.5) | — | — | (9.0) | — |
| Restructuring costs [g*] | — | — | — | — | — | 7.4 |
| Proforma Non-GAAP gross margin | $426.1 | $424.6 | $433.6 | $404.5 | $1,688.8 | $409.1 |
| Proforma Gross Margin - as a % of Non-GAAP net sales | 44.5 % | 42.0 % | 43.6 % | 42.8 % | 43.2 % | 44.3 % |

[1] The above pro forma results include the addition of CMC Materials, Inc.'s financials recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported financials and are provided as a complement to, and should be read in conjunction with, the consolidated financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials, Inc have been eliminated. No other adjustments have been included.

*See footnotes section for reference

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# Reconciliation of Proforma Operating Expenses and Tax Rate to Proforma Non-GAAP Operating Expenses and Non-GAAP Tax Rate

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Proforma Operating Expense | $218.2 | $226.9 | $356.8 | $260.7 | $1,062.6 | $388.2 |
| Goodwill impairment [a] * | — | — | — | — | — | 88.9 |
| Deal and transaction costs [b] * | 17.3 | 12.1 | 31.9 | 0.3 | 61.6 | 3.0 |
| Integration costs: | | | | | | |
| Professional fees [c] * | 0.7 | 9.5 | 11.4 | 13.7 | 35.3 | 12.0 |
| Severance costs [d] * | — | — | 4.0 | 2.3 | 6.3 | 1.4 |
| Retention costs [e] * | — | | 1.5 | 0.5 | 2.0 | 1.3 |
| Other costs [f] * | — | 0.7 | 3.9 | 2.1 | 6.7 | 2.3 |
| Contractual and non-cash integration costs | | | | | | |
| CMC Retention [o]* | — | — | 14.5 | 3.5 | 18.0 | — |
| Stock-based compensation alignment [p]* | — | — | 21.6 | — | 21.6 | — |
| Change in control costs [q]* | — | — | 22.3 | — | 22.3 | — |
| Restructuring costs [g] * | — | — | — | — | — | 3.8 |
| Loss (Gain) on sale of business [h] * | — | — | — | (0.3) | (0.3) | 13.6 |
| Amortization of intangible assets [i] * | 28.5 | 28.3 | 65.3 | 53.5 | 175.6 | 57.6 |
| Other [j]* | (3.2) | — | — | — | (3.2) | — |
| Incremental depreciation expense [s]* | (2.5) | (2.5) | — | — | (5.0) | — |
| Proforma Non-GAAP Operating Expense | $177.4 | $178.8 | $180.4 | $185.1 | $721.7 | $204.3 |
| | | | | | | |
| GAAP tax rate | 16.1% | 24.8% | 8.7% | 11.9% | 21.5% | (32.2%) |
| Other | (0.8%) | (1.9%) | 12.6% | 0.3% | (3.4%) | 49.1% |
| Non-GAAP tax rate | 15.3% | 22.9% | 21.2% | 12.3% | 18.1% | 16.9% |

*See footnotes section for reference

Entegris

# Reconciliation of Proforma Net Income to Proforma Adjusted Operating Income and Adjusted EBITDA

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Net sales | $969.1 | $1,011.9 | $993.8 | $946.1 | $3,920.9 | $922.4 |
| Net income (loss) | 160.3 | 140.1 | (73.8) | 57.5 | 284.1 | (88.2) |
| Net income (loss) – as a % of proforma GAAP net sales | 16.5 % | 13.8 % | (7.4%) | 6.1 % | 7.2 % | (9.6)% |
| Adjustments to net income (loss): | | | | | | |
| Income tax expense (benefit) | 30.9 | 46.3 | (7.0) | 7.8 | 78.0 | 21.5 |
| Interest expense, net | 22.4 | 5.7 | 82.8 | 82.0 | 192.9 | 84.8 |
| Other expense, net | 6.3 | 9.8 | 12.9 | (3.5) | 25.5 | (4.6) |
| Proforma Operating Income | $219.9 | $201.9 | $14.9 | $143.8 | $580.5 | $13.5 |
| Proforma Operating Income - as a % of proforma net sales | 22.7 % | 20.0 % | 1.5 % | 15.2 % | 14.8 % | 1.5 % |
| Amortization of intangible assets [i*] | 28.5 | 28.3 | 65.3 | 53.5 | 175.6 | 57.6 |
| Depreciation | 40.8 | 41.1 | 45.2 | 41.8 | 168.9 | 46.8 |
| Adjusted EBITDA | $289.2 | $271.3 | $125.4 | $239.1 | $925.0 | $117.9 |
| Adjusted EBITDA as a % of proforma net sales | 29.8 % | 26.8 % | 12.6 % | 25.3 % | 23.6 % | 12.8 % |

*See footnotes section for reference



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# Reconciliation of Proforma Net Income to Proforma Adjusted Operating Income Non-GAAP and Adjusted EBITDA Non-GAAP

| $ in millions | Q122 | Q222 | Q322 | Q422 | FY 2022 | Q123 |
|---|---|---|---|---|---|---|
| Proforma Operating Income | $219.9 | $201.9 | $14.9 | $143.8 | $580.5 | $13.5 |
| Proforma Operating Income - as a % of proforma net sales | 22.7 % | 20.0 % | 1.5 % | 15.2 % | 14.8 % | 1.5 % |
| Wood treatment (net margin impact) [r*] | (7.4) | 0.3 | — | — | (7.1) | — |
| Charge for fair value write-up of acquired inventory sold [t*] | — | — | 61.9 | — | 61.9 | — |
| Goodwill impairment [a *] | — | — | — | — | — | 88.9 |
| Deal and transaction costs [b *] | 17.3 | 12.1 | 31.9 | 0.3 | 61.6 | 3.0 |
| Integration costs: | | | | | | |
| Professional fees [c *] | 0.7 | 9.5 | 11.4 | 13.7 | 35.3 | 12.0 |
| Severance costs [d *] | — | | 4.0 | 2.3 | 6.3 | 1.4 |
| Retention costs [e *] | — | | 1.5 | 0.5 | 2.0 | 1.3 |
| Other costs [f *] | — | 0.7 | 3.9 | 2.1 | 6.7 | 2.3 |
| Contractual and non-cash integration costs | | | | | | |
| CMC Retention [o*] | — | — | 14.5 | 3.5 | 18.0 | — |
| Stock-based compensation alignment [p*] | — | — | 21.6 | — | 21.6 | — |
| Change in control costs [q*] | — | — | 22.3 | — | 22.3 | — |
| Restructuring costs [g *] | — | — | — | — | — | 11.2 |
| Loss (Gain) on sale of business [h *] | — | — | — | (0.3) | (0.3) | 13.6 |
| Amortization of intangible assets [i *] | 28.5 | 28.3 | 65.3 | 53.5 | 175.6 | 57.6 |
| Other [j*] | (3.2) | — | — | — | (3.2) | — |
| Incremental depreciation expense [s*] | (7.0) | (7.0) | — | — | (14.0) | — |
| Proforma Operating Income - Non-GAAP | $248.8 | $245.8 | $253.2 | $219.4 | $967.2 | $204.8 |
| Proforma Non-GAAP Operating Income - as a % of proforma Non-GAAP net sales | 26.0 % | 24.3 % | 25.5 % | 23.2 % | 24.7 % | 22.2 % |
| Depreciation | 47.8 | 48.2 | 45.2 | 41.9 | 183.1 | 46.8 |
| Adjusted EBITDA | $296.6 | $294.0 | $298.4 | $261.3 | $1,150.3 | $251.6 |
| Adjusted EBITDA as a % of proforma Non-GAAP net sales | 31.0% | 29.1% | 30.0% | 27.6% | 29.3% | 27.3% |

*See footnotes section for reference

## Reconciliation of Proforma Net Income and Diluted EPS to Proforma Non-GAAP Net Income and Diluted Non-GAAP EPS

| **$ in millions, except per share data** | **Q122** | **Q222** | **Q322** | **Q422** | **FY 2022** | **Q123** |
|---|---|---|---|---|---|---|
| Proforma Net Income (Loss) | $160.3 | $140.1 | $(73.8) | $57.5 | $284.1 | $(88.2) |
| Adjustments to Proforma Net Income (Loss): | | | | | | |
| Charge for fair value write-up of acquired inventory sold [t*] | — | — | 61.9 | — | 61.9 | — |
| Goodwill impairment [a *] | — | — | — | — | — | 89.0 |
| Deal and transaction costs [b *] | 17.3 | 12.1 | 31.9 | 0.3 | 61.6 | 3.0 |
| Integration costs: | | | | | | |
| Professional fees [c *] | 0.7 | 9.5 | 11.4 | 13.7 | 35.3 | 12.0 |
| Severance costs [d *] | — | | 4.0 | 2.3 | 6.3 | 1.4 |
| Retention costs [e *] | — | | 1.5 | 0.5 | 2.0 | 1.3 |
| Other costs [f *] | — | 0.7 | 3.9 | 2.1 | 6.7 | 2.3 |
| Contractual and non-cash integration costs | | | | | | |
| CMC Retention [o*] | — | — | 14.5 | 3.5 | 18.0 | — |
| Stock-based compensation alignment [p*] | — | — | 21.6 | — | 21.6 | — |
| Change in control costs [q*] | — | — | 22.3 | — | 22.3 | — |
| Restructuring costs [g *] | — | — | — | — | — | 11.2 |
| Loss (Gain) on sale of business [h *] | — | — | — | — | — | 13.6 |
| Amortization of intangible assets [i *] | 28.5 | 28.3 | 65.3 | 53.5 | 175.6 | 57.6 |
| Loss on extinguishment of debt and modification [k*] | — | — | 2.2 | 1.1 | 3.3 | 3.9 |
| Infineum termination fee, net [l*] | — | — | — | — | — | (10.9) |
| Interest expense, net [m*] | 4.7 | 22.7 | 2.4 | — | 29.8 | — |
| Other [j*] | (3.2) | — | — | (0.3) | (3.5) | |
| Interest rate swap gain [v*] | — | (35.0) | — | — | (35.0) | — |
| Wood treatment (net margin affect) [r*] | (7.4) | 0.3 | — | — | (7.1) | — |
| Incremental interest expense [u*] | (62.3) | (62.3) | — | — | (124.6) | — |
| Incremental depreciation expense [s*] | (7.0) | (7.0) | — | — | (14.0) | — |
| Tax effect of adjustments to net income and discrete items[n*] | 6.0 | 10.6 | (41.5) | (9.6) | (34.5) | 1.6 |
| Proforma Non-GAAP net income | $137.6 | $120.0 | $127.6 | $124.6 | $509.8 | $97.8 |
| Diluted earnings per common share | $1.06 | $0.93 | $(0.50) | $0.38 | $1.89 | $(0.59) |
| Effect of adjustments to net income | $(0.15) | $(0.13) | $1.35 | $0.45 | $1.50 | $1.24 |
| Diluted non-GAAP earnings per common share | $0.91 | $0.80 | $0.85 | $0.83 | $3.39 | $0.65 |
| Weighted average diluted shares outstanding - Proforma | 150.8 | 150.7 | 148.6 | 149.9 | 150.3 | 149.4 |
| Weighted average diluted shares outstanding - Proforma Non-GAAP | 150.8 | 150.7 | 149.7 | 149.9 | 150.3 | 150.4 |

*See footnotes section for reference

# Footnotes

a. Non-cash impairment charges associated with goodwill.

b. Non-recurring deal and transaction costs associated with the CMC acquisition and completed and announced divestitures.

c. Represents professional and vendor fees recorded in connection with services provided by consultants, accountants, lawyers and other vendors to assist us in integrating recent acquisitions into our operations. These fees arise outside of the ordinary course of our continuing operations.

d. Represent severance charges resulting from cost saving initiatives from recent acquisitions.

e. Represents retention charges related directly to the CMC acquisition and completed and announced divestitures, and are not part of our normal, recurring cash operating expenses.

f. Represents other employee related costs and other costs incurred relating to the CMC acquisition and i completed and announced divestitures. These costs arise outside of the ordinary course of our continuing operations.

g. Restructuring charges resulting from cost saving initiatives.

h. Non-recurring loss from the sale of businesses.

i. Non-cash amortization expense associated with intangibles acquired in acquisitions.

j. Other miscellaneous adjustments.

k. Non-recurring loss on extinguishment of debt and modification of our debt.

l. Non-recurring gain from the termination fee with Infineum.

m. Non-recurring interest costs related to the financing of the CMC acquisition.

n. The tax effect of pre-tax adjustments to net income was calculated using the applicable marginal tax rate for each respective year.

o. Represents non-recurring costs associated with the CMC retention program that was agreed upon and set forth in the definitive acquisition agreement.

p. Represents the non-cash incremental expense associated with adopting retirement vesting obligations on Entegris equity awards, similar to those of CMC equity awards.

q. Relates to the CMC change in control agreements that were in place with management prior to the acquisition and the associated expense post-acquisition.

r. The adjustment relates to removal of net sales or net margin related to CMC's wood treatment business. Prior to the acquisition, CMC operated a wood treatment business, which manufactured and sold wood treatment preservatives for utility poles and crossarms. CMC exited this business during the first half of 2022, prior to our acquisition of CMC. The wood treatment business had no ongoing sales at the time of acquisition and removed for comparable purposes.

s. Represents the preliminary pro forma adjustment to recognize changes to straight-line depreciation expense resulting from the fair value adjustments to acquired property, plant, and equipment. The preliminary fair value of the property, plant and equipment may not represent the actual value of the property, plant and equipment when the Merger is completed resulting in a potential difference in straight-line depreciation expense, and that difference may be material.

t. Represents the additional cost of goods sold recognized in connection with the step-up of inventory valuation. Entegris will recognize the increased value of inventory in cost of sales as the inventory is sold, which for purposes of these pro forma presentation is assumed to occur within the first quarter of 2021 based on inventory turns and is non-recurring in nature.

u. Interest expense on the new debt raised to fund in part the consideration paid to effect the Merger using the effective interest rates.

v. The elimination of interest expense, net of the gain on the termination of two swap instruments which were terminated on June 24, 2022 associated with the extinguished CMC Materials' debt outstanding.



Entegris