Entegris

Earnings Summary First Quarter 2019

April 25, 2019

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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; 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, 2018, filed on February 11, 2019, 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.

1Q19 HIGHLIGHTS

- First-quarter revenue of $391.0 million, grew 6% from prior year
- GAAP diluted EPS of $0.24
- Non-GAAP diluted EPS of $0.50, increased 6% from prior year
- Acquired Digital Specialty Chemicals in March
- Fourth-quarter and through the end of January 2019 repurchased a total of 6.6 million shares for approximately $179 million (includes 1 million shares repurchased in 1Q19)
- First-quarter was a record quarter for Liquid Filtration

SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (GAAP)

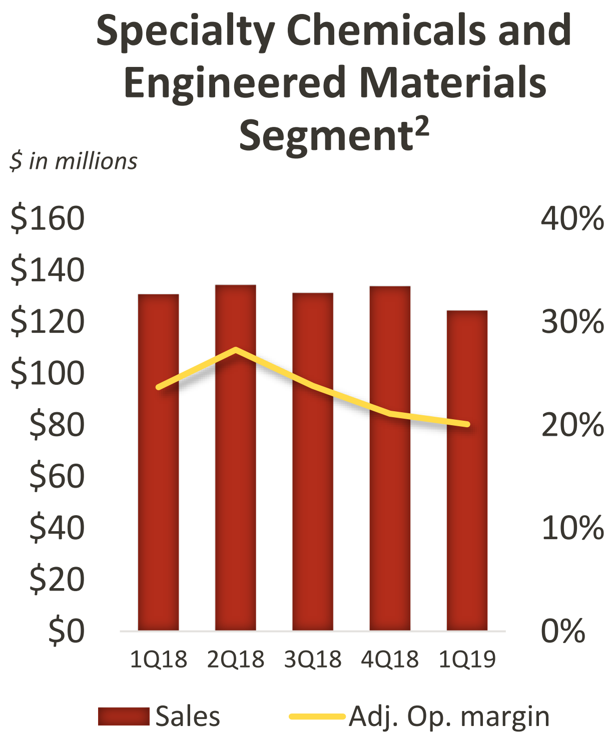
$ in millions, except per share data	1Q19	1Q19 Guidance	4Q18	1Q18	1Q19 over 1Q18	1Q19 over 4Q18
Net Revenue	$391.0	Approx. at same level as Q4	$401.6	$367.2	6.5%	(2.6%)
Gross Margin	45.4%		44.8%	47.9%		
Operating Expenses	$129.9		$108.4	$97.5	33.2%	19.8%
Operating Income	$47.5		$71.3	$78.5	(39.5%)	(33.4%)
Operating Margin	12.1%		17.8%	21.4%		
Tax Rate	14.2%		(35.3%)	19.0%		
Net Income	$32.7		$80.8	$57.6	(43.2%)	(59.5%)
Earnings per diluted share	$0.24	Approx. at same level as Q4	$0.57	$0.40	(40.0%)	(57.9%)

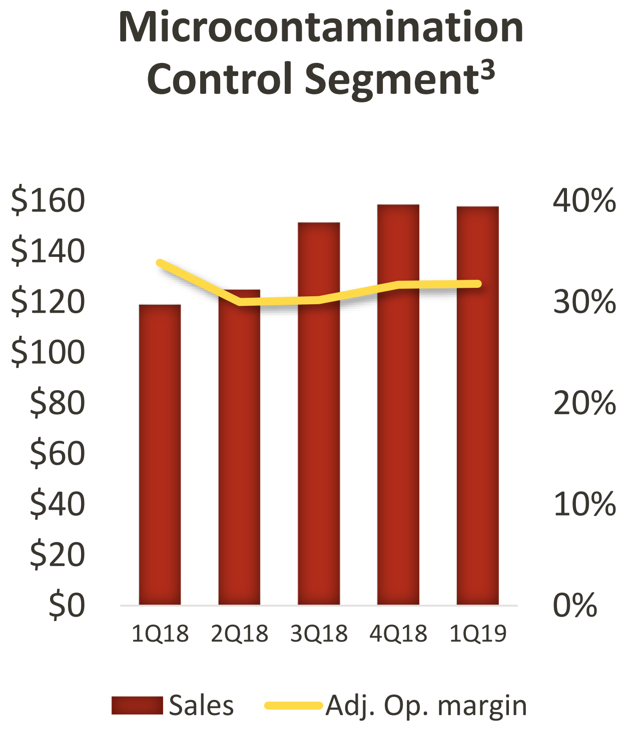
SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (NON-GAAP)[1]

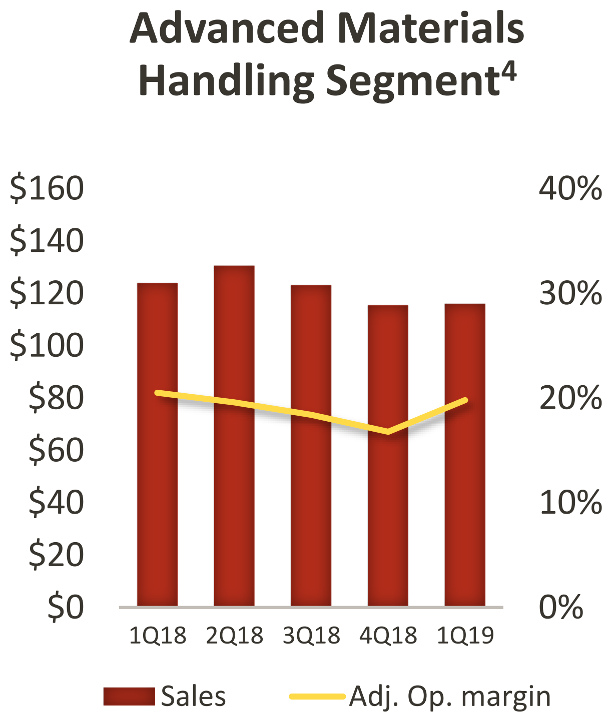
$ in millions, except per share data	1Q19	1Q19 Guidance	4Q18	1Q18	1Q19 over 1Q18	1Q19 over 4Q18
Net Revenue	$391.0	Approx. at same level as Q4	$401.6	$367.2	6.5%	(2.6%)
Adjusted Gross Margin[2]	46.0%		45.7%	47.9%		
Non-GAAP Operating Expenses[3]	$87.7		$90.1	$85.9	2.1%	(2.7%)
Adjusted Operating Income	$92.2		$93.5	$90.1	2.3%	(1.4%)
Adjusted Operating Margin	23.6%		23.3%	24.5%		
Non-GAAP Tax Rate[4]	18.4%		21.3%	17.8%		
Non-GAAP Net Income[5]	$67.9		$66.3	$68.0	(0.1%)	2.4%
Non-GAAP EPS	$0.50	Approx. at same level as Q4	$0.47	$0.47	6.4%	6.4%

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.
2. Adjusted gross margin excludes certain severance charges related to organizational realignment and fair value mark-up of acquired inventory.
3. Non-GAAP Operating Expenses exclude amortization expense, severance related to organizational realignment, deal costs, and integration costs.
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 related to organizational realignment, deal costs, integration costs, and fair value mark-up of acquired inventory.

RESULTS BY SEGMENT[1]



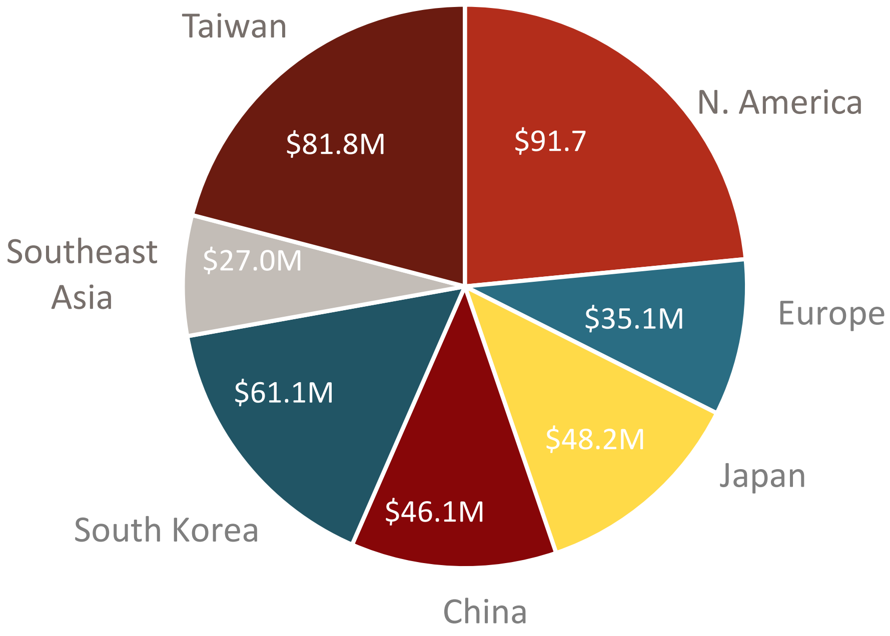




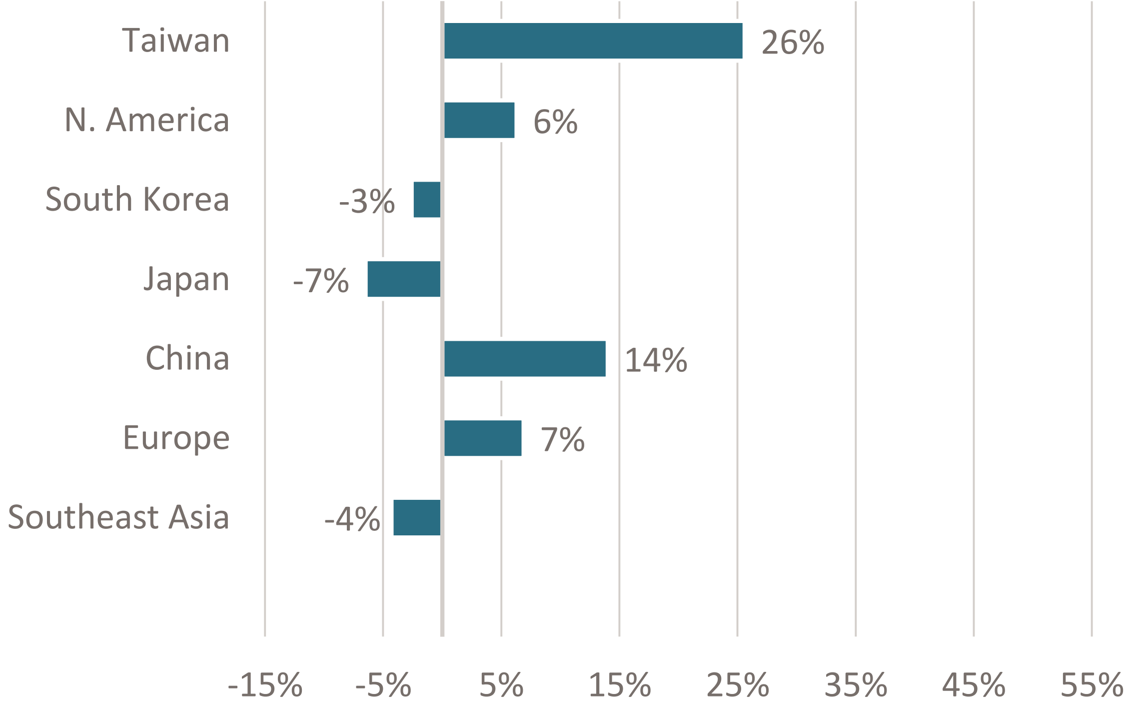
1. In 1Q19 the Company has changed its definition of segment profit to include inter-segment sales. Prior period information was recast to reflect the change. Adjusted segment operating margin excludes amortization of intangibles and unallocated expenses.
2. Segment profit for SCEM includes a charge for fair value write-up of inventory and severance related to organizational realignment of $120K and $518K, respectively.
3. Segment profit for MC includes a charge for fair value write-up of inventory of $208K, $3,281K, $3,379K, and $2,035K for 2Q18, 3Q18, 4Q18 and 1Q19, respectively. Segment profit for MC includes severance related to organizational realignment of $724K for 1Q19
4. Segment profit for AMH for 3Q18 includes charges for loss on sale of subsidiary of $466K. Segment profit for AMH includes severance related to organizational realignment and restructuring charges of $460K and $578K for 4Q18 and 1Q19, respectively.

REVENUE BY GEOGRAPHY: STRONG GROWTH IN TAIWAN AND CHINA

1Q19 Revenue by Geography
Revenue = $ million



1Q19 vs. 1Q18 Growth Rate



SUMMARY – BALANCE SHEET ITEMS

$ in millions	1Q19		4Q18		1Q18	
	$ Amount	% Total	$ Amount	% Total	$ Amount	% Total
Cash & Cash Equivalents	$342.4	14.8%	$482.1	20.8%	$550.2	28.1%
Accounts Receivable, net	$232.1	10.0%	$222.1	9.6%	$195.3	10.0%
Inventories	$271.5	11.7%	$268.1	11.6%	$214.1	10.9%
Net PP&E	$442.4	19.1%	$419.5	18.1%	$364.3	18.6%
Total Assets	$2,314.0		$2,317.6		$1,961.3	
Current Liabilities[1]	$212.8	9.2%	$269.7	11.6%	$266.5	13.6%
Long-term debt, excluding current maturities	$934.3	40.4%	$934.9	40.3%	$549.8	28.0%
Total Liabilities	$1,313.5	56.8%	$1,305.6	56.3%	$936.9	47.8%
Total Shareholders' Equity	$1,000.5	43.2%	$1,012.0	43.7%	$1,024.4	52.2%
AR – DSOs	54.2		50.4		48.5	
Inventory Turns	3.2		3.3		3.7	

1. Current Liabilities in 1Q19, 4Q18, 1Q18 includes $4 million, $4 million and $100 million of current maturities of long term debt, respectively.

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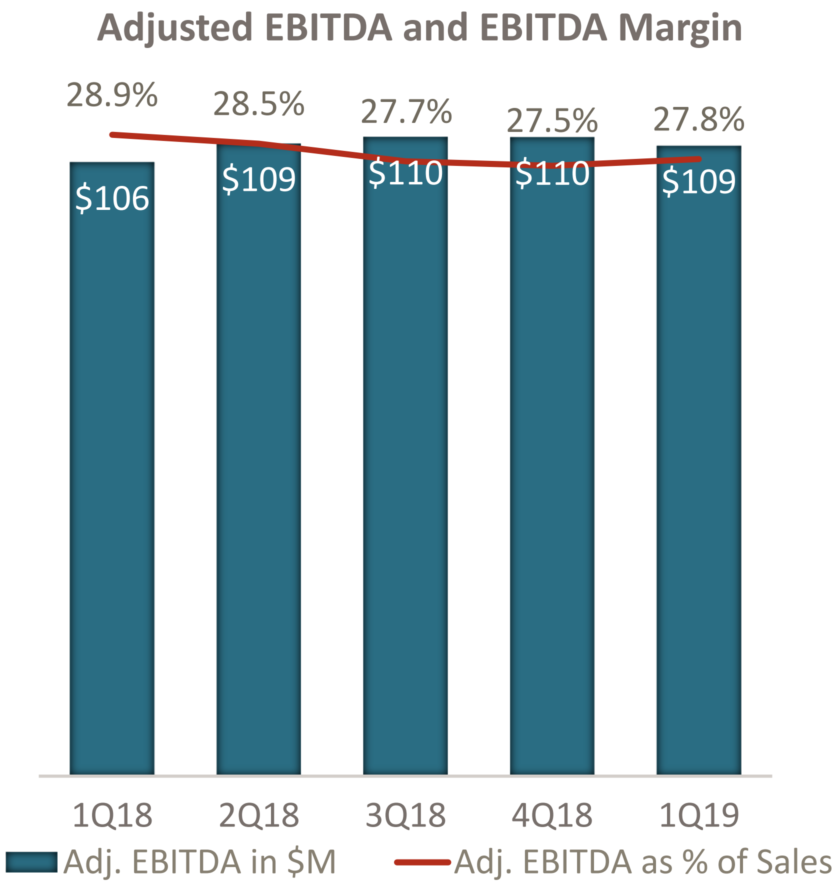
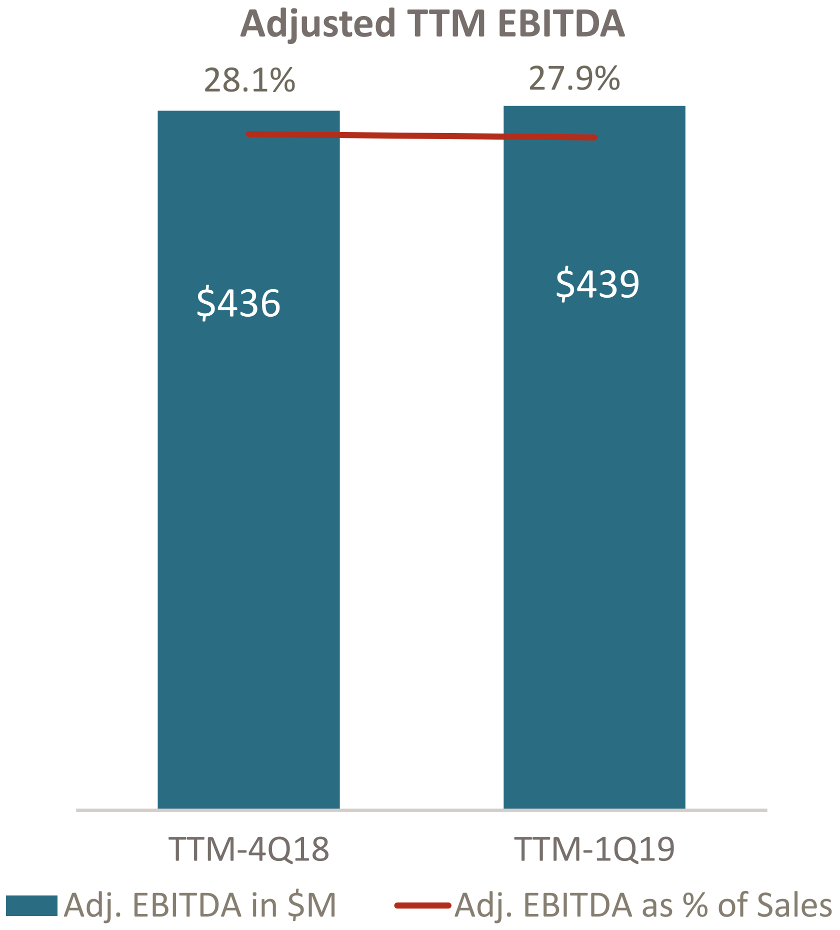
ADJUSTED EBITDA MARGIN[1]





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

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CASH FLOWS

$ in millions	1Q19	4Q18	1Q18
Beginning Cash Balance	$482.1	$294.9	$625.4
Cash (used in) provided by operating activities	($2.5)	$91.3	$38.8
Capital expenditures	($34.5)	($34.8)	($21.0)
Acquisition of business	($49.8)	-	($37.7)
Proceeds from long-term debt	-	$400.0	-
Payments on long-term debt	($1.0)	($108.9)	($25.0)
Payments for debt extinguishment costs	-	-	-
Repurchase and retirement of common stock	($35.3)	($143.8)	($10.0)
Dividend payments	($9.5)	($9.9)	($9.9)
Other investing activities	$0.2	($0.5)	$0.1
Other financing activities	($7.1)	($6.0)	($13.9)
Effect of exchange rates	($0.2)	($0.1)	$3.3
Ending Cash Balance	$342.4	$482.1	$550.2

Free Cash Flow[1]	($37.0)	$56.5	$17.8
Adjusted EBITDA	$108.9	$110.4	$106.0

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

OUTLOOK

GAAP

$ in millions, except per share data	**2Q19 Guidance**	**1Q19 Actual**	**2Q18 Actual**
Net Revenue	$375 to $390	$391.0	$383.1
Operating Expenses	$126 to $128	$129.9	$107.4
Net Income	$137 to $144	$32.7	$54.3
Earnings (Per Diluted Share)	$1.00 to $1.05	$0.24	$0.38

Non-GAAP

$ in millions, except per share data	**2Q19 Guidance**	**1Q19 Actual**	**2Q18 Actual**
Net Revenue	$375 to $390	$391.0	$383.1
Non-GAAP Operating Expenses[1]	$89 to $91	$87.7	$89.1
Non-GAAP Net Income[2]	$55 to $62	$67.9	$69.8
Non-GAAP EPS	$0.40 to $0.45	$0.50	$0.49

1 Non-GAAP operating expenses exclude amortization and integration expenses. In 2Q19, amortization is estimated to be approximately $16.6 million and integration expenses are estimated to be approximately $20.0 million, or $0.21 per share.
2 Non-GAAP Net income also excludes the $140 million termination fee from the termination of the Merger Agreement with Versum (~$0.80 per share).

50 YEARS OF PURE ADVANTAGE

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

In thousands	Three months ended		
	March 30, 2019	**March 31, 2018**	**December 31, 2018**
Net Sales	$391,047	$367,199	$401,642
Gross profit-GAAP	$177,393	$175,997	$179,740
Adjustments to gross profit:			
Charge for fair value mark-up of acquired inventory sold	2,155	-	3,379
Severance related to organizational realignment	358	-	460
Adjusted gross profit	$179,906	$175,997	$183,579
Gross margin - as a % of net sales	45.4%	47.9%	44.8%
Adjusted gross margin - as a % of net sales	46.0%	47.9%	45.7%

NON-GAAP RECONCILIATION TABLE
RECONCILIATION OF GAAP SEGMENT PROFIT TO ADJUSTED OPERATING INCOME

$ in thousands

Segment profit-GAAP[1]	Three months ended March 30, 2019	Three months ended March 31, 2018	Three months ended December 31, 2018
Specialty Chemicals and Engineered Materials	$24,431	$30,912	$28,221
Microcontamination Control	47,323	40,311	46,879
Advanced Materials Handling	22,367	25,463	19,096
Total segment profit	94,121	96,695	94,196
Amortization of intangible assets	18,657	11,669	17,050
Unallocated expenses	27,973	6,553	5,838
Total operating income	$47,491	$78,473	$71,308

Adjusted segment profit	Three months ended March 30, 2019	Three months ended March 31, 2018	Three months ended December 31, 2018
Specialty Chemicals and Engineered Materials[2]	$25,070	$30,921	$28,221
Microcontamination Control[3]	50,082	40,311	50,258
Advanced Materials Handling[4]	22,945	25,463	19,556
Total segment profit	98,097	96,695	98,035
Amortization of intangible assets[5]	-	-	-
Unallocated expenses[6]	5,917	6,553	4,550
Total adjusted operating income	$92,180	$90,142	$93,485

1. In 1Q19 the Company has changed its definition of segment profit to include inter-segment sales. Prior period information was recast to reflect the change.
2. Adjusted segment profit for Specialty Chemicals and Engineered Materials for the three months ended March 30, 2019 excludes charges for fair value mark-up of acquired inventory sold of $120 and excludes charges for severance related to organizational realignment of $519.
3. Adjusted segment profit for Microcontamination Control for the three months ended March 30, 2019 excludes charges for fair value mark-up of acquired inventory sold of $2,035 and excludes charges for severance related to organizational realignment of $724. For the three months ended December 31, 2018, adjusted segment profit excludes charges for fair value mark-up of acquired inventory sold of $3,379.
4. Adjusted segment profit for Advanced Materials Handling for the three months ended March 30, 2019 excludes charges for severance related to organizational realignment of $578. For the three months ended December 31, 2018 adjusted segment profit excludes severance related to organizational realignment of $460.
5. Adjusted amortization of intangible assets excludes amortization expense of $18,657, $11,669 and $17,050 for the three months ended March 30, 2019, March 31, 2018, and December 31, 2018 respectively.
6. Adjusted unallocated expenses for the three months ended March 30, 2019 excludes deal and integration expenses of $22,056. Adjusted unallocated expenses for the three months ended December 31, 2018, excludes integration expenses of $1,288

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

$ in thousands	Three months ended		
	March 30, 2019	March 31, 2018	December 31, 2018
Net sales	$391,047	$367,199	$401,642
Net income	$32,658	$57,562	$80,784
Adjustments to net income:			
Income tax expense (benefit)	5,422	13,546	(21,078)
Interest expense, net	9,659	7,226	8,426
Other (income) expense, net	(248)	139	3,176
GAAP - Operating income	47,491	78,473	71,308
Charge for fair value write-up of acquired inventory sold	2,155	-	3,379
Deal costs	19,136	-	-
Integration costs	2,920	-	1,288
Severance related to organizational realignment	1,821	-	460
Amortization of intangible assets	18,657	11,669	17,050
Adjusted operating income	92,180	90,142	93,485
Depreciation	16,721	15,897	16,880
Adjusted EBITDA	$108,901	$106,039	$110,365
Adjusted operating margin	23.6%	24.5%	23.3%
Adjusted EBITDA - as a % of net sales	27.8%	28.9%	27.5%

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

	Three months ended		
$ in thousands, except per share data	**March 30 2019**	**March 31, 2018**	**December 31, 2018**
GAAP net income	$32,658	$57,562	$80,784
Adjustments to net income:			
Severance related to organizational realignment	1,821	-	460
Charge for fair value write-up of inventory acquired	2,155		3,379
Deal costs	19,547	-	-
Integration costs	2,920		1,288
Amortization of intangible assets	18,657	11,669	17,050
Tax effect of adjustments to net income and discrete items[1]	(9,864)	(2,710)	(5,603)
Tax effect of legal entity restructuring	-	-	(34,478)
Tax effect of Tax Cuts and Jobs Act	-	1,494	1,101
Non-GAAP net income	$67,894	$68,015	$66,300
Diluted earnings per common share	$0.24	$0.40	$0.57
Effect of adjustments to net income	$0.26	$0.07	($0.10)
Diluted non-GAAP earnings per common share	$0.50	$0.47	$0.47

[1]The tax effect of pre-tax adjustments to net income was calculated using the applicable marginal tax rate during the respective years.

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GAAP SEGMENT TREND DATA[1]

$ in thousands

	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119
Sales									
SCEM	$ 114,435	$ 121,174	$ 124,522	$ 125,339	$ 130,743	$ 134,336	$ 131,234	$ 133,928	$ 124,470
MC	100,195	104,587	116,229	115,801	118,923	124,937	151,478	158,500	157,706
AMH	108,371	109,658	111,278	115,436	124,078	130,572	123,227	115,527	116,064
Inter-segment elimination	(5,624)	(6,417)	(6,438)	(6,014)	(6,545)	(6,786)	(7,342)	(6,313)	(7,193)
Total Sales	$ 317,377	$ 329,002	$ 345,591	$ 350,562	$ 367,199	$ 383,059	$ 398,597	$ 401,642	$ 391,047
Segment Profit									
SCEM	$ 22,563	$ 28,493	$ 28,981	$ 29,534	$ 30,921	$ 36,728	$ 31,210	$ 28,221	$ 24,431
MC	29,380	29,944	37,429	37,686	40,311	37,214	42,448	46,879	47,323
AMH	16,132	17,588	14,914	20,409	25,463	25,542	22,226	19,096	22,367
Total Segment Profit	$ 68,075	$ 76,025	$ 81,324	$ 87,629	$ 96,695	$ 99,484	$ 95,884	$ 94,196	$ 94,121

1. In 1Q19 the Company has changed its definition of segment profit to include inter-segment sales. Prior period information was recast to reflect the change.

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NON-GAAP SEGMENT TREND DATA[1]

$ in thousands	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119
Sales									
SCEM	$ 114,435	$ 121,174	$ 124,522	$ 125,339	$ 130,743	$ 134,336	$ 131,234	$ 133,928	$ 124,470
MC	100,195	104,587	116,229	115,801	118,923	124,937	151,478	158,500	157,706
AMH	108,371	109,658	111,278	115,436	124,078	130,572	123,227	115,527	116,064
Inter-segment elimination	(5,624)	(6,417)	(6,438)	(6,014)	(6,545)	(6,786)	(7,342)	(6,313)	(7,193)
Total Sales	$ 317,377	$ 329,002	$ 345,591	$ 350,562	$ 367,199	$ 383,059	$ 398,597	$ 401,642	$ 391,047
Adjusted Segment Profit									
SCEM[2]	$ 22,563	$ 28,493	$ 28,995	$ 29,534	$ 30,921	$ 36,728	$ 31,210	$ 28,221	$ 25,070
MC[3]	29,380	31,387	37,625	37,686	40,311	37,422	45,729	50,258	50,082
AMH[4]	16,132	19,874	20,135	20,409	25,463	25,542	22,692	19,556	22,945
Total Adj. Segment Profit	$ 68,075	$ 79,754	$ 86,755	$ 87,629	$ 96,695	$ 99,692	$ 99,631	$ 98,035	$ 98,097
Adjusted Segment Profit Margin									
SCEM	19.7%	23.5%	23.3%	23.6%	23.7%	27.3%	23.8%	21.1%	20.1%
MC	29.3%	30.0%	32.4%	32.5%	33.9%	30.0%	30.2%	31.7%	31.8%
AMH	14.9%	18.1%	18.1%	17.7%	20.5%	19.6%	18.4%	16.9%	19.8%

1. In 1Q19 the Company has changed its definition of segment profit to include inter-segment sales. Prior period information was recast to reflect the change. Segment profit excludes amortization of intangibles and unallocated expenses.
2. Adjusted segment profit for SCEM for Q317 excludes charges for severance related to organizational realignment $14. Adjusted segment profit for SCEM for Q119 excludes fair value mark-up of inventory and severance related to organizational realignment of $120 and $519, respectively.
3. Adjusted segment profit for MC for 2Q17 excludes charges for impairment of equipment and severance related to organizational realignment of $884 and $559, respectively. Adjusted segment profit for MC for Q317 and Q119 excludes charges for severance related to organizational realignment of $196 and $724, respectively. Adjusted segment profit for MC for Q218, Q318, Q418 and Q119 excludes charges for fair value mark-up of acquired inventory sold of $208, $3,281, $3,379, and $2,035 respectively.
4. Adjusted segment profit for AMH for 2Q17 excludes charges for impairment of equipment of $2,286. Adjusted segment profit for AMH for Q317 excludes charges for impairment of equipment and severance related to organizational realignment of $3,364 and $1,857, respectively. Adjusted segment profit for AMH for Q318 excludes loss on sale of subsidiary of $466. Adjusted segment profit for AMH for 4Q18 and 1Q19 excludes severance related to organizational realignment of $460 and $578, respectively..