

Fiscal first quarter 2023 financial results

January 25, 2023

Safe harbor and fair disclosure statement

Some of the statements made and information provided during our call as well as information included in the supporting materials will be forward looking statements, including, without limitation, those regarding revenue, gross margin, selling & administrative expense, operating margin, other income and expense, taxes, cash cycle, capital allocation and future business outlook. Forward-looking statements are not guarantees since there are inherent difficulties in predicting future results, and actual results could differ materially from those expressed or implied in the forward-looking statements. For a list of factors that could cause actual results to differ materially from those discussed, please refer to the Company's periodic SEC filings, particularly the risk factors in our Form 10-K filing for the fiscal year ended October 01, 2022 and the Safe Harbor and Fair Disclosure statement in our press release detailing our fiscal first quarter results.

Fiscal first quarter results

	Q1F23 Results	Q1F23 Guidance	Q4F22 Results
Revenue	\$1.09 billion	\$1.08 to \$1.13 billion	\$1.12 billion
GAAP Diluted EPS	\$1.49 ⁽¹⁾	\$1.40 to \$1.58 ⁽²⁾	\$1.78 ⁽³⁾

- Revenue, GAAP operating margin and GAAP EPS within guidance range
- Revenue growth of 34% year over year as many customers showed strong demand
- SemiCap weakened
- New program ramp schedule changes
- GAAP operating margin of 5.2% including 53 bps of stock-based compensation
- Manufacturing funnel expanded to a record \$3.6B

(1) Includes \$0.21 of stock-based compensation expense
 (2) Includes \$0.20 of stock-based compensation expense
 (3) Includes \$0.18 of stock-based compensation expense



Semiconductor
Climate Consortium
FOUNDING MEMBER



Fiscal 2023 second quarter guidance

REVENUE GUIDE

- Weakness in SemiCap demand
- Near-term slowdown of certain new program ramps
- Over \$100M of unfulfilled customer demand

EPS GUIDE

- GAAP operating margin of 4.5% to 5.0%
- Reduced fixed cost leverage and typical seasonal cost increases
- Higher interest and tax expense

FISCAL 2023 OUTLOOK

- Expect sequential revenue growth in second half
- Focused on achieving 5.5% GAAP operating margin goal

	Q2F23 Guidance
Revenue	\$1.02 billion to \$1.07 billion
GAAP Diluted EPS	\$1.06 to \$1.24*

* Includes \$0.21 of stock-based compensation expense

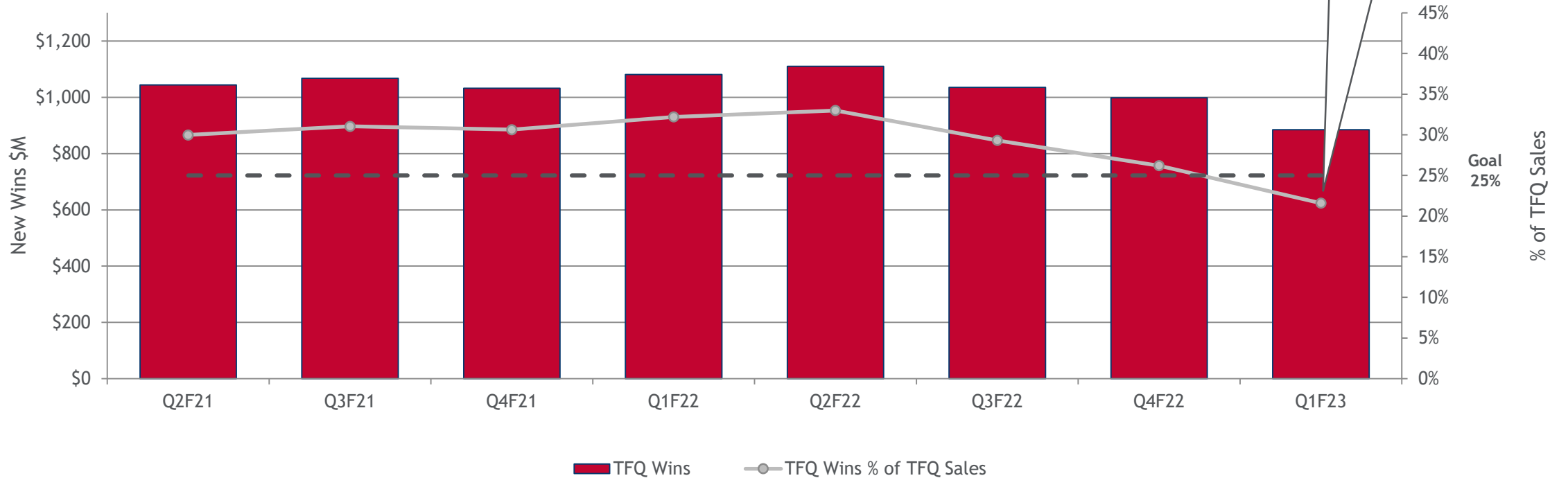
Performance by market sector

	Q1F23 Dec 31, 2022		Q4F22 Oct 1, 2022		Q1F23 vs. Q4F22	Q2F23 Expectations (percentage points)
	\$	%	\$	%		
Industrial	\$472	43%	\$520	46%	- 9%	Down ~10%
Healthcare and Life Sciences	\$488	45%	\$467	42%	+ 4%	Flat
Aerospace and Defense	\$134	12%	\$137	12%	- 2%	Up low single
Total Revenue	\$1,094	100%	\$1,124	100%	- 3%	\$1,020 to \$1,070

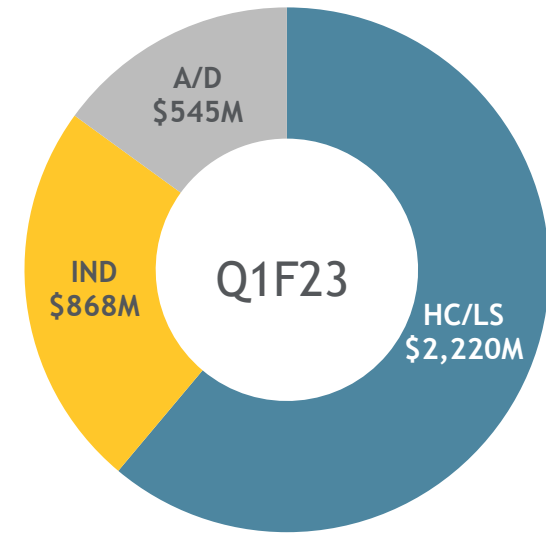
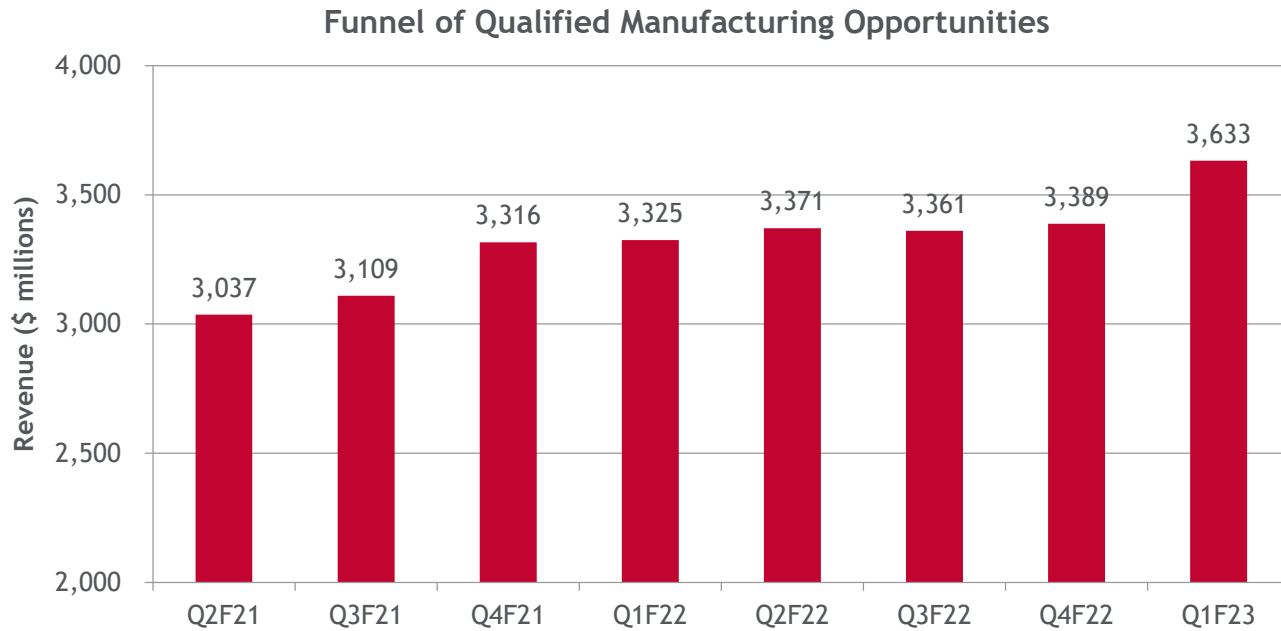
Manufacturing wins

Q1F23 wins: \$158M
 New programs: 29

Trailing Four Quarters (TFQ) Manufacturing Wins

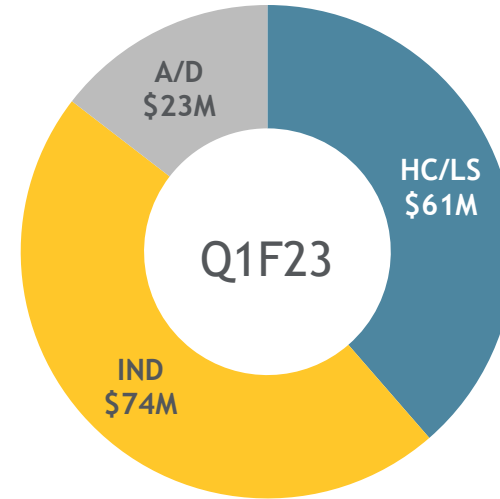
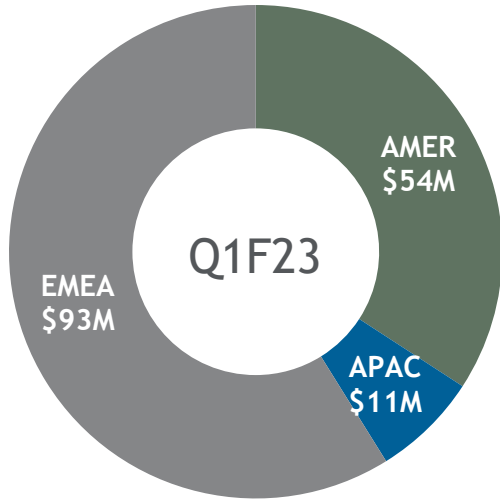


Manufacturing funnel



Qualified manufacturing funnel jumps to a record \$3.6 billion

Manufacturing wins by region and sector



Regional and Sector Highlights

- Wins distributed across all three sectors
- New logos in Industrial and Healthcare/Life Sciences
- Significant wins of \$93M for EMEA

Fiscal first quarter wins highlights

AUTOMATION AND PROCESS CONTROL (IND)

- Industrial control systems
- Production location: Oradea, Romania

ADDITIVE MANUFACTURING (IND)

- Advanced 3D printing technology
- Production location: Appleton, Wisconsin

INFUSION PUMP (HC/LS)

- Market share gain
- Production location: Oradea, Romania

ULTRASOUND SYSTEM (HC/LS)

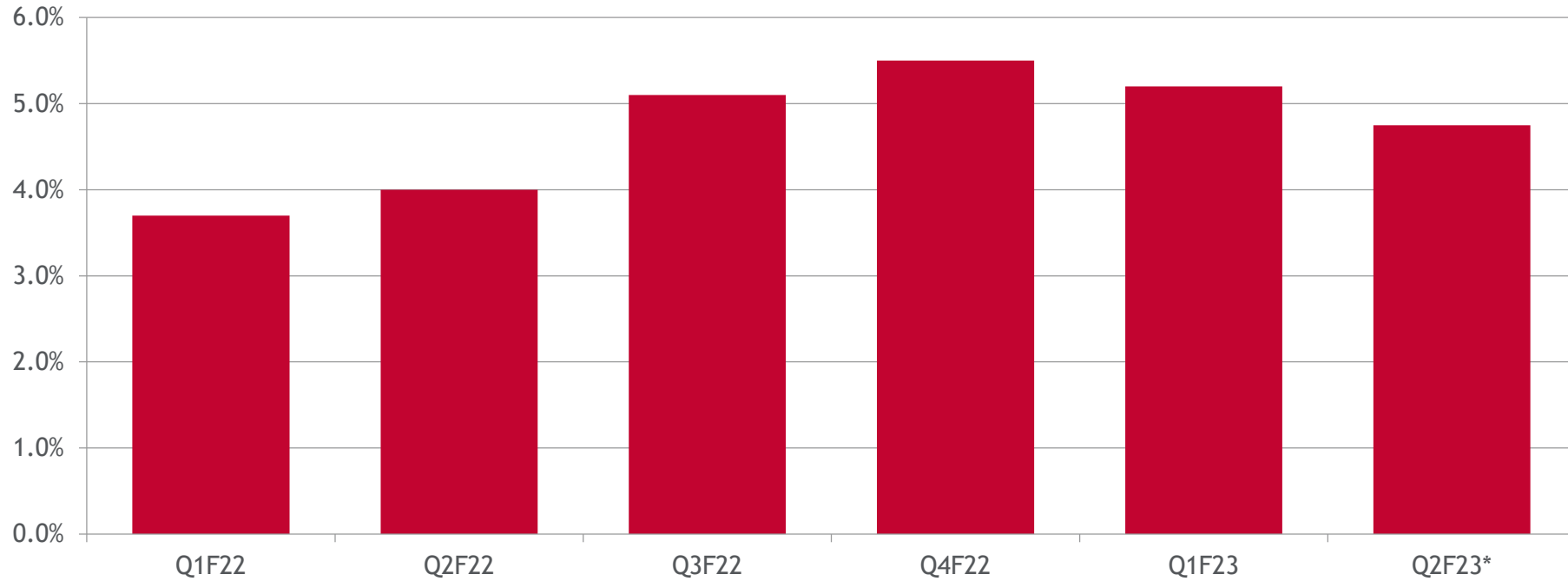
- Cardiac care
- Production location: Oradea, Romania

COMMERCIAL AEROSPACE (A/D)

- Aircraft braking system
- Production location: Neenah, Wisconsin

Operating performance

Q1F23 GAAP Operating Margin: 5.2%



Solid execution delivers GAAP operating margin of 5.2%

*Represents midpoint of guidance

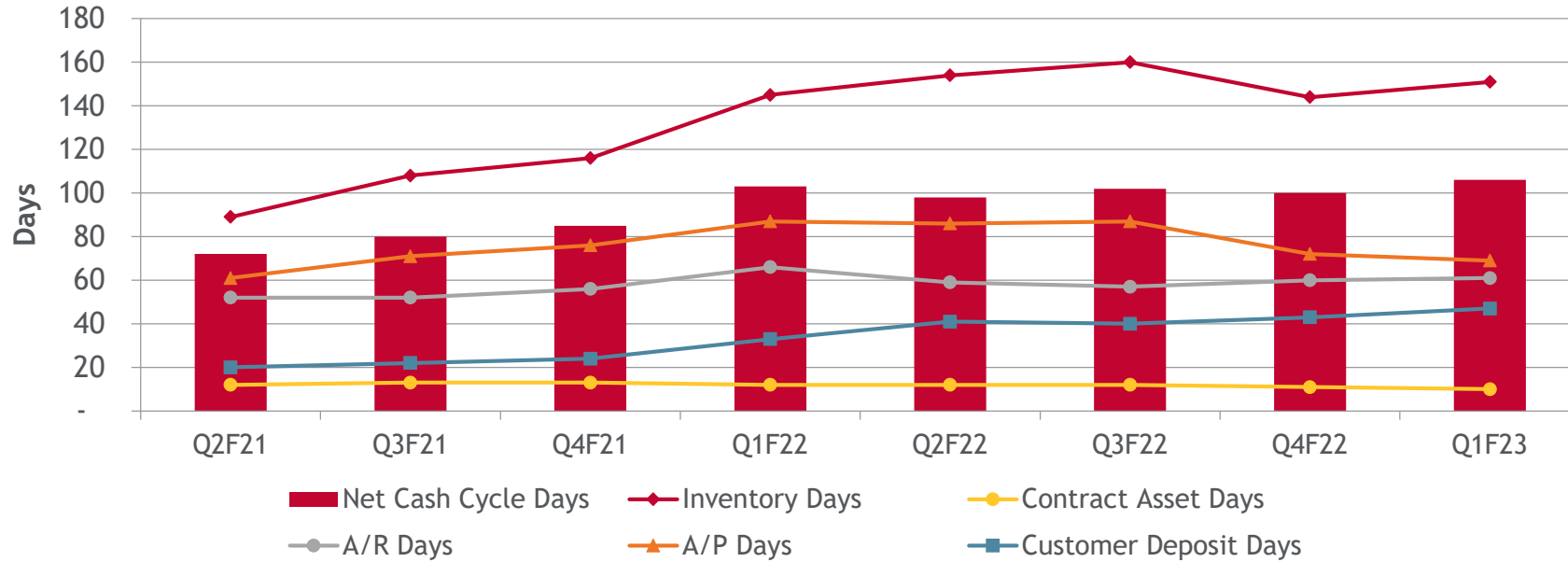
Income statement

	Q1F23	Comments
Revenue	\$1.09 billion	Within guidance range of \$1.08 to \$1.13 billion
Gross margin	9.3%	Within guidance range of 9.1% to 9.5%
Selling & administrative expenses	\$43.9 million	Favorable to guidance range of \$45.0 to \$46.0 million
GAAP operating margin	5.2%	Within guidance range of 5.0% to 5.5%
Non-operating expenses	\$7.9 million	Favorable to guidance range of \$9.0 to \$9.5 million
GAAP diluted EPS	\$1.49	Within guidance range of \$1.40 to \$1.58

Cash flow and balance sheet

	Q1F23	Comments
Free cash flow	(\$71.9) million	Cash used in operations: (\$48.8) million Capital expenditures: (\$23.1) million
Share repurchases	\$11.5 million	Approx. 116,000 shares at an average price of \$99.12 per share
Cash balance	\$248 million	Sequentially lower by \$28 million
Total debt	\$516 million	\$180 million available to borrow under credit facility
Return on invested capital	13.8%	480 basis points above fiscal 2023 WACC of 9.0%
Cash cycle days	106 days	Above guidance range of 98 to 102 days

Working capital trends



	Q2F21	Q3F21	Q4F21	Q1F22	Q2F22	Q3F22	Q4F22	Q1F23
Inventory Days	89	108	116	145	154	160	144	151
Contract Asset Days	12	13	13	12	12	12	11	10
A/R Days	52	52	56	66	59	57	60	61
A/P Days	61	71	76	87	86	87	72	69
Customer Deposit Days	20	22	24	33	41	40	43	47
Net Cash Cycle Days	72	80	85	103	98	102	100	106

Fiscal second quarter 2023 guidance

	Guidance
Revenue	\$1.02 to \$1.07 billion
GAAP diluted EPS	\$1.06 to \$1.24
Gross margin	8.8% to 9.2%
Selling & administrative expenses	\$44.5 to \$45.5 million
GAAP operating margin	4.5% to 5.0%
Depreciation and amortization	Approximately \$18 million
Non-operating expenses	\$10.2 to \$10.7 million
Effective tax rate	15% to 17%
Diluted weighted average shares outstanding	Approximately 28.2 million
Cash cycle days	110 to 115 days

Q&A
Thank you.