

# Fiscal second quarter 2023 financial results

April 27, 2023

# Safe harbor and fair disclosure statement

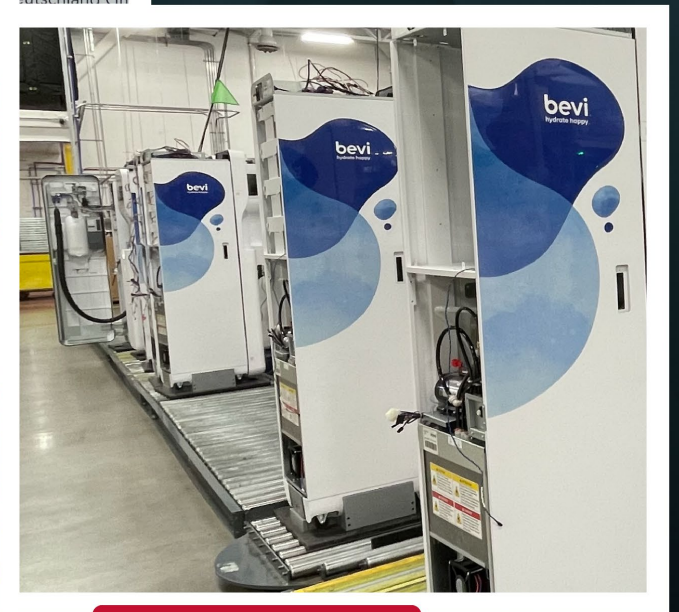
Some of the statements made and information provided during our call as well as information included in the supporting materials will be forward looking statements, including, without limitation, those regarding revenue, gross margin, selling & administrative expense, restructuring and other charges, 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 as supplemented by our form 10-Q filings, and the Safe Harbor and Fair Disclosure statement in our press release detailing our quarterly results.

# Fiscal second quarter results

	Q2F23 Results	Q2F23 Guidance	Q1F23 Results
Revenue	\$1.07 billion	\$1.02 to \$1.07 billion	\$1.09 billion
GAAP Diluted EPS	\$1.45 <sup>(1)</sup>	\$1.06 to \$1.24 <sup>(1)</sup>	\$1.49 <sup>(1)</sup>

- Revenue, GAAP operating margin, GAAP EPS and free cash flow exceeded projections
- Revenue growth of 21% from Q2F22
- End of quarter shipment strength in AMER and EMEA
- Stronger than anticipated performance by Engineering and Sustaining Services
- GAAP operating margin of 5.3% including 55 bps of stock-based compensation
- Manufacturing wins of \$275M with expanded qualified funnel of \$4.2B vs. \$3.6B for Q1F23

(1) Our Q1F23 results and Q2F23 guidance and results included \$0.21 of stock-based compensation expense



# Fiscal 2023 third quarter guidance

## REVENUE GUIDE

- Accelerated Q2 shipments to meet customer demand
- Supply chain challenges
- Incremental weakness in SemiCap demand
- Over \$100M of unfulfilled customer demand

## EPS GUIDE

- Non-GAAP operating margin of 4.5% to 5.0%
- \$9M of restructuring and other charges (\$0.29/share) anticipated to generate \$11M in annual savings

## FUTURE OUTLOOK

- Expect sequential revenue growth in Q4F23
- Focused on achieving \$5B at 5.5% GAAP operating margin by fiscal 2025

	Q3F23 Guidance
Revenue	\$1.00 billion to \$1.05 billion
GAAP Diluted EPS	\$0.76 to \$0.94*
Non-GAAP Diluted EPS	\$1.05 to \$1.23**

\* Includes \$0.19 of stock-based compensation expense

\*\* Includes \$0.19 of stock-based compensation expense, but excludes \$0.29 in restructuring charges

# Performance by market sector

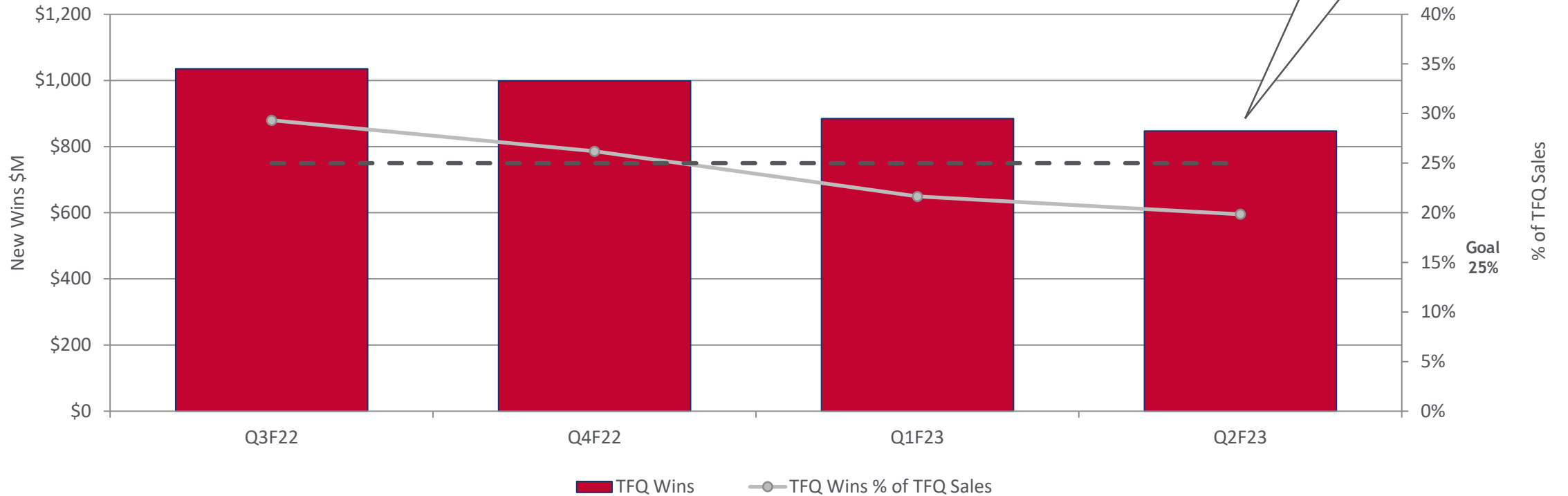
	Q2F23 Apr 1, 2023		Q1F23 Dec 31, 2022		Q2F23 vs. Q1F23	Q3F23 Expectations (percentage points)
	\$	%	\$	%		
Industrial	\$439	41%	\$472	43%	- 7%	Down mid single
Healthcare and Life Sciences	\$488	46%	\$488	45%	Flat	Down mid single
Aerospace and Defense	\$144	13%	\$134	12%	+ 8%	Down mid single
Total Revenue	\$1,071	100%	\$1,094	100%	- 2%	\$1,000 to \$1,050

# Manufacturing wins

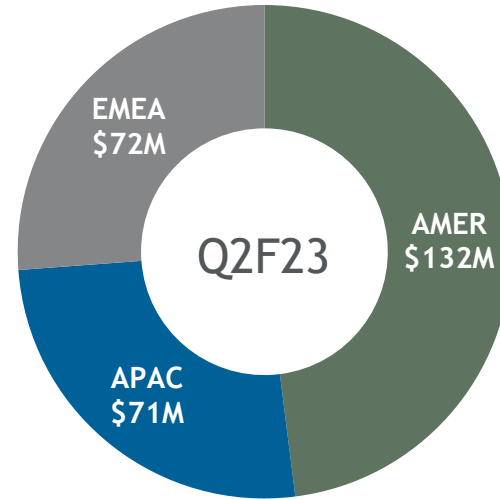
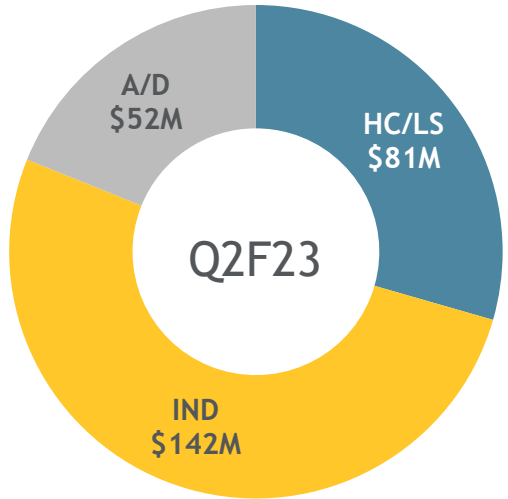
Q2F23 wins: \$275M  
New programs: 31

TFQ  
\$847M

### Trailing Four Quarters (TFQ) Manufacturing Wins



# Manufacturing wins by sector and region



## Sector and Regional Highlights

- IND and A/D wins benefit AMER region
- HC/LS wins support APAC region
- EMEA trailing four quarters of wins approaches \$300M



# Fiscal second quarter wins highlights

## AUTONOMOUS ROBOT (IND)

- New logo desired higher service level
- Production location: Guadalajara, Mexico

## VEHICLE ELECTRIFICATION (IND)

- Vehicle charging system
- Global production

## PHARMACEUTICAL AUTOMATION (HC/LS)

- New platform from current customer
- Production location: Oradea, Romania

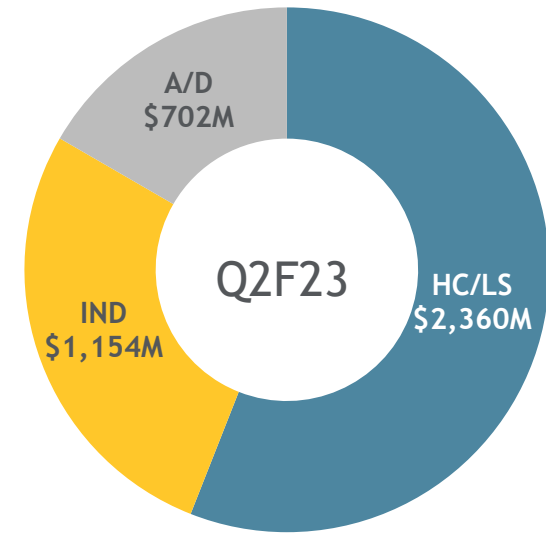
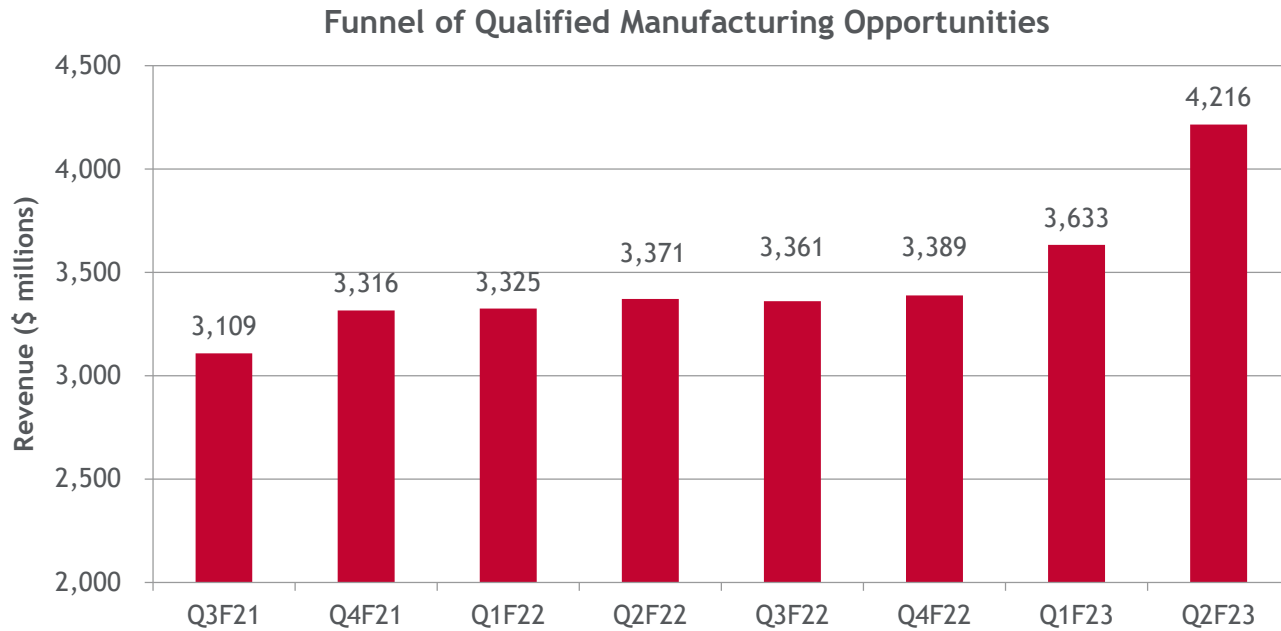
## ROBOTIC SURGICAL (HC/LS)

- Artificial Intelligence (AI) platform
- Production location: Kelso, Scotland

## SECURITY SURVEILLANCE (A/D)

- First A/D customer in Guadalajara
- Production location: Guadalajara, Mexico

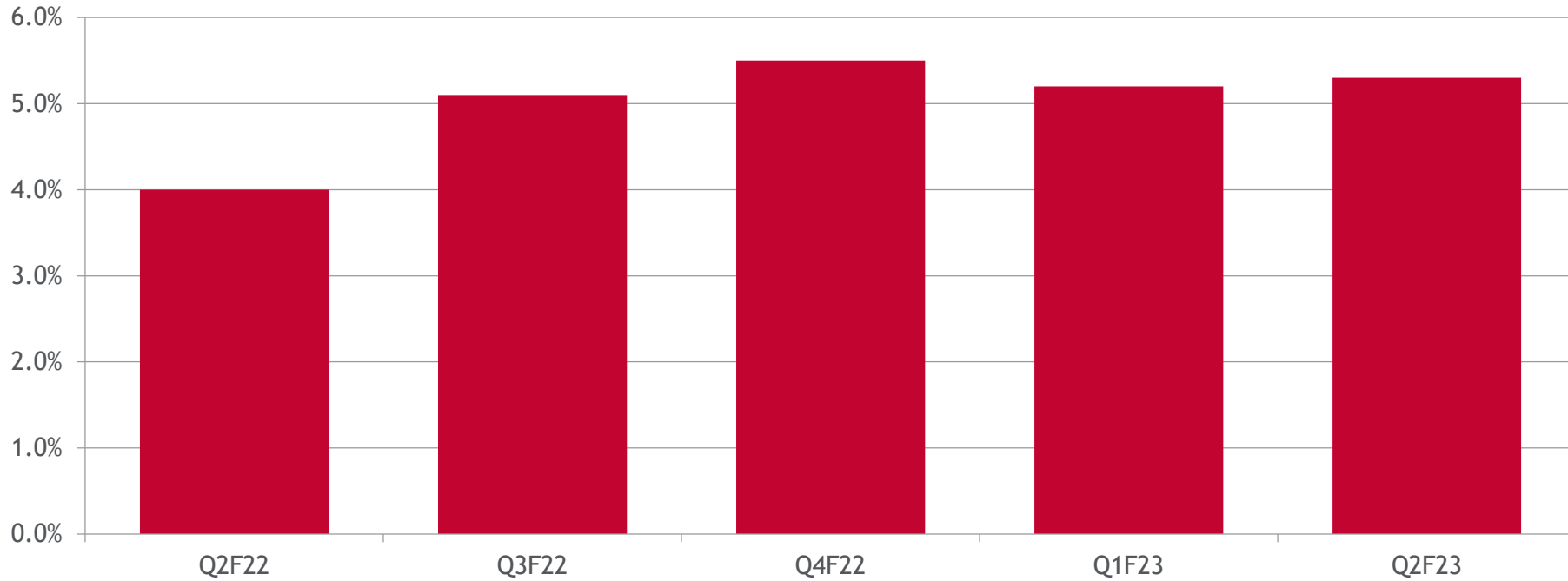
# Manufacturing funnel



*Qualified manufacturing funnel jumps almost \$600 million to a record \$4.2 billion*

# Operating performance

Q2F23 GAAP Operating Margin: 5.3%



*Operational versatility enables GAAP operating margin of 5.3%*

# Income statement

	Q2F23	Comments
Revenue	\$1.07 billion	At the top end of guidance range of \$1.02 to \$1.07 billion
Gross margin	9.6%	Above guidance range of 8.8% to 9.2%
Selling & administrative expenses	\$46.1 million	Above guidance range of \$44.5 to \$45.5 million
GAAP operating margin	5.3%*	Above guidance range of 4.5% to 5.0%
Non-operating expenses	\$9.1 million	Favorable to guidance range of \$10.2 to \$10.7 million
GAAP diluted EPS	\$1.45**	Above guidance range of \$1.06 to \$1.24

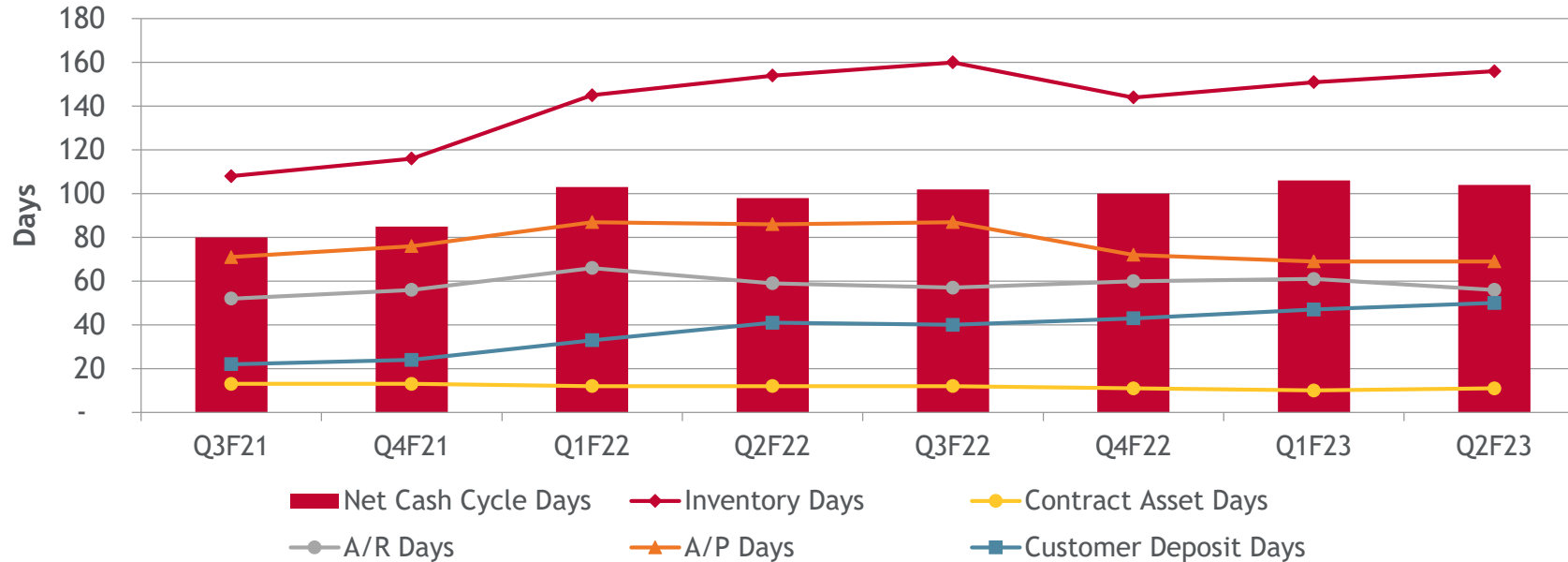
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\*\* Includes \$0.21 of stock-based compensation expense

# Cash flow and balance sheet

	Q2F23	Comments
Free cash flow	\$79.6 million	Cash from operations: \$106.0 million Capital expenditures: \$26.4 million
Share repurchases	\$12.4 million	Approximately 126,000 shares
Cash balance	\$270 million	Sequentially higher by \$22 million
Total debt	\$483 million	\$216 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	104 days	Favorable to guidance range of 110 to 115 days

# Working capital trends



	Q3F21	Q4F21	Q1F22	Q2F22	Q3F22	Q4F22	Q1F23	Q2F23
Inventory Days	108	116	145	154	160	144	151	156
Contract Asset Days	13	13	12	12	12	11	10	11
A/R Days	52	56	66	59	57	60	61	56
A/P Days	71	76	87	86	87	72	69	69
Customer Deposit Days	22	24	33	41	40	43	47	50
Net Cash Cycle Days	80	85	103	98	102	100	106	104

# Fiscal third quarter 2023 guidance

	Guidance
Revenue	\$1.00 billion to \$1.05 billion
GAAP diluted EPS	\$0.76 to \$0.94
Non-GAAP diluted EPS	\$1.05 to \$1.23
Gross margin	8.9% to 9.3%
Selling & administrative expenses	\$43.5 to \$44.5 million
Restructuring charges	\$9 million
GAAP operating margin	3.6% to 4.1%
Non-GAAP operating margin	4.5% to 5.0%
Depreciation and amortization	Approximately \$18 million
Non-operating expenses	\$10.0 to \$10.5 million
Effective tax rate - Non-GAAP	14% to 16%
Diluted weighted average shares outstanding	Approximately 28.1 million
Cash cycle days	106 to 110 days

Q&A  
Thank you.