



Earnings Summary
Third Quarter 2019
October 24, 2019

SAFE HARBOR

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 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; the Company's performance relative to its markets; the impact, financial or otherwise, of any organizational changes; market and technology trends; the development of new products and the success of their introductions; 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 effect of the Tax Cuts and Jobs Act on the Company's capital allocation strategy; the impact of the acquisitions the Company has made and commercial partnerships the Company has established; the Company's ability to execute on its strategies; and other matters. These statements involve risks and uncertainties, and actual results may differ materially from those projected in the 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 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; the Company's concentrated customer base; the Company's ability to identify, effect and integrate acquisitions, joint ventures or other transactions; the Company's ability to effectively implement any organizational changes; the Company's ability to protect and enforce intellectual property rights; operational, political and legal risks of the Company's international operations; the Company's dependence on sole source and limited source suppliers; the increasing complexity of certain manufacturing processes; raw material shortages, supply constraints and price increases; changes in government regulations of the countries in which the Company operates; fluctuation of currency exchange rates; fluctuations in the market price of the Company's stock; the level of, and obligations associated with, the Company's indebtedness; and other risk factors and additional information described in the Company's filings with the Securities and Exchange Commission, including under the heading “Risks Factors” in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on February 11, 2019, and in the Company's 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 Gross Profit,” “Adjusted Operating 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.

3Q19 SUMMARY

- Third-quarter revenue of \$394.1 million, decreased 1% from prior year
- GAAP net income per diluted share of \$0.30, decreased 12% from prior year
- Non-GAAP net income per diluted share of \$0.50, increased 9% from prior year
- Acquired Hangzhou Anow Microfiltration in September

Summary – Consolidated Statement of Operations (GAAP)

<i>\$ in millions, except per share data</i>	3Q19	3Q19 Guidance	2Q19	3Q18	3Q19 over 3Q18	3Q19 over 2Q19
Net Revenue	\$394.1	\$385 - \$400	\$378.9	\$398.6	(1.1%)	4.0%
Gross Margin	43.2%		43.9%	45.6%		
Operating Expenses	\$117.6	\$115 - \$117	\$111.4	\$113.7	3.4%	5.6%
Operating Income	\$52.8		\$54.9	\$68.0	(22.4%)	(3.8%)
Operating Margin	13.4%		14.5%	17.1%		
Tax Rate	2.1%		25.9%	19.2%		
Net Income	\$40.8	\$40 - \$46	\$124.0	\$48.1	(15.2%)	(67.1%)
Earnings per diluted share	\$0.30	\$0.29 - \$0.34	\$0.91	\$0.34	(11.8%)	(67.0%)

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

<i>\$ in millions, except per share data</i>	3Q19	3Q19 Guidance	2Q19	3Q18	3Q19 over 3Q18	3Q19 over 2Q19
Net Revenue	\$394.1	\$385 - \$400	\$378.9	\$398.6	(1.1%)	4.0%
Adjusted Gross Margin ²	44.6%		44.1%	46.4%		
Non-GAAP Operating Expenses ³	\$87.6	\$92 - \$94	\$90.2	\$91.1	(3.8%)	(2.9%)
Adjusted Operating Income	\$88.2		\$76.8	\$93.9	(6.1%)	14.8%
Adjusted Operating Margin	22.4%		20.3%	23.6%		
Non-GAAP Tax Rate ⁴	11.5%		20.4%	23.2%		
Non-GAAP Net Income ⁵	\$68.2	\$57 - \$64	\$53.4	\$65.6	4.0%	27.7%
Non-GAAP EPS	\$0.50	\$0.42 - \$0.47	\$0.39	\$0.46	8.7%	28.2%

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

2. Adjusted Gross Margin excludes charge for fair value write-up of acquired inventory sold and severance and restructuring costs.

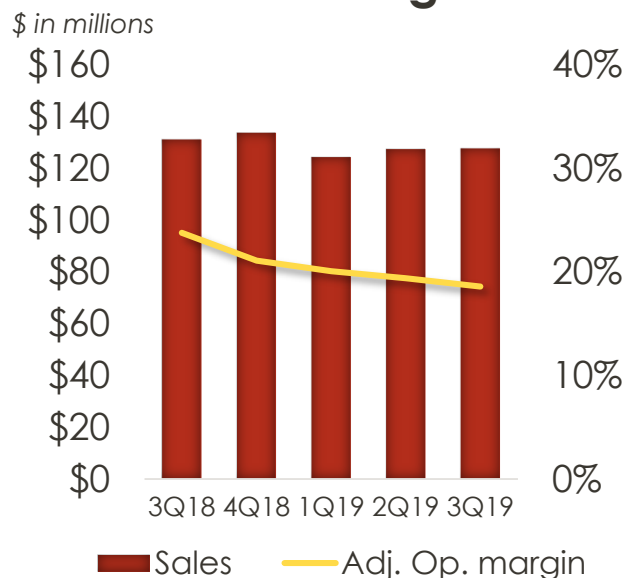
3. Non-GAAP Operating Expenses exclude amortization expense, deal costs, integration costs, loss on sale of subsidiary, and severance and restructuring costs.

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

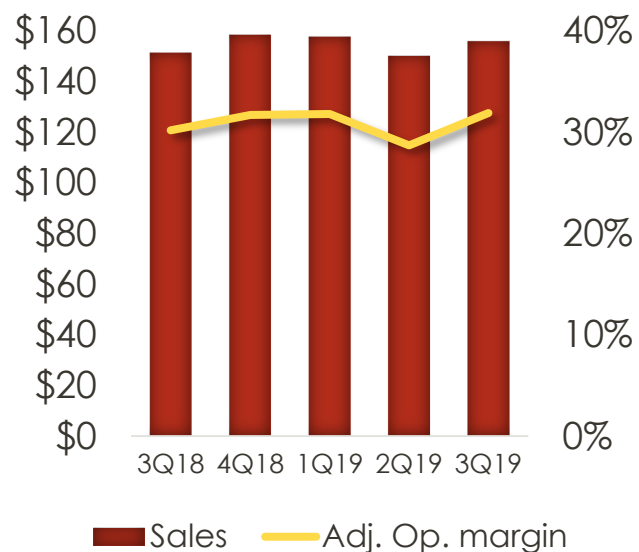
5. Non-GAAP Net Income excludes amortization expense, the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.

RESULTS BY SEGMENT¹

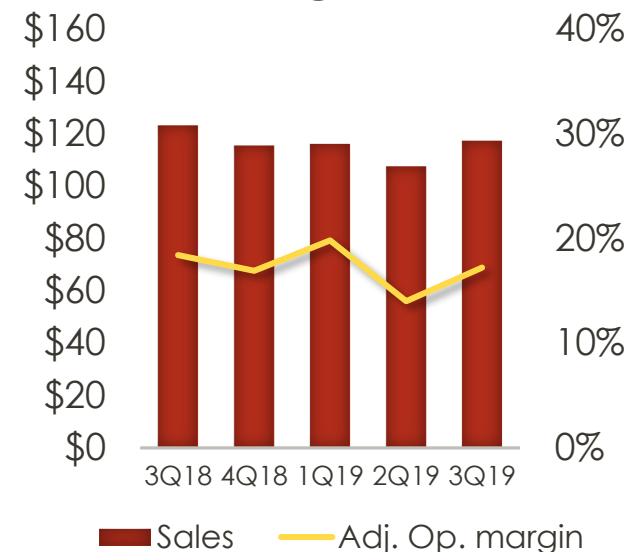
Specialty Chemicals and Engineered Materials Segment²



Microcontamination Control Segment³



Advanced Materials Handling Segment⁴



1. In 1Q19 the Company changed its definition of segment profit to include inter-segment sales. Prior period information has been 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 of \$120K, \$695K and \$4,483K for 1Q19, 2Q19 and 3Q19, respectively and severance charges of \$519K and \$2,143K in 1Q19 and 3Q19, respectively.

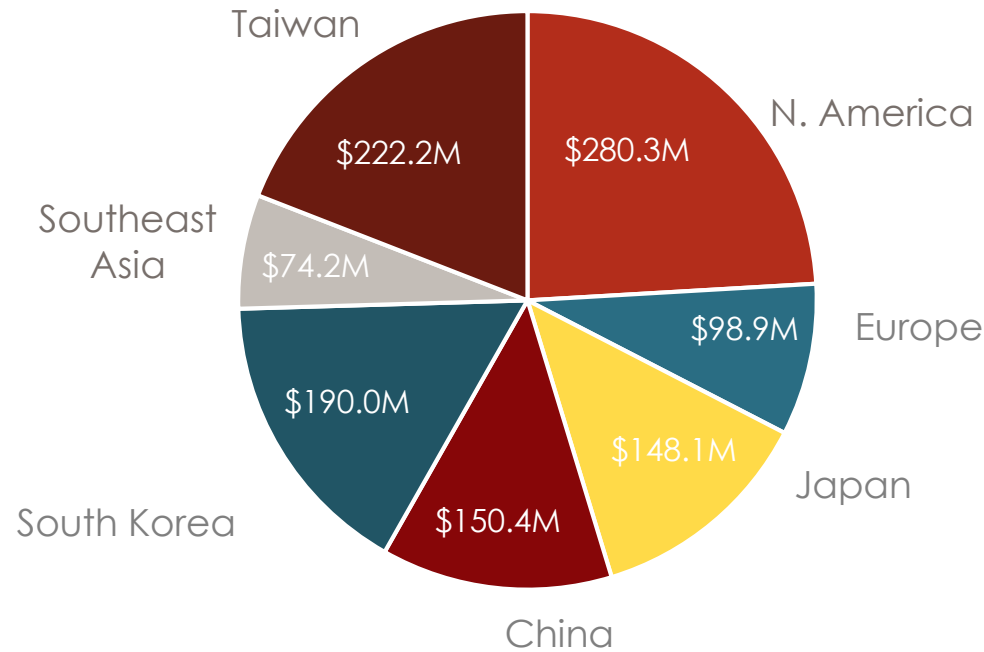
3. Segment profit for MC includes a charge for fair value write-up of inventory of \$3,281K, \$3,379K, and \$2,035K for 3Q18, 4Q18 and 1Q19, respectively. Segment profit for MC includes severance charges of \$724K and \$2,977K for 1Q19 and 3Q19, respectively.

4. Segment profit for AMH for 3Q18 includes charges for loss on sale of subsidiary of \$466K. Segment profit for AMH includes severance and restructuring charges of \$460K, \$578K and \$3,135 for 4Q18, 1Q19, and 3Q19, respectively.

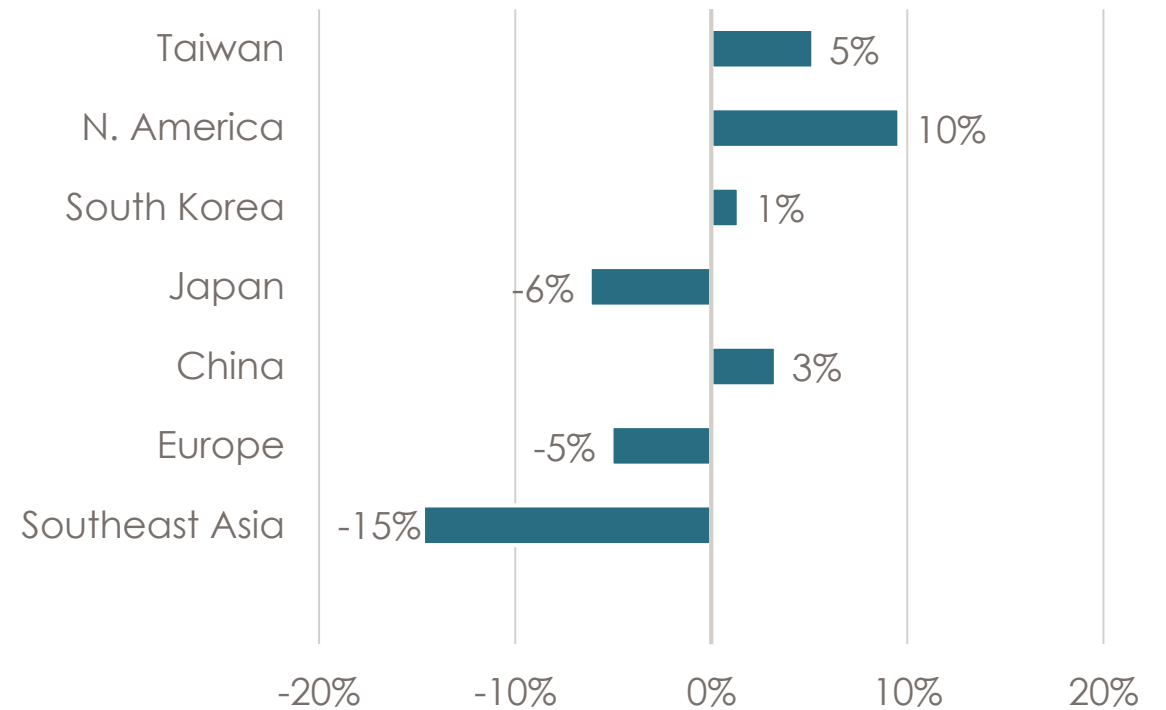
REVENUE BY GEOGRAPHY: Strong growth in Taiwan and N. America

YTD19 Revenue by Geography

Revenue = \$ million



YTD19 vs. YTD18 Growth Rate

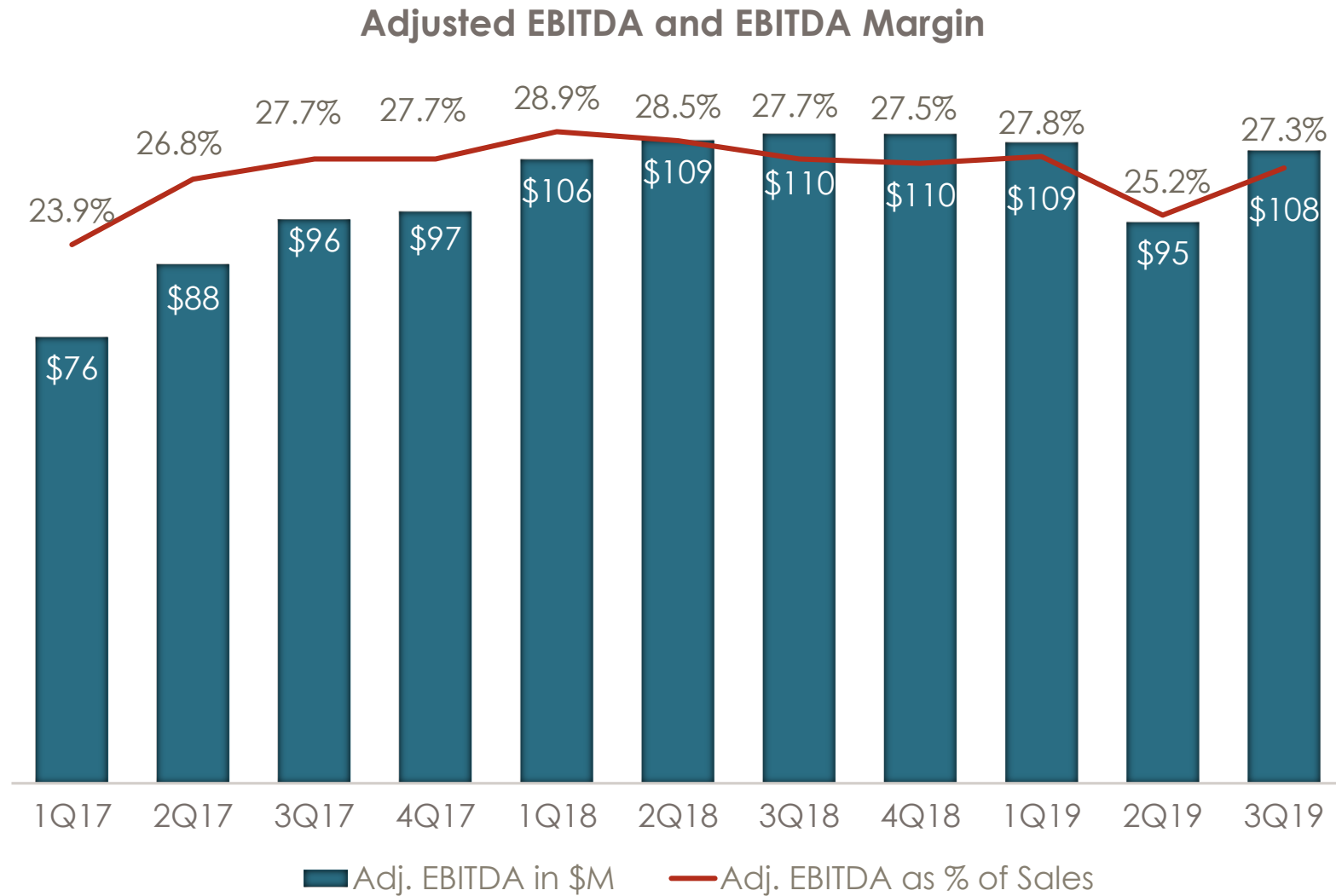


Summary – Balance Sheet Items

\$ in millions	3Q19		2Q19		3Q18	
	\$ Amount	% Total	\$ Amount	% Total	\$ Amount	% Total
Cash & Cash Equivalents	\$282.7	11.5%	\$521.4	21.5%	\$294.9	14.0%
Accounts Receivable, net	\$261.3	10.6%	\$218.7	9.0%	\$212.7	10.1%
Inventories	\$290.3	11.8%	\$261.9	10.8%	\$264.1	12.6%
Net PP&E	\$470.0	19.0%	\$445.3	18.4%	\$393.7	18.7%
Total Assets	\$2,467.7		\$2,424.7		\$2,103.5	
Current Liabilities ¹	\$213.1	8.6%	\$215.1	8.9%	\$211.0	10.0%
Long-term debt, excluding current maturities	\$934.1	37.9%	\$933.7	38.5%	\$650.6	30.9%
Total Liabilities	\$1,347.8	54.6%	\$1,322.2	54.5%	\$1,019.8	48.5%
Total Shareholders' Equity	\$1,119.9	45.4%	\$1,102.5	45.5%	\$1,083.7	51.5%
AR – DSOs	60.5		52.7		48.7	
Inventory Turns	3.2		3.2		3.3	

1. Current Liabilities in 3Q19 and 2Q19 includes \$4 million of current maturities of long term debt.

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>	3Q19	2Q19	3Q18
Beginning Cash Balance	\$521.4	\$342.4	\$257.1
Cash provided by operating activities	\$25.3	\$230.9	\$84.1
Capital expenditures	(\$26.3)	(\$25.6)	(\$27.9)
Acquisition of business	(\$217.1)	\$0.5	-
Payments on long-term debt	-	(\$1.0)	-
Repurchase and retirement of common stock	(\$15.0)	(\$15.0)	(\$10.0)
Dividend payments	(\$10.8)	(\$9.5)	(\$9.9)
Other investing activities	\$2.6	-	\$3.1
Other financing activities	\$3.1	(\$0.8)	(\$0.4)
Effect of exchange rates	(\$0.5)	(\$0.5)	(\$1.2)
Ending Cash Balance	\$282.7	\$521.4	\$294.9
Free Cash Flow ¹	(\$1.0)	\$205.3	\$56.2
Adjusted EBITDA	\$107.5	\$95.4	\$110.4

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

Outlook

GAAP

<i>\$ in millions, except per share data</i>	4Q19 Guidance	3Q19 Actual	3Q18 Actual
Net Revenue	\$420 - \$435	\$394.1	\$398.6
Operating Expenses	\$109 - \$111	\$117.6	\$113.7
Net Income	\$51 - \$58	\$40.8	\$48.1
Earnings (Per Diluted Share)	\$0.38 - \$0.43	\$0.30	\$0.34

Non-GAAP

<i>\$ in millions, except per share data</i>	4Q19 Guidance	3Q19 Actual	3Q18 Actual
Net Revenue	\$420 - \$435	\$394.1	\$398.6
Non-GAAP Operating Expenses	\$90 - \$92	\$87.6	\$91.1
Non-GAAP Net Income ¹	\$69 - \$76	\$68.2	\$65.6
Non-GAAP EPS	\$0.51 - \$0.56	\$0.50	\$0.46

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



NON-GAAP RECONCILIATION TABLE

RECONCILIATION OF GAAP GROSS PROFIT TO ADJUSTED GROSS PROFIT

	Three months ended			Nine months ended	
	September 28, 2019	September 29, 2018	June 29, 2019	September 28, 2019	September 29, 2018
Net Sales	\$394,147	\$398,597	\$378,874	\$1,164,068	\$1,148,855
Gross profit-GAAP	\$170,350	\$181,716	\$166,274	\$514,017	\$540,091
Adjustments to gross profit:					
Severance and restructuring costs	990	-	-	1,348	-
Charge for fair value mark-up of acquired inventory sold	4,483	3,281	695	7,333	3,489
Adjusted gross profit	\$175,823	\$184,997	\$166,969	\$522,698	\$543,580
Gross margin - as a % of net sales	43.2%	45.6%	43.9%	44.2%	47.0%
Adjusted gross margin - as a % of net sales	44.6%	46.4%	44.1%	44.9%	47.3%

NON-GAAP RECONCILIATION TABLE

RECONCILIATION OF GAAP TO ADJUSTED OPERATING INCOME AND ADJUSTED EBITDA

	Three months ended			Nine months ended	
	September 28, 2019	September 29, 2018	June 29, 2019	September 28, 2019	September 29, 2018
<i>\$ in thousands</i>					
Net sales	\$394,147	\$398,597	\$378,874	\$1,164,068	\$1,148,855
Net income	\$40,767	\$48,060	\$123,997	\$197,422	\$159,971
Adjustments to net income:					
Income tax expense	876	11,427	43,235	49,533	34,755
Interest expense, net	10,216	7,678	9,692	29,567	21,892
Other expense (income), net	934	810	(122,015)	(121,328)	4,826
GAAP - Operating income	52,793	67,975	54,909	155,193	221,381
Charge for fair value write-up of acquired inventory sold	4,483	3,281	695	7,333	3,489
Deal Costs	4,891	-	1,164	25,191	5,121
Integration Costs	2,398	752	1,264	6,582	1,949
Severance and restructuring costs	8,503	-	2,170	12,494	-
Loss on sale of subsidiary	-	466	-	-	466
Amortization of intangible assets	15,152	21,419	16,591	50,400	45,102
Adjusted operating income	88,220	93,893	76,793	257,193	277,508
Depreciation	19,306	16,537	18,596	54,623	48,236
Adjusted EBITDA	\$107,526	\$110,430	\$95,389	\$311,816	\$325,744
Net income – as a % of net sales	10.3%	12.1%	32.7%	17.0%	13.9%
Adjusted operating margin	22.4%	23.6%	20.3%	22.1%	24.2%
Adjusted EBITDA - as a % of net sales	27.3%	27.7%	25.2%	26.8%	28.4%

NON-GAAP RECONCILIATION TABLE

RECONCILIATION OF GAAP NET INCOME AND EARNINGS PER SHARE TO NON-GAAP NET INCOME AND EARNINGS PER SHARE

	Three months ended			Nine months ended	
	September 28, 2019	September 29, 2018	June 29, 2019	September 28, 2019	September 29, 2018
<i>\$ in thousands, except per share data</i>					
GAAP net income	\$40,767	\$48,060	\$123,997	\$197,422	\$159,971
Adjustments to net income:					
Charge for fair value write-up of acquired inventory sold	4,483	3,281	695	7,333	3,489
Deal Costs	4,891	-	1,164	25,602	5,121
Integration Costs	2,398	752	1,264	6,582	1,949
Severance and restructuring costs	8,503	-	2,170	12,494	-
Versum termination fee, net	-	-	(122,000)	(122,000)	-
Loss on sale of subsidiary	-	466	-	-	466
Amortization of intangible assets	15,152	21,419	16,591	50,400	45,102
Tax effect of legal entity restructuring	-	-	9,398	9,398	-
Tax effect of adjustments to net income and discrete items ¹	(8,015)	(5,797)	20,153	2,274	(12,209)
Tax effect of Tax Cuts and Jobs Act	-	(2,560)	-	-	(418)
Non-GAAP net income	\$68,179	\$65,621	\$53,432	\$189,505	\$203,471
Diluted earnings per common share	\$0.30	\$0.34	\$0.91	\$1.45	\$1.12
Effect of adjustments to net income	\$0.20	\$0.12	(\$0.52)	(\$0.06)	\$0.30
Diluted non-GAAP earnings per common share	\$0.50	\$0.46	\$0.39	\$1.39	\$1.42

NON-GAAP RECONCILIATION TABLE

RECONCILIATION OF GAAP OUTLOOK TO NON-GAAP OUTLOOK

(In millions, except per share data)

	Fourth-Quarter Outlook December 31, 2019
Reconciliation GAAP net income to non-GAAP net income	
GAAP net income	\$51 - \$58
Adjustments to net income:	
Charge for fair value write-up of acquired inventory sold	5
Restructuring and integration costs	2
Amortization of intangible assets	17
Income tax effect	(6)
Non-GAAP net income	<u>\$69 - \$76</u>

	Fourth-Quarter Outlook December 31, 2019
Reconciliation GAAP diluted earnings per share to non-GAAP diluted earnings per share	
Diluted earnings per common share	\$0.38 - \$0.43
Adjustments to diluted earnings per common share:	
Charge for fair value write-up of acquired inventory sold	0.03
Restructuring and integration costs	0.01
Amortization of intangible assets	0.13
Income tax effect	(0.04)
Diluted non-GAAP earnings per common share	<u>\$0.51 to \$0.56</u>



GAAP Segment Trend Data¹

	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319
	<i>\$ in thousands</i>										
Sales											
SCEM	\$ 114,435	\$ 121,174	\$ 124,522	\$ 125,339	\$ 130,743	\$ 134,336	\$ 131,234	\$ 133,928	\$ 124,470	\$ 127,552	\$ 127,750
MC	100,195	104,587	116,229	115,801	118,923	124,937	151,478	158,500	157,706	150,185	155,979
AMH	108,371	109,658	111,278	115,436	124,078	130,572	123,227	115,527	116,064	107,515	117,256
Inter-segment elimination	(5,624)	(6,417)	(6,438)	(6,014)	(6,545)	(6,786)	(7,342)	(6,313)	(7,193)	(6,378)	(6,838)
Total Sales	\$ 317,377	\$ 329,002	\$ 345,591	\$ 350,562	\$ 367,199	\$ 383,059	\$ 398,597	\$ 401,642	\$ 391,047	\$ 378,874	\$ 394,147
Segment Profit											
SCEM	\$ 22,563	\$ 28,493	\$ 28,981	\$ 29,534	\$ 30,921	\$ 36,728	\$ 31,210	\$ 28,221	\$ 24,431	\$ 24,000	\$ 17,074
MC	29,380	29,944	37,429	37,686	40,311	37,214	42,448	46,879	47,323	43,126	46,792
AMH	16,132	17,588	14,914	20,409	25,463	25,542	22,226	19,096	22,367	15,043	17,077
Total Segment Profit	\$ 68,075	\$ 76,025	\$ 81,324	\$ 87,629	\$ 96,695	\$ 99,484	\$ 95,884	\$ 94,196	\$ 94,121	\$ 82,169	\$ 80,943

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

NON-GAAP Segment Trend Data¹

\$ in thousands

	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319
Sales											
SCEM	\$ 114,435	\$ 121,174	\$ 124,522	\$ 125,339	\$ 130,743	\$ 134,336	\$ 131,234	\$ 133,928	\$ 124,470	\$ 127,552	\$ 127,750
MC	100,195	104,587	116,229	115,801	118,923	124,937	151,478	158,500	157,706	150,185	155,979
AMH	108,371	109,658	111,278	115,436	124,078	130,572	123,227	115,527	116,064	107,515	117,256
Inter-segment elimination	(5,624)	(6,417)	(6,438)	(6,014)	(6,545)	(6,786)	(7,342)	(6,313)	(7,193)	(6,378)	(6,838)
Total Sales	\$ 317,377	\$ 329,002	\$ 345,591	\$ 350,562	\$ 367,199	\$ 383,059	\$ 398,597	\$ 401,642	\$ 391,047	\$ 378,874	\$ 394,147
Adjusted Segment Profit											
SCEM ²	\$ 22,563	\$ 28,493	\$ 28,995	\$ 29,534	\$ 30,921	\$ 36,728	\$ 31,210	\$ 28,221	\$ 25,070	\$ 24,695	\$ 23,700
MC ³	29,380	31,387	37,625	37,686	40,311	37,422	45,729	50,258	50,082	43,126	49,769
AMH ⁴	16,132	19,874	20,135	20,409	25,463	25,542	22,692	19,556	22,945	15,043	20,212
Total Adj. Segment Profit	\$ 68,075	\$ 79,754	\$ 86,755	\$ 87,629	\$ 96,695	\$ 99,692	\$ 99,631	\$ 98,035	\$ 98,097	\$ 82,864	\$ 93,681
Adjusted Segment Profit Margin											
SCEM	19.7%	23.5%	23.3%	23.6%	23.7%	27.3%	23.8%	21.1%	20.1%	19.4%	18.6%
MC	29.3%	30.0%	32.4%	32.5%	33.9%	30.0%	30.2%	31.7%	31.8%	28.7%	31.9%
AMH	14.9%	18.1%	18.1%	17.7%	20.5%	19.6%	18.4%	16.9%	19.8%	14.0%	17.2%

1. In 1Q19 the Company changed its definition of segment profit to include inter-segment sales. Prior period information has been recast to reflect the change. Segment profit excludes amortization of intangibles and unallocated expenses.

2. Adjusted segment profit for SCEM for 3Q17, 1Q19, and 3Q19 excludes charges for severance and restructuring of \$14, \$519 and \$2,143. Adjusted segment profit for SCEM for 1Q19, 2Q19 and 3Q19 excludes fair value mark-up of inventory and severance charges of \$120, \$695 and \$4,483, respectively.

3. Adjusted segment profit for MC for 2Q17 excludes charges for impairment of equipment and severance of \$884 and \$559, respectively. Adjusted segment profit for MC for 3Q17, 1Q19 and 3Q19 excludes charges for severance of \$196, \$724, and \$2,977, respectively. Adjusted segment profit for MC for 2Q18, 3Q18, 4Q18 and 1Q19 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 3Q17 excludes impairment of equipment and severance and restructuring of \$3,364 and \$1,857 respectively. Adjusted segment profit for AMH for 3Q18 excludes loss on sale of subsidiary of \$466. Adjusted segment profit for AMH for 4Q18, 1Q19, and 3Q19 excludes severance and restructuring of \$460, \$578, and \$3,135, respectively.

