

The background is a collage of images related to technology and industry. On the left, there is a close-up of a person wearing safety glasses and a face mask, holding a large, square integrated circuit chip. In the center, there are two tall, lattice-structured communication towers. The overall color scheme is dominated by blue and green geometric shapes, with a white area on the right where the text is located.

A Best-in-Class Industrial Growth Enterprise

February 2024

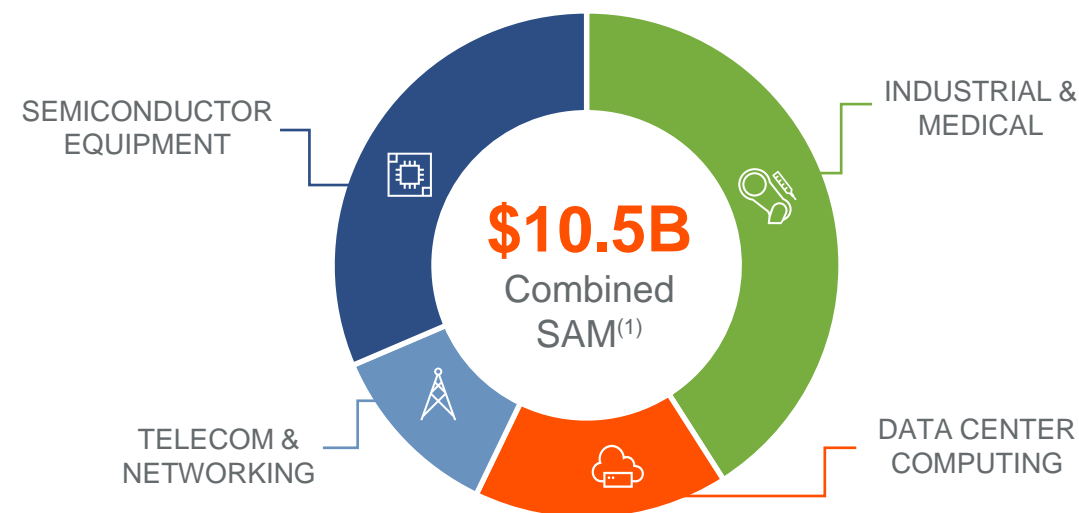
SAFE HARBOR

Advanced Energy Industries, Inc.'s (the "Company's" or "Advanced Energy's") guidance and other statements herein or made on the earnings conference call contain, in addition to historical information, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements in this presentation that are not historical information are forward-looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties are described in Advanced Energy's Form 10-K, Form 10-Q and other reports and statements filed with the Securities and Exchange Commission (SEC), which can be obtained from the SEC's website at www.sec.gov or from Advanced Energy's Investors page at ir.advancedenergy.com. All forward-looking statements are made and based on information available to Advanced Energy's management team as of February 6, 2024. Aspirational goals and medium-term targets should not be interpreted in any respect as guidance. The company assumes no obligation to update the information in this presentation.

ADVANCED ENERGY AT A GLANCE

Headquartered in Denver Colorado,
Advanced Energy (NASDAQ: AEIS) is a global leader in design and manufacture of highly engineered **precision power** conversion, measurement and control solutions for **mission-critical applications and processes**

Leader in Precision Power



BY THE NUMBERS



1981

Founded



~10,000

Global Employees
(2023 Year End)



700+

Patents Issued
Globally



\$1.66B

2023 Revenue



\$207M

2023 Non-GAAP
Operating Income

PRECISION POWER LEADER FOR THE DIGITAL ECONOMY



PURE PLAY POWER LEADER

Strategic focus on precision power ensures sustainable advantage and scale



OUTPERFORMING MARKETS

Track record of broadening market reach, growing share and adding content



PROPRIETARY SOLUTIONS

Lead with differentiated, highly-engineered, high value products and technologies

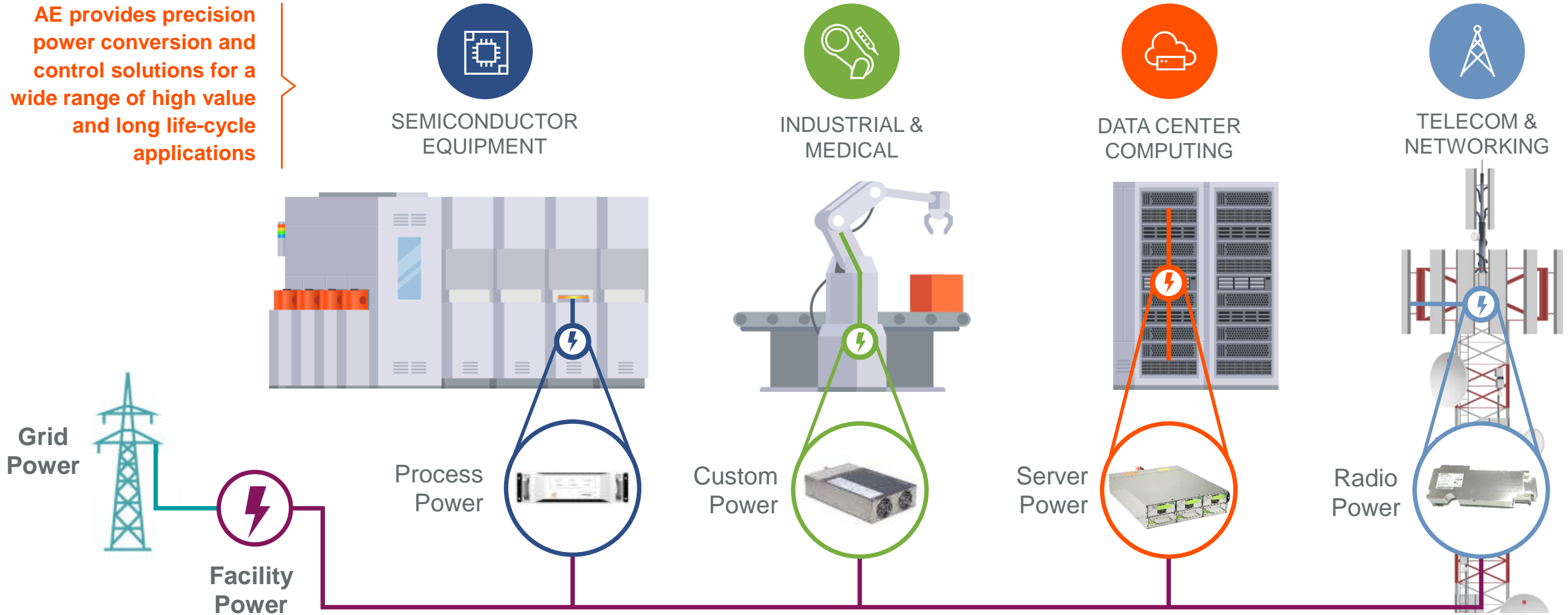


ACCELERATING EARNINGS

Capture long life-cycle revenues and optimize margins to target growing EPS at >2X faster than revenue

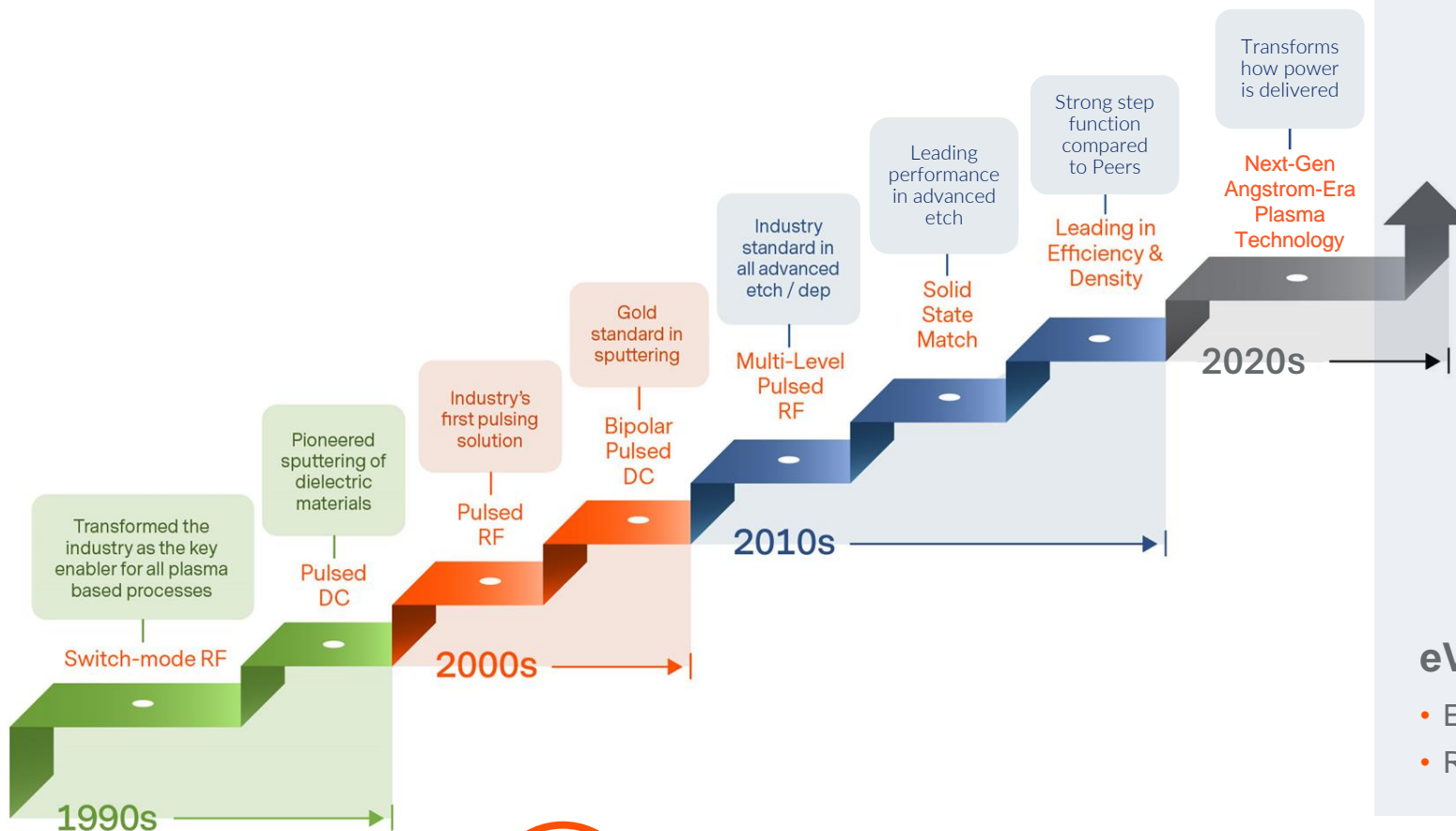
WE ARE THE PURE PLAY POWER LEADER

AE provides precision power conversion and control solutions for a wide range of high value and long life-cycle applications



~70% of revenue comes from sole-sourced designs

A HISTORY OF INNOVATION AND TECHNOLOGY LEADERSHIP



Angstrom-Era Precision Plasma Power



eVerest RF Generator

- Dynamic multi-level pulsing with ultra-fast RF response
- Widens process window, improves yield and throughput
- Modular architecture accelerates time to market



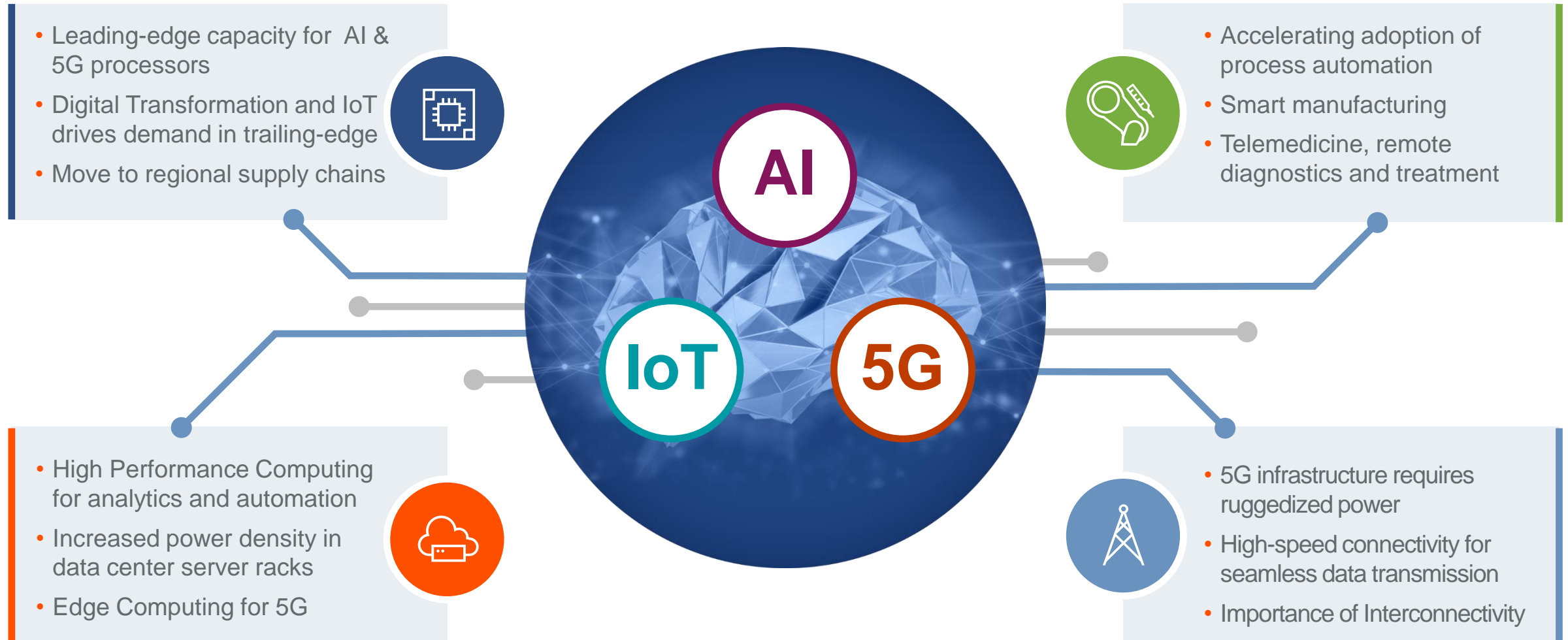
eVoS™ Asymmetric Bias Waveform Generator

- Enables new ways of process tuning with direct plasma control
- Reduces losses by delivering power where the plasma needs it



AE leads with generations of power delivery innovations

DATA ECONOMY DRIVES GROWTH ACROSS OUR 4 VERTICALS



FOCUS ON PROPRIETARY DESIGNS TO ACCELERATE GROWTH

AE TARGETED GROWTH STRATEGIES



GROW SHARE

Across Mission-Critical
Precision Power Verticals



Invest in **INNOVATION** and
Technology Leadership



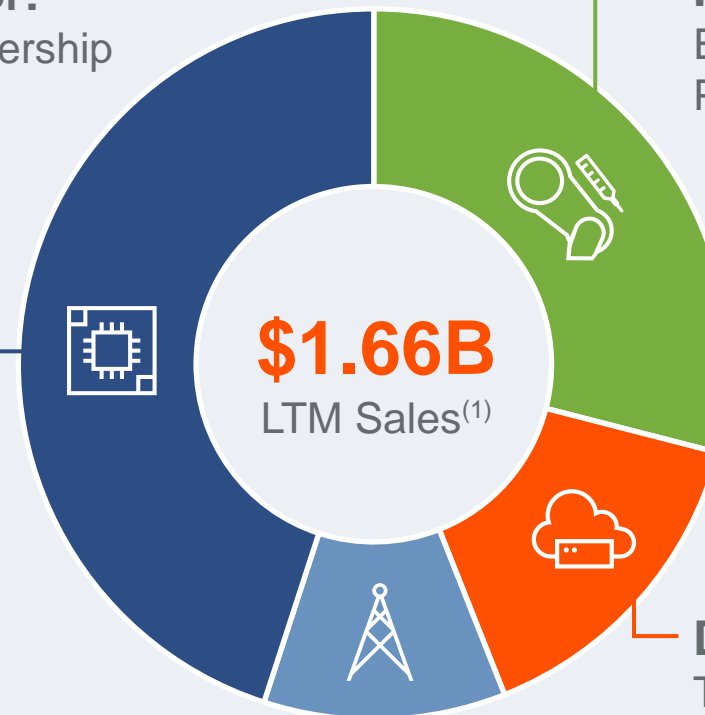
Leverage Strong Financials
and Increased Scale to
Capitalize on
NEW OPPORTUNITIES

Semiconductor:
Extend Our Leadership

Industrial & Medical:
Expand Our Portfolio of
Proprietary Solutions

Telecom & Networking:
Target 5G Infrastructure

Data Center Computing:
Target High-Value
Applications



SEMICONDUCTOR: EXTEND OUR LEADERSHIP

MARKET LEADER WITH PROVEN TRACK RECORD

No.1

Market share every year for over 10 years in Process Power and RF Power⁽¹⁾

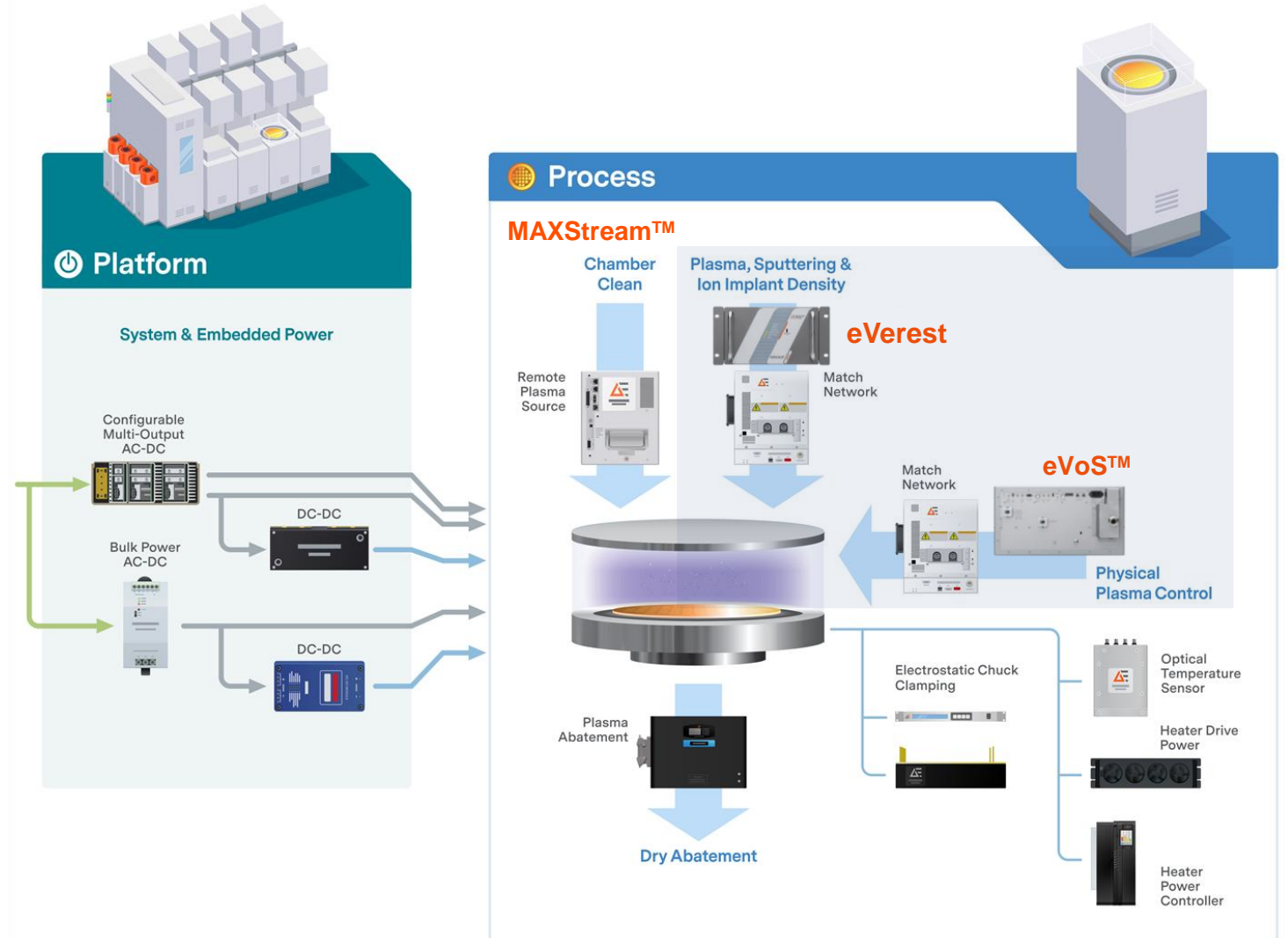
19%

10-year Semi Product Revenue CAGR⁽²⁾

TARGET TO CONTINUE TO OUTGROW OUR MARKET

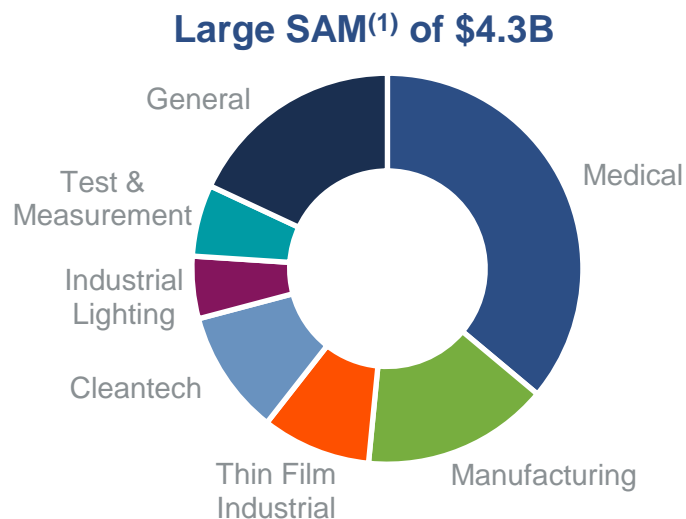
>1.2X

AE targeted Semi revenue CAGR over WFE⁽³⁾ CAGR



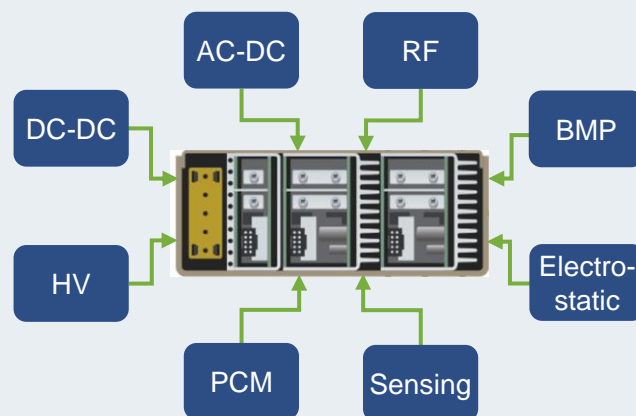
INDUSTRIAL & MEDICAL: EXPAND OUR PORTFOLIO OF PROPRIETARY SOLUTIONS

LARGE MARKET WITH WIDE RANGE OF NICHE OPPORTUNITIES



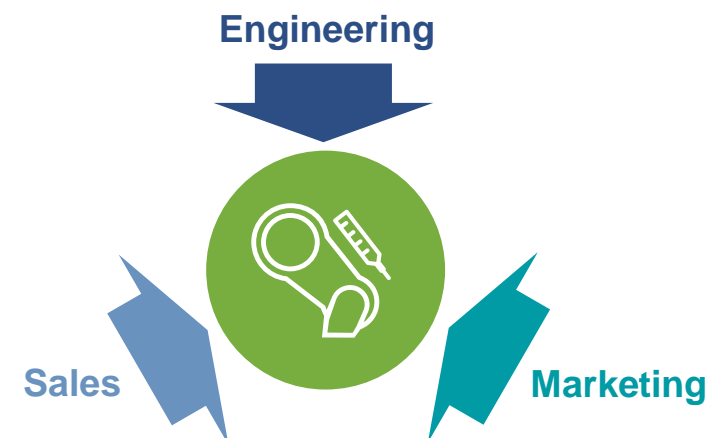
- Large SAM consists of many small and medium **high-value opportunities**
- Target long-life cycle and proprietary applications to capture **sole-source positions**

LEVERAGE BROAD PORTFOLIO OF STANDARD PRODUCTS TO DELIVER CUSTOM SOLUTIONS



- Most **comprehensive portfolio** of standard power products
- Develop **modified standard or full custom solutions** to solve customers' challenging power delivery problems

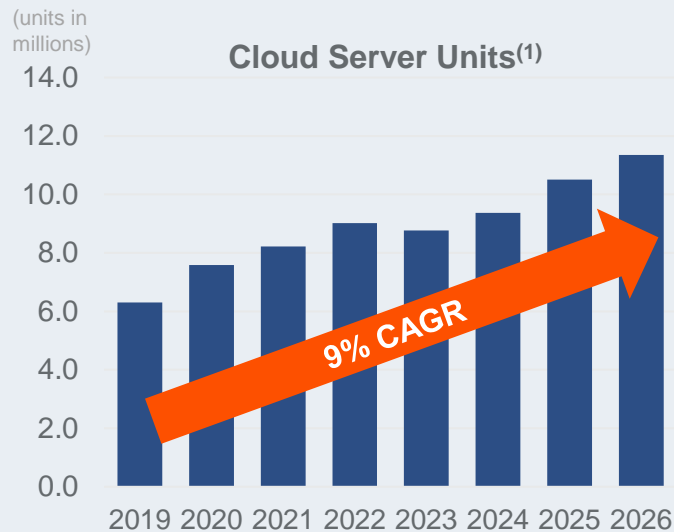
ACCELERATING INVESTMENTS TO DRIVE GROWTH



- **Allocate more** engineering, sales and marketing resources to I&M applications
- Investments in our digital platform help **broaden our customer base** and drive future market share gains in I&M

DATA CENTER COMPUTING: TARGET HIGH-VALUE APPLICATIONS

GROWING INVESTMENTS



AI DRIVES HIGH-VALUE CONTENT



Traditional Server

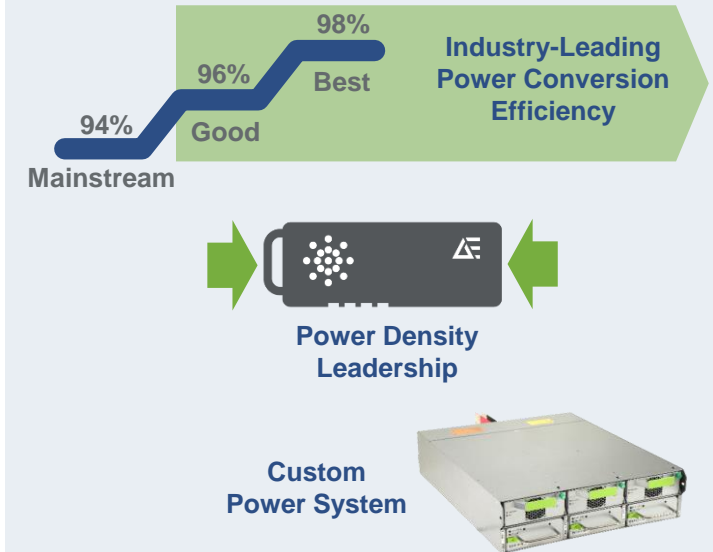


2-5X Power Content
48V Infrastructure
Power Shelf



AI & HPC Server

AE TECHNOLOGY LEADERSHIP



OUR FOCUSED STRATEGY

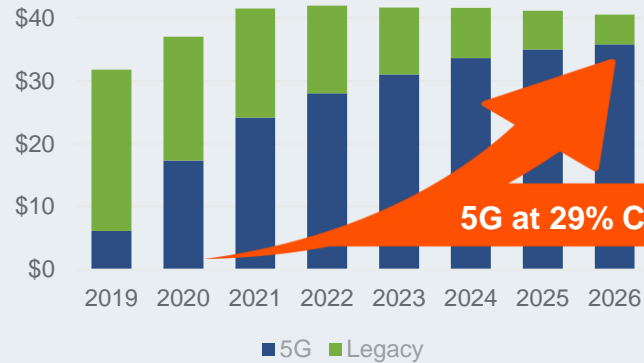
- **Technologies** that address the most difficult power delivery problems
- Win **high value applications** at Tier-I and Tier-II hyperscale customers
- Capture additional opportunities with **48V transition**
- Deliver **best-in-class** quality and performance

TELECOM & NETWORKING: TARGET 5G INFRASTRUCTURE

5G INFRASTRUCTURE MARKET GROWTH TREND

Mobile Radio Access Network Market⁽¹⁾

(\$ in billions)



- Growth returning to wireless infrastructure with 5G launch
- Increased capacity demand driven by expanding use cases

GROWTH STRATEGY

- Win proprietary designs in 5G radio power for both macro and small cells
- Target high value opportunities in Data Center Networking

WHY WE WIN

- Industry-leading high density, rugged power supplies for outdoor radio
- Deep application knowledge necessary in 5G radio design
- 20+ years of customer intimacy with leading OEMs

Powering many of the largest wireless networks across the world



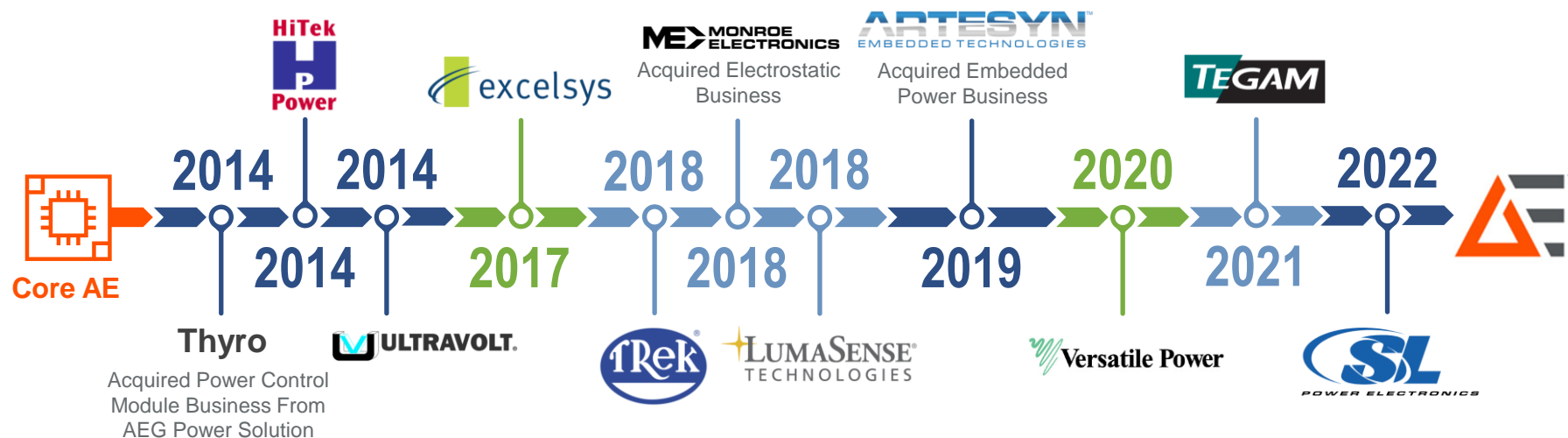
High reliability
ruggedized power
supply for the harshest
environments



INORGANIC GROWTH: GROW SCOPE AND LEVERAGING SCALE

Strong Track Record

Deployed >\$700M adding ~\$800M of pro forma revenue⁽¹⁾



Well-Defined Acquisition Criteria

- Precision Power and Controls
- Expand SAM, portfolio & technology
- Synergistic with current organization

Solid Funnel of Opportunities

- Large and fragmented power market
- Plenty of differentiated high-value targets
- Extend our leadership

Discipline and Value Creation

- Analytical and deliberate
- Accretive to EPS within first year
- Target ROIC > 10%

Q4 2023 FINANCIAL HIGHLIGHTS



REVENUE

\$405 million

Down 1% Q/Q



NON-GAAP EPS⁽¹⁾

\$1.24

Down 3% Q/Q



NON-GAAP GROSS MARGIN⁽¹⁾

35.7%

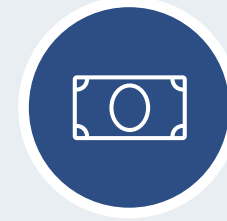
Down 40 bps Q/Q



NON-GAAP OP MARGIN⁽¹⁾

12.3%

Down 10 bps Q/Q



OPERATING CASH FLOW⁽²⁾

\$85 million

Record & Up 16% Q/Q



TOTAL CASH⁽³⁾

\$1.045 billion

Net Cash of \$129 million

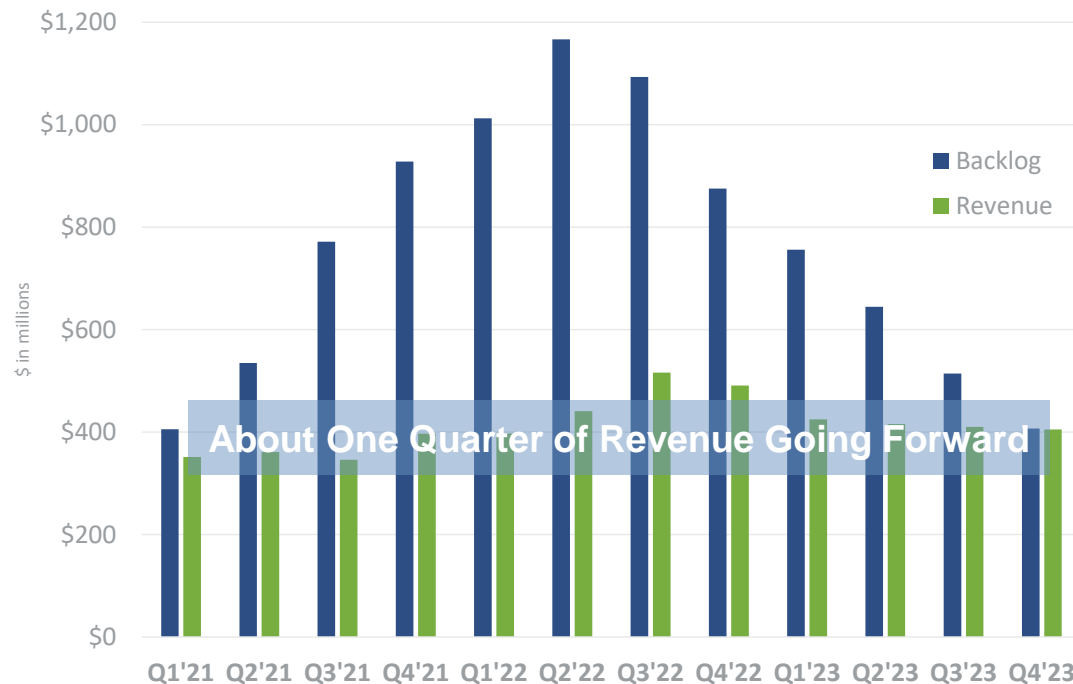
(1) Detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials can be found at the end of this presentation

(2) Cash flow from operating activities from continuing operations

(3) Net Cash = Cash less Current portion of long-term debt and Long-term debt

BACKLOG AT NORMALIZED LEVELS

BACKLOG REMAINS ELEVATED



BACKLOG NORMALIZED AS LEADTIMES IMPROVED

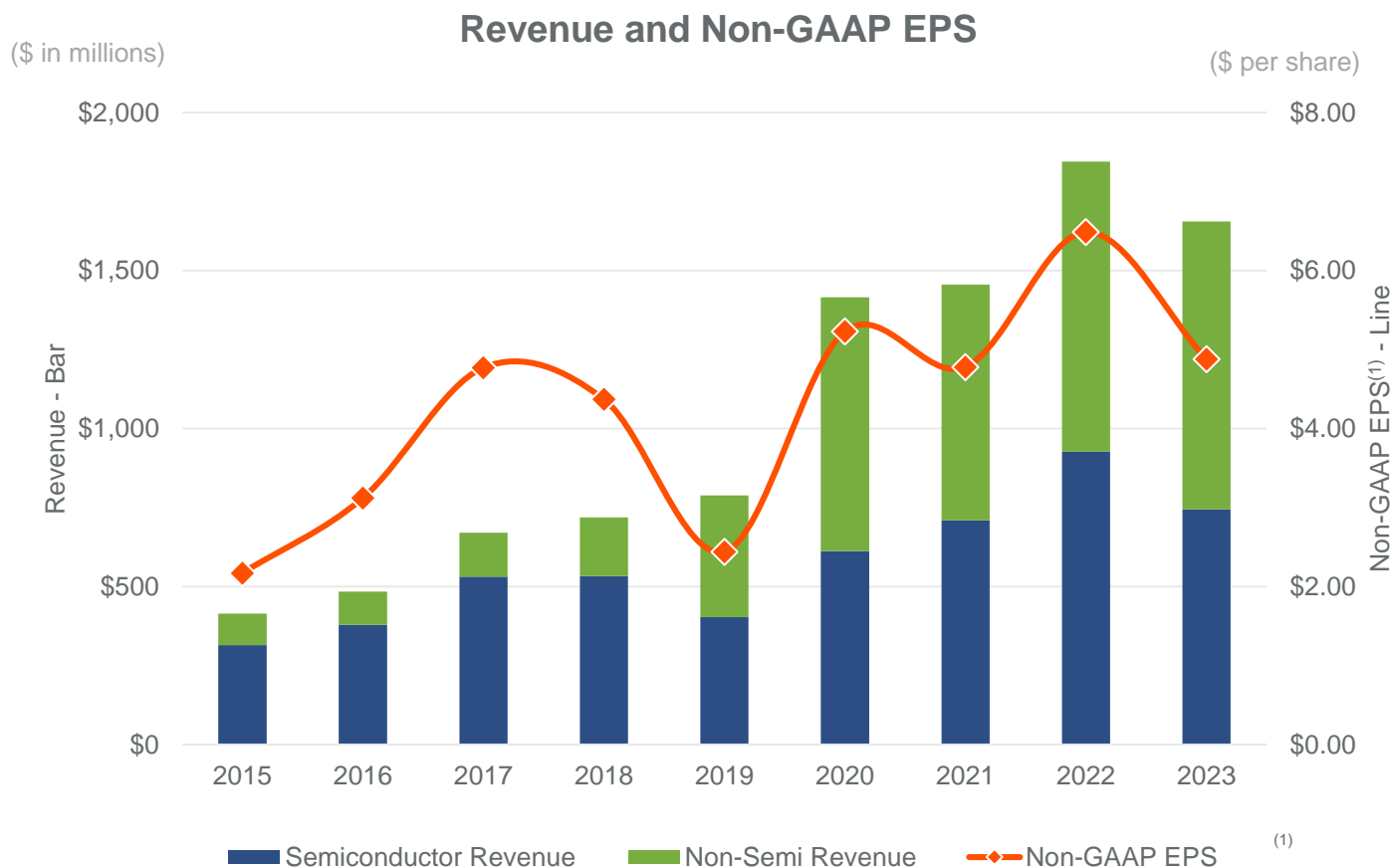
- Total backlog at the end of Q4 2023 was \$407 million, down 54% Y/Y and down 21% Q/Q
- Mainly driven by customers reducing orders for out quarter deliveries on improved lead times
- 75%-80% of the backlog is shippable over the next two quarters
- Expect backlog to remain around one quarter of revenue going forward

HIGH QUALITY OF BACKLOG

- Semiconductor and Industrial & Medical represent more than 80% of the total backlog
- Vast majority of these are proprietary products

GROWING REVENUE AND EARNINGS THROUGH CYCLES

MORE BALANCED REVENUE MIX OVER TIME



BENEFITS OF DIVERSIFICATION

- Revenue growth driven by a combination of organic and inorganic growth
- Increased diversification into multiple markets enables future performance to be substantially better than previous market cycles
- 2023 total revenue down 10% Y/Y, with semi revenue down 20% Y/Y, partially offset by aggregate non-semi revenue flat Y/Y
- Manufacturing and cost optimization, favorable mix shift, and volume recovery position us to deliver higher earnings through business cycles

SOLID EXECUTION ENABLED US TO ACHIEVE LONG-TERM TARGETS

	FROM 2020 ANALYST EVENT		2H 2022 PERFORMANCE	
	ASPIRATIONAL GOALS	LONG-TERM VISION	2H'22 RUN-RATE	UPDATE
Total Revenue (\$M)	\$1,650	\$2,500	\$2,014	Ahead of our 3-year plan
Acquired Revenue (\$M)	-	~\$500	~\$95	Solid Progress
N.G. Gross Margins ⁽¹⁾	>40%	>40%	37.0%	~300bps Impact due to Supply
N.G. OPEX ⁽¹⁾ as % of Revenue	20%	20%	19.9%	Inline with Target
Non-GAAP EPS ⁽¹⁾	\$7.50	\$12.00	\$7.64	Surpassed Aspirational Goal

CAPITAL ALLOCATION PLAN

Capital Allocation Track Record

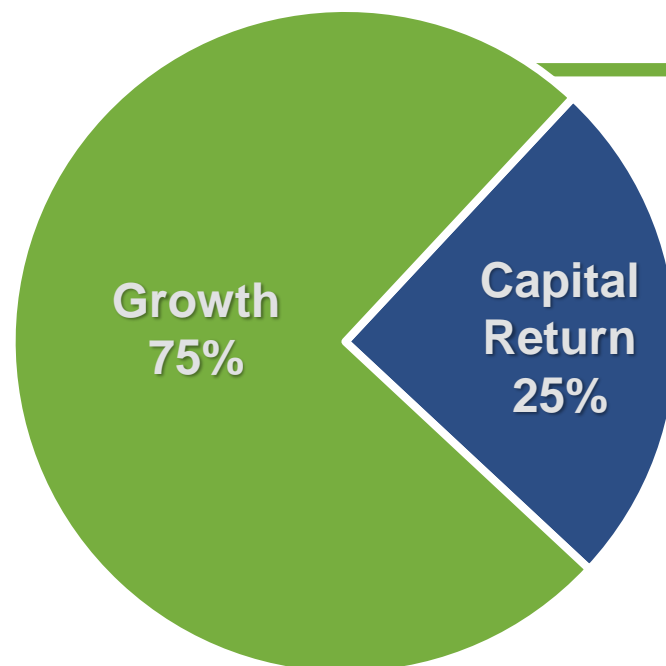
2014 to 2023 (Cumulative)

Free Cash Flow⁽¹⁾
\$1,184M

Total Acquisitions
\$711M

Capital Return
\$402M

Allocation of Free Cash Flow



GROWTH THROUGH STRATEGIC ACQUISITIONS: ~75%

- M&A Engine with a disciplined process
- Solid track record in deploying capital to value creating acquisitions
- Building a solid funnel of targets
- Target net debt leverage at less than 3.0x for the right deal
- Increase liquidity with convertible note offering

SHARE REPURCHASE AND DIVIDEND PROGRAM: ~25%

- Opportunistic repurchase program to take advantage of market volatility
- Quarterly dividend program at \$0.10/share



Strong Balance Sheet
supports continued inorganic growth

CONVERTIBLE NOTE ENABLES FLEXIBILITY FOR GROWTH

CURRENT CAPITALIZATION

(\$ in millions)	Current 12/31/23	Leverage ⁽³⁾ (x Adj. EBITDA)	Coupon	Maturity / Expiration ⁽⁴⁾
Cash	\$1,044.6			
Term Loan A due 2026	\$355.0	1.4x	SOFR + 75	Sep-26
*SWAP fixed portion of Term A	\$220.7	—	1.17%	Sep-24
*Variable rate portion of Term A	\$134.3	—	6.17%	Sep-26
Revolving Credit Facility due 2026	—	—	SOFR + 75	Sep-26
Convertible Note due 2028	\$575.0	2.3x	2.50%	Sep-28
Gross Debt	\$930.0	3.8x		
Less: debt discount	\$14.3	—		
Net Debt ⁽²⁾	(\$128.9)	(0.5x)		

USE OF PROCEEDS

STRATEGIC ACQUISITIONS

- Strong track record of accretive acquisitions
- Solid funnel of opportunities in a large, fragmented market
 - Small technology tuck-ins in Semi
 - Larger, high-value targets in Industrial & Medical
- Well defined acquisition criteria aligned with growth strategy
- Track record of de-levering after acquisitions

OPPORTUNISTIC REFINANCING

- Refinance and repay part or all of existing indebtedness
- Offset rising interest costs when SWAP expires in Sep-24
- Maintain balance sheet flexibility to invest in future growth

(1) Defined as Net Debt / LTM Adjusted EBITDA; Adjusted EBITDA is a non-GAAP measure, and detailed explanations of non-GAAP financials and reconciliations between GAAP and non-GAAP financials can be found at the end of this presentation

(2) Net Debt = Gross Debt less Debt Discount – Cash

(3) Defined as Pro Forma Debt / LTM Adjusted EBITDA

(4) The SWAP expires in September 2024

(5) LTM Adjusted EBITDA of \$245 million

STRONG PERFORMANCE THROUGH CYCLES

- **Good execution in 2023**

- Revenue of \$1.66 billion down 10% Y/Y, non-GAAP⁽¹⁾ EPS of \$4.88, record operating cash flow of \$213 million
- 2023 benefited from our diversification strategy, with revenue performance significantly improved from previous semi downturns and better than many of our semi sub-system peers

- **Investments in new products, channel strategy, and factory optimization yielding results**

- Launched 20 new products in 2023, including game-changing platforms such as eVoS™, eVerest™ and NeoPower
- Achieved record number of design wins in the Semiconductor, Industrial and Medical markets
- Launched new digital platform in 2023, with web traffic and engagement levels > 2X in six months
- Completed closure of 2 small factories in Q4, in addition to Shenzhen closure in Q1

- **Market weakness in 1H 2024, but expect 2H 2024 to improve and 2025 to further strengthen**

- Sluggish demand across our markets in Q1'24, but we see early signs that markets will improve
- Expect revenue 2H'24 > 1H'24 and Q4'24 at >\$400M as market recovers and new programs kick in

- **Continue to execute on strategic focus areas in 2024**

- Maintain momentum in new product launches and design wins
- Broaden our customer base and expand presence at existing customers with channel strategy and website
- Continue to improve operational efficiency, optimize manufacturing footprint, and control costs
- Leverage strong balance sheet to continue to look for inorganic growth opportunities

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PRECISION POWER LEADER FOR THE DIGITAL ECONOMY



PURE PLAY POWER LEADER

Strategic focus on precision power ensures sustainable advantage and scale



OUTPERFORMING MARKETS

Track record of broadening market reach, growing share and adding content



PROPRIETARY SOLUTIONS

Lead with differentiated, highly-engineered, high value products and technologies



ACCELERATING EARNINGS

Capture long life-cycle revenues and optimize margins to target growing EPS at >2X faster than revenue

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THANK YOU

ENVIRONMENT, SOCIAL AND GOVERNANCE



In 2022, Advanced Energy launched the **ESG Working Group**, which is responsible for defining our ESG approach and advancing our ESG program

MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA

ENVIRONMENT

- Inventing Energy Efficient Products
- Implementing Energy Efficient Operations
- Reducing Waste

98%

Advanced Energy launched power conversion products for energy-intensive data center computing applications with conversion efficiency approaching 98%

86%

Total Waste Diversion Rate in our Asia Pacific factories

~35%

From 2014 to 2022, our factories in China and the Philippines reduced Scope 2 CO₂ emissions by 23,941 metric tonnes, a ~35% reduction from the base year.

SOCIAL

- Empowering Our People
- Engaging with Our Communities

~45%

Women comprise almost half of our global workforce

>85%

of employees are proud to work at AE based on 2022 employee survey

0.45

Total Recordable Incident Rate (TRIR) and 0.26 Loss Time Incidence Rate (LTIR)

345

Employees participated in our leadership development program in 2022

GOVERNANCE

- Enabling Effective Management
- Enhancing Transparency

90%

of our board members are independent, non-executive directors

30%

of our Board of Directors are women

4.6

years of average tenure for Board of Directors

2

Women leaders added to Advanced Energy's Executive Leadership Team in 2022

Q1 2024 GUIDANCE

(\$ in millions, except per share data)		Guidance
Revenue		\$350 +/- \$15
GAAP EPS from continuing operations		\$0.29 +/- \$0.20
Non-GAAP ⁽¹⁾ EPS		\$0.70 +/- \$0.20

(1) Detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials can be found at the end of this presentation

QUARTERLY NON-GAAP FINANCIALS⁽¹⁾

(figures in \$ millions, except percentage and EPS)

All figures from Continuing Operations

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Backlog	405.7	534.7	771.4	927.8	1,012.4	1,166.5	1,093.0	875.3	755.9	644.7	514.5	406.8
Revenue	351.6	361.3	346.1	396.9	397.5	440.9	516.3	490.7	425.0	415.5	410.0	405.3
Gross Profit	139.7	137.3	124.9	141.0	145.3	163.8	193.4	179.4	156.5	147.8	148.2	144.5
Gross Margin	39.7%	38.0%	36.1%	35.5%	36.6%	37.1%	37.5%	36.6%	36.8%	35.6%	36.1%	35.7%
Total OPEX	79.5	82.6	83.6	86.1	87.6	94.2	99.8	100.9	99.7	98.5	97.3	94.9
OPEX %	22.6%	22.9%	24.2%	21.7%	22.0%	21.4%	19.3%	20.6%	23.5%	23.7%	23.7%	23.4%
Operating Income	60.2	54.7	41.2	54.8	57.8	69.6	93.6	78.5	56.8	49.3	50.9	49.7
Operating Income %	17.1%	15.1%	11.9%	13.8%	14.5%	15.8%	18.1%	16.0%	13.4%	11.9%	12.4%	12.3%
Depreciation	7.3	7.5	7.9	8.1	8.4	8.5	8.5	8.8	9.5	9.4	9.7	9.7
EBITDA⁽²⁾	67.6	62.2	49.1	63.0	66.1	78.1	102.1	87.3	66.3	58.7	60.7	59.4
EBITDA %	19.2%	17.2%	14.2%	15.9%	16.6%	17.7%	19.8%	17.8%	15.6%	14.1%	14.8%	14.6%
Other Income/(Expense)	(2.6)	(1.9)	(1.7)	(2.5)	(2.1)	(2.2)	(1.9)	(1.1)	0.5	0.2	1.3	5.2
Income Before Taxes	57.6	52.8	39.6	52.3	55.6	67.4	91.7	77.4	57.3	49.5	52.3	54.8
Tax Provision/(Benefit)	7.9	4.7	5.6	0.9	8.9	13.1	12.1	13.2	10.4	7.6	3.8	8.1
Tax Rate	13.7%	8.9%	14.0%	1.6%	16.0%	19.4%	13.2%	17.0%	18.1%	15.3%	7.2%	14.8%
Non-GAAP Net Income	49.7	48.1	34.0	51.5	46.7	54.3	79.6	64.2	47.0	41.9	48.5	46.7
Net Income %	14.1%	13.3%	9.8%	13.0%	11.8%	12.3%	15.4%	13.1%	11.1%	10.1%	11.8%	11.5%
Non-GAAP EPS	1.29	1.25	0.89	1.36	1.24	1.44	2.12	1.70	\$1.24	\$1.11	\$1.28	\$1.24
Average Shares Outstanding	38.6	38.6	38.4	37.9	37.8	37.7	37.6	37.7	37.8	37.8	37.9	37.6

NON-GAAP MEASURES

Advanced Energy's non-GAAP measures exclude the impact of non-cash related charges such as stock-based compensation, amortization of intangible assets, and long-term unrealized foreign exchange gains and losses, as well as discontinued operations, and non-recurring items such as acquisition-related costs, facility expansion and related costs, restructuring, asset impairments, and other charges, as they are not indicative of future performance. The tax effect of our non-GAAP adjustments represents the anticipated annual tax rate applied to each non-GAAP adjustment after consideration of their respective book and tax treatments. In addition, the tax effect also includes a discrete tax benefit associated with the release of a portion of our deferred tax asset valuation allowance.

The non-GAAP measures included in this presentation are not in accordance with, or an alternative for, similar measures calculated under generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. We believe that these non-GAAP measures provide useful information to management and investors to evaluate business performance without the impacts of certain non-cash charges, non-economic foreign currency remeasurements, and other cash charges which are not part of our usual operations. We use these non-GAAP measures to assess performance against business objectives, make business decisions, develop budgets, forecast future periods, assess trends, and evaluate financial impacts of various scenarios. In addition, management's incentive plans include these non-GAAP measures as criteria for achievements. Additionally, we believe that these non-GAAP measures, in combination with its financial results calculated in accordance with GAAP, provide investors with additional perspective. To gain a complete picture of all effects on our financial results from any and all events, management does (and investors should) rely upon the GAAP measures as well, as the items excluded from non-GAAP measures may contribute to not accurately reflecting the underlying performance of the company's continuing operations for the period in which they are incurred. Furthermore, the use of non-GAAP measures has limitations in that such measures do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP, and these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

NON-GAAP RECONCILIATION

(\$ in thousands, except percentage and \$ per share)

Reconciliation of Non-GAAP measure - operating expenses and operating income, excluding certain items

	Three Months Ended		September 30,		Year Ended
	December 31,		2023		December 31,
	2023	2022	2023	2023	2022
Gross profit from continuing operations, as reported	\$ 142,866	\$ 177,814	\$ 147,341	\$ 592,398	\$ 675,506
Adjustments to gross profit:					
Stock-based compensation	472	391	615	2,059	1,478
Facility expansion, relocation costs and other	1,146	1,162	171	2,334	5,295
Acquisition-related costs	44	73	44	238	(299)
Non-GAAP gross profit	<u>144,528</u>	<u>179,440</u>	<u>148,171</u>	<u>597,029</u>	<u>681,980</u>
Non-GAAP gross margin	35.7%	36.6%	36.1%	36.1%	37.0%
Operating expenses from continuing operations, as reported	129,096	119,713	117,280	478,704	442,411
Adjustments:					
Amortization of intangible assets	(7,068)	(7,033)	(7,049)	(28,254)	(26,114)
Stock-based compensation	(7,716)	(4,450)	(7,460)	(28,942)	(18,371)
Acquisition-related costs	(1,372)	(1,660)	(611)	(4,026)	(8,637)
Facility expansion, relocation costs and other	—	—	(189)	(189)	—
Restructuring, asset impairments, and other charges	(18,071)	(5,636)	(4,709)	(26,977)	(6,814)
Non-GAAP operating expenses	<u>94,869</u>	<u>100,934</u>	<u>97,262</u>	<u>390,316</u>	<u>382,475</u>
Non-GAAP operating income	<u>\$ 49,659</u>	<u>\$ 78,506</u>	<u>\$ 50,909</u>	<u>\$ 206,713</u>	<u>\$ 299,505</u>
Non-GAAP operating margin	12.3%	16.0%	12.4%	12.5%	16.2%

Reconciliation of Non-GAAP measure - income excluding certain items

	Three Months Ended		September 30,		Year Ended
	December 31,		2023		December 31,
	2023	2022	2023	2023	2022
Income from continuing operations, less non-controlling interest, net of income tax	\$ 37,891	\$ 45,345	\$ 33,651	\$ 130,749	\$ 201,875
Adjustments:					
Amortization of intangible assets	7,068	7,033	7,049	28,254	26,114
Acquisition-related costs	1,416	1,733	655	4,264	8,338
Facility expansion, relocation costs, and other	1,146	1,162	360	2,523	5,295
Restructuring, asset impairments, and other charges	18,071	5,636	4,709	26,977	6,814
Unrealized foreign currency gain	2,728	5,378	(1,604)	(89)	(7,645)
Acquisition-related costs and other included in other income (expense), net	—	(3,817)	(1,516)	(1,516)	(8,417)
Tax effect of non-GAAP adjustments, including certain discrete tax benefits	(28,030)	(2,042)	(1,101)	(31,303)	(3,008)
Non-GAAP income, net of income tax, excluding stock-based compensation	40,290	60,428	42,203	159,859	229,366
Stock-based compensation, net of tax	6,387	3,776	6,299	24,181	15,444
Non-GAAP income, net of income tax	<u>\$ 46,677</u>	<u>\$ 64,204</u>	<u>\$ 48,502</u>	<u>\$ 184,040</u>	<u>\$ 244,810</u>

Reconciliation of non-GAAP measure - per share earnings excluding certain items

	Three Months Ended		September 30,		Year Ended
	December 31,		2023		December 31,
	2023	2022	2023	2023	2022
Diluted earnings per share from continuing operations, as reported	\$ 1.01	\$ 1.20	\$ 0.89	\$ 3.46	\$ 5.35
Add back:					
Per share impact of non-GAAP adjustments, net of tax	0.23	0.50	0.39	1.42	1.14
Non-GAAP earnings per share	<u>\$ 1.24</u>	<u>\$ 1.70</u>	<u>\$ 1.28</u>	<u>\$ 4.88</u>	<u>\$ 6.49</u>

NON-GAAP RECONCILIATION

(\$ in thousands, except percentage and \$ per share)

Reconciliation of Non-GAAP measure - operating expenses and operating income, excluding certain items

	Year Ended December 31,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross profit from continuing operations, as reported	\$ 216,870	\$ 253,147	\$ 356,381	\$ 365,607	\$ 315,652	\$ 541,869	\$ 532,322	\$ 675,506	\$ 592,398
Adjustments to gross profit:									
Stock-based compensation		351	1,394	742	525	567	764	1,478	2,059
Facility expansion, relocation costs and other				1,328	3,891	4,349	6,189	5,295	2,334
Acquisition-related costs				569	8,290	5,381	3,585	(299)	238
Non-GAAP gross profit	216,870	253,498	357,775	368,246	328,358	552,166	542,860	681,980	597,029
Non-GAAP gross margin	52.3%	52.4%	53.3%	51.2%	41.6%	39.0%	37.3%	37.0%	36.1%
Operating expenses from continuing operations, as reported	110,214	126,290	155,611	194,054	261,264	365,846	380,641	442,411	478,704
Adjustments:									
Amortization of intangible assets	(4,368)	(4,167)	(4,350)	(5,774)	(12,168)	(20,129)	(22,060)	(26,114)	(28,254)
Stock-based compensation	(2,810)	(5,981)	(11,155)	(8,961)	(6,803)	(11,705)	(14,975)	(18,371)	(28,942)
Acquisition-related costs			(150)	(1,726)	(12,002)	(10,209)	(6,803)	(8,637)	(4,026)
Facility expansion, relocation costs and other				(518)	(948)	(2,213)	(229)	—	(189)
Restructuring	(197)			(4,239)	(5,038)	(13,166)	(4,752)	(6,814)	(26,977)
Non-GAAP operating expenses	102,839	116,142	139,956	172,836	224,305	308,424	331,822	382,475	390,316
Non-GAAP operating expenses as % of revenue	24.8%	24.0%	20.9%	24.0%	28.4%	21.8%	22.8%	20.7%	23.6%
Non-GAAP operating income	\$ 114,031	\$ 137,356	\$ 217,819	\$ 195,410	\$ 104,053	\$ 243,742	\$ 211,038	\$ 299,505	\$ 206,713
Non-GAAP operating margin	27.5%	28.4%	32.5%	27.2%	13.2%	17.2%	14.5%	16.2%	12.5%

NON-GAAP RECONCILIATION

(\$ in thousands, except percentage and \$ per share)

Reconciliation of Non-GAAP measure - income excluding certain items

certain items	Year Ended December 31,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Income from continuing operations, less non-controlling interest, net of income taxes	\$ 83,482	\$ 116,948	\$ 136,101	\$ 147,063	\$ 56,461	\$ 135,096	\$ 134,663	\$ 201,875	\$ 130,749
Adjustments:									
Amortization of intangible assets	4,368	4,167	4,350	5,774	12,168	20,129	22,060	26,114	28,254
Acquisition-related costs			150	2,295	20,292	15,590	10,388	8,338	4,264
Facility expansion, relocation costs, and other				1,846	4,838	6,562	6,418	5,295	2,523
Restructuring	197			4,239	5,038	13,166	4,752	6,814	26,977
Unrealized foreign currency (gain) loss			3,489		—	8,384	(3,543)	(7,645)	(89)
Acquisition-related costs and other included in other (income) expense, net			—		(29)	716	(2,186)	(8,417)	(1,516)
Other charges			40,163	5,703	(13,737)				
Tax effect of non-GAAP adjustments	(1,589)	(2,854)	(5,264)	(4,626)	3,206	(7,611)	(1,346)	(3,008)	(31,303)
Non-GAAP income, net of income taxes, excluding stock-based compensation	86,458	118,261	178,989	162,294	88,237	192,032	171,206	229,366	159,859
Stock-based compensation, net of taxes	2,810	6,332	12,549	9,703	5,627	9,418	12,042	15,444	24,181
Non-GAAP income, net of income taxes	\$ 89,268	\$ 124,593	\$ 191,538	\$ 171,997	\$ 93,864	\$ 201,450	\$ 183,248	\$ 244,810	\$ 184,040

Reconciliation of non-GAAP measure - per share earnings excluding certain items

earnings excluding certain items	Year Ended December 31,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Diluted earnings per share from continuing operations, as reported	\$ 2.03	\$ 2.92	\$ 3.39	\$ 3.74	\$ 1.47	\$ 3.51	\$ 3.51	\$ 5.35	\$ 5.35
Add back:									
Per share impact of non-GAAP adjustments, net of tax	0.14	0.19	1.37	0.63	0.97	1.72	1.27	1.14	1.14
Non-GAAP earnings per share	\$ 2.17	\$ 3.11	\$ 4.77	\$ 4.37	\$ 2.44	\$ 5.23	\$ 4.78	\$ 6.49	\$ 6.49

Q1 2024 RECONCILIATION OF GAAP TO NON-GAAP GUIDANCE

(\$ in millions, except per share data)		Low End	Midpoint	High End
Revenue		\$335	\$350	\$365
Reconciliation of Non-GAAP EPS				
GAAP EPS	\$	0.09	\$	0.29
Stock-based compensation		0.24	0.24	0.24
Amortization of intangible assets		0.19	0.19	0.19
Restructuring and other		0.06	0.06	0.06
Tax effects of excluded items		(0.08)	(0.08)	(0.08)
Non-GAAP⁽¹⁾ EPS	\$	0.50	\$	0.70
			\$	0.90