

Fiscal second quarter 2022 financial results

April 28, 2022

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, future business outlook and the impact of COVID-19 on the Company's business and the results of operations. 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 02, 2021, as supplemented by our form 10-Q filings, and the Safe Harbor and Fair Disclosure statement in yesterday's press release.

Fiscal second quarter results

	Q2F22 Results	Q2F22 Guidance	Q1F22 Results
Revenue ($ millions)	$889	$820 to $860	$817
GAAP Diluted EPS	$0.95(1)	$0.76 to $0.92(2)	$0.82(3)

- Revenue and GAAP EPS exceeded expectations
- IND and HC/LS strengthened due to resolving constrained materials
- A/D delivered strong growth due to recovering commercial aerospace demand
- Near record MFG wins of $313M; Record trailing four quarter wins of more than $1.1B
- Funnel of qualified MFG opportunities at a record $3.4B

(1) Includes $0.21 of stock-based compensation expense
(2) Includes $0.23 of stock-based compensation expense
(3) Includes $0.06 in restructuring charges and $0.22 of stock-based compensation expense

Fiscal 2022 third quarter guidance

REVENUE GUIDE

- Strong demand across all market sectors
- Supply chain constraints limiting upside
- New program ramps driving growth

EPS GUIDE

- Positive leverage of infrastructure from increased revenue
- GAAP operating margin of 4.4% to 4.9%, including approximately 65 bps of stock-based compensation expense

FISCAL 2022/2023 OUTLOOK

- Bangkok site completing qualification builds in Q3F22
- Sequential revenue and GAAP EPS growth through the remainder of fiscal 2022 and into fiscal 2023

	Q3F22 Guidance
Revenue	$885 to $925 million
GAAP Diluted EPS	$1.02 to $1.18*

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

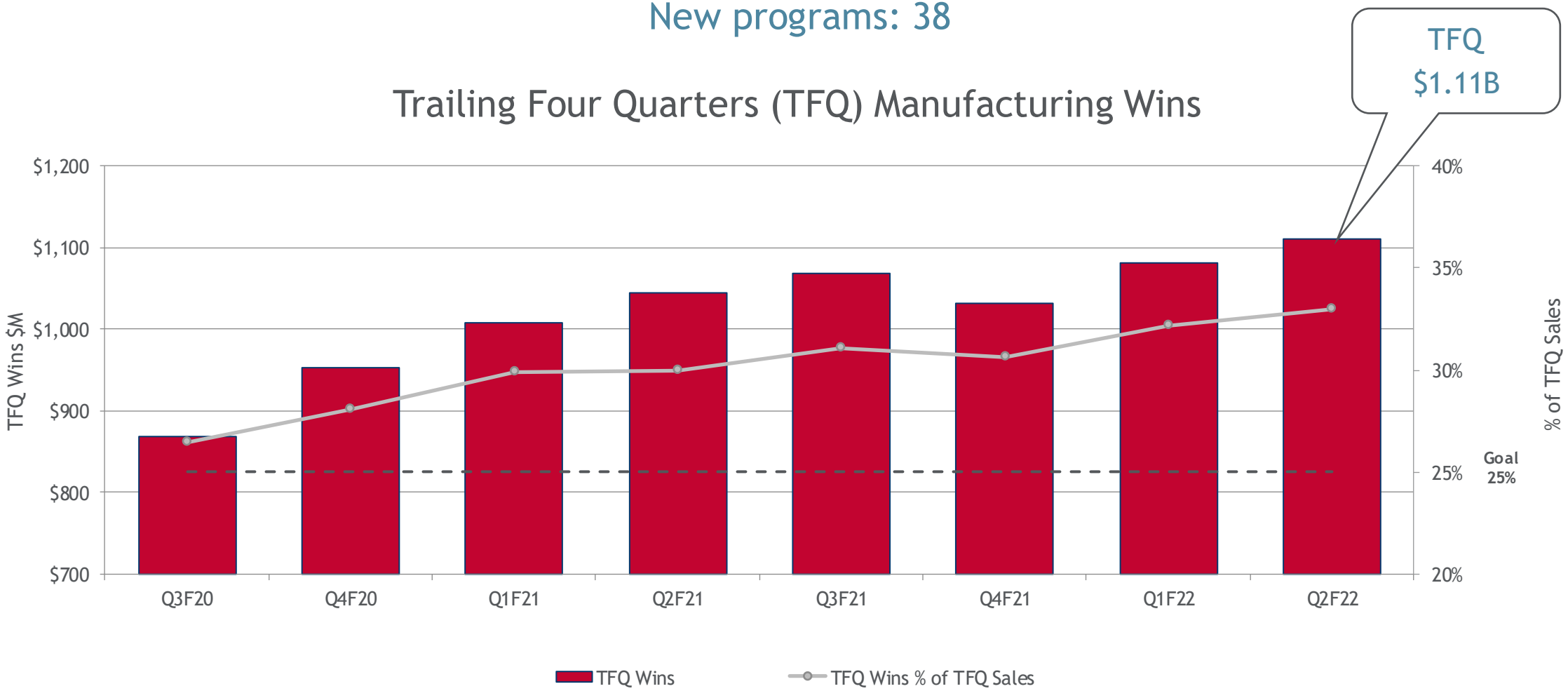
Performance by sector

	Q2F22 Apr 2, 2022		Q1F22 Jan 1, 2022		Q2F22 vs. Q1F22	Q3F22 Expectations (percentage points)
Industrial	$415	47%	$364	45%	+ 14%	Flat to up low single
Healthcare and Life Sciences	$353	40%	$344	42%	+ 3%	Up mid single
Aerospace and Defense	$121	13%	$109	13%	+ 11%	Flat to up low single
Total Revenue	$889	100%	$817	100%	+ 9%	

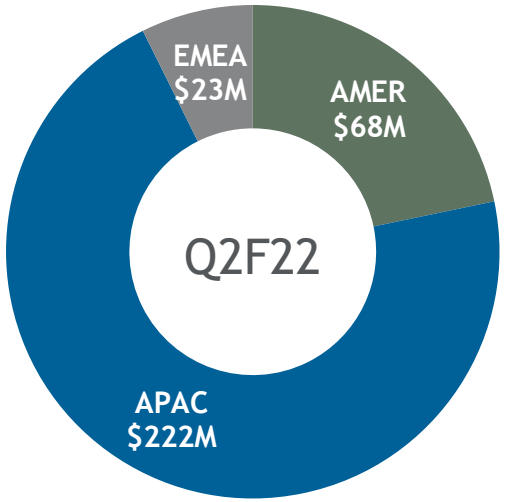
Revenue in millions

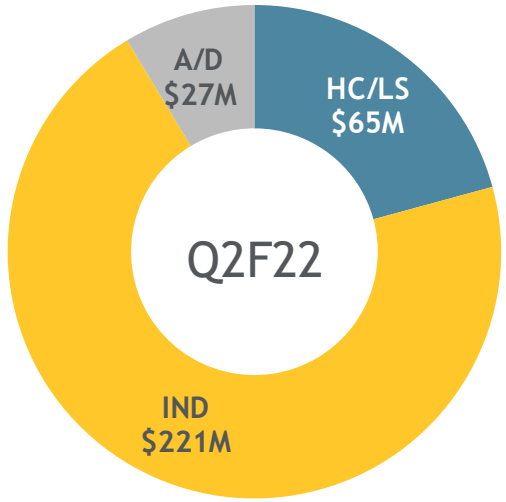
Manufacturing wins

Q2F22 wins: $313M
New programs: 38



Manufacturing wins by region and sector





Regional and Sector Highlights

- Exceptional IND wins of $221M
- New Thailand facility secures anchor program
- APAC regional wins very healthy at $222M
- Customers resuming travel to S.E. Asia

Fiscal second quarter wins highlights

SEMICAP EQUIPMENT (IND)

- High performance back-end processing equipment
- Production location: Bangkok, Thailand

CABLE ACCESS PRODUCT (IND)

- Next generation distributed architecture
- Production location: Guadalajara, Mexico

CONTRAST DOSE MANAGEMENT DEVICE (HC/LS)

- Supports advanced imaging procedures
- Production location: Penang, Malaysia

AFTERMARKET SERVICES (HC/LS)

- Global service and repair
- Initial location: Guadalajara, Mexico

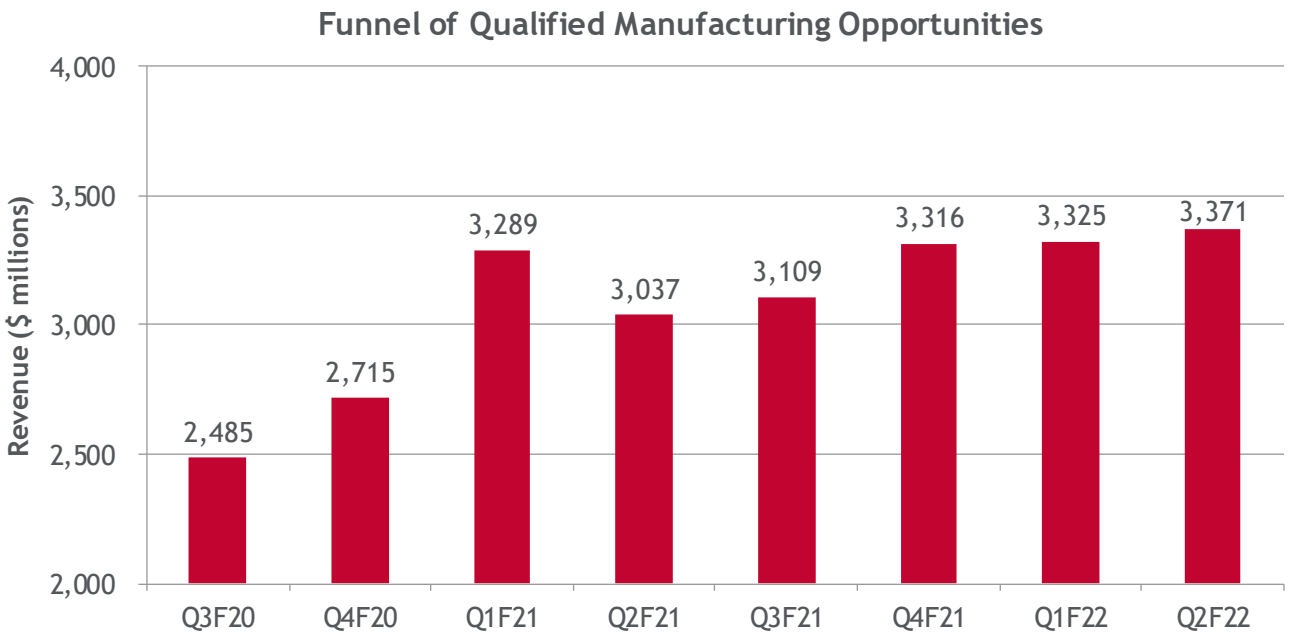
ULTRASOUND MACHINE (HC/LS)

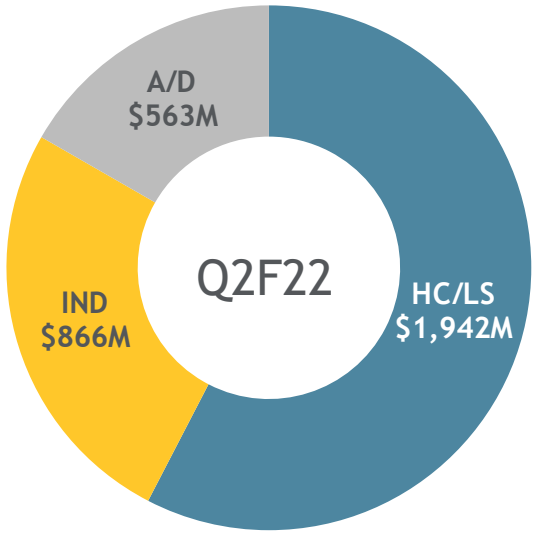
- Market share gain with current customer
- Production location: Penang, Malaysia

COCKPIT CONTROL SYSTEM (A/D)

- Life support system
- Production location: Penang, Malaysia

Manufacturing funnel





Qualified manufacturing funnel reaches a new record level of almost $3.4B



ESG initiative - reduction of electricity consumption

- Component of executive compensation
- Goal of 5% reduction in F22
- Sub-metering installed in manufacturing facilities
- On-track to achieve objective for F22
- Reductions expected to continue in future years

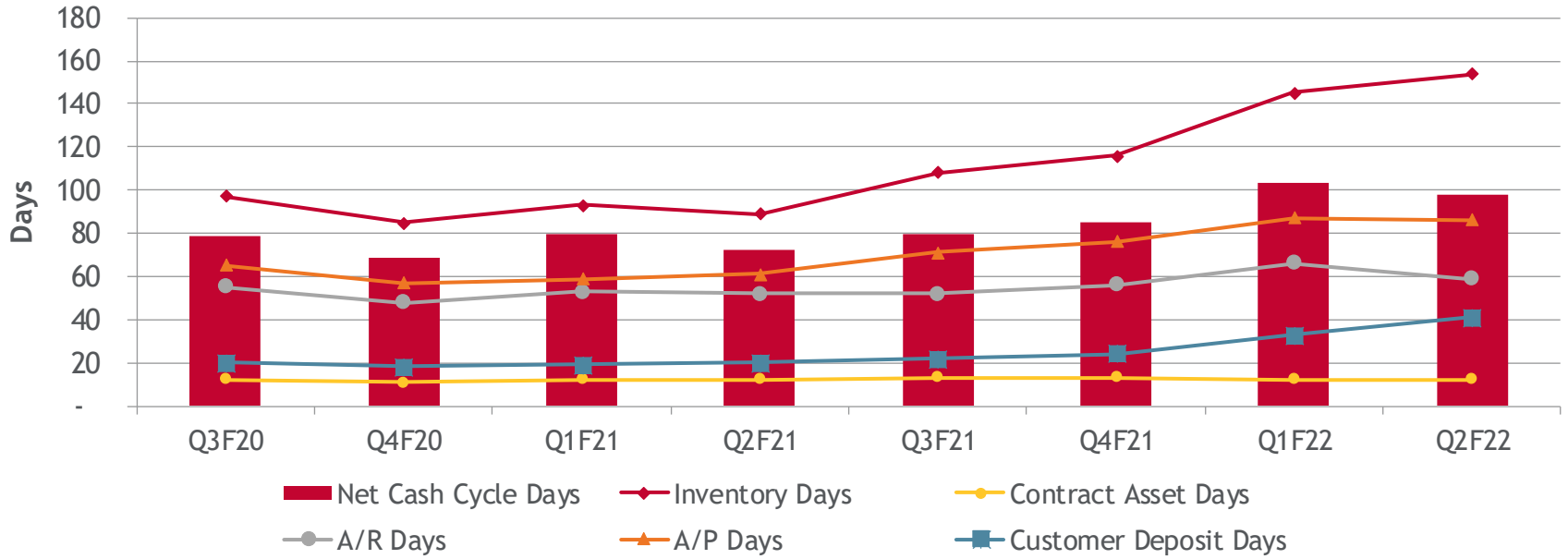
Income statement

	Q2F22	Comments
Revenue	$889 million	Above guidance range of $820 to $860 million
Gross margin	8.6%	At high end of guidance range of 8.2% to 8.6%
Selling & administrative expenses	$40.7 million	Above guidance range of $38.5 to $39.5 million
GAAP operating margin	4.0%	At high end of guidance range of 3.6% to 4.0%
Non-operating expenses	$4.5 million	Above guidance range of $3.8 to $4.2 million
GAAP diluted EPS	$0.95	Above guidance range of $0.76 to $0.92

Cash flow and balance sheet

	Q2F22	Comments
Free cash flow	$53 million	Cash from operations: $84 million Capital expenditures: $31 million
Share repurchases	$25 million	Approx. 306,000 shares at an average price of $81.79 per share
Cash balance	$309 million	Sequentially higher by $90 million
Total debt	$408 million	Gross debt to EBITDA ratio of 1.8x
Return on invested capital	10.2%	90 basis points above fiscal 2022 WACC of 9.3%
Cash cycle days	98 days	Below guidance range of 107 to 111 days

Working capital trends



	Q3F20	Q4F20	Q1F21	Q2F21	Q3F21	Q4F21	Q1F22	Q2F22
Inventory Days	97	85	93	89	108	116	145	154
Contract Asset Days	12	11	12	12	13	13	12	12
A/R Days	55	48	53	52	52	56	66	59
A/P Days	65	57	59	61	71	76	87	86
Customer Deposit Days	20	18	19	20	22	24	33	41
Net Cash Cycle Days	79	69	80	72	80	85	103	98

Fiscal third quarter 2022 guidance

	Guidance
Revenue	$885 to $925 million
GAAP diluted EPS	$1.02 to $1.18
Gross margin	8.9% to 9.3%
Selling & administrative expenses	$40.0 to $41.0 million
GAAP operating margin	4.4% to 4.9%
Depreciation and amortization	Approximately $16.5 million
Non-operating expenses	$5.1 to $5.5 million
Effective tax rate	14% to 16%
Diluted weighted average shares outstanding	Approximately 28.5 million
Cash cycle days	100 to 104 days


Q&A
Thank you.