

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): April 5, 2022

MKS Instruments, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction
of incorporation)

000-23621
(Commission
File Number)

04-2277512
(I.R.S. Employer
Identification No.)

**2 Tech Drive, Suite 201, Andover,
Massachusetts**
(Address of principal executive offices)

01810
(Zip Code)

Registrant's telephone number, including area code: 978-645-5500

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	MKSI	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

EXPLANATORY NOTE

As previously disclosed in the Current Reports on Form 8-K filed on July 1, 2021, October 29, 2021 and April 1, 2022 by MKS Instruments, Inc., a Massachusetts corporation (the “Company” or “MKS”), the Company entered into that certain Implementation Agreement by and between the Company, Atotech Manufacturing, Inc., an indirect wholly-owned subsidiary of the Company (“Atotech Manufacturing”) and Atotech Limited, a registered public company incorporated under the laws of the Bailiwick of Jersey (“Atotech”), dated as of July 1, 2021, as amended to the date hereof (the “Implementation Agreement”), pursuant to which, among other things, the parties set forth the terms and conditions on which they would implement the acquisition of Atotech by the Company and Atotech Manufacturing (the “Acquisition”).

This Current Report on Form 8-K is being filed in connection with the proposed syndication of a \$4.25 billion term loan B credit facility (with a portion thereof to be denominated in Euro), a \$1 billion term loan A credit facility and a \$500 million revolving credit facility in connection with the pending Acquisition (collectively, the “Credit Facilities”).

Item 7.01 Regulation FD Disclosure.

On April 5, 2022, the Company will provide certain financial and other information, including the information attached as Exhibit 99.1 to this Current Report on Form 8-K, to prospective lenders (the “Lenders”) under the Credit Facilities.

The information contained in Exhibit 99.1 constitutes only a portion of the materials being made available to the Lenders and is intended to be considered in the context of the Company’s filings with the Securities and Exchange Commission and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company disclaims any intention or obligation to update or revise any such information as a result of developments occurring after the date of this Current Report on Form 8-K, except as required by law. The information contained in this Current Report on Form 8-K, including the information contained in Exhibit 99.1, does not constitute an offer to sell, or the solicitation of an offer to buy, any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Except as otherwise indicated, all financial information of MKS contained in Exhibit 99.1 has been reported in accordance with U.S. generally accepted accounting principles (“GAAP”) and all financial information of Atotech contained in Exhibit 99.1 has been reported in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The pro forma combined financial information contained in Exhibit 99.1 has not been prepared in accordance with Article 11 of Regulation S-X but rather represents a combination of MKS’ results with the results of Atotech and Photon Control. Except as otherwise stated in Exhibit 99.1, Atotech financial information has not been reconciled (a) from IFRS to GAAP in accordance with Regulation S-X or (b) to the accounting policies followed by MKS. Pro forma combined financial information pursuant to Article 11 of Regulation S-X and pro forma combined financial information prepared using Atotech’s financial information reconciled to GAAP could differ materially from the combined information presented in Exhibit 99.1.

The information contained in Exhibit 99.1 also includes MKS and Atotech financial measures that are not in accordance with GAAP (“Non-GAAP financial measures”) and Atotech financial measures that are not in accordance with IFRS (“Non-IFRS financial measures”), including, without limitation, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, Non-GAAP adjusted gross profit, Non-GAAP gross margin and Adjusted EBITDA less Capex. These Non-GAAP financial measures and Non-IFRS financial measures should be viewed in addition to, and not as a substitute for, MKS’ and Atotech’s reported GAAP and IFRS results, and may be different from Non-GAAP financial measures and Non-IFRS financial measures used by other companies. MKS management believes the presentation of these Non-GAAP financial measures and Non-IFRS financial measures is useful for comparing prior periods and analyzing ongoing business trends and operating results of both MKS and Atotech. In addition, certain Non-IFRS measures of Atotech and pro forma Non-GAAP measures of the combined company are presented with certain adjustments to align with GAAP and MKS financial reporting. Please see the Appendix at the end of Exhibit 99.1 for reconciliations of MKS’ Non-GAAP financial measures, Atotech’s Non-IFRS financial measures to the comparable GAAP and IFRS financial measures and such other adjustments.

The information in Item 7.01 of this Current Report on Form 8-K and Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 [Presentation slides provided on April 5, 2022](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K and Exhibit 99.1 contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding the proposed Acquisition, the ability to close the Acquisition, the impact of geopolitical events in Russia and Ukraine on operations, future financial and operating results and metrics for the combined company, benefits and synergies of the Acquisition, future opportunities for the combined company and other future expectations, beliefs, goals, plans or prospects. These statements are only predictions based on current assumptions and expectations. Any statements that are not statements of historical fact (including statements containing the words “will,” “projects,” “intends,” “believes,” “plans,” “anticipates,” “expects,” “estimates,” “forecasts,” “continues” and similar expressions) should be considered to be forward-looking statements. Actual events or results may differ materially from those in the forward-looking statements set forth in this Current Report on Form 8-K and Exhibit 99.1. Among the important factors that could cause actual events to differ materially from those in the forward-looking statements are: the ability of the parties to obtain the required regulatory approval of China’s State Administration for Market Regulation and meet other closing conditions required to complete the Acquisition, including the sanction of the Royal Court of Jersey; manufacturing and sourcing risks, including the impact and duration of supply chain disruptions, component shortages and price increases; the terms of MKS’ existing loan facilities; the terms and availability of financing for the Acquisition; the substantial indebtedness MKS expects to incur in connection with the Acquisition and the need to generate sufficient cash flows to service and repay such debt; MKS’ entry into Atotech’s chemicals technology business, in which MKS does not have experience and which may expose it to significant additional liabilities; risk of litigation relating to the Acquisition; unexpected costs, charges or expenses resulting from the Acquisition; the risk that disruption from the Acquisition materially and adversely affects the respective businesses and operations of MKS and Atotech; restrictions during the pendency of the Acquisition that impact MKS’ or Atotech’s ability to pursue certain business opportunities or other strategic transactions; the ability of MKS to realize the anticipated synergies, cost savings and other benefits of the Acquisition, including the risk that the anticipated benefits from the Acquisition may not be realized within the expected time period or at all; competition from larger or more established companies in MKS’ and Atotech’s respective markets; the ability of MKS to successfully grow its business and the businesses of Atotech, Photon Control Inc., which MKS acquired in July 2021, and Electro Scientific Industries, Inc., which MKS acquired in February 2019; potential adverse reactions or changes to business relationships resulting from the pendency or completion of the Acquisition; the ability of MKS to retain and hire key employees; legislative, regulatory and economic developments, including changing conditions affecting the markets in which MKS and Atotech operate, including the fluctuations in capital spending in the semiconductor industry and other advanced manufacturing markets, and fluctuations in sales to MKS’ and Atotech’s existing and prospective customers; the ability to anticipate and meet customer demand, the challenges, risks and costs involved with integrating the operations of the companies MKS acquires; the impact of the COVID-19 pandemic; potential fluctuations in quarterly results; dependence on new product development; rapid technological and market change; acquisition strategy; volatility of stock price; international operations; financial risk management, and the other factors described in MKS’ Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and any subsequent reports, and Atotech’s Annual Report on Form 20-F for the fiscal year ended December 31, 2020 and any subsequent reports on Form 6-K,

each as filed with the U.S. Securities and Exchange Commission. Projections, forecasts and assumptions as to future events are subject to significant uncertainties and contingencies (especially in light of impacts from COVID-19), many of which are beyond MKS' control. In addition, MKS does not currently control the operations of Atotech, and the information underlying the assumptions and forecasts with respect thereto is consequently more limited. As a result, no assurance can be given that any calculations, projections, or forecasts will be realized. Actual results during the periods covered by the projections and calculations that follow may differ significantly from the forecasted results and such differences may be material. MKS is under no obligation to, and expressly disclaims any obligation to, update or alter these forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Current Report on Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MKS Instruments, Inc.

Date: April 5, 2022

By: /s/ Kathleen F. Burke
Name: Kathleen F. Burke
Title: Senior Vice President, General Counsel and Secretary

Lender Presentation

MKS Instruments, Inc.

April 2022



SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding the proposed acquisition (the "Acquisition") by MKS Instruments, Inc. ("MKS") of Atotech Limited ("Atotech"), the ability to close the transaction, the impact of geopolitical events in Russia and Ukraine on operations, future financial and operating results and metrics for the combined company, benefits and synergies of the Acquisition, future opportunities for the combined company and other future expectations, beliefs, goals, plans or prospects. These statements are only predictions based on current assumptions and expectations. 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Projections, forecasts and assumptions as to future events are subject to significant uncertainties and contingencies (especially in light of impacts from COVID-19), many of which are beyond MKS' control. In addition, MKS does not currently control the operations of Atotech, and the information underlying the assumptions and forecasts with respect thereto is consequently more limited. As a result, no assurance can be given that any calculations, projections, or forecasts will be realized. Actual results during the periods covered by the projections and calculations that follow may differ significantly from the forecasted results and such differences may be material. MKS and Atotech are under no obligation to, and expressly disclaim any obligation to, update or alter these forward-looking statements, whether as a result of new information, future events or otherwise after the date of this presentation.



MKS PROPRIETARY

Financial Information; Presentation of Pro Forma Combined Information

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Uses of Non-GAAP and Non-IFRS Measures

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Today's Presenters



John T. C. Lee
President &
Chief Executive Officer
14+ years at MKS



Seth H. Bagshaw
Senior Vice President,
Chief Financial Officer & Treasurer
16+ years at MKS

Transaction Overview

- On July 1st, 2021, MKS Instruments, Inc. ("MKS") announced it entered into an agreement to acquire Atotech, Ltd. ("Atotech") for an equity value of ~\$5.1B⁽¹⁾
 - \$16.20 in cash per share and 0.0552 of a share of MKS common stock for each Atotech common share
 - On April 1st, 2022, MKS and Atotech agreed to extend the Implementation Agreement long-stop date to September 30, 2022 with no change to the purchase consideration
- The revised financing to support the acquisition is comprised of:
 - US\$500M 5-year senior secured revolving credit facility
 - US\$1,000M 5-year senior secured Term Loan A
 - US\$3,810M 7-year senior secured Term Loan B
 - EUR€400M 7-year senior secured Term Loan B
- Based on 12/31/21 LTM pro Forma Adj. EBITDA of \$1,349M, pro forma leverage will be 3.89x and 3.27x gross and net, respectively

⁽¹⁾ Based on MKS share price as of 07/01/2021

Sources & Uses and Pro Forma Capitalization

Sources of funds	(\$M)	Uses of funds	(\$M)
Cash from Balance Sheet	\$576	Purchase of equity ⁽¹⁾	\$4,824
Equity to Atotech shareholders ⁽¹⁾	1,625	Refinance MKS debt	824
New Term Loan A	1,000	Refinance Atotech debt	1,570
New USD Term Loan B	3,810	Total transaction fees and OID	236
New EUR Term Loan B	443		
Total sources	\$7,454	Total uses	\$7,454

Pro forma capitalization				
Capitalization (\$M)	Tenor	Amount	x LTM 12/31/21 Adj. EBITDA	% cap
Cash & Marketable Securities		\$839 ⁽²⁾		
New \$500M Revolving Credit Facility	5 years	-		
New Term Loan A	5 years	1,000		
New USD Term Loan B	7 years	3,810		
New EUR Term Loan B	7 years	443⁽³⁾		
Total debt		\$5,253	3.89x	34.5%
Total net debt		\$4,414	3.27x	
Market value of equity		9,953 ^{(1),(4)}		65.5%
Total capitalization		\$15,206		
Adj. EBITDA			\$1,349⁽⁵⁾	

⁽¹⁾ Based on MKS share price as 3/31/2022; ⁽²⁾ Pro forma cash, cash equivalents and short-term investments as of 12/31/21 less cash from the balance sheet used as a source of funds for the transaction; ⁽³⁾ Based on a EUR/USD exchange rate of 1.1067; ⁽⁴⁾ Pro forma diluted shares outstanding include approx. 55.5M existing MKS shares and approx. 10.8M additional MKS shares to be issued to Atotech shareholders; ⁽⁵⁾ Includes \$55M of expected annualized run-rate synergies. See appendix for a bridge to Non-GAAP pro forma Adjusted EBITDA.

Summary Terms and Conditions



Borrower	MKS Instruments, Inc. (the "Borrower")				
Guarantors	Borrower's direct and indirect domestic material subsidiaries, subject to exceptions usual and customary for transactions of this type (no change)				
Security	<ul style="list-style-type: none"> Perfected first lien priority security interest on substantially all assets of the Borrower and Guarantors 65% of the voting capital stock, and 100% of the non-voting capital stock, of any first-tier foreign subsidiary (no change) 				
Facility	Facility	Amount	Tenor	Price talk	Amortization
	Revolver	\$500M	5 years	S + CSA ¹ + 250 / 0.00% Floor / 99.75 OID	N/A
	Term Loan A	\$1,000M	5 years	S + CSA ¹ + 250 / 0.00% Floor / 99.75 OID	5% / 5% / 7.5% / 7.5% / 10.0%
	USD Term Loan B	\$3,810M	7 years	S + CSA ¹ + 300 / 0.50% Floor / 98.0 OID	1% per annum; bullet at maturity
	EUR Term Loan B	€400M	7 years	E+325 / 0.00% Floor / 98.0 OID	1% per annum; bullet at maturity
Ticking fees	<ul style="list-style-type: none"> USD Term Loan B: 0+ days: S + CSA¹ + Margin / 0.50% Floor, only payable if the deal closes EUR Term Loan B: 0+ days: E + Margin / 0.00% Floor, only payable if the deal closes 				
Call protection	<ul style="list-style-type: none"> Revolver: None Term Loan A: None Term Loan Bs: 101 soft call for 12 months 				
Mandatory prepayments	Usual and customary for transactions of this type				
Financial covenants	<ul style="list-style-type: none"> Revolver and Term Loan A: <ul style="list-style-type: none"> Total Net Leverage Ratio: 5.50x with 0.25x step-downs per year Cap on cash netting: For purposes of Maintenance Financial Covenant only, \$800 million while TLA outstanding; unlimited cash netting once TLA is repaid Covenant step-up: 0.50x from the then applicable Total Net Leverage Ratio Covenant for a material acquisition (not to exceed 5.50x), effective for 4 quarters after the acquisition Once TLA is repaid, reverts to springing covenant applicable only when 35% outstanding under the revolver Term Loan Bs: None 				
Negative covenants	Usual and customary for transactions of this type				
Admin Agent	J.P. Morgan				
Joint Lead Arrangers	J.P. Morgan, Barclays, Bank of America, HSBC, Citi, Mizuho				

Note: A fulsome marketing term sheet and credit agreement will be posted to Syndtrak. ¹ CSA of 10/15/25

Financing Timeline

April 2022						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

■ Key transaction date

Date	Event
April 5 th	■ Global lender call at 10am ET
April 8 th	■ Term Loan A and Term Loan B commitments due at 10am ET
Thereafter	■ Closing and funding following satisfaction of closing conditions, including receipt of regulatory approval from China and sanction of Royal Court of Jersey

Strategic
Rationale

John T.C. Lee

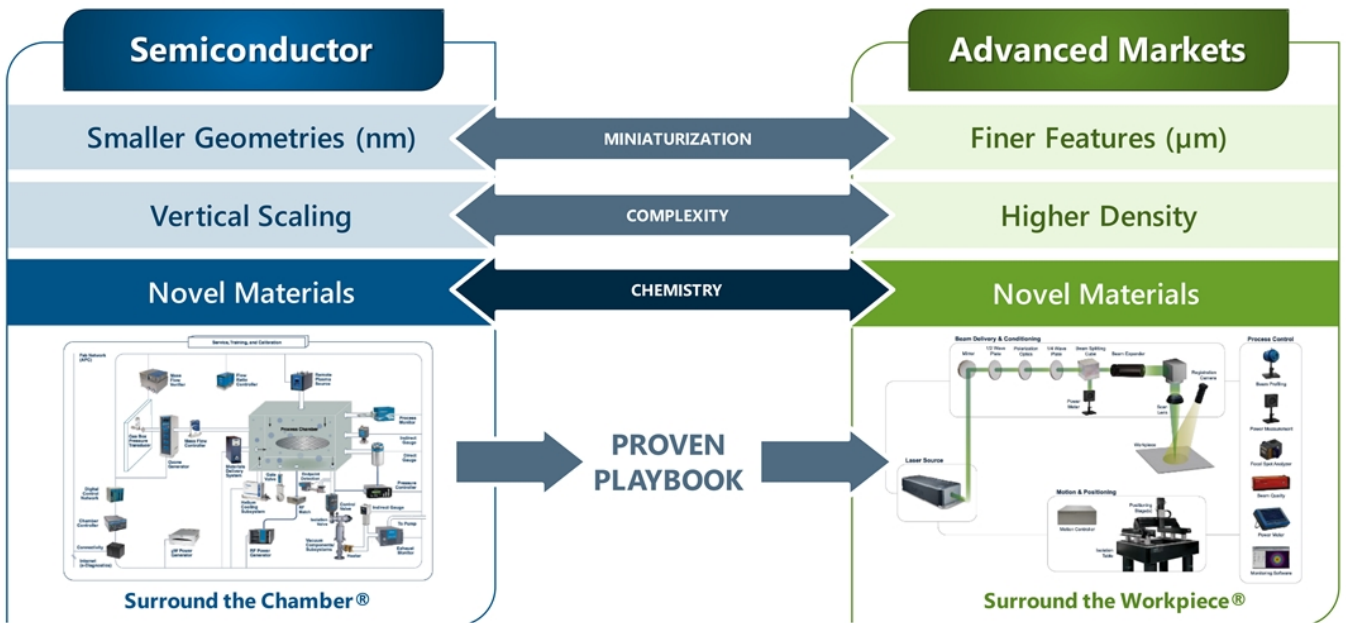




The Next Frontier in Miniaturization and Complexity is the Interconnection of chips, sensors, and devices

- **Broadens MKS' capabilities in Advanced Markets**
 - *Atotech is a global leader in electronics chemistry*
- **Positions MKS to accelerate customer roadmaps**
 - *Together the companies can optimize the interplay between chemical processes and via drilling to solve challenges on next-generation architectures*
- **Strengthens MKS' financial profile**
 - *Transaction adds attractive consumables revenue stream and opens new growth opportunities*

Chemistry Is Critical Enabler in the Markets MKS Serves



Optimization of the Interconnect is the Next Frontier for Miniaturization and Complexity

Diversifies Revenue & Provides Recurring Stable Cash Flows

MKS Standalone

Total Revenue	\$2.9B	
Revenue mix	<ul style="list-style-type: none"> 38% Semiconductor 62% Advanced Markets 	
Revenue streams	<ul style="list-style-type: none"> 13% Services 87% Equipment 	
Customer concentration	27%	Revenue contribution from AMAT/LAM
Profitability ⁽¹⁾	47%	% Non-GAAP Gross margin
	\$0.88B / 30%	Adj. EBITDA / Margin

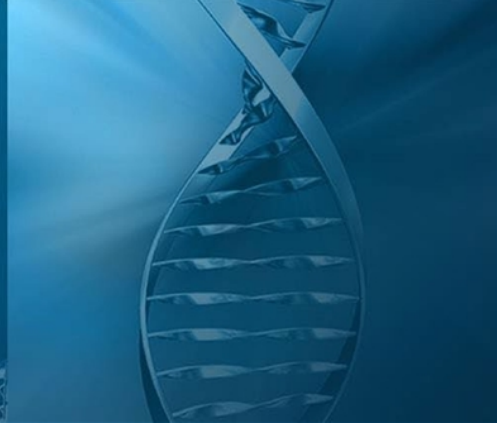
Pro Forma

Total Revenue	\$4.4B	
Revenue mix	<ul style="list-style-type: none"> 59% Semiconductor 41% Advanced Markets 	
Revenue streams	<ul style="list-style-type: none"> 29% Consumables 61% Services 10% Equipment 	
Customer concentration	18%	Revenue contribution from AMAT/LAM
Profitability ⁽¹⁾	48%	% Adj. Gross margin
	\$1.35B⁽²⁾ / 30%⁽²⁾	Adj. EBITDA / Margin

Note: Based on LTM 12/31/2021 results. See Appendix for Atotech adjustments and reconciliations for MKS Non-GAAP Gross margin and Adj. EBITDA; ⁽¹⁾ Atotech FY 2021 gross profit includes adjustments to align with MKS financial reporting. Atotech FY 2021 Adj. EBITDA adjusted from IFRS to GAAP basis; ⁽²⁾ Pro forma FY 2021 Adj. EBITDA include \$55M of expected annualized run-rate synergies.

Reduces Exposure to Semiconductor Market to ~40% and Adds Recurring Revenue With Strong Profitability

Update on
Regulatory
Approval and
Q4 2021
Performance



Update on China Regulatory Approvals

- MKS has agreed with Atotech to extend the date for completing MKS' previously announced and pending acquisition of Atotech to September 30, 2022 from March 31, 2022
 - At the request of China's State Administration for Market Regulation ("SAMR"), we filed the extension to allow additional time for regulatory approval
 - MKS and Atotech have been and continue to be actively engaged in constructive dialogue with SAMR
 - The transaction received approval by December 2021 from all 12 other required global antitrust regulatory authorities for which approval is a condition to closing
- Completion of the transaction, which is to be effected by means of a scheme of arrangement under the laws of the Bailiwick of Jersey, is also subject to obtaining the required sanction by the Royal Court of Jersey and the satisfaction of customary closing conditions

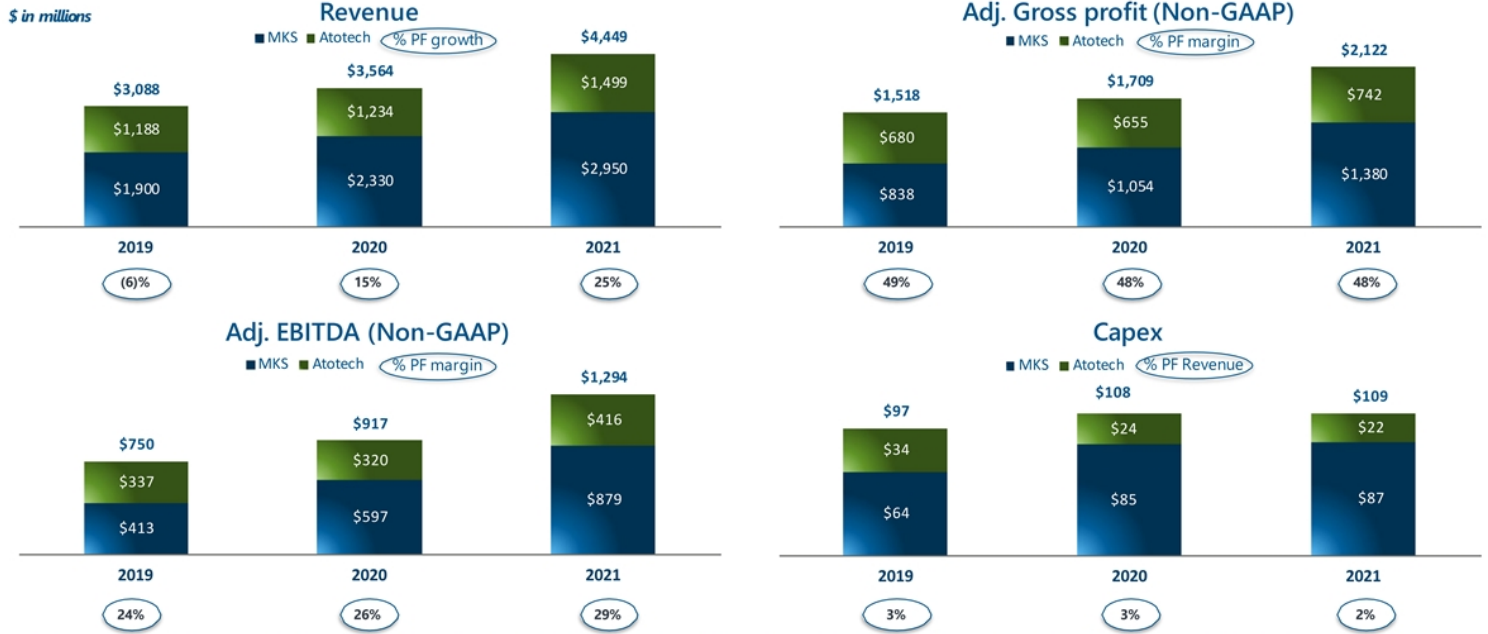
MKS Performance Update

- MKS reported a record year of revenue and profitability despite well-known global challenges in 2021. Fourth quarter 2021 results included:
 - Net revenues were a record \$764 million, up 16% year-over-year and up 3% sequentially
 - Net revenues in the Semiconductor Market set another record at \$495 million, up 26% year-over-year and up 1% sequentially, reflecting broad-based demand
 - Net revenues in Advanced Markets were \$269 million, up 1% year-over-year and up 6% sequentially
 - Net revenue split between Semiconductor and Advanced Markets was 65% and 35%, respectively
 - Gross margin was 46.4%, which exceeded the midpoint of guidance by 40 basis points and grew 70 basis points year-over-year
 - Adjusted EBITDA was \$228 million, resulting in adjusted EBITDA margin of 30%
- MKS' exposure to Ukraine and Russia is immaterial to operations and financial results, and is expected to be immaterial on a combined company basis as well

Atotech Performance Update

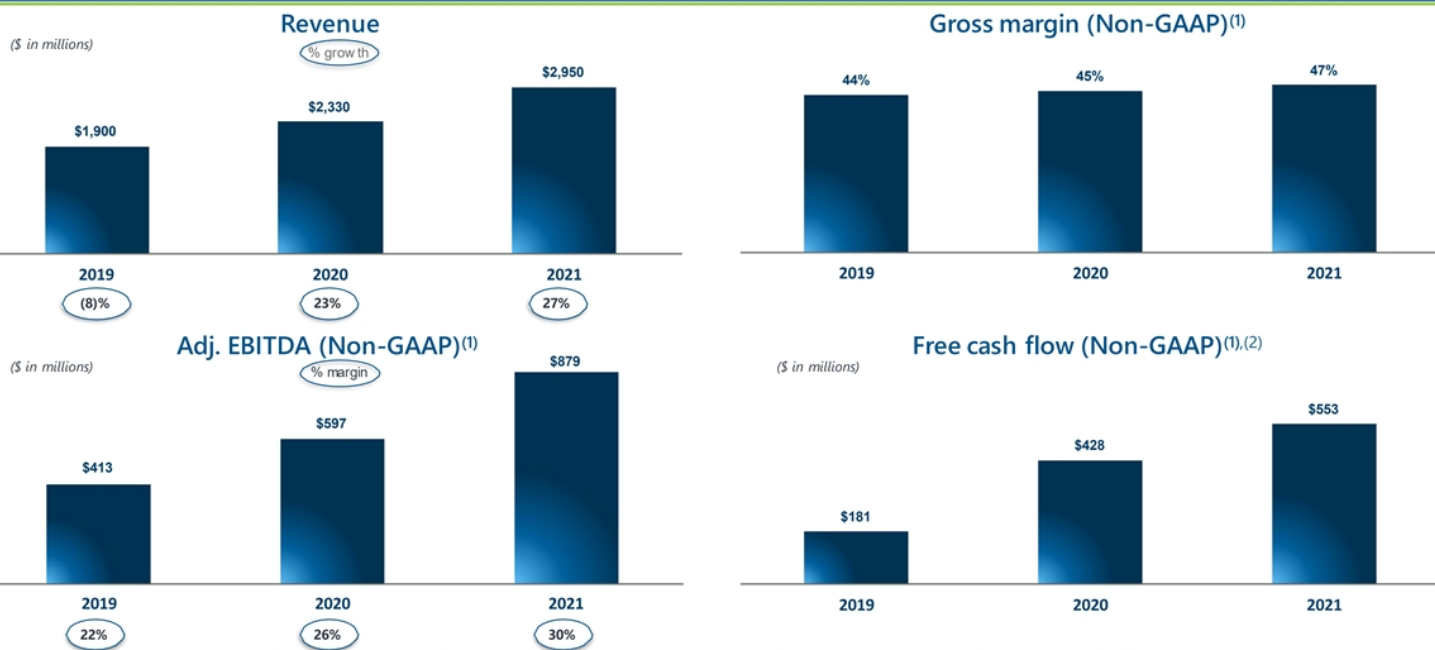
- Atotech earned record revenue in the fourth quarter driven by strong growth in advanced electronics chemistry and equipment solutions
- Total revenue was \$387 million for the fourth quarter of 2021, an increase of 6% over the prior-year period. Total organic revenue, which reflects total revenue excluding the impact of FX and palladium, increased 7%
- Electronics: Revenue for the fourth quarter of 2021 in the Electronics segment was \$254 million, an increase of 9% over the prior-year period. Total organic revenue grew 11%, consisting of 6% chemistry organic growth and a 32% increase in equipment organic revenue
 - The global build-out of production capacity for high-end applications translated into strong demand for Atotech equipment
- General Metal Finishing: Revenue for the fourth quarter of 2021 in the GMF segment was \$133 million, a decrease of 0.3% over the prior-year period. Total organic GMF revenue increased 1%, consisting of a 3% decline in chemistry organic revenue and 146% growth in organic revenue for equipment.
 - The decline in chemistry organic revenue was primarily due to a high comparison base in Q4 2020 after a strong recovery from the pandemic-depressed markets at the end of 2020, and continued impact of the chip shortage to automotive production worldwide.
- Adjusted EBITDA was \$118 million for the fourth quarter of 2021, an 11% increase over the prior-year period, reflecting the chemistry organic volume growth and a strong equipment business with many deliveries before year-end

Combined Pro Forma Financial Profile



Note: Atotech historical reported gross profit includes adjustments to align with MKS financial reporting. Atotech historical reported Adj. EBITDA and capex adjusted from IFRS to GAAP basis. See Appendix for Atotech's financial adjustments and reconciliations for MKS Non-GAAP financial measures.

MKS Historical Financial Performance



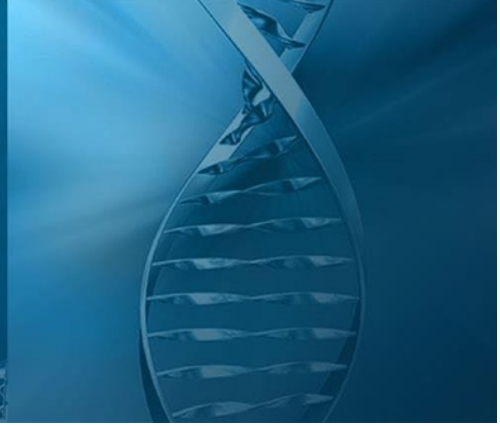
Note: 2019 and 2020 financials exclude Photon Control. 2021 financials include impact of Photon Control post close of acquisition on July 15, 2021; ⁽¹⁾ Non-GAAP financial measure. See appendix for reconciliations; ⁽²⁾ Free cash flow is net cash provided by operating activities less purchase of property plant and equipment.

Atotech Historical Financial Performance (IFRS Basis)





⁽¹⁾ Non-IFRS financial measures. See appendix for reconciliations; ⁽²⁾ Adj. EBITDA less plant and equipment additions plus Proceeds from disposals of property, plant and equipment.

Appendix



Bridge to Pro Forma 2021 Adjusted EBITDA



			Pro forma
EBITDA (in millions)	\$794.0	\$358.4	\$1,152.3
Stock-based compensation	36.7	-	36.7
COVID-19 related net adjustment	-	0.9	0.9
Acquisition and integration costs	29.8	-	29.8
Restructuring and other	11.1	(0.6)	10.5
Transaction related costs	-	19.9	19.9
Currency hedge loss	6.9	-	6.9
Foreign exchange loss, net	-	(13.0)	(13.0)
Management fee	-	2.6	2.6
Non-cash adjustments	-	89.8	89.8
Adj. EBITDA	\$878.5	\$458.0	1,336.5
IFRS-16 depreciation	-	(10.2)	(10.2)
Capitalized R&D Expense	-	(25.6)	(25.6)
Other adjustments	-	(6.6)	(6.6)
Adj. EBITDA (inc. IFRS to GAAP adjustments)	\$878.5	\$415.6	\$1,294.1
Estimated run-rate synergies			55.0
Adj. EBITDA (inc. estimated run-rate synergies)			\$1,349.1
% Adj. EBITDA margin (inc. estimated run-rate synergies)			30%

MKS Adj. Gross Margin Reconciliation (GAAP to Non-GAAP)

(in millions)	2019	2020	2021
Gross Profit	\$830.4	\$1,049.5	\$1,380.2
COVID-19 related net costs	-	0.3	-
Acquisition inventory step-up	7.6	-	-
Inventory charge related to exit of product groups	-	3.9	-
Non-GAAP Adj. Gross profit	\$838.0	\$1,053.7	\$1,380.2
Non-GAAP Adj. Gross margin	44.1%	45.2%	46.8%

MKS Adj. EBITDA Reconciliation (GAAP to Non-GAAP)

(in millions)	2019	2020	2021	Q4 2021
Net income	\$140.4	\$350.1	\$551.4	\$150.2
Interest expense, net	38.7	27.7	24.8	6.1
Provision for income taxes	37.4	72.9	114.1	28.4
Depreciation	41.3	44.0	48.4	12.8
Amortization	67.4	55.2	55.3	15.2
EBITDA	\$325.2	\$549.9	\$794.0	\$212.7
Stock-based compensation	28.2	28.6	36.7	8.9
COVID-19 related net credits	-	(0.9)	-	-
Acquisition and integration costs	37.3	3.8	29.8	9.0
Acquisition inventory step-up	7.6	-	-	-
Inventory charge related to exit of product groups	-	3.9	-	-
Fees and expenses relating to re-pricing of term loan facility	6.6	-	-	-
Restructuring and other	7.0	9.4	11.1	1.2
Asset impairment	4.7	2.3	-	-
Gain on sale of long-lived assets	(6.8)	-	-	-
Other adjustments	3.4	-	6.9	(3.4)
Adjusted EBITDA	\$413.2	\$597.0	\$878.5	\$228.4
% Adjusted EBITDA margin	21.7%	25.6%	29.8%	29.9%

MKS Free Cash Flow Reconciliation (GAAP to Non-GAAP)

(in millions)	2019	2020	2021
Net cash provided by (used in) operating activities	\$244.5	\$513.2	\$639.5
Less: Purchase of property, plant and equipment	63.9	84.9	86.7
Free cash flow	\$180.6	\$428.3	\$552.8

Atotech Adj. EBITDA Reconciliation (IFRS to Non-IFRS)

(in millions)	2019	2020	2021	Q4 2021
Consolidated net income (loss)	\$7.6	\$(289.4)	\$7.5	\$30.1
Interest expense, net	148.1	142.0	97.2	9.9
Income taxes	54.8	64.3	76.6	18.7
Depreciation and amortization (excluding impairment charges)	165.4	166.4	177.1	45.0
EBITDA	\$375.9	\$83.3	\$358.4	\$103.8
Non-cash adjustments	(10.2)	250.7	89.8	4.9
Gain on disposal of fixed asset	(6.1)	—	—	—
Foreign exchange (gain) loss, net	(2.4)	14.8	(13.0)	1.8
Restructuring	13.4	2.5	(0.6)	(0.2)
Transaction related costs	7.1	7.6	19.9	5.7
Management fee	2.4	2.7	2.6	1.2
COVID-19 adjustment	—	2.2	0.9	0.3
Adj. EBITDA (IFRS-basis)	\$380.1	\$363.9	\$458.0	\$117.6
% Adj. EBITDA margin	32.0%	29.5%	30.5%	30.4%

Atotech Financial Adjustments

(in millions)	2019	2020	2021
Revenue	\$1,187.8	\$1,234.3	\$1,499.2
Reported gross profit (ATC-basis)	\$699.6	\$676.3	\$767.4
<i>Reported gross margin (ATC-basis)</i>	<i>59%</i>	<i>55%</i>	<i>51%</i>
Less: Depreciation Reallocated to COGS	(11.9)	(11.2)	(14.8)
Less: External Warehousing Cost Reallocated to COGS	(7.6)	(10.2)	(10.6)
Adjusted gross profit (MKS-basis)	\$680.1	\$654.9	\$742.0
<i>Adjusted gross margin (MKS-basis)</i>	<i>57%</i>	<i>53%</i>	<i>49%</i>
Adj. EBITDA (IFRS and ATC-basis)	\$380.1	\$363.9	\$458.0
<i>Adj. EBITDA margin (IFRS and ATC-basis)</i>	<i>32%</i>	<i>29%</i>	<i>31%</i>
Less: IFRS-16 depreciation	(16.3)	(9.6)	(10.2)
Less: Capitalized R&D Expense	(27.0)	(22.8)	(25.6)
Less: Other adjustments	-	(11.4)	(6.6)
Adjusted EBITDA (GAAP and MKS-basis)	\$336.9	\$320.0	\$415.6
<i>Adjusted EBITDA Margin (GAAP and MKS-basis)</i>	<i>28%</i>	<i>26%</i>	<i>28%</i>
Intangible assets and PPE Additions, net of disposals (IFRS-basis)	\$66.0	\$52.6	\$51.0
Less: Intangible assets additions	(32.5)	(29.1)	(29.0)
Capex, net of disposals (IFRS-basis)	\$33.5	\$23.5	\$22.1
Adj. EBITDA (IFRS and ATC-basis)	\$380.1	\$363.9	\$458.0
Less: Capex, net of disposals (IFRS-basis)	(33.5)	(23.5)	(22.1)
Adj. EBITDA less Capex	\$346.6	\$340.4	\$435.9

Pro Forma Schedule

(in millions)	2019	2020	2021
MKS Revenue	1,900	2,330	2,950
Atotech Revenue	1,188	1,234	1,499
Total Revenue	\$3,088	\$3,564	4,449
% Growth	(6%)	15%	25%
MKS Adj. Gross Profit (Non-GAAP)	838	1,054	1,380
Atotech Adj. Gross Profit (MKS-basis)	680	655	742
Total Adj. Gross Profit	\$1,518	\$1,709	2,122
% Gross Margin	49%	48%	48%
MKS Adj. EBITDA (Non-GAAP)	413	597	879
Atotech Adj. EBITDA (GAAP and MKS-basis)	337	320	416
Total Adj. EBITDA	\$750	\$917	1,294
% Total Adj. EBITDA Margin	24%	26%	29%
Estimated run-rate synergies			55
Total Adj. EBITDA (inc. estimated run-rate synergies)			1,349
Total Adj. EBITDA Margin			30%
MKS Capex (Purchase of property, plant and equipment)	64	85	87
Atotech Capex, net of disposals (GAAP-basis)	34	24	22
Total Capex	\$97	\$108	\$109
% Revenue	3%	3%	2%