

Substantially Improved Target Operating Model

	2013 MKS MODEL	FULLY SYNERGIZED WITH NEWPORT ACQUISITION			
		ACQUISITION MODEL ⁽²⁾	OCTOBER 2016 MODEL ⁽²⁾	Feb 2017 MODEL ⁽³⁾	April 2017 MODEL ⁽³⁾
ILLUSTRATIVE REVENUE LEVELS ⁽¹⁾	\$ 800M	\$ 1,430M	\$ 1,600M	\$ 1,700M	\$ 1,900M
NON-GAAP GROSS MARGIN	42% - 44%	45% - 47%	46% - 48%	46% - 48%	46% - 48%
NON-GAAP OPERATING MARGIN	15% - 17%	18% - 20%	21% - 23%	21% - 23%	23% - 25%
NON-GAAP TAX RATE	33%	27%	28%	26%	26%
NON-GAAPEPS	\$ 1.60	\$ 3.08	\$ 4.27	\$ 4.73	\$ 5.82
CUMULATIVE IMPROVEMENT NON-GAAP EPS FROM 2013 ⁽²⁾		93%	167%	196%	264%
NON-GAAP ADJUSTED EBITDA	\$ 155M	\$ 340M	\$ 415M	\$ 436M	\$ 519M
CUMULATIVE IMPROVEMENT NON-GAAP ADJUSTED EBITDA FROM 2013 ⁽²⁾		119%	168%	181%	235%

IMPROVED
OPERATING
MODEL 8X
OVER 4
YEAR
PERIOD

Additional revenue assumes incremental gross margin of 50%

(1) Annual revenue for illustrative purposes only.

(2) At midpoint of model range. 2016 Fully synergized combined Newport model includes \$35M of announced cost synergies 18-36 months after acquisition date (April 29, 2016).

(3) At midpoint of model range. 2017 Fully synergized combined Newport model includes \$40M of announced cost synergies 18-36 months after acquisition date (April 29, 2016).

Substantially Improved Operating Model

April 2017 MODEL RANGES

	MIDPOINT		
ILLUSTRATIVE REVENUE LEVEL	\$ 1.9B	\$ 1.9B	\$ 1.9B
NON-GAAP GROSS MARGIN	46%	47%	48%
NON-GAAP OPERATING MARGIN	23%	24%	25%
NON-GAAP EPS	\$ 5.57	\$ 5.82	\$ 6.08
DILUTED SHARES	55.3M	55.3M	55.3M
NON-GAAP ADJUSTED EBITDA	\$ 500M	\$ 519M	\$ 538M