

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 4, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____ .

Commission File No.: 000-00121

KULICKE AND SOFFA INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation)

23-1498399

(IRS Employer
Identification No.)

23A Serangoon North Avenue 5, #01-01, Singapore 554369

1005 Virginia Dr., Fort Washington, PA 19034

(Address of principal executive offices and Zip Code)

(215) 784-6000

(Registrant's telephone number, including area code)

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, Without Par Value	KLIC	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 1, 2026, there were 52,332,877 shares of the Registrant’s Common Stock, no par value, outstanding.

KULICKE AND SOFFA INDUSTRIES, INC.**FORM 10 – Q****April 4, 2026****Index****Page Number****PART I - FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS (Unaudited)**

Consolidated Condensed Balance Sheets as of April 4, 2026 and October 4, 2025 [1](#)

Consolidated Condensed Statements of Operations for the three and six months ended April 4, 2026 and March 29, 2025 [2](#)

Consolidated Condensed Statements of Comprehensive Income for the three and six months ended April 4, 2026 and March 29, 2025 [3](#)

Consolidated Condensed Statements of Changes in Shareholders' Equity for the three and six months ended April 4, 2026 and March 29, 2025 [4](#)

Consolidated Condensed Statements of Cash Flows for the six months ended April 4, 2026 and March 29, 2025 [6](#)

Notes to Consolidated Condensed Financial Statements [8](#)

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS [30](#)**Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK [43](#)****Item 4. CONTROLS AND PROCEDURES [44](#)****PART II - OTHER INFORMATION****Item 1. LEGAL PROCEEDINGS [45](#)****Item 1A. RISK FACTORS [45](#)****Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS [45](#)****Item 3. DEFAULTS UPON SENIOR SECURITIES [45](#)****Item 4. MINE SAFETY DISCLOSURES [45](#)****Item 5. OTHER INFORMATION [46](#)****Item 6. EXHIBITS [47](#)**

SIGNATURES [48](#)

PART I. - FINANCIAL INFORMATION
Item 1. – FINANCIAL STATEMENTS

KULICKE AND SOFFA INDUSTRIES, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS (Unaudited)
(in thousands)

	As of	
	April 4, 2026	October 4, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 337,864	\$ 215,708
Short-term investments	150,000	295,000
Accounts and other receivable, net of allowance for doubtful accounts of \$— and \$—, respectively	255,610	183,538
Inventories, net	206,294	160,225
Prepaid expenses and other current assets	32,549	47,064
TOTAL CURRENT ASSETS	982,317	901,535
Property, plant and equipment, net	57,924	58,993
Operating right-of-use assets	33,921	32,193
Goodwill	69,522	69,522
Intangible assets, net	4,984	5,600
Deferred tax assets	16,144	16,109
Equity investments	7,881	6,978
Investment in debt securities	10,000	10,000
Other assets	3,291	3,412
TOTAL ASSETS	1,185,984	\$ 1,104,342
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 85,445	\$ 57,178
Operating lease liabilities	6,192	6,178
Accrued expenses and other current liabilities	119,230	97,786
Income taxes payable	22,653	27,029
TOTAL CURRENT LIABILITIES	233,520	188,171
Deferred tax liabilities	34,892	35,533
Income taxes payable	17,289	16,580
Operating lease liabilities	33,594	32,372
Other liabilities	9,143	10,195
TOTAL LIABILITIES	\$ 328,438	\$ 282,851
Commitments and contingent liabilities (Note 16)		
SHAREHOLDERS' EQUITY		
Preferred stock, without par value: Authorized 5,000 shares; issued - none	\$ —	\$ —
Common stock, without par value: Authorized 200,000 shares; issued 85,364 and 85,364, respectively; outstanding 52,329 and 51,920 shares, respectively	627,269	620,043
Treasury stock, at cost, 33,035 and 33,444 shares, respectively	(976,253)	(974,202)
Retained earnings	1,229,990	1,199,500
Accumulated other comprehensive loss	(23,460)	(23,850)
TOTAL SHAREHOLDERS' EQUITY	\$ 857,546	\$ 821,491
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,185,984	\$ 1,104,342

The accompanying notes are an integral part of these consolidated condensed financial statements

KULICKE AND SOFFA INDUSTRIES, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (Unaudited)
(in thousands, except per share data)

	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Net revenue	\$ 242,621	\$ 161,986	\$ 442,246	\$ 328,110
Cost of sales	122,917	121,602	223,587	200,642
Gross profit	119,704	40,384	218,659	127,468
Selling, general and administrative	42,742	48,014	83,501	86,628
Research and development	38,396	37,220	78,772	75,028
Gain relating to cessation of business	—	—	—	(75,987)
Impairment charges	—	39,817	—	39,817
Operating expenses	81,138	125,051	162,273	125,486
Income / (Loss) from operations	38,566	(84,667)	56,386	1,982
Interest income	3,980	5,622	8,739	11,974
Interest expense	(37)	(36)	(77)	(63)
Income / (Loss) before income taxes	42,509	(79,081)	65,048	13,893
Provision for income taxes	7,361	5,438	13,104	16,770
Net income / (loss)	\$ 35,148	\$ (84,519)	\$ 51,944	\$ (2,877)
Net income / (loss) per share:				
Basic	\$ 0.67	\$ (1.59)	\$ 0.99	\$ (0.05)
Diluted	\$ 0.66	\$ (1.59)	\$ 0.98	\$ (0.05)
Weighted average shares outstanding:				
Basic	52,327	53,311	52,323	53,551
Diluted	53,121	53,311	52,963	53,551

The accompanying notes are an integral part of these consolidated condensed financial statements.

KULICKE AND SOFFA INDUSTRIES, INC.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

(in thousands)

	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Net income / (loss)	\$ 35,148	\$ (84,519)	\$ 51,944	\$ (2,877)
Other comprehensive income / (loss):				
Foreign currency translation adjustment	1,228	468	935	(7,789)
Net changes in pension plan, net of tax	18	(39)	11	79
Net changes from derivatives designated as hedging instruments, net of tax	1	369	(556)	(2,199)
Total other comprehensive income / (loss)	1,247	798	390	(9,909)
Comprehensive income / (loss)	\$ 36,395	\$ (83,721)	\$ 52,334	\$ (12,786)

The accompanying notes are an integral part of these consolidated condensed financial statements.

KULICKE AND SOFFA INDUSTRIES, INC.

Consolidated Condensed Statements Of Changes In Shareholders' Equity (Unaudited)

(in thousands)

	Common Stock						
	Outstanding Shares	Amount	Treasury Stock	Retained earnings	Accumulated Other Comprehensive (loss) / income	Shareholders' Equity	
Balances as of October 4, 2025	51,920	\$ 620,043	\$ (974,202)	\$ 1,199,500	\$ (23,850)	\$ 821,491	
Issuance of stock for services rendered	6	217	53	—	—	270	
Repurchase of common stock	(168)	—	(6,663)	—	—	(6,663)	
Issuance of shares for equity-based compensation	565	(4,970)	4,635	—	—	(335)	
Equity-based compensation	—	5,060	—	—	—	5,060	
Cash dividend declared (\$0.205 per share)	—	—	—	(10,727)	—	(10,727)	
Components of comprehensive income							
Net income	—	—	—	16,796	—	16,796	
Other comprehensive loss	—	—	—	—	(857)	(857)	
Balances as of January 3, 2026	52,323	\$ 620,350	\$ (976,177)	\$ 1,205,569	\$ (24,707)	\$ 825,035	
Issuance of stock for services rendered	6	226	43	—	—	269	
Repurchase of common stock	(3)	—	(139)	—	—	(139)	
Issuance of shares for equity-based compensation	3	(29)	20	—	—	(9)	
Equity-based compensation	—	6,722	—	—	—	6,722	
Cash dividend declared (\$0.205 per share)	—	—	—	(10,727)	—	(10,727)	
Components of comprehensive income							
Net income	—	—	—	35,148	—	35,148	
Other comprehensive income	—	—	—	—	1,247	1,247	
Balances as of April 4, 2026	52,329	\$ 627,269	\$ (976,253)	\$ 1,229,990	\$ (23,460)	\$ 857,546	

	Common Stock					
	Outstanding Shares	Amount	Treasury Stock	Retained earnings	Accumulated Other Comprehensive (loss) / income	Shareholders' Equity
Balances as of September 28, 2024	53,854	\$ 596,703	\$ (881,830)	\$ 1,242,558	\$ (13,422)	\$ 944,009
Issuance of stock for services rendered	7	245	70	—	—	315
Repurchase of common stock	(793)	—	(36,879)	—	—	(36,879)
Issuance of shares for equity-based compensation	473	(4,873)	4,549	—	—	(324)
Excise tax	—	—	(151)	—	—	(151)
Equity-based compensation	—	5,826	—	—	—	5,826
Cash dividend declared (\$0.205 per share)	—	—	—	(10,987)	—	(10,987)
Components of comprehensive income						
Net income	—	—	—	81,642	—	81,642
Other comprehensive loss	—	—	—	—	(10,707)	(10,707)
Balances as of December 28, 2024	53,541	\$ 597,901	\$ (914,241)	\$ 1,313,213	\$ (24,129)	\$ 972,744
Issuance of stock for services rendered	7	259	55	—	—	314
Repurchase of common stock	(518)	—	(21,250)	—	—	(21,250)
Issuance of shares for equity-based compensation	2	(17)	14	—	—	(3)
Excise tax	—	—	(211)	—	—	(211)
Equity-based compensation	—	7,179	—	—	—	7,179
Cash dividend declared (\$0.205 per share)	—	—	—	(10,886)	—	(10,886)
Components of comprehensive loss						
Net loss	—	—	—	(84,519)	—	(84,519)
Other comprehensive income	—	—	—	—	798	798
Balances as of March 29, 2025	53,032	\$ 605,322	\$ (935,633)	\$ 1,217,808	\$ (23,331)	\$ 864,166

The accompanying notes are an integral part of these consolidated condensed financial statements.

KULICKE AND SOFFA INDUSTRIES, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands)

	Six months ended	
	April 4, 2026	March 29, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 51,944	\$ (2,877)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,937	10,024
Impairment charges	—	39,817
Equity-based compensation	12,321	13,634
Adjustment for doubtful accounts	—	16
Adjustment for inventory valuation	4,054	33,443
Deferred taxes	(675)	(195)
Gain on disposal of property, plant and equipment	(75)	(128)
Gain on disposal of a subsidiary	—	(3,154)
Dividend income from equity investment	(409)	—
Realized gain on equity investment	(363)	—
Unrealized fair value changes on equity investment	(502)	(526)
Unrealized foreign currency transactions	587	(3,895)
Changes in operating assets and liabilities, net of businesses acquired or sold:		
Accounts and other receivable	(72,133)	20,091
Inventories	(50,322)	(11,290)
Prepaid expenses and other current assets	14,424	7,422
Accounts payable, accrued expenses and other current liabilities	39,492	3,306
Income taxes payable	(3,667)	(5,818)
Other, net	(1,275)	(1,091)
Net cash provided by operating activities	\$ 1,338	\$ 98,779
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disposal of a subsidiary, net of cash disposed of	—	2,535
Purchases of property, plant and equipment	(6,753)	(12,156)
Proceeds from sales of property, plant and equipment	75	60
Investment in private equity fund	—	(1,815)
Proceeds from private equity fund	371	—
Purchase of short-term investments	(184,000)	(250,000)
Maturity of short-term investments	329,000	305,000
Net cash provided by investing activities	\$ 138,693	\$ 43,624

KULICKE AND SOFFA INDUSTRIES, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)(continued)
(in thousands)

	Six months ended	
	April 4, 2026	March 29, 2025
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment for finance lease	(232)	(207)
Repurchase of common stock/treasury stock	(6,877)	(58,487)
Payments related to tax on vested equity compensation	(335)	(327)
Payment of excise tax for share repurchases	—	(1,156)
Common stock cash dividends paid	(10,727)	(21,781)
Net cash used in financing activities	\$ (18,171)	\$ (81,958)
Effect of exchange rate changes on cash and cash equivalents	296	(1,073)
Changes in cash and cash equivalents	122,156	59,372
Cash and cash equivalents at beginning of period	215,708	227,147
Cash and cash equivalents at end of period	\$ 337,864	\$ 286,519
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Capital distribution reinvested in private equity fund	907	—
Lease liabilities arising from obtaining right-of-use assets	4,556	—
Dividends payable	10,727	—
CASH PAID FOR:		
Interest	\$ 77	\$ 63
Income taxes, net of refunds	\$ 15,796	\$ 17,860

The accompanying notes are an integral part of these consolidated condensed financial statements.

KULICKE AND SOFFA INDUSTRIES, INC.**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)****NOTE 1. BASIS OF PRESENTATION**

These consolidated condensed financial statements include the accounts of Kulicke and Soffa Industries, Inc. and its subsidiaries ("K&S," "we," "us," "our," or the "Company"), with appropriate elimination of intercompany balances and transactions.

The interim consolidated condensed financial statements are unaudited and, in management's opinion, include all adjustments (consisting only of normal and recurring adjustments) necessary for a fair statement of results for these interim periods. The interim consolidated condensed financial statements do not include all of the information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended October 4, 2025 (the "2025 Annual Report") filed with the Securities and Exchange Commission on November 20, 2025, which includes the Consolidated Balance Sheets as of October 4, 2025 and September 28, 2024, and the related Consolidated Statements of Operations, Statements of Comprehensive Income, Changes in Shareholders' Equity and Cash Flows for each of the years in the three-year period ended October 4, 2025. The results of operations for any interim period are not necessarily indicative of the results of operations for any other interim period or for a full year.

Fiscal Year

Each of the Company's first three fiscal quarters end on the Saturday that is 13 weeks after the end of the immediately preceding fiscal quarter. The fourth quarter of each fiscal year ends on the Saturday closest to September 30. Fiscal 2026 quarters end on January 3, 2026, April 4, 2026, July 4, 2026 and October 3, 2026. In fiscal years consisting of 53 weeks, the fourth quarter will consist of 14 weeks. Fiscal 2025 quarters ended on December 28, 2024, March 29, 2025, June 28, 2025 and October 4, 2025.

Nature of Business

The Company designs, develops, manufactures and sells capital equipment and tools as well as services, maintains, repairs and upgrades equipment, all used to assemble semiconductor devices. The Company's operating results depend upon the capital and operating expenditures of integrated device manufacturers ("IDMs"), outsourced semiconductor assembly and test providers ("OSATs"), foundry service providers, and other electronics manufacturers and automotive electronics suppliers worldwide which, in turn, depend on the current and anticipated market demand for semiconductors and products utilizing semiconductors. The semiconductor industry is highly volatile and experiences downturns and slowdowns which can have a severe negative effect on the semiconductor industry's demand for semiconductor capital equipment, including assembly equipment manufactured and sold by the Company and, to a lesser extent, tools, solutions and services, including those sold or provided by the Company. These downturns and slowdowns have in the past adversely affected the Company's operating results. The Company believes such volatility will continue to characterize the industry and the Company's operations in the future.

On March 25, 2025, the Board of Directors of the Company approved a strategic plan related to the cessation of the Company's Electronics Assembly ("EA") equipment business. As part of the plan, the Company began the process of winding down the EA equipment business in an effort to prioritize core semiconductor assembly business opportunities and enhance overall through-cycle financial performance. The cessation of the EA equipment business is subject to a consultation process with the applicable works council and union representatives, which the Company initiated in the third fiscal quarter of 2025 and, as of April 4, 2026, has substantially completed. The wind down activities remain ongoing and are expected to be substantially completed by the end of fiscal 2026, after which there will be some service support activities to serve out the remaining customer obligations.

In connection with the cessation of the EA equipment business, the Company has reclassified a product line previously included in the Aftermarket Products and Services ("APS") segment. This product line is now reported within "All Others," consistent with how the Chief Operating Decision Maker ("CODM") evaluates the financial information of the EA equipment aftermarket spares and services product line together with the EA capital equipment business as one operating segment for performance assessment and resource allocation purposes. Refer to Note 3: Goodwill and Intangible Assets and Note 15: Segment Information for additional details.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

Use of Estimates

The preparation of consolidated condensed financial statements requires management to make assumptions, estimates and judgments that affect the reported amounts of assets and liabilities, net revenue and expenses during the reporting periods, and disclosures of contingent assets and liabilities as of the date of the consolidated condensed financial statements. On an ongoing basis, management evaluates estimates, including but not limited to, those related to accounts receivable, reserves for excess and obsolete inventory and inventory valuation, carrying value and lives of fixed assets, goodwill and intangible assets, accrual for customer credit programs, the valuation estimates and assessment of impairment and observable price adjustments, income taxes, equity-based compensation expense, accrual for employee termination benefits and warranties. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable. As a result, management makes judgments regarding the carrying values of the Company's assets and liabilities that are not readily apparent from other sources. Authoritative pronouncements, historical experience and assumptions are used as the basis for making estimates, and on an ongoing basis, management evaluates these estimates. Actual results may differ from these estimates.

In light of macroeconomic headwinds, there has been uncertainty and disruption in the global economy and financial markets. The Company is not aware of any specific event or circumstance that would require an update to its estimates or judgments or a revision of the carrying value of its assets or liabilities as of April 4, 2026. While there was no material impact from macroeconomic headwinds to our consolidated condensed financial statements as of and for the quarter ended April 4, 2026, these estimates may change, as new events occur and additional information is obtained, including factors related to these headwinds, that could materially impact our consolidated condensed financial statements in future reporting periods.

Significant Accounting Policies

There have been no material changes to our significant accounting policies summarized in Note 1: Basis of Presentation to our Consolidated Financial Statements included in our 2025 Annual Report.

Recent Accounting Pronouncements***Disclosure Improvements***

In October 2023, the Financial Accounting Standards Board (the "FASB") issued ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. This ASU aligns the requirements in the FASB Accounting Standards Codification with the SEC's regulations. The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics. They will also allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. This ASU will become effective for each amendment on the date on which the SEC removes the related disclosure from its regulations. However, if by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and not become effective for any entity. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

Income Taxes

In December 2023, the FASB issued ASU 2023-09 *Income Taxes* (Topic 740): Improvement to Income Tax Disclosures. The amendments in this update are intended to enhance the transparency and decision usefulness of income tax disclosures primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. This ASU is effective for the Company's fiscal year 2026. The Company will include disclosures for material items with the filing of its Annual Report on Form 10-K for the year ending on October 3, 2026.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03 *Income Statement - Reporting Comprehensive Income -Expense Disaggregation Disclosures* (Topic 220): Disaggregation of Income Statement Expenses. This ASU requires disclosure of certain expenses in the notes to the financial statements. This ASU will be effective for the Company's fiscal year 2028 on a prospective basis, with retrospective application permitted. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

Government Grants

In December 2025, the FASB issued ASU 2025-10 *Government Grants* (Topic 832): Accounting for Government Grants Received by Business Entities. This ASU establishes authoritative guidance in ASC 832 for business entities on recognizing, measuring, presenting, and disclosing government grants. The ASU will be effective for the first quarter of the Company's fiscal year 2030, with early adoption permitted. This ASU provides for adoption either on a modified prospective, modified retrospective, or retrospective basis. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

Interim Reporting

In December 2025, the FASB issued ASU 2025-11 *Interim Reporting* (Topic 270): Narrow-Scope Improvements. This ASU clarifies disclosure requirements for interim financial statements, adding a comprehensive list of required interim disclosures and introducing a principle to disclose events after year-end that materially affect the entity without changing the overall nature of interim reporting. This ASU will be effective for interim periods with the Company's fiscal year 2029 on a prospective basis, with retrospective application permitted. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)
NOTE 2. BALANCE SHEET COMPONENTS

Components of significant balance sheet accounts as of April 4, 2026 and October 4, 2025 are as follows:

(in thousands)	As of	
	April 4, 2026	October 4, 2025
Inventories, net:		
Raw materials and supplies	\$ 128,868	\$ 111,957
Work in process	63,241	45,725
Finished goods	78,832	73,045
	270,941	230,727
Inventory reserves	(64,647)	(70,502)
	\$ 206,294	\$ 160,225
Property, plant and equipment, net:		
Land	\$ 2,182	\$ 2,182
Buildings and building improvements	29,876	29,711
Leasehold improvements	34,139	33,793
Data processing equipment and software	40,082	37,987
Machinery, equipment, furniture and fixtures	106,495	104,459
Construction in progress	6,699	5,540
	219,473	213,672
Accumulated depreciation	(161,549)	(154,679)
	\$ 57,924	\$ 58,993
Accrued expenses and other current liabilities:		
Accrued customer obligations ⁽¹⁾	\$ 50,749	\$ 33,414
Wages and benefits	36,359	35,175
Dividend payable	10,727	—
Commissions and professional fees	6,106	5,266
Accrued leasehold renovations	1,015	—
Accrued adverse purchase commitments	2,929	7,658
Severance ⁽²⁾	6,623	12,285
Other	4,722	3,988
	\$ 119,230	\$ 97,786

(1) Represents customer advance payments, customer credit program, accrued warranty expense and accrued retrofit obligations.

(2) Please see Note 17: Cessation of Business for more information on the employee termination costs related to the cessation of the EA equipment business.

NOTE 3. GOODWILL AND INTANGIBLE ASSETS
Goodwill

Intangible assets classified as goodwill are not amortized. The goodwill established in connection with our acquisitions represents the estimated future economic benefits arising from the assets we acquired that did not qualify to be identified and recognized individually. The goodwill also includes the value of expected future cash flows from the acquisitions, expected synergies with our other affiliates and other unidentifiable intangible assets.

The Company performs an annual impairment test of its goodwill during the fourth quarter of each fiscal year, which coincides with the completion of its annual forecasting and refreshing of business outlook process.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The Company performed its annual impairment test in the fourth quarter of fiscal 2025 and concluded that no impairment charge was required. Any future adverse changes in expected operating results and/or unfavorable changes in other economic factors used to estimate fair values could result in a non-cash impairment in the future.

During the three months ended April 4, 2026, the Company reviewed qualitative factors to ascertain if a “triggering” event may have taken place that would indicate it is more likely than not that the fair value of the reporting unit is less than the carrying value and concluded that no triggering event had occurred. While we have concluded that a triggering event did not occur during the quarter ended April 4, 2026, the persistent macroeconomic headwinds could, in the future, require changes to assumptions utilized in the determination of the estimated fair values of the reporting units which could result in future goodwill impairment charges. Net sales and earnings growth rates could be negatively impacted by reductions or changes in demand for our products. The discount rate utilized in our valuation model could also be impacted by changes in the underlying interest rates and risk premiums included in the determination of the cost of capital.

The following table summarizes the changes in the Company's recorded goodwill, where applicable, by reportable segments and the “All Others” category as of April 4, 2026 and October 4, 2025.

(in thousands)		Wedge Bonding Equipment		APS		All Others		Total
Balance at October 4, 2025 and April 4, 2026	(1)	\$	18,280	\$	23,266	\$	27,976	\$ 69,522

(1) Cumulative goodwill impairment as of October 4, 2025 was \$54.4 million related All Others. As discussed in Note 1: Basis of Presentation, during the three months ended January 3, 2026, a certain product line from the APS segment was transferred to and reported within the “All Others” category. The goodwill associated with the impacted reporting unit within the APS segment had been fully impaired as of October 4, 2025; therefore, this transfer did not affect the goodwill ending balance by reportable segments as of April 4, 2026.

Intangible Assets

Intangible assets with determinable lives are amortized over their estimated useful lives. The Company's intangible assets consist primarily of developed technology, customer relationships, in-process research and development, and trade and brand names.

The following table reflects net intangible assets as of April 4, 2026 and October 4, 2025:

(dollar amounts in thousands)	Average estimated useful lives (in years)	As of April 4, 2026			As of October 4, 2025		
		Gross carrying amount	Accumulated amortization	Net amount	Gross carrying amount	Accumulated amortization	Net amount
Developed technology	7.0 to 8.0	\$ 37,461	\$ (34,842)	\$ 2,619	\$ 37,461	\$ (34,576)	\$ 2,885
Customer relationships	5.0 to 8.0	\$ 21,430	\$ (20,121)	\$ 1,309	\$ 21,430	\$ (19,988)	\$ 1,442
Trade and brand name	8.0	\$ 4,600	\$ (4,600)	\$ —	\$ 4,600	\$ (4,600)	\$ —
Other intangible assets	1.0 to 8.0	\$ 5,618	\$ (5,021)	\$ 597	\$ 5,618	\$ (4,804)	\$ 814
In-process research and development	N.A	\$ 459	\$ —	\$ 459	\$ 459	\$ —	\$ 459
Total		\$ 69,568	\$ (64,584)	\$ 4,984	\$ 69,568	\$ (63,968)	\$ 5,600

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The following table reflects estimated annual amortization expense related to intangible assets as of April 4, 2026:

<i>(in thousands)</i>	As of April 4, 2026
Remaining Fiscal 2026	634
Fiscal 2027	1,013
Fiscal 2028	922
Fiscal 2029	922
Fiscal 2030	922
Thereafter	571
Total amortization expense	4,984

NOTE 4. CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS

Cash equivalents consist of instruments with remaining maturities of three months or less at the date of purchase. In general, these investments are free of trading restrictions.

Cash, cash equivalents, and short-term investments consisted of the following as of April 4, 2026:

<i>(in thousands)</i>	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Current assets:				
Cash	\$ 53,907	\$ —	\$ —	\$ 53,907
Cash equivalents:				
Mutual Funds ⁽¹⁾	237,607	34	—	237,641
Time deposits ⁽²⁾	46,316	—	—	46,316
Total cash and cash equivalents	\$ 337,830	\$ 34	\$ —	\$ 337,864
Short-term investments:				
Time deposits ⁽²⁾	150,000	—	—	150,000
Total short-term investments	\$ 150,000	\$ —	\$ —	\$ 150,000
Total cash, cash equivalents, restricted cash, and short-term investments	\$ 487,830	\$ 34	\$ —	\$ 487,864

(1) Mutual funds held by the Company include Money Market Funds and Ultra-Short Funds. The fair value was determined using unadjusted prices in active, accessible markets for identical assets, and as such they were classified as Level 1 assets in the fair value hierarchy.

(2) The fair value of the short-term investments approximates cost basis and is categorized within Level 2 of the fair value hierarchy due to the use of observable market inputs, including benchmark yields and credit spreads. The Company did not recognize any realized gains or losses on the sale of investments during the three and six months ended April 4, 2026.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

Cash, cash equivalents and short-term investments consisted of the following as of October 4, 2025:

<i>(in thousands)</i>	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Current assets:				
Cash	\$ 40,570	\$ —	\$ —	\$ 40,570
Cash equivalents:				
Mutual Funds ⁽¹⁾	163,517	136	—	163,653
Time deposits ⁽²⁾	11,485	—	—	11,485
Total cash and cash equivalents	\$ 215,572	\$ 136	\$ —	\$ 215,708
Short-term investments:				
Time deposits ⁽²⁾	295,000	—	—	295,000
Total short-term investments	\$ 295,000	\$ —	\$ —	\$ 295,000
Total cash, cash equivalents, restricted cash, and short-term investments	\$ 510,572	\$ 136	\$ —	\$ 510,708

(1) Mutual funds held by the Company include Money Market Funds and Ultra-Short Funds. The fair value was determined using unadjusted prices in active, accessible markets for identical assets, and as such they were classified as Level 1 assets in the fair value hierarchy.

(2) The fair value of the short-term investments approximates cost basis and is categorized within Level 2 of the fair value hierarchy due to the use of observable market inputs, including benchmark yields and credit spreads. The Company did not recognize any realized gains or losses on the sale of investments during the three and six months ended March 29, 2025.

NOTE 5. EQUITY INVESTMENTS

Equity investments consisted of the following as of April 4, 2026 and October 4, 2025:

<i>(in thousands)</i>	As of	
	April 4, 2026	October 4, 2025
Non-marketable equity securities	\$ 7,881	\$ 6,978

Net Asset Value (“NAV”) (Private Equity Fund): Equity investments in affiliated investment funds are valued based on the NAV reported by the investment fund in accordance with ASC Topic 820-10. Investments held by the affiliated investment fund include a diversified portfolio of investments in the global semiconductor industry. The Company receives distributions through the liquidation of the underlying investments by the affiliated investment fund. However, the period of time over which the underlying investments are expected to be liquidated is unknown. Additionally, the Company's ability to withdraw from the fund is subject to restrictions. The term of the fund will continue until March 18, 2032, unless dissolved earlier or otherwise extended by the General Partner. In accordance with ASC Topic 820-10, this investment is measured at fair value using the NAV per share (or its equivalent) practical expedient and has not been classified in the fair value hierarchy. As of April 4, 2026, the Company has funded \$6.7 million into the affiliated investment fund and recognized a cumulative unrealized fair value gain of \$1.2 million. The Company has recorded the amount of funded capital that has been called as an equity investment.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

NOTE 6. INVESTMENT IN DEBT SECURITIES

Debt securities have been classified in the Consolidated Condensed Balance Sheets according to management's intent. Investment in debt securities consisted of the following as of April 4, 2026 and October 4, 2025:

(in thousands)	As of	
	April 4, 2026	October 4, 2025
Held-to-maturity debt securities	10,000	10,000

The Company classifies its investment in debt securities as held-to-maturity, which were carried at amortized cost. Although held-to-maturity securities are recorded at amortized cost, the Company discloses the fair value in accordance with ASC 825-10. The fair value of the investment approximates cost basis and is categorized within Level 2 of the fair value hierarchy due to the use of observable market inputs, including benchmark yields and credit spreads.

Maturity of debt securities as of April 4, 2026 were as follows:

(in thousands)	Total	Maturity grouping			
		Within 1 year	1 - 5 years	5 - 10 years	After 10 years
Held-to-maturity debt securities	\$ 10,000	—	\$ 10,000	—	—
Total	\$ 10,000	\$ —	\$ 10,000	\$ —	\$ —

The Company did not recognize any unrealized gains or losses during the three and six months ended April 4, 2026.

NOTE 7. FAIR VALUE MEASUREMENTS

Accounting standards establish three levels of inputs that may be used to measure fair value: quoted prices in active markets for identical assets or liabilities (referred to as Level 1), inputs other than Level 1 that are observable for the asset or liability either directly or indirectly (referred to as Level 2) and unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities (referred to as Level 3).

Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis

We measure certain financial assets and liabilities as described in Note 4: Cash, Cash Equivalents, And Short-term Investments, Note 5: Equity Investments on a recurring basis. There were no transfers between fair value measurement levels during the three and six months ended April 4, 2026 and October 4, 2025.

Fair Value Measurements on a Nonrecurring Basis

Our non-financial assets such as intangible assets and property, plant and equipment are carried at cost unless impairment is deemed to have occurred.

Fair Value of Financial Instruments

Amounts reported as accounts receivables, prepaid expenses and other current assets, investment in debt securities, accounts payable and accrued expenses approximate fair value.

NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS

The Company's international operations are exposed to changes in foreign exchange rates due to transactions denominated in currencies other than U.S. dollars. Most of the Company's revenue and cost of materials are transacted in U.S. dollars. However, a significant amount of the Company's operating expenses is denominated in local currencies, primarily in Singapore.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The foreign currency exposure of our operating expenses is generally hedged with foreign exchange forward contracts. The Company's foreign exchange risk management programs include using foreign exchange forward contracts with cash flow hedge accounting designation to hedge exposures to the variability in the U.S. dollar equivalent of forecasted non-U.S. dollar-denominated operating expenses. These instruments generally mature within twelve months. For these derivatives, we report the after-tax gain or loss from the effective portion of the hedge as a component of accumulated other comprehensive (loss) / income, and we reclassify it into earnings in the same period or periods in which the hedged transaction affects earnings and in the same line item on the Consolidated Condensed Statements of Comprehensive Income as the impact of the hedged transaction.

The fair value of derivative instruments on our Consolidated Condensed Balance Sheets as of April 4, 2026 and October 4, 2025 were as follows:

(in thousands)	As of			
	April 4, 2026		October 4, 2025	
	Notional Amount	Fair Value Liability Derivatives ⁽¹⁾	Notional Amount	Fair Value Asset Derivatives ⁽²⁾
Derivatives designated as hedging instruments:				
Foreign exchange forward contracts ⁽³⁾	\$ 46,748	\$ (471)	\$ 49,974	\$ 85
Total derivatives	\$ 46,748	\$ (471)	\$ 49,974	\$ 85

(1) The fair value of derivative liabilities is measured using level 2 fair value inputs and is included in accrued expenses and other current liabilities on our Consolidated Condensed Balance Sheets.

(2) The fair value of derivative assets is measured using level 2 fair value inputs and is included in prepaid expenses and other current assets on our Consolidated Condensed Balance Sheets.

(3) Hedged amounts expected to be recognized to income within the next twelve months.

The effects of derivative instruments designated as cash flow hedges in our Consolidated Condensed Statements of Comprehensive Income for the three and six months ended April 4, 2026 and March 29, 2025 were as follows:

(in thousands)	Three Months Ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Foreign exchange forward contract in cash flow hedging relationships:				
Net (loss)/gain recognized in OCI, net of tax ⁽¹⁾	\$ (236)	\$ 214	\$ (552)	\$ (2,071)
Net (loss)/gain reclassified from accumulated OCI into income, net of tax ⁽²⁾	\$ (237)	\$ (155)	\$ 4	\$ 128

(1) Net change in the fair value of the effective portion classified in OCI.

(2) Effective portion classified as selling, general and administrative expense.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)
NOTE 9. LEASES

We have entered into various non-cancellable operating and finance lease agreements for certain of our offices, manufacturing, technology, sales support and service centers, equipment, and vehicles. We determine if an arrangement is a lease, or contains a lease, at inception and record the leases in our financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor. Our lease terms may include one or more options to extend the lease terms, for periods from one year to 20 years, when it is reasonably certain that we will exercise that option. As of April 4, 2026, there were no options to extend the lease which was recognized as a right-of-use ("ROU") asset, or a lease liability. We have lease agreements with lease and non-lease components, and non-lease components are accounted for separately and not included in our leased assets and corresponding liabilities. We have elected not to present short-term leases on the Consolidated Condensed Balance Sheets as these leases have a lease term of 12 months or less at lease inception.

Operating leases are included in operating ROU assets, current operating lease liabilities and non-current operating lease liabilities, and finance leases are included in property, plant and equipment, accrued expenses and other current liabilities, and other liabilities on the Consolidated Condensed Balance Sheets. As of April 4, 2026 and October 4, 2025, our finance leases were not material.

The following table shows the components of lease expense:

(in thousands)	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Operating lease expense ⁽¹⁾	\$ 2,279	\$ 2,369	\$ 4,530	\$ 4,717

(1) Operating lease expense includes short-term lease expense and variable lease expenses, which is immaterial for the three and six months ended April 4, 2026 and March 29, 2025.

The following table shows the cash flows arising from lease transactions. Cash payments related to short-term leases are not included in the measurement of operating lease liabilities, and, as such, are excluded from the amounts below:

(in thousands)	Six months ended	
	April 4, 2026	March 29, 2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 4,432	\$ 5,068

The following table shows the weighted-average lease terms and discount rates for operating leases:

	As of	
	April 4, 2026	October 4, 2025
Operating leases:		
Weighted-average remaining lease term (in years):	6.4	6.6
Weighted-average discount rate:	6.8 %	6.9 %

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

Future lease payments, excluding short-term leases, as of April 4, 2026, are detailed as follows:

	As of	
(in thousands)	April 4, 2026	
Remaining fiscal 2026	\$	4,511
Fiscal 2027		8,267
Fiscal 2028		7,656
Fiscal 2029		7,341
Fiscal 2030		5,897
Thereafter		15,647
Total minimum lease payments		49,319
Less: Interest	\$	9,533
Present value of lease obligations	\$	39,786
Less: Current portion	\$	6,192
Long-term portion of lease obligations	\$	33,594

NOTE 10. DEBT AND OTHER OBLIGATIONS
Bank Guarantees

On November 22, 2013, the Company obtained a \$5.0 million credit facility with Citibank in connection with the issuance of bank guarantees for operational purposes. As of April 4, 2026, no liability has been recognized on the Consolidated Condensed Balance Sheets in connection with these bank guarantees.

NOTE 11. SHAREHOLDERS' EQUITY AND EMPLOYEE BENEFIT PLANS
Share Repurchase Program

As announced on November 13, 2024, the Company's Board of Directors authorized a new share repurchase program to repurchase up to \$300 million of the Company's common stock (the "New Program"). On December 2, 2024, the Company entered into a new written trading plan under Rule 10b5-1 of the Exchange Act, to facilitate repurchases under the New Program. The plan permits the purchase of up to approximately \$300 million of the Company's common stock from December 2, 2024 through December 2, 2029.

The New Program may be suspended or discontinued at any time and is funded using the Company's available cash, cash equivalents and short-term investments. Under the New Program, shares may be repurchased through open market and/or privately negotiated transactions at prices deemed appropriate by management. The timing and amount of repurchase transactions under the New Program depend on market conditions as well as corporate and regulatory considerations.

During the three and six months ended April 4, 2026, the Company repurchased a total of approximately 3.0 thousand and 171.0 thousand shares of common stock under the New Program at a cost of approximately \$0.1 million and \$6.8 million, respectively.

The stock repurchases were recorded in the periods the repurchased shares were delivered and accounted for as treasury stock in the Company's Consolidated Condensed Balance Sheets. The Company records treasury stock purchases under the cost method using the first-in, first-out (FIFO) method. Upon re-issuance of treasury stock, amounts in excess of the acquisition cost are credited to additional paid-in capital.

If the Company reissues treasury stock at an amount below its acquisition cost and additional paid-in capital associated with prior treasury stock transactions is insufficient to cover the difference between acquisition cost and the reissue price, this difference is recorded against retained earnings.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

As of April 4, 2026, our remaining stock repurchase authorization under the New Program was approximately \$227.0 million.

Accumulated Other Comprehensive Loss

The following table reflects changes in accumulated other comprehensive income / (loss) by component as of April 4, 2026 and October 4, 2025:

<i>(in thousands)</i>	Cumulative Foreign Currency Translation Adjustment	Pension Plan Adjustments	(Loss) / Gain on Derivative Instruments	Total
As of October 4, 2025	\$ (22,169)	\$ (1,766)	\$ 85	\$ (23,850)
Other comprehensive income / (loss) before reclassifications	1,111	11	(552)	570
Amount reclassified out of accumulated other comprehensive income / (loss)	—	—	(4)	(4)
Tax effects	(176)	—	—	(176)
Accumulated other comprehensive income / (loss)	935	11	(556)	390
As of April 4, 2026	\$ (21,234)	\$ (1,755)	\$ (471)	\$ (23,460)

Equity-Based Compensation

The Company has a stockholder-approved equity-based compensation plan, the 2021 Omnibus Incentive Plan (the “Plan”) from which employees and directors receive grants. As of April 4, 2026, 3.4 million shares of common stock are available for grant to the Company’s employees and directors under the Plan.

- Relative Total Shareholder Return Performance Share Units (“Relative TSR PSUs”) entitle the employee to receive common stock of the Company on the award vesting date, typically the third anniversary of the grant date (or as soon as administratively practicable if later), if market performance objectives which measure the relative TSR are attained. Relative TSR is calculated based upon the 90-calendar day average price at the end of the performance period of the Company’s stock as compared to specific peer companies that comprise the GICS (45301020) Semiconductor Index. TSR is measured for the Company and each peer company over a performance period, which is generally three years. Vesting percentages range from 0% to 200% of awards granted. The provisions of the Relative TSR PSUs are reflected in the grant date fair value of the award; therefore, compensation expense is recognized regardless of whether the market condition is ultimately satisfied. Compensation expense is reversed if the award is forfeited prior to the vesting date.
- Revenue Growth Performance Share Units (“Growth PSUs”) entitle the employee to receive common stock of the Company on the award vesting date, typically the third anniversary of the grant date (or as soon as administratively practicable if later), based on organic revenue growth objectives and relative growth performance against named competitors as set by the Management Development and Compensation Committee (“MDCC”) of the Company’s Board of Directors. Organic revenue growth is calculated by averaging revenue growth (net of revenues from acquisitions) over a performance period, which is generally three years. Revenues from acquisitions will be included in the calculation after four fiscal quarters after acquisition. Any portion of the grant that does not meet the revenue growth objectives and relative growth performance is forfeited. Vesting percentages range from 0% to 200% of awards granted.
- In general, Time-based Restricted Share Units (“Time-based RSUs”) awarded to employees vest ratably over a three-year period on the anniversary of the grant date provided the employee remains employed by the Company.

Equity-based compensation expense recognized in the Consolidated Condensed Statements of Operations for the three and six months ended April 4, 2026 and March 29, 2025 was based upon awards ultimately expected to vest, with forfeiture accounted for when they occur.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The following table reflects Time-based RSUs, Relative TSR PSUs and common stock granted during the three and six months ended April 4, 2026 and March 29, 2025:

(shares in thousands)	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Time-based RSUs	—	—	568	563
Relative TSR PSUs	—	—	75	128
Common stock	5	7	11	14
Equity-based compensation in shares	5	7	654	705

The following table reflects total equity-based compensation expense, which includes Time-based RSUs, Relative TSR PSUs, Growth PSUs and common stock, included in the Consolidated Condensed Statements of Operations during the three and six months ended April 4, 2026 and March 29, 2025:

(in thousands)	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Cost of sales	\$ 427	\$ 387	\$ 864	\$ 770
Selling, general and administrative	4,398	4,920	7,290	8,659
Research and development	2,166	2,186	4,167	4,205
Total equity-based compensation expense	\$ 6,991	\$ 7,493	\$ 12,321	\$ 13,634

The following table reflects equity-based compensation expense, by type of award, for the three and six months ended April 4, 2026 and March 29, 2025:

(in thousands)	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Time-based RSUs	\$ 5,094	\$ 5,210	\$ 10,107	\$ 10,366
Relative TSR PSUs	1,628	1,837	3,087	3,615
Growth PSUs	—	131	(1,412)	(977)
Common stock	269	315	539	630
Total equity-based compensation expense	\$ 6,991	\$ 7,493	\$ 12,321	\$ 13,634

NOTE 12. REVENUE AND CONTRACT BALANCES

The Company recognizes revenue when we satisfy performance obligations as evidenced by the transfer of control of our products or services to customers. In general, the Company generates revenue from product sales, either directly to customers or to distributors. In determining whether a contract exists, we evaluate the terms of the agreement, the relationship with the customer or distributor and their ability to pay. Service revenue is generally recognized over time as the services are performed. For the three and six months ended April 4, 2026 and March 29, 2025, the service revenue was not material.

The Company reports revenue based on its reportable segments and end markets, which provides information about how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. Please refer to Note 15: Segment Information, for disclosure of revenue by segment and end market.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)
Contract Balances

(in thousands)	As of	
	April 4, 2026	October 4, 2025
Contract liabilities	\$ 39,009	\$ 23,936

Our contract liabilities are primarily related to payments received in advance of satisfying performance obligations, and are reported in the accompanying Consolidated Condensed Balance Sheets within accrued expenses and other current liabilities.

Contract liabilities increased as a result of receiving new advanced payments from customers, partially offset by the recognition in revenue of \$18.9 million that was included in contract liabilities as of October 4, 2025.

NOTE 13. EARNINGS PER SHARE

Basic income per share is calculated using the weighted average number of shares of common stock outstanding during the period. Restricted stock is included in the calculation of diluted earnings per share, except when their effect would be anti-dilutive.

The following table reflects a reconciliation of the shares used in the basic and diluted net income/(loss) per share computation for the three and six months ended April 4, 2026 and March 29, 2025:

(in thousands, except per share)	Three months ended			
	April 4, 2026		March 29, 2025	
	Basic	Diluted	Basic	Diluted
NUMERATOR:				
Net income/(loss)	\$ 35,148	\$ 35,148	\$ (84,519)	\$ (84,519)
DENOMINATOR:				
Weighted average shares outstanding - Basic	52,327	52,327	53,311	53,311
Dilutive effect of Equity Plans		794		—
Weighted average shares outstanding - Diluted		53,121		53,311
EPS:				
Net income/(loss) per share - Basic	\$ 0.67	\$ 0.67	\$ (1.59)	\$ (1.59)
Effect of dilutive shares		(0.01)		—
Net income/(loss) per share - Diluted		\$ 0.66		\$ (1.59)
Anti-dilutive shares ⁽¹⁾		3		249

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

<i>(in thousands, except per share)</i>	Six months ended			
	April 4, 2026		March 29, 2025	
	Basic	Diluted	Basic	Diluted
NUMERATOR:				
Net income /(loss)	\$ 51,944	\$ 51,944	\$ (2,877)	\$ (2,877)
DENOMINATOR:				
Weighted average shares outstanding - Basic	52,323	52,323	53,551	53,551
Dilutive effect of Equity Plans		640		—
Weighted average shares outstanding - Diluted		52,963		53,551
EPS:				
Net income /(loss) per share - Basic	\$ 0.99	\$ 0.99	\$ (0.05)	\$ (0.05)
Effect of dilutive shares		(0.01)		—
Net income /(loss) per share - Diluted		\$ 0.98		\$ (0.05)
Anti-dilutive shares ⁽¹⁾		670		285

(1) Represents the Time-based RSUs, Relative TSR PSUs and Growth PSUs that are excluded from the calculation of diluted earnings per share for the three and six months ended April 4, 2026 and March 29, 2025 as the effect would have been anti-dilutive.

NOTE 14. INCOME TAXES

The following table reflects the provision for income taxes and the effective tax rate for the three and six months ended April 4, 2026 and March 29, 2025:

<i>(dollar amounts in thousands)</i>	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Provision for income taxes	\$ 7,361	\$ 5,438	\$ 13,104	\$ 16,770
Effective tax rate	17.3 %	(6.9)%	20.1 %	120.7 %

As previously disclosed in fiscal 2025, the Company received reimbursement from the cancellation of a prior project, for which the Company was engaged by one of its customers to support the customer with the development and future mass production of certain technologies (the "Project"). In addition, the Company announced the cessation of its EA equipment business.

For the three and six months ended April 4, 2026, as compared to the same period ended March 29, 2025, the changes in provision for income taxes and effective tax rate were primarily due to the tax effects of the reimbursement from cancellation of the Project and the cessation of the EA equipment business, which were recorded as discrete items during fiscal 2025, partially offset by an increase in profitability in fiscal 2026.

For the three and six months ended April 4, 2026, the effective tax rate is lower than the U.S. federal statutory tax rate primarily due to tax credits and earnings of foreign subsidiaries subject to different tax rates than the U.S., partially offset by nondeductible expenses, deemed income, and taxes on undistributed foreign earnings.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

NOTE 15. SEGMENT INFORMATION

Reportable segments are defined as components of an enterprise that engage in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker (the “CODM”) in deciding how to allocate resources and assess performance. The Company’s Interim Chief Executive Officer is the CODM. Our CODM evaluates performance and allocates resources primarily based on income from operations. This measure is regularly provided to and reviewed by our CODM to support budgeting, forecasting, and decisions regarding resource allocation for strategic initiatives across segments, capital investments, and workforce planning. While income from operations is the primary measure used by our CODM to allocate resources, our CODM regularly reviews materials that present revenue, cost of sales and significant operating expenses. Accordingly, we have disclosed these segment items in the tables below. The CODM does not review discrete asset information.

Future changes to this internal financial structure may result in changes to our reportable segments. The Company has four reportable segments consisting of: (1) Ball Bonding Equipment, (2) Wedge Bonding Equipment, (3) Advanced Solutions, and (4) Aftermarket Products and Services (“APS”). The four reportable segments are disclosed below:

Ball Bonding Equipment: Reflects the results of the Company from the design, development, manufacture and sale of ball bonding equipment and wafer level bonding equipment.

Wedge Bonding Equipment: Reflects the results of the Company from the design, development, manufacture and sale of wedge and wedge-related bonding equipment.

Advanced Solutions: Reflects the results of the Company from the design, development, manufacture and sale of die-attach and thermocompression systems and solutions.

APS: Reflects the results of the Company from the design, development, manufacture and sale of a variety of tools, spares and services for our equipment.

Any other operating segments that have not been aggregated within the reportable segments described above which do not meet the quantitative threshold to be disclosed as a separate reportable segment have been grouped within an “All Others” category. This group is reflective of the results of the Company from the design, development, manufacture and sale of advanced dispense, electronics assembly systems and solutions and related aftermarket spares and services. Results for the “All Others” category and other corporate expenses are included as a reconciling item between the Company’s reportable segments and its consolidated results of operations.

The unallocated corporate expenses category includes certain operating expenses that are not allocated to our reportable segments and are managed separately at the corporate level. These operating expenses include costs related to certain management, finance, legal, human resources, and research and development functions provided at the corporate level. In addition, we do not allocate to our reportable segments severance costs related to restructuring actions. Segment operating income also excludes interest income/expenses, other financial charges and income taxes. Our CODM does not consider the unallocated costs in measuring the performance of the reportable segments.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The following table reflects operating information by segment for the three and six months ended April 4, 2026 and March 29, 2025:

(in thousands)

	Three months ended April 4, 2026						
	Reportable segments				Reconciling items		
	Ball Bonding Equipment	Wedge Bonding Equipment	Advanced Solutions	APS	All Others	Unallocated Corporate Expenses	Total Company
Net Revenue	\$ 160,206	\$ 13,070	\$ 24,483	\$ 34,694	\$ 10,168	\$ —	\$ 242,621
Cost of sales	82,835	7,329	10,346	17,111	5,273	23	122,917
Selling, general and administrative	8,046	2,198	4,427	3,161	3,697	21,213	42,742
Research and development	10,155	6,145	15,343	2,924	2,413	1,416	38,396
Total operating expenses	18,201	8,343	19,770	6,085	6,110	22,629	81,138
Income / (Loss) from operations	\$ 59,170	\$ (2,602)	\$ (5,633)	\$ 11,498	\$ (1,215)	\$ (22,652)	\$ 38,566

(in thousands)

	Three months ended March 29, 2025						
	Reportable segments				Reconciling items		
	Ball Bonding Equipment	Wedge Bonding Equipment	Advanced Solutions	APS ⁽¹⁾	All Others ⁽¹⁾	Unallocated Corporate Expenses	Total Company
Net Revenue	\$ 66,281	\$ 36,197	\$ 17,638	\$ 31,615	\$ 10,255	\$ —	\$ 161,986
Cost of sales	32,630	20,045	7,365	15,402	46,158	2	121,602
Selling, general and administrative	4,994	1,903	4,267	2,821	45,636	28,210	87,831
Research and development	9,362	5,336	12,135	2,609	5,787	1,991	37,220
Total operating expenses	14,356	7,239	16,402	5,430	51,423	30,201	125,051
Income / (Loss) from operations	\$ 19,295	\$ 8,913	\$ (6,129)	\$ 10,783	\$ (87,326)	\$ (30,203)	\$ (84,667)

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)
(in thousands)

Six Months Ended April 4, 2026

	Reportable segments				Reconciling items		Total Company
	Ball Bonding Equipment	Wedge Bonding Equipment	Advanced Solutions	APS	All Others	Unallocated Corporate Expenses	
Net Revenue	\$ 270,489	\$ 34,191	\$ 41,704	\$ 74,318	\$ 21,544	\$ —	\$ 442,246
Cost of sales	137,745	20,175	19,972	36,089	9,577	29	223,587
Selling, general and administrative	14,687	4,594	8,962	6,459	7,470	41,329	83,501
Research and development	20,411	12,396	29,372	5,776	5,429	5,388	78,772
Total operating expenses	35,098	16,990	38,334	12,235	12,899	46,717	162,273
Income / (Loss) from operations	\$ 97,646	\$ (2,974)	\$ (16,602)	\$ 25,994	\$ (932)	\$ (46,746)	\$ 56,386

(in thousands)

Six Months Ended March 29, 2025

	Reportable segments				Reconciling items		Total Company
	Ball Bonding Equipment	Wedge Bonding Equipment	Advanced Solutions ⁽²⁾	APS ⁽¹⁾	All Others ⁽¹⁾	Unallocated Corporate Expenses	
Net Revenue	\$ 125,967	\$ 68,420	\$ 45,816	\$ 63,732	\$ 24,175	\$ —	\$ 328,110
Cost of sales	63,628	37,951	13,669	30,352	55,031	11	200,642
Selling, general and administrative	10,607	4,025	(65,042)	5,820	48,537	46,511	50,458
Research and development	19,009	10,828	24,744	5,093	11,574	3,780	75,028
Total operating expenses	29,616	14,853	(40,298)	10,913	60,111	50,291	125,486
Income / (Loss) from operations	\$ 32,723	\$ 15,616	\$ 72,445	\$ 22,467	\$ (90,967)	\$ (50,302)	\$ 1,982

(1) In view of the cessation of the EA equipment business, the financial results for the three and six months ended April 4, 2026 now excludes a certain product line from the APS segment and now reports it as part of "All Others". This change in composition of reportable segments has been retrospectively applied to the corresponding results for the three and six months ended March 29, 2025.

(2) The credit balance for the Advanced Solutions segment is primarily due to a \$71.1 million reimbursement for certain costs and expenses as a result of the cancellation of the Project and a \$1.7 million gain from a supplier settlement, partially offset by \$7.8 million of selling, general and administrative expenses.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The following table reconciles total segment profit to total income / (loss) before income taxes for the three and six months ended April 4, 2026 and March 29, 2025:

	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Total income from reportable segments	\$ 62,433	\$ 32,862	\$ 104,064	\$ 143,251
All Others	(1,215)	(87,326)	(932)	(90,967)
Unallocated corporate expenses	(22,652)	(30,203)	(46,746)	(50,302)
Net interest income	3,943	5,586	8,662	11,911
Income before income taxes	\$ 42,509	\$ (79,081)	\$ 65,048	\$ 13,893

We have considered: (1) information that is regularly provided to our CODM in evaluating financial performance and how to allocate resources; and (2) other financial data, including information that we include in our earnings releases but which is not included in our financial statements, to disaggregate revenues by end markets served. The principal category we use to disaggregate revenues is by the end markets served.

The following table reflects net revenue by end markets served for the three and six months ended April 4, 2026 and March 29, 2025:

(in thousands)	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
General Semiconductor	\$ 148,867	\$ 90,684	\$ 273,549	\$ 156,243
Automotive & Industrial	22,217	30,976	35,852	81,430
Memory	31,251	2,806	47,473	13,531
APS	40,286	37,520	85,372	76,906
Total revenue	\$ 242,621	\$ 161,986	\$ 442,246	\$ 328,110

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The following table reflects capital expenditures, depreciation expense and amortization expense for the three and six months ended April 4, 2026 and March 29, 2025:

(in thousands)	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Capital expenditures:				
Ball Bonding Equipment	\$ 63	\$ 50	\$ 98	\$ 57
Wedge Bonding Equipment	437	45	513	80
Advanced Solutions	—	14	—	92
APS ⁽¹⁾	233	258	982	565
All Others ⁽¹⁾	40	390	45	615
Corporate Expenses	2,906	1,959	4,110	3,418
	<u>\$ 3,679</u>	<u>\$ 2,716</u>	<u>\$ 5,748</u>	<u>\$ 4,827</u>
Depreciation expense:				
Ball Bonding Equipment	\$ 264	\$ 332	\$ 539	\$ 664
Wedge Bonding Equipment	248	228	475	455
Advanced Solutions	257	281	518	516
APS ⁽¹⁾	1,175	1,308	2,374	2,706
All Others ⁽¹⁾	322	347	604	676
Corporate Expenses	1,405	1,344	2,812	2,590
	<u>\$ 3,671</u>	<u>\$ 3,840</u>	<u>\$ 7,322</u>	<u>\$ 7,607</u>
Amortization expense:				
Ball Bonding Equipment	\$ —	\$ —	\$ —	\$ —
Wedge Bonding Equipment	—	—	—	—
Advanced Solutions	—	—	—	—
APS ⁽¹⁾	—	—	—	—
All Others ⁽¹⁾	216	1,080	432	2,234
Corporate Expenses	91	91	183	183
	<u>\$ 307</u>	<u>\$ 1,171</u>	<u>\$ 615</u>	<u>\$ 2,417</u>

(1) In view of the cessation of EA equipment business, the financial results for the three and six months ended April 4, 2026 now exclude a certain product line from the APS segment and now reports it as part of "All Others". This change in composition of reportable segments has been retrospectively applied to the corresponding results for the three and six months ended March 29, 2025.

NOTE 16. COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS
Warranty Expense

The Company's equipment is generally shipped with a one-year warranty against manufacturing defects. The Company establishes reserves for estimated warranty expense when revenue for the related equipment is recognized. The reserve for estimated warranty expense is based upon historical experience and management's estimate of future warranty costs, including product part replacement, freight charges and related labor costs expected to be incurred in correcting manufacturing defects during the warranty period.

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The following table reflects the reserve for warranty activity for the three and six months ended April 4, 2026 and March 29, 2025:

(in thousands)	Three months ended		Six months ended	
	April 4, 2026	March 29, 2025	April 4, 2026	March 29, 2025
Reserve for product warranty, beginning of period	\$ 7,639	\$ 9,426	\$ 7,255	\$ 9,911
Provision for product warranty	4,402	1,883	7,854	4,412
Utilization of reserve	(3,047)	(2,785)	(6,115)	(5,799)
Reserve for product warranty, end of period	<u>\$ 8,994</u>	<u>\$ 8,524</u>	<u>\$ 8,994</u>	<u>\$ 8,524</u>

Other Commitments and Contingencies

The following table reflects obligations not reflected on the Consolidated Condensed Balance Sheets as of April 4, 2026:

(in thousands)	Payments due by fiscal year						
	Total	2026	2027	2028	2029	2030	Thereafter
Inventory purchase obligation ⁽¹⁾	\$ 359,635	\$ 338,877	\$ 20,758	\$ —	\$ —	\$ —	\$ —

(1) The Company orders inventory components in the normal course of its business. A portion of these orders are non-cancelable and a portion may have varying penalties and charges in the event of cancellation.

From time to time, the Company is party to or the target of lawsuits, claims, investigations and proceedings, including for personal injury, intellectual property, commercial, contract, and employment matters, which are handled and defended in the ordinary course of business. The Company accrues a contingent loss liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When a single amount cannot be reasonably estimated but the cost can be estimated within a range, the Company accrues the minimum amount. The Company expenses legal costs, including those expected to be incurred in connection with a loss contingency, as incurred.

Unfunded Capital Commitments

As of April 4, 2026, the Company also has an obligation to fund uncalled capital commitments of approximately \$2.8 million, as and when required, in relation to its investment in a private equity fund.

Concentrations

The following table reflects significant customer concentrations as a percentage of net revenue for the six months ended April 4, 2026 and March 29, 2025:

	Six months ended	
	April 4, 2026	March 29, 2025
Tianshui Huatian Technology Co., Ltd	16.9 %	*
Haoseng Industrial Co., Ltd	11.8 %	*
Changjin Technology (Shanghai) Co., Ltd	10.7 %	*

* Represents less than 10% of total net revenue

KULICKE AND SOFFA INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited) (continued)

The following table reflects significant customer concentrations as a percentage of total accounts receivable as of April 4, 2026 and March 29, 2025:

	As of	
	April 4, 2026	March 29, 2025
Tianshui Huatian Technology Co., Ltd	29.6 %	18.2 %
Haoseng Industrial Co., Ltd	20.4 %	*
Forehope Electronic (Ningbo) Co., Ltd.	*	13.9 %

* Represents less than 10% of total accounts receivable

NOTE 17. CESSATION OF BUSINESS
Cessation of EA Equipment Business

On March 25, 2025, the Board of Directors of the Company approved a strategic plan related to the cessation of the EA equipment business. As part of the plan, the Company began the process of winding down the EA equipment business in an effort to prioritize core semiconductor assembly business opportunities and enhance overall through-cycle financial performance. The cessation of the EA equipment business is subject to a consultation process with the applicable works council and union representatives, which the Company initiated in the third fiscal quarter of 2025 and, as of April 4, 2026, has substantially completed. The wind down activities remain ongoing and are expected to be substantially completed by the end of fiscal 2026, after which there will be some service support activities to serve out the remaining customer obligations.

Wind down charges as a result of these activities incurred during the six months ended April 4, 2026 were accounted in accordance with ASC 420, *Exit or Disposal Cost Obligations* and ASC 712, *Compensation—Nonretirement Postemployment Benefits*. The wind down charges are primarily recorded in the Company's "All Others" category. We plan to fund the cash costs through existing cash balances.

Employee termination benefits

The Company incurred employee termination benefits pertaining to ongoing and one-time benefit arrangements in accordance with ASC 712 and 420. The movement of the balances as of April 4, 2026 is summarized below:

<i>(in thousands)</i>	Ongoing employee benefit arrangements	One-time employee benefit arrangements	Total
As of October 4, 2025	\$ 4,380	\$ 957	\$ 5,337
Additions charged to expense	\$ —	\$ 2,340	\$ 2,340
Cash payments	\$ (1,423)	\$ (1,508)	\$ (2,931)
As of April 4, 2026	\$ 2,957	\$ 1,789	\$ 4,746

The costs related to the one-time employee benefit arrangements were recorded within "Selling, general and administrative" in the Consolidated Condensed Statements of Operations, and are expected to be paid progressively as we complete the wind-down activities. We expect to record between approximately \$2.0 million and \$4.0 million of these costs throughout the completion of the wind-down period.

Item 2. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Forward-Looking Statements**

In addition to historical information, this Quarterly Report contains statements relating to future events or our future results. These statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are subject to the safe harbor provisions created by statute. Such forward-looking statements include, but are not limited to, statements with respect to our future revenue increasing, continuing or strengthening, or decreasing or weakening; our capital allocation strategies, including any share repurchases; demand for our products, including replacement demand; our research and development efforts; our ability to identify and realize new growth opportunities; our ability to successfully execute our business; our ability to control costs; and our operational flexibility as a result of (among other factors):

- *our ability to successfully complete the cessation of our Electronics Assembly ("EA") equipment business, including delays or other problems arising from regulatory or judicial review of the activities concerning the cessation;*
- *our ability to achieve expected organizational efficiencies after the successful cessation of our EA equipment business;*
- *risks arising from changes or uncertainties in trade policies, including the imposition of new, reciprocal or increases in existing tariffs or other restrictive trade measures, affecting supply chain costs, product pricing and customer demand;*
- *our expectations regarding the potential impacts on our business of actual or potential inflationary pressures, interest rate and risk premium adjustments, falling consumer sentiment, or economic recession caused, directly or indirectly, by the ongoing tensions in the Middle East, the prolonged Ukraine/Russia conflict, global trade relations, geopolitical tensions and other macroeconomic factors;*
- *our expectations regarding supply chain disruptions caused, directly or indirectly, by various macroeconomic events, including increased tariffs, geopolitical tensions, catastrophic events resulting from climate change or other natural disasters and other factors;*
- *our expectations regarding our effective tax rate and our unrecognized tax benefit;*
- *our ability to operate our business in accordance with our business plan;*
- *our ability to adequately protect our trade secrets and intellectual property rights from misappropriation;*
- *our expectations regarding our success in integrating companies we may acquire with our business, and our ability to continue to acquire or divest companies;*
- *risks inherent in doing business on an international level, including currency risks, regulatory requirements, systems and cybersecurity risks, political risks, evolving trade and export restrictions and other trade-related barriers;*
- *disruptions, breaches or failures in our information technology systems and network infrastructures;*
- *projected growth rates in the overall semiconductor industry, the semiconductor assembly equipment market, and the market for semiconductor packaging materials;*
- *projected demand for our products and services; and*
- *unexpected delays and difficulties in executing our environmental, social and governance ("ESG") targets and commitments.*

Generally, words such as “may,” “will,” “should,” “could,” “anticipate,” “expect,” “intend,” “estimate,” “plan,” “continue,” “goal” and “believe,” or the negative of or other variations on these and other similar expressions identify forward-looking statements. These forward-looking statements are made only as of the date of this filing. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements are based on current expectations and involve risks and uncertainties. Our future results could differ significantly from those expressed or implied by our forward-looking statements. These risks and uncertainties include, without limitation, those described below and in our Annual Report on Form 10-K for the fiscal year ended October 4, 2025 (our “2025 Annual Report”) and our other reports filed from time to time with the Securities and Exchange Commission. This discussion should be read in conjunction with the Consolidated Condensed Financial Statements and Notes included in this Quarterly Report, as well as our audited financial statements included in our 2025 Annual Report.

We operate in a rapidly changing and competitive environment. New risks emerge from time to time and it is not possible for us to predict all risks that may affect us. Future events and actual results, performance and achievements could differ materially from those set forth in, contemplated by or underlying the forward-looking statements, which speak only as of the date on which they were made. Except as required by law, we assume no obligation to update or revise any forward-looking statement to reflect actual results or changes in, or additions to, the factors affecting such forward-looking statement. Given those risks and uncertainties, investors should not place undue reliance on forward-looking statements as predictions of actual results.

OVERVIEW

Kulicke and Soffa Industries, Inc. (“K&S,” “we,” “us,” “our,” or the “Company”) is a global leader in semiconductor assembly technology, advancing device performance across automotive, compute, industrial, memory and communications markets. Founded on innovation in 1951, K&S is uniquely positioned to overcome increasingly dynamic process challenges – creating and delivering long-term value by aligning technology with opportunity.

We design, develop, manufacture and sell capital equipment and consumables and provide services used to assemble semiconductor and electronic devices, such as integrated circuits, power discretes, light-emitting diode (“LEDs”), and sensors. We also service, maintain, repair and upgrade our equipment and sell consumable aftermarket solutions and services for our and our peer companies’ equipment. Our customers primarily consist of integrated device manufacturers (“IDMs”), outsourced semiconductor assembly and test providers (“OSATs”), foundry service providers, and other electronics manufacturers and automotive electronics suppliers.

Our goal is to be the technology leader and the most competitive supplier in terms of performance, cost and quality in each of our major product lines. Accordingly, we invest in research and engineering projects intended to expand our market access and enhance our leadership position in semiconductor, electronics and display assembly. We also remain focused on enhancing our value to customers through higher productivity systems, more autonomous capabilities and continuous improvement and optimization of our operational costs. Delivering new levels of value to our customers is a critically important goal.

Our Ball Bonding Equipment, Wedge Bonding Equipment and Advanced Solutions reportable segments engage in the design, development, manufacture and sale of ball bonding equipment, wafer level bonding equipment, wedge and wedge-related bonding equipment, die-attach and thermocompression systems and solutions to IDMs, OSATs, foundry service providers, and other electronics manufacturers and automotive electronics suppliers.

Our APS segment engages in the design, development, manufacture and sale of a variety of tools, spares and services for our equipment. For example, we manufacture capillaries, blades, wedge bonder consumables and other spare parts which complements our equipment and to support a broader range of semiconductor packaging applications. We also provide equipment repair, post-sale support, maintenance and servicing, training services, refurbishment and upgrades for our equipment.

All other operating segments that do not meet the quantitative threshold to be disclosed as a separate reportable segment have been grouped within an “All Others” category. This group is reflective of the results of the Company from the design, development, manufacture and sale of advanced dispense, electronics assembly, and die-attach systems and solutions.

Business Environment

The semiconductor business environment is highly volatile and is driven by internal dynamics, both cyclical and seasonal, in addition to macroeconomic forces. Over the long term, semiconductor consumption has historically grown, and is forecasted to continue to grow. This growth is driven, in part, by regular advances in device performance and by price declines that result from improvements in manufacturing technology. In order to exploit these trends, semiconductor manufacturers, both IDMs and OSATs, periodically invest aggressively in the latest generation capital equipment. This buying pattern often leads to periods of excess supply and reduced capital spending — the so-called semiconductor cycle. Within this broad semiconductor cycle there are also, generally weaker, seasonal effects that are specifically tied to annual, end-consumer purchasing patterns. Typically, semiconductor manufacturers prepare for heightened demand by adding or replacing equipment capacity by the end of the September quarter. Occasionally, this results in subsequent reductions in demand during the December quarter. This annual seasonality can be overshadowed by effects of the broader semiconductor cycle. Macroeconomic factors also affect the industry, primarily through their effect on business and consumer demand for electronic devices, as well as other products that have significant electronic content such as automobiles, white goods, and telecommunication equipment. There can be no assurances regarding levels of demand for our products and we believe historic industry-wide volatility will persist.

From time to time, our customers may request that we deliver our products to countries where they own or operate production facilities or to countries where they utilize third-party subcontractors or warehouses as part of their supply chain. For example, customers headquartered in the U.S. may require us to deliver our products to their back-end production facilities in China. Our customer base in the Asia/Pacific region has become more geographically concentrated over time as a result of general economic and industry conditions and trends. Approximately 92.8% and 86.3% of our net revenue for the three months ended April 4, 2026 and March 29, 2025, respectively, were for shipments to customer locations outside of the U.S., primarily in the Asia/Pacific region. Approximately 54.6% and 45.8% of our net revenue for the three months ended April 4, 2026 and March 29, 2025, respectively, were for shipments to customers headquartered in China.

Similarly, approximately 93.5% and 86.8% of our net revenue for the six months ended April 4, 2026 and March 29, 2025, respectively, were for shipments to customer locations outside of the U.S., primarily in the Asia/Pacific region. Approximately 56.6% and 47.3% of our net revenue for the six months ended April 4, 2026 and March 29, 2025, respectively, were for shipments to customers headquartered in China.

While our customers have generally been impacted by the current global macroeconomic conditions, demand trends have varied by region and over time. Those with operations in China, an important manufacturing and supply chain hub, have at times experienced, and may experience in the future, greater volatility in demand compared to other regions. The shipments to customers headquartered in China are subject to heightened risks and uncertainties related to the respective trade and export control policies of the governments of China and the U.S, including the imposition of new tariffs or increases in existing tariffs and general inflationary considerations. Furthermore, there remains a potential risk of conflict and instability in the relationship between Taiwan and China that could disrupt the operations of our customers and/or suppliers in both Taiwan and China and our manufacturing operations in Taiwan and China.

The U.S. and several other countries have levied tariffs on certain goods and sectors and have introduced other trade restrictions resulting in substantial uncertainties in the semiconductor, LED, memory and automotive markets.

Our Ball Bonding Equipment, Wedge Bonding Equipment and Advanced Solutions reportable segments, as well as the remaining operating segments in the “All Others” category, are primarily affected by the industry’s internal cyclical and seasonal dynamics in addition to broader macroeconomic factors that can positively or negatively affect our financial performance. The sales mix of IDM and OSAT customers in any period also impacts financial performance, as changes in this mix can affect our products’ average selling prices and gross margins due to differences in volume purchases and machine configurations required by each customer type.

Our APS reportable segment has historically been less volatile than the other reportable segments. APS sales are more directly tied to semiconductor unit consumption rather than capacity requirements and production capability improvements.

We continue to position our business to leverage our research and development leadership and innovation and to focus our efforts on mitigating volatility, improving profitability and ensuring longer-term growth. We remain focused on operational excellence, expanding our product offerings through continuous research and development or acquisitions and managing our business efficiently throughout the business cycles. However, our visibility into future demand is generally limited, forecasting is difficult, and we generally experience typical industry seasonality.

To limit potential adverse cyclical, seasonal and macroeconomic effects on our financial position, we have continued our efforts to maintain a strong balance sheet. As of April 4, 2026, our total cash, cash equivalents and short-term investments were \$487.9 million, a \$22.8 million decrease from the prior fiscal year end. We believe our ability to maintain a strong cash position will allow us to continue to invest in product development, pursue non-organic growth opportunities and return capital to investors through our share repurchase and dividend programs. Please see “Liquidity and Capital Resources” for more information.

Key Events in Fiscal 2026 to Date

Senior Leadership Changes

On October 28, 2025, the Company announced that Dr. Fusen Chen retired as President and Chief Executive Officer of the Company and as a member of the Board, effective December 1, 2025. Also, on October 28, 2025, the Board appointed Lester Wong, the Company's current Executive Vice President and Chief Financial Officer, as the Company's Interim Chief Executive Officer. A search for a permanent successor among external and internal candidates is underway.

Separately, on October 14, 2025, Mr Chan Pin Chong, Executive Vice President & General Manager, K&S Products & Solutions of the Company, retired from his position effective December 1, 2025.

Middle East Conflict

Geopolitical conditions in the Middle East have remained volatile, including the continuation of hostilities involving Iran and attacks on surrounding states, including Israel. The situation remains dynamic and subject to rapid change. The Company has a manufacturing facility and a business office in Haifa, and our capillaries are manufactured at our facilities in Israel and China.

As of the date of this report, our business and capillary manufacturing operations in Israel have not been impacted and no material damage or utilities interruptions have been noted at our Israeli facility. Furthermore, disruption to our workforce and operations have been immaterial. Given that any further escalation or other hostilities cannot be excluded, we continue to monitor the situation and refine our business contingency measures.

We continue to closely monitor developments in the Middle East, including the conditions in and around the Strait of Hormuz.

Macroeconomic Headwinds

The cost of logistics remains high as a result of macroeconomic conditions, inflation and labor shortages across layers of the supply chain. The Company's management continues to monitor for signs of any expansion of economic or supply chain disruptions or broader supply chain inflationary and logistical costs resulting either directly or indirectly from the tensions in the Middle East or between Ukraine and Russia, as well as the rapid evolution of global trade policies, such as export controls and tariffs.

The ongoing tensions in the Middle East, including the Israel-Iran war, and the prolonged Ukraine/Russia conflict have not had a material impact on our financial condition and operating results in fiscal 2026 to date. We believe that our existing cash, cash equivalents, short-term investments, and anticipated cash flows from operations will be sufficient to meet our liquidity and capital requirements, notwithstanding the ongoing tensions in the Middle East and the prolonged Ukraine/Russia conflict and other macroeconomic factors, for at least the next twelve months from the date of this Quarterly Report.

As the macroeconomic situation remains highly volatile and the geopolitical situation remains uncertain, our business, our expectations regarding future demand or supply conditions, our near- and long-term liquidity and our financial condition. Consequentially, our operating results could deteriorate. However, we believe that the long-term semiconductor industry macroeconomics have not changed and we anticipate that the industry's growth projections will normalize.

For a description of the risks to our business arising from or relating to the general macroeconomic conditions, please see Part I, Item 1A, “Risk Factors” of our 2025 Annual Report.

RESULTS OF OPERATIONS

As discussed in Note 15: Segment Information, the segment-related information within Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended April 4, 2026 now excludes a certain product line from the APS segment and reports it as part of "All Others". This change in composition of the reportable segments has been retrospectively applied to the corresponding results for the three and six months ended March 29, 2025.

The following tables reflect our income from operations for the three and six months ended April 4, 2026 and March 29, 2025:

<i>(dollar amounts in thousands)</i>	Three months ended		\$ Change	% Change
	April 4, 2026	March 29, 2025		
Net revenue	\$ 242,621	\$ 161,986	\$ 80,635	49.8 %
Cost of sales	122,917	121,602	1,315	1.1 %
Gross profit	119,704	40,384	79,320	196.4 %
Selling, general and administrative	42,742	48,014	(5,272)	(11.0)%
Research and development	38,396	37,220	1,176	3.2 %
Impairment charges	—	39,817	(39,817)	(100.0)%
Operating expenses	81,138	125,051	(43,913)	(35.1)%
Income/(Loss) from operations	\$ 38,566	\$ (84,667)	\$ 123,233	145.6 %

<i>(dollar amounts in thousands)</i>	Six months ended		\$ Change	% Change
	April 4, 2026	March 29, 2025		
Net revenue	\$ 442,246	\$ 328,110	\$ 114,136	34.8 %
Cost of sales	223,587	200,642	22,945	11.4 %
Gross profit	218,659	127,468	91,191	71.5 %
Selling, general and administrative	83,501	86,628	(3,127)	(3.6)%
Research and development	78,772	75,028	3,744	5.0 %
Impairment charges	—	39,817	(39,817)	(100.0)%
Gain relating to cessation of business	—	(75,987)	75,987	100.0 %
Operating expenses	162,273	125,486	36,787	29.3 %
Income from operations	\$ 56,386	\$ 1,982	\$ 54,404	2,744.9 %

Net Revenue

Our net revenue for the three and six months ended April 4, 2026 increased as compared to our net revenue for the three and six months ended March 29, 2025. The increase in net revenue is primarily due to higher volume in Ball Bonding Equipment and APS and partially offset by the lower volume in Wedge Bonding Equipment, Advanced Solutions and All Others, as further outlined in the tables presented immediately below.

The following tables reflect net revenue for the three and six months ended April 4, 2026 and March 29, 2025:

(dollar amounts in thousands)	Three months ended				\$ Change	% Change
	April 4, 2026		March 29, 2025			
	Net Revenue	% of total net revenue	Net Revenue	% of total net revenue		
Ball Bonding Equipment	\$ 160,206	66.0 %	\$ 66,281	40.9 %	\$ 93,925	141.7 %
Wedge Bonding Equipment	13,070	5.4 %	36,197	22.3 %	(23,127)	(63.9)%
Advanced Solutions	24,483	10.1 %	17,638	10.9 %	6,845	38.8 %
APS	34,694	14.3 %	31,615	19.5 %	3,079	9.7 %
All Others	10,168	4.2 %	10,255	6.4 %	(87)	(0.8)%
Total net revenue	\$ 242,621	100.0 %	\$ 161,986	100.0 %	\$ 80,635	49.8 %

(dollar amounts in thousands)	Six months ended				\$ Change	% Change
	April 4, 2026		March 29, 2025			
	Net Revenue	% of total net revenue	Net Revenue	% of total net revenue		
Ball Bonding Equipment	\$ 270,489	61.2 %	\$ 125,967	38.4 %	\$ 144,522	114.7 %
Wedge Bonding Equipment	34,191	7.7 %	68,420	20.9 %	(34,229)	(50.0)%
Advanced Solutions	41,704	9.4 %	45,816	14.0 %	(4,112)	(9.0)%
APS	74,318	16.8 %	63,732	19.4 %	10,586	16.6 %
All Others	21,544	4.9 %	24,175	7.3 %	(2,631)	(10.9)%
Total net revenue	\$ 442,246	100.0 %	\$ 328,110	100.0 %	\$ 114,136	34.8 %

Ball Bonding Equipment

For the three months ended April 4, 2026, Ball Bonding Equipment net revenue increased by \$93.9 million as compared to the prior year period. This increase was primarily due to an increase in sales volume of approximately \$58.5 million in general semiconductor, \$29.8 million in memory and \$5.6 million in automotive and industrial end markets driven by customer technology transitions and improved demand conditions.

For the six months ended April 4, 2026, Ball Bonding Equipment net revenue increased by \$144.5 million as compared to the prior year period. This increase was primarily due to an increase in sales volume of approximately \$101.1 million in general semiconductor, \$37.6 million in memory and \$5.8 million in automotive and industrial end markets driven by customer technology transitions and improved demand conditions.

Wedge Bonding Equipment

For the three months ended April 4, 2026, Wedge Bonding Equipment net revenue decreased by \$23.1 million, as compared to the prior year period. This decrease was primarily due to a decrease in sales volume of approximately \$17.1 million in automotive and industrial due to lower Electric Vehicle (EV) capacity needs and \$6.0 million in the general semiconductor end market.

For the six months ended April 4, 2026, Wedge Bonding Equipment net revenue decreased by \$34.2 million, as compared to the prior year period. This decrease was primarily due to a decrease in sales volume of approximately \$37.5 million in automotive and industrial end markets due to lower EV capacity needs, partially offset by an approximately \$3.2 million increase in sales volume due to higher customer purchases in the general semiconductor end market for power discrete products.

Advanced Solutions

For the three months ended April 4, 2026, Advanced Solutions net revenue increased by \$6.8 million, as compared to the prior year period. This increase was primarily due to an increase in sales volume of approximately \$6.2 million in general semiconductor driven by customer technology transitions.

For the six months ended April 4, 2026, Advanced Solutions net revenue decreased by \$4.1 million, as compared to the prior year period. This decrease was primarily due to an approximately \$14.5 million decrease in volume of customer purchases in the LED product line, which is reported within the automotive and industrial end market. This decrease was partially offset by an approximately \$10.4 million increase in customer purchase volumes in the general semiconductor end market due to customer technology transitions.

APS

For the three months ended April 4, 2026, APS net revenue increased by \$3.1 million, as compared to the prior year period. This increase was primarily due to an increase in sales volume of approximately \$1.8 million in bonding tools and \$1.7 million in spares and services.

For the six months ended April 4, 2026, APS net revenue increased by \$10.6 million, as compared to the prior year period. This increase was primarily due to an increase in sales volume of approximately \$9.1 million in spares and services and \$1.8 million in bonding tools.

All Others

For the six months ended April 4, 2026, net revenue from All Others decreased by \$2.6 million, as compared to the prior year period. This decrease was primarily due to lower sales volumes in the memory end market.

Gross Profit Margin

The following tables reflect gross profit margin as a percentage of net revenue by reportable segments for the three and six months ended April 4, 2026 and March 29, 2025:

	Three months ended		Basis Point Change
	April 4, 2026	March 29, 2025	
Ball Bonding Equipment	48.3 %	50.8 %	(250)
Wedge Bonding Equipment	43.9 %	44.6 %	(70)
Advanced Solutions	57.7 %	58.2 %	(50)
APS	50.7 %	51.3 %	(60)
All Others	48.1 %	(350.1)%	39,820
Total gross profit margin	49.3 %	24.9 %	2,440

	Six months ended		Basis Point Change
	April 4, 2026	March 29, 2025	
Ball Bonding Equipment	49.1 %	49.5 %	(40)
Wedge Bonding Equipment	41.0 %	44.5 %	(350)
Advanced Solutions	52.1 %	70.2 %	(1,810)
APS	51.4 %	52.4 %	(100)
All Others	55.5 %	(127.6)%	18,310
Total gross profit margin	49.4 %	38.8 %	1,060

Ball Bonding Equipment

For the three and six months ended April 4, 2026, the decrease in Ball Bonding Equipment gross profit margin as compared to the prior year period was primarily due to a less favorable customer mix, including higher sales to customers where we achieve lower average margins. This decrease was partially offset by a favorable product mix, including higher sales of higher margin products.

Wedge Bonding Equipment

For the three and six months ended April 4, 2026, the decrease in Wedge Bonding Equipment gross profit margin as compared to the prior year period was primarily due to a less favorable product mix, including higher sales of lower margin products.

Advanced Solutions

For the three months ended April 4, 2026, the decrease in Advanced Solutions gross profit margin as compared to the prior year period was primarily due to a less favorable product mix.

For the six months ended April 4, 2026, the decrease in Advanced Solutions gross profit margin as compared to the prior year period was primarily due to a less favorable product mix. In addition, the prior year period included revenue recognized from delivered products relating to the cancellation of the Project.

APS

For the three and six months ended April 4, 2026, the decrease in APS gross profit margin as compared to the prior year period was primarily due to a less favorable product mix from spares and services and less favorable pricing from bonding tools.

All Others

For the three and six months ended April 4, 2026, the increase in gross profit margin for the "All Others" category as compared to the prior year period was primarily due to sales of previously impaired inventory as a result of the cessation of the EA equipment business. In addition, the prior year period included inventory write-down charges incurred as a result of the cessation of the EA equipment business.

Operating Expenses

The following tables reflect operating expenses for the three and six months ended April 4, 2026 and March 29, 2025:

(dollar amounts in thousands)	Three months ended		\$ Change	% Change
	April 4, 2026	March 29, 2025		
Selling, general and administrative	\$ 42,742	\$ 48,014	\$ (5,272)	(11.0)%
Research and development	38,396	37,220	1,176	3.2 %
Impairment charges	—	39,817	(39,817)	(100.0)%
Total	\$ 81,138	\$ 125,051	\$ (43,913)	(35.1)%

(dollar amounts in thousands)	Six months ended		\$ Change	% Change
	April 4, 2026	March 29, 2025		
Selling, general and administrative	\$ 83,501	\$ 86,628	\$ (3,127)	(3.6)%
Research and development	78,772	75,028	3,744	5.0 %
Gain relating to cessation of business	—	(75,987)	75,987	100.0 %
Impairment charges	—	39,817	(39,817)	(100.0)%
Total	\$ 162,273	\$ 125,486	\$ 36,787	29.3 %

Selling, General and Administrative ("SG&A")

For the three months ended April 4, 2026, the lower SG&A expenses as compared to the prior year period was primarily due to \$8.3 million lower severance costs. This was partially offset by \$2.6 million higher sales representative commissions and \$0.6 million higher staff cost.

For the six months ended April 4, 2026, the lower SG&A expenses as compared to the prior year period was primarily due to \$7.1 million lower severance costs. This was partially offset by \$3.7 million higher sales representative commissions.

Research and Development ("R&D")

For the three months ended April 4, 2026, the higher R&D expenses as compared to the prior year period were primarily due to \$2.5 million higher spending on prototype materials. This was partially offset by \$0.7 million lower professional services and \$0.3 million lower staff cost due to a decrease in headcount.

For the six months ended April 4, 2026, the higher R&D expenses as compared to the prior year period were primarily due to a \$2.5 million consortium participation fee and \$2.0 million higher spending on prototype materials. This was partially offset by \$1.0 million in lower professional services.

Gain relating to cessation of business

For the six months ended March 29, 2025, the gain relating to cessation of business was primarily due to the \$71.1 million reimbursement for certain costs and expenses from the cancellation of the Project, a \$3.2 million gain on the disposal of a subsidiary and a \$1.7 million gain from the supplier settlement.

Impairment Charges

For the three and six months ended March 29, 2025, we incurred \$39.8 million in impairment charges on long-lived assets, intangible assets and goodwill related to the cessation of the EA equipment business.

Income from Operations

The following tables reflect income / (loss) from operations by reportable segments for the three and six months ended April 4, 2026 and March 29, 2025.

<i>(dollar amounts in thousands)</i>	Three months ended		\$ Change	% Change
	April 4, 2026	March 29, 2025		
Ball Bonding Equipment	\$ 59,170	\$ 19,295	\$ 39,875	206.7 %
Wedge Bonding Equipment	(2,602)	8,913	(11,515)	(129.2)%
Advanced Solutions	(5,633)	(6,129)	496	8.1 %
APS	11,498	10,783	715	6.6 %
All Others	(1,215)	(87,326)	86,111	98.6 %
Corporate Expenses	(22,652)	(30,203)	7,551	25.0 %
Total income/(loss) from operations	\$ 38,566	\$ (84,667)	\$ 123,233	145.6 %

<i>(dollar amounts in thousands)</i>	Six months ended		\$ Change	% Change
	April 4, 2026	March 29, 2025		
Ball Bonding Equipment	\$ 97,646	\$ 32,723	\$ 64,923	198.4 %
Wedge Bonding Equipment	(2,974)	15,616	(18,590)	(119.0)%
Advanced Solutions	(16,602)	72,445	(89,047)	(122.9)%
APS	25,994	22,467	3,527	15.7 %
All Others	(932)	(90,967)	90,035	99.0 %
Corporate Expenses	(46,746)	(50,302)	3,556	7.1 %
Total income from operations	\$ 56,386	\$ 1,982	\$ 54,404	2,744.9 %

Ball Bonding Equipment

For the three and six months ended April 4, 2026, the change in Ball Bonding Equipment income / (loss) from operations as compared to the prior year period was primarily due to the increase in revenue as explained under "Net Revenue" above, partially offset by an increase in operating expenses related to higher sales representative commissions as explained under "Operating Expenses" above.

Wedge Bonding Equipment

For the three and six months ended April 4, 2026, the change in Wedge Bonding Equipment income / (loss) from operations as compared to the prior year period was primarily due to the decrease in revenue and gross margin as explained under "Net Revenue" and "Gross Profit Margin" above.

Advanced Solutions

For the three months ended April 4, 2026, the change in Advanced Solutions income / (loss) from operations as compared to the prior year period was primarily due to the increase in revenue as explained under "Net Revenue" above, partially offset by an increase in operating expenses related to higher R&D expenses as explained under "Operating Expenses" above.

For the six months ended April 4, 2026, the change in Advanced Solutions income / (loss) from operations as compared to the prior year period was primarily due to the decrease in revenue as explained under "Net Revenue" and the reimbursement from the cancellation of the Project in the prior year period, as explained under "Operating Expenses" above.

APS

For the three and six months ended April 4, 2026, the change in APS income / (loss) from operations as compared to the prior year period was primarily due to the increase in revenue as explained under "Net Revenue", partially offset by lower gross margin and slightly higher operating expenses as explained under "Gross Profit Margin" and "Operating Expenses" above.

All Others

For the three and six months ended April 4, 2026, the change in All Others income / (loss) from operations as compared to the prior year period was primarily due to inventory write-down and impairment charges incurred as a result of the cessation of the EA equipment business in the prior year period as explained under "Gross Profit Margin" and "Operating Expenses" above.

Interest Income and Expense

The following tables reflect interest income and interest expense for the three and six months ended April 4, 2026 and March 29, 2025:

(dollar amounts in thousands)	Three months ended		\$ Change	% Change
	April 4, 2026	March 29, 2025		
Interest income	\$ 3,980	\$ 5,622	\$ (1,642)	(29.2)%
Interest expense	\$ (37)	\$ (36)	\$ (1)	(2.8)%

(dollar amounts in thousands)	Six months ended		\$ Change	% Change
	April 4, 2026	March 29, 2025		
Interest income	\$ 8,739	\$ 11,974	\$ (3,235)	(27.0)%
Interest expense	\$ (77)	\$ (63)	\$ (14)	(22.2)%

Interest income

For the three and six months ended April 4, 2026, interest income decreased as compared to the prior year period primarily due to a lower weighted interest rate on cash, cash equivalents and short-term investments, and lower short-term investments balances.

Provision for Income Taxes

The following table reflects the provision for income taxes and the effective tax rate for the three and six months ended April 4, 2026 and March 29, 2025:

(dollar amounts in thousands)	Three months ended			Six months ended		
	April 4, 2026	March 29, 2025	Change	April 4, 2026	March 29, 2025	Change
Provision for income taxes	\$7,361	\$5,438	\$1,923	\$13,104	\$16,770	\$(3,666)
Effective tax rate	17.3 %	(6.9)%	24.2 %	20.1 %	120.7 %	(100.6)%

For the three and six months ended April 4, 2026, as compared to the same period ended March 29, 2025, the change in provision for income taxes and effective tax rate were primarily due to the tax effects of the reimbursement from the cancellation of the Project and the cessation of the Company's EA equipment business, which were recorded as discrete items during fiscal 2025, partially offset by an increase in profitability in fiscal 2026.

For the three and six months ended April 4, 2026, the effective tax rate is lower than the U.S. federal statutory tax rate primarily due to tax credits and earnings of foreign subsidiaries subject to tax at different rates than the U.S., partially offset by nondeductible expenses, deemed income, and taxes on undistributed foreign earnings.

LIQUIDITY AND CAPITAL RESOURCES

The following table reflects total cash, cash equivalents, and short-term investments as of April 4, 2026 and October 4, 2025:

(dollar amounts in thousands)	As of		\$ Change
	April 4, 2026	October 4, 2025	
Cash and cash equivalents	\$ 337,864	\$ 215,708	\$ 122,156
Short-term investments	150,000	295,000	(145,000)
Total cash, cash equivalents, and short-term investments	\$ 487,864	\$ 510,708	\$ (22,844)
Percentage of total assets	41.1%	46.2%	

The following table reflects a summary of the Consolidated Condensed Statements of Cash Flow information for the six months ended April 4, 2026 and March 29, 2025:

(in thousands)	Six months ended	
	April 4, 2026	March 29, 2025
Net cash provided by operating activities	\$ 1,338	\$ 98,779
Net cash provided by investing activities	138,693	43,624
Net cash used in financing activities	(18,171)	(81,958)
Effect of exchange rate changes on cash and cash equivalents	296	(1,073)
Changes in cash and cash equivalents	\$ 122,156	\$ 59,372
Cash and cash equivalents, beginning of period	215,708	227,147
Cash and cash equivalents, end of period	\$ 337,864	\$ 286,519

Six months ended April 4, 2026

The net cash provided by operating activities was primarily due to a net income of \$51.9 million and non-cash adjustments to net income of \$22.9 million, partially offset by a net unfavourable change in operating assets and liabilities of \$73.5 million. The net change in operating assets and liabilities was primarily driven by an increase in accounts and other receivable of \$72.1 million and an increase in inventories of \$50.3 million. This was partially offset by an increase in accounts payable, accrued expenses and other liabilities of \$39.5 million and a decrease in prepaid expenses and other current assets of \$14.4 million.

The increase in accounts and other receivable in the six months ended April 4, 2026 was mainly due to higher sales for the period. The increase in inventories was due to the higher material purchases. The increase in accounts payable, accrued expenses and other liabilities was due to higher material purchases and higher accrued employee compensation. The decrease in prepaid expenses and other current assets was mainly due to the reduction in supplier prepayments.

Net cash provided by investing activities was due to net maturity of short-term investments of \$145.0 million, partially offset by capital expenditures of \$6.8 million.

Net cash used in financing activities was primarily due to common stock repurchases of \$6.9 million and dividend payments of \$10.7 million.

Six months ended March 29, 2025

The increase in net cash provided by operating activities was primarily due to non-cash adjustments to net loss of \$89.0 million and a net favourable change in operating assets and liabilities of \$12.6 million, partially offset by a net loss of \$2.9 million. The non-cash adjustments were primarily due to impairment charges of \$39.8 million and an inventory write-down of \$28.9 million as a result of the intended cessation of the EA equipment business. The net change in operating assets and liabilities was primarily driven by a decrease in accounts and other receivable of \$20.1 million, a decrease in prepaid expenses and other current assets of \$7.4 million, and a net increase in accounts payable, accrued expenses and other liabilities of \$3.3 million. This was partially offset by an increase in inventories of \$11.3 million after excluding the impact of the inventory write-down as shown above, and a decrease in income tax payable of \$5.8 million.

The decrease in accounts and other receivable in the six months ended March 29, 2025 was mainly due to lower sales for the period. The decrease in prepaid expenses and other current assets was mainly due to the receipt of tax refunds. The net increase in accounts payable, accrued expenses and other liabilities was primarily due to higher accrued adverse purchase commitments, partially offset by overall lower purchases. The increase in inventories was due to the buildup of long lead time materials to fulfill certain customer purchase orders. The decrease in income tax payable was primarily due to lower profitability which included the net impact from the intended cessation of EA equipment business and reimbursement from the cancellation of Project W which were treated as discrete items.

Net cash provided by investing activities was due to net maturity of short-term investments of \$55.0 million and net cash received from the disposal of a subsidiary of \$2.5 million, partially offset by capital expenditures of \$12.2 million and investment in a private equity fund of \$1.8 million.

Net cash used in financing activities was primarily due to common stock repurchases of \$58.5 million and dividend payments of \$21.8 million.

Fiscal 2026 Liquidity and Capital Resource Outlook

We expect our aggregate fiscal 2026 capital expenditures to be between approximately \$20.0 million and \$24.0 million, of which approximately \$5.7 million has been incurred through the second quarter. The actual amounts for 2026 will vary depending on market conditions. Expenditures are anticipated to be primarily for research and development projects, enhancements to our manufacturing operations, improvements to our information technology security, implementation of an enterprise resource planning system and leasehold improvements for our facilities. Our ability to make these expenditures will depend, in part, on our future cash flows, which are determined by our future operating performance and, therefore, subject to prevailing macroeconomic conditions, including actual or potential inflationary pressures, supply chain challenges, geopolitical tensions and other factors, some of which are beyond our control.

As of April 4, 2026 and October 4, 2025, approximately \$416.4 million and \$414.3 million of cash, cash equivalents, and short-term investments, respectively, were held by the Company's foreign subsidiaries, with a large portion of the cash amounts expected to be available for use in the U.S. without incurring additional U.S. income tax.

The Company's operations and capital requirements are anticipated to be funded primarily by cash on hand and cash generated from operating activities. We believe these sources of cash and liquidity are sufficient to meet our additional liquidity needs for the foreseeable future, including payment of dividends, share repurchases and income taxes.

We believe that our existing cash, cash equivalents, short-term investments, and anticipated cash flows from operations will be sufficient to meet our liquidity and capital requirements, notwithstanding the macroeconomic headwinds, for at least the next twelve months and beyond. Our liquidity is affected by many factors, some based on normal operations of our business and others related to macroeconomic conditions including actual or potential inflationary pressures, tariff and industry-related uncertainties, and effects arising from the ongoing tensions in the Middle East and the prolonged Ukraine/Russia conflict, which we cannot predict. We also cannot predict economic conditions or industry downturns or the timing, strength or duration of recoveries. We intend to continue to use our cash for working capital needs and for general corporate purposes.

In this unprecedented macroeconomic environment, we may seek, as we believe appropriate, additional debt or equity financing that would provide capital for general corporate purposes, working capital funding, additional liquidity needs or to fund future growth opportunities, including possible acquisitions. The timing and amount of potential capital requirements cannot be determined at this time and will depend on a number of factors, including the actual and projected demand for our products, semiconductor and semiconductor capital equipment industry conditions, competitive factors, the condition of financial markets and the global economic situation.

Share Repurchase Program

As announced on November 13, 2024, the Board of Directors authorized a new share repurchase program to repurchase up to \$300 million of the Company's common stock (the "New Program"). On December 2, 2024, the Company entered into a new written trading plan under Rule 10b5-1 of the Exchange Act, to facilitate repurchases under the New Program. The plan permits the purchase of up to approximately \$300 million of the Company's common stock from December 2, 2024 through December 2, 2029. The New Program may be suspended or discontinued at any time and is funded using the Company's available cash, cash equivalents and short-term investments. Under the New Program, shares may be repurchased through open market and/or privately negotiated transactions at prices deemed appropriate by management. The timing and amount of repurchase transactions under the New Program depend on market conditions as well as corporate and regulatory considerations.

During the three and six months ended April 4, 2026, the Company repurchased a total of approximately 3.0 thousand and 171.0 thousand shares of common stock under the New Program at a cost of approximately \$0.1 million and \$6.8 million, respectively.

The stock repurchases were recorded in the periods the repurchased shares were delivered and accounted for as treasury stock in the Company's Consolidated Condensed Balance Sheets. The Company records treasury stock purchases under the cost method using the first-in, first-out (FIFO) method. Upon re-issuance of treasury stock, amounts in excess of the acquisition cost are credited to additional paid-in capital.

If the Company reissues treasury stock at an amount below its acquisition cost and additional paid-in capital associated with prior treasury stock transactions is insufficient to cover the difference between acquisition cost and the reissue price, this difference is recorded against retained earnings.

As of April 4, 2026, our remaining stock repurchase authorization under the New Program was approximately \$227.0 million.

Dividends

On December 5, 2025, the Board of Directors declared a quarterly dividend of \$0.205 per share of common stock. Dividends paid during the six months ended April 4, 2026 totaled \$10.7 million. The declaration of any future cash dividend is at the discretion of the Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements, business conditions and other factors, as well as a determination that such dividends are in the best interests of the Company's shareholders.

Other Obligations and Contingent Payments

In accordance with U.S. GAAP, certain obligations and commitments are not required to be included in the Consolidated Condensed Balance Sheets and Statements of Operations. These obligations and commitments, while entered into in the normal course of business, may have a material impact on our liquidity and are disclosed in the table below.

As of April 4, 2026, the Company had deferred tax liabilities of \$34.9 million and unrecognized tax benefits within the income taxes payable for uncertain tax positions of \$17.3 million, inclusive of accrued interest on uncertain tax positions of \$3.8 million, substantially all of which would affect our effective tax rate in the future, if recognized.

It is reasonably possible that the amount of the unrecognized tax benefit with respect to certain unrecognized tax positions will increase or decrease during the next twelve months due to the expected lapse of statutes of limitation and / or settlements of tax examinations. Given the number of years and numerous matters that remain subject to examination in various tax jurisdictions, we cannot practicably estimate the timing or financial outcomes of these examinations and, therefore, these amounts are excluded from the amounts below.

The following table presents certain payments due by the Company under contractual and statutory obligations with minimum firm commitments as of April 4, 2026:

(in thousands)	Total	Payments due in			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Inventory purchase obligations ⁽¹⁾	\$ 359,635	\$ 338,877	\$ 20,758	\$ —	\$ —
Total	\$ 359,635	\$ 338,877	\$ 20,758	\$ —	\$ —

(1) The Company orders inventory components in the normal course of its business. A portion of these orders are non-cancellable and some orders impose varying penalties and charges in the event of cancellation.

Credit facilities

As of April 4, 2026, other than the bank guarantee disclosed in Note 10: Debt And Other Obligations in our Notes to Consolidated Condensed Financial Statements, we did not have any other off-balance sheet arrangements, such as contingent interests or obligations associated with variable interest entities.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our available-for-sale securities, if applicable, may consist of short-term investments in highly rated debt instruments of the U.S. Government and its agencies, financial institutions, and corporations. We continually monitor our exposure to changes in interest rates and credit ratings of issuers with respect to any available-for-sale securities and target an average life to maturity of less than 18 months. Accordingly, we believe that the effects on us of changes in interest rates and credit ratings of issuers are limited and would not have a material impact on our financial condition or results of operations.

Foreign Currency Risk

Our international operations are exposed to changes in foreign currency exchange rates due to transactions denominated in currencies other than the location's functional currency. Our international operations are also exposed to foreign currency fluctuations that impact the remeasurement of net monetary assets of those operations whose functional currency, the U.S. dollar, differs from their respective local currencies, most notably in Israel, Singapore and Switzerland. Our U.S. operations also have foreign currency exposure due to net monetary assets denominated in currencies other than the U.S. dollar. In addition to net monetary remeasurement, we have exposures related to the translation of subsidiary financial statements from their functional currency, the local currency, into its reporting currency, the U.S. dollar, most notably in the Netherlands, China, Taiwan, Japan and Germany.

Based on our foreign currency exposure as of April 4, 2026, a 10.0% fluctuation could impact our financial position, results of operations or cash flows by \$6.0 million to \$7.0 million. Our attempts to hedge against these risks may not be successful and may result in a material adverse impact on our financial results and cash flow.

We enter into foreign exchange forward contracts to hedge a portion of our forecasted foreign currency-denominated expenses in the normal course of business and, accordingly, they are not speculative in nature. These instruments generally mature within twelve months. We have foreign exchange forward contracts with a notional amount of \$46.7 million outstanding as of April 4, 2026.

Item 4. - CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Management, with the participation of our Interim Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of April 4, 2026. Based on that evaluation, the Interim Chief Executive Officer and Chief Financial Officer concluded that, as of April 4, 2026, our disclosure controls and procedures were effective in providing reasonable assurance that the information required to be disclosed by us in reports filed under the Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (ii) accumulated and communicated to our management, including the Interim Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

Changes in Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

In connection with the evaluation by our management, including with the participation of our Interim Chief Executive Officer and Chief Financial Officer, of our internal control over financial reporting, no changes during the three months ended April 4, 2026 were identified to have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. - OTHER INFORMATION

Item 1. - LEGAL PROCEEDINGS

From time to time, we may be a plaintiff or defendant in legal proceedings and cases arising out of our business. We are party to ordinary, routine litigation incidental to our business. We cannot be assured of the results of any pending or future litigation, but we do not believe resolution of any currently pending matters will have a material adverse effect on our business, financial condition or operating results.

Item 1A. - RISK FACTORS

Certain Risks Related to Our Business

There have been no material changes from the risk factors discussed in Part I, Item 1A, "Risk Factors", of our 2025 Annual Report.

Item 2. - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes the repurchases of common stock during the three months ended April 4, 2026 (in millions, except number of shares, which are reflected in thousands, and per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
January 4, 2026 to February 7, 2026	3	\$ 53.46	3	\$ 226,969
February 8, 2026 to March 7, 2026	—	\$ —	—	\$ 226,969
March 8, 2026 to April 4, 2026	—	\$ —	—	\$ 226,969
For the three months ended April 4, 2026	<u>3</u>		<u>3</u>	

(1) On December 2, 2024, the Company entered into a written trading plan under Rule 10b5-1 of the Exchange Act, to facilitate repurchases under the New Program. The plan permits the purchase of up to approximately \$300 million of the Company's common stock from December 2, 2024 through December 2, 2029. The New Program may be suspended or discontinued at any time and is funded using the Company's available cash, cash equivalents and short-term investments. Under the New Program, shares may be repurchased through open market and/or privately negotiated transactions at prices deemed appropriate by management. The timing and amount of repurchase transactions under the New Program depend on market conditions as well as corporate and regulatory considerations.

Item 3. – Defaults Upon Senior Securities.

None.

Item 4. MINE SAFETY DISCLOSURES

None.

Item 5. OTHER INFORMATION

Director and Officer Trading Plans and Arrangements

None of the Company's directors or officers (as defined in Rule 16a-1f of the Exchange Act) have adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended April 4, 2026, as such terms are defined under Item 408(a) of Regulation S-K.

Item 6. - Exhibits

Exhibit No.	Description
3.1	<u>The Company's Amended and Restated Articles of Incorporation, dated December 5, 2007, are incorporated herein by reference to Exhibit 3(i) to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2007, SEC file number 000-00121.</u>
3.2	<u>The Company's Amended and Restated By-Laws, dated June 5, 2025, are incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated June 9, 2025.</u>
31.1	<u>Certification of Lester Wong, Interim Chief Executive Officer and Chief Financial Officer of Kulicke and Soffa Industries, Inc., pursuant to Rule 13a-14(a) or Rule 15d-14(a).</u>
32.1*	<u>Certification of Lester Wong, Interim Chief Executive Officer and Chief Financial Officer of Kulicke and Soffa Industries, Inc., pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.INS).
*	This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

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 thereunto duly authorized.

KULICKE AND SOFFA INDUSTRIES, INC.

Date: May 7, 2026

By: /s/ LESTER WONG

Lester Wong

Executive Vice President, Interim Chief Executive Officer, and Chief
Financial Officer

(Principal financial officer and Principal accounting officer)

CERTIFICATION

I, Lester Wong, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kulicke and Soffa Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

By: /s/ LESTER WONG

Lester Wong

Executive Vice President, Interim Chief Executive Officer, and
Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Lester Wong, Interim Chief Executive Officer and Chief Financial Officer of Kulicke and Soffa Industries, Inc., do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of Kulicke and Soffa Industries, Inc. for the period ended April 4, 2026 (the "April 4, 2026 Form 10-Q"), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the April 4, 2026 Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Kulicke and Soffa Industries, Inc.

Date: May 7, 2026

By: /s/ LESTER WONG
Lester Wong
Executive Vice President, Interim Chief Executive Officer, and
Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)