

1 KEY RESULTS VS. CONSENSUS			
Metric	Reported	Consensus	vs. Cons.
Revenue	\$1.204B	\$1.13B	+6.5%
Adjusted EBITDA	\$242.3M	\$201.7M	+20.1%
Adjusted Operating Income	\$209.0M	\$169.7M	+23.2%
Adjusted EPS	\$1.46	\$1.25	+16.8%
SEGMENT REVENUE			
Commercial revenue (vs. Year Ago)	\$787.9M	\$408.9M	+92.7%
Aerospace and Defense revenue (vs. Year Ago)	\$416.5M	\$344.5M	+20.9%

2 | GUIDANCE AND OUTLOOK

Q4 revenue is guided to \$1.42 billion to \$1.44 billion and adjusted EPS to \$1.77 to \$1.83, the EPS midpoint \$0.01 below the \$1.81 consensus estimate. Full-year 2026 guidance rose to \$4.47 billion to \$4.49 billion and adjusted EPS of approximately \$5.00, broadly unchanged. Preliminary 2027 guidance is revenue of \$6.5 billion to \$6.75 billion and adjusted EPS of \$8.10 to \$8.90, including completed acquisitions and excluding pending Ophir Optics. Management expects gross and EBITDA margins to improve by more than 200 basis points in 2027.

3 | EARNINGS ANALYSIS

THE BEAT WAS OPERATING LEVERAGE. Revenue of \$1.204 billion beat the \$1.13 billion consensus by 6.5%, but the profit surprises were far larger: adjusted EBITDA of \$242.3 million beat by 20.1%, adjusted operating income of \$209.0 million by 23.2%, and adjusted EPS of \$1.46 by 16.8%. Data center and networking revenue fell approximately 10% below the level implied by prior guidance; aerospace and defense, medical, industrial and instrumentation, and automotive more than offset the shortfall. Adjusted gross margin reached 24.8%, 250 basis points above estimate, and EBITDA margin exceeded 20% for the first time.

CASH CONVERSION LAGS THE PROFIT. GAAP net income was \$84.8 million against adjusted net income of \$157.8 million; the \$73.0 million gap is approximately 46.3% of the adjusted figure, and stock compensation alone rose to \$24.1 million from \$11.6 million. Operating cash flow converted approximately 50.4% of adjusted EBITDA year to date, and free cash flow was only \$35.7 million against \$344.7 million of adjusted net income. Contract assets grew approximately 69.6% to \$793.6 million, activity not yet converted into billed collections.

THE N+M BRIDGE DOES NOT RECONCILE. Percentage disclosures imply approximately \$147 million to \$152 million of Q3 N+M revenue against approximately \$200 million implied in August, and approximately \$210 million to \$224 million for Q4 against approximately \$400 million; they do not reconcile with management's description of 'slightly more than 200 and slightly below the 400.' The product thesis is intact: N+M gross margin is significantly higher than the corporate average, and N+M is expected to reach approximately 50% of data center and networking revenue in 2027. The 2027 margin improvement of more than 200 basis points has no defined base.

LEVERAGE ABSORBS THE OPERATING GAIN. Net leverage reached 2.8x immediately after the September 30 Epiq close, from 0.9x at Q2, and approximately \$20 million of additional quarterly interest expense absorbs much of the underlying improvement, holding Q4's \$1.80 EPS midpoint just below consensus despite the Q3 beat. The stance is a measured long bias, not an unrestricted rerating; confirmation should come from N+M shipment timing, cash conversion, and deleveraging.

4 | KEY READ-THROUGHS

OPHIR DISPOSAL OFFERS BALANCE-SHEET RELIEF BUT SACRIFICES A RAPIDLY EXPANDING EARNINGS STREAM
MKS Inc. (MKSI) | Negative for retained defense-optics growth | Proceeds meaningful; trade-off more substantial than the headline multiple implies
The 10.3x multiple on Ophir's expected 2027 adjusted EBITDA implies approximately \$63 million; MKS's 'more than 18x' on 2026 implies less than \$36 million, embedding growth above 75%. Ophir is over 85% booked for 2027. Interest saved on 6% to 7% debt retired with the proceeds, \$39 million to \$46 million, is below the EBITDA given up.

SPECIALTY GLASS AND LAMINATES HAVE MORE PRICING SUPPORT THAN GENERIC ELECTRONICS MATERIALS
Elite Material (2383), Nitto Boseki (3110) | Positive | Potentially material for advanced-material product lines; moderately positive at the company level
Lead times run approximately 12 weeks, to 24 weeks or longer for some materials, and Roks said, 'The customers will take these price increases.' N+M rising to approximately 50% of data center and networking revenue in 2027 raises demand for qualified laminates and specialty glass, where qualification limits substitution. Neither company was named a TTM supplier.

VALUE PER BOARD IS RISING FASTER THAN COST, SUPPORTING QUALIFIED HIGH-END PCB PRODUCERS
WUS Printed Circuit (Kunshan) (002463), Gold Circuit Electronics (2368) | Positive | Moderate-to-high relevance to advanced server and networking operations
Data center and networking revenue rose 115% year over year. Roks: 'These ASPs are going faster than our costs,' and Boehle said N+M gross margin is significantly higher than the corporate average. TTM's adjusted EBITDA margin reached 20.1%, up 400 basis points year over year. For qualified peers, content per system and richer mix drive earnings.

AI-RELATED TEST HARDWARE DEMAND IS BROADER THAN THE COMPUTE-BOARD RAMP
Advantest Corporation (6857), Teradyne, Inc. (TER) | Positive | Moderate-to-high relevance to AI-exposed semiconductor-test operations
Medical, industrial and instrumentation revenue rose 97% year over year, on automated test equipment demand supporting AI solutions; the category's full-year growth outlook rose to nearly 70%. Device complexity raises test content per chip and interface-hardware demand, corroborating AI spending beyond the delayed board ramp. Neither was identified as a TTM customer.