

More favorable operating outlook, but not an unqualified improvement in investment quality

| 1   KEY RESULTS VS. CONSENSUS       |                 |                 |           |
|-------------------------------------|-----------------|-----------------|-----------|
| Metric                              | Reported        | Consensus       | vs. Cons. |
| Revenue                             | \$759.0 million | \$727.5 million | +4.3%     |
| Operating Income (adjusted)         | \$68.6 million  | \$60.1 million  | +14.1%    |
| Net Income (adjusted, vs. Year Ago) | \$53.2 million  | \$11.0 million  | +383.6%   |
| Diluted EPS (adjusted)              | \$1.15          | 94c             | +22.3%    |
| SEGMENT REVENUE                     |                 |                 |           |
| Products                            | \$681.9 million | \$651.7 million | +4.6%     |
| Services                            | \$77.1 million  | \$73.6 million  | +4.8%     |

2 | GUIDANCE AND OUTLOOK

Q4 revenue guidance is \$800 million to \$860 million, with adjusted EPS of \$1.11 to \$1.35 and approximately 48.9 million diluted shares. Approximately \$4 billion of annual revenue capacity is now expected in Q1 2027, versus mid-2027 previously. Management reaffirmed its 20% gross-margin aspiration at \$4 billion of annual revenue; gains build steadily, with temporary expansion headwinds. Expansion beyond the existing footprint requires approximately \$80 million to \$100 million of incremental investment during 2027 and 2028, not total corporate capital expenditures.

3 | EARNINGS ANALYSIS

**BROAD BEAT, EXPENSE ABSORPTION.** Products and Services exceeded consensus by 4.6% and 4.8%, respectively. The 17.3% adjusted gross margin matched consensus, so the earnings surprise reflected higher revenue and operating-expense absorption, not an unexpected gross-margin breakthrough. Products generated approximately 96% of sequential revenue growth, driven by etch and deposition for gate-all-around and HBM. Adjusted operating expenses increased only \$0.4 million sequentially as revenue rose \$114.1 million. Nearly all incremental gross profit flowed through to operating income, an execution achievement that should not be extrapolated indefinitely.

**EARNINGS ARE NOT CASH.** Q3 operating cash flow was negative \$42.3 million and conventional free cash flow was negative \$61.8 million. Adjusted net income of \$53.2 million compared with \$39.1 million attributable GAAP net income; adjustments included \$6.9 million of stock-based compensation, an economic shareholder cost. Interest expense fell from \$9.9 million to \$1.5 million year over year, so financing improvements also contributed to earnings growth rather than representing new operating progress. A smaller tax valuation-allowance adjustment also benefited sequential GAAP EPS.

**INVENTORY EFFICIENCY IS MIXED.** Inventory reached \$723.3 million, increasing 14.8% sequentially, slightly slower than revenue. Receivables increased approximately 31.0%, faster than sales; shipment timing or customer mix may explain the difference, which does not by itself establish collection deterioration.

**CAPACITY IS NOT UTILIZATION.** Accelerated capacity availability strengthens delivery readiness, but does not establish immediate sales, full utilization, or achievement of the margin aspiration. Better utilization, engineered-product mix, vertical integration, and lower-cost production are credible margin drivers, yet their contributions and quarterly progression remain unquantified. Expansion can temporarily pressure profitability. Services generated a 30.1% adjusted gross margin against 15.9% in Products; the faster-growing, lower-margin division therefore creates an unfavorable mix effect. New U.S. fabs should contribute more Services revenue during 2027 and 2028.

**FINANCING QUALIFIES THE IMPROVEMENT.** Approximately \$203.1 million of net equity proceeds across Q3 and the opening week of Q4 improve flexibility but show expansion is not self-funding. Quarter-end debt carrying value was \$635.1 million against \$270.9 million of cash. Customer discussions did not disclose binding minimum purchases, cancellation protection, or customer-funded expansion guarantees. Successful delivery execution is not yet demonstrated economic value creation: sustained margin improvement, inventory conversion, disciplined capacity deployment, and earnings growth exceeding equity and convertible-related dilution remain necessary.

4 | KEY READ-THROUGHS

**MASS-FLOW-CONTROLLER TIGHTNESS FAVORS QUALIFIED COMPONENT SUPPLIERS**  
*HORIBA (6856), MKS (MKSI) | Positive | Potentially material for HORIBA’s semiconductor earnings and moderate at the MKS consolidated level*  
Etch and deposition require precise process-gas delivery, supporting qualified MFC suppliers. Ultra Clean expects constraints for approximately 1 to 2 quarters. HORIBA’s Materials & Semiconductor business generated approximately ¥30.1 billion of operating profit versus approximately ¥30.4 billion groupwide in 1H 2026. MKS described relatively normal lead times; shortages do not establish supplier-specific bottlenecks or persistent scarcity pricing. HORIBA’s scalable Fukuchiyama capacity is not immediately qualified supply.

**THE EQUIPMENT BOOM IS NOT AUTOMATICALLY A FREE-CASH-FLOW BOOM FOR INTEGRATORS**  
*Ichor (ICHR) | Negative | Material to equity valuation and capital efficiency*  
Purchased components and work-in-process require funding before customer collections. Ichor itself reported \$15.9 million of Q2 operating cash outflow and \$7.8 million of capital expenditure, alongside roughly \$195 million of ATM net proceeds. This supports a genuine capital-efficiency issue, not an imminent liquidity problem: approximately \$256 million of cash exceeded \$120.6 million of debt. November 2 results test cash conversion.

**PHYSICAL SUBSYSTEM SHIPMENTS VALIDATE THE ETCH AND DEPOSITION INVESTMENT CYCLE**  
*Lam Research (LRCX), Applied Materials (AMAT) | Positive | High underlying business relevance, but only moderate incremental information*  
Products revenue rose 19.1% sequentially to \$681.9 million, corroborating physical equipment builds rather than only AI spending plans. Gate-all-around and HBM increase etch and deposition intensity. Lam had already disclosed accelerating demand; Applied’s November 12 call is the forthcoming OEM checkpoint. Customer mix, shipment flows, revenue recognition, and fiscal calendars prevent mapping Ultra Clean’s growth directly onto either OEM.

**THE WAFER-START LAG CREATES A LATER GROWTH PHASE FOR ADVANCED MATERIALS**  
*Entegris (ENTG) | Positive | Moderate to high fundamental relevance*  
Equipment installation precedes recurring materials consumption as wafer starts rise. Entegris’s latest quarter showed approximately 15% year-over-year growth in capital-spending-related revenue and 10% in unit-driven revenue. Ultra Clean expects larger new-U.S.-fab Services contributions during 2027 and 2028, reinforcing staggered demand phases. October 29 results test their relative performance; stronger equipment shipments do not imply immediate proportional consumables growth or specific contract awards.