

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

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): July 8, 2021

**MKS Instruments, Inc.**

(Exact name of registrant as specified in its charter)

Massachusetts  
(State or other jurisdiction  
of incorporation)

000-23621  
(Commission  
File Number)

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

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

01810  
(Zip Code)

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

Not Applicable

Former name or former address, if changed since last report

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

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

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

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

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

Emerging growth company

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

**Item 7.01 Regulation FD Disclosure.**

On July 8, 2021, MKS Instruments, Inc. (the “Company”) updated its investor presentation relating to its previously announced entry into a definitive agreement (the “Implementation Agreement”) with Atotech Limited (“Atotech”) on July 1, 2021, providing for, subject to the terms and conditions of the Implementation Agreement, the acquisition of Atotech by the Company. The updated investor deck is available on the Investor Relations page of the Company’s website at <https://investor.mksinst.com/> and will be used at investor and other meetings. A copy of the updated Investor Presentation is furnished as Exhibit 99.1 and incorporated herein by reference. The Company does not undertake to update this presentation.

The information contained in Item 7.01 of this Current Report and in the accompanying exhibit is being furnished pursuant to Item 7.01 and shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as expressly set forth in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 [Investor Presentation dated July 1, 2021 \(updated as of July 8, 2021\)](#)

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

**SIGNATURES**

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

MKS Instruments, Inc.

Date: July 8, 2021

By: /s/ Kathleen F. Burke

Name: Kathleen F. Burke

Title: Senior Vice President, General Counsel and Secretary

# Optimizing the Interconnect: *The Next Frontier For Miniaturization & Complexity*

MKS To Acquire Atotech

July 1, 2021

*(updated July 8, 2021)*



# Safe Harbor for Forward-Looking Statements

Statements in this presentation regarding the proposed transaction (the "transaction") between MKS Instruments, Inc. ("MKS") and Atotech Limited ("Atotech"), the expected timetable for completing the transaction, future financial and operating results and metrics for the combined company, including to reflect MKS' acquisition of Photon Control Inc., which is expected to close in the third quarter of 2021, benefits and synergies of the transaction, future opportunities for the combined company and any other statements about MKS' or Atotech's managements' future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "will," "projects," "intends," "believes," "plans," "anticipates," "expects," "estimates," "forecasts," "continues" and similar expressions) should also be considered to be forward-looking statements. These statements are only predictions based on current assumptions and expectations. Actual events or results may differ materially from those in the forward-looking statements set forth herein. Among the important factors that could cause actual events to differ materially from those in the forward-looking statements are: the ability of the parties to complete the transaction; the ability of MKS to complete its acquisition of Photon Control Inc., which is expected to close in the third quarter of 2021; the risk that the conditions to the closing of the transaction, including receipt of required regulatory approvals and approval of Atotech shareholders, are not satisfied in a timely manner or at all; the terms of MKS' existing term loan, the terms and availability of financing for the transaction, the substantial indebtedness the Company expects to incur in connection with the transaction and the need to generate sufficient cash flows to service and repay such debt; litigation relating to the transaction; unexpected costs, charges or expenses resulting from the transaction; the risk that disruption from the transaction materially and adversely affects the respective businesses and operations of MKS and Atotech; restrictions during the pendency of the transaction that impact MKS' or Atotech's ability to pursue certain business opportunities or other strategic transactions; the ability of MKS to realize the anticipated synergies, cost savings and other benefits of the transaction, including the risk that the anticipated benefits from the transaction may not be realized within the expected time period or at all; competition from larger or more established companies in the companies' respective markets; MKS' ability to successfully grow Atotech's business; potential adverse reactions or changes to business relationships resulting from the announcement, pendency or completion of the transaction; the ability of MKS to retain and hire key employees; legislative, regulatory and economic developments, including changing conditions affecting the markets in which MKS and Atotech operate, including the fluctuations in capital spending in the semiconductor industry and other advanced manufacturing markets and fluctuations in sales to MKS' and Atotech's existing and prospective customers; the challenges, risks and costs involved with integrating the operations of the companies we acquire; the impact of the COVID-19 pandemic and related private and public measures on Atotech's business; the ability of MKS to anticipate and meet customer demand; manufacturing and sourcing risks, including supply chain disruptions and component shortages; potential fluctuations in quarterly results; dependence on new product development; rapid technological and market change; acquisition strategy; volatility of stock price; international operations; financial risk management; and the other factors described in MKS' Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any subsequent Quarterly Reports on Form 10-Q, and Atotech's Annual Report on Form 20-F for the fiscal year ended December 31, 2020 and any reports on Form 6-K, each as filed with the U.S. Securities and Exchange Commission (the "SEC"). MKS and Atotech are under no obligation to, and expressly disclaim any obligation to, update or alter these forward-looking statements, whether as a result of new information, future events or otherwise after the date of this presentation.

# Additional Information; No Offer or Solicitation

## **Additional Information and Where to Find It**

This communication does not constitute a solicitation of any vote or approval. In connection with the proposed transaction, Atotech plans to provide to its shareholders a circular containing information on the anticipated scheme of arrangement vote regarding the proposed transaction (the "Scheme Circular"). Atotech may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the Scheme Circular or any other document that may be filed by Atotech with the SEC.

**BEFORE MAKING ANY VOTING DECISION, ATOTECH'S SHAREHOLDERS ARE URGED TO READ THE SCHEME CIRCULAR IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED BY ATOTECH WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE THEREIN BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED TRANSACTION BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION.**

Any vote in respect of resolutions to be proposed at Atotech shareholder meetings to approve the proposed transaction, the scheme of arrangement or related matters, or other responses in relation to the proposed transaction, should be made only on the basis of the information contained in Atotech's Scheme Circular. Shareholders may obtain a free copy of the Scheme Circular and other documents Atotech files with the SEC (when available) through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Atotech makes available free of charge on its investor relations website at [investors.atotech.com](http://investors.atotech.com) copies of materials it files with, or furnishes to, the SEC.

## **No Offer or Solicitation**

This communication is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The proposed transaction will be implemented solely pursuant to the scheme of arrangement, subject to the terms and conditions of the Implementation Agreement, which contain the full terms and conditions of the proposed transaction.

# Financial Information; Use of Non-GAAP Financial Measures

## Financial Information; Presentation of Combined Information

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

The combined financial information set forth herein has not been prepared in accordance with Article 11 of Regulation S-X but rather represents a combination of MKS' results with the results of Atotech and Photon Control Inc., MKS' acquisition of which is expected to close in the third quarter of 2021. Except as otherwise stated herein, Atotech financial information has not been conformed to the accounting principles (GAAP) and accounting policies followed by MKS. Combined financial information pursuant to Article 11 could differ materially from the combined information presented herein.

## Use of Non-GAAP Financial Measures

This presentation also includes financial measures that are not in accordance with GAAP ("Non-GAAP financial measures") and financial measures that are not in accordance with IFRS ("Non-IFRS financial measures"). These Non-GAAP financial measures and Non-IFRS financial measures should be viewed in addition to, and not as a substitute for, MKS' and Atotech's reported GAAP and IFRS results, and may be different from Non-GAAP financial measures and Non-IFRS financial measures used by other companies. In addition, these Non-GAAP financial measures and Non-IFRS financial measures are not based on any comprehensive set of accounting rules or principles. MKS management believes the presentation of these Non-GAAP financial measures and Non-IFRS financial measures is useful to investors for comparing prior periods and analyzing ongoing business trends and operating results. Please see the Appendix entitled "GAAP to Non-GAAP Reconciliations" at the end of this presentation for reconciliations of our Non-GAAP financial measures and Non-IFRS financial measures to the comparable GAAP and IFRS financial measures.

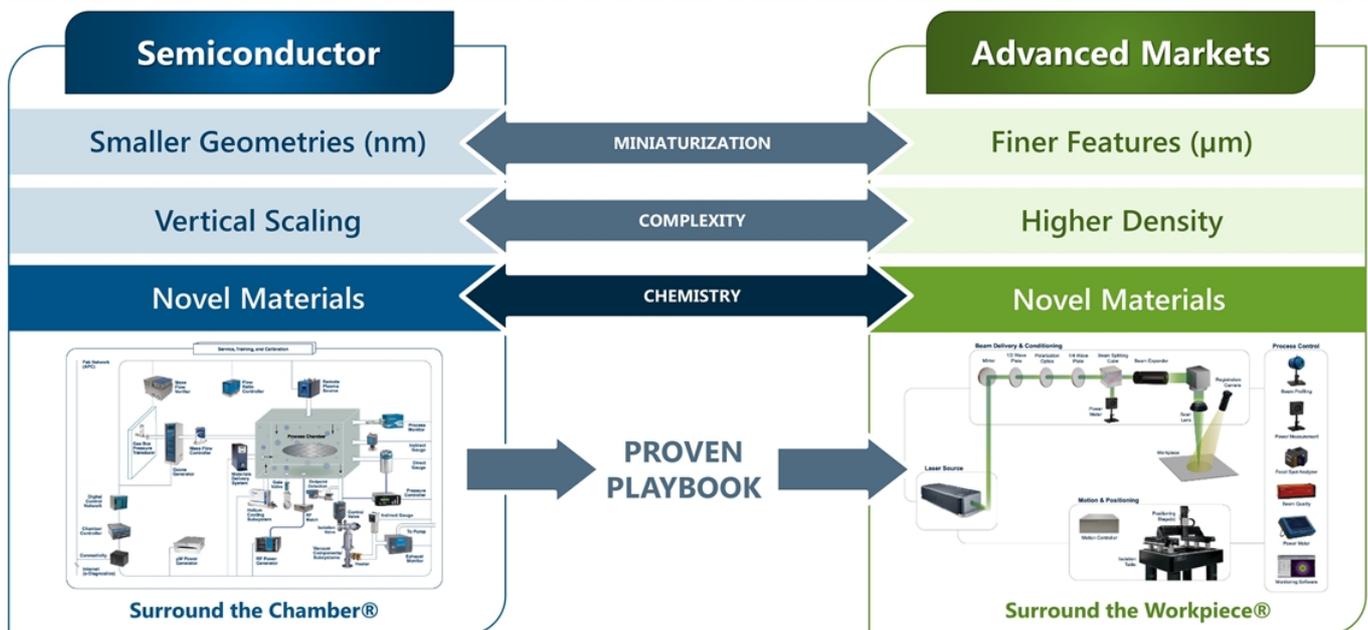
MKS is not providing a quantitative reconciliation of forward-looking Non-GAAP net earnings to GAAP net income or forward-looking Adjusted EBITDA to GAAP net income because it is unable to estimate with reasonable certainty the ultimate timing or amount of certain significant items without unreasonable efforts. For forward-looking Non-GAAP net earnings to GAAP net income, these items include, but are not limited to, acquisition and integration costs, amortization of intangible assets, amortization of the step-up of inventory to fair value, restructuring and other expense, asset impairment, and the income tax effect of these items. For forward-looking Adjusted EBITDA to GAAP net income, these items include, but are not limited to, net interest expense, depreciation expense, acquisition and integration costs, amortization of intangible assets, restructuring and other expense, asset impairment, the income tax effect of these items, and the provision for income taxes. MKS is also not providing a quantitative reconciliation of forward-looking free cash flow to operating cash flow because it is unable to estimate with reasonable certainty the ultimate timing or amount of capital expenditures without unreasonable efforts, in addition to the timing of payments for acquisition and integration costs and restructuring and other expense, among other items, which will affect operating cash flow. All of these items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the relevant period.



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

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

# Chemistry Is Critical Enabler in the Markets MKS Serves



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

# Atotech: A Leading Chemistry Solutions Provider

Specialty chemicals, equipment, software and services for printed circuit boards, semiconductor IC packaging, and surface finishing

## Electronics

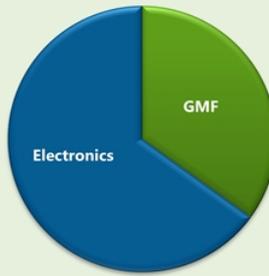
- PCBs, semiconductor IC packaging
- Equipment & consumables model creates sticky business
- Consumables business CAGR 4% - 6%<sup>[1]</sup>

## General Metal Finishing (GMF)

- Decorative & functional surface finishing applications
- Stable, cash generative business growing at ~GDP<sup>[1]</sup>

<sup>[1]</sup> MKS internal estimates of 2021-2025 CAGR (excludes FX and palladium pass through)

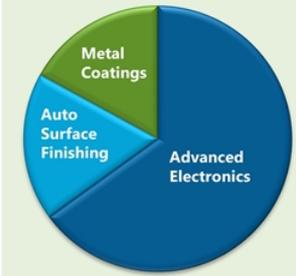
2020 Revenue Mix



2020 Revenue Stream



2020 Revenue By End Market



## 2020 Financial Overview<sup>[2]</sup>

<sup>[2]</sup> Reported Adjusted Gross Margin, Adjusted EBITDA and Adjusted EBITDA Margin include adjustments to align with U.S. GAAP and MKS financial reporting. See Appendix.

Revenue	\$1,234M
Adjusted Gross Margin	53%
Adjusted EBITDA	\$313M
Adjusted EBITDA Margin	25%

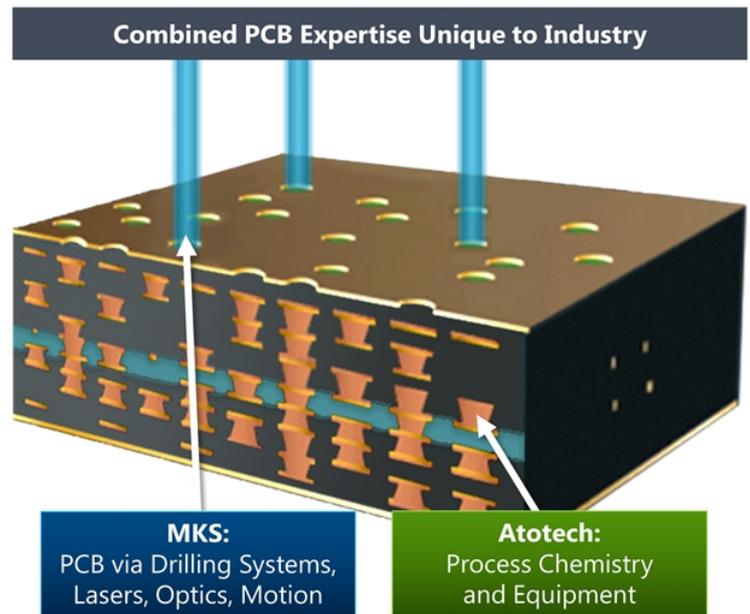
## Leadership Metrics<sup>[3]</sup>

<sup>[3]</sup> Atotech June 2021 investor presentation

Patents	2,000+
R&D & Tech Center Employees	~700
Total customers	~7,500
PCB customers	28 of top 30

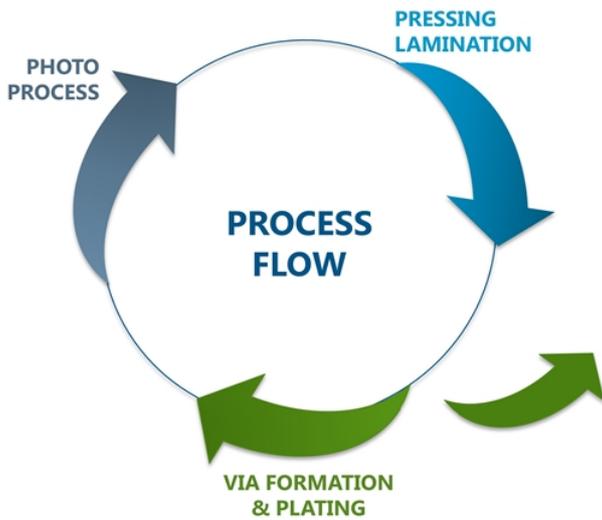
# Challenges at the Interconnect Demand Integrated Approach

- **Increased device complexity driving PCB and Packaging innovation**
  - *Increasing density, shrinking geometries*
- **Interconnect quality is essential to integration of chips to devices**
  - *Reliability, productivity and peak performance are critical*
- **Optimization of the interconnect enables price/performance gains for next-gen devices**
  - *Optimized workflow delivers yield and throughput gains*



Adjacent Expertise Creates Significant Market Share Opportunities

# Complete Via Formation Process – Unique to the Industry

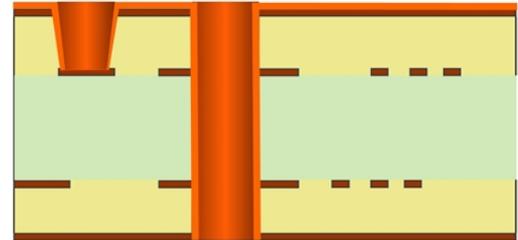


■ ATOTECH  
■ MKS

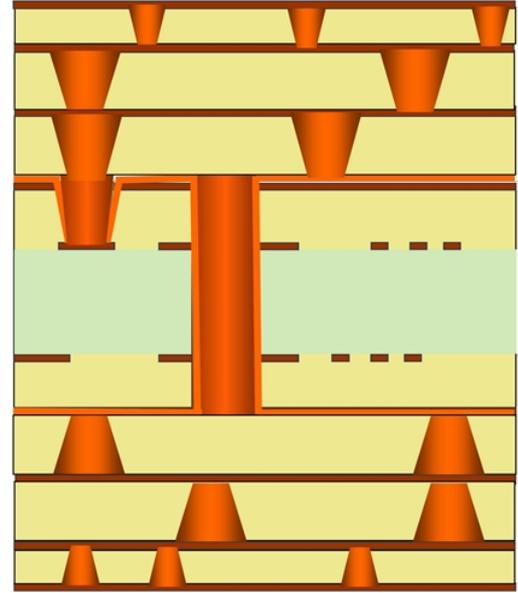
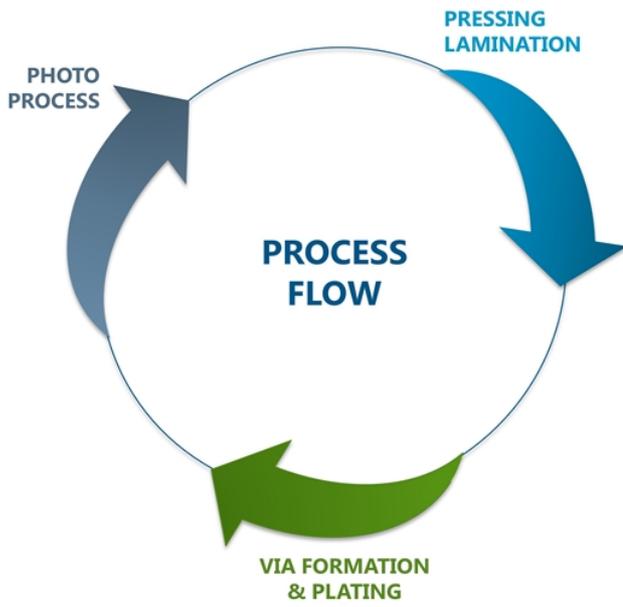
## VIA FORMATION & PLATING

- OXIDE BLACKENING
- LASER DRILLING
- SPLASH REMOVAL
- DESMEAR
- E-LESS CU
- FLASH Cu PLATING
- VIA FILLING

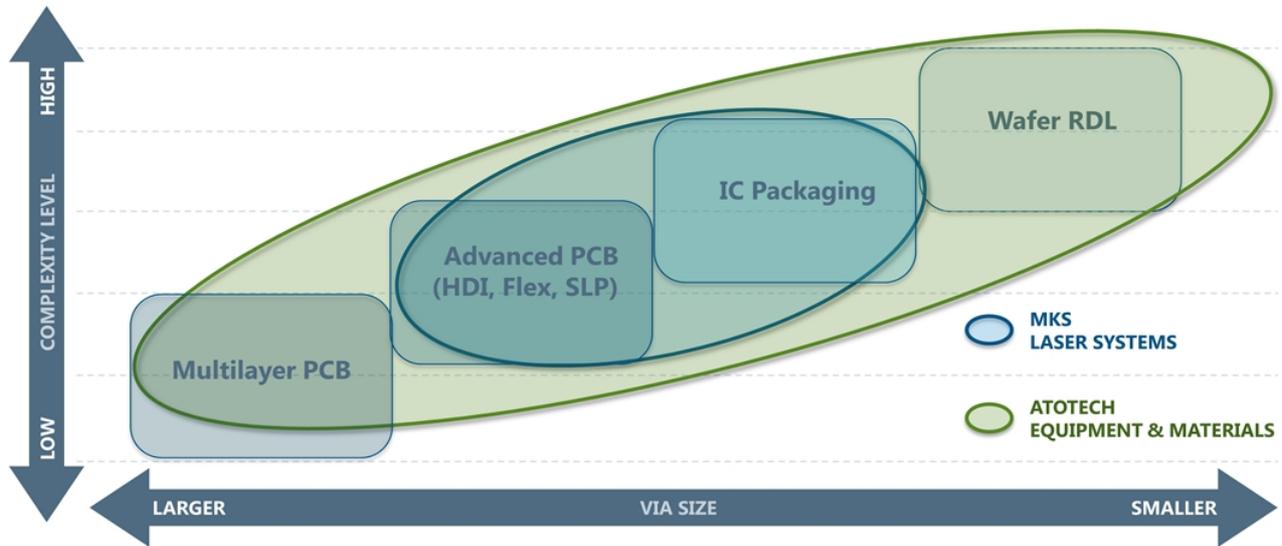
World-class Cu plating for optimum performance and reliability



# Complete Via Formation Workflow – Unique to the Industry

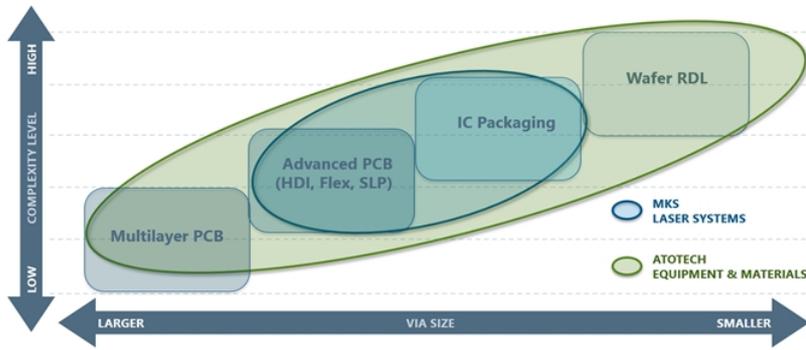


# Unique Domain Expertise In PCB and Packaging ....

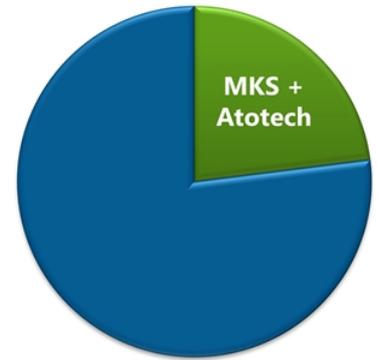


Ability to optimize chemistry and equipment together will be a key differentiator

# .... Creates Attractive Share Gain Opportunity



## PCB Laser Drilling + Chemical Processing SAM



■ MKS + ATOTECH  
■ PCB LASER DRILLING + CHEMICAL PROCESSING SAM

~\$4B<sup>[1]</sup> (2020)

<sup>[1]</sup> MKS internal estimates

<sup>[2]</sup> MKS internal estimates. Refers to 2021-2025 CAGR

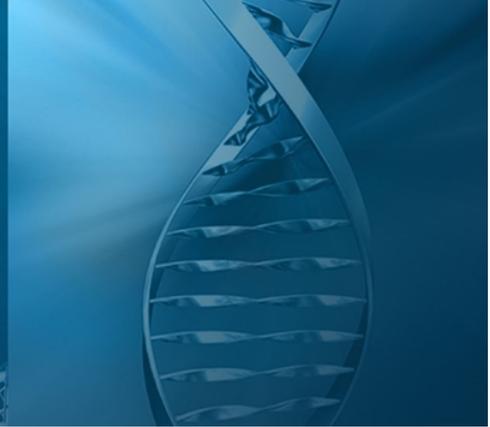
Share Gain Opportunity in Combined SAM Growing 3-5% Annually<sup>[2]</sup>

# L-T Opportunity: Leverage Combined Via Formation Expertise



Solving Customers' Hardest Challenges Through Optimization, Collaboration & Differentiation

Transaction  
Financial Overview



# Stronger Financial Profile



- **Atotech brings robust operating profile**
  - Adjusted Gross margin >50%<sup>[1]</sup>; Adjusted EBITDA margin of >25%<sup>[1]</sup>
- **Attractive recurring consumables revenue stream**
  - Equipment + Consumables provides sticky/stable business
- **Non-GAAP EPS expected to be accretive within first year**
  - Estimate \$50 million of annual run rate cost synergies within 18-36 months
- **Manageable leverage supported by robust pro forma cash generation**
  - Strong combined pro forma FCF and growing EBITDA provide sufficient room to reduce leverage ratios

<sup>[1]</sup> LTM 3/31/2021. Reported Adjusted Gross Margin and Adjusted EBITDA Margin include adjustments to align with U.S. GAAP and MKS financial reporting. See appendix.

# Stable Revenue Stream With Strong Profitability



<sup>[1]</sup> Pro forma LTM 3/31/2021 results including acquisition of Photon Control, expected to close in Q3 2021.

<sup>[2]</sup> LTM 3/31/21 results. Reported Adjusted Gross Margin, Adjusted EBITDA and Adjusted EBITDA Margin include adjustments to align with U.S. GAAP and MKS financial reporting. See Appendix.

<sup>[3]</sup> Inclusive of estimated pro forma run-rate cost synergies of \$50 million.

**Combined Consumables + Services Revenue Makes Up ~40% of Pro Forma Revenue Mix**

# Manageable Leverage With Strong Cash Generation Profile

- Robust pro forma Free Cash Flow profile
- No significant debt maturities expected for 5 years
- Strong track record of de-levering

## Pro Forma Capitalization

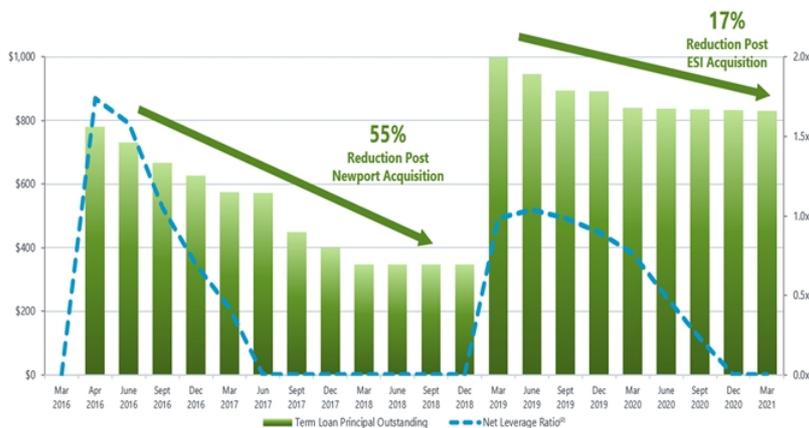
Cash	\$800M
Revolver (\$500M)	\$--
Gross Debt	\$5.3B
Net Debt	\$4.5B

Expected Debt / Adj. EBITDA at closing<sup>[1]</sup> < 4.0x

Expected Net Debt / Adj. EBITDA at closing<sup>[1]</sup> < 3.5x

<sup>[1]</sup> Based on internal MKS estimate of pro forma Adjusted EBITDA FY 2021, assuming the prior closings of the acquisitions of Atotech and Photon Control, Inc. Estimate also includes \$50 million of pro forma annual run rate cost synergies.

<sup>[2]</sup> Net leverage ratio is defined as term loan outstanding less cash and short-term investments, divided by trailing twelve-month adjusted EBITDA.



Strong FCF & Growing EBITDA Provides Sufficient Room To Reduce Net Leverage

# Transaction Summary



<b>Per Share Consideration</b>	<ul style="list-style-type: none"> <li>\$16.20 per share in cash and 0.0552 MKS shares per Atotech share</li> </ul>
<b>Transaction Consideration</b>	<ul style="list-style-type: none"> <li>Equity value of \$5.1B and estimated enterprise value of \$6.5B</li> </ul>
<b>Synergies and EPS Impact</b>	<ul style="list-style-type: none"> <li>Estimated \$50M within 18 - 36 months</li> <li>Expected to be accretive to Non-GAAP EPS within the first year</li> </ul>
<b>Pro Forma Capitalization</b>	<ul style="list-style-type: none"> <li>Cash of approximately \$800M supported by new \$500M revolving credit facility, resulting in total liquidity of \$1.3B</li> <li>\$5.3B debt</li> <li>MKS shareholders expected to own 84% of pro forma shares outstanding</li> <li>Atotech shareholder Carlyle expected to own 13% of pro forma shares outstanding, subject to phased lock-up over 60 days<sup>[1]</sup></li> <li>Expected pro forma gross leverage at closing &lt; 4.0x<sup>[2]</sup></li> <li>Expected pro forma net leverage at closing of &lt; 3.5x<sup>[2]</sup></li> </ul>
<b>Financial and Capital Return Strategy</b>	<ul style="list-style-type: none"> <li>Debt repayment and reducing leverage</li> <li>Maintain quarterly dividend</li> </ul>
<b>Expected Closing</b>	<ul style="list-style-type: none"> <li>By Q4 2021, subject to customary closing conditions, including regulatory approvals and Atotech shareholder approval</li> </ul>

<sup>[1]</sup> Under the lockup agreement, Carlyle will be able to sell 20% of its ownership immediately after closing, 20% more 30 days after closing, and 60% of shares after 60 days from closing

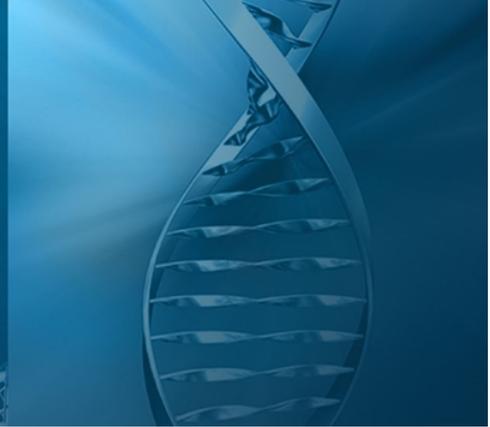
<sup>[2]</sup> Based on internal MKS estimate of pro forma Adjusted EBITDA FY 2021, assuming the prior closings of the acquisitions of Atotech and Photon Control, Inc. Estimate also includes \$50 million of pro forma annual run rate cost synergies.

# Uniquely Positioned to Optimize the Interconnect

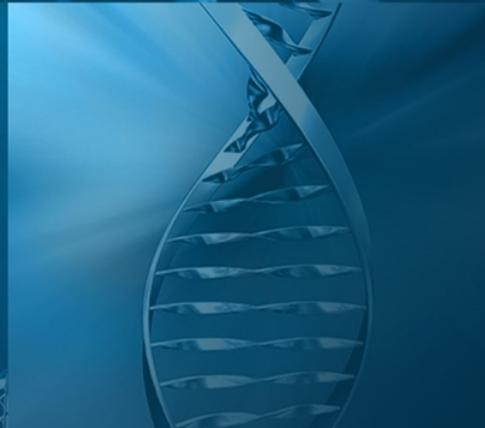


- **Devices are getting smaller and more complex**
  - *Next frontier in advanced electronics is optimizing the interconnect*
- **Combined company positioned to drive the next-gen advanced electronics roadmaps**
  - *Expertise in lasers, optics, motion and chemistry to offer complete via formation solution*
- **Strong financial profile**
  - *Stable revenue stream*
  - *Attractive margins & FCF*
  - *Manageable leverage*

Q&A



Appendix:  
GAAP to  
Non-GAAP  
Reconciliations



# Financial Reconciliations

For the twelve month period ending December 31, 2020  
(in million USD)

Revenue	Atotech \$ 1,234
Reported gross profit	Atotech \$ 676
Depreciation expense and logistics costs <sup>1</sup>	(18)
Adjusted gross profit	\$ 658
Adjusted gross margin	53%
Reported operating (loss)	Atotech \$ (101)
Amortization of intangible assets	108
Goodwill impairment	280
Capitalized R&D costs <sup>2</sup>	(20)
Restructuring and other	3
Adjusted operating income	\$ 269
Net income (loss)	Atotech \$ (289)
Interest expense, net	145
Provision for income taxes	64
Depreciation and amortization	450
EBITDA	\$ 370
Other (income) expense, net	(21)
Capitalized R&D costs <sup>2</sup>	(20)
Lease costs <sup>3</sup>	(19)
Restructuring and other	3
Adjusted EBITDA	\$ 313
Adjusted EBITDA Margin	25%

Reported IFRS gross profit, Adjusted EBITDA and Adjusted EBITDA Margin include adjustments to align with U.S. GAAP reporting.

Note 1: Atotech does not include depreciation expense and certain logistics costs in Adjusted GM. Depreciation expense of \$14M and logistics costs of \$4M have been included to align with MKS financial reporting.

Note 2: Atotech capitalizes certain R&D costs in accordance with IFRS which have been adjusted to align with U.S. GAAP reporting of these costs.

Note 3: Atotech presents certain lease costs in depreciation expense which have been adjusted to align with U.S. GAAP reporting of depreciation expense.

# Financial Reconciliations

For the twelve month period ending March 31, 2021  
(in million USD)

	Photon Control		Pro Forma MKS		Pro Forma Combined Company	
	MKS	Control	MKS	Atotech	Atotech	Company
Revenue	\$ 2,488	\$ 52	\$ 2,540	\$ 1,305	\$ 3,845	
Reported gross profit	\$ 1,132	\$ 31	\$ 1,163	\$ 699	\$ 1,862	
Inventory charge related to exit of product groups	4	-	4	-	4	
Reported Non-GAAP / Adjusted gross profit	\$ 1,136	\$ 31	\$ 1,167	\$ 699	\$ 1,866	
Depreciation expense and logistics costs <sup>1</sup>	-	-	-	(18)	(18)	
Adjusted gross profit	\$ 1,136	\$ 31	\$ 1,167	\$ 681	\$ 1,848	
Adjusted gross margin			46%	52%	48%	
Reported operating income (loss)	\$ 519	\$ 16	\$ 535	\$ (82)	\$ 453	
Acquisition and transaction costs	8	-	8	-	8	
Amortization of intangible assets <sup>2</sup>	51	1	52	109	161	
Asset and goodwill impairment	1	-	1	280	281	
Inventory charge related to exit of product groups	4	-	4	-	4	
COVID-19 adjustment	(1)	-	(1)	-	(1)	
Restructuring and other	14	-	14	3	17	
Capitalized R&D costs <sup>3</sup>	-	-	-	(20)	(20)	
Estimated annual cost synergies	-	-	-	-	50	
Adjusted operating income	\$ 596	\$ 16	\$ 613	\$ 289	\$ 952	
Net income (loss)	\$ 403	\$ 8	\$ 412	\$ (321)	\$ 91	
Interest expense, net	26	-	26	195	221	
Provision for income taxes	87	4	90	61	151	
Depreciation and amortization	94	2	96	454	550	
EBITDA	\$ 610	\$ 14	\$ 624	\$ 388	\$ 1,011	
Stock-based compensation	31	-	31	-	31	
COVID-19 related adjustments	(1)	-	(1)	-	(1)	
Inventory charge related to exit of product groups	4	-	4	-	4	
Acquisition and transaction costs	8	-	8	-	8	
Restructuring and other	14	-	14	3	17	
Foreign exchange loss (gain)	-	3	3	-	3	
Asset impairment	1	-	1	-	1	
Other (income) expense, net	-	-	-	(16)	(16)	
Capitalized R&D costs <sup>3</sup>	-	-	-	(20)	(20)	
Lease costs <sup>4</sup>	-	-	-	(19)	(19)	
Estimated annual cost synergies	-	-	-	-	50	
Adjusted EBITDA	666	17	683	336	1,068	
Adjusted EBITDA Margin			27%	26%	28%	

Photon Control amounts converted to USD using a fixed CAD/USD exchange rate of 0.80

Reported IFRS gross profit, Adjusted EBITDA and Adjusted EBITDA Margin include adjustments to align with U.S. GAAP reporting.

Note 1: Atotech does not include depreciation expense and certain logistics costs in Adjusted GM. Depreciation expense of \$14M and logistics costs of \$4M have been included to align with MKS financial reporting.

Note 2: Amortization of intangible assets for Atotech estimated based on amount reported for the twelve months ended December 31, 2020.

Note 3: Atotech capitalizes certain R&D costs in accordance with IFRS which have been adjusted to align with U.S. GAAP reporting of these costs.

Note 4: Atotech presents certain lease costs in depreciation expense which have been adjusted to align with U.S. GAAP reporting of depreciation expense.