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ANNUAL REPORT 2023



# Enabling Technologies That Transform Our World

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At MKS, we have a long history of leveraging our collective curiosity to understand and develop solutions that are at the core of many key technological innovations. These innovations have driven accelerated roadmaps for semiconductor manufacturing, electronics and packaging, and specialty industrial applications.

**Our mission is to be the innovation leader and trusted partner that pushes the boundaries of possibility.**

# To Our Shareholders

MKS' performance in 2023 highlighted the resilience of our business through a soft demand environment for products where we play a foundational role, including memory chips and other critical electronic components that enable advanced electronic devices, such as PCs, smartphones and servers. MKS is structured to manage through cycles with a broad portfolio of differentiated, proprietary solutions that offer attractive profit margins, and a culture of prudent cost control.

2023 also marked our first full year operating with Atotech. Atotech's industry-leading chemistry and plating equipment solutions augment our broad range of leading technologies, uniquely position us within the Electronics & Packaging market, and provide us with a higher mix of more stable consumables and services revenue. We are on track to achieve our target post-acquisition cost synergies and have increased engagement with combined customers of MKS and Atotech on next-generation designs for advanced package substrates, a critical enabler for new applications, such as artificial intelligence. We remain excited about revenue opportunities that leverage Atotech's business within our broader portfolio.

With most industry observers expecting a recovery in our end markets to slowly unfold in the second half of 2024, we believe MKS is prepared to capture exciting new opportunities. We have continued to invest in our business, strengthening our position as a critical enabler of advanced electronics with our foundational solutions for the Semiconductor and Electronics & Packaging markets. Our leading applications within our Specialty Industrial portfolio extend our reach into additional markets and generate attractive cash flow for our business.

Of course, our strategic positioning must be complemented by strong business execution. In 2023, we delivered on our innovation roadmaps, controlled costs, managed our balance sheet, and secured design wins with key customers, all of which are critical to generating attractive growth and value creation in the years ahead. It is worth noting that we achieved these goals despite the ransomware incident we experienced in early 2023. I am both humbled by and grateful for the way our global team rallied to contain this issue, communicated transparently with customers and successfully restored normal business operations.

The strength of our team and culture is a running theme at MKS, and recently this was reflected in industry accolades we received, such as being named to *US News and World Report's* inaugural "Best Companies to Work for in the Industrials and Business Services Industry" list, as well as being named by *Newsweek* and Statista as one of "America's Most Responsible Companies for 2024."

We are excited to continue to deliver innovations that are foundational to the next generation of advanced electronic devices. We appreciate the continued support of our customers, who rely on MKS to solve their toughest challenges, our shareholders, who have placed their trust in MKS to deliver value creation, and our employees, who work relentlessly to deliver on the MKS promise.

In 2023, we delivered on our innovation roadmaps, controlled costs, managed our balance sheet, and secured design wins with key customers, all of which are critical to generating attractive growth and value creation in the years ahead.



**John T.C. Lee**  
President and Chief Executive Officer



**Madhuri A. Andrews**  
EVP and CIO



**Seth H. Bagshaw**  
EVP, CFO and Treasurer



**Sally Ann Bouley**  
EVP and CHRO



**Kathleen F. Burke**  
EVP, General Counsel  
and Secretary



**Henry C. Chang**  
SVP and GM, Asia



**Mark M. Gitin**  
EVP and GM,  
Photonics Solutions Division



**David P. Henry**  
EVP, Operations and  
Corporate Marketing



**James A. Schreiner**  
EVP and COO,  
Materials Solutions Division



**Eric R. Taranto**  
EVP and GM,  
Vacuum Solutions Division

## Cautionary Statement Regarding Forward-Looking Statements

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This Annual Report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding the future financial performance, business prospects and growth of MKS Instruments, Inc. (“MKS,” the “Company,” “our,” or “we”). These statements are only predictions based on current assumptions and expectations. 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 be considered to be forward-looking statements. 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 that we make are the need to generate sufficient cash flows to service and repay the substantial indebtedness we incurred in connection with our acquisition of Atotech Limited (“Atotech” and such transaction, the “Atotech Acquisition”), which we completed in August 2022; the terms of our existing credit facilities under which we incurred such debt; our entry into the chemicals technology business through the Atotech Acquisition, in which we did not have previous experience and which may expose us to significant additional liabilities; the risk that we are unable to integrate the Atotech Acquisition successfully or realize the anticipated synergies, cost savings and other benefits of the Atotech Acquisition; legal, reputational, financial and contractual risks resulting from the ransomware incident we identified in February 2023, and other risks related to cybersecurity, data privacy and intellectual property; competition from larger, more advanced or more established companies in our markets; the ability to successfully grow our business, including through growth of the Atotech business and growth of the Electro Scientific Industries, Inc. business, which we acquired in February 2019, and financial risks associated with those and potential future acquisitions, including goodwill and intangible asset impairments; manufacturing and sourcing risks, including those associated with limited and sole source suppliers and the impact and duration of supply chain disruptions, component shortages, and price increases; changes in global demand; the impact of a pandemic or other widespread health crisis; risks associated with doing business internationally, including geopolitical conflicts, such as the conflict in the Middle East, trade compliance, regulatory restrictions on our products, components or markets, particularly the semiconductor market, and unfavorable currency exchange and tax rate fluctuations, which risks become more significant as we grow our business internationally and in China specifically; conditions affecting the markets in which we operate, including fluctuations in capital spending in the semiconductor, electronics manufacturing and automotive industries, and fluctuations in sales to our major customers; disruptions or delays from third-party service providers upon which our operations may rely; the ability to anticipate and meet customer demand; the challenges, risks and costs involved with integrating or transitioning global operations of the companies we have acquired; risks associated with the attraction and retention of key personnel; potential fluctuations in quarterly results; dependence on new product development; rapid technological and market change; acquisition strategy; volatility of stock price; risks associated with chemical manufacturing and environmental regulation compliance; risks related to defective products; financial and legal risk management; and the other important factors described in Part I, Item 1A of the Form 10-K for the year ended December 31, 2023 included in this Annual Report. We 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, even if subsequent events cause our views to change.







## Board of Directors

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### **Gerald G. Colella**

Chairman  
MKS Instruments, Inc.

### **Rajeev Batra**

President  
Siemens Industry Inc.  
and Member, Siemens  
U.S. Managing Board

### **Peter J. Cannone III**

Chairman and  
Chief Executive Officer  
Demand Science Group, LLC

### **Joseph B. Donahue**

Former Executive Vice President  
and Chief Operating Officer  
TE Connectivity Ltd.

### **John T.C. Lee**

President and  
Chief Executive Officer  
MKS Instruments, Inc.

### **Jacqueline F. Moloney**

Chancellor Emerita and Professor  
University of Massachusetts Lowell

### **Elizabeth A. Mora**

Former Chief Administrative Officer  
The Charles Stark Draper  
Laboratory, Inc.

### **Michelle M. Warner**

Executive Director  
CEO Perspectives  
Corporate Leadership Center, NFP

## Management

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### **John T.C. Lee**

President and  
Chief Executive Officer

### **Madhuri A. Andrews**

Executive Vice President  
and Chief Information Officer

### **Seth H. Bagshaw**

Executive Vice President,  
Chief Financial Officer  
and Treasurer\*

### **Sally Ann Bouley**

Executive Vice President  
and Chief Human Resources Officer

### **Kathleen F. Burke**

Executive Vice President,  
General Counsel and Secretary

### **Henry C. Chang**

Senior Vice President  
and General Manager, Asia

### **Mark M. Gitin**

Executive Vice President  
and General Manager,  
Photonics Solutions Division

### **David P. Henry**

Executive Vice President,  
Operations and  
Corporate Marketing

### **James A. Schreiner**

Executive Vice President and  
Chief Operating Officer,  
Materials Solutions Division

### **Eric R. Taranto**

Executive Vice President  
and General Manager,  
Vacuum Solutions Division

*\*Retiring effective April 1, 2024.*

### **Corporate Headquarters**

MKS Instruments, Inc.  
2 Tech Drive, Suite 201  
Andover, MA 01810  
Telephone: +1.978.645.5500

### **Outside Counsel**

Wilmer Cutler Pickering Hale  
and Dorr LLP  
Boston, MA

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Boston, MA

### **Stock Listing**

Nasdaq Global Select Market  
Symbol: MKSI

### **Transfer Agent**

Equiniti Trust Company, LLC  
48 Wall Street, Floor 23  
New York, NY 10005  
Telephone:  
US: +1.800.937.5449  
International: +718.921.8124  
<https://equiniti.com/us/ast-access/>

### **Shareholders may also direct inquiries to:**

David Ryzhik  
Vice President, Investor Relations  
MKS Instruments, Inc.  
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Andover, MA 01810  
Telephone: +1.978.557.5180  
[www.mks.com](http://www.mks.com)

### **Annual Meeting of Shareholders**

May 7, 2024, 10:00 a.m. EDT  
MKS Instruments, Inc.  
2 Tech Drive, Suite 201  
Andover, MA 01810

