Vishay Reports Results for Second Quarter 2019

July 30, 2019

- Revenues for Q2 2019 of $685.2 million
- Gross Margin Q2 of 25.5%
- Operating Margin Q2 of 11.6%
- EPS Q2 of $0.31
- Adjusted EPS Q2 of $0.36
- Free cash for trailing 12 months Q2 2019 of $180.4 million
- Announced global cost reduction and management rejuvenation programs for annualized savings of $15 million at cash cost of $25 million, fully implemented by end of 2020
- Guidance for Q3 2019 for revenues of $600 to $640 million and gross margins of 24% to 25% at Q2 exchange rates.

MALVERN, Pa., July 30, 2019 (GLOBE NEWSWIRE) -- Vishay Intertechnology, Inc. (NYSE:VSH), one of the world's largest manufacturers of discrete semiconductors and passive components, today announced its results for the fiscal quarter and six fiscal months ended June 29, 2019.

Revenues for the fiscal quarter ended June 29, 2019 were $685.2 million, compared to $745.2 million for the fiscal quarter ended March 30, 2019, and $761.0 million for the fiscal quarter ended June 30, 2018. Net earnings attributable to Vishay stockholders for the fiscal quarter ended June 29, 2019 were $44.5 million or $0.31 per diluted share, compared to $75.5 million, or $0.52 per diluted share, and $103.1 or $0.65 per diluted share for the fiscal quarters ended March 30, 2019, and June 30, 2018, respectively.

As summarized on the attached reconciliation schedule, all periods presented include items affecting comparability. Adjusted earnings per diluted share, which exclude these items net of tax and the unusual tax items, were $0.36, $0.51, and $0.54 for the fiscal quarters ended June 29, 2019, March 30, 2019 and June 30, 2018 respectively.

Commenting on the results for the second quarter 2019, Dr. Gerald Paul, President and Chief Executive Officer, stated, “In the second quarter, high levels of inventories in the supply chain led to lower than expected demand, mainly from distribution, which negatively impacted Vishay’s financial performance. We are now in the process of adapting manufacturing capacities and capital expenditures to short term volume requirements. Yesterday, we announced global cost reduction and management rejuvenation programs to lower Vishay’s fixed personnel costs by $15 million annualized at a cash cost of $25 million. These programs are also designed to further enhance the quality of our organization.”

Dr. Paul also stated, “However long the current inventory correction will take, we continue to be confident about Vishay’s mid- and long-term growth opportunities in end markets such as automotive, industrial, medical and military. Since 2016 we have substantially expanded manufacturing capacities, so we are very well positioned to fully participate in the next upturn whatever the timing will be.”

Commenting on the outlook Dr. Paul stated, “For the third quarter we expect an acceleration of the reduction of inventories in the channel and guide for revenues in a range of $600 to $640 million and gross margins of 24% to 25%, at the same exchange rates as in the second quarter”.

A conference call to discuss Vishay’s second quarter financial results is scheduled for Tuesday, July 30, 2019 at 9:00 a.m. ET. The dial-in number for the conference call is 877-589- 6174 (+1 706-643-1406 if calling from outside the United States or Canada) and the conference ID is 8387353.

There will be a replay of the conference call from 12:00 p.m. ET on Tuesday, July 30, 2019 through 11:59 p.m. ET on Tuesday, August 13, 2019. The telephone number for the replay is 800-585-8367 (+1 404-537-3406 if calling from outside the United States or Canada) and the access code is 8387353.

A live audio webcast of the conference call and a PDF copy of the press release and the quarterly presentation will be accessible directly from the Investor Relations section of the Vishay website at http://ir.vishay.com.

View the Financial Tables (PDF)

About Vishay
Vishay Intertechnology, Inc., a Fortune 1000 Company listed on the NYSE (VSH), is one of the world's largest manufacturers of discrete semiconductors (diodes, MOSFETs, and infrared optoelectronics) and passive electronic components (resistors, inductors, and capacitors). These components are used in virtually all types of electronic devices and equipment, in the industrial, computing, automotive, consumer, telecommunications, military, aerospace, power supplies, and medical markets. Vishay’s product innovations, successful acquisition strategy, and "one-stop shop" service have made it a global industry leader. Vishay can be found on the Internet at http://www.vishay.com.

This press release includes certain financial measures which are not recognized in accordance with U.S. generally accepted accounting principles ("GAAP"), including adjusted net earnings; adjusted earnings per share; adjusted operating margin; free cash; earnings before interest, taxes, depreciation and amortization ("EBITDA"); adjusted EBITDA; and adjusted EBITDA margin; which are considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. These non-GAAP measures supplement our GAAP measures of performance or liquidity and should not be viewed as an alternative to GAAP measures of performance or liquidity. Non-GAAP measures such as adjusted net earnings,

adjusted earnings per share, adjusted operating margin, free cash, EBITDA, adjusted EBITDA, and adjusted EBITDA margin do not have uniform definitions. These measures, as calculated by Vishay, may not be comparable to similarly titled measures used by other companies. Management believes that such measures are meaningful to investors because they provide insight with respect to intrinsic operating results of the Company. Although the terms "free cash" and "EBITDA" are not defined in GAAP, the measures are derived using various line items measured in accordance with GAAP. Reconciling items to arrive at adjusted net earnings represent significant charges or credits that are important to understanding the Company's intrinsic operations. Reconciling items to calculate adjusted operating margin and adjusted EBITDA represent those same items used in computing adjusted net earnings, as relevant. Furthermore, the presented calculation of adjusted EBITDA is substantially similar to, but not identical to, a measure used in the calculation of financial ratios required for covenant compliance under Vishay's revolving credit facility. These reconciling items are indicated on the accompanying reconciliation schedules and are more fully described in the Company's financial statements presented in its annual report on Form 10-K and its quarterly reports presented on Forms 10-Q. Statements contained herein that relate to the Company's future performance, including statements with respect to forecasted revenues, margins, inventories, product demand, manufacturing capacities, restructuring activity savings and costs, global growth markets generally and the performance of the economy in general, are forward-looking statements within the safe harbor provisions of Private Securities Litigation Reform Act of 1995. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should," or other similar words or expressions often identify forward-looking statements. Such statements are based on current expectations only, and are subject to certain risks, uncertainties and assumptions, many of which are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance, or achievements may vary materially from those anticipated, estimated or projected. Among the factors that could cause actual results to materially differ include: general business and economic conditions; delays or difficulties in implementing our cost reduction strategies; delays or difficulties in expanding our manufacturing capacities; an inability to attract and retain highly qualified personnel; changes in foreign currency exchange rates; uncertainty related to the effects of changes in foreign currency exchange rates; competition and technological changes in our industries; difficulties in new product development; difficulties in identifying suitable acquisition candidates, consummating a transaction on terms which we consider acceptable, and integration and performance of acquired businesses; changes in U.S. and foreign trade regulations and tariffs, and uncertainty regarding the same; changes in applicable domestic and foreign tax regulations, and uncertainty regarding the same; changes in applicable accounting standards and other factors affecting our operations that are set forth in our filings with the Securities and Exchange Commission, including our annual reports on Form 10-K and our quarterly reports on Form 10-Q. We undertake no obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise.

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