



## Vishay Reports Results for First Quarter 2020

- Revenues Q1 of \$613 million
- Gross margin Q1 of 24.0%; adjusted gross margin 24.5%
- Operating margin Q1 of 7.7%; adjusted operating margin 8.3%
- EPS Q1 of \$0.19; adjusted EPS Q1 of \$0.21
- Free Cash for the trailing 12 months of \$107 million
- Guidance Q2 for revenues of \$540 to \$580 million and gross margins of 21.0% plus/minus 90 basis points at Q1 exchange rates
- Inventory reduction at distribution of \$63 million in Q1

MALVERN, Pa., May 12, 2020 (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 ended April 4, 2020.

Revenues for the fiscal quarter ended April 4, 2020 were \$612.8 million, compared to \$609.6 million for the fiscal quarter ended December 31, 2019, and \$745.2 million for the fiscal quarter ended March 30, 2019. Net earnings attributable to Vishay stockholders for the fiscal quarter ended April 4, 2020 were \$27.2 million, or \$0.19 per diluted share, compared to \$14.0 million, or \$0.10 per diluted share for the fiscal quarter ended December 31, 2019, and \$75.5 million, or \$0.52 per diluted share for the fiscal quarter ended March 30, 2019.

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 \$0.21, \$0.13, and \$0.51 for the fiscal quarters ended April 4, 2020, December 31, 2019, and March 30, 2019, respectively.

Commenting on results for the first quarter 2020, Dr. Gerald Paul, President and Chief Executive Officer stated, "As expected, the first quarter 2020 marked for Vishay the beginning of what might have been a recovery from a depressed second half of 2019. Despite the temporary plant shutdowns, particularly in China, due to COVID-19, sales came in within the guidance range at higher than anticipated profitability. The book-to-bill ratio was 1.17 driven by distribution while at the same time inventories of Vishay's products at distribution were reduced by a further \$63 million. The normalization in all product lines would have set Vishay up very well to participate fully in the rebound. This picture now seems very unreal when contrasted with the forecasted drop in global automotive production and a generally weak economic outlook worldwide due to the COVID-19 pandemic. Our industry like so many others is now confronted with a completely unknown challenge, a global pandemic that leads to unplannable lock-downs of entire economies and that frightens people on a very individual level. At this point, nobody can realistically forecast when and how this situation will normalize."

Dr. Paul continued, "While we obviously cannot control the pandemic, we can react to the challenges as Vishay always has in critical times before: our plants will react quickly and professionally to changes in demand, trying to minimize inefficiencies; and we will closely monitor all fixed costs and capital expenditures without jeopardizing our long-term strategies."

Commenting on the outlook Dr. Paul stated, "For the second quarter 2020 we guide, despite substantial uncertainties, for revenues in the range of \$540 to \$580 million and gross margins of 21.0% plus/minus 90 basis points at the exchange rates of the first quarter 2020."

A conference call to discuss Vishay's first quarter financial results is scheduled for Tuesday, May 12, 2020 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 access code is 7768705.

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>.

There will be a replay of the conference call from 1:00 p.m. ET on Tuesday, May 12, 2020, through 11:59 p.m. ET on Tuesday, May 26, 2020. The telephone number for the replay is +1 855-859-2056 (+1 404-537-3406, if calling from outside the United States or Canada) and the access code is 7768705.

### **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 gross margin; 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 gross margin, 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 gross margin, 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, 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; manufacturing or supply chain interruptions or changes in customer demand because of COVID-19 or similar diseases; 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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VISHAY INTERTECHNOLOGY, INC.  
Summary of Operations  
(Unaudited - In thousands, except per share amounts)

|  | April 4, 2020    | Fiscal quarters ended<br>December 31, 2019 | March 30, 2019   |
|--|------------------|--|------------------|
| Net revenues   | \$ 612,841       | \$ 609,577                                 | \$ 745,159       |
| Costs of products sold*  | 465,601          | 474,216                                    | 534,000          |
| Gross profit   | <u>147,240</u>   | <u>135,361</u>                             | <u>211,159</u>   |
| Gross margin   | 24.0%            | 22.2%                                      | 28.3%            |
| Selling, general, and administrative expenses*                 | 99,832           | 94,299                                     | 103,424          |
| Restructuring and severance costs                              | -                | 16,884                                     | -                |
| Operating income   | <u>47,408</u>    | <u>24,178</u>                              | <u>107,735</u>   |
| Operating margin   | 7.7%             | 4.0%                                       | 14.5%            |
| Other income (expense):  |                  |  |                  |
| Interest expense   | (8,552)          | (8,523)                                    | (8,392)          |
| Other  | 198              | (3,652)                                    | 1,912            |
| Loss on early extinguishment of debt                           | (2,920)          | (723)                                      | (1,307)          |
| Total other income (expense) - net                             | <u>(11,274)</u>  | <u>(12,898)</u>                            | <u>(7,787)</u>   |
| Income before taxes  | 36,134           | 11,280                                     | 99,948           |
| Income tax expense (benefit)                                   | <u>8,750</u>     | <u>(2,869)</u>                             | <u>24,307</u>    |
| Net earnings   | 27,384           | 14,149                                     | 75,641           |
| Less: net earnings attributable to noncontrolling interests    | 165              | 187  | 182              |
| Net earnings attributable to Vishay stockholders               | <u>\$ 27,219</u> | <u>\$ 13,962</u>                           | <u>\$ 75,459</u> |
| Basic earnings per share attributable to Vishay stockholders   | \$ 0.19          | \$ 0.10                                    | \$ 0.52          |
| Diluted earnings per share attributable to Vishay stockholders | \$ 0.19          | \$ 0.10                                    | \$ 0.52          |
| Weighted average shares outstanding - basic                    | 144,792          | 144,628                                    | 144,554          |
| Weighted average shares outstanding - diluted                  | 145,295          | 145,202                                    | 145,289          |
| Cash dividends per share                                       | \$ 0.095         | \$ 0.095                                   | \$ 0.0850        |

\* Includes incremental costs of products sold and selling, general, and administrative expenses separable from normal operations directly attributable to the COVID-19 outbreak of \$3,130 and \$317, respectively.

VISHAY INTERTECHNOLOGY, INC.  
Consolidated Condensed Balance Sheets  
(In thousands)

|   | April 4, 2020<br>(Unaudited) | December 31, 2019   |
|---|------------------------------|---------------------|
| Assets                                    |                              |                     |
| Current assets:                           |                              |                     |
| Cash and cash equivalents                 | \$ 680,703                   | \$ 694,133          |
| Short-term investments                    | 140,725                      | 108,822             |
| Accounts receivable, net                  | 325,704                      | 328,187             |
| Inventories:                              |                              |                     |
| Finished goods                            | 122,231                      | 122,466             |
| Work in process                           | 202,318                      | 187,354             |
| Raw materials                             | 128,639                      | 121,860             |
| Total inventories                         | <u>453,188</u>               | <u>431,680</u>      |
| Prepaid expenses and other current assets | 124,871                      | 141,294             |
| Total current assets                      | <u>1,725,191</u>             | <u>1,704,116</u>    |
| Property and equipment, at cost:          |                              |                     |
| Land                                      | 74,442                       | 75,011              |
| Buildings and improvements                | 579,161                      | 585,064             |
| Machinery and equipment                   | 2,591,804                    | 2,606,355           |
| Construction in progress                  | 105,832                      | 110,722             |
| Allowance for depreciation                | <u>(2,426,757)</u>           | <u>(2,425,627)</u>  |
|   | 924,482                      | 951,525             |
| Right of use assets                       | 99,506                       | 93,162              |
| Goodwill                                  | 150,288                      | 150,642             |
| Other intangible assets, net              | 60,468                       | 60,659              |
| Other assets                              | 156,569                      | 160,671             |
| Total assets                              | <u>\$ 3,116,504</u>          | <u>\$ 3,120,775</u> |

VISHAY INTERTECHNOLOGY, INC.  
Consolidated Condensed Balance Sheets (continued)  
(In thousands)

|   | April 4, 2020<br>(Unaudited) | December 31, 2019   |
|---|------------------------------|---------------------|
| Liabilities and equity                          |                              |                     |
| Current liabilities:                            |                              |                     |
| Notes payable to banks                          | \$ 199                       | \$ 2                |
| Trade accounts payable                          | 153,999                      | 173,915             |
| Payroll and related expenses                    | 116,456                      | 122,100             |
| Lease liabilities                               | 21,033                       | 20,217              |
| Other accrued expenses                          | 174,556                      | 186,463             |
| Income taxes                                    | 24,030                       | 17,731              |
| Total current liabilities                       | <u>490,273</u>               | <u>520,428</u>      |
| Long-term debt less current portion             | 552,096                      | 499,147             |
| U.S. transition tax payable                     | 140,196                      | 140,196             |
| Deferred income taxes                           | 20,627                       | 22,021              |
| Long-term lease liabilities                     | 83,440                       | 78,511              |
| Other liabilities                               | 94,762                       | 100,207             |
| Accrued pension and other postretirement costs  | 265,284                      | 272,402             |
| Total liabilities                               | <u>1,646,678</u>             | <u>1,632,912</u>    |
| Redeemable convertible debentures               | -                            | 174                 |
| Equity:   |                              |                     |
| Vishay stockholders' equity                     |                              |                     |
| Common stock                                    | 13,255                       | 13,235              |
| Class B convertible common stock                | 1,210                        | 1,210               |
| Capital in excess of par value                  | 1,416,260                    | 1,425,170           |
| Retained earnings                               | 84,570                       | 72,180              |
| Accumulated other comprehensive income (loss)   | (48,174)                     | (26,646)            |
| Total Vishay stockholders' equity               | <u>1,467,121</u>             | <u>1,485,149</u>    |
| Noncontrolling interests                        | <u>2,705</u>                 | <u>2,540</u>        |
| Total equity                                    | <u>1,469,826</u>             | <u>1,487,689</u>    |
| Total liabilities, temporary equity, and equity | <u>\$ 3,116,504</u>          | <u>\$ 3,120,775</u> |

VISHAY INTERTECHNOLOGY, INC.  
Consolidated Condensed Statements of Cash Flows  
(Unaudited - In thousands)

|  | Three fiscal months ended |                   |
|--|---------------------------|-------------------|
|  | April 4, 2020             | March 30, 2019    |
| Operating activities   |                           |                   |
| Net earnings   | \$ 27,384                 | \$ 75,641         |
| Adjustments to reconcile net earnings to<br>net cash provided by operating activities: |                           |                   |
| Depreciation and amortization  | 41,520                    | 40,428            |
| (Gain) loss on disposal of property and equipment                                      | (45)                      | (173)             |
| Accretion of interest on convertible debt instruments                                  | 3,637                     | 3,490             |
| Inventory write-offs for obsolescence  | 5,643                     | 6,967             |
| Loss on early extinguishment of debt   | 2,920                     | 1,307             |
| Deferred income taxes  | (3,517)                   | (2,614)           |
| Other  | 3,524                     | (1,744)           |
| Changes in operating assets and liabilities, net of effects of businesses acquired     | (46,588)                  | (43,784)          |
| Net cash provided by operating activities  | <u>34,478</u>             | <u>79,518</u>     |
| Investing activities   |                           |                   |
| Purchase of property and equipment   | (24,328)                  | (36,367)          |
| Proceeds from sale of property and equipment   | 53                        | 395               |
| Purchase of businesses, net of cash acquired   | -                         | (11,862)          |
| Purchase of short-term investments   | (35,463)                  | (1,920)           |
| Maturity of short-term investments   | -                         | 71,455            |
| Other investing activities   | (1,507)                   | 2,893             |
| Net cash provided by (used in) investing activities                                    | <u>(61,245)</u>           | <u>24,594</u>     |
| Financing activities   |                           |                   |
| Repurchase of convertible debentures   | (19,849)                  | (22,695)          |
| Net proceeds (payments) on revolving credit lines                                      | 54,000                    | -                 |
| Net changes in short-term borrowings   | 85                        | -                 |
| Dividends paid to common stockholders  | (12,592)                  | (11,249)          |
| Dividends paid to Class B common stockholders  | (1,149)                   | (1,028)           |
| Cash withholding taxes paid when shares withheld for vested equity awards              | (1,991)                   | (2,659)           |
| Net cash provided by (used in) financing activities                                    | <u>18,504</u>             | <u>(37,631)</u>   |
| Effect of exchange rate changes on cash and cash equivalents                           | <u>(5,167)</u>            | <u>(3,087)</u>    |
| Net increase (decrease) in cash and cash equivalents                                   | (13,430)                  | 63,394            |
| Cash and cash equivalents at beginning of period                                       | 694,133                   | 686,032           |
| Cash and cash equivalents at end of period   | <u>\$ 680,703</u>         | <u>\$ 749,426</u> |

VISHAY INTERTECHNOLOGY, INC.  
Reconciliation of Adjusted Earnings Per Share  
(Unaudited - In thousands, except per share amounts)

|  | Fiscal quarters ended |                   |                  |
|--|-----------------------|-------------------|------------------|
|  | April 4, 2020         | December 31, 2019 | March 30, 2019   |
| GAAP net earnings attributable to Vishay stockholders        | \$ 27,219             | \$ 13,962         | \$ 75,459        |
| <u>Reconciling items affecting gross profit:</u>             |                       |                   |                  |
| Impact of the COVID-19 outbreak                              | \$ 3,130              | \$ -              | \$ -             |
| <u>Other reconciling items affecting operating income:</u>   |                       |                   |                  |
| Restructuring and severance costs                            | \$ -                  | \$ 16,884         | \$ -             |
| Impact of the COVID-19 outbreak                              | 317                   | -                 | -                |
| <u>Reconciling items affecting other income (expense):</u>   |                       |                   |                  |
| Loss on early extinguishment of debt                         | \$ 2,920              | \$ 723            | \$ 1,307         |
| <u>Reconciling items affecting tax expense (benefit):</u>    |                       |                   |                  |
| Change in deferred taxes due to early extinguishment of debt | \$ (1,346)            | \$ (289)          | \$ (1,312)       |
| Effects of cash repatriation program                         | -                     | (11,554)          | (585)            |
| Effects of changes in uncertain tax positions                | -                     | 2,831             | -                |
| Tax effects of pre-tax items above                           | (1,482)               | (4,277)           | (290)            |
| Adjusted net earnings  | <u>\$ 30,758</u>      | <u>\$ 18,280</u>  | <u>\$ 74,579</u> |
| Adjusted weighted average diluted shares outstanding         | 145,295               | 145,202           | 145,289          |
| Adjusted earnings per diluted share                          | \$ 0.21               | \$ 0.13           | \$ 0.51          |



VISHAY INTERTECHNOLOGY, INC.

Reconciliation of Free Cash

(Unaudited - In thousands)

|  | Fiscal quarters ended |                   |                  |
|--|-----------------------|-------------------|------------------|
|  | April 4, 2020         | December 31, 2019 | March 30, 2019   |
| Net cash provided by operating activities    | \$ 34,478             | \$ 84,423         | \$ 79,518        |
| Proceeds from sale of property and equipment | 53                    | 91                | 395              |
| Less: Capital expenditures                   | (24,328)              | (56,374)          | (36,367)         |
| Free cash                                    | <u>\$ 10,203</u>      | <u>\$ 28,140</u>  | <u>\$ 43,546</u> |

VISHAY INTERTECHNOLOGY, INC.  
Reconciliation of EBITDA and Adjusted EBITDA  
(Unaudited - In thousands)

|   | Fiscal quarters ended |                   |                |
|---|-----------------------|-------------------|----------------|
|   | April 4, 2020         | December 31, 2019 | March 30, 2019 |
| GAAP net earnings attributable to Vishay stockholders | \$ 27,219             | \$ 13,962         | \$ 75,459      |
| Net earnings attributable to noncontrolling interests | 165                   | 187               | 182            |
| Net earnings  | \$ 27,384             | \$ 14,149         | \$ 75,641      |
| Interest expense                                      | \$ 8,552              | \$ 8,523          | \$ 8,392       |
| Interest income                                       | (1,854)               | (1,734)           | (2,199)        |
| Income taxes  | 8,750                 | (2,869)           | 24,307         |
| Depreciation and amortization                         | 41,520                | 42,159            | 40,428         |
| EBITDA  | \$ 84,352             | \$ 60,228         | \$ 146,569     |
| <u>Reconciling items</u>                              |                       |                   |                |
| Impact of the COVID-19 outbreak                       | \$ 3,447              | \$ -              | \$ -           |
| Restructuring and severance costs                     | -                     | 16,884            | -              |
| Loss on early extinguishment of debt                  | 2,920                 | 723               | 1,307          |
| Adjusted EBITDA                                       | \$ 90,719             | \$ 77,835         | \$ 147,876     |
| Adjusted EBITDA margin**                              | 14.8%                 | 12.8%             | 19.8%          |

\*\* Adjusted EBITDA as a percentage of net revenues