



The DNA of tech.™

Investor Presentation

NOVEMBER 2022

- VISHAY TODAY
- Q3 FINANCIALS & METRICS

Comments in this presentation other than statements of historical fact may constitute forward-looking statements. 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. Factors that could cause actual results to materially differ are described in our filings with the U.S. Securities and Exchange Commission, including our annual reports on Form 10-K and quarterly reports on Form 10-Q, specifically in the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors.” The Company undertakes no obligation to update any forward-looking statements.

NON-GAAP FINANCIAL MEASURES

Management uses measures which are not recognized in accordance with U.S. generally accepted accounting principles (“GAAP”) to evaluate its business, and may refer to such measures in this presentation. These measures are considered “non-GAAP financial measures” under the U.S. Securities and Exchange Commission rules. These non-GAAP financial measures are intended to supplement our GAAP measures of performance and liquidity. These non-GAAP measures may include: adjusted net earnings, adjusted gross margin, adjusted operating margin, adjusted earnings per share, free cash, cash available to enhance stockholder value, EBITDA, Adjusted EBITDA, EBITDA margin, breakeven point, contribution margin, and various measures and metrics “excluding VPG”.

“**Adjusted net earnings**” is net earnings (loss) determined in accordance with GAAP, adjusted for various items that Management believes are not indicative of the intrinsic operating performance of the Company, such as restructuring and severance costs, asset write-downs, impairment of goodwill, the direct impact of the COVID-19 outbreak, and other significant charges or credits that are important to understanding our intrinsic operations. The measurement is used by Management to evaluate our performance, and also is a key performance metric for executive compensation. Reconciling items to arrive at adjusted net earnings are more fully described in the Company’s annual report on Form 10-K and its quarterly reports on Forms 10-Q.

“**Adjusted gross margin**” is gross margin determined in accordance with GAAP (net revenue less costs of products sold and certain other period costs), adjusted to exclude items that Management believes are not indicative of the intrinsic operating performance of the Company, such as losses on purchase commitments, the direct impact of the COVID-19 outbreak, and unusual inventory write-downs. It may be expressed in dollars or as a percentage of net revenue. The measurement is used by Management to evaluate the performance of our business segments, as well the business as a whole. Reconciling items to arrive at adjusted gross margin are also considered in the calculation of adjusted operating margin and adjusted net earnings. Such reconciling items are more fully described in the Company’s annual report on Form 10-K and its quarterly reports on Forms 10-Q.

“**Adjusted operating margin**” is operating income determined in accordance with GAAP, adjusted for items that Management believes are not indicative of the intrinsic operating performance of the Company. It may be expressed in dollars or as a percentage of net revenue. The measurement is used by Management to evaluate our performance. Reconciling items to arrive at adjusted gross margin are also considered in the calculation of adjusted operating margin; and reconciling items to arrive at adjusted operating margin are also considered in the calculation of adjusted net earnings. Such reconciling items are more fully described in the Company’s annual report on Form 10-K and its quarterly reports on Forms 10-Q.

“**Adjusted earnings per share**” is “adjusted net earnings” divided by the weighted average diluted shares outstanding for a period, adjusted for the effect of reconciling items, if applicable, on the diluted weighted average shares outstanding. For example, some potential common shares which are anti-dilutive to the computation of GAAP earnings per share may be dilutive after considering reconciling items.

“**Free cash**” is cash generated from operations in excess of our capital expenditure needs and net of proceeds from the sale of assets. Management uses this measure to evaluate our ability to fund acquisitions, repay debt, and otherwise enhance stockholder value through stock buy-backs or dividends.

“**Cash available to enhance stockholder value**” is “free cash” less cash paid for acquisitions (including acquisition-related restructuring) and less debt principal payments. While internal growth and targeted acquisitions also enhance stockholder value through the generation of “free cash”, Management uses this measure to evaluate our ability to fund further enhancements to stockholder value, such as stock buy-backs or dividends.

“**EBITDA**” is earnings before interest income and expense, provision for income taxes, depreciation expense, and amortization expense. Management believes that EBITDA provides additional information with respect to a company’s performance and ability to meet its future capital expenditures and working capital requirements, particularly when evaluating acquisition targets.

“**Adjusted EBITDA**” is EBITDA adjusted for relevant reconciling items used to calculate adjusted net earnings (described above). 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.

“**EBITDA Margin**” is “adjusted EBITDA” divided by net revenues.

“**Breakeven point**” represents the quantity of output where total revenues and total operating costs are equal (in other words, where the operating income is zero). Management uses this measurement in evaluating our cost structure.

“**Contribution margin**,” sometimes referred to as “variable margin,” is calculated as net revenue less costs that vary with respect to quantity produced (or another output-related driver). It may be expressed in dollars or as a percentage of net revenue. Management uses this measure to determine the amount of profit to be expected for any increase in revenues in excess of the break-even point.

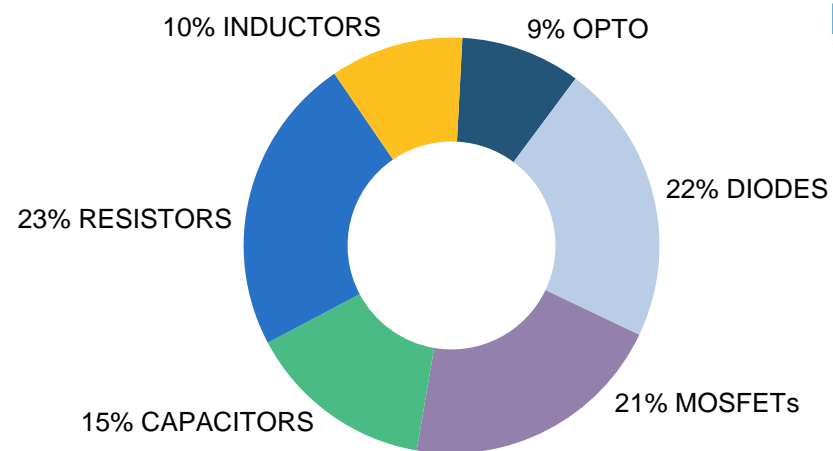
Measurements “excluding VPG” reflect the historical businesses which are still part of Vishay today. The Company spun-off VPG on July 6, 2010. While VPG does not qualify as a “discontinued operation” under GAAP, Management believes that certain evaluations “excluding VPG” are meaningful, particularly when evaluating growth and other performance metrics. Historical VPG data is reported as a separate operating segment in Vishay’s annual report on Form 10-K and its quarterly reports on Forms 10-Q during the periods it was included in Vishay’s consolidated financial statements: This discrete data is the basis to calculate any measurements “excluding VPG”. These measures do not have uniform definitions and accordingly, these measures, as calculated by Vishay, may not be comparable to similarly titled measures used by other companies. Such measures should not be viewed as alternatives to GAAP measures of performance or liquidity. However, Management believes such measures are meaningful to an evaluation of our business, as described above.

Vishay Today

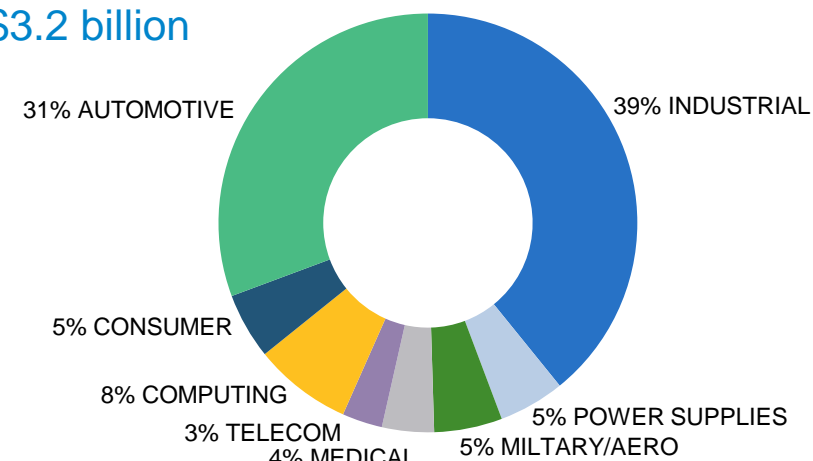
- Broad and competitive product and technology portfolio:
Solution provider and valuable partner for customers.
- Broad market penetration
 - Wide range of end markets.
 - Balanced geographic manufacturing footprint.
 - Right mix of sales channels.
- Contribution margin of 45% plus.
- Reliable generation of “free cash.”
- Regular cash dividend program.

Broad Product Portfolio & Broad Market Penetration

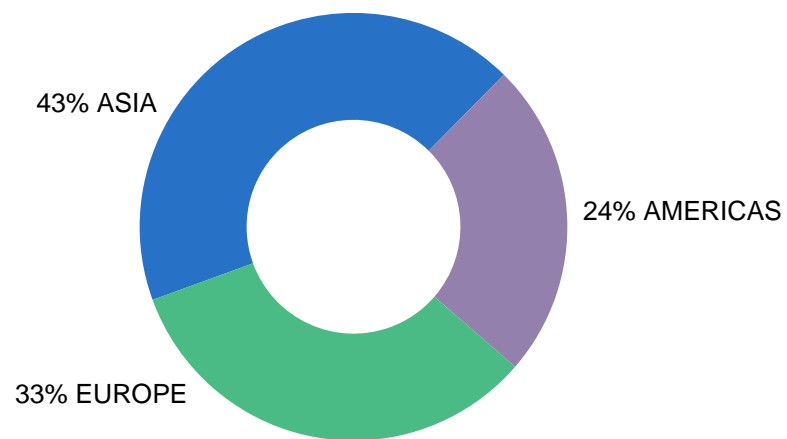
Revenues 2021: \$3.2 billion



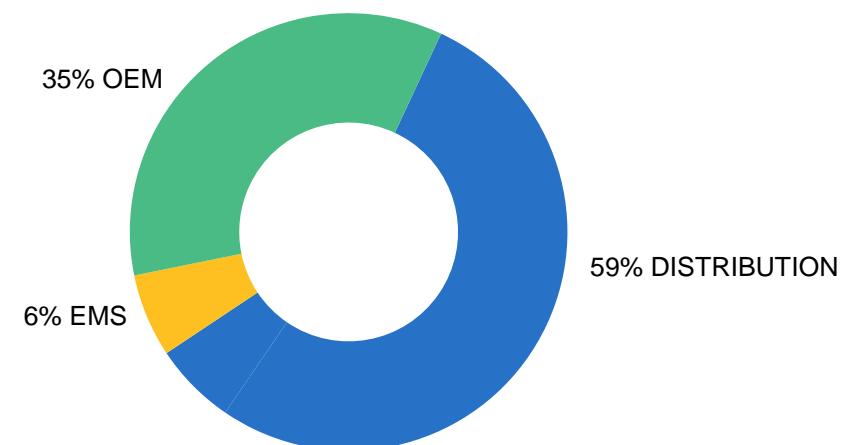
BUSINESS SEGMENTS



END MARKETS



REGIONS



SALES CHANNELS

Broadest Line of Discrete Semiconductors and Passive Components

	SEMICONDUCTORS						PASSIVE COMPONENTS					
	DIODES		MOSFETs		OPTO		CAPACITORS		RESISTORS		INDUCTORS	
	Rectifiers	Small Signal TVS/ESD	MOSFETs	Power ICs	IR Comp., Sensors	Opto-couplers	Aluminum, Ceramic	Power, Film, Tantalum	Film, Power	SMD Resistors	Variable, Sensors	Inductors, Magnetics
VISHAY	●	●	●	○	●	●	○	●	●	●	○	●
Bourns		○								○	●	●
Broadcom					○	●						
Cyntec									○	○		●
Diodes Inc.	●	○	○	●								
Infineon	○	○	●	●								
KOA									●	●		○
Kyocera/AVX	○						●	●				○
Murata							●				○	●
Nichicon							●	○			○	
Nexperia	○	●	○	●								
ON Semi	●	●	●	●	○	●						
Panasonic						○	●	●		●	○	●
Renesas	○	○	●	●		●						
Rohm	●	○	○	○	○			○		●		
Sharp					○	○						
ST Micro	●	●	●	○	○							
Taiyo Yuden							●					●
TDK/EPCOS							●	●			●	●
Toshiba	○	○	●	●	○	●						
Yageo/Kemet							●	●	○	●		●

Source: Company estimates

● = Major Position

○ = Minor Position

Broad Customer Base

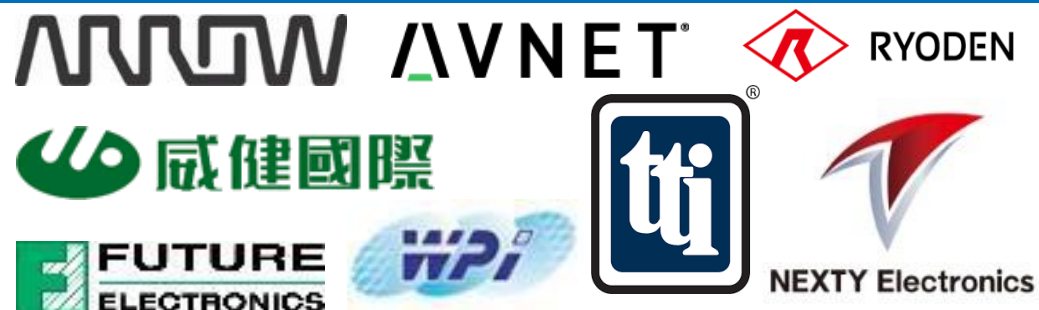
OEM



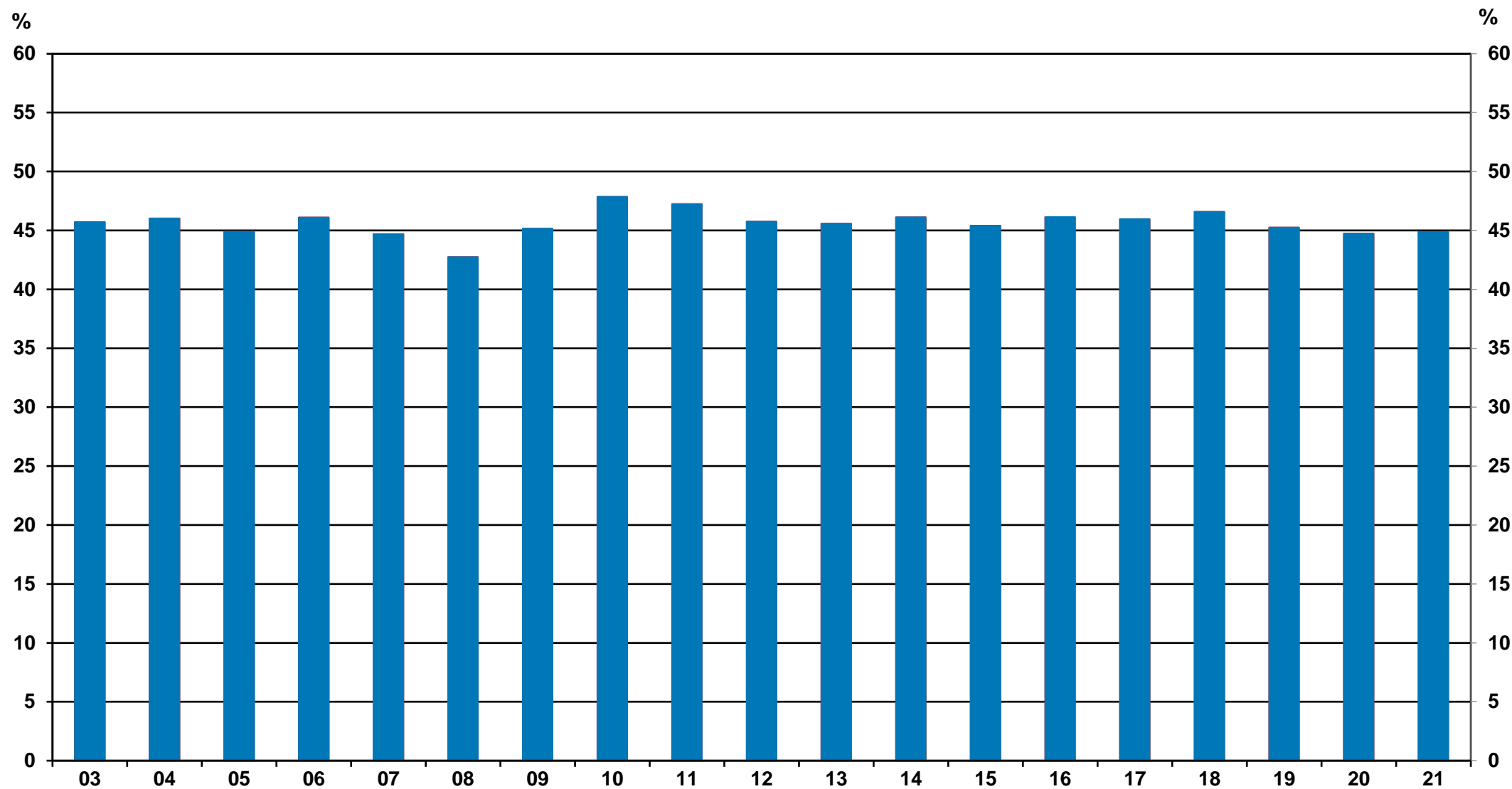
EMS



DISTRIBUTION

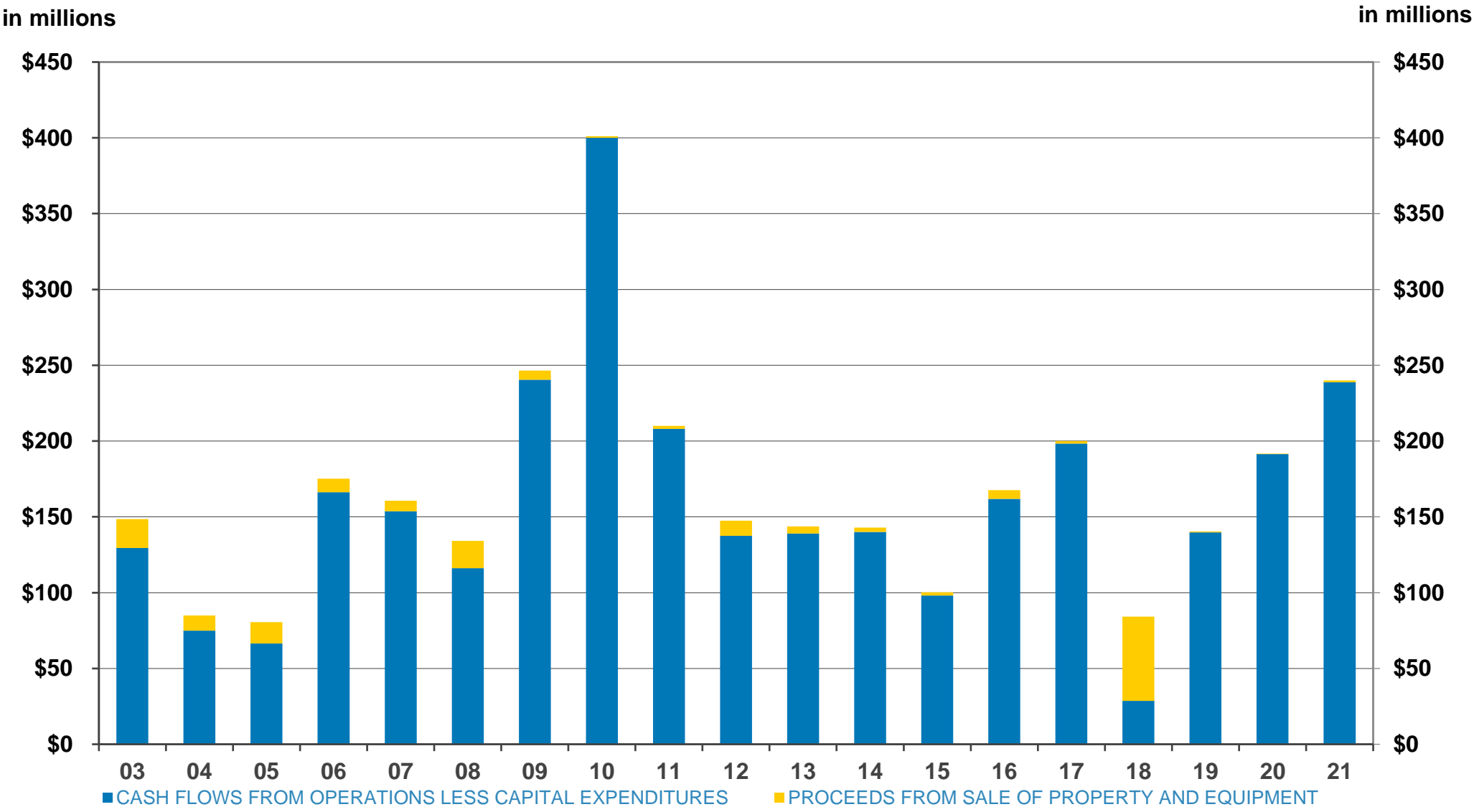


Contributive Margin



1) Excl. VPG spin-off in 2010.

Strong Generation of Free Cash



Stockholder Return Policy – First in Vishay's History

Board has adopted new policy:

Returned \$98 million YTD Q3 2022

- Return at least 70% of annual free cash flow, net of scheduled principal payments of long-term debt
 - Returns in the form of dividends and/or stock repurchases
 - Intend to fund capital distribution from historically strong cash flows from operations
- Dividends \$43 million
 - Share repurchases \$55 million

Structured to enhance returns to stockholders *and* invest in growth initiatives

Annualized Cash Dividend \$0.40

Enhancing stockholder value:

Q4 2021	\$ 0.1000	+5%
Q2 2019	\$ 0.0950	+12%
Q2 2018	\$ 0.0850	+26%
Q4 2017	\$ 0.0675	+8%
Q1 2016	\$ 0.0625	+4%
Q1 2014	\$ 0.0600	Quarterly dividend initiated

Future dividends subject to Board approval.

Growth Drivers

Vishay is well positioned to participate in the markets expected to show solid growth over the next years.

- Connectivity
- Mobility
- Sustainability



FINANCIALS AND METRICS

Q3 2022

Highlights Q3 2022

- Revenues Q3 of \$925 million.
- Gross margin Q3 of 31.3%.
- Operating margin Q3 of 19.8%.
- EPS Q3 of \$0.98; adjusted EPS of \$0.93.
- Free Cash for trailing 12 months of \$193 million.
- Total Stockholder Return Q3 of \$32.8 million--\$14.3 million of dividend payments and \$18.5 million of stock repurchases.
- Guidance Q4 2022 for revenues of \$860 to \$900 million and at a gross margin of 30.0% plus/minus 50 basis points.
- Acquisition for \$50 million of MaxPower Semiconductor, a fabless SiC power semiconductor house with IP of over 100 patents on 28-Oct-22.

Quarterly Financials Results

in millions, except per share amounts	Q3 2022	Q2 2022	Q3 2021
Net revenues	\$925	\$864	\$814
Gross profit	\$290 31.3%	\$261 30.3%	\$226 27.7%
Operating income	\$183 19.8%	\$151 17.5%	\$124 15.2%
Net earnings attributable to Vishay stockholders	\$140	\$112	\$97
Weighted average shares outstanding for EPS	143	144	145
EPS	\$0.98	\$0.78	\$0.67
EBITDA	\$224 24.2%	\$192 22.2%	\$162 19.9%

Adjusted Quarterly Financials Results

in millions, except per share amounts	Q3 2022	Q2 2022	Q3 2021
Net revenues	\$925	\$864	\$814
Gross profit	\$290	\$268	\$226
	31.3%	31.0%	27.7%
Operating income	\$183	\$158	\$124
	19.8%	18.3%	15.2%
Net earnings attributable to Vishay stockholders	\$134	\$118	\$91
Weighted average shares outstanding for EPS	143	144	145
EPS	\$0.93	\$0.82	\$0.63
EBITDA	\$224	\$199	\$162
	24.2%	23.0%	19.9%

Reconciliation of GAAP to Adjusted

in millions, except for per share amounts	Q3 2022	Q2 2022	Q3 2021
GAAP net earnings attributable to Vishay stockholders	\$140	\$112	\$97
<u>Reconciling items affecting gross profit</u>			
Impact of the COVID-19 pandemic	-	\$7	-
<u>Other reconciling items affecting operating income</u>			
Impact of the COVID-19 pandemic	-	\$1	-
<u>Reconciling items affecting tax expense (benefit):</u>			
Effects of changes in uncertain tax positions	(\$6)	-	-
Effects of changes in valuation allowances	-	-	(\$6)
Tax effects of pre-tax items above	-	(\$2)	-
Adjusted net earnings	\$134	\$118	\$91
Adjusted weighted average diluted shares outstanding	143	144	145
Adjusted earnings per diluted share	\$0.93	\$0.82	\$0.63

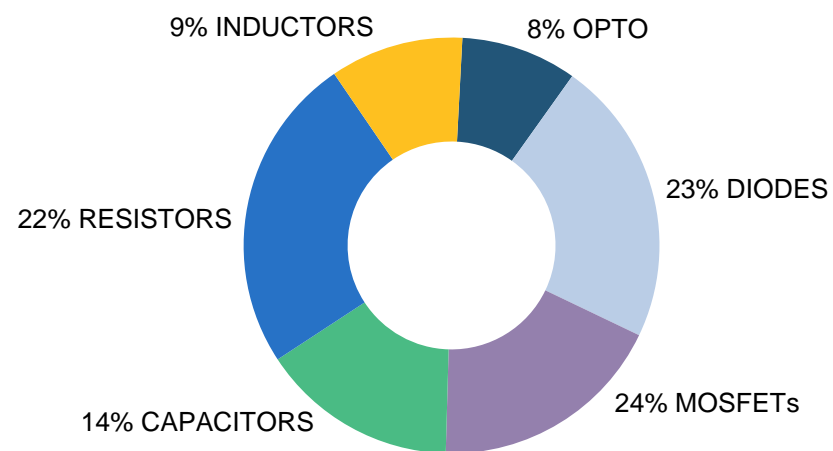
Book-to-Bill Detail

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Book-to-bill Vishay	0.88	1.07	1.14	1.09	1.26
Book-to-bill distribution	0.77	1.05	1.16	1.06	1.29
Book-to-bill OEMs	1.03	1.11	1.13	1.15	1.23
Book-to-bill semiconductors	0.76	1.07	1.14	1.08	1.27
Book-to-bill passive components	1.03	1.07	1.15	1.11	1.26
Book-to-bill Americas	0.90	1.02	1.24	1.10	1.30
Book-to-bill Asia	0.64	0.88	1.02	1.00	1.14
Book-to-bill Europe	1.15	1.35	1.23	1.21	1.41

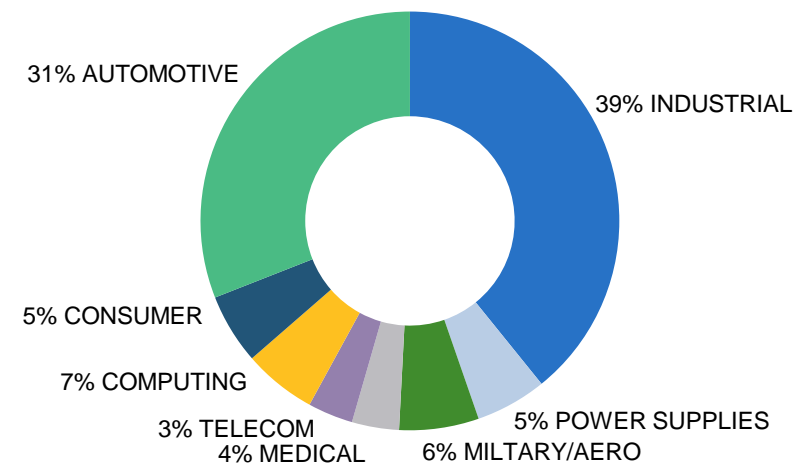
Operational Metrics

		Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Change in ASP Vishay	vs. prior quarter	0.0	2.9	2.4	1.3	1.3
	vs. prior year	8.0	8.1	6.0	3.4	2.2
Change in ASP semiconductors	vs. prior quarter	(0.1)	4.7	3.4	1.7	2.2
	vs. prior year	10.0	12.9	8.8	5.0	3.8
Change in ASP passive components	vs. prior quarter	0.0	1.1	1.4	0.8	0.3
	vs. prior year	5.8	3.7	3.2	1.7	0.5
FX effect on revenues	vs. prior quarter	(\$15)	(\$14)	(\$5)	(\$8)	(\$5)
	vs. prior year	(\$44)	(\$34)	(\$20)	\$34	\$2
Backlog	at quarter end	\$2,261	\$2,425	\$2,417	\$2,307	\$2,244
	in months	7.3	8.4	8.5	8.2	8.3

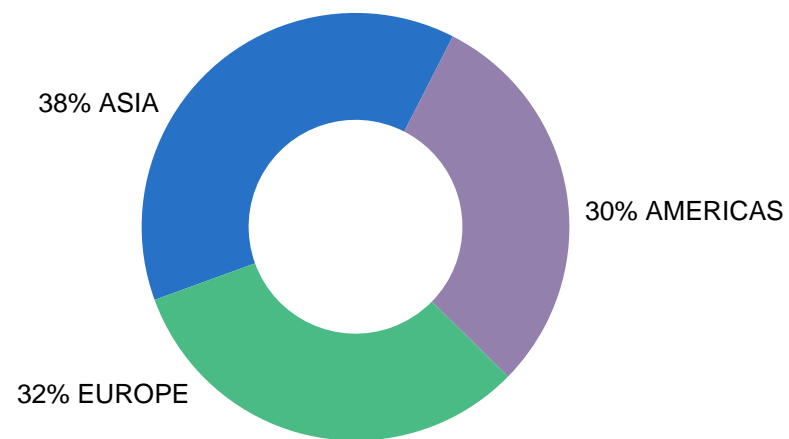
Revenues Q3 2022: \$925 million



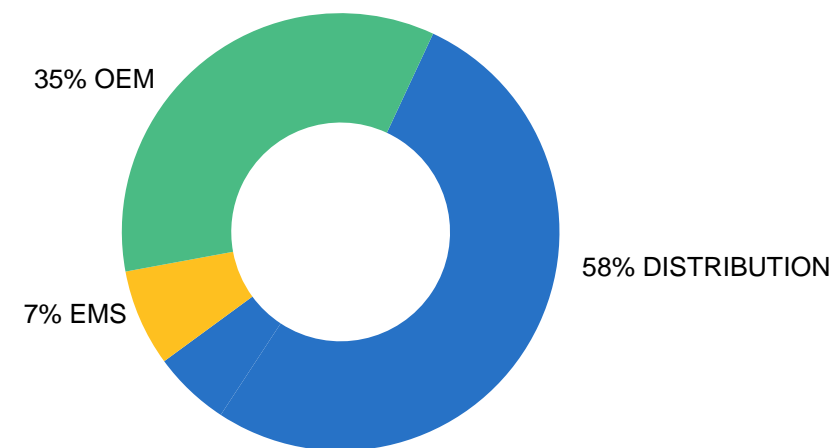
BUSINESS SEGMENTS



END MARKETS

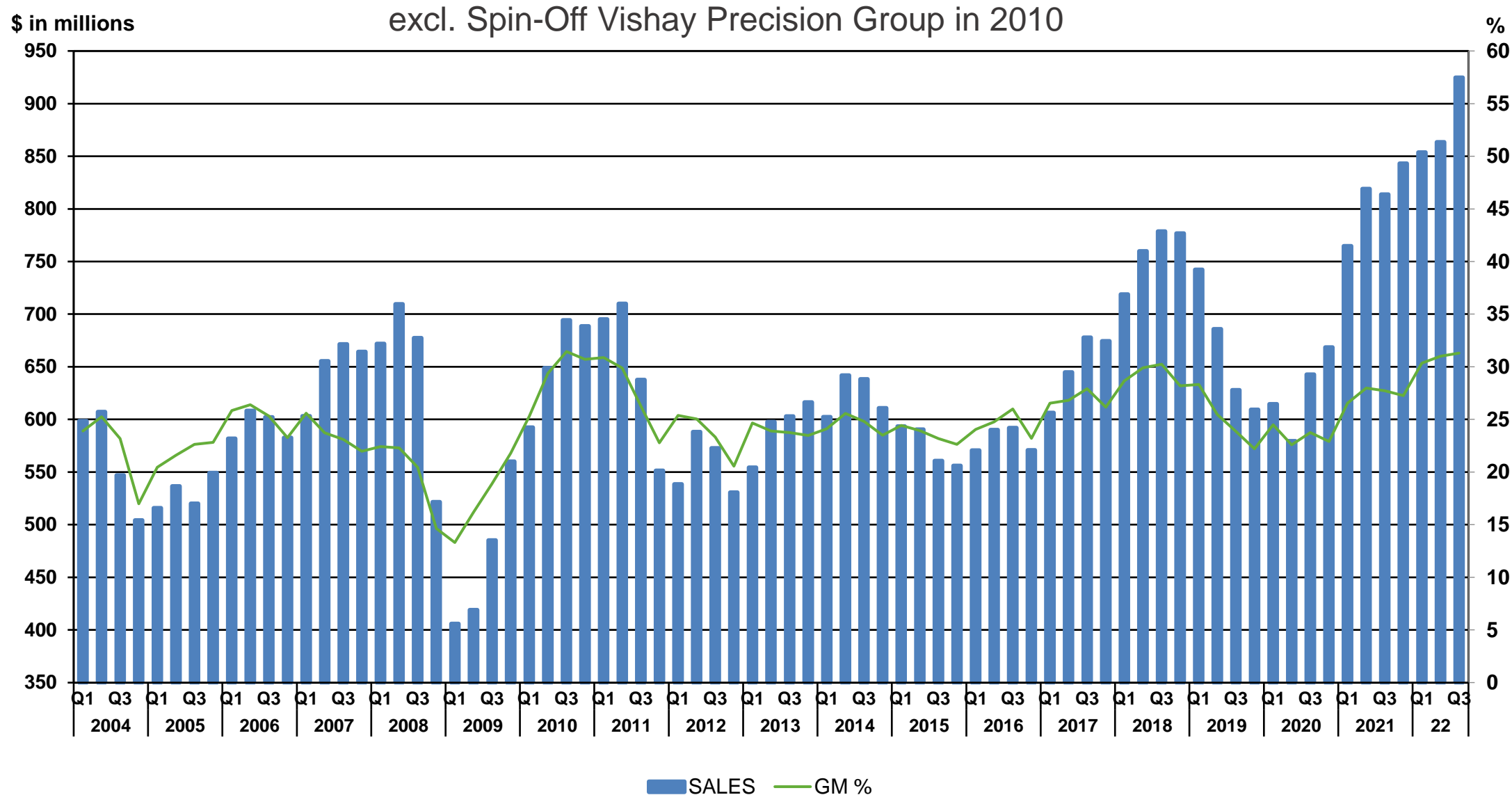


REGIONS

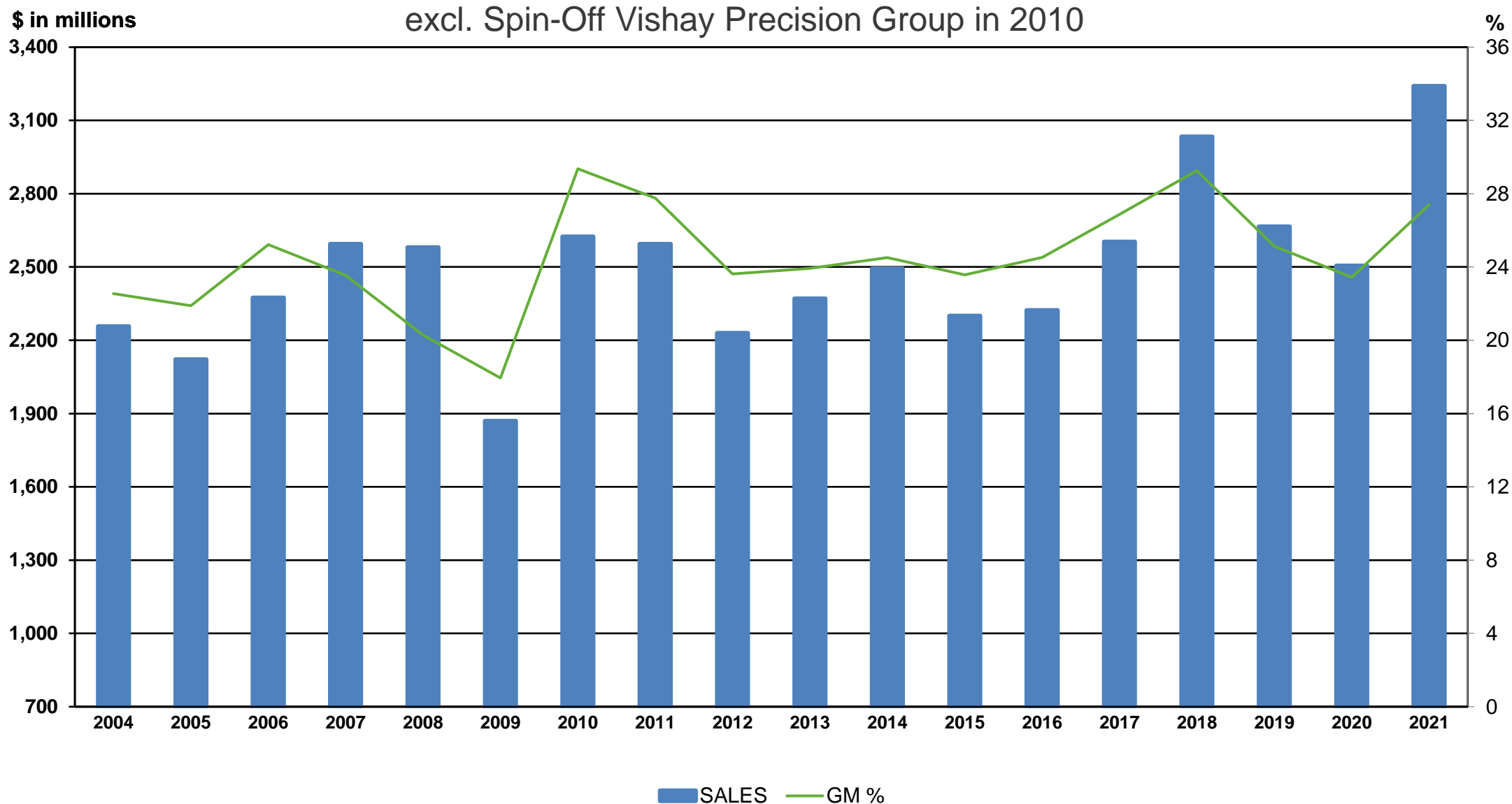


SALES CHANNELS

Vishay Revenues and Gross Margin % Quarterly



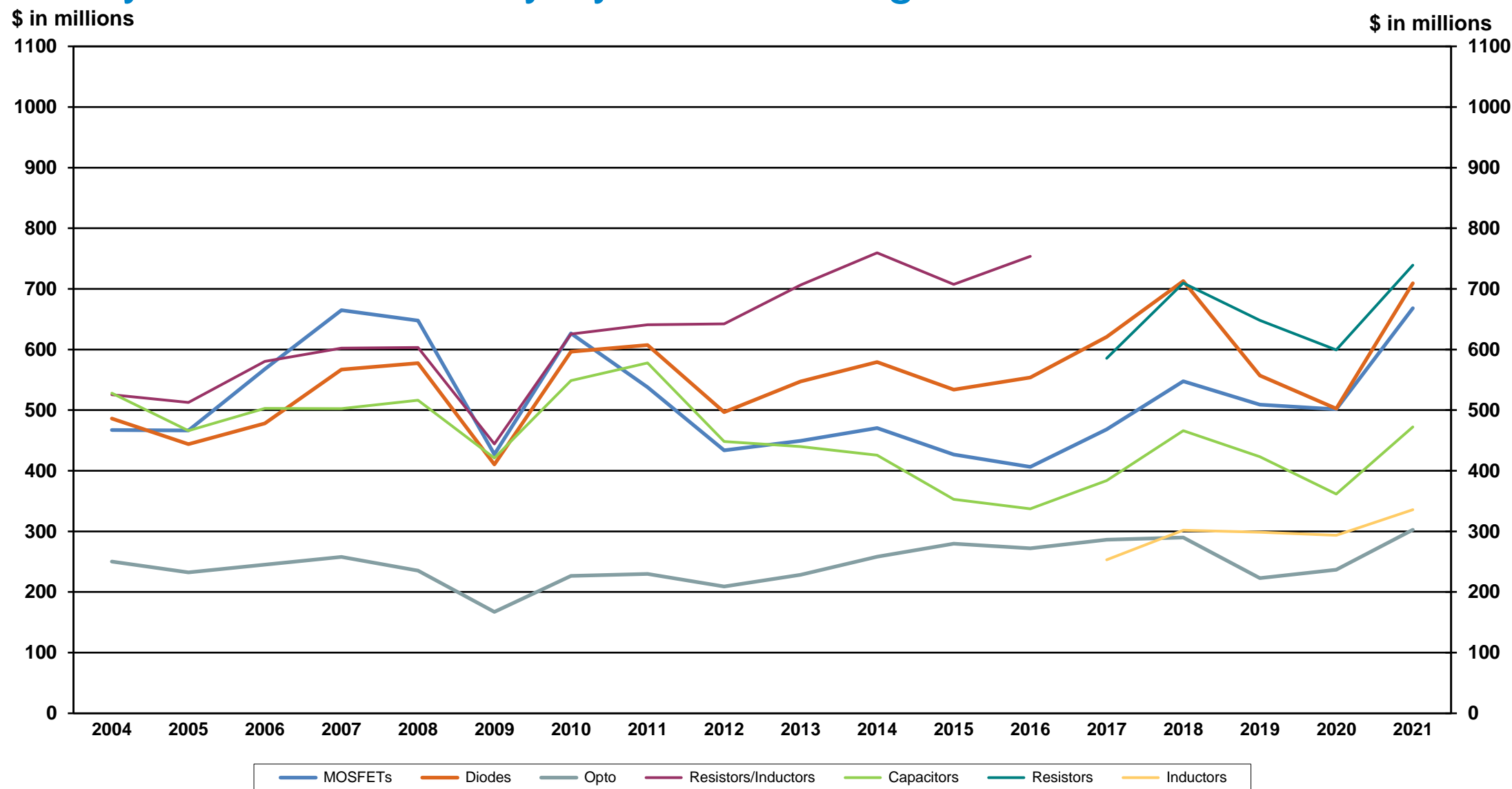
Vishay Revenues and Gross Margin % Yearly



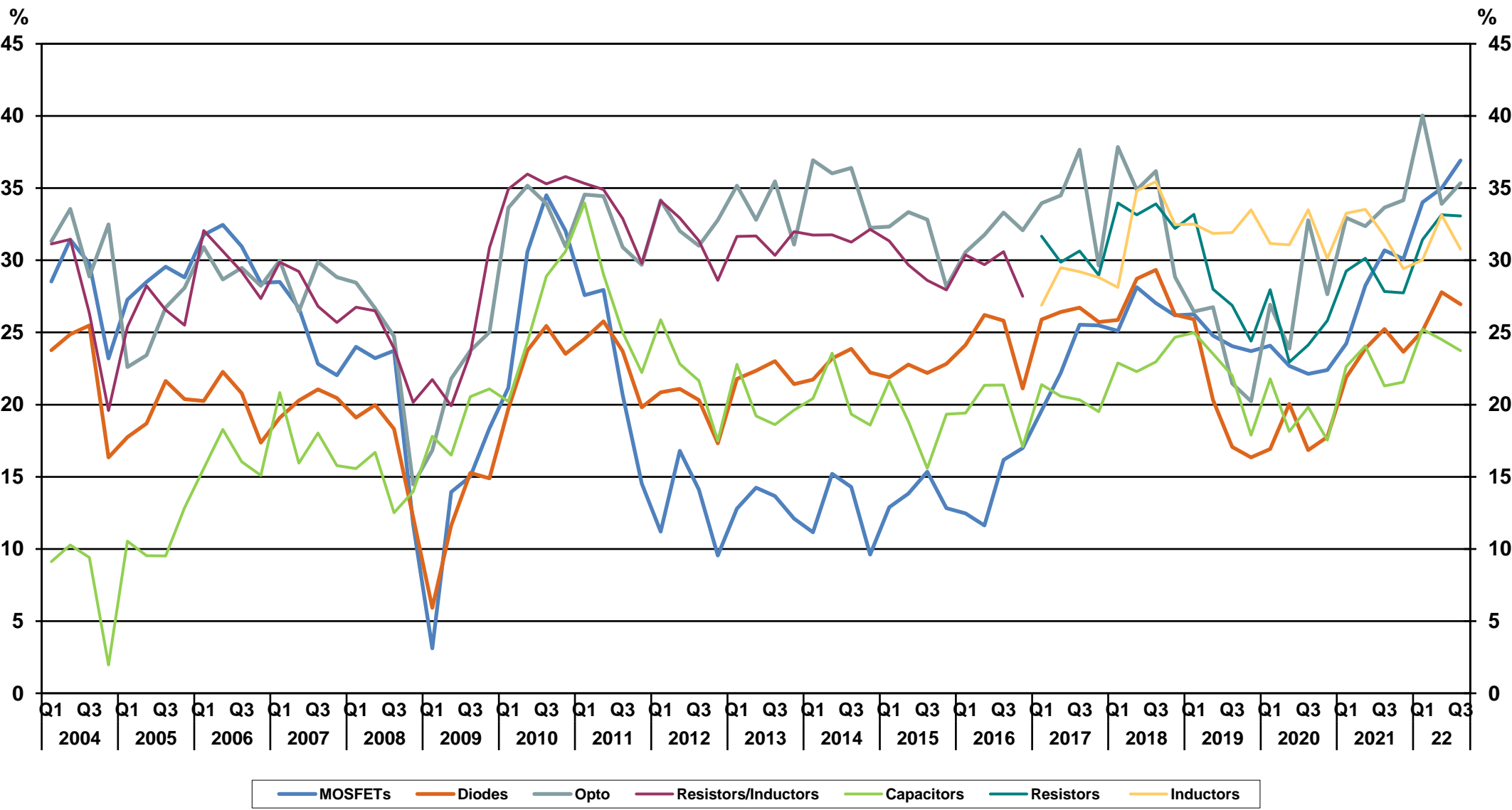
The chart displays the market size in millions of dollars for seven semiconductor components from 2004 to 2022. The components are MOSFETs, Diodes, Opto, Resistors/Inductors, Capacitors, Resistors, and Inductors. MOSFETs and Resistors/Inductors show the highest market sizes, while Inductors show the lowest. The market sizes for all components generally show an upward trend over the period, with some fluctuations.

Year	MOSFETs	Diodes	Opto	Resistors/Inductors	Capacitors	Resistors	Inductors
2004	120	130	70	140	140	-	-
2005	110	110	55	130	120	-	-
2006	140	120	60	150	130	-	-
2007	180	150	65	150	125	-	-
2008	180	165	65	165	135	-	-
2009	85	80	35	100	100	-	-
2010	180	150	55	150	140	-	-
2011	170	170	60	170	150	-	-
2012	100	135	55	165	115	-	-
2013	115	140	55	175	110	-	-
2014	125	150	65	190	110	-	-
2015	105	135	70	185	85	-	-
2016	100	140	70	190	85	-	-
2017	105	155	75	185	95	140	60
2018	140	185	75	185	115	175	75
2019	130	140	60	170	115	185	75
2020	135	125	50	120	90	135	70
2021	170	175	75	185	120	185	85
2022	225	205	75	170	125	210	85

Vishay Revenues Yearly by Product Segment



Vishay Gross Margins Quarterly by Product Segment



Vishay Gross Margins Yearly by Product Segment

