



The DNA of tech.™

# 1Q 2024 Earnings Conference Call

May 8, 2024

## NOTES ON FORWARD-LOOKING STATEMENTS

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 income, adjusted gross margin, adjusted operating income, adjusted operating margin, adjusted earnings per share, free cash, EBITDA, adjusted EBITDA, and EBITDA margin.

“**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 profit**” is gross profit determined in accordance with GAAP (net revenues 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. 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 gross margin**” is “adjusted gross profit” expressed as a percentage of net revenues.

“**Adjusted operating income**” 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. The measurement is used by Management to evaluate our performance. Reconciling items to arrive at adjusted gross profit are also considered in the calculation of adjusted operating income; 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 operating margin**” is “adjusted operating income” expressed as a percentage of net revenues.

“**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.

“**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.

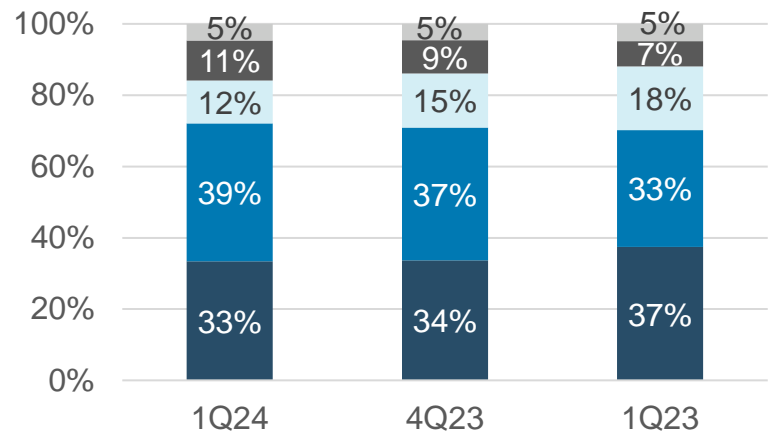
“**Adjusted EBITDA**” is EBITDA adjusted for relevant reconciling items used to calculate adjusted net earnings (described above). Adjusted EBITDA is substantially similar to, but not identical to, a measure used in the calculation of financial ratios required for covenant compliance under our revolving credit facility.

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

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.

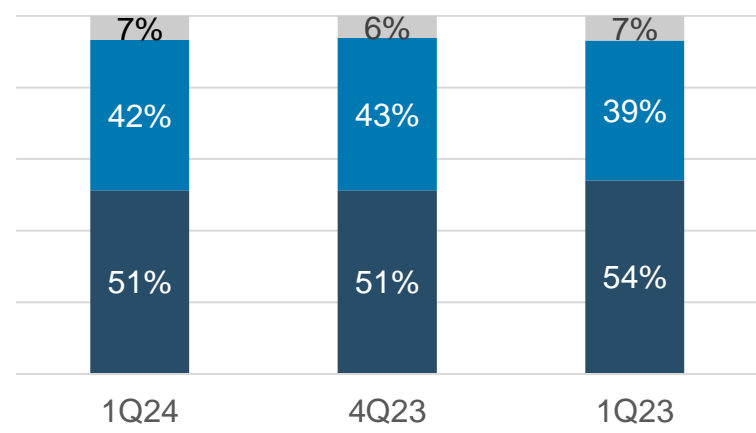
# Revenue Mix – By End Market, Sales Channel, & Region

### End Market



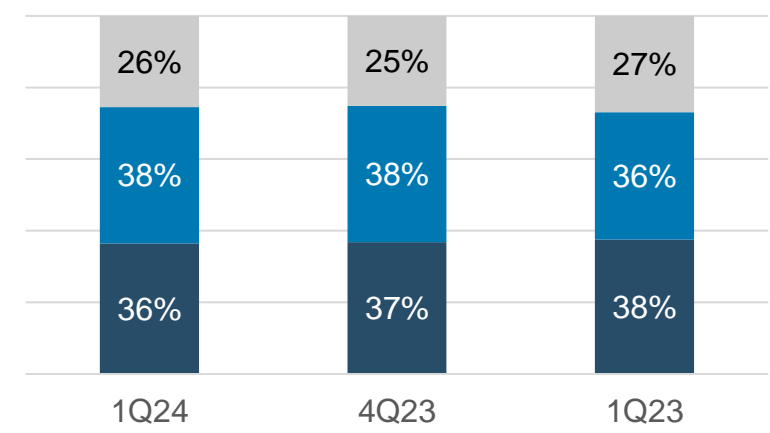
■ Industrial    ■ Automotive    ■ Other\*  
■ Aero/Defense    ■ Medical  
\* Power Supplies, Telecom, Consumers, Computing

### Sales Channel



■ Distribution    ■ OEM    ■ EMS

### Region



■ Europe    ■ Asia    ■ Americas

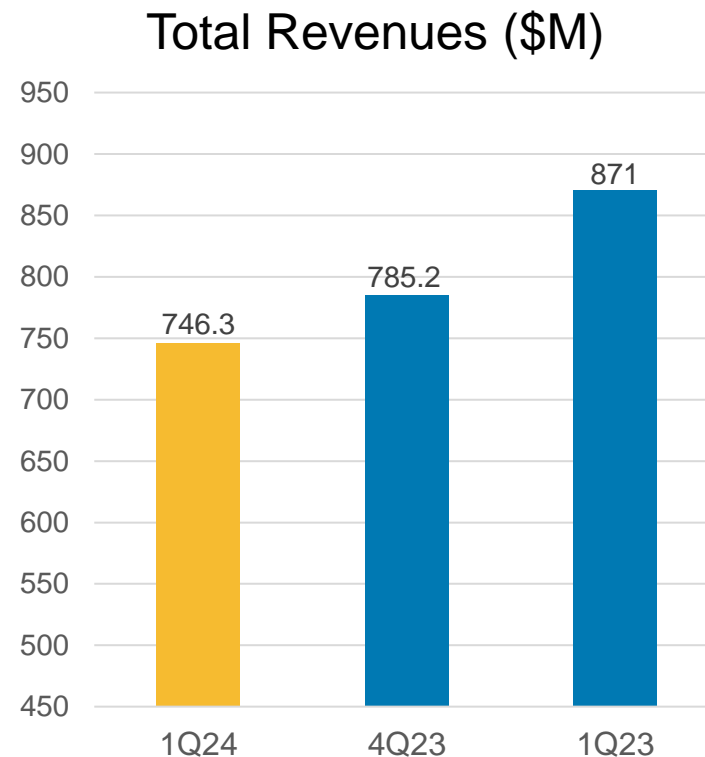
- Auto revenues decreased 2% QoQ primarily on further inventory adjustments; design activity continues to increase
- Industrial decreased 6% QoQ and 24%YoY on continued digestion of semiconductor inventory in channels and at end customers
- Aerospace/defense increased 14% QoQ and 34% YoY on continued strong demand from military contractors and commercial aviation
- Within Other, computing improved on demand for AI servers and notebooks

- OEM revenues decreased 6% QoQ on further inventory adjustments
- EMS revenues increased 2% QoQ on improved demand from customers serving Aerospace/Defense and Automotive; declined 17% YoY
- Distribution revenues declined 5% QoQ and 19% YoY on inventory adjustments in all regions
  - Inventory in distribution was at 26 weeks, flat QoQ
  - POS was flat QoQ after 7% decrease in 4Q
  - POS in the Americas increased 4% on strong sell through of passives in Aerospace/Defense

- Americas revenue decreased 5% QoQ and 19% YoY
- Asia revenue decreased 5% QoQ and 9% YoY
- Europe revenue decreased 5% QoQ and 17% YoY

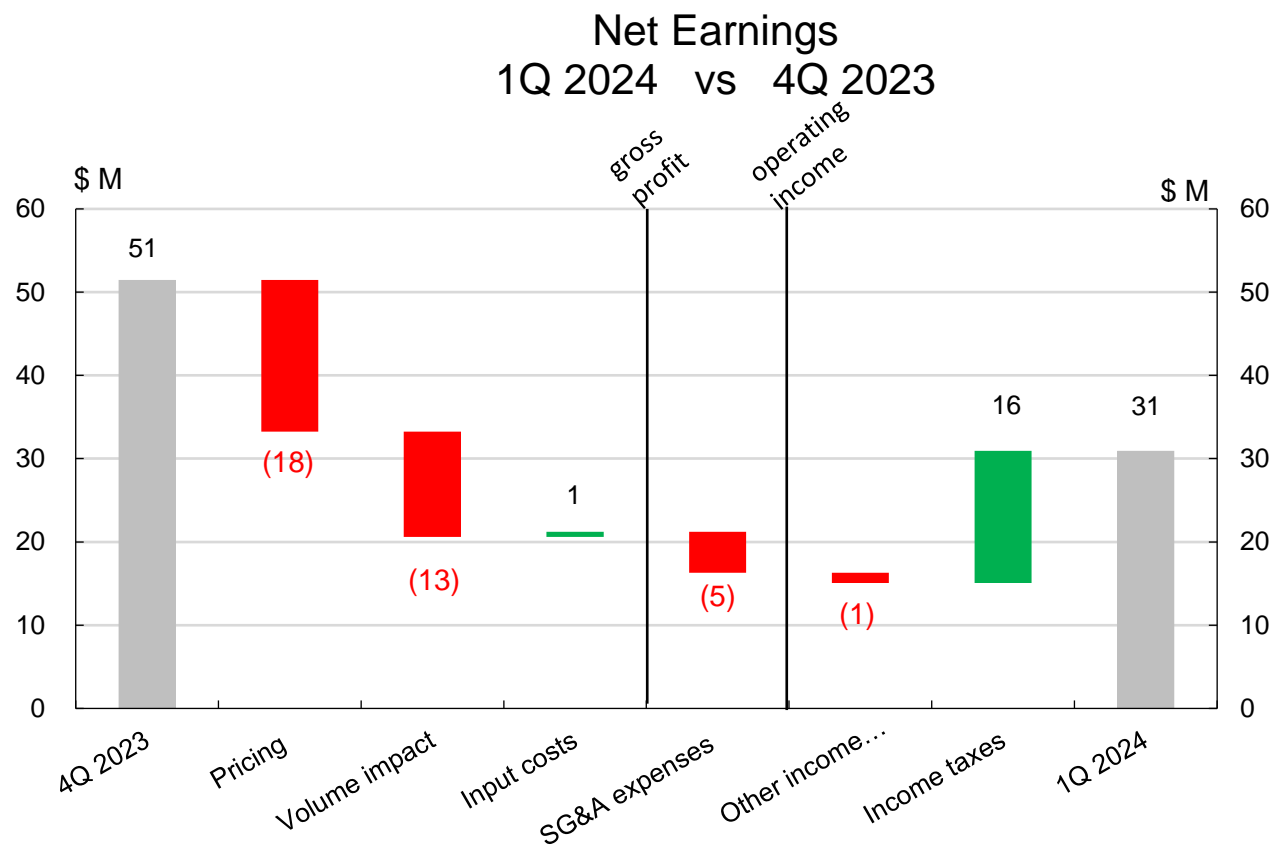
# 1Q 2024 Highlights

- 1Q 2024 revenues of \$746.3 million
- Gross margin was 22.8% and included the negative impact of 74 basis points related to the addition of Newport
- EPS of \$0.22
- 1Q 2024 book-to-bill of 0.82 with book-to-bill of 0.73 for semiconductors and 0.91 for passive components
- Backlog at quarter end was 5.0 months



# 1Q 2024 Income Statement Highlights

- Gross margin of 22.8%, including 74 basis point impact of Newport
- SG&A expenses of \$127.7 million
- Operating margin of 5.7%
- EBITDA margin of 12.2%
- Effective tax rate of 29%
- EPS of \$0.22



# Segment Results (\$/M)

| MOSFETs |          |              |              |
|---------|----------|--------------|--------------|
|         | Revenues | Gross Margin | Book to Bill |
| 1Q 2024 | \$153.2  | 16.6%        | 0.68         |
| 4Q 2023 | \$168.2  | 27.3%        | 0.62         |
| 1Q 2023 | \$198.2  | 36.8%        | 0.95         |

| Diodes  |          |              |              |
|---------|----------|--------------|--------------|
|         | Revenues | Gross Margin | Book to Bill |
| 1Q 2024 | \$149.1  | 21.7%        | 0.72         |
| 4Q 2023 | \$163.3  | 24.1%        | 0.61         |
| 1Q 2023 | \$175.7  | 27.4%        | 0.71         |

| Opto    |          |              |              |
|---------|----------|--------------|--------------|
|         | Revenues | Gross Margin | Book to Bill |
| 1Q 2024 | \$49.2   | 14.2%        | 0.89         |
| 4Q 2023 | \$53.9   | 12.1%        | 0.59         |
| 1Q 2023 | \$60.4   | 36.3%        | 0.72         |

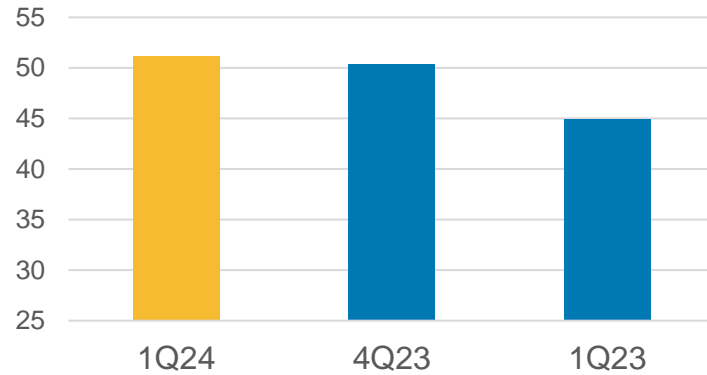
| Resistors |          |              |              |
|-----------|----------|--------------|--------------|
|           | Revenues | Gross Margin | Book to Bill |
| 1Q 2024   | \$188.2  | 24.7%        | 0.79         |
| 4Q 2023   | \$198.0  | 25.6%        | 0.82         |
| 1Q 2023   | \$223.1  | 33.2%        | 0.88         |

| Inductors |          |              |              |
|-----------|----------|--------------|--------------|
|           | Revenues | Gross Margin | Book to Bill |
| 1Q 2024   | \$88.7   | 30.2%        | 0.96         |
| 4Q 2023   | \$87.9   | 33.4%        | 0.91         |
| 1Q 2023   | \$80.3   | 29.5%        | 1.04         |

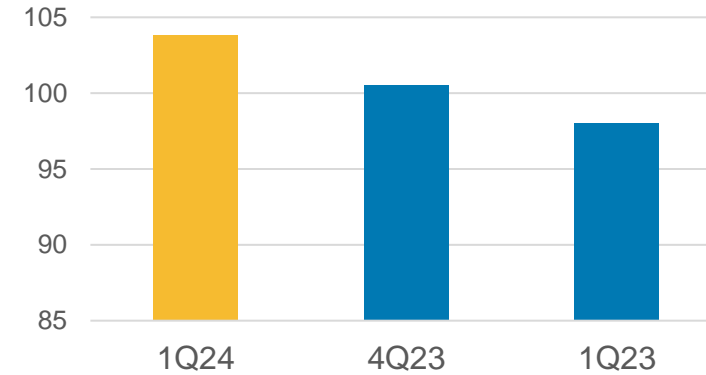
| Capacitors |          |              |              |
|------------|----------|--------------|--------------|
|            | Revenues | Gross Margin | Book to Bill |
| 1Q 2024    | \$117.9  | 27.4%        | 1.03         |
| 4Q 2023    | \$114.0  | 25.3%        | 0.95         |
| 1Q 2023    | \$133.3  | 28.5%        | 0.70         |

# Cash Conversion Cycle

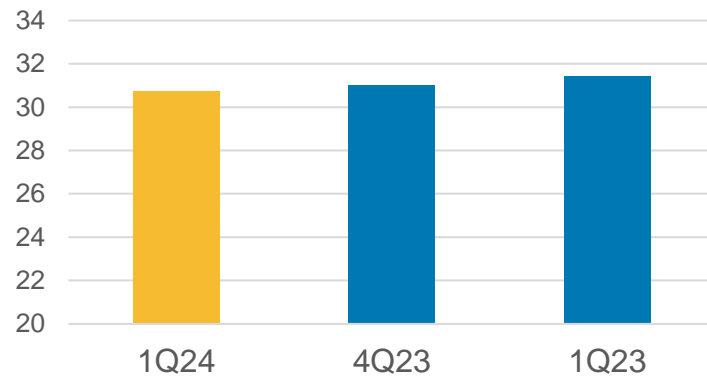
### DSO



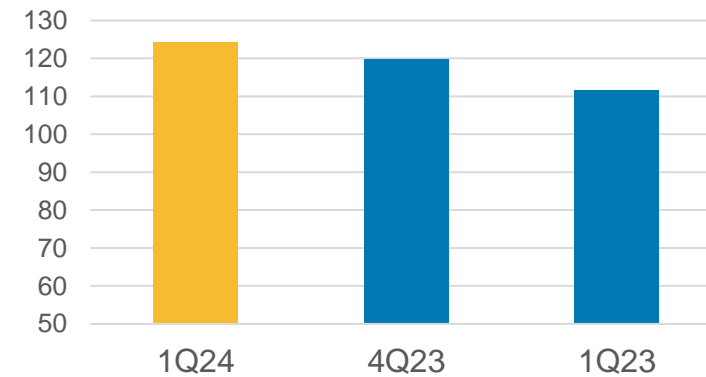
### DIO



### DPO

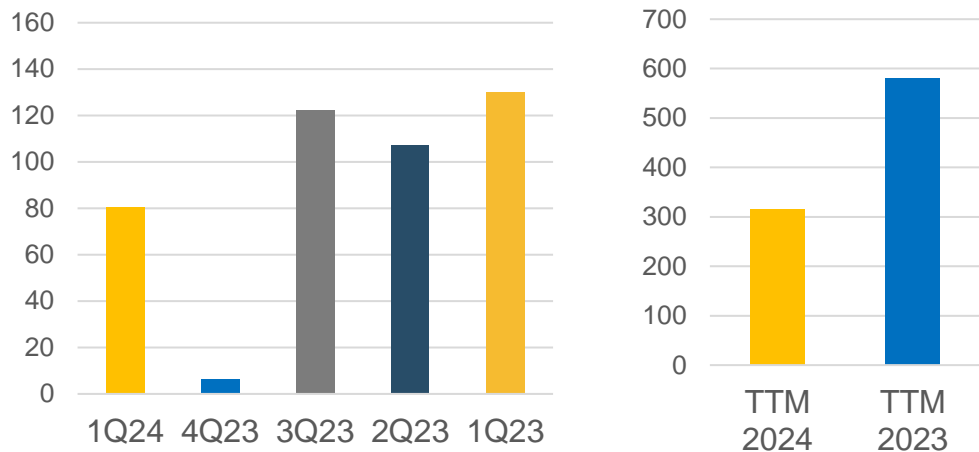


### Cash Conversion Cycle

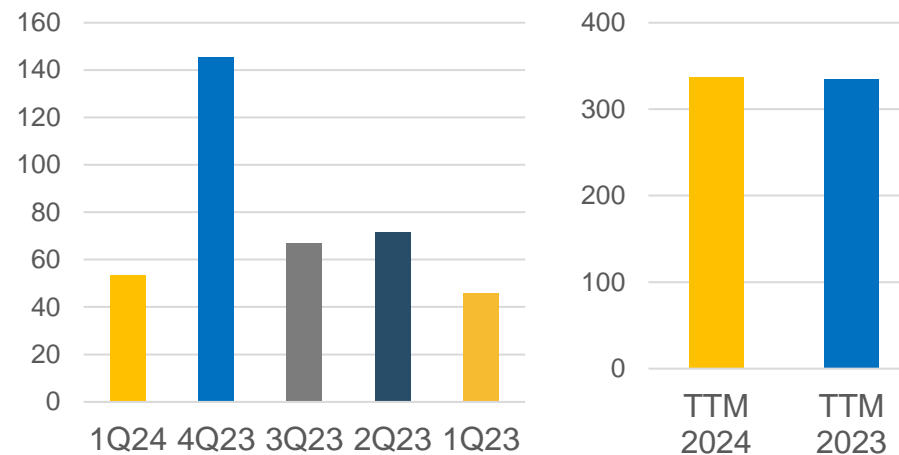


# Cash Flow Generation

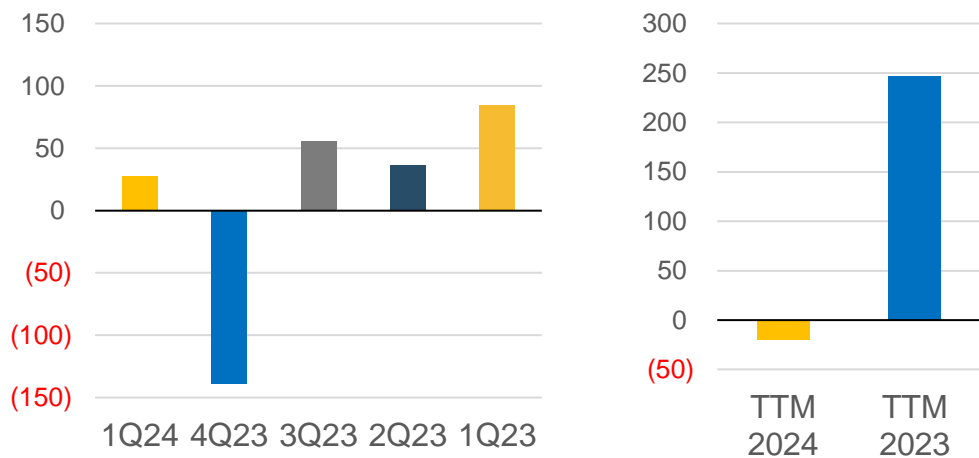
## Cash Flow from Operations (\$/M)



## Capex (\$/M)



## Free Cash Flow (\$/M)



## Stockholder Returns (\$/M)





# Guidance 2Q 2024

|   | 2Q 2024                               | FY 2024                                    |
|---|---------------------------------------|--|
| Total Revenue   | \$750 million +/- \$20 million        | N/A  |
| Gross Margin  | 21.7% +/- 50 basis points             | N/A  |
| Newport<br>(incl. in guidance above)<br>Revenue Contribution<br>Gross Margin Negative<br>Impact | ~\$13-16 million<br>~160 basis points | N/A  |
| SG&A  | \$130 million plus/minus \$2 million  | \$527 million plus/minus \$5 million       |
| Normalized Effective Tax Rate   | N/A                                   | 29% to 31%                                 |
| Total Stockholder Return  | N/A                                   | Committed to return at least \$100 million |

# Strategic Growth Levers



# 2024: Investing in Capacity Readiness and Advancing Innovation Initiatives

## Internal Capacity Expansion

- La Laguna
- Juarez
- Taipei
- Turin
- Newport

## Silicon Carbide Strategy

- Product development
- Manufacturing scaling

## External Capacity Expansion

- Key Foundry
- Subcontractors

# Financial Goals 2028

## TOTAL REVENUE

2023  
\$3.4B

CAGR

9-11%

## ADJ. EBITDA MARGIN

2023  
19.5%

25-27%

## GROSS MARGIN

2023  
28.6%

31-33%

## ROIC

2023  
11.2%

≥14%

## OPERATING MARGIN

2023  
14.3%

19-21%

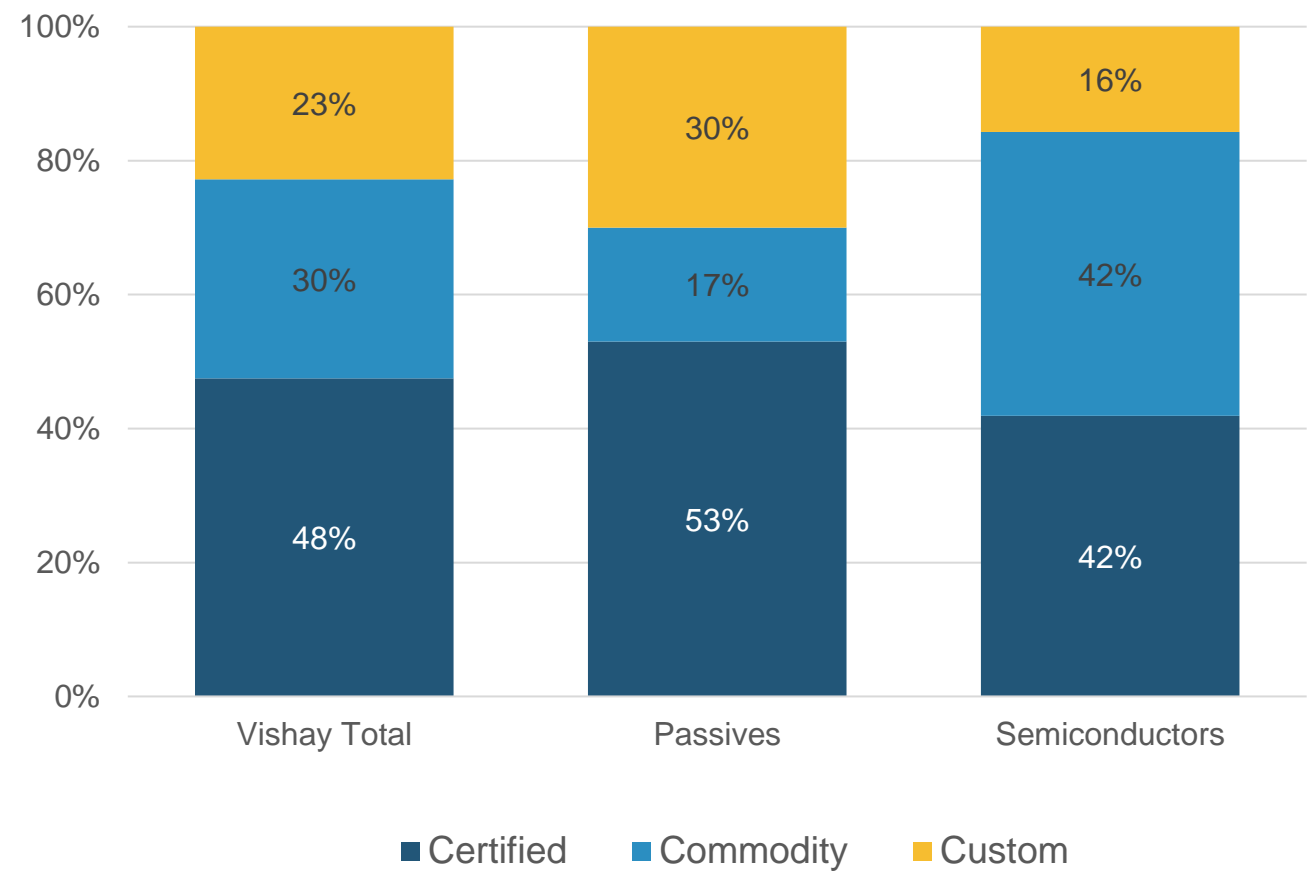
## CAPITAL INTENSITY

2023  
9.7%

6-7%

# APPENDIX

# Product Type 2023



Commodity products: completely interchangeable with competitors' products  
 Certified products: small number of competitors with similar products (qualifications such as automotive, military, UL)  
 Custom products: designed for and sold to a specific customer

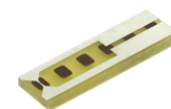
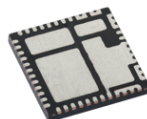
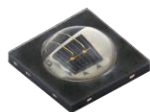
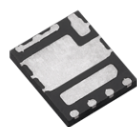
# Trusted by...

## OEM

## EMS

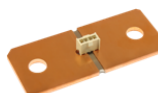
## DISTRIBUTION

# Broadest Line of Discrete Semiconductors and Passive Components



DISCRETE SEMICONDUCTORS ► PASSIVE COMPONENTS

LOWEST VOLTAGE DIODE ► HIGHEST ENERGY CAPACITOR



In power applications, we can populate ~80% of our customers' Bill of Material



# Vishay's Position Compared to Peers

|               | 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 |
| <b>Vishay</b> | ●              | ●                    | ●       | ○         | ●                 | ●             | ○                  | ●                     | ●           | ●             | ○                | ●                    |
| Bourns        |                | ○                    |         |           |                   |               |                    |                       |             | ○             | ●                | ●                    |
| Broadcom      |                |                      |         |           | ○                 | ●             |                    |                       |             |               |                  |                      |
| Cyntec        |                |                      |         |           |                   |               |                    |                       | ○           | ○             |                  | ●                    |
| Diodes Inc.   | ●              | ○                    | ○       | ●         |                   |               |                    |                       |             |               |                  |                      |
| Infineon      | ○              | ○                    | ●       | ●         |                   |               |                    |                       |             |               |                  |                      |
| KOA           |                |                      |         |           |                   |               |                    | ●                     | ●           |               |                  | ○                    |
| Kyocera/AVX   | ○              |                      |         |           |                   |               | ●                  | ●                     |             |               |                  | ○                    |
| Murata        |                |                      |         |           |                   |               | ●                  |                       |             |               | ○                | ●                    |
| Nichicon      |                |                      |         |           |                   |               | ●                  | ○                     |             |               | ○                |                      |
| Nexperia      | ○              | ●                    | ○       | ●         |                   |               |                    |                       |             |               |                  |                      |
| ON Semi       | ●              | ●                    | ●       | ●         | ○                 | ●             |                    |                       |             |               |                  |                      |
| Panasonic     |                |                      |         |           |                   | ○             | ●                  | ●                     | ●           |               | ○                | ●                    |
| Renesas       | ○              | ○                    | ●       | ●         |                   | ●             |                    |                       |             |               |                  |                      |
| Rohm          | ●              | ○                    | ○       | ○         | ○                 |               |                    |                       |             |               |                  |                      |
| Sharp         |                |                      |         |           | ○                 | ○             |                    |                       |             |               |                  |                      |
| ST Micro      | ●              | ●                    | ●       | ○         | ○                 |               |                    |                       |             |               |                  |                      |
| Taiyo Yuden   |                |                      |         |           |                   |               | ●                  | ●                     |             |               | ●                | ●                    |
| Toshiba       | ○              | ○                    | ●       | ●         | ○                 | ●             |                    |                       |             |               |                  |                      |
| Yageo/Kemet   |                |                      |         |           |                   |               | ●                  | ●                     | ○           | ●             |                  | ●                    |

Source: Company estimates

● = Major Position    ○ = Minor Position

# P&L

| In millions, except per share amounts                          | 1Q 2024 | 4Q 2023 | 1Q 2023 |
|--|---------|---------|---------|
| Net revenues   | \$746.3 | \$785.2 | \$871.0 |
| Cost of products sold  | 575.9   | 584.6   | 592.3   |
| Gross profit   | 170.4   | 200.7   | 278.7   |
| Gross margin   | 22.8%   | 25.6%   | 32.0%   |
| SG&A   | 127.7   | 122.8   | 120.1   |
| Operating income   | 42.7    | 77.8    | 158.6   |
| Operating margin   | 5.7%    | 9.9%    | 18.2%   |
| Other income (expense):  |         |         |         |
| Interest expense   | (6.5)   | (6.5)   | (5.1)   |
| Other  | 8.1     | 9.3     | 3.3     |
| Total other income (expense) - net                             | 1.6     | 2.8     | (1.8)   |
| Income before taxes  | 44.3    | 80.6    | 156.8   |
| Income tax expense   | 12.8    | 28.7    | 44.6    |
| Net earnings   | 31.4    | 52.0    | 112.2   |
| Less: net earnings attributable to noncontrolling interests    | 0.5     | 0.5     | 0.4     |
| Net earnings attributable to Vishay stockholders               | \$30.9  | \$51.5  | \$111.8 |
| Diluted earnings per share attributable to Vishay stockholders | \$0.22  | \$0.37  | \$0.79  |
| Weighted average shares outstanding - diluted                  | 138.5   | 139.3   | 141.3   |
| Cash dividends per share                                       | \$0.10  | \$0.10  | \$0.10  |

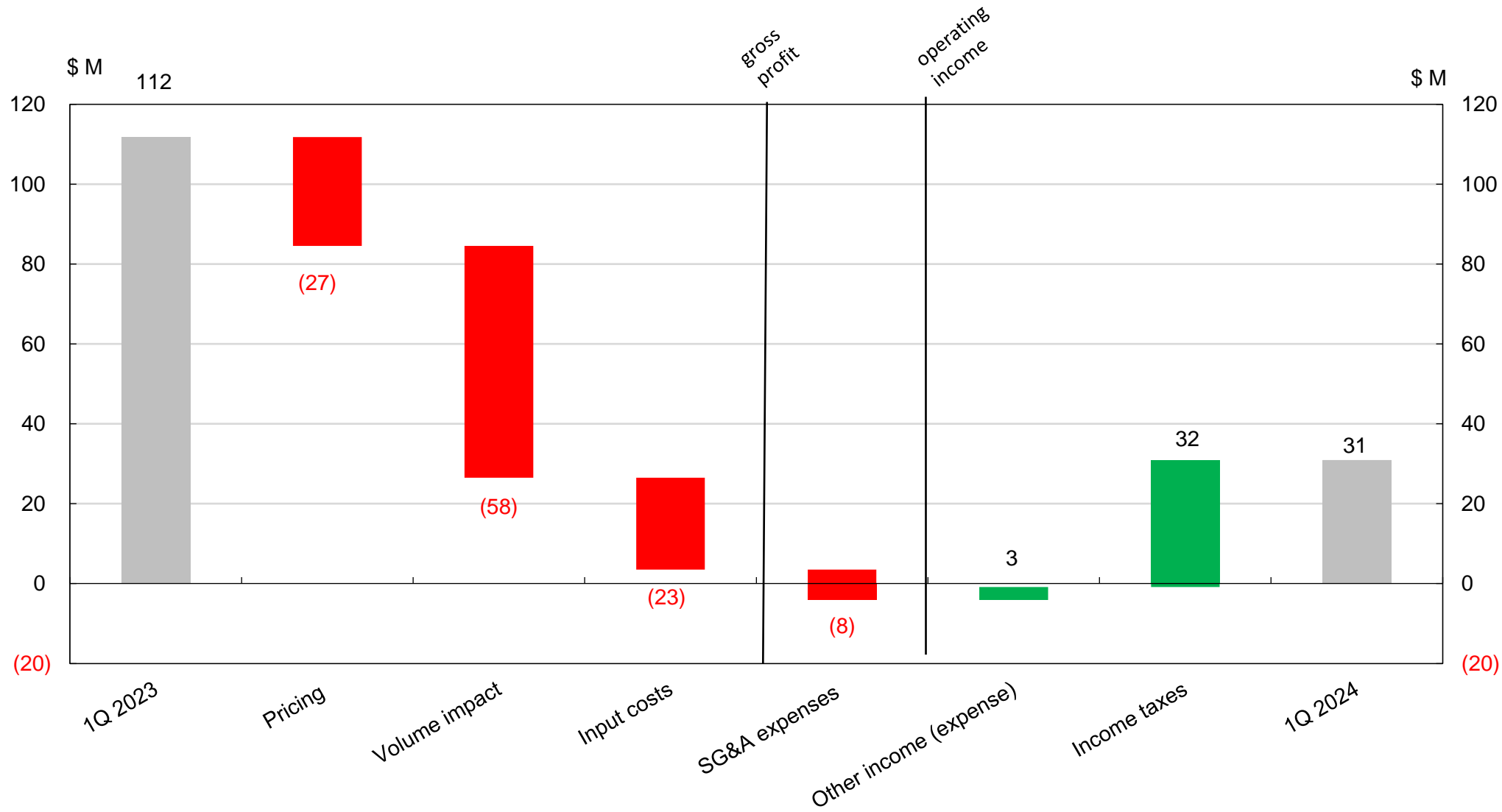
# Reconciliation of Free Cash

| In millions                                  | 1Q 2024 | 4Q 2023   | 1Q 2023 |
|--|---------|-----------|---------|
| Net cash provided by operating activities    | \$80.2  | \$6.3     | \$129.9 |
| Proceeds from sale of property and equipment | 0.8     | 0.1       | 0.3     |
| Less: Capital expenditures                   | (53.1)  | (145.3)   | (45.6)  |
| Free cash                                    | \$27.9  | \$(138.9) | \$84.6  |

# Reconciliation of EBITDA

| In millions   | 1Q 2024 | 4Q 2023 | 1Q 2023 |
|---|---------|---------|---------|
| GAAP net earnings attributable to Vishay stockholders | \$30.9  | \$51.5  | \$111.8 |
| Net earnings attributable to noncontrolling interests | 0.5     | 0.5     | 0.4     |
| Net earnings  | \$31.4  | \$52.0  | \$112.2 |
| Interest expense                                      | \$6.5   | \$6.5   | \$5.1   |
| Interest income                                       | (9.1)   | (9.9)   | (5.9)   |
| Income taxes  | 12.8    | 28.7    | 44.6    |
| Depreciation and amortization                         | 49.5    | 50.5    | 43.3    |
| EBITDA  | \$91.2  | \$127.6 | \$199.3 |
| EBITDA margin **                                      | 12.2%   | 16.3%   | 22.9%   |
| ** EBITDA as a percentage of net revenues             |         |         |         |

# Net Earnings – 1Q 2024 vs 1Q 2023



# Vishay – The DNA of tech®