

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) July 29, 2019

**Vishay Intertechnology, Inc.**

(Exact name of registrant as specified in its charter)

Delaware	1-7416	38-1686453
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

63 Lancaster Avenue Malvern, PA 19355-2143	19355-2143
(Address of Principal Executive Offices)	Zip Code

Registrant's telephone number, including area code 610-644-1300

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of exchange on which registered
Common stock, par value \$0.10 per share	VSH	New York Stock Exchange

## **Item 2.02 – Results of Operations and Financial Condition**

On July 30, 2019, Vishay Intertechnology, Inc. ("the Company") issued a press release announcing its financial results for the fiscal quarter and six fiscal months ended June 29, 2019. A copy of the press release is attached as Exhibit 99.1 to this report.

## **Item 2.05 Costs Associated with Exit or Disposal Activities**

On July 29, 2019, the Company announced global cost reduction and management rejuvenation programs as part of its continuous efforts to improve efficiency and operating performance.

The programs are primarily designed to reduce manufacturing fixed costs and selling, general, and administrative costs company-wide, and provide management rejuvenation. The Company expects to incur charges of approximately \$25 million, primarily cash severance costs, to implement these programs.

The Company is now in the process of adapting manufacturing capacities and capital expenditures to short-term volume requirements. The Company will first solicit volunteers to accept a voluntary separation / early retirement offer. The voluntary separation benefits vary by country and job classification, but generally offer a cash loyalty bonus. The voluntary early retirement program will contribute to minimizing inflationary impacts on fixed costs as well as provide some management rejuvenation. Additional involuntary terminations will likely be necessary to achieve the cost reduction targets. The Company expects these cost reductions to be fully achieved by December 2020.

No manufacturing facility closures are currently expected pursuant to these programs.

The Company's estimates of the costs related to its cost reduction programs and anticipated annual savings represent its current best estimates. However, such estimates are preliminary and subject to change as the Company implements these programs.

On July 29, 2019, the Company issued a press release regarding these programs, a copy of which is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

## **Item 7.01 – Regulation FD Disclosure**

### *Computational Guidance on Earnings Per Share Estimates*

The Company frequently receives questions from analysts and stockholders regarding its diluted earnings per share ("EPS") computation. The information furnished in this Form 8-K provides additional information on the impact of key variables on the EPS computation, particularly as they relate to the third fiscal quarter of 2019.

Accounting principles require that EPS be computed based on the weighted average shares outstanding ("basic"), and also assuming the issuance of potentially issuable shares (such as those subject to equity awards and convertible debt) if those potentially issuable shares would reduce EPS ("diluted").

The number of shares related to equity awards included in diluted EPS is based on the "Treasury Stock Method" prescribed in Financial Accounting Standards Board ("FASB") ASC Topic 260, *Earnings Per Share* ("FASB ASC Topic 260"). This method assumes a theoretical repurchase of shares using the unrecognized compensation expense and any other proceeds at a price equal to the issuer's average stock price during the related earnings period. Accordingly, the number of shares includable in the calculation of diluted EPS in respect of equity awards is dependent on this average stock price and will increase as the average stock price increases. This method is also utilized for net share settlement debt.

The number of shares includable in the calculation of diluted EPS in respect of conventional convertible or exchangeable securities is based on the "If Converted Method" prescribed in FASB ASC Topic 260. This method assumes the conversion or exchange of these securities for shares of common stock. In determining if convertible or exchangeable securities are dilutive, the interest savings (net of tax) subsequent to an assumed conversion are added back to net earnings. The shares related to a convertible or exchangeable security are included in diluted EPS only if EPS as otherwise calculated is greater than the interest savings, net of tax, divided by the shares issuable upon exercise or conversion of the instrument ("incremental earnings per share"). Accordingly, the calculation of diluted EPS for these instruments is dependent on the level of net earnings. Each series of convertible or exchangeable securities is considered individually and in sequence, starting with the series having the lowest incremental earnings per share, to determine if its effect is dilutive or anti-dilutive.

At the direction of its Board of Directors, Vishay intends to waive its rights to settle the principal amount of its convertible debt instruments, its 2.25% Convertible Senior Debentures due 2040 and due 2041, and its 2.25% Convertible Senior Notes due 2025, upon any conversion or repurchase of the debentures or notes, in shares of Vishay common stock.

Pursuant to the indentures governing the respective convertible debt instruments, Vishay has the right to pay the conversion value or purchase price for the convertible debt instruments in cash, Vishay common stock, or a combination of both.

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If the convertible debt instruments are tendered for repurchase, Vishay will pay the repurchase price in cash, and if the convertible debt instruments are submitted for conversion, Vishay will value the shares issuable upon conversion and will pay in cash an amount equal to the principal amount of the converted debt instruments and will issue shares in respect of the conversion value in excess of the principal amount.

Vishay will consider its convertible debt instruments to be "net share settlement debt." Accordingly, its convertible debt instruments will be included in the diluted earnings per share computation using the "treasury stock method" (similar to options) rather than the "if converted method" otherwise required for convertible debt. Under the "treasury stock method," Vishay will calculate the number of shares issuable under the terms of its convertible debt instruments based on the average market price of Vishay common stock during the period, and include that number in the total diluted shares figure for the period.

The Company currently has no potentially dilutive instruments included in the diluted EPS calculation using the "if converted method."

The following estimates of shares expected to be used in the calculation of diluted EPS consider the number of the Company's shares currently outstanding and the Company's convertible securities currently outstanding and their exercise and conversion features currently in effect. The Company adjusts its calculation for the estimated effect of expected quarterly activity. The estimates assume no share or convertible debt instrument repurchases during the third fiscal quarter of 2019. Changes in these parameters or estimates could have a material impact on the calculation of diluted EPS.

The following estimates of shares expected to be used in the calculation of diluted EPS should be read in conjunction with the information on earnings per share in the Company's filings on Form 10-Q and Form 10-K. These estimates are unaudited and are not necessarily indicative of the shares used in the diluted EPS computation for any prior period. The estimates below are not necessarily indicative of the shares to be used in the quarterly diluted EPS computation for any period subsequent to the third fiscal quarter of 2019. The Company assumes no duty to revise these estimates as a result of changes in the parameters on which they are based or any changes in accounting principles. Also, the presentation is not intended as a forecast of EPS values or share prices of the Company's common stock for any period.

For the third fiscal quarter of 2019:

- The Company has approximately 145 million shares issued and outstanding, including shares of common stock and class B common stock.
- The number of shares included in diluted EPS related to restricted stock units does not vary significantly and is generally less than 1 million incremental shares.
- The Company's Convertible Senior Debentures due 2040 are convertible at a conversion price of \$12.63 per \$1,000 principal amount, equivalent to 79.1822 shares per \$1,000 principal amount. There is \$0.4 million principal amount of the debentures outstanding. The number of shares of common stock that Vishay will include in its diluted earnings per share computation, assuming an average market price for Vishay common stock in excess of the conversion price, will be determined in accordance with the following formula:

$$S = [\$350,000 / \$1000] * [(P - \$12.63) * 79.1822] / P$$

where

S = the number of shares to be included in diluted EPS, and  
P = the average market price of Vishay common stock for the quarter.

If the average market price is less than \$12.63, no shares will be included in the diluted earnings per share computation.

- The Company's Convertible Senior Debentures due 2041 are convertible at a conversion price of \$17.31 per \$1,000 principal amount, equivalent to 57.7830 shares per \$1,000 principal amount. There is \$20.8 million principal amount of the debentures outstanding. The number of shares of common stock that Vishay will include in its diluted earnings per share computation, assuming an average market price for Vishay common stock in excess of the conversion price, will be determined in accordance with the following formula:

$$S = [\$20,790,000 / \$1000] * [(P - \$17.31) * 57.7830] / P$$

where

S = the number of shares to be included in diluted EPS, and  
P = the average market price of Vishay common stock for the quarter.

If the average market price is less than \$17.31, no shares will be included in the diluted earnings per share computation.



The Company's Convertible Senior Notes due 2025 are convertible at a conversion price of \$31.47 per \$1,000 principal amount, equivalent to 31.7738 shares per \$1,000 principal amount. There is \$600 million principal amount of the notes outstanding. The number of shares of common stock that Vishay will include in its diluted earnings per share computation, assuming an average market price for Vishay common stock in excess of the conversion price, will be determined in accordance with the following formula:

$$S = [\$600,000,000 / \$1000] * [(P - \$31.47) * 31.7738] / P$$

where

S = the number of shares to be included in diluted EPS, and  
P = the average market price of Vishay common stock for the quarter.

If the average market price is less than \$31.47, no shares will be included in the diluted earnings per share computation.

Accordingly, the following table summarizes the approximate number of shares to be included in the denominator of the diluted EPS calculation assuming net earnings attributable to Vishay stockholders for various average stock prices (*number of shares in millions*):

Average Stock Price	Projected Diluted Shares
\$ <27.00	145
\$ 27.00 - 32.00	146
\$ 33.00	147
\$ 34.00	147
\$ 35.00	148

#### Item 9.01 – Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
<a href="#">99.1</a>	<a href="#">Press release dated July 30, 2019</a>
<a href="#">99.2</a>	<a href="#">Press release dated July 29, 2019</a>

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 30, 2019

VISHAY INTERTECHNOLOGY, INC.

By: /s/ Lori Lipcaman

Name: Lori Lipcaman  
Title: Executive Vice President and  
Chief Financial Officer

**VISHAY REPORTS RESULTS FOR SECOND QUARTER 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 – 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>.

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## 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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VISHAY INTERTECHNOLOGY, INC.  
Summary of Operations  
(Unaudited - In thousands, except per share amounts)

	Fiscal quarters ended		
	June 29, 2019	March 30, 2019	June 30, 2018
Net revenues	\$ 685,240	\$ 745,159	\$ 761,030
Costs of products sold	510,639	534,000	533,792
Gross profit	174,601	211,159	227,238
Gross margin	25.5%	28.3%	29.9%
Selling, general, and administrative expenses	95,112	103,424	103,945
Operating income	79,489	107,735	123,293
Operating margin	11.6%	14.5%	16.2%
Other income (expense):			
Interest expense	(8,204)	(8,392)	(8,372)
Other components of net periodic pension cost	(3,367)	(3,396)	(3,450)
Other	2,970	5,308	3,397
Loss on early extinguishment of debt	-	(1,307)	(17,309)
Total other income (expense) - net	(8,601)	(7,787)	(25,734)
Income before taxes	70,888	99,948	97,559
Income tax expense (benefit)	26,153	24,307	(5,703)
Net earnings	44,735	75,641	103,262
Less: net earnings attributable to noncontrolling interests	258	182	165
Net earnings attributable to Vishay stockholders	\$ 44,477	\$ 75,459	\$ 103,097
Basic earnings per share attributable to Vishay stockholders	\$ 0.31	\$ 0.52	\$ 0.71
Diluted earnings per share attributable to Vishay stockholders	\$ 0.31	\$ 0.52	\$ 0.65
Weighted average shares outstanding - basic	144,621	144,554	144,382
Weighted average shares outstanding - diluted	145,023	145,289	157,657
Cash dividends per share	\$ 0.095	\$ 0.085	\$ 0.085

VISHAY INTERTECHNOLOGY, INC.  
Summary of Operations  
(Unaudited - In thousands, except per share amounts)

	Six fiscal months ended	
	June 29, 2019	June 30, 2018
Net revenues	\$ 1,430,399	\$ 1,477,825
Costs of products sold	<u>1,044,639</u>	<u>1,045,287</u>
Gross profit	385,760	432,538
Gross margin	27.0%	29.3%
Selling, general, and administrative expenses	<u>198,536</u>	<u>205,183</u>
Operating income	187,224	227,355
Operating margin	13.1%	15.4%
Other income (expense):		
Interest expense	(16,596)	(16,049)
Other components of net periodic pension cost	(6,763)	(6,969)
Other	8,278	2,550
Loss on early extinguishment of debt	<u>(1,307)</u>	<u>(17,309)</u>
Total other income (expense) - net	<u>(16,388)</u>	<u>(37,777)</u>
Income before taxes	170,836	189,578
Income tax expense	<u>50,460</u>	<u>23,771</u>
Net earnings	120,376	165,807
Less: net earnings attributable to noncontrolling interests	440	344
Net earnings attributable to Vishay stockholders	<u>\$ 119,936</u>	<u>\$ 165,463</u>
Basic earnings per share attributable to Vishay stockholders	\$ 0.83	\$ 1.15
Diluted earnings per share attributable to Vishay stockholders	\$ 0.83	\$ 1.04
Weighted average shares outstanding - basic	144,589	144,355
Weighted average shares outstanding - diluted	145,158	158,580
Cash dividends per share	\$ 0.1800	\$ 0.1525

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

	June 29, 2019 <u>(Unaudited)</u>	December 31, 2018 <u></u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 790,906	\$ 686,032
Short-term investments	163	78,286
Accounts receivable, net	365,728	397,020
Inventories:		
Finished goods	132,794	138,112
Work in process	191,552	190,982
Raw materials	<u>139,150</u>	<u>150,566</u>
Total inventories	463,496	479,660
Prepaid expenses and other current assets	<u>125,104</u>	<u>142,888</u>
Total current assets	1,745,397	1,783,886
Property and equipment, at cost:		
Land	74,701	87,622
Buildings and improvements	579,304	619,445
Machinery and equipment	2,559,473	2,510,001
Construction in progress	115,288	125,109
Allowance for depreciation	<u>(2,380,546)</u>	<u>(2,373,176)</u>
	948,220	969,001
Right of use assets	96,136	-
Goodwill	150,735	147,480
Other intangible assets, net	64,883	65,688
Other assets	<u>150,759</u>	<u>140,143</u>
Total assets	<u>\$ 3,156,130</u>	<u>\$ 3,106,198</u>

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

	June 29, 2019 <u>(Unaudited)</u>	December 31, 2018 <u></u>
Liabilities and stockholders' equity		
Current liabilities:		
Notes payable to banks	\$ 40	\$ 18
Trade accounts payable	160,222	218,322
Payroll and related expenses	129,095	141,670
Lease liabilities	15,323	-
Other accrued expenses	162,937	229,660
Income taxes	43,979	54,436
Total current liabilities	<u>511,596</u>	<u>644,106</u>
Long-term debt less current portion	519,863	494,509
U.S. transition tax payable	140,196	154,953
Deferred income taxes	64,878	85,471
Long-term lease liabilities	86,086	-
Other liabilities	84,628	79,489
Accrued pension and other postretirement costs	256,805	260,984
Total liabilities	<u>1,664,052</u>	<u>1,719,512</u>
Redeemable convertible debentures	-	2,016
Equity:		
Vishay stockholders' equity		
Common stock	13,235	13,212
Class B convertible common stock	1,210	1,210
Capital in excess of par value	1,426,164	1,436,011
Retained earnings (accumulated deficit)	55,659	(61,258)
Accumulated other comprehensive income (loss)	(6,316)	(6,791)
Total Vishay stockholders' equity	<u>1,489,952</u>	<u>1,382,384</u>
Noncontrolling interests	2,126	2,286
Total equity	<u>1,492,078</u>	<u>1,384,670</u>
Total liabilities, temporary equity, and equity	<u>\$ 3,156,130</u>	<u>\$ 3,106,198</u>

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

	Six fiscal months ended	
	June 29, 2019	June 30, 2018
Operating activities		
Net earnings	\$ 120,376	\$ 165,807
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	81,346	81,174
(Gain) loss on disposal of property and equipment	(162)	(2,242)
Accretion of interest on convertible debt instruments	6,985	2,964
Inventory write-offs for obsolescence	12,643	11,799
Loss on early extinguishment of debt	1,307	17,309
Deferred income taxes	(5,601)	(25,669)
Other	4,283	4,148
Change in U.S. transition tax liability	(14,757)	(14,400)
Change in repatriation tax liability	(20,479)	(92,093)
Changes in operating assets and liabilities, net of effects of businesses acquired	(50,122)	(110,627)
Net cash provided by operating activities	135,819	38,170
Investing activities		
Purchase of property and equipment	(70,148)	(76,646)
Proceeds from sale of property and equipment	464	8,378
Purchase of businesses, net of cash acquired	(11,862)	(14,880)
Purchase of short-term investments	(1,970)	(50,193)
Maturity of short-term investments	79,694	447,359
Other investing activities	2,893	(935)
Net cash provided by (used in) investing activities	(929)	313,083
Financing activities		
Proceeds from long-term borrowings	-	600,000
Issuance costs	(5,394)	(15,621)
Repurchase of convertible debentures	(22,695)	(584,991)
Net proceeds (payments) on revolving credit lines	28,000	(54,000)
Net changes in short-term borrowings	22	119
Dividends paid to common stockholders	(23,822)	(20,148)
Dividends paid to Class B common stockholders	(2,178)	(1,845)
Distributions to noncontrolling interests	(600)	(525)
Cash withholding taxes paid when shares withheld for vested equity awards	(2,708)	(2,297)
Net cash used in financing activities	(29,375)	(79,308)
Effect of exchange rate changes on cash and cash equivalents	(641)	(12,921)
Net increase in cash and cash equivalents	104,874	259,024
Cash and cash equivalents at beginning of period	686,032	748,032
Cash and cash equivalents at end of period	\$ 790,906	\$ 1,007,056

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

	Fiscal quarters ended			Six fiscal months ended	
	June 29, 2019	March 30, 2019	June 30, 2018	June 29, 2019	June 30, 2018
GAAP net earnings attributable to Vishay stockholders	\$ 44,477	\$ 75,459	\$ 103,097	\$ 119,936	\$ 165,463
<u>Reconciling items affecting other income (expense):</u>					
Loss on early extinguishment of debt	\$ -	\$ 1,307	\$ 17,309	\$ 1,307	\$ 17,309
<u>Reconciling items affecting tax expense (benefit):</u>					
Effects of tax-basis foreign exchange gain	\$ 7,554	\$ -	\$ -	\$ 7,554	\$ -
Enactment of TCJA	-	-	12,000	-	12,000
Effects of cash repatriation program	(48)	(585)	(9,006)	(633)	(7,690)
Change in deferred taxes due to early extinguishment of debt	-	(1,312)	(33,963)	(1,312)	(33,963)
Tax effects of pre-tax items above	-	(290)	(3,784)	(290)	(3,784)
Adjusted net earnings	<u>\$ 51,983</u>	<u>\$ 74,579</u>	<u>\$ 85,653</u>	<u>\$ 126,562</u>	<u>\$ 149,335</u>
Adjusted weighted average diluted shares outstanding	145,023	145,289	157,657	145,158	158,580
Adjusted earnings per diluted share	\$ 0.36	\$ 0.51	\$ 0.54	\$ 0.87	\$ 0.94

VISHAY INTERTECHNOLOGY, INC.

Reconciliation of Free Cash

(Unaudited - In thousands)

	Fiscal quarters ended			Six fiscal months ended	
	June 29, 2019	March 30, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Net cash provided by (used in) operating activities	\$ 56,301	\$ 79,518	\$ (8,689)	\$ 135,819	\$ 38,170
Proceeds from sale of property and equipment	69	395	8,194	464	8,378
Less: Capital expenditures	(33,781)	(36,367)	(48,373)	(70,148)	(76,646)
Free cash	<u>\$ 22,589</u>	<u>\$ 43,546</u>	<u>\$ (48,868)</u>	<u>\$ 66,135</u>	<u>\$ (30,098)</u>

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

	Fiscal quarters ended			Six fiscal months ended	
	June 29, 2019	March 30, 2019	June 30, 2018	June 29, 2019	June 30, 2018
GAAP net earnings attributable to Vishay stockholders	\$ 44,477	\$ 75,459	\$ 103,097	\$ 119,936	\$ 165,463
Net earnings attributable to noncontrolling interests	258	182	165	440	344
Net earnings	\$ 44,735	\$ 75,641	\$ 103,262	\$ 120,376	\$ 165,807
Interest expense	\$ 8,204	\$ 8,392	\$ 8,372	\$ 16,596	\$ 16,049
Interest income	(2,147)	(2,199)	(2,762)	(4,346)	(4,798)
Income taxes	26,153	24,307	(5,703)	50,460	23,771
Depreciation and amortization	40,918	40,428	40,616	81,346	81,174
EBITDA	\$ 117,863	\$ 146,569	\$ 143,785	\$ 264,432	\$ 282,003
<b>Reconciling items</b>					
Loss on early extinguishment of debt	\$ -	\$ 1,307	\$ 17,309	\$ 1,307	\$ 17,309
Adjusted EBITDA	\$ 117,863	\$ 147,876	\$ 161,094	\$ 265,739	\$ 299,312
Adjusted EBITDA margin**	17.2%	19.8%	21.2%	18.6%	20.3%

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

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## **Vishay Intertechnology Announces Global Cost Reduction and Management Rejuvenation Programs**

**MALVERN, PENNSYLVANIA** – July 29, 2019 – Vishay Intertechnology, Inc. (NYSE: VSH), one of the world's largest manufacturers of discrete semiconductors and passive components, today announced global cost reduction and management rejuvenation programs as part of its continuous efforts to improve efficiency and operating performance.

The programs are primarily designed to reduce manufacturing fixed costs and selling, general, and administrative ("SG&A") costs company-wide, and provide management rejuvenation. The programs in total are expected to lower costs by approximately \$15 million annually when fully implemented, at expected costs (primarily cash severance expenses) of approximately \$25 million. The implementation of these programs will not impact planned research and development activities.

The Company will first solicit volunteers to accept a voluntary separation / early retirement offer. The voluntary separation benefits vary by country and job classification, but generally offer a cash loyalty bonus. Additional involuntary terminations will likely be necessary to achieve the cost reduction targets. The Company expects these cost reductions to be fully achieved by December 2020.

Commenting on the cost reduction programs, Dr. Gerald Paul, Vishay's President and Chief Executive Officer, said, "We are managing the current slowdown professionally, consistent with our history. We are now in the process of adapting manufacturing capacities and capital expenditures to short term volume requirements. Additionally, a voluntary early retirement program will contribute to minimizing inflationary impacts on fixed costs as well as provide some management rejuvenation. We continue to invest in our technical capabilities to accelerate long-term growth and expect to be in a position to exploit the next upturn to the fullest extent."

The Company's estimates of the costs related to its cost reduction programs and anticipated annual savings represent its current best estimates. However, such estimates are preliminary and subject to change as the Company implements these programs.

Except for these programs, the Company does not anticipate any other material restructuring activities during the remainder of 2019 or 2020. However, a continued sluggish business environment for the electronics industry or a significant economic downturn may require the Company to implement additional restructuring initiatives.

### **About Vishay**

Vishay Intertechnology, Inc., a Fortune 1,000 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>.

### **Forward-Looking Statements**

Statements contained herein that relate to the Company's future performance, including costs related to its cost reduction programs, timing of the programs and anticipated annual savings, 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; changes in foreign currency exchange rates; 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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