

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) February 5, 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.

Item 2.02 – Results of Operations and Financial Condition

On February 5, 2019, Vishay Intertechnology, Inc. ("the Company") issued a press release announcing its financial results for the fiscal quarter and year ended December 31, 2018. A copy of the press release is attached as Exhibit 99.1 to this report.

Item 7.01 – Regulation FD Disclosure

Convertible Debt Repurchase Program

In October 2018, the Company's Board of Directors authorized the Company to begin repurchasing certain convertible debt instruments in open market repurchases or through privately negotiated transactions, subject to market and business conditions, legal requirements, and other factors. Such authorization also includes the open market repurchase of an equivalent number of shares issued upon the exercise of the conversion rights by any holder of convertible debentures. In the fourth fiscal quarter of 2018, the Company repurchased \$53.7 million, \$116.9 million, and \$78.8 million principal amount of the Company's convertible senior debentures due 2040, due 2041, and due 2042, respectively. The aggregate purchase price for the repurchases was \$376.0 million. The remaining principal balances of the Company's convertible senior debentures due 2040, due 2041, and due 2042 are \$1.3 million, \$33.1 million, and \$2.2 million, respectively.

The convertible senior debentures that Vishay repurchased during the fourth fiscal quarter had been convertible into 18.1 million shares of Vishay common stock, assuming physical settlement.

The Board of Directors authorization remains effective. The Company intends to resume repurchasing certain convertible debt instruments in open market repurchases or through privately negotiated transactions, subject to market and business conditions, legal requirements, and other factors. Such authorization does not obligate the Company to acquire any particular amount of convertible debt instruments, and it may be terminated or suspended at any time at the Company's discretion, in accordance with applicable laws and regulations.

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 first 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, due 2041, and due 2042, 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.

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 first 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 first 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 first 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 \$12.76 per \$1,000 principal amount, equivalent to 78.3806 shares per \$1,000 principal amount. There is \$1.3 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:

$$S = [\$1,310,000 / \$1000] * [(P - \$12.76) * 78.3806] / P$$

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 \$12.76, 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 \$17.48 per \$1,000 principal amount, equivalent to 57.1981 shares per \$1,000 principal amount. There is \$33.1 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:

$$S = [\$33,078,000 / \$1000] * [(P - \$17.48) * 57.1981] / P$$

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 \$17.48, no shares will be included in the diluted earnings per share computation.

- The Company's Convertible Senior Debentures due 2042 are convertible at a conversion price of \$10.85 per \$1,000 principal amount, equivalent to 92.1569 shares per \$1,000 principal amount. There is \$2.2 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:

$$S = [\$2,168,000 / \$1000] * [(P - \$10.85) * 92.1569] / P$$

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 \$10.85, 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 \$31.49 per \$1,000 principal amount, equivalent to 31.7536 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:

$$S = [\$600,000,000 / \$1000] * [(P - \$31.49) * 31.7536] / P$$

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 \$31.49, 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
\$	<21.00	145
\$	21.00 - 31.00	146
\$	32.00	147
\$	33.00	147
\$	34.00	148
\$	35.00	148

Item 9.01 – Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
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99.1	Press release dated February 5, 2019
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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: February 5, 2019

VISHAY INTERTECHNOLOGY, INC.

By: /s/ Lori Lipcaman

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

VISHAY REPORTS RESULTS FOR FOURTH QUARTER AND YEAR 2018

- Revenues for Q4 2018 of \$776 million and for year 2018 \$3,035 million
- Gross Margin Q4 of 28.3% and year 2018 of 29.3%
- Operating Margin Q4 of 15.4% and year 2018 of 16.0%
- EPS Q4 of \$0.69 and year 2018 \$2.24
- Adjusted EPS Q4 of \$0.58 and year 2018 of \$2.12
- Cash from operations for year 2018 of \$259 million, proceeds from sale of property and equipment of \$56 million, and capital expenditures of \$230 million
- Guidance for Q1 2019 for revenues of \$730 to \$770 million and gross margins of 28% to 29% at Q4 exchange rates

MALVERN, PENNSYLVANIA – February 5, 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 year and fiscal quarter ended December 31, 2018.

Revenues for the year ended December 31, 2018 were \$3,034.7 million, compared to \$2,599.4 million for the year ended December 31, 2017. Net earnings attributable to Vishay stockholders for the year ended December 31, 2018 were \$345.8 million, or \$2.24 per diluted share. Net loss attributable to Vishay stockholders for the year ended December 31, 2017 was \$(20.3) million, or \$(0.14) per share.

Revenues for the fiscal quarter ended December 31, 2018 were \$775.9 million, compared to \$781.0 million for the fiscal quarter ended September 29, 2018, and \$673.5 million for the fiscal quarter ended December 31, 2017. Net earnings attributable to Vishay stockholders for the fiscal quarter ended December 31, 2018 were \$102.4 million, or \$0.69 per diluted share, compared to \$77.9 million, or \$0.51 per diluted share for the fiscal quarter ended September 29, 2018, and net loss attributable to Vishay stockholders of \$(177.7) million, or \$(1.23) per share for the fiscal quarter ended December 31, 2017.

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 \$0.58 and \$2.12 for the fiscal quarter and year ended December 31, 2018, respectively, \$0.60 for the fiscal quarter ended September 29, 2018, and \$0.37 and \$1.43 for the fiscal quarter and year ended December 31, 2017, respectively.

Commenting on the results for the year 2018, Dr. Gerald Paul, President and Chief Executive Officer, stated, "2018 was a record year for Vishay in terms of revenues and the second highest ever in terms of profitability. As in the previous year, partially extreme demand from virtually all market segments drove this strength. We further increased manufacturing capacities of most of our product lines considerably and we continue to do so for several strategic lines. Driven by increased volume Vishay demonstrated the leverage of its business model."

Dr. Paul continued, commenting on the results for the fourth quarter 2018, "When excluding exchange rate effects, revenues were flat quarter over quarter. There were signs of normalization as supply started to catch up with demand. Lead times for critical product lines, while still stretched, are starting to normalize. Market conditions overall remain stable."

Commenting on the outlook Dr. Paul stated, "For the first quarter, we guide for revenues of \$730 to \$770 million and gross margins of 28% to 29% at the exchange rates for the fourth quarter."

A conference call to discuss Vishay's fourth quarter and full year financial results is scheduled for Tuesday, February 5, 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 4585076.

There will be a replay of the conference call from 12:00 p.m. ET on Tuesday, February 5, 2019 through 11:59 p.m. ET on Tuesday, February 12, 2019. The telephone number for the replay is 800-585-8367 (+1 855-859-2056 or 404-537-3406 if calling from outside the United States or Canada) and the access code is 4585076.

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>.

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 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, product demand, manufacturing capacities, 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.

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

	Years ended	
	December 31, 2018	December 31, 2017*
Net revenues	\$ 3,034,689	\$ 2,599,368
Costs of products sold	2,146,165	1,896,259
Gross profit	888,524	703,109
Gross margin	29.3%	27.0%
Selling, general, and administrative expenses	403,404	367,831
Restructuring and severance costs	-	11,273
Operating income	485,120	324,005
Operating margin	16.0%	12.5%
Other income (expense):		
Interest expense	(36,680)	(27,850)
Other components of net periodic pension cost	(13,118)	(12,417)
Other	8,037	1,738
Loss on early extinguishment of debt	(26,583)	-
Loss on disposal of equity affiliate	-	(6,112)
Total other income (expense) - net	(68,344)	(44,641)
Income before taxes	416,776	279,364
Income taxes	70,239	298,924
Net earnings (loss)	346,537	(19,560)
Less: net earnings attributable to noncontrolling interests	779	784
Net earnings (loss) attributable to Vishay stockholders	\$ 345,758	\$ (20,344)
Basic earnings (loss) per share attributable to Vishay stockholders	\$ 2.39	\$ (0.14)
Diluted earnings (loss) per share attributable to Vishay stockholders	\$ 2.24	\$ (0.14)
Weighted average shares outstanding - basic	144,370	145,633
Weighted average shares outstanding - diluted	154,622	145,633
Cash dividends per share	\$ 0.3225	\$ 0.2550

*Recast for the retrospective adoption of ASUs 2014-09 and 2017-07

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

	Fiscal quarters ended		
	December 31, 2018	September 29, 2018	December 31, 2017*
Net revenues	\$ 775,892	\$ 780,972	\$ 673,462
Costs of products sold	556,202	544,676	496,086
Gross profit	219,690	236,296	177,376
Gross margin	28.3%	30.3%	26.3%
Selling, general, and administrative expenses	100,023	98,198	95,291
Restructuring and severance costs	-	-	6,079
Operating income	119,667	138,098	76,006
Operating margin	15.4%	17.7%	11.3%
Other income (expense):			
Interest expense	(9,818)	(10,813)	(7,046)
Other components of net periodic pension cost	(2,782)	(3,367)	(3,470)
Other	2,597	2,890	587
Loss on early extinguishment of debt	(9,274)	-	-
Gain (loss) on disposal of equity affiliate	-	-	948
Total other income (expense) - net	(19,277)	(11,290)	(8,981)
Income before taxes	100,390	126,808	67,025
Income taxes	(2,269)	48,737	244,526
Net earnings (loss)	102,659	78,071	(177,501)
Less: net earnings attributable to noncontrolling interests	240	195	156
Net earnings (loss) attributable to Vishay stockholders	<u>\$ 102,419</u>	<u>\$ 77,876</u>	<u>\$ (177,657)</u>
Basic earnings (loss) per share attributable to Vishay stockholders	\$ 0.71	\$ 0.54	\$ (1.23)
Diluted earnings (loss) per share attributable to Vishay stockholders	\$ 0.69	\$ 0.51	\$ (1.23)
Weighted average shares outstanding - basic	144,384	144,383	144,165
Weighted average shares outstanding - diluted	148,378	152,946	144,165
Cash dividends per share	\$ 0.0850	\$ 0.0850	\$ 0.0675

*Recast for the retrospective adoption of ASUs 2014-09 and 2017-07

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Balance Sheets
(Unaudited - in thousands)

	<u>December 31, 2018</u>	<u>December 31, 2017*</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 686,032	\$ 748,032
Short-term investments	78,286	547,136
Accounts receivable, net	397,020	340,027
Inventories:		
Finished goods	138,112	127,272
Work in process	190,982	170,319
Raw materials	<u>150,566</u>	<u>132,068</u>
Total inventories	479,660	429,659
Prepaid expenses and other current assets	<u>142,888</u>	<u>130,336</u>
Total current assets	1,783,886	2,195,190
Property and equipment, at cost:		
Land	87,622	92,285
Buildings and improvements	619,445	606,168
Machinery and equipment	2,510,001	2,415,769
Construction in progress	125,109	103,058
Allowance for depreciation	<u>(2,373,176)</u>	<u>(2,311,522)</u>
	969,001	905,758
Goodwill	147,480	142,742
Other intangible assets, net	65,688	69,754
Other assets	<u>140,143</u>	<u>148,645</u>
Total assets	<u>\$ 3,106,198</u>	<u>\$ 3,462,089</u>

*Recast for the retrospective adoption of ASUs 2014-09 and 2017-07

VISHAY INTERTECHNOLOGY, INC.
Consolidated Condensed Balance Sheets (continued)
(Unaudited - in thousands)

	<u>December 31, 2018</u>	<u>December 31, 2017*</u>
Liabilities and stockholders' equity		
Current liabilities:		
Notes payable to banks	\$ 18	\$ 4
Trade accounts payable	218,322	222,373
Payroll and related expenses	141,670	135,702
Other accrued expenses	229,660	154,230
Income taxes	54,436	50,226
Total current liabilities	<u>644,106</u>	<u>562,535</u>
Long-term debt less current portion	494,509	370,470
U.S. transition tax payable	154,953	151,200
Deferred income taxes	85,471	336,465
Other liabilities	79,489	75,249
Accrued pension and other postretirement costs	260,984	281,701
Total liabilities	<u>1,719,512</u>	<u>1,777,620</u>
Redeemable convertible debentures	2,016	252,070
Equity:		
Vishay stockholders' equity		
Common stock	13,212	13,188
Class B convertible common stock	1,210	1,213
Capital in excess of par value	1,436,011	1,752,506
Retained earnings (accumulated deficit)	(61,258)	(362,254)
Accumulated other comprehensive income (loss)	(6,791)	25,714
Total Vishay stockholders' equity	<u>1,382,384</u>	<u>1,430,367</u>
Noncontrolling interests	2,286	2,032
Total equity	<u>1,384,670</u>	<u>1,432,399</u>
Total liabilities, temporary equity, and equity	<u>\$ 3,106,198</u>	<u>\$ 3,462,089</u>

*Recast for the retrospective adoption of ASUs 2014-09 and 2017-07

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

	Years ended	
	December 31, 2018	December 31, 2017
	(unaudited)	
Operating activities		
Net earnings	\$ 346,537	\$ (19,560)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	161,863	163,146
(Gain) loss on disposal of property and equipment	(2,216)	(265)
Accretion of interest on convertible debt instruments	10,769	4,984
Inventory write-offs for obsolescence	23,872	17,771
Loss on disposal of equity affiliate	-	6,112
Pensions and other postretirement benefits, net of contributions	(1,549)	(2,425)
Loss on early extinguishment of debt	26,583	-
Deferred income taxes	(55,206)	52,377
Other	21,194	13,044
U.S. transition tax	(14,757)	180,000
Repatriation taxes	(156,767)	-
Changes in operating assets and liabilities, net of effects of businesses acquired	(101,817)	(46,407)
Net cash provided by operating activities	258,506	368,777
Investing activities		
Purchase of property and equipment	(229,899)	(170,432)
Proceeds from sale of property and equipment	55,561	1,685
Purchase of businesses, net of cash acquired	(14,880)	-
Purchase of short-term investments	(175,403)	(749,600)
Maturity of short-term investments	636,108	887,729
Other investing activities	(2,058)	(4,189)
Net cash provided by (used in) investing activities	269,429	(34,807)
Financing activities		
Proceeds from long-term borrowings	600,000	-
Issuance costs	(15,621)	-
Repurchase of convertible debentures	(960,995)	-
Net proceeds (payments) on revolving credit lines	(150,000)	7,000
Common stock repurchases	-	(39,944)
Net changes in short-term borrowings	15	1
Dividends paid to common stockholders	(42,608)	(33,956)
Dividends paid to Class B common stockholders	(3,901)	(3,093)
Proceeds from stock options exercised	-	1,260
Distributions to noncontrolling interests	(525)	(1,140)
Acquisition of noncontrolling interests	-	(4,100)
Cash withholding taxes paid when shares withheld for vested equity awards	(2,297)	(1,971)
Other financing activities	-	(1,255)
Net cash used in financing activities	(575,932)	(77,198)
Effect of exchange rate changes on cash and cash equivalents	(14,003)	19,479
Net increase (decrease) in cash and cash equivalents	(62,000)	276,251
Cash and cash equivalents at beginning of period	748,032	471,781
Cash and cash equivalents at end of period	\$ 686,032	\$ 748,032

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

	Fiscal quarters ended			Years ended	
	December 31, 2018	September 29, 2018	December 31, 2017	December 31, 2018	December 31, 2017
GAAP net earnings (loss) attributable to Vishay stockholders	\$ 102,419	\$ 77,876	\$ (177,657)	\$ 345,758	\$ (20,344)
Reconciling items affecting operating income:					
Restructuring and severance costs	\$ -	\$ -	\$ 6,079	\$ -	\$ 11,273
Reconciling items affecting other income (expense):					
Loss on early extinguishment of debt	\$ 9,274	\$ -	\$ -	\$ 26,583	\$ -
Loss (gain) on disposal of equity affiliate	-	-	(948)	-	6,112
Reconciling items affecting tax expense (benefit):					
Enactment of TCJA	\$ -	\$ 13,496	\$ 234,855	\$ 25,496	\$ 234,855
Effects of cash repatriation program	(3,037)	680	(2,702)	(10,047)	(5,802)
Change in deferred taxes due to early extinguishment of debt	(20,914)	-	-	(54,877)	-
Effects of changes in uncertain tax positions	-	-	2,369	-	1,565
Tax effects of pre-tax items above	(2,028)	-	(2,060)	(5,812)	(3,331)
Adjusted net earnings	<u>\$ 85,714</u>	<u>\$ 92,052</u>	<u>\$ 59,936</u>	<u>\$ 327,101</u>	<u>\$ 224,328</u>
Adjusted weighted average diluted shares outstanding	148,378	152,946	161,177	154,622	157,010
Adjusted earnings per diluted share	\$ 0.58	\$ 0.60	\$ 0.37	\$ 2.12	\$ 1.43

VISHAY INTERTECHNOLOGY, INC.

Reconciliation of Free Cash

(Unaudited - In thousands)

	Fiscal quarters ended			Years ended	
	December 31, 2018	September 29, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Net cash provided by operating activities	\$ 149,615	\$ 70,721	\$ 122,932	\$ 258,506	\$ 368,777
Proceeds from sale of property and equipment	47,106	77	201	55,561	1,685
Less: Capital expenditures	(103,508)	(49,745)	(85,642)	(229,899)	(170,432)
Free cash	<u>\$ 93,213</u>	<u>\$ 21,053</u>	<u>\$ 37,491</u>	<u>\$ 84,168</u>	<u>\$ 200,030</u>

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

	Fiscal quarters ended			Years ended	
	December 31, 2018	September 29, 2018	December 31, 2017	December 31, 2018	December 31, 2017
GAAP net earnings (loss) attributable to Vishay stockholders	\$ 102,419	\$ 77,876	\$ (177,657)	\$ 345,758	\$ (20,344)
Net earnings attributable to noncontrolling interests	240	195	156	779	784
Net earnings (loss)	\$ 102,659	\$ 78,071	\$ (177,501)	\$ 346,537	\$ (19,560)
Interest expense	\$ 9,818	\$ 10,813	\$ 7,046	\$ 36,680	\$ 27,850
Interest income	(3,638)	(3,504)	(1,883)	(11,940)	(6,482)
Income taxes	(2,269)	48,737	244,526	70,239	298,924
Depreciation and amortization	39,975	40,714	41,827	161,863	163,146
EBITDA	\$ 146,545	\$ 174,831	\$ 114,015	\$ 603,379	\$ 463,878
Reconciling items					
Restructuring and severance costs	\$ -	\$ -	\$ 6,079	\$ -	\$ 11,273
Loss on early extinguishment of debt	9,274	-	-	26,583	-
Loss (gain) on disposal of equity affiliate	-	-	(948)	-	6,112
Adjusted EBITDA	\$ 155,819	\$ 174,831	\$ 119,146	\$ 629,962	\$ 481,263
Adjusted EBITDA margin**	20.1%	22.4%	17.7%	20.8%	18.5%

** Adjusted EBITDA as a percentage of net revenues

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