

# 2Q 2024 Earnings Conference Call

August 7, 2024



The DNA of tech.®

## 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, losses on early extinguishment of debt, 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, 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

## INDUSTRIAL

**+ 6%** QoQ  
**- 20%** YoY

- Inventory destocking continued
- Received follow on order for smart grid supply agreement, 1H total of \$113 million

## AUTOMOTIVE

**- 7%** QoQ  
**- 14%** YoY

- Tier1 suppliers pulled less from scheduling agreements on lower BEV production in Europe and NA
- Strong & expanding design pipeline

## AERO/DEFENSE

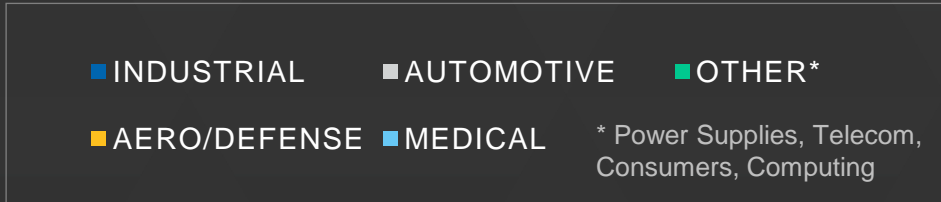
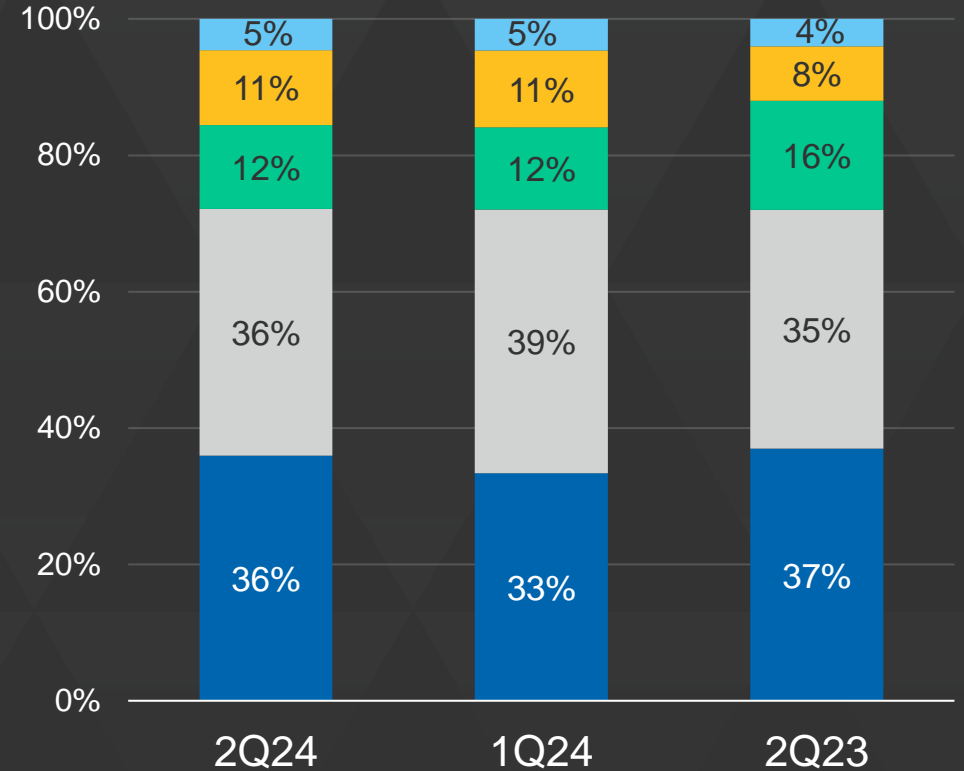
**- 3%** QoQ  
**+17%** YoY

- Temporary lower order pull from key customers due to supply shortages and Israel boycott by Turkey

## MEDICAL

**+15%** QoQ  
**-2%** YoY

- All time high deliveries to key customer
- Hired medical segment leader



# Revenue Mix By Sales Channel

## DISTRIBUTION

**+ 8%**  
QoQ

**- 16%**  
YoY

- Continue to increase SKU count at distribution: +10k part numbers QoQ

## OEM

**- 11%**  
QoQ

**- 19%**  
YoY

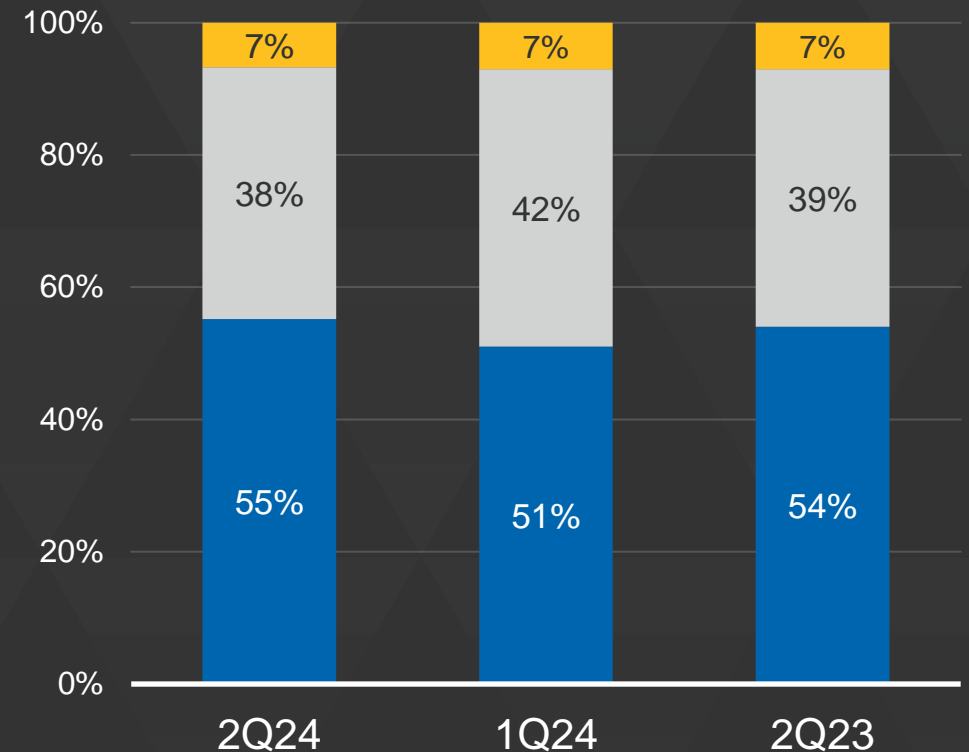
- Lower volumes from industrial & auto customers, mostly in Europe & Americas

## EMS

**+ 1%**  
QoQ

**- 16%**  
YoY

- Tailwind from consumer and AI servers in Asia
- EMS for military positive outlook



■ DISTRIBUTION

■ OEM

■ EMS

# Revenue Mix By Region

## EUROPE

**- 2%**  
QoQ

**- 19%**  
YoY

Ongoing  
macroeconomic  
challenges

## ASIA

**0%**  
QoQ

**- 12%**  
YoY

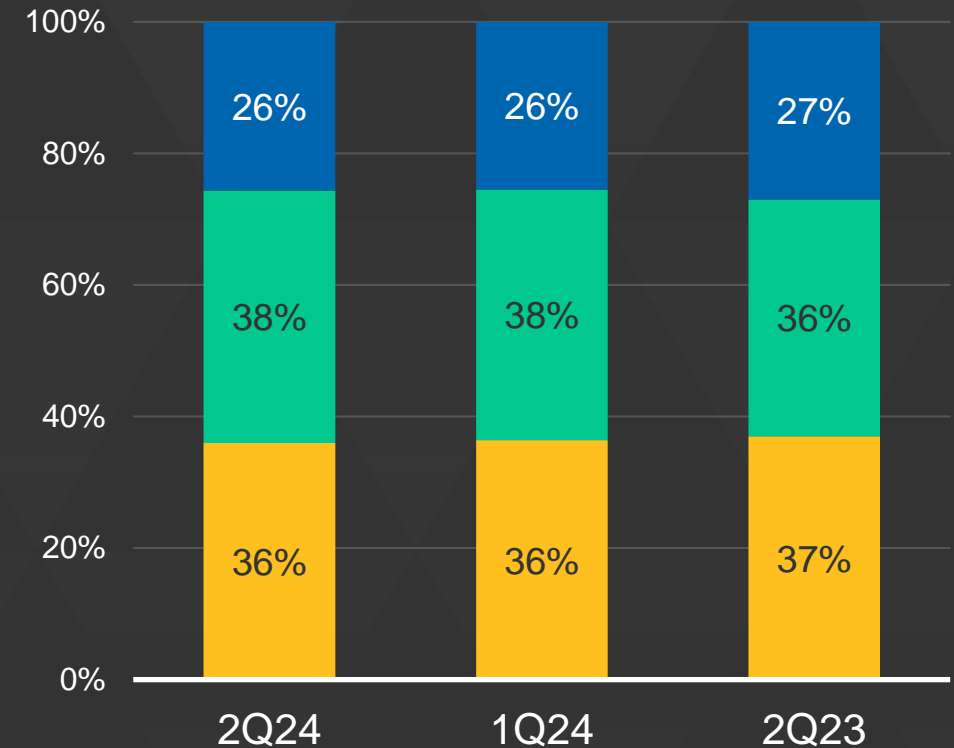
Flat with some bright  
spots developing in  
AI and industrial

## AMERICAS

**+ 1%**  
QoQ

**- 20%**  
YoY

Improved demand  
from distribution and  
medical



■ EUROPE

■ ASIA

■ AMERICAS

# 2Q 2024 Highlights

2Q 2024 REVENUES

**\$741.2 M**

GROSS MARGIN

**22.0%**

including negative impact of approximately 170 bps related to Newport

EPS

**\$0.17**

2Q 2024 BOOK-TO-BILL

**0.86**

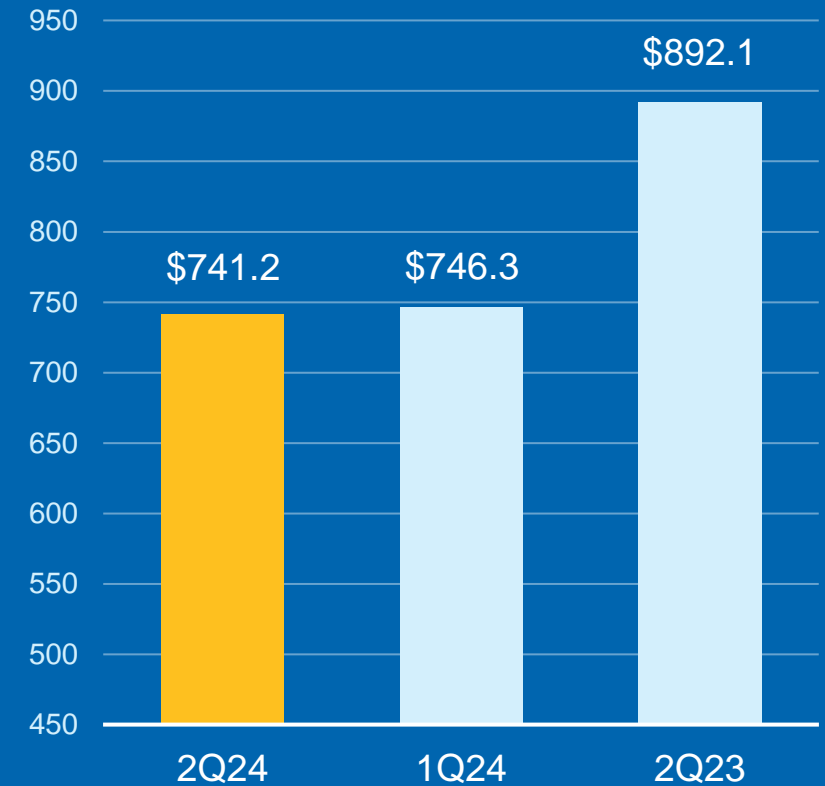
0.82 FOR SEMICONDUCTORS

0.90 FOR PASSIVE COMPONENTS

BACKLOG AT QUARTER END

**4.6 months**

TOTAL REVENUES (\$M)



# 2Q 2024 Income Statement Highlights

**Gross Margin**

**22.0%**

Including ~170 basis  
impact of Newport

**Operating  
Margin**

**5.1%**

**Effective  
Tax Rate**

**34.2%**

**SG&A  
Expenses**

**\$125 M**

**EBITDA  
Margin**

**11.9%**

**EPS**

**\$0.17**

# Segment Results (\$M)

MOSFETs			
	REVENUES	GROSS MARGIN	BOOK TO BILL
2Q 2024	\$155.1	13.9%	0.79
1Q 2024	\$153.2	16.6%	0.68
2Q 2023	\$207.4	34.7%	0.68

DIODES			
	REVENUES	GROSS MARGIN	BOOK TO BILL
2Q 2024	\$146.3	21.2%	0.85
1Q 2024	\$149.1	21.7%	0.72
2Q 2023	\$174.7	23.4%	0.54

OPTO			
	REVENUES	GROSS MARGIN	BOOK TO BILL
2Q 2024	\$53.0	26.8%	0.82
1Q 2024	\$49.2	14.2%	0.89
2Q 2023	\$64.4	24.2%	0.70

RESISTORS			
	REVENUES	GROSS MARGIN	BOOK TO BILL
2Q 2024	\$179.5	22.9%	0.87
1Q 2024	\$188.2	24.7%	0.79
2Q 2023	\$222.4	29.1%	0.74

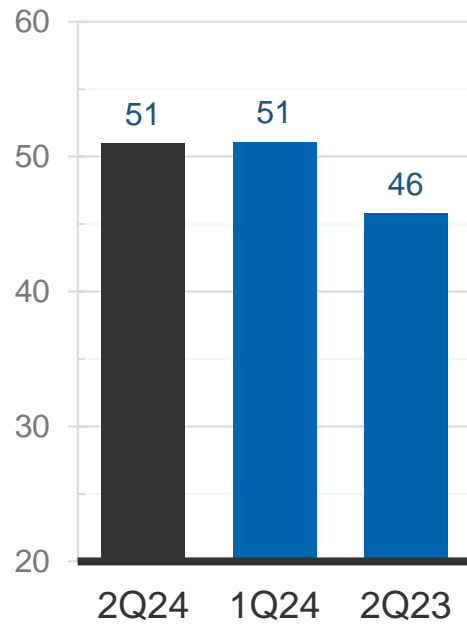
INDUCTORS			
	REVENUES	GROSS MARGIN	BOOK TO BILL
2Q 2024	\$94.1	30.1%	0.97
1Q 2024	\$88.7	30.2%	0.96
2Q 2023	\$89.2	34.5%	0.84

CAPACITORS			
	REVENUES	GROSS MARGIN	BOOK TO BILL
2Q 2024	\$113.4	23.5%	0.87
1Q 2024	\$117.9	27.4%	1.03
2Q 2023	\$133.9	25.1%	0.70

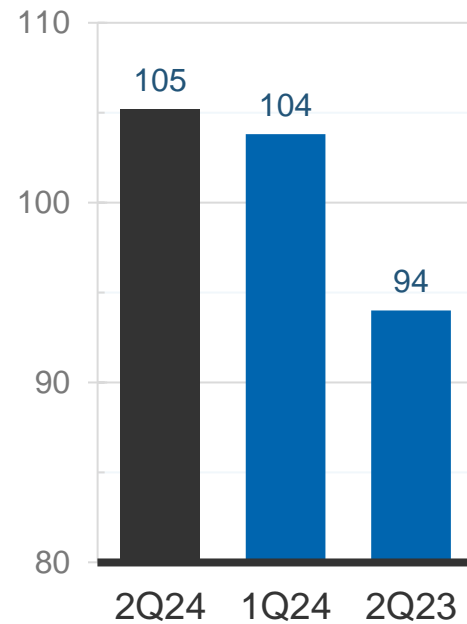


# Cash Conversion Cycle

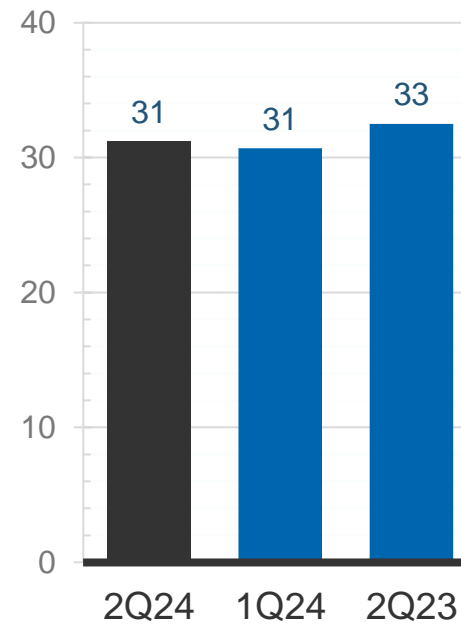
## DSO



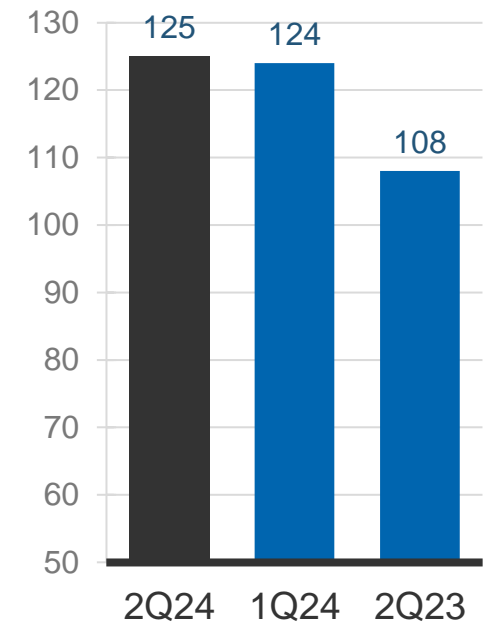
## DIO



## DPO

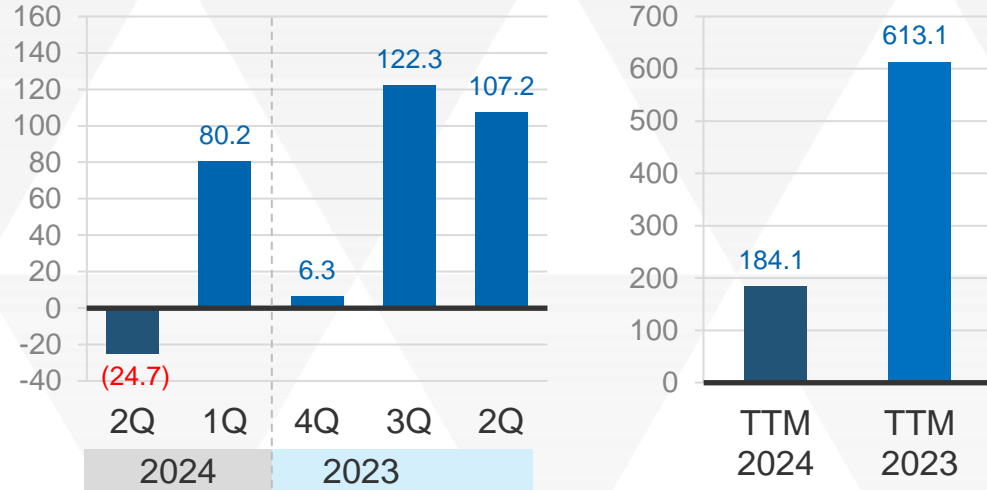


## CASH CONVERSION CYCLE

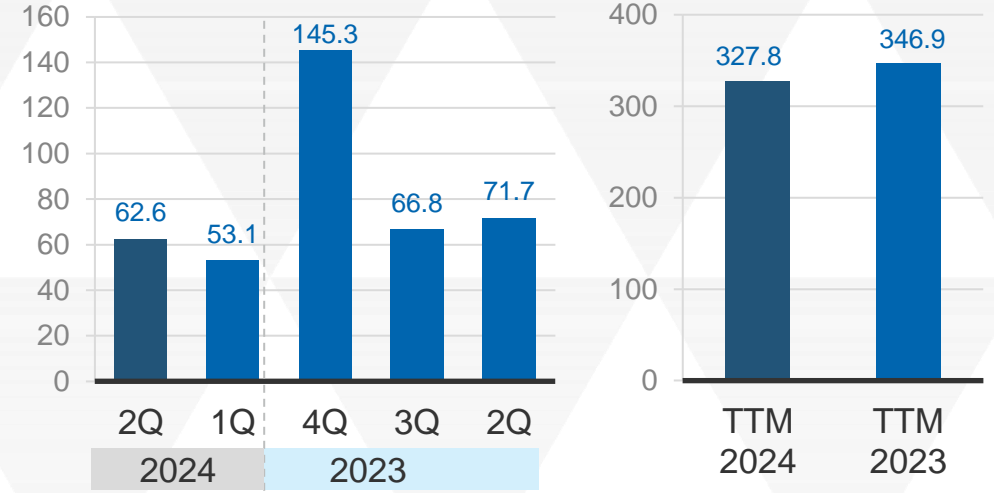


# Cash Flow Generation

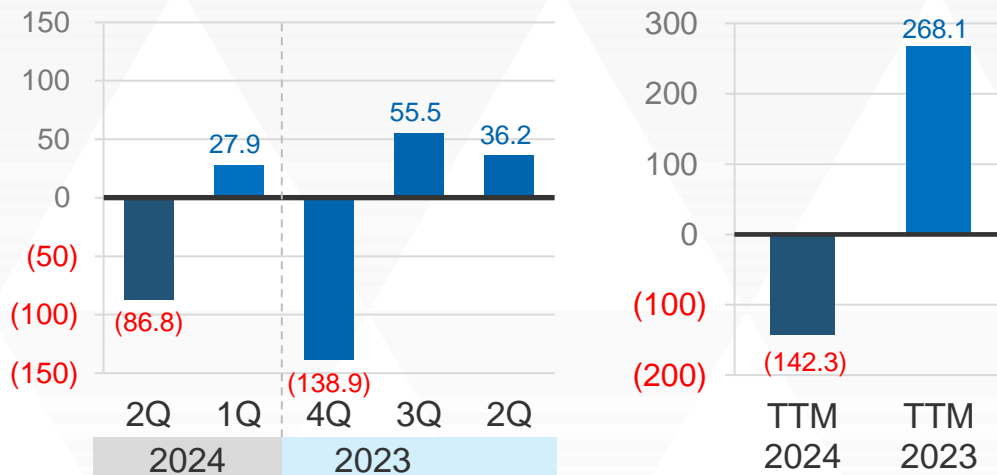
### CASH FLOW FROM OPERATIONS (\$/M)



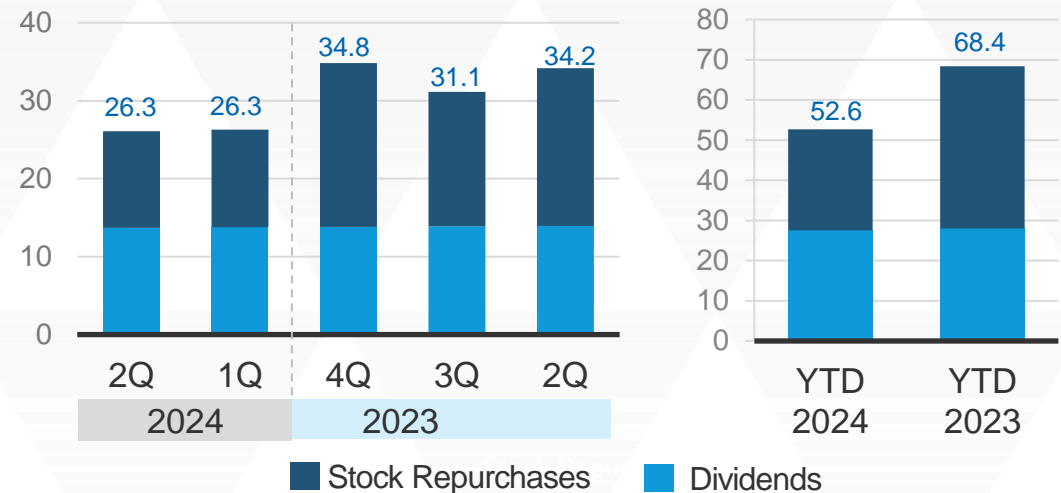
### CAPEX (\$/M)



### FREE CASH FLOW (\$/M)



### STOCKHOLDER RETURNS (\$/M)



# Guidance 3Q 2024

## REVENUE

**\$745 M**

+/- \$20 M

## GROSS MARGIN

**21.0%**

+/- 50 bps

## SG&A

2Q 2024

**\$127 M**

+/- \$2 M

FY 2024

**\$507 M**

+/- \$5 M

## NORMALIZED EFFECTIVE TAX RATE

FY 2024

**~31%**

## NEWPORT 3Q 2024

REVENUES

**\$5-8 M**

GM IMPACT  
Negative

175 - 200 bps

## STOCKHOLDER RETURN POLICY

FY 2024

**Return  $\geq$   
\$100 M**

# Strategic Growth Levers



**Internal Capacity Expansion**



**External Capacity Expansion**



**Optimizing Global Manufacturing Footprint**



**Increased Technical Headcount**



**Broaden our Portfolio**



**Enhanced Channel Management**



**Innovation**



**Vishay Solutions**



**M&A**

# 2024: Investing in Capacity Readiness & Advancing Innovation Initiatives

## INTERNAL CAPACITY EXPANSION

- ▶ La Laguna
- ▶ Turin
- ▶ Juarez
- ▶ Newport
- ▶ Taipei

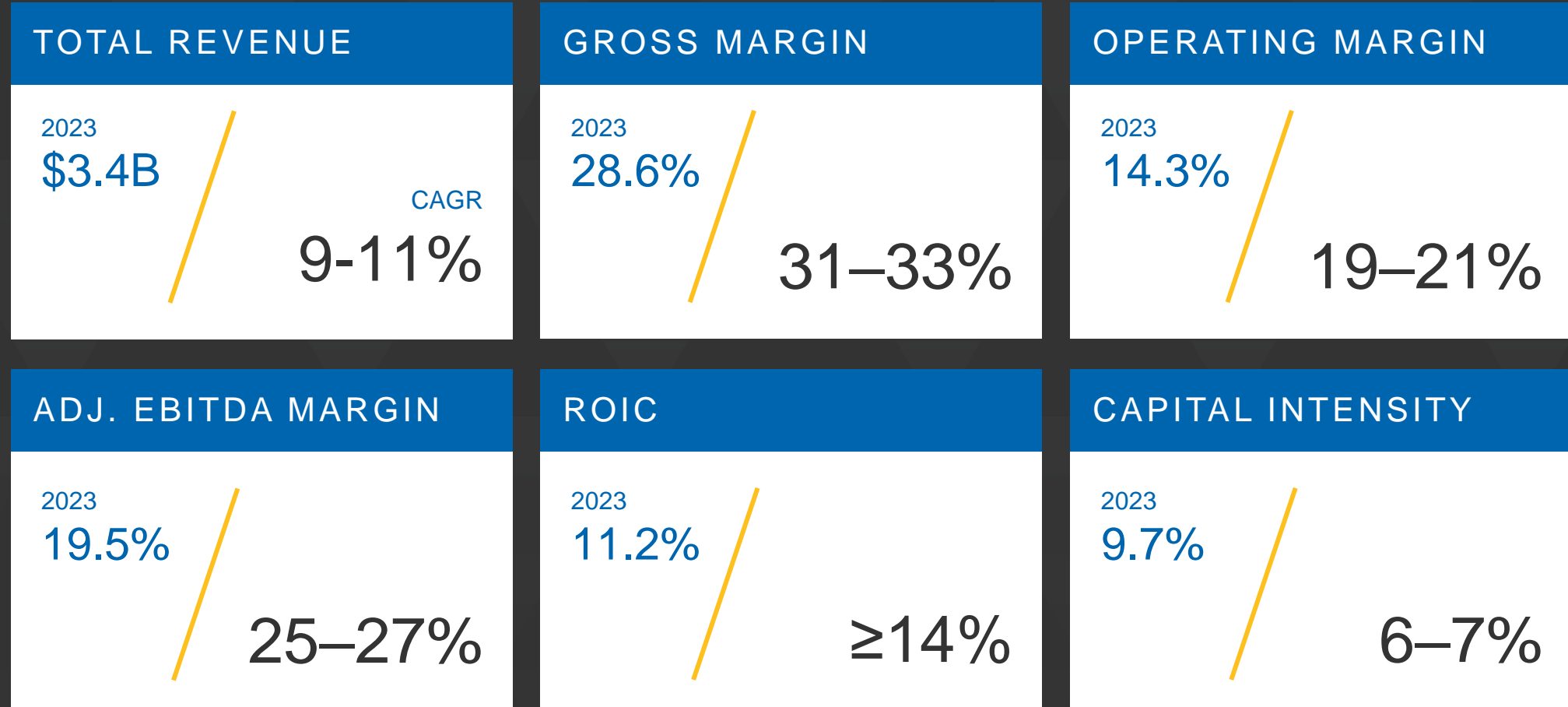
## SILICON CARBIDE STRATEGY

- ▶ Product development
- ▶ Manufacturing scaling

## EXTERNAL CAPACITY EXPANSION

- ▶ Key Foundry
- ▶ Subcontractors

# Financial Goals 2028



# Appendix



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# Product Type 2023

## CERTIFIED PRODUCTS

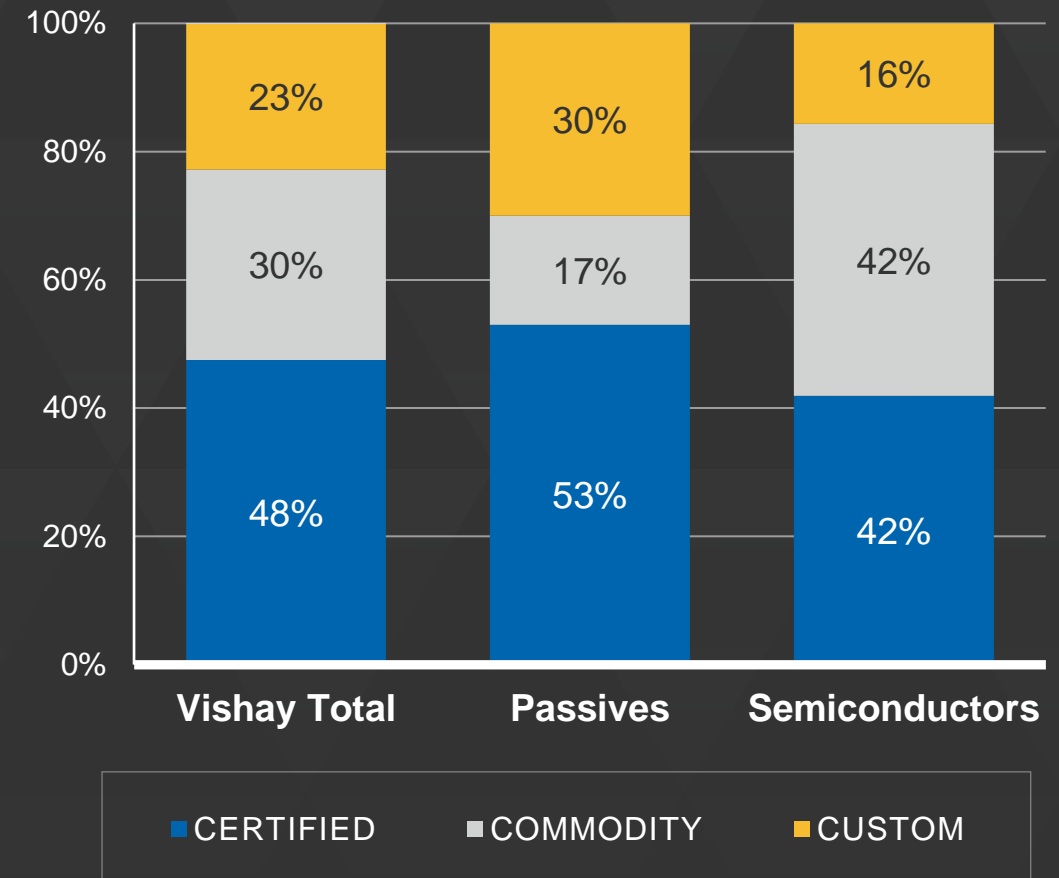
small number of competitors with similar products (qualifications such as automotive, military, UL)

## COMMODITY PRODUCTS

completely interchangeable with competitors' products

## CUSTOM PRODUCTS

designed for and sold to a specific customer





# Trusted by...

## OEM



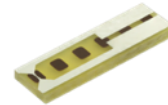
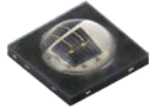
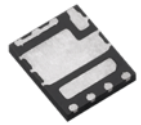
## EMS



## DISTRIBUTION

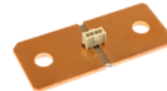


# Broadest Line of Discrete Semiconductors and Passive Components



DISCRETE SEMICONDUCTORS ► PASSIVE COMPONENTS

LOWEST VOLTAGE DIODE ► HIGHEST ENERGY CAPACITOR



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

IN MILLIONS (Except Per Share Amounts)	2Q 2024	1Q 2024	2Q 2023
Net Revenues	\$741.2	\$746.3	\$892.1
Cost of Products Sold	578.4	575.9	634.6
Gross Profit	162.9	170.4	257.5
Gross Margin	22.0%	22.8%	28.9%
SG&A	125.0	127.7	122.9
Operating Income	37.9	42.7	134.6
Operating Margin	5.1%	5.7%	15.1%
Other Income (Expense):			
Interest Expense	(6.7)	(6.5)	(6.4)
Other	5.0	8.1	5.3
Total Other Income (Expense) - Net	(1.6)	1.6	(1.1)
Income Before Taxes	36.3	44.3	133.5
Income Tax Expense	12.4	12.8	38.1
Net Earnings	23.9	31.4	95.4
Less: Net Earnings Attributable to Noncontrolling Interests	0.3	0.5	0.4
Net Earnings Attributable to Vishay Stockholders	\$23.5	\$30.9	\$95.0
Diluted Earnings Per Share Attributable To Vishay Stockholders	\$0.17	\$0.22	\$0.68
Weighted Average Shares Outstanding - Diluted	138.1	138.5	140.5
Cash Dividends Per Share	\$0.10	\$0.10	\$0.10

# Reconciliation of Free Cash

IN MILLIONS (Except Per Share Amounts)	2Q 2024	1Q 2024	2Q 2023
Net Cash Provided by Operating Activities	(\$24.7)	\$80.2	\$107.2
Proceeds From Sale of Property and Equipment	0.5	0.8	0.7
Less: Capital Expenditures	(62.6)	(53.1)	(71.7)
Free Cash	(\$86.8)	\$27.9	\$36.3

# Reconciliation of EBITDA

IN MILLIONS	2Q 2024	1Q 2024	2Q 2023
GAAP Net Earnings Attributable to Vishay Stockholders	\$23.5	\$30.9	\$95.0
Net Earnings Attributable to Noncontrolling Interests	0.3	0.5	0.4
Net Earnings	\$23.9	\$31.4	\$95.4
Interest Expense	\$6.7	\$6.5	\$6.4
Interest Income	(6.7)	(9.1)	(6.3)
Income Taxes	12.4	12.8	38.1
Depreciation and Amortization	52.2	49.5	44.4
EBITDA	\$88.4	\$91.2	\$178.0
EBITDA Margin **	11.9%	12.2%	19.9%

\*\* EBITDA as a percentage of net revenues

# Vishay



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