



## Vishay Intertechnology Reports Fiscal Fourth Quarter and Full Year 2023 Results

February 7, 2024

MALVERN, Pa., Feb. 07, 2024 (GLOBE NEWSWIRE) -- Vishay Intertechnology, Inc., (NYSE: VSH), one of the world's largest manufacturers of discrete semiconductors and passive electronic components, today announced results for the fiscal fourth quarter and year ended December 31, 2023.

### Highlights

- 4Q 2023 revenues of \$785.2 million
- 4Q 2023 EPS of \$0.37
- 4Q 2023 book-to-bill of 0.75
- Backlog at quarter end was 5.3 months
- Returned a total of \$34.8 million to stockholders
- FY 2023 capex of \$329.4 million
- FY 2023 free cash flow of \$37.4 million
- FY 2023 total stockholder return of \$134.3 million

"For the fourth quarter, the trends in inventory adjustments, contracting lead times and softened demand in industrial end markets became more apparent. While customers continue to digest higher inventory levels, we proceeded to implement our strategy to broaden participation with our distribution partners," said Joel Smejkal, President and Chief Executive Officer.

"Looking ahead, input from our customers and distribution partners suggest we will be dealing with an inventory digestion for the first half of the year, although some end markets are expected to rebound sooner. During this period of inventory adjustment, our strong balance sheet and liquidity gives us the resources to continue investing in incremental capacity and preparing Vishay for the long-term demand trends of e-mobility, sustainability and connectivity. Near term we intend to advance our distribution strategy which positions us to timely benefit from a rebound in demand," concluded Mr. Smejkal.

### 1Q 2024 Outlook

For the first quarter of 2024, management expects revenues in the range of \$735 million +/- \$20 million and a gross profit margin in the range of 24.0% +/- 50 basis points.

### Conference Call

A conference call to discuss Vishay's fourth quarter financial results is scheduled for Wednesday, February 7, 2024 at 9:00 a.m. ET. To participate in the live conference call, please pre-register at <https://register.vevent.com/register/B13f265da18e964024a9221557bd90d469>. Upon registering, you will be emailed a dial-in number, and unique PIN.

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>.

There will be a replay of the conference call available on the Investor Relations website approximately one hour following the call and will remain available for 30 days.

### About Vishay

Vishay manufactures one of the world's largest portfolios of discrete semiconductors and passive electronic components that are essential to innovative designs in the automotive, industrial, computing, consumer, telecommunications, military, aerospace, and medical markets. Serving customers worldwide, Vishay is **The DNA of tech.**™ Vishay Intertechnology, Inc. is a Fortune 1,000 Company listed on the NYSE (VSH). More on Vishay at [www.Vishay.com](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 gross margin; 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 gross margin, 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 gross margin, 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 forecasted revenues and margins, capital investment, capacity expansion, stockholder returns, 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 and expressions such as "intend," "suggest", "guide," "will," "expect," 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; manufacturing or supply chain interruptions or changes in customer demand (including due to political, economic, and health instability and military conflicts and hostilities); 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; the timing of the Newport wafer fab acquisition; that the Newport wafer fab acquisition may not be consummated, including as a result of any of the conditions precedent (including the failure to obtain any required approvals or consents); global market downturn conditions and volatilities impacting the completion of the acquisition; that the fab will not be integrated successfully into the Company's overall business; that the expected benefits of the acquisition may not be realized; that the fab's standards, procedures and controls will not be brought into conformance within the Company's operation; difficulties in transitioning and retaining fab employees following the acquisition; difficulties in consolidating facilities and transferring processes and know-how; the diversion of our management's attention from the management of our current business; 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 |                       |                      |
|----------------------------------------------------------------|-----------------------|-----------------------|----------------------|
|                                                                | December 31,<br>2023  | September 30,<br>2023 | December 31,<br>2022 |
| Net revenues                                                   | \$ 785,236            | \$ 853,653            | \$ 855,298           |
| Costs of products sold                                         | 584,572               | 616,010               | 606,178              |
| Gross profit                                                   | 200,664               | 237,643               | 249,120              |
| Gross margin                                                   | 25.6%                 | 27.8%                 | 29.1%                |
| Selling, general, and administrative expenses                  | 122,834               | 122,513               | 113,812              |
| Operating income                                               | 77,830                | 115,130               | 135,308              |
| Operating margin                                               | 9.9%                  | 13.5%                 | 15.8%                |
| Other income (expense):                                        |                       |                       |                      |
| Interest expense                                               | (6,454)               | (7,153)               | (4,490)              |
| Loss on early extinguishment of debt                           | -                     | (18,874)              | -                    |
| Other                                                          | 9,268                 | 7,409                 | (2,618)              |
| Total other income (expense) - net                             | 2,814                 | (18,618)              | (7,108)              |
| Income before taxes                                            | 80,644                | 96,512                | 128,200              |
| Income tax expense                                             | 28,690                | 30,557                | 54,999               |
| Net earnings                                                   | 51,954                | 65,955                | 73,201               |
| Less: net earnings attributable to noncontrolling interests    | 482                   | 426                   | 413                  |
| Net earnings attributable to Vishay stockholders               | \$ 51,472             | \$ 65,529             | \$ 72,788            |
| Basic earnings per share attributable to Vishay stockholders   | \$ 0.37               | \$ 0.47               | \$ 0.51              |
| Diluted earnings per share attributable to Vishay stockholders | \$ 0.37               | \$ 0.47               | \$ 0.51              |
| Weighted average shares outstanding - basic                    | 138,318               | 139,083               | 141,643              |
| Weighted average shares outstanding - diluted                  | 139,266               | 140,001               | 142,247              |
| Cash dividends per share                                       | \$ 0.10               | \$ 0.10               | \$ 0.10              |

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

|                                                                | Years ended       |                   |
|----------------------------------------------------------------|-------------------|-------------------|
|                                                                | December 31, 2023 | December 31, 2022 |
|                                                                | (unaudited)       |                   |
| Net revenues                                                   | \$ 3,402,045      | \$ 3,497,401      |
| Costs of products sold*                                        | 2,427,552         | 2,438,412         |
| Gross profit                                                   | 974,493           | 1,058,989         |
| Gross margin                                                   | 28.6%             | 30.3%             |
| Selling, general, and administrative expenses*                 | 488,349           | 443,503           |
| Operating income                                               | 486,144           | 615,486           |
| Operating margin                                               | 14.3%             | 17.6%             |
| Other income (expense):                                        |                   |                   |
| Interest expense                                               | (25,131)          | (17,129)          |
| Loss on early extinguishment of debt                           | (18,874)          | -                 |
| Other                                                          | 25,263            | (4,852)           |
| Total other income (expense) - net                             | (18,742)          | (21,981)          |
| Income before taxes                                            | 467,402           | 593,505           |
| Income tax expense                                             | 141,889           | 163,022           |
| Net earnings                                                   | 325,513           | 430,483           |
| Less: net earnings attributable to noncontrolling interests    | 1,693             | 1,673             |
| Net earnings attributable to Vishay stockholders               | \$ 323,820        | \$ 428,810        |
| Basic earnings per share attributable to Vishay stockholders   | \$ 2.32           | \$ 2.99           |
| Diluted earnings per share attributable to Vishay stockholders | \$ 2.31           | \$ 2.98           |
| Weighted average shares outstanding - basic                    | 139,447           | 143,399           |
| Weighted average shares outstanding - diluted                  | 140,246           | 143,915           |
| Cash dividends per share                                       | \$ 0.40           | \$ 0.40           |

\* The year ended December 31, 2022 includes incremental costs of products sold and selling, general, and administrative expenses separable from normal operations directly attributable to the COVID-19 pandemic of \$6,661 and \$546, respectively.

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

|                           | December 31, 2023 | December 31, 2022 |
|---------------------------|-------------------|-------------------|
|                           | (Unaudited)       |                   |
| Assets                    |                   |                   |
| Current assets:           |                   |                   |
| Cash and cash equivalents | \$ 972,719        | \$ 610,825        |
| Short-term investments    | 35,808            | 305,272           |
| Accounts receivable, net  | 426,674           | 416,178           |
| Inventories:              |                   |                   |
| Finished goods            | 167,083           | 156,234           |
| Work in process           | 267,339           | 261,345           |
| Raw materials             | 213,098           | 201,300           |
| Total inventories         | 647,520           | 618,879           |

|                                           |              |              |
|-------------------------------------------|--------------|--------------|
| Prepaid expenses and other current assets | 214,443      | 170,056      |
| Total current assets                      | 2,297,164    | 2,121,210    |
| Property and equipment, at cost:          |              |              |
| Land                                      | 77,006       | 75,907       |
| Buildings and improvements                | 719,387      | 658,829      |
| Machinery and equipment                   | 3,053,868    | 2,857,636    |
| Construction in progress                  | 290,593      | 243,038      |
| Allowance for depreciation                | (2,846,208)  | (2,704,951)  |
|                                           | 1,294,646    | 1,130,459    |
| Right of use assets                       | 126,829      | 131,193      |
| Deferred income taxes                     | 137,394      | 104,667      |
| Goodwill                                  | 201,416      | 201,432      |
| Other intangible assets, net              | 72,333       | 77,896       |
| Other assets                              | 110,141      | 98,796       |
| Total assets                              | \$ 4,239,923 | \$ 3,865,653 |

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

|                                                | December 31, 2023<br>(Unaudited) | December 31, 2022 |
|------------------------------------------------|----------------------------------|-------------------|
| Liabilities and equity                         |                                  |                   |
| Current liabilities:                           |                                  |                   |
| Trade accounts payable                         | \$ 191,002                       | \$ 189,099        |
| Payroll and related expenses                   | 161,940                          | 166,079           |
| Lease liabilities                              | 26,485                           | 25,319            |
| Other accrued expenses                         | 239,350                          | 261,606           |
| Income taxes                                   | 73,098                           | 84,155            |
| Total current liabilities                      | 691,875                          | 726,258           |
| Long-term debt less current portion            | 818,188                          | 500,937           |
| U.S. transition tax payable                    | 47,027                           | 83,010            |
| Deferred income taxes                          | 95,776                           | 117,183           |
| Long-term lease liabilities                    | 102,830                          | 108,493           |
| Other liabilities                              | 87,918                           | 92,530            |
| Accrued pension and other postretirement costs | 195,503                          | 187,092           |
| Total liabilities                              | 2,039,117                        | 1,815,503         |
| Equity:                                        |                                  |                   |
| Vishay stockholders' equity                    |                                  |                   |
| Common stock                                   | 13,319                           | 13,291            |
| Class B convertible common stock               | 1,210                            | 1,210             |
| Capital in excess of par value                 | 1,291,499                        | 1,352,321         |
| Retained earnings                              | 1,041,372                        | 773,228           |
| Treasury stock (at cost)                       | (161,656)                        | (82,972)          |
| Accumulated other comprehensive income (loss)  | 10,337                           | (10,827)          |
| Total Vishay stockholders' equity              | 2,196,081                        | 2,046,251         |
| Noncontrolling interests                       | 4,725                            | 3,899             |
| Total equity                                   | 2,200,806                        | 2,050,150         |
| Total liabilities and equity                   | \$ 4,239,923                     | \$ 3,865,653      |

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

|  | Years ended       |                   |
|--|-------------------|-------------------|
|  | December 31, 2023 | December 31, 2022 |
|  | (unaudited)       |                   |

|                                                                                     |            |            |
|-------------------------------------------------------------------------------------|------------|------------|
| Operating activities                                                                |            |            |
| Net earnings                                                                        | \$ 325,513 | \$ 430,483 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: |            |            |
| Depreciation and amortization                                                       | 184,373    | 163,991    |
| (Gain) loss on disposal of property and equipment                                   | (554)      | (455)      |
| Inventory write-offs for obsolescence                                               | 37,426     | 26,898     |
| Pensions and other postretirement benefits, net of contributions                    | (9,559)    | (615)      |
| Stock compensation expense                                                          | 16,532     | 6,545      |
| Loss on early extinguishment of debt                                                | 18,874     | -          |
| Deferred income taxes                                                               | 36,783     | 38,677     |
| Other                                                                               | 9,442      | 835        |
| Change in U.S. transition tax liability                                             | (27,670)   | (14,757)   |
| Change in repatriation tax liability                                                | (63,600)   | (25,201)   |
| Changes in operating assets and liabilities                                         | (161,857)  | (142,113)  |
| Net cash provided by operating activities                                           | 365,703    | 484,288    |
| Investing activities                                                                |            |            |
| Purchase of property and equipment                                                  | (329,410)  | (325,308)  |
| Proceeds from sale of property and equipment                                        | 1,156      | 1,198      |
| Purchase and deposits for businesses, net of cash acquired                          | (13,753)   | (50,000)   |
| Purchase of short-term investments                                                  | (117,523)  | (285,956)  |
| Maturity of short-term investments                                                  | 387,898    | 132,901    |
| Other investing activities                                                          | (1,219)    | (1,766)    |
| Net cash used in investing activities                                               | (72,851)   | (528,931)  |
| Financing activities                                                                |            |            |
| Proceeds from long-term borrowings                                                  | 750,000    | -          |
| Repurchase of convertible debt instruments                                          | (386,745)  | -          |
| Net proceeds (payments) on revolving credit facility                                | (42,000)   | 42,000     |
| Debt issuance costs                                                                 | (26,823)   | -          |
| Cash paid for capped call                                                           | (94,200)   | -          |
| Dividends paid to common stockholders                                               | (50,787)   | (52,348)   |
| Dividends paid to Class B common stockholders                                       | (4,839)    | (4,839)    |
| Repurchase of common stock held in treasury                                         | (78,684)   | (82,972)   |
| Distributions to noncontrolling interests                                           | (867)      | (741)      |
| Cash withholding taxes paid when shares withheld for vested equity awards           | (3,994)    | (2,123)    |
| Net cash provided by (used in) financing activities                                 | 61,061     | (101,023)  |
| Effect of exchange rate changes on cash and cash equivalents                        | 7,981      | (17,617)   |
| Net increase (decrease) in cash and cash equivalents                                | 361,894    | (163,283)  |
| Cash and cash equivalents at beginning of period                                    | 610,825    | 774,108    |
| Cash and cash equivalents at end of period                                          | \$ 972,719 | \$ 610,825 |

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

|                                                       | Fiscal quarters ended |                       |                      | Years ended          |                      |
|-------------------------------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
|                                                       | December 31,<br>2023  | September 30,<br>2023 | December 31,<br>2022 | December 31,<br>2023 | December 31,<br>2022 |
| GAAP net earnings attributable to Vishay stockholders | \$ 51,472             | \$ 65,529             | \$ 72,788            | \$ 323,820           | \$ 428,810           |
| Reconciling items affecting gross profit:             |                       |                       |                      |                      |                      |
| Impact of the COVID-19 pandemic                       | \$ -                  | \$ -                  | \$ -                 | \$ -                 | \$ 6,661             |
| Other reconciling items affecting operating income:   |                       |                       |                      |                      |                      |
| Impact of the COVID-19 pandemic                       | \$ -                  | \$ -                  | \$ -                 | \$ -                 | \$ 546               |
| Reconciling items affecting other income (expense):   |                       |                       |                      |                      |                      |
| Loss on early extinguishment of debt                  | \$ -                  | \$ 18,874             | \$ -                 | \$ 18,874            | \$ -                 |
| Reconciling items affecting tax expense (benefit):    |                       |                       |                      |                      |                      |
| Effect of changes in uncertain tax positions          | \$ -                  | \$ -                  | \$ -                 | \$ -                 | \$ (5,941)           |
| Effects of changes in valuation allowances            | -                     | -                     | (33,669)             | -                    | (33,669)             |

|                                                      |           |           |           |            |            |
|------------------------------------------------------|-----------|-----------|-----------|------------|------------|
| Effect of change in indefinite reversal assertion    | -         | -         | 59,642    | -          | 59,642     |
| Tax effects of pre-tax items above                   | -         | (498)     | -         | (498)      | (1,802)    |
| Adjusted net earnings                                | \$ 51,472 | \$ 83,905 | \$ 98,761 | \$ 342,196 | \$ 454,247 |
| Adjusted weighted average diluted shares outstanding | 139,266   | 140,001   | 142,247   | 140,246    | 143,915    |
| Adjusted earnings per diluted share                  | \$ 0.37   | \$ 0.60   | \$ 0.69   | \$ 2.44    | \$ 3.16    |

#### VISHAY INTERTECHNOLOGY, INC.

##### Reconciliation of Free Cash

(Unaudited - In thousands)

|                                              | Fiscal quarters ended |                       |                      | Years ended          |                      |
|----------------------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
|                                              | December 31,<br>2023  | September 30,<br>2023 | December 31,<br>2022 | December 31,<br>2023 | December 31,<br>2022 |
| Net cash provided by operating activities    | \$ 6,268              | \$ 122,303            | 166,496              | \$ 365,703           | \$ 484,288           |
| Proceeds from sale of property and equipment | 122                   | 21                    | 726                  | 1,156                | 1,198                |
| Less: Capital expenditures                   | (145,331)             | (66,829)              | (153,133)            | (329,410)            | (325,308)            |
| Free cash                                    | \$ (138,941)          | \$ 55,495             | \$ 14,089            | \$ 37,449            | \$ 160,178           |

#### VISHAY INTERTECHNOLOGY, INC.

##### Reconciliation of EBITDA and Adjusted EBITDA

(Unaudited - In thousands)

|                                                       | Fiscal quarters ended |                       |                      | Years ended          |                      |
|-------------------------------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
|                                                       | December 31,<br>2023  | September 30,<br>2023 | December 31,<br>2022 | December 31,<br>2023 | December 31,<br>2022 |
| GAAP net earnings attributable to Vishay stockholders | \$ 51,472             | \$ 65,529             | \$ 72,788            | \$ 323,820           | \$ 428,810           |
| Net earnings attributable to noncontrolling interests | 482                   | 426                   | 413                  | 1,693                | 1,673                |
| Net earnings                                          | \$ 51,954             | \$ 65,955             | \$ 73,201            | \$ 325,513           | \$ 430,483           |
| Interest expense                                      | \$ 6,454              | \$ 7,153              | \$ 4,490             | \$ 25,131            | \$ 17,129            |
| Interest income                                       | (9,934)               | (9,183)               | (4,374)              | (31,353)             | (7,560)              |
| Income taxes                                          | 28,690                | 30,557                | 54,999               | 141,889              | 163,022              |
| Depreciation and amortization                         | 50,463                | 46,216                | 42,690               | 184,373              | 163,991              |
| EBITDA                                                | \$ 127,627            | \$ 140,698            | \$ 171,006           | \$ 645,553           | \$ 767,065           |
| Reconciling items                                     |                       |                       |                      |                      |                      |
| Impact of the COVID-19 pandemic                       | \$ -                  | \$ -                  | \$ -                 | \$ -                 | \$ 7,207             |
| Loss on early extinguishment of debt                  | -                     | 18,874                | -                    | 18,874               | -                    |
| Adjusted EBITDA                                       | \$ 127,627            | \$ 159,572            | \$ 171,006           | \$ 664,427           | \$ 774,272           |
| Adjusted EBITDA margin**                              | 16.3%                 | 18.7%                 | 20.0%                | 19.5%                | 22.1%                |

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



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Source: Vishay Intertechnology, Inc.