



Benchmark

Benchmark Electronics

Sidoti Virtual Conference

March 13, 2024

Forward-Looking 2024 Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts and may include words such as "anticipate," "believe," "intend," "plan," "project," "forecast," "strategy," "position," "continue," "estimate," "expect," "may," "will," "could," "predict," and similar expressions of the negative or other variations thereof. In particular, statements, express or implied, concerning the Company's outlook and guidance for first quarter and fiscal year 2024 results, future operating results or margins, the ability to generate sales and income or cash flow, expected revenue mix, the Company's business strategy and strategic initiatives, the Company's repurchases of shares of its common stock, the Company's expectations regarding restructuring charges and amortization of intangibles, and the Company's intentions concerning the payment of dividends, among others, are forward-looking statements. Although the Company believes these statements are based on and derived from reasonable assumptions, they involve risks, uncertainties and assumptions that are beyond the Company's ability to control or predict, relating to operations, markets and the business environment generally, including those discussed under Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2022, and in any of the Company's subsequent reports filed with the Securities and Exchange Commission. Events relating to the possibility of customer demand fluctuations, supply chain constraints, continuing inflationary pressures, the effects of foreign currency fluctuations and high interest rates, geopolitical uncertainties including continuing hostilities and tensions, trade restrictions, or the ability to utilize the Company's manufacturing facilities at sufficient levels to cover its fixed operating costs, may have resulting impacts on the Company's business, financial condition, results of operations, and the Company's ability (or inability) to execute on its plans. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes, including the future results of our operations, may vary materially from those indicated. Undue reliance should not be placed on any forward-looking statements. Forward-looking statements are not guarantees of performance. All forward-looking statements included in this document are based upon information available to the Company as of the date of this document, and the Company assumes no obligation to update.

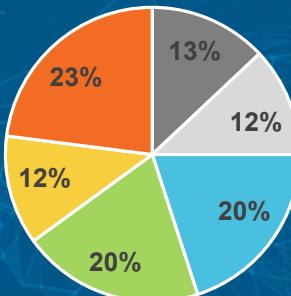
Non-GAAP Financial Information

Management discloses non-GAAP information to provide investors with additional information to analyze the Company's performance and underlying trends. A detailed reconciliation between GAAP results and results excluding certain items ("non-GAAP") is included in the following tables attached to this document. In situations where a non-GAAP reconciliation has not been provided, the Company was unable to provide such a reconciliation without unreasonable effort due to the uncertainty and inherent difficulty predicting the occurrence, the financial impact and the periods in which the non-GAAP adjustments may be recognized. Management uses non-GAAP measures that exclude certain items in order to better assess operating performance and help investors compare results with our previous guidance. This document also references "free cash flow", a non-GAAP measure, which the Company defines as cash flow from operations less additions to property, plant and equipment and purchased software. The Company's non-GAAP information is not necessarily comparable to the non-GAAP information used by other companies. Non-GAAP information should not be viewed as a substitute for, or superior to, net income or other data prepared in accordance with GAAP as a measure of the Company's profitability or liquidity. Readers should consider the types of events and transactions for which adjustments have been made.

Benchmark By the Numbers

\$2.8 billion *
2023 FY revenue

2023 Sector Mix *



20
Global Manufacturing
Locations

7
Global Design
Centers

12,700+
Team Members Worldwide

300+
Product Design
Engineers

Experts in high complexity products including those in regulated environments

Engagement at product inception through production or anywhere in between

* Excludes supply chain premiums

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Global Services Locations



► Total Sq. Footage: 52% Americas | 10% Europe | 38% Asia

EMS Market Summary



2022 EMS Market Size

\$561B



Targeted Complex Markets

~\$110B



2022–2027 EMS
Revenue CAGR

5.5%

Next-generation Outsourcing Opportunities



► Medical

< 60%



► A&D

< 30%



► Industrials*

< 40%

► Market Growth Supported by Increasing Outsourcing Opportunities

Source: New Venture Research - July 2023

* Includes semi-cap

Our Sector Focus

Delivers a competitive advantage across multiple growth drivers

Sector	Lifecycle	CAGR*	Focus Area
 Medical	8+ years	6%	
 Aerospace & Defense	12+ years	5%	
 Complex Industrials	6+ years	5%	
 Semi-Cap**	10+ years	10%	
 Advanced Computing & Communications	3+ years	6%	
			
			
			

* CAGR is 2022-2027 as per New Venture Research report dated July 2023.

** Semi-Cap is a subset of Industrials in New Venture Research. Growth forecasts are Benchmark estimates.

Sector Engagement

Semi-Cap



Medical



Industrials



A&D



Next Gen Telco



Advanced Computing



Participation

- ▶ Front-end Wafer Fabrication Equipment
- ▶ Material Handling and Control Systems

- ▶ Fluid Management
- ▶ Radiological and Optical Imaging
- ▶ Medical Robotics
- ▶ Connected & Diagnostic Devices

- ▶ Automation & Robotics
- ▶ Control, Measurement & Test
- ▶ Capital Equipment
- ▶ Transportation, Sensory, & Surveillance

- ▶ Communications and Connectivity
- ▶ Digital and Mechanical Subsystems
- ▶ Displays & Sensors
- ▶ Navigation

- ▶ Smart City and Antenna Infrastructure
- ▶ Wireless/Satellite/Free Space Optics
- ▶ Next-Gen Networking Infrastructure

- ▶ Hyperscale/High Value Datacenter
- ▶ High Performance Computing
- ▶ Secure Computing

Select Customers



ASML

ASM

stryker®



ZOLL

an Asahi Kasei company

FORTIVE



Trimble



THALES

Honeywell

THE POWER OF CONNECTED

Raytheon

MOOG

VIAVI

verizon✓

Viasat

Lexmark™ **Hewlett Packard Enterprise**

Investing in Capabilities to Support Growth



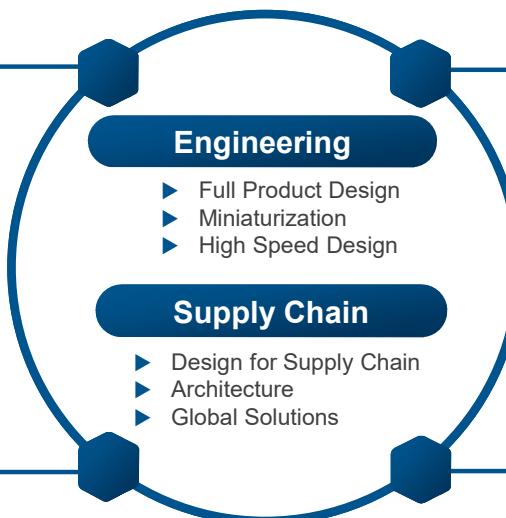
Medical

- ▶ FDA Class 3 Regulatory
- ▶ Microfluidics
- ▶ Mechatronics
- ▶ High Volume Automation



Next Gen Communications

- ▶ >100 GHz RF Assembly & Tuning
- ▶ Water Cooled Systems
- ▶ High Speed RF
- ▶ Microelectronics



Engineering

- ▶ Full Product Design
- ▶ Miniaturization
- ▶ High Speed Design

Supply Chain

- ▶ Design for Supply Chain
- ▶ Architecture
- ▶ Global Solutions



Complex Industrial

- ▶ Mechatronics
- ▶ Firmware Development
- ▶ Complex Automation
- ▶ Robotics



Semi-Cap

- ▶ Precision Machining
- ▶ E-beam Welding
- ▶ Mechatronics
- ▶ Class 100 Cleanroom

Focused Investment Discipline

Investment Priorities



Regulatory & Compliance



Strategic Growth



Margin Accretive Capability



Leading Edge Process Technologies



Capital Expenditures (\$'000)



Capex increase to **2.6%** of revenue excluding supply chain premium

Investing to continuously improve our operations and drive accretive growth

FY20-22: Delivering on Commitments

(\$Millions, except per share data)

Revenue Growth

Non-GAAP Operating Margin

Earnings Growth

Mid-Term Target Model

5% Growth Per Year

3.4%* to 3.8%^(1, 2)

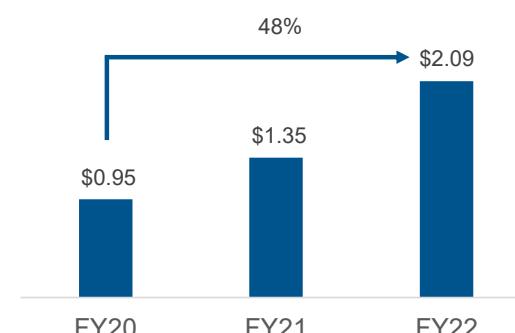
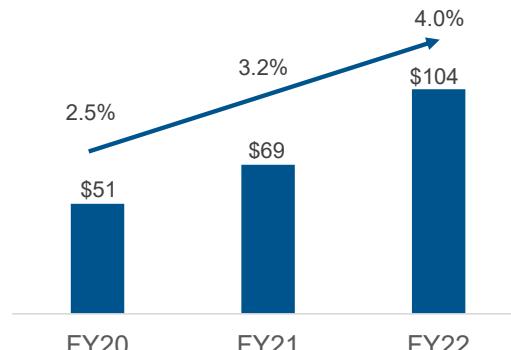
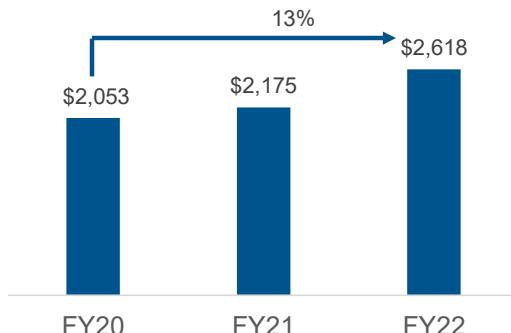
EPS Growth > Revenue Growth

Results Ending FY22

13% CAGR ⁽²⁾

4.0% ^(1, 2)

48% Non-GAAP EPS CAGR



⁽¹⁾ Includes ~60 bps stock compensation per year

⁽²⁾ Excluding supply chain premiums

See APPENDIX for a reconciliation of GAAP to non-GAAP Financial Results

FY25 Target Non-GAAP Income Statement ⁽¹⁾

Revenue Growth

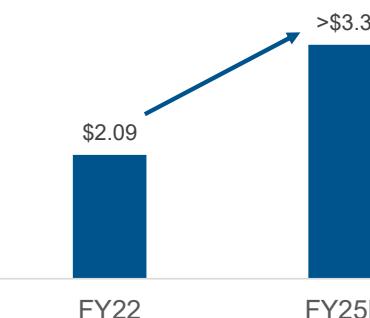
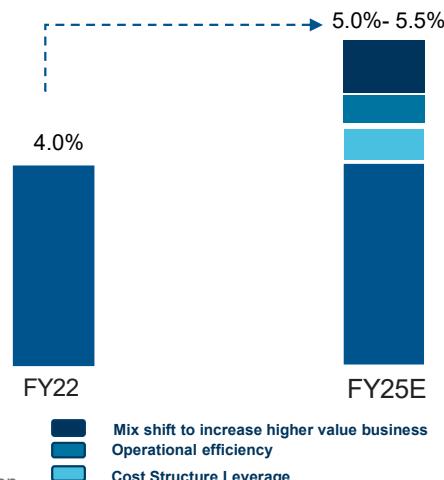
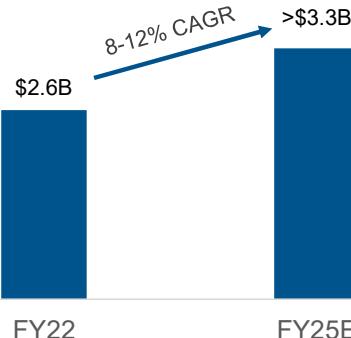
Operating Margin

Earnings Growth

~10% CAGR *

5.0%* to 5.5%*

Growth Rate 2X Revenue Growth Rate



(1) Guidance provided during November 8, 2022 analyst and investor day presentation.

(2) * Revenue and non-GAAP operating margin exclude the effect of supply chain premium.

Operating Margin includes ~60 bps stock compensation per year

See APPENDIX section for reconciliation of GAAP to non-GAAP Financial Results

FY25 Target Balance Sheet and Cash Flow⁽¹⁾

Capital Allocation Priorities

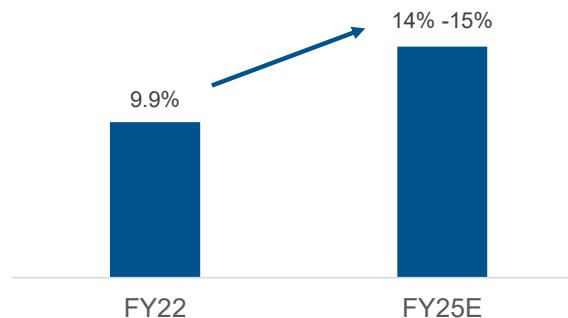
Free Cash Flow (FCF) \$70M to \$80M/Year

- 1) Paydown revolver
- 2) Recurring cash dividend of \$0.165 per share (~\$24M per year)
- 3) Share repurchases to offset equity dilution

Return on Capital Invested

14%* to 15%*

2025E estimated to be 400 bps above WACC



Other Model Inputs

FY25E Targets

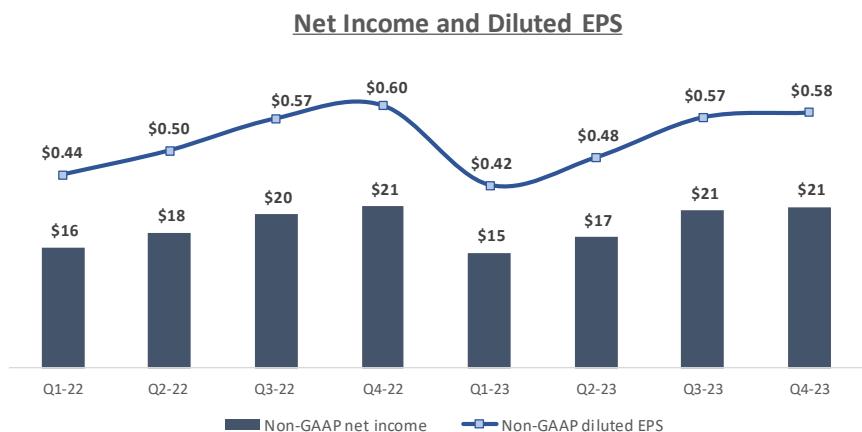
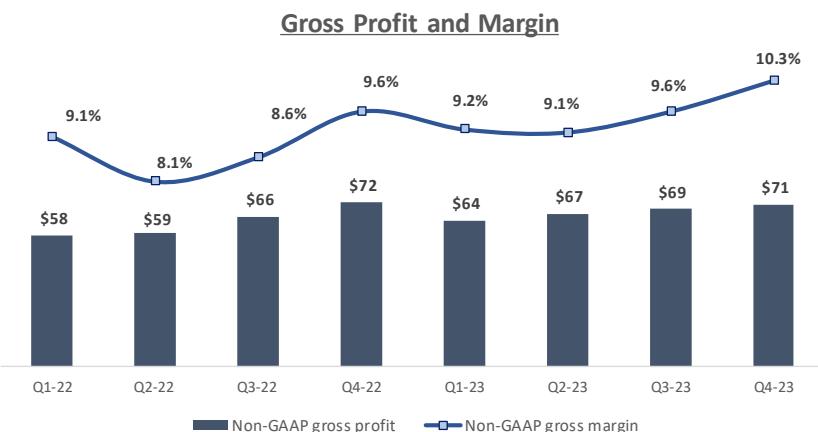
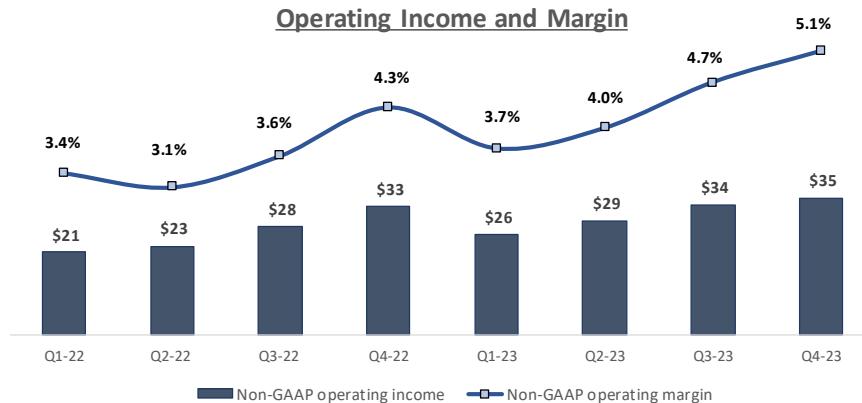
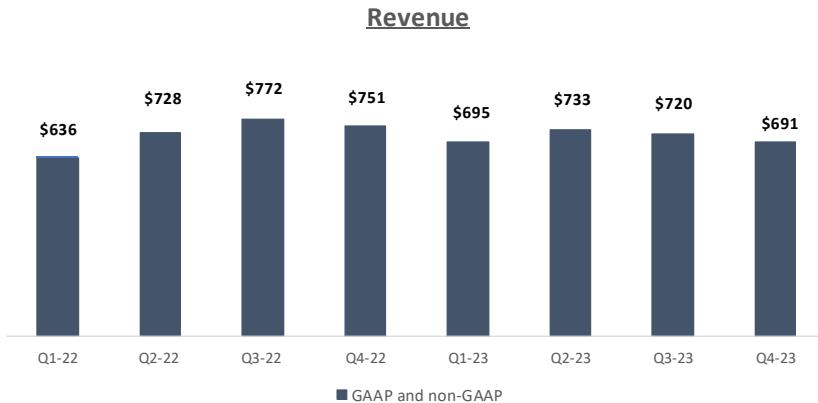
Capital Spending	1.6% to 1.8%
Inventory Turns	5.0-5.5x
Cash Conversion Cycle	Mid 70 days
Debt to EDITBA	0.5X to 0.7X

* Non-GAAP Return on Invested Capital

(1) Guidance provided during November 8, 2022 analyst and investor day presentation.

Trended non-GAAP Financial Summary

(Dollars in Millions, except EPS)



See APPENDIX for reconciliations of GAAP to non-GAAP Financial Results

Appendix



First Quarter 2024 Guidance

	Q1 2024
Net Sales	\$625 - \$665 million
Gross Margin – non-GAAP	9.8% - 10.2%
Operating Margin – non-GAAP	4.5% - 4.7%
Other Expenses, Net	\$8.5 million
Effective Tax Rate	23% – 25%
Diluted EPS – GAAP	\$0.32 - \$0.38
Diluted EPS – non-GAAP	\$0.42 - \$0.48
Diluted Weighted-Average Shares	~ 36.0 million

This guidance takes into consideration all known constraints for the quarter and assumes no further significant interruptions to our supply base, operations or customers.

Sector Outlook

	1H 2024	Sector Commentary
Semi-Cap		<ul style="list-style-type: none"> • Early signs of a potential recovery late 2024, but first half expected to remain consistent with recent levels • We continue to out-perform the market and are winning new business
Medical		<ul style="list-style-type: none"> • Seeing broad-based softness across the industry driven by inventory re-balancing and demand normalization • New win momentum in recent quarters driven by near-shoring
Industrials		<ul style="list-style-type: none"> • Demand reduction coupled with inventory rebalancing expected to weigh on performance in 1H 2024 • Continuing to invest given the market opportunity
Aerospace & Defense		<ul style="list-style-type: none"> • Commercial aerospace remains strong • Defense is benefitting from ramp of existing programs and broadening of new wins within our customer base
Next Gen Comms		<ul style="list-style-type: none"> • Reductions in capital spending are broadly impacting the sector • Demand expected to remain challenged throughout 2024
Advanced Computing		<ul style="list-style-type: none"> • Large HPC build completing in Q1 2024 • Working new opportunities to drive future revenue growth

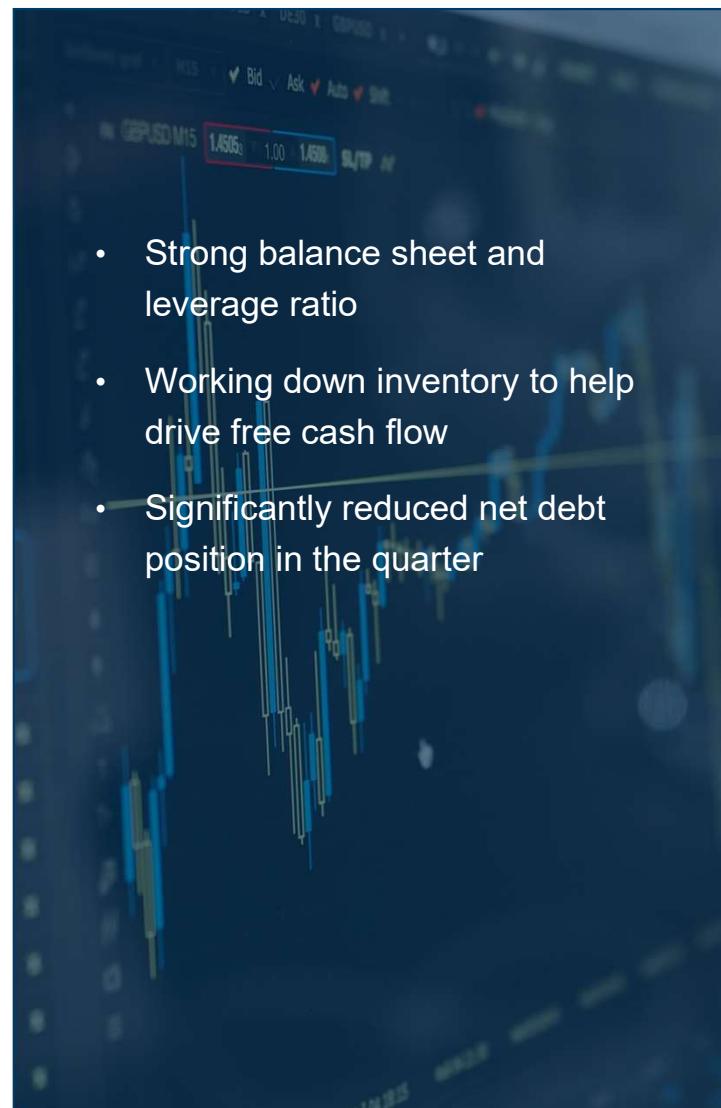
Liquidity Update

(In Millions)	For the Twelve Months Ended		For the Three Months Ended		
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Sep 30, 2023	Dec 30, 2022
Cash Flows from (used in) Operations	\$174	(\$177)	\$137	\$38	(\$53)
FCF (1)	\$97	(\$224)	\$126	\$18	(\$66)
Cash	\$283	\$207	\$283	\$261	\$207
International	\$270	\$168	\$270	\$238	\$168
US	\$13	\$39	\$13	\$23	\$39

(1) Free Cash Flow (FCF) is defined as net cash provided by (used in) operations less capex

Debt Structure (In Millions)	Dec 31, 2023
Senior Secured Term Loan	\$127
Revolving Credit Facility Drawn Amount	\$205

* Leverage ratio is Net Debt / LTM Adjusted EBITDA, as defined in the credit facility, which are non-GAAP measures



Capital Allocation Update

Capital Expenditures

- In FY 2023, paid \$78 million in capital expenditures
- Since 2018, invested \$305 million in additions to property, plant and equipment and software
- Capital expenditures tightly aligned to future organic growth objectives

Cash Dividends

- In FY 2023, paid cash dividends of \$23 million
- Since 2018, paid cumulative cash dividends of \$136 million
- Committed to supporting return of capital via consistent dividend payments

Share Repurchases

- No share repurchases in FY 2023 but plan to resume in FY 2024
- Since 2018, 15.7 million shares repurchased for \$409 million
- Approximately \$155 million remains available under Board authorized share repurchase program

- Capex for Fiscal Year 2024 expected to be \$55 - \$65 million
- Continuing to support current dividend
- Will evaluate share repurchases opportunistically

APPENDIX 1 - Reconciliation of GAAP to non-GAAP Financial Results

(Dollars in Thousands, Except Per Share Data) – (UNAUDITED)

	Three Months Ended								Year Ended	
	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2023	Dec 31, 2022
Income from operations (GAAP)	\$ 32,100	\$ 30,341	\$ 24,481	\$ 22,742	\$ 26,346	\$ 25,284	\$ 22,432	\$ 15,407	\$ 109,664	\$ 90,063
Amortization of intangible assets	1,204	1,592	1,591	1,592	1,592	1,591	1,592	1,609	5,979	6,384
Restructuring charges and other costs	2,054	1,437	2,364	1,426	793	1,331	1,266	2,314	7,281	5,317
(Gain) loss on assets held for sale	–	–	–	–	–	–	(2,376)	1,983	–	–
Impairment	–	198	923	–	–	–	–	–	1,121	–
Settlement	–	–	–	–	3,250	–	–	–	–	3,250
Customer insolvency (recovery)	–	–	–	–	–	(593)	–	–	–	(593)
Non-GAAP income from operations	\$ 35,358	\$ 33,568	\$ 29,359	\$ 25,760	\$ 32,587	\$ 27,607	\$ 22,914	\$ 21,313	\$ 124,045	\$ 104,421
GAAP operating margin	4.6%	4.2%	3.3%	3.3%	3.6%	3.3%	3.1%	2.4%	3.9%	3.1%
Non-GAAP operating margin	5.1%	4.7%	4.0%	3.7%	4.3%	3.6%	3.1%	3.4%	4.4%	3.6%
Gross profit (GAAP)	\$ 71,004	\$ 69,077	\$ 67,031	\$ 63,958	\$ 72,127	\$ 66,750	\$ 58,756	\$ 57,602	\$ 271,070	\$ 255,235
Customer insolvency (recovery)	–	–	–	–	–	(425)	–	–	–	(425)
Non-GAAP gross profit	\$ 71,004	\$ 69,077	\$ 67,031	\$ 63,958	\$ 72,127	\$ 66,325	\$ 58,756	\$ 57,602	\$ 271,070	\$ 254,810
GAAP gross margin	10.3%	9.6%	9.1%	9.2%	9.6%	8.7%	8.1%	9.1%	9.5%	8.8%
Non-GAAP gross margin	10.3%	9.6%	9.1%	9.2%	9.6%	8.6%	8.1%	9.1%	9.5%	8.8%
Selling, general and administrative expenses	\$ 35,646	\$ 35,509	\$ 37,672	\$ 38,198	\$ 39,540	\$ 38,544	\$ 35,842	\$ 36,289	\$ 147,025	\$ 150,215
Customer recovery	–	–	–	–	–	174	–	–	–	174
Non-GAAP selling, general and administrative expenses	\$ 35,646	\$ 35,509	\$ 37,672	\$ 38,198	\$ 39,540	\$ 38,718	\$ 35,842	\$ 36,289	\$ 147,025	\$ 150,383
Net income (GAAP)	\$ 17,552	\$ 20,412	\$ 13,931	\$ 12,360	\$ 21,219	\$ 18,823	\$ 17,221	\$ 10,960	\$ 64,315	\$ 68,223
Amortization of intangible assets	1,204	1,592	1,591	1,592	1,592	1,591	1,592	1,609	5,979	6,384
Restructuring charges and other costs	2,893	1,437	2,364	1,426	793	1,331	1,266	2,314	8,126	5,317
(Gain) loss on assets held for sale	–	–	–	–	–	–	(2,376)	1,983	–	–
Impairment	–	198	923	–	–	–	–	–	1,121	–
Settlement	(37)	(3,375)	(1,155)	–	(2,344)	(611)	–	–	(4,567)	(2,955)
Customer insolvency (recovery)	–	–	–	–	–	(593)	–	–	–	(593)
Income tax adjustments ⁽¹⁾	(657)	245	(670)	(516)	(5)	(351)	(82)	(1,206)	(1,598)	(1,644)
Non-GAAP net income	\$ 20,961	\$ 20,509	\$ 17,044	\$ 14,862	\$ 21,261	\$ 20,190	\$ 17,621	\$ 15,660	\$ 73,376	\$ 74,732
Diluted earnings per share:										
Diluted (GAAP)	\$ 0.49	\$ 0.57	\$ 0.39	\$ 0.35	\$ 0.60	\$ 0.53	\$ 0.49	\$ 0.31	\$ 1.79	\$ 1.91
Diluted (non-GAAP)	\$ 0.58	\$ 0.57	\$ 0.48	\$ 0.42	\$ 0.60	\$ 0.57	\$ 0.50	\$ 0.44	\$ 2.04	\$ 2.09
Weighted-average number of shares used in calculating diluted earnings per share:										
Diluted (GAAP)	35,956	35,876	35,676	35,592	35,630	35,348	35,336	35,470	35,973	35,718
Diluted (non-GAAP)	35,956	35,876	35,676	35,592	35,630	35,348	35,336	35,470	35,973	35,718
Net cash provided by (used in) operations	\$ 137,080	\$ 37,583	\$ 24,538	\$ (24,906)	\$ (52,749)	\$ (31,208)	\$ (25,485)	\$ (68,025)	\$ 174,294	\$ (177,467)
Additions to property, plant and equipment and software	(11,026)	(19,664)	(8,318)	(38,731)	(13,180)	(8,623)	(6,996)	(17,975)	(77,739)	(46,774)
Free cash flow (used)	\$ 126,054	\$ 17,919	\$ 16,220	\$ (63,637)	\$ (65,929)	\$ (33,631)	\$ (32,481)	\$ (86,000)	\$ 96,555	\$ (224,241)

(1) This amount represents the tax impact of the non-GAAP adjustments using the applicable effective tax rates.

APPENDIX 2 - Reconciliation of Supply Chain Premiums

(Dollars in Millions) – (UNAUDITED)

	Three Months Ended									Year Ended	
	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Mar 31, 2021	Dec 31, 2023	Dec 31, 2022
Sales (GAAP)	\$ 691	\$ 720	\$ 733	\$ 695	\$ 751	\$ 772	\$ 728	\$ 636	\$ 506	\$ 2,839	\$ 2,886
Adjustment for supply chain premiums	(8)	(16)	(17)	(18)	(46)	(74)	(91)	(57)	(4)	(59)	(268)
Non-GAAP sales adjusted for supply chain premiums	\$ 683	\$ 704	\$ 716	\$ 677	\$ 705	\$ 698	\$ 637	\$ 579	\$ 502	\$ 2,780	\$ 2,618
GAAP and non-GAAP cost of sales	\$ 620	\$ 651	\$ 666	\$ 631	\$ 679	\$ 705	\$ 669	\$ 578	\$ 464	\$ 2,568	\$ 2,632
Adjustment for supply chain premiums	(8)	(16)	(17)	(18)	(46)	(74)	(91)	(57)	(4)	(59)	(268)
Non-GAAP cost of sales adjusted for supply chain premiums	\$ 612	\$ 635	\$ 649	\$ 613	\$ 633	\$ 631	\$ 578	\$ 521	\$ (460)	\$ 2,509	\$ 2,364
Non-GAAP gross margin	10.3%	9.6%	9.1%	9.2%	9.6%	8.6%	8.1%	9.1%	8.3%	9.5%	8.8%
Non-GAAP gross margin adjusted for supply chain premiums	10.4%	9.8%	9.4%	9.5%	10.2%	9.5%	9.2%	9.9%	8.4%	9.8%	9.7%
Non-GAAP operating margin	5.1%	4.7%	4.0%	3.7%	4.3%	3.6%	3.1%	3.4%	2.3%	4.4%	3.6%
Non-GAAP operating margin adjusted for supply chain premiums	5.2%	4.8%	4.1%	3.8%	4.6%	4.0%	3.6%	3.7%	2.3%	4.5%	4.0%

APPENDIX 3 - Reconciliation of Supply Chain Premiums by Sector

(Dollars in Millions) – (UNAUDITED)

	Three Months Ended			Year Ended	
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Sales (GAAP)					
Medical	\$ 126	\$ 149	\$ 144	\$ 557	\$ 593
Semi-Cap	168	165	178	646	722
A&D	102	100	90	362	348
Industrials	132	154	143	596	593
Advanced Computing	95	66	92	338	310
Next Gen Comms	68	86	104	340	320
Total Sales (GAAP)	\$ 691	\$ 720	\$ 751	\$ 2,839	\$ 2,886
Supply Chain Premiums					
Medical	\$ 2	\$ 2	\$ 11	\$ 12	\$ 95
Semi-Cap	—	1	2	3	16
A&D	—	—	1	1	6
Industrials	4	11	24	32	111
Advanced Computing	—	—	—	—	3
Next Gen Comms	2	2	8	11	37
Total Supply Chain Premiums	\$ 8	\$ 16	\$ 46	\$ 59	\$ 268
Sales Adjusted for Supply Chain Premiums					
Medical	\$ 124	\$ 147	\$ 133	\$ 545	\$ 498
Semi-Cap	168	164	176	643	706
A&D	102	100	89	361	342
Industrials	128	143	119	564	482
Advanced Computing	95	66	92	338	307
Next Gen Comms	66	84	96	329	283
Total Sales Adjusted for Supply Chain Premiums	\$ 683	\$ 704	\$ 705	\$ 2,780	\$ 2,618