



▶ **Benchmark**

Benchmark Electronics

Sidoti Small Cap Conference

June 12, 2025

Forward-Looking 2025 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, expressed or implied, concerning the Company’s outlook and guidance for second quarter and fiscal year 2025 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, stock-based compensation expense, amortization of intangibles, award of any tax incentives and capital expenditures, 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, 2024, 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 and sanctions, tariffs and retaliatory countermeasures, the ability to utilize the Company’s manufacturing facilities at sufficient levels to cover its fixed operating costs, or write-downs or write-offs of obsolete or unsold inventory, 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 the Company’s 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 certain non-GAAP information to provide investors with additional information to analyze the Company’s performance and underlying trends. These non-GAAP financial measures exclude restructuring charges, stock-based compensation expense, amortization of intangible assets acquired in business combinations, certain legal and other settlement losses (gains), customer insolvency losses (recoveries), asset impairments, other significant non-recurring costs and the related tax impacts, including discrete tax items, of all of the above. 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.

Conference Participants



Bryan Schumaker
EVP and CFO



Paul Mansky
IR and Corp Dev

Benchmark By the Numbers

\$ **2.7** billion

Fiscal year ending 2024

\$140M

LTM Free Cash Flow

>10%

Gross Margin

\$79M

Net Cash

10%

FCF + Dividend Yield

Non-GAAP for the quarter ending March 2025

21

Global **Manufacturing**
Locations

8

Global **Design**
Centers

12,500+

Team Members Worldwide

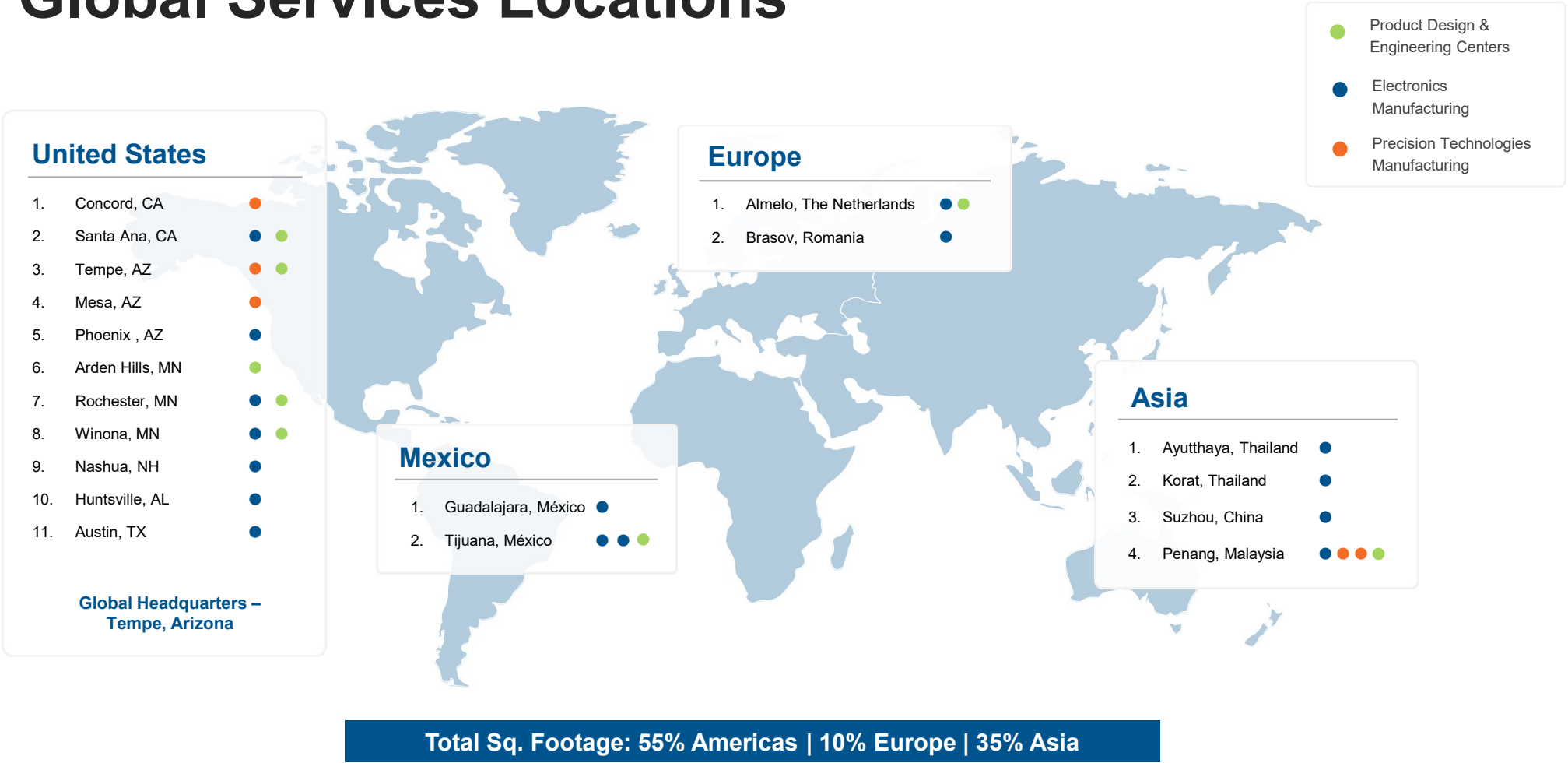
420+

Product **Design**
Engineers

Engaged from **design engineering** to
production and any point in between

Differentiated by our expertise in **complex**
products and attractive **geographical footprint**

Global Services Locations



Our Sector Focus

Delivers a competitive advantage across multiple growth drivers

Sector	Lifecycle	2024-2028 CAGR *
Medical	8+ years	6%
A&D	12+ years	5%
Industrial	6+ years	6%
Semi-Cap	10+ years	7%
AC&C	3+ years	5%

- New Venture Research, Worldwide Electronics Manufacturing Services Market, 2024 Edition
- Semiconductor Intelligence
- Business Research
- Benchmark estimates

Artificial
Intelligence



Semiconductor
Proliferation



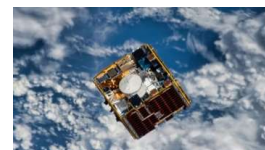
Automation
& Robotics



Digital Healthcare



SmallSat
Proliferation



Defense
Modernization



Liquid Cooling



Intelligent
Sensors

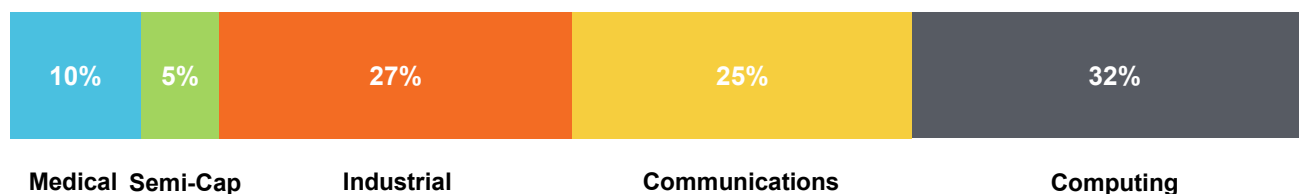


Miniaturization

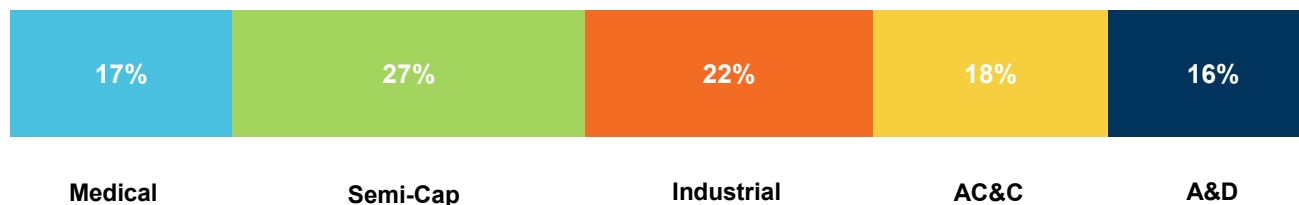


Our Evolution to Higher Value Sectors

FY12



FY24



Highly complex products and demanding regulatory environments

Strategic Focus

Sector strategy continues to drive results



- Sector focus and mix continues to support >10% gross margin
- Market share opportunities in addressed sectors offers support for double-digit gross margin going forward

Cash flow discipline remains at the forefront



- Generated >\$140M in free cash flow over the last 12 months
- Inventory and other working capital efficiencies are a focus for future cash flow

Adjusting to dynamic tariff environment



- Customers evaluating supply chains due to tariff implications
- Actively working with customers to navigate dynamic environment
- Incremental costs to be passed through

Global footprint is key

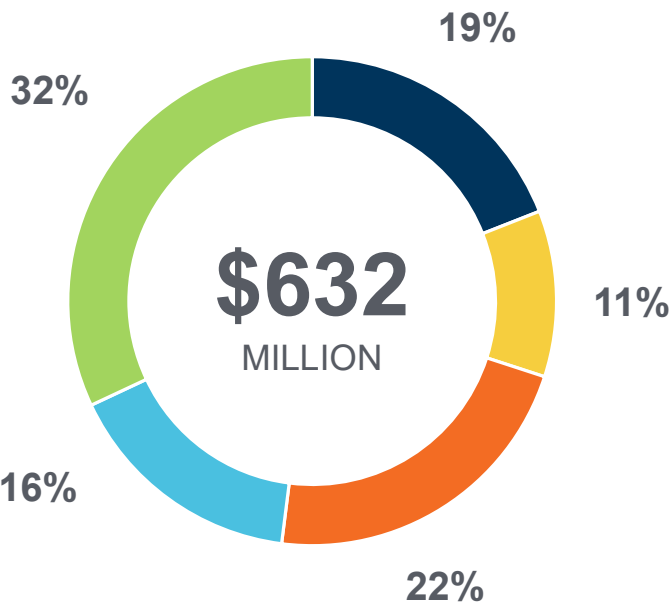




- Manufacturing footprint is 36% in the U.S. and >55% in the Americas
- Flexible to support evolving customer requirements

Q1:25 Financial Highlights (Non-GAAP)

	THREE MONTHS ENDED March 31 2024	THREE MONTHS ENDED December 31 2024	THREE MONTHS ENDED March 31 2025
(\$ MILLIONS)			
Revenue	\$676	\$657	\$632
Gross Margin	10.0%	10.4%	10.1%
Operating Margin	4.9%	5.1%	4.6%
Effective Tax Rate	24.3%	22.4%	25.0%
EPS	\$0.55	\$0.61	\$0.52

Q1:25 Sector Performance



		Sales \$MM	Q/Q
	Semi-Conductor Capital Equipment	\$195	-2%
	Industrial	\$137	-2%
	Aerospace & Defense	\$122	+4%
	Medical	\$104	-12%
	Advanced Computing & Communications	\$74	-12%

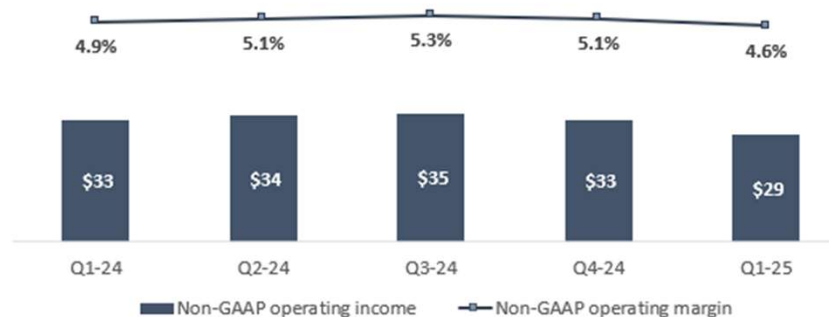
Trended Non-GAAP Results

(Dollars in Millions, except EPS)

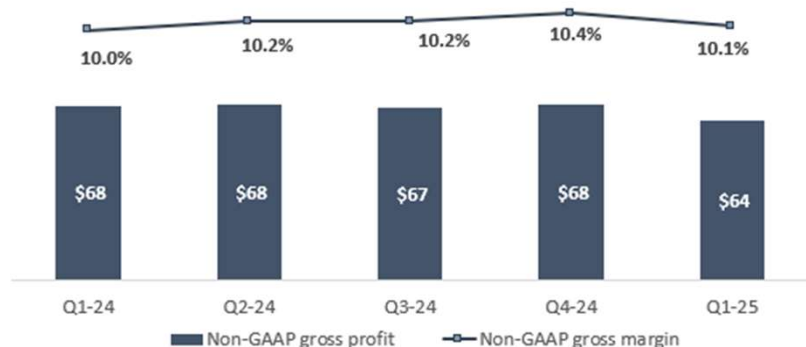
Sales



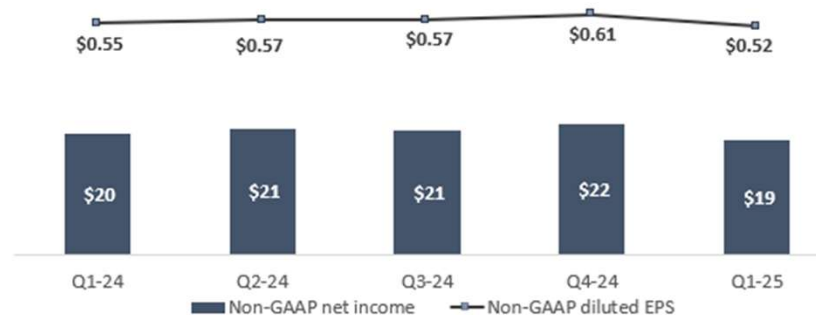
Operating Income and Margin



Gross Profit and Margin



Net Income and Diluted EPS



Balance Sheet and Cash Flow

(In Millions)	Q1-24	Q4-24	Q1-25
Cash Flows from Operations	\$48	\$46	\$32
Free Cash Flow ⁽¹⁾	\$43	\$37	\$27
Share Repurchases	\$0	\$0	\$8
Cash	\$296	\$328	\$355

Debt Structure (In Millions)	Q1-25
Senior Secured Term Loan	\$121
Revolving Credit Facility Drawn Amount	\$155
Borrowing Capacity Available under Revolver	\$391
Leverage Ratio ⁽²⁾	0.6x

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

(2) Leverage ratio is Net Debt / LTM Adjusted EBITDA, as defined in the credit facility, is a non-GAAP measure

- Eighth consecutive quarter of positive Free Cash Flow
- Strong balance sheet and leverage ratio
- Continued to support the quarterly dividend which was \$6.1 million in the quarter
- Buyback intention is to offset annual dilution

Working Capital Trends

	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25
Accounts Receivable Days	56	51	51	57	53
Contract Asset Days	24	25	26	23	25
Inventory Days	94	90	89	85	89
Accounts Payable Days	(52)	(52)	(54)	(54)	(61)
Advance Payments from Customers Days	(28)	(24)	(22)	(22)	(20)
Cash Conversion Cycle Days	94	90	90	89	86

Sector Commentary and Outlook *



Semi-Cap

- Experienced strong growth year-on-year supported by new program ramps
- Continue to gain share in next-gen platforms, which supports Y/Y growth
- Broke ground on new building in Penang



Industrial

- Good bookings momentum in the quarter
- Test and measurement subsector softer than anticipated



Aerospace & Defense

- Continued strength in defense, commercial air moderating
- Department of Homeland Security program underway
- Expect Q/Q growth throughout 2025



Medical

- Holding share in medical with strong new program bookings in the quarter
- Anticipating gradual recovery as new programs ramp and channel inventory normalizes



Advanced Computing & Communications

- HPC platform transition driving more pronounced downturn
- Working to leverage water cooled capability in other segments
- New 5G communications program ramping in 2H:25

* As of Q1:25 earnings presentation

Summary

1. Manage potential demand shifts from tariffs while protecting profitability

- Continue to deliver >10% non-GAAP gross margin
- Partner with customers to deliver optimized supply chain solutions

2. Drive Free Cash Flow

- Focus on continued inventory turns and other working capital optimization
- Capex to remain ~2.0% of revenue
- Long-term, expect free cash flow of \$70-90M per year

3. Return capital to investors

- Sustained quarterly dividend
- Increased share repurchase activity

Appendix

APPENDIX 1 – Reconciliation of GAAP to non-GAAP

(Dollars in thousands, except per share data – Unaudited)

	Three Months Ended							
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Income from operations (GAAP)	\$ 24,481	\$ 30,341	\$ 32,100	\$ 25,529	\$ 27,253	\$ 28,105	\$ 28,524	\$ 11,759
Restructuring charges and other costs	2,364	1,437	2,054	3,343	1,471	795	727	1,342
Stock-based compensation expense	3,867	3,674	2,955	2,176	4,185	4,379	2,626	4,397
Amortization of intangible assets	1,591	1,592	1,204	1,204	1,204	1,205	1,204	1,204
Asset impairment	923	198	—	—	—	—	—	—
Legal and other settlement loss ⁽¹⁾	—	—	—	855	317	367	239	10,275
Customer insolvency (recovery)	—	—	—	—	(316)	—	—	—
Non-GAAP income from operations	\$ 33,226	\$ 37,242	\$ 38,313	\$ 33,107	\$ 34,114	\$ 34,851	\$ 33,320	\$ 28,977
GAAP operating margin	3.3%	4.2%	4.6%	3.8%	4.1%	4.3%	4.3%	1.9%
Non-GAAP operating margin	4.5%	5.2%	5.5%	4.9%	5.1%	5.3%	5.1%	4.6%
Gross profit (GAAP)	\$ 67,031	\$ 69,077	\$ 71,004	\$ 67,408	\$ 67,950	\$ 66,741	\$ 67,925	\$ 63,180
Stock-based compensation expense	423	420	416	426	326	413	503	431
Customer insolvency (recovery)	—	—	—	—	(316)	—	—	—
Non-GAAP gross profit	\$ 67,454	\$ 69,497	\$ 71,420	\$ 67,834	\$ 67,960	\$ 67,154	\$ 68,428	\$ 63,611
GAAP gross margin	9.1%	9.6%	10.3%	10.0%	10.2%	10.1%	10.3%	10.0%
Non-GAAP gross margin	9.2%	9.7%	10.3%	10.0%	10.2%	10.2%	10.4%	10.1%
Selling, general and administrative expenses	\$ 37,672	\$ 35,509	\$ 35,646	\$ 37,332	\$ 38,022	\$ 36,636	\$ 37,470	\$ 38,800
Stock-based compensation expense	(3,444)	(3,254)	(2,539)	(1,750)	(3,858)	(3,966)	(2,123)	(3,966)
Legal and other settlement loss	—	—	—	(855)	(317)	(367)	(239)	(200)
Non-GAAP selling, general and administrative expenses	\$ 34,228	\$ 32,255	\$ 33,107	\$ 34,727	\$ 33,847	\$ 32,303	\$ 35,108	\$ 34,634
Net income (GAAP)	\$ 13,991	\$ 20,412	\$ 17,552	\$ 14,002	\$ 15,528	\$ 15,374	\$ 18,423	\$ 3,644
Restructuring charges and other costs	2,364	1,437	2,899	3,343	1,471	795	727	1,342
Stock-based compensation expense	3,867	3,674	2,955	2,176	4,185	4,379	2,626	4,397
Amortization of intangible assets	1,591	1,592	1,204	1,204	1,204	1,205	1,204	1,204
Asset impairment	923	198	—	—	—	—	—	—
Legal and other settlement loss (gain) ⁽¹⁾	(1,155)	(3,375)	(37)	855	317	367	239	10,275
Customer insolvency (recovery)	—	—	—	—	(316)	—	—	—
Income tax adjustments ⁽²⁾	(1,484)	(529)	(1,280)	(1,393)	(1,437)	(1,406)	(971)	(1,645)
Non-GAAP net income	\$ 20,097	\$ 23,409	\$ 23,293	\$ 20,187	\$ 20,952	\$ 20,714	\$ 22,248	\$ 19,217
Diluted earnings per share:								
Diluted (GAAP)	\$ 0.39	\$ 0.57	\$ 0.49	\$ 0.38	\$ 0.43	\$ 0.42	\$ 0.50	\$ 0.10
Diluted (Non-GAAP)	\$ 0.56	\$ 0.65	\$ 0.65	\$ 0.55	\$ 0.57	\$ 0.57	\$ 0.61	\$ 0.52
Weighted-average number of shares used in calculating diluted earnings per share:								
Diluted (GAAP)	35,676	35,876	35,956	36,401	36,497	36,629	36,659	36,605
Diluted (Non-GAAP)	35,676	35,876	35,956	36,401	36,497	36,629	36,659	36,605
Net cash provided by operations	\$ 24,538	\$ 37,583	\$ 137,079	\$ 48,457	\$ 55,816	\$ 39,036	\$ 45,916	\$ 31,503
Additions to property, plant and equipment and software	(8,318)	(19,664)	(11,026)	(5,903)	(8,504)	(9,814)	(9,032)	(4,156)
Free cash flow	\$ 16,220	\$ 17,919	\$ 126,053	\$ 42,554	\$ 47,312	\$ 29,222	\$ 36,884	\$ 27,347

⁽¹⁾ Includes settlement of the tax assessment in Mexico that was previously disclosed under Note 15 in Part II, Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

⁽²⁾ This amount represents the tax impact of the non-GAAP adjustments using the applicable effective tax rates.