

Benchmark Electronics

Third Quarter 2025 Financial Results

November 4th, 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 fourth 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, regarding enterprise AI opportunities, anticipated growth in bookings, the Company's expectations regarding restructuring charges, stock-based compensation expense, amortization of intangibles, 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, the continuing U.S. government shutdown and the economic impacts, volatility and uncertainty resulting therefrom, 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 and other non-GAAP tax adjustments, 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.

Today's Speakers



Jeff Benck
Chief Executive Officer



David Moezidis
President and
Chief Commercial Officer



Bryan Schumaker
EVP and
Chief Financial Officer

Third Quarter Overview

\$681M	10.1%	4.8%	\$0.62
GAAP AND NON-GAAP REVENUE	NON-GAAP GROSS MARGIN	NON-GAAP OPERATING MARGIN	NON-GAAP EPS

HIGHLIGHTS

- Achieved the high end of prior revenue and non-GAAP EPS guidance
- Returned to year-over-year revenue growth in the quarter, led by double-digit growth in Medical and A&D
- Sequential growth in four of five sectors in the quarter
- Eighth consecutive quarter of 10% or greater non-GAAP gross margin

* See APPENDIX 1 for a reconciliation of GAAP to non-GAAP Financial Results

Business Highlights

Strategic focus continues to drive results



- Year-over-year revenue growth led by Medical and A&D
- Sector focus and mix continues to support >10% gross margin

New business momentum



- New bookings momentum continues across both Engineering and EMS
- Strategic wins in the quarter in A&D, AC&C and Industrial

Financial discipline remains at the forefront



- Inventory turns continue to improve, driving cash cycle to multi-year record
- Generated \$25M of Free Cash Flow in the quarter and greater than \$74M over the last 12 months

Advanced manufacturing is a differentiator



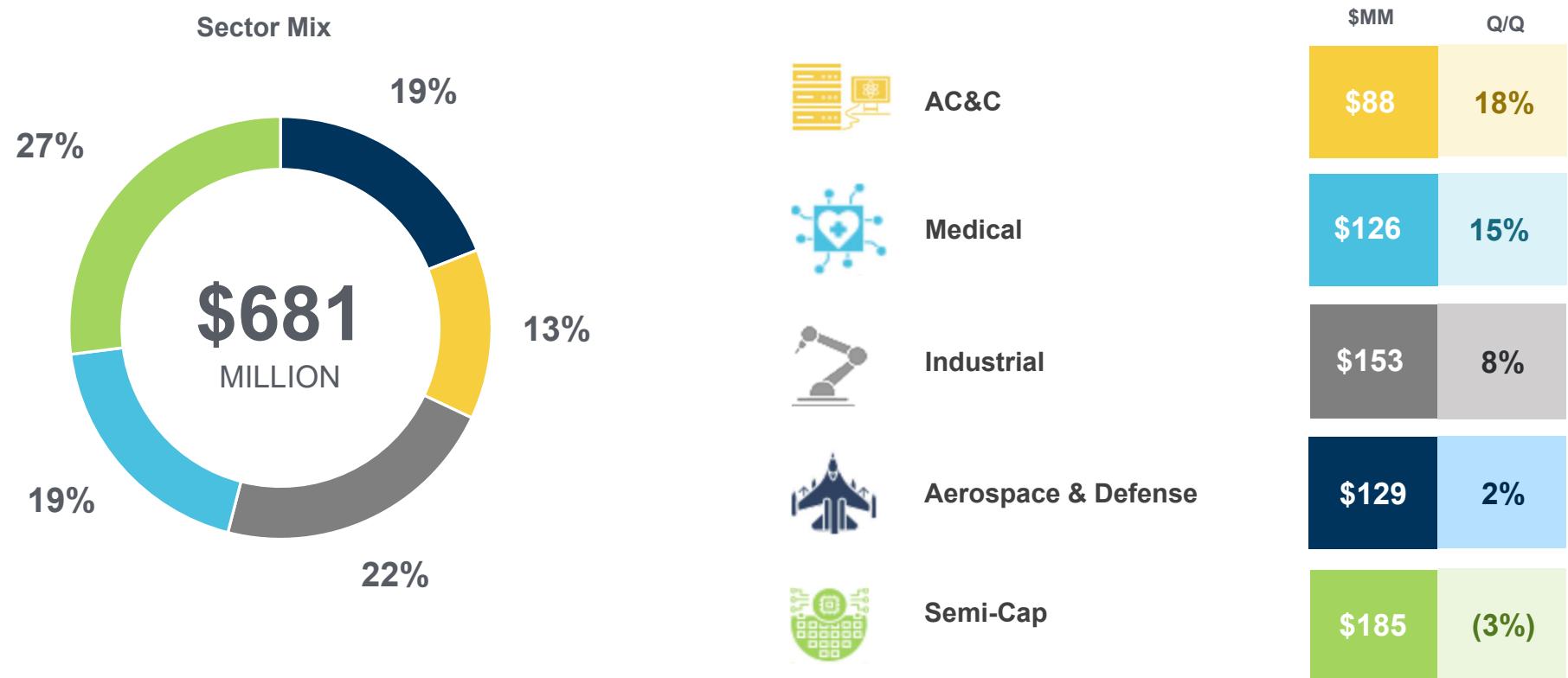
- Global cleanroom footprint supports Semi-Cap, Medical and Industrial
- Precision machining supports Semi-Cap, Medical and A&D
- US-based liquid cooling infrastructure supports AI opportunities within AC&C

Financial Results (Non-GAAP)

	THREE MONTHS ENDED September 30 2024	THREE MONTHS ENDED June 30 2025	THREE MONTHS ENDED September 30 2025
(\$ MILLIONS)			
Revenue	\$658	\$642	\$681
Gross Margin	10.2%	10.2%	10.1%
Operating Margin	5.3%	4.7%	4.8%
Effective Tax Rate	23.7%	24.3%	24.5%
EPS	\$0.57	\$0.55	\$0.62

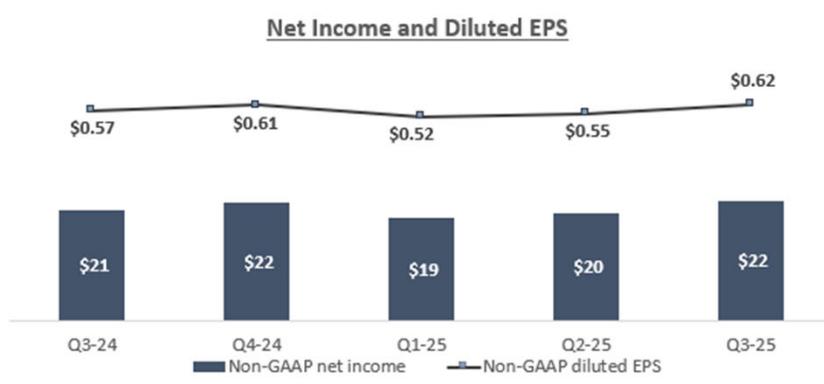
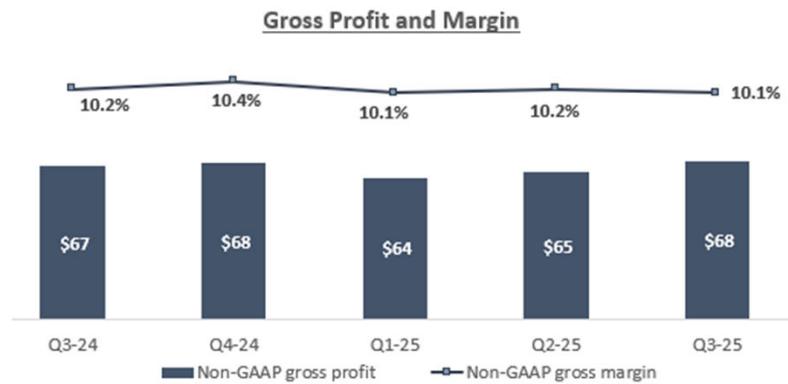
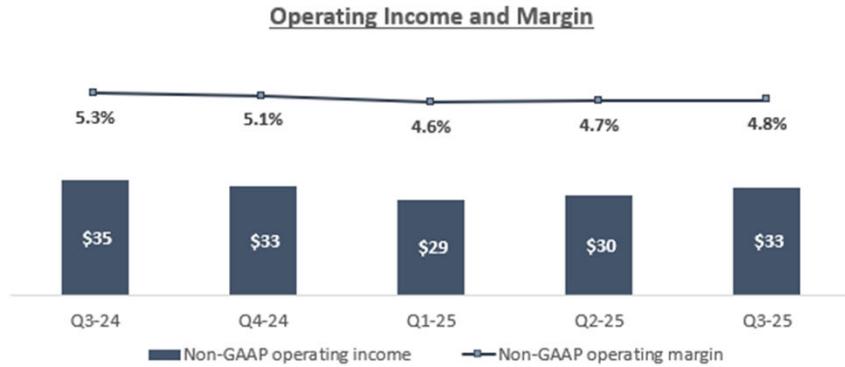
* See APPENDIX 1 for a reconciliation of GAAP to non-GAAP Financial Results

Third Quarter 2025 Sector Performance



Trended Non-GAAP Results

(Dollars in Millions, except EPS)



* See APPENDIX 1 for a reconciliation of GAAP to non-GAAP Financial Results

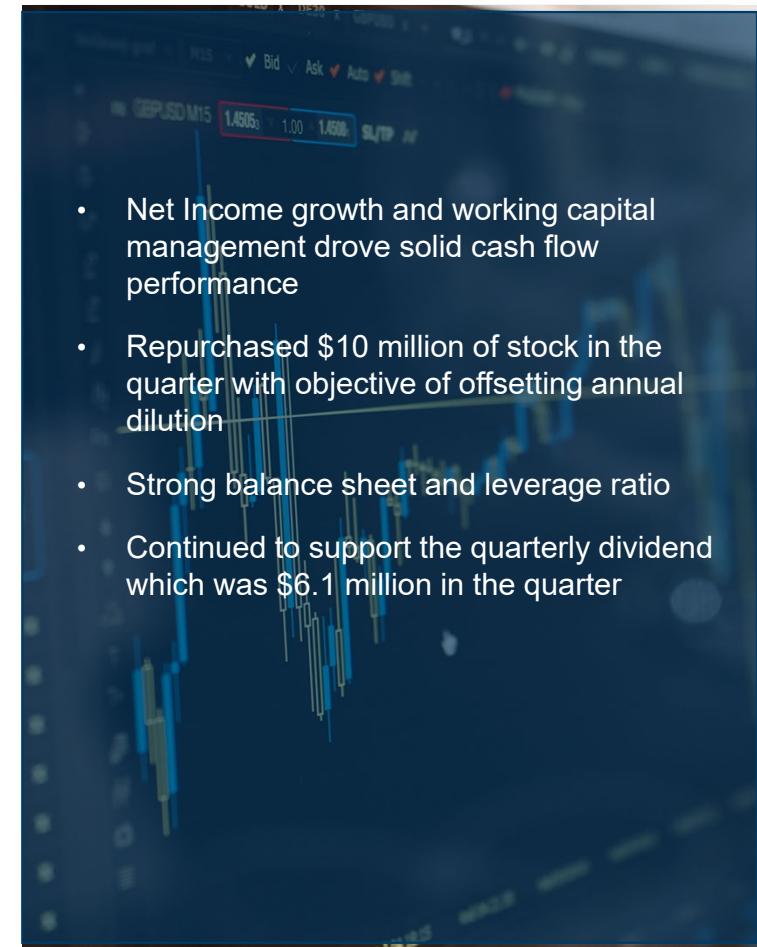
Balance Sheet and Cash Flow Update

(In Millions)	Q3-24	Q2-25	Q3-25
Cash Flows (used) from Operations	\$39	\$(3)	\$37
Free Cash Flow (Used) ⁽¹⁾	\$29	\$(15)	\$25
Share Repurchases	\$5	\$8	\$10
Cash	\$324	\$265	\$286

Debt Structure (In Millions)	Q3-25
Senior Secured Term Loan	\$149
Revolving Credit Facility Drawn Amount	\$70
Borrowing Capacity Available under Revolver	\$476
Leverage Ratio ⁽²⁾	0.22x

(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, which is a non-GAAP measure



Working Capital Trends

	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25
Accounts Receivable Days	51	57	53	52	50
Contract Asset Days	26	23	25	25	26
Inventory Days	89	85	89	83	75
Accounts Payable Days	(54)	(54)	(61)	(55)	(56)
Advance Payments from Customers Days	(22)	(22)	(20)	(20)	(18)
Cash Conversion Cycle Days	90	89	86	85	77

Fourth Quarter 2025 Guidance

Q4-25E	
Net Sales	\$670 to \$720M
Gross Margin – non-GAAP	10.1% to 10.3%
Operating Margin – non-GAAP	5.0% to 5.2%
Interest and Other Expenses, Net	~\$4.3M
Non-operating Expenses	\$4.9 to \$5.3M
Stock-Based Compensation Expense	~\$2.3M
Effective Tax Rate	24% to 25%
Diluted EPS – GAAP	\$0.44 to \$0.50
Diluted EPS – non-GAAP	\$0.62 to \$0.68
Diluted Weighted-Average Shares	~36.2M

Sector Outlook



Advanced Computing & Communications

- Sector has bottomed with Q/Q and Y/Y growth expected in the fourth quarter.
- Enterprise AI traction includes the quarter's 2nd largest booking
- Starting ramp of two AI-related programs in the current quarter



Medical

- Sequential and Y/Y growth is expected to continue in the fourth quarter
- 2026 well positioned for continued growth
- Expansion into MedTech markets continues, led by engineering



Aerospace & Defense

- Expect double-digit Y/Y growth to continue in the fourth quarter
- Significant award in control systems used in space applications



Industrial

- Expect to return to Y/Y growth in Q4:25
- Pipeline momentum continues, balanced across engineering and EMS
- New bookings and existing program ramps support further growth in 2026



Semi-Cap

- New wins continue to expand share
- Near-term headwinds suppress OEM demand, but we continue to invest for the long-term
- Anticipate market reacceleration in 2H:26

Summary

1. Returned to growth

- Year-over-year growth expected to accelerate exiting the year
- Medical, Industrial and AC&C growing while A&D remains strong
- AI-related wins expected to ramp into 2026

2. Disciplined market focus

- Eight consecutive quarters of 10% or greater non-GAAP gross margin
- Continued bookings momentum validates our sector focus and value proposition across both new and existing customers

3. Capital allocation discipline

- Supporting our regular quarterly dividend while continuing share repurchases
- Reduced revolving debt by \$85 million Y/Y with quarter end net cash of \$70 million
- Anticipate positive Free Cash Flow in Q4 and 2026

Appendix

APPENDIX 1 – Reconciliation of GAAP to Non-GAAP

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

	Three Months Ended						Nine Months Ended		
	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025	Sep 30, 2024
Income from operations (GAAP)	\$ 32,100	\$ 25,529	\$ 27,253	\$ 28,105	\$ 28,524	\$ 11,759	\$ 20,486	\$ 23,661	\$ 80,887
Restructuring charges and other costs	2,054	3,343	1,471	795	727	1,342	1,939	1,211	5,609
Stock-based compensation expense	2,955	2,176	4,185	4,379	2,626	4,397	5,335	5,345	10,740
Amortization of intangible assets	1,204	1,204	1,204	1,205	1,204	1,204	1,204	1,205	3,613
Legal and other settlement loss ⁽¹⁾	—	855	317	367	239	10,275	799	816	1,539
Customer insolvency (recovery)	—	—	(316)	—	—	—	—	—	11,890
Other	—	—	—	—	—	311	—	(316)	—
Non-GAAP income from operations	<u>\$ 38,313</u>	<u>\$ 33,107</u>	<u>\$ 34,114</u>	<u>\$ 34,855</u>	<u>\$ 33,320</u>	<u>\$ 28,977</u>	<u>\$ 30,074</u>	<u>\$ 32,596</u>	<u>\$ 102,072</u>
GAAP operating margin	4.6%	3.8%	4.1%	4.3%	4.3%	1.9%	3.2%	3.5%	4.0%
Non-GAAP operating margin	5.5%	4.9%	5.1%	5.3%	5.1%	4.6%	4.7%	4.8%	5.1%
Gross profit (GAAP)	\$ 71,004	\$ 67,408	\$ 67,950	\$ 66,741	\$ 67,925	\$ 63,180	\$ 64,772	\$ 67,943	\$ 202,099
Stock-based compensation expense	416	426	326	413	503	431	514	515	1,165
Customer insolvency (recovery)	—	—	(316)	—	—	—	—	(316)	—
Non-GAAP gross profit	<u>\$ 71,420</u>	<u>\$ 67,834</u>	<u>\$ 67,960</u>	<u>\$ 67,154</u>	<u>\$ 68,428</u>	<u>\$ 63,611</u>	<u>\$ 65,286</u>	<u>\$ 68,458</u>	<u>\$ 202,948</u>
GAAP gross margin	10.3%	10.0%	10.2%	10.1%	10.3%	10.0%	10.1%	10.0%	10.1%
Non-GAAP gross margin	10.3%	10.0%	10.2%	10.2%	10.4%	10.1%	10.2%	10.1%	10.2%
Selling, general and administrative expenses	\$ 35,646	\$ 37,332	\$ 38,022	\$ 36,636	\$ 37,470	\$ 38,800	\$ 40,569	\$ 41,520	\$ 111,990
Stock-based compensation expense	(2,539)	(1,750)	(3,858)	(3,966)	(2,123)	(3,966)	(4,821)	(4,830)	(9,575)
Legal and other settlement loss ⁽¹⁾	—	(855)	(317)	(367)	(239)	(200)	(225)	(471)	(1,539)
Other	—	—	—	—	—	311	(357)	—	(668)
Non-GAAP selling, general and administrative expenses	<u>\$ 33,107</u>	<u>\$ 34,727</u>	<u>\$ 33,847</u>	<u>\$ 32,303</u>	<u>\$ 35,108</u>	<u>\$ 34,634</u>	<u>\$ 35,212</u>	<u>\$ 35,862</u>	<u>\$ 100,876</u>
Net income (GAAP)	\$ 17,552	\$ 14,002	\$ 15,528	\$ 15,374	\$ 18,423	\$ 3,644	\$ 972	\$ 14,263	\$ 44,904
Restructuring charges and other costs	2,899	3,343	1,471	795	727	1,342	1,939	1,211	5,609
Stock-based compensation expense	2,955	2,176	4,185	4,379	2,626	4,397	5,335	5,345	10,740
Amortization of intangible assets	1,204	1,204	1,204	1,205	1,204	1,204	1,204	1,205	3,613
Legal and other settlement loss (gain) ⁽¹⁾	(37)	855	317	367	239	10,275	799	816	1,539
Refinancing of Credit Facilities	—	—	—	—	—	—	224	—	224
Customer insolvency (recovery)	—	—	(316)	—	—	—	—	(316)	—
Other	—	—	—	—	—	311	—	—	668
Income tax adjustments ⁽²⁾	(1,280)	(1,393)	(1,437)	(1,406)	(971)	(1,645)	9,208	(905)	(4,236)
Non-GAAP net income	<u>\$ 23,293</u>	<u>\$ 20,187</u>	<u>\$ 20,952</u>	<u>\$ 20,714</u>	<u>\$ 22,248</u>	<u>\$ 19,217</u>	<u>\$ 19,992</u>	<u>\$ 22,292</u>	<u>\$ 61,853</u>
Diluted earnings per share:									
Diluted (GAAP)	\$ 0.49	\$ 0.38	\$ 0.43	\$ 0.42	\$ 0.50	\$ 0.10	\$ 0.03	\$ 0.39	\$ 1.23
Diluted (Non-GAAP)	\$ 0.65	\$ 0.55	\$ 0.57	\$ 0.57	\$ 0.61	\$ 0.52	\$ 0.55	\$ 0.62	\$ 1.70
Weighted-average number of shares used in calculating diluted earnings per share:									
Diluted (GAAP)	35,956	36,401	36,497	36,629	36,659	36,605	36,258	36,182	36,469
Diluted (Non-GAAP)	35,956	36,401	36,497	36,629	36,659	36,605	36,258	36,182	36,469
Net cash provided by (used in) operations	\$ 137,079	\$ 48,457	\$ 55,816	\$ 39,036	\$ 45,916	\$ 31,503	\$ (2,823)	\$ 36,608	\$ 143,309
Additions to property, plant and equipment and software	(11,026)	(5,903)	(8,504)	(9,814)	(9,032)	(4,156)	(12,304)	(11,494)	(24,221)
Free cash flow (used)	<u>\$ 126,053</u>	<u>\$ 42,554</u>	<u>\$ 47,312</u>	<u>\$ 29,222</u>	<u>\$ 36,884</u>	<u>\$ 27,347</u>	<u>\$ (15,127)</u>	<u>\$ 25,114</u>	<u>\$ 119,088</u>
									<u>\$ 37,334</u>

⁽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, including discrete tax items, using the applicable effective tax rates. For the three and nine months ended September 30, 2025, \$0.8 million and \$11.3 million, respectively, in discrete tax charges relating to foreign withholding tax paid on repatriated dividends, net of anticipated recoveries, and the recognition of deferred tax liabilities on remaining unremitted earnings in China.