Benchmark

Benchmark Electronics Investor Presentation

January, 2023

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Forward-Looking 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 or the negative or other variations thereof. In particular, statements, express or implied, concerning the estimated financial impact of the COVID-19 pandemic, the company’s outlook and guidance for fourth quarter 2022 results, the company’s belief that it is well positioned for continued momentum through the second half of 2022 based on current demand indicators, the company’s anticipated plans and long-term outlook about its financial and performance targets and other forecasts or expectations regarding years 2023 through 2025, including 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, 2021, and in any of the company’s subsequent reports filed with the Securities and Exchange Commission. In particular, these statements also depend on the severity and evolution of the COVID-19 pandemic and related risks, including the emergence and severity of its variants, the availability of vaccines and potential hesitancy to utilize them, government and other third-party responses to the crisis and the consequences for the global economy, the company’s business and the businesses of its suppliers and customers. Events relating to or resulting from the COVID-19 pandemic, the possibility of customer demand fluctuations, supply chain constraints, the effects that current credit and market conditions could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations to us, inflationary pressures, the effects of foreign currency fluctuations, 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”, 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.

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Benchmark By the Numbers

$2.9 billion *
2022 FYE revenue

* Assuming mid-point of Q4:22 guidance and including supply chain premium

Sector Growth *

41% growth in **Complex Industrial**

31% growth in **Medical**

32% growth in **Semi-Cap**

21
Global **Manufacturing** Locations

7
Global **Design** Centers

12,500+
Employees Worldwide

400+
Product Design Engineers

Experts in complex products and adept at managing challenging regulatory environments

Engaging at inception through production or anywhere in between

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Global Services Locations



Total Sq. Footage: 50% Americas | 10% Europe | 40% Asia

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Benchmark Focus



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Deliver our Vision - “When it Matters”

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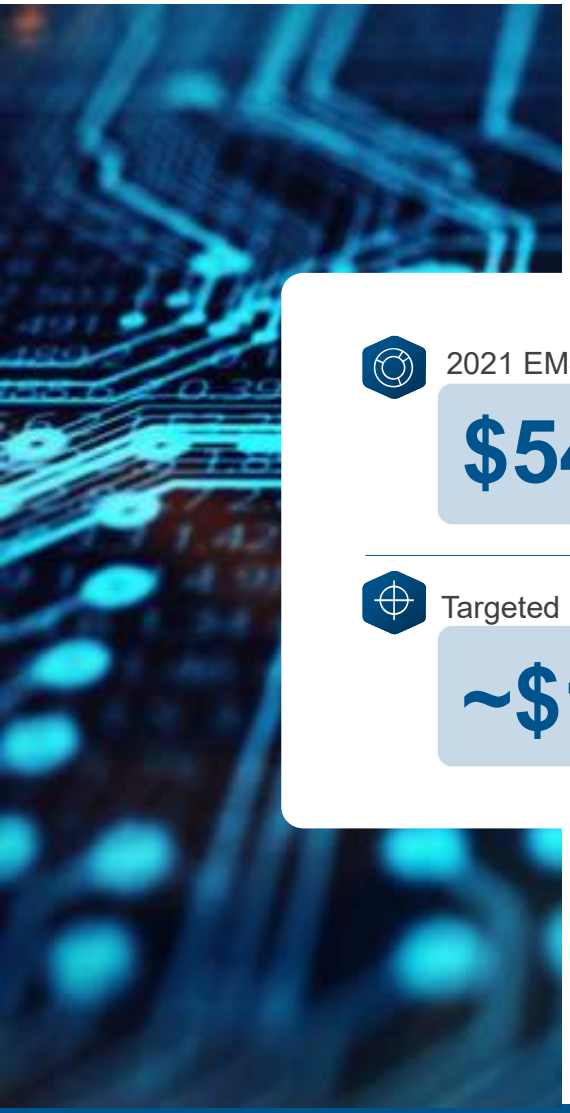

EMS Market Summary

2021 EMS Market Size

$544B

Targeted Complex Markets

~$100B

2021–2026 EMS Revenue CAGR

6.8%

Next-generation Outsourcing Opportunities

Medical	< 50%
A&D	< 25%
Industrials*	< 30%

Market Growth Supported by Increasing Outsourcing Opportunities

Source: New Venture Research Corp reports.

* Includes semi-cap

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Our Sector Focus

Delivers a competitive advantage across multiple growth drivers

Sector	Lifecycle	CAGR*
Medical	8+ years	5%
Aerospace & Defense	12+ years	3%
Industrials	6+ years	4%
Semi-Cap	10+ years	10%
Advanced Computing & Communications	3+ years	5%



















Source: New Venture Research Corp. reports and World Fab Forecast Report, 4Q21 Update

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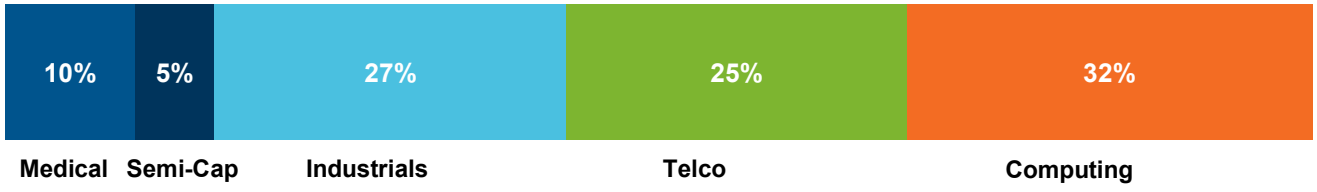
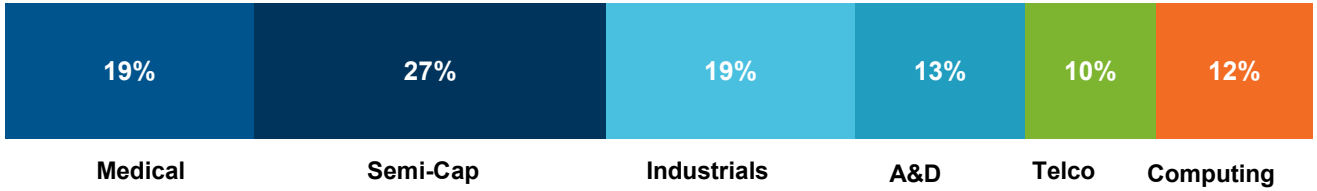
Our Evolution to Higher Value Sectors

FY12A



FY22E



Excluding supply chain premium

Highly complex products and demanding regulatory environments

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Sector Focus

		Participation	Select Customers
Semi-Cap		▸ Front-end Wafer Fabrication Equipment ▸ Material Handling and Control Systems	APPLIED MATERIALS, Lam RESEARCH, ASML, ASM
Medical		▸ Fluid Management ▸ Radiological and Optical Imaging ▸ Medical Robotics ▸ Connected & Diagnostic Devices	stryker, Baxter, Edwards LIFESCIENCES
Industrials		▸ Automation & Robotics ▸ Control, Measurement & Test ▸ Capital Equipment ▸ Transportation, Sensory, & Surveillance	FORTIVE, Trimble, EMERSON, ROHDE&SCHWARZ
A&D		▸ Communications and Connectivity ▸ Digital and Mechanical Subsystems ▸ Displays & Sensors ▸ Navigation	THALES, Honeywell THE POWER OF CONNECTED, Raytheon, NORTHROP GRUMMAN
Next Gen Telco		▸ Smart City and Antenna Infrastructure ▸ Wireless/Satellite/Free Space Optics ▸ Next-Gen Networking Infrastructure	ViaSat, VIAVI, COMMSCOPE, verizon
Advanced Computing		▸ Hyperscale/High Value Datacenter ▸ High Performance Computing ▸ Secure Computing	intel, Lexmark, Hewlett Packard Enterprise

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Operational Excellence

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Investing in Capabilities to Support Growth



Medical

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



Complex Industrial

- Mechatronics
- Firmware Development
- Complex Automation
- Robotics

Engineering

- Full Product Design
- Miniaturization
- High Speed Design

Supply Chain

- Design for Supply Chain
- Architecture
- Global Solutions



Next Gen Communications

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



Semi-Cap

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

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Focused Investment Discipline

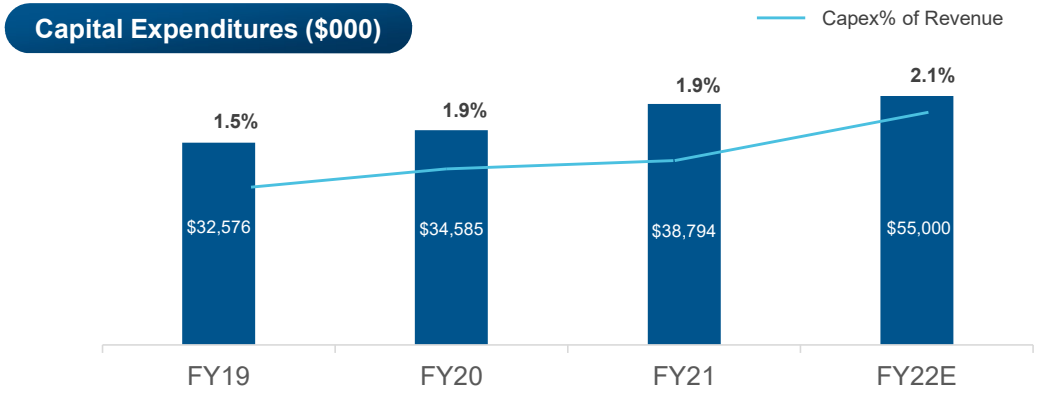
Investment Priorities

- Regulatory & Compliance
- Strategic Growth
- Margin Accretive Capability
- Leading Edge Process Technologies









Capex increasing to **2%** of revenue excluding supply chain premium

Investing to continuously improve our operations and drive accretive growth

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Invest for Sustainability

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Sustainability is Core to Our Strategy

Environmental

- 2021 Inaugural Sustainability Report
- 2022: Set GHG intensity targets
- EcoVadis Silver Rating
- Launched Benchmark Environmental Challenge

Social

- Benchmark is an inclusive organization
  - 52% of our workforce are women
  - 27% of senior leaders are women
  - 22% of Board members are female
  - 11% of Board members are racially/ethnically diverse
- Global unconscious bias and leading inclusively employee training

Governance

- Independent Board operates under a contemporary set of published Corporate Governance Guidelines
- Code of Conduct applies to all directors, officers, and employees
- Ethics training encourages employees to “Speak up”

Awards & Ratings:

MSCI

Overall score: AA

CDP DISCLOSURE INSIGHT ACTION

2022 CDP Questionnaire Submission

CORPORATE GOVERNANCE AWARDS 2021 corporatesecretary WINNER

2021 Corporate Governance Award

SILVER 2022 ecovadis Sustainability Rating

2022 EcoVadis Silver Rating

SUSTAINALYTICS

Low risk (Score of 10.3)

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Financial Model Discipline

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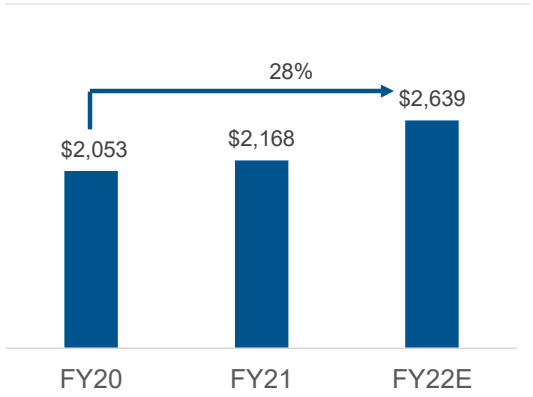
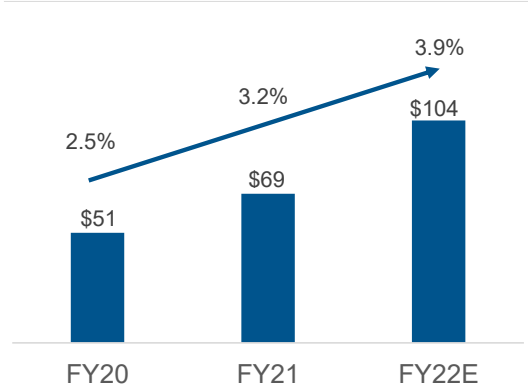
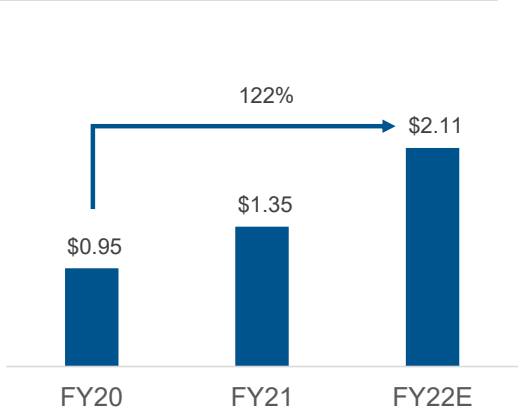
Delivering on Our Commitments

($Millions, except per share data)

	Revenue Growth	Non-GAAP Operating Income	Earnings Growth
Mid-Term Model	5% Growth	3.4%* to 3.8%(1)	Growth Rate > Revenue Growth
FY22E	28% Growth (2)	3.9% (1, 2)	122% non-GAAP EPS Growth







(1) Includes ~60 bps stock compensation per year

(2) Assumes the mid-point of Q4:22 guidance excluding the impact of supply chain premiums.

See APPENDIX 1 and 2 for a reconciliation of GAAP to non-GAAP Financial Results

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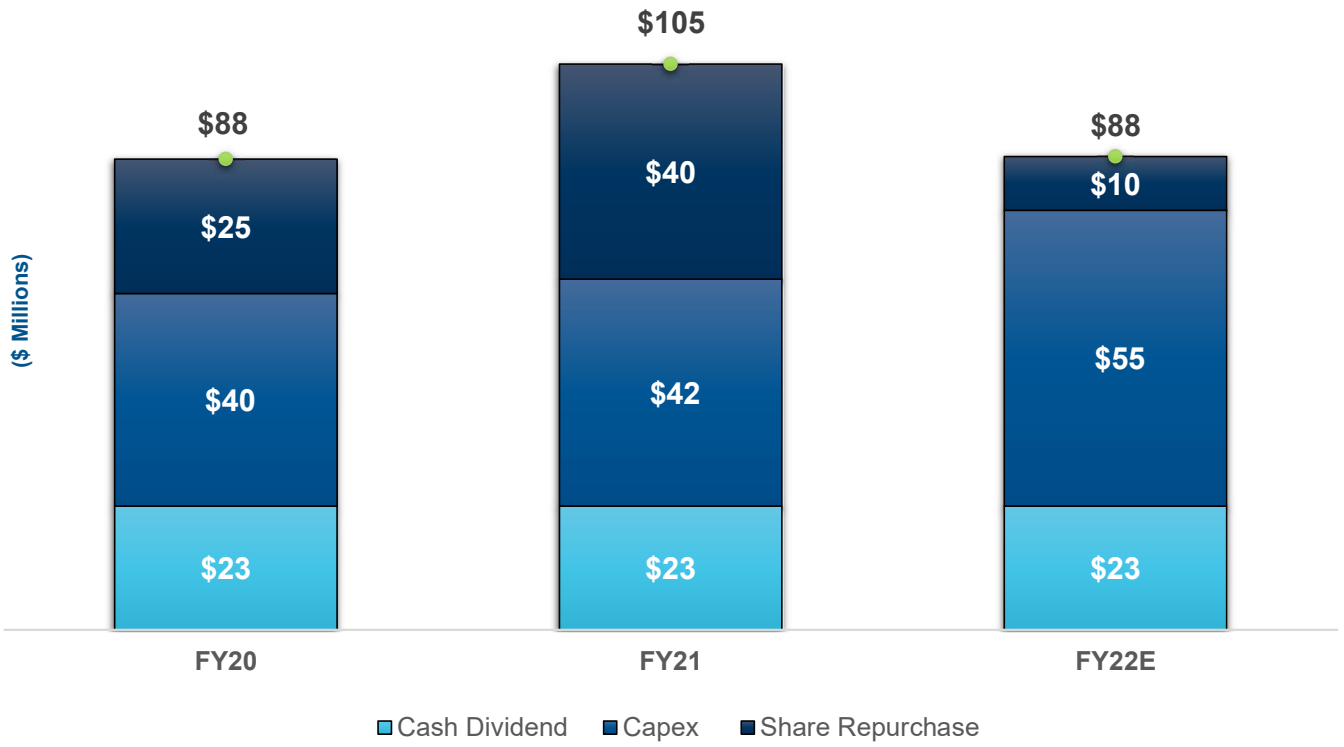
Capital Allocation Trends







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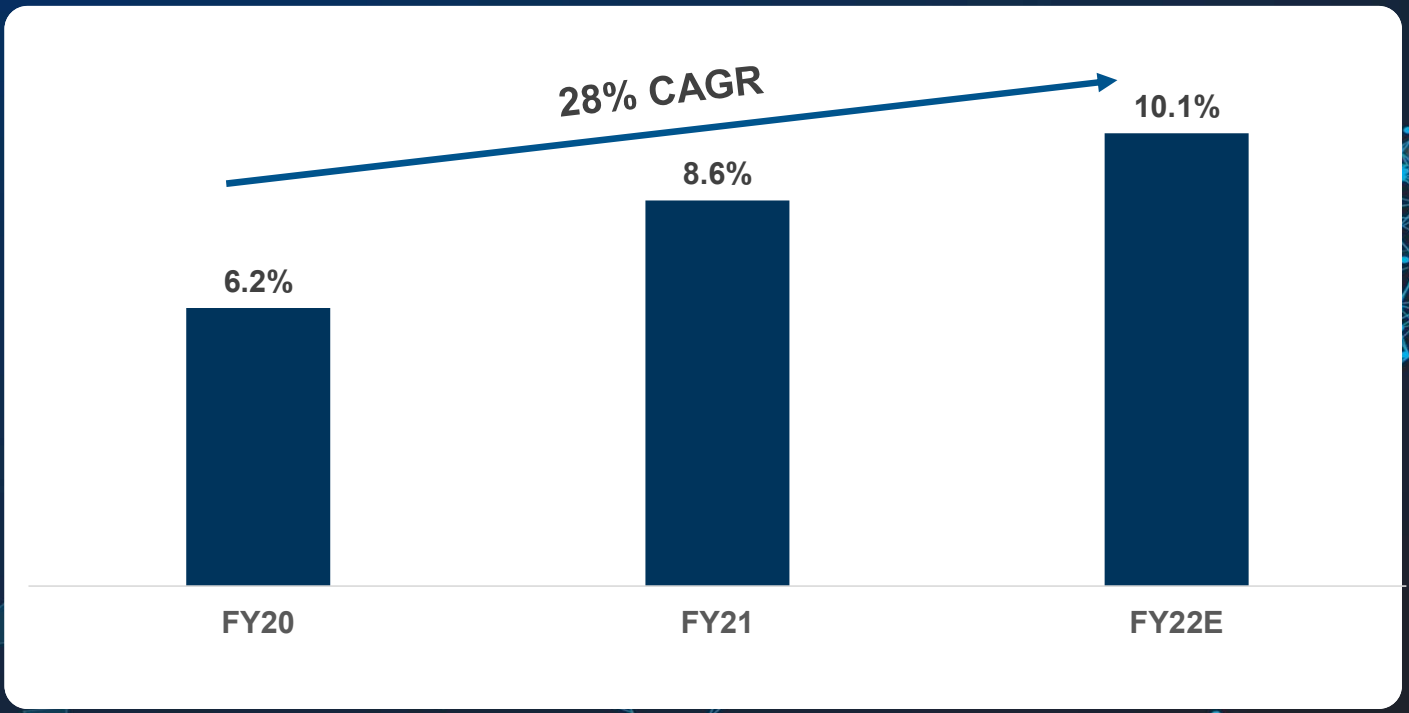
Driving Return on Invested Capital *



* Non-GAAP ROIC = (Non-GAAP TTM income from operations + Stock-based compensation – Non-GAAP Tax Impact) ÷ [Average Invested Capital for last 5 quarters}

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2023 Guidance and 2025 Target Model

2022E Guidance [1]	**22%** Revenue Growth [2]	**3.9%** Non-GAAP Operating Margin [3]	**$2.11** Non-GAAP EPS	**10%** Non-GAAP ROIC [4]	**N/A** Free Cash Flow
2023 Guidance [1]	**10%** Revenue Growth [2]	**4.3%** Non-GAAP Operating Margin [3]	**$2.40** Non-GAAP EPS	**>10%** Non-GAAP ROIC [4]	**$80M** Free Cash Flow
2025 Target Model	**8-12%** Compounded Annual Revenue Growth [2]	**5.0-5.5%** Non-GAAP Operating Margin [3]	**>$3.30** Non-GAAP EPS	**14-15%** Non-GAAP ROIC [4]	**>$200M** Cumulative 2023-2025 Free Cash Flow

(1) Full year expectations assuming mid-point of guidance for Q4:22 and 2023
(2) Excluding supply chain premium
(3) Includes ~60 basis points of stock compensation
(4) Non-GAAP ROIC = (Non-GAAP TTM income from operations + Stock-based compensation – Non-GAAP Tax Impact) ÷ [Average Invested Capital for last 5 quarters}

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

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Compelling Investment Opportunity



Macro & secular growth drivers

Strategic roadmap to address multiple, sustainable growth drivers

Unique capabilities positioned to win

Advanced global manufacturing, supply chain resilience, cross-business synergies, & value-added services

Operational excellence

Transformed portfolio and executed with discipline in high-growth markets

Strong, profitable growth & margin expansion

Confidence in our ability to capture and deliver profitable revenue, margin and free cash flow

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Benchmark, the partner you choose ***When it matters.***



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

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

	Year Ended Dec 31,		
	2021	2020	2019
Income from operations (GAAP)	$ 53,062	$ 25,134	$ 28,545
Amortization of intangible assets	6,384	9,099	9,461
Restructuring charges and other costs	9,341	13,227	13,101
Impairment	4,358	6,743	—
Ransomware incident related costs (recovery), net	(3,944)	(1,350)	7,681
Customer insolvency (recovery)	(425)	(1,702)	8,278
Non-GAAP income from operations	$ 68,776	$ 51,151	$ 67,066
GAAP operating margin	2.4%	1.2%	1.3%
Non-GAAP operating margin	3.0%	2.5%	3.0%
Gross Profit (GAAP)	$ 205,901	$ 175,048	$ 185,528
Customer insolvency (recovery)	(425)	(1,702)	(73)
Non-GAAP gross profit	$ 205,476	$ 173,346	$ 185,455
GAAP gross margin	9.1%	8.5%	8.2%
Non-GAAP gross margin	9.1%	8.4%	8.2%
Selling, general and administrative expenses (GAAP)	$ 136,700	$ 122,195	$ 126,740
Customer insolvency	—	—	(8,351)
Non-GAAP selling, general and administrative expenses	$ 136,700	$ 122,195	$ 118,389
Net income (GAAP)	$ 35,770	$ 14,055	$ 23,425
Amortization of intangible assets	6,384	9,099	9,461
Restructuring charges and other costs	9,341	13,227	13,426
Impairment	4,358	6,743	—
Ransomware incident related costs (recovery), net	(3,944)	(1,350)	7,681
Customer insolvency (recovery)	(425)	(1,702)	8,278
Refinancing of Credit Facilities	276	—	—
Settlements	—	—	(3,021)
Income tax adjustments[1]	(3,178)	(5,157)	(8,095)
Non-GAAP net income	$ 48,582	$ 34,915	$ 51,155
Diluted earnings per share:			
Diluted (GAAP)	$ 0.99	$ 0.38	$ 0.60
Diluted (Non-GAAP)	$ 1.35	$ 0.95	$ 1.32
Weighted-average number of shares used in calculating diluted earnings per share:			
Diluted (GAAP)	36,101	36,817	38,763
Diluted (Non-GAAP)	36,101	36,817	38,763
Net cash (used in) provided by operations	$ (2,622)	$ 120,438	$ 93,136
Additions to property, plant and equipment and software	(42,177)	(39,519)	(35,118)
Free cash flow (used)	$ (44,799)	$ 80,919	$ 58,018

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

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APPENDIX 2 - Reconciliation of Supply Chain Premiums

(Amounts in Millions) – (UNAUDITED)

	Year Ended		
	Dec 31, 2022E	Dec 31, 2021	Dec 31, 2020
Sales (GAAP)	2,916	2,255	2,053
Adjustment for supply chain premiums	(277)	(87)	-
Non-GAAP sales adjusted for supply chain premiums	2,639	2,168	2,053
Non-GAAP cost of sales	2,661	2,050	1,880
Adjustment for supply chain premiums	(277)	(87)	-
Non-GAAP cost of sales adjusted for supply chain premiums	2,384	1,963	1,880
Non-GAAP gross margin	8.7%	9.1%	8.4%
Non-GAAP gross margin adjusted for supply chain premiums	9.7%	9.5%	8.4%
Non-GAAP operating margin	3.6%	3.0%	2.5%
Non-GAAP operating margin adjusted for supply chain premiums	3.9%	3.2%	2.5%

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