Benchmark Electronics

Second Quarter Fiscal Year 2026 Results

July 29, 2026

Benchmark

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 of the negative or other variations thereof. In particular, statements, expressed or implied, concerning the Company's outlook and guidance for third quarter and fiscal year 2026 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 expectations regarding enterprise AI opportunities, anticipated growth in bookings, and repurchases of shares of its common stock, the Company’s expectations regarding restructuring activity and charges, stock-based compensation expense, amortization of intangibles, award or extension of any tax incentives and capital expenditures, the Company’s intentions concerning the payment of dividends, the Company’s expectations regarding the impact of inflation, tariffs and trade policies, and the Company’s positions and strategies with respect to ongoing or threatened litigation and expected outcomes, 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, 2025, and in any of the Company’s subsequent reports filed with the Securities and Exchange Commission. Risks and uncertainties 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 in the Middle East and elsewhere, 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

David Moezidis
President & Chief
Executive Officer

Bryan Schumaker
EVP and
Chief Financial Officer

Benchmark

Second Quarter Summary

$756M	30%	36%	$0.75
GAAP AND NON-GAAP REVENUE	NON-GAAP OPERATING INCOME GROWTH	NON-GAAP EPS GROWTH	NON-GAAP EPS

- Revenue and EPS exceeded high end of the prior guidance range
- Top line growth of 18% year-over-year led by double-digit performance in four of five sectors
- Achieved strong bookings during the quarter
- Raising full year revenue guidance to 13% growth, positioning us to achieve a record $3 billion in revenue

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

Business Highlights

Well-Positioned Portfolio

- Top line performance driven by double-digit growth in 4 of 5 sectors
- Each of our sectors are benefitting from multi-year demand drivers
- Growing product complexity has expanded our customer partnerships

Continued Financial Discipline

- Operating Income and EPS growing 1.5-2x faster than revenue in 2026
- Generating positive Free Cash Flow while investing in future growth
- Strong balance sheet provides flexibility around capital allocation

Customer Focus Driving Results

- Continued bookings momentum
- Organization-wide execution driving increased share of wallet
- Expanded strategic partnership with Ouster in next-gen physical AI

Further Investing in Growth

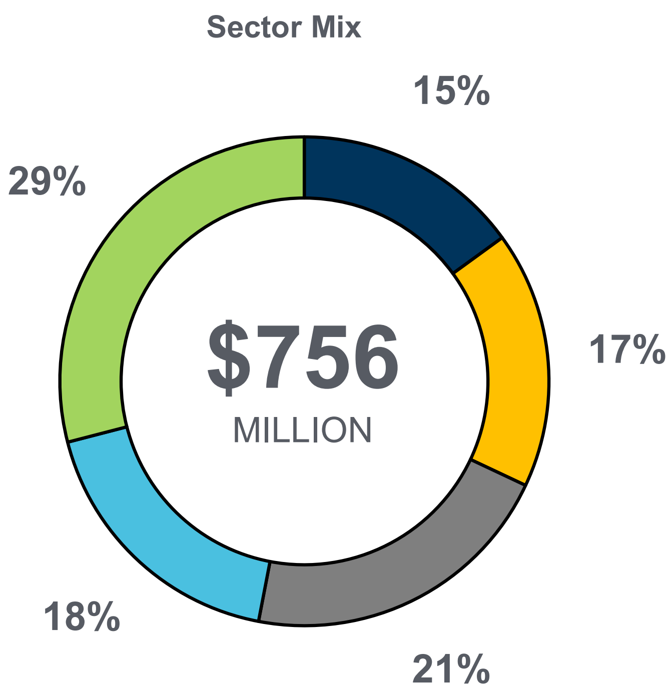
- Penang PT 4 investments on schedule
- Adding a new building in Thailand, scheduled for completion in late 2027
- Investing in automation and AI to improve productivity

Financial Results (Non-GAAP)

(in millions, except per share)	THREE MONTHS ENDED June 30 2025	THREE MONTHS ENDED March 31 2026	THREE MONTHS ENDED June 30 2026
Revenue	**$642**	**$677**	**$756**
Gross Margin	**10.2%**	**10.3%**	**10.5%**
Operating Margin	**4.7%**	**4.8%**	**5.2%**
Effective Tax Rate	**24.3%**	**27.4%**	**26.6%**
EPS	**$0.55**	**$0.58**	**$0.75**

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

Second Quarter 2026 Sector Performance



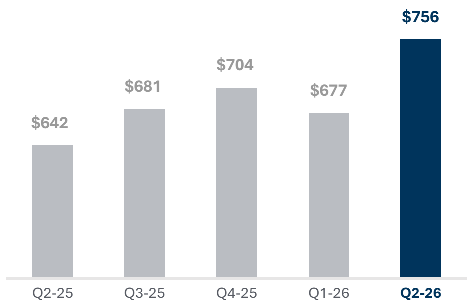
	Sales ($M)	YoY
Semi-Cap	$223	17%
Industrial	$161	13%
Medical	$134	22%
AC&C	$127	71%
Aerospace & Defense	$111	(12%)

Trended Non-GAAP Results

Revenue

$756M

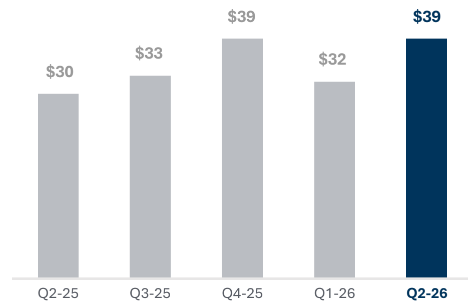
+18% YoY



Operating Income

$39M

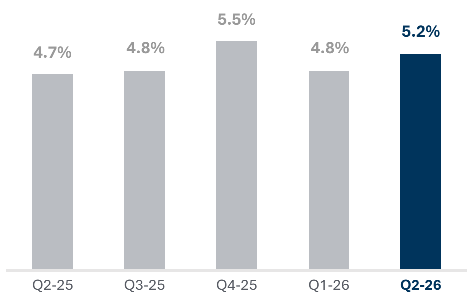
+30% YoY



Operating Margin

5.2%

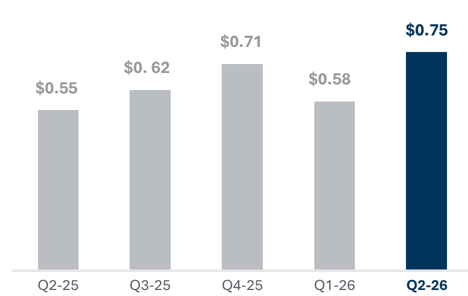
+50 bps YoY



Diluted EPS

$0.75

+36% YoY



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

Balance Sheet and Cash Flow Update

(in millions)

	Q2-25	Q1-26	Q2-26
Cash Flows (Used) from Operations	($3)	$47	$35
Free Cash Flow (Used) [(1)]	($15)	$29	$22
Share Repurchases	$8	$6	$0
Cash	$265	$325	$315

Debt Structure	Q2-26
Senior Secured Term Loan, net of $2 Debt Costs	$144
Revolving Credit Facility Drawn Amount	$37
Borrowing Capacity Available under Revolver	$509

- Generated $22 million in Free Cash Flow while supporting investment in growth
- Balance sheet remains strong, with net cash at $134 million and over $500 million in available capacity
- Returned $6 million to investors in the quarter

(1) Free Cash Flow (FCF), a non-GAAP measure, is defined as net cash provided by (used in) operations less capex

Working Capital Trends

	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
Accounts Receivable Days	52	50	50	50	54
Contract Asset Days	25	26	23	25	23
Inventory Days	83	75	69	75	72
Accounts Payable Days	(55)	(56)	(58)	(67)	(73)
Customer Advance Payment Days	(20)	(18)	(17)	(16)	(17)
Cash Conversion Cycle Days	**85**	**77**	**67**	**67**	**59**

Q3 2026 Guidance

	Q3-26E
Net Sales	$755M to $795M
Gross Margin – non-GAAP	10.5% to 10.7%
Operating Margin – non-GAAP	5.3% to 5.5%
Interest and Other Expenses	~$3.0M
Non-operating Expenses	$3.5M to $4.0M
Stock-Based Compensation	~$8.4M
Effective Tax Rate	26% to 27%
Diluted EPS – GAAP	$0.51 to $0.57
Diluted EPS – non-GAAP	$0.76 to $0.82
Weighted-Average Shares	~36.4M

Sector Outlook

Semi-Cap

- Expecting sequential and year-over-year acceleration in 2H 2026
- Penang PT 4 ramping operations to support growth
- Share of wallet gains combined with strong underlying demand

Industrial

- Excluding one-time benefit, performing in-line with expectations
- Continuing to win new programs, including a competitive take-away in the quarter
- Production ramp activities increasing as we exit 2026

Aerospace & Defense

- 2026 tracking as expected, with 2H stronger than 1H
- Largest bookings quarter out of all our sectors in Q2, notably Defense and Space
- Positioned well for growth in 2027

Medical

- Continues to track to expectations for double-digit growth
- Benefiting from end-market strength and new program ramps
- Broad-based engineering wins support future growth

Advanced Computing & Communications

- Significant ramp in AI-related revenue from clustered AI and on-prem cloud
- Continue to expect strong year-over-year growth in 2026
- Next-gen HPC opportunities anticipated to enter early production late Q4 into 2027

Summary

1. Growth Expectations Continue to Improve

- Increasing 2026 outlook to 13% growth, which would position the Company to achieve a record $3 billion in revenue
- Four of five sectors are growing double-digits, with Semi-Cap and AC&C leading the upside
- Record bookings reflect continued success across existing and new customer relationships

2. Investing in Future Growth

- Ramping PT production in Penang and expanding Thailand to support future EMS growth
- Continuing to invest in our people and processes to efficiently deliver customer success

3. Operating Leverage Expected throughout 2026

- Expecting Operating Income and Earnings to grow 1.5-2.0x faster than revenue
- Positioned for attractive operating leverage expansion in 2H vs 1H

Appendix

APPENDIX 1 – Reconciliation of GAAP to Non-GAAP

(in thousands, except per share data – unaudited)

	Three Months Ended				
	Jun 30, 2025	Sep 30, 2025	Dec 31, 2025	Mar 31, 2026	Jun 30, 2026
Income from operations (GAAP)	$ 20,486	$ 23,661	$ 20,143	$ 21,874	$ 30,253
Restructuring charges and other costs	1,939	1,211	2,952	3,747	1,126
Stock-based compensation expense	5,335	5,345	2,121	5,401	6,210
Amortization of intangible assets	1,204	1,205	1,204	1,204	1,204
Asset impairments	—	—	11,102	—	—
Legal and other settlement loss (recovery)	799	816	1,174	154	(107)
Other	311	357	60	—	261
Non-GAAP income from operations	$ 30,074	$ 32,595	$ 38,756	$ 32,380	$ 38,947
GAAP operating margin	3.2%	3.5%	2.9%	3.2%	4.0%
Non-GAAP operating margin	4.7%	4.8%	5.5%	4.8%	5.2%
Gross profit (GAAP)	$ 64,772	$ 67,943	$ 74,169	$ 69,234	$ 78,400
Stock-based compensation expense	514	515	498	559	636
Non-GAAP gross profit	$ 65,286	$ 68,458	$ 74,667	$ 69,793	$ 79,036
GAAP gross margin	10.1%	10.0%	10.5%	10.2%	10.4%
Non-GAAP gross margin	10.2%	10.1%	10.6%	10.3%	10.5%
Selling, general and administrative expenses	$ 40,569	$ 41,520	$ 38,769	$ 42,409	$ 46,132
Stock-based compensation expense	(4,821)	(4,830)	(1,622)	(4,842)	(5,574)
Legal and other settlement loss	(225)	(471)	(1,174)	(154)	(208)
Other	(311)	(357)	(60)	—	(261)
Non-GAAP selling, general and administrative expenses	$ 35,212	$ 35,862	$ 35,913	$ 37,413	$ 40,089
Net income (GAAP)	$ 972	$ 14,263	$ 5,973	$ 13,023	$ 19,882
Restructuring charges and other costs	1,939	1,211	2,952	3,747	1,126
Stock-based compensation expense	5,335	5,345	2,121	5,401	6,210
Amortization of intangible assets	1,204	1,205	1,204	1,204	1,204
Asset impairments	—	—	11,102	—	—
Legal and other settlement loss (recovery)	799	816	1,174	154	(107)
Refinancing of Credit Facilities	224	—	—	—	—
Other	311	357	60	—	261
Income tax adjustments(1)	9,208	(905)	1,182	(2,525)	(1,135)
Non-GAAP net income	$ 19,992	$ 22,292	$ 25,768	$ 21,004	$ 27,441
Diluted earnings per share:					
Diluted (GAAP)	$ 0.03	$ 0.39	$ 0.17	$ 0.36	$ 0.55
Diluted (Non-GAAP)	$ 0.55	$ 0.62	$ 0.71	$ 0.58	$ 0.75
Weighted-average number of shares used in calculating diluted earnings per share:					
Diluted (GAAP)	36,258	36,182	36,193	36,276	36,397
Diluted (Non-GAAP)	36,258	36,182	36,193	36,276	36,397
Net cash provided by (used in) operations	$ (2,823)	$ 36,608	$ 58,676	$ 47,028	$ 34,675
Additions to property, plant and equipment an	(12,304)	(11,494)	(10,590)	(18,270)	(12,922)
Free cash flow (used)	$ (15,127)	$ 25,114	$ 48,086	$ 28,758	$ 21,753

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