

REFINITIV

# DELTA REPORT

## 10-Q

BHE - BENCHMARK ELECTRONICS INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1620
--------------	------

 CHANGES	211
---	-----

 DELETIONS	744
---	-----

 ADDITIONS	665
---	-----

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, March 31, 2023 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-10560

**BENCHMARK ELECTRONICS, INC.**

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction  
of incorporation or organization)

74-2211011

(I.R.S. Employer  
Identification No.)

56 South Rockford Drive

Tempe, Arizona

(Address of principal executive offices)

85288

(Zip Code)

(623) 300-7000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	BHE	The New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports),

and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☐ ☒ No ☒

As of **October 30, 2023** **May 1, 2024**, there were **35,681,851** **36,045,777** shares of common stock of Benchmark Electronics, Inc., par value \$0.10 per share, outstanding.

TABLE OF CONTENTS

	Page
<b>PART I—FINANCIAL INFORMATION</b>	
Item 1.	
<a href="#">Financial Statements (Unaudited)</a>	1
<a href="#">Condensed Consolidated Balance Sheets</a>	1
<a href="#">Condensed Consolidated Statements of Income</a>	2
<a href="#">Condensed Consolidated Statements of Comprehensive Income</a>	3
<a href="#">Condensed Consolidated Statements of Shareholders' Equity</a>	4
<a href="#">Condensed Consolidated Statements of Cash Flows</a>	5
<a href="#">Notes to the Condensed Consolidated Financial Statements</a>	6
Item 2.	
<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<b>22</b> <b>21</b>

Item 3.	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	31 30
Item 4.	<a href="#">Controls and Procedures</a>	31

## PART II—OTHER INFORMATION

Item 1.	<a href="#">Legal Proceedings</a>	33 32
Item 1A.	<a href="#">Risk Factors</a>	33 32
Item 2.	<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities</a>	33 32
Item 5.	<a href="#">Other Information</a>	
Item 6.	<a href="#">Exhibits</a>	34 33
	<a href="#">SIGNATURES</a>	35 34

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements.

#### BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES Condensed Consolidated Balance Sheets (unaudited)

(in thousands, except par value)	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 259,542	\$ 207,430	\$ 296,055	\$ 277,391
Restricted cash	1,218	—	—	5,822
Accounts receivable, net of allowance for doubtful accounts of \$960 and \$514, respectively	477,685	491,957		
Accounts receivable, net of allowance for doubtful accounts of \$390 and \$470, respectively			417,396	449,404

Contract assets	190,085	183,613	180,814	174,979
Inventories	725,349	727,749	637,675	683,801
Prepaid expenses and other assets	51,838	41,392		
Income taxes receivable	1,352	8		
Prepaid expenses and other current assets			46,673	44,350
Total current assets	1,707,069	1,652,149	1,578,613	1,635,747
Property, plant and equipment, net	231,661	211,478	223,992	227,698
Operating lease right-of-use assets	122,104	93,081	128,395	130,830
Goodwill	192,116	192,116	192,116	192,116
Deferred income taxes	16,190	12,235	27,873	26,943
Other assets, net	64,005	66,272		
	<u>\$ 2,333,145</u>	<u>\$ 2,227,331</u>		
Other long-term assets			61,821	61,421
Total assets			<u>\$ 2,212,810</u>	<u>\$ 2,274,755</u>
<b>Liabilities and Shareholders' Equity</b>				
Current liabilities:				
Current installments of long-term debt	\$ 4,281	\$ 4,275	\$ 5,105	\$ 4,283
Accounts payable	382,170	424,272	348,374	367,480
Advance payments from customers	189,058	197,937	189,153	204,883
Income taxes payable	12,823	12,236	24,400	22,225
Accrued liabilities	110,772	110,416	100,787	114,676
Total current liabilities	<u>699,104</u>	<u>749,136</u>	<u>667,819</u>	<u>713,547</u>
Long-term debt, less current installments	428,231	320,675		
Long-term debt, net of current installments			310,117	326,674
Operating lease liabilities	114,279	86,687	119,958	123,385
Other long-term liabilities	27,987	43,922	29,749	32,064
Deferred income taxes	495	495		
Commitments and contingencies				
Shareholders' equity:				
Preferred stock, \$0.10 par value; 5,000 shares authorized, none issued	—	—		
Common stock, \$0.10 par value; 145,000 shares authorized; issued and outstanding – 35,653 and 35,164, respectively	3,565	3,516		

Preferred stock, \$0.10 par value; 5,000 shares authorized, none issued			—	—
Common stock, \$0.10 par value; 145,000 shares authorized; issued and outstanding – 36,014 and 35,664, respectively			3,601	3,566
Additional paid-in capital	525,784	519,238	525,596	528,842
Retained earnings	548,874	519,895	568,590	560,537
Accumulated other comprehensive loss	(15,174)	(16,233)	(12,620)	(13,860)
Total shareholders' equity	1,063,049	1,026,416	1,085,167	1,079,085
	<u>\$ 2,333,145</u>	<u>\$ 2,227,331</u>		
Total liabilities and shareholders' equity			<u>\$ 2,212,810</u>	<u>\$ 2,274,755</u>

See the accompanying notes to the unaudited interim condensed consolidated financial statements.

1

**BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Income**  
(unaudited)

(in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Sales	719, \$ 695	771, \$ 575	2,147, \$ 622	2,135, \$ 687	675,575	694,695
Cost of sales	650, 618	704, 825	1,947, 556	1,952, 579	608,167	630,737
Gross profit	69,0 77	66,7 50	200,0 66	183,1 08	67,408	63,958
Selling, general and administrative expenses	35,5 09	38,5 44	111,3 79	110,6 75	37,332	38,198

	1,59	1,59				
Amortization of intangible assets	2	1	4,775	4,792	1,204	1,592
Restructuring charges and other costs	1,63	1,33				
	5	1	6,348	4,518	3,343	1,426
Income from operations	30,3	25,2	77,56	63,12		
	41	84	4	3	25,529	22,742
Interest expense	(8,47	(3,49	(23,18			
	5)	3)	3)	(7,428)	(7,245)	(6,450)
Interest income	1,34					
	3	452	4,223	843	1,992	1,258
Other income, net	2,38	1,08				
	4	7	280	1,577		
Other expense, net					(1,177)	(2,165)
Income before income taxes	25,5	23,3	58,88	58,11		
	93	30	4	5	19,099	15,385
Income tax expense	5,18	4,50	12,12	11,10		
	1	1	1	5	5,097	3,025
Net income	20,4	18,8	46,76	47,01		
	\$ 12	\$ 29	\$ 3	\$ 0	\$ 14,002	\$ 12,360
Earnings per share:						
Basic	\$ 0.57	\$ 0.54	\$ 1.32	\$ 1.34	\$ 0.39	\$ 0.35
Diluted	\$ 0.57	\$ 0.53	\$ 1.30	\$ 1.32	\$ 0.38	\$ 0.35
Weighted-average number of shares outstanding:						
Basic	35,6	35,1	35,53	35,18		
	47	51	5	4	35,810	35,336
Diluted	35,8	35,3	35,87	35,60		
	76	48	9	4	36,401	35,592

See the accompanying notes to the unaudited interim condensed consolidated financial statements.

**BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Comprehensive Income**

(unaudited)

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Net income	20,4	18,8	46,7	47,0		
	\$ 12	\$ 29	\$ 63	\$ 10	\$ 14,002	\$ 12,360
Other comprehensive income (loss):						
Other comprehensive income:						
Foreign currency translation adjustments	(1,891)	(3,541)	(8,1786)	(8,197)	(1,537)	1,050
Unrealized gain (loss) on derivatives, net of tax	(621)	730	1,523	4,293		
Unrealized gain on derivatives, net of tax					2,734	1,148
Other	(110)	(22)	322	(63)	43	226
Other comprehensive income (loss)	(2,622)	(2,833)	1,059	(3,967)		
Total other comprehensive income					1,240	2,424
Comprehensive income	17,7	15,9	47,8	43,0		
	\$ 90	\$ 96	\$ 22	\$ 43	\$ 15,242	\$ 14,784

See the accompanying notes to the unaudited interim condensed consolidated financial statements.

**BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Shareholders' Equity**  
**(unaudited)**



(in thousands)												
	Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity	Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
						1,0						
						2						
						6,						
Balances,	1	5	2	8	2	4						
December 31,	6	1	3	9	3	1						
2022	4	\$ 6	\$ 8	\$ 5	\$ 3)	\$ 6						
Balances,												
December 31,												
2023	35,664	\$ 3,566	\$ 528,842	\$ 560,537	\$ (13,860)	\$ 1,079,085						
Net income	—	—	—	14,002	—	14,002						
Other comprehensive income	—	—	—	—	1,240	1,240						
Dividends declared	—	—	—	(5,949)	—	(5,949)						
			1			1						
			2,			2,						
			3			3						
Stock-based compensation expense	—	—	1	—	—	1	—	—	2,176	—	—	2,176
Stock options exercised	5	1	7	—	—	8	18	2	369	—	—	371
Vesting of restricted stock units	7	2	7	(7								
	1	2	2)	—	—	—	527	53	(53)	—	—	—



Shares withheld for taxes	(5)	(1)	5)	—	—	6)
				(6		(6
				,0		,0
Dividends declared	—	—	—	0	8)	0
				2		2
				0,		0,
				4		4
				1		1
Net income	—	—	—	2	—	2
					(2	(2
Other comprehensive loss	—	—	—		,6	,6
					2	2
	—	—	—	—	2)	2)
						1,
			5	5		0
	3		2	4	(1	6
	5,	3,	5,	8,	5,	3,
Balances, September 30, 2023	6	5	7	8	1	0
	5	6	8	7	7	4
	3	\$ 5	\$ 4	\$ 4	\$ 4)	\$ 9

Balances, March 31, 2024	36,014	\$ 3,601	\$ 525,596	\$ 568,590	\$ (12,620)	\$ 1,085,167
--------------------------	--------	----------	------------	------------	-------------	--------------

(in thousands)	Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balances, December 31, 2021	35,213	\$ 3,521	\$ 507,447	\$ 479,992	\$ (17,158)	\$ 973,802
Stock-based compensation expense	—	—	13,282	—	—	13,282
Shares repurchased and retired	(376)	(37)	(4,177)	(5,177)	—	(9,391)
Stock options exercised	33	3	468	—	—	471
Vesting of restricted stock units	407	41	(41)	—	—	—
Shares withheld for taxes	(124)	(13)	(3,171)	—	—	(3,184)
Dividends declared	—	—	—	(17,406)	—	(17,406)
Net income	—	—	—	47,010	—	47,010
Other comprehensive loss	—	—	—	—	(3,967)	(3,967)

Balances, September 30, 2022	<u>35,153</u>	<u>\$ 3,515</u>	<u>\$ 513,808</u>	<u>\$ 504,419</u>	<u>\$ (21,125)</u>	<u>\$ 1,000,617</u>
Balances, June 30, 2022	35,140	\$ 3,514	\$ 509,172	\$ 491,379	\$ (18,292)	\$ 985,773
Stock-based compensation expense	—	—	4,795	—	—	4,795
Stock options exercised	1	—	12	—	—	12
Vesting of restricted stock units	18	2	(2)	—	—	—
Shares withheld for taxes	(6)	(1)	(169)	—	—	(170)
Dividends declared	—	—	—	(5,789)	—	(5,789)
Net income	—	—	—	18,829	—	18,829
Other comprehensive loss	—	—	—	—	(2,833)	(2,833)
Balances, September 30, 2022	<u>35,153</u>	<u>\$ 3,515</u>	<u>\$ 513,808</u>	<u>\$ 504,419</u>	<u>\$ (21,125)</u>	<u>\$ 1,000,617</u>

(in thousands)	Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensiv e Loss	Total Shareholders' Equity
Balances, December 31, 2022	35,164	\$ 3,516	\$ 519,238	\$ 519,895	\$ (16,233)	\$ 1,026,416
Net income	—	—	—	12,360	—	12,360
Other comprehensive income	—	—	—	—	2,424	2,424
Dividends declared	—	—	—	(5,878)	—	(5,878)
Stock-based compensation expense	—	—	4,790	—	—	4,790
Stock options exercised	5	1	67	—	—	68
Vesting of restricted stock units	651	65	(65)	—	—	—
Shares withheld for taxes	(231)	(23)	(5,531)	—	—	(5,554)
Balances, March 31, 2023	<u>35,589</u>	<u>\$ 3,559</u>	<u>\$ 518,499</u>	<u>\$ 526,377</u>	<u>\$ (13,809)</u>	<u>\$ 1,034,626</u>

See the accompanying notes to the unaudited condensed consolidated financial statements.

## BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES

**Condensed Consolidated Statements of Cash Flows**  
(unaudited)

(in thousands)	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Cash flows from operating activities:				
Net income	\$ 46,763	\$ 47,010	\$ 14,002	\$ 12,360
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation	25,443	24,874	9,054	8,320
Amortization	8,660	8,113	2,540	2,780
Stock-based compensation expense			2,176	4,790
Provision for doubtful accounts	1,321	(380)	390	—
Deferred income taxes	(4,465)	(4,138)	(1,847)	(1,010)
Asset impairments	1,075	—		
Gain on the sale of property, plant and equipment	(335)	(246)		
Gain on assets held for sale	—	(393)		
Stock-based compensation expense	12,331	13,282		
Loss on the sale of property, plant and equipment			15	11
Changes in operating assets and liabilities:				
Accounts receivable	12,937	(123,600)	30,960	30,398
Contract assets	(6,472)	(32,487)	(5,835)	(10,521)
Inventories	1,789	(228,501)	45,222	(49,864)
Prepaid expenses and other assets	(14,433)	(9,820)	(2,957)	(3,712)
Accounts payable	(24,420)	84,588	(20,259)	15,375
Advance payments from customers	(8,879)	93,476	(15,730)	(12,129)
Accrued liabilities	(14,201)	(2,043)	(11,833)	(21,348)
Operating leases	830	(638)	121	9
Income taxes	(730)	6,186	2,438	(365)
		(124,717)		
Net cash provided by (used in) operating activities	37,214	17	48,457	(24,906)
Cash flows from investing activities:				

	(64,014)	(30,179)		
Additions to property, plant and equipment			(5,183)	(35,926)
Additions to capitalized purchased software			(720)	(2,805)
Proceeds from the sale of property, plant and equipment	636	289	—	19
Proceeds from the sale of assets held for sale	—	5,372		
Additions to capitalized purchased software	(2,699)	(3,415)		
Other	(48)	5		
Other, net			(251)	—
Net cash used in investing activities	(66,125)	(27,928)	(6,154)	(38,712)
Cash flows from financing activities:				
Debt issuance costs	(216)	(574)		
Proceeds from stock options exercised	68	471		
Employee taxes paid for with shares withheld	(5,804)	(3,184)		
Dividends paid	(17,570)	(17,414)		
Borrowings under credit agreement	614,500	593,000	175,000	230,000
Principal payments on credit agreement	(506,961)	(423,000)	(190,820)	(151,641)
Dividends paid			(5,889)	(5,806)
Employee taxes paid with shares withheld			(5,758)	(5,554)
Proceeds from stock options exercised			371	68
Principal payments on finance leases	(129)	(123)	(45)	(43)
Share repurchases	—	(9,391)		
Net cash provided by financing activities	83,888	139,785		
Net cash (used in) provided by financing activities			(27,141)	67,024
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,647)	(9,552)	(2,320)	854
Net increase (decrease) in cash and cash equivalents and restricted cash	53,330	(22,412)		
Cash and cash equivalents and restricted cash at beginning of year	207,430	271,749		
	0	9		
	260,760	249,333		
Cash and cash equivalents and restricted cash at end of period	\$ 0	\$ 7		
Net increase in cash, cash equivalents and restricted cash			12,842	4,260
Cash, cash equivalents and restricted cash at the beginning of the year			283,213	207,430

Cash, cash equivalents and restricted cash at the end of the period	\$	296,055	\$	211,690
---	----	---------	----	---------

See the accompanying notes to the unaudited condensed consolidated financial statements.

**BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES**  
**Notes to the Condensed Consolidated Financial Statements**  
(amounts in thousands, except per share data, unless otherwise noted)  
(unaudited)

**Note 1 – Basis of Presentation**

Benchmark Electronics, Inc. (the Company) is a Texas corporation that provides advanced manufacturing services, (electronic manufacturing services and precision technology services), which include design and engineering services and technology solutions. From initial product concept to volume production, including direct order fulfillment and aftermarket services, the Company has been providing integrated services and solutions to original equipment manufacturers (OEMs) since 1979. The Company serves the following market sectors: complex industrials, aerospace and defense (A&D), medical technologies, complex industrials, semiconductor capital equipment (Semi-Cap) (semi-cap), advanced computing and next-generation communications and advanced computing, communications. The Company has manufacturing operations located in the United States and Mexico (the Americas), Asia and Europe.

The unaudited condensed consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC) relating to interim financial statements. The condensed consolidated financial statements reflect all normal and recurring adjustments necessary in the opinion of management for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. The accompanying These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the 2022 2023 10-K).

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these unaudited condensed consolidated financial statements in accordance with generally accepted accounting principles in the United States (U.S. GAAP) for interim financial statements. However, actual results could differ materially from these estimates.

**Note 2 – New Accounting Pronouncements**

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740) (ASU 2023-09), which improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in

the rate reconciliation and income taxes paid disaggregated by jurisdiction. The ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the guidance and its impact to the financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07), which requires public entities disclose information about their reportable segments' oversight and significant expenses on an interim and annual basis. The ASU is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the guidance and its impact to the financial statements.

The Company has determined does not believe that any other recently issued accounting standards will either not have a material impact on its consolidated financial position, results of operations or cash flows, or will not apply to its operations.

### Note 3 – Inventories

Inventory costs are summarized as follows:

(in thousands)	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Raw materials	\$ 699,520	\$ 710,494	\$ 614,382	\$ 659,210
Work in process	23,402	15,546	20,735	22,088
Finished goods	2,427	1,709	2,558	2,503
	<u>\$ 725,349</u>	<u>\$ 727,749</u>		
Total inventories			<u>\$ 637,675</u>	<u>\$ 683,801</u>

6

### Note 4 – Goodwill and Other Intangible Assets

Goodwill allocated to the Company's reportable operating segments is summarized as follows:

(in thousands)	America			Americas	Asia	Total
	s	Asia	Total			
Goodwill as of September 30, 2023 and	154,0	38,1	192,1			
December 31, 2022	<u>\$ 14</u>	<u>\$ 02</u>	<u>\$ 16</u>			



Goodwill as of March 31, 2024 and December

31, 2023 \$ 154,014 \$ 38,102 \$ 192,116

6

Other assets, net consist primarily A summary of the Company's acquired identifiable intangible assets and capitalized purchased software costs. Acquired identifiable intangible assets and capitalized purchased software costs as of September 30, 2023 and December 31, 2022 were as follows:

(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	100,05		29,35			
	\$ 9	\$ (70,703)	\$ 6	\$ 100,081	\$ (73,121)	\$ 26,960
Capitalized purchased software costs			14,52			
	43,816	(29,288)	8	46,097	(30,842)	15,255
Technology licenses	15,500	(15,500)	—	15,500	(15,500)	—
Trade names and trademarks	7,800	—	7,800	7,800	—	7,800
Other	868	(398)	470	868	(410)	458
Total intangible assets as of September 30, 2023	168,04		52,15			
	\$ 3	\$ (115,889)	\$ 4			
Total intangible assets as of March 31, 2024				\$ 170,346	\$ (119,873)	\$ 50,473

(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	100,07		34,11			
	\$ 2	\$ (65,958)	\$ 4	\$ 100,105	\$ (71,947)	\$ 28,158
Capitalized purchased software costs			15,78			
	52,483	(36,702)	1	45,062	(30,463)	14,599
Technology licenses	15,500	(15,500)	—	15,500	(15,500)	—
Trade names and trademarks	7,800	—	7,800	7,800	—	7,800
Other	868	(377)	491	869	(404)	465
Total intangible assets as of December 31, 2022	176,72		58,18			
	\$ 3	\$ (118,537)	\$ 6			

Total intangible assets as of December 31, 2023	\$ 169,336	\$ (118,314)	\$ 51,022
---	------------	--------------	-----------

Customer relationships are being amortized on a straight-line basis over a period of 10 to 14 years. Capitalized purchased software costs are amortized straight-line over the estimated useful life. A summary of the related software, which ranges from 2 to 14 years. Technology licenses are being amortized over their estimated useful lives components of amortization expense, as presented in proportion to the economic benefits consumed. The Company's acquired trade names and trademarks have been determined to have an indefinite life. Amortization on the condensed consolidated statements of cash flow for the nine months ended September 30, 2023 and 2022 was as follows, follows:

(in thousands)	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Amortization of intangible assets	\$ 4,775	\$ 4,792	\$ 1,204	\$ 1,592
Amortization of capitalized purchased software costs	3,517	3,019	1,207	1,074
Amortization of debt costs	368	302	129	114
	<u>\$ 8,660</u>	<u>\$ 8,113</u>		
Total amortization expense			<u>\$ 2,540</u>	<u>\$ 2,780</u>

The estimated A summary of the future amortization expense of acquired related to the Company's intangible assets held as of March 31, 2024 for each of the next five years is as follows:

Year ending December 31,	Amount	Amortization Expense
2023 (remaining three months)	\$ 1,592	
2024	4,817	
Remaining nine months of 2024		\$ 3,613
2025	4,817	4,817
2026	4,817	4,817
2027	4,817	4,817
2028		4,817
2029		4,216

## Note 5 – Borrowing Facilities

Long-term debt outstanding as of September 30, 2023 and December 31, 2022 consists of the following:

(in thousands)	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Revolving credit facility	\$ 305,000	\$ 195,000	\$ 190,000	\$ 205,000
Term loan	128,789	131,250	126,328	127,148
Less unamortized debt issuance costs	(1,677)	(1,829)		
Total long-term debt	\$ 432,112	\$ 324,421		
Less: Unamortized debt issuance costs			(1,417)	(1,546)
Total long-term debt, including current installments			\$ 314,911	\$ 330,602

7

On July 20, 2018, the Company entered into a \$650 million credit agreement (the Prior Credit Agreement) by and among the Company, certain of its subsidiaries, the lenders party thereto and Bank of America, N.A., as Administrative Agent, Swingline Lender and an L/C Issuer. The Prior Credit Agreement was comprised of a five-year \$500 million revolving credit facility and a five-year \$151 million term loan facility, both of which had a maturity date of July 20, 2023. The term loan facility proceeds were used to (i) refinance a portion of existing indebtedness and terminate all commitments under the Company's prior \$430 million credit agreement and (ii) pay the fees, costs and expenses associated with the foregoing and the negotiation, execution and delivery of the Prior Credit Agreement.

On December 21, 2021, the Company amended and restated the Prior Credit Agreement by entering into a \$381 million amended and restated credit agreement (the Amended and Restated Credit Agreement). The Amended and Restated Credit Agreement was is comprised of a five-year \$250 million revolving credit facility (the Revolving Credit Facility) and a five-year \$131.3 million term loan facility (the Term Loan Facility), which extended and the maturity date of the original revolving credit facility and term loan facility maturity dates was extended from July 20, 2023 to December 21, 2026.

On May 20, 2022, the Company entered into Amendment No. 1 (the Amendment) to the Amended and Restated Credit Agreement (as amended, the Credit Agreement). The Amendment increased the Revolving Credit Facility commitments from \$250 million to \$450 million. The Amendment also established that the interest on outstanding borrowings starting on the next reset date and any new borrowings under the Amendment (other than swingline loans) will accrue, at the Company's option, at (a) BSBY the Bloomberg Short Term Bank Yield Index (BSBY) plus the Applicable Rate (as defined in the Credit Agreement, approximately 1.00% to 2.00% per annum depending on various factors) or (b) for U.S. Dollar dollar denominated loans, the base rate (which is the highest of (i) the federal funds rate plus 0.50%, (ii) the Bank of America, N.A. prime rate, (iii) the one month BSBY adjusted daily rate plus 1.00% and (iv) 1.00%).

On February 3, 2023, the Company entered into Amendment No. 2 to the Credit Agreement, which increased the maximum amount of trade accounts receivable that the Company may elect to sell at any one time to \$200.0 million.

On May 1, 2023, the Company entered into Amendment No. 3 to the Credit Agreement (Amendment No. 3). Amendment No. 3, which increased the Revolving Credit Facility commitments from \$450 million to \$550 million. Amendment No. 3 also established that the interest on outstanding borrowings starting on the next reset date and any new borrowings under Amendment No. 3 (other than swingline loans) will accrue, at the Company's option, at (a) the Term Secured Overnight Financing Rate (SOFR) plus 0.10% plus the Applicable Rate (as defined in the Credit Agreement, approximately 1.00% to 2.00% per annum depending on various factors) or (b) for U.S. Dollar dollar denominated loans, the base rate (which is the highest of (i) the federal funds rate plus 0.50%, (ii) the Bank of America, N.A. prime rate, (iii) Term SOFR plus 1.00% and (iv) 1.00%).

The Revolving Credit Facility is available for general corporate purposes. The Credit Agreement includes an accordion feature pursuant to which the Company is permitted to add one or more incremental term loans and/or increase commitments under the Revolving Credit Facility in an aggregate amount of \$100 million or a higher amount, subject to the satisfaction of certain conditions and exceptions.

The Term Loan Facility is subject to quarterly principal installments equal to 0.625% of the initial aggregate term loan advances to be paid commencing December 31, 2022 through September 30, 2024 and paid. On December 31, 2024, the quarterly principal installments on the Term Loan Facility increased to 1.25% of the initial aggregate term loan advances from December 31, 2024 until the maturity date, to be paid.

As of September 30, 2023 March 31, 2024, a portion of the \$128.8 126.3 million of the outstanding debt under the Credit Agreement is effectively at a fixed interest rate of 4.039% as a result of a \$128.0 126.3 million notional interest rate swap contract, which is discussed in Note 14. A commitment fee of 0.15 0.20% to 0.30% per annum (based on the Company's debt to EBITDA ratio) on the unused portion of the Revolving Credit Facility is payable quarterly in arrears.

8

---

The Credit Agreement is generally secured by a pledge of (a) all the capital stock of the Company's domestic subsidiaries and 65% of the capital stock of its directly owned foreign subsidiaries, (b) all or substantially all other personal property of the Company and its domestic subsidiaries (including, but not limited to, accounts receivable, contract assets, inventory, intellectual property and fixed assets of the Company and its domestic subsidiaries), in each case, subject to customary exceptions and limitations, and (c) all proceeds and products of the property and assets described in (a) and (b) above.

The Credit Agreement contains certain financial covenants related to interest coverage and debt leverage, and certain customary affirmative and negative covenants, including restrictions on the Company's ability to incur additional debt and liens, pay dividends, repurchase shares, sell assets and merge or consolidate with other persons. Amounts due under the Credit Agreement could be accelerated upon specified events of default, including a failure to pay amounts due, breach of a covenant, material inaccuracy of a representation, or occurrence of bankruptcy or insolvency, subject, in some cases, to cure periods. As of September 30, 2023, the Company was in compliance with the covenants under the Credit Agreement.

8

As of September 30, 2023 March 31, 2024, the Company had \$128.8 126.3 million in borrowings outstanding under the Term Loan Facility, \$305.0 190.0 million in borrowings outstanding under the Revolving Credit Facility, and \$4.4 million in letters of credit outstanding under the Revolving Credit Facility. The As of March 31, 2024, the Company had \$240.6 355.6 million available for future borrowings under the Revolving Credit Facility subject to compliance with financial covenants as to interest coverage and debt leverage, in addition to other debt covenant restrictions.

## Note 6 – Leases

The Company determines if a contract is or contains a lease at inception. The Company has entered into leases for certain facilities, vehicles and other equipment. The Company's leases primarily consist mainly of operating leases which expire at various dates through 2036. Variable lease payments are generally expensed as incurred and primarily include certain index-based changes in rent and certain non-lease components, such as maintenance and other services provided by the lessor, and other charges included in the lease. lessor.

The components of lease expense were as follows:

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Finance lease cost:				
Amortization of right-of-use assets (included in depreciation expense)	\$ —	\$ 24	\$ 48	\$ 72
Interest on lease liabilities	5	7	16	22
Operating lease cost	4,891	4,278	13,797	12,977
Short-term lease cost	183	64	473	208
Variable lease cost	442	466	1,334	1,408
Total lease cost	\$ 5,521	\$ 4,839	\$ 15,668	\$ 14,687

(in thousands)	Three Months Ended	
	March 31,	
	2024	2023
Finance lease costs:		
Amortization of right-of-use assets (included in depreciation expense)	\$ —	\$ 24
Interest on lease liabilities	4	6
Operating lease costs	5,510	4,571
Short-term lease costs	226	140
Variable lease costs	473	456
Total lease costs	\$ 6,213	\$ 5,197

## Nine Months Ended

(in thousands)	September 30,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating leases	\$ 13,196	\$ 13,462
Operating cash flows used for finance lease	\$ 16	\$ 22
Financing cash flows used for finance lease	\$ 129	\$ 123
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 39,849	\$ 11,525

Lease assets and liabilities as A summary of September 30, 2023 and December 31, 2022 were as cash flow information related to leases follows:

(dollars in thousands)	September 30,	December 31,
	2023	2022
Finance lease right-of-use assets (included in other assets, net)	\$ —	\$ 664
Operating lease right-of-use assets	\$ 122,104	\$ 93,081
Finance lease liabilities, current (included in current installments of long-term debt)	\$ 179	\$ 173
Finance lease liabilities, noncurrent (included in long-term debt)	\$ 221	\$ 355
Operating lease liabilities, current (included in accrued liabilities)	\$ 14,281	\$ 12,020
Operating lease liabilities, noncurrent	\$ 114,279	\$ 86,687
Weighted average remaining lease term – finance leases	2.2 years	2.9 years
Weighted average remaining lease term – operating leases	9.7 years	9.8 years
Weighted average discount rate – finance leases	4.8 %	4.8 %
Weighted average discount rate – operating leases	4.4 %	4.1 %

(in thousands)	Three Months Ended March 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating leases	\$ 5,199	\$ 4,435
Operating cash flows used for finance leases	4	6
Financing cash flows used for finance leases	45	43
Right-of-use assets obtained in exchange for new operating lease liabilities	2,059	5,406

**Future** A summary of other information about the Company's leases follows:

	March 31,	December 31,
(dollars in thousands)	2024	2023
Operating lease right-of-use assets	\$ 128,395	\$ 130,830
Finance lease liabilities, current (included in current installments of long-term debt)	\$ 184	\$ 181
Finance lease liabilities, noncurrent (included in long-term debt)	\$ 127	\$ 174
Operating lease liabilities, current (included in accrued liabilities)	\$ 16,598	\$ 15,486
Operating lease liabilities, noncurrent	\$ 119,958	\$ 123,385
Weighted average remaining lease term – finance leases	1.7 years	1.9 years
Weighted average remaining lease term – operating leases	9.4 years	9.7 years
Weighted average discount rate – finance leases	4.8 %	4.8 %
Weighted average discount rate – operating leases	4.6 %	4.5 %

A summary of the Company's future annual minimum operating lease payments and finance lease commitments as of September 30, 2023 were as March 31, 2024 follows (in thousands):

Year ending December 31,	Operating Leases	Finance Leases	Operating Leases	Finance Leases
2023 (remaining three months)	\$ 4,318	\$ 48		
2024	19,547	194		
Remaining nine months of 2024			\$ 16,491	\$ 145
2025	18,876	177	21,139	178
2026	15,480	—	16,982	—
2027	14,357	—	15,698	—
2028 and thereafter	87,187	—		
2028			14,932	—
2029 and thereafter			84,152	—
Total minimum lease payments	159,765	419	169,394	323
Less: imputed interest	(31,205)	(19)	(32,838)	(12)
Total present value of lease liabilities	\$ 128,560	\$ 400	\$ 136,556	\$ 311

## Note 7 – Common Stock and Stock-Based Awards Plans

### Dividends

The Company began declaring and paying quarterly dividends during the first quarter of 2018. For the three and nine months ended September 30, 2023, cash dividends paid totaled \$5.9 million and \$17.6 million. For the three and nine months ended September 30,

2022, cash dividends paid totaled \$5.8 million and \$17.4 million. On September 11, 2023 and September 12, 2022 March 11, 2024, the Company declared a quarterly cash dividends dividend of \$0.165 per share of the Company's common stock to shareholders of record as of March 29, 2024. The dividend of \$5.9 September 29, 2023 and September 30, 2022, respectively. The dividends for the third quarters of 2023 and 2022 were million was paid on October 13, 2023 and October 14, 2022, respectively. April 12, 2024.

The Board of Directors currently intends to continue paying quarterly dividends. However, the Company's future dividend policy is subject to the Company's compliance with applicable law, laws, and depends on, among other things, the Company's results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in the Company's debt agreements, and other factors that the Company's Board of Directors (the Board of Directors) may deem relevant. Dividend payments are not mandatory or guaranteed; there can be guaranteed and no assurance is made that the Company will continue to pay a dividend in the future.

#### Share Repurchase Authorization

On February 19, 2020 March 6, 2018, the Board of Directors approved an expanded share repurchase authorization granting the Company authority to repurchase up to \$250 million in common stock in addition to the \$100 million previously approved on December 7, 2015. On October 26, 2018 and October 26, 2018 February 19, 2020, the Board of Directors authorized the repurchase of an additional \$150 100 million and \$100 150 million respectively, shares of the Company's Company's common stock, respectively.

Share purchases may be made in addition to the \$ open market, in privately negotiated transactions or block transactions, at the discretion of the Company's management and as market conditions warrant. Purchases will be funded from available cash and may be commenced, suspended or discontinued at any time without prior notice. Shares repurchased under the program are retired.

The Company did 250 no million previously approved on March 6, 2018. During t repurchase shares during the three and nine months ended September 30, 2023, the Company did not repurchase any common shares. March 31, 2024. As of September 30, 2023 March 31, 2024, the Company had an aggregate \$154.6 million remaining under its stock share repurchase program. authorizations.

---

#### Stock-Based Compensation

The Company's Under the 2019 Omnibus Incentive Compensation Plan (as amended, the 2019 Plan) authorizes, the Company, upon approval of the Human Capital and Compensation Committee of the Board of Directors, to may grant a variety of awards, including stock options, restricted shares, and restricted stock units (both time-based and performance-based) and certain other forms of equity awards, or any combination thereof, to any director, officer, employee or consultant (including any prospective director, officer, employee or consultant) of the Company. Stock options (which have not been awarded since 2015) are granted to employees with an exercise price equal to the market price of shares of the Company's common stock on the date of grant, generally vest over a four-year period from the date of grant and typically have a term of 10 years. years. Time-based restricted stock units granted to employees generally vest over a three-year or four-year period from the date of grant and are subject to the continued employment of the employee by with the Company. Performance-based restricted stock units generally vest over a three-year performance cycle, which



includes the year of the grant, and are based upon the Company's achievement of specified performance metrics. Awards under the 2019 Plan to non-employee directors have historically been in the form of restricted stock units, which generally vest one year from annually, starting on the grant date.

As of September 30, 2023 March 31, 2024, the Company had , 2.3 1.8 million million common shares were available for issuance under the 2019 Plan.

All share-based payments to employees of the Company, including grants of employee stock options (last awarded in 2015), are recognized in the condensed consolidated financial statements based on their grant date fair values. The total compensation cost costs recognized for stock-based awards was were \$3.7 2.2 million and \$12.3 4.8 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and \$4.8 million and \$13.3 million for the three and nine months ended September 30, 2022, 2023, respectively. The future tax benefit of these stock-based awards as of the grant date was \$0.8 0.5 million and \$2.8 1.1 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and \$1.1 million and \$3.1 for 2023, respectively. The fair value of stock option grants is estimated on the three and nine months ended September 30, 2022, respectively. Awards date of grant using the Black-Scholes option pricing model. The fair values of restricted stock units and performance-based restricted stock units are valued at determined based on the closing market price of shares of the Company's common stock on the date of grant. For

10

performance-based restricted stock units, compensation expense cost is based on calculated taking into consideration the probability that the underlying performance goals will be achieved, which is monitored by management throughout the requisite service period. When it becomes probable, based on management's expectation of the Company's expectation of performance during the measurement period, that more or less than the previous estimate of the awarded shares will vest, an adjustment to stock-based compensation expense cost is recognized as a change in accounting estimate. estimate in the period the change is determined.

As of September 30, 2023 March 31, 2024, the unrecognized compensation cost costs and remaining weighted-average amortization period periods related to stock-based awards were as follows:

(in thousands)	Performance-based		Time-	
	Restricted Stock Units	Restricted Stock Units <sup>(1)</sup>	Based Restricted Stock Units	Performance-Based Restricted Stock Units
Unrecognized compensation cost	\$ 25,713	\$ 5,997	\$ 31,953	\$ 7,395
Remaining weighted-average amortization period	2.7 years	1.9 years	2.6 years	2.5 years

<sup>(1)</sup>Based on the probable achievement of the performance goals identified in each award.

The total cash received by the Company as a result of stock option exercises for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 was \$0.1 0.4 million and \$0.5 0.1 million, respectively. The actual tax benefit realized as a result of stock option exercises and the vesting of other share-based awards for the nine three months ended September 30, 2023 March 31, 2024 and 2022 was 2023 were \$2.6 million and \$2.5 2.2 million, respectively. For the nine three months ended September 30,

2023 March 31, 2024 and 2022, 2023, the total intrinsic value of stock options exercised was were less than \$0.1 million and \$0.4 0.1 million, respectively.

The Company awarded For performance-based restricted stock units to employees granted during the nine three months ended September 30, 2023 March 31, 2024 and 2022. The 2023, the number of performance-based restricted stock units that will ultimately be earned will not be determined until the end of the corresponding respective performance periods, and may vary from as low as zero to as high as 2.5 times the target number depending on the level of achievement of certain performance goals. The level of achievement of these goals is based upon the financial results of the Company for the last full calendar year within the performance period. The performance goals consist of certain levels of achievement using the following financial metrics: revenue, operating income margin, and return on invested capital. If the performance goals are not met based on the Company's financial results, the applicable performance-based restricted stock units will not vest and will be forfeited. Shares subject to forfeited performance-based restricted stock units will be available for re-issuance under the Company's 2019 Plan.

11

The following table summarizes activities relating to the Company's stock options:

	Number of	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
(in thousands, except per share data)	Options			
Outstanding as of December 31, 2022	57	\$ 21.85		
Exercised	(11)	17.37		
Forfeited or expired	(2)	18.66		
Outstanding and exercisable as of September 30, 2023	44	\$ 23.07	1.0	\$ 53

	Number of	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
(in thousands, except per share data and years)	Options			
Outstanding as of December 31, 2023	37	\$ 23.07		
Exercised	(26)	23.05		
Forfeited or expired	(2)	22.99		
Outstanding and exercisable as of March 31, 2024	9	23.14	0.9	\$ 64

The aggregate intrinsic value in the table above is before income taxes and is calculated as the difference between the exercise price of the underlying options and the Company's closing stock price as of the last business day of the period ended **September 30, 2023** **March 31, 2024** for options that had exercise prices that were below the closing price.

11

The following table summarizes the activities related to the Company's time-based restricted stock units:

(in thousands, except per share data)	Weighted-Average		Weighted-Average	
	Number of	Grant Date	Number of	Grant Date
	Units	Fair Value	Units	Fair Value
Non-vested awards outstanding as of December 31, 2022	1,185	\$ 26.93		
Non-vested awards outstanding as of December 31, 2023			1,246	\$ 25.43
Granted	720	24.12	539	29.62
Vested	(479)	26.92	(388)	26.29
Forfeited	(136)	25.94	(102)	26.51
Non-vested awards outstanding as of September 30, 2023	1,290	\$ 25.47		
Non-vested awards outstanding as of March 31, 2024			1,295	26.87

The following table summarizes the activities related to the Company's performance-based restricted stock units:

(in thousands, except per share data)	Weighted-Average		Weighted-Average	
	Number of	Grant Date	Number of	Grant Date
	Units	Fair Value	Units	Fair Value
Non-vested units outstanding as of December 31, 2022	545	\$ 27.62		
Non-vested awards outstanding as of December 31, 2023			442	\$ 26.12
Granted <sup>(1)</sup>	244	25.30	198	29.62
Vested	(242)	28.30	(139)	28.60
Forfeited	(105)	26.98	(77)	26.61
Non-vested units outstanding as of September 30, 2023	442	\$ 26.12		
Non-vested awards outstanding as of March 31, 2024			424	26.82

<sup>(1)</sup> Represents target number of units that can vest based on the achievement of the performance goals.

## Note 8 – Income Taxes

Income tax expense consists of the following:

(in thousands)	Nine Months Ended September 30,	
	2023	2022
Current:		
U.S. Federal	\$ 570	\$ (9)
State and local	196	609
Foreign	15,820	14,715
Deferred	(4,465)	(4,210)
	<u>\$ 12,121</u>	<u>\$ 11,105</u>

  

(in thousands)	Three Months Ended March 31,	
	2024	2023
Current:		
U.S. Federal	\$ (445)	\$ 525
State and local	115	66
Foreign	7,274	3,444
Deferred	(1,847)	(1,010)
Total income tax expense	<u>\$ 5,097</u>	<u>\$ 3,025</u>

Income tax expense differs from the amount computed by applying the U.S. federal statutory income tax rate to income (loss) before income taxes primarily due to the mix of taxable income by taxing jurisdiction, the impact of tax incentives and tax holidays in foreign locations, state income taxes (net of federal benefit) and the U.S. tax under the global intangible low-taxed income (GILTI) provisions, provisions, and the Global Minimum Tax (GMT) as defined under the Pillar Two directives of the Organization of Economic Co-operation and Development (OECD) for those international countries that have adopted the specific requirements of the Pillar Two directives. GILTI requires the Company to include in its U.S. U.S federal income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiaries tangible fixed assets. The taxable earnings can be offset by a limited deemed paid foreign tax credit with no carrybacks or carryforwards available. The Company accounts for the GILTI as a period cost and does not include it as a factor in the determination of deferred taxes. The GMT has been adopted by several international countries where the Company conducts its manufacturing operations. The adoption by these countries of the GMT requires that the Company's applicable foreign

subsidiaries include in their income tax expense an additional “top-up” tax that achieves a corporate minimum effective tax rate of 15% if the overall adjusted effective tax rate is less than 15%. The Company has included in its income tax expense for the three months ended March 31, 2024 an estimated amount of GMT for its foreign subsidiaries as required under the applicable GMT rules of the countries that have adopted the Pillar Two directives.

As of December 31, 2022 March 31, 2024, the Company has a total Transition Tax liability of \$36.2 million. The Company intends to pay this liability over the remaining two-year payment period as prescribed by the U.S. Tax Reform and regulatory guidance issued by the Internal Revenue Service (IRS). As of March 31, 2024, the Company expects to pay \$16.1 million of the remaining liability in 2024 and \$20.1 million in 2025. The current portion of the transition tax liability is accrued in other accrued liabilities and the long-term portion of the transition tax liability is accrued in other long-term liabilities on the condensed consolidated balance sheets.

As of December 31, 2023, the Company had approximately \$365.2 477.2 million in cumulative undistributed foreign earnings of its foreign subsidiaries. These earnings would are not be subject to U.S. federal income tax if distributed to the Company. During 2018, the The Company changed its assertion during 2018 on its foreign subsidiaries earnings that are permanently reinvested. A certain amount of earnings from specific foreign subsidiaries are permanently reinvested, and certain foreign earnings from other specific foreign subsidiaries are considered to be non-permanently reinvested and are available for immediate distribution to the Company. Income taxes have been accrued on the non-permanently reinvested foreign earnings, including the 2017 Transition Tax, the U.S. tax on GILTI and any applicable foreign or local withholding taxes. The Company estimates that it has approximately \$9.1

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in the United States in response million of unrecognized deferred tax liabilities related to any remaining undistributed permanently reinvested foreign earnings that have not already been subject to the COVID pandemic. The CARES Act, among other things, permits net operating loss carryovers 2017 Transition Tax, the U.S. tax on GILTI, and carrybacks to offset 100% of taxable any applicable foreign income for taxable years beginning before 2021, and contains modifications tax or local withholding tax on the limitation of business interest. The Company has evaluated the impact of these provisions and has determined these provisions did not have any impact on

## 12

the nine months ended September 30, 2023. In addition, the CARES Act allowed for employee retention tax credits to be taken in U.S. payroll tax filings and allowed for the deferral of the employer portion of social security taxes during the calendar year 2020 with 50% to be paid at the end of calendar years 2021 and 2022, respectively. The Company deferred the payment of the employer portion of social security taxes for the year ended December 31, 2020 until the end of 2021 and 2022, respectively. During December 2022 and 2021, the Company paid 100% of the social security taxes previously deferred and all employer deferrals have been paid. The Company has also determined it was entitled to employee retention credits and filed for the credits in the second quarter 2020 payroll tax reports pursuant to the guidance provided by the Internal Revenue Service. The amount for the credits was recorded in operating expenses for the year ended December 31, 2020. The Company was not eligible for employee retention tax credits as of December 31, 2021. The Company has not received the retention credits from the Internal Revenue Service that it applied for during the second quarter of 2020. The Internal Revenue Service has had some delays in processing the filings for the tax refunds. cash distributions.

The Company has been granted certain tax incentives, including tax holidays, for its subsidiaries in Thailand, China and Thailand Malaysia that will expire at various dates, unless extended or otherwise renegotiated through 2023 in China and 2030 in Thailand, and are subject to certain conditions with which the Company expects to comply. We The tax incentives in Thailand will be applying for an additional China tax holiday for future years from expire on 2024 until 2026 December 31, 2030. The tax incentives in

China expired on December 31, 2023 and the tax incentives in Malaysia tax incentive expired as of March 31, 2021, but the on March 31, 2021. The Company has applied will apply for an extension a continuation of the Malaysia tax holiday, which would will extend the tax holiday incentive period for potentially 5five to 10 ten years years. if approved. The Company will also apply for a China tax holiday in 2024. There is no guarantee that of being awarded these tax incentives in the Company will be granted the extension of the Malaysia tax holiday or the future China tax holiday. future. The net impact of these tax incentives was to lower foreign income tax expense for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 by approximately \$4.7 0.8 million (approximately \$0.13 0.02 per diluted share) and \$4.5 1.9 million (approximately \$0.13 0.05 per diluted share), respectively, as follows: respectively.

A summary of the Company's tax incentives follows:

(in thousands)	Nine Months Ended September 30,	
	2023	2022
China	\$ 620	\$ 581
Thailand	4,086	3,924
	<u>\$ 4,706</u>	<u>\$ 4,505</u>

  

(in thousands)	Three Months Ended March 31,	
	2024	2023
Thailand	\$ 804	\$ 1,759
China	—	182
Total tax incentives	<u>\$ 804</u>	<u>\$ 1,941</u>

As of September 30, 2023 March 31, 2024, the total amount of the Company's reserve for uncertain tax benefits, including interest and penalties, was \$9.5 9.9 million. The reserve is classified as a current or long-term liability in on the unaudited condensed consolidated balance sheets based on the Company's expectation of when the items will be settled. If the reserve for uncertain tax benefits was recognized, the effect would be \$9.9 million. The Company records interest expense and penalties accrued in relation to uncertain income tax benefits as a component of current income tax expense on the condensed consolidated statements of income.

The Company and its subsidiaries in Brazil, China, Ireland, Malaysia, Mexico, the Netherlands, Romania, Singapore, Thailand and the United States remain open to examination by the various local taxing authorities, in total or in part, for fiscal years 2016 2017 to 2022. 2023. During the course of such income tax examinations, disputes may occur as to matters of fact or law. Also, in most tax jurisdictions, the passage of time without examination will result in the expiration of applicable statutes of limitations thereby precluding examination of the tax period(s) for which such statute of limitation has expired. The Company believes that it has adequately provided for its tax liabilities.

Note 9 – Revenue

The Company’s revenues are generated primarily from its manufacturing services, which entails the sale of manufactured products built to customer specifications. The Company also generates revenue from design, development and engineering services, in addition to the sale of other inventory.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a manufactured product to a customer. The Company’s contracts with customers are generally short-term in nature. The Company applies the optional exemption related to short-term performance obligations and does not disclose information about remaining performance obligations that have original expected durations of one year or less. Customers are generally billed when the product is shipped or as services are performed. Under the majority of the Company’s manufacturing contracts with customers, the customer controls all of the work-in-progress as products are being built. Revenues under these contracts are recognized progressively based on the cost-to-cost method. For other manufacturing contracts, the customer does not take control of the product until it is completed. Under these contracts, the Company recognizes revenue upon transfer of control of the product to the customer, which is generally when goods are shipped. Revenue from design, development and engineering services is recognized over time as the services are performed. As a general matter, the The Company assumes no significant obligations after shipment as it typically warrants workmanship only. Therefore, the warranty provisions are generally not significant.

If the Company records revenue, but does not issue an invoice, a contract asset is recognized. The contract asset is transferred to trade accounts receivable when the entitlement to payment becomes unconditional.

13

Taxes assessed by governmental authorities that are both imposed on and concurrent with a specific revenue-producing transaction which are and collected by the Company from a customer, are excluded from revenue.

Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of sales in the condensed consolidated statements of income. sales.

Disaggregation of revenue Revenue

In the The following tables provide a summary of the Company’s revenue is disaggregated by market sector. The tables also include sector and a reconciliation of the disaggregated revenue with to the Company’s revenue by reportable operating segments. Elimination of intersegment sales includes intersegment sales between reportable operating segments. segment:

(in thousands)	Reportable Operating Segments				Three Months Ended March 31, 2024			
	Three Months Ended September 30, 2023							
	America	Asia	Europe	Total	Americas	Asia	Europe	Total
Market sector:								
Industrials	28,50	94,93	30,1	153,6				
	\$ 4	\$ 9	\$ 98	\$ 41				

Semi-Cap					\$ 53,658	\$ 81,899	\$ 30,382	\$ 165,939
Complex Industrials					29,650	84,211	27,171	141,032
Medical					61,863	42,226	10,638	114,727
A&D	84,82		6,03	99,68				
	1	8,833	3	7	86,863	9,122	9,849	105,834
Medical	92,50	46,96	9,65	149,1				
	9	8	3	30				
Semi-Cap	65,92	75,10	24,2	165,2				
	0	3	31	54				
Advanced Computing	60,74			65,72				
	8	4,976	—	4	83,184	7,345	—	90,529
Next Generation	52,67	33,58		86,25				
Communications	7	2	—	9				
Next-Generation								
Communications					33,448	24,049	17	57,514
External revenue	385,1	264,4	70,1	719,6				
	79	01	15	95	348,666	248,852	78,057	675,575
Elimination of	14,17	10,76	1,29	26,23				
intersegment sales	7	2	7	6	23,663	8,964	2,439	35,066
Segment revenue	399,3	275,1	71,4	745,9				
	\$ 56	\$ 63	\$ 12	\$ 31	\$ 372,329	\$ 257,816	\$ 80,496	\$ 710,641

Nine Months Ended September 30, 2023				
(in thousands)	Americas	Asia	Europe	Total
Market sector:				
Industrials	\$ 96,390	\$ 270,369	\$ 97,245	\$ 464,004
A&D	215,185	25,655	18,426	259,266
Medical	251,001	146,136	33,978	431,115
Semi-Cap	189,939	216,522	71,369	477,830
Advanced Computing	224,424	18,679	—	243,103
Next Generation Communications	156,592	115,656	56	272,304
External revenue	1,133,531	793,017	221,074	2,147,622
Elimination of intersegment sales	67,252	37,039	2,783	107,074
Segment revenue	\$ 1,200,783	\$ 830,056	\$ 223,857	\$ 2,254,696



		Three Months Ended September 30, 2022			
(in thousands)		Americas	Asia	Europe	Total
Market sector:					
Industrials		\$ 29,504	\$ 90,469	\$ 35,305	\$ 155,278
A&D		69,700	13,514	3,024	86,238
Medical		85,609	67,956	11,981	165,546
Semi-Cap		77,123	91,907	17,295	186,325
Advanced Computing		78,438	16,124	—	94,562
Next Generation Communications		43,012	40,487	127	83,626
External revenue		383,386	320,457	67,732	771,575
Elimination of intersegment sales		17,519	17,269	668	35,456
Segment revenue		\$ 400,905	\$ 337,726	\$ 68,400	\$ 807,031
		Three Months Ended March 31, 2023			
(in thousands)		Americas	Asia	Europe	Total
Market sector:					
Semi-Cap		\$ 60,949	\$ 64,737	\$ 22,783	\$ 148,469
Complex Industrials		29,048	80,052	34,426	143,526
Medical		68,282	54,158	14,609	137,049
A&D		66,302	7,923	5,190	79,415
Advanced Computing		88,604	7,394	—	95,998
Next-Generation Communications		51,389	38,803	46	90,238
External revenue		364,574	253,067	77,054	694,695
Elimination of intersegment sales		32,633	14,976	801	48,410
Segment revenue		\$ 397,207	\$ 268,043	\$ 77,855	\$ 743,105

14

		Nine Months Ended September 30, 2022			
(in thousands)		Americas	Asia	Europe	Total
Market sector:					
Industrials		\$ 71,171	\$ 275,422	\$ 104,667	\$ 451,260
A&D		216,204	29,196	11,922	257,322
Medical		240,467	176,408	31,778	448,653
Semi-Cap		212,152	274,703	57,806	544,661
Advanced Computing		180,109	38,145	—	218,254
Next Generation Communications		108,077	107,228	232	215,537

External revenue	1,028,180	901,102	206,405	2,135,687
Elimination of intersegment sales	38,580	44,332	2,186	85,098
Segment revenue	<u>\$ 1,066,760</u>	<u>\$ 945,434</u>	<u>\$ 208,591</u>	<u>\$ 2,220,785</u>

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, contract assets and advance payments from customers. During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, 89.0 85.3% and 90.6 87.9%, respectively, of the Company's revenue was recognized as products and services that were transferred over time.

The timing of revenue recognition, billings and cash collections result in billed accounts receivable, contract assets and advance payments from customers.

As of September 30, 2023 and December 31, 2022, the Company had \$190.1 million and \$183.6 million, respectively, in contract assets from contracts with customers. The contract Contract assets primarily relate to the Company's right to consideration for work completed but not billed to the customer as of the reporting date. The contract assets period end. Contract asset balances are transferred to trade accounts receivable when the rights become unconditional.

Significant changes in A summary of activity related to the Company's contract asset during the period are as assets follows:

(in thousands)	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Beginning balance	\$ 183,613	\$ 155,243		
Balance as of the beginning of the year			\$ 174,979	\$ 183,613
Revenue recognized	1,911,958	1,937,398	577,000	630,774
Amounts collected or invoiced	(1,905,486)	(1,904,911)	(571,165)	(620,253)
Ending balance	<u>\$ 190,085</u>	<u>\$ 187,730</u>		
Balance as of the end of the period			<u>\$ 180,814</u>	<u>\$ 194,134</u>

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had \$189.1 189.2 million and \$197.9 204.9 million, respectively, in advance payments from customers. Of those amounts, \$175.1 176.2 million and \$178.9 191.6 million, respectively, were customer deposits and prepayments of inventory and \$14.0 13.0 million and \$18.9 13.3 million, respectively, were related to the contractual timing of payments. The advance payments are not considered a significant financing component because they are used to meet working capital demands of a contract, offset inventory risks and protect the Company from the failure of other parties to fulfill obligations under a contract.

#### Note 10 – Accounts Receivable Sale Programs

As of September 30, 2023 March 31, 2024, in connection with trade accounts receivable sale programs with unaffiliated financial institutions, the Company may elect to sell, at a discount, on an ongoing basis, up to a maximum of \$200.0 million of specific accounts receivable at any one time.

During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company sold \$123.3 135.1 million and \$103.4 152.8 million, respectively, of accounts receivable under these programs, and in exchange, the Company received cash

proceeds of \$122.4 134.1 million and \$102.9 million, respectively, net of the discount. During the nine months ended September 30, 2023 and 2022, the Company sold \$415.4 million and \$330.0 million, respectively, of accounts receivable under these programs, and in exchange, the Company received cash proceeds of \$412.1 million and \$328.9 151.8 million, respectively, net of the discount. The Company recognizes the loss on sale resulting from the discount was recorded to in other expense, on the condensed net in its consolidated statements of income.

**Note 11 – Contingencies**

The Company is involved in various legal actions arising in the ordinary course of business. Although the outcome of these matters cannot be predicted with certainty, in the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company’s consolidated financial position or results of operations.

**Note 12 – Restructuring Charges and Other Costs**

The Company has undertaken initiatives to restructure its business operations to improve utilization and realize cost savings. These initiatives have included changing the number and location of production facilities, largely to align capacity and infrastructure with current and anticipated customer demand. This alignment includes transferring programs from higher cost geographies to lower cost geographies. The Company’s restructuring process of restructuring entails moving production between facilities, reducing staff levels, realigning our business processes, reorganizing our management and other activities.

The During the three months ended March 31, 2024, the Company recognized \$5.2 3.3 million of restructuring charges, during which primarily related to capacity and workforce reductions at its sites in the nine Americas.

During the three months ended September 30, 2023 March 31, 2023, the Company recognized \$1.4 million of restructuring charges, which primarily related to the previously announced closure closures of our site its sites in Moorpark, California in the Americas, and other smaller activities involving capacity and workforce reductions and reductions in workforce in certain facilities across various regions, at other facilities. The operations at the Moorpark, California operations facility ceased as of March 31, 2023 with and the related restructuring activity expected to be was substantially completed in 2023.

The following table summarizes the 2023 activity in accrued restructuring, which is included in accrued liabilities on the condensed consolidated balance sheet, as of September 30, 2023 and relates to various restructuring activities initiated prior to September 30, 2023: December 31, 2023.

	Balance as of					Foreign	Balance as of
	December 31,	Restructuring	Cash	Non-Cash	Exchange		September
(in thousands)	2022	Charges	Payments	Activity	Adjustments		30, 2023

Restructuring:							
Severance	\$	3,683	\$	2,971	\$	(6,600)	\$ — \$ 32 \$ 86
Lease facility costs		17		153		(161)	— — 9
Other exit costs		81		2,104		(2,103)	— — 82
	\$	3,781	\$	5,228	\$	(8,864)	\$ - \$ 32 \$ 177

The components of restructuring charges during the first nine months of 2023 were as follows:

(in thousands)	America				Three Months Ended March 31, 2024			
	s	Asia	Europe	Total	Americas	Asia	Europe	Total
Severance costs	\$ 2,908	\$ 63	\$ —	\$ 2,971	\$ 2,617	\$ 371	\$ —	\$ 2,988
Lease facility costs	153	—	—	153	—	—	—	—
Other exit costs	2,104	—	—	2,104	355	—	—	355
	\$ 5,165	\$ 63	\$ —	\$ 5,228				
Total restructuring charges					\$ 2,972	\$ 371	\$ —	\$ 3,343

During the second quarter of 2023, the Company made the decision to no longer continue certain manufacturing capabilities in the Americas. In connection with that decision, the Company assessed the facility and equipment assets used in those manufacturing capabilities and recorded \$1.1 million of impairment charges. Company's accrued restructuring costs were as a result of that assessment. The asset impairment charges are included in the restructuring charges and other costs line item on the condensed consolidated statements of income for the nine months ended September 30, 2023. follows:

Additionally, during the third quarter of 2021, the Company made the decision to no longer continue certain manufacturing capabilities in the Americas. In connection with that decision, the Company assessed the facility and equipment assets used in those manufacturing capabilities using valuation information from third parties and recorded \$4.4 million of impairment charges as a result of that assessment. The asset impairment charges are included in the restructuring charges and other costs line item on the consolidated statements of income as of September 30, 2021. During the nine months ended September 30, 2022, the Company completed the sale of the equipment for \$1.3 million and recorded a loss on assets held for sale of \$2.0 million included in the restructuring charges and other costs line item on the consolidated statements of income. During the nine months ended September 30, 2022, the Company completed the sale of a building in Angleton, Texas for \$4.3 million and recorded a gain on assets held for sale of \$2.4 million included in the restructuring charges and other costs line item on the consolidated statements of income.

(in thousands)	Balances as of				Balances as of	
	December 31, 2023	Restructuring Charges	Cash Payments	Non-Cash Activity	March 31, 2024	
Severance	\$ 35	\$ 2,988	\$ (3,023)	\$ —	\$ —	
Lease facility costs	9	—	(1)	—	8	
Other exit costs	81	355	(436)	—	—	
Total accrued restructuring costs	\$ 125	\$ 3,343	\$ (3,460)	\$ —	\$ 8	

### Note 13 – Earnings Per Share

Basic earnings per share is computed using the weighted-average number of common shares outstanding. Diluted earnings per share is computed using the weighted-average number of common shares outstanding adjusted for the incremental shares attributed to outstanding stock equivalents. Stock equivalents include common stock shares issuable upon the exercise or vesting of stock options and other equity instruments and are computed using the treasury stock method. Under the treasury stock method, the exercise price of a share and the amount of compensation cost, if any, for future service that the Company has not yet recognized are assumed to be used to repurchase shares in the current period. In periods when losses are reported, the weighted-average number of shares outstanding excludes stock equivalents because their inclusion would have an anti-dilutive effect.

The following table sets forth the calculation of the Company's basic and diluted earnings per share:

(in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Net income	20,41	18,	46,76	47,01	\$ 14,002	\$ 12,360
Denominator for basic earnings per share – weighted-average number of common shares outstanding during the period	35,64	35,	35,53	35,18		
	7	151	5	4		
Denominator for basic earnings per share					35,810	35,336
Incremental common shares attributable to outstanding restricted stock units					586	250
Incremental common shares attributable to exercise of dilutive options	4	13	5	15	5	6
Incremental common shares attributable to outstanding restricted stock units	22		33	40		
	5	184	9	5		
Denominator for diluted earnings per share	35,87	35,	35,87	35,60	36,401	35,592
	6	348	9	4		
Basic earnings per share	0.5	0.5	1.3	1.3		
	\$ 7	\$ 4	\$ 2	\$ 4		
Diluted earnings per share	0.5	0.5	1.3	1.3		
	\$ 7	\$ 3	\$ 0	\$ 2		

#### Earnings per share:

Basic	\$	0.39	\$	0.35
Diluted	\$	0.38	\$	0.35

16

During the three months ended March 31, 2024 and 2023, there were no anti-dilutive stock options excluded from the computation of diluted earnings per share. Restricted stock units totaling less than three 0.1 thousand million and 0.2 million common shares for the three and nine months ended September 30, 2023, March 31, 2024 and 2023, respectively, were not included in excluded from the computation of diluted earnings per share as their effect would have been anti-dilutive. Restricted stock units totaling less than one thousand common shares for the three months ended September 30, 2022 were not included in the computation of diluted earnings per share as their effect would have been anti-dilutive. There were no anti-dilutive shares for the nine months ended September 30, 2022. share.

#### Note 14 – Financial Instruments

The Company's financial instruments include cash equivalents, accounts receivable, other receivables, accounts payable, accrued liabilities, long-term debt, interest rate swaps and long-term debt. The foreign currency hedges. For cash equivalents, accounts receivable, other receivables, accounts payable and accrued liabilities, the Company believes that the carrying values of these its financial instruments approximate the fair value values because of their short-term nature. For borrowings under the Credit Agreement in long-term debt, the Company believes that the fair value approximates the carrying value because the interest rates are variable. The Company uses derivative instruments to manage the variability of foreign currency obligations and interest rates. The Company does not enter into derivatives for speculative purposes.

The fair value of the Company's derivative instruments follows:

(in thousands)	Balance Sheet Location	March 31, 2024	December 31, 2023
Derivatives designated as hedging instruments:			
Forward currency exchange contracts	Other long-term assets	\$ 3,950	\$ 2,664
Interest rate swap agreement	Other long-term liabilities	(93)	(2,458)

#### Forward Currency Exchange Contracts

The Company utilizes forward currency exchange contracts to manage its foreign currency exposure. The Company enters into forward currency exchange contracts for its operations in Mexico, Europe and Asia. These instruments are designated as cash flow

hedges and the changes in fair value of the derivatives are recorded in accumulated other comprehensive loss on the condensed consolidated balance sheets sheet until earnings are affected by the variability of the cash flows. During the three and nine months ended September 30, 2023, the Company recorded an unrealized loss of \$2.3 million (\$1.7 million net of tax) and an unrealized gain of \$1.0 million (\$0.8 million net of tax), respectively, on the forward currency exchange contracts in other comprehensive income and transferred unrealized gains of \$1.2 million and \$2.5 million, respectively, to cost of sales. During the three and nine months ended September 30, 2022, the Company recorded an unrealized loss of less than \$0.1 million (less than \$0.1 million net of tax) and an unrealized gain of \$0.4 million (\$0.3 million net of tax), respectively, on the forward currency exchange contracts in other comprehensive income (loss) and transferred unrealized gains of \$0.1 million and \$0.2 million, respectively, to cost of sales (See Note 15). The Company also has forward currency exchange contracts in place as of September 30, 2023 that have not been designated as accounting hedges and, therefore, changes in fair value are recorded in other income on the condensed consolidated statements of income.

As of September 30, 2023, the fair value estimates for the Company's forward currency exchange contracts were are based on Level 2 inputs of the fair value hierarchy, which includes obtaining directly or indirectly observable values from third parties active in the relevant markets. Inputs in the determinations of fair value of the foreign currency forward contracts include prevailing forward and spot prices for currencies. The

During the three months ended March 31, 2024, the Company enters into recorded an unrealized gain of \$1.3 million (\$0.9 million net of tax) on its forward currency exchange contracts for in other comprehensive income (loss) and transferred unrealized gains of \$0.9 million to cost of sales. During the three months ended March 31, 2023, the Company recorded an unrealized gain of \$1.7 million (\$1.2 million net of tax) on its operations forward currency exchange contracts in Mexico, Europe other comprehensive income (loss) and Thailand. transferred unrealized gains of \$0.4 million to cost of sales.

The Company also has forward currency exchange contracts that have not been designated as accounting hedges and, therefore, changes in fair value are recorded in other (expense) income, net in the consolidated statements of income.

### Interest Rate Swap Agreement

The Company utilizes an interest rate swap agreement to hedge a portion of its interest rate exposure on outstanding borrowings under the Credit Agreement. The Company entered into a new interest rate swap agreement on July 20, 2023 and as of September 30, 2023, the notional amount of this interest rate swap agreement was \$128.0 million. Under the interest rate swap agreement, the Company receives variable rate interest payments based on the one-month LIBOR SOFR rate and pays fixed rate interest payments. The fixed interest rate for the contract is 4.039%. The effect of the swap is to convert a portion of the floating rate interest expense to fixed interest rate expense. Based on the terms of the interest rate swap contract and the underlying borrowings outstanding under the Credit Agreement, the interest rate contract swap was determined to be highly effective, and thus qualifies and has been designated as a cash flow hedge. As such, changes in the fair value of the interest rate swap are recorded in accumulated other comprehensive loss on the condensed consolidated balance sheets sheet until earnings are affected by the variability of cash flows. During the three and nine months ended

September 30, 2023, the Company recorded unrealized gains of \$1.5 million (\$1.1 million net of tax) and \$1.0 million (\$0.7 million net of tax), respectively, on the swap in other comprehensive income (loss) (See Note 15).

As of December 31, 2022, the notional amount of the Company's previous interest rate swap agreement was \$121.9 million and the fixed interest rate for the contract was 2.928%. During the three and nine months ended September 30, 2022, the Company recorded

unrealized gains of \$1.0 million (\$0.7 million net of tax) and \$5.3 million (\$4.0 million net of tax), respectively, on the swap in other comprehensive income (See Note 15).

As of September 30, 2023 and December 31, 2022, the fair value estimates for the Company's respective interest rate swap agreements were based on Level 2 inputs of the fair value hierarchy, as the Company obtained the valuation from a third party active in relevant markets. The valuation of the interest rate swap agreements is primarily measured through various pricing models or and discounted cash flow analysis that incorporate observable market parameters, such as interest rate yield curves and volatility.

The Company entered into an interest rate swap agreement on July 20, 2023 and the fixed interest rate for the contract is 4.039%. As of March 31, 2024, the notional amount of this interest rate swap was \$126.3 million. During the three months ended March 31, 2024, the Company recorded an unrealized gain of \$2.4 million (\$1.8 million net of tax) on the interest rate swap in other comprehensive

The following table presents the fair value of the Company's derivative instruments: 17

(in thousands)	Balance Sheet Location	Fair Value	
		September 30,	December 31,
		2023	2022
Derivatives designated as hedging instruments:			
Forward currency exchange contracts	Other current assets	\$ 1,440	\$ 407
	Other assets, net and other current		
Interest rate swap agreement	assets, respectively	\$ 1,640	\$ 639

income (loss). The Company's previous interest rate swap agreement matured on July 20, 2023. During the three months ended March 31, 2023, the Company recorded an unrealized loss of \$0.1 million (\$0.1 million net of tax) on the interest rate swap in other comprehensive income (loss).

Note 15 – Accumulated Other Comprehensive Loss

The A summary of the changes in accumulated other comprehensive loss by component were as follows:

(in thousands)	Three Months Ended September 30,							
	2023				2022			
	Foreign				Foreign			
	Currency	Derivative			Currency	Derivative		
	Translation	Instruments,			Translation	Instruments,		
	Adjustments	Net of Tax	Other	Total	Adjustments	Net of Tax	Other	Total



Beginning balance	\$	(14,772)	\$	2,932	\$	(712)	\$	(12,552)	\$	(17,385)	\$	191	\$	(1,098)	\$	(18,292)
Other comprehensive gain (loss) before reclassifications		(1,891)		560		(110)		(1,441)		(3,541)		828		(22)		(2,735)
Amounts reclassified from accumulated other comprehensive loss		—		(1,181)		—		(1,181)		—		(98)		—		(98)
Net current period other comprehensive gain (loss)		(1,891)		(621)		(110)		(2,622)		(3,541)		730		(22)		(2,833)
Ending balance	\$	(16,663)	\$	2,311	\$	(822)	\$	(15,174)	\$	(20,926)	\$	921	\$	(1,120)	\$	(21,125)

Three Months Ended March 31, 2024				
(in thousands)	Foreign	Derivative	Other	Total
	Currency Translation Adjustments	Instruments, Net of Tax		
Balances, December 31, 2023	\$ (12,913)	\$ 160	\$ (1,107)	\$ (13,860)
Other comprehensive gain (loss) before reclassifications	(1,537)	3,676	43	2,182
Amounts reclassified from accumulated other comprehensive loss	—	(942)	—	(942)
Total other comprehensive income (loss)	(1,537)	2,734	43	1,240
Balances, March 31, 2024	\$ (14,450)	\$ 2,894	\$ (1,064)	\$ (12,620)

Three Months Ended March 31, 2023				
(in thousands)	Foreign	Derivative	Other	Total
	Currency Translation Adjustments	Instruments, Net of Tax		
Balances, December 31, 2022	\$ (15,877)	\$ 788	\$ (1,144)	\$ (16,233)
Other comprehensive gain (loss) before reclassifications	1,050	1,576	226	2,852
Amounts reclassified from accumulated other comprehensive loss	—	(428)	—	(428)
Total other comprehensive income	1,050	1,148	226	2,424
Balances, March 31, 2023	\$ (14,827)	\$ 1,936	\$ (918)	\$ (13,809)

Nine Months Ended September 30,								
(in thousands)	2023				2022			
	Foreign				Foreign			
	Currency	Derivative			Currency	Derivative		
	Translation	Instruments,			Translation	Instruments,		
	Adjustments	Net of Tax	Other	Total	Adjustments	Net of Tax	Other	Total
Beginning balance	\$ (15,877)	\$ 788	\$ (1,144)	\$ (16,233)	\$ (12,729)	\$ (3,372)	\$ (1,057)	\$ (17,158)
Other comprehensive gain (loss) before reclassifications	(786)	3,999	322	3,535	(8,197)	4,460	(63)	(3,800)
Amounts reclassified from accumulated other comprehensive loss	—	(2,476)	—	(2,476)	—	(167)	—	(167)
Net current period other comprehensive gain (loss)	(786)	1,523	322	1,059	(8,197)	4,293	(63)	(3,967)
Ending balance	\$ (16,663)	\$ 2,311	\$ (822)	\$ (15,174)	\$ (20,926)	\$ 921	\$ (1,120)	\$ (21,125)

Unrealized gains and losses relating to derivative instruments, reclassified from accumulated other comprehensive loss for the three and nine months ended September 30, 2023 and 2022, were recognized as a component of cost of sales in the condensed consolidated statements of income, which relate to the Company's forward currency exchange contracts accounted for as cash flow hedges. See Note 14 for further explanation of discussion about the change in Company's derivative instruments that is recorded to accumulated other comprehensive loss. instruments.

## Note 16 – Segment and Geographic Information

The Company currently has manufacturing facilities in the Americas, Asia and Europe to serve its customers. The Company is operated and managed geographically, and management evaluates performance and allocates the Company's resources on a geographic basis. Intersegment sales are generally recorded at prices that approximate arm's length transactions. Operating segments' measure of profitability is based on income from operations. Corporate and intersegment eliminations include (1) corporate expenses not allocated to the Company's three reportable reporting segments, which are primarily general and administrative expenses such as corporate employee payroll and benefit costs and corporate facility costs, and (2) income from operations on intersegment sales between reportable reporting segments. Corporate functions include legal, finance, tax, treasury, information technology, risk management, human resources, business development and other administrative functions. The accounting policies for the reportable operating segments are the same as for the Company taken as a whole. The Company has three reportable operating segments: the Americas, Asia, and Europe. Information about operating segments is as follows:

(in thousands)	2023	2022	2023	2022
Net sales:				
Americas	\$ 399,356	\$ 400,905	\$ 1,200,783	\$ 1,066,760
Asia	275,163	337,726	830,056	945,434
Europe	71,412	68,400	223,857	208,591
Elimination of intersegment sales	(26,236)	(35,456)	(107,074)	(85,098)
	<u>\$ 719,695</u>	<u>\$ 771,575</u>	<u>\$ 2,147,622</u>	<u>\$ 2,135,687</u>
Depreciation and amortization:				
Americas	\$ 5,302	\$ 4,895	\$ 15,564	\$ 14,522
Asia	2,496	2,570	7,232	7,668
Europe	806	822	2,394	2,440
Corporate	2,950	2,838	8,913	8,357
	<u>\$ 11,554</u>	<u>\$ 11,125</u>	<u>\$ 34,103</u>	<u>\$ 32,987</u>
Income from operations:				
Americas	\$ 18,278	\$ 14,608	\$ 45,524	\$ 41,094
Asia	37,526	33,662	91,908	91,320
Europe	3,945	4,880	13,991	10,526
Corporate and intersegment eliminations	(29,408)	(27,866)	(73,859)	(79,817)
	<u>30,341</u>	<u>25,284</u>	<u>77,564</u>	<u>63,123</u>
Interest expense	(8,475)	(3,493)	(23,183)	(7,428)
Interest income	1,343	452	4,223	843
Other income, net	2,384	1,087	280	1,577
Income before income taxes	<u>\$ 25,593</u>	<u>\$ 23,330</u>	<u>\$ 58,884</u>	<u>\$ 58,115</u>
Capital expenditures:				
Americas	\$ 6,762	\$ 5,495	\$ 35,351	\$ 20,587
Asia	10,529	1,104	21,153	7,151
Europe	1,118	590	3,911	3,839
Corporate	1,255	1,434	6,298	2,017
	<u>\$ 19,664</u>	<u>\$ 8,623</u>	<u>\$ 66,713</u>	<u>\$ 33,594</u>

18

(in thousands)	September 30, 2023	December 31, 2022
Total assets:		
Americas	\$ 1,115,465	\$ 1,055,533
Asia	793,215	764,164
Europe	202,054	183,443
Corporate	222,411	224,191

\$ 2,333,145 \$ 2,227,331

Information about the Company's operating segments follows:

(in thousands)	Three Months Ended March 31,	
	2024	2023
Sales:		
Americas	\$ 372,329	\$ 397,207
Asia	257,816	268,043
Europe	80,496	77,855
Elimination of intersegment sales	(35,066)	(48,410)
Total sales	<u>\$ 675,575</u>	<u>\$ 694,695</u>
Depreciation and amortization:		
Americas	\$ 5,425	\$ 5,132
Asia	2,524	2,351
Europe	881	778
Corporate	2,764	2,839
Total depreciation and amortization	<u>\$ 11,594</u>	<u>\$ 11,100</u>
Income from operations:		
Americas	\$ 12,966	\$ 13,331
Asia	33,777	28,784
Europe	6,777	6,686
Corporate and intersegment eliminations	(27,991)	(26,059)
Total income from operations	<u>25,529</u>	<u>22,742</u>
Interest expense	(7,245)	(6,450)
Interest income	1,992	1,258
Other expense, net	(1,177)	(2,165)
Income before income taxes	<u>\$ 19,099</u>	<u>\$ 15,385</u>
Capital expenditures:		
Americas	\$ 1,783	\$ 23,109
Asia	2,505	7,548
Europe	1,024	1,688

Corporate	591	6,386
Total capital expenditures	\$ 5,903	\$ 38,731
	March 31,	December 31,
(in thousands)	2024	2023
Assets:		
Americas	\$ 979,782	\$ 1,064,047
Asia	792,327	769,744
Europe	220,436	222,591
Corporate	220,265	218,373
Total assets	\$ 2,212,810	\$ 2,274,755

19

Geographic net sales information provided below reflects about the Company's sales is determined based on the destination of the product shipped. Long-lived assets information is determined based on the physical location of the asset Company's assets and includes property, plant and equipment, net, operating lease right-of-use assets and other long-term assets, net.

20

A summary of the Company's geographic sales and long-lived assets follows:

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Geographic net sales:				
United States	\$ 436,842	\$ 423,183	\$ 1,308,935	\$ 1,154,135
Singapore	96,563	126,178	294,453	348,134
Other Asia	56,689	90,681	158,580	251,396
Europe	99,125	91,086	304,910	287,056
Other	30,476	40,447	80,744	94,966
	\$ 719,695	\$ 771,575	\$ 2,147,622	\$ 2,135,687
			September	
			30,	December 31,
(in thousands)			2023	2022
Long-lived assets:				

United States	\$	239,958	\$	249,409
Asia		80,070		68,283
Europe		30,558		29,338
Other		67,184		23,801
	\$	417,770	\$	370,831

		Three Months Ended March 31,	
(in thousands)		2024	2023
Geographic sales:			
United States	\$	396,419	\$ 431,185
Singapore		101,238	86,956
Other Asia		59,896	45,253
Europe		98,022	104,693
Other		20,000	26,608
Total sales	\$	675,575	\$ 694,695

		March 31,	December 31,
(in thousands)		2024	2023
Long-lived assets:			
United States	\$	227,382	\$ 231,740
Asia		79,314	79,203
Europe		42,520	42,934
Other		64,992	66,072
Total long-lived assets	\$	414,208	\$ 419,949

#### Note 17 –Supplemental Cash Flow and Non-Cash Information

The following is additional information concerning table includes supplemental disclosures of cash payments. flow disclosures:

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
(in thousands)		2023	2022	2023	2022	2024	2023
Supplemental cash flow information:							
Income taxes paid, net		9,	8,	33,	20,		
		\$ 99	\$ 03	\$ 32	\$ 88		
		5	2	3	3	\$ 4,470	\$ 4,428

Interest paid	9,392	3,264	22,437	6,807	7,399	5,874
Non-cash investing activity:						
Additions to property, plant and equipment in accounts payable			17,477	21,921		
			\$ 7	\$ 1		
Non-cash investing activities:						
Unpaid purchases of property, plant and equipment at the end of the period					1,714	5,555
Unpaid purchases of capitalized purchased software costs at the end of the period					1,320	—

20

21

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The financial information and the discussion below should be read in conjunction with other information, including the unaudited condensed consolidated financial statements and Notes thereto in Part I, Item 1 of this quarterly report on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024 (this Report), the consolidated financial statements appearing in the Company's annual report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the 2022 2023 10-K), and Part I, Item 1A, Risk Factors of the 2022 2023 10-K. In this Report, references to Benchmark, the Company or use of the words "we", "we," "our" and "us" include Benchmark's Benchmark's subsidiaries unless otherwise noted.

This Report 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 (the Exchange (Exchange Act)). 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 of the negative or other variations thereof. In particular, statements, express or implied, concerning the Company's expectations relating to current supply chain outlook and labor constraints, global geopolitical events (such as Russia's invasion of Ukraine, U.S. tensions with China and the Israel-Hamas war), continuing inflationary pressures, the effects of foreign currency fluctuations and high interest rates, guidance for quarterly periods or 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 2022 2023 10-K and in any of the Company's subsequent reports filed with the Securities and Exchange Commission (the SEC) (SEC). 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, 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 our 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 Report document are based upon information available to the Company as of the date of this Report, document, and the Company assumes no obligation to update this Report, update.

## OVERVIEW

We are Benchmark Electronics, Inc. (the Company) is a worldwide provider of Texas corporation that provides advanced manufacturing services (both electronic (electronic manufacturing services (EMS) and precision technology (PT) services), which include includes design and engineering services and technology solutions.

From initial product concept to volume production, including direct order fulfillment and aftermarket services, Benchmark has been providing we are a trusted integrated services and solutions partner to original equipment manufacturers since 1979. Today, Benchmark proudly serves the following industries: (OEMs). Served markets include: semiconductor capital equipment (semi-cap), complex industrials, medical technologies, commercial aerospace and defense (A&D), medical technologies, complex industrials, semiconductor capital equipment (Semi-Cap) advanced computing and next-generation communications. The Company has manufacturing operations located in the United States and Mexico (the Americas), next-generation communications Asia and advanced computing. Europe.

Our customer engagement focuses on three principal areas:

- **Manufacturing Services**, which include printed circuit board assemblies (PCBAs) using both traditional surface mount technologies (SMT) and microelectronics, subsystem assembly, system build and integration. System builds and integration often involve building a finished assembly that includes PCBAs, complex subsystem assemblies, mechatronics, displays, mechanicals, and other components. These final products may be configured to order and delivered directly to the end-customer end customer across all the industries we serve. Manufacturing services also includes precision technology services comprised of precision machining, advanced metal joining and welding, cleaning, assembly and functional testing primarily for the Semi-Cap semi-cap (serving semiconductor capital equipment customers) and A&D markets.
- **Design & Engineering Services**, which include design for manufacturability, design optimization for our factory processes and supply chain, and test development, concurrent and sustaining engineering, turnkey product design and regulatory services. Our engineering services may be for systems, sub-systems, printed circuit boards and assemblies, and components. We



have the flexibility and capability to engage anywhere in the customers' customer's design process flow. We provide these services across all the industries we serve.

21

- *Technology Solutions*, which involve developing a library of building blocks or reference designs primarily in defense solutions, surveillance systems, millimeter wave radio frequency (RF) subsystems, and front-end managed connected data collection systems. We often partner with our customers to merge these solutions utilizing our engineering services to provide turnkey product development from requirements through the launch to volume production into our factories. Our building blocks can be utilized across a variety of industries, but we have significant focus and capabilities in the A&D, medical, next generation next-generation communications, and the complex industrials markets. We have also developed differentiated capabilities in RF and high-speed design for both components and substrates. RF. The need to improve size, weight, and power (SWaP) to

22

accommodate high frequency electronics communications is important to customers in the A&D, medical, and next generation next-generation communications markets.

Our core strength lies in our ability to partner with our customers to provide concept-to-production solutions through a tightly integrated and seamless set of design, test, manufacturing, supply chain, and support services. The integration of these product realization services, along with our global manufacturing presence, increases our ability to respond to our customers' needs by providing accelerated time-to-market and time-to-volume production of high-quality products – especially for with an emphasis on complex products with lower volume and higher mix in serving regulated markets with higher reliability requirements. These capabilities and attributes enable us to build strong strategic relationships with our customers and to become while becoming an integral part of their business.

We believe our primary competitive advantage is source of differentiation and value-add rests with our ability to engage with our customers at any point, in their from product development through volume production. This is enabled by our highly skilled personnel's ability to production process by providing our leading edge provide leading-edge technical capabilities in engineering services (including full life cycle from product design in which we can take a product idea from concept to design to volume manufacturing) lifecycle), technology solutions (especially high frequency RF solutions, microelectronics, and miniaturization), miniaturization, and manufacturing services (including electronics and complex precision machining capabilities) provided by highly skilled personnel. We also have machining). These capabilities are brought to bear across diversified end market and regulated market experience in our targeted sectors. commercial end-markets, many of which are government regulated. To support customers across these sectors, we have strategically invested in geographically diverse manufacturing locations and global supply chain design and execution capabilities. efficiencies.

In addition, we believe that a strong focus on human capital through the talent we hire and retain is critical to maintaining our competitiveness. Our people-first culture is customer-centric, centered on accountability our five core values, consisting of acting with integrity, valuing inclusion, commitment to customers, promoting ingenuity, and ownership of process genuine caring for each other,

our customers and our communities, and we take pride in our innovative and continuous improvement mindset. We desire to exceed customer expectations, delight our customers and deliver operational and financial performance aligned to with our goals. Through our employee engagement and customer satisfaction feedback processes, we continuously solicit and act upon information to improve our Company and better support our customers and business processes. We have invested in attracting and developing leadership throughout the organization and are committed to diversity and inclusion in our efforts to develop an innovative and forward-thinking workforce.

Our customers often face challenges in designing supply chains, demand planning, procuring materials and managing their inventories efficiently due to fluctuations in their customer demand, product design changes, short product life cycles and component price fluctuations.

We employ enterprise resource planning (ERP) systems and lean manufacturing principles to manage procurement and manufacturing processes in an efficient and cost-effective manner so that, where possible, components arrive on a just-in-time, as-and-when-needed basis. Because we are a significant purchaser of electronic components and other raw materials, we are generally able to capitalize on the economies of scale associated with our relationships with suppliers to negotiate price discounts, obtain components and other raw materials that are in short supply, and return excess components. Utilizing our agility and expertise in supply chain management and our relationships with suppliers across the supply chain, we strive to help reduce our customers' cost of goods sold and inventory exposure. However, due to global labor and supply disruptions, we continue to see component supply chain constraints across all commodity categories that are constraining our ability to produce the full demand forecasts we are receiving from customers.

We recognize manufacturing services revenue as the customer takes control of the manufactured products built to customer specifications. We also generate revenue from our design, development and engineering services, in addition to the sale of other inventory.

Revenue is measured based on the consideration specified in a contract with a customer. Under the majority of our manufacturing contracts with customers, the customer controls all of the work-in-progress as products are being built. Revenues under these contracts are recognized progressively based on the cost-to-cost method. For other manufacturing contracts, the customer does not take control of the product until it is completed. Under these contracts, we recognize revenue upon transfer of control of the product to the customer, which is generally when the goods are shipped. Revenue from design, development and engineering services is recognized over time as the services are performed. As a general matter, we assume no significant obligations after shipment as we typically warrant workmanship only. Therefore, the warranty provisions are generally not significant.

#### COVID Pandemic Update 22

The COVID pandemic affected the Company's operations in 2022. We continue to monitor the COVID-19 pandemic and actively assess potential implications to our business, supply chain, customer fulfillment sites, support operations and customer demand. We are also continuing to take appropriate measures to protect the health and safety of our employees and to create and maintain a safe working environment. While the effects of the COVID-19 pandemic have been decreasing, if the COVID-19 pandemic or other widespread contagious disease, or adverse effects therefrom, become more severe or prevalent in the future or are prolonged in the locations where we, our customers, suppliers or contract manufacturers conduct business, or we experience more pronounced

disruptions in our operations, or in economic activity and demand generally, our business and results First Quarter of operations in future periods could be materially adversely affected.

See "2022 Overview" under Part II, Item 7 of the 2022 10-K and "Risk Factors-Shortages or price increases of components specified by our customers have delayed and are expected to continue delaying shipments and may adversely affect our profitability" in Part I, Item 1A of the 2022 10-K for additional information.

### Third Quarter 2023 2024 Highlights

Sales for the three months ended September 30, 2023 March 31, 2024 were \$719.7 million \$675.6 million, a 7% 3% decrease from sales of \$771.6 million \$694.7 million during the three months ended September 30, 2022 March 31, 2023. During the third first quarter of 2023, 2024, sales to customers in our various industry sectors fluctuated varied from the third first quarter of 2022 2023 as follows:

- Semi-Cap increased by 12%,
- Complex Industrials decreased by 1% 2%,
- Medical decreased by 16%,
- A&D increased by 16%,
- Medical decreased by 10%,
- Semi-Cap decreased by 11% 33%,
- Advanced Computing decreased by 30% 6%, and
- Next Generation Next-Generation Communications increased decreased by 3% 36%.

The overall revenue decrease was primarily due to a decrease in Advanced Computing lower Medical and Next-Generation Communications revenue, due to the completion of a high performance computing program, partially general end demand softness. This was less than offset by an increase increases in Semi-Cap and A&D. &D revenue, as a result of higher demand from existing customers and end-demand strength in both defense and commercial aerospace subsectors. See "Results" "Results of Operations — Sales" "Sales" discussion below.

Our sales depend on the success of our customers, some of which operate in businesses associated with rapid technological change and consequent product obsolescence. Developments adverse to our major customers or their products, the availability of electronic component supply, or the failure of a major customer to pay for components or services have adversely affected us. us by not allowing us to fulfill our total customer demand. A substantial percentage of our sales are made to a small number of customers, and the loss of a major customer, if not replaced, would adversely affect us. Sales to our ten largest customers represented 52% 54% and 53% 51% of our total sales during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Due to After a period of unprecedented global labor and supply disruptions, we continue to see component supply chain have seen a general easing of certain material constraints across commodity categories, that with the exception of older technologies where semiconductor original equipment manufacturers are constraining not adding incremental capacity. The lack of capacity regarding these older technologies could constrain our ability to produce the full demand forecasts we are receiving from customers. customers needing those parts. Lead times are also improving from the previous highs but continue to be elongated from historical levels and that prompted many suppliers continue to categorize some of their constrained components with non-cancelable non-cancellable and non-returnable business terms.

Though we have seen the easing of certain material Until recently, these constraints led to last-minute allocations and created inefficiencies in our operations, as well as increased costs to us and our customers.

We experience fluctuations in gross profit from period to period. Different programs contribute different gross profits depending on the type of services involved, location of production, size of the program, complexity of the product and level of material costs associated with the various products. Moreover, new programs can contribute relatively less to our gross profit in their early stages when manufacturing volumes are usually lower, resulting in inefficiencies and unabsorbed manufacturing overhead costs. During periods of low production volume, we generally have unabsorbed manufacturing overhead costs and reduced gross profit. Gross profit can also be impacted by higher costs associated with other situations, such as supply chain constraints. This includes supply chain premiums for excess component costs paid to secure available supply resulting in revenue with cost recovery only with no margin. In addition, a number of our new program ramps require incremental investment during the launch and ramp phase, which can exert downward pressure on our gross profit.

We have undertaken initiatives to restructure our business operations with the intention of improving utilization and reducing costs. During the nine three months ended September 30, 2023 March 31, 2024, we recognized \$5.2 million \$3.3 million of restructuring charges and other costs due to expenses associated with various site closures capacity and restructuring activities. workforce reductions at our sites in the Americas. See "Restructuring "Results of Operations — Restructuring Charges and Other Costs" Costs".

Inflation, interest rates, disruption in the global economy and financial markets, and geopolitical events continue to create uncertainty. However, we are not aware of any specific event or circumstance that would require updates to our estimates or judgments or require us to revise the carrying value values of our assets or liabilities as of the date we filed this Report. These estimates may change as new events occur and additional information is obtained. Actual results could differ from these estimates under different assumptions or conditions.

24 23

## RESULTS OF OPERATIONS

The following table presents the percentage relationship that certain items in our condensed consolidated statements of income bear on to sales for the periods indicated.

	Three Months Ended		Nine Months Ended		Three Months Ended	
	September 30,		September 30,		March 31,	
	2023	2022	2023	2022	2024	2023
Sales	100.	100.	100.	100.	100.0%	100.0%
	0 %	0 %	0 %	0 %		

Cost of sales	90.4	91.3	90.7	91.4	90.0%	90.8%
Gross profit	9.6	8.7	9.3	8.6	10.0%	9.2%
Selling, general and administrative expenses	4.9	5.0	5.2	5.2	5.5%	5.5%
Amortization of intangible assets	0.2	0.2	0.2	0.2	0.2%	0.2%
Restructuring charges and other costs	0.2	0.2	0.3	0.2	0.5%	0.2%
Income from operations	4.2	3.3	3.6	3.0	3.8%	3.3%
Other expense, net	(0.7)	(0.3)	(0.9)	(0.3)	(1.0)%	(1.1)%
Income before income taxes	3.6	3.0	2.7	2.7	2.8%	2.2%
Income tax expense	0.7	0.6	0.6	0.5	0.8%	0.4%
Net income	2.8 %	2.4 %	2.2 %	2.2 %	2.0%	1.8%

## Sales

As noted above, sales for the third first quarter of 2023 2024 decreased 7% 3% from the same first quarter in 2022. of 2023.

Sales are analyzed by management by industry market sector and by geographic segment, which reflects reflect our reportable segments. Our global business development strategy is based on our targeted industry market sectors. Management measures operational performance and allocates resources on a geographic segment basis.

**Sales** The percentages of our sales by industry market sector were as follows:

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Industrials	\$ 153,641	\$ 155,278	\$ 464,004	\$ 451,260
A&D	99,687	86,238	259,266	257,322
Medical	149,130	165,546	431,115	448,653
Semi-Cap	165,254	186,325	477,830	544,661
Advanced Computing	65,724	94,562	243,103	218,254
Next Generation Communications	86,259	83,626	272,304	215,537
Total	\$ 719,695	\$ 771,575	\$ 2,147,622	\$ 2,135,687

(in thousands)	Three Months Ended	
	March 31,	
	2024	2023
Semi-Cap	\$ 165,939	\$ 148,469
Complex Industrials	141,032	143,526
Medical	114,727	137,049
A&D	105,834	79,415
Advanced Computing	90,529	95,998

Next-Generation Communications	57,514	90,238
Total net sales	\$ 675,575	\$ 694,695

**Industrials. Semi-Conductor Capital Equipment.** Third First quarter of 2023 2024 sales decreased 1% increased 12% to \$153.6 million \$165.9 million from \$155.3 million \$148.5 million in the third first quarter of 2022. Sales during the first nine months of 2023 increased 3% to \$464.0 million from \$451.3 million in the same period of 2022, 2023. The increase in the nine month period was primarily due to new customer ramps, specifically stronger demand with existing customers.

**Complex Industrials.** First quarter of 2024 sales decreased 2% to \$141.0 million from \$143.5 million in energy efficiency devices. the first quarter of 2023. The decrease was primarily due to broad-based demand moderation across the sector.

**Medical.** First quarter of 2024 sales decreased 16% to \$114.7 million from \$137.0 million in the first quarter of 2023. The decrease was primarily due to general softness across the industry driven by inventory re-balancing and demand normalization post pandemic.

**Aerospace and Defense.** Third First quarter of 2023 2024 sales increased 16% 33% to \$99.7 million \$105.8 million from \$86.2 million \$79.4 million in the third first quarter of 2022. Sales during the first nine months of 2023 increased 1% to \$259.3 million from \$257.3 million in the same period of 2022, 2023. The increases were due to strength in both Defense and Commercial Aerospace and improved supply availability.

**Medical.** Third quarter of 2023 sales decreased 10% to \$149.1 million from \$165.5 million in the third quarter of 2022. Sales during the first nine months of 2023 decreased to \$431.1 million from \$448.7 million in the same period of 2022. The decreases were increase was primarily due to reductions strong market growth in revenue from supply chain premiums partially offset by increases in existing programs both commercial aerospace and defense and broadening of new programs ramping as supply availability has improved.

**Semiconductor Capital Equipment.** Third quarter of 2023 sales decreased 11% to \$165.3 million from \$186.3 million in the third quarter of 2022. Sales during the first nine months of 2023 decreased 12% to \$477.8 million from \$544.7 million in the same period of 2022. The decreases were primarily due to lower demand with existing customers. business within our customer base.

**Advanced Computing.** Third First quarter of 2023 2024 sales decreased 30% 6% to \$65.7 million \$90.5 million from \$94.6 million \$96.0 million in the third first quarter of 2022, 2023. The decrease was primarily due to the completion timing of multiple large high performance computing programs. Sales during

**Next-Generation Communications.** First quarter of 2024 sales decreased 36% to \$57.5 million from \$90.2 million in the first nine

25

months quarter of 2023 increased 11% to \$243.1 million from \$218.3 million in the same period of 2022, 2023. The increase decrease was primarily due to general softness across the contribution from multiple high performance computing programs completed during the period. sector and a previously anticipated customer disengagement.

Next Generation Communications, 24

Third quarter of 2023 sales increased 3% to \$86.3 million from \$83.6 million in the third quarter of 2022. Sales during the first nine months of 2023 increased 26% to \$272.3 million from \$215.5 million in the same period of 2022. The increases were primarily due to growth in broadband infrastructure programs.

Our international operations are subject to the risks of doing business abroad. See Part I, Item 1A of our 2022 2023 10-K for factors pertaining to our international sales, fluctuations in foreign currency exchange rates and a discussion of potential adverse effects in operating results associated with the risks of doing business abroad. During the third quarter of three months ended March 31, 2024 and 2023, 58% and 2022, 60% and 61% 59%, respectively, of our sales were from international operations.

Sales by geographic segment were as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales:				
Americas	\$ 399,356	\$ 400,905	\$ 1,200,783	\$ 1,066,760
Asia	275,163	337,726	830,056	945,434
Europe	71,412	68,400	223,857	208,591
Elimination of intersegment sales:	(26,236)	(35,456)	(107,074)	(85,098)
Total net sales	\$ 719,695	\$ 771,575	\$ 2,147,622	\$ 2,135,687

  

(in thousands)	Three Months Ended March 31,	
	2024	2023
Sales:		
Americas	\$ 372,329	\$ 397,207
Asia	257,816	268,043
Europe	80,496	77,855
Elimination of intersegment sales	(35,066)	(48,410)
Total sales	\$ 675,575	\$ 694,695

**Americas.** Third First quarter of 2023 2024 sales were consistent with decreased 6% to \$372.3 million from \$397.2 million in the third first quarter of 2022. Sales during the first nine months of 2023 increased 13% 2023. The decrease was primarily due to \$1.2 billion from \$1.1 billion softness in the same period of 2022. The increase next-generation communications and complex industrials sectors partially offset by increased demand in the nine month period was due to increased demand from existing customers and new customer ramps, offsetting decreased revenue from supply chain premiums. A&D sector.

**Asia.** Third First quarter of 2023 2024 sales decreased 19% 4% to \$275.2 million \$257.8 million from \$337.7 million \$268.0 million in the same first quarter in 2022. Sales during the first nine months of 2023 decreased 19% to \$830.1 million from \$945.4 million in the same period of 2022. 2023. The decreases were decrease was primarily due to reductions in revenue from supply chain premiums partially offset by increases a decrease in existing programs customer demand of our medical and new programs ramping. next-generation communications sectors.



**Europe.** Third First quarter of 2023 2024 sales increased 4% 3% to \$71.4 million \$80.5 million from \$68.4 million \$77.9 million in the third first quarter of 2022. Sales during the first nine months of 2023 increased 7% to \$223.9 million from \$208.6 million in the same period of 2022. 2023. The increases were increase was primarily due to increasing high demand with existing customers. in the semi-cap and A&D sectors partially offset by a decrease in the complex industrials sector.

## Gross Profit

Gross profit increased 3% 5% to \$69.1 million \$67.4 million in the third first quarter of 2024 from \$64.0 million in the first quarter of 2023 from \$66.8 million in primarily due to improved operational efficiencies and the same quarter in 2022. proactive reduction actions taken by our manufacturing sites. Gross profit margin increased 9% to \$200.1 million 10.0% in the first nine months quarter of 2023 2024 from \$183.1 million 9.2% in the same period first quarter of 2022. Gross profit increased 2023 primarily due to improved operational efficiencies. efficiencies and the proactive cost reduction actions taken by our manufacturing sites.

## Operating Income

### Third Income from Operations

First quarter of 2023 operating 2024 income from operations increased 20% 12% to \$30.3 million \$25.5 million from \$25.3 million in the third quarter of 2022. Operating income increased 23% to \$77.6 million \$22.7 million in the first nine months quarter of 2023 from \$63.1 million in the same period of 2022. 2023. The increases were increase was primarily due to an increase in improved gross profit offsetting an increase in SG&A margin and restructuring expense. cost actions taken to reduce selling, general and administrative (SG&A) expenses.

Operating income Income from operations by reportable segment was as follows:

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Operating income:				
Americas	\$ 18,278	\$ 14,608	\$ 45,524	\$ 41,094
Asia	37,526	33,662	91,908	91,320
Europe	3,945	4,880	13,991	10,526
Corporate and other costs	(29,408)	(27,866)	(73,859)	(79,817)
Total operating income	\$ 30,341	\$ 25,284	\$ 77,564	\$ 63,123

(in thousands)	Three Months Ended	
	March 31,	
	2024	2023
Income from operations:		
Americas	\$ 12,966	\$ 13,331
Asia	33,777	28,784
Europe	6,777	6,686
Corporate and intersegment eliminations	(27,991)	(26,059)



Total income from operations

\$ 25,529 \$ 22,742

25

**Americas.** Third First quarter of 2023 operating 2024 income increased 25% from operations decreased 3% to \$18.3 million \$13.0 million from \$14.6 million \$13.3 million in the same quarter in 2022. Operating income during the first nine months of 2023 increased 11% to \$45.5 million from \$41.1 million in the same period of 2022. The increases were primarily due to higher revenue and improved gross profit.

**Asia.** Third quarter of 2023 operating income increased 11% to \$37.5 million from \$33.7 million in the third quarter of 2022. Operating income during the first nine months of 2023 increased 1% to \$91.9 million from \$91.3 million in the same period of 2022. The increases were primarily due to revenue mix.

**Europe.** Third quarter of 2023 operating income decreased 6% to \$3.9 million from \$4.9 million in the third quarter of 2022, 2023. The decrease was primarily due to operational inefficiencies, despite higher revenue. Operating lower revenue partially offset by cost control.

**Asia.** First quarter of 2024 income during from operations increased 17% to \$33.8 million from \$28.8 million in the first nine months quarter of 2023 2023. The increase was primarily due to cost control partially offset by lower revenue.

**Europe.** First quarter of 2024 income from operations increased 7% 1% to \$14.0 million \$6.8 million from \$10.5 million \$6.7 million in the same period first quarter of 2022, 2023. The increase was primarily due to higher revenue and lower cost of material content, control.

## Selling, General and Administrative Expenses

SG&A expenses decreased to \$35.5 million \$37.3 million in the third first quarter of 2023 2024 from \$38.5 million \$38.2 million in the third first quarter of 2022, 2023. The decrease in the third quarter was primarily due to cost actions taken, coupled with lower variable compensation. SG&A increased to \$111.4 million in the first nine months of 2023 from \$110.7 million in the same period of 2022. The increase in the nine month period was primarily due to a net increase in variable compensation, compensation expense.

## Amortization of Intangible Assets

Amortization of intangible assets was decreased to \$1.2 million in the first quarter of 2024 from \$1.6 million in both the third first quarter of 2023 and 2022. Amortization of intangibles 2023. The decrease was \$4.8 million primarily due to certain intangible assets becoming fully amortized in both of the first nine months of 2023 and 2022, 2023.

## Restructuring Charges and Other Costs

During the third first quarter of 2024, we recognized \$3.3 million of restructuring charges and other costs primarily due to capacity and workforce reductions at our sites in the Americas.

During the first nine months quarter of 2023, we recognized \$1.4 million and \$5.2 million of restructuring charges, respectively, primarily due to expenses associated with announced site closures or exits, reductions in work force and other restructuring activities primarily in the Americas. Additionally, during the second quarter of 2023, the Company made the decision to no longer continue certain manufacturing capabilities in the Americas. In connection with that decision, the Company assessed the facility and equipment assets used in those manufacturing capabilities using valuation information from third parties and recorded \$1.1 million of impairment charges as a result of that assessment during the first nine months of 2023. The asset impairment charges are included in the restructuring charges and other costs line item on the condensed consolidated statements of income.

During the third quarter and first nine months of 2022, we recognized \$1.3 million and \$4.9 million of restructuring charges, respectively, primarily due to expenses associated with announced site closures or exits, reductions in workforce and other restructuring activities primarily in the Americas. During the first nine months of 2022, we also incurred a \$2.0 million loss on assets held for sale related to certain manufacturing capabilities in the Americas that the Company made the decision in 2021 to no longer continue and a gain on assets held for sale of \$2.4 million related to the sale of the Angleton, Texas facility.

See Note 12 to the unaudited condensed consolidated financial statements in Part I, Item 1 of this Report for additional information on our restructuring charges, charges and other costs.

### Interest Expense

Interest expense increased to \$8.5 million in the third quarter of 2023 from \$3.5 million in the third quarter of 2022. Interest expense increased to \$23.2 million \$7.2 million in the first nine months quarter of 2023 2024 from \$7.4 million \$6.5 million in the same period first quarter of 2022, 2023. The increases were increase was primarily due to additional borrowings to support our operations as well as the higher interest rates and increased borrowings under our revolving credit facility to support investment in working capital. rate environment.

### Interest Income

Interest income increased to \$2.0 million in the first quarter of 2024 from \$1.3 million in the third first quarter of 2023 from \$0.5 million in the third quarter of 2022. Interest income increased to \$4.2 million in the first nine months of 2023 from \$0.8 million in the same period of 2022, 2023. The increases were increase was primarily due to higher interest rates.

### Other Expense, Net

Other expense, net decreased to \$1.2 million in the first quarter of 2024 from \$2.2 million in the first quarter of 2023. The decrease was primarily due to lower foreign currency exchange losses.

---

### Income Tax Expense

Income tax expense of \$5.2 million \$5.1 million represented a 20.2% 26.7% effective tax rate for the third first quarter of 2023, 2024, compared with \$4.5 million \$3.0 million in the third first quarter of 2022 2023, representing an effective tax rate of 19.3% 19.7%. The differences between the effective tax rates for the third quarter of 2023 compared increase in 2024 is due to the third quarter expiration of 2022 is related to the mix tax incentive in China, the impact of profits the global intangible low-taxed income tax (GILTI) impact in the

United States, and the implementation of the Global Minimum Tax (GMT) in some of our various jurisdictions. Income tax expense foreign jurisdictions beginning in 2024.

27

of \$12.1 million represented a 20.6% effective tax rate for the first nine months of 2023, compared with \$11.1 million in the same period of 2022 representing an effective tax rate of 19.1%. The differences between the effective tax rates for first nine months of 2023 compared to 2022 is related to the mix of profits in our various jurisdictions.

We have Company has been granted certain tax incentives, including tax holidays, for our its subsidiaries in Thailand, China and Thailand Malaysia that will expire at various dates, unless extended or otherwise renegotiated, through 2023 and are subject to certain conditions with which the Company expects to comply. The tax incentives in Thailand will expire on December 31, 2030. The tax incentives in China expired on December 31, 2023 and 2030 the tax incentives in Thailand. Malaysia expired on March 31, 2021. The Company is applying for a continuation of the Malaysia tax holiday, which will extend the tax incentive period for five to ten years if approved. The Company will also apply for a China tax holiday in 2024. There is no guarantee of being awarded these tax incentives in the future. See Note 8 to the unaudited condensed consolidated financial statements in Part I, Item 1 of this Report.

### Net Income

We reported a net income of \$20.4 million \$14.0 million, or \$0.57 per diluted share, for the third quarter of 2023, compared with a net income of \$18.8 million, or \$0.53 per diluted share, for the third quarter of 2022. We reported a net income of \$46.8 million, or \$1.30 \$0.38 per diluted share, for the first nine months quarter of 2023, 2024, compared with a net income of \$47.0 million \$12.4 million, or \$1.32 \$0.35 per diluted share, for the same period first quarter of 2022, 2023. The changes were increase was primarily the result of due to the items discussed above.

28 27

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed our organic growth and operations through funds generated from operations and occasional borrowings under our Credit Agreement (as defined below). Cash, and cash equivalents and restricted cash totaled \$260.8 million at September 30, 2023 and \$207.4 million at December 31, 2022 \$296.1 million as of March 31, 2024, of which \$238.0 million and \$167.7 million, respectively, was included \$271.4 million held outside the U.S. United States in various foreign subsidiaries.

Our operations, and the operations of businesses we acquire, are subject to certain foreign, federal, state and local regulatory requirements relating to environmental, waste management, health and safety matters. We believe we operate in substantial compliance with all applicable requirements, and we seek to ensure that newly acquired businesses comply or will comply substantially with applicable requirements. To date, the costs of compliance and workplace and environmental remediation have not

been material to us. However, material costs and liabilities may arise from these requirements or from new, modified or more stringent requirements in the future. In addition, our past, current and future operations, and the operations of businesses we have or may acquire, may give rise to claims of exposure by employees or the public, or to other claims or liabilities relating to environmental, waste management or health and safety concerns.

Management believes that our existing cash balances, funds generated from operations, and borrowing availability under our revolving credit facility will be sufficient to permit us to meet our liquidity requirements over the next 12 months. Management further believes that our ongoing cash flows from operations and any borrowings we may incur under our revolving credit facility will enable us to meet operating cash requirements in future years. If we consummated significant acquisitions in the future, our capital needs would increase and could possibly result in our need to increase available borrowings under our Credit Agreement or access public or private debt and equity markets. There can be no assurance, however, that we would be successful in raising additional debt or equity on acceptable terms.

## Cash Flows

Cash provided from operating activities was \$37.2 million during the \$48.5 million in first nine months quarter of 2023. This increase in cash from operations 2024 and primarily consisted of \$14.0 million of net income, of \$46.8 million adjusted for \$34.1 million \$11.6 million of depreciation and amortization, \$12.3 million \$2.2 million of stock-based compensation expense, and a \$12.9 million \$31.0 million decrease in accounts receivable and a \$45.2 million decrease in inventories, partially offset by a \$6.5 million increase in contract assets, a \$14.4 million increase in prepaid expenses and other current assets, a \$24.4 million \$20.3 million decrease in accounts payable an \$8.9 million and a \$15.7 million decrease in advanced advance payments from customers and a \$14.2 million decrease in accrued liabilities. customers. Working capital was \$1.0 billion at September 30, 2023 and \$0.9 billion at December 31, 2022 as of March 31, 2024.

We primarily purchase components only after customer orders or forecasts are received, which mitigates, but does not eliminate, the risk of loss on inventories. Supplies of electronic components and other materials used in operations are subject to industry-wide shortages. In certain instances, suppliers may allocate available quantities to us. When shortages of these components and other material supplies used in operations have occurred, vendors have at times been unable to ship the quantities we need for production, forcing us to delay shipments, which can increase backorders and impact cash flows. Vendors also may increase the costs of components based on the market conditions including these shortages. In certain instances, we request and receive advance payments from customers as prepayments of inventory to meet working capital demands of a contract, offset inventory risks such as inventory purchased in advance of current needs and protect the Company from the failure of other parties to fulfill obligations under a contract. For example, we have been impacted by supply chain constraints, including shortages, longer lead times and increased transit times.

Cash used in investing activities was \$66.1 million during the \$6.2 million in first nine months quarter of 2023 2024 primarily due to purchases of additional capital expenditures for property, plant and equipment totaling \$64.0 million of \$5.2 million and purchased software of \$2.7 million \$0.7 million. The purchases of property, plant and equipment were primarily for leasehold improvements and machinery and equipment in the Americas. Americas and Asia.

Cash provided by used in financing activities was \$83.9 million during the \$27.1 million in first nine months quarter of 2023. 2024. Borrowings under the Credit Agreement were \$614.5 million. Principal \$175.0 million and principal payments under the Credit Agreement totaled \$507.0 million, were \$190.8 million. In addition, we paid \$5.9 million of dividends paid totaled \$17.6 million and \$5.8 million for employee taxes paid for with shares withheld totaled \$5.8 million, to settle stock-based awards exercised during the first quarter of 2024.

## Credit Agreement

On December 21, 2021, the Company amended and restated the Company's prior \$650 million credit agreement by entering into a \$381 million amended and restated credit agreement (the Amended and Restated Credit Agreement). Under the terms of the Amended and Restated Credit Agreement, in addition to the \$131.3 million term loan facility, we have a \$250.0 million five-year revolving credit facility to be used for general corporate purposes, both with a maturity date of December 21, 2026.

28

On May 20, 2022, the Company entered into Amendment No. 1 (the Amendment) to the Amended and Restated Credit Agreement (as amended, the Credit Agreement). The Amendment among other things, increased the revolving credit facility commitments from \$250 million to \$450 million. The Amendment also established that the interest on outstanding borrowings starting on the next reset date and any new borrowings under the Amendment (other than swingline loans) will accrue, at the Company's option, at (a) Bloomberg Short Term Bank Yield Index (BSBY) plus the Applicable Rate (as defined in the Credit Agreement, approximately 1.00% to 2.00% per annum depending on various factors) or (b) for U.S. dollar denominated loans, the base rate (which is the highest of (i) the federal funds rate plus 0.50%, (ii) the Bank of America, N.A. prime rate, (iii) the one-month BSBY adjusted daily rate plus 1.00% and (iv) 1.00%).

On February 3, 2023, the Company entered into Amendment No. 2 to the Credit Agreement, which increases increased the maximum amount of trade accounts receivable that the Company may elect to sell at any one time to \$200.0 million.

On May 1, 2023, the Company entered into Amendment No. 3 to the Credit Agreement (Amendment No. 3). Amendment No. 3, which increased the revolving credit facility commitments from \$450 million to \$550 million. Amendment No. 3 also established that the interest on outstanding borrowings starting on the next reset date and any new borrowings under Amendment No. 3 (other than swingline loans) will accrue, at the Company's option, at (a) Term Secured Overnight Financing Rate (SOFR) plus 0.10% plus the Applicable Rate (as defined in the Credit Agreement, approximately 1.00% to 2.00% per annum depending on various factors) or (b) for U.S. Dollar dollar denominated loans, the base rate (which is the highest of (i) the federal funds rate plus 0.50%, (ii) the Bank of America, N.A. prime rate, (iii) Term SOFR plus 1.00% and (iv) 1.00%). The Credit Agreement includes an accordion feature pursuant to which the Company is permitted to add one or more incremental term loans and/or increase commitments under the revolving credit facility in an aggregate amount of \$100 million or a higher amount, subject to the satisfaction of certain conditions and exceptions.

As of September 30, 2023 March 31, 2024, we had \$128.8 million \$126.3 million in borrowings outstanding under the term loan facility \$305.0 million in borrowings and \$190.0 million outstanding under the our revolving credit facility and \$4.4 million in letters of credit outstanding under our revolving credit facility. Under the revolving credit facility, \$240.6 million remains available for future borrowings, subject to compliance with financial covenants as to interest coverage and debt leverage, in addition to other debt covenant restrictions. See Note 5 to the unaudited condensed consolidated financial statements in Part I, Item 1 of this Report for more information regarding the terms of the our Credit Agreement.

29

The Credit Agreement contains certain financial covenants related to interest coverage and debt leverage, and certain customary affirmative and negative covenants, including restrictions on our ability to incur additional debt and liens, pay dividends, repurchase shares, sell assets and merge or consolidate with other persons. Amounts due under the Credit Agreement could be accelerated upon specified events of default, including a failure to pay amounts due, breach of a covenant, material inaccuracy of a representation, or occurrence of bankruptcy or insolvency, subject, in some cases, to cure periods. As of September 30, 2023 March 31, 2024, we were in compliance with all of these covenants and restrictions.

Our operations, and the operations of businesses we acquire, are subject to certain foreign, federal, state and local regulatory requirements relating to environmental, waste management, health and safety matters. We believe we operate in substantial compliance with all applicable requirements and we seek to ensure that newly acquired businesses comply or will comply substantially with applicable requirements. To date, the costs of compliance and workplace and environmental remediation have not been material to us. However, material costs and liabilities may arise from these requirements or from new, modified or more stringent requirements in the future. In addition, our past, current and future operations, and the operations of businesses we have or may acquire, may give rise to claims of exposure by employees or the public, or to other claims or liabilities relating to environmental, waste management or health and safety concerns.

As of September 30, 2023 March 31, 2024, we had cash and cash equivalents, including restricted cash, totaling \$260.8 million and \$240.6 million \$355.6 million available for borrowings under the Credit Agreement, subject to compliance with financial covenants as to interest coverage and debt leverage, in addition to other debt covenant restrictions.

Agreement. During the next 12 months, we believe our capital expenditures will approximate \$65 million \$60 million to \$75 million \$70 million, principally for machinery and equipment to help increase our production capacity to support anticipated revenue growth and our ongoing business around the globe.

On March 6, 2018, our Board of Directors approved an expanded stock repurchase program granting us the authority to repurchase up to \$250 million in shares of the Company's common stock

## Dividends

in addition to the \$100 million approved on December 7, 2015. On February 19, 2020 and October 26, 2021, the Board of Directors authorized the repurchase of an additional \$150 million and \$100 million, respectively, of shares of the Company's common stock. During the nine three months ended September 30, 2023, we had no share repurchases. As of September 30, 2023, we had \$154.6 million remaining under our share repurchase program. We are under no commitment or obligation to repurchase any particular amount of shares of the Company's common stock.

The Company began declaring March 31, 2024 and paying quarterly dividends during the first quarter of 2018. In February 2020, the Board of Directors approved a quarterly dividend increase, raising the quarterly dividend from \$0.15 to \$0.16 per common share. In May 2021, the Board of Directors approved another quarterly dividend increase, raising the quarterly dividend from \$0.16 to \$0.165 per common share. During the nine months ended September 30, 2023 and 2022, 2023, cash dividends paid totaled \$17.6 million \$5.9 million and \$17.4 million \$5.8 million, respectively. On September 11, 2023 March 11, 2024, the Company declared a quarterly cash dividend of \$0.165 per share of the Company's common stock to shareholders of record as of September 29, 2023. March 29, 2024. The dividend of \$5.9 million was paid on October 13, 2023 April 12, 2024.

The Board of Directors currently intends to continue paying quarterly dividends. However, the Company's future dividend policy is subject to the Company's compliance with applicable law, and depends depending on, among other things, the Company's results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in the Company's debt



agreements, and other factors that the Board of Directors may deem relevant. Dividend payments are not mandatory or guaranteed; there can be no assurance that the Company will continue to pay a dividend in the future.

Management believes that our existing cash balances, funds generated from operations,

### Share Repurchase Authorization

On March 6, 2018, the Board of Directors approved an expanded share repurchase authorization granting the Company authority to repurchase up to \$250 million in common stock in addition to the \$100 million previously approved on December 7, 2015. On October 26, 2018 and borrowing availability under our revolving credit facility February 19, 2020, the Board of Directors authorized the repurchase of an additional \$100 million and \$150 million of the Company's common stock, respectively.

Share purchases may be made in the open market, in privately negotiated transactions or block transactions, at the discretion of the Company's management and as market conditions warrant. Purchases will be sufficient to permit us to meet our liquidity requirements over funded from available cash and may be commenced, suspended or discontinued at any time without prior notice. Shares repurchased under the next 12 months. Management further believes that our ongoing cash flows from operations and any borrowings we may incur program are retired. The Company did not repurchase shares in 2023. As of March 31, 2024, the Company had \$154.6 million remaining under our revolving credit facility will enable us to meet operating cash requirements in future years. If we consummated significant acquisitions in the future, our capital needs would increase and could possibly result in our need to increase available borrowings under our Credit Agreement or access public or private debt and equity markets. There can be no assurance, however, that we would be successful in raising additional debt or equity on acceptable terms. share repurchase authorizations.

---

## CONTRACTUAL OBLIGATIONS

We have certain contractual obligations for operating and capital leases that were summarized in "Contractual Obligations" "Contractual Obligations" under Part II, Item 7 in our 2022 2023 10-K. Other than items discussed in Note 5 and Note 6 to the unaudited condensed consolidated financial statements in Part I, Item 1 of this Report, there have been no material changes to our contractual obligations, outside of the ordinary course of our business, since December 31, 2022 December 31, 2023.

---

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES AND RECENTLY ENACTED ACCOUNTING PRINCIPLES

Management's discussion and analysis is based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. See Note 2 to the unaudited condensed consolidated financial statements in Part I, Item 1 of this Report for a discussion of recently enacted accounting principles. Also, our significant accounting policies are summarized in Note 1 to the Consolidated Financial Statements consolidated financial statements included in our 2022 2023 10-K. There have been no

changes to the items disclosed as critical accounting estimates in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our 2022 2023 10-K.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our international sales comprise a significant portion of our net sales business. We are exposed to risks associated with operating internationally, including:

- Foreign currency exchange risk;
- Import and export duties, taxes and regulatory changes;
- Inflationary economies or currencies; and
- Economic and political instability.

Additionally, some of our operations are in developing countries. Certain events, including natural disasters, can impact the infrastructure of a developing country more severely than they would impact the infrastructure of a developed country. A developing country can also take longer to recover from such events, which could lead to delays in our ability to resume full operations.

We transact business in various foreign countries and are subject to foreign currency fluctuation risks. We use natural hedging and forward contracts to economically hedge transactional exposure primarily associated with trade accounts receivable, other receivables and trade accounts payable and lease liabilities that are denominated in a currency other than the functional currency of the respective operating entity. We do not use derivative financial instruments for speculative purposes. Certain forward currency exchange contracts in place as of September 30, 2023 March 31, 2024 have not been designated as accounting hedges and, therefore, changes in fair value are recorded within our unaudited condensed consolidated statements of income income in Part I, Item 1 of this Report.

The Company enters into forward currency exchange contracts designated as cash flow hedges of forecasted foreign currency expenses. Changes in the fair value of the derivatives are recorded in accumulated other comprehensive loss in on the condensed consolidated balance sheets until earnings are affected by the variability of the cash flows.

Our sales are substantially denominated in U.S. dollars. Our foreign currency cash flows are generated in certain European and Asian countries and Mexico.

We are also exposed to market risk for changes in interest rates on our financial instruments, a portion of which relates to our invested cash balances. We do not use derivative financial instruments in our investing activities. We place cash and cash equivalents and investments with various major financial institutions. We protect our invested principal funds by limiting default risk, market risk and reinvestment risk. We mitigate default risk by generally investing in investment-grade investment grade securities.

We are also exposed to interest rate risk on borrowings under our Credit Agreement. As of September 30, 2023 March 31, 2024, we had \$128.8 million \$126.3 million outstanding on the floating rate term loan facility, and we have an interest rate swap agreement with a notional amount of \$128.0 million \$126.3 million and a fixed interest rate of 4.039%. Under this swap agreement, we receive variable rate interest rate payments and pay fixed rate interest payments. The effect of this swap is to convert a portion of our floating rate interest expense to fixed interest rate expense. The interest rate swap is designated as a cash flow hedge.

For additional information regarding our forward currency exchange contracts and interest rate swap agreement, see Note 14 to the unaudited condensed consolidated financial statements in Part I, Item 1 of this Report.



#### Item 4. Controls and Procedures

As of the end of the period covered by this Report, the Company's management (with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO)) conducted an evaluation pursuant to Rule 13a-15 under the Exchange Act of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) of the Exchange Act). Based on this evaluation, the CEO and CFO concluded that as of the end of the period covered by this Report, such disclosure controls and procedures were effective at a reasonable assurance level to ensure that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported

within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

There has been no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) or 15d-15(f) of the Exchange Act) that occurred during the last fiscal quarter covered by this Report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

We are currently upgrading our ERP system, which is expected to occur in phases over the next several years. We have completed the implementation of the upgrades at certain of the Company's locations and have revised and updated the related controls. These changes did not materially affect our internal control over financial reporting. As we implement the upgrades of this ERP system at the remaining locations over the next several years, we will continue to assess the impact on our internal control over financial reporting.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by individuals' acts, by collusion of two or more people, or by management overriding the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings

We are involved in various legal actions arising in the ordinary course of business. Information about our legal proceedings is included in Note 11 to the unaudited condensed consolidated financial statements in Part I, Item 1 of this Report and is incorporated by reference herein. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on our consolidated financial position or results of operations.

### Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our 2022 2023 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities

- (c) The following table provides information for the quarter three months ended September 30, 2023 March 31, 2024 about the Company's repurchases of its equity securities registered pursuant to Section 12 of the Exchange Act:

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)
				(d) Maximum Number (or Approximate
July 1 to 31, 2023	—	\$ —	—	\$154.6 million
August 1 to 31, 2023	—	—	—	\$154.6 million
September 1 to 30, 2023	—	—	—	\$154.6 million
Total	—	\$ —	—	
				(d) Maximum Number (or Approximate
				(c) Total Number of

	(a)		Shares (or Units)	Dollar Value) of
	Total	(b)	Purchased as	Shares (or Units)
	Number of	Average Price	Part of Publicly	that May Yet Be
	Shares (or Units)	Paid per Share	Announced	Purchased Under
	Purchased	(or Unit)	Plans or	the Plans or
(amounts in millions, except per share data)			Programs	Programs <sup>(1)</sup>
January 1 to 31, 2024	—	\$ —	—	\$ 154.6
February 1 to 29, 2024	—	—	—	154.6
March 1 to 31, 2024	—	—	—	154.6
Total	—	—	—	\$ 154.6

<sup>(1)</sup>On October 30, 2018, the Company announced that the Board of Directors authorized the repurchase of \$100 million of shares of the Company's common stock in addition to the \$250 million previously announced on March 7, 2018. On February 24, 2020, the Company announced that the Board of Directors authorized the repurchase of an additional \$150 million of shares of the Company's common stock. Net of shares repurchased through September 30, 2023, the total remaining authorization outstanding as of September 30, 2023 is \$154.6 million. Stock purchases may be made in the open market, in privately negotiated transactions or block transactions, at the discretion of the Company's management and as market conditions warrant. Purchases are funded from available cash and may be commenced, suspended or discontinued at any time without prior notice. Shares of stock repurchased under the program are retired. The Company did not repurchase shares during the three months ended March 31, 2024 and 2023. As of March 31, 2024, the Company had \$154.6 million remaining under share repurchase authorizations.

## Item 5. Other Information

### Rule 10b5-1 Plan Adoptions and Modifications

During the three months ended September 30, 2023 March 31, 2024, no director or officer adopted or terminated any Rule "Rule 10b5-1 trading arrangement" or non-Rule "non-Rule 10b5-1 trading arrangement", each as defined in Item 408 of Regulation S-K.

33

32

## Item 6. Exhibits

Exhibit	
Number	No.
	Exhibi t Descri ption of Exhibi t
3.1	<a href="#">Restated Certificate of Formation dated May 17, 2016 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated May 17, 2016) (the 8-K) (Commission file number 1-10560)</a>
3.2	<a href="#">Amended and Restated Bylaws of the Company dated December 2, 2020 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated December 7, 2020 (Commission file number 1-10560))</a>
4.1	<a href="#">Specimen form of certificate evidencing the Common Shares (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014) (Commission file number 1-10560)</a>
31.1 (1)	<a href="#">Section 302 Certification of Chief Executive Officer</a>
31.2 (1)	<a href="#">Section 302 Certification of Chief Financial Officer</a>
32.1 (2)	<a href="#">Section 1350 Certification of Chief Executive Officer</a>
32.2 (2)	<a href="#">Section 1350 Certification of Chief Financial Officer</a>
101.INS (1)	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH (1)	Inline XBRL Taxonomy Extension Schema Document
101.CAL (1)	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF (1)	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB (1)	Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE <sup>(1)</sup>	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104 <sup>(1)</sup>	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101)
<sup>(1)</sup>	Filed herewith
<sup>(2)</sup>	Furnished herewith

34

33

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on November 1, 2023 May 2, 2024.

BENCHMARK ELECTRONICS, INC.

(Registrant)

By: /s/ Jeffrey W. Benck  
Jeffrey W. Benck  
President and Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Roop K. Lakkaraju Arvind Kamal  
Roop K. Lakkaraju Arvind Kamal  
Interim Chief Financial Officer  
(Principal Financial and Accounting Officer)

3534

## Section 302 Certification of Chief Executive Officer

I, Jeffrey W. Benck, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Benchmark Electronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 2, 2024

By: /s/ /s/ Jeffrey W. Benck

Jeffrey W. Benck  
President and Chief Executive Officer  
(principal executive officer)

1

**Exhibit 31.2**

**Section 302 Certification of Chief Financial Officer**

I, **Roop K. Lakkaraju**, **Arvind Kamal**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Benchmark Electronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the

equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 2, 2024

By: /s/ Roop K. Lakkaraju /s/ Arvind Kamal

Roop K. Lakkaraju Arvind Kamal

Interim Chief Financial Officer

(principal financial and accounting officer)

1

Exhibit 32.1

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
(Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the Quarterly Report of Benchmark Electronics, Inc. (the Company) on Form 10-Q for the period ending September 30, 2023 March 31, 2024 (the Report), I certify to the best of my knowledge that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 1, 2023 May 2, 2024

By: /s/ Jeffrey W. Benck

Jeffrey W. Benck

President and Chief Executive Officer

(principal executive officer)

1



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
(Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the Quarterly Report of Benchmark Electronics, Inc. (the Company) on Form 10-Q for the period ending **September 30, 2023** **March 31, 2024** (the Report), I certify to the best of my knowledge that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **November 1, 2023** **May 2, 2024**

By: /s/ **Roop K. Lakkaraju** **Arvind Kamal**

**Roop K. Lakkaraju** **Arvind Kamal**

**Interim** Chief Financial Officer

(principal financial and accounting officer)

## DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.