



Benchmark Electronics

Management Presentation

CREDIT **SUISSE** FIRST BOSTON
Annual Technology Conference
November 29, 2000



Forward Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, from time to time, Benchmark Electronics, Inc. ("the Company") or its representatives have made or may make forward-looking statements, orally or in writing. Such forward-looking statements may be included in, but are not limited to, various filings made by the Company with the Securities and Exchange Commission, press releases or oral statements made with the approval of an authorized executive officer of the Company. Actual results could differ materially from those projected or suggested in any forward-looking statements as a result of a wide variety of factors and conditions. These factors and conditions have been described in the section of the Company's Prospectus, dated August 2, 2000, entitled "Risk Factors," and in other documents the Company files from time to time, with the Securities and Exchange Commission, including annual reports on Forms 10-K, quarterly reports on Form 10-Q and current reports on Forms 8-K.



Clear Vision for the Future

“Our goal is to be the EMS provider of choice to leading high technology OEMs”

by

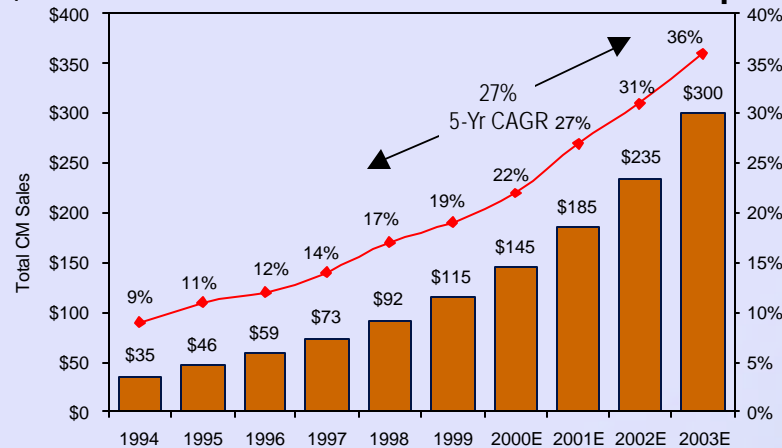
- Maintaining and developing close long-term customer relationships
- Focusing on high-end products in high growth sectors
- Delivering complete high and low volume manufacturing solutions globally
- Leveraging advanced technological capabilities
- Continuing to strengthen our global footprint through external and internal growth

resulting in

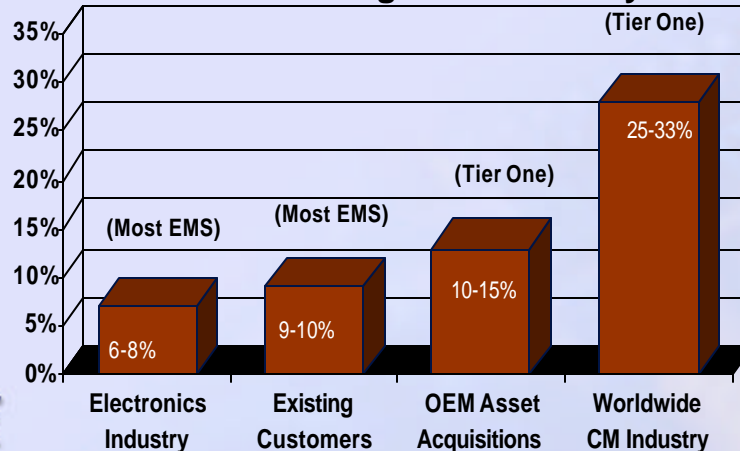
“Direct communications and closer business relationships with our customers.”

The EMS Market is Growing Rapidly

\$115 Billion Market with 27%+ Growth Prospects



Drivers Influencing 27%+ Industry Growth



Factors Driving Growth:

- Continued outsourcing of manufacturing needs from OEMS, as manufacturing capacity becomes increasingly more expensive and complex
- Growth in the use and need for expanded services offerings by EMS, providing incremental revenue, margin and earnings growth
- More rapid time-to-market with new or next-generation product

**Benchmark
Electronics**

Note:

Assumptions:

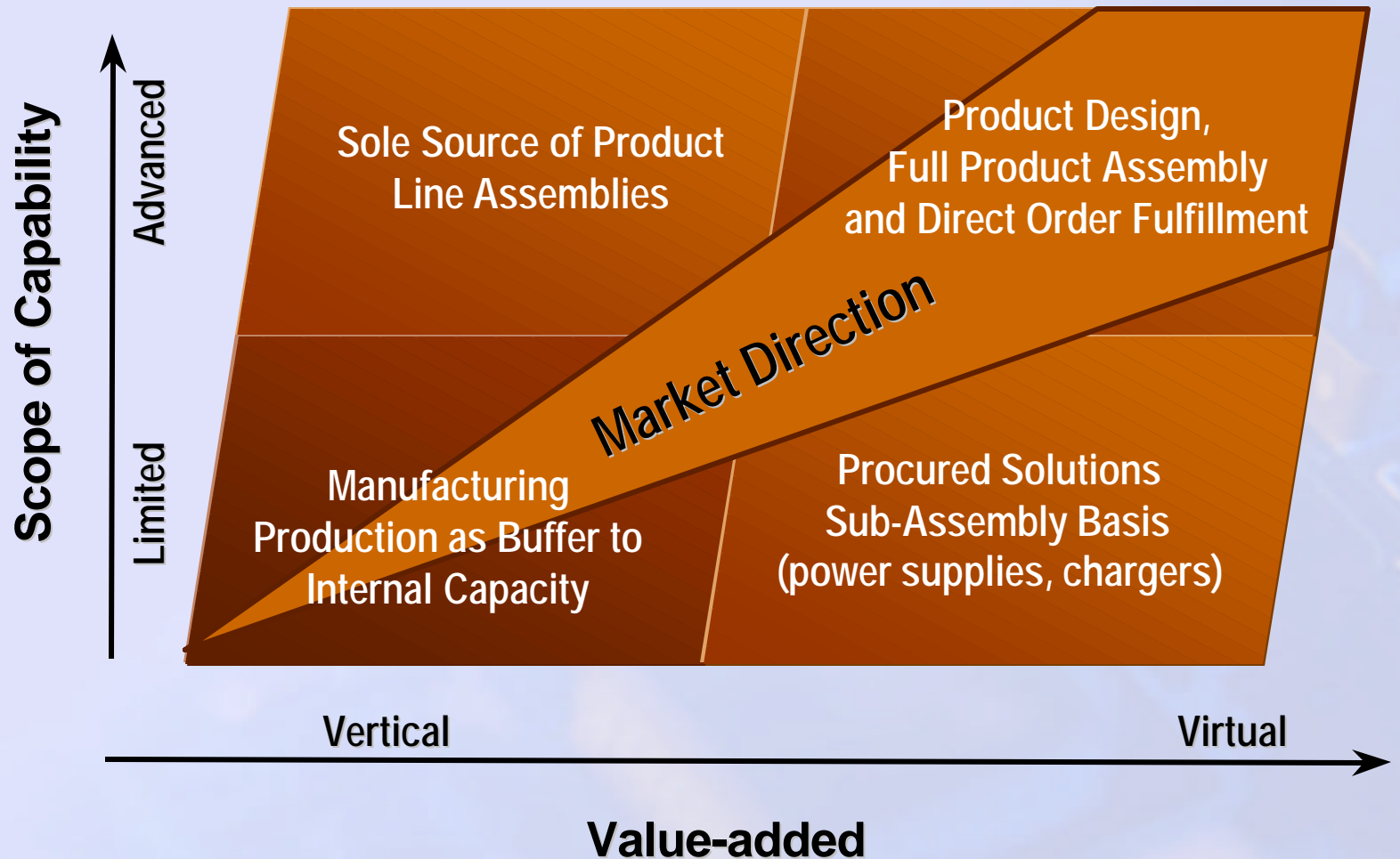
Source:

EMS sales are as a percentage of OEMs COGS; the cost savings of which generate the EMS industry's revenues.

World OEM market sales grow 6-8% per year, with gross margins in the 20% range.

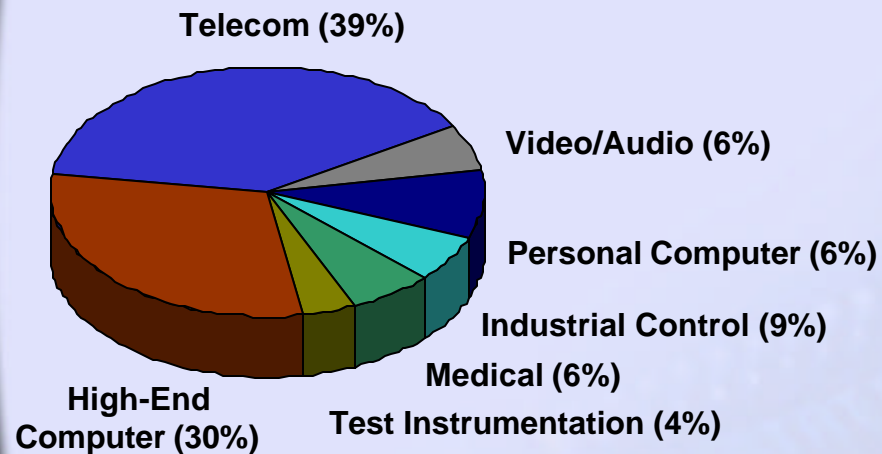
Technology Forecasters and Credit Suisse First Boston Technology Group estimates.

Industry Evolution



Company Overview

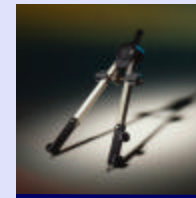
Revenue Mix



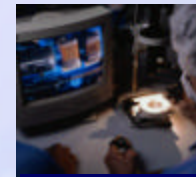
Note: Revenue Mix as of FY 1999

**Benchmark
Electronics**

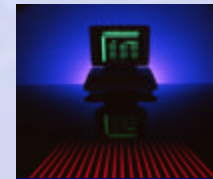
Service Offerings



Design



Test
Development



Systems
Integration



Depot
Repair



Prototype



High & Low
Volume
Production



Logistics

Global Presence



**Benchmark
Electronics**

Facilities

- 14 manufacturing facilities
- 1,571,500 square feet
- U.S., Mexico, South America, Europe and Asia-Pacific

Clear Strategic Acquisition Objectives

- Complement Service and Product Offering
 - targeting high growth industries
 - expanding advanced technology capabilities
 - extending global presence
- Acquire New Customers
- Develop Strategic Relationships
- Add Strong Operational Management



**Deeper and Closer
Customer Relationship**

Acquisitions - Building Blocks for a Complete Service Offering

August 1999

AVEX

(9 Facilities with 930,500 sqf)

March 1999

Ascend operations

(1 Facility with 90,000 sqf)

February 1998

Lockheed Martin CE

(1 Facility with 250,000 sqf)

July 1996

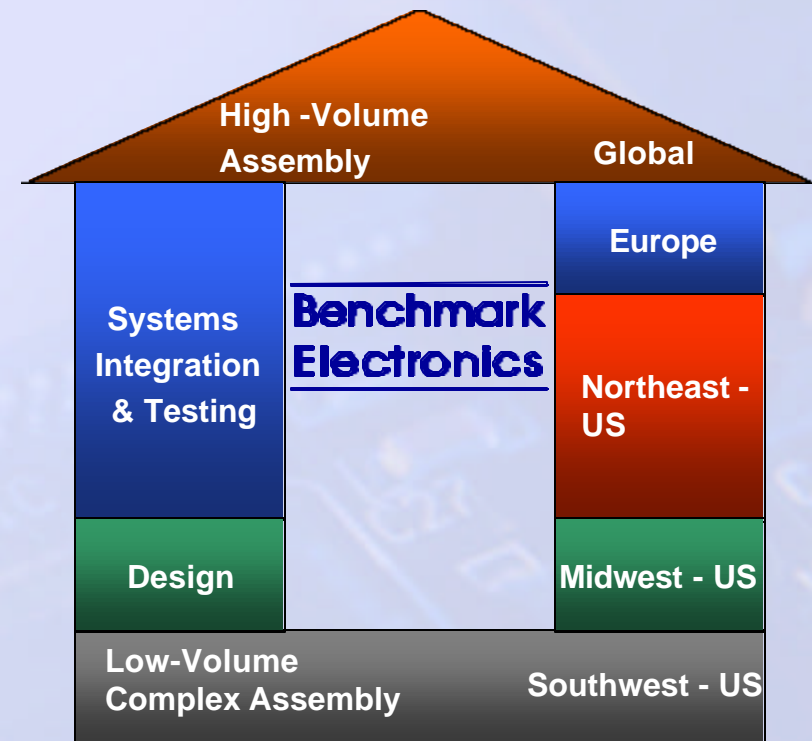
EMD Associates

(1 Facility with 201,000 sqf)

August 1986

spin-off of Intermedics

**Benchmark
Electronics**



Service Offering

Geographic Coverage

Benchmark Growth Drivers

Internal

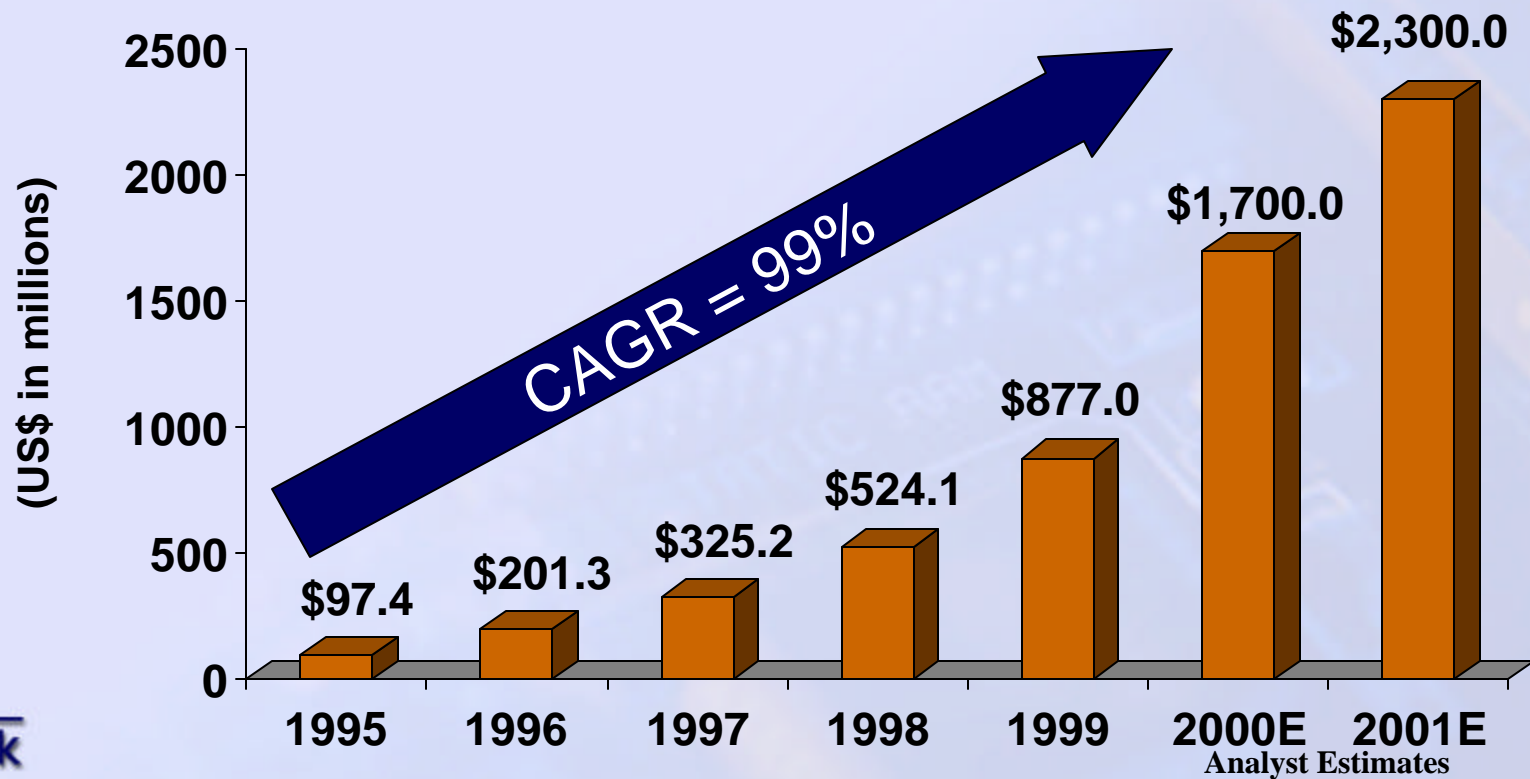
- Expand strategic partnerships in high growth end markets
- Global platform in place to increase market share
- Expanding capacity can support approximately \$2.5B in revenues

External

- \$400 MM successfully invested in 4 acquisitions, “acquiring” \$1.1B in revenues
- OEM divestitures

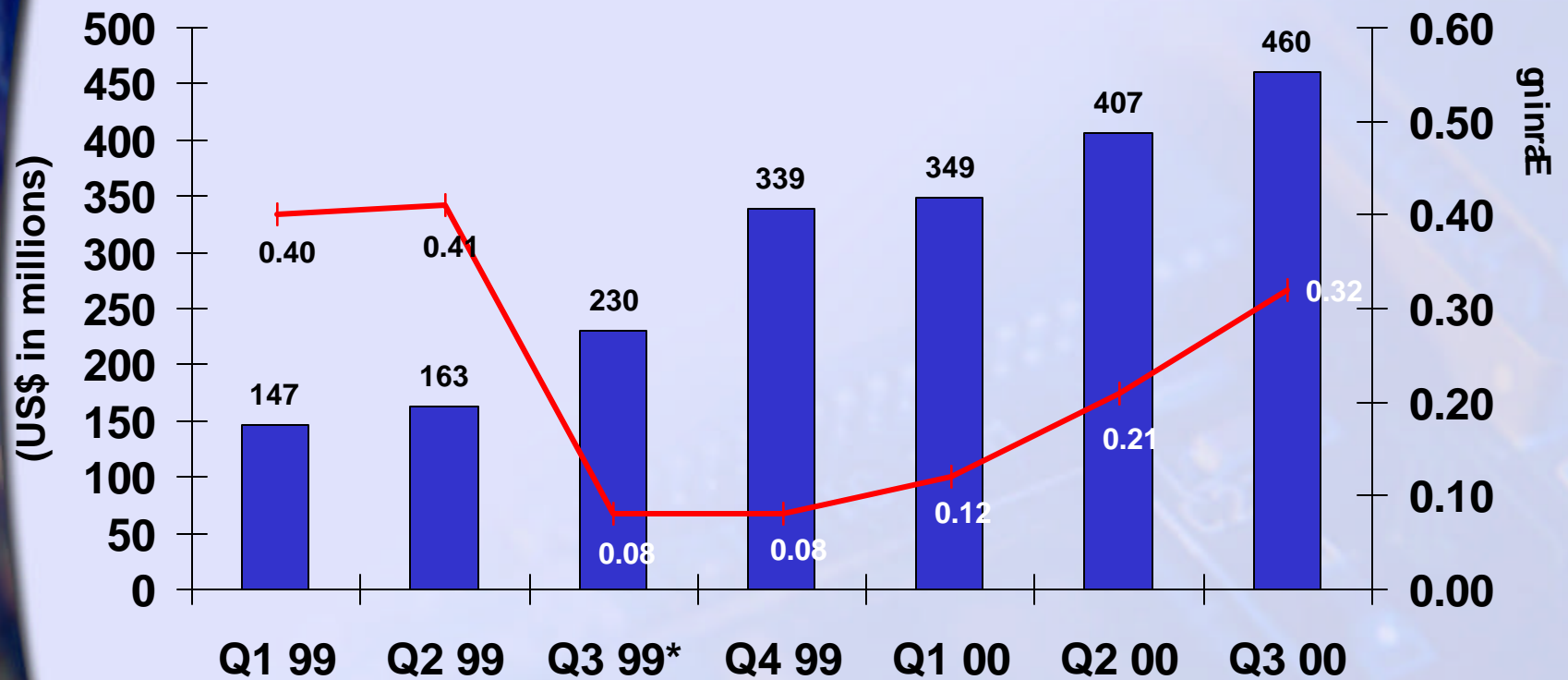
Strong Historical Revenue Growth

Fiscal Year Ended December 31



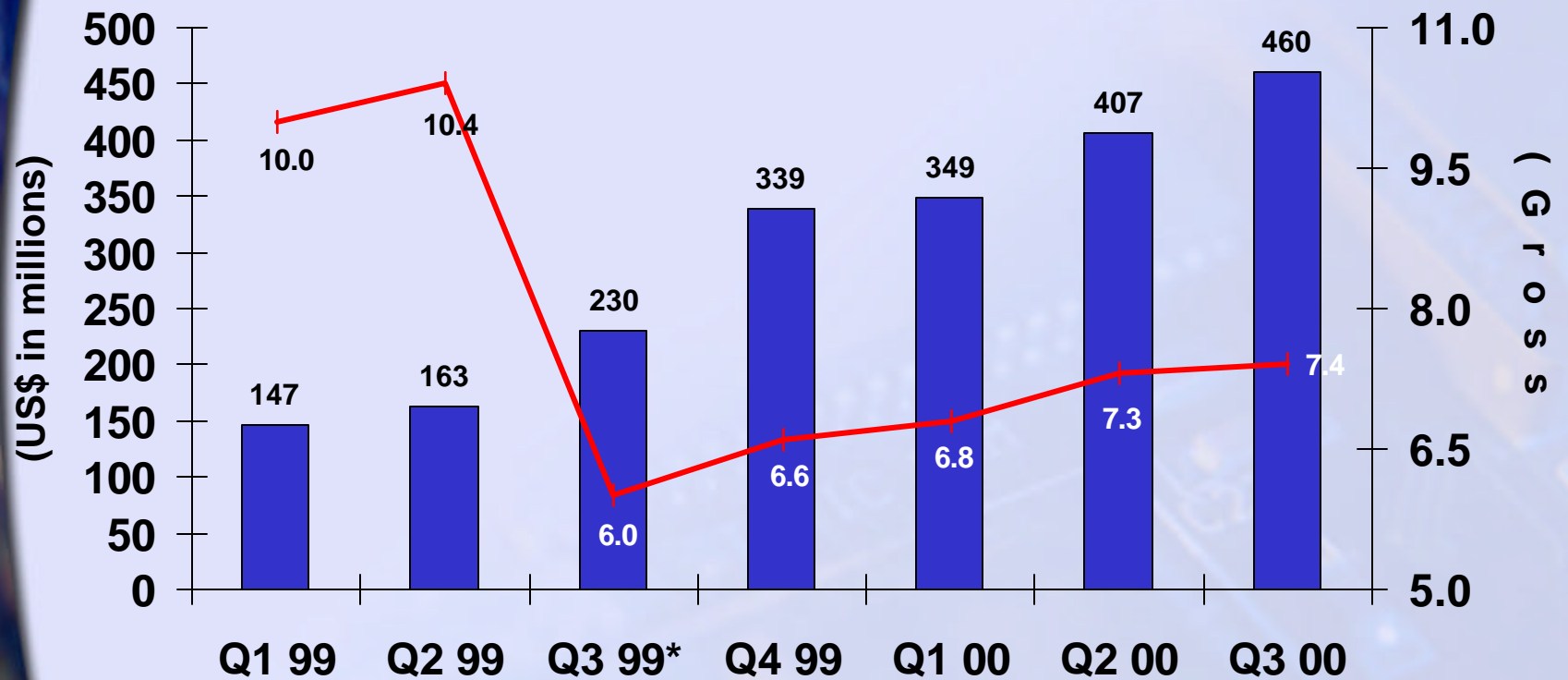
**Benchmark
Electronics**

Strong Quarterly Revenue Momentum with EPS Rebound



* Excluding extraordinary item

Gross Margin Rebound





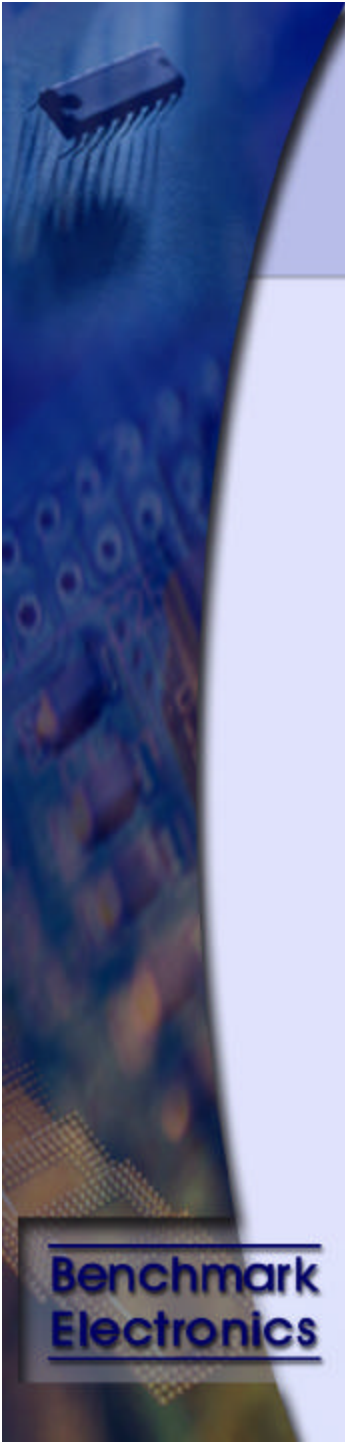
Strong Balance Sheet Supporting Future Growth

	<u>September 30, 2000</u>	<u>December 31, 1999</u>
Cash	23,740	9,437
Accounts Receivable	257,378	197,239
Inventory	317,298	214,554
\$175MM Revolving Credit Facility	56,500	41,500
Term Loan	85,000	97,000
Convertible Subordinated Notes	80,200	80,200
Shareholders' Equity	403,261	281,935
Days Sales Outstanding	50.3	52.1
Inventory turns	5.37	5.89
Book Value	\$20.38	\$16.77



Inventory Reserves

- Industry Practices
 - EMS firms generally procure inventory to customer forecasts
 - Reserves are provided for specific identification of E & O inventories without customer coverage
 - Examples include - minimum buys, reel sizes, design changes, etc.
- Benchmark Reserves
 - Pre-acquisition reserves were nominal
 - Acquisition reserves arise from non-contractual coverage and former customers
- Disposals
 - Disposition of obsolete inventories previously reserved for reduce both the asset and the reserve balances
 - The majority of Benchmark's reduction to the Q3 reserve resulted from the sale of the Sweden assets at approximately book value which removed both the asset and reserve.
 - No gain or loss was recognized on the sale of the Sweden assets



Year 2000 Highlights

- Record revenue and record backlog and for 3 consecutive quarters
- Record Income - Q3 2000
- Completion of successful secondary stock offering
- Significant new program bookings
- Enhancement of geographic suitability to match customer requirements
- Expansion of infrastructure while retaining flexibility



Basis for Future Growth

- Strong long-term industry fundamentals
- Top Tier EMS Provider
- Global presence and full range of services
- Excellent and long-standing customer base in high-end, high-growth sectors
- Improving financial performance
- Broad and experienced management team

The background of the slide features a dark blue gradient. On the left side, there is a close-up, slightly blurred image of electronic components, including a circuit board and a component with the text 'AIRTIC 887' visible. A large, light blue magnifying glass is positioned over the right side of the slide, focusing on the text 'Your Global Outsourcing Solution'.

**Benchmark
Electronics**

**Your Global Outsourcing
Solution**