



Vicor Corporation Reports Results for the Second Quarter Ended June 30, 2017

July 27, 2017

ANDOVER, MA -- (Marketwired) -- 07/27/17 -- Vicor Corporation (NASDAQ: VICR) today reported financial results for the second quarter and six months ended June 30, 2017. These results will be discussed later today at 5:00 p.m. Eastern Time, during management's quarterly investor conference call. The details for the call are presented below.

Revenues for the second quarter ended June 30, 2017 increased to \$57,709,000, compared to \$52,941,000 for the corresponding period a year ago, and increased from \$54,462,000 for the first quarter of 2017. Second quarter bookings increased to \$59,387,000 from \$52,514,000 for the corresponding period a year ago, and increased from \$57,891,000 for the first quarter of 2017.

Gross margin increased to \$25,930,000 for the second quarter of 2017, compared to \$24,471,000 for the corresponding period a year ago, and increased from \$23,652,000 for the first quarter of 2017. Gross margin, as a percentage of revenue, decreased to 44.9% for the second quarter of 2017, compared to 46.2% for the second quarter of 2016, but increased from 43.4% for the first quarter of 2017.

Net loss for the second quarter was (\$459,000), or (\$0.01) per share, compared to a net loss of (\$544,000), or (\$0.01) per share, for the corresponding period a year ago and a net loss of (\$974,000), or (\$0.02) per share, for the first quarter of 2017.

Revenues for the six months ended June 30, 2017, increased 13.3% to \$112,171,000 from \$98,968,000 for the corresponding period a year ago. Net loss for the six month period was (\$1,433,000), or (\$0.04) per share, compared to a net loss of (\$5,895,000), or (\$0.15) per share, for the corresponding period a year ago.

Cash provided by operating activities totaled \$644,000 for the second quarter of 2017, compared to cash used for operating activities of \$3,171,000 for the corresponding period a year ago. Cash and cash equivalents sequentially decreased by \$1,402,000 to approximately \$51,425,000 at the end of the second quarter of 2017 from \$52,827,000 at the end of the first quarter of 2017.

Total backlog at the end of the second quarter of 2017 was \$53,157,000, compared to \$51,732,000 at the end of the first quarter, and \$48,371,000 at the end of 2016.

Commenting on the second quarter, Dr. Patrizio Vinciarelli, Chief Executive Officer, stated, "Vicor recorded incremental performance improvement with sequential increases in bookings and revenue. Consolidated gross profit dollars and margin percentage increased, reflecting higher production volumes. However, expenses associated with the initial production ramp of our Power-on-Package modules resulted in a small net loss."

Dr. Vinciarelli continued, "Vicor's 48 Volt direct-to-processor solutions using our PRM-VTM ChiP-sets are gaining traction on motherboards for hyperscale datacenters while our MCD-MCM Power-on-Package ChiP-sets are getting designed within advanced CPUs, GPUs and ASICs for Supercomputing and Artificial Intelligence applications. Recent design wins and purchase orders for applications ranging from UAVs, to autonomous vehicles, to wireless telecom reflect our drive to expand our customer base and diversify our revenue streams."

For more information on Vicor and its products, please visit the Company's website at www.vicorpower.com.

Earnings Conference Call

Vicor will be holding its investor conference call today, Thursday, July 27, 2017 at 5:00 p.m. Eastern Time. Shareholders interested in participating in the call should call 888-419-5570 at approximately 4:50 p.m. and use the Passcode 34739242. Internet users may listen to a real-time audio broadcast of the conference call on the Investor Relations section of Vicor's website at www.vicorpower.com. Please go to the website at least 15 minutes prior to the call to register, download and install any necessary software. For those who cannot participate in the conference call, a replay will be available, shortly after the conclusion of the call, through August 11, 2017. The replay dial-in number is 888-286-8010 and the Passcode is 98163065. In addition, a webcast replay of the conference call will also be available on the Investor Relations section of Vicor's website at www.vicorpower.com beginning shortly after the conclusion of the call.

This press release contains certain 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. Any statement in this press release that is not a statement of historical fact is a forward-looking statement, and, the words "believes," "expects," "anticipates," "intend," "estimate," "plans," "assumes," "may," "will," "would," "should," "continue," "prospective," "project," and other similar expressions identify forward-looking statements. Forward-looking statements also include statements regarding bookings, shipments, revenue, profitability, targeted markets, increase in manufacturing capacity and utilization thereof, future products and capital resources. These statements are based upon management's current expectations and estimates as to the prospective events and circumstances that may or may not be within the company's control and as to which there can be no assurance. Actual results could differ materially from those projected in the forward-looking statements as a result of various factors, including those economic, business, operational and financial considerations set forth in Vicor's Annual Report on Form 10-K for the year ended December 31, 2016, under Part I, Item I -- "Business," under Part I, Item 1A -- "Risk Factors," under Part I, Item 3 -- "Legal Proceedings," and under Part II, Item 7 -- "Management's Discussion and Analysis of Financial Condition and Results of Operations." The risk factors set forth in the Annual Report on Form 10-K may not be exhaustive. Therefore, the information contained in the Annual Report on Form 10-K should be read together with other reports and documents filed with the Securities and Exchange Commission from time to time, including Forms 10-Q, 8-K and 10-K, which may supplement, modify, supersede or update those risk factors. Vicor does not undertake any obligation to update any forward-looking statements as a result of future events or developments.

Vicor Corporation designs, develops, manufactures and markets modular power components and complete power systems based upon a portfolio of patented technologies. Headquartered in Andover, Massachusetts, Vicor sells its products primarily to customers in the higher-performance, higher-power segments of the power systems market, including aerospace and defense electronics, enterprise and high performance computing,

industrial equipment and automation, telecommunications and network infrastructure, and vehicles and transportation markets.

VICOR CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(Thousands except for per share amounts)

| | QUARTER ENDED | | SIX MONTHS ENDED | |
|---|----------------------|-----------------|-------------------------|-----------------|
| | (Unaudited) | | (Unaudited) | |
| | JUNE 30, | JUNE 30, | JUNE 30, | JUNE 30, |
| | 2017 | 2016 | 2017 | 2016 |
| Net revenues | \$ 57,709 | \$ 52,941 | \$ 112,171 | \$ 98,968 |
| Cost of revenues | 31,779 | 28,470 | 62,589 | 55,181 |
| Gross margin | 25,930 | 24,471 | 49,582 | 43,787 |
| Operating expenses: | | | | |
| Selling, general and administrative | 14,536 | 14,315 | 28,559 | 28,331 |
| Research and development | 11,932 | 10,757 | 22,939 | 21,486 |
| Total operating expenses | 26,468 | 25,072 | 51,498 | 49,817 |
| Loss from operations | (538) | (601) | (1,916) | (6,030) |
| Other income (expense), net | 360 | 64 | 685 | 139 |
| Loss before income taxes | (178) | (537) | (1,231) | (5,891) |
| Less: Provision for income taxes | 267 | 13 | 168 | 35 |
| Consolidated net loss | (445) | (550) | (1,399) | (5,926) |
| Less: Net income (loss) attributable to noncontrolling interest | 14 | (6) | 34 | (31) |
| Net loss attributable to Vicor Corporation | \$ (459) | \$ (544) | \$ (1,433) | \$ (5,895) |
| Net loss per share attributable to Vicor Corporation: | | | | |
| Basic | \$ (0.01) | \$ (0.01) | \$ (0.04) | \$ (0.15) |
| Diluted | \$ (0.01) | \$ (0.01) | \$ (0.04) | \$ (0.15) |
| Shares outstanding: | | | | |
| Basic | 39,172 | 38,801 | 39,121 | 38,798 |
| Diluted | 39,172 | 38,801 | 39,121 | 38,798 |

VICOR CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET

(Thousands)

| | JUNE 30, | DEC 31, |
|------------------------------------|--------------------|--------------------|
| | 2017 | 2016 |
| | (Unaudited) | (Unaudited) |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 51,425 | \$ 56,170 |
| Accounts receivable, net | 34,092 | 25,216 |
| Inventories, net | 30,514 | 27,136 |
| Other current assets | 3,867 | 3,250 |
| Total current assets | 119,898 | 111,772 |
| Deferred tax assets | 21 | 38 |
| Long-term investments | 2,565 | 2,508 |
| Property, plant and equipment, net | 38,927 | 37,574 |
| Other assets | 2,204 | 2,175 |
| | \$ 163,615 | \$ 154,067 |
| Liabilities and Equity | | |

Current liabilities:

| | | |
|---|--------------|--------------|
| <i>Accounts payable</i> | \$ 10,542 | \$ 7,588 |
| <i>Accrued compensation and benefits</i> | 9,925 | 8,965 |
| <i>Accrued expenses</i> | 2,475 | 2,179 |
| <i>Income taxes payable</i> | 86 | 92 |
| <i>Deferred revenue</i> | <u>7,738</u> | <u>3,403</u> |
| <i>Total current liabilities</i> | 30,766 | 22,227 |
| <i>Long-term deferred revenue</i> | 339 | 374 |
| <i>Contingent consideration obligations</i> | 142 | 253 |
| <i>Long-term income taxes payable</i> | 189 | 196 |
| <i>Other long-term liabilities</i> | <u>87</u> | <u>-</u> |
| <i>Total liabilities</i> | 31,523 | 23,050 |

Equity:*Vicor Corporation stockholders' equity:*

| | | |
|---|-------------------|-------------------|
| <i>Capital stock</i> | 179,178 | 176,859 |
| <i>Retained earnings</i> | 92,005 | 93,438 |
| <i>Accumulated other comprehensive loss</i> | (414) | (561) |
| <i>Treasury stock</i> | <u>(138,927)</u> | <u>(138,927)</u> |
| <i>Total Vicor Corporation stockholders' equity</i> | 131,842 | 130,809 |
| <i>Noncontrolling interest</i> | <u>250</u> | <u>208</u> |
| <i>Total equity</i> | <u>132,092</u> | <u>131,017</u> |
| | <u>\$ 163,615</u> | <u>\$ 154,067</u> |

For further information contact:

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Source: Vicor Corporation