

POWER | PROTECT | CONNECT

**Roth Conference**  
**Dana Point, CA**  
**March 13-15, 2017**

**(NASDAQ: BELFB)**  
**(NASDAQ: BELFA)**



# Safe Harbor Statement

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The Company's consolidated operating results are affected by a wide variety of factors that could materially and adversely affect revenues and profitability, including the risk factors described in Item 1A of our 2016 Annual Report on Form 10-K. As a result of these and other factors, the Company may experience material fluctuations in future operating results on a quarterly or annual basis, which could materially and adversely affect its business, consolidated financial condition, operating results, and common stock prices. Furthermore, this document and other documents filed by the Company with the Securities and Exchange Commission ("SEC") contain certain forward-looking statements under the Private Securities Litigation Reform Act of 1995 ("Forward-Looking Statements") with respect to the business of the Company. Forward-Looking Statements are necessarily subject to risks and uncertainties, many of which are outside our control, that could cause actual results to differ materially from these statements. Forward-Looking Statements can be identified by such words as "anticipates," "believes," "plan," "assumes," "could," "should," "estimates," "expects," "intends," "potential," "seek," "predict," "may," "will" and similar references to future periods. All statements other than statements of historical facts included in this report regarding our strategies, prospects, financial conditions, operations, costs, plans and objectives are Forward-Looking Statements. These Forward-Looking Statements are subject to certain risks and uncertainties, including those detailed in Item 1A of our 2016 Annual Report on Form 10-K, which could cause actual results to differ materially from these Forward-Looking Statements. The Company undertakes no obligation to publicly release the results of any revisions to these Forward-Looking Statements which may be necessary to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Any Forward-Looking Statement made by the Company is based only on information currently available to us and speaks only as of the date on which it is made.

# About Bel

Bel (NASDAQ: BELFA/BELFB) designs, manufactures and markets a broad array of products that power, protect and connect electronic circuits since 1949. These products are primarily used in the networking, telecommunications, computing, military, aerospace, transportation and broadcasting industries.

## 2016 Sales of \$500M

### Power Solutions & Protection

\$172M in sales (34%)



### Connectivity Solutions

\$169M in sales (34%)



### Magnetic Solutions

\$159M in sales (32%)



# Investor Considerations

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1

**Global Sales, Design and Manufacturing Footprint**

2

**Diversified End Markets and Broad Customer Base**

3

**Successful Acquisition Integrations  
Resulting in Sales Growth and Cost Savings**

4

**Strong and Consistent Free Cash Flow**

5

**Lean Overhead Structure**

6

**Potential Revenue Growth Could Lead to  
Favorable Impact on Stock Price**

# Our Products

## Power Solutions & Protection

### Front Ends & Board-Mount Power



## Connectivity Solutions

### Passive Connectors



## Magnetic Solutions

### Integrated Connector Modules



### Industrial



### Connectors & Cable Assemblies



### Transformers



### Circuit Protection



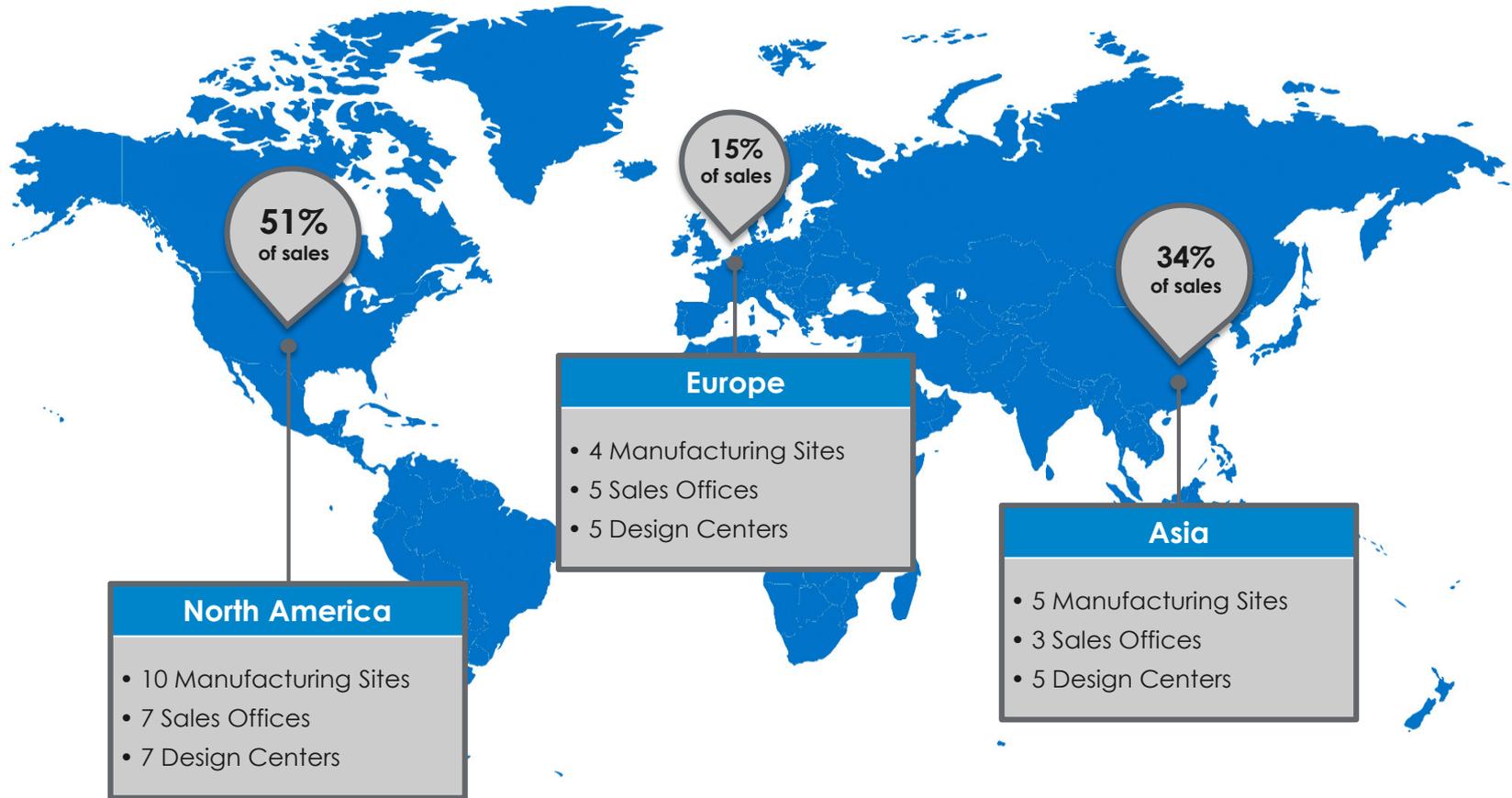
### RF Connectors /Microwave Components



### Magnetics



# Global Presence



# Diverse End-Markets and Blue Chip Customer Base

Network & Storage 40%	Military & Aerospace 25%	Industrial 20%	Telecom 15%
			
<p><b>ORACLE®</b></p> <p><b>CISCO™</b></p> <p><b>facebook.</b></p> <p><b>Hewlett Packard Enterprise</b></p>	<p><b>BOEING</b></p> <p><b>LOCKHEED MARTIN</b></p> <p><b>Raytheon</b></p> <p><b>Rockwell Collins</b></p>	<p><b>ALSTOM</b></p> <p><b>BOMBARDIER</b></p> <p><b>Carrier</b> United Technologies</p> <p><b>PHILIPS</b></p>	<p><b>ADTRAN®</b></p> <p><b>ciena.</b></p> <p><b>ERICSSON</b></p> <p><b>NOKIA</b></p>

# Power Solutions & Protection

## Overview

- Acquired ABB's Power-One June 2014
- World-class offering of AC-DC and DC-DC power conversion products
- Market leader in Railway with Melcher™ brand products
- Complete Portfolio of Electronic Circuit Protection Products

Servers, Storage & Networking  
Industrial & Transportation  
Lighting, Consumer



2016 Revenue: **\$172M** | Percent of Total Revenue: **34%**

## Growth Drivers

- New Power Shelf & PSU solutions for Datacenter and Open Compute markets; Industry leading Platinum & Titanium Efficiency for the Internet of Everything
- New standard products offering in AC-DC and DC-DC
- Expanded offering for railway applications
- New series of fuses with improved electrical ratings and worldwide safety agency approvals for the lighting, consumer, data networking and automotive industries

BROCADE 



  
TESLA

Seagate 

# Connectivity Solutions

## Overview

- Consolidation of Cinch with acquired Emerson business to form Cinch Connectivity Solutions in 2014
- World-Class RF Connector, Cable Assembly and Microwave Component supplier
- Market leader in Harsh Environment Fiber Optic and Expanded Beam Connectivity
- Largest supplier of Boeing approved Circular Connectors (BACC 63 and 45) for the aerospace industry

Military, Commercial Aerospace, Data Communications and Industrial



2016 Revenue: **\$169M** | Percent of Total Revenue: **34%**

## Growth Drivers

- The recent acquisitions have resulted in greater opportunity for growth through the distribution channels
- Development and deployment of next generation High Speed Active Optical Transceivers
- Cross-Licensing with partner for innovative solutions in commercial aerospace
- Increasing demand and content within single aisle aircraft platform coupled with a coordinated after-market sales approach



# Magnetic Solutions

## Overview

- Acquired TE's Integrated Connector Module business April 2013
- Market leader in Integrated Connector Module products (MagJack®)
- Broad offering of Magnetics for communication, industrial and commercial applications
- Largest selection of IC reference designs

Computer, Network & Communication  
Industrial & Medical  
Consumer



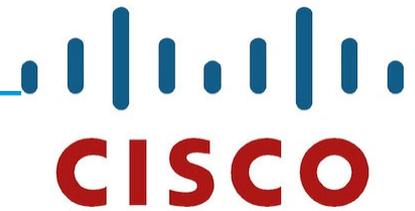
2016 Revenue: **\$159M** | Percent of Total Revenue: **32%**

## Growth Drivers

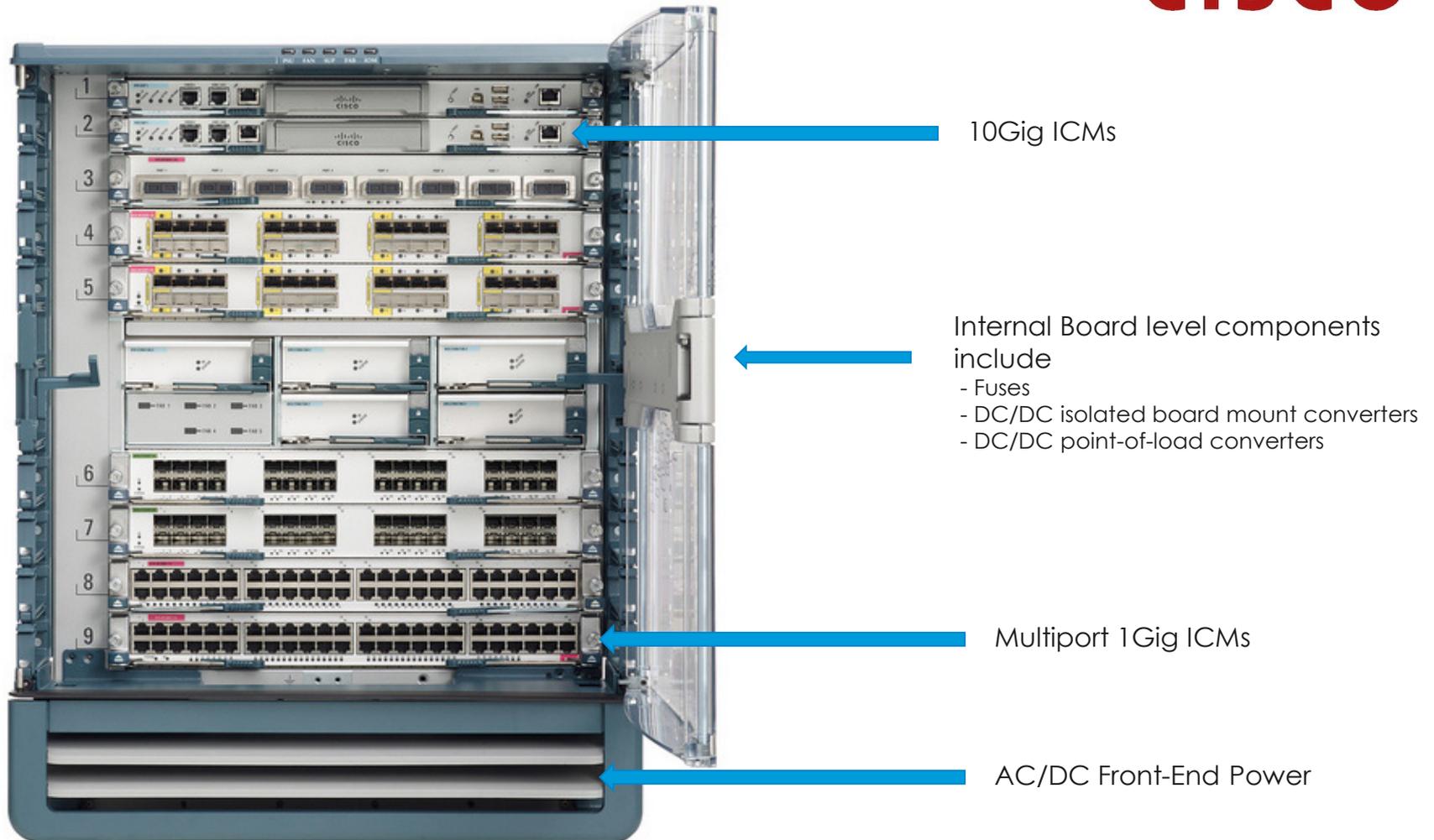
- Internet Protocol (IP) traffic growing at nearly 20% CAGR
- Developing next generation multi speed Connectivity; the only ICM manufacturer to effectively demonstrate 40 GBT feasibility within IEEE standards development
- Continued growth from shared designing with IC houses
- Extensive selection of 50/60 Hz Transformers, Switch Mode Transformers and SMD Power Inductors for Medical & Industrial applications



# Case Study #1 - Cisco



## Cisco Nexus 7000 Switch



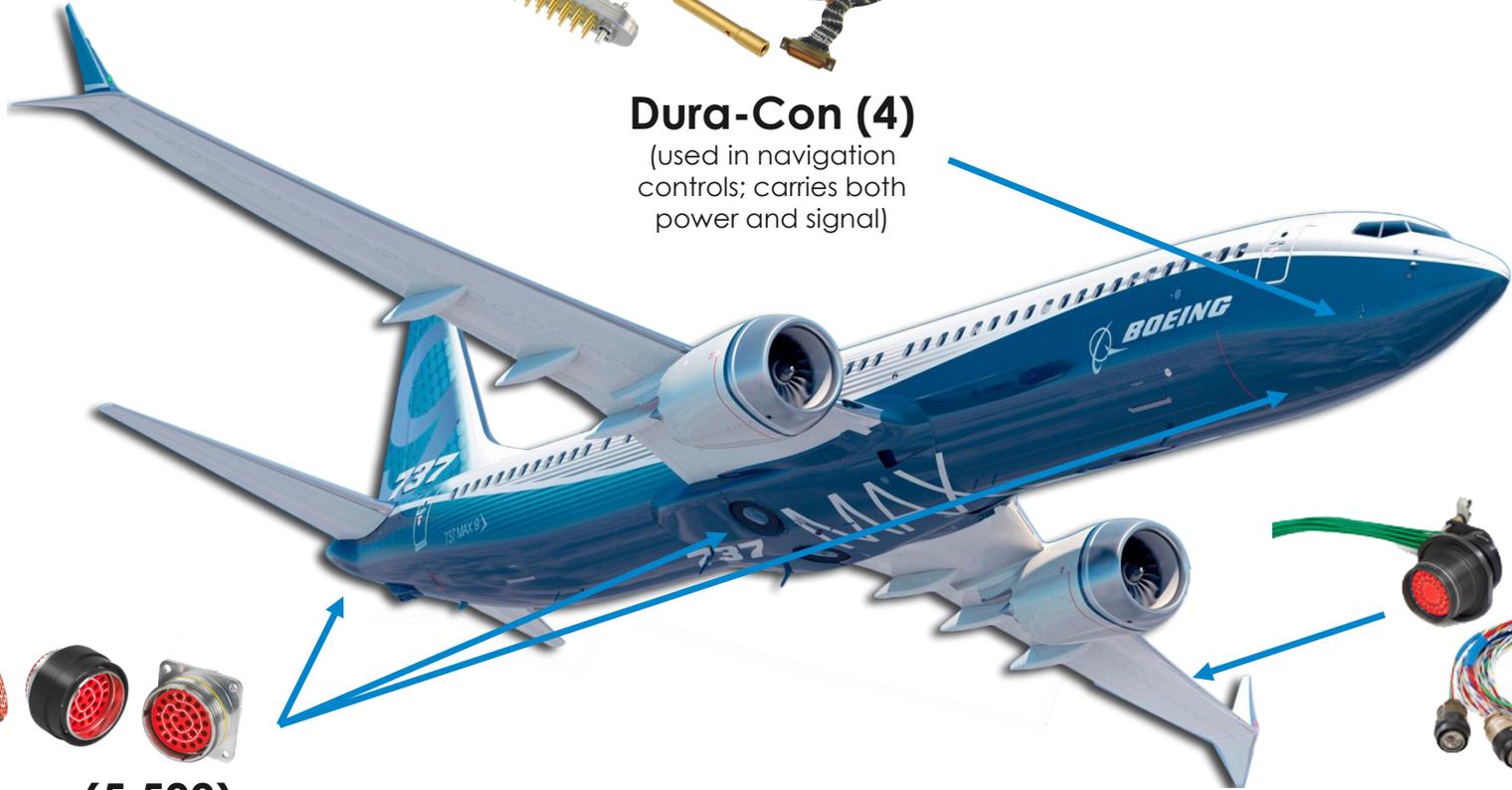
\* Bel content \$496/unit, depending on configuration

# Case Study #2 – Boeing



## Dura-Con (4)

(used in navigation controls; carries both power and signal)



## Omega (5,500)

(general avionics connector for power and signal; used throughout aircraft – undercarriage deployment hydraulics, flight controls, navigation, mechanical systems and lighting)



## FQIS (7)

(used in fuel tank to monitor fuel quantity)

**\* Bel content \$50K per aircraft depending on configuration**

# Competitors

	Power Solutions & Protection	Connectivity Solutions	Magnetic Solutions
Bel – 2016 sales	\$172M	\$169M	\$159M
Delta	✓	✓	✓
TE Connectivity	✓	✓	✓
Molex		✓	✓
Pulse Electronics		✓	✓
Bussmann (EATON)	✓		✓
Amphenol		✓	
Littelfuse	✓		
Artesyn	✓		
GE	✓		
Murata	✓		

# Acquisitions

Acquired Company	Year	Products	Revenue	Purchase
Emerson Network Power Connectivity Solutions*	2014	Connectivity	\$78M	\$98M
ABB/Power-One Power Solutions*	2014	Power	\$194M	\$117M
TE's Coil Wound Magnetics Business*	2013	Magnetics	\$75M	\$22.4M
Array Connector	2013	Connectivity	\$10M	\$10M
GigaCom Interconnect	2012	Connectivity	\$2M	\$2.7M
Fibreco Limited	2012	Connectivity	\$7M	\$13.7M
Powerbox Italia S.R.I.	2012	Power	\$4M	\$3M
Safran/Cinch Connectors*	2010	Connectivity	\$52M	\$37.5M
Galaxy Power	2005	Power	\$18M	\$18M
Netwatch s.r.o	2005	Connectivity	\$2M	\$1.5M
Insilco Passive Components Group*	2003	Magnetics	\$70M	\$35M
APC UK	2003	Power	\$5M	\$5.5M
E-Power/Current Concepts	2001	Power	\$3M	\$6.2M
Lucent Transformers + Inductor Group*	1998	Magnetics	\$35M	\$30M

\*Corporate divestitures

Blue denotes > \$50M in revenue contribution

# Synergies Implemented (cumulative)

**Cost savings implemented from dates of acquisition through December 31, 2016 have helped us to preserve our margins in times of revenue contraction**

- Power Solutions: acquired in June 2014
- Connectivity Solutions: acquired in July/August 2014

*\$ in thousands*

Year	Power Solutions & Protection	Connectivity Solutions	Total <sup>(1)</sup>
Headcount reductions	\$6,500	\$4,700	\$11,200
Facility consolidations	500	4,600	5,100
Material cost savings	800	-	800
<b>TOTAL</b>	<b>\$7,800</b>	<b>\$9,300</b>	<b>\$17,100</b>

(1) Of the \$17.1M of cost savings implemented to-date, approx. \$2M will be incremental in 2017.



# Financial Overview

# Investor Considerations

## Long-Term Sales Growth and Free Cash Flow

- Bel has completed 14 acquisitions since 1990 and has compiled 3-, 5- and 10-year Revenue CAGRs of 1.3%, 14.9% and 7.6%, respectively
- Gross margins and EBITDA<sup>(1)</sup> margins have expanded to over 20% and 11% in Q4-2016, respectively, despite lower sales volume

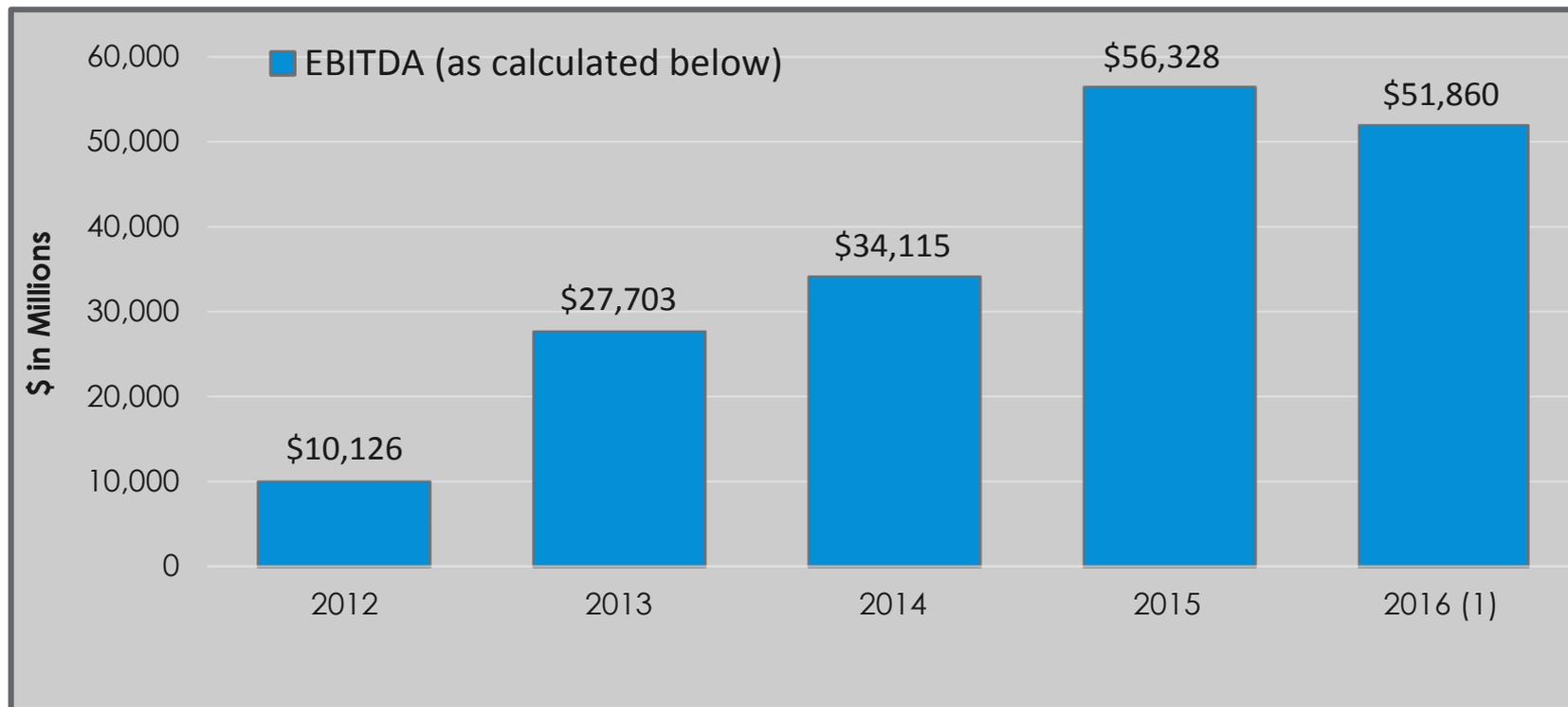
	Net Sales	Gross Margin	EBITDA Margin	D&A	Capital Spending	Free Cash Flow <sup>(2)</sup>
2012	\$286,594	16.2%	3.5%	\$9,113	\$4,744	\$6,865
2013	349,189	17.8%	7.9%	12,382	6,940	3,641
2014	487,076	17.9%	7.0%	20,367	9,042	13,415
2015	567,080	19.2%	9.9%	23,009	9,891	55,898
2016	500,153	20.0%	10.4% <sup>(3)</sup>	21,778	8,223	30,380
Q4-2016	118,539	20.7%	11.1%	5,409	2,633	9,000

<sup>(1)</sup> EBITDA as calculated by the Company represents earnings before interest, taxes, depreciation and amortization. EBITDA margin as presented above is calculated by dividing EBITDA by net sales.

<sup>(2)</sup> Free cash flow as presented above represents net cash provided by operating activities less cash paid for capital expenditures.

<sup>(3)</sup> Excludes the effect of a \$106M impairment charge on goodwill and other intangible assets recorded in the first half of 2016. Without adjusting for this factor, EBITDA margin for 2016 is (10.8)%.

# Reconciliation of Net Earnings to EBITDA



(1) Excludes the impact of the non-cash goodwill and other intangible assets impairment of 106.0 million in 2016.

## Actuals (as reported)

	2012	2013	2014	2015	2016
Net earnings (loss)	\$ 2,373	\$ 15,908	\$ 8,603	\$ 19,197	\$ (64,834)
Interest expense	16	156	3,978	7,588	6,662
Income tax (benefit) provision	(1,376)	(743)	1,167	6,535	(17,718)
Depreciation and amortization	9,113	12,382	20,367	23,008	21,778
EBITDA	\$ 10,126	\$ 27,703	\$ 34,115	\$ 56,328	\$ (54,112)
Non-cash impairment charge					105,972
EBITDA excluding non-cash impairment charge					\$ 51,860

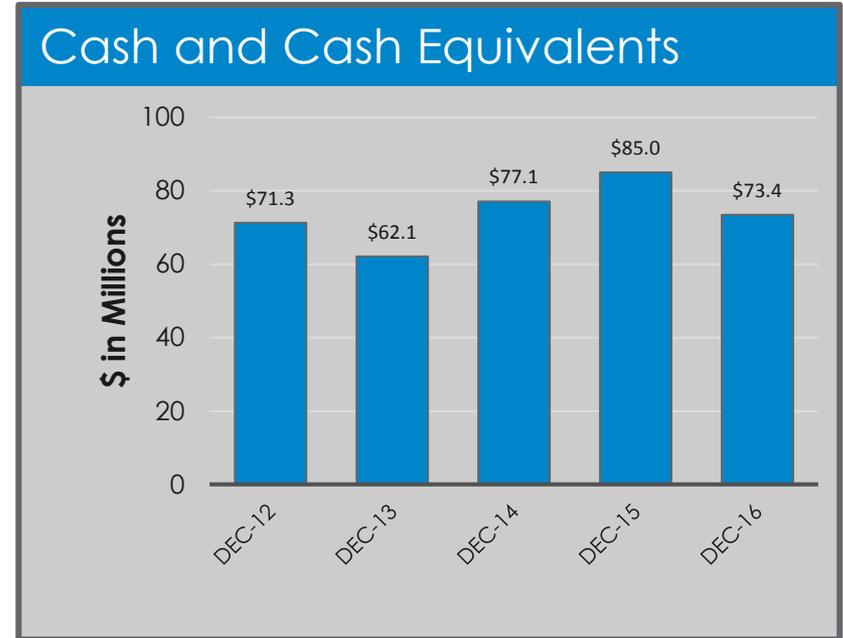
# Balance Sheet Highlights

<i>(\$000, except per share information)</i>	<b>December 31, 2016</b>	<b>December 31, 2015</b>
<b>Cash and Cash Equivalents</b>	\$73,411	\$85,040
<b>Total Current Assets</b>	255,442	280,471
<b>Total Assets</b>	426,740	578,505
<b>Current Liabilities</b>	92,327	121,852
<b>Total Debt (including current portion of debt)</b>	141,245	183,548
<b>Stockholders' Equity</b>	158,434	233,122
<b>Working Capital</b>	163,115	158,619
<b>Current Ratio</b>	2.8 to 1	2.3 to 1
<b>Book Value per Share<sup>(1)</sup></b>	\$13.17	\$19.68
<b>Dividend Yield<sup>(2)</sup></b>	0.9%	1.6%

(1) Represents book value per share on a combined basis for Class A and Class B.

(2) Represents average dividend yield for Class A and Class B common stock.

# Debt & Liquidity



### Acquisitions Funded with Debt:

- Power Solutions – \$130.8M  
June 2014
- Connectivity Solutions - \$105.4M  
July/August 2014

### Acquisitions Funded with Cash:

- 2012 – Fibreco, Gigacom, Powerbox (\$19M)
- 2013 – Array & TRP Connector (\$32M)

# Share Information

## Key Statistics (as of 3/3/17)

Stock Price	BELFA: \$21.94 BELFB: \$26.95
Total Shares Outstanding	12,026,564
Market Cap	\$313.2M
Enterprise Value	\$381.1M

### Class A

NASDAQ: BELFA

2,174,962 shares outstanding

17 institutions own ~ 1,021,470 shares

Quarterly dividends \$0.06 per share

23% held by insiders

### Class B

NASDAQ: BELFB

9,851,652 shares outstanding

106 institutions own ~ 6,752,718 shares

Quarterly dividends \$0.07 per share

6% held by insiders

# Summary

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Low-Cost Manufacturing Footprint

Diverse End Markets

Experienced Management Team

Cumulative Synergies Implemented of \$17M since 2014

Strong and Consistent Cash Flow

Well-Positioned for Bottom Line Growth When Market Rebounds

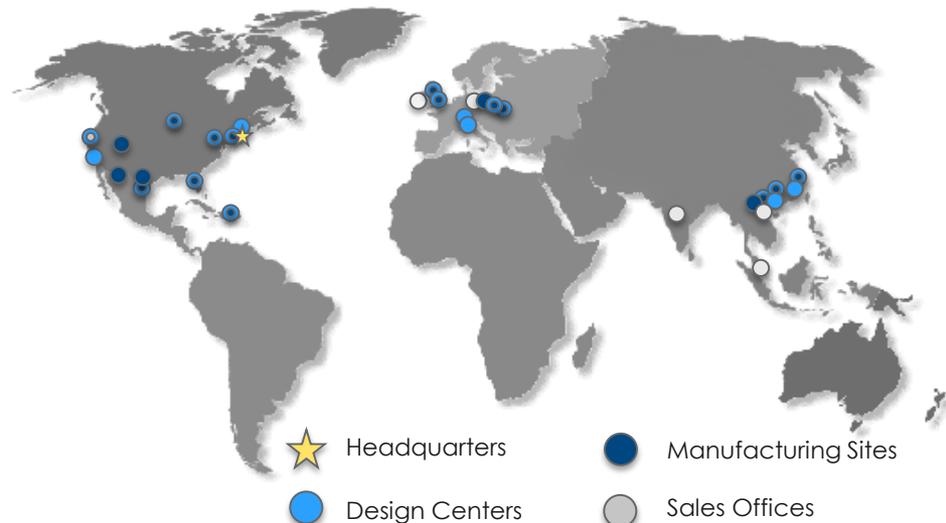


# Bel at a Glance

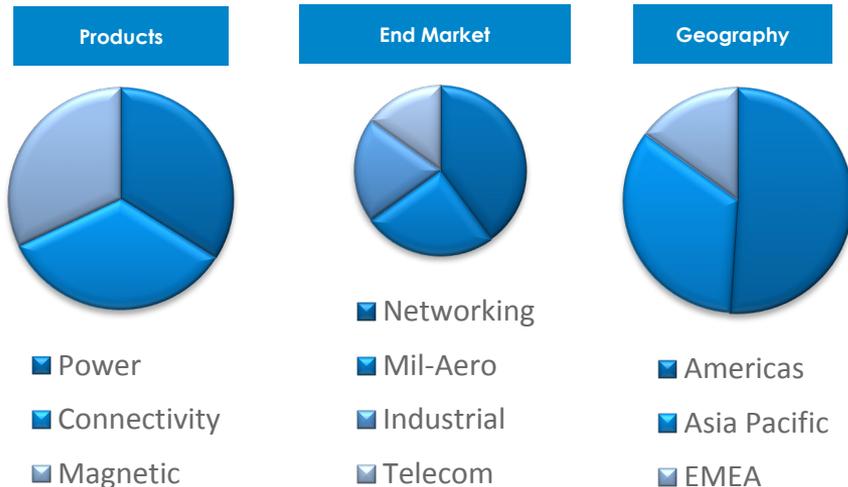
## Product Line Overview

Product lines	Markets served	Select product examples
Power Solutions and Protection	Servers, Storage & Networking Industrial & Transportation Lighting, Consumer	
Connectivity Solutions	Computer, Network & Communication Industrial & Medical Military & Aerospace, Oil & Gas	
Magnetic Solutions	Computer, Network & Communication Industrial & Medical Consumer	

## Global Footprint

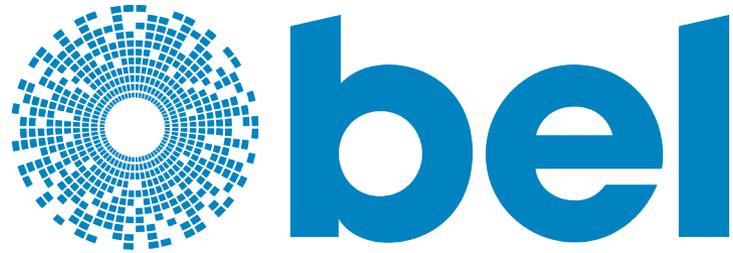


## 2016 Revenue - \$500M



## Select Customers





POWER | PROTECT | CONNECT



a bel group



a bel group



a bel group



a bel group



a bel group



a bel group

## Investor Relations Contacts:

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