



bel

POWER | PROTECT | CONNECT

Philadelphia NDRS

July 11, 2019

(Nasdaq: BELFB) (Nasdaq: BELFA)



Safe Harbor Statement

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 2018 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 2018 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 network, cloud infrastructure, military, aerospace, medical, industrial and telecom industries.

Annual Sales of \$555M*

* Trailing twelve months ended 3/31/19



Power Solutions & Protection

\$182M in sales (33%)

Connectivity Solutions

\$188M in sales (34%)

Magnetic Solutions

\$185M in sales (34%)

Bel at a Glance



70 years

serving diversified industries with a broad array of products



8 acquisitions

completed in the past 7 yrs



Paid off

\$119 million

of debt and removed \$18 million of fixed costs from the P&L since the 2014 acquisitions



Margin expansion from

17.9% > **20.2%**

in 2014

in TTM
3/31/19



TTM 3/31/19 bookings of

\$551 million

up 5% from TTM 3/31/18



Backlog of

\$167 million

at March 31, 2019,
consistent with backlog
level at March 31, 2018

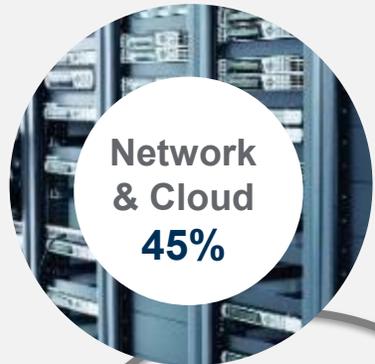
**Long history of consistent
dividend payments on both
classes of stock**

Bel Celebrates 70 Years



Celebrating 70 years in business and 35 years as a Nasdaq-listed company

Diverse End-Markets & Blue Chip Customer Base



Network & Cloud
45%

ORACLE[®]
CISCO
Hewlett Packard Enterprise
facebook.
DELL EMC



Distribution
25%

AVNET
Reach Further™
Newark
AN AVNET COMPANY
Dig-Key
Electro
MOUSER ELECTRONICS
PEI-Genesis



Military & Aerospace
15%

BOEING
LOCKHEED MARTIN
THALES
Raytheon



Industrial
15%

BOMBARDIER
ALSTOM PHILIPS
Carrier
United Technologies

Connectivity Solutions

Products

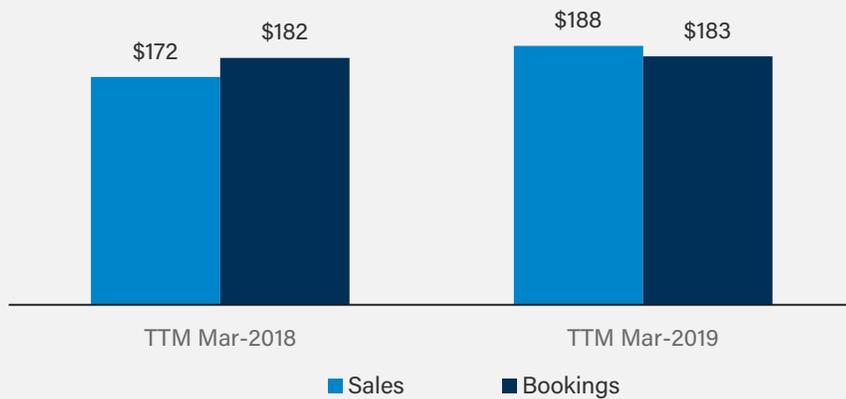
- **Harsh Environment Fiber Optics**
High-speed transceivers and media converters
Expanded beam optical connectors
- **Copper-based Connectors and Cable Assemblies:**
Mil-spec circular and rectangular
RF (radio frequency) and Ethernet connectivity

Applications

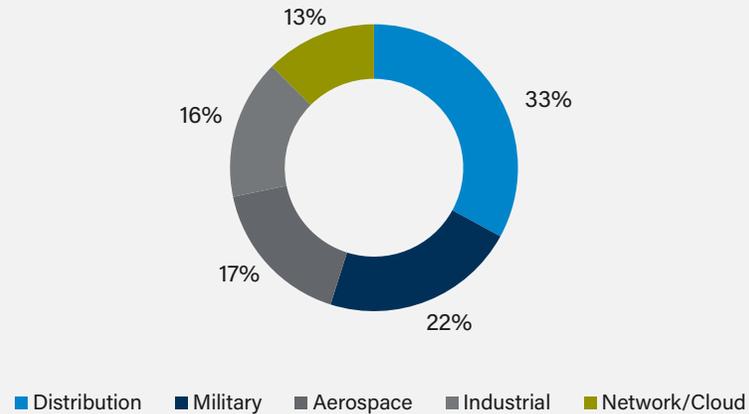
- **Military and Aerospace**
- **Industrial**
- **Data Communications**



Connectivity Solutions
Sales & Bookings (\$ in millions)



Connectivity Solutions
Sales by End Market¹



Customers



Power Solutions & Protection

Products

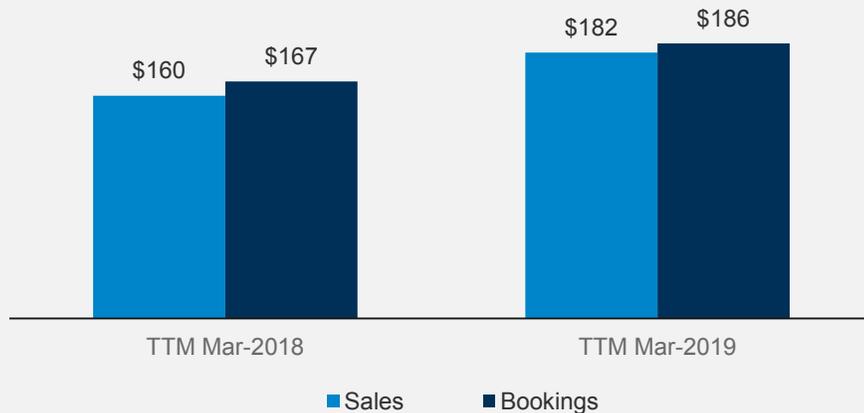
- Front-end (AC-DC) power supplies
- Board mount power (BMP)
- Industrial power products
- e-Mobility converters and inverters
- Circuit protection

Applications

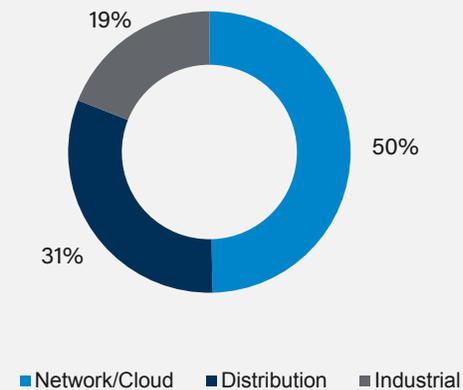
- Servers, storage and networking
- Industrial and Transportation
- Lighting and Consumer



Power Solutions and Protection
Sales and Bookings (\$ in millions)



Power Solutions and Protection
Sales by End Market¹



Customers



Magnetic Solutions

Products

- Integrated Connector Modules (ICMs)
- Power Transformers
- Power Inductors
- Discrete Components

Applications

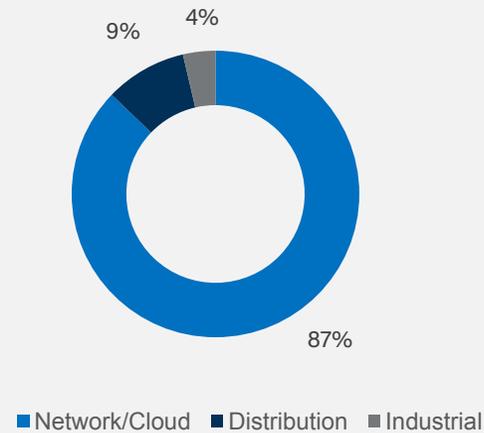
- Data Communications
- Industrial
- Medical



Magnetic Solutions
Sales & Bookings (\$ in millions)



Magnetic Solutions
Sales by End Market[1]



Customers



Growth Drivers

• Military & Aerospace

- Positions on key programs, including JSF, AEGIS, Patriot, F16
- Boeing 737 & 737 Max
- Next generation rectangular connectors (C-ENX, C-DMX)



• E-Mobility

- Customer expansion from 49 to 120 between 2016-2019
- 218 NDAs signed



• Networking & Data Centers

- Data center and blockchain customer growth
- Expanding ICM PoE portfolio to 90W



• Distribution

- Bel is a top 25 manufacturer at Digi-Key, Mouser & Newark
- NPI strategy driving product depth & customer growth
- 3 years of 20% growth in catalog distributor sales



Growth Driver: Acquisition



Acquired Company	Year	Products	Revenue	Purchase
BCMZ Precision Engineering Limited	2018	Connectivity	\$3M	\$2.6M
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

Sales History

<i>TTM, dollars in thousands)</i>	Mar-17	Mar-18	Mar-19	% change '18-'19
Magnetics Solutions	155,848	164,275	185,435	13%
Power Solutions & Protection	169,706	160,349	181,721	13%
Connectivity Solutions	167,083	171,573	188,166	10%
Total	\$ 492,637	\$ 496,197	\$ 555,322	12%

Backlog History

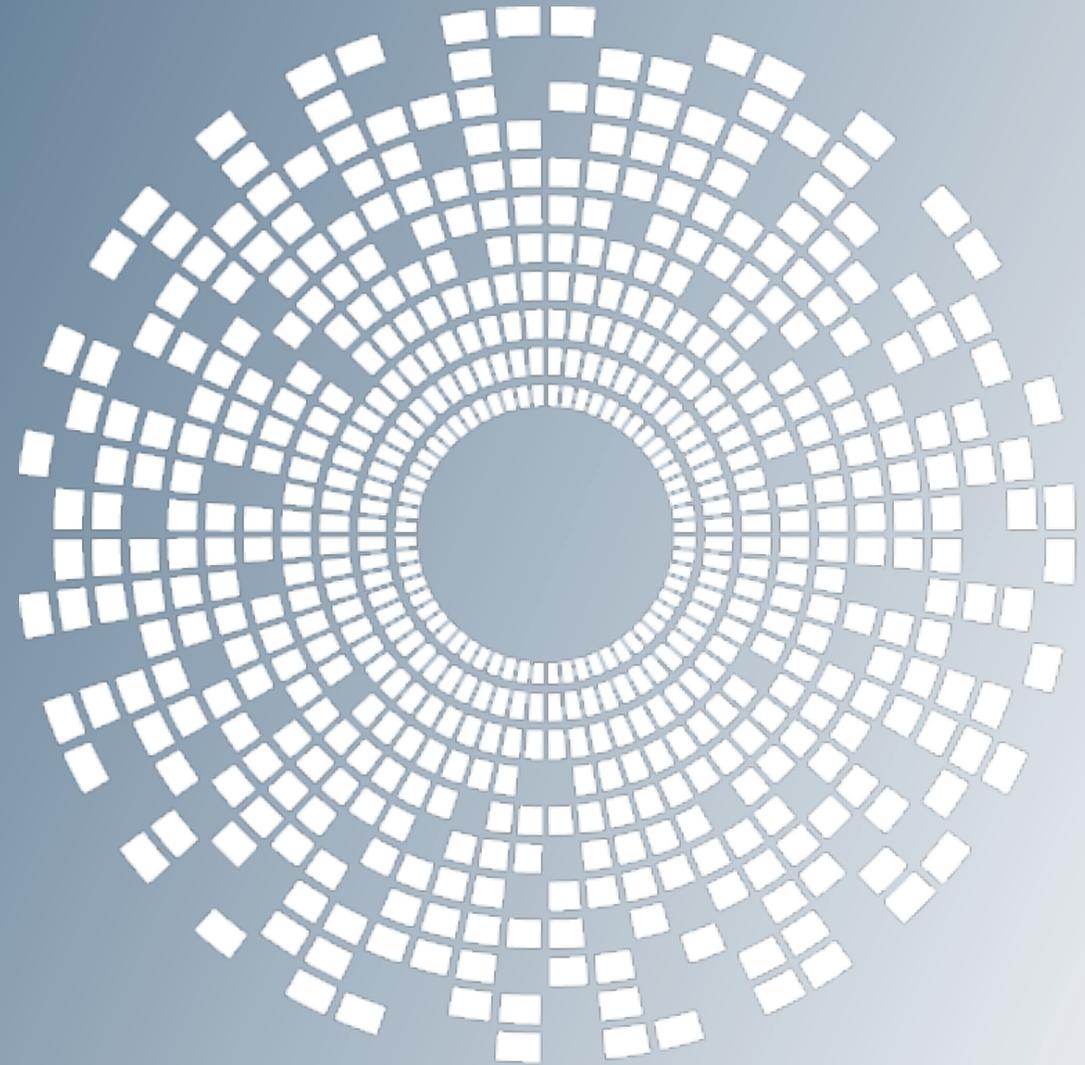
<i>(dollars in thousands)</i>	Mar-17	Mar-18	Mar-19	% change '18-'19
Magnetics Solutions	38,160	43,171	38,552	-11%
Power Solutions & Protection	50,681	60,082	65,508	9%
Connectivity Solutions	48,952	64,293	62,734	-2%
Total	\$ 137,793	\$ 167,546	\$ 166,794	0%

Continued Growth

Year	Sales	Change	Acquisitions
1985	\$18M		
1990	\$36M	100%	-
1995	\$71M	97%	-
2000	\$145M	104%	1
2005	\$216M	49%	3
2010	\$303M	40%	2
2015	\$567M	87%	7
2020			

Bel is a publicly traded company that has been operated by the same family for over 65 years, with a proven record of stability, flexibility and agility which differentiates us from our competitors, and allows us to invest in long term relationships.

Financial Overview



Financial Summary – Q1

\$ in millions, except EPS amounts

	Q1-19	Q1-18	Change
Sales	\$125	\$118	6%
Gross margin	18.8%	17.9%	90 bps
Operating margin	2.2%	0.4%	180 bps
EBITDA as % of sales	5.4%	4.2%	120 bps
Adj EBITDA⁽¹⁾ as % of sales	6.9%	4.5%	240 bps
GAAP EPS	0.09	(0.11)	182%
Non-GAAP EPS⁽¹⁾	0.22	(0.09)	77%

¹These financial measures exclude the impact of costs associated with our ERP system implementation and restructuring charges.

Financial Summary – fiscal year

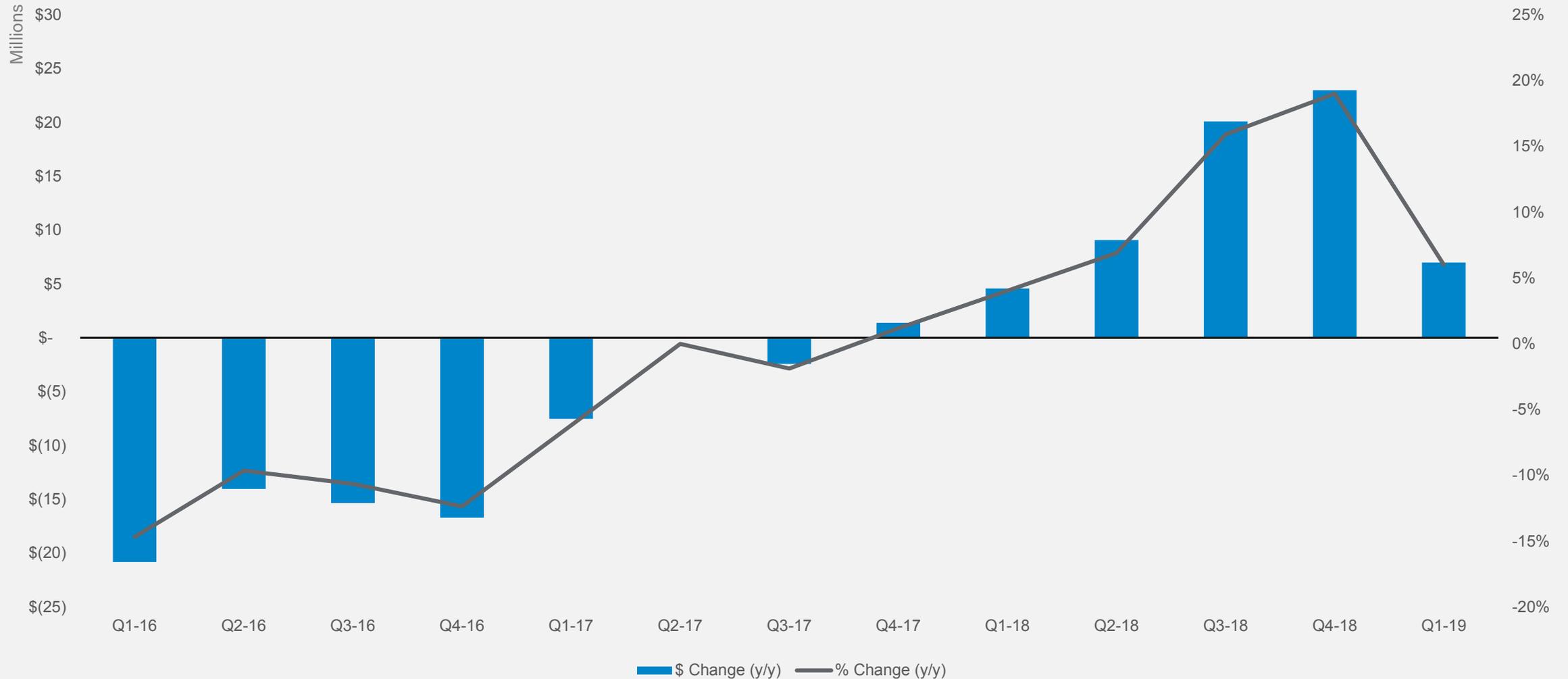
	2018	2017	Change
\$ in millions, except EPS amounts			
Sales	\$548	\$492	12%
Gross margin	20.0%	20.8%	(80 bps)
Operating margin	5.4%	3.5%	190 bps
EBITDA as % of sales	8.6%	7.6%	100 bps
Adj EBITDA⁽¹⁾ as % of sales	9.0%	8.2%	80 bps
GAAP EPS	1.71	(0.99)	273%
Non-GAAP EPS⁽¹⁾	1.66	0.94	77%

¹These financial measures exclude the impact of costs associated with our ERP system implementation, restructuring charges and transition tax.

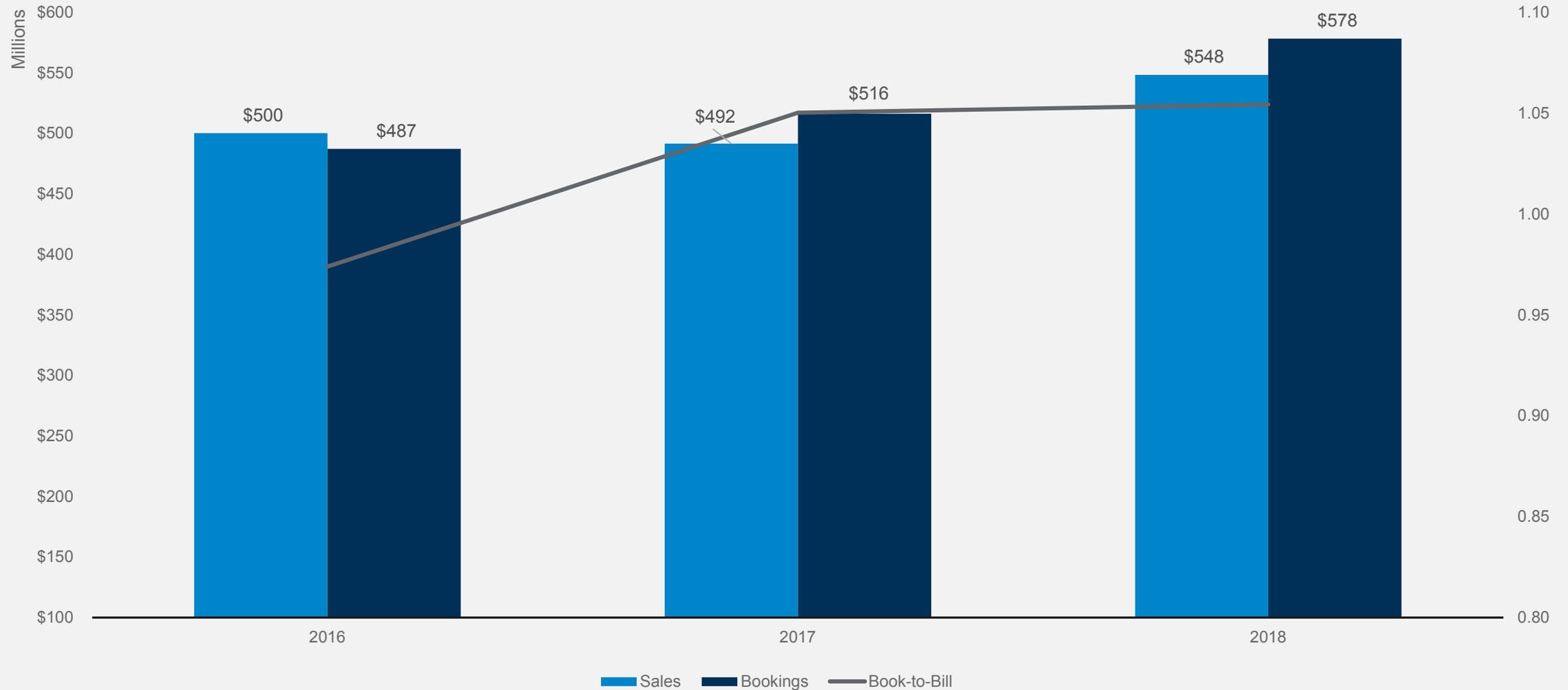
Balance Sheet Metrics

	March 2019	December 2018	December 2017
\$ in millions, except EPS amounts			
Cash	\$43	\$54	\$69
Debt	114	114	123
Equity	178	176	158
Working Capital	193	185	179
Current Ratio	3.1 to 1	2.7 to 1	3.0 to 1
Inventory Turns	3.3x	3.7x	3.6x
DSO	68 days	59 days	60 days
Leverage Ratio	2.10x	2.18x	2.47x

Sales Trend – y/y Growth by Quarter



Sales & Bookings Trend: 2016 - 2018



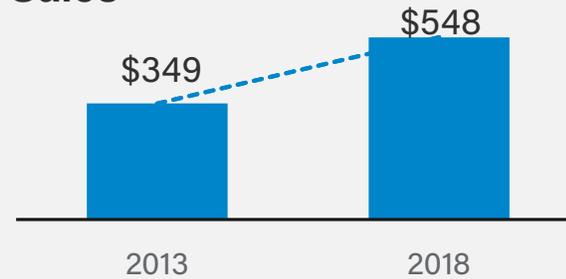
5-Year Progress

Sales

\$548_M

↑ 57% since 2013

Sales



Drivers

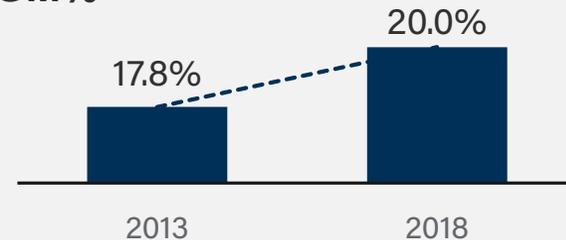
- 2014 acquisitions
- Improved utilization of distribution channel for legacy products

Gross Margin

20.0%

↑ 220 bps since 2013

GM%



Drivers

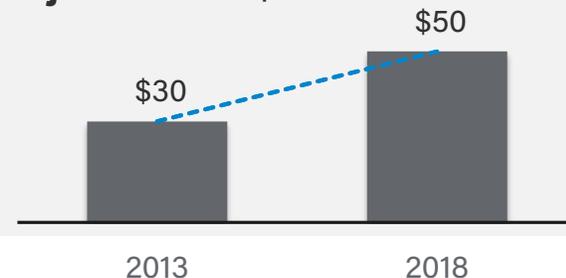
- Contribution margin of approx. 40%
- Restructuring programs removed \$8.5M of fixed costs from COGS on an annualized basis

Adj. EBITDA \$

\$50_M

↑ 67% since 2013

Adj. EBITDA \$

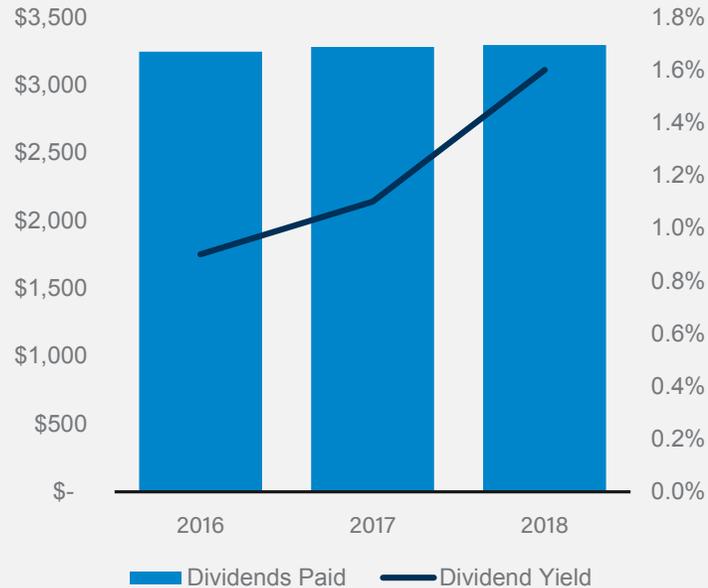


Drivers

- Higher sales base = better absorption of fixed costs
- Cost savings from restructuring programs

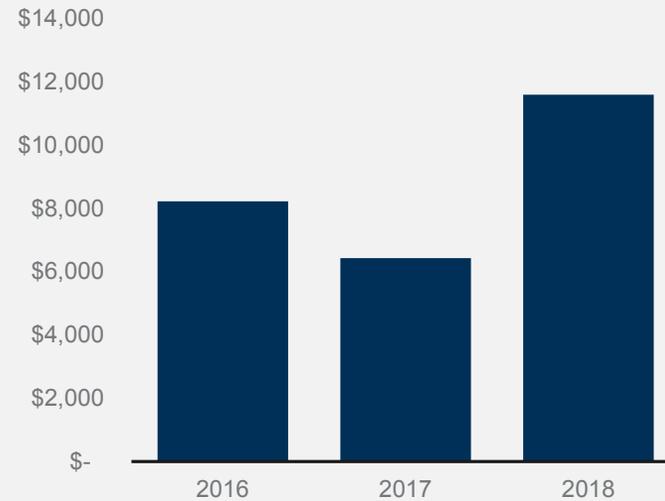
Capital Allocation

Dividends



- Consistent historical quarterly dividend payments
- Dividend yield at 7/8/19 = 1.7%

Capex

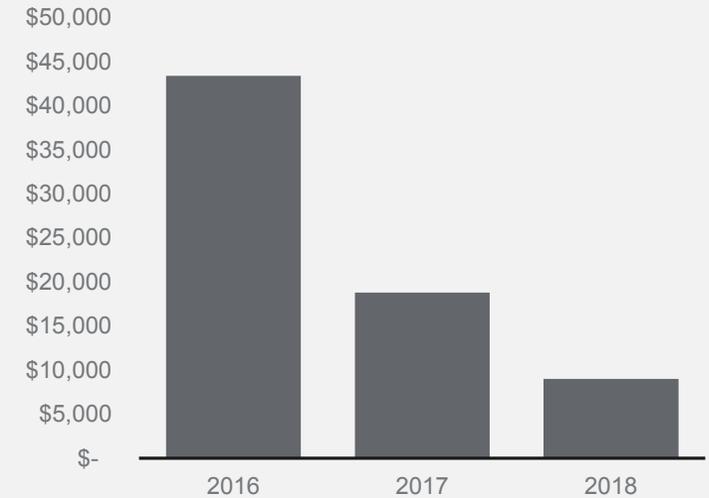


New equipment purchases to:

- Increase production throughout
- Expand automation
- Support new programs

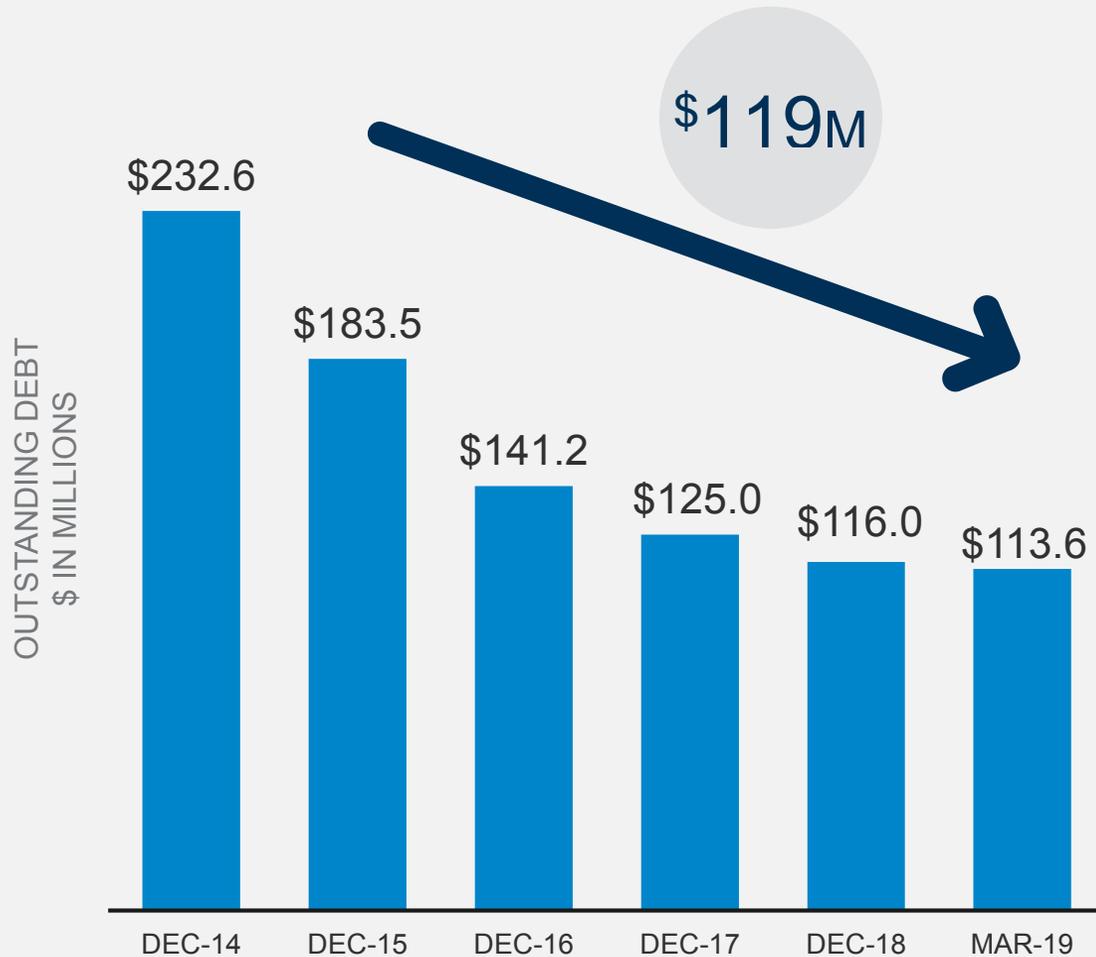
Approx. \$1M used to replace aging equipment

Debt Repayments



- \$117M of debt repaid in last 4 years
- Current debt balance = \$114M (in our comfort zone; debt reduction no longer a priority use of cash)

War Chest



Repayment of Debt

- Borrowed \$235M in 2014 for the Power Solutions and CCS acquisitions
- Repaid \$119M by 3/31/19

Refinanced Credit Agreement in Q4-17

- Additional borrowing capacity under revolver, which can be used for future acquisitions (increased from \$50M to \$75M)
- Reduction in amortization payments provides flexibility for uses of U.S. cash
- More favorable pricing grid (reduced by 25 bps)
- Extends maturity date to December 2022

Active Shelf Registration

- Enables Bel to raise up to \$140M through a secondary equity offering
- An active Shelf Registration shortens the timeframe needed to raise funds

Share Information

Key Statistics (as of 7/8/19)

Stock Price	BELFA: \$15.00 BELFB: \$16.48
Total Shares Outstanding	12,250,000
Market Cap	\$199M
Enterprise Value	\$269M



Outstanding shares
2,175,000

Outstanding shares
10,075,000

25
Institutions | **1,100,000**
shares (51%)

161
Institutions | **7,860,000**
shares (78%)

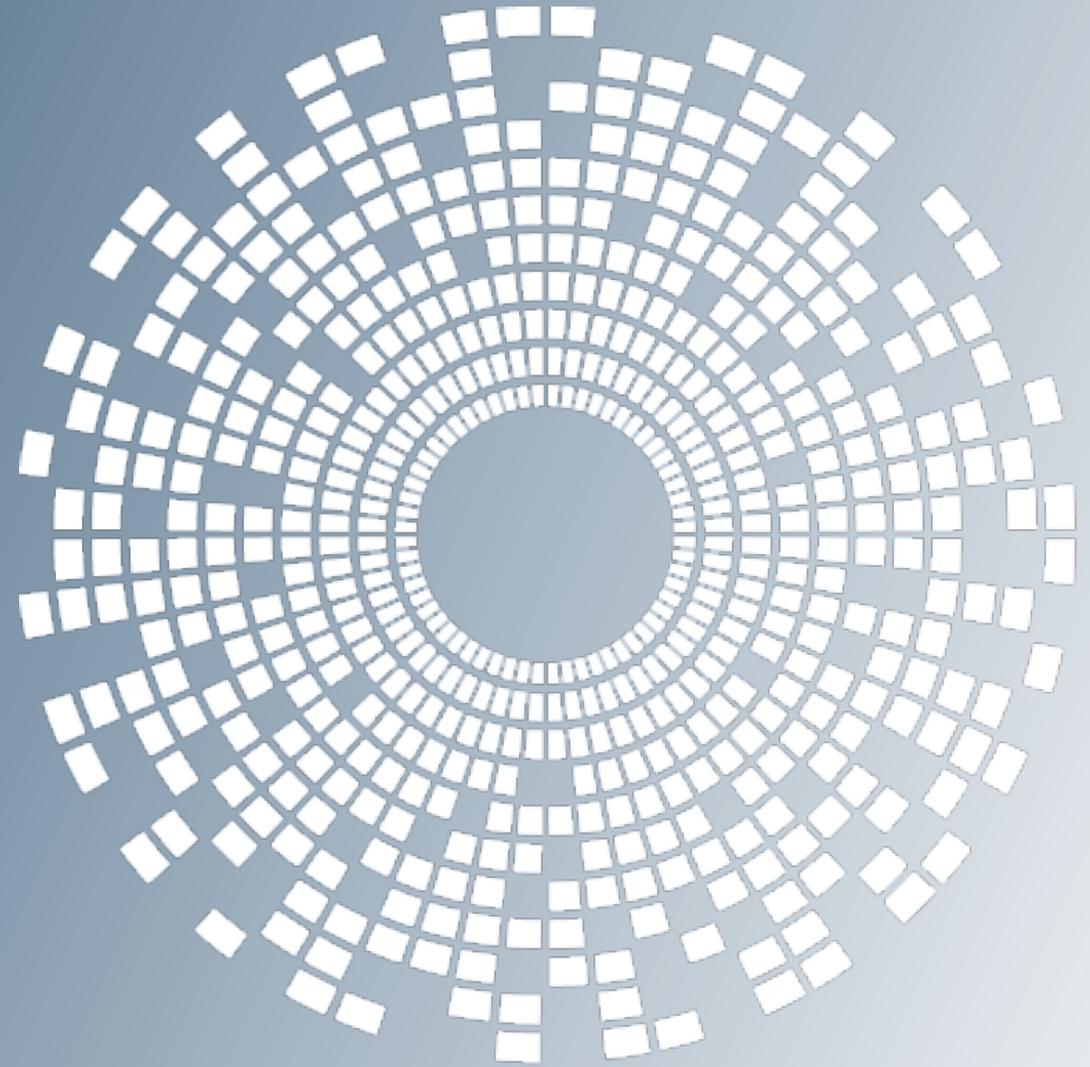
Quarterly dividends
\$0.06 / share

Quarterly dividends
\$0.07 / share

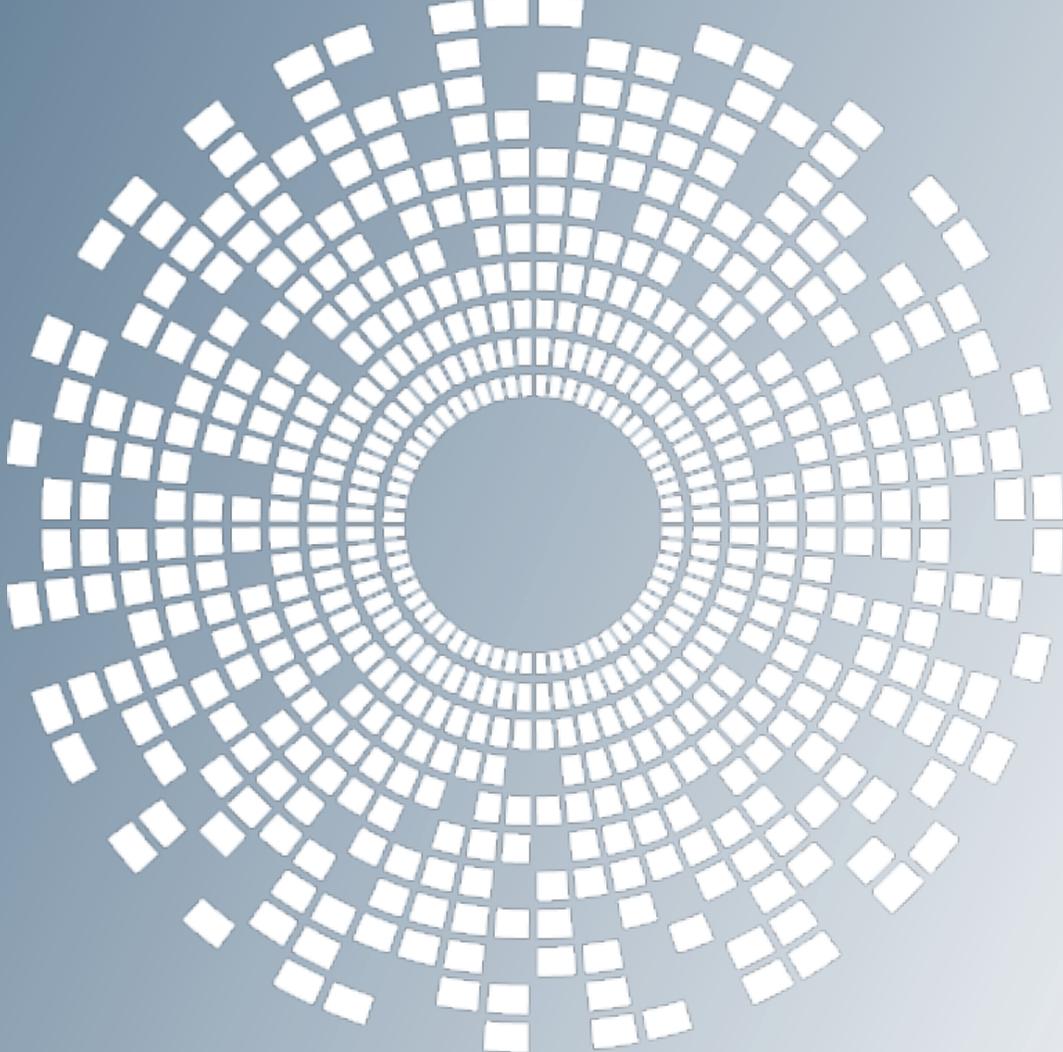
21% held by insiders

3% held by insiders

Q&A



Appendix



Historical Financial Highlights

	Net Sales	Gross Margin	EBITDA Margin ¹	D&A	Capital Spending	Free Cash Flow ²
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% ³	21,778	8,223	\$30,380
2017	\$491,611	20.8%	7.6%	20,718	6,425	\$17,695
2018	\$548,184	20.0%	8.6%	18,207	11,594	-\$1,497

¹ 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.

² Free cash flow as presented above represents net cash provided by operating activities less cash paid for capital expenditures.

³ 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

■ Non-GAAP Adjusted EBITDA

\$ IN MILLIONS

	2012	2013	2014	2015	2016	2017	2018
	\$17,825	\$29,633	\$50,375	\$55,938	\$46,071	\$40,377	\$49,588
Net earnings (loss)	\$2,373	\$15,908	\$8,603	\$19,197	\$(64,834)	(11,897)	20,709
Interest expense	16	156	3,978	7,588	6,662	6,802	5,317
Income tax (benefit) provision	(1,376)	(743)	1,167	6,535	(17,718)	21,540	2,907
Depreciation and amortization	9,113	12,382	20,367	23,008	21,778	20,718	18,207
Non-GAAP EBITDA	\$10,126	\$27,703	\$34,115	\$56,328	\$(54,112)	\$37,163	\$47,140
Non-cash impairment charge	-	-	-	-	105,972	-	-
Restructuring charges	6,075	1,686	1,832	2,114	2,087	308	222
Gain on sale of property	-	-	-	-	(3,092)	-	-
Acquisition-related costs & settlements	1,283	933	13,411	(3,628)	(5,155)	350	-
IT migration/rebranding/ERP costs	-	-	1,017	1,124	371	2,556	2,226
Storm damage	341	(689)	-	-	-	-	-
Non-GAAP Adjusted EBITDA	\$17,825	\$29,633	\$50,375	\$55,938	\$46,071	\$40,377	\$49,588

Lean Management Team

Dan Bernstein
President & CEO

Dennis Ackerman
President
Bel Power Solutions & Protection

Power-One, Bel Power,
Powerbox

Circuit Protection Group

Module Group

Pete Bittner
President
Bel Connectivity Solutions

Cinch Connectivity Solutions
Cinch, CCS, Fibreco,
Gigacom, Array, BCMZ

Stewart Connector

Magnetics

Signal Transformer

TRP/ICM Group

LAN Magnetic Group

Craig Brosious
VP Finance

Accounting

Finance

Human Resources

Investor Relations

Raymond Cheung
VP Asia Operations

China

Hong Kong

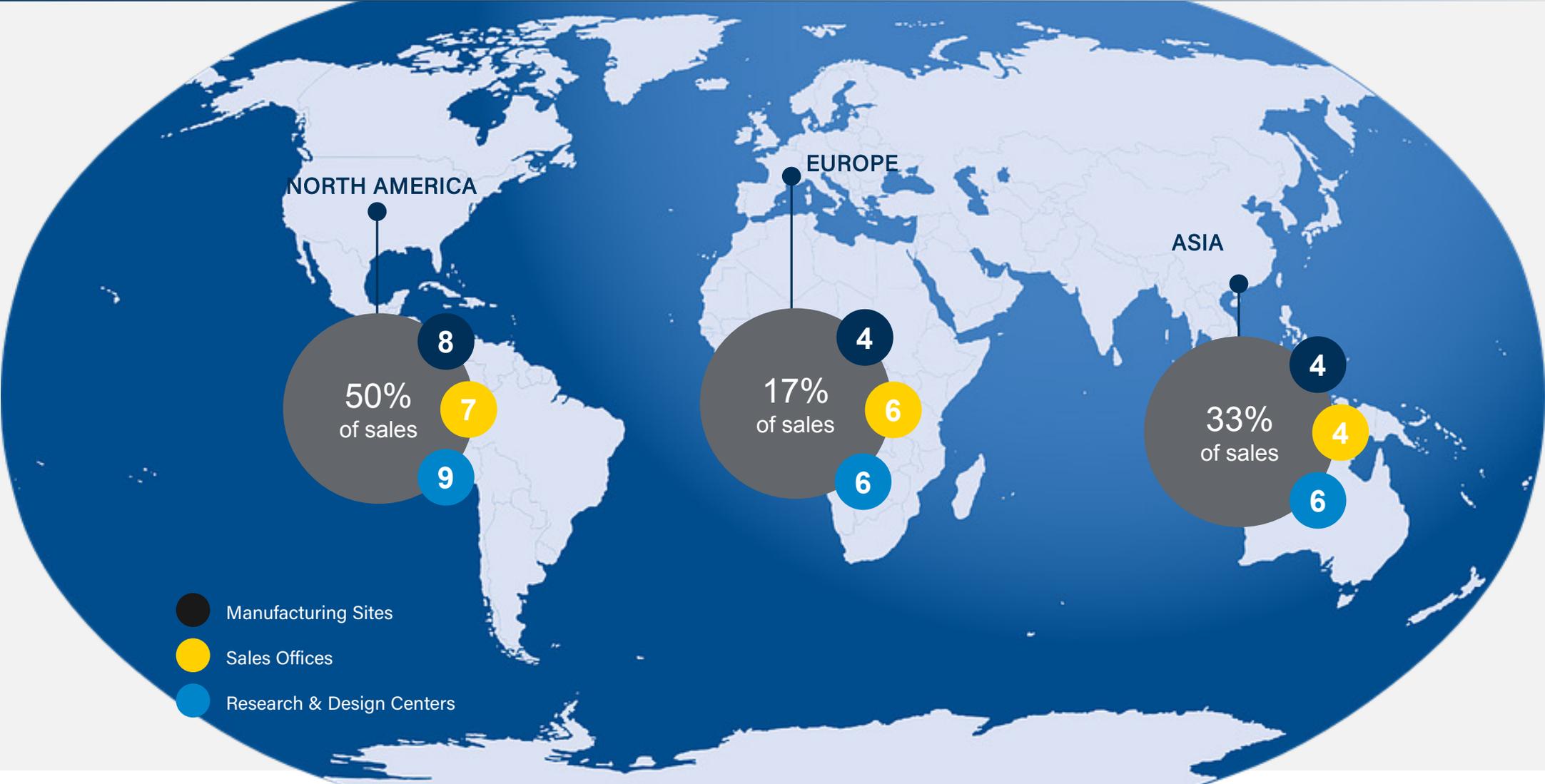
Macau

India

Taiwan



Global Presence



Diverse Offerings

	Power Solutions	Circuit Protection	Connectivity Solutions	Magnetic Solutions
Bel	●	●	●	●
Delta	●	○	●	●
TE Connectivity	○	○	●	○
Molex	○	○	●	●
Pulse Electronics (Yageo)	○	●	●	●
Bussmann (EATON)	●	●	○	●
Amphenol	○	○	●	○
Littelfuse	○	●	○	○
Artesyn	●	○	○	○
Murata	●	○	○	●

Why Bel?

- 70 years in the electronic components business
- Diversified Product Offerings
- Lean management structure
 - Greater flexibility/agility
 - Responsiveness – short chain of command
 - Quick to adapt to changing environments/technologies
- Strong Engineering & Manufacturing Capabilities-around the world
- Specialize in specific areas
 - Power – Rail and e-Mobility
 - Connectivity – Harsh Environment applications

Boeing 737 & 737MAX



FQIS (7)
(used in fuel tank to monitor fuel quantity)



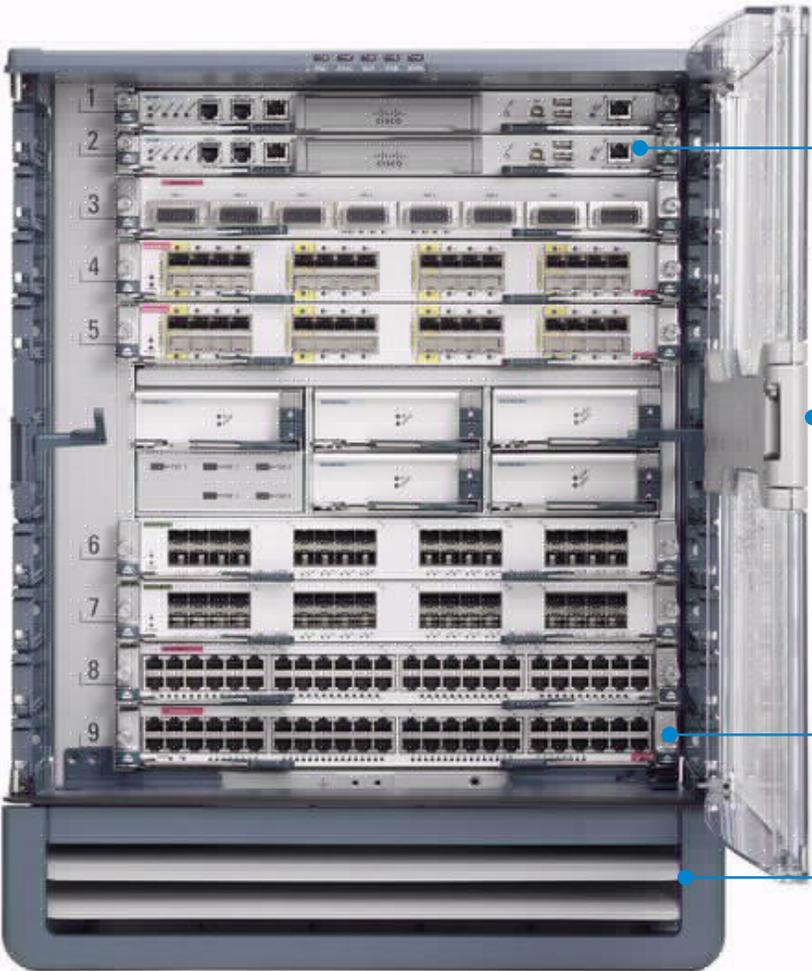
Dura-Con (4)
(used in navigation controls; carries both power and signal)



Omega (5,500)
(general avionics connector for power and signal; used throughout aircraft – undercarriage deployment hydraulics, flight controls, navigation, mechanical systems and lighting)

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

Cisco Nexus 7000 Switch



10-Gig ICMs

Internal Board level components:

- Fuses
- DC/DC isolated board mount converters
- DC/DC point-of-load converters

Multiport 1-Gig ICMs

AC/DC Front-End Power



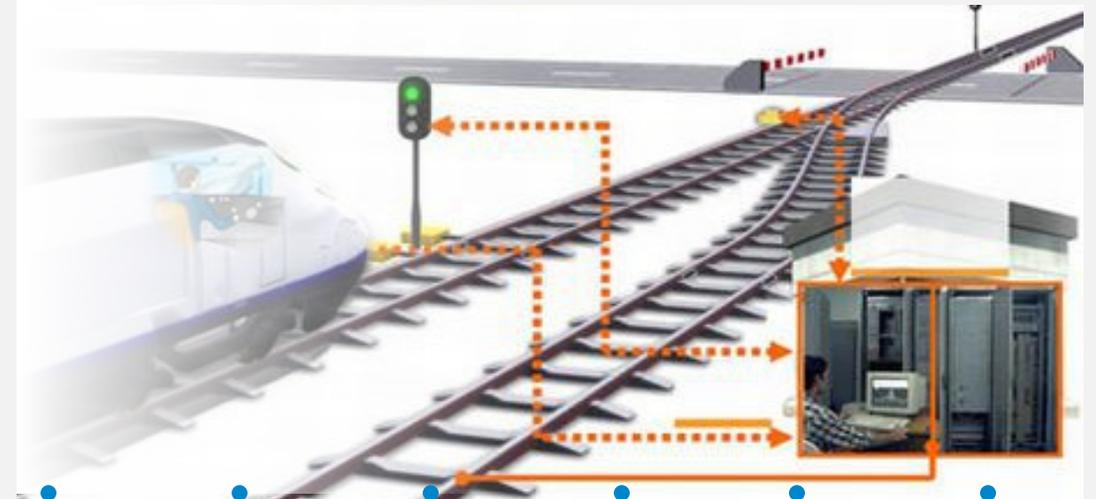
AC/USB Power Plug, Door Control, HVAC, Toilet Systems, Windshield Wiper/Defroster, On-Board WLAN, Lighting, Fire Safety Systems, etc

Battery Charging

Brake System

Train Control System

Headlights



Point Machine

Level Crossing Barriers

Railway Signal

Control Room

Axle Counting

GSM-R

Rolling Stock Applications

Approximately \$20,000 of Installed Power per Rail Set



Trackside Applications



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