



LD Micro Conference
Los Angeles, CA
December 4-6, 2018

(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 2017 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 2017 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 \$525M*

Power Solutions & Protection

\$168M in sales (32%)



Connectivity Solutions

\$182M in sales (35%)



Magnetic Solutions

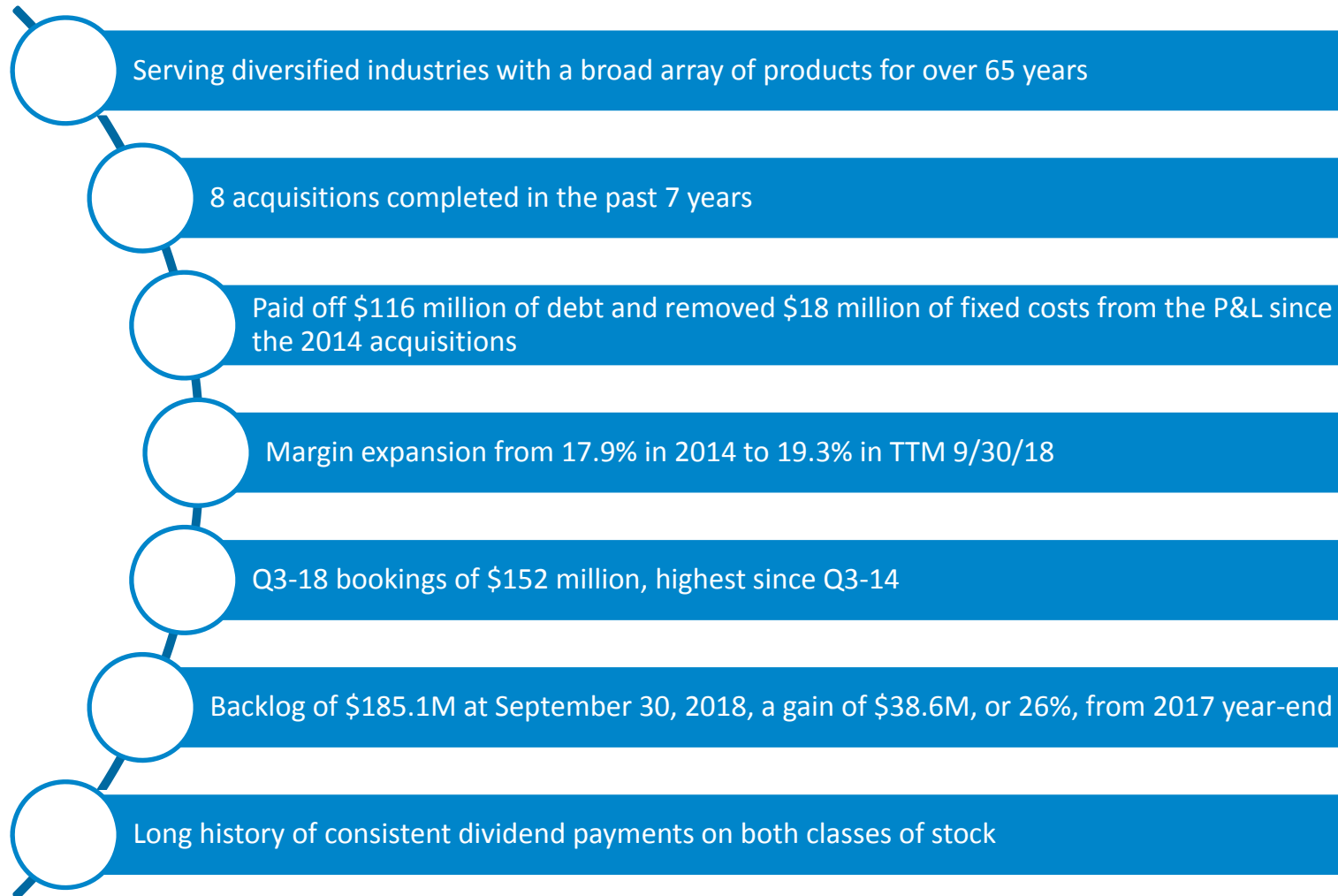
\$175M in sales (33%)



* Trailing 12 months ending 9/30/2018



Bel at a Glance



Diverse End-Markets and Blue Chip Customer Base

Network & Cloud 45%	Military & Aerospace 15%	Industrial 15%	Distribution 25%
			
   	   	   	   

Power Solutions & Protection

Products

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

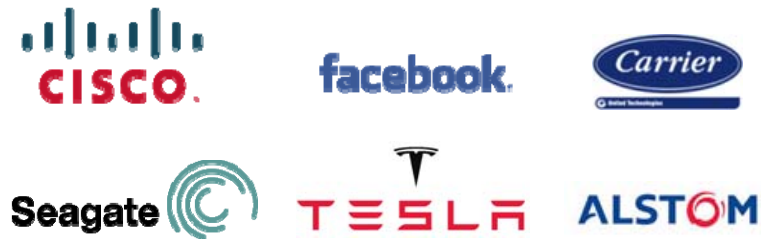


Applications

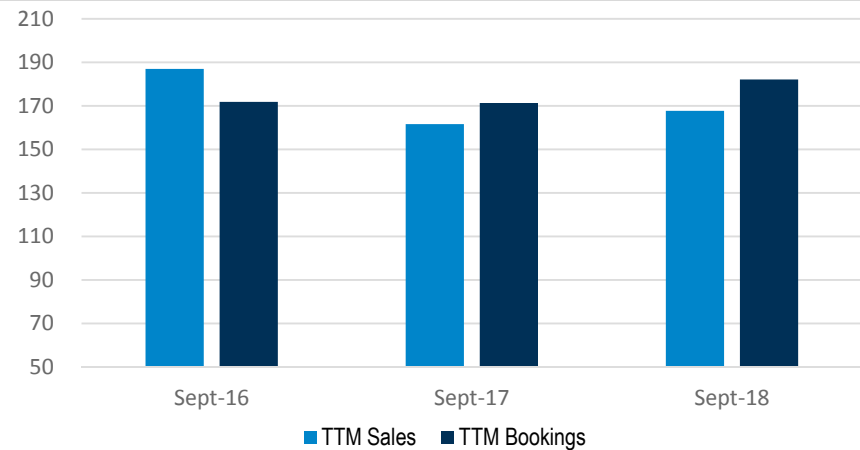
- Servers, storage and networking
- Industrial and Transportation
- Lighting and Consumer



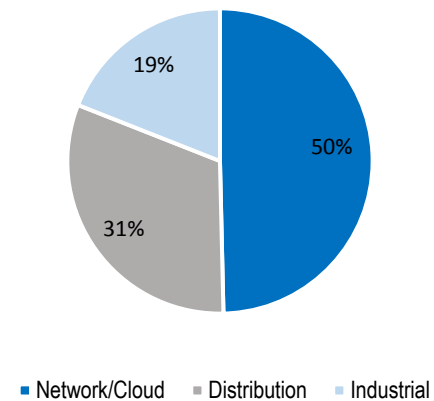
Customers



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



Bel Power Solutions and Protection Sales by End Market^[1]

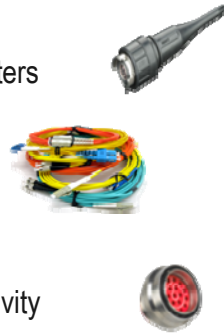


[1] Sales by End Market based on management estimates

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

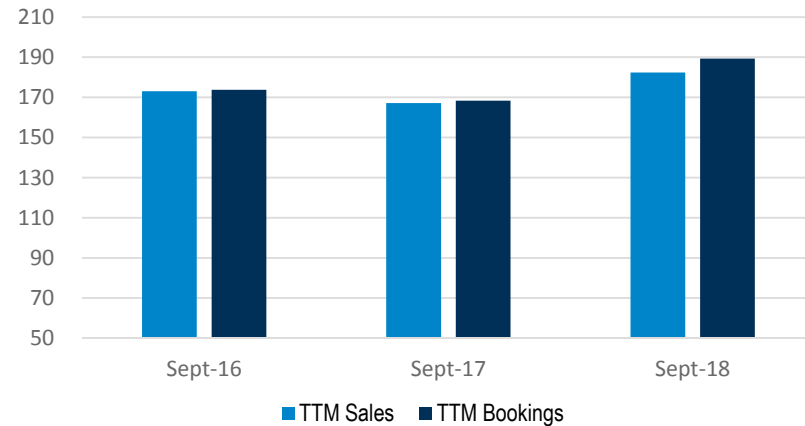
- Military and Aerospace
- Data Communications
- Industrial



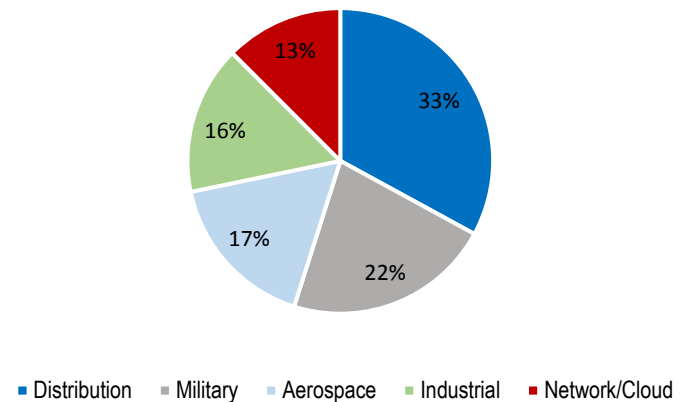
Customers



Connectivity Solutions Sales & Bookings (\$ in millions)



Connectivity Solutions Sales by End Market^[1]



[1] Sales by End Market based off of management estimates

Magnetic Solutions

Products

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



Applications

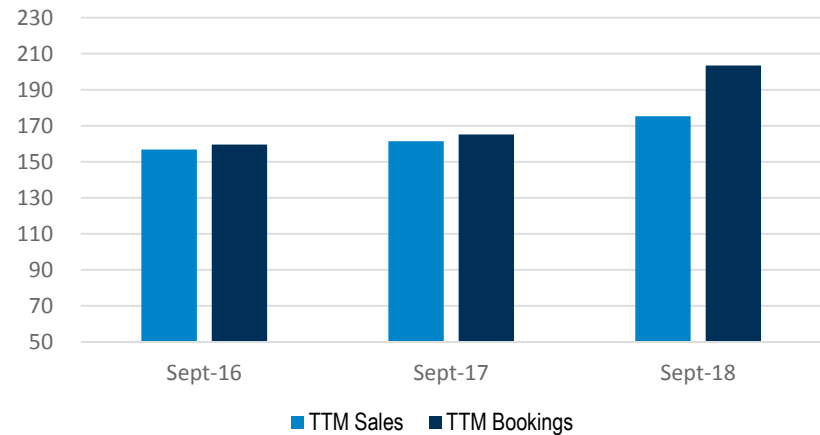
- Computer and Networking
- Data Communications
- Industrial
- Medical



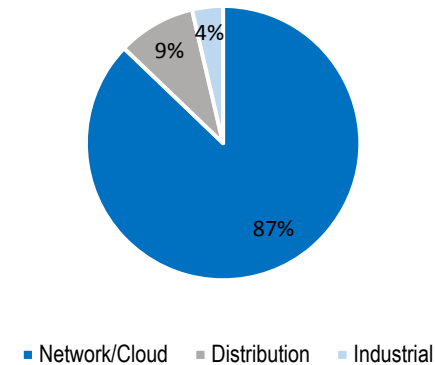
Customers



Magnetic Solutions Sales & Bookings (\$ in millions)



Magnetic Solutions Sales by End Market^[1]



Growth Driver: Military & Aerospace



Increased spending in communications, encryption and munitions supported by strong domestic and international backlog

Well-positioned for transition from copper to fiber on commercial and military applications

Participating on key programs: JSF, AEGIS, Patriot, AIM 9X, F16, MFoCs

Well-positioned for increased build rates on single aisle aircraft and actively designing products into next-gen aircraft (C-ENX, C-DMX)

Growth Driver: Networking and Datacenter



Providing innovative power conversion and connectivity solutions to many of the leading networking companies

Multi-year, majority share PPA agreement with world's largest hardware manufacturer executed in 2018 for our Magnetic products

Top networking end customer (globally, across all product lines) grew by \$7M (or 10%)*

Top 2 datacenter customers for power solutions increased sales by \$12M (over 200%)*

* Represents year-over-year increase from YTD 9/30/17 to YTD 9/30/18

Growth Driver: Distribution



30% of consolidated sales are through our distribution partners

Top tier manufacturer at Digikey and Mouser aligns us with their aggressive growth. TTM y/y sales growth of 24%.

New product launches in 2018 led to increased breadth (sku's on the shelf) and depth of inventory with key partners

Added over 7,300 new end customers through distribution in first 9 mos 2018 (vs. 5,500 added during same period 2017)

Growth Drivers: Acquisitions

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

* denotes divestitures acquired



Major Competitors

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

Financial Overview

Financial Summary

\$ in millions, except EPS amounts

	9 months 2018	9 months 2017	Change
Sales	\$405	\$372	9%
GAAP net earnings	17	9	88%
Non-GAAP net earnings ⁽¹⁾	15	12	23%
GAAP EPS	1.38	0.70	97%
Non-GAAP EPS ⁽¹⁾	1.27	1.04	22%
EBITDA as % of sales	8.6%	8.5%	
Adj EBITDA ⁽¹⁾ as % of sales	9.0%	8.9%	

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

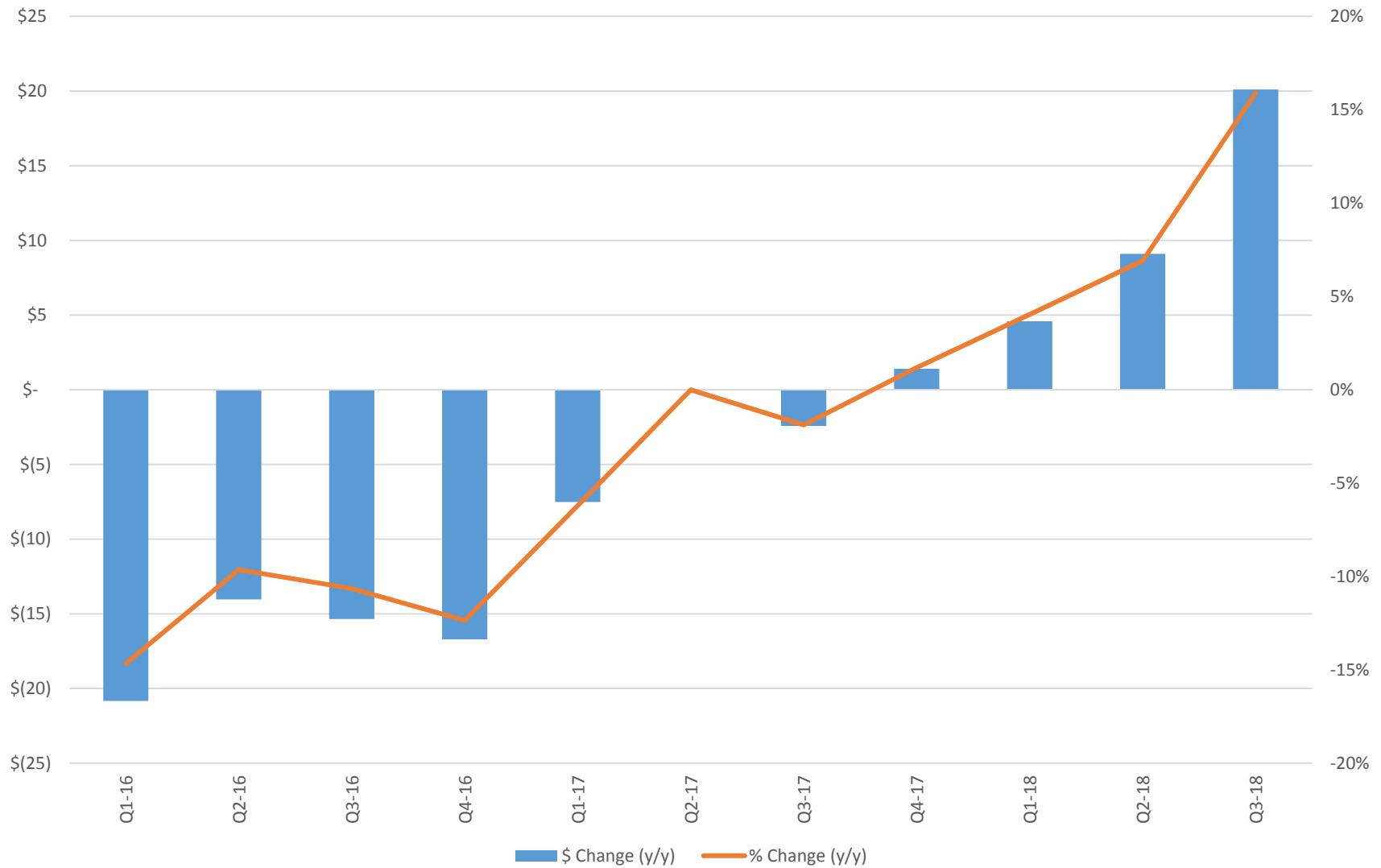
Balance Sheet Metrics

\$ in millions, except EPS amounts

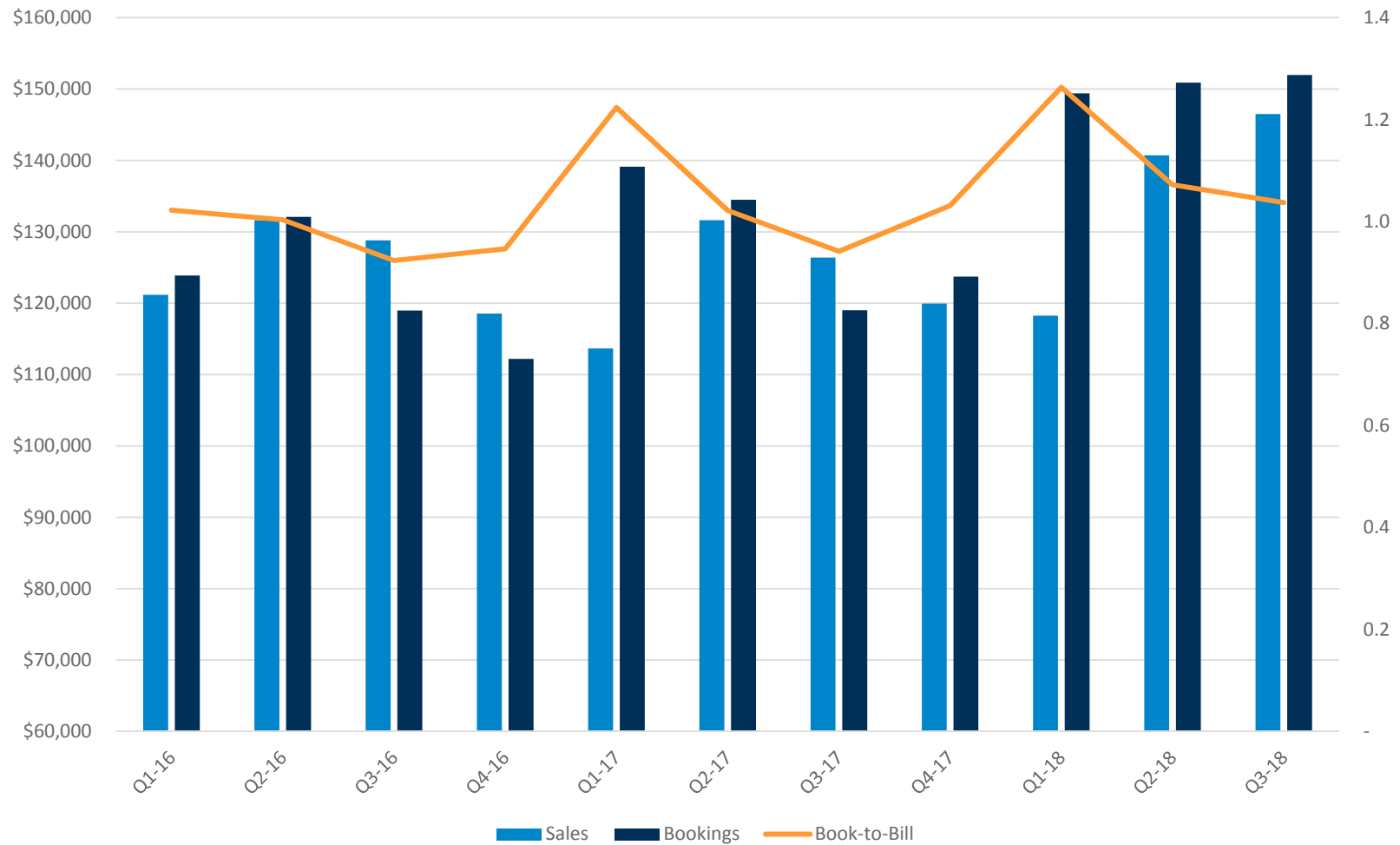
	September 2018	December 2017	December 2016
Cash	\$54	\$69	\$73
Debt	115	123	141
Equity	173	158	158
Working Capital	191	179	159
Current Ratio	2.9 to 1	3.0 to 1	2.8 to 1
Inventory Turns	4.0x	3.6x	3.8x
DSO	61 days	60 days	54 days
Leverage Ratio	2.47x	2.47x	2.53x



Sales Trend – y/y Growth by Quarter



Sales & Bookings Trend: 2016 - 2018

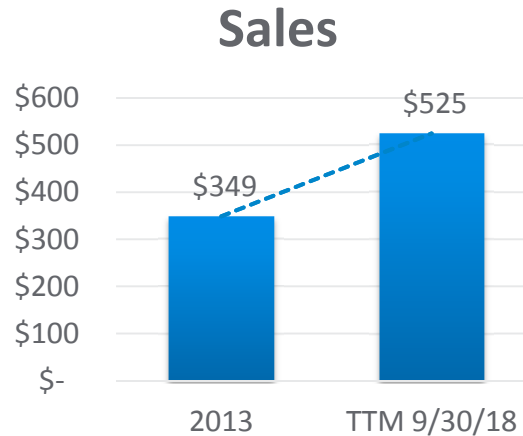


5-year Progress

Sales

\$525M

↑ 50% since 2013



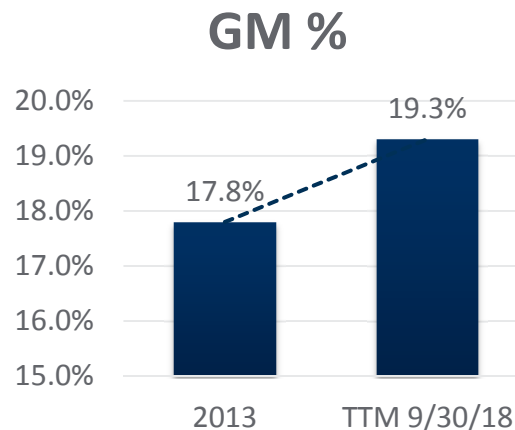
Drivers

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

Gross Margin

19.3%

↑ 150 bps since 2013

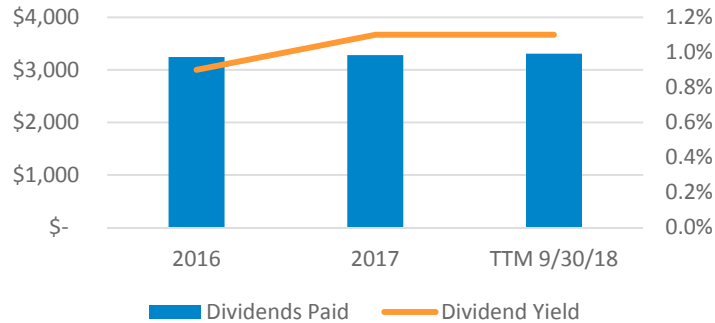


Drivers

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

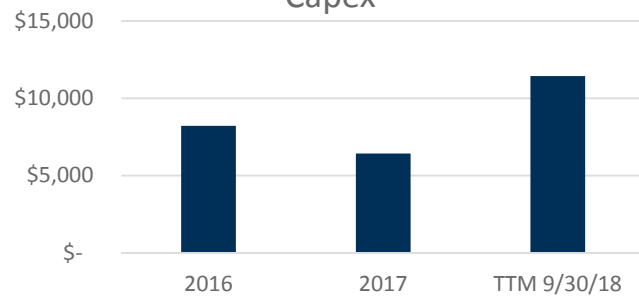
Capital Allocation

Dividends



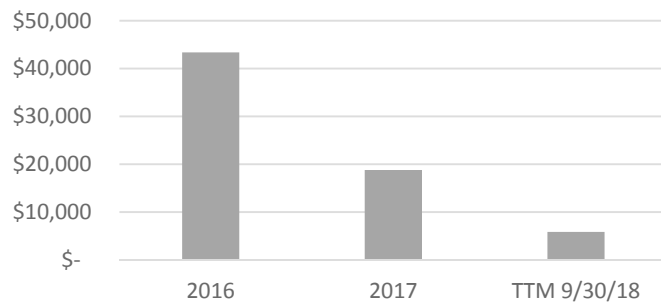
- Consistent historical quarterly dividend payments
- Dividend yield at 11/30/18 = 1.3%

Capex



- New equipment purchases to:
 - Increase production throughput
 - Expand automation
 - Support new programs
- Approx. \$1M used to replace aging equipment

Debt Reduction



- \$116M of debt repaid in last 4 years
- Current debt balance = \$117M (in our comfort zone; debt reduction no longer a priority use of cash)

Share Information

Key Statistics (as of 11/30/18)

Stock Price	BELFA: \$17.50 BELFB: \$22.51
Total Shares Outstanding	12,247,000
Market Cap	\$264.8M
Enterprise Value	\$325.3M

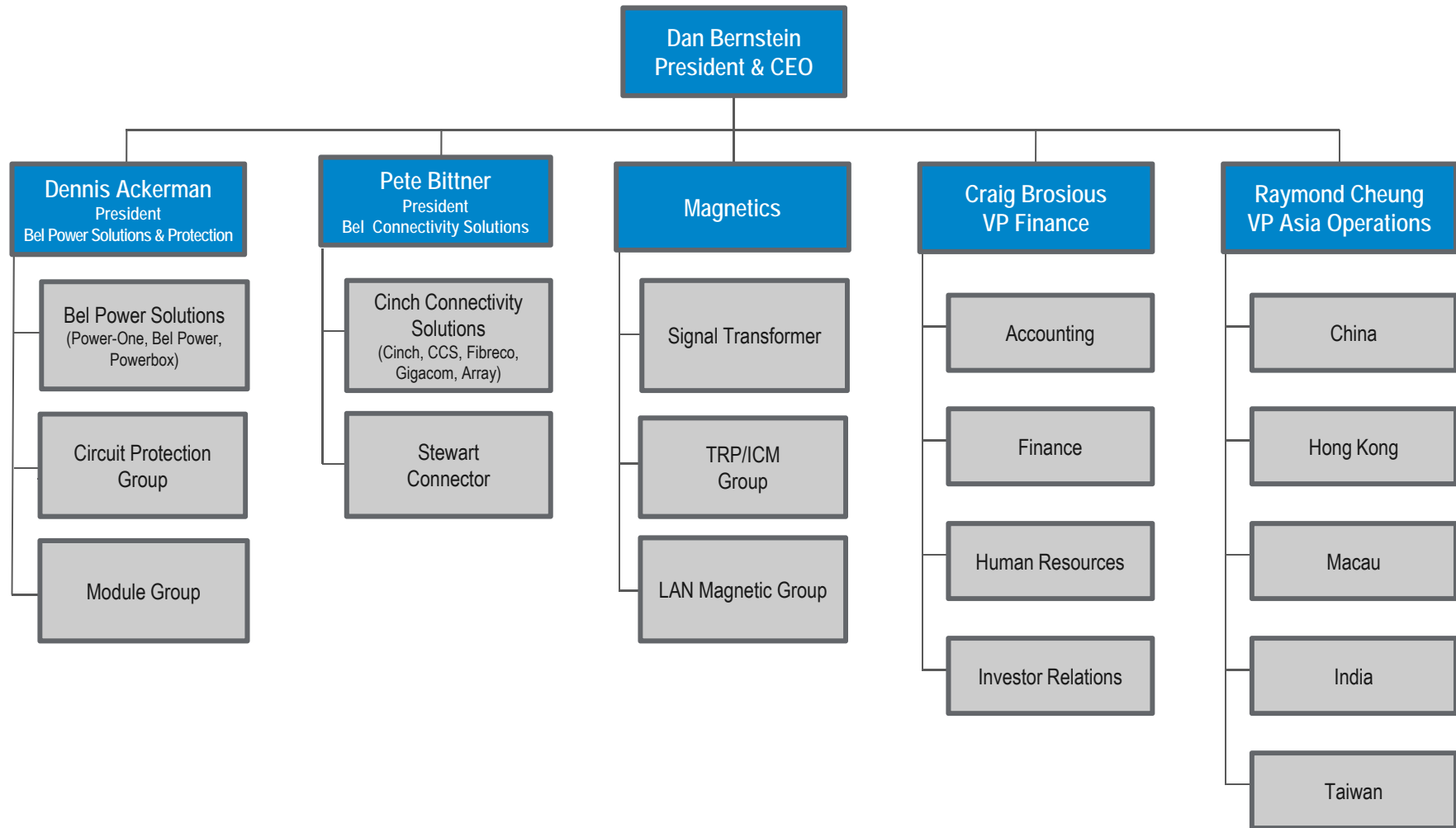
	Class A	Class B
Nasdaq Ticker	BELFA	BELFB
Shares Outstanding	2.2M shares	10.1M shares
Institutional Holdings	42% (22 holders)	76% (105 holders)
Insider Holdings	21%	3%
Historical Dividends	\$0.06 per share per quarter	\$0.07 per share per quarter



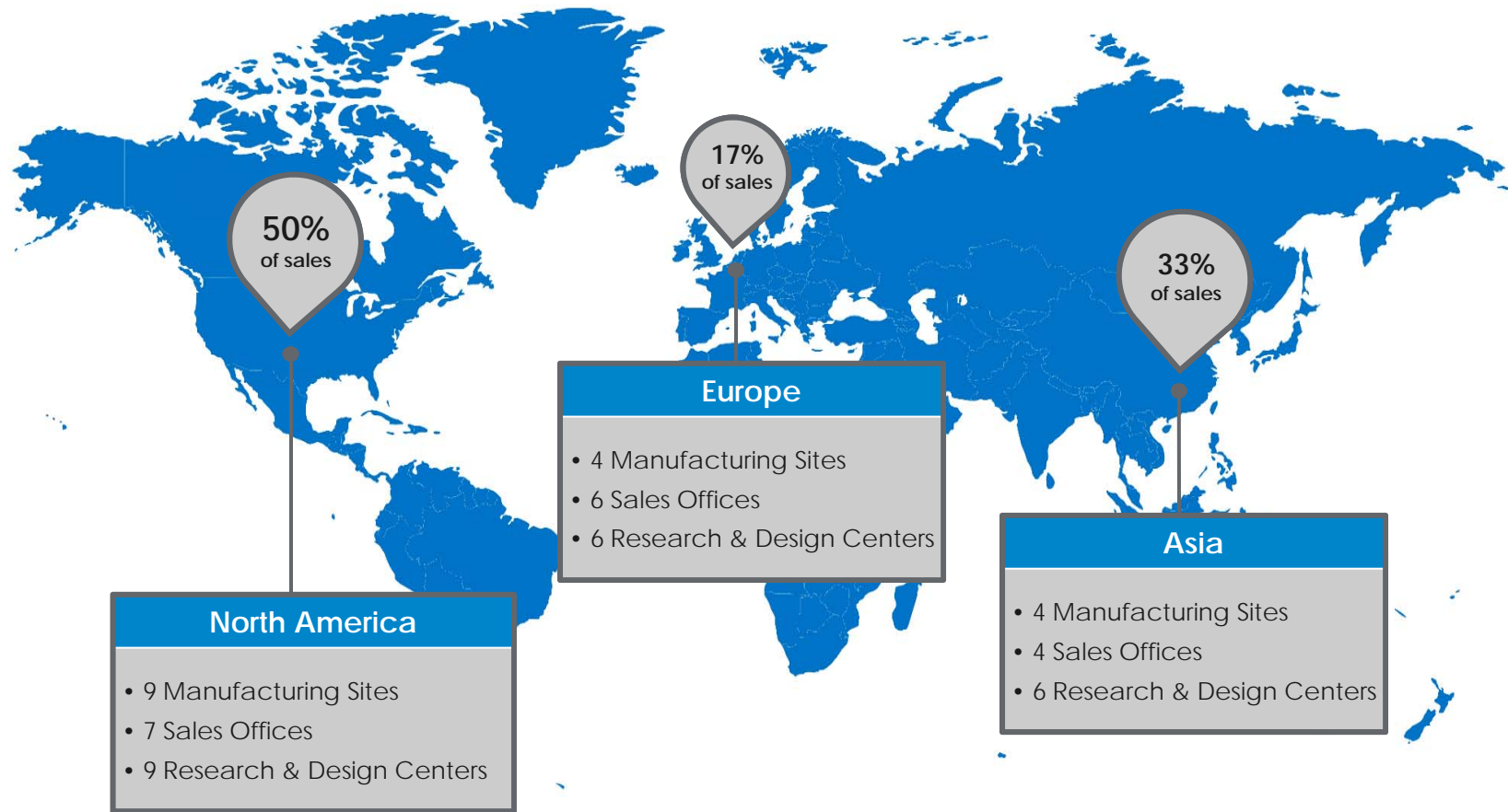
Q&A

Appendix

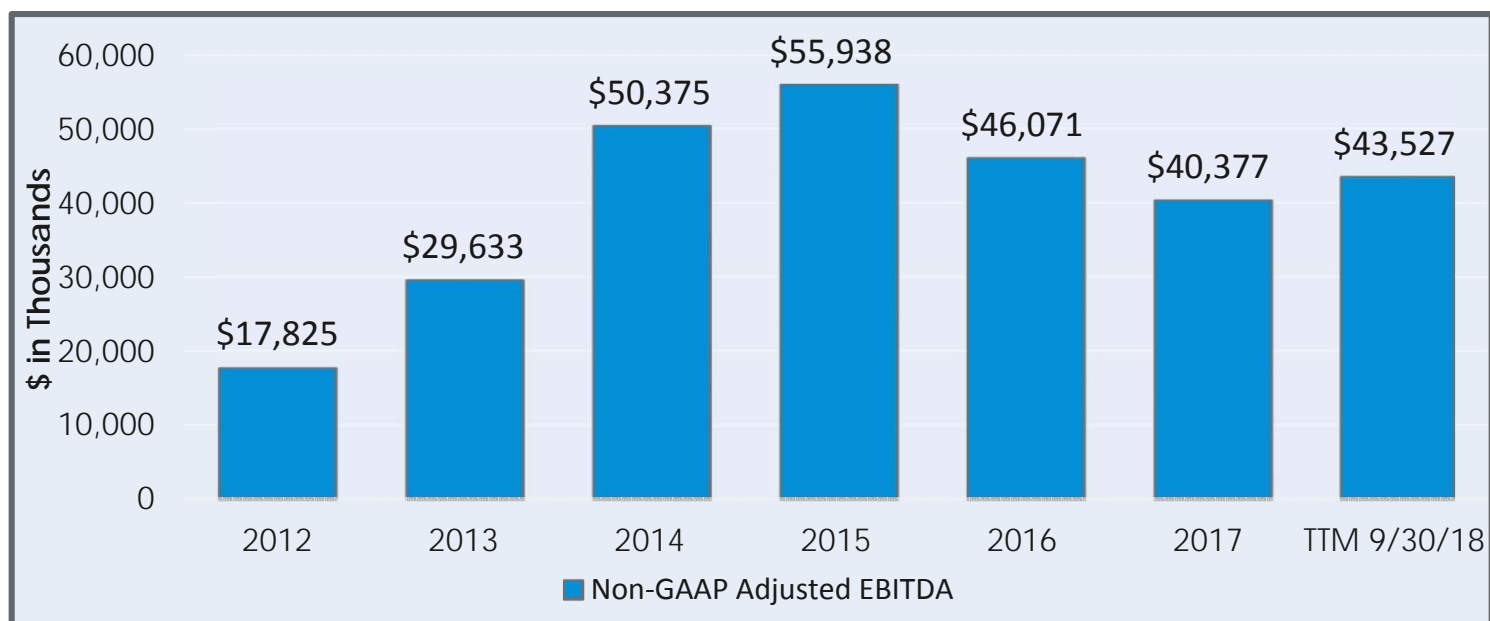
Corporate Organization



Global Presence



Reconciliation of Net Earnings to EBITDA



	2012	2013	2014	2015	2016	2017	TTM 9/30/18
Net earnings (loss)	\$ 2,373	\$ 15,908	\$ 8,603	\$ 19,197	\$ (64,834)	(11,897)	(4,104)
Interest expense	16	156	3,978	7,588	6,662	6,802	6,243
Income tax (benefit) provision	(1,376)	(743)	1,167	6,535	(17,718)	21,540	19,734
Depreciation and amortization	9,113	12,382	20,367	23,008	21,778	20,718	18,743
Non-GAAP EBITDA	\$ 10,126	\$ 27,703	\$ 34,115	\$ 56,328	\$ (54,112)	\$ 37,163	\$ 40,616
Non-cash impairment charge	-	-	-	-	105,972	-	-
Restructuring charges	6,075	1,686	1,832	2,114	2,087	308	199
Gain on sale of property	-	-	-	-	(3,092)	-	-
Acquisition-related costs and settlements	1,283	933	13,411	(3,628)	(5,155)	350	150
IT migration, rebranding, ERP costs	-	-	1,017	1,124	371	2,556	2,562
Storm damage	341	(689)	-	-	-	-	-
Non-GAAP Adjusted EBITDA	\$ 17,825	\$ 29,633	\$ 50,375	\$ 55,938	\$ 46,071	\$ 40,377	\$ 43,527

Historical Financial Highlights

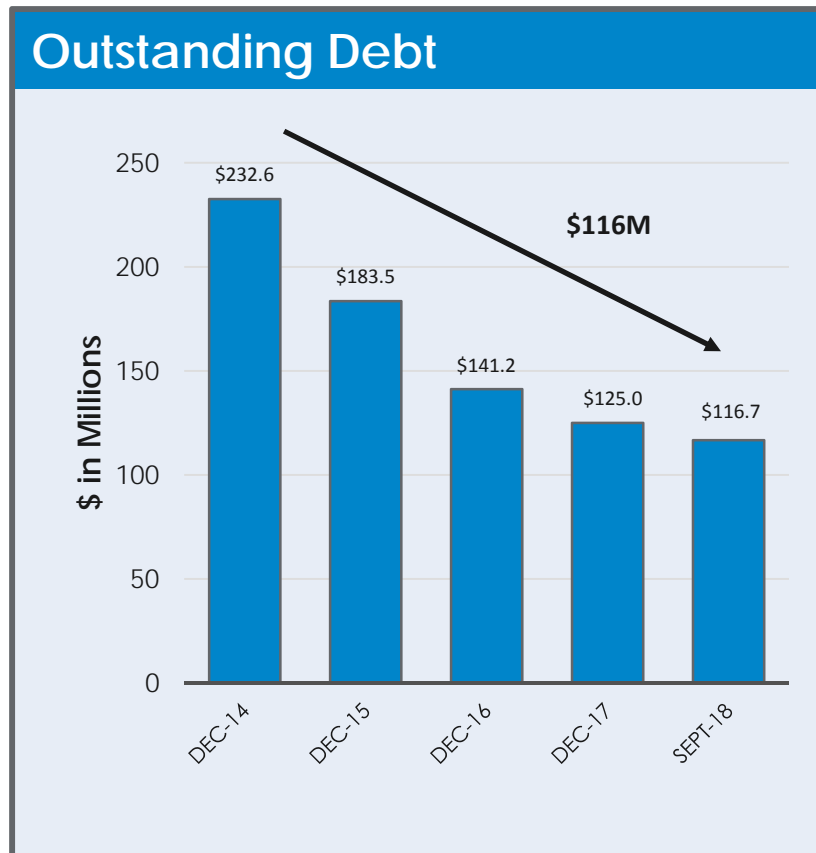
	Net Sales	Gross Margin	EBITDA Margin	D&A	Capital Spending	Free Cash Flow ⁽²⁾
2012	\$286,594	16.2%	3.5%	\$9,113	\$4,744	\$6,865
2013	349,189	17.8%	7.9%	12,382	6,940	3,641
2014	487,076	17.9%	7.0%	20,367	9,042	13,415
2015	567,080	19.2%	9.9%	23,009	9,891	55,898
2016	500,153	20.0%	10.4% ⁽³⁾	21,778	8,223	30,380
2017	491,611	20.8%	7.6%	20,718	6,425	17,695
TTM 9/30/18	525,390	19.3%	7.7%	18,743	11,439	2,654

⁽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)%.

War Chest



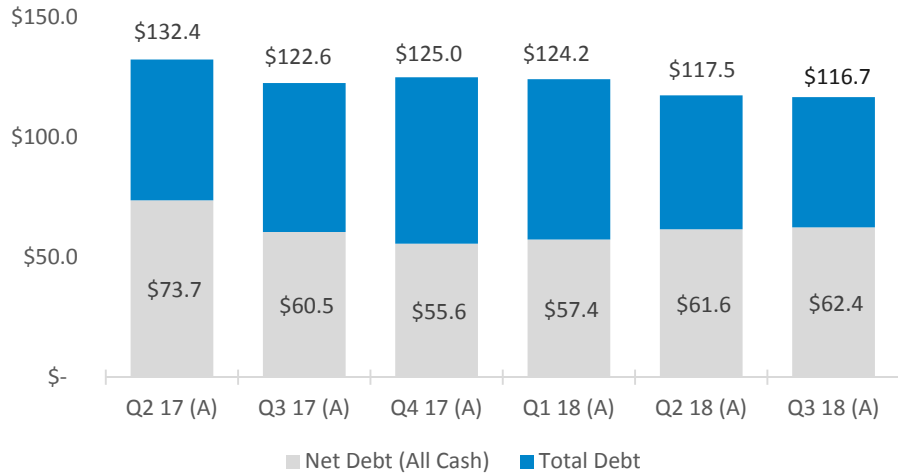
- Repayment of Debt:
 - Borrowed \$235M in 2014 for the Power Solutions and CCS acquisitions
 - Repaid \$116M by 9/30/18
- Refinanced Credit Agreement in Q4-17:
 - Additional borrowing capacity under revolver, which can be used for future acquisitions (increased from \$50M to \$75M)
 - Reduction in amortization 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

Credit Metrics

- Cash, Debt and Net Leverage

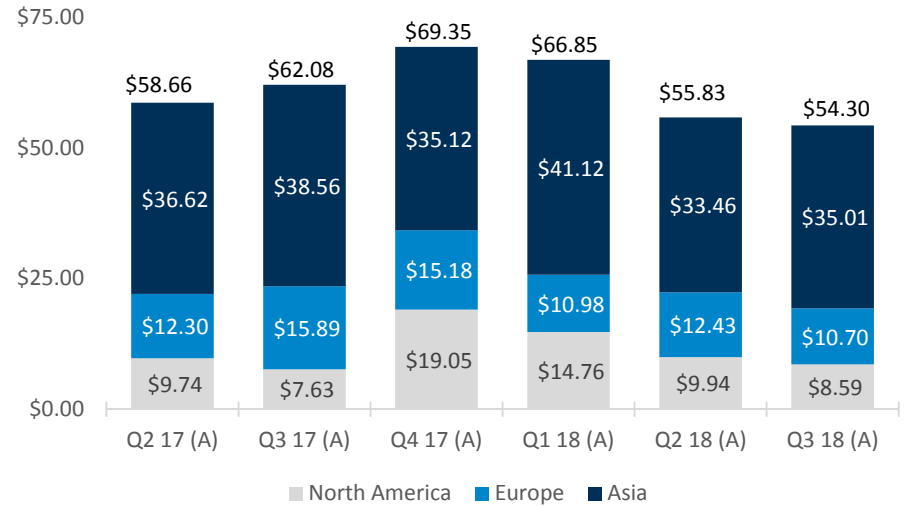
Debt

(\$ in millions)

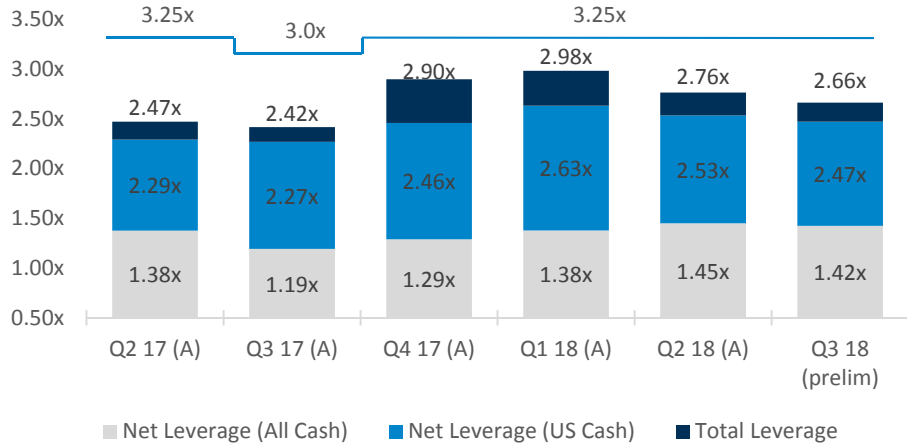


Cash by Region

(\$ in millions)

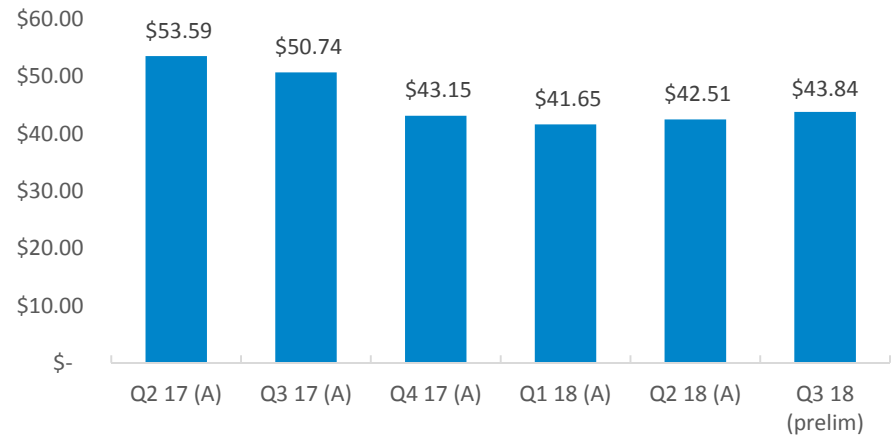


Credit Agrmt Leverage Ratio - LTM



Credit Agrmt EBITDA - LTM

(\$ in millions)



Emerging Growth Driver: E-Mobility



Mining company in Canada increased sales by \$500k in past 4 quarters

Large postal delivery company in Europe placed \$850k order for DC/DC converters

Customer count increased from 49 in 2016 to over 120 customers in 2018

Fuses Approved on Tesla Model 3 (\$470k of sales YTD 9/30/18)

Case Study – Boeing 737 & 737MAX



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)

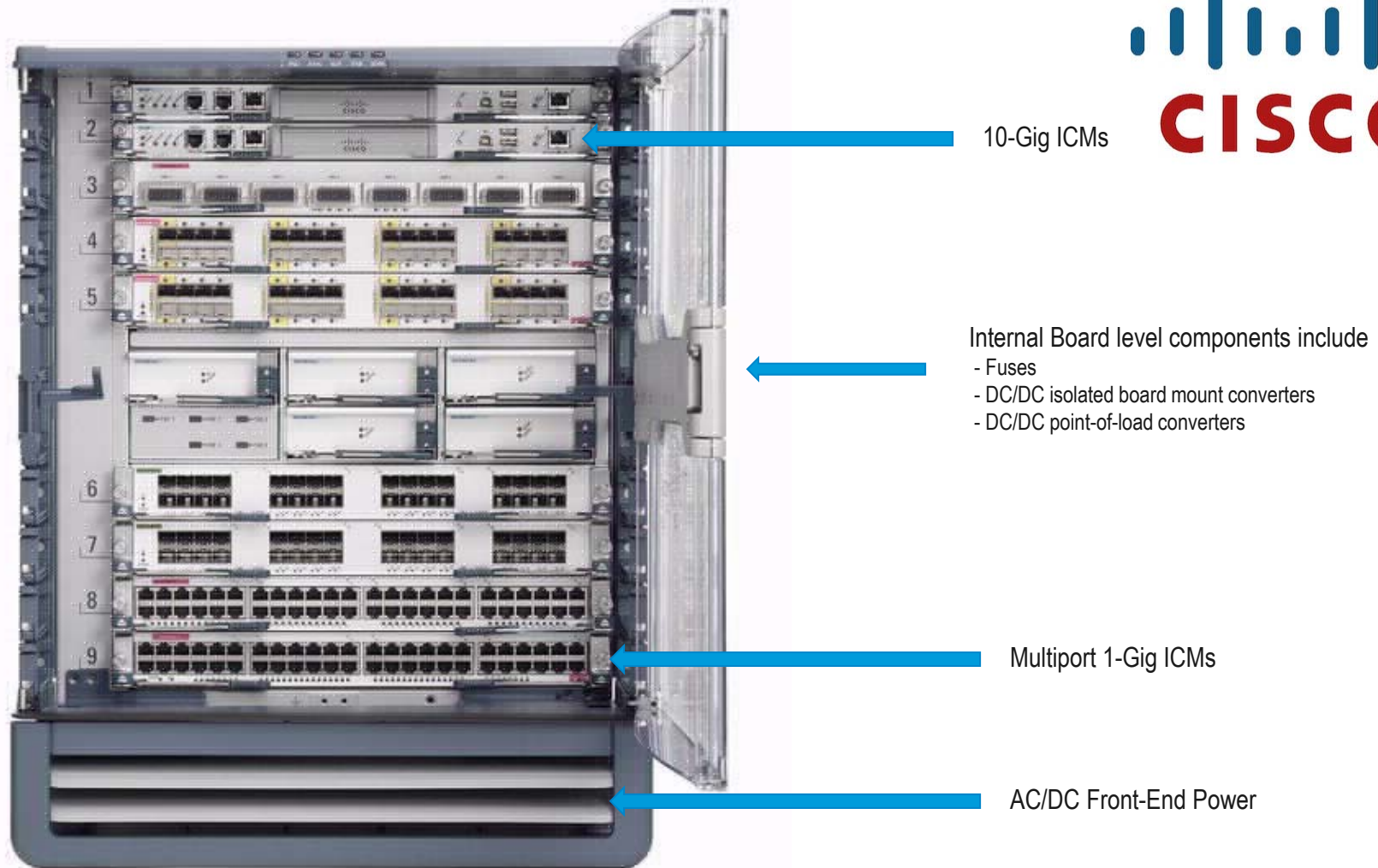
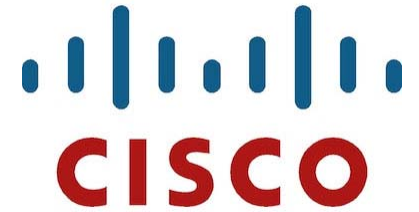


FQIS (7)
(used in fuel tank to
monitor fuel quantity)

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

Case Study - Cisco

Cisco Nexus 7000 Switch



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

Case Study – Railway

Rolling Stock Applications

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



Brake System

Train Control System

Headlights

Battery Charging

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

Railway Signal

Level Crossing Barriers

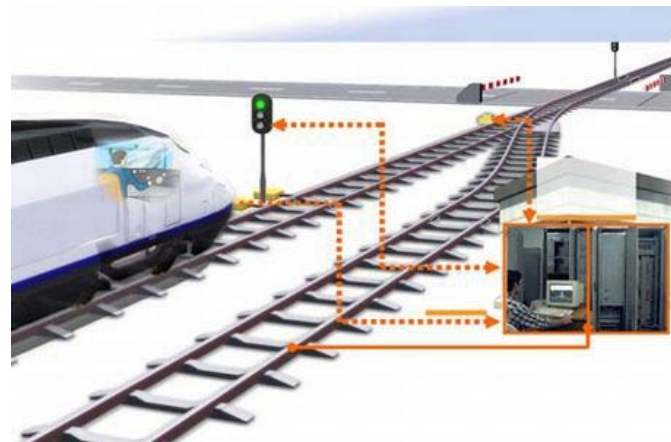
Point Machine

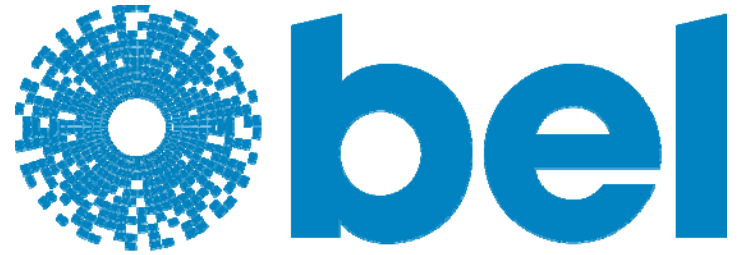
GSM-R

Axle Counting

Control / Computer Room

Trackside Applications





POWER | PROTECT | CONNECT

