

POWER | PROTECT | CONNECT

**LD Micro Conference**  
**Los Angeles, CA**  
**December 5-7, 2017**

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

**Annual Sales of \$490M\***

## Power Solutions & Protection

**\$160M in sales (33%)**



## Connectivity Solutions

**\$167M in sales (34%)**



## Magnetic Solutions

**\$163M in sales (33%)**



\* Trailing 12 months ending 9/30/17

# Why Invest with Bel?



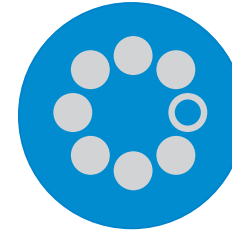
## Experience

Supporting technological advances for over 6 decades with continual growth both organically and through acquisitions



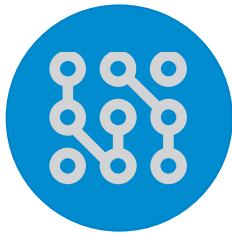
## Customer Focused

History of growing long-term relationships with our customers and channel partners



## Diversified Markets

Servicing network, cloud infrastructure, military, aerospace, medical, industrial and telecom industries



## Synergies Achieved

7 acquisitions completed in the past 5 years; \$18 million of fixed costs removed from the business since 2014



## Margin Expansion

Synergies achieved since our 2014 acquisitions have contributed to margin expansion from 17.9% in 2014 to 21.5% for the first nine months of 2017



## Strong Backlog

A 20% year-over-year increase in backlog leaves Bel well positioned for future top line growth

# Diverse End-Markets and Blue Chip Customer Base

Network & Cloud 45%	Military & Aerospace 15%	Industrial 15%	Distribution 25%
			
<p>ORACLE®</p> <p> CISCO™</p> <p>facebook.</p> <p> Hewlett Packard Enterprise</p>	<p> BOEING</p> <p>LOCKHEED MARTIN </p> <p>Raytheon</p> <p>Rockwell Collins</p>	<p>ALSTOM</p> <p>BOMBARDIER</p> <p> Carrier United Technologies</p> <p>PHILIPS</p>	<p>ANIXIP</p> <p> AVNET®</p> <p> Digi-Key ELECTRONICS</p> <p> MOUSER ELECTRONICS</p>

# 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



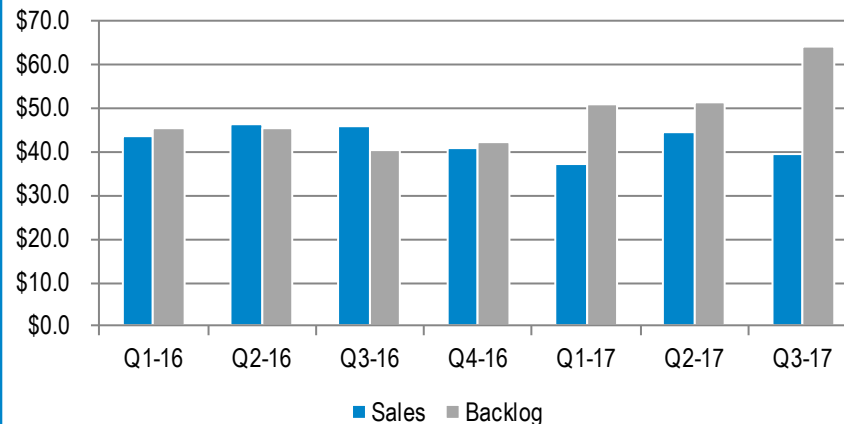
## Growth Drivers

- Large project with a transportation company
- New products for The Cloud
- Circuit protection for Automotive

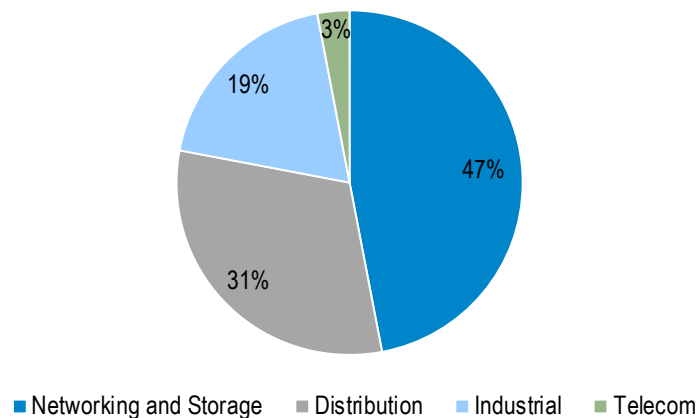


(\$ in millions)

## Power Solutions and Protection Sales and Backlog



## Power Solutions and Protections Sales by End Market<sup>[1]</sup>



[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

**3M**

**BOEING**

**Raytheon**

**LOCKHEED MARTIN**

**Rockwell Collins**

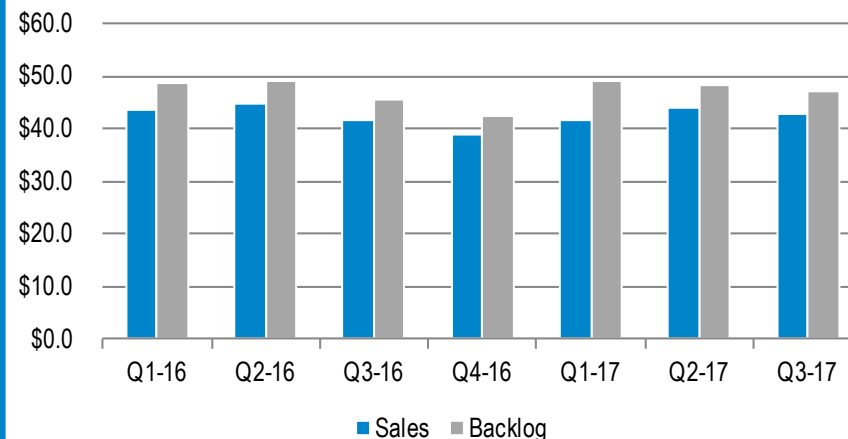
## Growth Drivers

- **Positioned well for increase in military spend**  
Technology and key programs – CU to FO
- **Commercial aerospace: Increasing build rates**
- **Distribution – leader in RF while expanding depth and breadth of inventory within key partners**

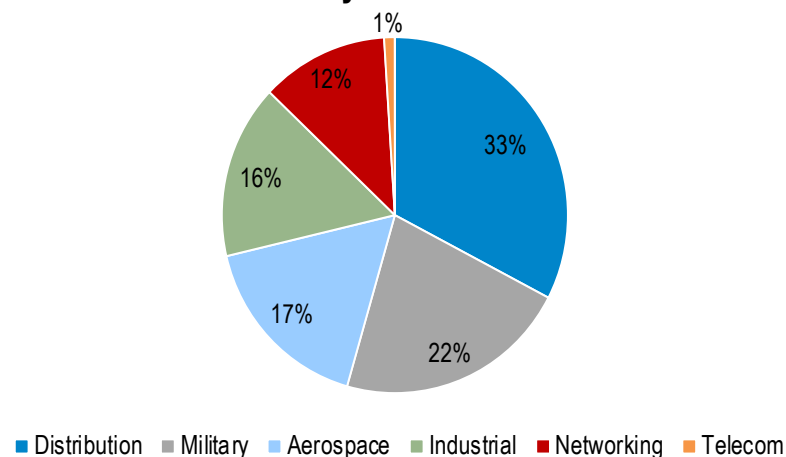


(\$ in millions)

## Connectivity Solutions Sales and Backlog



## Connectivity Solutions Sales by End Market<sup>[1]</sup>

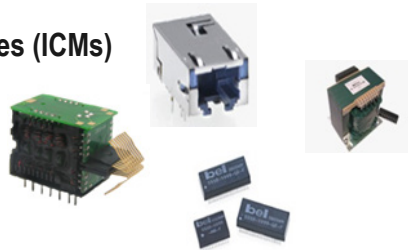


[1] Sales by End Market based off of management estimates

# Magnetic Solutions

## Products

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



## Applications

- Computer and Networking
- Data Communications
- Industrial
- Medical

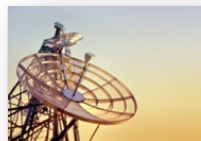


## Customers



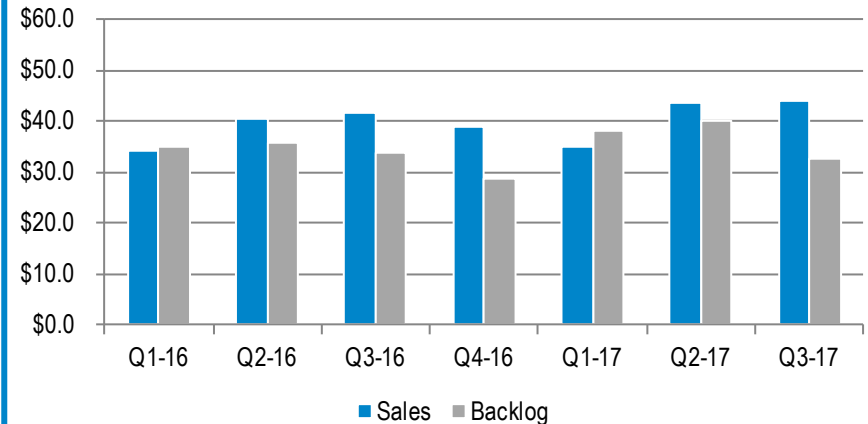
## Growth Drivers

- New 2.5-Gig and 5-Gig variant ICMs
- Expansion of 30W and 60W PoE ICMs
- Increased focus on distribution

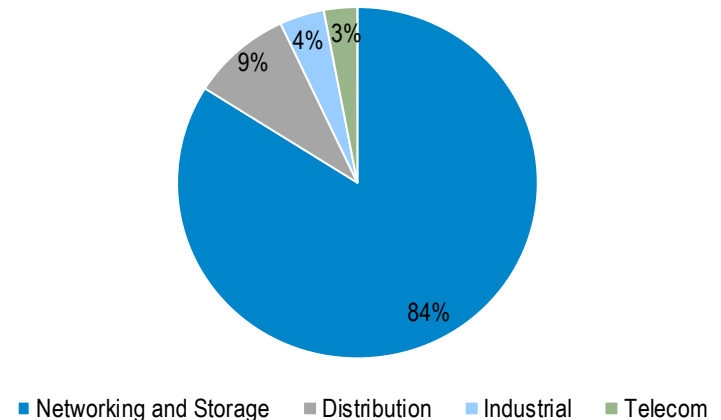


(\$ in millions)

## Magnetic Solutions Sales and Backlog



## Magnetic Solutions Sales by End Market<sup>[1]</sup>



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

# Growth Driver: 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.L.	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

Blue denotes > Divestitures acquired

# Growth Driver: The Cloud



**Members of Open Compute Project (OCP) and Open 19 Project**

**Providing innovative power conversion solutions to many of the leading cloud computing companies**

**Supporting multiple datacenter power architectures including 12V and 48V**

**Working closely with major ODM's to provide integrated rack solutions**

# Growth Driver: E-Mobility



**50 Customers in E-Mobility space in 2017  
(vs. 19 customers in 2014)**

**Dedicated HEV product design and  
production line in our Slovakia facility**

**Recent Project Wins for  
HEV Converter/Chargers**

**Fuses Approved on Tesla Model 3**

# Growth Driver: Military & Aerospace



**Anticipated increase in military spend under Trump administration**

**Recent uptick in backlog for military projects, both in U.S. and Europe**

**Steady increase in build rates of commercial aircraft over next 4 years**

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

# Growth Driver: Distribution



**25% of consolidated sales are through our distribution partners**

**Global agreements now in place with Arrow, Avnet, Digi-Key and Mouser**

**33% increase in sales through our top 2 catalog distributors YTD-17 vs. YTD-16**

**Anticipated increase at broadline distributors as projects move into production**

# Diverse Offerings Make Bel a One-Stop Shop

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

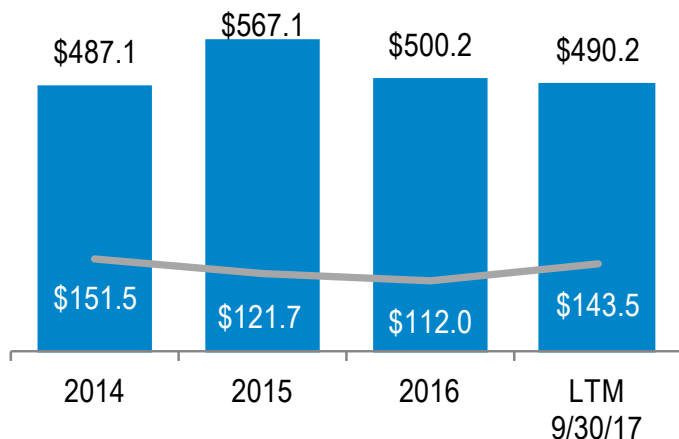


# Financial Overview

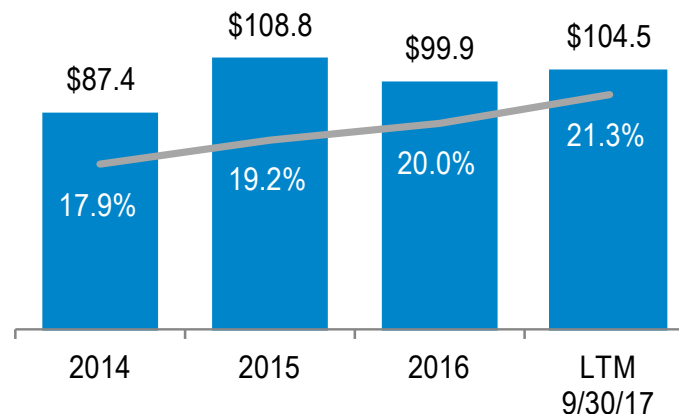
# Bel Fuse Historical Performance

## Net Sales and Revenue Backlog

(\$ in millions)



## Gross Profit and Margin



## Drivers and Observations

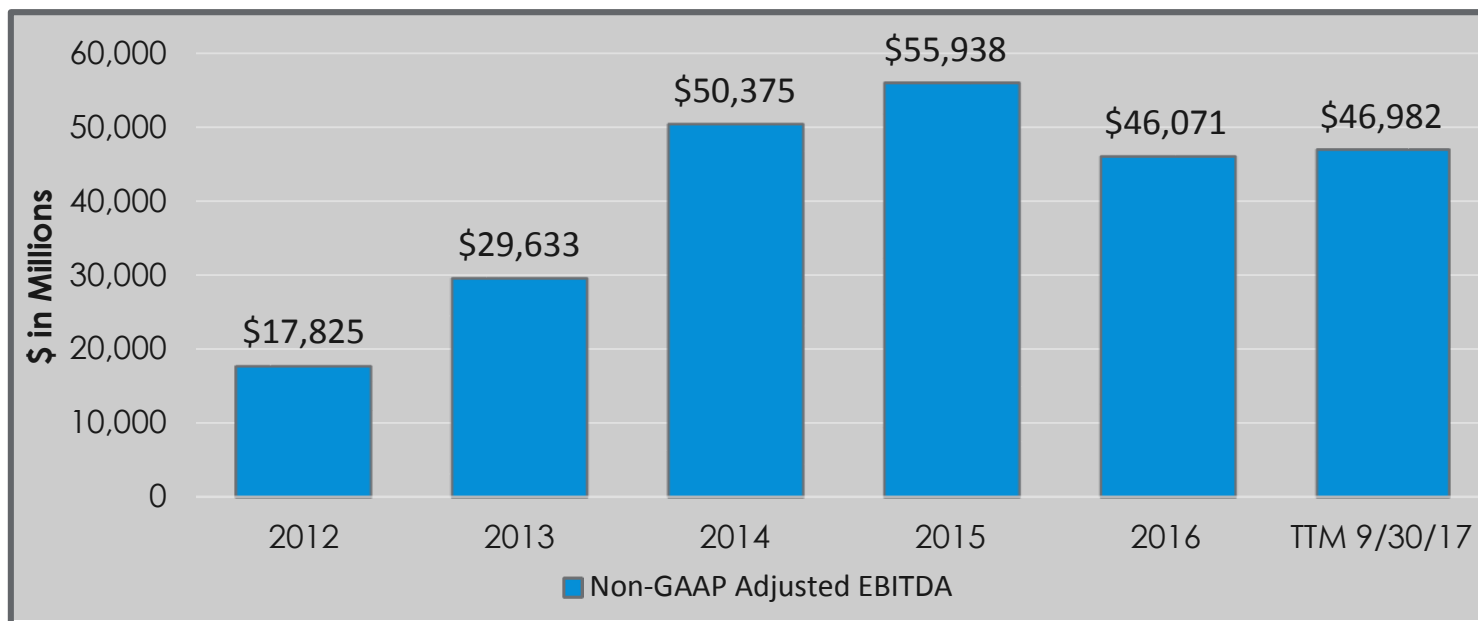
### Revenue

- Majority of decrease from 2016 to 2017 due to divested Network Power Systems business
- Decline in revenue offset by circuit protection products within e-Mobility applications, demand for integrated connector modules, and AC-DC products
- Positive book-to-bill ratio for power and connectivity products

### Gross Profit

- Favorable shift in product mix, specifically towards higher-margin magnetics and connectivity products in the areas of military and commercial aerospace helped increase gross profit margin
- Restructuring efforts taken in 2016 resulted in reduced direct labor and fixed overhead costs during the 2017 period

# Reconciliation of Net Earnings to EBITDA

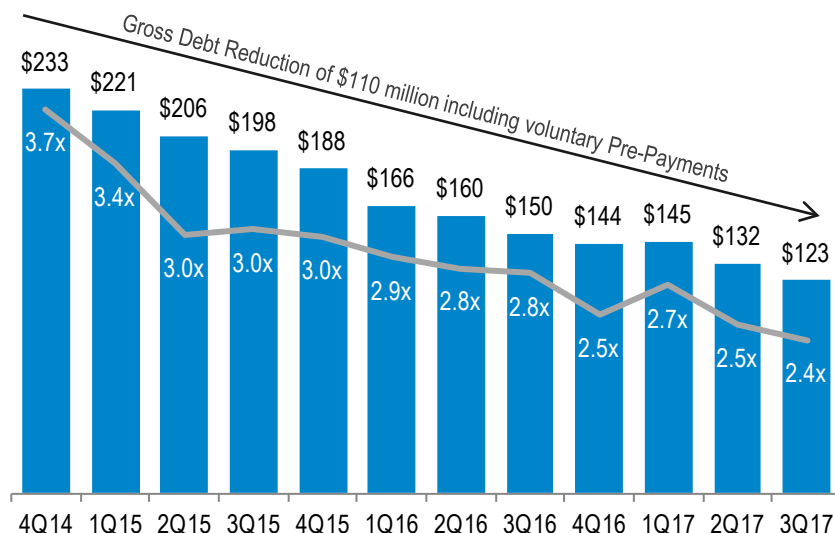


	2012	2013	2014	2015	2016	TTM 9/30/17
Net earnings (loss)	\$ 2,373	\$ 15,908	\$ 8,603	\$ 19,197	\$ (64,834)	12,267
Interest expense	16	156	3,978	7,588	6,662	5,895
Income tax (benefit) provision	(1,376)	(743)	1,167	6,535	(17,718)	5,312
Depreciation and amortization	9,113	12,382	20,367	23,008	21,778	21,121
Non-GAAP EBITDA	\$ 10,126	\$ 27,703	\$ 34,115	\$ 56,328	\$ (54,112)	\$ 44,595
Non-cash impairment charge	-	-	-	-	105,972	-
Restructuring charges	6,075	1,686	1,832	2,114	2,087	1,689
Gain on sale of property	-	-	-	-	(3,092)	(985)
Acquisition-related costs and settlements	1,283	933	13,411	(3,628)	(5,155)	200
IT migration, rebranding, ERP costs	-	-	1,017	1,124	371	1,483
Storm damage	341	(689)	-	-	-	-
Non-GAAP Adjusted EBITDA	\$ 17,825	\$ 29,633	\$ 50,375	\$ 55,938	\$ 46,071	\$ 46,982

# Focused Debt Reduction

## Total Debt and Leverage Profile

(\$ in millions)

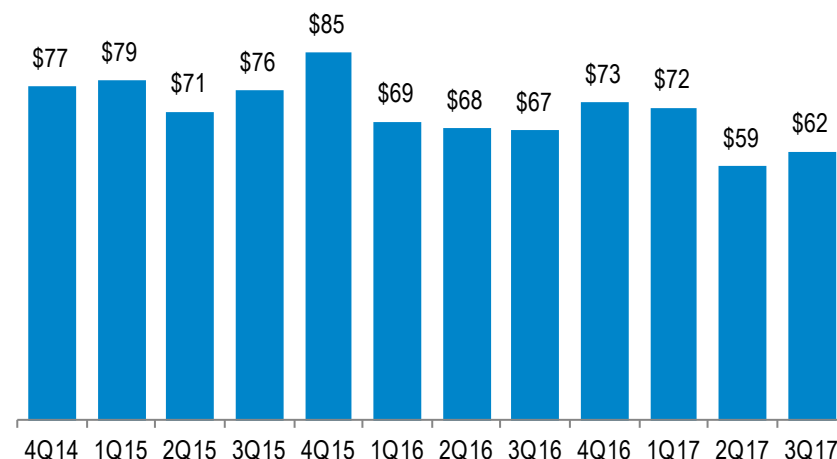


### ■ Acquisitions Funded with Debt:

- June 2014 – Power Solutions - \$131 million
- July/August 2014 – Connectivity Solutions - \$105 million

## Cash and Cash Equivalents

(\$ in millions)



### ■ Acquisitions Funded with Cash:

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

# Share Information

## Key Statistics (as of 11/27/17)

Stock Price	BELFA: \$24.05 BELFB: \$28.00
Total Shares Outstanding	12,035,714
Market Cap	\$328.4M
Enterprise Value	\$387.3M

### Class A NASDAQ: BELFA

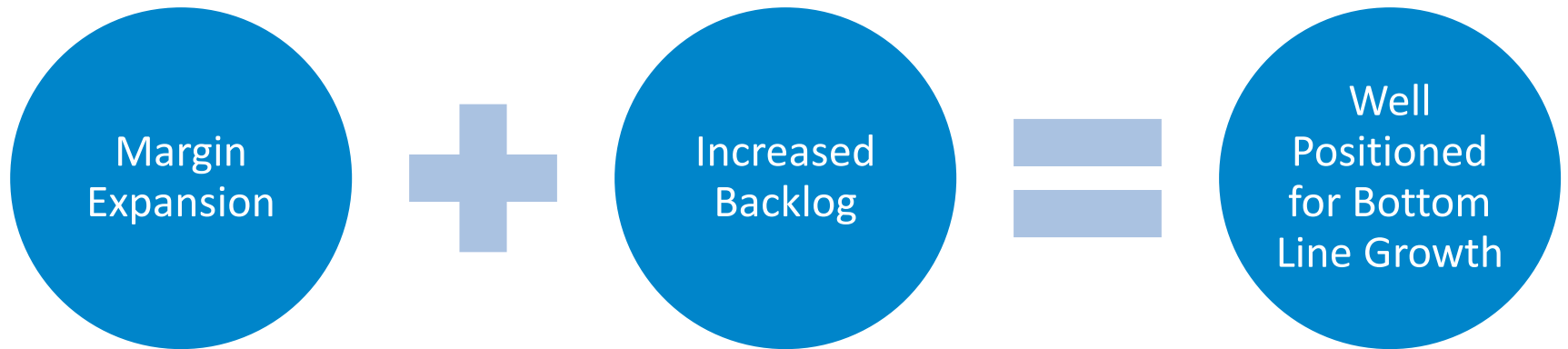
2,174,912 shares outstanding  
19 institutions own ~ 958,813 shares (44%)  
Quarterly dividends \$0.06 per share  
21% held by insiders

### Class B NASDAQ: BELFB

9,860,802 shares outstanding  
108 institutions own ~ 7,238,219 shares (73%)  
Quarterly dividends \$0.07 per share  
3% held by insiders

# Summary

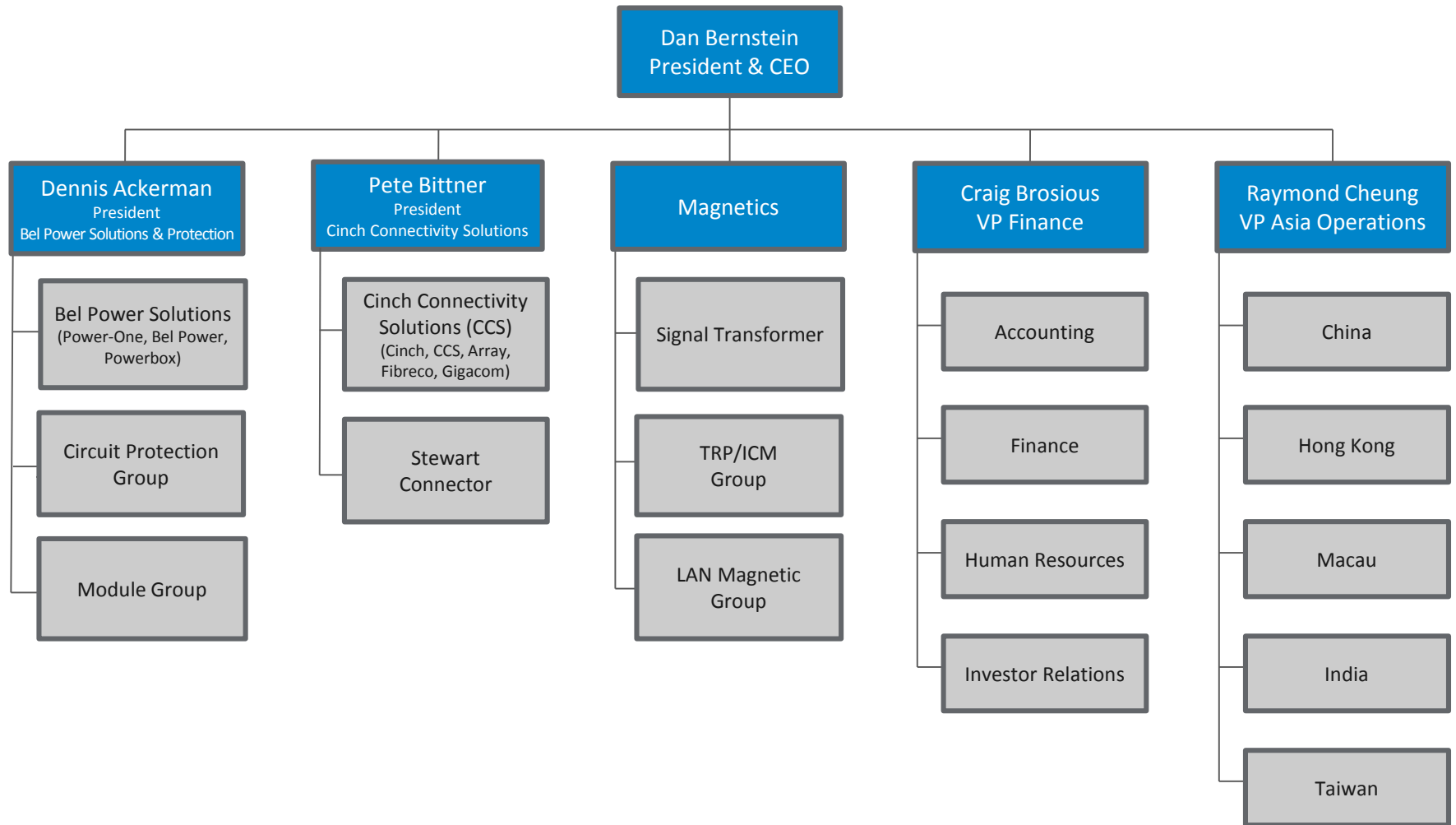
---



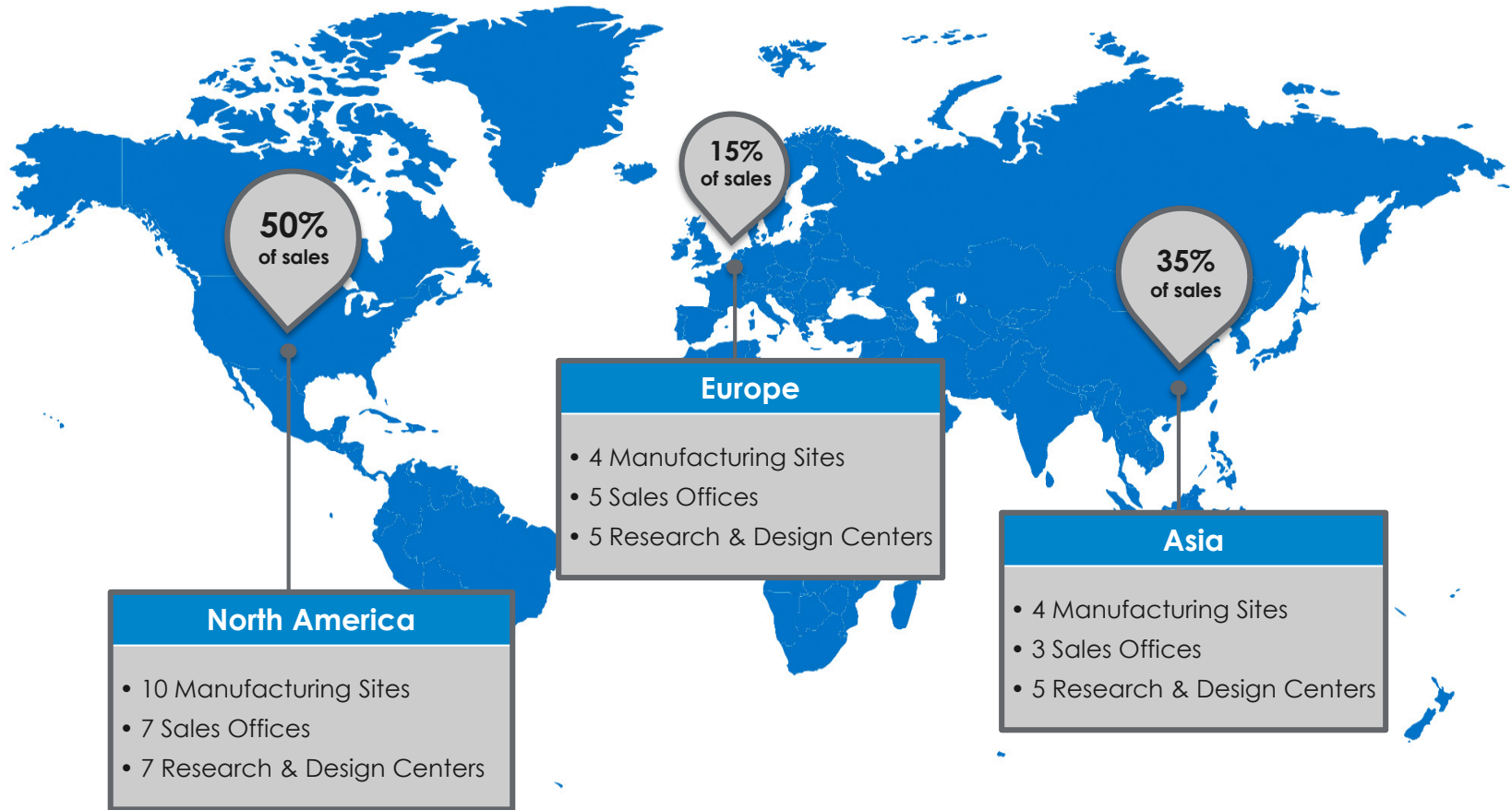


# Appendix

# Corporate Organization



# Global Presence



# 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 margin has expanded to 21.9% in Q3-2017 vs 20.6% in Q3-16 on slightly 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
TTM 9/30/17	490,210	21.3%	9.1%	21,121	6,389	19,440

<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)%.

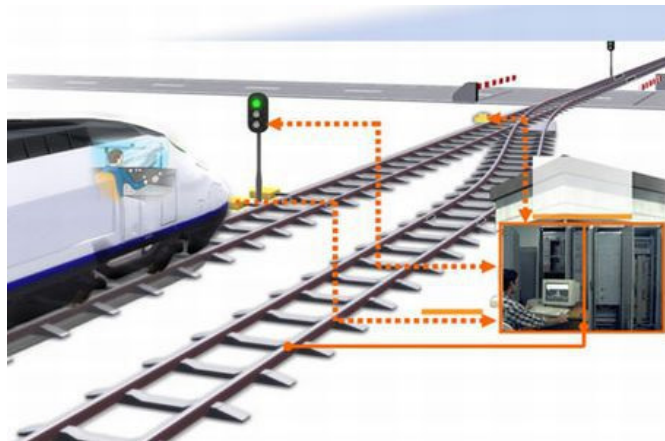
# Case Study – Railway

## Rolling Stock Applications

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



## Trackside Applications



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

# 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



10-Gig ICMs

Internal Board level components include

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

Multiport 1-Gig ICMs

AC/DC Front-End Power

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



POWER | PROTECT | CONNECT

