



POWER | PROTECT | CONNECT

ITG NDRS
May 11, 2016

(NASDAQ: BELFB)
(NASDAQ: BELFA)

Safe Harbor Statement

Except for historical information contained in this presentation, the matters discussed in this presentation (including the statements regarding the impact of the Company's expertise and products on customer purchasing decisions, anticipated growth in revenues, the accretive nature and projected cost savings associated with the Power Solutions and CS acquisitions and potential future growth for the Company's shareholders) are forward-looking statements that involve risks and uncertainties. Actual results could differ materially from Bel's projections. Among the factors that could cause actual results to differ materially from such statements are: the market concerns facing our customers; the continuing viability of sectors that rely on our products; the effects of business and economic conditions; difficulties associated with integrating recently acquired companies; capacity and supply constraints or difficulties; product development, commercialization or technological difficulties; the regulatory and trade environment; risks associated with foreign currencies; uncertainties associated with legal proceedings; the market's acceptance of the Company's new products and competitive responses to those new products; and the risk factors detailed from time to time in the Company's SEC reports. In light of the risks and uncertainties, there can be no assurance that any forward-looking statement will in fact prove to be correct. We undertake no obligation to update or revise any forward looking statements.

Investor Considerations

1

Diversified End Markets and Broad Customer Base

2

Global Sales, Design and Manufacturing Footprint

3

Successful Acquisition Integrations
Resulting in Sales Growth and Cost Savings

4

Strong and Consistent Free Cash Flow

5

Experienced Management Team

6

Lean Overhead Structure

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.

Total 2015 Sales of \$567M

Power Solutions & Protection

\$215M in sales



Connectivity Solutions

\$182M in sales



Magnetic Solutions

\$170M in sales



Diverse End-Markets and Blue Chip Customer Base

Network & Storage 40%	Military & Aerospace 25%	Industrial 20%	Telecom 15%
			
   	   	   	    

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



LTM Revenue: **\$215M** | Percent of Total Revenue: **38%**

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, DC-DC, and circuit protection
- Expanded offering for railway applications
- Expanded solutions for broad range of battery charging

BROCADE 



EMC²

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



LTM Revenue: **\$182** | Percent of Total Revenue: **32%**

Growth Drivers

- The recent acquisitions have resulted in greater strength through the distribution channels
- Development a deployment of next generation High Speed Active Optical Transceivers
- Cross-Licensing with Radiall for innovative solutions in commercial aerospace
- Increasing demand and content within single aisle aircraft platforms...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



LTM Revenue: **\$170** | Percent of Total Revenue: **30%**

Growth Drivers

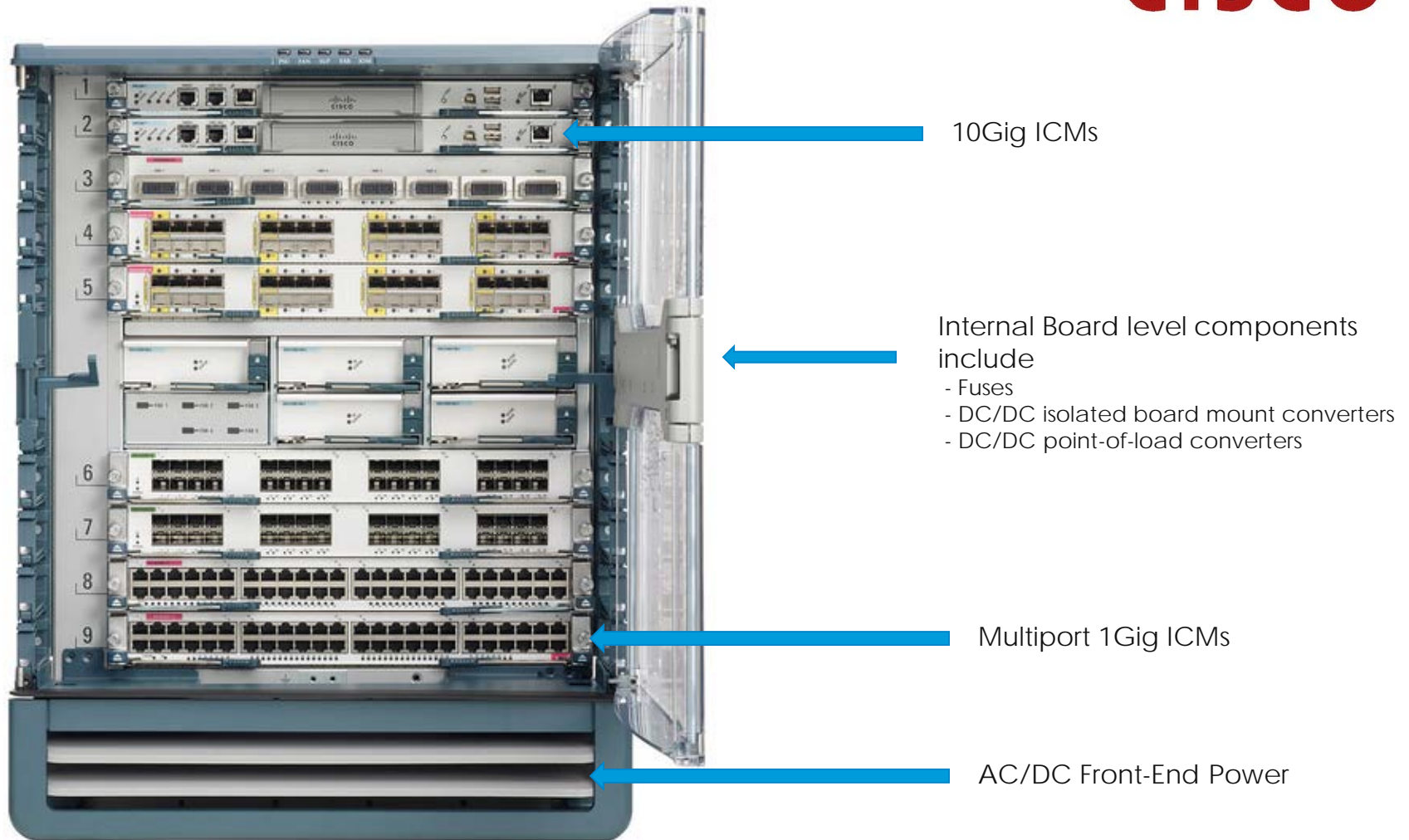
- Internet Protocol (IP) traffic growing at nearly 20% CAGR
- Developing next generation multi speed Connectivity; the only ICM manufacturer to effectively demonstrate 40 GBT feasibility within IEEE standards development
- Continued growth from shared designing with IC houses
- Extensive selection of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



Case Study #1 - Cisco



Cisco Nexus 7000 Switch



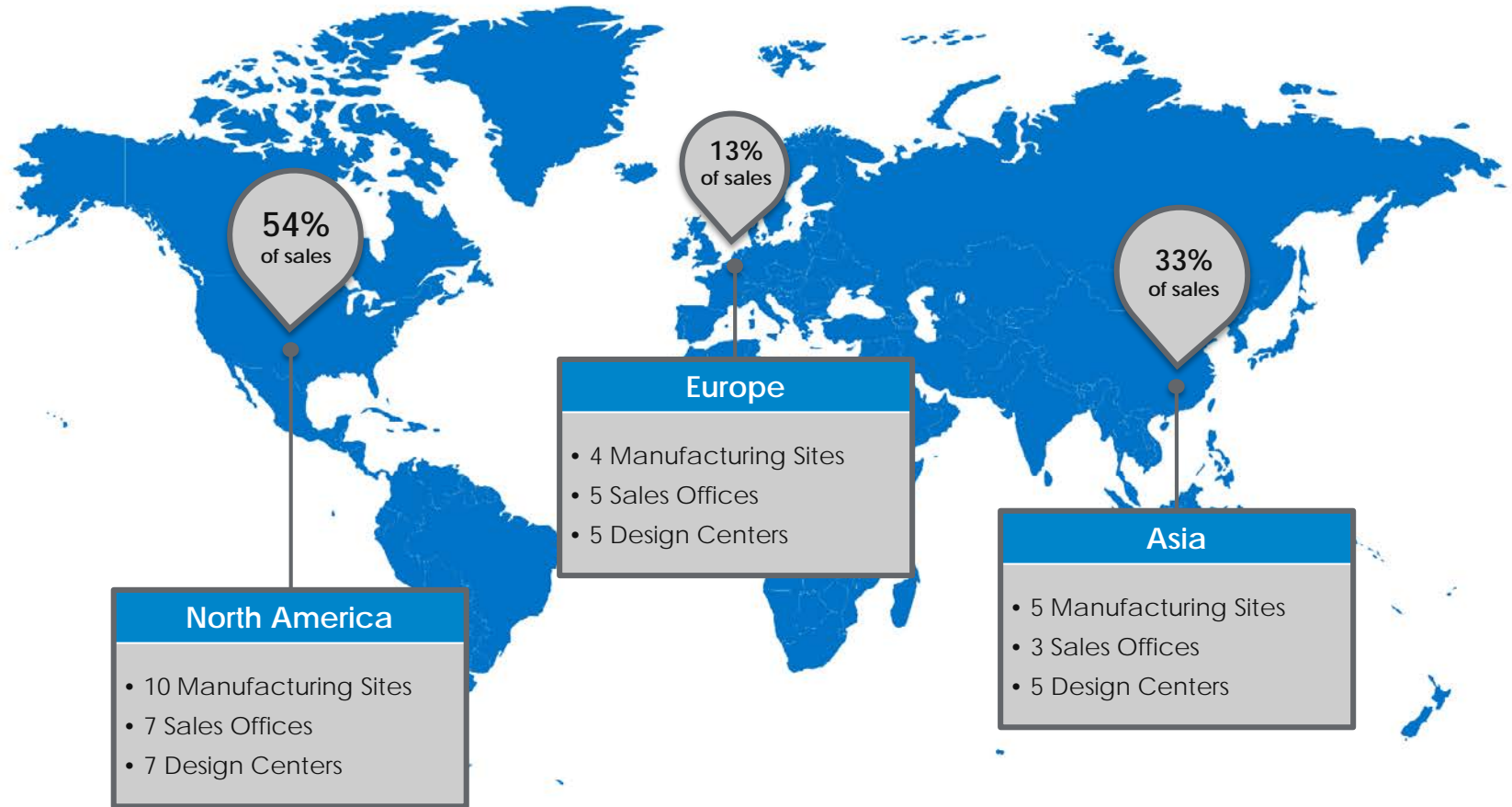
* Bel content \$496/unit, depending on configuration

Case Study #2 – Boeing



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

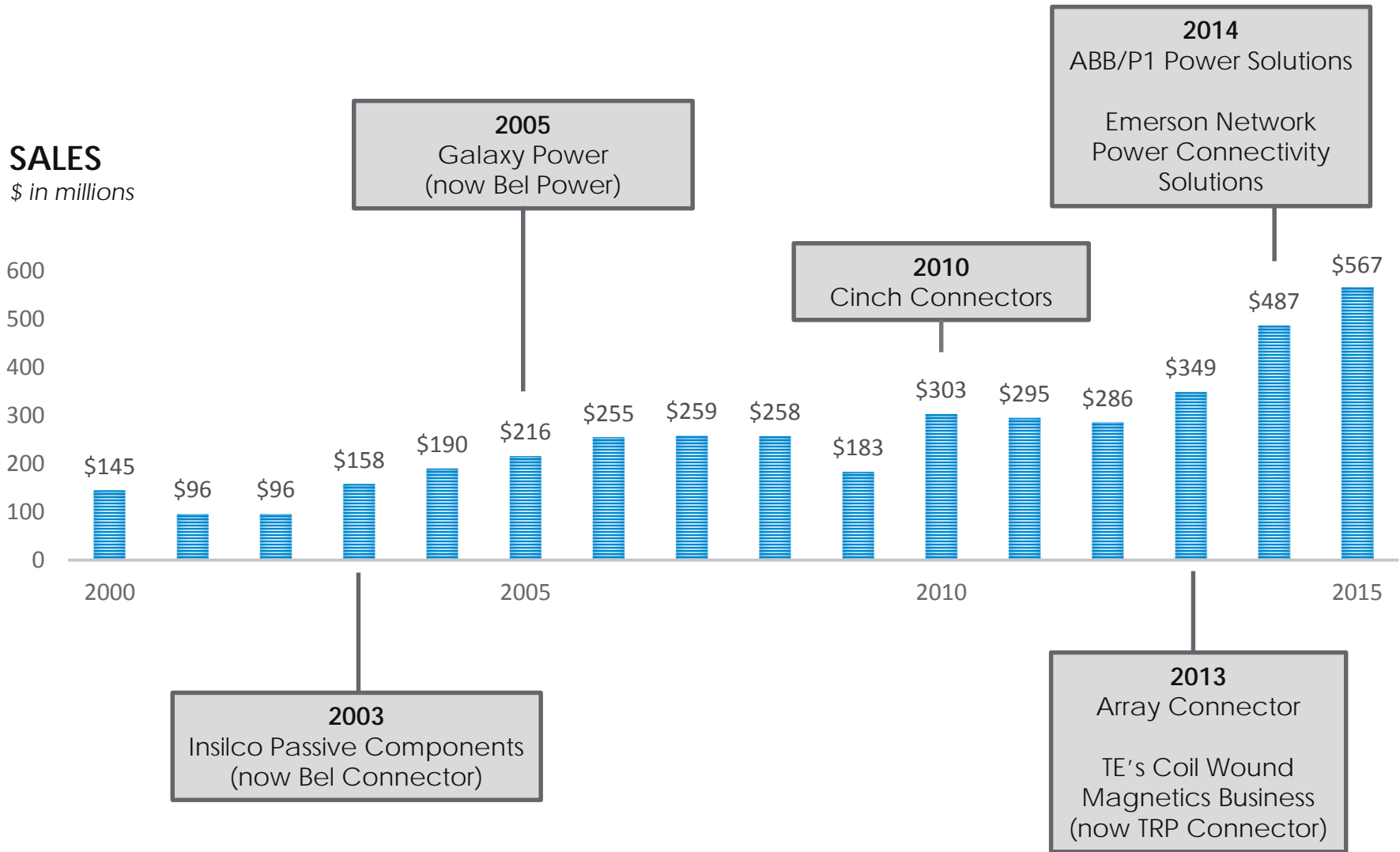
Global Presence



History of Growth Through Acquisition

SALES

\$ in millions



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

*Corporate divestitures

Synergies Implemented (cumulative)

- **Cost savings implemented from dates of acquisition through December 31, 2015:**
 - Power Solutions: acquired in June 2014
 - Connectivity Solutions: acquired in July/August 2014

Year	Power Solutions & Protection	Connectivity Solutions	Total ⁽¹⁾
Headcount reductions	\$6,500	\$4,700	\$11,200
Facility consolidations	500	2,600	3,100
Material cost savings	800	-	800
TOTAL	\$7,800	\$7,300	\$15,100

(1) Of the \$15.1M of cost savings implemented to-date, approx. \$3-4M will be incremental in 2016.



Financial Summary-Snapshot

Key Statistics *(as of 3/31/16)*

Stock Price	BELFA: \$13.65 BELFB: \$14.60
Market Cap	\$171.3M
Total Enterprise Value	\$264.2M
Exchange	NASDAQ

Capitalization *(as of 3/31/16)*

Shares Outstanding	BELFA: 2,174,912 BELFB: 9,701,182
Total Debt	\$161.9M
Dividend Yield	BELFA: 1.8%
	BELFB: 1.9%

<i>(\$000, except % and per share info.)</i>	Q116	2015	2014 ⁽¹⁾	2013
Net Sales	121,182	567,080	487,076	349,189
Gross Margin %	19.0%	19.0%	17.9%	17.8%
EBITDA	(97,866) ⁽²⁾	56,328	34,115	27,703
EBITDA Margin %	(80.8)% ⁽²⁾	9.9%	7.0%	7.9%
Effective Tax Rate	4.4% ⁽²⁾	25.4%	11.9%	-5.0%
Net (Loss) Income	(100,696) ⁽²⁾	19,197	8,603	15,908
(Loss) Earnings Per Share ⁽³⁾	\$(8.48) ⁽²⁾	\$1.62	\$0.73	\$1.39

(1) Includes \$6.5 million in acquisition costs (in SG&A).

(2) Includes \$108.6 million of non-cash impairment of goodwill and other intangible assets. EBITDA without impairment was \$10.7M and EBITDA Margin was 8.8%. Excluding net earnings impact of goodwill impairment and other non-recurring items, net earnings was \$6.0 million and EPS was \$0.50 on a combined share basis. The effective tax rate excluding the impact of the goodwill impairment and other non-recurring items was approximately 21%.

(3) Represents earnings per share on a combined basis for Class A and Class B.



Balance Sheet Highlights

(\$000, except per share information)	3/31/16	12/31/15
Cash and Cash Equivalents	\$69,045	\$85,040
Total Current Assets	258,954	280,471
Total Assets	444,681 ⁽¹⁾	583,371
Current Liabilities (excl. current portion of LTD)	89,709	97,080
Total Debt	161,913	183,548
Stockholders' Equity	133,823	233,122
Working Capital	159,349	158,619
Current Ratio	2.6 to 1	2.3 to 1
Book Value per Share ⁽²⁾	\$11.27	\$19.68
Dividend Yield ⁽³⁾	1.9%	1.6%

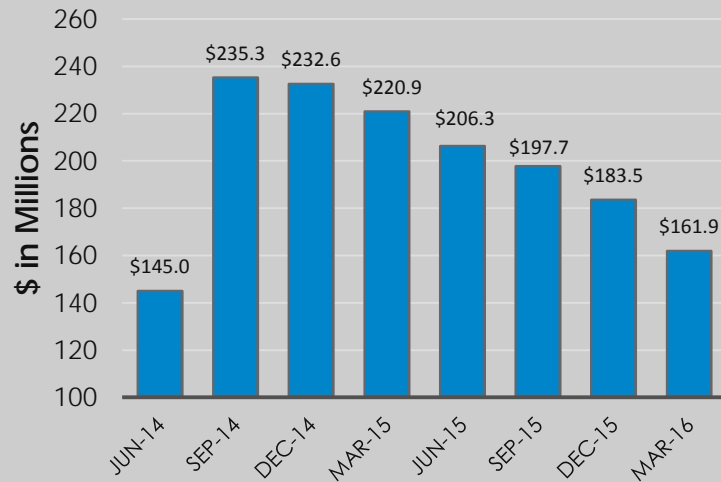
(1) Decline in total assets from 12/31/15 primarily due to the non-cash impairment of goodwill and other intangible assets of \$108.6 million.

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

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

Debt & Liquidity

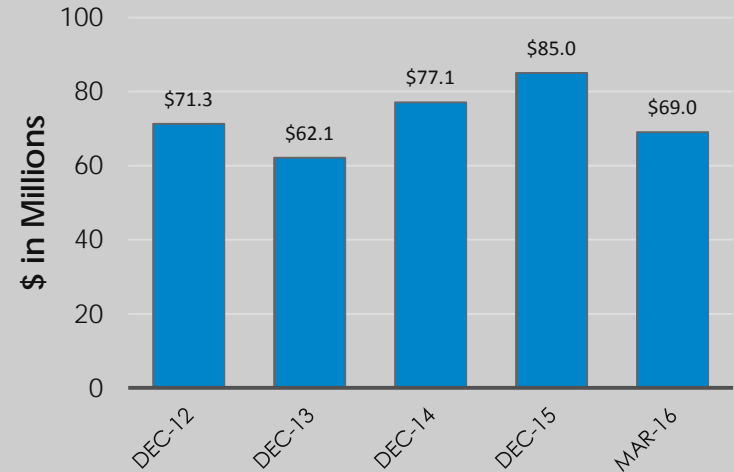
Debt Balance



Acquisitions Funded with Debt:

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

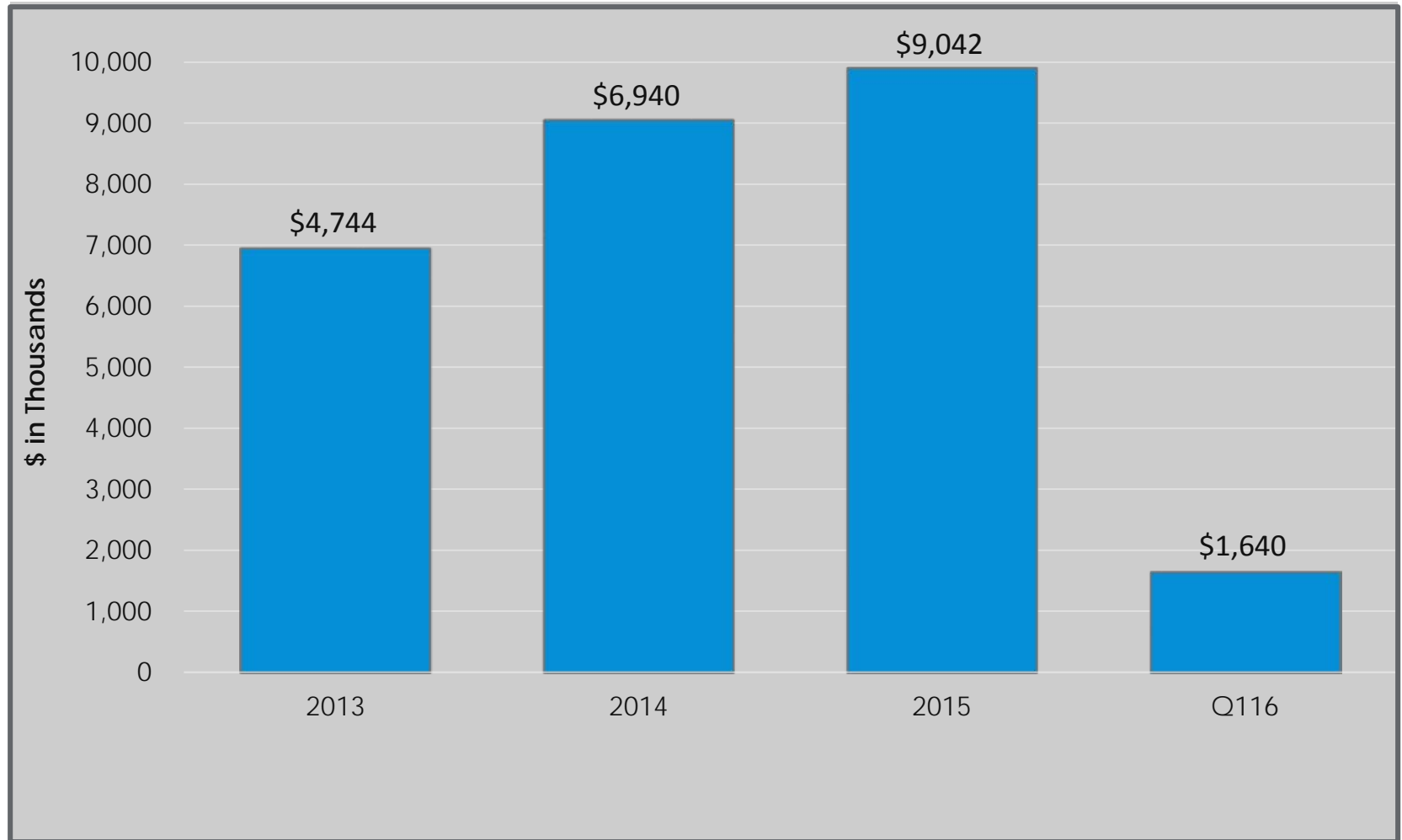
Cash Balance



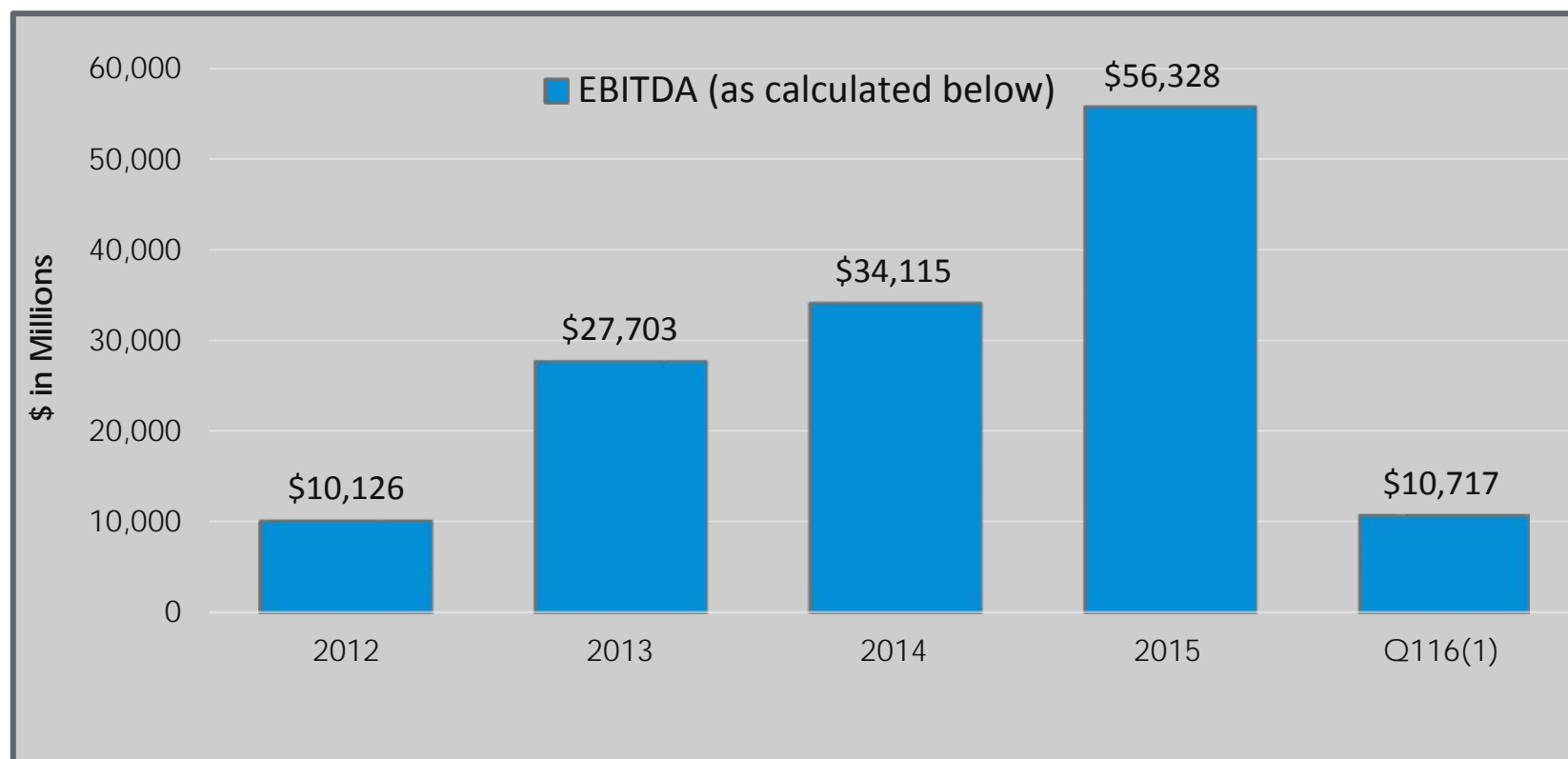
Acquisitions Funded with Cash:

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

Capital Expenditures



Reconciliation of Net Earnings to EBITDA



(1) Q116 Excludes the impact of the non-cash goodwill and other intangible assets impairment of \$108.6 million.

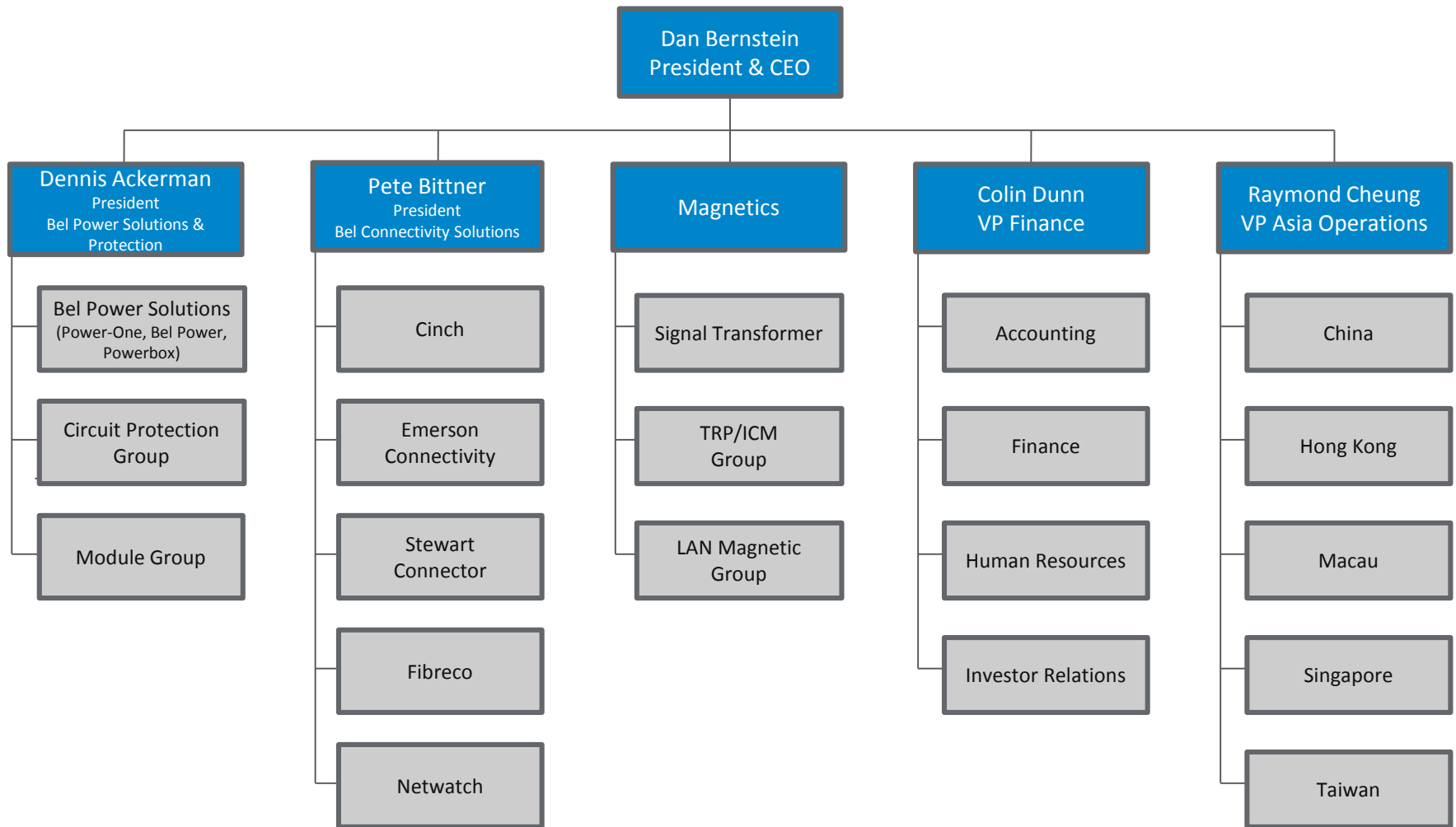
<i>Actuals (as reported)</i>	2012	2013	2014	2015	Q116
Net earnings (loss)	\$ 2,373	\$ 15,908	\$ 8,603	\$ 19,197	\$ (100,696)
Interest expense	16	156	3,978	7,588	\$ 2,201
Income tax (benefit) provision	(1,376)	(743)	1,167	6,535	(4,872)
Depreciation and amortization	9,113	12,382	20,367	23,008	5,501
EBITDA	<u>\$ 10,126</u>	<u>\$ 27,703</u>	<u>\$ 34,115</u>	<u>\$ 56,328</u>	<u>\$ (97,866)</u>
Non-cash impairment charge					108,583
EBITDA excluding non-cash impairment charge					<u>\$ 10,717</u>

Share Ownership

Class A NASDAQ: BELFA	2,174,962 shares outstanding
	18 institutions own ~ 1,026,989 shares
	Quarterly dividends \$0.06 per share
	23% held by insiders
Class B NASDAQ: BELFB	9,701,182 shares outstanding
	96 institutions own ~ 6,351,787 shares
	Quarterly dividends \$0.07 per share
	6% held by insiders

Total Shares Combined = 11,865,614 shares O/S

Corporate Organization



Investor Considerations

Consistent Long-Term Sales Growth

Year	Sales	Change
1990	\$36M	
1995	\$71M	97%
2000	\$145M	104%
2005	\$216M	49%
2010	\$303M	40%
2015	\$567M	87%

* Bel has completed 14 acquisitions since 1990

Investor Considerations

- **Lean cost structure**

- \$15M of fixed costs removed from the business since the 2014 acquisitions.

- **Strong cash flow**

- Paid off \$73M in debt since June 2014.
- Overall cash balance remains steady (\$69M at 3/31/16 vs. \$88M at 6/30/14).

- **Positioned for Growth**

- Acquisitions expanded global footprint, substantially broadened our product portfolio and opened up new markets and customer opportunities.
- Lean cost structure positions the Company for bottom line growth.



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Investor Relations Contacts:

Bel Fuse Inc.

Dan Bernstein, CEO

Colin Dunn, CFO

201-432-0463

Darrow Associates, Inc.

Peter Seltzberg

516-419-9915

pseltzberg@darrowir.com