

bel

POWER | PROTECT | CONNECT

Needham Conference

New York, NY
January 16, 2019

(NASDAQ: BELFB) (NASDAQ: BELFA)

www.belfuse.com



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 \$548M*

* Preliminary sales for year ended 12/31/18



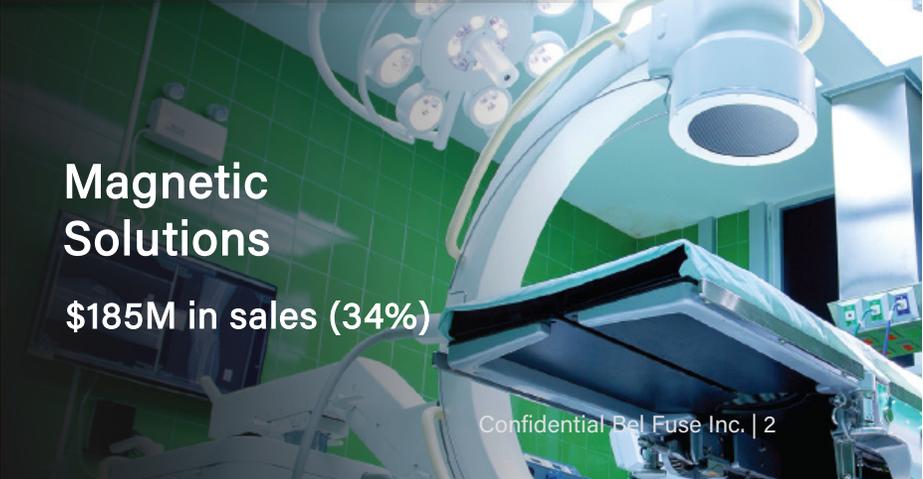
**Power Solutions
& Protection**

\$176M in sales (32%)



**Connectivity
Solutions**

\$187M 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

\$116 million

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



Margin expansion from

17.9%

in 2014



19.6%

in 9-mos YTD 2018



2018 bookings of

\$578 million

up 12% from 2017



Backlog of

\$171.2 million

at December 31, 2018, a gain of \$24.7M, or 17%, from 2017 year-end

Long history of consistent dividend payments on both classes of stock

Diverse end-markets and blue chip customer base

Network & Cloud
45%

facebook.

Electro
enterprises, inc.

ORACLE

PEI-Genesis

Military & Aerospace
15%

BOEING

AEROFLITE
AERIAL FIREFIGHTING

BOMBARDIER

ALSTOM

Industrial
15%

LOCKHEED MARTIN

Hewlett Packard
Enterprise

Distribution
25%

Raytheon

Carrier
United Technologies

PHILIPS

THALES

CISCO

Digi-Key
ELECTRONICS

MOUSER
ELECTRONICS

ANALOG

bel

POWER | PROTECT | CONNECT

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

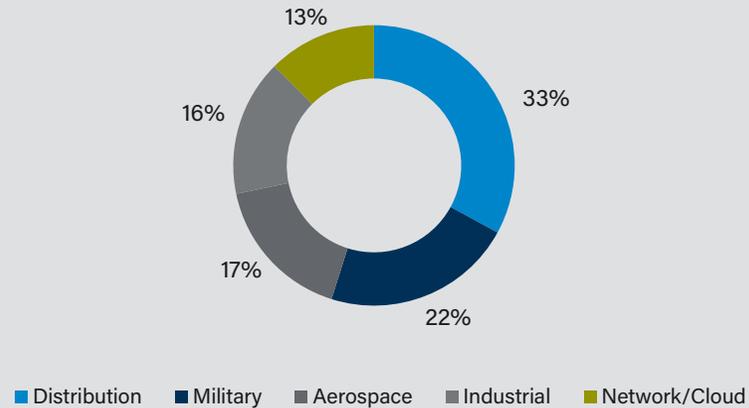
- **Military and Aerospace**
- **Data Communications**
- **Industrial**



Connectivity Solutions
Sales & Bookings (\$ in millions)



Connectivity Solutions
Sales by End Market¹



Customers



Power Solutions & Protection

Products

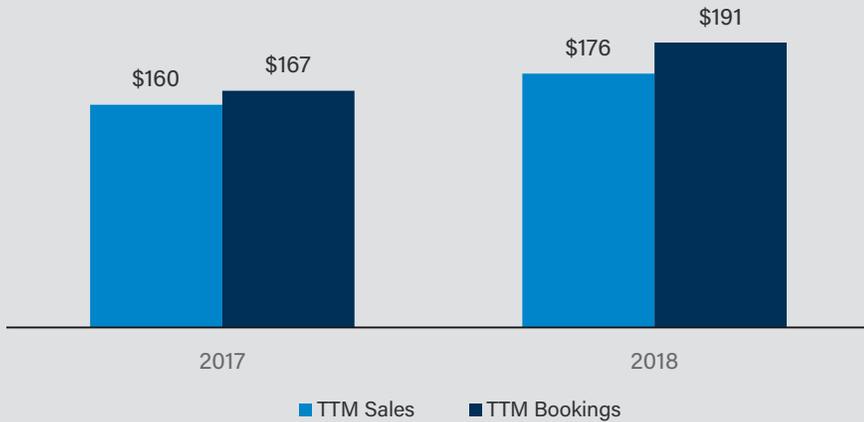
- Front-end (AC-DC) power supplies
- Board mount power (BMP)
- Industrial power products
- HEV converters and inverters
- Circuit protection

Applications

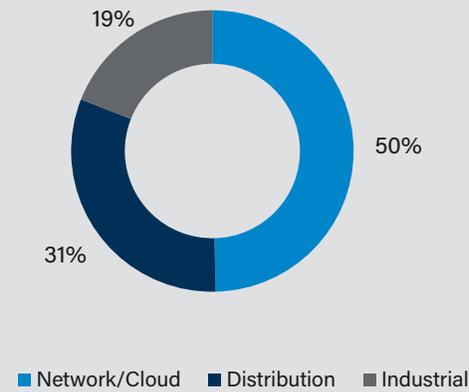
- Servers, storage and networking
- Industrial and Transportation
- Lighting and Consumer



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



Power Solutions and Protection
Sales by End Market¹



Customers



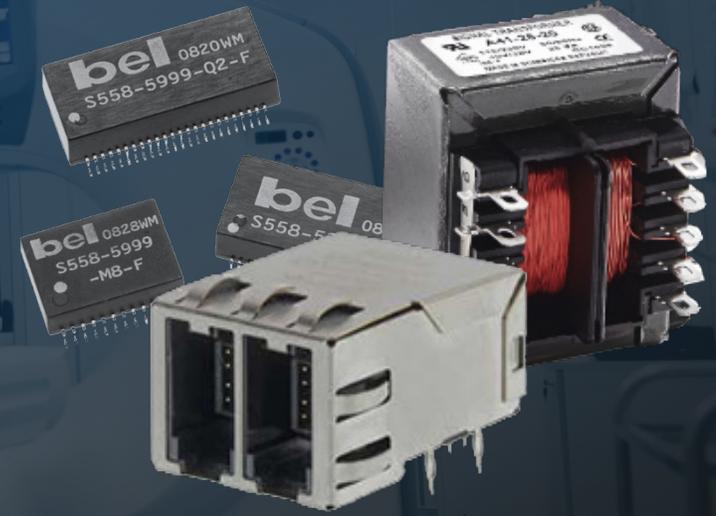
Magnetic Solutions

Products

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

Applications

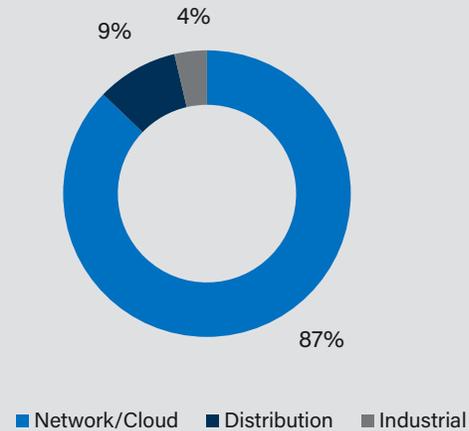
- Data Communications
- Industrial
- Medical



Magnetic Solutions
Sales & Bookings (\$ in millions)



Magnetic Solutions
Sales by End Market^[1]



Customers



Growth Driver

Military & Aerospace



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

Well positioned on key programs:

JSF

AEGIS

Patriot

AIM 9X

F16

MFoCs

Well-positioned with next Gen rectangular aerospace connectors (C-ENX, C-DMX) to take advantage of increased build rates for commercial aircraft

Expansion of Military Land and Sea programs into NATO Countries driving increased FMS business

Growth Driver

Networking & Data Center



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

Top 2 data center customers
for power solutions
increased sales
by \$16M (over 200%)*

Top networking end customer (globally,
across all product lines)
grew by \$18M (or 19%)*

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





30% of consolidated sales are through our distribution partners

Top tier manufacturer at Digikey and Mouser aligns us with their aggressive growth. FY 2018 y/y sales growth of 22% vs FY 2017.

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

Added over 9,400 new end customers in 2018 who purchased newly released products (vs. 7,400 added during 2017)

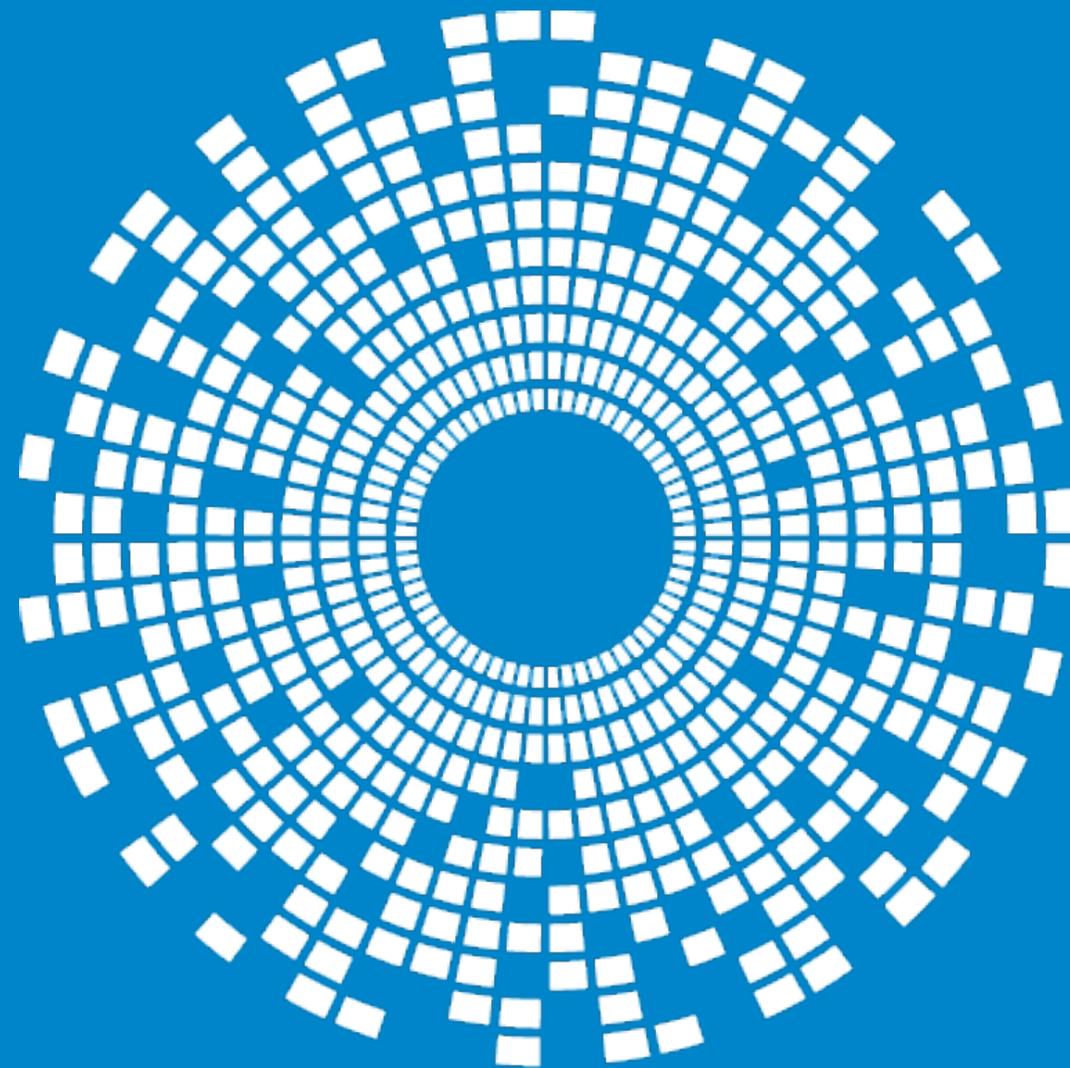
Growth Driver | Acquisition



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



Financial Overview



Financial Summary

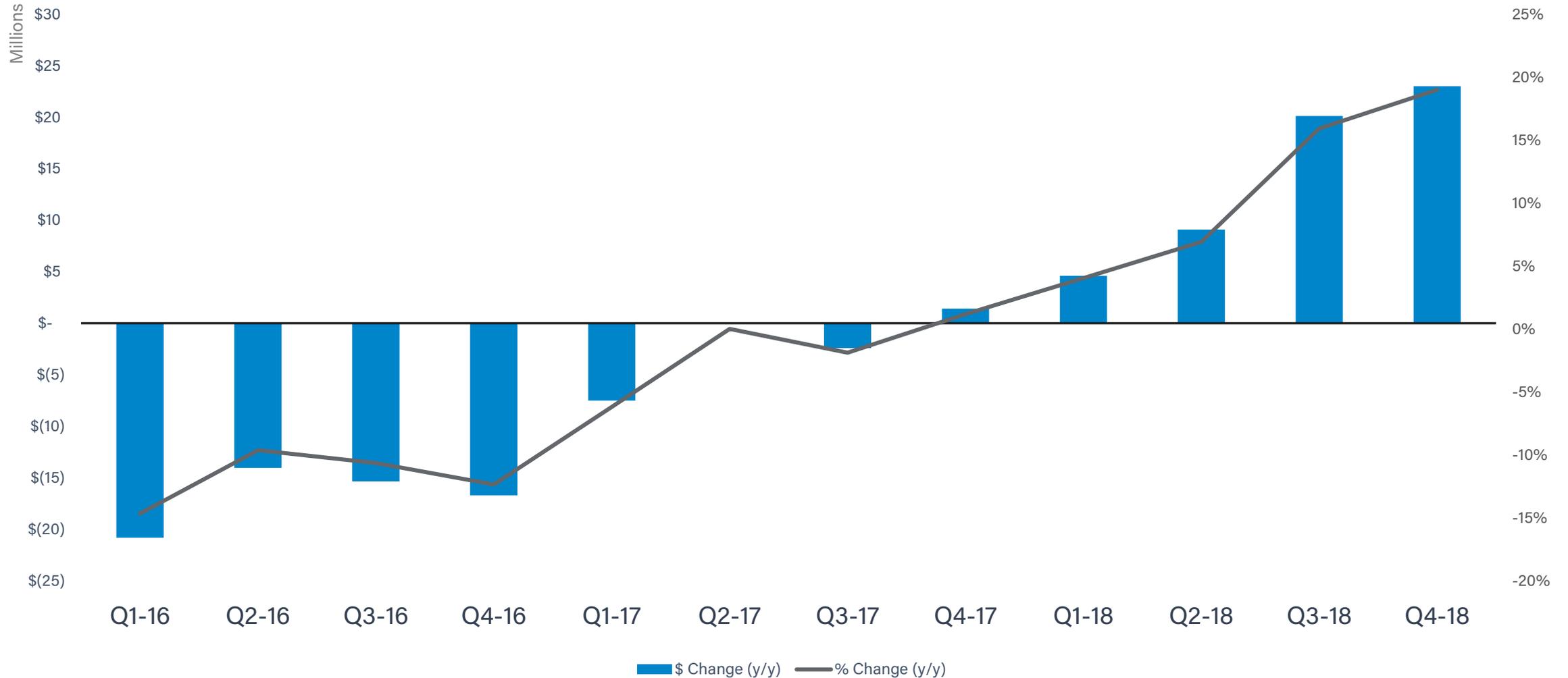
\$ in millions, except EPS amounts	9 months 2018	9 months 2017	Change
Sales	\$405	\$372	9%
GAAP net earnings	17	9	88%
Non-GAAP net earnings ⁽¹⁾	15	12	23%
GAAP EPS	1.38	0.70	97%
Non-GAAP EPS ⁽¹⁾	1.27	1.04	22%
EBITDA as % of sales	8.6%	8.5%	
Adj EBITDA ⁽¹⁾ as % of sales	9.0%	8.9%	

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

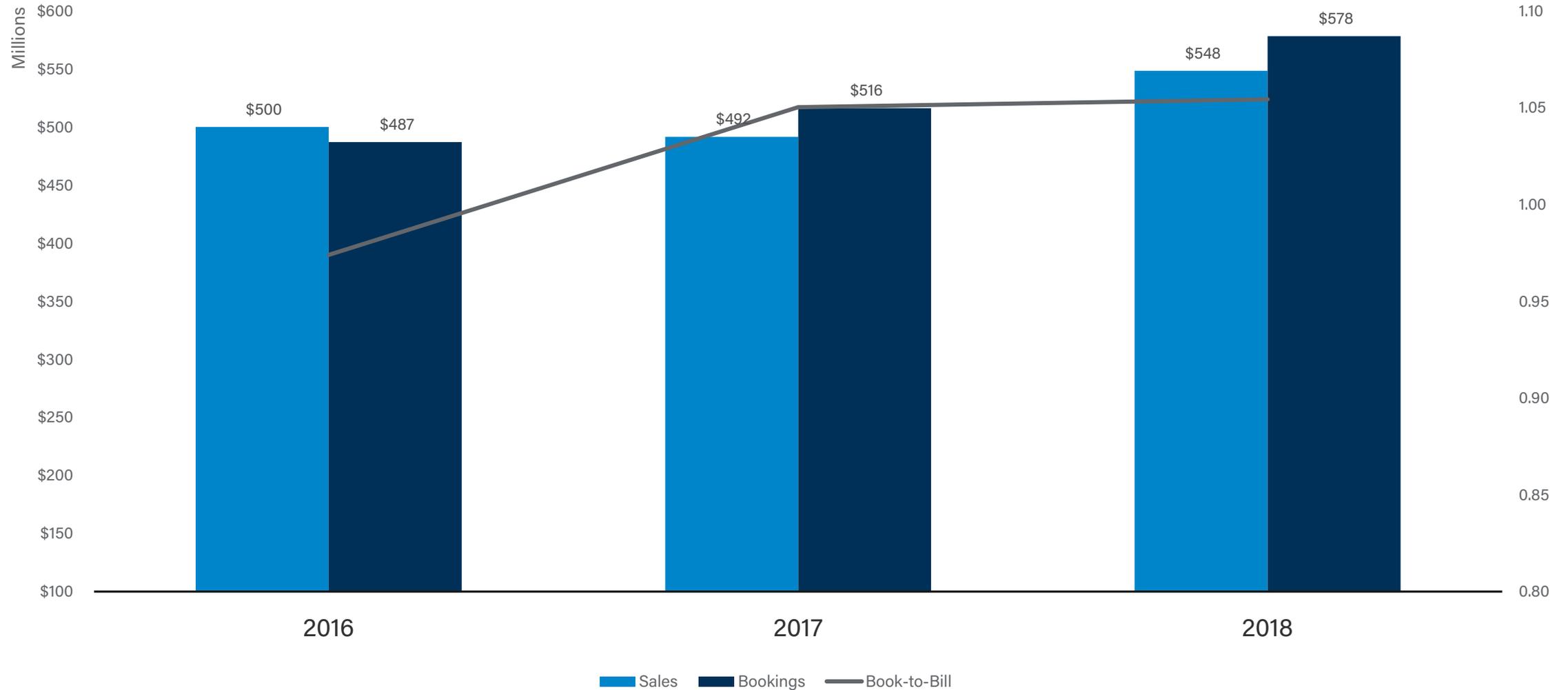
Balance Sheet Metrics

	September 2018	December 2017	December 2016
\$ in millions, except EPS amounts			
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



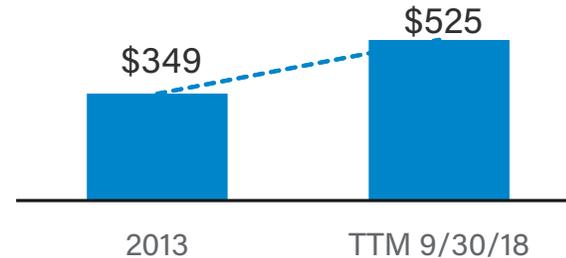
5-Year Progress

Sales

\$525_M

↑ 50% since 2013

Sales



Drivers

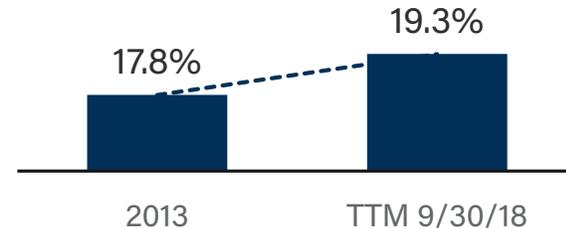
- 2014 acquisitions
- Improved utilization of distribution channel for legacy products

Gross Margin

19.3%

↑ 150 bps since 2013

GM%



Drivers

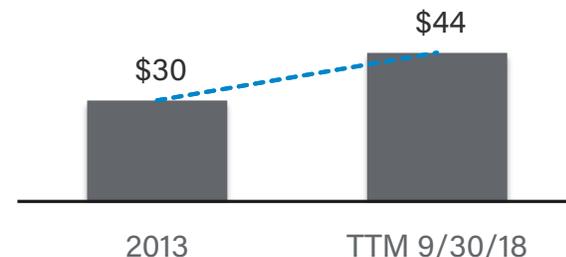
- Contribution margin of approx. 40%
- Restructuring programs removed \$8.5M of fixed costs from COGS on an annualized basis

Adj. EBITDA \$

\$44_M

↑ 47% since 2013

Adj. EBITDA \$

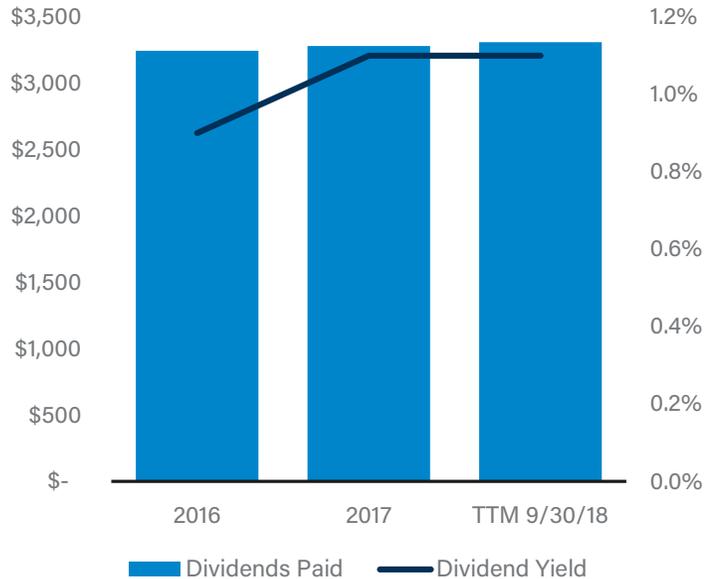


Drivers

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

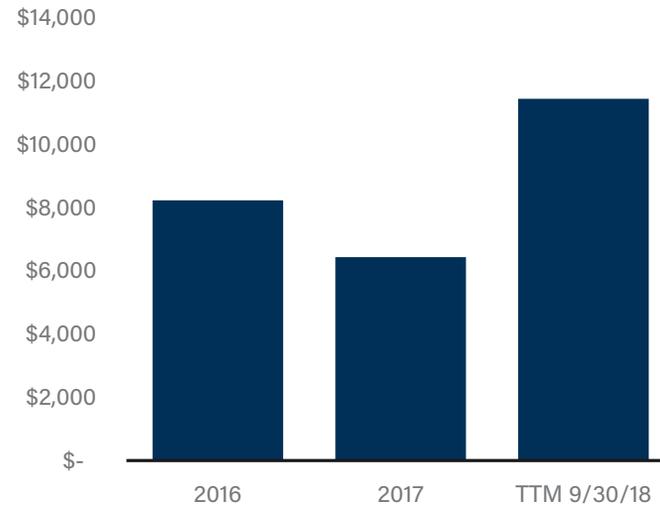
Capital Allocation

Dividends



- Consistent historical quarterly dividend payments
- Dividend yield at 1/14/19 = 1.5%

Capex

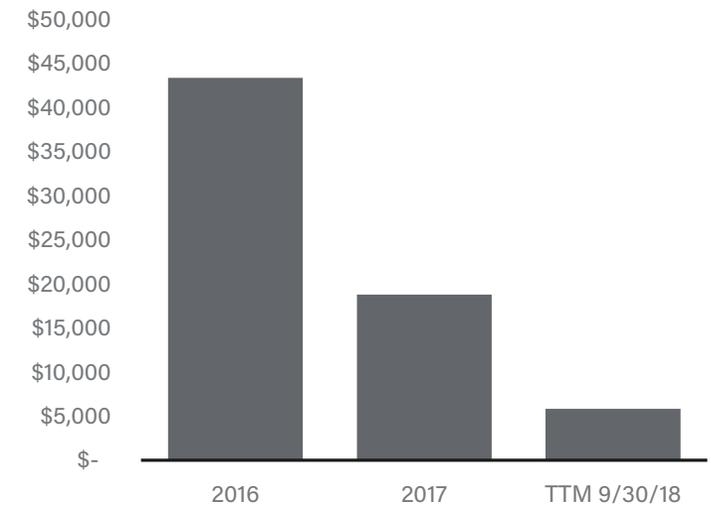


New equipment purchases to:

- Increase production throughout
- Expand automation
- Support new programs

Approx. \$1M used to replace aging equipment

Debt Repayments



- \$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 1/14/18)

Stock Price
BELFA: \$15.00
BELFB: \$18.21

Total Shares
Outstanding
12,247,000

Market Cap
\$216M

Enterprise Value
\$277M



Outstanding shares
2,175,000

24
Institutions | **1,112,000**
shares (51%)

Quarterly dividends
\$0.06 / share

21% held by insiders



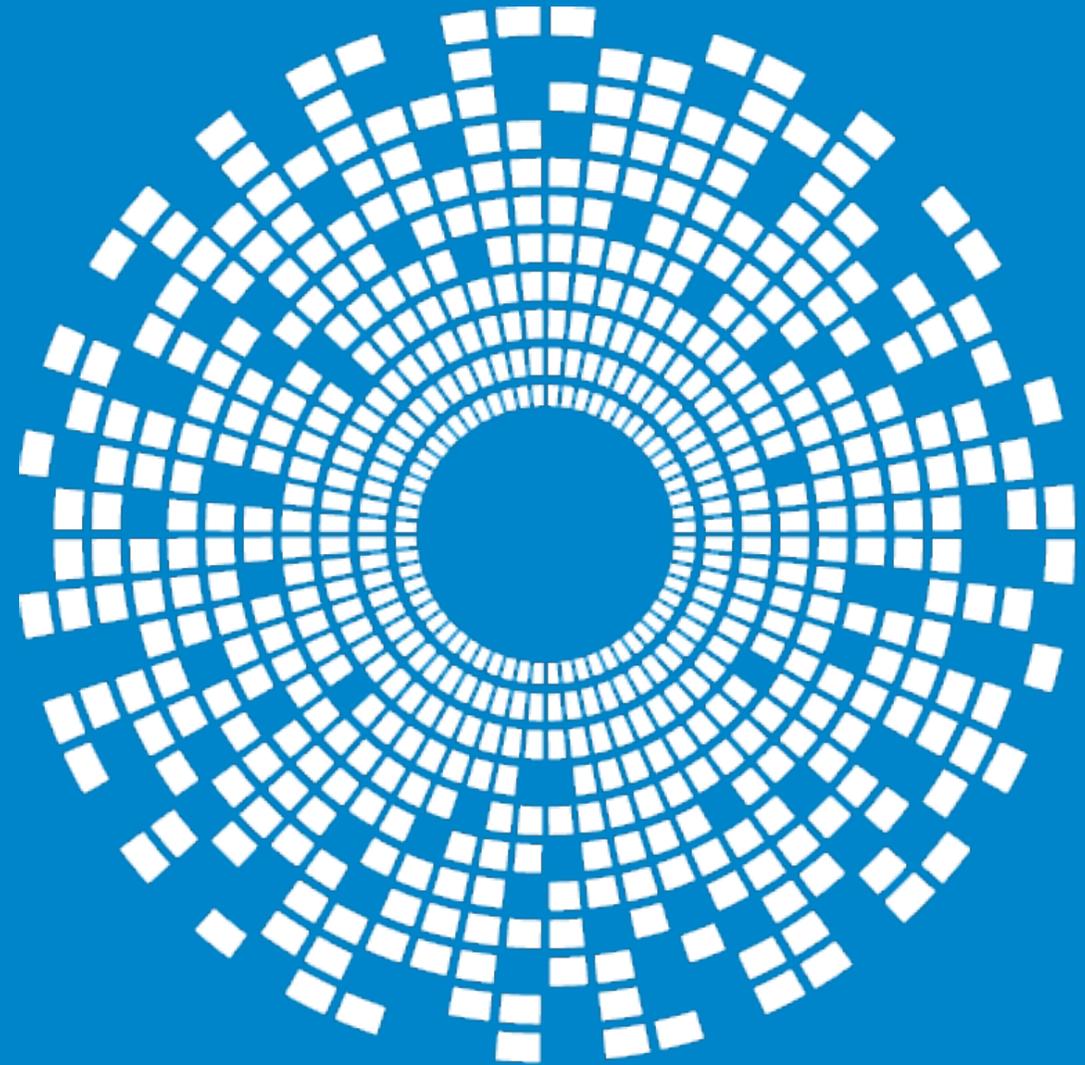
Outstanding shares
10,072,000

162
Institutions | **7,797,000**
shares (77%)

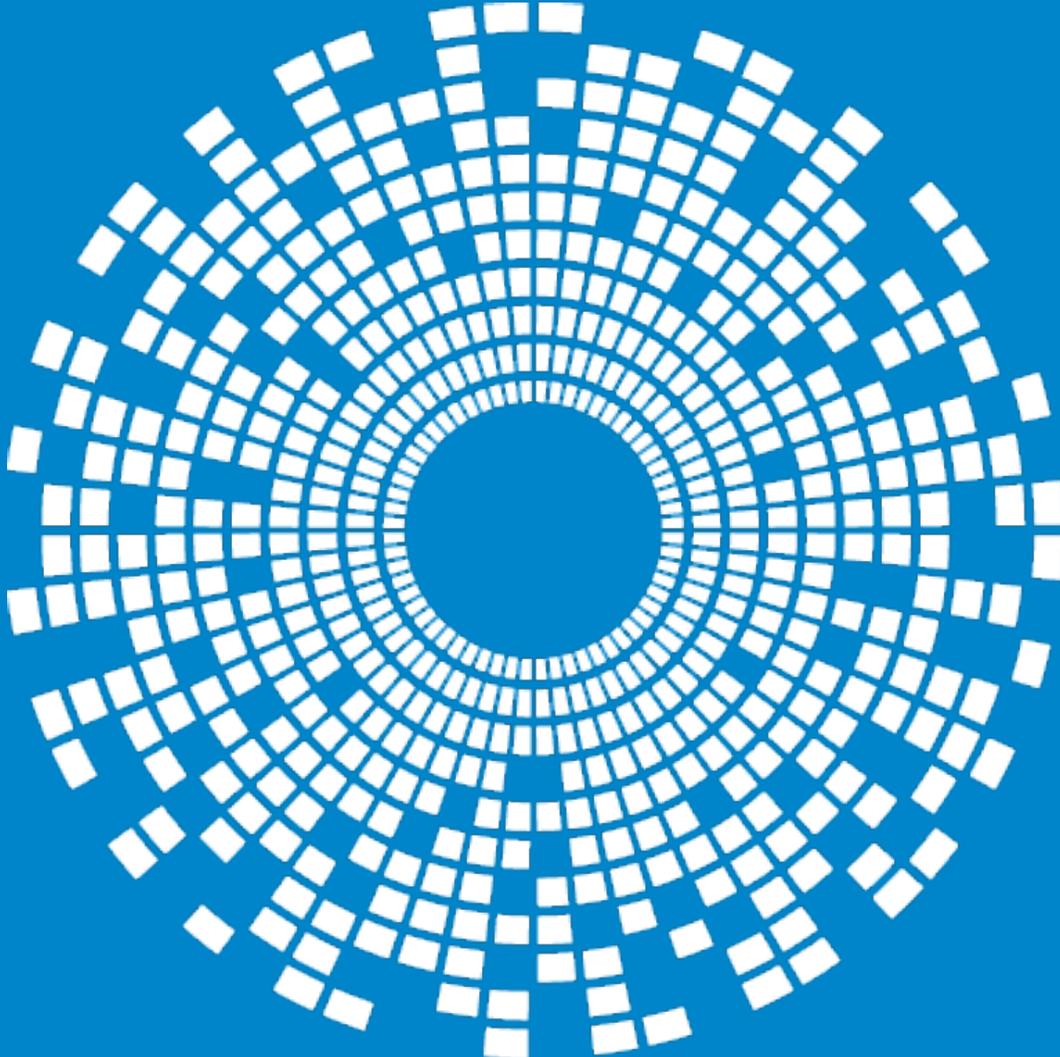
Quarterly dividends
\$0.07 / share

3% held by insiders

Q&A



Appendix



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

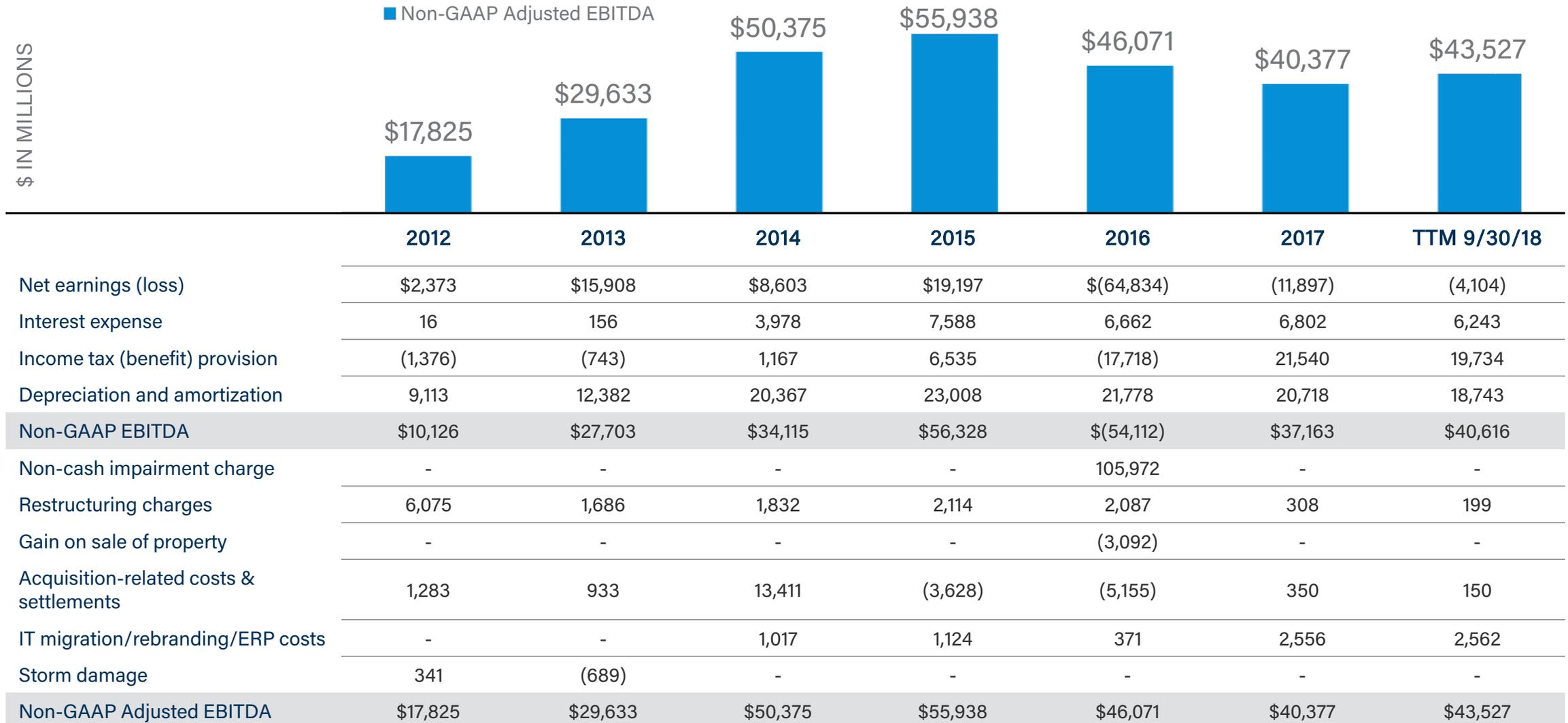
¹EBITDA as calculated by the Company represents earnings before interest, taxes, depreciation and amortization.

²EBITDA margin as presented above is calculated by dividing EBITDA by net sales.

³Free cash flow as presented above represents net cash provided by operating activities less cash paid for capital expenditures.

⁴Excludes 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



Balance Sheet Highlights

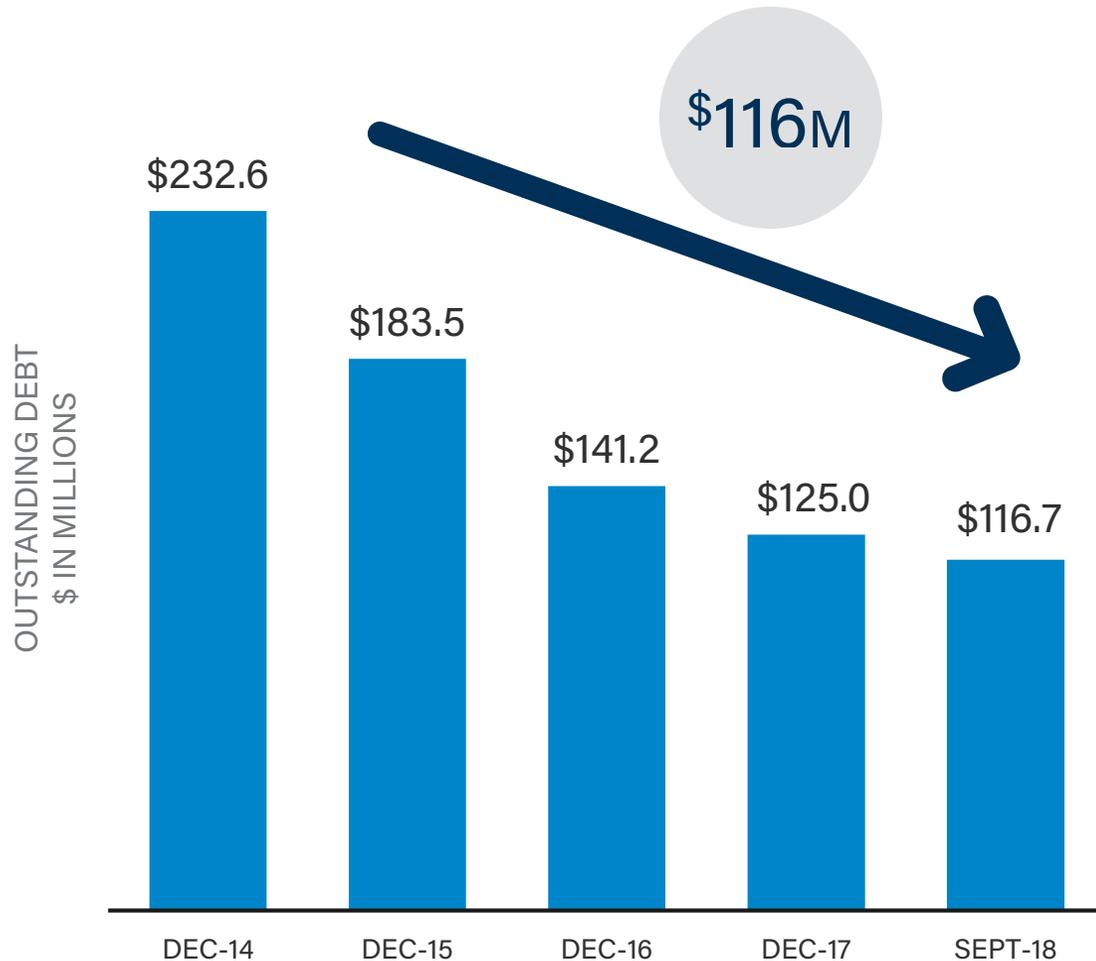
(\$000, except per share information)

	9/30/18	12/31/17	12/31/16
Cash and Cash Equivalents	\$54,296	\$69,354	\$73,411
Total Current Assets	292,486	266,099	255,442
Total Assets	447,903	431,265	426,740
Current Liabilities (excl. current portion of LTD)	98,784	84,659	80,932
Total Debt	114,838	122,694	141,245
Stockholders' Equity	173,311	157,960	158,434
Working Capital	191,195	178,799	159,349
Current Ratio	2.9 to 1	3.0 to 1	2.8 to 1
Book Value per Share ¹	\$14.15	\$13.13	\$13.17
Dividend Yield ²	1.1%	1.1%	0.9%

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

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

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

Corporate Organization

Dan Bernstein
President & CEO

Dennis Ackerman
President
Bel Power Solutions & Protection

Cinch Connectivity Solutions
Power-One, Bel Power,
Powerbox

Circuit Protection Group

Module Group

Pete Bittner
President
Bel Connectivity Solutions

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

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

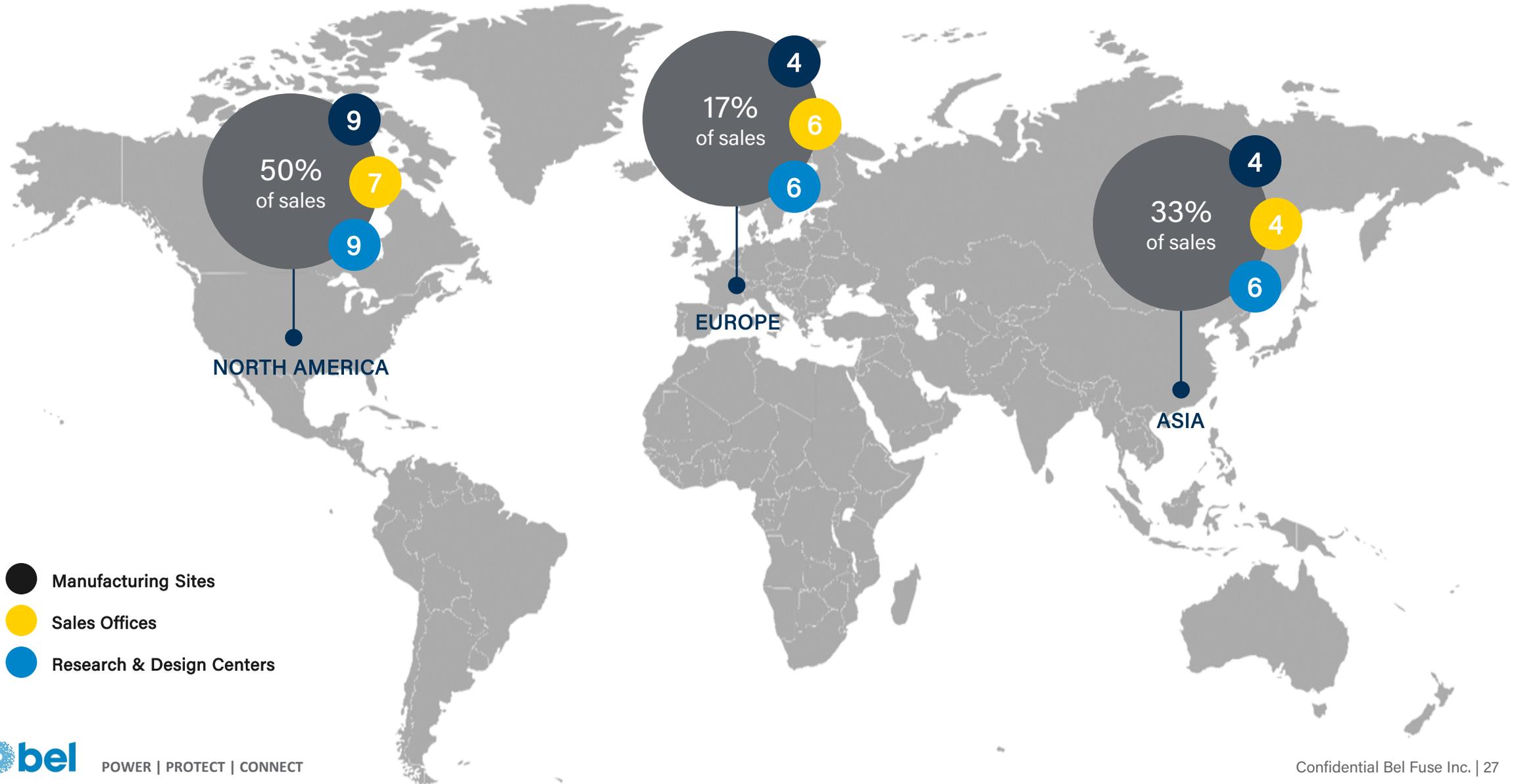
Hong Kong

Macau

India

Taiwan

Global Presence



Major Competitors

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



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

49  +120
in 2016 in 2018

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



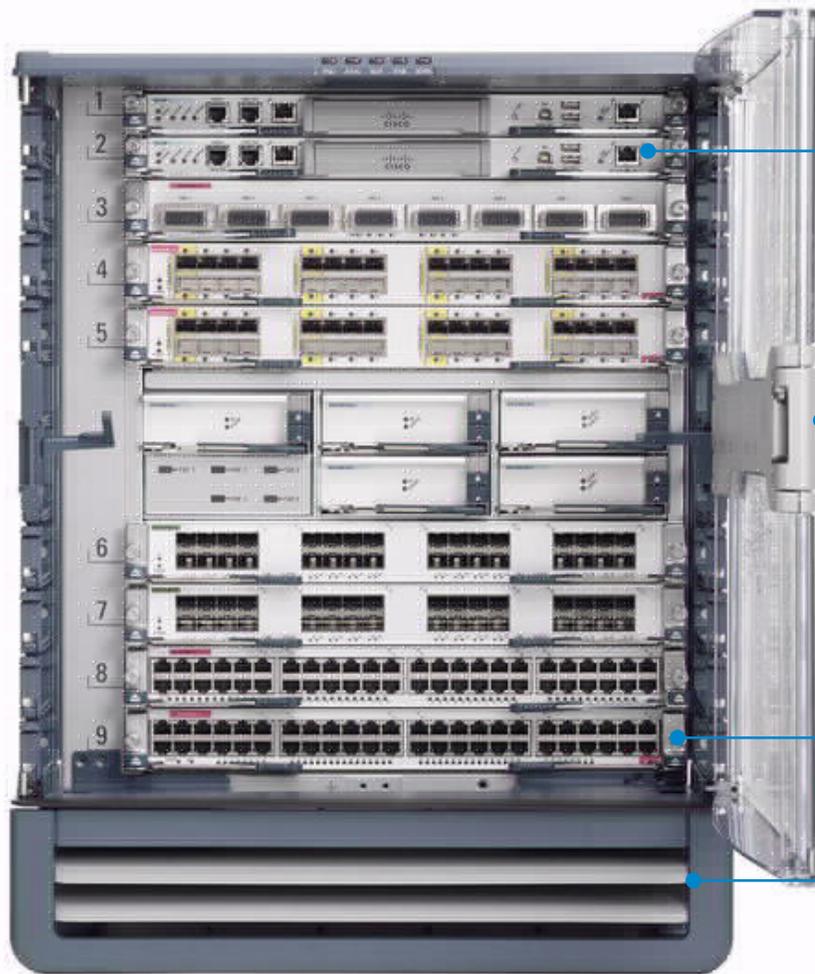
FQIS (7)
(used in fuel tank to monitor fuel quantity)



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)



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



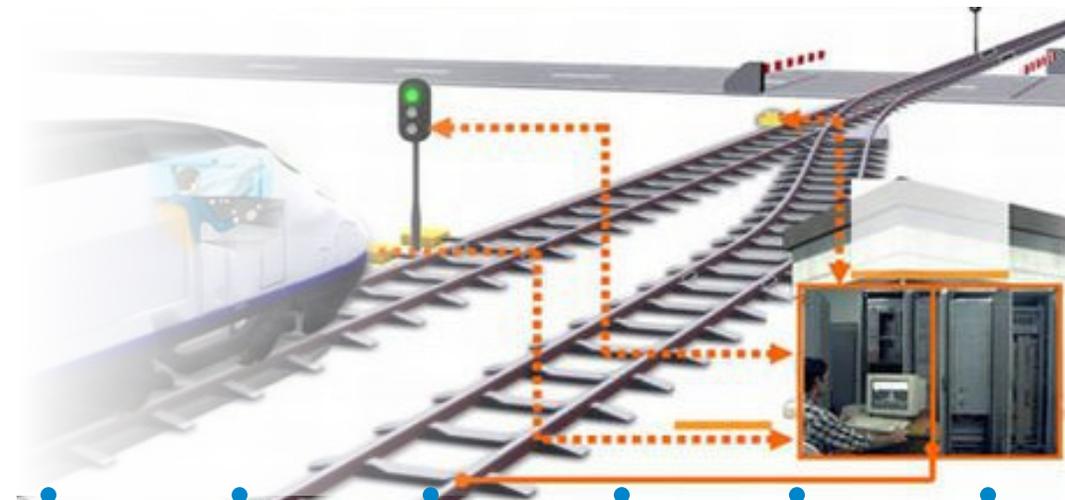
AC/USB Power Plug, Door Control, HVAC, Toilet Systems, Windshield Wiper/Defroster, On-Board WLAN, Lighting, Fire Safety Systems, etc

Battery Charging

Brake System

Train Control System

Headlights



Point Machine

Level Crossing Barriers

Railway Signal

Control / Computer Room

Axle Counting

GSM-R

Rolling Stock Applications

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



Trackside Applications



