

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): May 2, 2019

**BEL FUSE INC.**  
(Exact Name of Registrant as Specified in its Charter)

NEW JERSEY  
(State of incorporation)

0-11676  
(Commission File Number)

22-1463699  
(I.R.S. Employer Identification No.)

206 Van Vorst Street, Jersey City, New Jersey  
(Address of principal executive offices)

07302  
(Zip Code)

Registrant's telephone number, including area code: (201) 432-0463

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- [        ]      Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- [        ]      Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- [        ]      Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- [        ]      Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On May 2, 2019, Bel Fuse Inc. (the "Company") issued a press release regarding results for the three months ended March 31, 2019. A copy of this press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits

As described in Item 2.02 of this Report, the following Exhibit is furnished as part of this Current Report on Form 8-K:

99.1 Press Release of Bel Fuse Inc. dated May 2, 2019, related to the financial results of the Company for the three months ended March 31, 2019.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 2, 2019

BEL FUSE INC.

(Registrant)

By: /s/Daniel Bernstein

Daniel Bernstein

President and Chief Executive Officer

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## EXHIBIT INDEX

Exhibit No.

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Description

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99.1

Press release issued by the Company, dated May 2, 2019, related to the financial results of the Company for the three months ended March 31, 2019.



FOR IMMEDIATE RELEASE

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**Company Contact:**  
 Daniel Bernstein  
 President  
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## Bel Reports First Quarter 2019 Results

**JERSEY CITY, NJ**, Thursday, May 2, 2019 -- Bel Fuse Inc. (Nasdaq:BELFA and Nasdaq:BELFB) today announced preliminary financial results for the first quarter of 2019.

### First Quarter 2019 Highlights

- Net sales increased by \$7.1 million to \$125.4 million, an improvement of 6.0% year over year
- GAAP net earnings improved by \$2.4 million to \$1.1 million compared to a net loss of \$1.3 million in Q1-18. GAAP EPS of \$0.08 per Class A share (versus loss per share of \$0.11 in Q1-18) and \$0.09 per Class B share (versus loss per share of \$0.11 in Q1-18)
- Non-GAAP net earnings of \$2.7 million compared to a net loss of \$1.0 million in Q1-18. Non-GAAP EPS of \$0.20 per Class A share (versus loss per share of \$0.09 in Q1-18) and \$0.22 per Class B share (versus loss per share of \$0.09 in Q1-18)
- Adjusted EBITDA of \$8.7 million (6.9% of sales) compared to \$5.3 million (4.5% of sales) in Q1-18

*Non-GAAP financial measures, such as Non-GAAP net earnings and Non-GAAP EPS, EBITDA and Adjusted EBITDA, exclude the impact of costs associated with ERP system implementation costs, restructuring charges, and certain other items. Please refer to the financial information included with this press release for reconciliations of GAAP financial measures to Non-GAAP financial measures and our explanation of why we present Non-GAAP financial measures.*

### CEO Comments

Daniel Bernstein, President and CEO, said, “Upon reaching 70 years in business, we were pleased with another quarter of year-over-year improvements in sales and profitability. Much of the sales improvement was led by continued strength for our power products in datacenter applications. We also saw increased demand for our connectivity products for use in commercial aerospace applications, particularly from our after-market customers. Higher sales and a more favorable foreign exchange environment led to gross margin expansion, despite minimum wage increases and the elevated material costs from 2018 that are still running through our P&L.

“After record bookings throughout 2018, we’ve seen slower bookings during the first quarter as customers work through their inventory on hand. Backlog was \$166.8 million as of March 31, 2019 compared to \$171.2 million at December 31, 2018. While this is expected to put some downward pressure on sales during the second quarter of 2019, we remain generally optimistic for sales improvement in the second half of the year. We anticipate demand on existing programs to be restored once customers work down their current inventory levels. Sales growth is also expected within the areas of commercial aerospace and key military platforms related to fighter jet, munition and encryption applications later in the year for our connectivity solutions products, and our power products are well positioned on several new HEV applications. We have also recently released a variety of products to support the upcoming 5G market, which is expected to provide further upside down the road.

“From a cost containment standpoint, much progress was made during the first quarter. We completed the realignment of our Power R&D resources in Europe and Asia, and made a decision to transfer our Inwood, New York manufacturing and warehouse operations to other existing Bel facilities. These actions are anticipated to result in incremental annualized cost savings of \$2.1 million beginning in the second and third quarters of 2019. Additionally, our new ERP system went live for our Power Solutions business in January 2019, which is expected to result in annualized cost savings of \$1.3 million as compared to our former ERP system costs for that business.

“We will be working closely with our customers, as always, to ensure our production levels are aligned with them. Bel’s focus will remain on identifying ways to streamline the organization that will aid us in preserving our gross margins” concluded Mr. Bernstein.

## **Financial Summary**

All comparative percentages are on a year-over-year basis, unless otherwise noted.

### **First Quarter 2019 Results**

#### **Net Sales**

Net sales were \$125.4 million, up 6.0% from last year’s first quarter.

- By geographic segment: Europe was up by 16.6%, North America sales were higher by 8.6% and Asia sales declined by 3.5%.
- By product group: Power Solutions and Protection sales were up by 15.3%, Connectivity Solutions sales grew by 3.4% and Magnetic Solutions sales were approximately the same as the first quarter of 2018.

On a consolidated basis, sales increased by \$7.1 million in the first quarter of 2019 compared to the same period of 2018.

#### **Gross Profit**

Gross profit margin increased to 18.8%, from 17.9% in the first quarter of 2018 as a result of improved fixed cost absorption from incremental sales and more favorable exchange rates in 2019 as compared to those in effect during the 2018 period. This improvement in gross margin was offset in part by higher material costs as we continue to work down our inventory balance which contains the higher raw material purchase costs from 2018. Labor costs as a percentage of sales were relatively flat from last year’s first quarter, as the increase in minimum wage rates that took effect during the first quarter of 2019 were largely offset by the benefits of a more favorable exchange rate environment during the 2019 quarter related to our local payrolls in the PRC and Mexico.

#### **Selling, General and Administrative Expenses (SG&A)**

SG&A expenses were \$19.8 million, down from \$20.7 million in the first quarter of 2018. The decrease in SG&A expenses during the 2019 period primarily related to a \$0.7 million increase in cash surrender value of our company-owned life insurance policies as a result of the stock market rebound during the first quarter of 2019. In addition, foreign exchange losses were \$0.4 million lower in 2019 versus the 2018 quarter. These factors were partially offset by an increase in ERP implementation costs of \$0.7 million during the first quarter of 2019 as our first phase went live in January.

#### **Operating Income**

Operating income was \$2.8 million, up from \$0.4 million in the first quarter of 2018, with an operating margin (operating income as a percentage of net sales) of 2.2% compared to 0.4% in the first quarter of 2018.

#### **Income Taxes**

The provision for income taxes was less than \$0.1 million in the first quarter of 2019, as compared to \$0.3 million in the same period of 2018. The Company’s earnings (loss) before income taxes for the three months ended March 31, 2019, were approximately \$2.2 million higher than the same period in 2018, primarily attributable to an increase in the income from the Europe and Asia segments, offset by greater losses in the U.S. segment. The Company’s effective tax rate was 3.3% and (33.2%) for the three months ended March 31, 2019 and 2018, respectively. The change in the effective tax rate is primarily attributable to a decrease in taxes related to uncertain tax positions and the impact of permanent differences on U.S. tax exempt activities.

#### **Net Earnings (Loss)**

The above factors resulted in net earnings of \$1.1 million in the first quarter of 2019 as compared with a net loss of \$1.3 million in the first quarter of 2018.

**Balance Sheet Data**

As of March 31, 2019, working capital was \$192.6 million, including \$43.2 million of cash and cash equivalents with a current ratio of 3.1-to-1. In comparison, as of December 31, 2018, working capital was \$184.5 million, including \$53.9 million of cash and cash equivalents with a current ratio of 2.7-to-1. Total debt at March 31, 2019 was \$113.6 million as compared to \$114.2 million at December 31, 2018, reflecting a decline of \$0.6 million primarily due to debt repayments made during the first quarter of 2019.

**Conference Call**

Bel has scheduled a conference call at 11:00 a.m. ET today. To participate in the conference call, investors should dial 888-204-4368, or 323-994-2082 if dialing internationally. The presentation will additionally be broadcast live over the Internet and will be available at <https://ir.belfuse.com/events-and-presentations>. The webcast will be available via replay for a period of 20 days at this same Internet address. For those unable to access the live call, a telephone replay will be available at 844-512-2921, or 412-317-6671 if dialing internationally, using access code 9926118 after 2:00 p.m. ET, also for 20 days.

**About Bel**

Bel ([www.belfuse.com](http://www.belfuse.com)) designs, manufactures and markets a broad array of products that power, protect and connect electronic circuits. These products are primarily used in the networking, telecommunications, computing, military, aerospace, transportation and broadcasting industries. Bel's product groups include Magnetic Solutions (integrated connector modules, power transformers, power inductors and discrete components), Power Solutions and Protection (front-end, board-mount and industrial power products, module products and circuit protection), and Connectivity Solutions (expanded beam fiber optic, copper-based, RF and RJ connectors and cable assemblies). The Company operates facilities around the world.

**Forward-Looking Statements**

Non-historical information contained in this press release (including statements regarding sales projections, customer demand, the impact of product releases and anticipated cost savings) are forward-looking statements (as described under the Private Securities Litigation Reform Act of 1995) 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; the impact of changes to U.S. trade and tariff policies; and the risk factors detailed from time to time in the Company's SEC reports. In light of the risks and uncertainties impacting our business, 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.

**Non-GAAP Financial Measures**

The non-GAAP measures identified in this press release as well as in the supplementary information to this press release (Non-GAAP net earnings, Non-GAAP EPS, EBITDA and Adjusted EBITDA) are not measures of performance under accounting principles generally accepted in the United States of America ("GAAP"). These measures should not be considered a substitute for, and the reader should also consider, income from operations, net earnings, earnings per share and other measures of performance as defined by GAAP as indicators of our performance or profitability. Our non-GAAP measures may not be comparable to other similarly-titled captions of other companies due to differences in the method of calculation. We present results adjusted to exclude the effects of certain unusual or special items and their related tax impact that would otherwise be included under U.S. GAAP, to aid in comparisons with other periods. We may use Non-GAAP financial measures to determine performance-based compensation and management believes that this information may be useful to investors.

**Website Information**

We routinely post important information for investors on our website, [www.belfuse.com](http://www.belfuse.com), in the "Investor Relations" section. We use our website as a means of disclosing material, otherwise non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.

*[Financial tables follow]*

**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)</sup>**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share amounts)  
(unaudited)

|  | <b>Three Months Ended</b> |                   |
|--|---------------------------|-------------------|
|  | <b>March 31,</b>          |                   |
|  | <b>2019</b>               | <b>2018</b>       |
| <b>Net sales</b>   | <b>\$ 125,389</b>         | <b>\$ 118,251</b> |
| Cost of sales  | 101,829                   | 97,118            |
| <b>Gross profit</b>                                      | <b>23,560</b>             | <b>21,133</b>     |
| <i>As a % of net sales</i>                               | <i>18.8%</i>              | <i>17.9%</i>      |
| Selling, general and administrative expenses             | 19,798                    | 20,692            |
| <i>As a % of net sales</i>                               | <i>15.8%</i>              | <i>17.5%</i>      |
| Restructuring charges                                    | 946                       | 4                 |
| <b>Income from operations</b>                            | <b>2,816</b>              | <b>437</b>        |
| <i>As a % of net sales</i>                               | <i>2.2%</i>               | <i>0.4%</i>       |
| Interest expense   | (1,440)                   | (1,177)           |
| Other income/expense, net                                | (206)                     | (238)             |
| <b>Earnings (loss) before provision for income taxes</b> | <b>1,170</b>              | <b>(978)</b>      |
| Provision for income taxes                               | 39                        | 325               |
| <i>Effective tax rate</i>                                | <i>3.3%</i>               | <i>-33.2%</i>     |
| <b>Net earnings (loss)</b>                               | <b>\$ 1,131</b>           | <b>\$ (1,303)</b> |
| <i>As a % of net sales</i>                               | <i>0.9%</i>               | <i>-1.1%</i>      |
| <b>Weighted average number of shares outstanding:</b>    |                           |                   |
| Class A common shares - basic and diluted                | <u>2,175</u>              | <u>2,175</u>      |
| Class B common shares - basic and diluted                | <u>10,089</u>             | <u>9,856</u>      |
| <b>Net earnings (loss) per common share:</b>             |                           |                   |
| Class A common shares - basic and diluted                | <u>\$ 0.08</u>            | <u>\$ (0.11)</u>  |
| Class B common shares - basic and diluted                | <u>\$ 0.09</u>            | <u>\$ (0.11)</u>  |

(1) The supplementary information included in this press release for 2019 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)</sup>**  
**Condensed Consolidated Balance Sheets**  
(in thousands, unaudited)

|   | <b>March 31,</b>  | <b>December 31,</b> |
|---|-------------------|---------------------|
|   | <b>2019</b>       | <b>2018</b>         |
| <b>Assets</b>                                     |                   |                     |
| <b>Current assets:</b>                            |                   |                     |
| Cash and cash equivalents                         | \$ 43,191         | \$ 53,911           |
| Accounts receivable, net                          | 94,229            | 91,939              |
| Inventories                                       | 124,785           | 120,068             |
| Other current assets                              | 21,057            | 24,591              |
| <b>Total current assets</b>                       | <b>283,262</b>    | <b>290,509</b>      |
| Property, plant and equipment, net                | 41,864            | 43,932              |
| Right-of-use assets                               | 19,022            | -                   |
| Goodwill and other intangible assets, net         | 81,337            | 82,506              |
| Other assets                                      | 28,755            | 26,577              |
| <b>Total assets</b>                               | <b>\$ 454,240</b> | <b>\$ 443,524</b>   |
| <b>Liabilities and Stockholders' Equity</b>       |                   |                     |
| <b>Current liabilities:</b>                       |                   |                     |
| Accounts payable                                  | \$ 48,126         | \$ 56,171           |
| Current portion of long-term debt                 | 3,252             | 2,508               |
| Operating lease liability, current                | 6,243             | -                   |
| Other current liabilities                         | 33,064            | 47,351              |
| <b>Total current liabilities</b>                  | <b>90,685</b>     | <b>106,030</b>      |
| Long-term debt                                    | 110,333           | 111,705             |
| Operating lease liability, long-term              | 13,044            | -                   |
| Other liabilities                                 | 62,025            | 49,319              |
| <b>Total liabilities</b>                          | <b>276,087</b>    | <b>267,054</b>      |
| Stockholders' equity                              | 178,153           | 176,470             |
| <b>Total liabilities and stockholders' equity</b> | <b>\$ 454,240</b> | <b>\$ 443,524</b>   |

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**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)</sup>**  
**Reconciliation of GAAP Net Earnings to EBITDA and Adjusted EBITDA<sup>(2)</sup>**  
**(in thousands, unaudited)**

|  | <b>Three Months Ended</b> |                   |
|--|---------------------------|-------------------|
|  | <b>March 31,</b>          |                   |
|  | <b>2019</b>               | <b>2018</b>       |
| <b>GAAP Net earnings (loss)</b>            | <b>\$ 1,131</b>           | <b>\$ (1,303)</b> |
| Interest expense                           | 1,440                     | 1,177             |
| Provision for income taxes                 | 39                        | 325               |
| Depreciation and amortization              | 4,110                     | 4,776             |
| <b>EBITDA</b>                              | <b>\$ 6,720</b>           | <b>\$ 4,975</b>   |
| <i>% of net sales</i>                      | <i>5.4%</i>               | <i>4.2%</i>       |
| <b>Unusual or special items:</b>           |                           |                   |
| ERP system implementation consulting costs | 984                       | 323               |
| Restructuring charges                      | 946                       | 4                 |
| <b>Adjusted EBITDA</b>                     | <b>\$ 8,650</b>           | <b>\$ 5,302</b>   |
| <i>% of net sales</i>                      | <i>6.9%</i>               | <i>4.5%</i>       |

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(2) In this press release and supplemental information, we have included Non-GAAP financial measures, including Non-GAAP net earnings, Non-GAAP EPS, EBITDA and Adjusted EBITDA. We present results adjusted to exclude the effects of certain specified items and their related tax impact that would otherwise be included under GAAP, to aid in comparisons with other periods. We may use Non-GAAP financial measures to determine performance-based compensation and management believes that this information may be useful to investors.

**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)</sup>**  
**Reconciliation of GAAP Measures to Non-GAAP Measures<sup>(2)</sup>**  
(in thousands, unaudited)

The following tables detail the impact of certain unusual or special items had on the Company's net earnings (loss) per common Class A and Class B basic and diluted shares ("EPS") and the line items these items were included on the condensed consolidated statements of operations.

| Reconciling Items                          | Three Months Ended March 31, 2019 |                            |                 |                            |                            | Three Months Ended March 31, 2018 |                            |                     |                            |                            |
|--|-----------------------------------|----------------------------|-----------------|----------------------------|----------------------------|-----------------------------------|----------------------------|---------------------|----------------------------|----------------------------|
|  | Earnings before taxes             | Provision for income taxes | Net earnings    | Class A EPS <sup>(3)</sup> | Class B EPS <sup>(3)</sup> | Earnings (loss) before taxes      | Provision for income taxes | Net (loss) earnings | Class A EPS <sup>(3)</sup> | Class B EPS <sup>(3)</sup> |
| <b>GAAP measures</b>                       | \$ 1,170                          | \$ 39                      | \$ 1,131        | \$ 0.08                    | \$ 0.09                    | \$ (978)                          | \$ 325                     | \$ (1,303)          | \$ (0.11)                  | \$ (0.11)                  |
| Items included in SG&A expenses:           |                                   |                            |                 |                            |                            |                                   |                            |                     |                            |                            |
| ERP system implementation consulting costs | 984                               | 185                        | 799             | 0.06                       | 0.07                       | 323                               | 61                         | 262                 | 0.02                       | 0.02                       |
| Restructuring charges                      | 946                               | 218                        | 728             | 0.06                       | 0.06                       | 4                                 | 1                          | 3                   | -                          | -                          |
| <b>Non-GAAP measures</b>                   | <b>\$ 3,100</b>                   | <b>\$ 442</b>              | <b>\$ 2,658</b> | <b>\$ 0.20</b>             | <b>\$ 0.22</b>             | <b>\$ (651)</b>                   | <b>\$ 387</b>              | <b>\$ (1,038)</b>   | <b>\$ (0.09)</b>           | <b>\$ (0.09)</b>           |

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<sup>(2)</sup> In this press release and supplemental information, we have included Non-GAAP financial measures, including Non-GAAP net earnings (loss), Non-GAAP EPS, EBITDA and Adjusted EBITDA. We present results adjusted to exclude the effects of certain specified items and their related tax impact that would otherwise be included under GAAP, to aid in comparisons with other periods. We may use Non-GAAP financial measures to determine performance-based compensation and management believes that this information may be useful to investors.

<sup>(3)</sup> Individual amounts of earnings per share may not agree to the total due to rounding.