



POWER | PROTECT | CONNECT

Needham Growth Conference
New York, NY
January 18, 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 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 \$492M*

Power Solutions & Protection

\$160M in sales (32%)



Connectivity Solutions

\$171M in sales (35%)



Magnetic Solutions

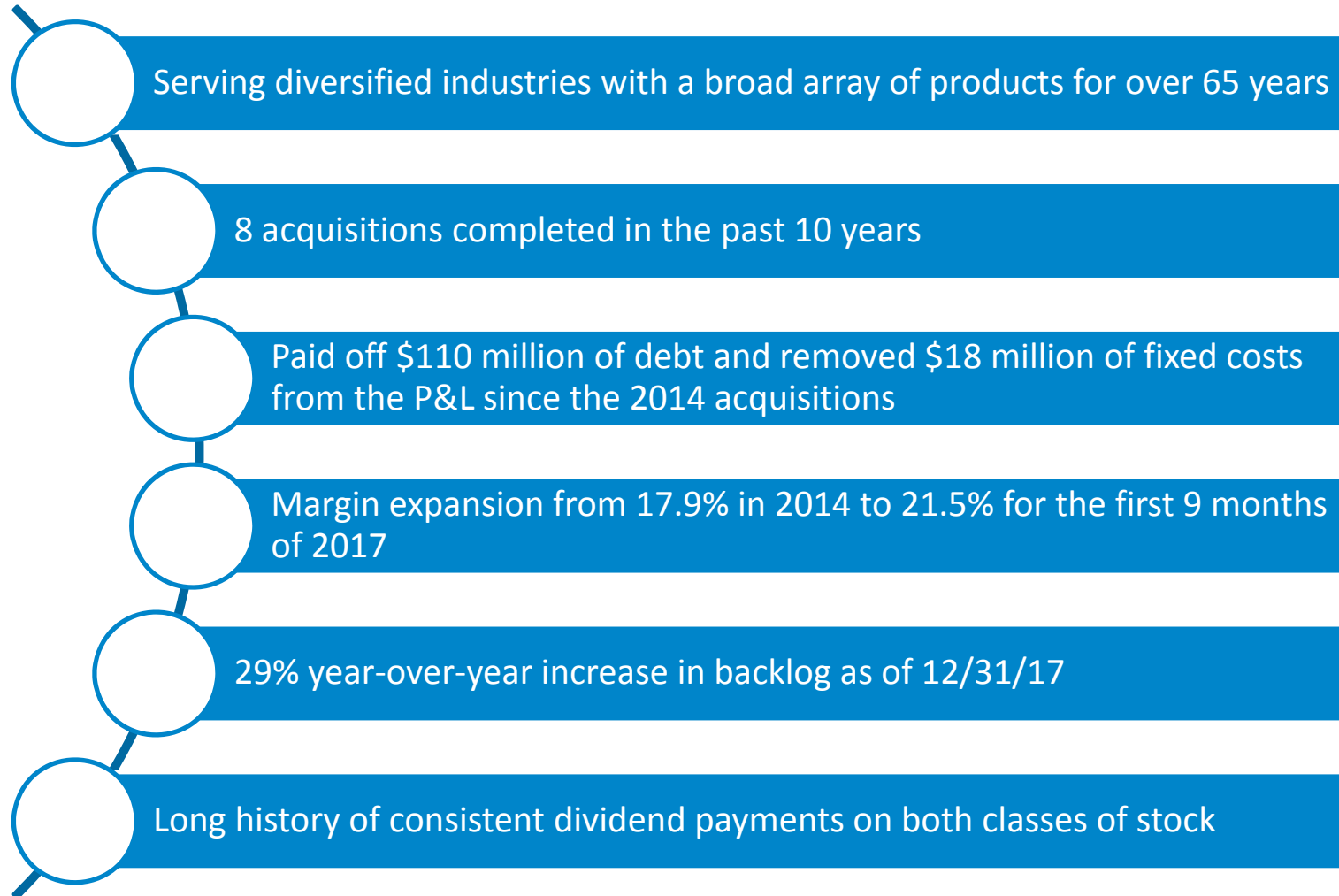
\$161M in sales (33%)



* Trailing 12 months ending 12/31/17 (prelim)



Bel at a Glance



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>THALES</p>	<p>ALSTOM</p> <p>BOMBARDIER</p> <p> Carrier <small>United Technologies</small></p> <p>PHILIPS</p>	<p>AVNET</p> <p> AVNET</p> <p> Digi-Key <small>ELECTRONICS</small></p> <p> MOUSER ELECTRONICS</p>

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



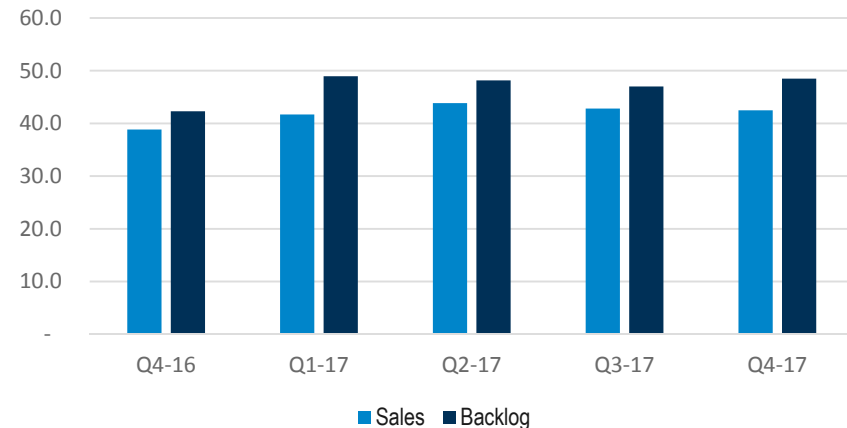
Growth Drivers

- 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

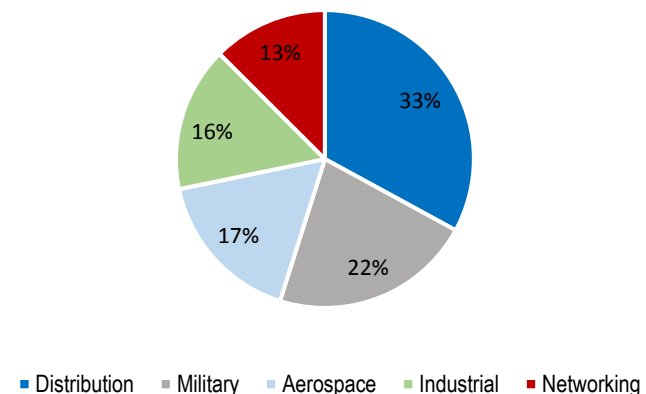


(\$ in millions)

Connectivity Solutions Sales & Backlog



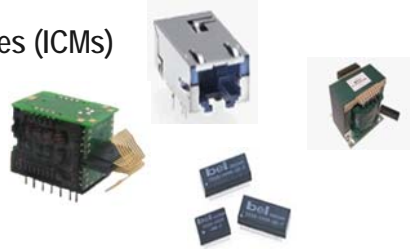
Connectivity Solutions Sales by End Market^[1]



Magnetic Solutions

Products

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



Applications

- Computer and Networking
- Data Communications
- Industrial
- Medical



Customers



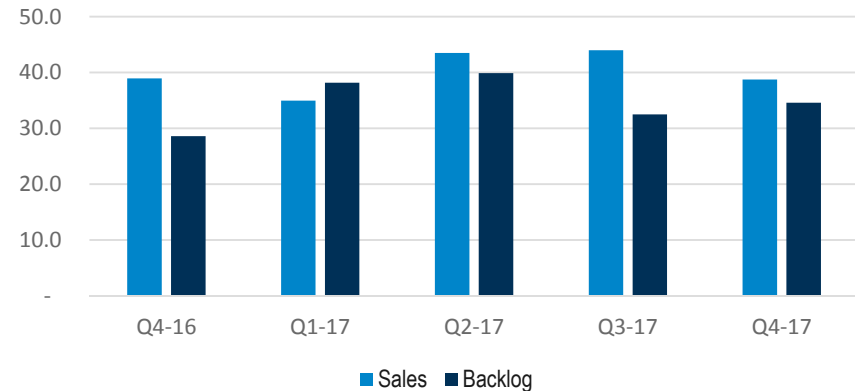
Growth Drivers

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

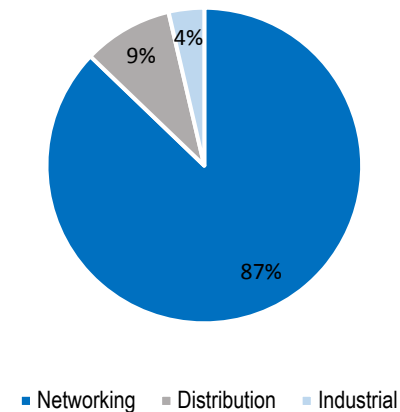


(\$ in millions)

Magnetic Solutions Sales & Backlog



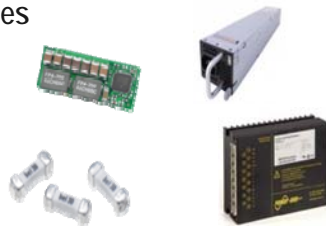
Magnetic Solutions Sales by End Market^[1]



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



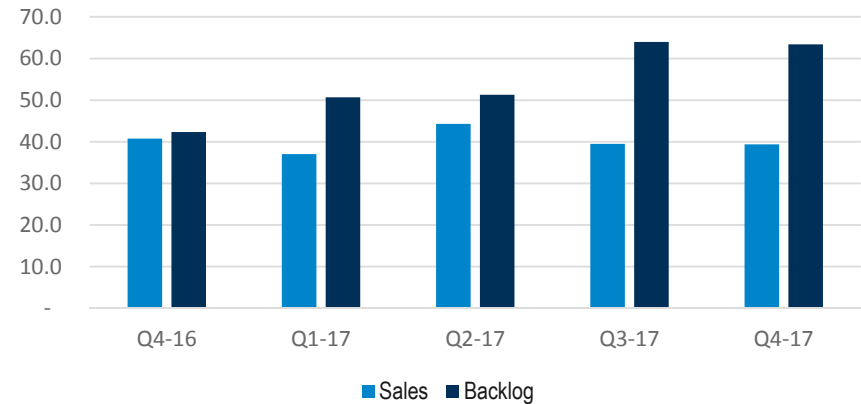
Growth Drivers

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

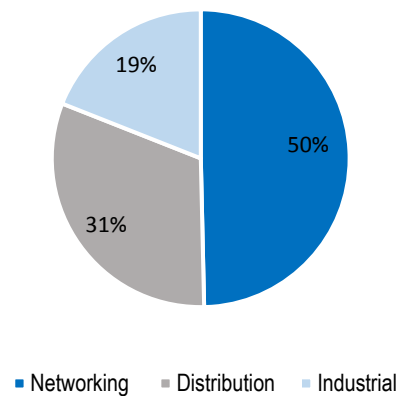


(\$ in millions)

Power Solutions & Protection Sales & Backlog



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



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: 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: 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: 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

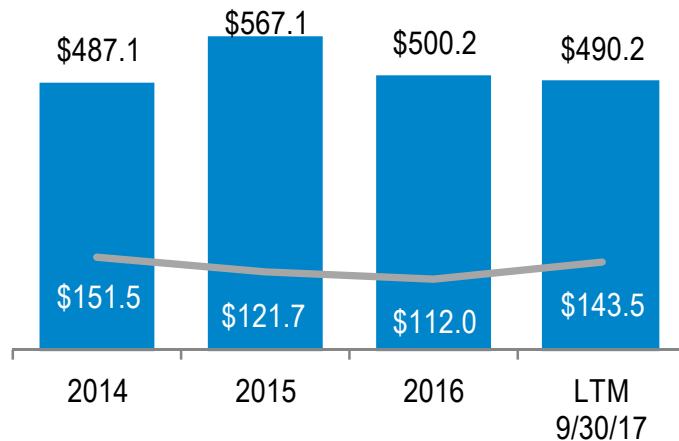
Competitors	Power Solutions	Circuit Protection	Connectivity Solutions	Magnetic Solutions
Bel	✓	✓	✓	✓
Delta	✓		✓	✓
TE Connectivity			✓	
Molex			✓	✓
Pulse Electronics			✓	✓
Bussmann (EATON)		✓		✓
Amphenol			✓	
Littelfuse		✓		
Artesyn	✓			
Murata	✓			✓

Financial Overview

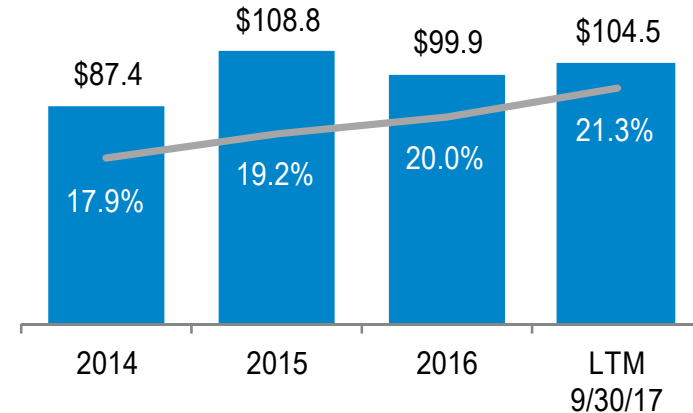
Bel Fuse Historical Performance

Net Sales and Revenue Backlog

(\$ in millions)



Gross Profit and Margin



Drivers and Observations

Revenue

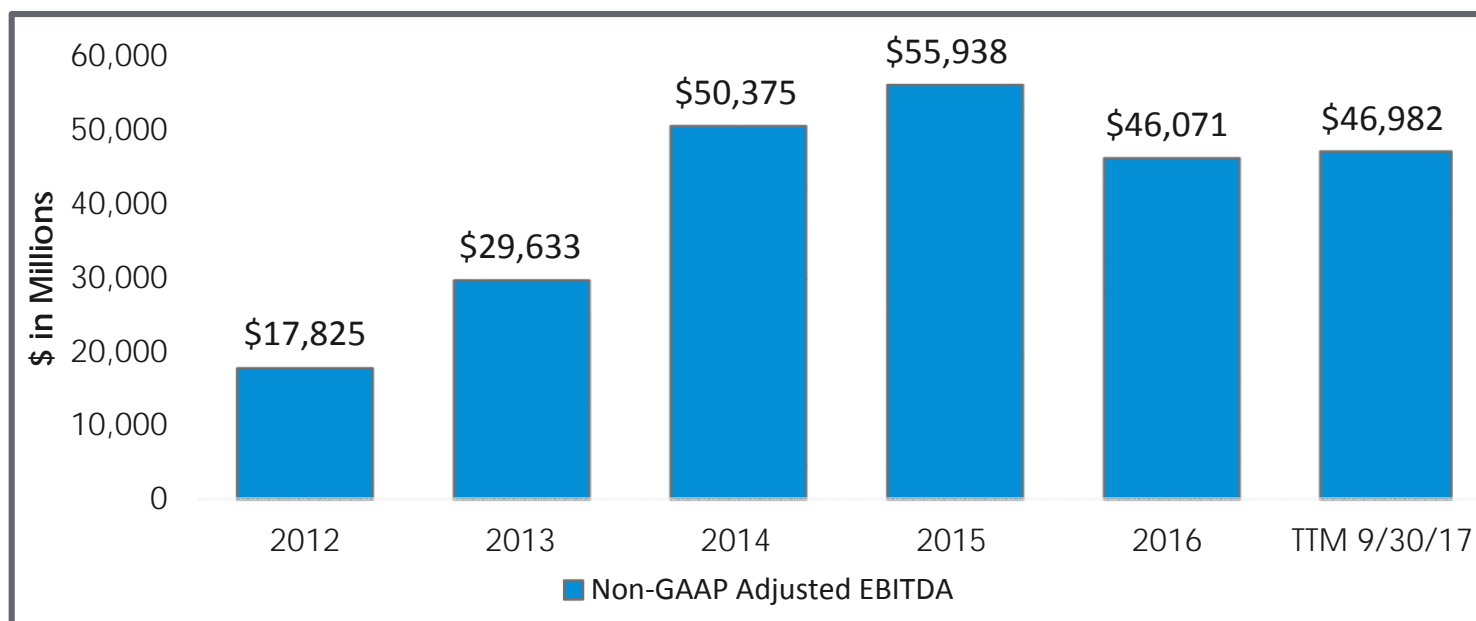
- Majority of decrease from 2016 to 2017 due to divested Network Power Systems business
- Decline in revenue offset by higher sales of products into military-aerospace applications, increased demand for integrated connector modules and growth within our circuit protection line related to e-Mobility applications
- 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

Historical Financial Highlights

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 ⁽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
TTM 9/30/17	490,210	21.3%	9.1%	21,121	6,389	19,440

⁽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)%.



Debt: Repayments & Refinancing



- Acquisitions Funded with Debt:

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

- 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

Impact of Tax Reform

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 was signed into law. While the Company is still evaluating the many aspects of the new tax law, we believe the items below will have the most impact on our operations. The SEC has announced the concept of the measurement period related to tax reform changes, which would allow an estimate to be recorded in Q4-2017 with adjustments throughout 2018, as further information becomes available.

Transition Tax

- Essentially a deemed repatriation of foreign earnings
- Foreign earnings and profits (post-1986) (“E&P”) are subject to a transition tax (15.5% for E&P held as cash equivalent; 8% for non-cash E&P)
- Bel’s preliminary calculation shows transition tax of \$18 million
- Will be recorded in Q4-2017 as incremental tax provision
- Tax due is payable interest-free over 8 years

Changes to 2018 tax rate

- U.S. federal tax rate reduced from 35% to 21%
- \$2 million tax expense expected in Q4-2017 due to revaluation of deferred tax assets related to rate reduction
- Introduction of a global minimum tax on foreign earnings (what is referred to as the “GILTI” tax) that would be imposed by the U.S. Currently estimated at 4-6%, but will fluctuate depending upon the jurisdictions in which pre-tax earnings are generated.
- Overall, we currently anticipate a U.S. tax rate of approx. 27%-29% in 2018 (vs. 38% in 2017)

Share Information

Key Statistics (as of 1/9/18)		
Stock Price		BELFA: \$21.90 BELFB: \$23.75
Total Shares Outstanding		12,035,714
Market Cap		\$281.8M
Enterprise Value		\$340.7M

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



Appendix

Balance Sheet Highlights

(\$000, except per share information)	9/30/17	12/31/16	12/31/15
Cash and Cash Equivalents	\$62,106	\$73,411	\$85,040
Total Current Assets	259,502	255,442	280,471
Total Assets	428,488	426,740 ⁽¹⁾	583,371
Current Liabilities (excl. current portion of LTD)	82,060	80,932	97,080
Total Debt	121,030	141,245	183,548
Stockholders' Equity	178,095	158,434	233,122
Working Capital	161,891	159,349	158,619
Current Ratio	2.7 to 1	2.8 to 1	2.3 to 1
Book Value per Share ⁽²⁾	\$14.80	\$13.17	\$19.68
Dividend Yield ⁽³⁾	0.9%	0.9%	1.6%

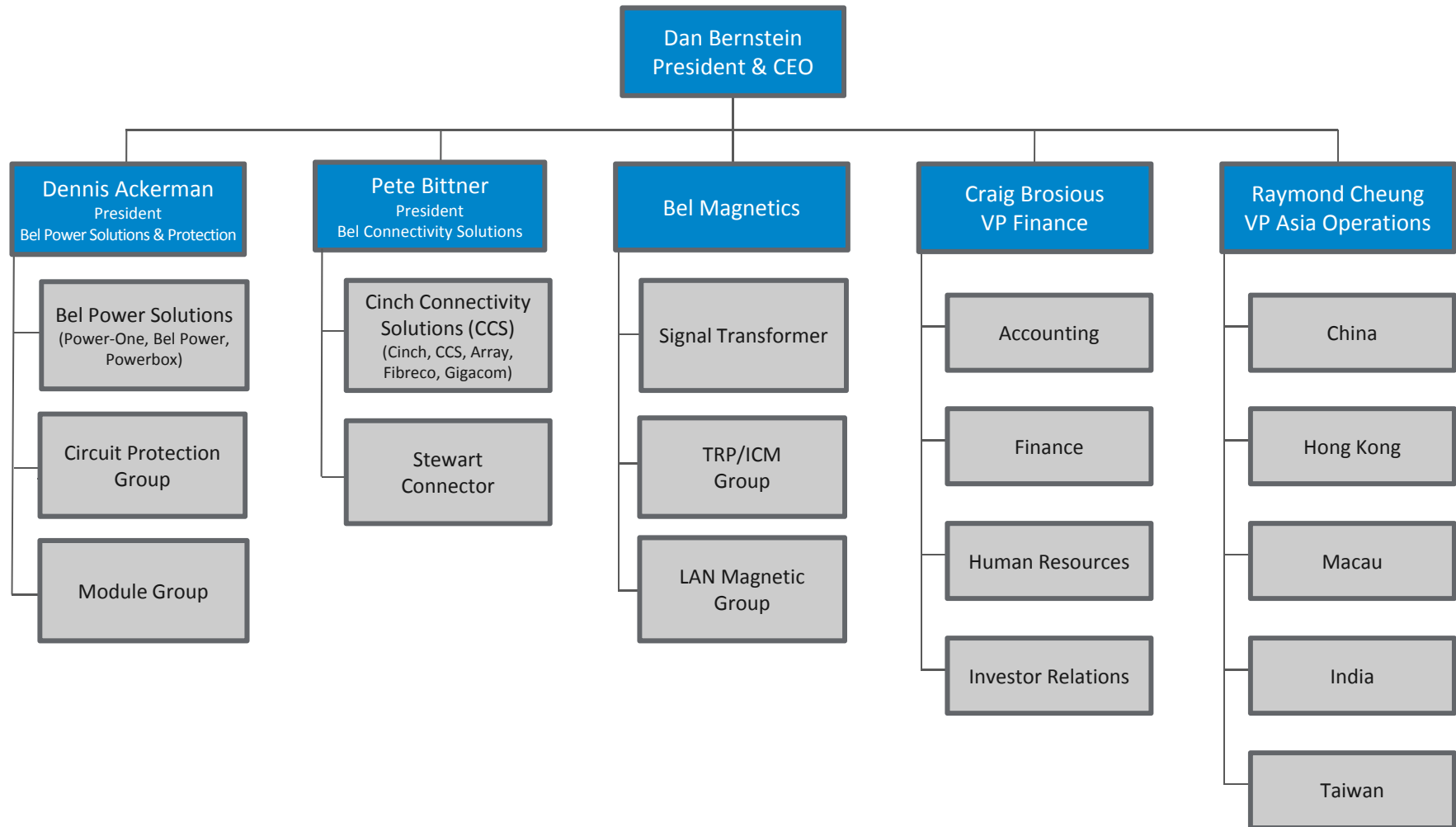
(1) Decline in total assets from 12/31/15 primarily due to the non-cash impairment of goodwill and other intangible assets of \$108.6 million.

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

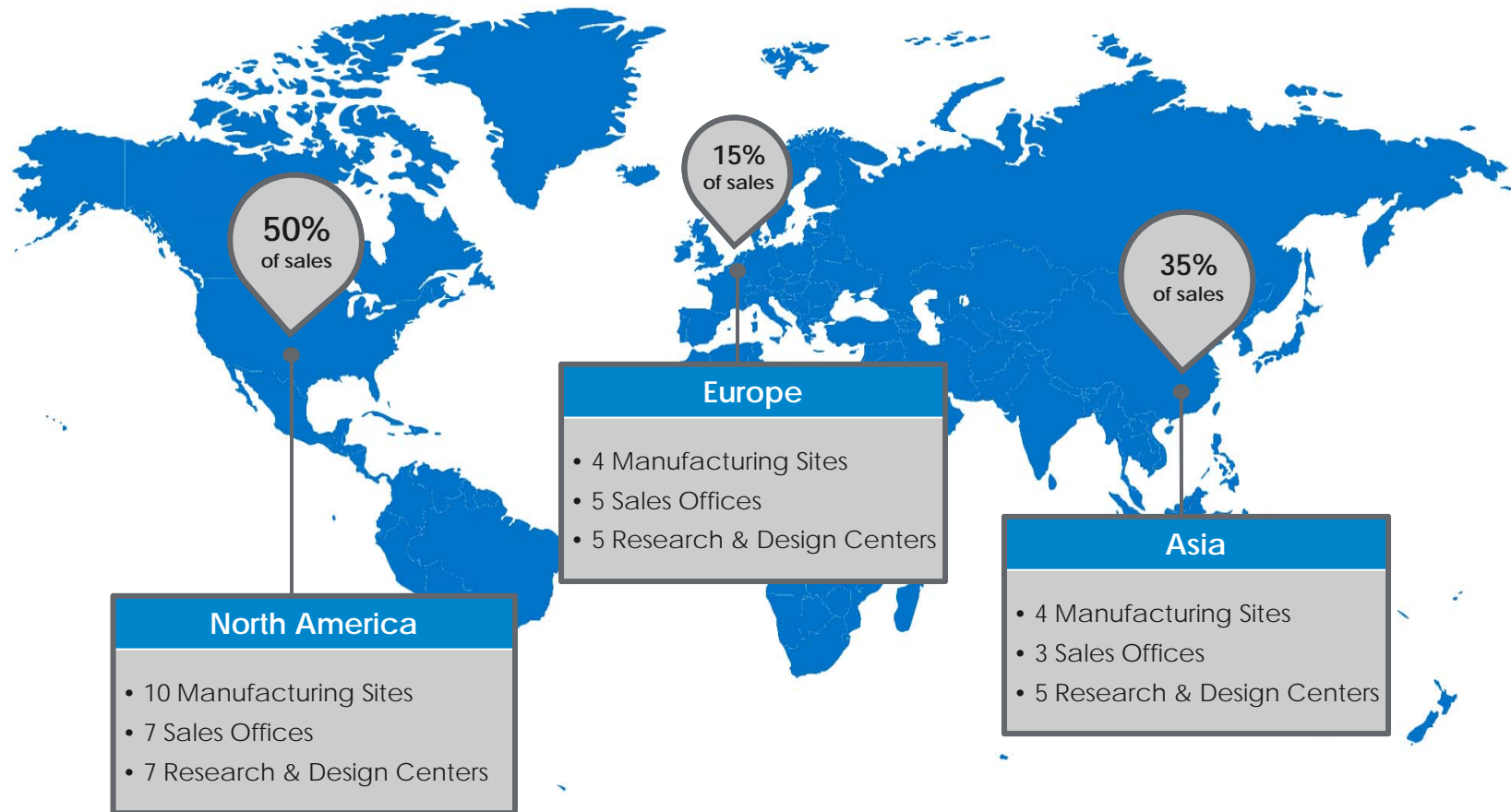
(3) Represents average dividend yield for Class A and Class B common stock.



Corporate Organization



Global Presence



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

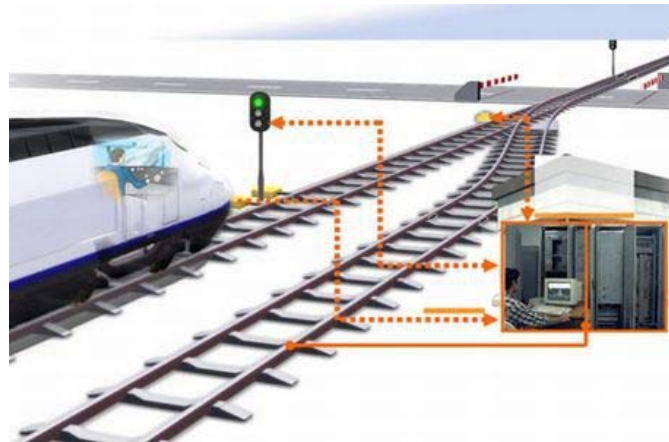
Case Study – Railway

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

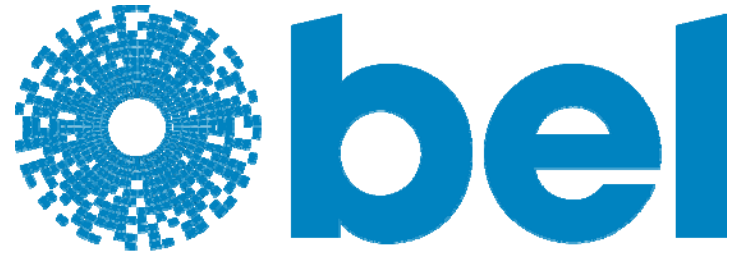
Level Crossing Barriers

Point Machine

GSM-R

Axle Counting

Control / Computer Room



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Company Contact:

Craig Brosious
201-432-0432
ir@belf.com

Investor Contact:

Peter Seltzberg, Darrow IR
516-419-9915
pseltzberg@darrowir.com