



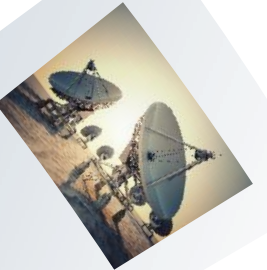
bel

POWER | PROTECT | CONNECT

LD Micro Conference

September 2, 2020

(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 2019 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 2019 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

Annual Sales of \$465M *

* Trailing twelve months ended 6/30/20

Bel (NASDAQ: BELFA/BELFB) designs, manufactures and markets a broad array of products that power, protect and connect electronic circuits.

These products are primarily used in the network, cloud infrastructure, military, aerospace, medical, industrial and telecom industries.

**Power Solutions
& Protection**

\$158M in sales (34%)

**Cinch Connectivity
Solutions**

\$163M in sales (35%)

**Magnetic
Solutions**

\$144M in sales (31%)

Bel at a Glance



70 years

servicing diversified industries with a broad array of products



10 acquisitions

completed in the past 10 yrs



Gross margin expansion

22.5% in 2019 **25.3%** in H1-20



Free cash flow expansion

\$14.5M in full year 2019 **\$16.8M** in H1-20



Global restructuring

\$8.8 million

of cost savings implemented in 2019 and H1-20, \$1.9M of which is incremental to H2-20



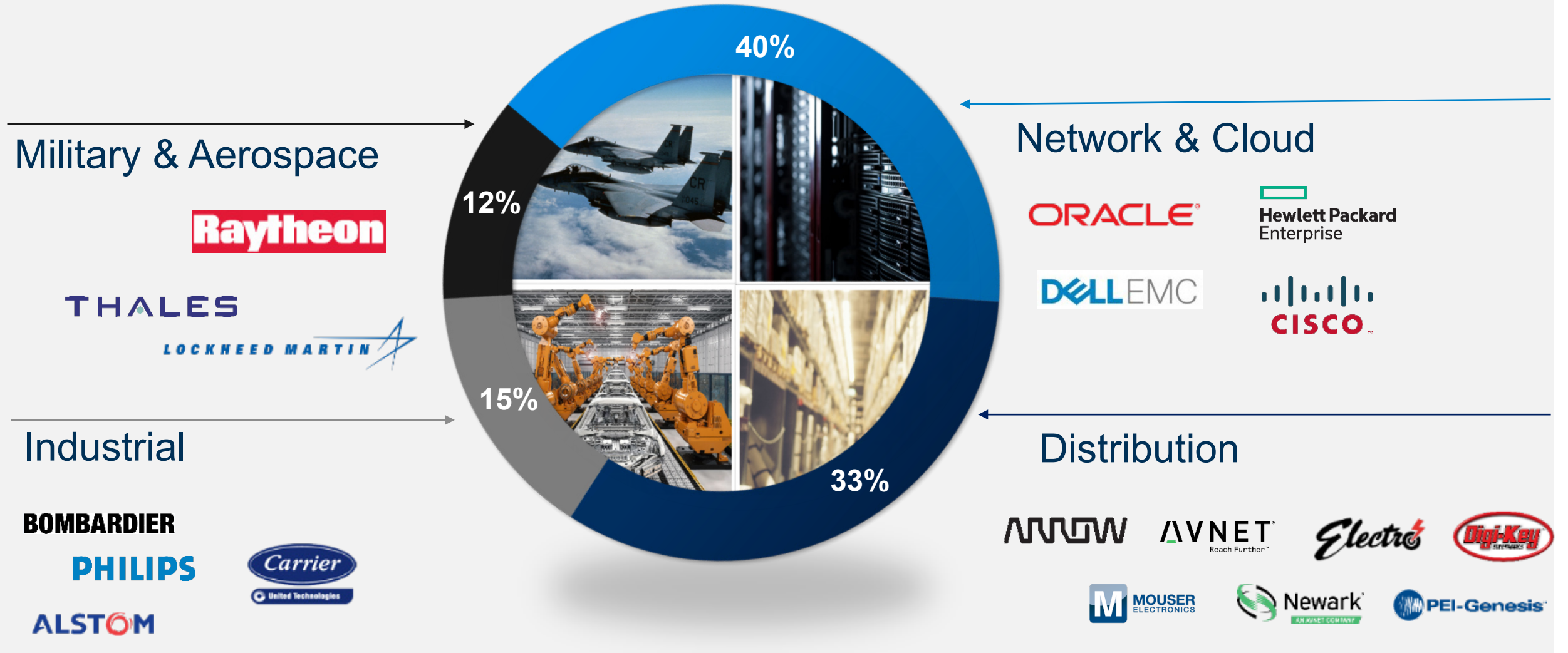
Backlog of

\$180 million

at June 30, 2020, an increase of 12% from year-end

Long history of consistent dividend payments on both classes of stock

Diverse End-Markets & Blue -Chip Customer Base



Cinch Connectivity Solutions

Products

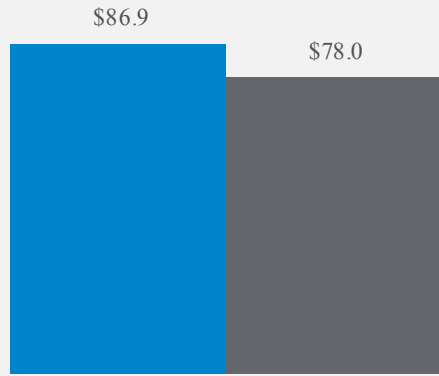
- **Harsh Environment Fiber Optics**
High-speed transceivers and media converters
Expanded beam optical connectors
- **Copper-based Connectors and Cable Assemblies:**
Mil-spec circular and rectangular
RF (radio frequency) and Ethernet connectivity

Applications

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

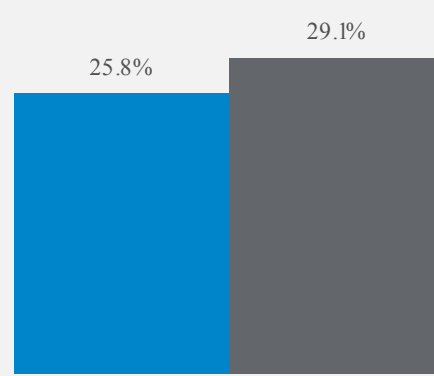


Cinch Connectivity Solutions
Sales - YTD June 30 (\$ in millions)



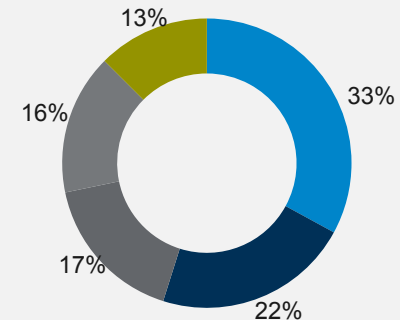
■ 2019 ■ 2020

Cinch Connectivity Solutions
GM % - YTD June 30



■ 2019 ■ 2020

Cinch Connectivity Solutions
Sales by End Market¹



■ Distribution ■ Military ■ Aerospace ■ Industrial ■ Network/Cloud

Customers

GENERAL DYNAMICS

Raytheon

LOCKHEED MARTIN

LEONARDO DRS

Power Solutions & Protection

Products

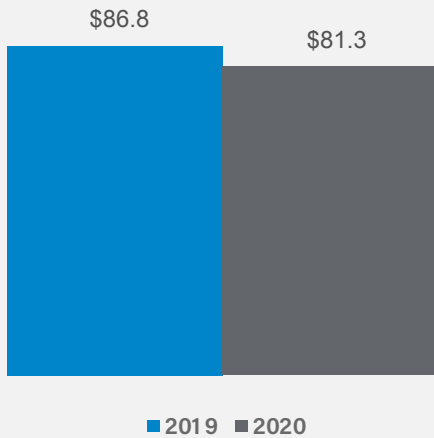
- Front-end (AC-DC) power supplies
- Board mount power (BMP)
- Industrial power products
- e-Mobility converters and inverters
- Circuit protection

Applications

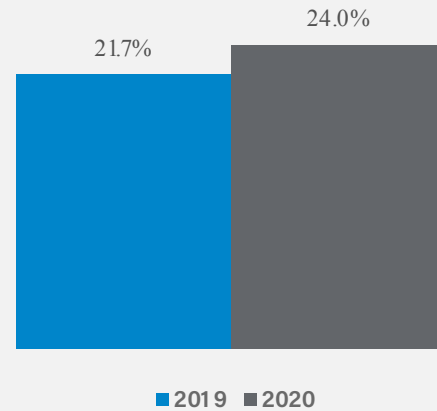
- Servers, storage and networking
- Industrial and Transportation
- Lighting and Consumer



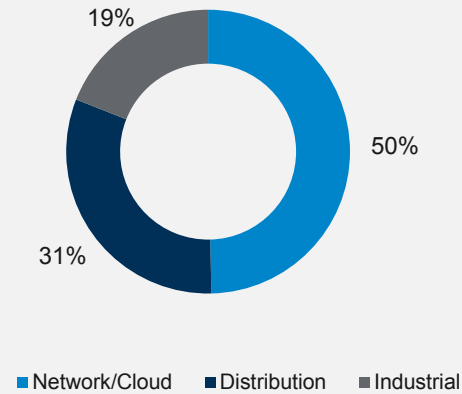
Power Solutions & Protection
Sales - YTD June 30 (\$ in millions)



Power Solutions & Protection
GM % - YTD June 30



Power Solutions & Protection
Sales by End Market¹



Customers



Magnetic Solutions

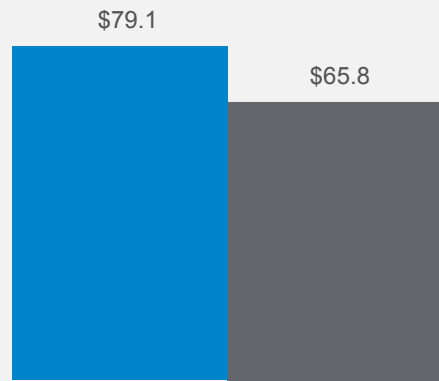
Products

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

Applications

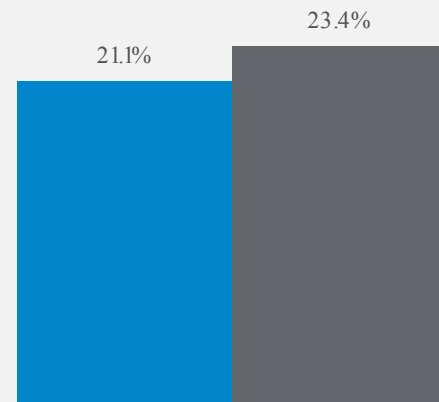
- Data Communications
- Industrial
- Medical

Magnetics Solutions
Sales - YTD June 30 (\$ in millions)



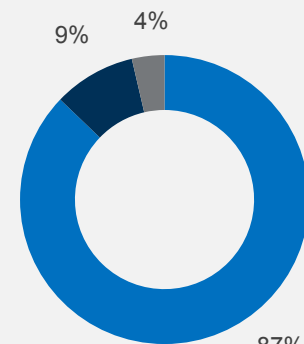
■ 2019 ■ 2020

Magnetics Solutions
GM % - YTD June 30



■ 2019 ■ 2020

Magnetic Solutions
Sales by End Market¹



■ Network/Cloud ■ Distribution ■ Industrial

Customers



Growth Drivers



Military & Aerospace

- Positions on key programs, including JSF, AEGIS, Patriot, B2B, FA-18
- Mfocs (mobile field system)
- Next generation rectangular connectors (C-ENX, C-DMX)



Networking & High-Performance Computing

- Edge Computing & Fringe Data Centers driven by demands from Artificial Intelligence and 5G cellular bandwidths
- Open Compute Network infrastructure requiring more 100W PoE, 10GBT and 25GBT
- High power conduction-cooled solutions



E-Mobility

- Full range of DC/DC converter, DC/AC inverter and onboard chargers
- Over 200 customers in the last 4 years
- Customer base consist of big OEM automotive, mining, marine and construction companies



Distribution

- Bel is a top 15 supplier overall at Digi-Key
- Bel is #1 power supplier at Digi-Key
- NPI strategy driving product depth & customer growth
- Value-Add Distributors serving Mil/Aero markets

Recent Acquisition: CUI Power Group



Closed December 3, 2019



YTD June-2020 sales of \$18.9M
at a 38.2% gross margin

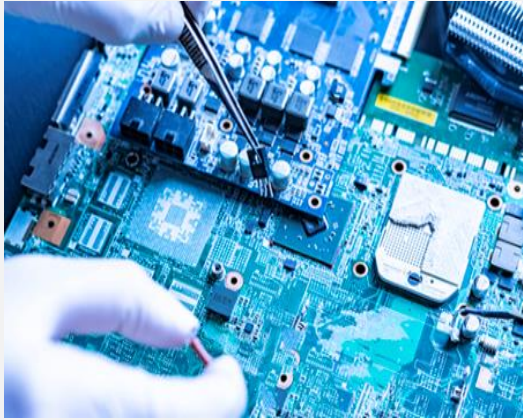


Purchase price of \$29M cash
financed through credit line

Expected Benefits

- Broaden power portfolio
- Strengthen our position at key e-catalog distributors
- Alternative business model
- Enhance Bel's gross margin profile
- Accretive to Bel's earnings since Q1-20
- Cost savings of \$750K identified to date

First Half 2020 Recap



100% of manufacturing factories operational despite COVID



Global cost review program



**Strong end Markets:
Defense, Medical, Networking**



Gross margin expansion



**CUI acquisition
A successful start**

Financial Overview



Financial Summary – 2nd Quarter 2020

\$ in millions, except EPS amounts	Q2-20	Q2-19	Change
Sales	\$121	\$127	-5%
Gross margin	26.2%	21.0%	520 bps
Operating margin	6.2%	3.5%	270 bps
EBITDA as % of sales	9.4%	7.0%	240 bps
Adj EBITDA⁽²⁾ as % of sales	9.4%	4.3%	510 bps
GAAP EPS (BELFB)	\$0.46	\$0.24	92%
Non-GAAP EPS (BELFB)⁽¹⁾	\$0.46	\$0.03	nm

¹These financial measures exclude the impact of costs associated with acquisition-related costs, ERP system implementation expenses and restructuring charges, and the impact of gain on sale of property.

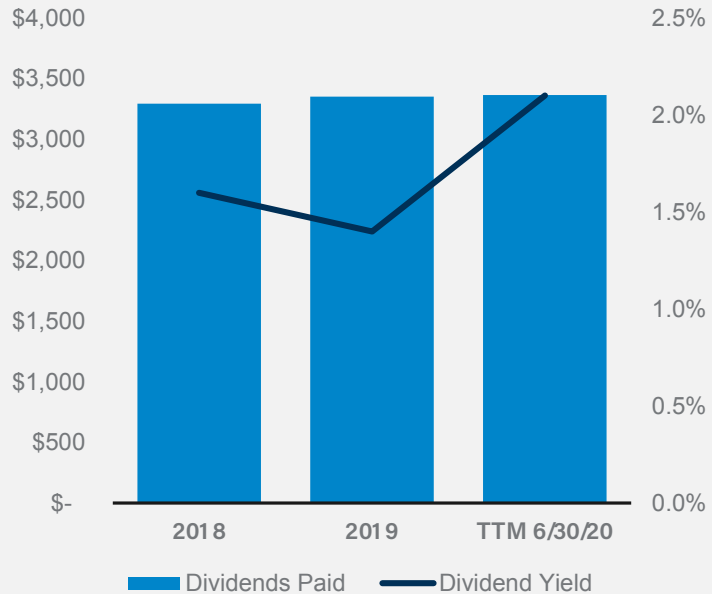
2019-2020 Cost Savings Initiatives

Restructuring efforts have contributed to margin expansion in times of revenue contraction

Region	Product Group	P&L Classification	Cost Reduction Action	Annual Savings	Savings in Effect
Europe	Power	R&D	Headcount reduction	\$1.2M	Q3-2019
Asia	Power	R&D	Headcount reduction	\$0.6M	Q3-2019
North America	Magnetics	COGS	Closed Inwood, NY facility	\$0.5M	Q3-2019
Asia	All	COGS	Indirect headcount reduction	\$1.4M	Q4-2019
Asia	All	COGS	Indirect headcount reduction	\$0.9M	Q4-2019
Asia	Magnetics	COGS	Indirect headcount reduction	\$0.6M	Q1-2020
Asia	Connectivity	SG&A	Closed Shanghai office	\$0.5M	Q1-2020
North America	Power	SG&A	Indirect headcount reduction	\$0.1M	Q3-2020
Europe	Power	R&D	Closure of Switzerland R&D facility	\$3.0M	Q4-2020
<u>Total Annual Savings Implemented in 2019 & H1 -20</u>				<u>\$8.8M</u>	

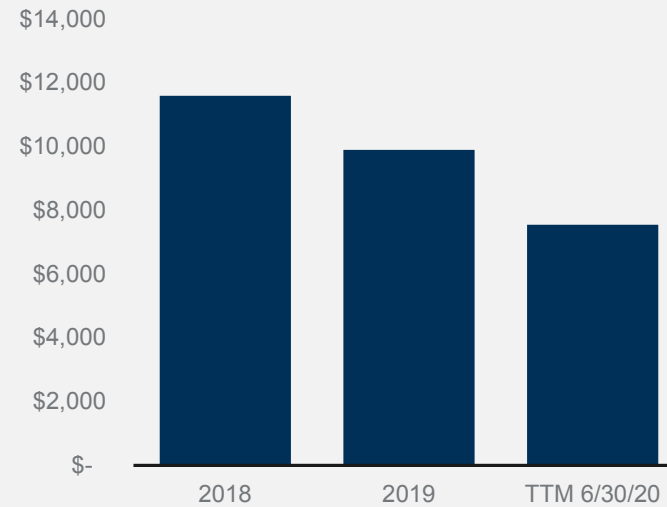
Capital Allocation

Dividends



- Consistent historical quarterly dividend payments
- Dividend yield at 6/30/20 = 2.1%

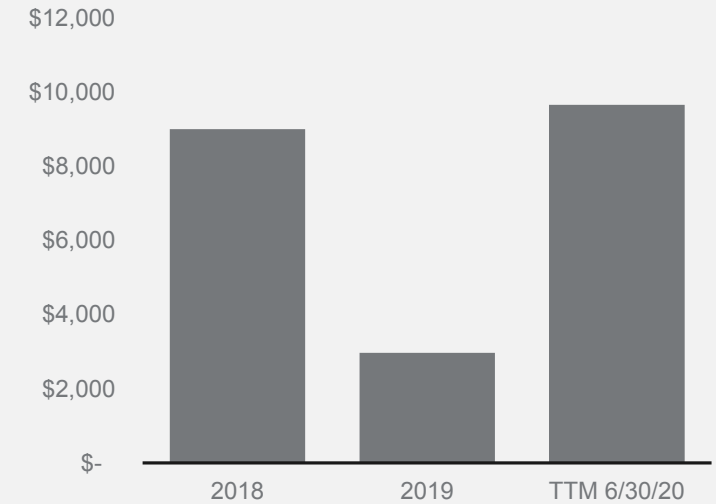
Capex



New equipment purchases to:

- Increase production throughout
- Expand automation
- Support new programs

Debt Repayments

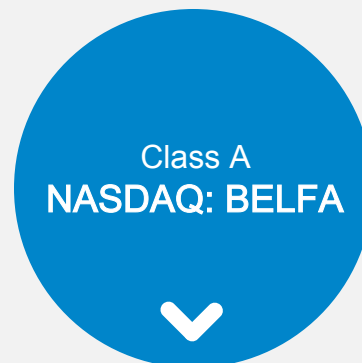


- \$131M of debt repaid since 2014
- Current debt balance = \$135M (in our comfort zone; debt reduction no longer a priority use of cash)

Share Information

Key Statistics (as of 8/21/20)

Stock Price	BELFA: \$11.49 BELFB: \$11.91
Total Shares Outstanding	12,379,000
Market Cap	\$147M
Enterprise Value	\$206M



Outstanding shares
2,145,000

Outstanding shares
10,234,000

25
Institutions | **1,100,000**
shares (51%)

161
Institutions | **7,860,000**
shares (78%)

Quarterly dividends
\$0.06 / share

Quarterly dividends
\$0.07 / share

21% held by insiders

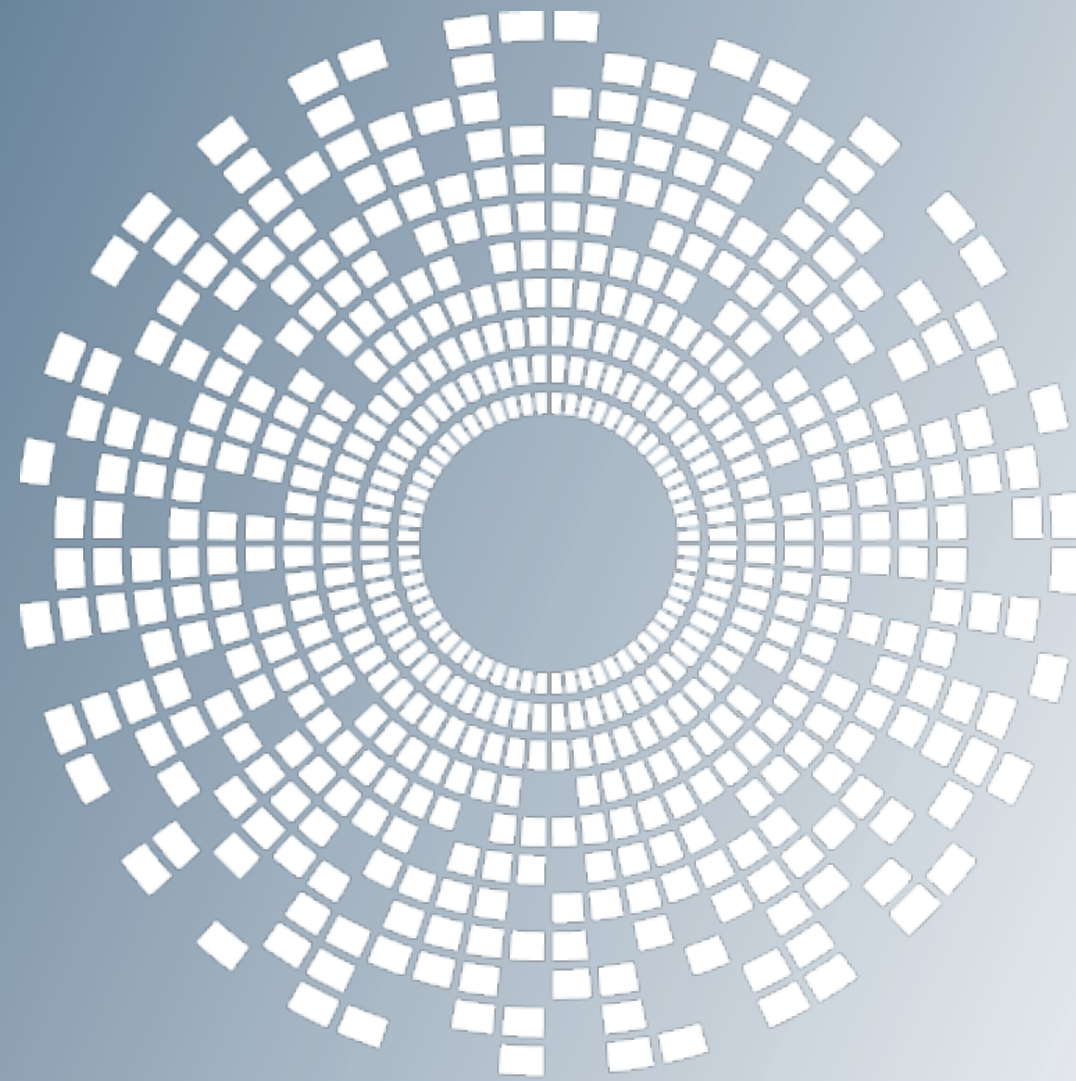
3% held by insiders

BELFB Stock Trend – 5 year chart

BELFB has been trading at a 5 year low post-COVID, despite improvements to our earnings



Q&A



Appendix



Growth Driver: Acquisition



Acquired Company	Year	Products	Revenue	Purchase
CUI Global's Power Business*	2019	Power	\$37M	\$29M
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

*Blue denotes > Divestitures acquired

Sales & Bookings

(dollars in millions)

SALES	Q2-19	Q2-20	% change '19-'20	TTM Jun-18	TTM Jun-19	TTM Jun-20	% change '19-'20
Magnetics Solutions	41	37	-9%	166	181	144	-21%
Power Solutions & Protection	44	45	2%	162	179	158	-12%
Connectivity Solutions	42	39	-9%	177	182	163	-10%
Total	\$ 127	\$ 121	-5%	\$ 505	\$ 542	\$ 465	-14%

BOOKINGS	Q2-19	Q2-20	% change '19-'20	TTM Jun-18	TTM Jun-19	TTM Jun-20	% change '19-'20
Magnetics Solutions	34	33	-2%	186	161	158	-2%
Power Solutions & Protection	36	41	14%	173	171	152	-11%
Connectivity Solutions	40	29	-28%	184	178	157	-12%
Total	\$ 110	\$ 103	-6%	\$ 543	\$ 510	\$ 467	-8%

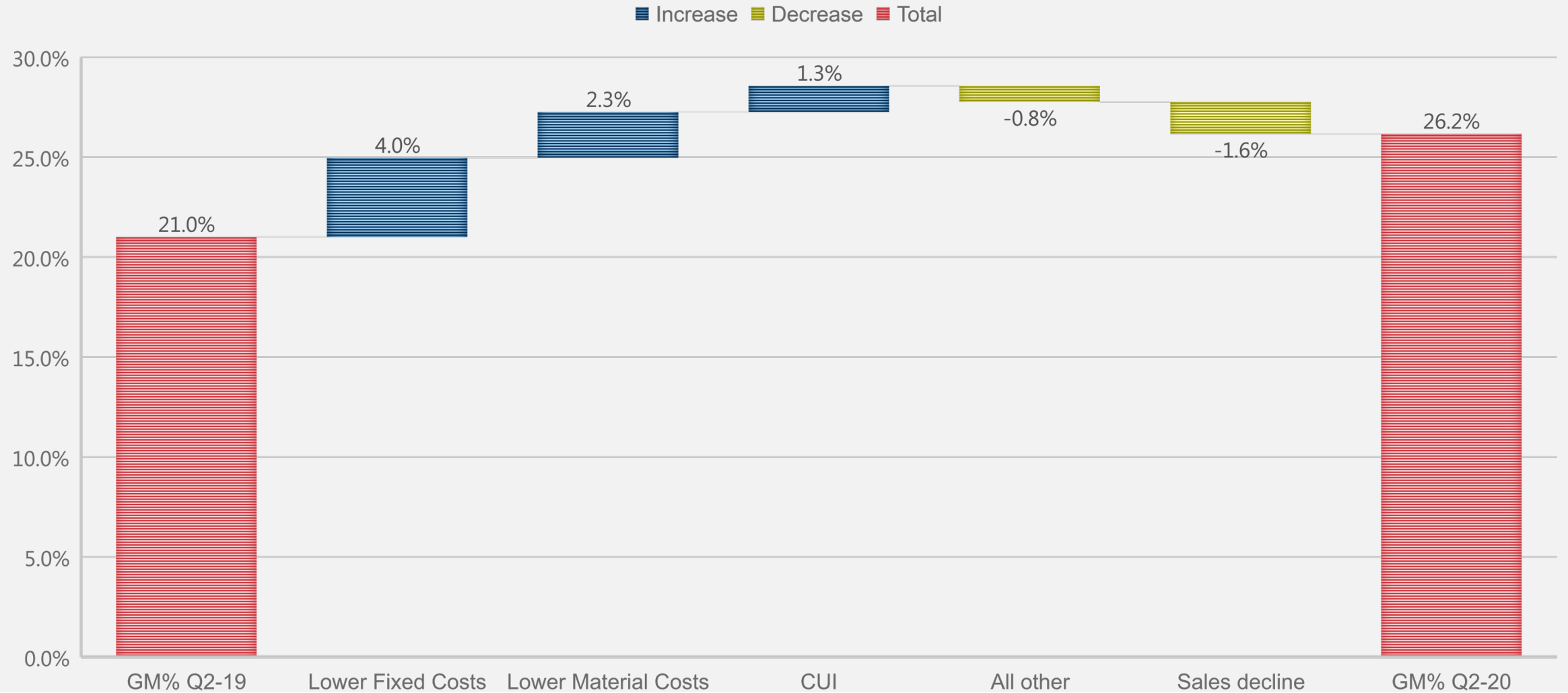
BACKLOG	Jun-18	Jun-19	Jun-20	% change '19-'20
Magnetics Solutions	52	31	51	63%
Power Solutions & Protection	64	59	70	19%
Connectivity Solutions	61	61	59	-4%
Total	\$ 177	\$ 151	\$ 180	19%

Financial Summary – First Half 2020

	H1-20	H1-19	Change
\$ in millions, except EPS amounts			
Sales	\$225	\$253	-11%
Gross margin	25.3%	22.7%	260 bps
Operating margin	2.0%	3.1%	-110 bps
EBITDA as % of sales	5.4%	6.2%	-80 bps
Adj EBITDA⁽²⁾ as % of sales	5.6%	5.6%	No change
GAAP EPS (BELFB)	\$0.15	\$0.34	-56%
Non-GAAP EPS (BELFB)⁽¹⁾	\$0.17	\$0.25	-32%

¹These financial measures exclude the impact of costs associated with acquisition-related costs, ERP system implementation expenses and restructuring charges, and the impact of gain on sale of property.

Gross Margin Bridge – Q2



Balance Sheet Metrics

\$ in millions	June 2020	December 2019
Cash	\$75	\$72
Debt	135	144
Equity	168	168
Working Capital	197	193
Current Ratio	3.2 to 1	3.1 to 1
Inventory Turns	3.6x	3.6x
DSO	59 days	60 days
Leverage Ratio	3.45x	3.14x

Financial Drivers Q1 -20

Favorable

- FX was favorable in COGS vs. Q1-19, as USD appreciated against:
 - EUR by 2%
 - MXN by 2%
 - RMB by 2%
- Variable costs within COGS largely flat (53.4% of sales in Q1-20 vs 53.6% of sales in Q1-19)
- Fixed costs within COGS down \$3.5M (\$24.4M in Q1-20 vs. \$27.9M in Q1-19), largely due to \$2.5M reduction in overhead and \$900k lower support labor and fringe (receipt of \$2M in funds from Chinese government related to COVID-19 relief program)
- R&D expenses were lower by \$1.1M vs Q1-19 due to cost savings from recent restructuring efforts and favorable FX environment in Q1-20
- FX gain of \$45k in Q1-20 vs. FX loss of \$573k in Q1-19
- Addition of CUI sales of \$8.2M in Q1-20 at a 13.5% EBITDA margin

Unfavorable

- COVID-19:
 - Temporary closures of manufacturing facilities in the PRC
 - Delays throughout supply chain
 - \$14-17M of sales scheduled for Q1 shipment delayed to Q2
- Sales down \$21.4M (17%) from Q1-19
 - Connectivity sales ↓ by \$5.3M (\$3.4M decline in commercial aerospace, \$1.3M reduction in industrial applications, and \$1.8M decline in passive, offset by gains of \$1.7M in military applications)
 - Magnetic sales ↓ by \$9.5M (large networking OEM customer)
 - Power sales ↓ by \$6.7M (cloud customer down \$4.9M, distribution down \$3.5M, Modules down \$1.3M; DC/DC down \$1.1M, offset by CUI sales of \$8.2M)
- Fluctuation in gain/loss on cash surrender value of COLI policies:
 - \$1.9M loss in Q1-20 vs \$1.0M gain in Q1-19
 - Unfavorable y/y fluctuation of \$2.9M

Financial Drivers Q2 -20

Favorable

- Addition of CUI sales of \$10.6M in Q2-20 at a 23.6% EBITDA margin
- Variable costs within COGS down (54.0% of sales in Q2-20 vs 56.4% of sales in Q2-19), primarily due to shift in product mix (declines in power products with high material content; increase in high-margin CUI product and connectivity products going into military applications)
- Fixed costs within COGS down \$4.8M (\$24.3M in Q2-20 vs. \$29.1M in Q2-19), largely due to \$2.4M reduction in support labor and fringe and \$2.3M of lower overhead costs (receipt of \$1M in funds from Chinese government related to COVID-19 relief program)
- FX was favorable in COGS vs. Q2-19, as USD appreciated against:
 - MXN by 19%; RMB by 4%; EUR by 2%
 - Overall, resulted in lower labor and overhead costs of \$1.2M
- R&D expenses were lower by \$684k vs Q2-19 due to cost savings from recent restructuring efforts and favorable FX environment in Q2-20
- T&E expenses of \$162k in Q2-20 vs \$844k in Q2-19 (a decrease of \$682k)
- Fluctuation in gain/loss on cash surrender value of COLI policies:
 - \$1.5M gain in Q2-20 vs \$243k gain in Q2-19
 - Favorable y/y fluctuation of \$1.3M

Unfavorable

- Sales down \$6.2M (5%) from Q2-19
 - Connectivity sales ↓ by \$3.6M (\$5.6M decline in commercial aerospace, \$1.7M reduction in industrial applications, offset by gains of \$3.8M in military applications)
 - Magnetic sales ↓ by \$3.6M (ICM's down \$1.5M/large networking OEM customer & Signal down \$1.8M/pause in ordering of non-essential medical equip)
 - Excluding CUI, Power sales ↓ by \$10.5M, Fuse sales up by \$537k and a \$336k increase in module sales. \$3.8M in Power reduction relates to low-margin business.
- FX loss of \$103k in Q2-20 vs. FX gain of \$450k in Q2-19 (unfavorable swing in Other Income/Expense of \$553k)
- Continued COVID-19 operational inefficiencies

Historical Financial Highlights

	Net Sales	Gross Margin	EBITDA Margin ¹	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
2018	\$548,184	20.0%	8.6%	18,207	11,594	-\$1,497
2019	\$492,412	22.5% ⁴	-0.4%	16,471	9,891	14,559

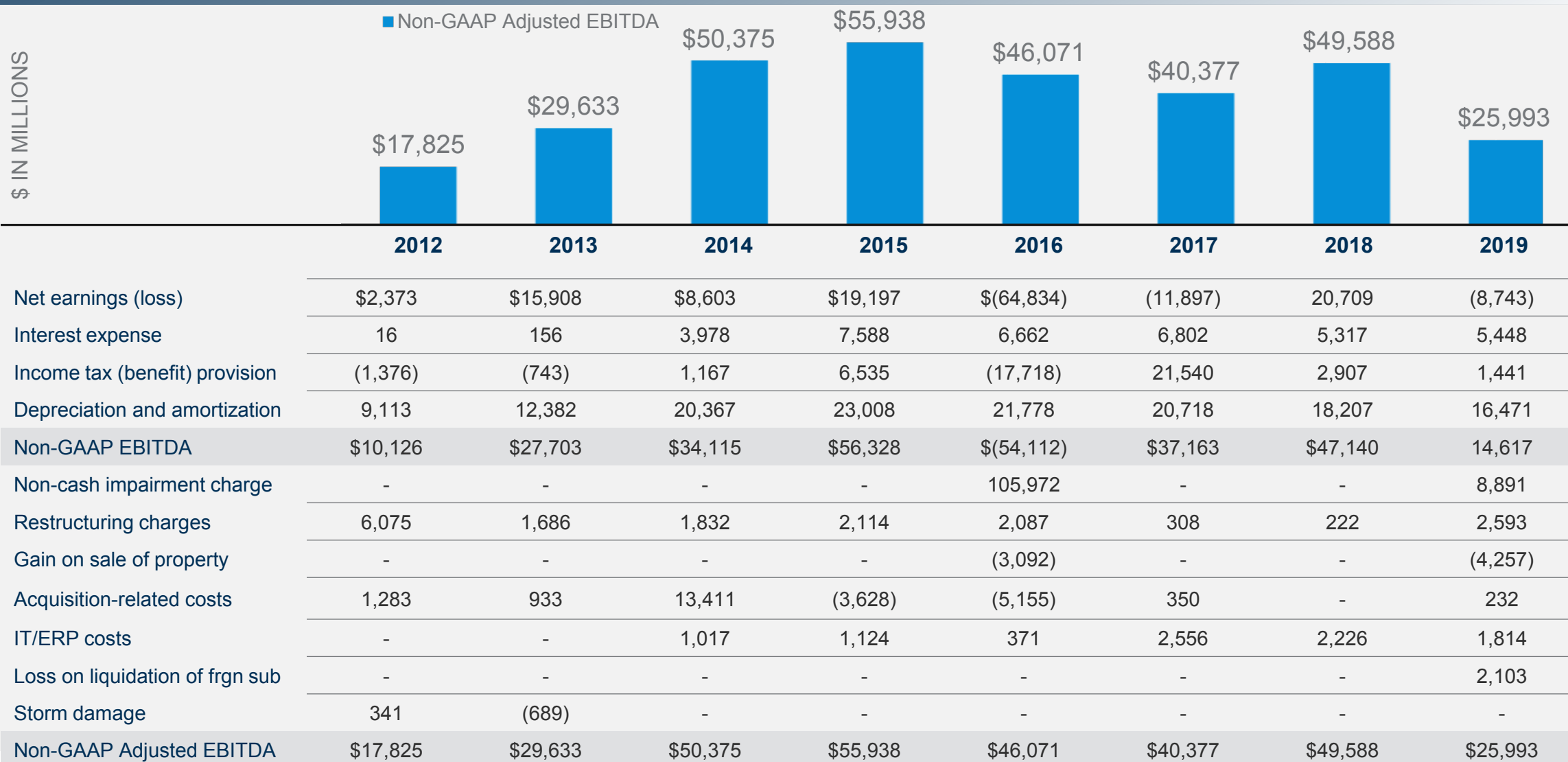
¹ EBITDA as calculated by the Company represents earnings before interest, taxes, depreciation and amortization. EBITDA margin as presented above is calculated by dividing EBITDA by net sales.

² Free cash flow as presented above represents net cash provided by operating activities less cash paid for capital expenditures.

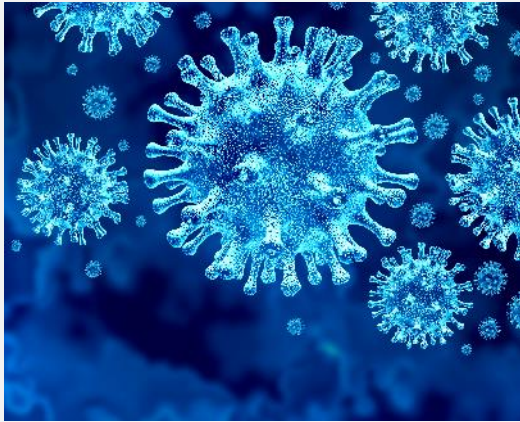
³ Excludes the effect of a \$106M impairment charge on goodwill and other intangible assets recorded in 2016 and \$8.9M in TTM 9/30/19. Without adjusting for this factor, EBITDA margin for 2016 is (10.8)% and EBITDA margin for TTM 9/30/19 is 5.3%.

⁴ Effective with the fourth quarter 2019 reporting, R&D expense is now reflected outside of COGS and is therefore no longer a factor in arriving at gross margin. Prior year gross margin % has not been recast on this slide. The comparable 2019 GM% would have been 17.0%

Reconciliation of Net Earnings to EBITDA



2020 Factors



Coronavirus Outbreak



Tariffs



Brexit



China – Hong Kong



Commercial Aerospace



Presidential Election

Lean Management Team

Dan Bernstein
President & CEO

Dennis Ackerman
President
Bel Power Solutions & Protection

Power-One, Bel Power,
Powerbox, CUI

Circuit Protection Group

Module Group

Pete Bittner
President
Cinch Connectivity Solutions

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

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

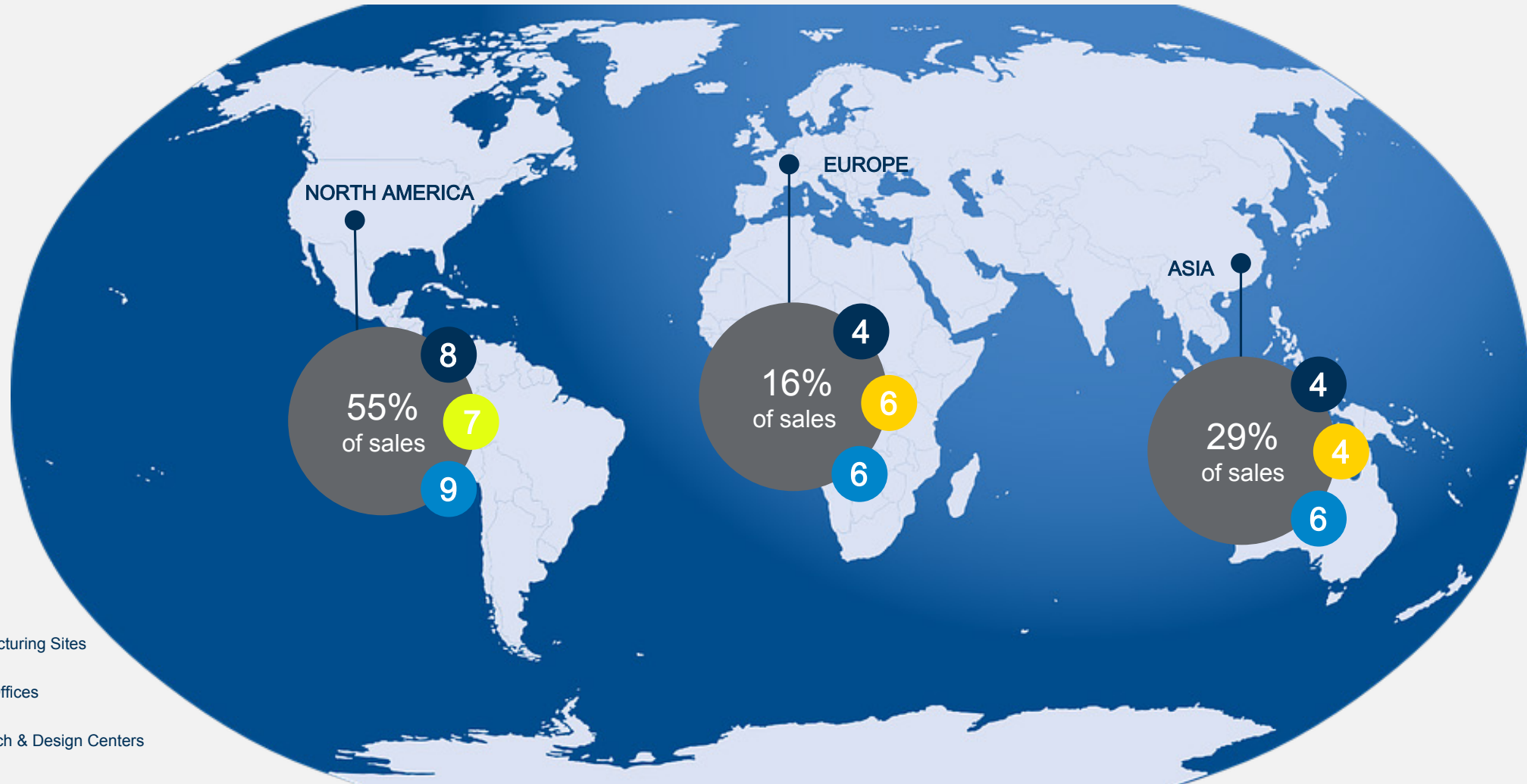
Hong Kong

Macau

India

Taiwan

Global Presence



- Manufacturing Sites
- Sales Offices
- Research & Design Centers

Diverse Offerings

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

Why Bel?

70 years in the
Electronic
Components Industry

Diversified Product
Offering

Strong Engineering &
Manufacturing Capabilities –
Around the World

Lean Management
Structure

- Greater flexibility/agility
- Responsiveness-short chain of command
- Quick to adapt to changing environments/technologies

Current Focus

- **Short-Term:**

- Ensure workplace safety and cleanliness to mitigate impact of COVID to our operations
- Continue cash preservation activities
- Continue to limit Capex and other discretionary spending
- Continue to scale manufacturing resources to support current order demand
- Continue focus on new product introductions (NPI)

- **Medium-Term: Improve profit margins**

- Exit customers and products that have low margins
- Reduce overhead structure permanently to streamline organization, wherever possible
- Continue cost savings initiatives as ERP system implementation is completed over next year
- Expand products in distribution channels

- **Long-Term: Acquisitions**

- Non-PRC manufacturing
- Mil/Aero

The Catalyst 9400 Series is the next generation of the industry's most widely deployed enterprise switching platform... These modular access switches are built for security, IoT, and cloud. They deliver state-of-the-art high availability, support up to 9 Tbps, provide the latest in 90-watt UPOE+, and form one of the building blocks for SD-Access, Cisco's leading enterprise architecture.

- Cisco website



Internal Board level components:

- Fuses
- DC/DC isolated board mount converters
- DC/DC point-of-load converters
- Passive jack communications ports

Multiport ICMs

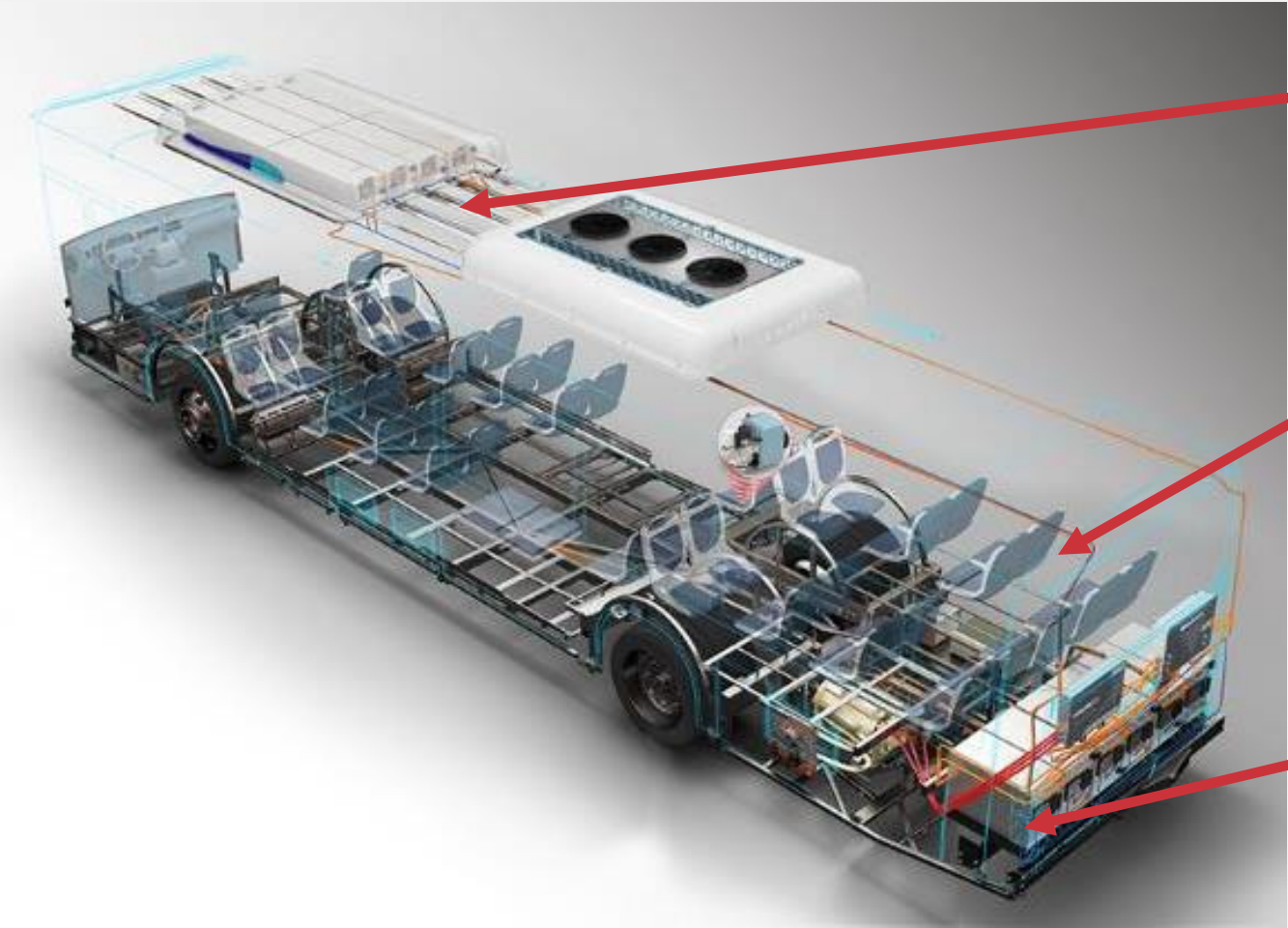
- 1G to 10G port speeds
- 15-90W PoE capability



BCL Series 25 kW AC/DC Charger

On-board bidirectional charger with single/three-phase input (250 – 800 Vdc)

- Liquid cooling
- CAN bus SAE J1939
- Galvanic isolated
- ECE R10.6 / IEC61851-21-1 / UL2202
- IP65 / IP67 compliant
- SAE J1772 type 2 compliant



Auxiliary Inverter



DC/DC Converter



On-Board Battery Charger



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 Room

Axle Counting

GSM-R

Rolling Stock Applications

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



Trackside Applications



POWER | PROTECT | CONNECT

