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# Needham Growth Conference

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January 10, 2023

# 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 2021 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 2021 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.

# Bel at a Glance

Powering, protecting and connecting electronic circuits since 1949

**Power Solutions & Protection**  
(40% of Net Sales)

**Connectivity Solutions**  
(30% of Net Sales)

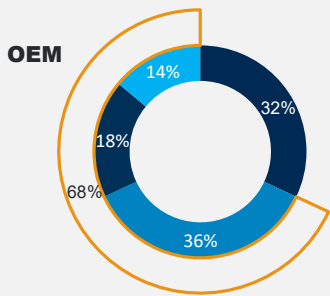
**Magnetic Solutions**  
(30% of Net Sales)



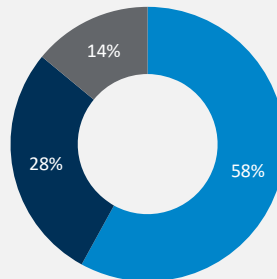
**\$632M\***  
Sales

**27.0%\***  
Gross Margin

**11.6%\***  
Adj EBITDA Margin



- Distribution
- Network & Cloud
- Industrial/EV
- Military & Aerospace



- North America
- APAC
- Europe

\* Trailing twelve months ended 9/30/22



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# Multi-Pronged Strategy for Sustained Growth

Where Have We Come From?



Where Are We Going?

## Quality & Expansion of Revenue

- Double down on high-growth and emerging markets
- Focus on quality relationships with the right customers
- Play for favorable positioning on product designs
- Sharpen pricing strategies and practices

## Optimization & Simplification

- People and Culture as a Differentiator
- Operational and Process Improvement
- De-emphasizing some revenue/products

Bel is strategically positioned to create value through margin improvement and a focus on key markets and customers

# Bel is in a Period of Change – Our journey thus far...

## Actions Completed/In Process

### Executive Changes

- Farouq Tuweiq - New CFO (Feb 2021)
- Suzanne Kozlovsky – Global Head of People (Nov 2021)
- Kenneth Lai - New VP Asia Operations (Jan 2022)
- Joe Berry – VP Magnetic Solutions (Jan 2022)
- Jackie Brito - New addition to Bel's Board (Oct 2021)

### Key Hires / Promotions

- Sabine Muehlberger - New European Sales Director (April 2022)
- Ping Genciano - New Global ESG Director (Oct 2022)

### Refining Pricing Strategies

### ERP Rollout & Data Clarity

### Development of Corporate Strategy

### Doubling Down on our Investment in People

## Led to impressive Q3 results...

- Record sales: \$178M
- Record Adj EBITDA: \$27M
- Record EPS: \$1.48 (Class B, non-GAAP)
- Lowest leverage since 2014: 1.21x
- 2022 YTD increase in stock price:
  - BELFA: ~115% increase
  - BELFB: ~155% increase

# The Next Stage of Our Journey...

## Actions Kicked Off in Q3-22:

### Footprint Simplification

- China: 2 locations/9 buildings – consolidate into a single centralized facility in Southwestern China
- U.S.:
  - Manufacturing in Tempe, AZ and Melbourne, FL transitioning to existing facility in Waseca, MN
  - Corporate office in Jersey City, NJ: two building sales (one complete in Q3-22; one pending for H1-23)
- Europe: Facility in Sudbury, UK to consolidate into existing facility in Chelmsford, UK

### Formalization of ESG Structure

- Development of internal ESG committee
- Board-level oversight through creation of Nominating & ESG Committee at Board level

## With the goal of...

- Simplifying the way we do business
- Streamlining our overhead structure
- Optimizing our operational footprint
- Being a better corporate citizen
- Minimizing our impact on the environment
- Giving back to our global communities

More to come...stay tuned as our journey continues

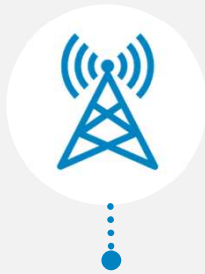
# Tailwinds from Key Sector Fundamentals



Electrification



Increased Data  
Generation



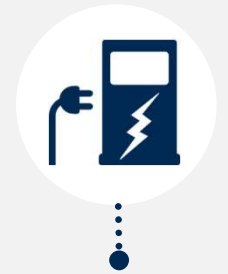
5G /  
Connectivity



Miniaturization



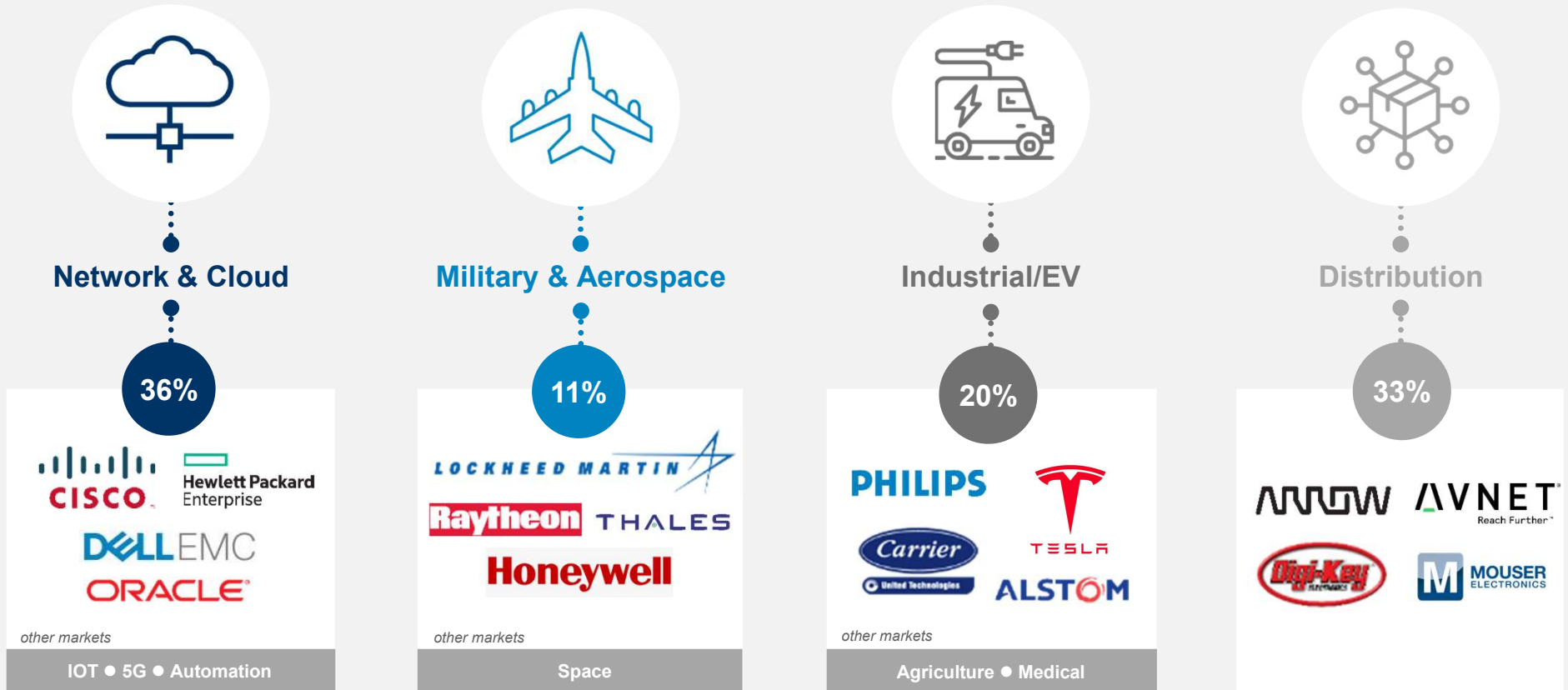
Exponential  
Technological  
Advancement



EV and  
Infrastructure

Positive end market trends position Bel for long-term success

# Diverse End Markets...





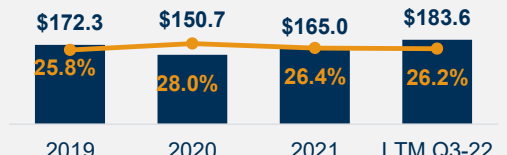
Sales by End Market based on management estimates



# ...at an Exciting Sectoral Inflection Point

	End Market	Recent Demand	Outlook	Commentary
	Distribution	↗	↗	<ul style="list-style-type: none"> <li>✓ Extends our global reach</li> <li>✓ Mix of customers early in design cycle</li> <li>✓ Broad end customer/market diversity</li> <li>✓ Expansion of private labeling business</li> </ul>
	General Industrial	→	→	<ul style="list-style-type: none"> <li>✓ Rail: long life cycle; heavily dependent on government spending</li> <li>✓ Test &amp; Measurement</li> <li>✓ Automation</li> </ul>
	Emerging/High-Growth Markets	↗	↗	<ul style="list-style-type: none"> <li>✓ EV: Market leader with over 200 NDA's signed</li> <li>✓ Space: emerging end market</li> </ul>
	Military & Aerospace	↗	↗	<ul style="list-style-type: none"> <li>✓ Military: expected upside from increased spending</li> <li>✓ Aerospace: in early innings of rebound cycle with further ramp up expected in next 12-18 months. Rms acquisition strengthens our position.</li> </ul>
	Network & Cloud	↗	↗	<ul style="list-style-type: none"> <li>✓ Significant growth in data generation, storage and transmission</li> <li>✓ Proliferation of IoT, automation and smart applications</li> </ul>

# Bel's Segment Overview

End Markets	Cinch Connectivity Solutions	Power Solutions & Protection	Magnetic Solutions
Applications	<ul style="list-style-type: none"> <li>• Military and Aerospace</li> <li>• Industrial</li> <li>• Data Communications</li> <li>• Transportation</li> <li>• Construction (premise wiring)</li> <li>• Oil and gas</li> </ul>	<ul style="list-style-type: none"> <li>• Networking and data storage</li> <li>• Industrial</li> <li>• Rail</li> <li>• Lighting</li> <li>• Medical</li> <li>• Electric vehicles and equipment</li> <li>• Consumer</li> </ul>	<ul style="list-style-type: none"> <li>• Data and Telecommunications (Networking Infrastructure Switching, Servers and Storage Devices)</li> <li>• Industrial</li> <li>• Medical</li> <li>• Alarm and Security Systems</li> <li>• Lighting</li> <li>• Home Networking</li> </ul>
Select Products	<ul style="list-style-type: none"> <li>• Harsh Environment Fiber Optics</li> <li>• Connectors and Cable Assemblies – optical, fiber, circular</li> <li>• Applications specific</li> </ul>	<ul style="list-style-type: none"> <li>• Front-end (AC-DC) power supplies</li> <li>• Board mount power (BMP)</li> <li>• Industrial power products</li> <li>• e-Mobility converters and inverters</li> <li>• Circuit protection</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated Connector Modules (ICMs)</li> <li>• Power Transformers</li> <li>• Power Inductors</li> <li>• Discrete Components</li> </ul>
Customers			
Financial Overview			



# Case Study: Commercial Aerospace



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

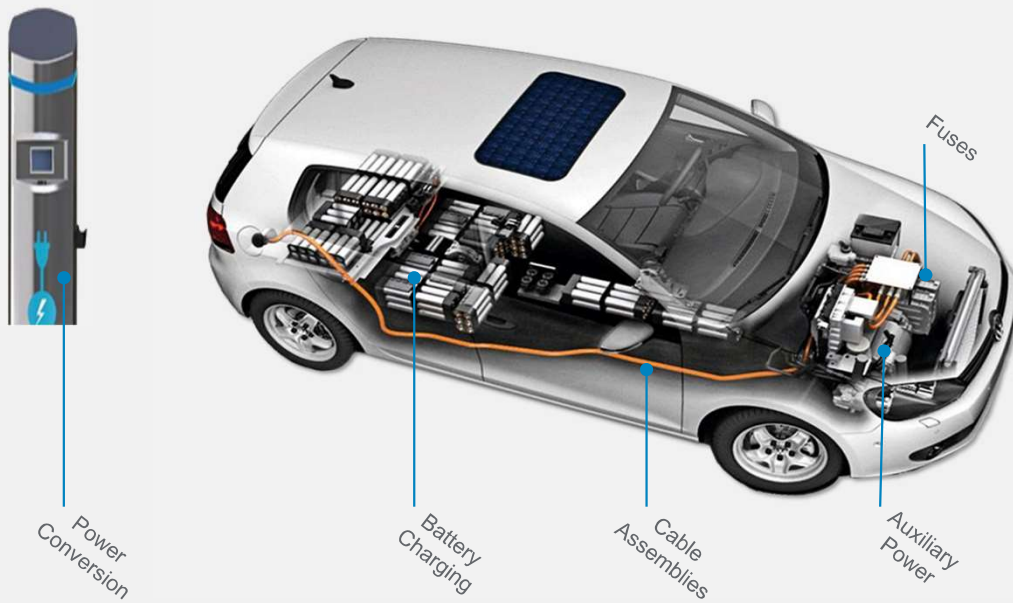


**Dura-Con (4)**  
(used in navigation controls; carries both power and signal)



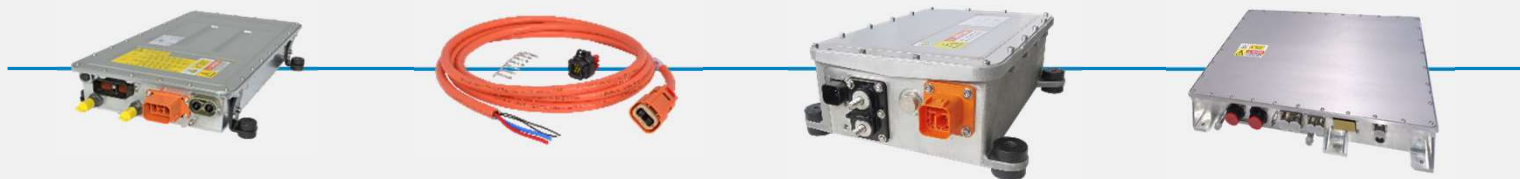
**Omega (5,500)**  
(general avionics connector for power and signal; used throughout aircraft – undercarriage deployment hydraulics, flight controls, navigation, mechanical systems and lighting)

# Case Study: eMobility



*Agriculture & Farm Equipment, Buses, Food Trucks, Hybrid & Electric Vehicles, Light Duty Commercial Vehicles, Marine & Boats, Medium & Heavy-Duty Commercial Vehicles, Off Road Vehicles, Work Trucks*

Ranges from \$1,500-\$15,000 of Installed Power per Vehicle



**Featured Products**



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# Case Study: Cisco 9400



*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:

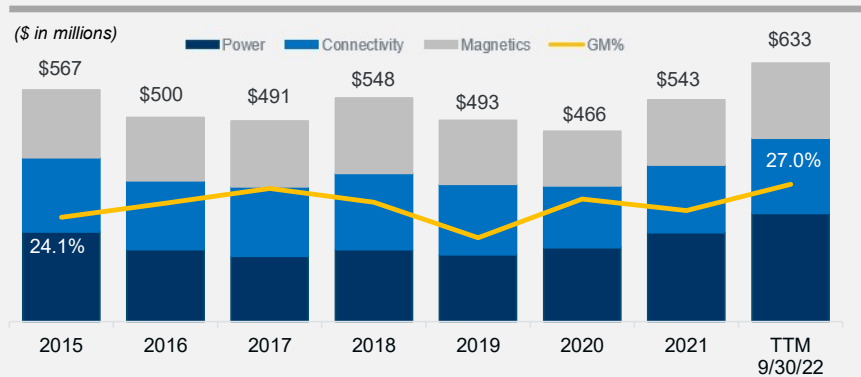
- Fuses
- DC/DC isolated board mount converters
- DC/DC point-of-load converters
- Passive jack communications ports

## Multiport ICMs

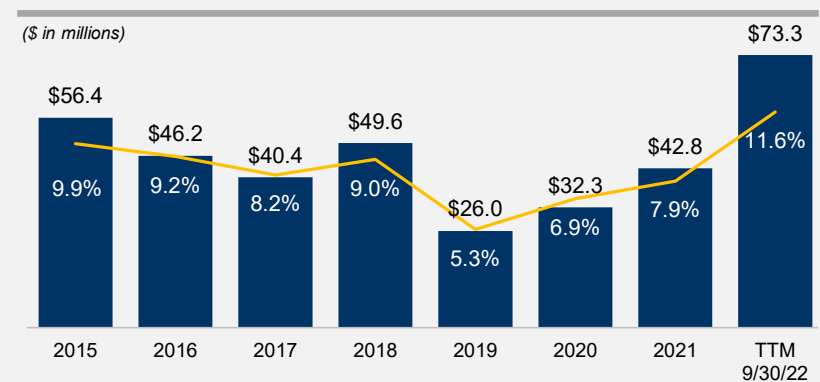
- 1G to 10G port speeds
- 15-90W PoE capability

# Historical Financial Performance

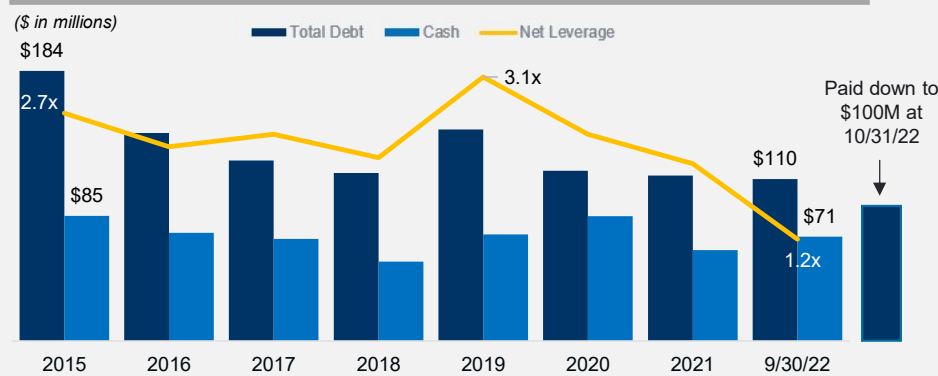
## Historical Revenue / GM%



## Historical Adjusted EBITDA



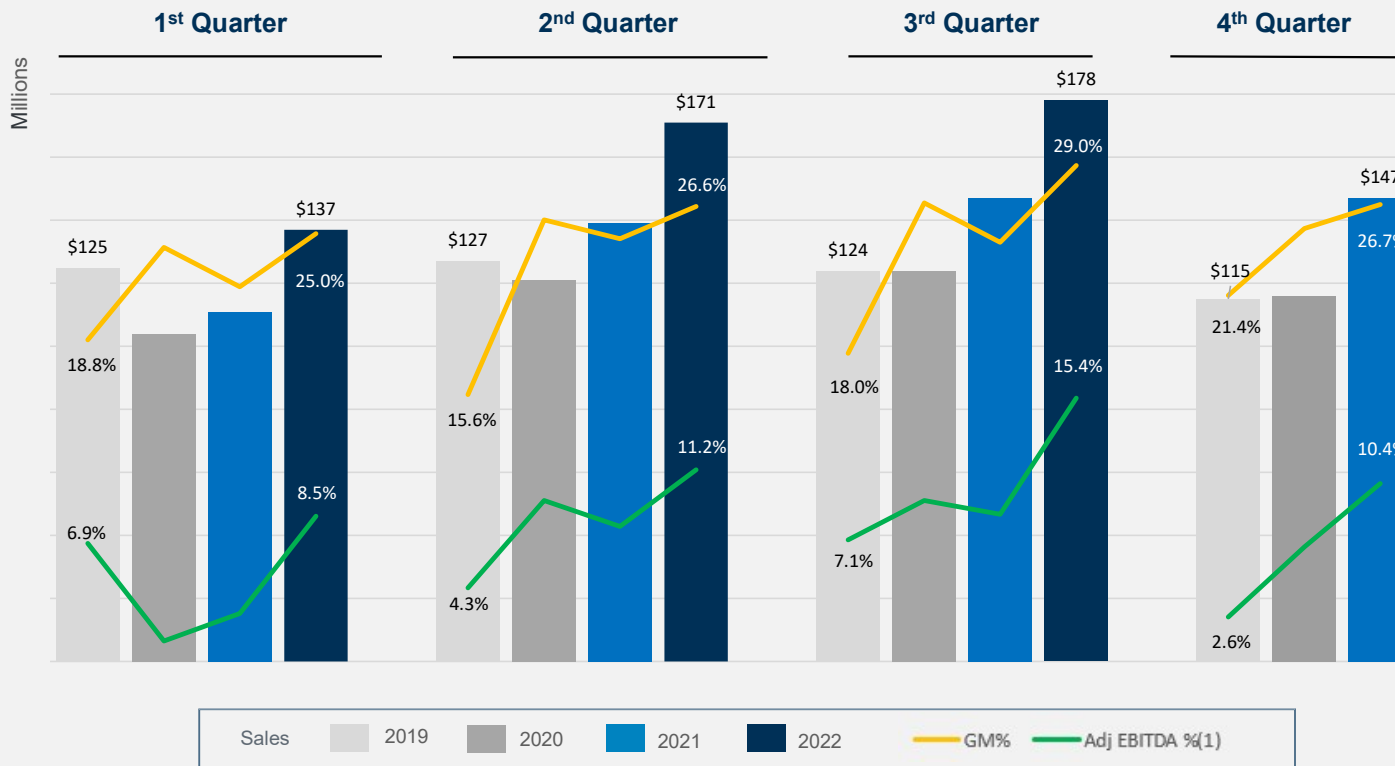
## Debt / Cash / Net Leverage



## Historical Capital Expenditures



# Quarterly Trend



**2020**  
Margins favorably impacted by tariff refunds and Chinese subsidies (COVID)

**Q2-21 / Q3-21**  
Margin compression on higher sales as pricing does not yet reflect higher material costs.

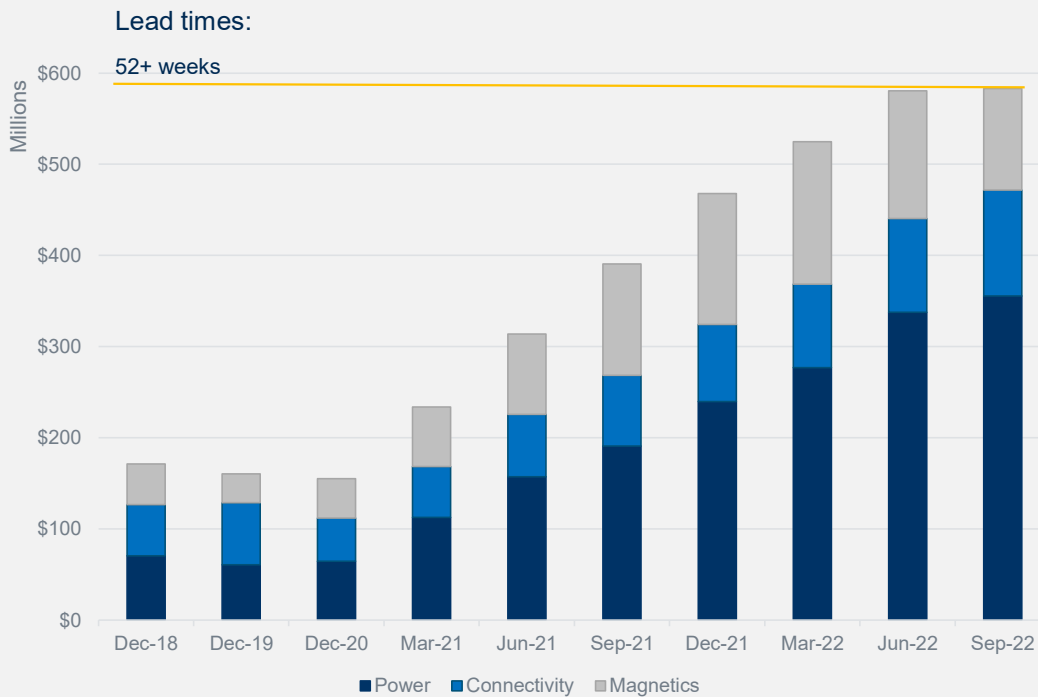
**Q4-21**  
Margin expansion on higher sales as new pricing starts to take effect in Q4-21

**2022**  
Global focus on margins and proper pricing at SKU level beginning in Q1-22 has resulted in meaningful margin expansion. Margins also aided by favorable FX (RMB) in 2022 periods.

<sup>1</sup> These financial measures exclude the impact of costs associated with restructuring activities, acquisition-related costs and gain on sale of properties.

# Backlog by Product Group

Backlog levels are a function of demand and lead times



## Backlog Commentary

### Power:

- EV bookings of \$3M in FY2020; \$50M in FY2021; \$26M YTD Sept-22
- Strong performance in fuses – more than 2.5x backlog from Dec 2020
- Inclusion of EOS backlog of \$16M at 9/30/22 (acquired Mar-21)

### Magnetics:

- Bookings down from networking customers as they shorten purchase commitment timeframe

### Connectivity:

- Continued rebound of commercial aerospace demand. Comm air bookings of \$8M in FY2020; \$21M in FY2021; \$31M YTD Sept-22
- Military bookings strong in Q2/Q3-22 indicate pickup in future sales volume (bookings of \$37M in FY2020, \$44M in FY2021, \$39M YTD Sept-22)
- Premise wiring demand at 3-year high (passive connectors/cabling products)



# Share Information

## Key Statistics (as of 1/5/23)

Shares outstanding  
12.5M

Market cap  
\$388M

Enterprise value  
\$427M



**BELFB: 155% increase in stock price YTD 2022 vs 34% decrease in full Nasdaq**

**NDQ: BELFA  
voting**

Stock price  
**\$30.21**

Outstanding shares  
**2,142,000**

Quarterly dividends  
**\$0.06 / share**

**20%** held by insiders

**NDQ: BELFB  
non-voting**

Stock price  
**\$31.31**

Outstanding shares  
**10,338,000**

Quarterly dividends  
**\$0.07 / share**

**3%** held by insiders



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# Appendix



# Today's Presenters



**Farouq Tuweiq**  
*Chief Financial Officer*

- Mr. Tuweiq became the Company's Chief Financial Officer in January of 2021
- Previously, Mr. Tuweiq worked at BMO Capital Markets, where he led and helped build the Industrial Technology Investment Banking practice
- Mr. Tuweiq earned his BA in Finance and MS in Accounting from Michigan State and his MBA from Georgetown University



**Lynn Hutkin**  
*VP of Financial Reporting  
and Investor Relations*

- Ms. Hutkin joined Bel in 2007, was promoted to Director of Financial Reporting in 2017 and was additionally appointed as the Company's Principal Accounting Officer and Secretary in 2021
- Previously, Ms. Hutkin was Director of External Financial Reporting and Human Resources for CD&L, Inc.
- Ms. Hutkin earned her BS of Accountancy from Bentley College and is an active CPA

# Cinch Connectivity Solutions

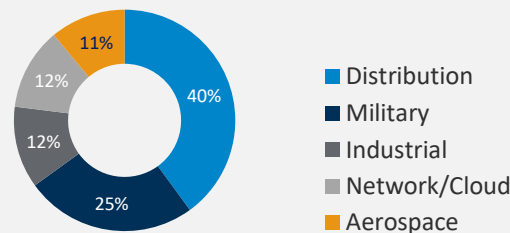
## Products

- **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
- Transportation
- Construction (premise wiring)
- Oil and Gas

## Sales by End Market<sup>1</sup>



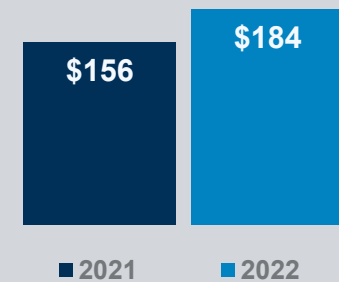
## Select Customers



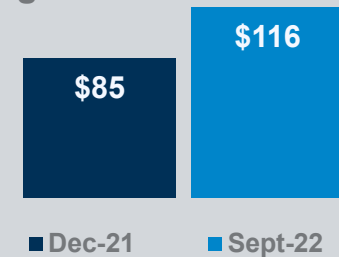
## Select Competitors



## Sales<sup>2</sup>



## Backlog<sup>3</sup>



<sup>1</sup> Sales by End Market based on management estimates

<sup>2</sup> Data for trailing twelve months ended September 30, 2022 and 2021 (\$ in millions)

<sup>3</sup> Data as of December 31, 2021 and September 30, 2022 (\$ in millions)

# Power Solutions & Protection

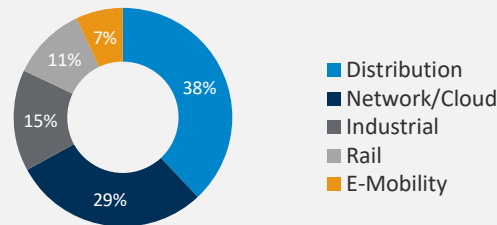
## Products

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

## Applications

- Networking and data storage
- Industrial
- Rail
- Lighting
- Medical
- Electric vehicles and equipment
- Consumer

## Sales by End Market<sup>1</sup>



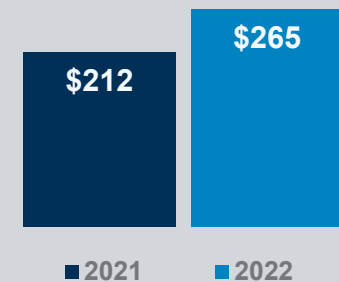
## Select Customers



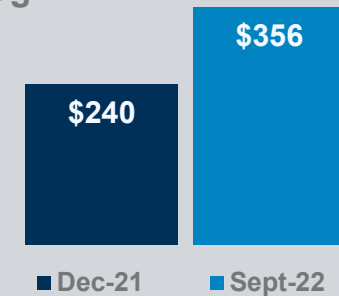
## Select Competitors



## Sales<sup>2</sup>



## Backlog<sup>3</sup>



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<sup>3</sup> Data as of December 31, 2021 and September 30, 2022 (\$ in millions)

# Magnetic Solutions

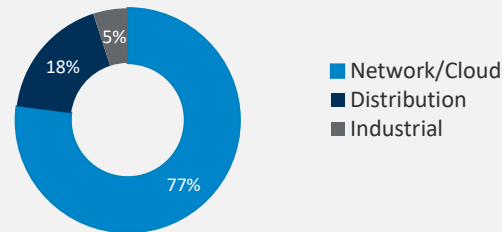
## Products

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

## Applications

- Data and Telecommunications  
(Networking Infrastructure Switching, Servers and Storage Devices)
- Industrial
- Medical
- Alarm and Security Systems
- Lighting
- Home Networking

## Sales by End Market<sup>1</sup>



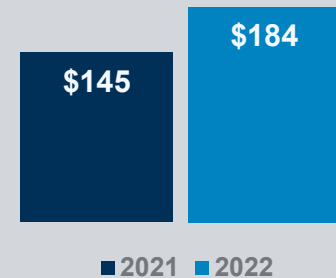
## Select Customers



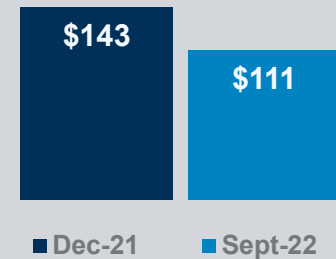
## Select Competitors



## Sales<sup>2</sup>



## Backlog<sup>3</sup>



<sup>1</sup> Sales by End Market based on management estimates

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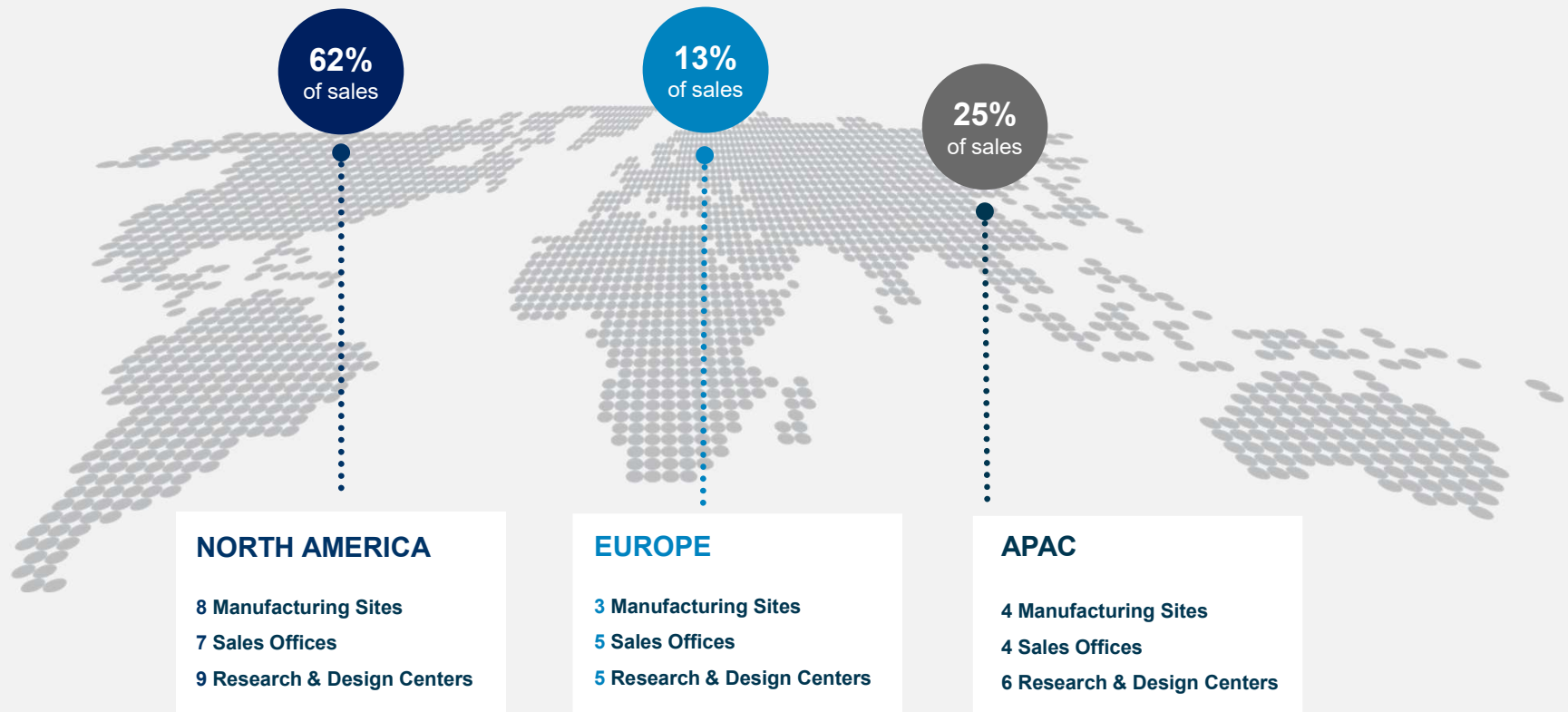
<sup>3</sup> Data as of December 31, 2021 and September 30, 2022 (\$ in millions)

# Balance Sheet Highlights

\$ in millions	September 2022	December 2021
<b>Cash</b>	\$71	\$62
<b>Debt</b>	110 <sup>*</sup>	113
<b>Equity</b>	236	209
<b>Working Capital</b>	240	217
<b>Current Ratio</b>	2.8 to 1	2.9 to 1
<b>Inventory Turns (excl R&amp;D)</b>	3.1x	3.1x
<b>DSO</b>	53 days	54 days
<b>Leverage Ratio</b>	1.21x	2.11x

\* The Company made a voluntary paydown of \$10M in October, bringing debt balance down to \$100M at 10/31/22

# Global Presence





# Product Set Overview

Power Solutions & Protection (40% of Net Sales)	Connectivity Solutions (30% of Net Sales)	Magnetic Solutions (30% of Net Sales)
Front-Ends & Board-Mount Power	Passive Connectors	Integrated Connector Modules
		
Industrial	Connectors & Cable Assemblies	Power Transformers
		
External Power	RF Connectors / Microwave Components	Power Inductors & Transformers
		
Module & Circuit Protection	USB Connectors and Cable Assemblies	Discrete Components
		

The Bel family of products has provided innovative, application specific solutions and unparalleled service to diversified markets for ~70 years, establishing Bel as a world leader in Magnetics, Power Solutions & Protection and Interconnect



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# Bel's ESG Journey: Underway



## Environmental

- Minimize our impact on the environment
- Create a more sustainable tomorrow
- Make changes big & small to reduce consumption



## Social

- Diversity and inclusion at all levels
- All perspectives, opinions are encouraged to be heard
- Giving back to our global community is a priority



## Governance

- Trust, integrity & accountability at all levels of the organization
- Continual alignment of our policies, practices and priorities to align with the best interests of our associates, shareholders, and other stakeholders

Bel is committed to creating a better tomorrow by understanding how our actions impact the world around us.

We accomplish this through tangible steps, big and small, that can be taken to invest in our communities, minimize the impact to our environment and ensure alignment of interest of all parties.

As an organization that thrives on learning and continuous improvement, Bel welcomes and embraces this journey.



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