



# Needham Virtual Industrial Tech, Robotics & Clean Tech Conference

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*August 7, 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 2022 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 2022 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.

# Company Overview

Established

**1949**

Headquarters

**West Orange, New Jersey**

NASDAQ

**BELFA/BELFB**

Annual Sales

**\$688M\***

*\* Trailing 12-months ended June 30, 2023*



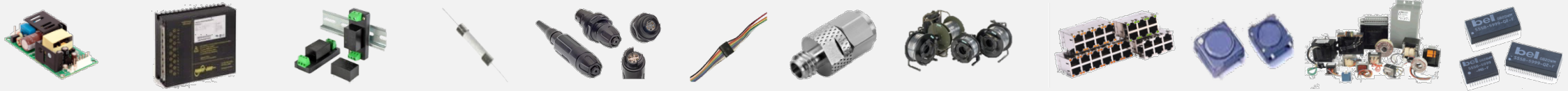
# Bel at a Glance

Powering, protecting and connecting electronic circuits since 1949

**Power Solutions & Protection**  
(48% of Net Sales)

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

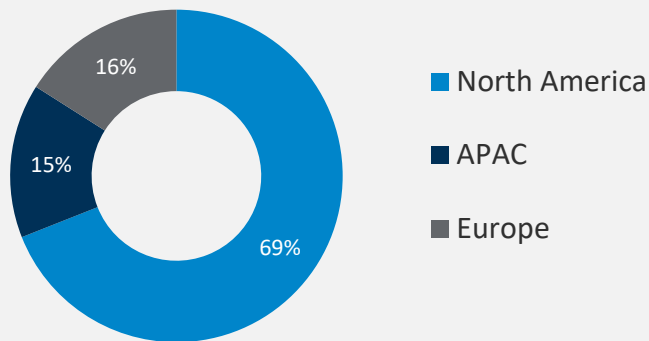
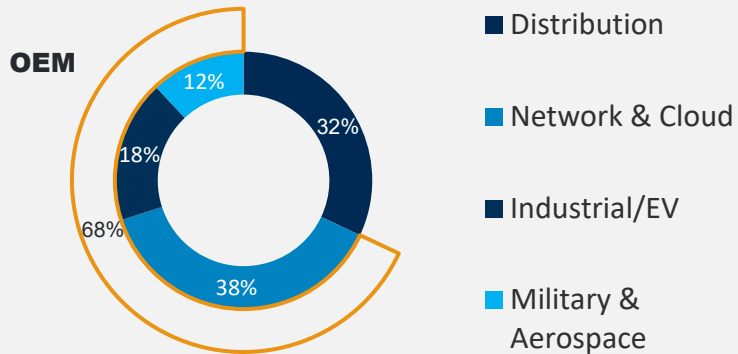
**Magnetic Solutions**  
(22% of Net Sales)



**\$688M\***  
Sales

**31.0%\***  
Gross Margin

**15.8%\***  
Adj EBITDA Margin



\* Trailing 12-months ended June 30, 2023

# Diverse End Markets



Network & Cloud

38%

*other markets*
  
 IOT • 5G • Automation • AI



Military & Aerospace

12%

*other markets*
  
 Space



Industrial/EV

18%

*other markets*
  
 Agriculture • Medical



Distribution

32%

Sales by End Market based on management estimates

# Tailwinds from Key Sector Fundamentals



Electrification



Increased Data  
Generation



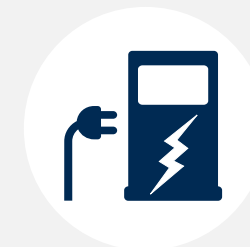
5G /  
Connectivity



Miniaturization



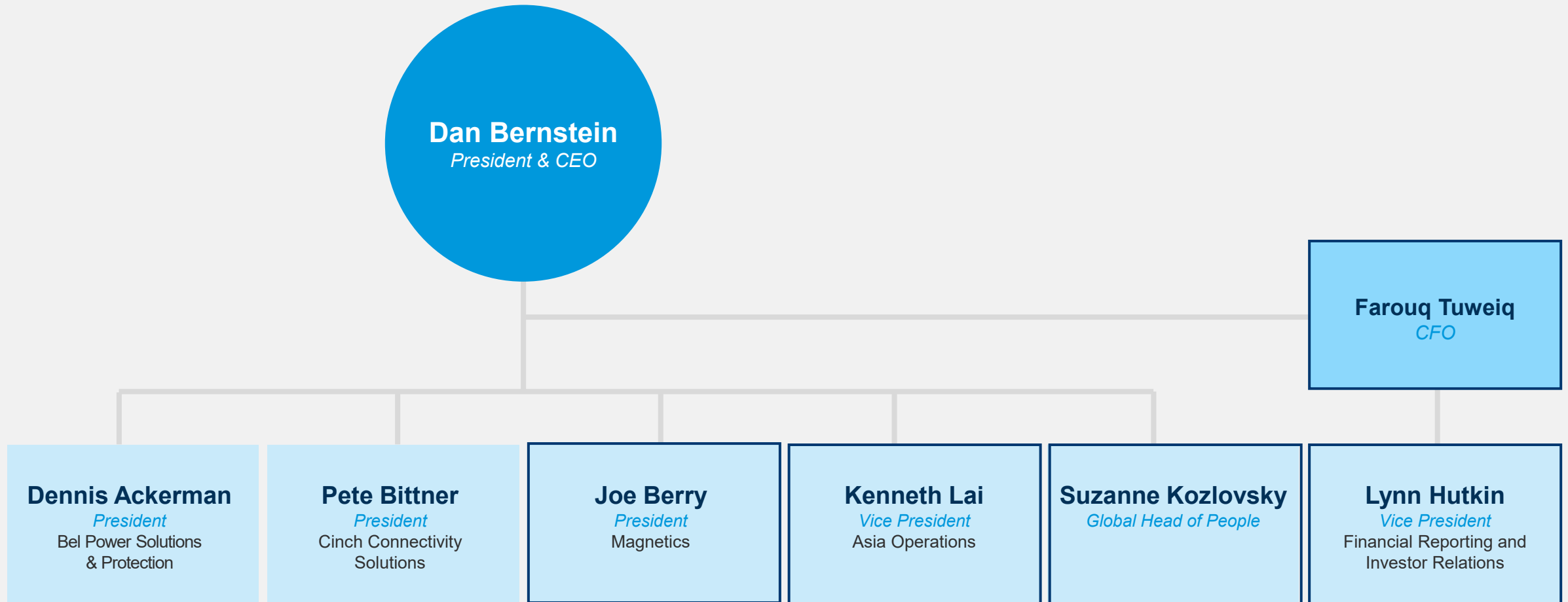
Artificial  
Intelligence  
(AI)



EV and  
Infrastructure

Positive end market trends position Bel for long-term success

# Lean Management Team



Denotes new addition to the executive team since January 2021

# On Our Journey of Change with More to Come...

## 2021

**Farouq Tuweiq**  
Joins as Bel's first CFO  
February 2021

**Pricing Strategy  
Round 1 – Broad Based**  
March 2021

**Facility Closure**  
Maidstone, UK  
May 2021

**ERP Implementation**  
5-year project completed  
July 2021

**Jackie Brito**  
New addition to Bel's Board  
October 2021

## 2022

**Pricing Strategy  
Round 2 - Targeted**  
March 2022

**Sabine Muehlberger**  
New European Sales Director  
April 2022

**Executive Offsite  
Round 1 – Margin Focused**  
May 2022

**Ping Genciano**  
New Global ESG Director  
October 2022

**Suzanne Kozlovsky**  
New Global Head of People  
November 2022

**4 Facility Consolidations**  
Started: Q4-22  
Est Cost Savings: \$5M

## 2023

**Kenneth Lai**  
VP Asia Operations  
January 2023




**Joe Berry**  
VP Magnetic Solutions  
January 2023

**Lynn Hutkin**  
VP Financial Reporting & IR  
January 2023

**ESG Structure**  
with Board-level Oversight  
February 2023

**Executive Offsite  
Round 2 – Growth Focused**  
June 2023

**Non-Core Divestiture**  
Czech Republic  
June 2023

-  Strengthening our bench
-  Business/operational initiatives
-  Strategy-focused activities

### Leading us toward our 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
- Investing in our global communities



# Multi-Pronged Strategy for Sustained Growth

## Quality & Expansion of Revenue

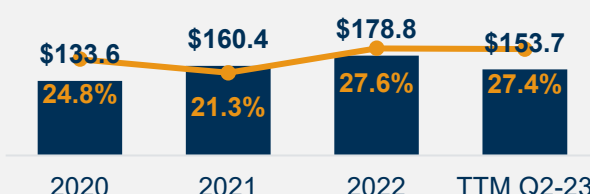
- Double down on high-growth and emerging markets
- Focus on quality relationships with the right customers
- Play for favorable positioning on product designs
- Sharpen pricing strategies and practices

## Optimization & Simplification

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

**Bel is strategically positioned to capture secular tailwinds over the coming years**

# Bel's Segment Overview

End Markets	<h3>Connectivity Solutions</h3>  <ul style="list-style-type: none"> <li>■ Distribution</li> <li>■ Military</li> <li>■ Industrial</li> <li>■ Network/Cloud</li> <li>■ Aerospace</li> </ul>	<h3>Power Solutions &amp; Protection</h3>  <ul style="list-style-type: none"> <li>■ Distribution</li> <li>■ Network/Cloud</li> <li>■ Industrial</li> <li>■ Rail</li> <li>■ E-Mobility</li> </ul>	<h3>Magnetic Solutions</h3>  <ul style="list-style-type: none"> <li>■ Network/Cloud</li> <li>■ Distribution</li> <li>■ Industrial</li> </ul>
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			

# Growth Driver: Aerospace



**FQIS (7)**  
(monitors fuel quantity)



**Omega (5,500)**  
(general avionics connector for power and signal; used in flight controls, navigation, mechanical systems and lighting)



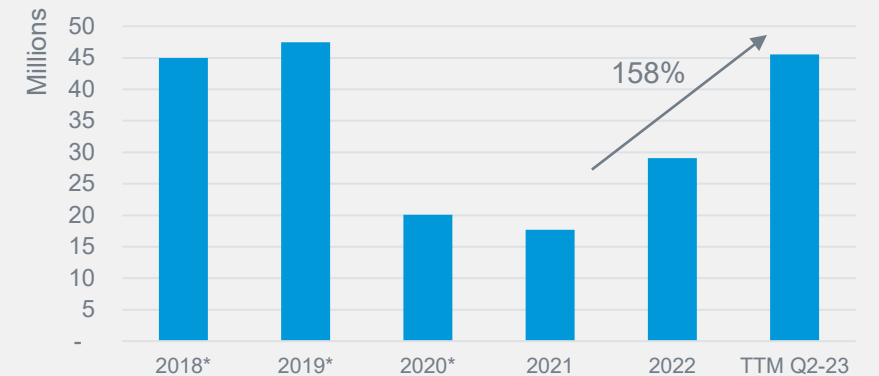
**Dura-Con (4)**  
(used in navigation controls; carries both power and signal)



## End Users

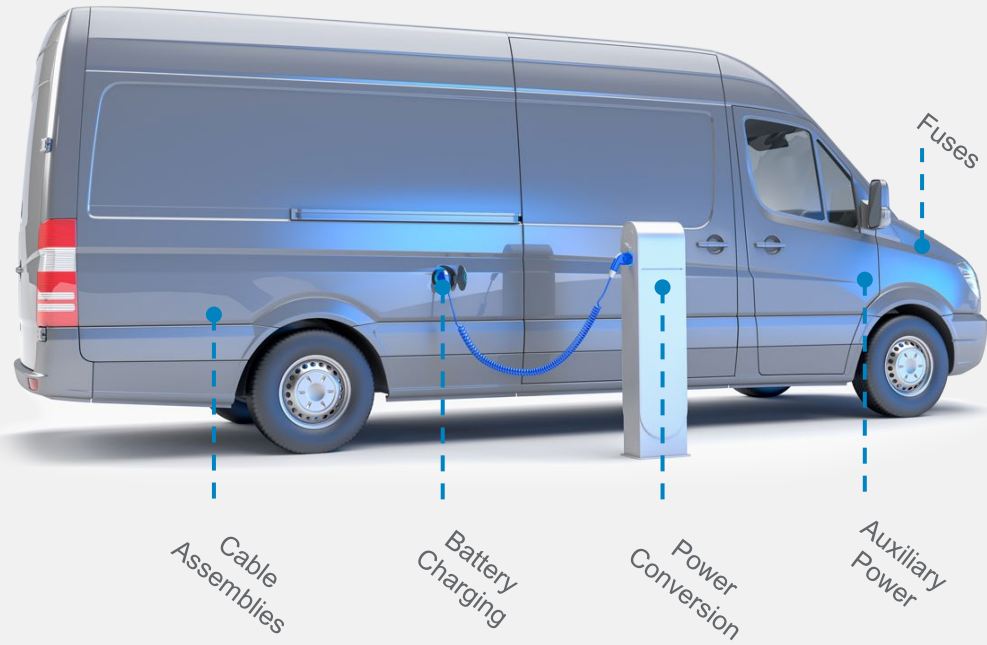
- Aircraft Manufacturers
- Wire Harness Manufacturers
- Sub System Manufacturers
- Direct Airlines and MRO providers

## Sales



\*proforma to include rms sales (acquired in Jan 2021)

# Growth Driver: eMobility



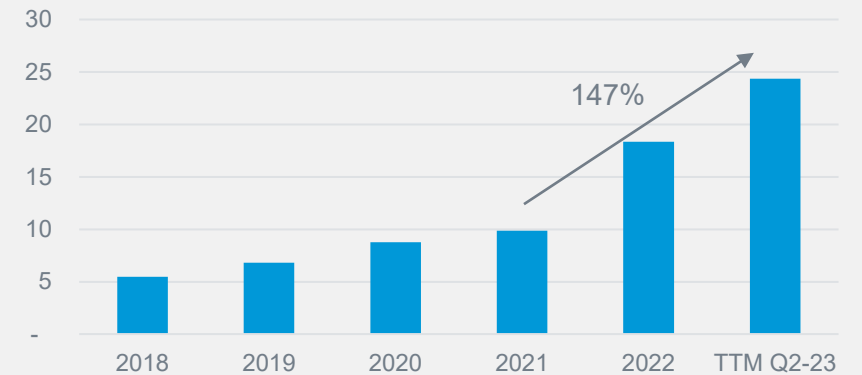
## Featured Products



## End Uses

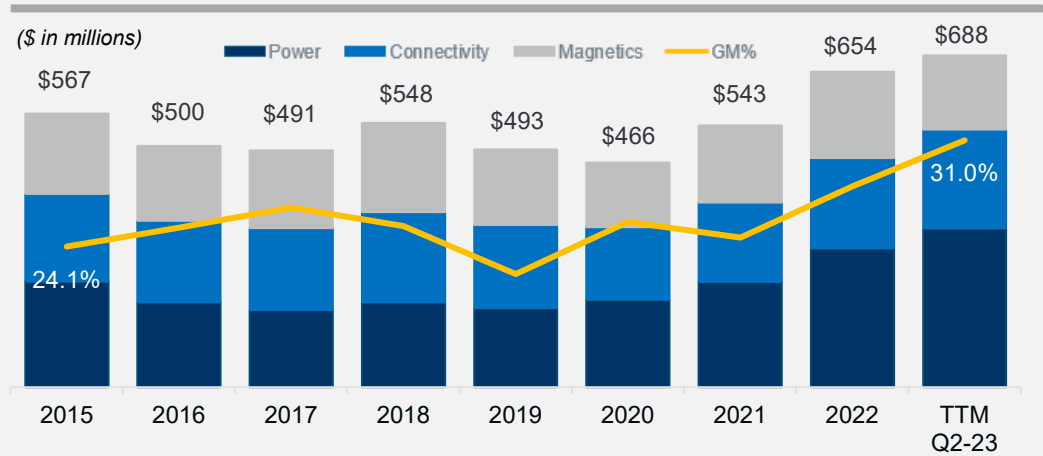
- Construction vehicles
- Ground support equipment
- OEM bus & truck
- Mining
- Specialty vehicles

## Sales

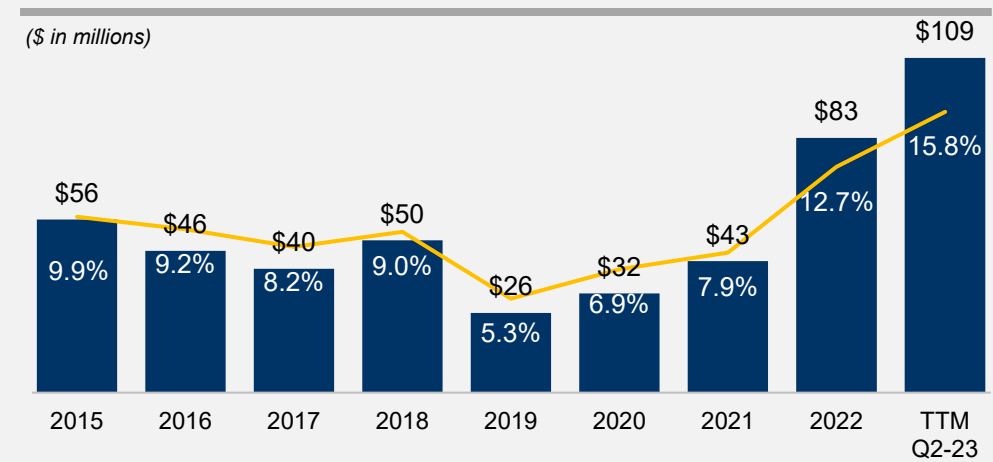


# Historical Financial Performance

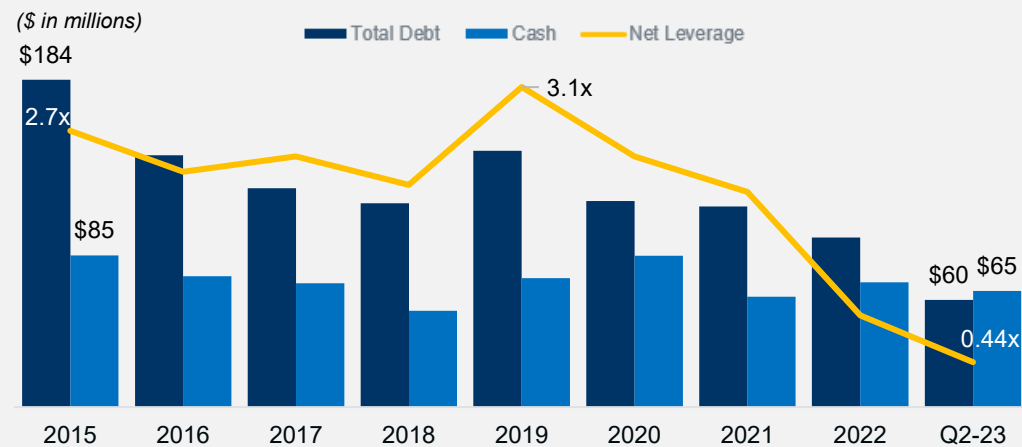
## Historical Revenue / GM%



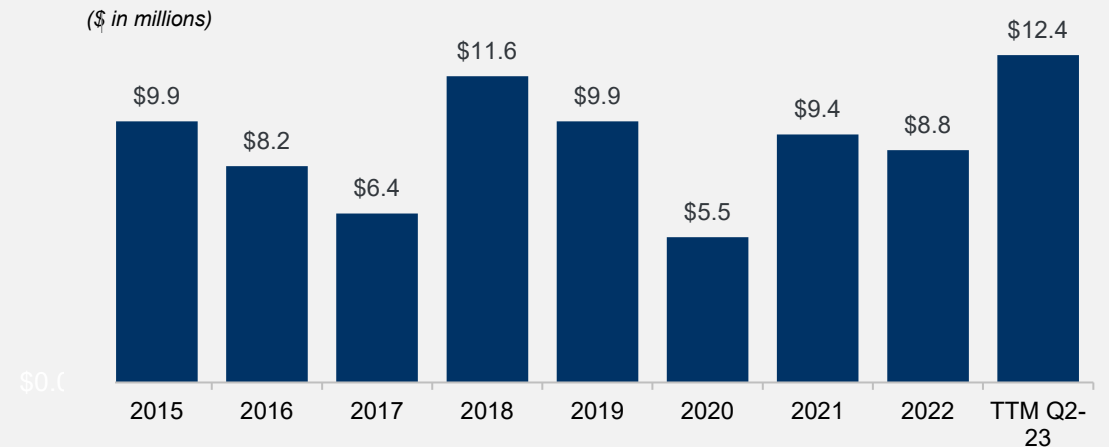
## Historical Adjusted EBITDA



## Debt / Cash / Net Leverage

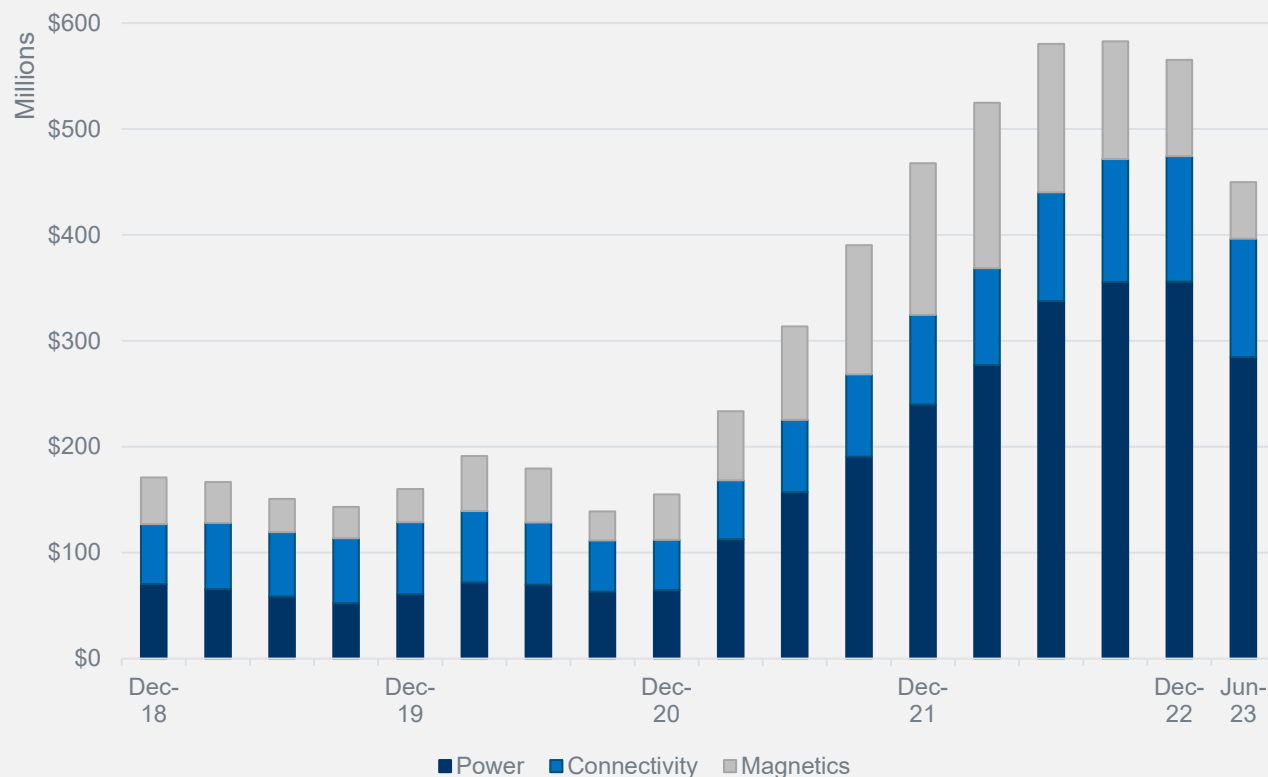


## Historical Capital Expenditures



# Backlog by Product Group

Backlog levels are a function of demand and lead times



## Backlog Commentary

### Reduction in Lead Times:

- Lead times for most products have come down from where they were a year ago
- Some customers still have orders on the books for several quarters out and do not need to place new orders yet given shorter lead times

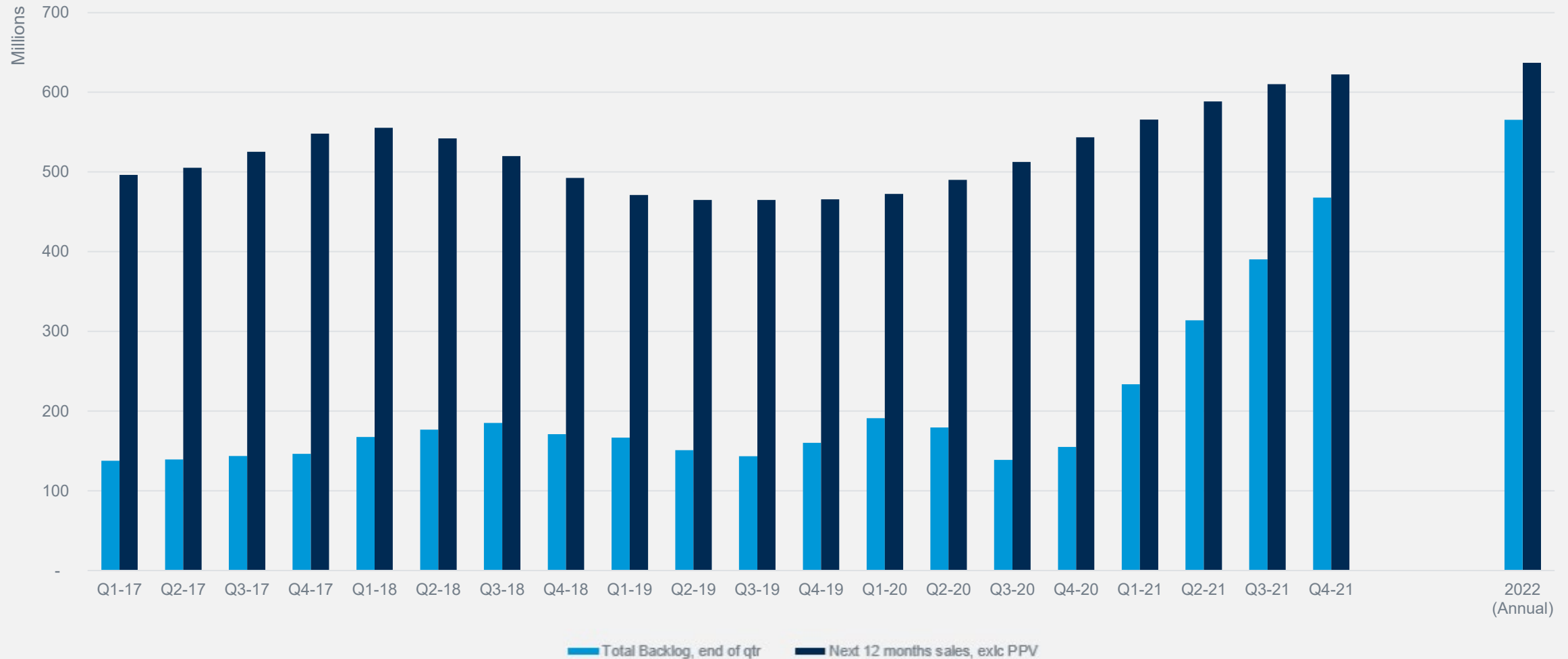
### Elevated Inventory Still in Channel:

- Slowdown in bookings in certain areas as channel for these products are over-inventoried (primarily distribution and Magnetic products in networking end market)

### Pockets of Ordering Strength:

- Commercial Air bookings:
  - \$8M in FY2020; \$21M in FY2021; \$45M in FY2022; \$52M in TTM Q2-23
- Military bookings:
  - \$37M in FY2020, \$44M in FY2021, \$51M in FY2022, \$50M in TTM Q2-23)

# Backlog vs. Future Sales



# Share Information

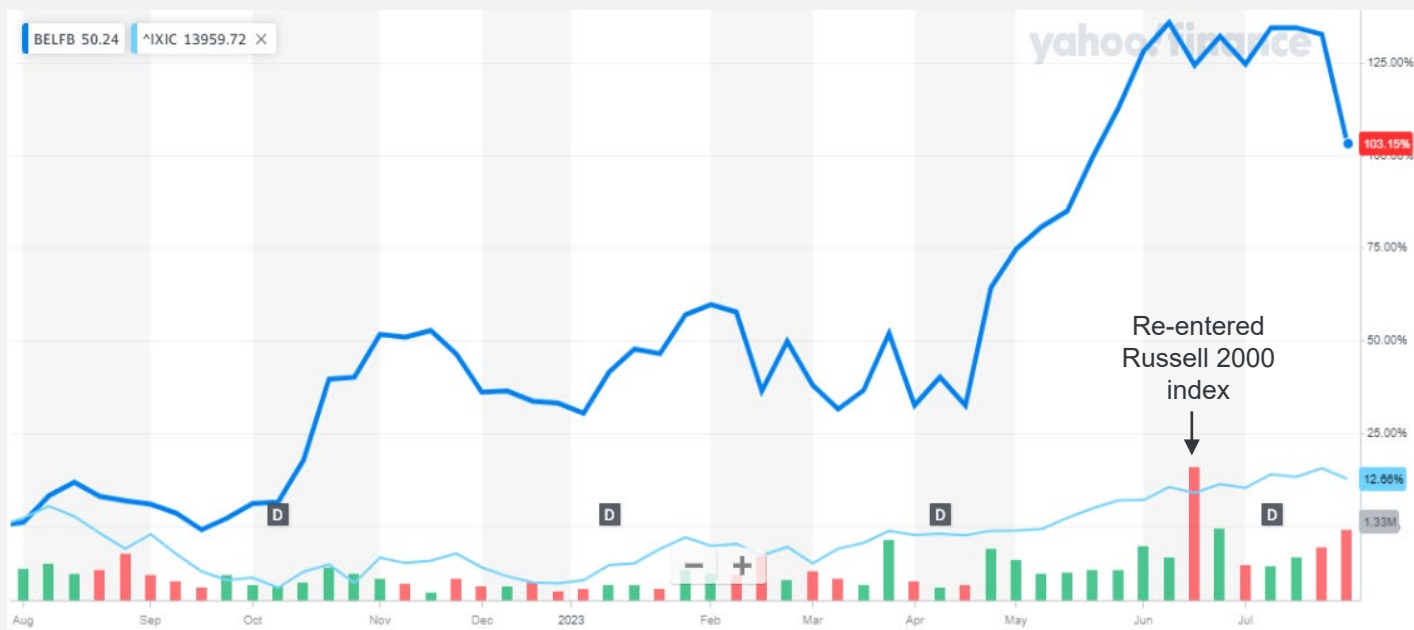
## Key Statistics (as of 8/4/23)

Shares outstanding  
12.8M

Market cap  
\$643M

Enterprise value  
\$638M

EV/EBITDA  
5.85x



**NDQ: BELFA**  
voting

Stock price  
**\$50.67**

Outstanding shares  
**2,142,000**

Quarterly dividends  
**\$0.06 / share**

**20%** held by insiders

**NDQ: BELFB**  
non-voting

Stock price  
**\$50.24**

Outstanding shares  
**10,638,000**

Quarterly dividends  
**\$0.07 / share**

**3%** held by insiders

**BELFB: ~100% increase in stock price LTM 8/4/23 vs 13% increase in full Nasdaq**



# *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

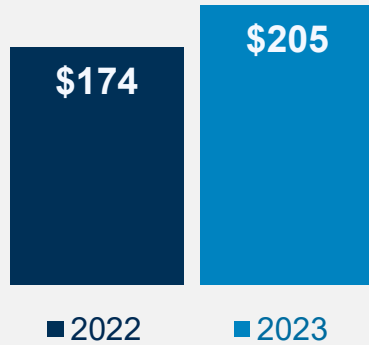


**Lynn Hutkin**  
*VP of Financial Reporting  
and Investor Relations*

- 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

## Sales<sup>1</sup>



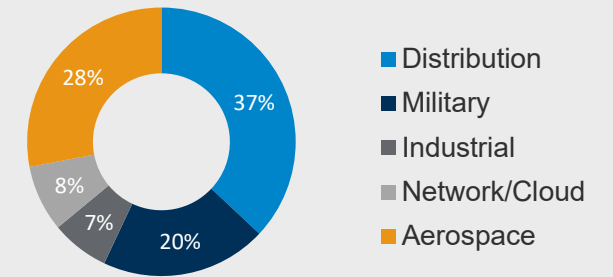
<sup>1</sup>Data for trailing 12-month periods ended June 30, 2022 and 2023 (\$ in millions)

## Backlog<sup>2</sup>



<sup>2</sup>Data as of December 31, 2022 and June 30, 2023 (\$ in millions)

## Sales by End Market<sup>3</sup>



<sup>3</sup>Sales by End Market based on management estimates

## Products

Circular Interconnects	Rectangular Interconnects
D-Shape Connectors	RF & Microwave Solutions
Enclosures	Stacking & Compression
Optical Technology	

## Markets

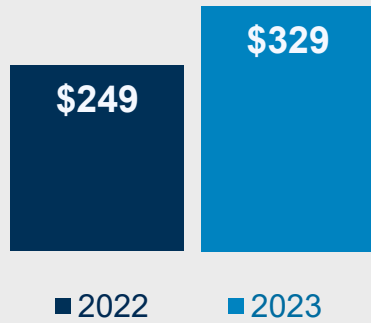
5G/IOT	Harsh Environment
Commercial Aerospace	Space
Defense	Test & Measurement

## Select Customers



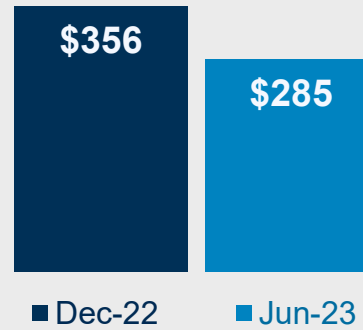
# Power Solutions & Protection

## Sales<sup>1</sup>



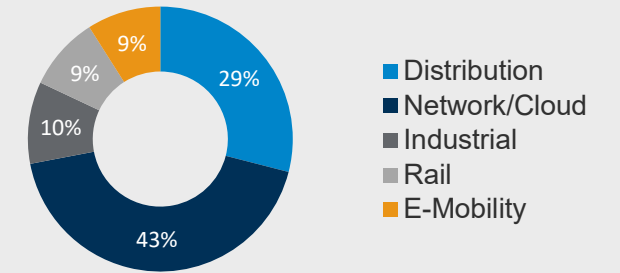
<sup>1</sup> Data for trailing 12-month periods ended June 30, 2022 and 2023 (\$ in millions)

## Backlog<sup>2</sup>



<sup>2</sup> Data as of December 31, 2022 and June 30, 2023 (\$ in millions)

## Sales by End Market<sup>3</sup>



<sup>3</sup> Sales by End Market based on management estimates

## Products

AC-DC Power Supplies	DC-AC Inverters
Battery Charges	Fuses
DC-DC Converters	

## Markets

Consumer/IOT	Medical
eMobility	Networking/5G
Industrial/Harsh Environment	Railway

Select Customers

**stryker**<sup>®</sup>

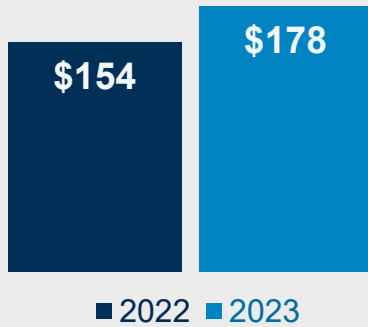
**DELL**EMC

**ALSTOM**

**NAVISTAR**<sup>®</sup>

# Magnetic Solutions

## Sales<sup>1</sup>



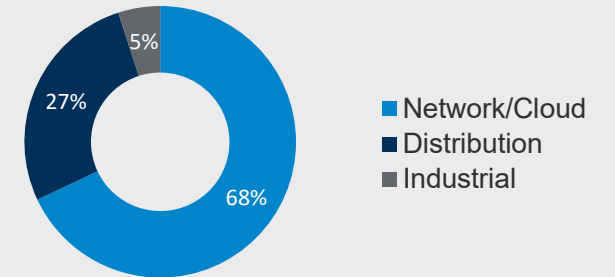
<sup>1</sup> Data for trailing 12-month periods ended June 30, 2022 and 2023 (\$ in millions)

## Backlog<sup>2</sup>



<sup>2</sup> Data as of December 31, 2022 and June 30, 2023 (\$ in millions)

## Sales by End Market<sup>3</sup>



<sup>3</sup> Sales by End Market based on management estimates

## Products

Common Mode Chokes	Linear Transformers
Fixed Inductors	PoE Transformers
High Frequency Transformers	Wireless Charging Coils
Integrated Connector Modules	

## Markets

Consumer/IOT	Networking/5G
Industrial	<ul style="list-style-type: none"> <li>Enterprise &amp; Datacenter, Switching &amp; Routing</li> <li>Network Security &amp; Firewall</li> <li>Mobile Networks</li> <li>Servers, Workstations &amp; Network Storage</li> </ul>
Medical	Alarm & Security Systems
Lighting	

Select Customers

  
**Hewlett Packard**  
 Enterprise

**VARIAN**  
 medical systems

**SIEMENS**

  
**CISCO**

# Balance Sheet Highlights

\$ in millions	June 2023	December 2022
<b>Cash</b>	\$65	\$70
<b>Debt</b>	60 <sup>*</sup>	95
<b>Equity</b>	304	262
<b>Working Capital</b>	227	245
<b>Current Ratio</b>	2.8 to 1	2.8 to 1
<b>Inventory Turns (excl R&amp;D)</b>	2.9x	2.6x
<b>DSO</b>	58 days	58 days
<b>Leverage Ratio</b>	0.44x	0.90x

\* The Company's debt balance is now 100% covered under an interest rate swap agreement, with a fixed interest rate of 2.5% through 2026

# Global Presence

## NORTH AMERICA

**7** Manufacturing Sites  
**8** Sales Offices  
**9** Research & Design Centers  
**69%** of Sales<sup>1</sup>

## EUROPE

**4** Manufacturing Sites  
**4** Sales Offices  
**5** Research & Design Centers  
**16%** of Sales<sup>1</sup>

## APAC

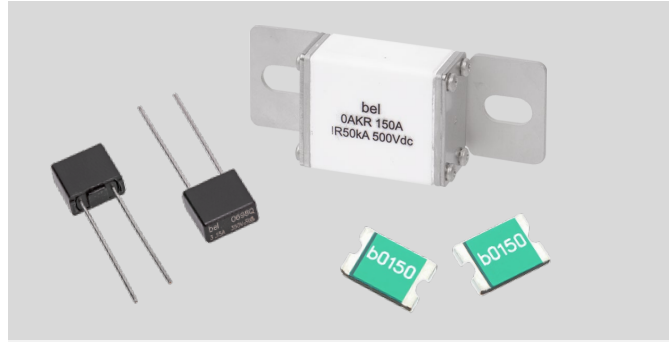
**6** Manufacturing Sites  
**4** Sales Offices  
**4** Research & Design Centers  
**15%** of Sales<sup>1</sup>

<sup>1</sup>Global sales breakout based on management estimates

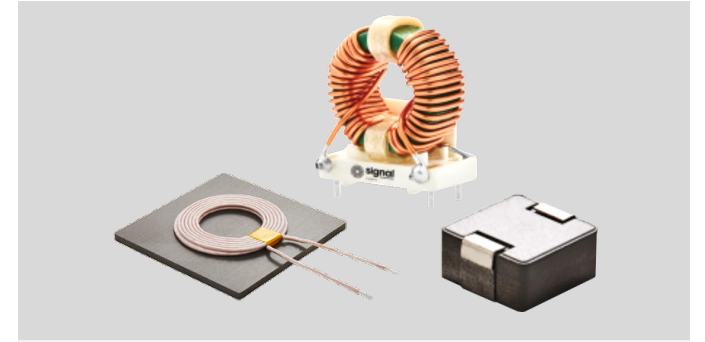
# Product Overview



Power Supplies



Circuit Protection



Magnetics



MagJack®



Connectors



Cable Assemblies



# 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.



POWER | PROTECT | CONNECT

