



# Investor Presentation

February 2018



Expertise Applied | Answers Delivered

# Forward Looking Statements

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## **Important Information About Littelfuse, Inc.**

This presentation does not constitute or form part of, and should not be construed as, an offer or solicitation to purchase or sell securities of Littelfuse, Inc. and no investment decision should be made based upon the information provided herein. Littelfuse strongly urges you to review its filings with the Securities and Exchange Commission, which can be found at [investor.littelfuse.com/sec.cfm](http://investor.littelfuse.com/sec.cfm). This website also provides additional information about Littelfuse.

## **“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995.**

The statements in this press release that are not historical facts are intended to constitute “forward-looking statements” entitled to the safe-harbor provisions of the PSLRA. These statements may involve risks and uncertainties, including, but not limited to, risks relating to product demand and market acceptance; economic conditions; the impact of competitive products and pricing; product quality problems or product recalls; capacity and supply difficulties or constraints; coal mining exposures reserves; failure of an indemnification for environmental liability; exchange rate fluctuations; commodity price fluctuations; the effect of Littelfuse, Inc.’s (“Littelfuse” or the “Company”) accounting policies; labor disputes; restructuring costs in excess of expectations; pension plan asset returns less than assumed; uncertainties related to political or regulatory changes; the integration of the recently acquired business of IXYS Corporation (“IXYS”) and the risk that expected benefits, synergies and growth prospects of the acquisition of IXYS may not be achieved in a timely manner, or at all; and other risks which may be detailed in the Company’s Securities and Exchange Commission filings. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual results and outcomes may differ materially from those indicated or implied in the forward-looking statements. This release should be read in conjunction with information provided in the financial statements appearing in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016. For a further discussion of the risk factors of the Company, please see Item 1A. “Risk Factors” to the Company’s Annual Report on Form 10-K for the year ended December 31, 2016.

## **Use of Non-GAAP Financial Measures**

The information provided in this presentation includes certain non-GAAP financial measures, including Adjusted Earnings per Share. This non-GAAP financial measure should not be considered in isolation or a substitute for the comparable GAAP financial measures. A reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure is included in the appendix of this presentation.

# Littelfuse: PROTECT | CONTROL | SENSE

- Designer, manufacturer, and seller of components and modules for circuit protection, power control, and sensing
- Focused on improving the safety, reliability and performance of our customers' products and systems that use electrical energy
- Global footprint of sales, manufacturing and product development across 15+ countries
- Exceeded \$1.2 billion of annual sales in 2017
- Strong operating margins and cash flow generation
- 11,000+ dedicated and innovative employees
- Headquartered in Chicago, IL



# The #1 Brand in Circuit Protection

## Expanding Player in Power Control and Sensing

### Electronics (64%\*)



Passive Products

Semiconductor Products

Sensor Products



### Automotive (29%\*)



Passenger Car Fuse Products

Automotive Sensor Products

Commercial Vehicle Products



### Industrial (7%\*)



Fuse Products

Protection Relays

Custom Products



**Littelfuse serves more than 100,000 end customers across three major market segments**

# 2017 Enterprise Strategy:

## Building On Success to Continue Double Digit Growth

Leverage Our  
Position Within  
Global Mega Trends



Safety



Connectivity



Energy  
Efficiency

Protect  
Control  
Sense



Grow  
Circuit  
Protection



Accelerate  
Power Control



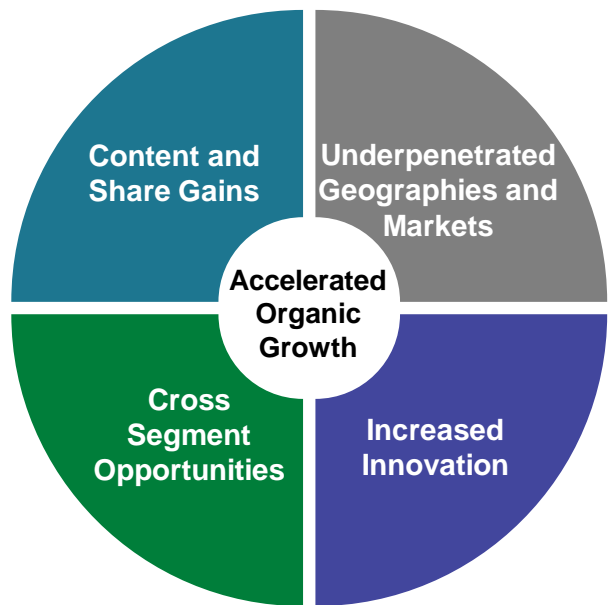
Double  
Sensor  
Platform

Accelerated  
Organic Growth  
5% - 7%

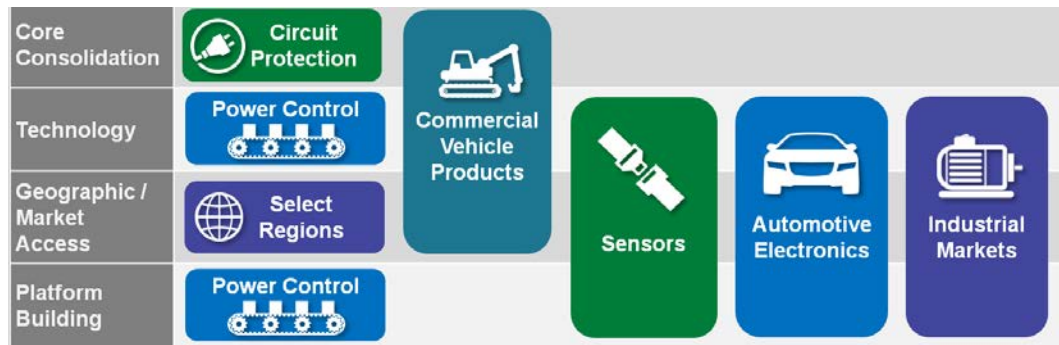
Complemented  
with Strategic  
M&A  
5% - 7%

# Driving Double Digit Revenue Growth

## Accelerate Organic Growth



## Continue Strategic Acquisitions



# IXYS Acquisition

## Global Player in Power Semiconductors

### Strategic Rationale

- Significant expansion into industrial electronics OEM markets
- Increased long term penetration of power control products into automotive markets
- Capture high growth end-markets such as renewable energy, EV charging infrastructure and industrial motor drive
- Economies of scale to leverage technology and customer facing operational structures

### Financial Highlights

- Closed January 17, 2018
- \$343m revenue CY ended 12/31/17
- Accretive to 2018 Adjusted EPS
- Targeting more than \$30M of annualized cost savings by the end of 2019
- Long term revenue synergy opportunities given companies complementary offerings

# Electronics Segment Overview

\$662M 2017 Revenue

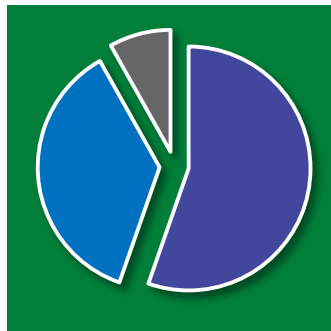
Passive Products

Semiconductor Products

Sensor Products

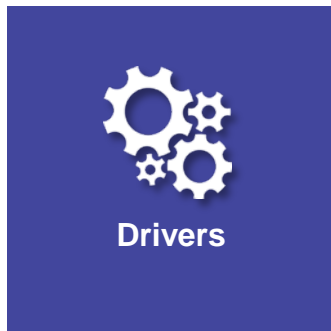
*Long term organic revenue  
growth rate: 4 - 6%*

- Electronification
- Smart / connected devices (IoT)
- Legislation and consumer demand driving energy efficiency



Market  
Information

- ~ \$4.0 Billion market\*
- Growing number of applications requiring circuit protection
- Market need for innovative power control products



Drivers



LFUS Competitive  
Advantage

- Brand strength / recognition
- Product portfolio breadth
- Global presence and customer access
- Diversified customers and end markets
- Strategic channel partnerships



# Automotive Segment Overview

\$453M 2017 Revenue

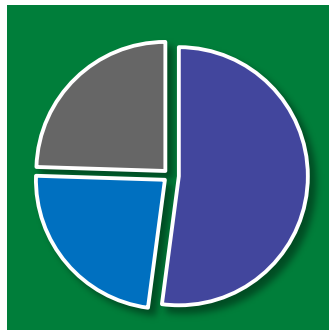
Passenger Car Fuse Products

Automotive Sensor Products

Commercial Vehicle Products

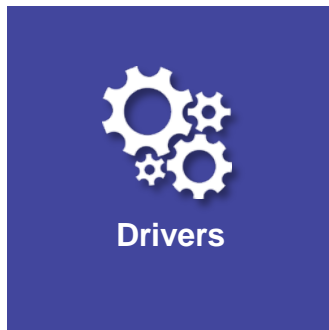
*Long term organic revenue  
growth rate: 7 - 9%*

- Electrification of vehicles
- Safety focus
- Increase in comfort and assist functions
- Autonomous driving



Market  
Information

- ~ \$2.5 Billion market\*
- Content increase drives growth in excess of car builds
- OEMs value supply chain on a global basis



Drivers



LFUS Competitive  
Advantage

- Global presence
- Brand reputation and quality
- Close OEM and Tier 1 engineering relationships
- Product breadth
- Technical expertise

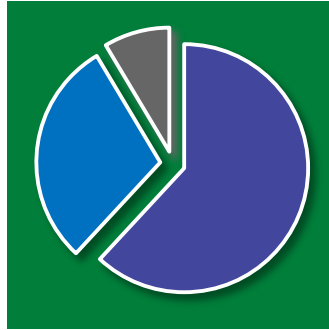
# Industrial Segment Overview

\$106M 2017 Revenue

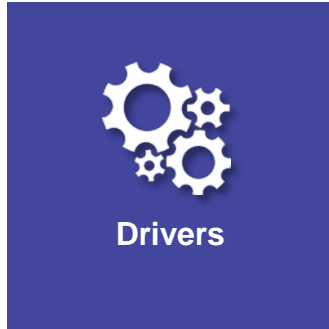


*Long term organic revenue growth rate: 2 - 4%*

- Heavy industry (mining / oil & gas)
- General industrial
- Commercial construction
- Alternative energy (electric vehicle, solar, storage, wind)

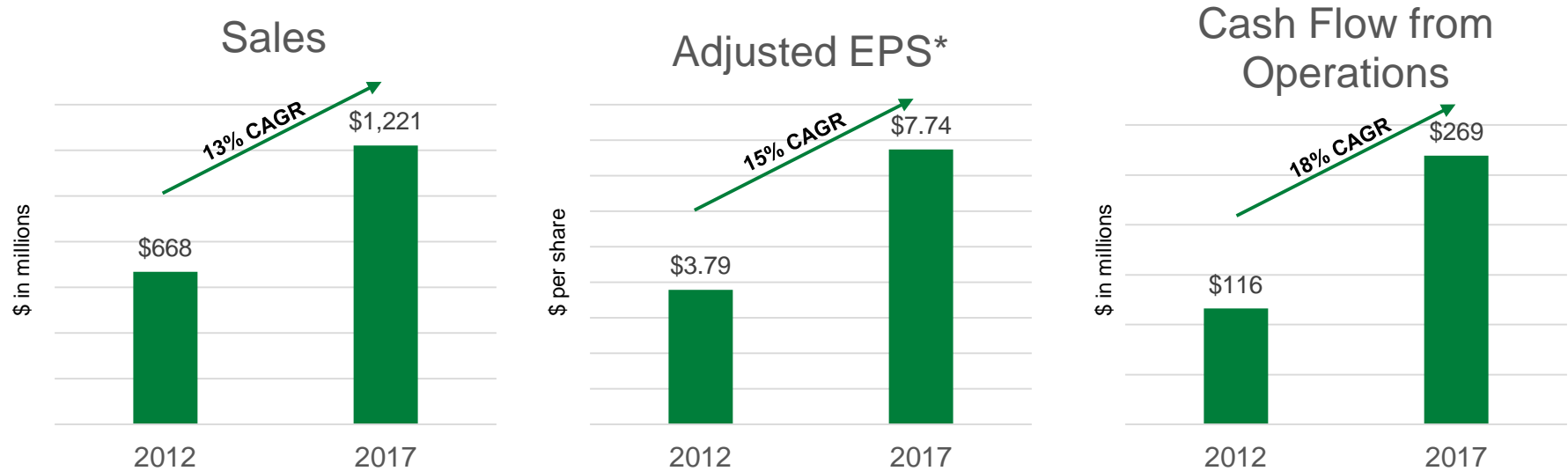


- ~ \$1.5 Billion market\*
- GDP growth, adjusted for negative impact of oil & gas and mining
- Current portfolio largely North America based

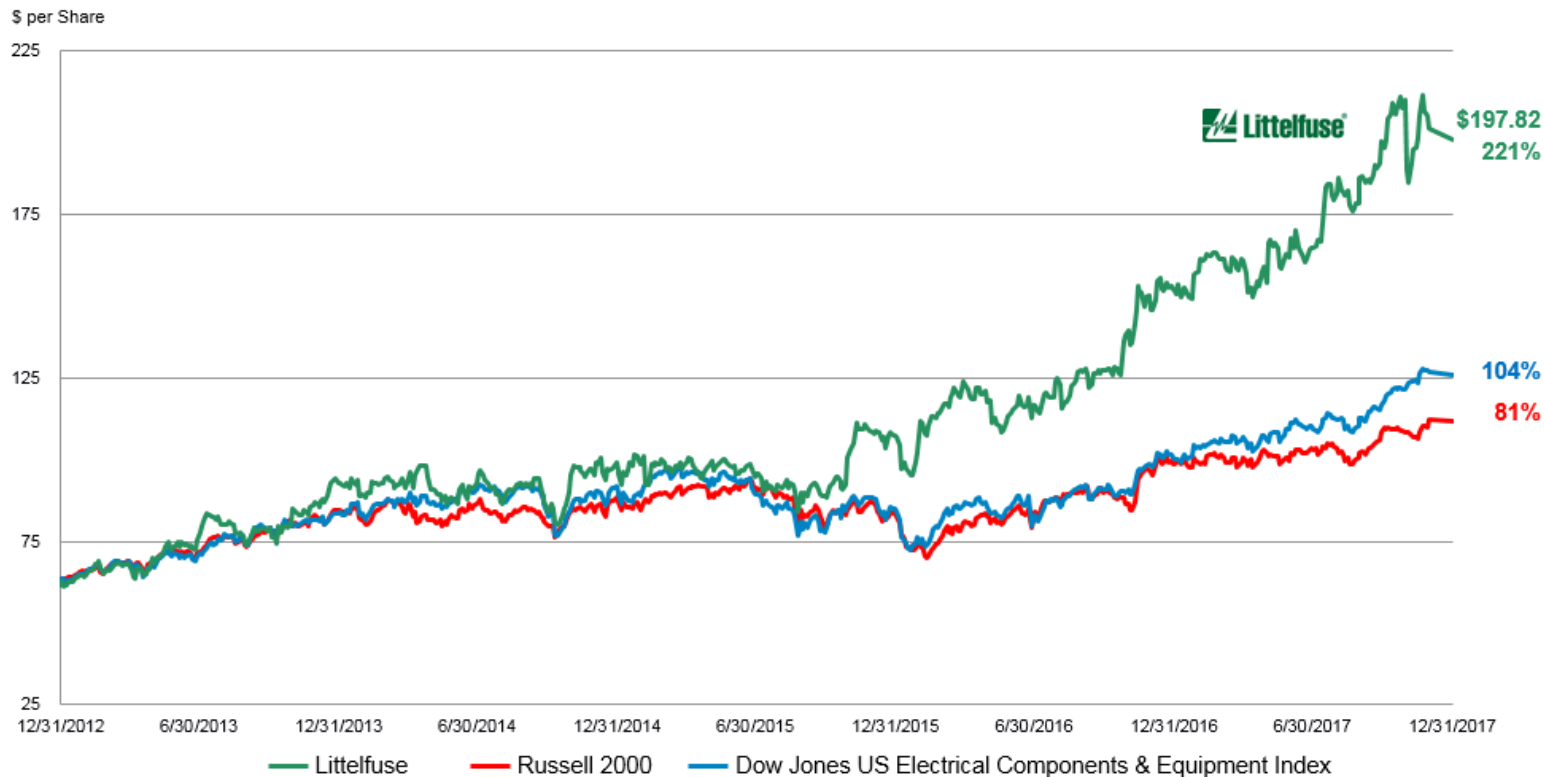


- Brand reputation for excellent product, service, and support
- Strong relationships with distribution channels & key customers
- Ability to selectively leverage Electronics channel access

# Strong Track Record of Revenue Growth Drives Strong Earnings and Cash Generation...



# ... Leading to Strong Shareholder Return



# What We Expect to Deliver:

## Continued Strong Financial Performance



### Double Digit Sales Growth

- 5% - 7% accelerated organic revenue growth
- 5% - 7% growth from strategic acquisitions



### Double Digit EPS Growth

- 17% - 19% operating margins
- 21% - 23% EBITDA margins



### Free Cash Flow Approximates Net Income

- Strong track record of free cash flow generation
- Capex continues at 4% - 5% of revenue

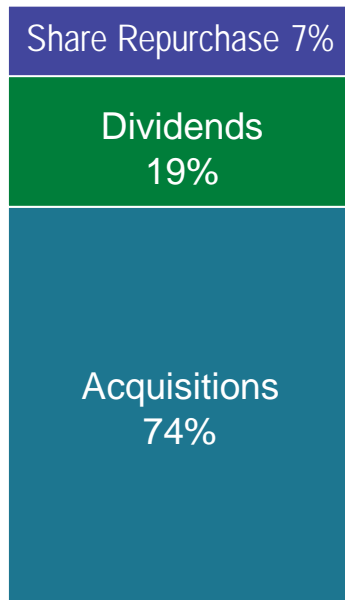


### Balanced Capital Allocation

- Return 40% of free cash flow to shareholders
- Remainder to focus on strategic acquisitions

# Capital Deployment: Balancing Reinvestment with Return to Shareholders

## 2013 – 2017 Free Cash\* Deployment



## Cash Priorities

Disciplined Reinvestment to  
Drive Organic Growth

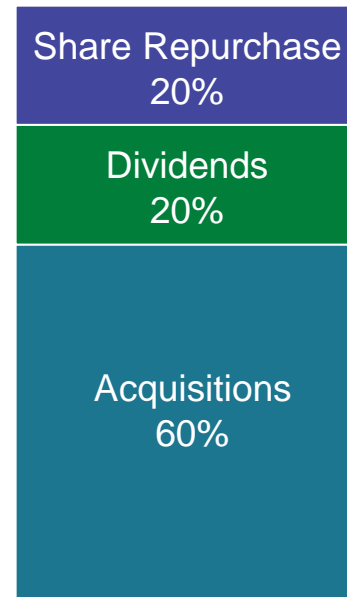
Target Debt / EBITDA Leverage  
Remains 1.0x to 2.5x

Acquisitions that Align  
to Strategy and  
Financial Targets

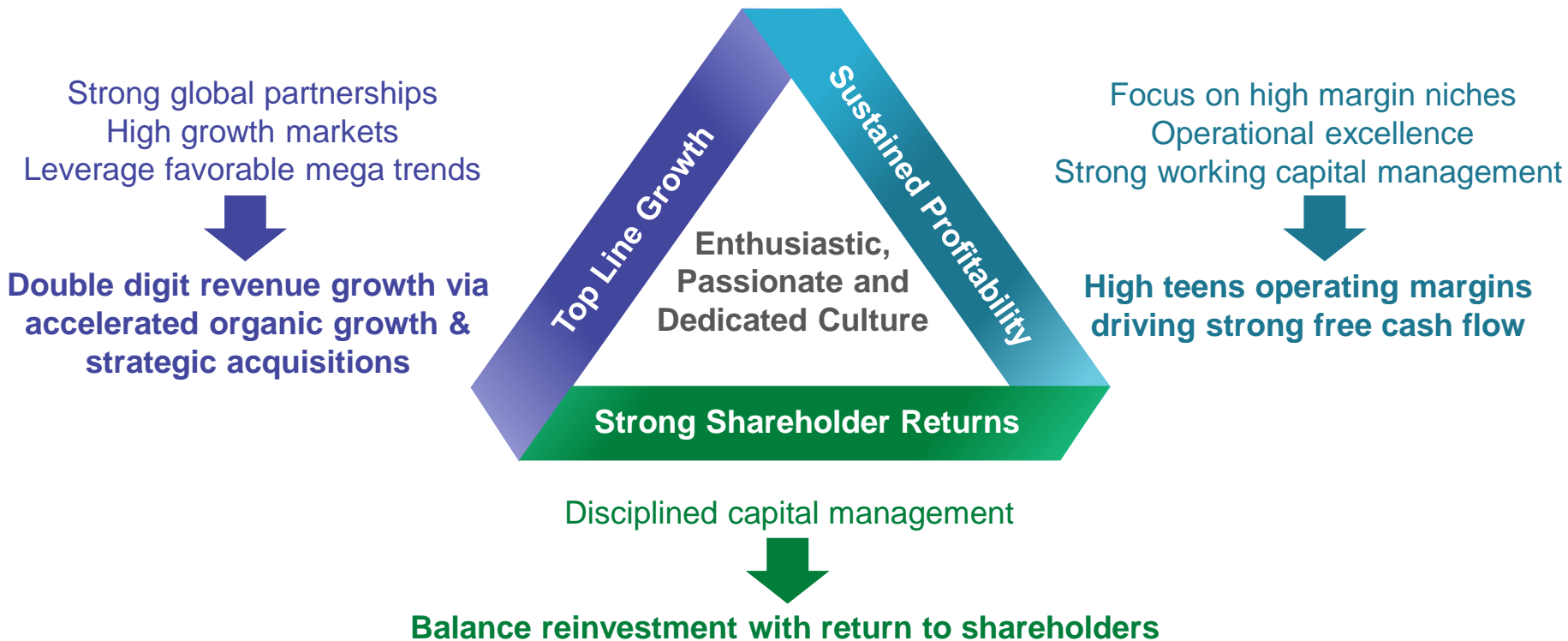
Grow Dividend in Line  
with Earnings

Opportunistic Share  
Repurchases

## Future Free Cash\* Deployment



# Compelling Investment Proposition: A Proven Source of Growth and Value Creation









# Appendix

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# Appendix – 2012 to 2017 Non-GAAP measures

(\$ in millions, except per share data)

	2012	2013	2014	2015	2016	2017
<b>As Reported (GAAP)</b>						
Revenue	\$ 667.9	\$ 757.9	\$ 852.0	\$ 867.9	\$ 1,056.2	\$ 1,221.5
Operating Income	106.9	129.9	133.8	104.2	130.6	218.5
Operating Margin	16.0%	17.1%	15.7%	12.0%	12.4%	17.9%
Diluted EPS	\$3.37	\$3.90	\$4.32	\$3.56	\$4.60	\$5.21
<b>Non-GAAP Adjustments</b>						
Reed switch manufacturing transfer costs	\$ -	\$ -	\$ -	\$ 5.2	\$ 1.6	\$ -
Restructuring	-	-	5.3	3.4	2.5	2.2
Impairment Charges	7.8	10.7	0.3	-	14.8	-
U.S. Pension wind-up and settlement cost	5.4	-	-	31.9	-	-
Acquisition & Divestiture expenses	1.3	3.2	3.3	4.7	31.1	8.1
Non-operating Foreign Exchange (gain)/loss	-	(3.6)	3.9	(1.4)	0.5	2.4
Total Non-GAAP Adjustments	14.5	10.3	12.8	43.8	50.5	12.7
Total EPS Impact	\$ 0.42	\$ 0.52	\$ 0.41	\$ 1.42	\$ 1.66	\$ 2.53
<b>Adjusted (Non-GAAP)</b>						
Revenue	\$667.9	\$757.9	\$852.0	\$867.9	\$1,056.2	\$1,221.5
Operating Income	114.1	133.1	142.7	149.4	180.6	228.8
Operating Margin	17.1%	17.6%	16.7%	17.2%	17.1%	18.7%
Diluted EPS	\$3.79	\$ 4.42	\$ 4.73	\$ 4.98	\$ 6.26	\$ 7.74

Note: Prior year numbers have been restated to reflect the correction of immaterial errors as disclosed in recent quarterly filings with the SEC