

Baird 2018 Global Industrial Conference

November 2018

Littelfuse®

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Forward Looking Statements

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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 presentation 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 30, 2017. 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 30, 2017.

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.

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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
- 2017 Proforma sales: $1.6 billion*
- Strong operating margins and cash flow generation
- 12,000 dedicated and innovative employees
- Headquartered in Chicago, IL



*Proforma 2017 CY revenue including IXYS

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Global Manufacturer of Leading Technologies in Circuit Protection, 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





Sold in over 150 countries, products are found in automotive and commercial vehicles, industrial applications, telecom, medical devices and consumer products

*Proforma 2017 CY revenue including IXYS

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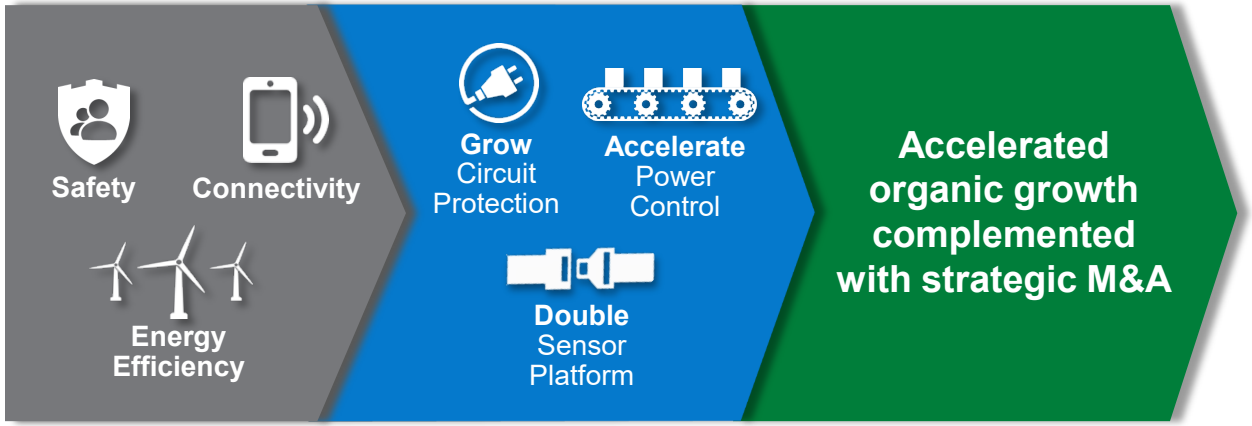
2017 – 2021 Strategy

Five Year Mission

Drive double-digit growth by accelerating organic growth and investing in strategic acquisitions



Targets	
Revenue	**2017-2021 Targets**
Organic	5-7%
Strategic M&A	5-7%
Operating Margin	17-19%

Protect **Control** **Sense**

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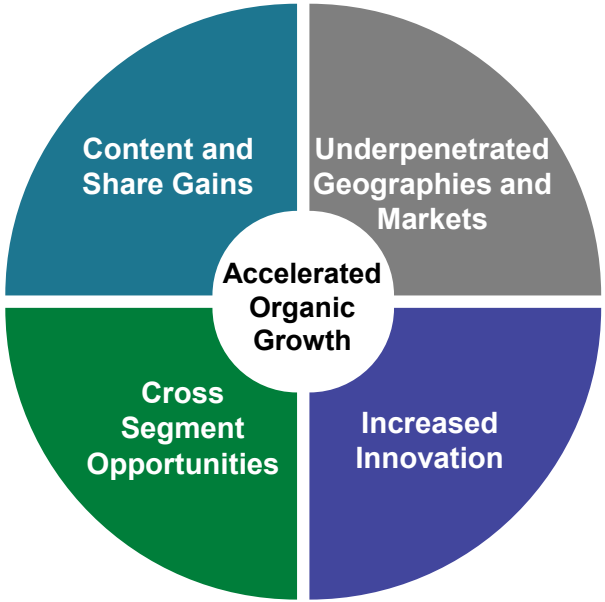
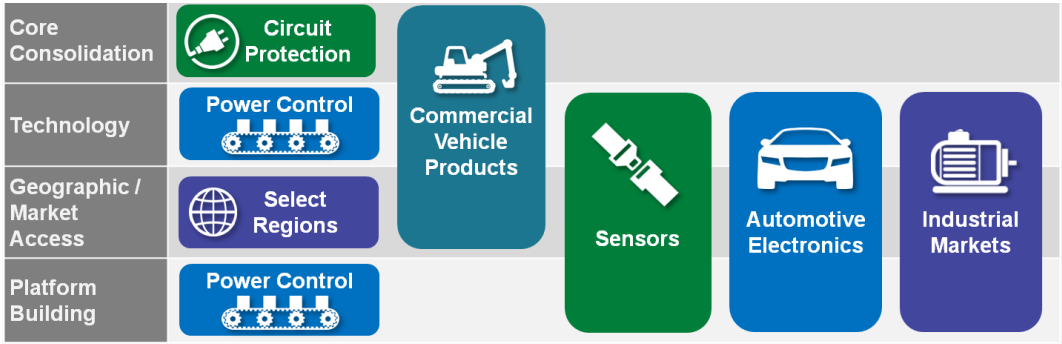
Driving Double Digit Revenue Growth

Accelerate Organic Growth



Continue Strategic Acquisitions



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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
- $375M TTM revenue as of Q3 2018
- 20 cents 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

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Electronics Segment Overview

$662M 2017 Revenue

- Passive Products
- Semiconductor Products
- Sensor Products

Long term organic revenue growth rate: 4 - 6%



Market Information

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

Drivers

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

LFUS Competitive Advantage

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

*Company estimates, excludes impacts of IXYS acquisition

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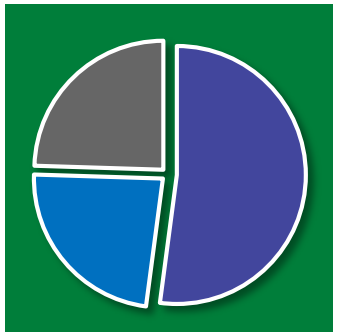
Automotive Segment Overview

$453M 2017 Revenue

- Passenger Car Fuse Products
- Automotive Sensor Products
- Commercial Vehicle Products

Long term organic revenue growth rate: 7 - 9%



Market Information

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

Drivers

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

LFUS Competitive Advantage

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

*Company estimates

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Industrial Segment Overview

$106M 2017 Revenue

- Fuse Products
- Protection Relays/Custom

Long term organic revenue growth rate: 2 - 4%

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



Market Information

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

Drivers

LFUS Competitive Advantage

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

*Company estimates

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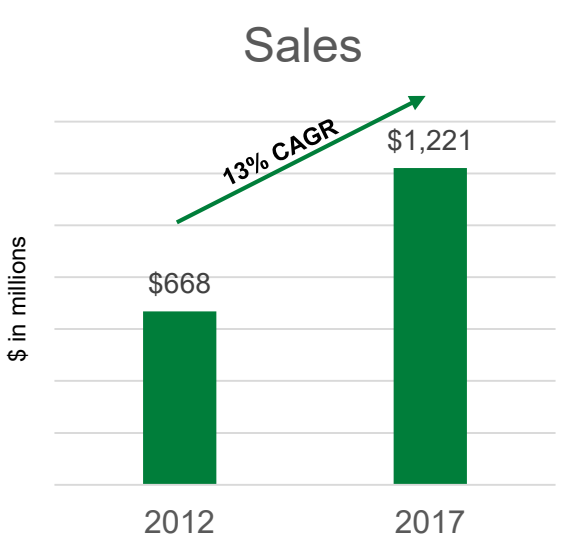
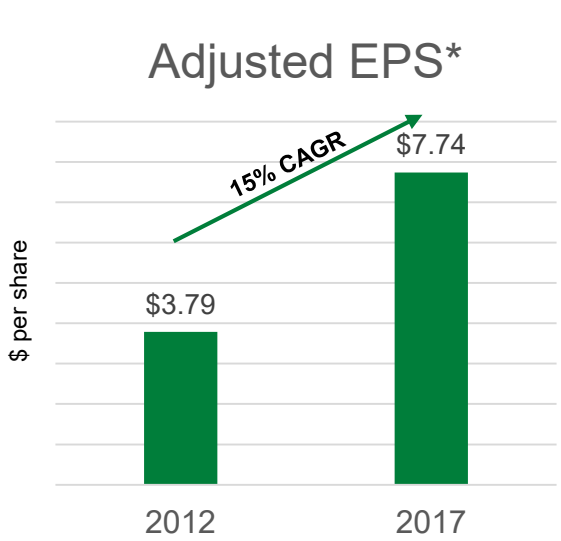
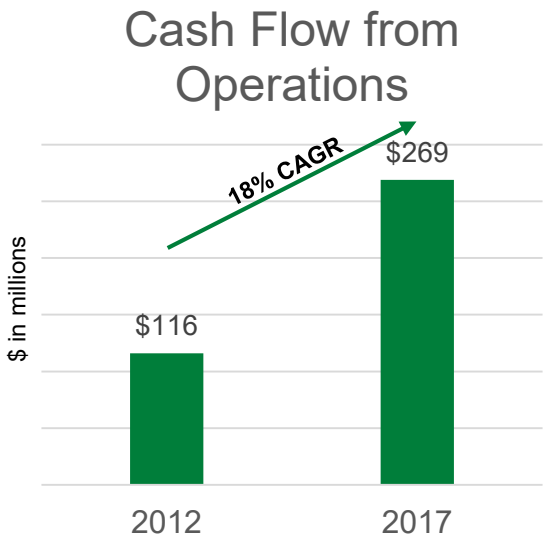
Strong Track Record of Revenue Growth Drives Strong Earnings and Cash Generation







*See appendix for GAAP to non-GAAP reconciliation

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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

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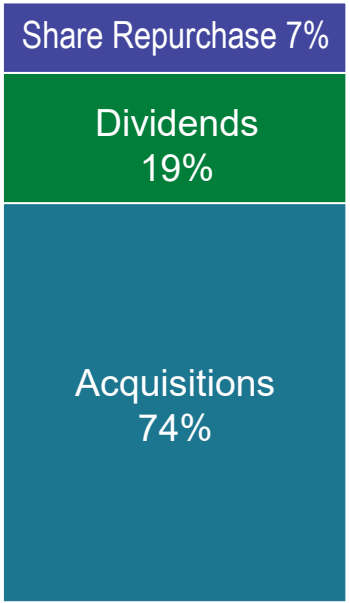
Capital Deployment:
Balancing Reinvestment while Delivering Value to Shareholders

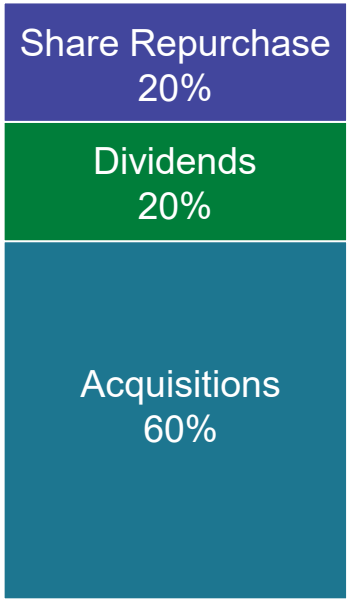
2013 – 2017 Free Cash* Deployment



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



*Free Cash Flow is defined as cash flow from operations less capital expenditures

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

Accelerated organic growth

- Deliver innovative, high-quality solutions for a safer, greener and increasingly connected world
- Focus investments on high growth end markets
- Support customers through continued execution focus

Double digit earnings growth

- Focus on high margin niches
- Invest in organic growth while managing costs through operational excellence and scale
- Long-term cash tax rate of 17-19%



Continue diversified growth through strong acquisition pipeline

- Target strategic acquisitions that align with financial metrics
- Robust acquisition integration playbook to drive value creation

Balanced capital allocation

- Free cash flow greater than net income, led by strong working capital management
- Balance reinvestment with return to shareholders

Experienced Leadership Team Driving Results

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Appendix

Appendix – 2012 to 2017 Non-GAAP measures

($ in millions, except per share data)

	2012	2017
As Reported (GAAP)		
Revenue	$ 667.9	$1,221.5
Operating Income	106.9	218.5
Operating Margin	16.0%	17.9%
Diluted EPS (Earnings per share)	$3.37	$5.21
Special Items		
Reed switch manufacturing transfer costs	$ -	$ -
Restructuring	-	2.2
Impairment charges	7.8	-
U.S. pension wind-up and settlement cost	5.4	-
Acquisition & Divestiture expenses	1.3	8.1
Non-Operating Foreign Exchange (gain)/loss	-	2.4
Total Special Items	14.5	12.7
Total EPS impact	$ 0.42	$ 2.53
Adjusted (Non-GAAP)		
Revenue	$ 667.9	$1,221.5
Operating Income	114.1	228.9
Operating Margin	17.1%	18.7%
Diluted EPS (Earnings per share)	$ 3.79	$ 7.74

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