



# Investor Presentation

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June 2019

 **Littelfuse®**  
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 recently acquired businesses and the risk that expected benefits, synergies and growth prospects of the acquisition 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 29, 2018. 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 29, 2018.

## **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 At-a-Glance

Global manufacturer of leading technologies in circuit protection, power control and sensing

2018 Sales:  
**\$1.72 billion**

Best in class **Op Margins** and **Cash Generation**

**12,000**  
innovative  
**employees**

Over **100,000**  
end customers

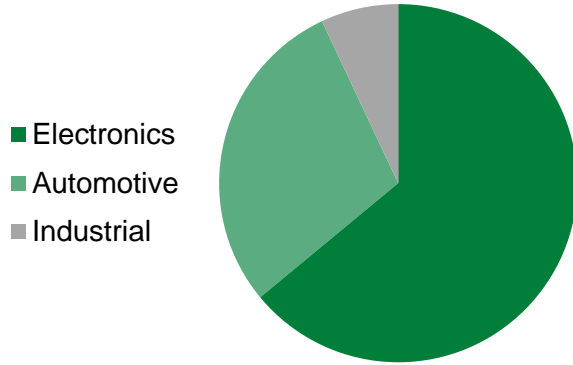
Expanding across  
**High Growth**  
markets

Successful  
**Acquisition**  
Track Record

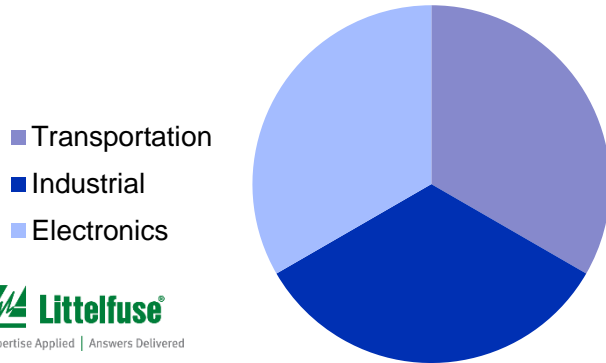
# Broad Product Portfolio Provides Balanced End Market Exposure

## FY 2018 Revenue by Product

on a reported basis



## End Markets Served\*



## Global Trends Driving Content Opportunities

### Safety

- Increased comfort, convenience & assist functions in vehicles
- Connected, safer, autonomous vehicles
- Heavy industry & material handling

### Resource Efficiency

- Higher power & more efficient motor drives
- Alternative energy (solar, storage, wind)
- x-EV & related infrastructure

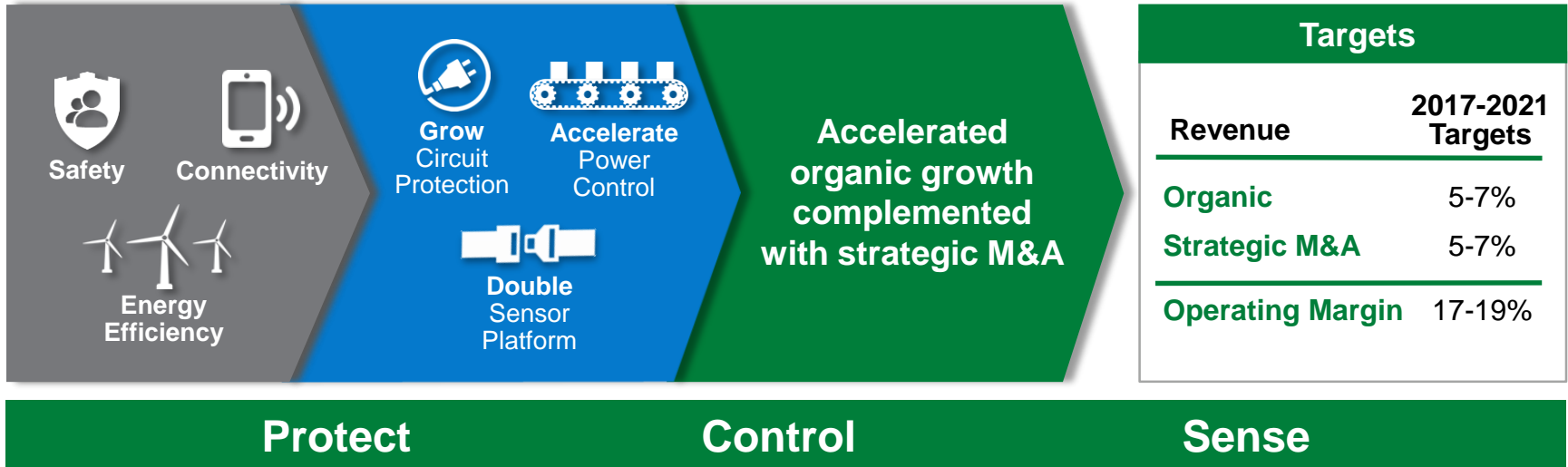
### Connectivity

- Sophisticated consumer electronics & appliances
- Hyperscale & 5G expansion
- Industry 4.0 - smart meters, connected homes (IoT)

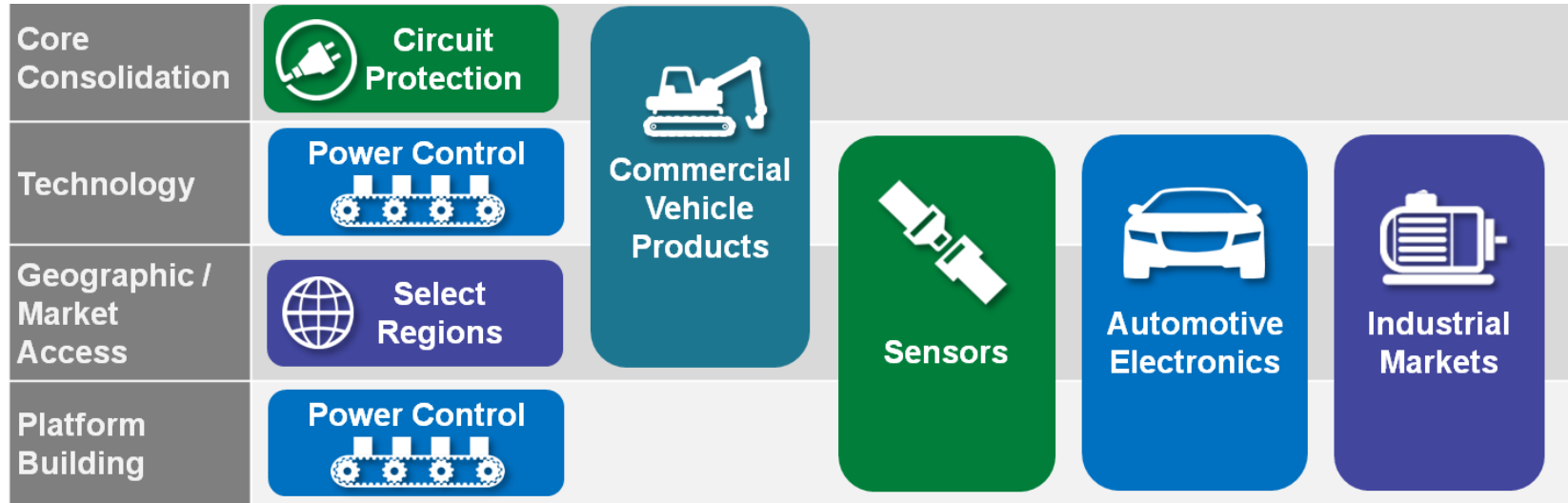
# 2017 – 2021 Strategy

## Five Year Mission

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



# Driving Double Digit Revenue Growth Through Dual Organic and Strategic Acquisition Strategy



Disciplined investments align with strategic criteria and core competencies

# Electronics Product Segment Overview

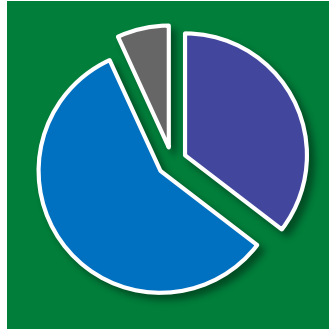
\$1,124M 2018 Revenue

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
- Efficient power conversion
- Sophisticated / connected devices
- Automotive electronics



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

# Automotive Product Segment Overview

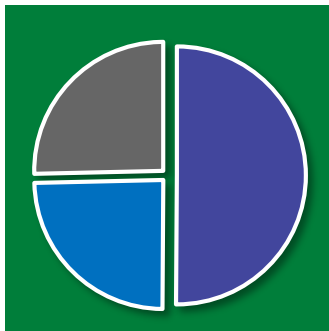
\$480M 2018 Revenue

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 vehicle builds
- OEMs value supply chain on a global basis

Drivers:

- Electrification of vehicles
- Safety focus
- Increase in comfort and assist functions
- Material handling



LFUS Competitive Advantage

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

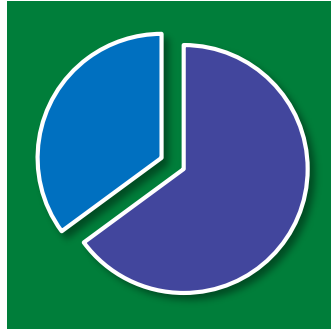


# Industrial Product Segment Overview

\$114M 2018 Revenue

Fuse Products

Protection Relays &  
Custom Products



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

Drivers:

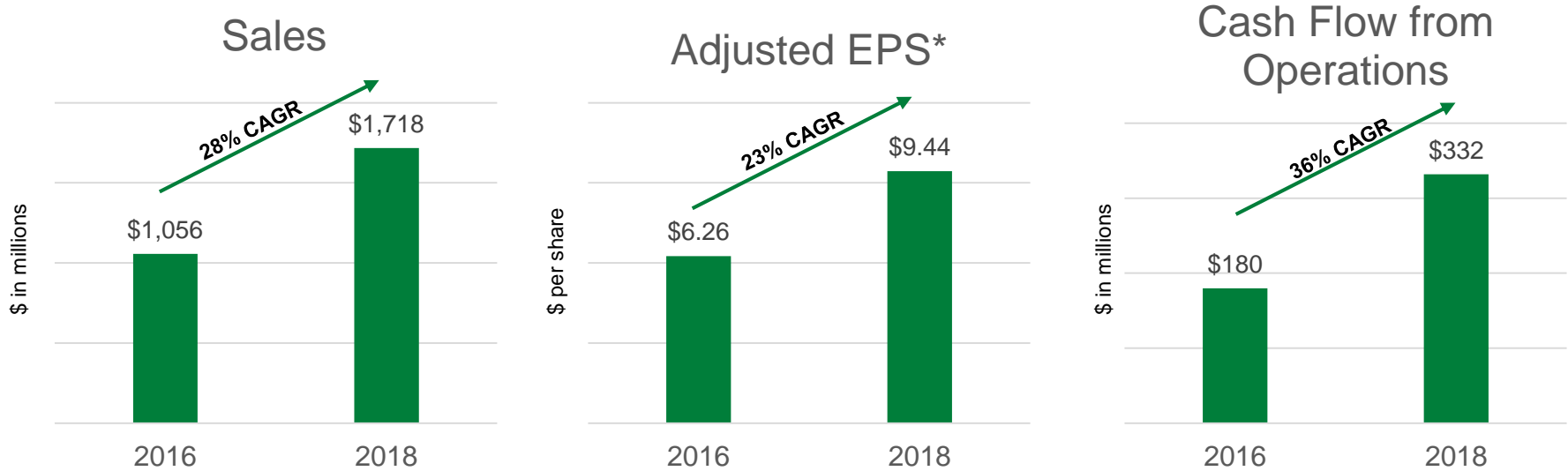
- Heavy industry (mining / oil & gas)
- General industrial
- Commercial construction
- Alternative energy (solar, wind, energy storage)



Market Information:

- ~ \$1.5 Billion market\*
- Positioned to outpace industry growth across end markets served
- Expanding outside of North America
- 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



# What We Expect to Deliver: Meeting or Exceeding all Financial Metrics



## Double Digit Sales Growth

- 5% - 7% organic revenue CAGR
- 5% - 7% CAGR from strategic acquisitions



## Double Digit EPS Growth

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

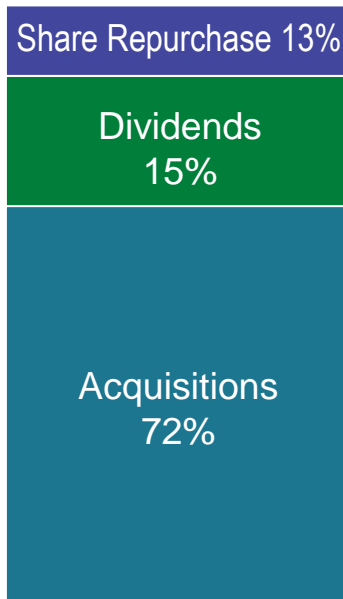


## Free Cash Flow Approximates Net Income

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

# Capital Deployment: Balancing Reinvestment while Delivering Value to Shareholders

## 2017 – 2018 Free Cash\* Deployment



## Cash Priorities

Disciplined Reinvestment to Drive Organic Growth

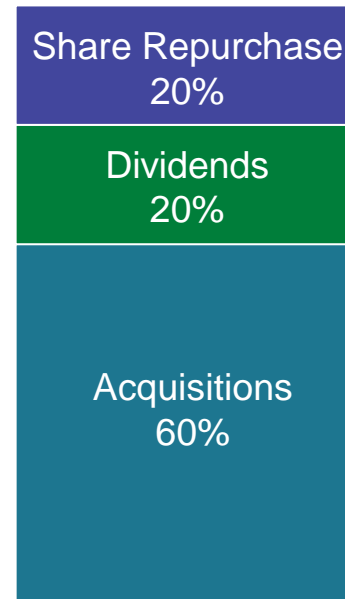
Target Debt / EBITDA Leverage Remains 1.0x to 2.5x

Acquisitions that Align to Strategy and Financial Targets

Grow Dividend in Line with Earnings

Opportunistic Share Repurchases

## Target Free Cash\* Deployment



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

## Organic growth

- Deliver innovative, high-quality solutions for a safer, greener and increasingly connected world
- Focus on high growth end markets

## Growth through acquisitions

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

## Earnings growth

- Focus on high margin niches
- Invest in organic growth while managing costs through operational excellence and scale

## Capital allocation

- Free cash flow greater than net income
- Balance reinvestment with return to shareholders

**Experienced Leadership Team Driving Results**



# Littelfuse®

Expertise Applied | Answers Delivered



**PROTECT  
CONTROL  
SENSE**

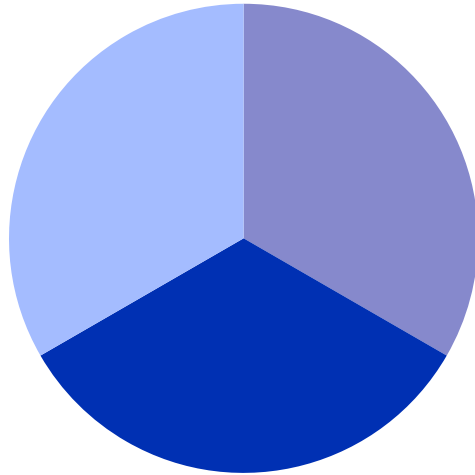


# Appendix

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# End Market Composition

## End Markets Served



■ Transportation ■ Industrial ■ Electronics

## Transportation



Passenger vehicle, x-EV & related infrastructure, Heavy truck, Material handling, Agriculture

## Industrial



Alternative energy, Oil & Gas, Mining, LED lighting, Motor drives, Power conversion

## Electronics



Telecom, Data centers, Appliances, Consumer electronics



# Appendix – 2016 to 2018 Non-GAAP measures

(\$ in millions, except per share data)

	2016	2018
<b>As Reported (GAAP)</b>		
Revenue	\$ 1,056.2	\$ 1,718.5
Operating Income	130.6	225.0
Operating Margin	12.4%	13.1%
Diluted EPS	\$4.60	\$6.52
<b>Special Items</b>		
Reed switch manufacturing transfer costs	\$ 1.6	\$ -
Restructuring, Impairment and Other charges	17.3	12.6
Acquisition & Divestiture expenses	23.3	24.7
Purchase Accounting Adjustments	7.8	51.4
Other Expense, Net (non-operating)	-	0.9
Non-operating Foreign Exchange (gain)/loss	0.5	(0.9)
Total Special Items	50.5	88.7
Total EPS Impact	\$ 1.66	\$ 2.92
<b>Adjusted (Non-GAAP)</b>		
Revenue	\$ 1,056.2	\$ 1,718.5
Operating Income	180.5	313.7
Operating Margin	17.1%	18.3%
Diluted EPS	\$ 6.26	\$ 9.44