



**PROTECT
CONTROL
SENSE**



Investor Presentation

August 28, 2019

 **Littelfuse®**
Expertise Applied | Answers Delivered

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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 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 Operating Income, Adjusted Operating Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Diluted Earnings per Share and Free Cash Flow. These non-GAAP financial measures should not be considered in isolation or a substitute for the comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure is included in the appendix of this presentation.

LITTELFUSE – A GROWTH COMPANY

Who We Are

- \$1.6 billion⁽¹⁾ industrial technology company; NASDAQ: LFUS
 - Global leader in circuit protection
 - Growing provider of leading power control and sensing technologies
 - 12,000 innovative employees worldwide
-

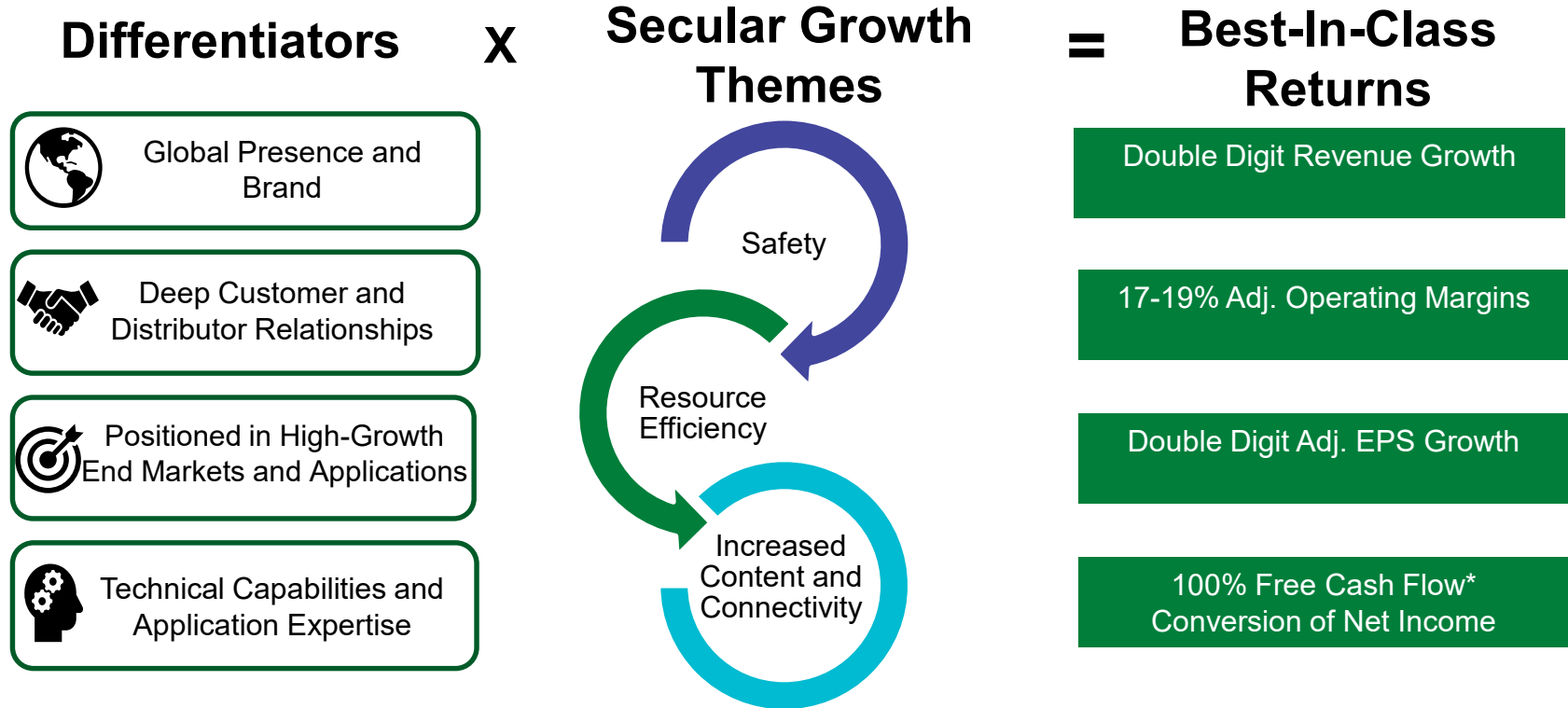
What We Do

- Deliver high-quality products to over 100,000 end customers for a safer, greener, increasingly connected world
 - Collaborate with customers to provide application expertise
 - Drive best-in-class shareholder returns: 16%⁽²⁾ CAGR (2012 – Aug 2019)
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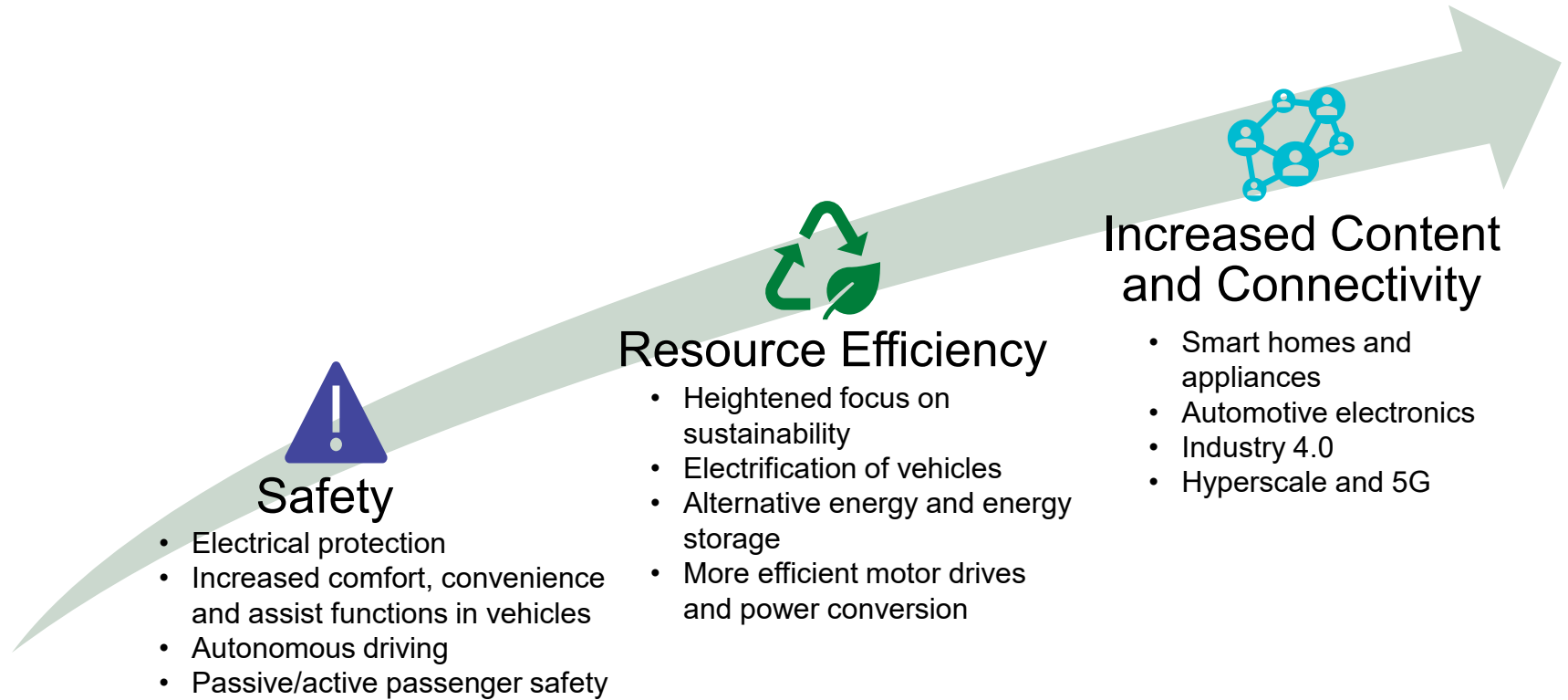
How We Grow

- Increasing product content across transportation, industrial and electronics end markets
- Focusing on high-growth markets and applications
- Accelerating organic growth complemented with strategic M&A

LITTELFUSE – AN ATTRACTIVE GROWTH STORY



SECULAR GROWTH THEMES EXPAND END MARKET OPPORTUNITIES



BROAD RANGE OF END MARKETS SERVED

\$10+ Billion* Addressable Market Opportunity



TRANSPORTATION

- Passenger vehicle
- x-EV and related infrastructure
- Heavy truck
- Material handling
- Specialty on- & off-road vehicles
- Agricultural machinery
- Construction equipment



INDUSTRIAL

- LED lighting
- Motor drives
- Renewable energy and storage
- Oil & gas
- Mining
- Power conversion
- Commercial construction
- HVAC



ELECTRONICS

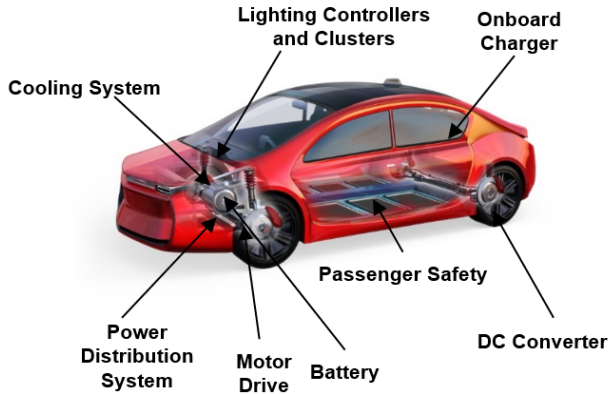
- Telecom
- Data centers
- IT hardware & infrastructure
- Consumer electronics
- White goods
- Building and home automation
- Medical devices

Balanced exposure across diverse end markets

*Company estimate

TRANSPORTATION APPLICATIONS

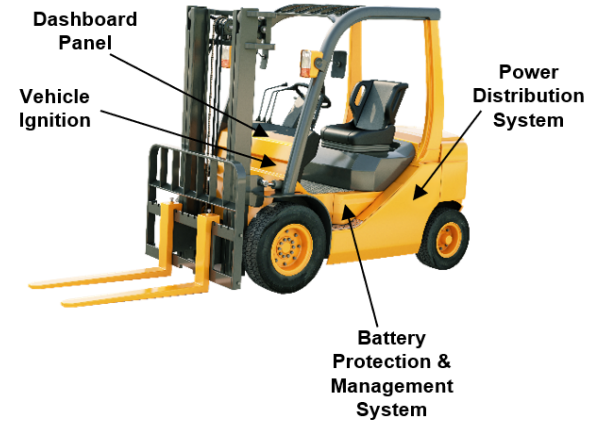
Passenger Vehicle*



Why We Are Winning

- Strong global relationships with OEMs and Tier 1 customers, suppliers and distributors
- World-wide brand reputation for product quality, safety and reliability
- Positioned to grow with 48V/Hybrid/EV platforms

Commercial Vehicle*



Ever-greater sophistication in electrical architecture and safety systems is increasing the content of Littelfuse products

**Represents hypothetical content example*

INDUSTRIAL APPLICATIONS

Elevator Control*

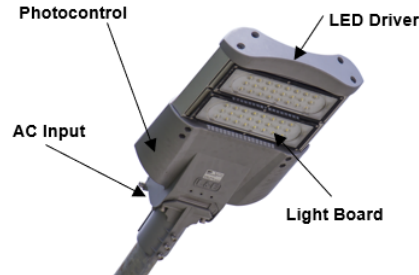


Motor Drives Control Panel

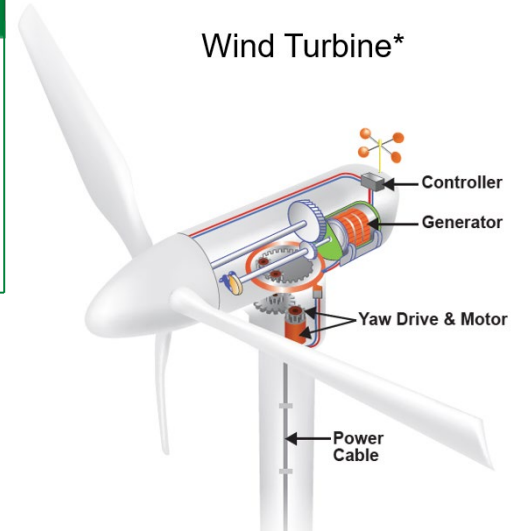
Why We Are Winning

- Robust collaboration with customers and distribution channels
- Unmatched technical engineering capabilities, service and support
- Full range of protect and control technologies

LED Lighting*

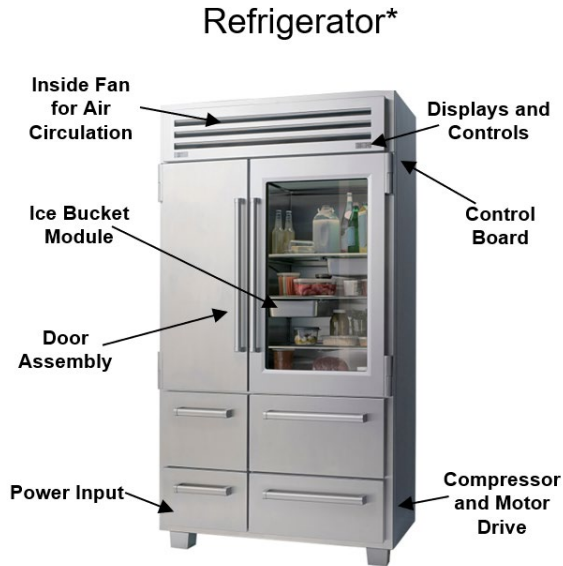


Wind Turbine*



Increased focus on energy conservation is expanding the need for Littelfuse products

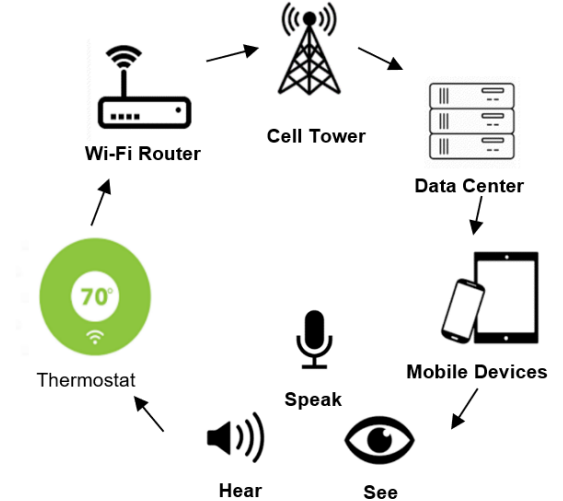
ELECTRONICS APPLICATIONS



Why We Are Winning

- Deep strategic distribution and OEM channel partnerships
- Diversity of customer base and applications
- Broadest product offering

Building/Home Automation*



Proliferation of smarter and more connected devices is driving demand for Littelfuse products

2017 – 2021 STRATEGY: WHAT WE EXPECT TO DELIVER

Double Digit Sales Growth

- 5-7% organic revenue CAGR
- 5-7% CAGR from strategic M&A

Double Digit EPS Growth

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

Free Cash Flow* Approximates Net Income

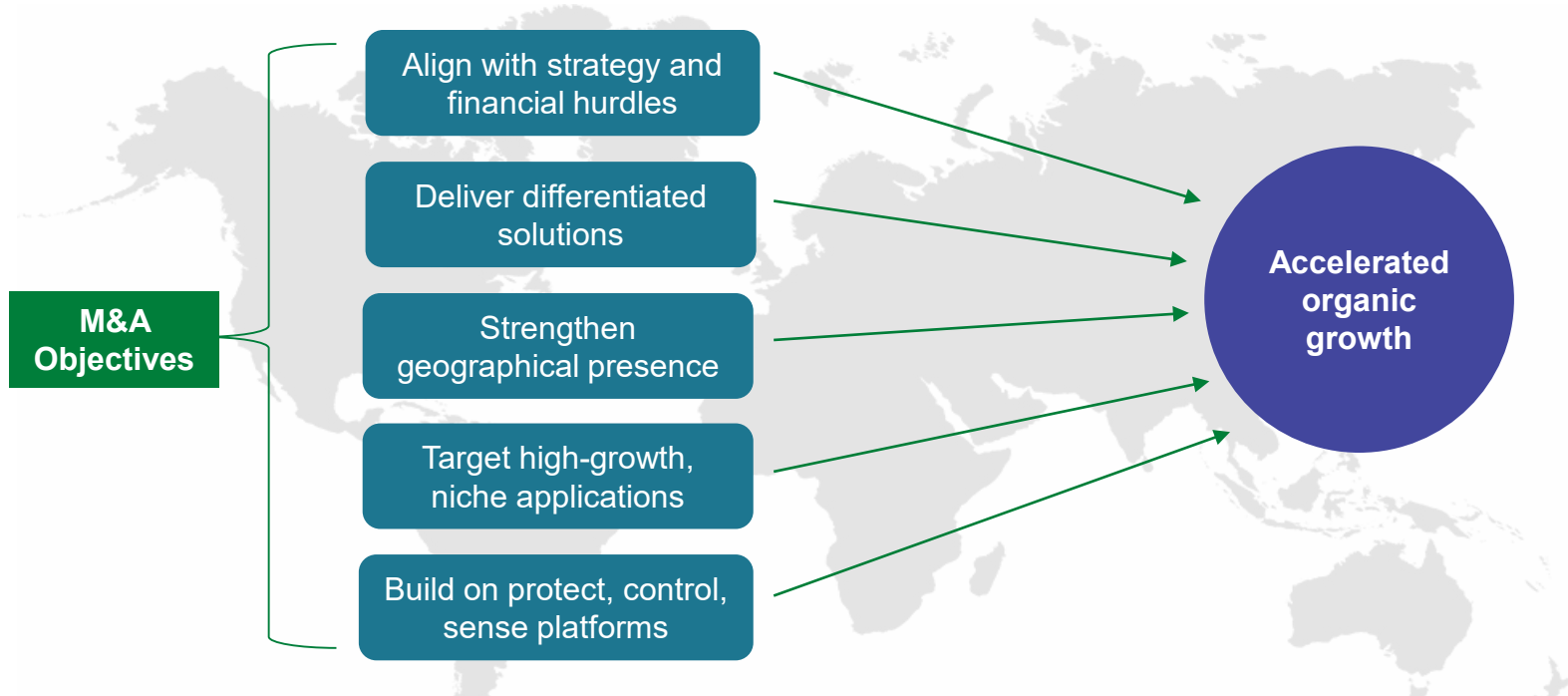
- Strong cash generation
- Cap-Ex continues at 4-5% of sales

Accelerated organic growth through the cycle complemented with strategic M&A

**Free cash flow is defined as cash flow from operations minus capital expenditures*

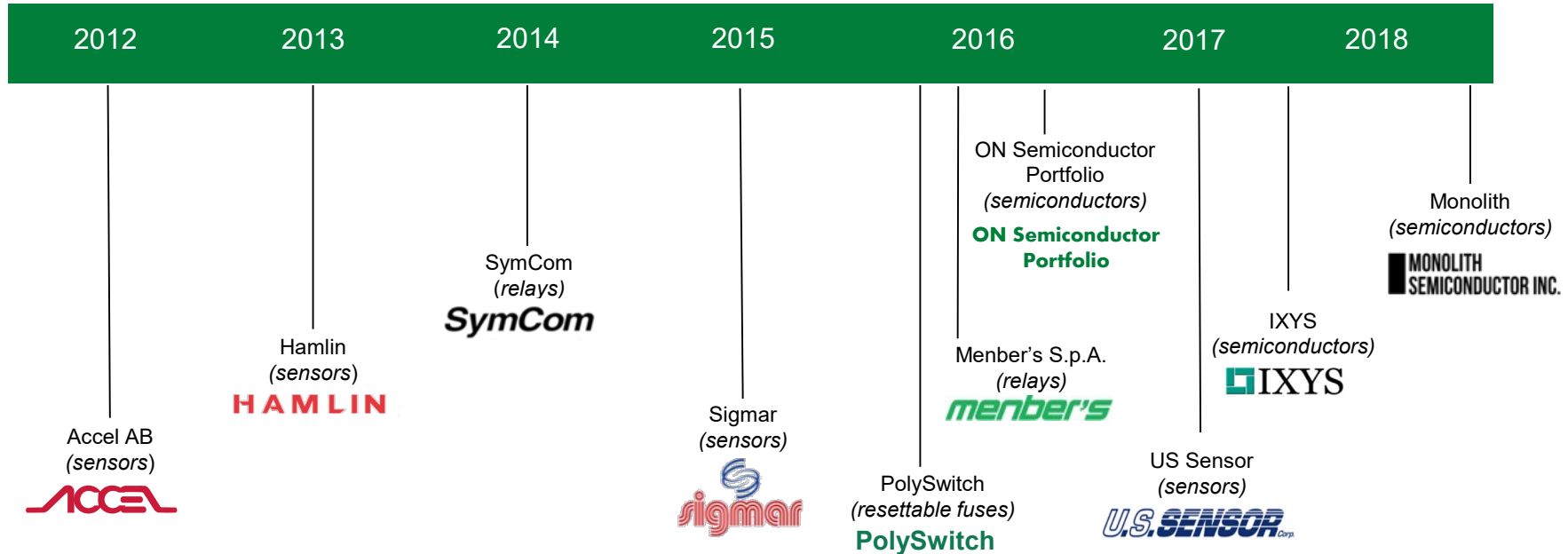
DISCIPLINED M&A STRATEGY

A FOUNDATION FOR ACCELERATED ORGANIC GROWTH



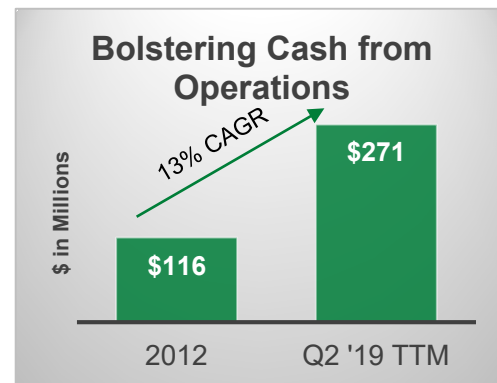
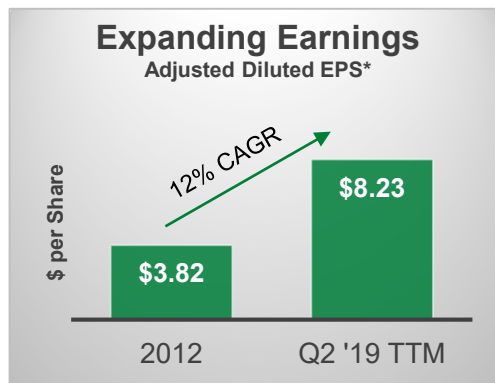
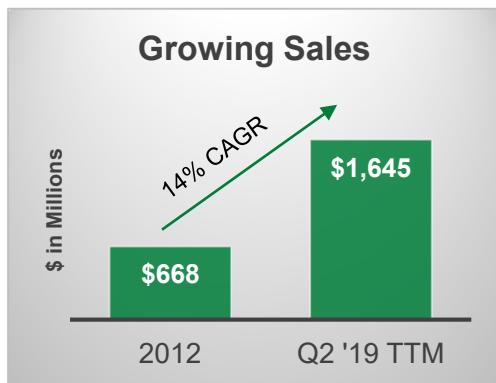
Successful track record of acquisitions creates shareholder value

STRATEGIC M&A EXPANDS ORGANIC GROWTH OPPORTUNITIES



At acquisition, ~\$630 million in net sales added since 2012

SINCE STRATEGY INCEPTION **PROVEN PERFORMANCE** DELIVERS **BEST-IN-CLASS RETURNS**



Strong track record of revenue growth drives earnings and cash generation

*See appendix for GAAP to non-GAAP reconciliation

LONGTERM CAPITAL ALLOCATION PRIORITIES

EXECUTION OF **GROWTH STRATEGY** DRIVES **INCREASING VALUE** FOR SHAREHOLDERS

1

Disciplined Reinvestment to Drive Organic Growth

2

Target Debt / EBITDA Leverage 1.0x to 2.5x

3

Acquisitions that Align with Strategy and Meet Financial Hurdles

4

Dividend Growth in Line with Earnings; 13% CAGR of Annualized Dividend Rate (2012-2018)

5

Opportunistic Share Repurchases

Target Free Cash Flow* Deployment

Share Repurchases
20%

Dividends
20%

Acquisitions
60%

COMPELLING INVESTMENT PROPOSITION

A PROVEN SOURCE OF VALUE CREATION

- ✓ Positioned within **secular growth themes** across **diverse** end markets
- ✓ Demonstrated ability to drive **above market** organic **growth through the cycle**
- ✓ **Strong** track record of **strategic acquisitions & financial performance**
- ✓ **Global** technical & application **expertise**
- ✓ **Deep** customer & distributor **relationships**
- ✓ **Experienced** leadership **team**

Best-in-class shareholder returns



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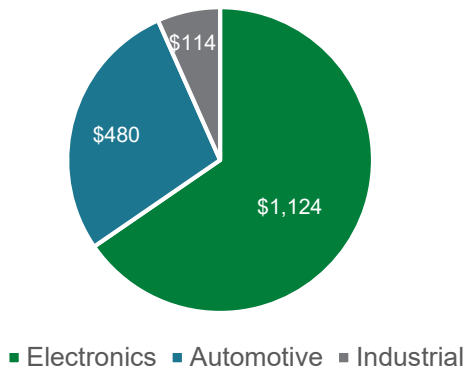
**PROTECT
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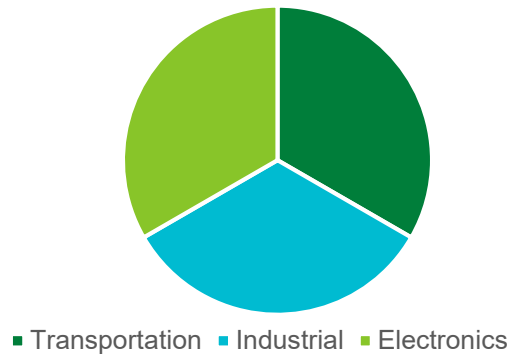
Appendix

LITTELFUSE BY THE NUMBERS – FY 2018

Revenue by Segment (\$ in millions)



End Markets Served



Financial Results

Net Sales
**\$1.7
Billion**

Adj.
Operating
Margin ⁽¹⁾
18.3%

Adj.
Diluted
EPS ⁽¹⁾
\$9.44

Free
Cash
Flow ^{(1) (2)}
**\$257.0
Million**

Execution of strategies delivers results

(1) See appendix for GAAP to non-GAAP reconciliation

(2) Free cash flow is defined as cash flow from operations minus capital expenditures

2012 TO Q2 2019 TTM NON-GAAP MEASURES

(\$ in millions, except per share data)

Non-GAAP EPS reconciliation

	2012	Q2 2019 TTM
GAAP diluted EPS	\$ 3.40	\$ 6.62
EPS impact of Non-GAAP adjustments (below)	0.42	1.61
Adjusted diluted EPS	<u>\$ 3.82</u>	<u>\$ 8.23</u>

Non-GAAP adjustments - (income)/expense

	2012	Q2 2019 TTM
Acquisition related and integration costs	\$ 1.3	\$ 10.0
Restructuring, impairment and other charges	0.5	16.0
U.S. pension wind-up and settlement cost	5.4	-
Amortization backlog - IXYS	-	6.8
Non-GAAP adjustments to operating income	7.2	32.8
Other expense, net	7.3	6.7
Non-operating foreign exchange loss (gain)	-	7.1
Non-GAAP adjustments to income before income taxes	14.5	46.6
Income taxes	5.3	5.9
Non-GAAP adjustments to net income	<u>\$ 9.2</u>	<u>\$ 40.7</u>
Total EPS impact	<u>\$ 0.42</u>	<u>\$ 1.61</u>

Adjusted operating margin / Adjusted EBITDA reconciliation

	2012	Q2 2019 TTM
Net sales	\$ 667.9	\$ 1,644.9
GAAP operating income	\$ 106.9	\$ 241.1
Add back non-GAAP adjustments	7.2	32.8
Adjusted operating income	\$ 114.1	\$ 273.9
Adjusted operating margin	17.1%	16.7%
Add back amortization	6.1	40.3
Add back depreciation	25.3	52.2
Adjusted EBITDA	<u>\$ 145.5</u>	<u>\$ 366.4</u>
Adjusted EBITDA margin	21.8%	22.3%

Free cash flow reconciliation

	2012	Q2 2019 TTM
Net cash provided by operating activities	\$ 116.2	\$ 271.0
Less: Purchases of property, plant and equipment	(22.5)	(59.7)
Free cash flow	<u>\$ 93.6</u>	<u>\$ 211.3</u>

Note: Totals will not always foot due to rounding.



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2018 NON-GAAP MEASURES

(\$ in millions, except per share data)

<u>Non-GAAP EPS reconciliation</u>	
	<u>2018</u>
GAAP diluted EPS	\$ 6.52
EPS impact of Non-GAAP adjustments (below)	2.92
Adjusted diluted EPS	<u>\$ 9.44</u>
<u>Non-GAAP adjustments - (income)/expense</u>	
	<u>2018</u>
Acquisition related and integration costs	\$ 20.2
Restructuring, impairment and other charges	12.6
Amortization backlog - IXYS	12.4
Change in control - IXYS	2.1
Acquisition related stock-based compensation charge	4.5
Purchase accounting inventory adjustments	36.9
Non-GAAP adjustments to operating income	<u>88.7</u>
Other expense, net	0.9
Non-operating foreign exchange loss (gain)	<u>(0.9)</u>
Non-GAAP adjustments to income before income taxes	88.7
Income taxes	15.1
Non-GAAP adjustments to net income	<u>\$ 73.6</u>
Total EPS impact	<u>\$ 2.92</u>
<u>Adjusted operating margin / Adjusted EBITDA reconciliation</u>	
	<u>2018</u>
Net sales	<u>\$ 1,718.5</u>
GAAP operating income	\$ 225.0
Add back non-GAAP adjustments	88.7
Adjusted operating income	<u>\$ 313.7</u>
Adjusted operating margin	18.3%
Add back amortization	39.8
Add back depreciation	51.0
Adjusted EBITDA	<u>\$ 404.5</u>
Adjusted EBITDA margin	23.5%
<u>Free cash flow reconciliation</u>	
	<u>2018</u>
Net cash provided by operating activities	\$ 331.8
Less: Purchases of property, plant and equipment	<u>(74.8)</u>
Free cash flow	<u>\$ 257.0</u>

Note: Totals will not always foot due to rounding.