



**PROTECT  
CONTROL  
SENSE**



# Investor Presentation

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November 2019

 **Littelfuse®**  
Expertise Applied | Answers Delivered

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## **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

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## Who We Are

- \$1.6 billion<sup>(1)</sup> industrial technology company; NASDAQ: LFUS
  - Global leader in circuit protection
  - Growing provider of leading power control and sensing technologies
  - 11,000 innovative employees worldwide
- 

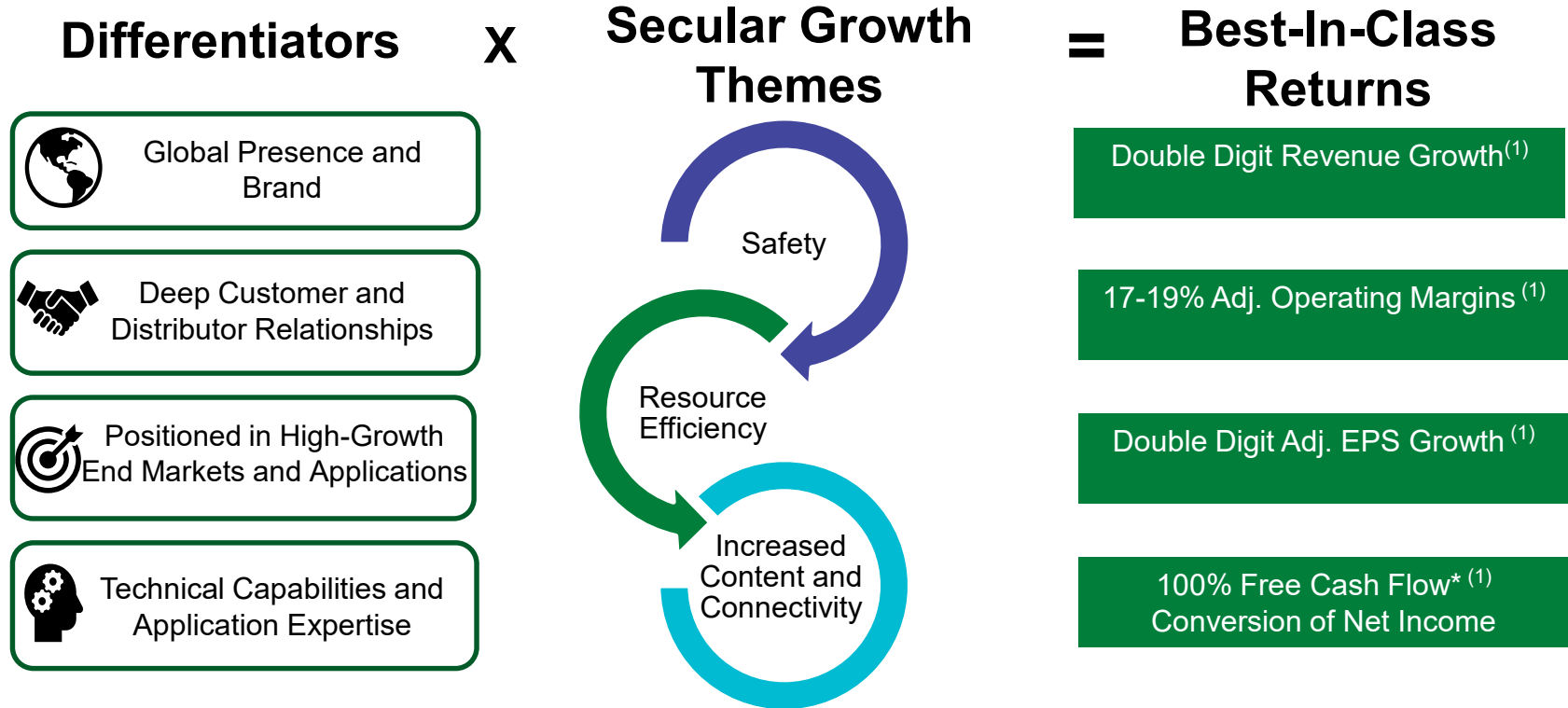
## What We Do

- 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: 18%<sup>(2)</sup> CAGR (2012 – Oct 2019)
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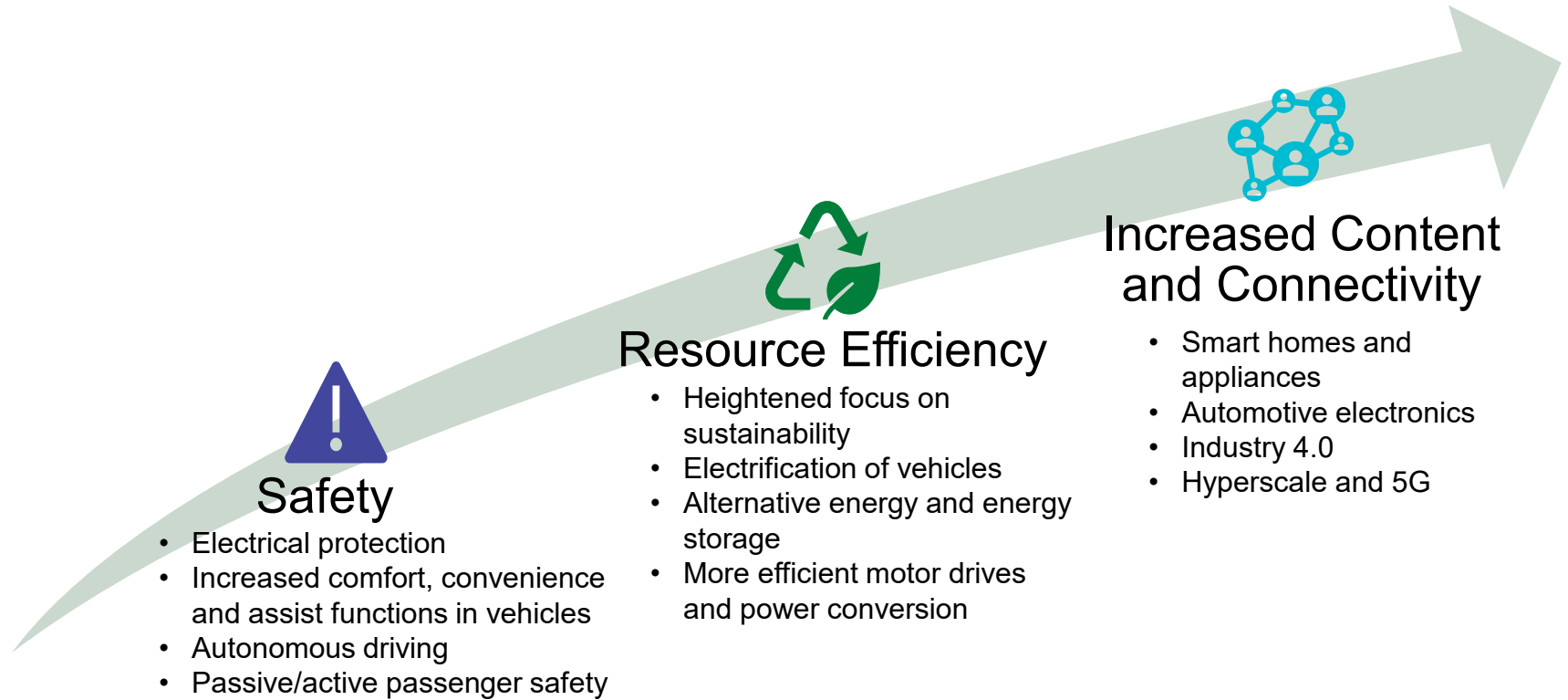
## How We Grow

- 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

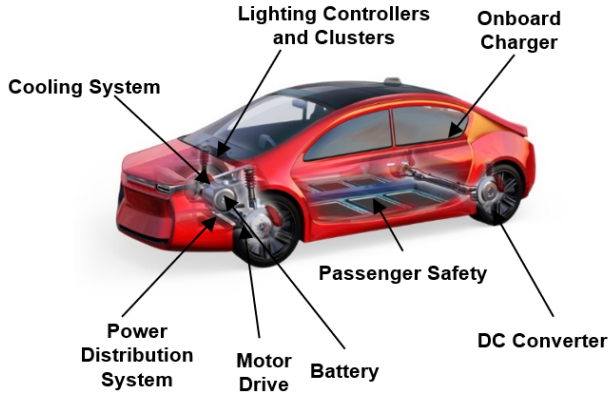
- Telecom
- Data centers
- IT hardware & infrastructure
- Consumer electronics
- White goods
- Building and home automation
- Medical devices

Balanced exposure across diverse end markets

\*Company estimate

# TRANSPORTATION APPLICATIONS

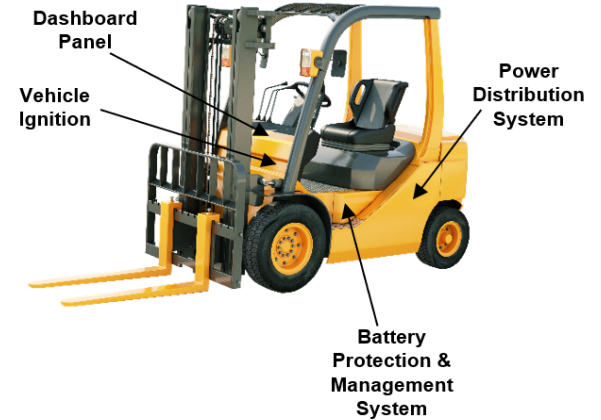
Passenger Vehicle\*



## 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\*

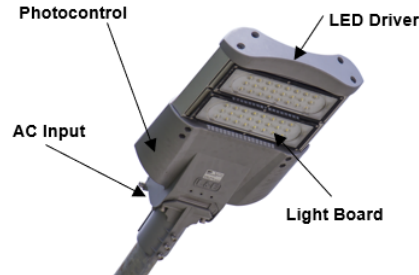


Motor Drives Control Panel

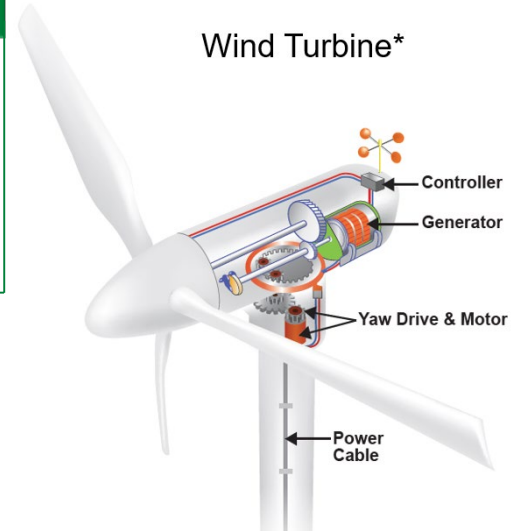
## Why We Are Winning

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

## LED Lighting\*



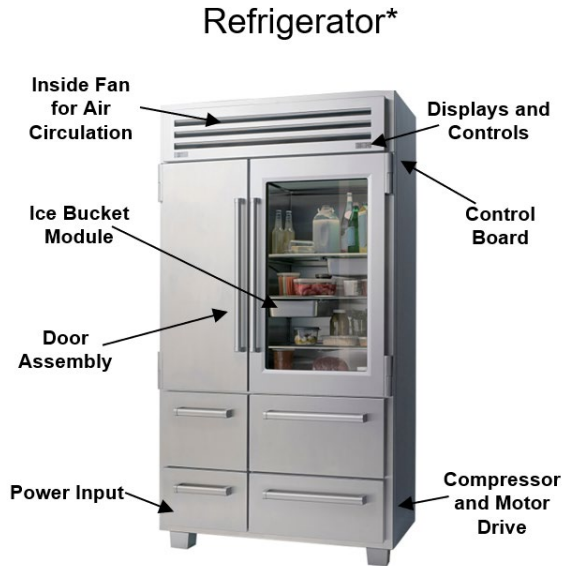
## Wind Turbine\*



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



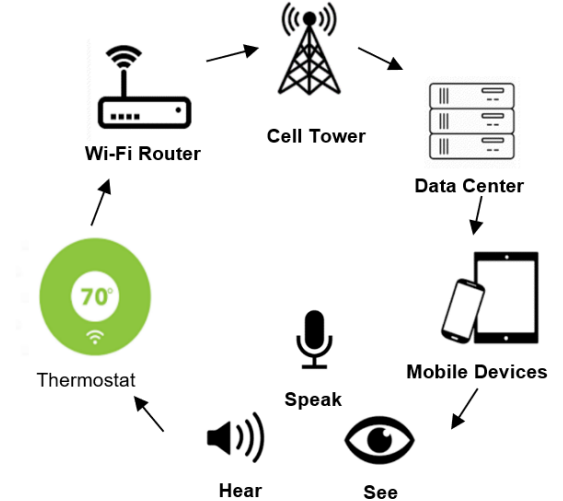
# ELECTRONICS APPLICATIONS



## 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

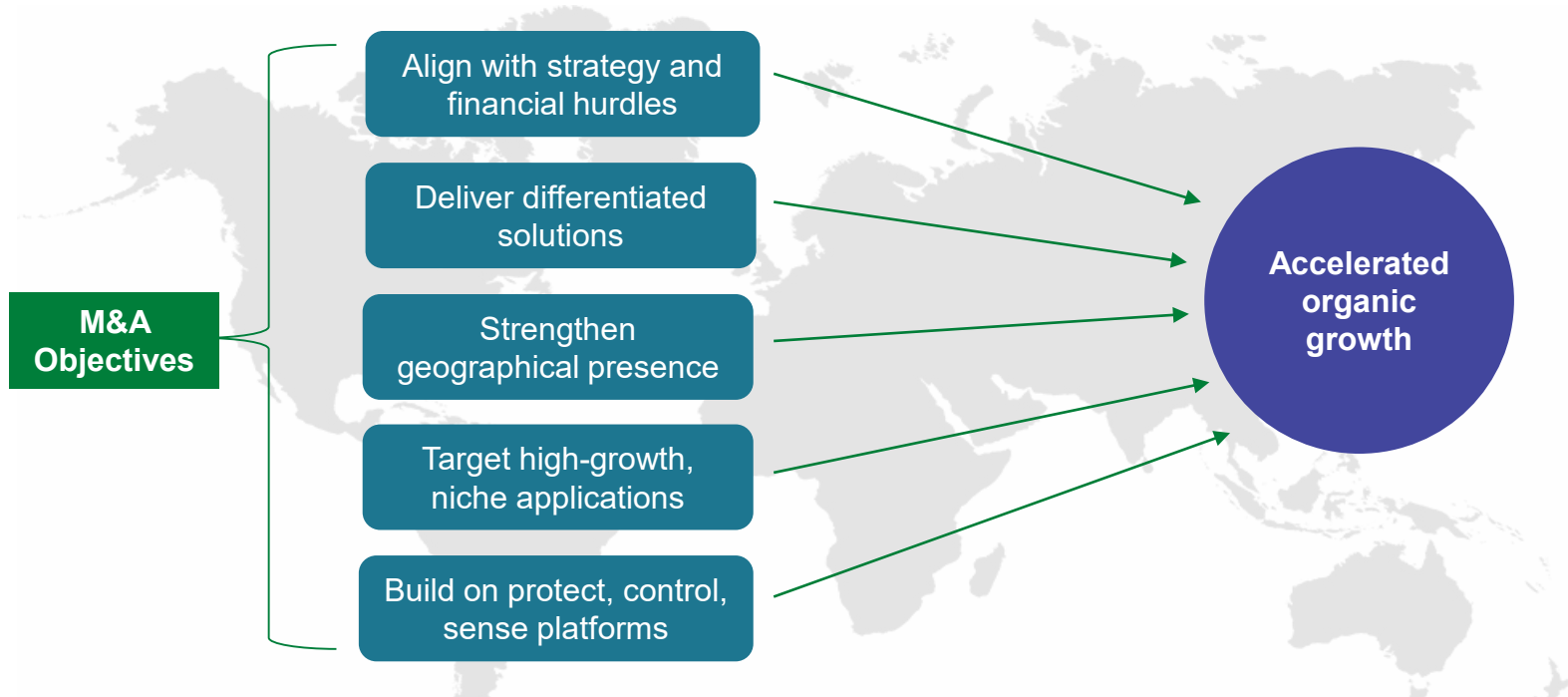
- Strong cash generation
- Cap-Ex continues at 4-5% of sales

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

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

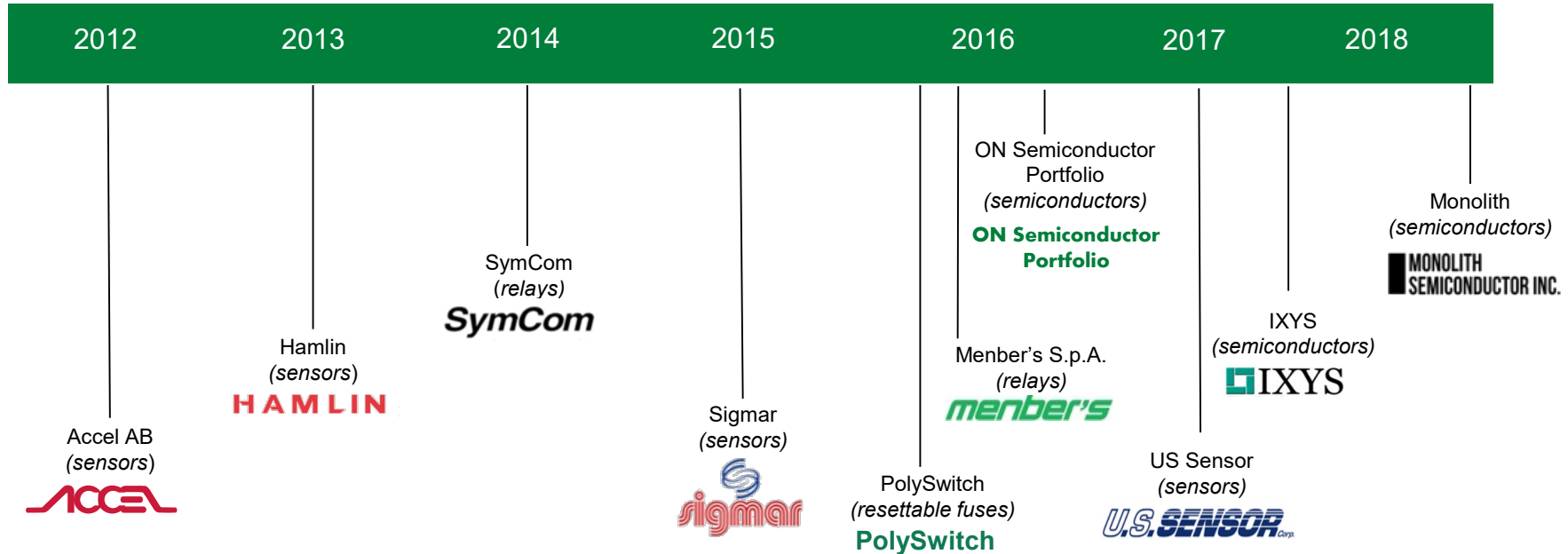
# DISCIPLINED M&A STRATEGY

## A FOUNDATION FOR ACCELERATED ORGANIC GROWTH



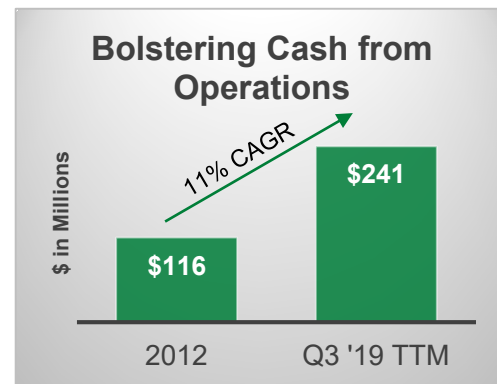
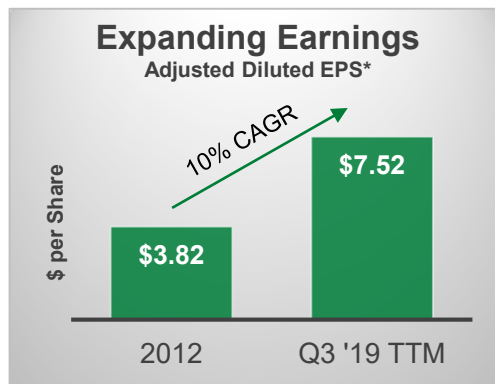
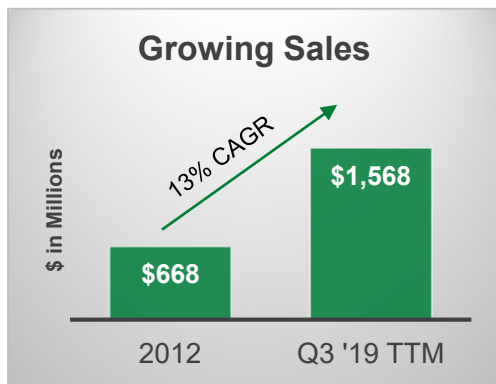
Successful track record of acquisitions creates shareholder value

# 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

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- ✓ 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



**Littelfuse<sup>®</sup>**

Expertise Applied | Answers Delivered





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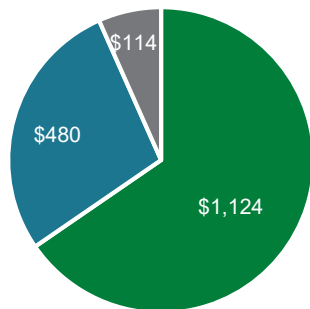


# Appendix

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# LITTELFUSE BY THE NUMBERS – FY 2018

## Revenue by Segment (\$ in millions)



■ Electronics ■ Automotive ■ Industrial

## End Markets Served



■ Transportation ■ Industrial ■ Electronics

## Financial Results

Net Sales  
**\$1.7  
Billion**

Adj.  
Operating  
Margin <sup>(1)</sup>  
**18.3%**

Adj.  
Diluted  
EPS <sup>(1)</sup>  
**\$9.44**

Free  
Cash  
Flow <sup>(1) (2)</sup>  
**\$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 Q3 2019 TTM NON-GAAP MEASURES

(\$ in millions, except per share data)

## Non-GAAP EPS reconciliation

	<u>2012</u>	<u>Q3 2019 TTM</u>
GAAP diluted EPS	\$ 3.40	\$ 5.96
EPS impact of Non-GAAP adjustments (below)	0.42	1.56
Adjusted diluted EPS	<u>\$ 3.82</u>	<u>\$ 7.52</u>

## Non-GAAP adjustments - (income)/expense

	<u>2012</u>	<u>Q3 2019 TTM</u>
Acquisition related and integration costs	\$ 1.3	\$ 10.3
Restructuring, impairment and other charges	0.5	\$ 13.3
U.S. pension wind-up and settlement cost	5.4	-
Amortization backlog - IXYS	-	3.7
Non-GAAP adjustments to operating income	7.2	27.3
Other expense, net	7.3	6.7
Non-operating foreign exchange loss (gain)	-	11.1
Non-GAAP adjustments to income before income taxes	14.5	45.1
Income taxes	5.3	6.0
Non-GAAP adjustments to net income	<u>\$ 9.2</u>	<u>\$ 39.1</u>
Total EPS impact	<u>\$ 0.42</u>	<u>\$ 1.56</u>

## Adjusted operating margin / Adjusted EBITDA reconciliation

	<u>2012</u>	<u>Q3 2019 TTM</u>
Net sales	<u>\$ 667.9</u>	<u>\$ 1,567.7</u>
GAAP operating income	\$ 106.9	\$ 212.1
Add back non-GAAP adjustments	7.2	27.3
Adjusted operating income	\$ 114.1	\$ 239.4
Adjusted operating margin	17.1%	15.3%
Add back amortization	6.1	40.1
Add back depreciation	25.3	52.4
Adjusted EBITDA	<u>\$ 145.5</u>	<u>\$ 331.9</u>
Adjusted EBITDA margin	21.8%	21.2%

## Free cash flow reconciliation

	<u>2012</u>	<u>Q3 2019 TTM</u>
Net cash provided by operating activities	\$ 116.2	\$ 240.6
Less: Purchases of property, plant and equipment	(22.5)	(57.2)
Free cash flow	<u>\$ 93.6</u>	<u>\$ 183.4</u>

Note: Totals will not always foot due to rounding.

# 2018 NON-GAAP MEASURES

(\$ in millions, except per share data)

<b>Non-GAAP EPS reconciliation</b>	
	<b>2018</b>
GAAP diluted EPS	\$ 6.52
EPS impact of Non-GAAP adjustments (below)	2.92
Adjusted diluted EPS	<u>\$ 9.44</u>
<b>Non-GAAP adjustments - (income)/expense</b>	
	<b>2018</b>
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>
<b>Adjusted operating margin / Adjusted EBITDA reconciliation</b>	
	<b>2018</b>
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%
<b>Free cash flow reconciliation</b>	
	<b>2018</b>
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.