

# LITTELFUSE 2021 INVESTOR & ANALYST EVENT

February 23, 2021

 **Littelfuse®**  
Expertise Applied | Answers Delivered

# DISCLAIMERS

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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](https://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 presentation that are not historical facts are intended to constitute "forward-looking statements" entitled to the safe-harbor provisions of the Private Securities Litigation Reform Act. These statements may involve risks and uncertainties, including, but not limited to, risks and uncertainties relating to general economic conditions; the severity and duration of the COVID-19 pandemic and the measures taken in response thereto and the effects of those items on the company's business; product demand and market acceptance; 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; integration of acquisitions; uncertainties related to political or regulatory changes; 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 26, 2020. Further discussion of the risk factors of the company can be found under the caption "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 26, 2020, and in other filings and submissions with the SEC, each of which are available free of charge on the company's investor relations website at [investor.littelfuse.com](https://investor.littelfuse.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov). These forward-looking statements are made as of the date hereof. The company does not undertake any obligation to update, amend or clarify these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the availability of new information.

## **Non-GAAP Financial Measure.**

The information included in this presentation includes the non-GAAP financial measure of free cash flow. A reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure is set forth in the appendix. The company believes that free cash flow is a useful measure of its ability to generate cash. The company believes that this non-GAAP financial measure is commonly used by financial analysts and others in the industries in which we operate, and thus further provides useful information to investors. Management uses this measure when assessing the performance of the business and for business planning purposes. Note that our definition of this non-GAAP financial measure may differ from those terms as defined or used by other companies.

# AGENDA

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## Welcome

- Trisha Tuntland, Head of Investor Relations



## Company Strategy

- Dave Heinzmann, President & CEO



## M&A Strategy

- Matt Cole, SVP, eMobility & Corporate Strategy



## Financial Objectives

- Meenal Sethna, EVP & CFO

Q&A to follow prepared remarks

# REITERATING OUR Q1 2021 GUIDANCE

## Strong Year-on-Year Growth

Q1 Revenue: \$418 – \$432 Million  
(up 23% at midpoint)

Q1 Adjusted EPS\*: \$1.76 – \$1.92  
(up 43% at midpoint)

\*See the Company's February 3, 2021 press release for further details. Littelfuse provides some guidance on a non-GAAP (adjusted) basis. GAAP items excluded may include the after-tax impact of items including acquisition and integration costs, restructuring, impairment and other charges, certain purchase accounting adjustments, non-operating foreign exchange adjustments and significant and unusual items. These items are uncertain, depend on various factors, and could be material to results computed in accordance with GAAP. Littelfuse is not able to estimate the excluded items in order to provide the most directly comparable GAAP financial measure without unreasonable efforts.



# COMPANY STRATEGY

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Dave Heinzmann  
President & CEO



# LITTELFUSE – A COMPANY THAT GROWS

## EMPOWERING A SUSTAINABLE, CONNECTED, AND SAFER WORLD



- **\$1.45B** industrial technology company<sup>(1)</sup>
- **12,000** innovative employees worldwide
- **Designer & manufacturer** of leading technologies that improve the safety, reliability & performance of our customer's products

- Deliver solutions to **100,000+ customers** through global presence in over **15 countries**
- Collaborate to provide **technical & application expertise**
- Drive best-in-class shareholder returns: **21% CAGR**<sup>(2)</sup>

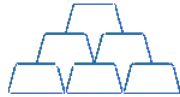
- **Increase content & share gains** in industrial, transportation & electronics applications
- **Expand presence** in high-growth markets & geographies
- Identify **strategic acquisitions** to sustain organic growth

# WHAT WE ACCOMPLISHED BUILDING ON OUR STRENGTHS

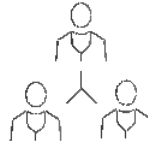
*Innovated  
Leading  
Technologies*



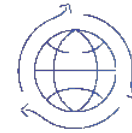
*Expanded  
Product  
Portfolio*



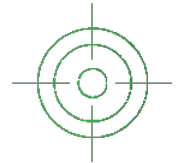
*Deepened  
Customer &  
Channel  
Partnerships*



*Extended End  
Markets &  
Geographies*



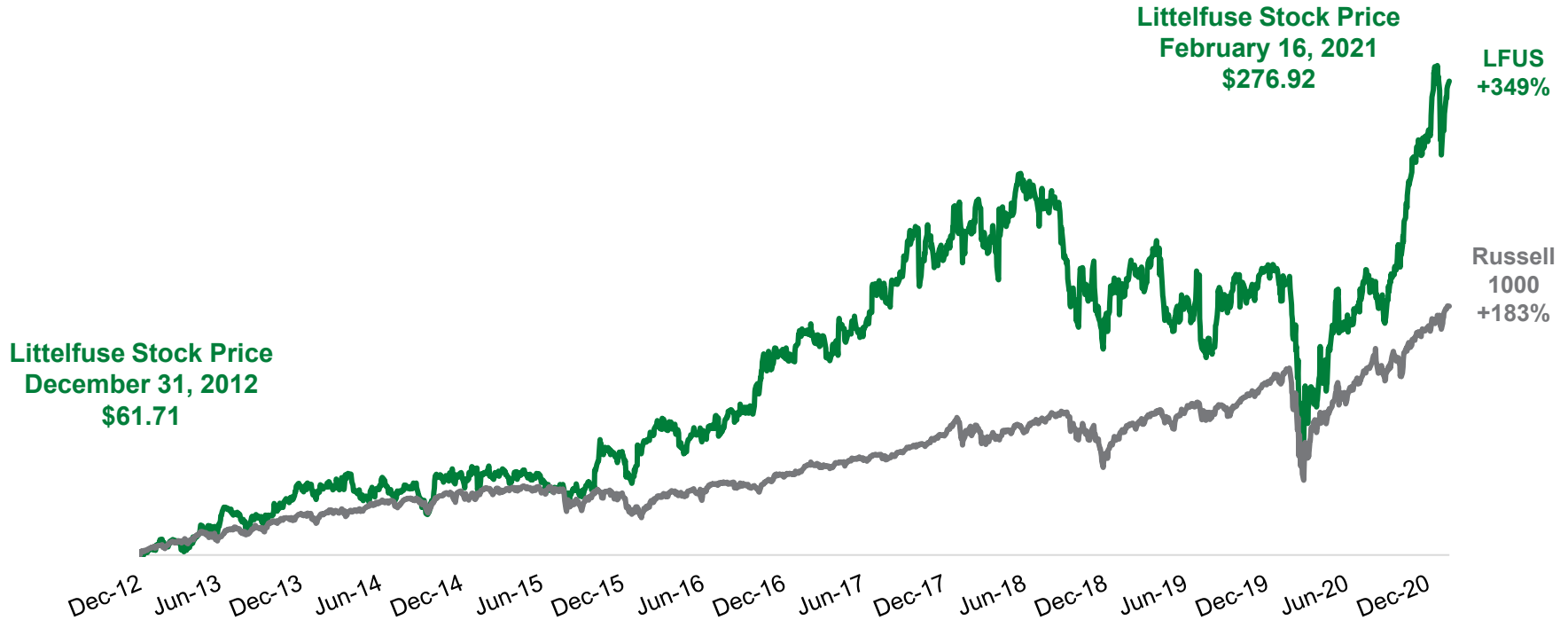
*Executed  
Strategic  
Acquisitions*



Broader foundation established to drive profitable growth

# WHAT WE DELIVERED

## BEST-IN-CLASS SHAREHOLDER RETURNS



**21% TSR & more than quadrupled market cap to \$6 billion+**



# 2021 – 2025 **GROWTH STRATEGY**

**EMPOWERING** A SUSTAINABLE, CONNECTED, AND SAFER WORLD

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## Structural Growth Themes

Sustainability



Connectivity

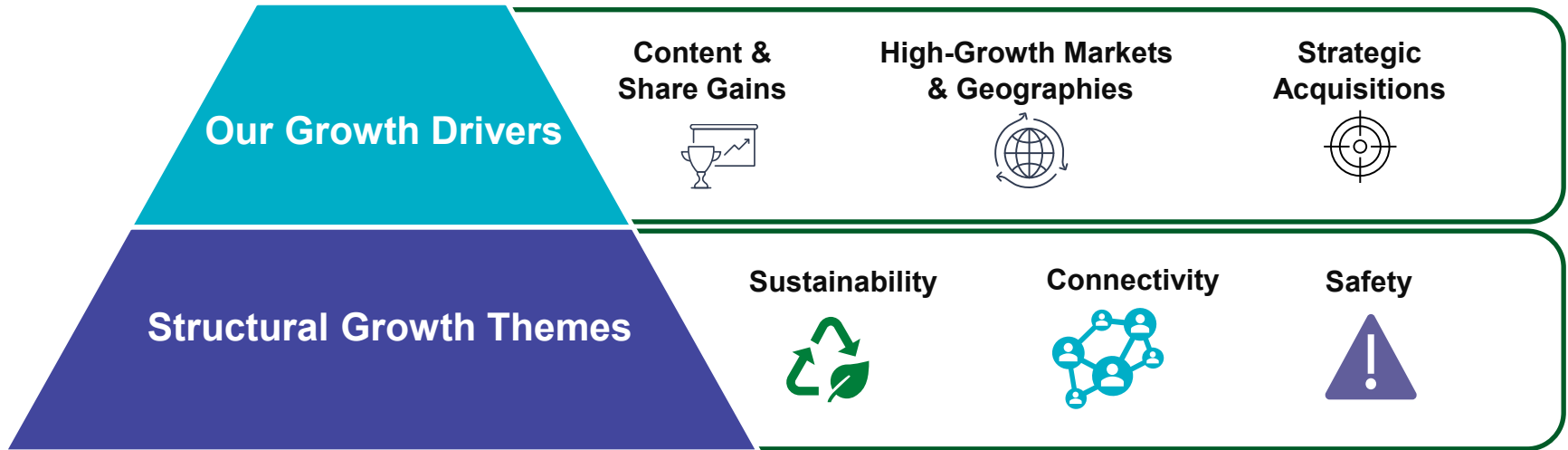


Safety



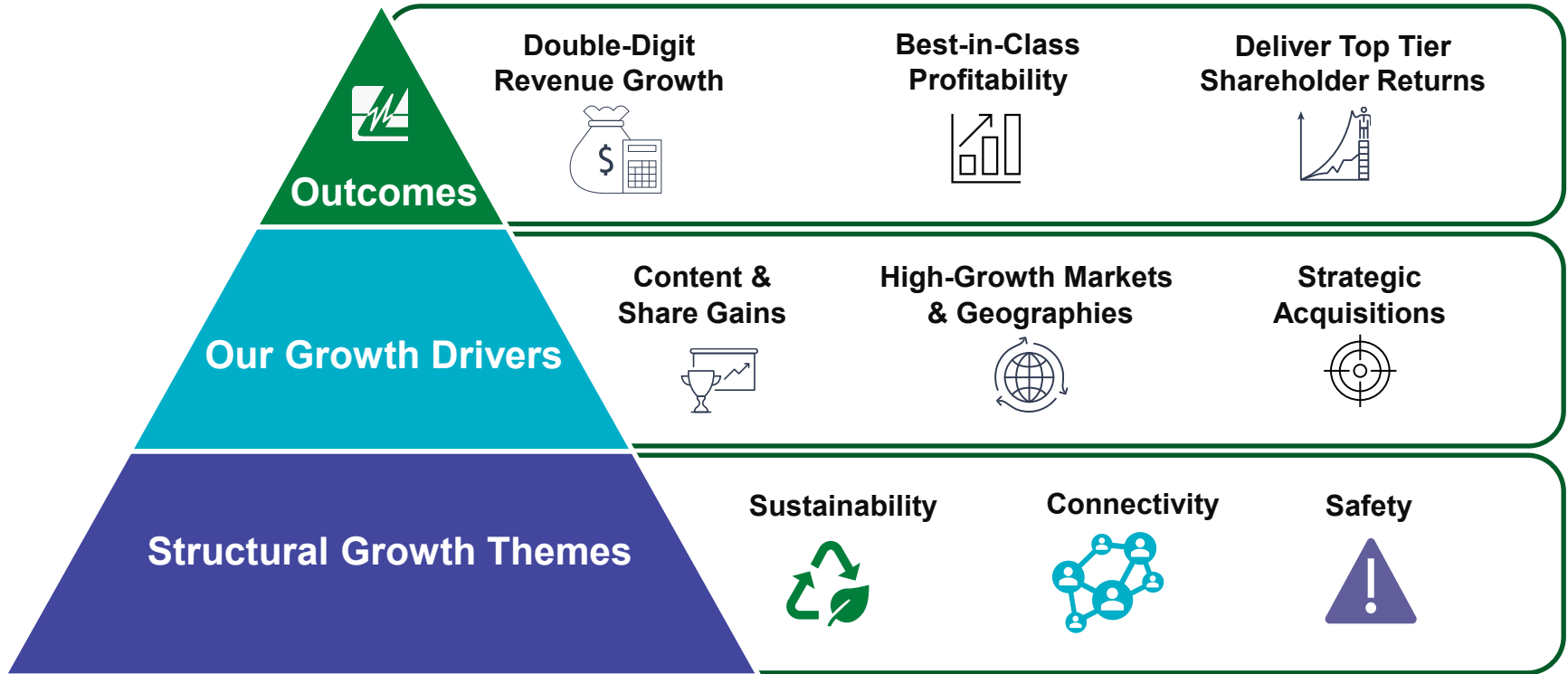
# 2021 – 2025 **GROWTH STRATEGY**

## **EMPOWERING** A SUSTAINABLE, CONNECTED, AND SAFER WORLD



# 2021 – 2025 **GROWTH STRATEGY**

## **EMPOWERING** A SUSTAINABLE, CONNECTED, AND SAFER WORLD



# 2021 – 2025 FRAMEWORK

## CONTINUED TOP TIER SHAREHOLDER RETURNS

REVENUE	EARNINGS	CASH FLOW	ROIC	CAPITAL ALLOCATION
<ul style="list-style-type: none"><li>• Double-digit revenue CAGR</li><li>• 5 – 7% organic</li><li>• 5 – 7% from acquisitions</li></ul>	<ul style="list-style-type: none"><li>• EPS growth &gt; revenue growth</li><li>• 17 – 19% operating margins</li><li>• 21 – 23% EBITDA margins</li></ul>	<ul style="list-style-type: none"><li>• 100%+ free cash flow conversion</li><li>• Capital expenditures 4 – 5% of revenue</li></ul>	<ul style="list-style-type: none"><li>• 5-year goal: high-teens ROIC %</li><li>• Near-term objective: mid-teens ROIC %</li></ul>	<ul style="list-style-type: none"><li>• Return 40% of free cash flow to shareholders</li><li>• Remainder to focus on acquisitions</li></ul>

Robust organic growth enhanced with strategic M&A

# STRUCTURAL GROWTH THEMES

## INCREASING COMPLEXITY DRIVES CONTENT OPPORTUNITIES



### Sustainability

- Renewable Energy
- Energy Storage
- Electrification
- Power Optimization



### Connectivity

- Electronification
- Digital Transformation
- Industry 4.0
- Mobility



### Safety

- Increasing Safety Standards
- More Electrification = More Protection

2021 – 2025

Organic  
Revenue  
CAGR  
5 – 7%

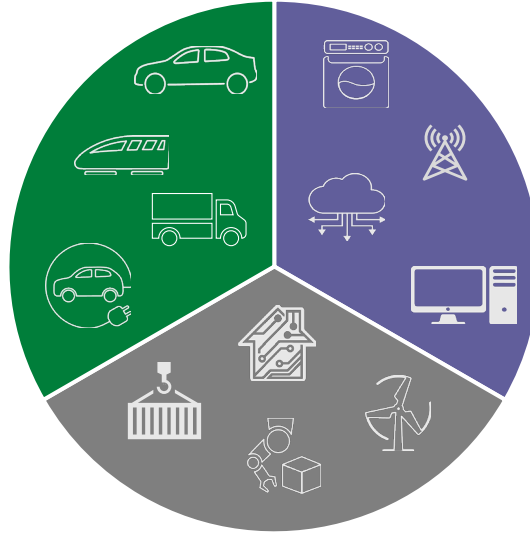
Global GDP  
2 – 3%

# PRIMARY END MARKETS

## BALANCED, DIVERSE & GLOBAL EXPOSURE

### Transportation

- Passenger Vehicles
- Material Handling Equipment
- Heavy Truck
- Bus / Transit
- Construction Equipment
- Agricultural Machinery
- EV Charging Infrastructure



### Electronics

- Data Center & Communication Infrastructure
- Building Technologies & Automation
- Appliances
- Mobile Electronics
- Medical Devices
- Gaming & Entertainment

### Industrial

- Renewable Energy
- Industrial Motor Drives
- Factory Automation & Safety
- Energy Storage
- Heavy Industry
- HVAC

**\$15+ billion\* addressable global market opportunity**

# INDUSTRIAL END MARKETS POSITIONED FOR CONTINUED GROWTH

## Factory Automation



- Power Semiconductors
- Passive Protection Components
- Position Sensors
- Temperature Sensors

## Renewables & Energy Storage

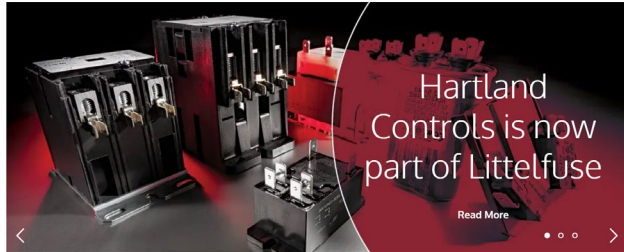


- Power Semiconductors
- Passive Protection Components
- Protection Relays
- Surge Protection Devices
- Disconnect Switches
- Temperature Sensors

How We  
Expect to  
Grow  
Above Market

- Our '21 – '25 organic revenue CAGR: mid-single digit %
- Systems-level engagement & collaboration with customers
- Deep technical engineering capabilities & design support
- Broad product portfolio

# ACCELERATING INDUSTRIAL GROWTH → HVAC



ACQUIRED JANUARY 2021



NOW PART OF



Expertise Applied | Answers Delivered

- Contactors
- Transformers

- Passive Protection Components
- Power Semiconductors
- Protection Relays
- Temperature Sensors





# TRANSPORTATION END MARKETS

## EXTENDING OUR LEADERSHIP

### Passenger Vehicle



- Passive Protection Components
- Automotive Electronics Components
- High Current Modules
- Motor Protection
- Sensors
  - Solar
  - Occupant Safety
  - Position

### Material Handling



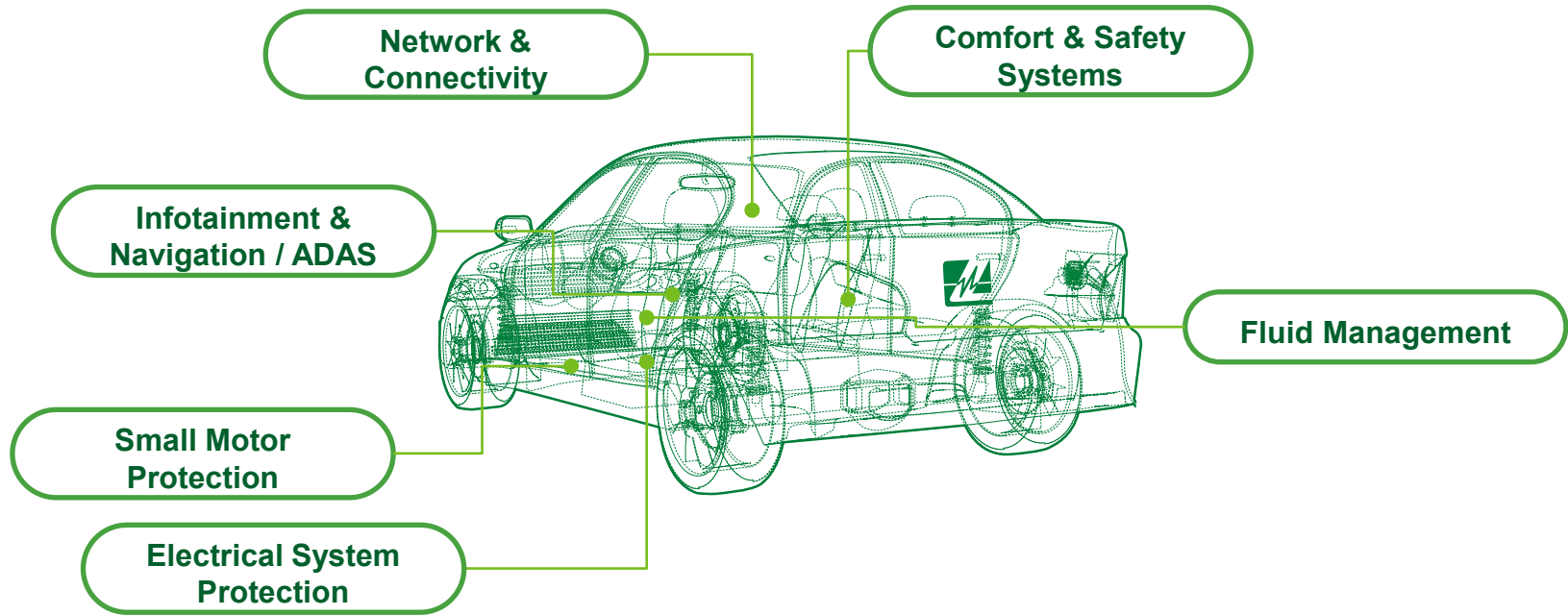
- Fuses & Fuse Holders
- Power Semiconductors
- Power Distribution Modules
- Contactors
- Relays

How We  
Expect to  
Grow  
Above Market

- Our '21 – '25 organic revenue CAGR: high-single digit %, 300 – 400 bps above market
- Technical leadership & engagement with OEMs, Tier 1s, & channel partners
- Reputation for superior product quality, safety & reliability
- Content growth driven by advanced electronics applications & eMobility

# TRADITIONAL PASSENGER VEHICLES

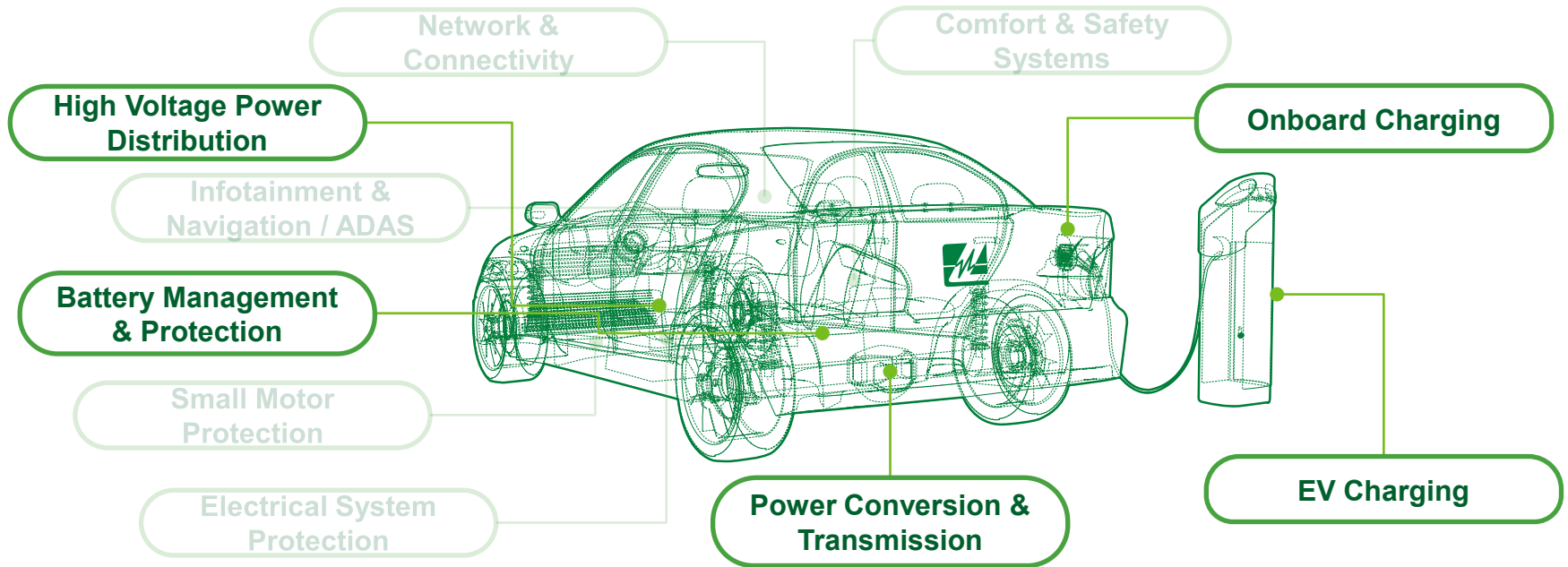
## A LEADING TECHNOLOGY PARTNER



Littelfuse products have ensured safety & reliability for decades

# eMOBILITY & CHARGING INFRASTRUCTURE

## ADDITIVE TO TRADITIONAL PASSENGER VEHICLE CONTENT



Littelfuse's eMobility future is built on our strong automotive foundation

# ELECTRONICS END MARKETS

## LEVERAGING OUR LEADERSHIP

### Building Technologies



- Passive Protection Components
- Magnetic Sensors
- Power Semiconductors
- Solid State Relays

### Data Center & Communication Infrastructure



- Passive Protection Components
- Power Semiconductors

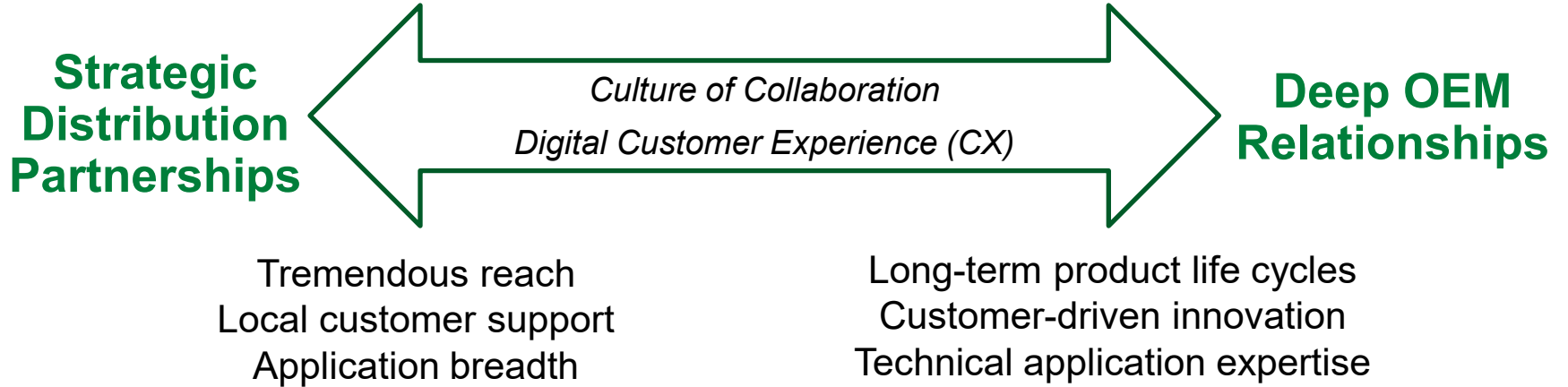
How We  
Expect to  
Grow  
Above Market

- Our '21 – '25 organic revenue CAGR: mid-single digit %
- Deep strategic distribution channel & OEM partnerships
- Broad diversity of applications & customer base
- Comprehensive product offering

# GO TO MARKET STRATEGY

## BROAD GLOBAL ACCESS & REACH

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Leveraging broad go to market strategy to win with 100,000+ unique customers

# OPERATIONAL & COMMERCIAL EXCELLENCE

## RECOGNIZED BY OUR CUSTOMERS



# INVESTMENTS FOR BEST-IN-CLASS ORGANIC GROWTH

## BUILDING FORWARD MOMENTUM

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**Digital  
Customer  
Experience**

**eMobility**

**Customer-  
Driven  
Innovation**

**Ongoing  
Cost  
Leadership**

- Expand new business opportunities in higher growth markets & applications
- Leverage & broaden product portfolio
- Enhance internal capabilities
- Improve customer accessibility

# COMMITMENT TO ESG

## PRIORITIZING FOR LONG-TERM STAKEHOLDER VALUE

 Environmental	 Social	 Governance
<ul style="list-style-type: none"><li>• Core product strategy focused on global sustainability; renewables, energy storage, power management &amp; electrification</li><li>• Policies &amp; programs focused on environmental health, safety &amp; compliance</li></ul> 	<ul style="list-style-type: none"><li>• Established Diversity &amp; Inclusion Council, &amp; Employee Resource Groups</li><li>• Member of CEO Action for Diversity &amp; Inclusion™</li><li>• Global &amp; local non-profit organization partnerships</li><li>• Supplier standards consistent with Responsible Business Alliance (RBA)</li><li>• Policies &amp; programs focused on employee health &amp; wellness, safety, diversity, inclusion, &amp; engagement</li></ul>	<ul style="list-style-type: none"><li>• Formal ESG oversight by Nominating &amp; Governance Committee</li><li>• Separate Chairman of the Board &amp; CEO roles</li><li>• Diverse Board Composition:<ul style="list-style-type: none"><li>▪ 20% female</li><li>▪ 30% underrepresented minorities</li></ul></li><li>• Global ethics &amp; compliance policies &amp; programs</li><li>• Annual, mandatory global code of conduct training</li></ul>





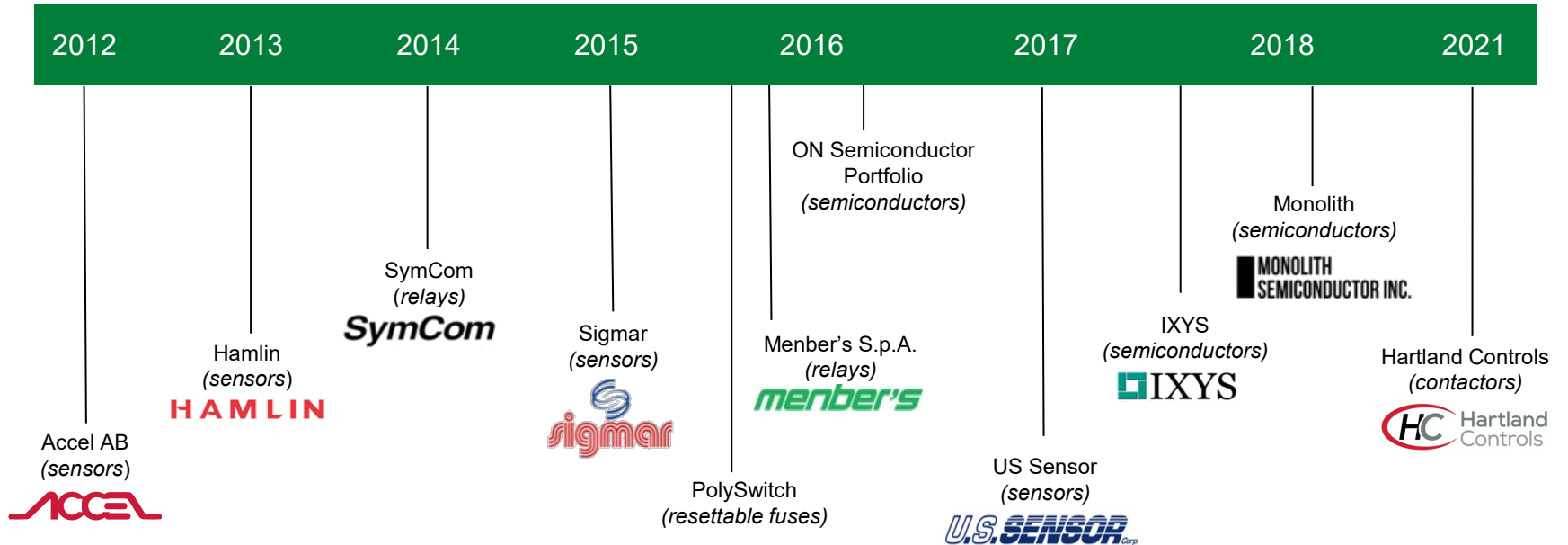
## M&A STRATEGY

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Matt Cole  
SVP, eMobility & Corporate Strategy



# STRATEGIC M&A ENHANCES ORGANIC GROWTH



Successful track record of acquisitions creates stakeholder value

# M&A PRIORITIES

## ALIGNED WITH ORGANIC GROWTH STRATEGIES



Accelerate Success  
in Higher Growth  
Applications &  
Markets

- eMobility
- Renewables
- Energy Storage
- Power Conversion
- HVAC
- Commercial Vehicles



Expand Geographic  
Penetration

- Japan
- Korea
- India



Leverage Core  
Competencies

- Go-to-Market Strength
- Technical & Engineering Expertise
- Global Footprint

2021 – 2025

Inorganic  
Revenue  
CAGR  
5 – 7%

# ACCELERATING HVAC & INDUSTRIAL MARKET GROWTH OPPORTUNITIES THROUGH M&A



ACQUIRED JANUARY 2021



NOW PART OF



Expertise Applied | Answers Delivered



Accelerate Success  
in Higher Growth  
Applications and  
Markets

- eMobility ✓
- Renewables
- Energy Storage
- Power Conversion
- HVAC ✓
- Commercial Vehicles



Expand Geographic  
Penetration

- Japan
- Korea
- India



Leverage Core  
Competencies

- Go-to-Market Strength ✓
- Technical & Engineering Expertise ✓
- Global Footprint ✓

# ACQUISITION PRINCIPLES

## A FOUNDATION FOR ENHANCED ORGANIC GROWTH

- Align with business growth strategies
- Cultivate a systemic pipeline of bolt-ons
- Enhance above-market organic revenue growth
- Margin improvement potential
- Year 5 target: double-digit operating margin & ROIC

**Accelerating  
Profitable  
Growth**

Sustained M&A strategy prioritizing strategic fit & synergies

# HOW WE SUCCEED IN M&A

Solid balance sheet and cash flow provides sufficient capital to enable success

Strong alignment of M&A objectives across businesses and company strategy

Robust diligence and integration processes informed by key value creation drivers

Investing in resources to enhance our funnel of opportunities

Well-positioned to capitalize on value driving opportunities



# BREAK

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10 MINUTE BREAK





# FINANCIAL OBJECTIVES

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Meenal Sethna, EVP & CFO





# DEMONSTRATED FINANCIAL STRENGTH THROUGH CYCLE REINFORCING OUR COMMITMENT TO PROFITABLE GROWTH

## 2017 – 2019 EXECUTION

- Executed path to achieve 5-year financial objectives – through the cycle
- Aligned cost structure to market demand while maintaining growth investments
- Cultivated active acquisition pipeline to sustain organic growth

## 2020 PRIORITIES

- Increase liquidity through cash generation and debt capacity
- Balance profit preservation while continuing to invest for growth
- Emerge in a position of increased financial strength

## LOOKING FORWARD

- Business portfolio & fundamentals remain strong
- Substantial balance sheet capacity to fund organic & inorganic growth
- Our long-term financial objectives are unchanged... and achievable

# 2021 – 2025 FRAMEWORK

## CONTINUED TOP TIER SHAREHOLDER RETURNS

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Robust organic growth enhanced with strategic M&A

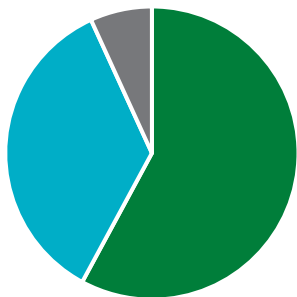
# ELECTRONICS PRODUCT SEGMENT

## 2021 - 2025 Financial Targets

2020 Revenue: **\$938M**



- Organic Revenue CAGR: Mid-single digit %
- Operating Margin: High-teens – 20%



- Semiconductors
- Passive Components
- Sensors



## Growth & Profitability Catalysts

High-Growth Markets:  
Connectivity, eMobility,  
Renewables, Power  
Optimization, Building &  
Home Automation

Electronification &  
Electrification  
Driving Content  
Growth

Leverage Strong  
Relationships Through  
OEM & Channel  
Partnerships

Product  
Management &  
Pricing Initiatives

# AUTOMOTIVE PRODUCT SEGMENT

## 2021 - 2025 Financial Targets

2020 Revenue: **\$396M** →

- Organic Revenue CAGR: High-single digit %
- Operating Margin: Mid-teens %



- Auto Fuses
- Auto Sensors
- Commercial Vehicle Products



## Growth & Profitability Catalysts

High-Growth Markets:  
eMobility, Commercial  
Vehicles, Material  
Handling

Electrification  
Driving Content  
Growth

Geographic Expansion:  
Japan, Korea, India,  
China

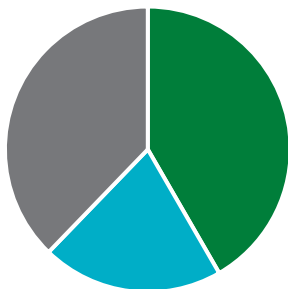
Margin Expansion led  
by Return of Growth &  
Supply Chain  
Simplification

# INDUSTRIAL PRODUCT SEGMENT

## 2021 - 2025 Financial Targets

2020 Proforma Revenue\*:   
**\$180M**

- Organic Revenue CAGR: Mid-single digit %
- Operating Margin: High-teens %



- Fuses
- Relays/Sensors
- Hartland Controls



## Growth & Profitability Catalysts

High-Growth Markets:  
Renewables, Energy  
Storage, Automation,  
HVAC

Geographic  
Expansion &  
Customer Extension

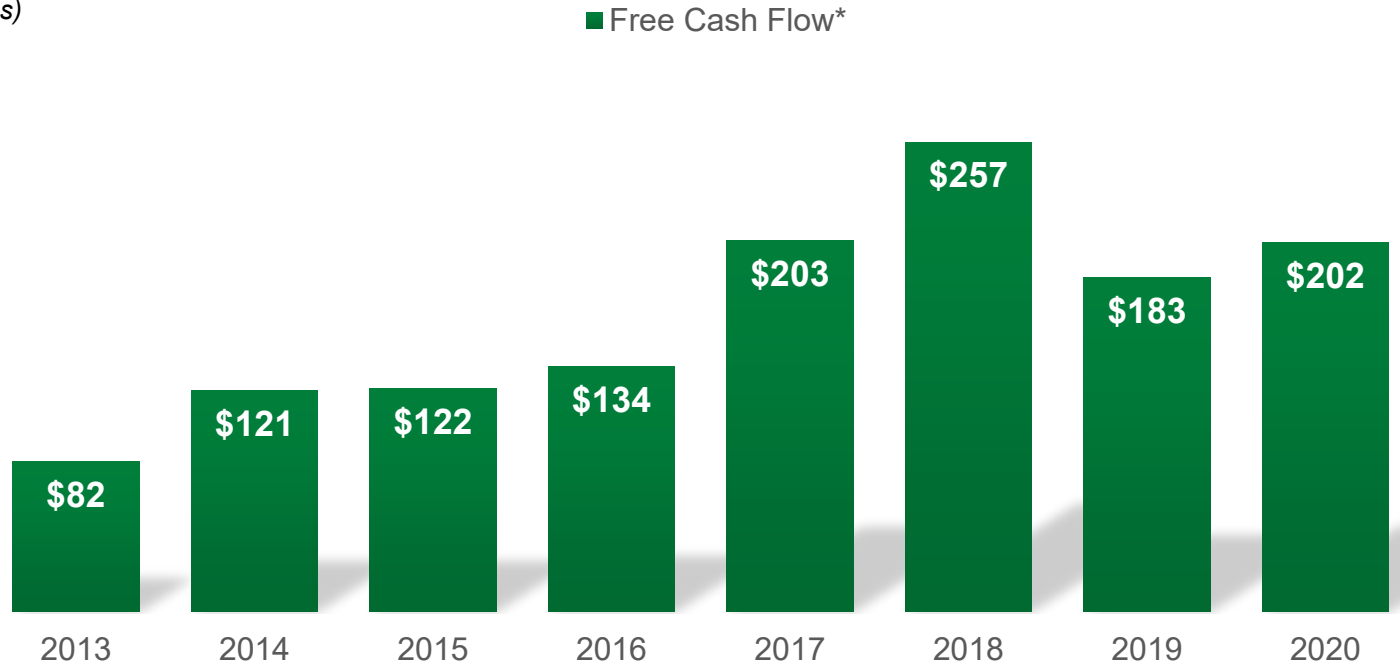
Execute Growth  
Strategy for Hartland  
Controls

Margin Expansion led  
by Growth & Post-  
COVID Normalization

# FREE CASH FLOW CONSISTENTLY 100%+ OF NET INCOME

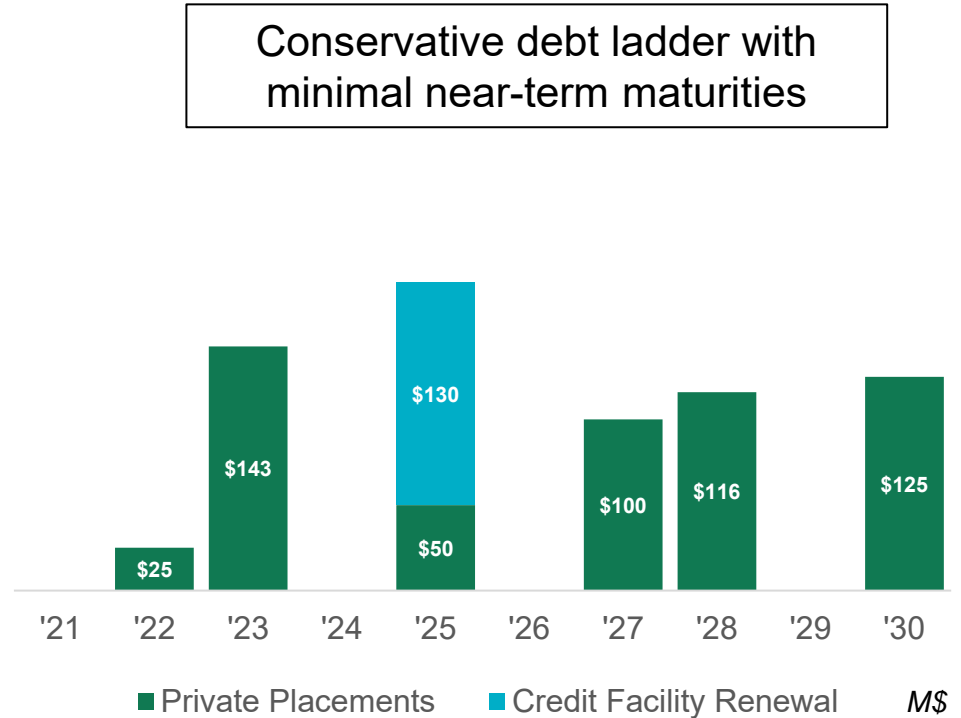
## \$1.3 BILLION GENERATED SINCE 2013

(\$ in millions)



# ROBUST CASH GENERATION DRIVES STRONG BALANCE SHEET AMPLE LIQUIDITY TO SUPPORT GROWTH STRATEGY

- Financial liquidity & capacity post pandemic
- Consistent 100%+ free cash flow conversion
- Attractive cash tax rate profile
  - 18 – 20% tax rate range assuming current regulatory environment\*
- Target Debt-to-EBITDA\*: 1.5 – 2.5x



# PRIORITIZED DEPLOYMENT OF CASH

## GROWTH INVESTMENTS DRIVE INCREASING VALUE FOR SHAREHOLDERS

### ORGANIC INVESTMENTS

Programs that:

- Drive revenue growth
- Advance internal capabilities
- Enhance productivity
- Maintain cost leadership

### INORGANIC INVESTMENTS

- Strategic acquisitions to enhance organic growth
- Value driven integration drives target financial returns
- Additional resources to drive M&A execution

### RETURN TO SHAREHOLDERS

#### Dividends

- 10+ years of growing dividend
- 12% CAGR since inception
- Grow in line with earnings

#### Share Repurchases

- Opportunistic

AND

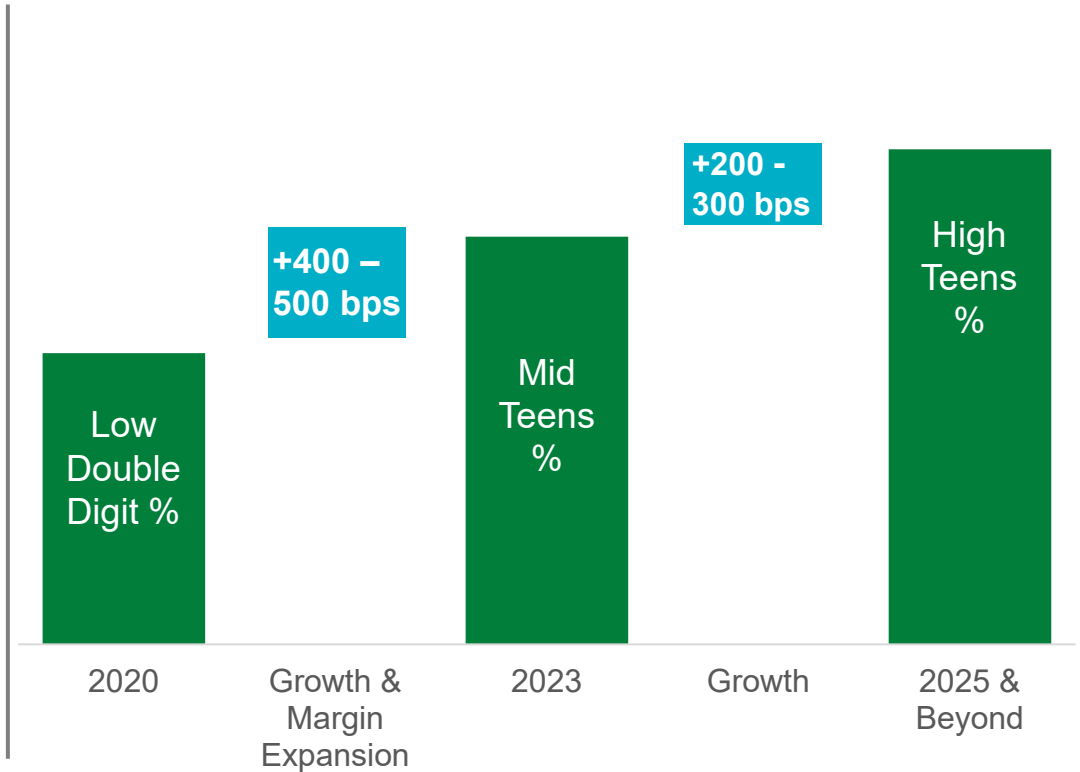
- Excess cash available to deploy



# PATH TO HIGH-TEENS ROIC

## ORGANIC & INORGANIC GROWTH ARE KEY

- Operating income growth and margin expansion drive significant ROIC improvement
  - Organic growth
  - P&L normalizes post COVID
  - Completion of IXYS supply chain synergies
- Bolt-on acquisitions for sustained organic growth
  - Year 5 acquisition expectations: Double-digit operating margin & ROIC



# 2021 – 2025 FRAMEWORK

## CONTINUED TOP TIER SHAREHOLDER RETURNS

REVENUE	EARNINGS	CASH FLOW	ROIC	CAPITAL ALLOCATION
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Robust organic growth enhanced with strategic M&A



# CORPORATE STRATEGY SUMMARY

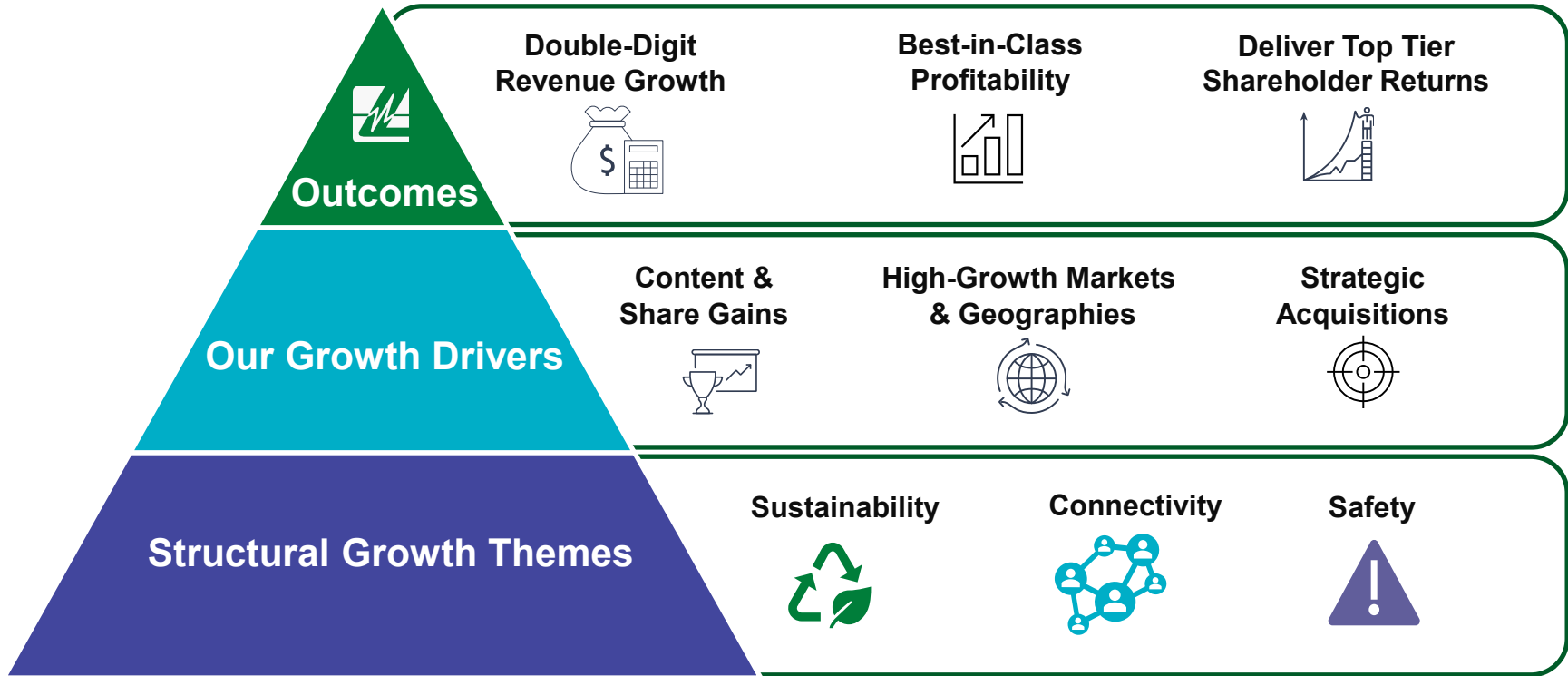
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Dave Heinzmann  
President & CEO



# 2021 – 2025 **GROWTH STRATEGY**

## **EMPOWERING** A SUSTAINABLE, CONNECTED, AND SAFER WORLD



# LITTELFUSE COMPETITIVE ADVANTAGE

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**Trusted** Global  
**Brand**

Reliability, Quality &  
Safety

**Strong** Customer &  
Channel  
**Partnerships**

**Innovative** Product  
Portfolio of **Multiple**  
Technologies

**Breadth & Depth**  
of Application  
**Expertise**

**Industry-  
Leading**  
Technical & Engineering  
**Knowledge**

**Global** Reach,  
**Local** Touch

Our talent, capabilities & solutions are key differentiators

# COMPELLING INVESTMENT PROPOSITION

## A PROVEN SOURCE OF VALUE CREATION

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- ✓ Positioned within **structural growth themes** across **diverse** end markets
- ✓ Focused on **high-growth applications** that enable **above market** organic **growth** through the cycle
- ✓ **High-value, high-opportunity** product portfolio
- ✓ **Deep** customer & distributor **relationships**
- ✓ Industry-leading **profitability & cash generation**
- ✓ **Strong** track record of **value-added** strategic **acquisitions**
- ✓ **Global** technical & application **expertise**
- ✓ Prioritizing **ESG** for long-term **stakeholder value**
- ✓ **Strong execution** led by **diverse** leadership team



## Q&A

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## APPENDIX

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# LITTELFUSE, INC.

## SUPPLEMENTAL FINANCIAL INFORMATION

(In millions of USD)

### Free cash flow reconciliation

	YTD-20	YTD-19	YTD-18	YTD-17	YTD-16	YTD-15	YTD-14	YTD-13
Net cash provided by operating activities	\$ 258.0	\$ 245.3	\$ 331.8	\$ 269.2	\$ 180.1	\$ 165.8	\$ 153.1	\$ 117.4
Less: Purchases of property, plant and equipment	(56.2)	(61.9)	(74.8)	(65.9)	(46.2)	(44.0)	(32.3)	(35.0)
Free cash flow	\$ 201.8	\$ 183.4	\$ 257.0	\$ 203.3	\$ 133.9	\$ 121.8	\$ 120.8	\$ 82.4