



Q3 2022 EARNINGS RELEASE

November 1, 2022

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Non-GAAP Financial Measures. The information included in this presentation includes the non-GAAP financial measures of organic net sales growth, adjusted operating margin, adjusted EBITDA margin, adjusted diluted earnings per share, adjusted effective tax rate, and free cash flow. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures are set forth in the appendix. The company believes that these non-GAAP financial measures provide useful information to investors regarding its operational performance and ability to generate cash enhancing an investor's overall understanding of its core financial performance. The company believes that these non-GAAP financial measures are commonly used by financial analysts and provide useful information to analysts. Management uses these measures when assessing the performance of the business and for business planning purposes. Note that the definitions of these non-GAAP financial measures may differ from those terms as defined or used by other companies.



BUSINESS UPDATE

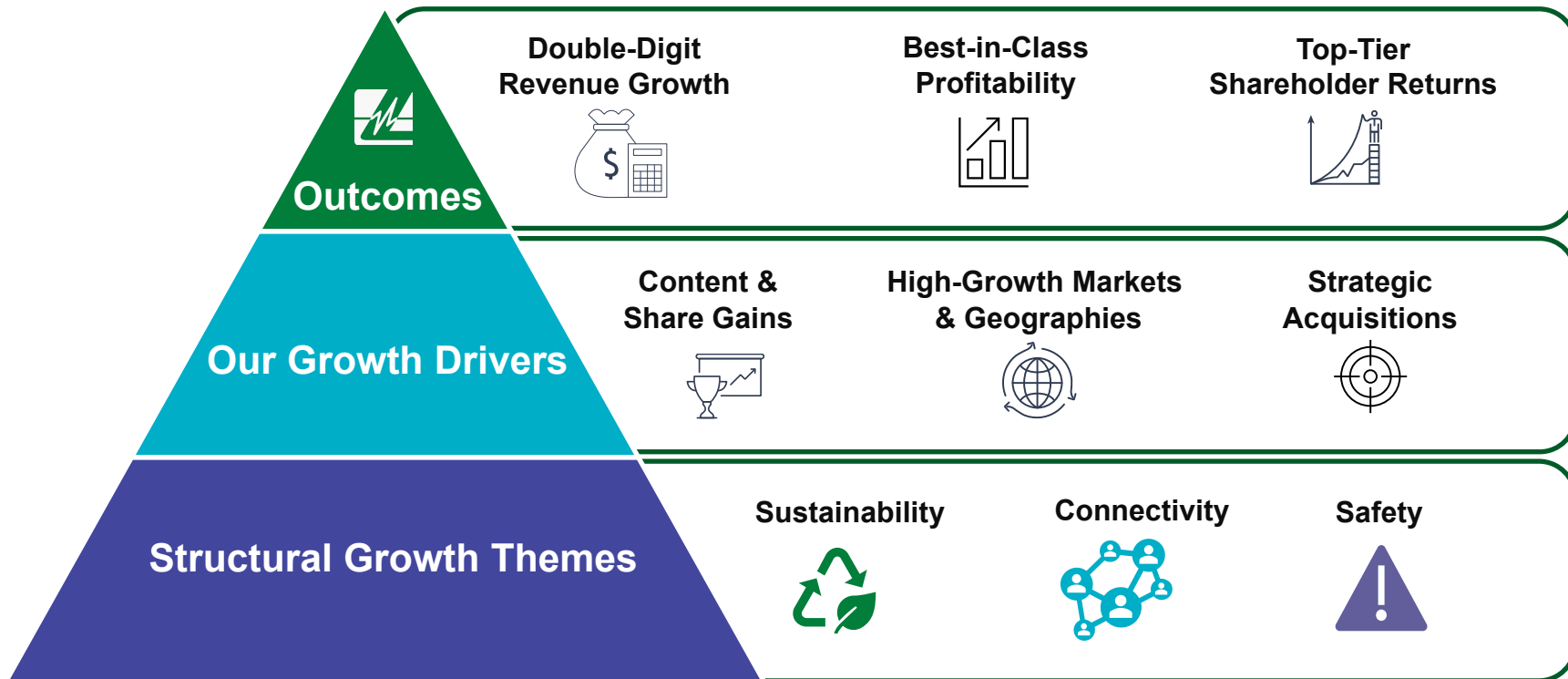
Dave Heinzmann, President & CEO

Q3 2022 & RECENT HIGHLIGHTS

- Continued outperformance, driven by global business wins, acquisitions & operational execution
- Q3: Delivered strong results above expectations
 - YoY: Revenue +22%; Organic +8% despite FX headwinds
 - Delivered margins & earnings growth above strategic long-term targets
 - Adjusted Operating Margin 21%
 - Adjusted Diluted EPS +8%
- Record performance year-to-date
 - YoY: Revenue +24%; Adjusted Diluted EPS +35%
- Published 2021 Sustainability Report

2021 – 2025 **GROWTH STRATEGY**

EMPOWERING A SUSTAINABLE, CONNECTED, AND SAFER WORLD



COMMITMENT TO SUSTAINABILITY

DIVERSE PEOPLE. BOLD SOLUTIONS. SUSTAINED SUCCESS.



Environmental

Goal: Targeting Greenhouse Gas (GHG) reduction of 38% by 2035

Progress:

- Global programs to reduce energy, water, emissions & waste
- Product Environmental Compliance Steering Committee
- Direct material supplier sustainability self-assessments



Social

Goals: Increasing global female leadership to at least 25%, and U.S. Black / African American employees to at least 5% by 2026

Progress:

- Enterprise-wide Diversity, Inclusion & Belonging Advisory Council
- Multiple employee resource groups
- Company mentoring initiatives to support associate development



Governance

Goals: Board oversight of sustainability program & robust training curriculum

Progress:

- Oversight of sustainability program by Nominating & Governance Committee
- Senior leader compensation tied to ESG performance
- 21 world-wide training campaigns



Best Employer 2021
Greater Suzhou, China



Top Equal Pay Employer 2021
Kaunas, Lithuania



**2021 SUSTAINABILITY
REPORT
available on
[Littelfuse.com](https://www.littelfuse.com)**



INDUSTRIAL END MARKETS POSITIONED FOR CONTINUED GROWTH

Q3 2022 Highlights

- Expanding leadership with customers' focus on intensifying sustainability & safety
- Technical expertise & portfolio breadth secures significant new business in:
 - Energy storage
 - Alternative energy
 - Commercial kitchens
 - Industrial motor drives
 - HVAC
 - Automated test equipment
- Growth driven by engineering capabilities & differentiated innovation



TRANSPORTATION END MARKETS

EXTENDING OUR LEADERSHIP POSITION

Q3 2022 Highlights

- Leveraging company-wide automotive technology portfolio & market trends to increase passenger vehicle leadership & content
 - **Double-digit content outgrowth***
 - **Increased average content across vehicles to ~\$7.00**
 - **New business pipeline & expanding portfolio support continued double-digit outgrowth**
- Enabling customers' transition to electrification
 - Passenger vehicles - on & off-board charging, BMS**
 - Commercial vehicles – electrification of trucks, 2 & 3 wheelers in Asia
- Product innovation & electronification driving content opportunities - ADAS, infotainment, comfort & convenience



*2019-2022

**BMS = Battery management system

ELECTRONICS END MARKETS LEVERAGING OUR LEADERSHIP

Q3 2022 Highlights

- Broader solutions & increased design-in activity within connectivity, sustainability & safety themes driving new business wins in:
 - Data centers
 - Building automation systems
 - Battery power for power tools & e-bicycles
 - Medical infusion pump
- C&K Switches expands technology portfolio, enhances market presence & strengthens distribution partnerships





FINANCIAL UPDATE

Meenal Sethna, EVP & CFO

Q3 2022 FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

(in millions)

Revenue



GAAP EPS

\$3.69

\$3.02

Adj. EPS

\$3.95

\$4.28

Adj. EBITDA%

27.3%

25.9%

Highlights

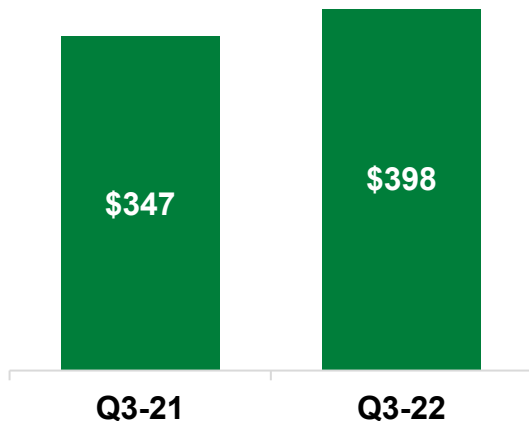
- Financial performance above high end of guidance on sales & earnings
- Revenue +22% vs PY, +8% organic
- GAAP operating margin 18.5%; Adjusted operating margin 21%
 - Continuation of positive price/cost
 - Margins solidly above strategic long-term target
- Adjusted EPS +8% vs PY
- Effective tax rate: GAAP 21.4%; Adjusted 18.0%
- Operating cash flow \$148m; Free cash flow \$127m, 41% growth over PY

Q3 2022 ELECTRONICS SEGMENT

FINANCIAL PERFORMANCE

(in millions)

Revenue



	Q3-21	Q3-22
Op Margin	28.9%	28.5%

	Q3-21	Q3-22
Adj. EBITDA%	33.4%	33.3%

Highlights

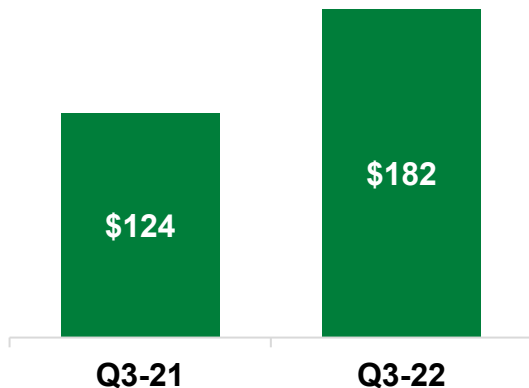
- Revenue growth +15% / organic +7%
- Ongoing robust operating margins
 - Positive price/cost, volume, productivity initiatives
- POS / end market demand solid across breadth of markets
 - Softness in consumer-oriented markets & China

Q3 2022 TRANSPORTATION SEGMENT

FINANCIAL PERFORMANCE

(in millions)

Revenue



Op Margin

12.7%

7.1%

Adj. EBITDA%

18.4%

13.4%

Highlights

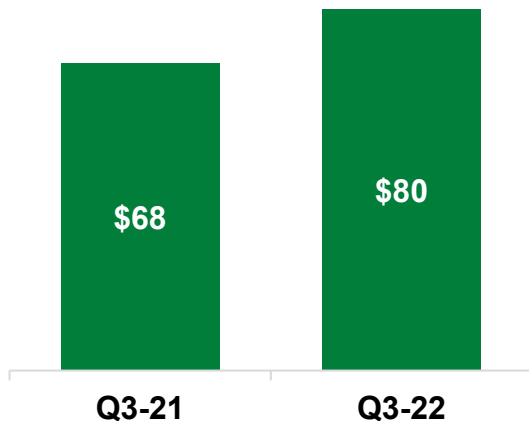
- Revenue growth +46% / organic +4%
- Commercial vehicle +5% organic & outperformance across Carling business
- Passenger vehicle +3% organic; ongoing inventory unwind at Tier 1's
- ~200bps F/X headwind to margins
- Initiated cost reduction actions; Expect go-forward margin improvements

Q3 2022 INDUSTRIAL SEGMENT

FINANCIAL PERFORMANCE

(in millions)

Revenue



Op Margin

9.7%

15.3%

Adj. EBITDA%

12.7%

18.1%

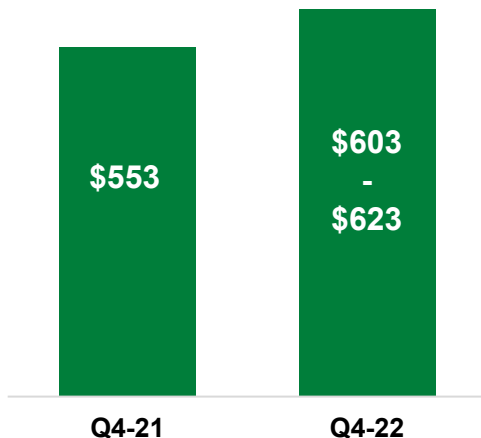
Highlights

- Revenue growth +17% / organic +18%
- YTD revenue growth +27%
 - Broad-based end market strength
- >500bps margin expansion
 - Price realization, manufacturing & supply chain improvements, faster than expected recovery from China COVID shutdowns

Q4 2022 GUIDANCE

(in millions)

Revenue



GAAP EPS

\$2.08

Adj. EPS

\$3.16

\$3.14 - \$3.34

Highlights

- Q4 sales typically sequentially down mid-single
- Sales +11% vs PY / +4% organic
 - (-7%) f/x & PY 14th week
- EPS +11% vs PY, excl. \$0.25 of PY one-time benefits (tax holiday & 14th week)
 - ~(150) bps operating margin dilution from recent acquisitions
- Recent Electronics book to bill below 1.0x
 - Some channel inventory rebalancing
- Continuation of Tier 1 auto inventory unwind

FULL YEAR CONSIDERATIONS/EXPECTATIONS

2022:

- Expect to remain positive price/cost for full year in current market conditions
 - ~\$56M non-cash amortization expense
 - ~\$26M interest expense
 - Adjusted effective tax rate ~18%
 - ~100% free cash flow conversion; ~\$105M – \$115M capital expenditures
-

2023:

- ~\$50M sales headwind from f/x at current rates; Earnings impact ~neutral
- ~\$62M non-cash amortization expense
- ~\$40M interest expense at current rates

Q3 YTD 2022 HIGHLIGHTS VS PRIOR YEAR

**Net Sales
Growth**

+24%

+13% Organic

**Adj.
Operating
Margin**

23.0%

+300 bps

GAAP EPS

\$11.21

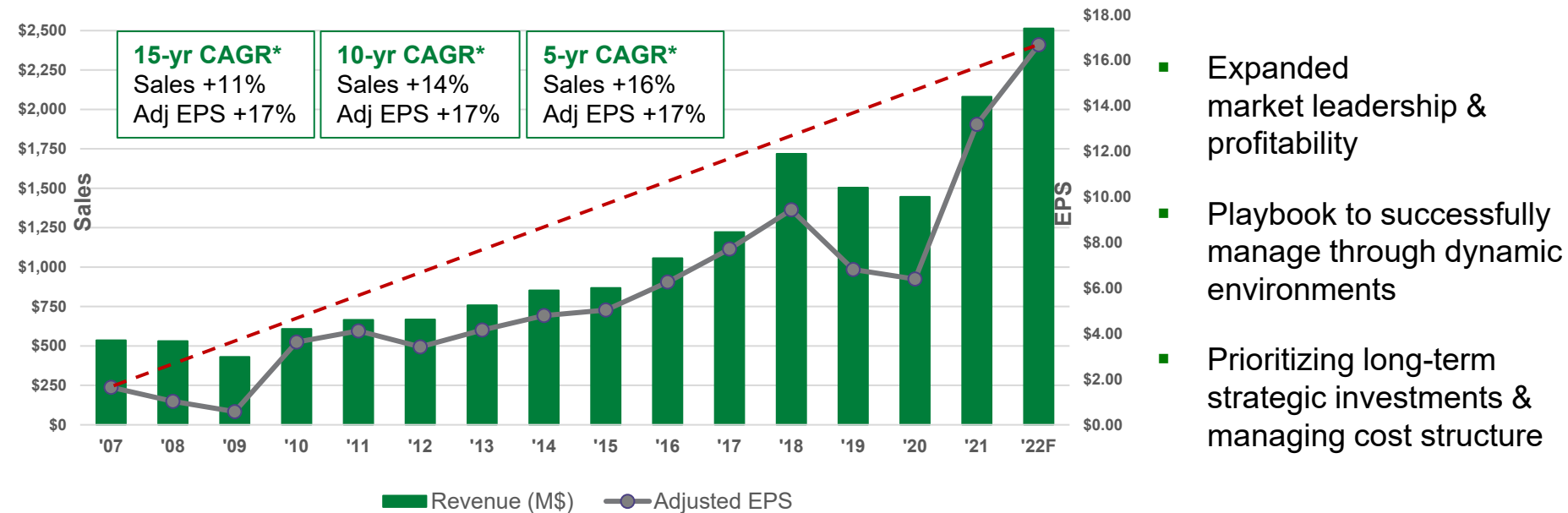
**Adj. Diluted
EPS**

\$13.53

+35%

Top-tier performance to date; Organic growth trajectory combined with strategy-led acquisitions continue to strengthen & diversify business

RESILIENT GROWTH STRATEGY & BUSINESS MODEL



Sustained Double-Digit Sales & Earnings Growth

Q&A



APPENDIX



SUPPLEMENTAL FINANCIAL INFORMATION

LITTELFUSE, INC.

SUPPLEMENTAL FINANCIAL INFORMATION

(In millions of USD except per share amounts - unaudited)

Non-GAAP EPS reconciliation

	Q3-22	Q3-21	YTD-22	YTD-21
GAAP diluted EPS	\$ 3.02	\$ 3.69	\$ 11.21	\$ 9.31
EPS impact of Non-GAAP adjustments (below)	1.26	0.26	2.32	0.73
Adjusted diluted EPS	\$ 4.28	\$ 3.95	\$ 13.53	\$ 10.04

Non-GAAP adjustments - (income) / expense

	Q3-22	Q3-21	YTD-22	YTD-21
Acquisition-related and integration costs (a)	\$ 6.2	\$ 2.0	\$ 14.8	\$ 3.4
Purchase accounting inventory adjustments (b)	6.8	—	11.6	6.8
Restructuring, impairment and other charges (c)	3.4	0.8	4.3	2.0
Gain on sale of fixed assets (d)	—	—	—	(0.9)
Non-GAAP adjustments to operating income	16.4	2.8	30.7	11.3
Other expense (income), net (e)	—	0.1	(0.5)	0.6
Non-operating foreign exchange loss	18.2	3.2	40.1	8.3
Non-GAAP adjustments to income before income taxes	34.6	6.1	70.3	20.2
Income taxes (f)	3.0	(0.4)	12.2	2.1
Non-GAAP adjustments to net income	\$ 31.6	\$ 6.5	\$ 58.1	\$ 18.1
Total EPS impact	\$ 1.26	\$ 0.26	\$ 2.32	\$ 0.73

Adjusted operating margin / Adjusted EBITDA reconciliation

	Q3-22	Q3-21	YTD-22	YTD-21
Net sales	\$ 658.9	\$ 539.6	\$ 1,900.6	\$ 1,526.9
GAAP operating income	\$ 121.9	\$ 120.1	\$ 406.6	\$ 292.8
Add back non-GAAP adjustments	16.4	2.8	30.7	11.3
Adjusted operating income	\$ 138.3	\$ 122.9	\$ 437.3	\$ 304.1
Adjusted operating margin	21.0 %	22.8 %	23.0 %	19.9 %
Add back amortization	15.6	10.4	39.9	31.6
Add back depreciation	17.0	14.2	48.3	41.4
Adjusted EBITDA	\$ 170.9	\$ 147.5	\$ 525.5	\$ 377.1
Adjusted EBITDA margin	25.9 %	27.3 %	27.6 %	24.7 %

Net sales reconciliation

	Q3-22 vs. Q3-21			
	Electronics	Transportation	Industrial	Total
Net sales growth	15 %	46 %	17 %	22 %
Less:				
Acquisitions	11 %	49 %	— %	18 %
FX impact	(3)%	(7)%	(1)%	(4)%
Organic net sales growth	7 %	4 %	18 %	8 %

Net sales reconciliation

	YTD-22 vs. YTD-21			
	Electronics	Transportation	Industrial	Total
Net sales growth	17 %	42 %	27 %	24 %
Less:				
Acquisitions	4 %	46 %	5 %	14 %
FX impact	(3)%	(5)%	(1)%	(3)%
Organic net sales growth	16 %	1 %	23 %	13 %

(a) reflected in selling, general and administrative expenses ("SG&A").

(b) reflected in cost of sales.

(c) reflected in restructuring, impairment and other charges.

(d) reflected in SG&A, a total year-to-date gain of \$0.9 million from the sale of a building within the Electronics segment 2021.

(e) 2022 year-to-date amount included \$0.5 million gain from the sale of a building within Transportation segment. Q3 2021 included a \$0.1 million charge for an asset retirement obligation related to the disposal of a business in 2019. 2021 year-to-date amount included \$0.5 million of impairment charges on certain other investments.

(f) reflected the tax impact associated with the non-GAAP adjustments, and 2022 year-to-date amount include the one-time net benefit of \$7.2 million that resulted from the dissolution of one of the Company's affiliates.



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SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

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Income tax reconciliation

	Q3-22
Income taxes	\$ 20.5
Effective rate	21.4 %
Non-GAAP adjustments - income taxes	3.0
Adjusted income taxes	\$ 23.4
Adjusted effective rate	18.0 %

Free cash flow reconciliation

	Q3-22	YTD-21
Net cash provided by operating activities	\$ 148.1	\$ 240.7
Less: Purchases of property, plant and equipment	(21.7)	(57.5)
Free cash flow	\$ 126.5	\$ 183.2

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

LITTELFUSE, INC.

SUPPLEMENTAL FINANCIAL INFORMATION

(In millions of USD except per share amounts - unaudited)

Non-GAAP EPS reconciliation

	Q4-21
GAAP diluted EPS	\$ 2.08
EPS impact of Non-GAAP adjustments (below)	1.08
Adjusted diluted EPS	<u>\$ 3.16</u>

Non-GAAP adjustments - (Income)/expense

	Q4-21
Acquisition-related and integration costs (a)	\$ 3.6
Purchase accounting inventory adjustments (b)	1.6
Restructuring, impairment and other charges (c)	0.2
Gain on sale of fixed assets (d)	(4.1)
Non-GAAP adjustments to operating income	1.3
Other expense, net (e)	20.8
Non-operating foreign exchange loss (gain)	8.9
Non-GAAP adjustments to income before income taxes	31.0
Income taxes (f)	3.9
Non-GAAP adjustments to net income	<u>\$ 27.1</u>
Total EPS impact	<u>\$ 1.08</u>

(a) reflected in selling, general and administrative expenses ("SG&A").

(b) reflected in cost of sales.

(c) reflected in restructuring, impairment and other charges.

(d) reflected a gain of \$4.1 million recorded in SG&A during the fourth quarter of 2021 for a total year-to-date gain of \$5.0 million from the sale of two buildings within the Electronics segment during 2021.

(e) Q4 2021 included a \$19.9 million non-cash pension settlement charge, a \$0.7 million charge for an asset retirement obligation related to the disposal of a business in 2019 and a \$0.2 million increase in coal mining reserves. 2021 year-to-date amount also included \$0.5 million of impairment charges on certain other investments and a \$0.8 million charge for an asset retirement obligation related to the disposal of a business in 2019. 2020 year-to-date amount included a \$1.8 million increase in coal mining reserves, a \$0.2 million charge for an asset retirement obligation related to the disposal of a business in 2019 and \$0.1 million of impairment charges on certain other investments.

(f) reflected the tax impact associated with the non-GAAP adjustments.

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

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SUPPLEMENTAL FINANCIAL INFORMATION

(In millions of USD except per share amounts - unaudited)

Adjusted EBITDA by Segment	Q3-22			Q3-21		
	Electronics	Transportation	Industrial	Electronics	Transportation	Industrial
GAAP operating income	\$ 113.1	\$ 13.0	\$ 12.2	\$ 100.5	\$ 15.8	\$ 6.6
Add:						
Add back amortization	9.7	4.7	1.2	6.8	2.4	1.2
Add back depreciation	9.4	6.7	1.0	8.7	4.6	0.8
Adjusted EBITDA	<u>\$ 132.2</u>	<u>\$ 24.4</u>	<u>\$ 14.4</u>	<u>\$ 116.0</u>	<u>\$ 22.9</u>	<u>\$ 8.6</u>
Adjusted EBITDA Margin	33.3 %	13.4 %	18.1 %	33.4 %	18.4 %	12.7 %