

Q3 2024 EARNINGS RELEASE

OCTOBER 29, 2024

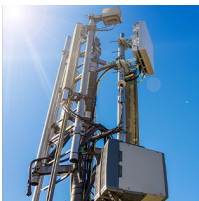
 **Littelfuse®**
Expertise Applied | Answers Delivered

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Non-GAAP Financial Measures. The information included in this presentation includes the non-GAAP financial measures of organic net sales (decline) growth, adjusted operating margin, adjusted EBITDA margin, adjusted diluted earnings per share, adjusted effective tax rate, free cash flow, and consolidated net leverage ratio (as defined in the credit agreement). 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 because they enhance an investor’s overall understanding of our core financial performance and facilitate comparisons to historical results of operations, by excluding items that are not related directly to the underlying performance of our fundamental business operations or were not part of our business operations during a comparable period. The company believes that free cash flow is a useful measure of its ability to generate cash. The company believes that consolidated net leverage ratio is a useful measure of its credit position. Management additionally uses these measures when assessing the performance of the business and for business planning purposes. Note that our 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

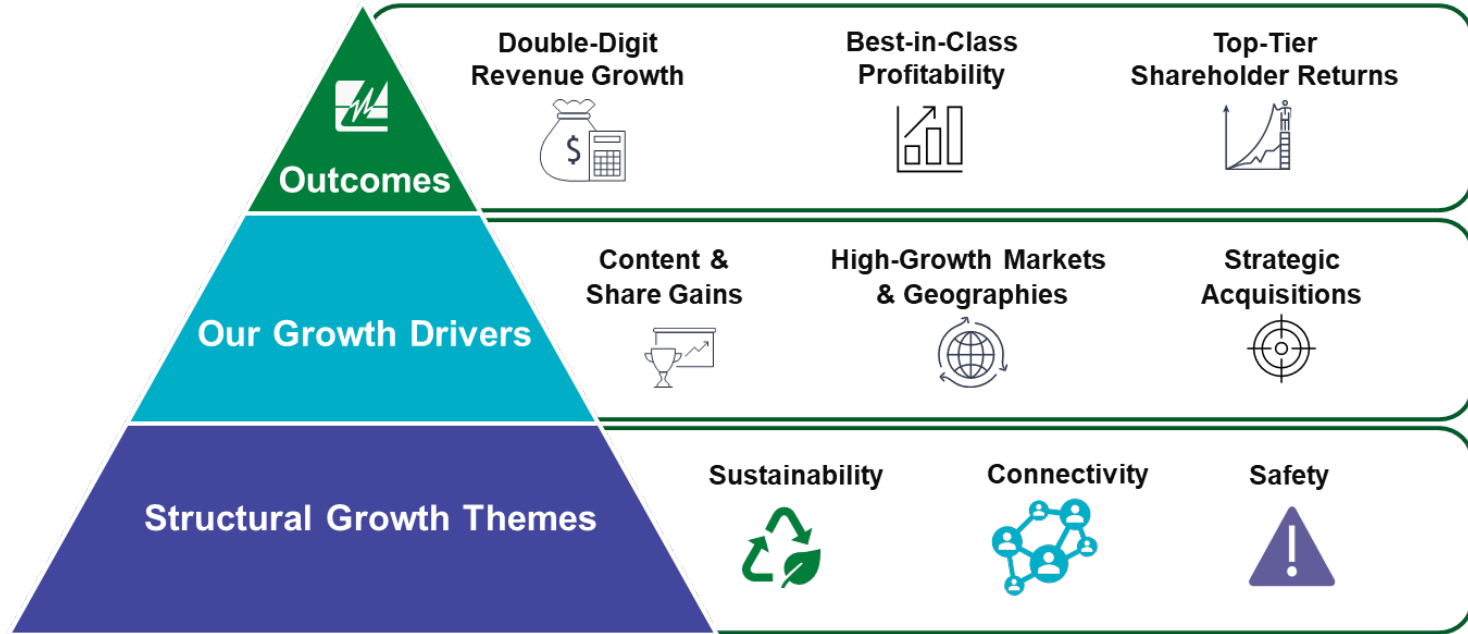
EXECUTIVE SUMMARY

- Solid Q3 execution drives results above expectations
 - Q3 Adjusted EPS exceeded the high end of guidance
 - Strong cash generation, continued balance sheet flexibility
 - Meaningful new business wins across global customer base
- Delivering on profitability initiatives
 - Sequential margin expansion across all three segments
 - Experienced teams executing on operational & structural actions
- Well positioned to deliver long-term growth strategy
 - Strong track record & commitment to execution
 - Unique portfolio & broad exposure to secular growth themes

Resilient & diversified business model

2021 – 2025 **GROWTH STRATEGY**

EMPOWERING A SUSTAINABLE, CONNECTED, AND SAFER WORLD



Our capabilities, investments & diversification deliver significant value

ELECTRONICS END MARKETS

PRODUCT LEADERSHIP, DIVERSE CUSTOMER REACH

Q3 2024 Highlights

- Continued solid data center & medical demand; ongoing subdued demand across consumer products, appliance & building technology applications
- Healthy design-in activity through cycle
 - Momentum supports long term growth trajectory
- Broad & innovative solutions continue to gain traction with our global customer base
 - NA & China gaming application wins
 - Multi-region wins for various medical applications
 - Diversified wins across data center, telecom & appliances



TRANSPORTATION END MARKETS

BALANCED CAPABILITIES, GLOBAL PARTNERSHIPS

Q3 2024 Highlights

- Benefiting from global scale & strong customer relationships
 - Balanced portfolio serving extensive range of transportation applications
- Strong execution amid ongoing soft end market dynamics
- Delivering meaningful wins globally with broad customer reach
 - Multiple wins within electrification systems for key customers
 - Global low voltage wins showcase product leadership
 - Diverse commercial vehicle wins across construction equipment, agriculture & specialty vehicles



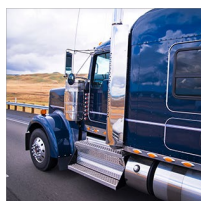
INDUSTRIAL END MARKETS

INNOVATIVE SOLUTIONS, BROAD EXPERTISE

Q3 2024 Highlights

- Continued end demand softness driven by industrial equipment, factory automation, motor drives & renewables
 - More pronounced impact on power semiconductor business
- Ongoing signs of recovery in HVAC; continued traction in Industrial Safety
- Next generation applications driving broad wins
 - Multiple wins for solar customers in Europe
 - Commercial HVAC wins in NA
 - Global wins across diverse applications highlighted by commercial EV charging infrastructure & mining





FINANCIAL UPDATE

Meenal Sethna, EVP & CFO

Q3 2024 TOTAL COMPANY FINANCIAL PERFORMANCE

(in millions)

Revenue



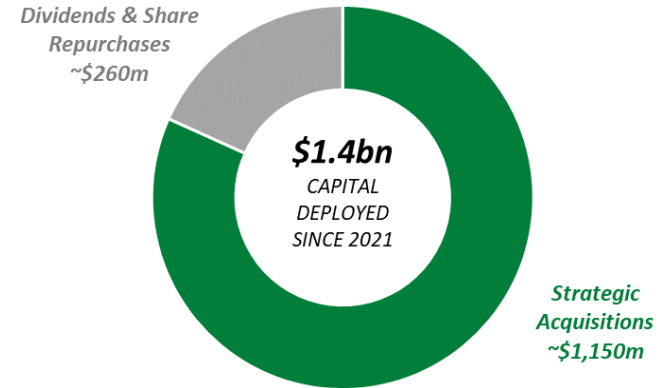
	Q3-23	Q3-24
GAAP EPS	\$2.30	\$2.32
Adj. EPS	\$2.97	\$2.71
Adj. EBITDA%	22.0%	21.7%

Highlights

- Revenue (-7%) vs PY (Reported & Organic)
 - ~2% portfolio pruning headwind
- GAAP op margin 15.5%; Adjusted op margin 15.9%
 - Lower volumes offset by operational execution
 - 80bps benefit from FX & commodities
- Effective tax rate: GAAP 25.3%; Adj. 24.3%
- Q3 Op cash flow \$80m; Free cash flow \$65m
 - YTD: Free cash flow \$157m, 103% conversion rate

CASH GENERATION & CAPITAL DEPLOYMENT

- Well-positioned business model & execution drive robust long-term cash generation
 - Disciplined approach to working capital management
 - Strong balance sheet supports capital deployment strategy
 - Net leverage ratio ~1.6x
 - Prioritizing growth investments
- YTD capital deployment - returned \$91m to shareholders
 - \$41m via share repurchase
 - \$50m dividend payout
- Consistent prioritization of capital deployment
 - Organic investments
 - Strategic acquisitions
 - Dividends and share repurchases



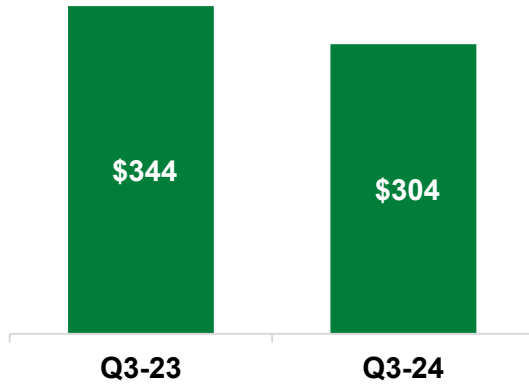
Driving long-term shareholder value

Q3 2024 ELECTRONICS SEGMENT

FINANCIAL PERFORMANCE

(in millions)

Revenue



	Q3-23	Q3-24
Op Margin	22.4%	16.1%
Adj. EBITDA%	28.1%	22.6%

Highlights

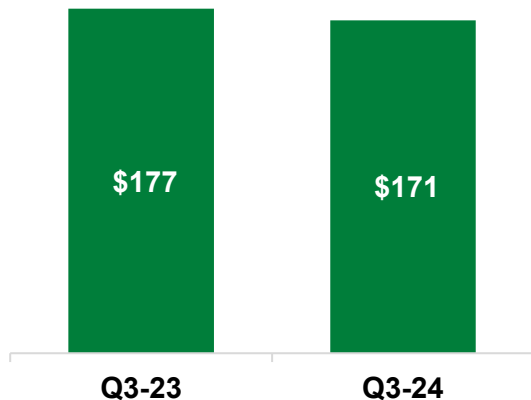
- Revenue: (-12%) vs PY (Reported & Organic)
 - Passive products flat vs PY
 - Semiconductor (-21%)
- Normalizing channel inventories amid continued soft demand; further industrial softness impacting semiconductor business
- Portfolio diversification efforts, execution offset by lower semiconductor volumes

Q3 2024 TRANSPORTATION SEGMENT

FINANCIAL PERFORMANCE

(in millions)

Revenue



	Q3-23	Q3-24
Op Margin	5.5%	13.7%
Adj. EBITDA%	11.2%	19.0%

Highlights

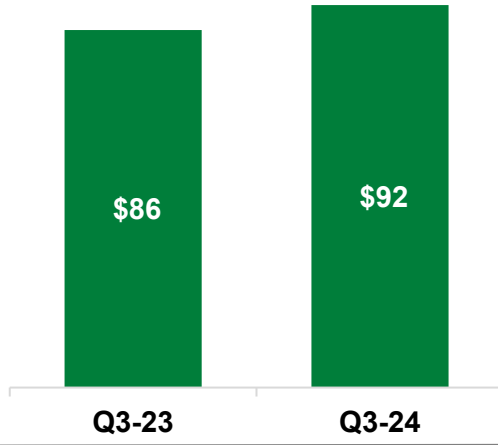
- Revenue: (-3%) vs PY (Reported & Organic)
 - ~5% portfolio pruning headwind
- Passenger vehicle business (-7%) vs PY (Reported & Organic)
 - Growth in China more than offset by weaker NA and Europe
- Commercial vehicle business 1% vs PY (Reported); Flat vs PY (Organic)
 - Pricing and order strength offset by ongoing product line pruning and soft end demand
- Pricing, pruning initiatives & cost reduction actions driving improved profitability
 - Sequential improvements op margin +470bps, adj. EBITDA margin +460bps

Q3 2024 INDUSTRIAL SEGMENT

FINANCIAL PERFORMANCE

(in millions)

Revenue



	Q3-23	Q3-24
Op Margin	15.3%	19.3%
Adj. EBITDA%	20.1%	23.8%

Highlights

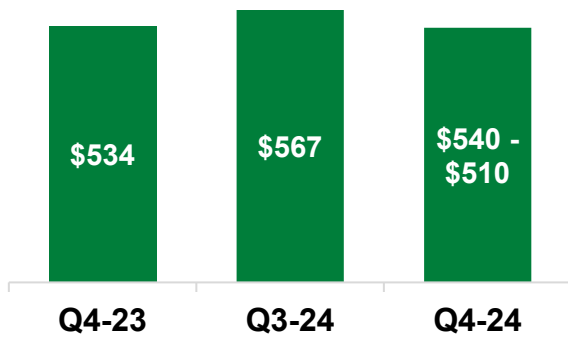
- Revenue: +7% vs PY (Reported & Organic)
 - Continued HVAC recovery, industrial safety growth and data center momentum
 - Ongoing end market softness...Renewables, EV infrastructure, factory automation

- Footprint optimization initiatives, execution driving margin expansion
 - Sequential improvements op margin +790bps, adj. EBITDA margin +780bps

Q4 2024 GUIDANCE

(in millions)

Revenue



GAAP EPS	\$1.71	\$2.32	-
Adj. EPS	\$2.02	\$2.71	\$1.90 - \$2.10

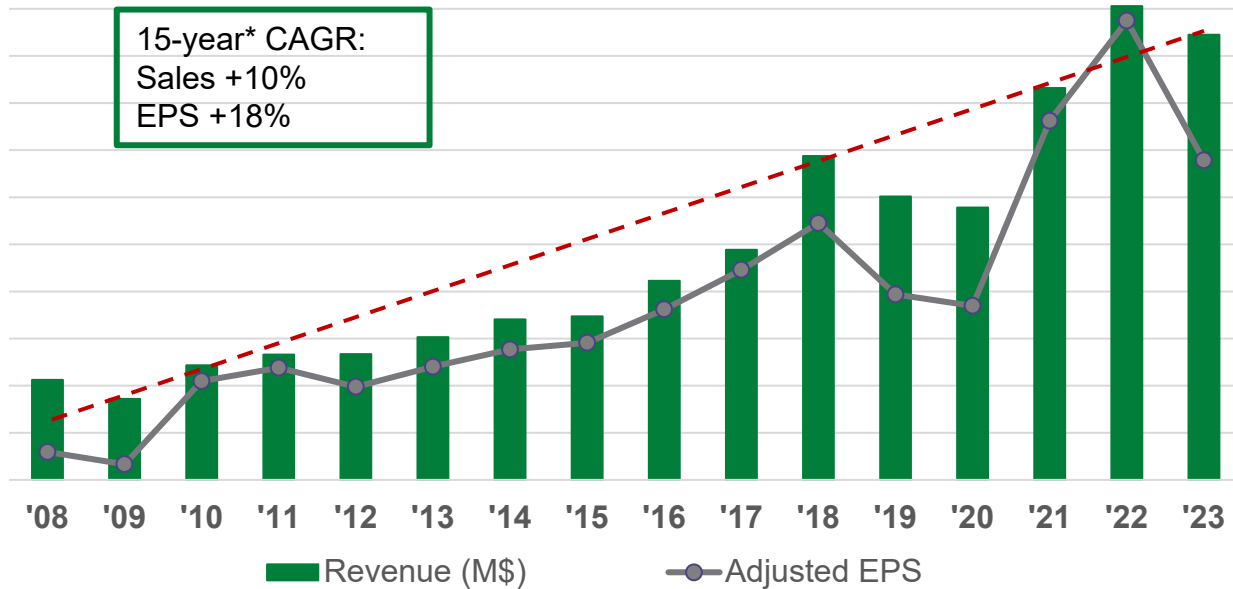
Highlights

- Macro view...further softening in industrial & automotive end markets, muted electronics demand
 - Passive electronics channel inventories have normalized, protection returning to normal
 - Ongoing cautious order patterns
- Sales \$510m - \$540m
 - Down (-7%) sequential, (-2%) vs PY
 - Seasonally sequential declines across all segments
 - Product line pruning impact of 2%; 6% to Transportation segment
- Adj. EPS \$1.90 - \$2.10
 - Expected adj. effective tax rate ~14%

FULL YEAR 2024 CONSIDERATIONS / EXPECTATIONS

- FY Pruning impact...(-2%) Company, (-5%) Transportation Segment (heavier Comm. Vehicle)
- FY '24 margin expectations driven by ongoing operational execution, offset by continued soft end demand
 - Company adj. operating margin ~13%
 - FY'24 by segment...Electronics mid-teens; Industrial low-teens; Transportation high single-digits
- F/X & Commodities: Neutral to sales; ~(\$0.20) EPS, (-40bps) margin headwind at current rates
- Other Assumptions
 - \$63m amortization expense
 - \$39m interest expense; expect to offset ~2/3 with interest income from cash investment strategies
 - Adj. effective tax rate ~21.5%
- Expect ~100% free cash flow conversion
 - Projecting ~\$90m investment in capital expenditures

DIVERSIFICATION OF TECHNOLOGIES, END MARKETS & GEOGRAPHIES DELIVERS DOUBLE-DIGIT REVENUE & EARNINGS CAGR



- Expanding leadership in core markets while prioritizing strategic investments to bolster diversified portfolio
- Flexible cost structure drives improved profitability through cycles
- Proven team with history of successfully executing through dynamic environments

Strong track record of top tier financial performance

Appendix



SUPPLEMENTAL FINANCIAL INFORMATION

Non-GAAP EPS reconciliation

	Q3-24	Q3-23	YTD-24	YTD-23
GAAP diluted EPS	\$ 2.32	\$ 2.30	\$ 6.07	\$ 8.63
EPS impact of Non-GAAP adjustments (below)	0.39	0.67	0.37	1.09
Adjusted diluted EPS	\$ 2.71	\$ 2.97	\$ 6.44	\$ 9.72

Non-GAAP adjustments - (income) / expense (in millions)

	Q3-24	Q3-23	YTD-24	YTD-23
Acquisition-related and integration costs (a)	\$ 1.0	\$ 1.8	\$ 2.8	\$ 9.0
Restructuring, impairment and other charges (b)	1.8	4.5	10.3	13.2
Gain on sale of fixed assets (c)	(0.5)	—	(1.5)	—
Non-GAAP adjustments to operating income	2.3	6.3	11.6	22.2
Other income, net (d)	—	—	(0.3)	(0.2)
Non-operating foreign exchange loss	9.6	11.8	4.3	8.7
Non-GAAP adjustments to income before income taxes	11.9	18.1	15.6	30.7
Income taxes (e)	2.1	1.2	6.2	3.2
Non-GAAP adjustments to net income	\$ 9.8	\$ 16.9	\$ 9.4	\$ 27.5
Total EPS impact	\$ 0.39	\$ 0.67	\$ 0.37	\$ 1.09

Note: Total will not always foot due to rounding.

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

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

(c) 2024 amount reflected a gain of \$0.5 million (\$1.5 million year-to-date) recorded for the sale of a land use right within the Electronics segment and a gain of \$1.0 million for the sale of two buildings within the Transportation segment.

(d) 2024 year-to-date also included a reversal of \$0.5 million for an asset retirement obligation charge related the disposal of a business in 2019 and \$0.2 million increase in coal mining reserves. 2023 amount included \$0.2 million gain from the sale of a building within the Electronics segment.

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

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

Adjusted operating margin / Adjusted EBITDA reconciliation (in millions)

	Q3-24	Q3-23	YTD-24	YTD-23
Net income	\$ 58.1	\$ 57.8	\$ 152.0	\$ 216.6
Add:				
Income taxes	19.7	17.5	42.6	53.0
Interest expense	9.8	10.1	29.4	29.8
Foreign exchange loss	9.6	11.8	4.3	8.7
Other income, net	(9.3)	(3.5)	(19.9)	(11.8)
GAAP operating income	\$ 87.8	\$ 93.6	\$ 208.3	\$ 296.3
Non-GAAP adjustments to operating income	2.3	6.3	11.6	22.2
Adjusted operating income	\$ 90.1	\$ 99.9	\$ 219.9	\$ 318.5
Amortization of intangibles	15.9	16.0	47.4	49.8
Depreciation expense	17.3	17.9	51.0	53.5
Adjusted EBITDA	\$ 123.3	\$ 133.8	\$ 318.3	\$ 421.8
Net sales	\$ 567.4	\$ 607.1	\$ 1,661.3	\$ 1,828.9
<i>Net income as a percentage of net sales</i>	10.2 %	9.5 %	9.1 %	11.8 %
<i>Operating margin</i>	15.5 %	15.4 %	12.5 %	16.2 %
<i>Adjusted operating margin</i>	15.9 %	16.5 %	13.2 %	17.4 %
<i>Adjusted EBITDA margin</i>	21.7 %	22.0 %	19.2 %	23.1 %

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

Adjusted EBITDA by Segment (in millions)	Q3-24			Q3-23		
	Electronics	Transportation	Industrial	Electronics	Transportation	Industrial
GAAP operating income	\$ 48.9	\$ 23.5	\$ 17.7	\$ 77.0	\$ 9.7	\$ 13.2
Add:						
Add back amortization	9.9	3.4	2.6	9.8	3.6	2.6
Add back depreciation	10.1	5.7	1.5	9.8	6.6	1.5
Adjusted EBITDA	<u>\$ 68.9</u>	<u>\$ 32.6</u>	<u>\$ 21.8</u>	<u>\$ 96.6</u>	<u>\$ 19.9</u>	<u>\$ 17.3</u>
Adjusted EBITDA Margin	22.6 %	19.0 %	23.8 %	28.1 %	11.2 %	20.1 %

Net sales (in thousands)	Q3-24			Q3-23		
	Electronics	Transportation	Industrial	Electronics	Transportation	Industrial
Electronics – Semiconductor	\$ 151,954	\$ —	\$ —	\$ 191,523	\$ —	\$ —
Electronics – Passive Products and Sensors	152,234	—	—	152,410	—	—
Commercial Vehicle Products	—	82,077	—	—	81,290	—
Passenger Car Products	—	71,299	—	—	72,524	—
Automotive Sensors	—	18,005	—	—	23,205	—
Industrial Products	—	—	91,821	—	—	86,119
Total	<u>\$ 304,188</u>	<u>\$ 171,381</u>	<u>\$ 91,821</u>	<u>\$ 343,933</u>	<u>\$ 177,019</u>	<u>\$ 86,119</u>

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

Net sales reconciliation	Q3-24 vs. Q3-23			
	Electronics	Transportation	Industrial	Total
Net sales (decline) growth	(12)%	(3)%	7 %	(7)%
Less:				
FX impact	— %	— %	— %	— %
Organic net sales (decline) growth	(12)%	(3)%	7 %	(7)%
Electronics segment net sales reconciliation	Q3-24 vs. Q3-23			
	Electronics – Semiconductor	Electronics – Passive Products and Sensors	Total Electronics	
Net sales decline	(21)%	— %	(12)%	
Less:				
FX impact	— %	— %	— %	
Organic net sales decline	(21)%	— %	(12)%	
Transportation segment net sales reconciliation	Q3-24 vs. Q3-23			
	Commercial Vehicle Products	Passenger Car Products (1)	Auto Sensor Products (1)	Total Transportation
Net sales growth (decline)	1 %	(2)%	(22)%	(3)%
Less:				
FX impact	— %	— %	1 %	— %
Organic net sales growth(decline)	1 %	(2)%	(23)%	(3)%

(1) Passenger vehicle business (PVB) includes passenger car and auto sensor products.

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

	Q2-24		
	2024	2023	% (Decline)/Growth
Operating Margin			
Electronics	15.1 %	22.8 %	(7.7)%
Transportation	9.0 %	4.5 %	4.5 %
Industrial	11.4 %	16.8 %	(5.4)%

Adjusted EBITDA by Segment (in millions)	Q2-24		
	Electronics	Transportation	Industrial
GAAP operating income	\$ 46.2	\$ 15.2	\$ 9.5
Add:			
Add back amortization	9.8	3.3	2.6
Add back depreciation	10.0	5.8	1.3
Adjusted EBITDA	<u>\$ 66.0</u>	<u>\$ 24.3</u>	<u>\$ 13.4</u>
Adjusted EBITDA Margin	21.6 %	14.4 %	16.0 %

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

Income tax reconciliation

	Q3-24	Q3-23
Income taxes	\$ 19.7	\$ 17.5
Effective rate	25.3 %	23.3 %
Non-GAAP adjustments - income taxes	2.1	1.2
Adjusted income taxes	<u>\$ 21.8</u>	<u>\$ 18.7</u>
Adjusted effective rate	24.3 %	20.0 %

Free cash flow reconciliation

	Q3-24	Q3-23
Net cash provided by operating activities	\$ 80.4	\$ 161.5
Less: Purchases of property, plant and equipment	<u>(15.4)</u>	<u>(21.7)</u>
Free cash flow	<u>\$ 65.0</u>	<u>\$ 139.8</u>

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

Consolidated Total Debt	As of September 28, 2024	
Consolidated Total Debt	\$	867.7
Unamortized debt issuance costs		3.0
Finance lease liability		0.4
Consolidated funded indebtedness		871.1
Cash held in U.S. (up to \$400 million)		135.5
Net debt	\$	735.6
Consolidated EBITDA	Twelve Months Ended September 28, 2024	
Net Income	\$	194.8
Interest expense		39.4
Income taxes		58.7
Depreciation		69.1
Amortization		63.4
Non-cash additions:		
Stock-based compensation expense		25.2
Unrealized loss on investments		(2.6)
Impairment charges		1.0
Other		(0.2)
Consolidated EBITDA (1)	\$	448.8
Consolidated Net Leverage Ratio (as defined in the Credit Agreement) *		1.6x

* Our Credit Agreement and Private Placement Note with maturities ranging from 2024 to 2032, contain financial ratio covenants providing that if, as of the last day of each fiscal quarter, the Consolidated Net Leverage ratio at such time for the then most recently concluded period of four consecutive fiscal quarters of the Company exceeds 3.50:1.00, an Event of Default (as defined in the Credit Agreement and Private Placement Senior Notes) is triggered.

The Credit Agreement and Private Placement Senior Notes were amended in Q2 2022 and now allow for the addition of acquisition and integration costs up to 15% of Consolidated EBITDA and the netting of up to \$400M of Available Cash (Cash held by US Subsidiaries).

(1) Represents Consolidated EBITDA as defined in our Credit Agreement and Private Placement Senior Notes and is calculated using the most recently concluded period of four consecutive quarters.

SUPPLEMENTAL FINANCIAL INFORMATION CONT'D

Non-GAAP EPS reconciliation

	Q4-23	
GAAP diluted EPS	\$	1.71
EPS impact of Non-GAAP adjustments (below)		0.31
Adjusted diluted EPS	\$	2.02

Non-GAAP adjustments - (income) / expense (in millions)

	Q4-23	
Acquisition-related and integration costs (a)	\$	2.7
Restructuring, impairment and other charges (b)		3.3
Non-GAAP adjustments to operating income		6.0
Non-operating foreign exchange loss		3.6
Non-GAAP adjustments to income before income taxes		9.6
Income taxes (c)		1.8
Non-GAAP adjustments to net income	\$	7.8
Total EPS impact		0.31

Note: Total will not always foot due to rounding.

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

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

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