

CUI GLOBAL

1st Quarter 2017 Earnings Call

May 10, 2017

CUI Global, Inc.

NASDAQ:CUI

Presented by

William J. Clough

President & Chief Executive Officer

Daniel N. Ford

Chief Financial Officer & Chief Operating Officer,
Energy Division

Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are subject to risks and uncertainties that could cause actual results to vary materially from those projected in the forward-looking statements.

The company may experience significant fluctuations in future operating results due to a number of economic, competitive, and other factors, including, among other things, our reliance on third-party manufacturers and suppliers, government agency budgetary and political constraints, new or increased competition, changes in market demand, and the performance or reliability of our products.

These factors and others could cause operating results to vary significantly from those in prior periods, and those projected in forward-looking statements. Additional information with respect to these and other factors, which could materially affect the company and its operations, are included in certain forms the company has filed with the Securities and Exchange Commission.

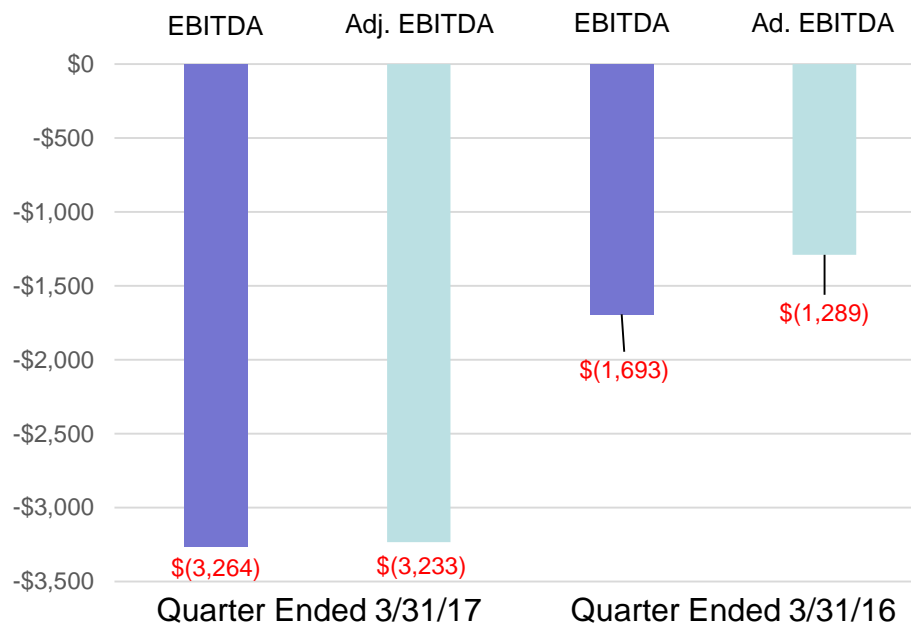
First Quarter 2017 Summary

For the 3 Months Ended March 31,		
	<u>2017</u>	<u>2016</u>
Revenue	\$17.8M	\$20.7M
Gross Profit	\$5.7M	\$8.0M
Gross Profit %	32%	39%
SG&A (% of sales)	48%	45%
Consolidated Net (loss)	\$(3.9)M	\$(2.7)M
Adjusted Net income (loss)	\$(3.5)M	\$(2.0)M

- For the first quarter of 2017, revenue decreased to \$17.8 million from \$20.7 million in the first quarter of 2016
- Gross profit margin for the first quarter of 2017 was 32% compared to 39% in the same period of 2016
- Consolidated net loss for the first quarter of 2017 was \$(3.9) million, or \$(0.18) per share, versus \$(2.7) million, or \$(0.13) per share in the same period of 2016
- Cash and cash equivalents were \$3.0 million
- Power and Electromechanical segment unaudited backlog was \$19.6 million as of March 31, 2017
- Energy segment unaudited backlog was \$14.3 million as of March 31, 2017

EBITDA Comparison

- EBITDA for the first quarter 2017 was \$(3.3) million versus EBITDA of \$(1.7) million for first quarter 2016.
- Adjusted EBITDA for the first quarter 2017 was \$(3.2) million versus adjusted EBITDA of \$(1.3) million for the first quarter 2016.

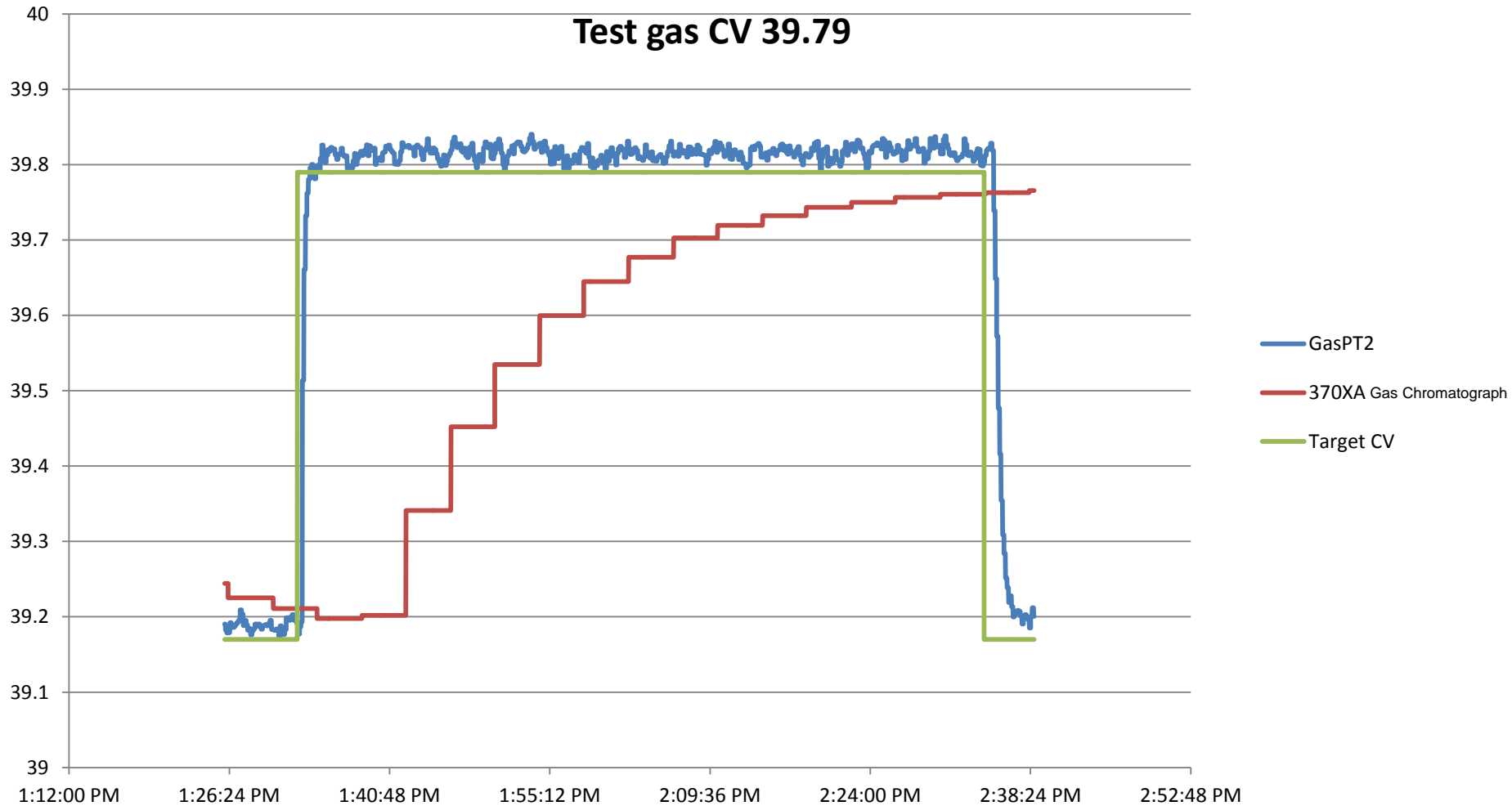


In thousands

First Quarter 2017 Financial Overview

- Gross profit was \$5.7 million, or 32% for the quarter ended March 31, 2017 versus \$8.0 million, or 39% in the same period of 2016
 - Power and Electromechanical segment generated a gross margin of 32% for the first quarter 2017
 - Energy segment generated gross profit margins of 31% for the first quarter 2017
- SG&A increased as a percentage of revenues from 45% in Q1 2016 to 48% in Q1 2017
- The business generated negative cash flow from operations of \$(1.5) million during the first quarter 2017 versus negative cash flow from operations of \$(0.3) million during the same period in 2016
- Net loss of \$(3.9) million for the quarter ended March 31, 2017 versus a net loss of \$(2.7) million in the same period of 2016
- At December 31, 2016, CUI Global held cash and cash equivalents of \$3.0 million
- 20,950,352 common shares outstanding as of March 31, 2017 compared to 20,916,848 at December 31, 2016

OFGEM: GasPT vs. Gas Chromatograph Real-time Analysis



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