

CUI GLOBAL

CUI Global, Inc.

Nasdaq: CUI

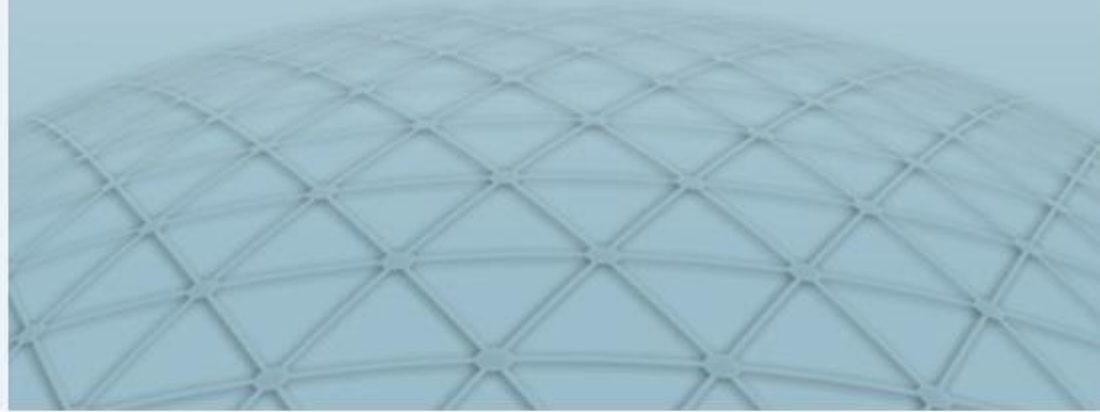
2017 Annual Meeting of  
Stockholders

December 1, 2017

**Presented by**

William J. Clough

President & Chief Executive Officer



## 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 others, 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.*

# Company Highlights

## Innovative Products

- Power & Electro-Mechanical Division is profitable and growing providing steady operating cash flow and underlying valuation support
- Energy Division is poised for growth as global players accelerate large scale deployments
- Together our two segments are addressing multi-billion dollar TAMs with disruptive products

## Significant Near Term Catalysts

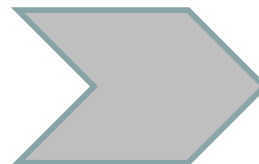
- \$32M backlog supports growth trajectory = \$18.1M in Power, \$13.7 million in Energy
- Resumption of Snam Rete contract brings Energy Division to meaningful profitability and adds \$10.0 million in annual revenue at 45+% operating margin
- ENGIE contract for 1,000 GasPTs for biomethane-to-grid application progressing
- GasPT analyzer expanding into new multi-billion markets like gas turbines and transmission analytics

## Proven Value Proposition

- Proven ability to partner with global leaders like Snam Rete, National Grid, DNV GL, GE, ENGIE, Philips, Arrow, Digi-Key and others
- Snam Rete and National Grid are reference accounts for wins with PetroChina, ENGIE, North American pipelines
- 50 GasPT analyzers installed from the Snam Rete contract leading to an average of 15% increase in recognized revenue compared to traditional measurement systems

## Strong Financial Profile

- Recent secondary offering replenishes cash to pursue growth opportunities
- \$9.7M in debt\*
- ~28.4M shares outstanding\*\*



~\$19M in net proceeds raised from current and new institutional investors

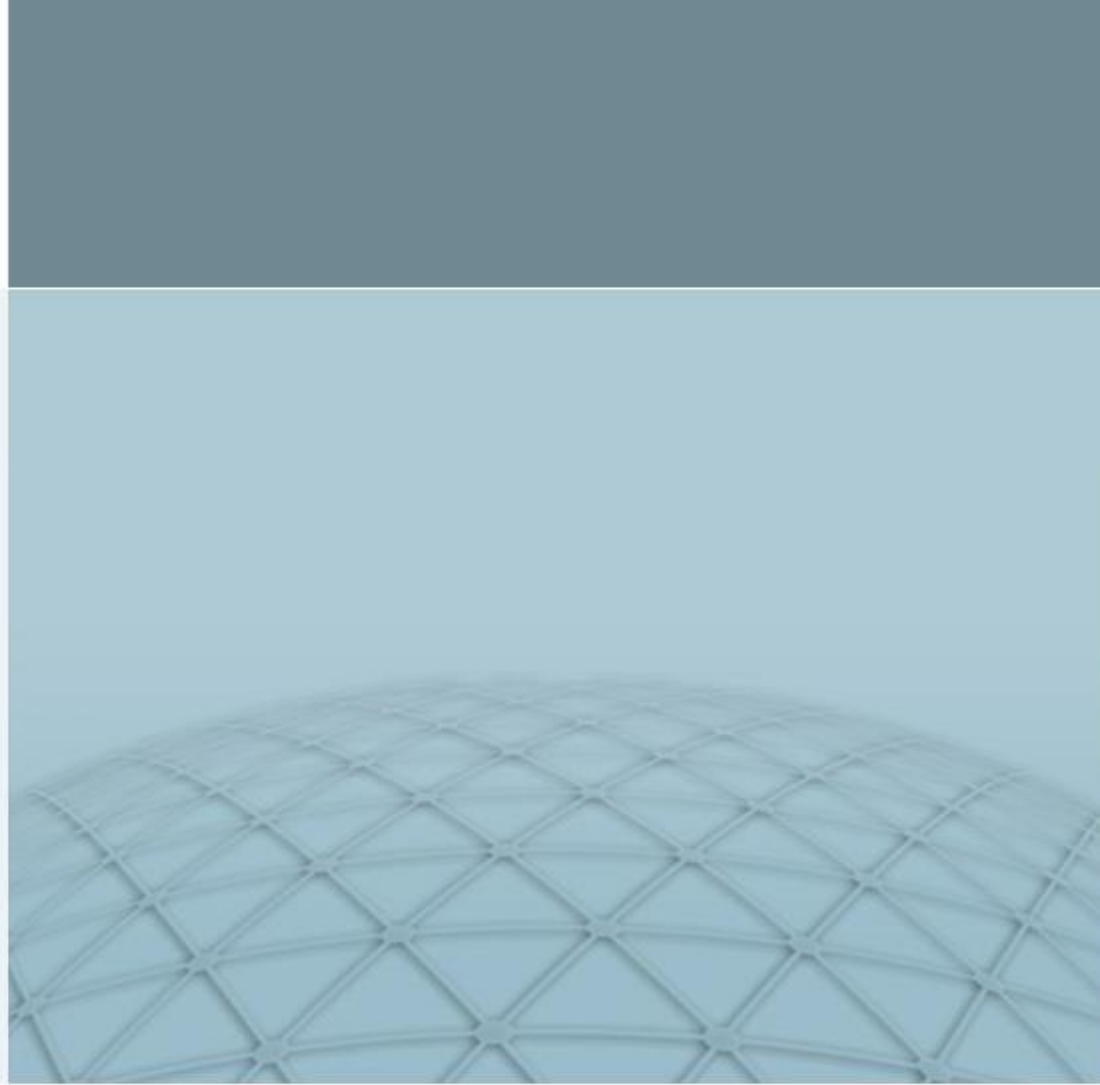
\*Excludes outstanding balance on line of credit paid down subsequent to FQ3'17

\*\* Includes ~7.4 million shares issued in October 18 public offering

CUIGLOBAL

CUI GLOBAL

# Recent Developments



# Power & Electronics Segment – Upside Opportunity

## ICE TECHNOLOGY

### ICE Switch

- Power monitoring and switching system
- Complimentary to ICE Block
  - UL certifications received - UL/cUL and TUV 60950-1
  - Production release announced on August 9, 2017
  - First order for 950 units announced on October 17, 2017



### ICE Block

- Currently in beta and sample testing
- Feedback to date in-line or better than expected
- Currently seeking product certifications



## TAM ANALYSIS

### Small data center

- \$750,000 opportunity

### Average data center

- \$2,000,000 - \$3,000,000 opportunity

### Large data center

- \$30,000,000 opportunity

# Energy Segment - Enormous Market Opportunity

## TODAY'S OPPORTUNITY

### US Pipelines<sup>(1)</sup>

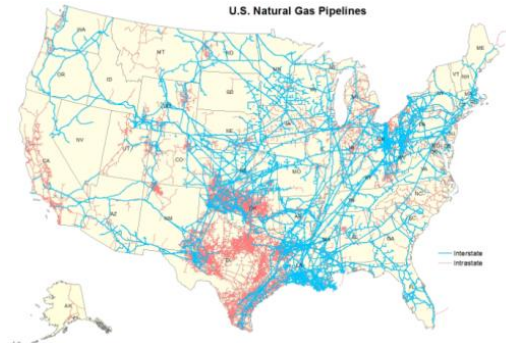
- 305,000 miles
- 210 separate pipeline systems
- 30,000+ monitoring sites
- **\$600 million opportunity**

### European Pipelines<sup>(2)</sup>

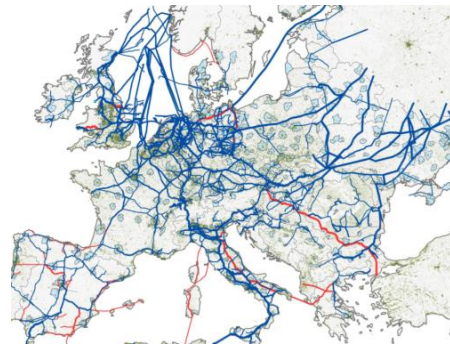
- 221,000 miles and 20,000 miles under construction
- 20,000+ monitoring sites
- **\$400 million opportunity**

### New pipeline construction<sup>(3)</sup>

- 119,000 miles under construction worldwide
- 15,000+ potential monitoring sites
- **\$300 million opportunity**



**\$2B TAM  
ANNUALLY**



## FUTURE OPPORTUNITIES

### Gas Turbines<sup>(4)</sup>

- Global installed base of 46,000+ in 2009, expected to reach 57,000+ by 2018
- Annual maintenance cost of \$18.3 billion in 2009 and expected to reach \$25 billion by 2018
- Significant ROI for turbine owners
- **\$1 billion opportunity**

### Other Large-Scale Applications

- Marine Applications
- Rail transportation
- LNG heavy duty vehicles and trucks



#### **Note:**

- (1) US Energy Information Administration
- (2) Natural Gas Systems of Europe, 2010 Edition
- (3) 2011 Worldwide Pipeline Construction Report (January 2011)
- (4) Gas Turbine World (November-December 2009)

#### **Note ctd.:**

- (5) Global Industry Analysts, Inc.
- (6) Does not include Asia, Africa, Australia, South America and numerous other potential geographic regions

# Energy Sector Update

## GasPT: For Fiscal Monitoring

- November 9, 2017
  - Attended SRG's Shippers Day in Milan
- Emphasized Change to Alternative Fuels
  - Bio-methane investment - €4.75 Billion
  - Determined interest in Future Billing Methodology ("FBM")



*SRG: €15.0 Billion Mkt Cap  
Italy's leading company in the transport  
and dispatching of natural gas.*

***\*\*\*Presenting FBM to SRG in January\*\*\****

*"San Donato Milanese, July 26, 2017 - Snam signed a loan agreement of EUR 310 million with the European Investment Bank (EIB) for funding some projects aimed at boosting the Italian gas system, making the network even safer . . . The loan is intended for investments for an estimated total cost of over € 600 million and mainly concern: . . . the updating of measurement systems located at the network's redeployment points through the acquisition of natural gas measurement plants by final customers . . . ."*

# Key Developments – ENGIE

## GasPT: For Fiscal Monitoring

1,000-GasPT tender submitted (June 26<sup>th</sup>, 2017)

- 2 year contract at 500/year
- \$20M+ multi-year revenue potential
- Biomethane-to-grid applications
- Telemetry solution

Finders' Fee Agreement: **Executed**

- Introduction to PetroChina
- Storage – Pipeline – LNG

Odorizer Technology:

- Development agreement: **Executed**
- SRG = 1,300 units for initial deployment



ENGI: €35 Billion Market Cap

One of Europe's largest energy companies with 150,000 employees and €65B in revenue



**PetroChina**

PTR: \$222 Billion Market Cap

China's largest oil producer with 50,000 km of natural gas pipelines



# Key Developments – DNV GL

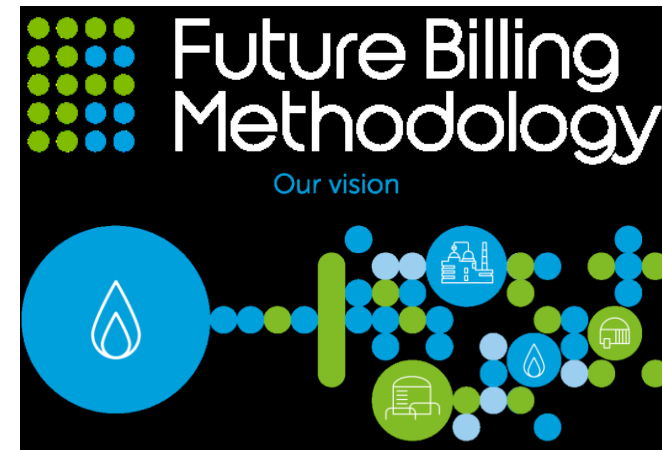
## GasPT: For Fiscal Monitoring

### Future Billing Project U.K.:

- Initial Network deployment has been very positive
- Project Study (2015) = £1.5 million
- 8 GasPTs used in £2.1 million project extension
- Ofgem approval, phase 2 field trial announced on October 4<sup>th</sup> (see page 71 of Stage Gate Report)
- [Stage Gate Report](#)
  - Deployment of as many as 45,000 GasPT units
  - Initial bid of £500,000,000 over 15 years
- Future Billing Project France (ENGIE):
  - Initial deployment of as many as 100,000 units
- Future Billing Project Western Europe:
  - DNV GL predicts value €6.0 to €7.0 billion



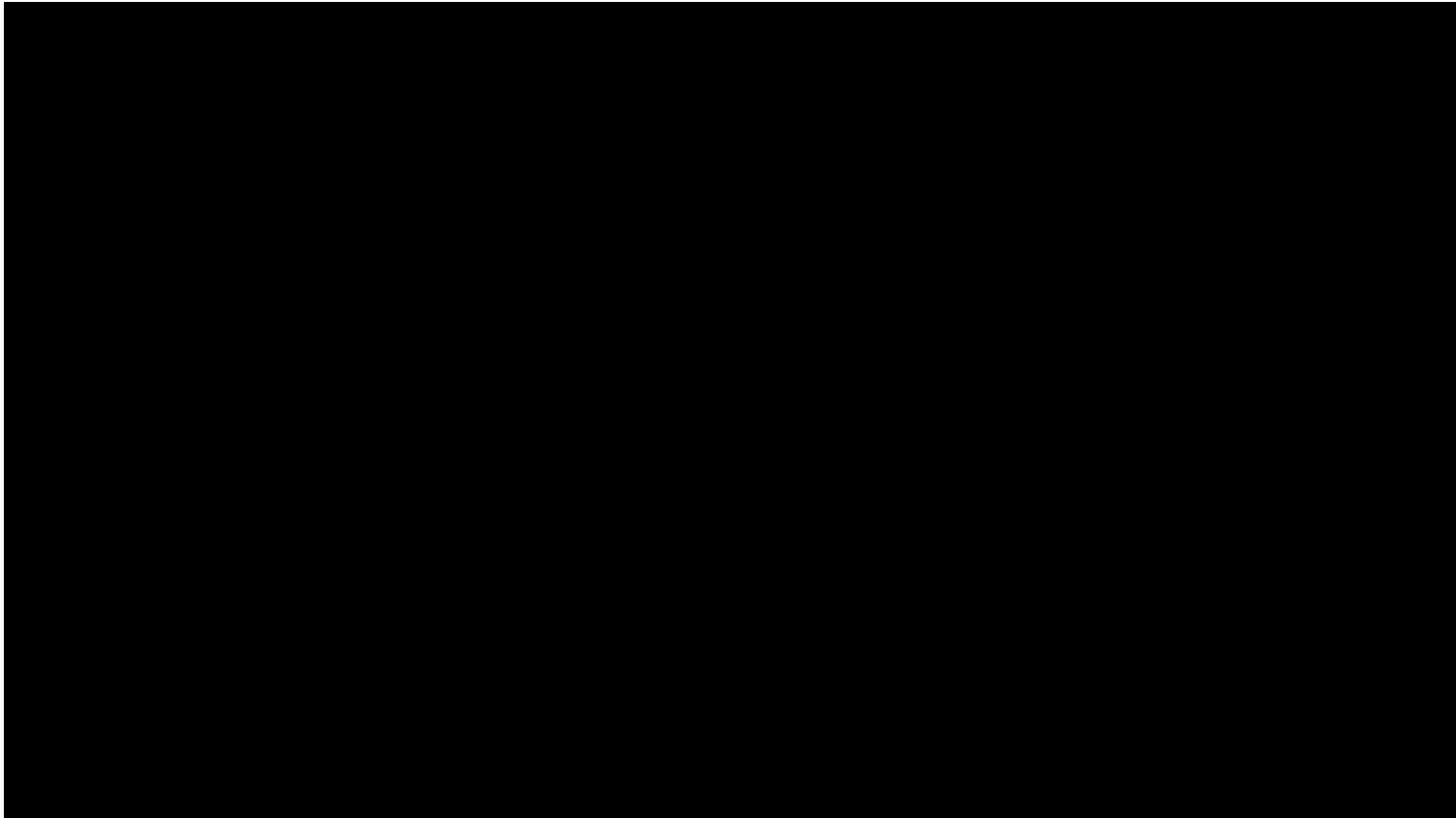
DNV GL: 23.3 B NOK Revenue  
Leading advisor to the global oil and gas industry with 13,500 employees and 350 offices in more than 100 countries.



CUIGLOBAL

# Key Developments – DNV GL

GasPT: For Fiscal Monitoring



**CUIGLOBAL**

**William J. Clough, Esq**

President & CEO

[wclough@cuiglobal.com](mailto:wclough@cuiglobal.com)

**VOX:** 503-612-2307

**FAX:** 503-612-2385

**MOB:** 925-989-6651

**Daniel N. Ford**

CFO/COO Energy Division

[dford@cuiglobal.com](mailto:dford@cuiglobal.com)

**VOX:** 503-612-2319

**FAX:** 503-612-2385

**MOB:** 503-504-1137

