



4th Quarter and Full Year 2017 Earnings Call

March 14, 2018

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.

Summary Financial Highlights

For the year Ended December 31,

	<u>2017</u>	<u>2016</u>
Revenue	\$83.3	\$86.5
Gross Profit	\$27.9	\$32.3
Gross Profit %	33.5%	37.3%
SG&A (% of sales)	41%	40%
Consolidated Net loss	\$(12.6)	\$(7.3)
Adjusted Net loss	\$(7.8)	\$(5.2)

(\$'s in millions, except percentage data)

- **Power & Electromechanical segment:**
 - 33.3% gross margin in Q4
 - 34.0% gross margin in FY17
 - Unaudited backlog of \$20.2 million at December 31, 2017

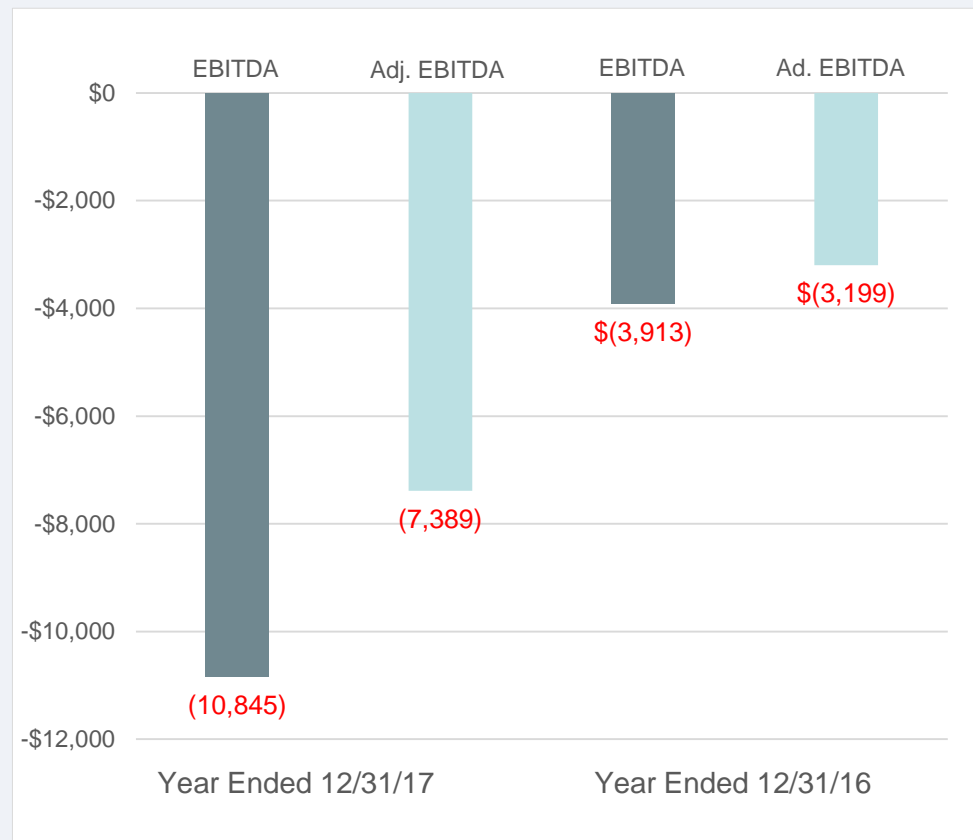
For the 3 Months Ended December 31,

	<u>2017</u>	<u>2016</u>
Revenue	\$21.1	\$19.4
Gross Profit	\$6.5	\$6.5
Gross Profit %	30.9%	33.4%
SG&A (% of sales)	40%	41%
Consolidated Net loss	\$(5.3)	\$(2.6)
Adjusted Net loss	\$(1.7)	\$(2.6)

- **Energy segment:**
 - 23.3% gross margin in Q4
 - 31.5% gross margin in FY17
 - Unaudited backlog of \$12.6 million at December 31, 2017

EBITDA Comparison

- EBITDA for the fourth quarter 2017 was \$(5.5) million versus EBITDA of \$(1.8) million for fourth quarter 2016.
- Adjusted EBITDA for the fourth quarter 2017 was \$(2.3) million versus adjusted EBITDA of \$(2.3) million for the fourth quarter 2016.



**In thousands*

Balance Sheet Highlights

(\$ in Millions)

As of December 31, 2017	
Cash and Equivalents	\$12.6
Total Debt	\$8.7
Shareholders' Equity	\$57.5

Recent Developments – Snam Rete Gas

GasPT: For Fiscal Monitoring

- 3,300 GasPT contract awarded on February 11, 2016
- 400 GasPT units delivered in 2016
- 50 GasPT units installed
- Deployment delayed due to Italian regulatory matter
- July €310.0 million EIB loan reaffirmed commitment to project
- August 2017 tariff resolutions published
- CUI has received confirmation that orders will resume
- **March 2018** – awaiting regulatory transfer of ownership/management of all 7,000 off-takes



GasPT user: Italy's leading company in the transport and dispatching of natural gas.

**POTENTIAL DEPLOYMENT:
UP TO 7,000 DEVICES**

Key Developments – ICE Technology

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
- First order valued at \$2.9M announced on February 26, 2018
- UL certification secured on March 12, 2018



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

William J. Clough, Esq

President & CEO

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

VOX: 503-612-2319

FAX: 503-612-2385

MOB: 503-504-1137

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cuiglobal.com