



4th Quarter and Full Year 2018 Investor Call

March 18, 2019

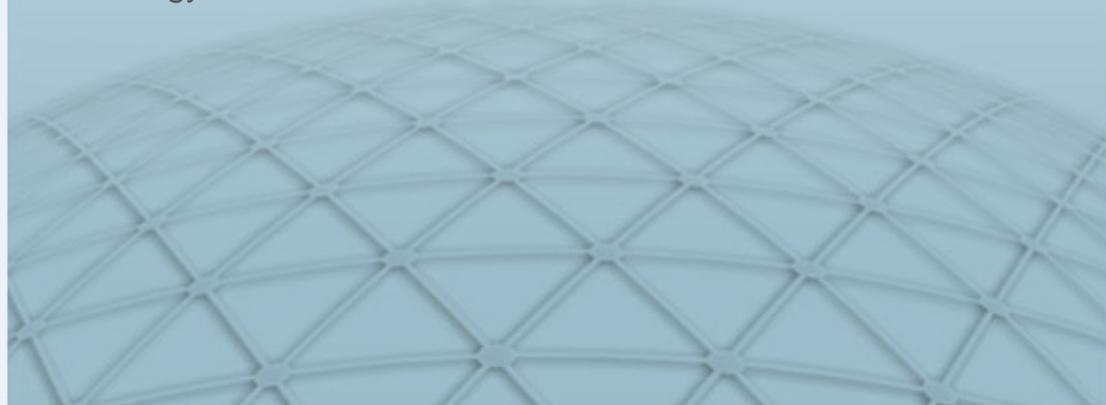
CUI Global, Inc.

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.

Adoption of ASC Topic 606

Effective January 1, 2018, CUI Global adopted Accounting Standards Update (ASU) No. 2014-09, 'Revenue from Contracts with Customers' (Topic 606), utilizing the modified retrospective method. In this presentation, the Company also provides its results for the three months and year ended December 31, 2018 under old revenue rules, ASC Topic 605 (Topic 605), as required under the modified retrospective transition method to allow easier comparison with prior results.

For a detailed explanation of revenue recognition under both Topic 606 and Topic 605, please refer to Note 2 of the Company's Consolidated Financial Statements found in its Form 10-K filed on March 18, 2019.

Summary Financial Highlights

For the Year ended December 31,			
	2018	2018	2017
	(ASC 606)	(ASC 605)	(ASC 605)
Total revenues	\$96.8	\$91.4	\$83.3
Gross Profit	\$28.9	\$26.9	\$27.9
Gross Profit %	29.9%	29.4%	33.5%
Consolidated Net loss	\$(17.3)	\$(19.1)	\$(12.6)

For the 3 Months ended December 31,			
	2018	2018	2017
	(ASC 606)	(ASC 605)	(ASC 605)
	\$27.0	\$24.3	\$21.1
	\$6.4	\$6.1	\$6.5
	23.9%	25.0%	30.9%
	\$(7.8)	\$(8.1)	\$(5.3)

Segment Gross Margin and Backlog

- **Power & Electromechanical segment:**
 - 35.5% gross margin in Q4
 - 34.5% gross margin in FY18¹
 - Unaudited backlog of \$21.8 million at December 31, 2018
 - Up 8% from December 31, 2017
- **Energy segment:**
 - (6.6)% gross margin in Q4²
 - 12.6% gross margin in FY18^{2,3}
 - Unaudited backlog of \$15.7 million at December 31, 2018
 - Up 25% from December 31, 2017

¹ Includes a \$1.3 million royalty payment to Virtual Power Systems

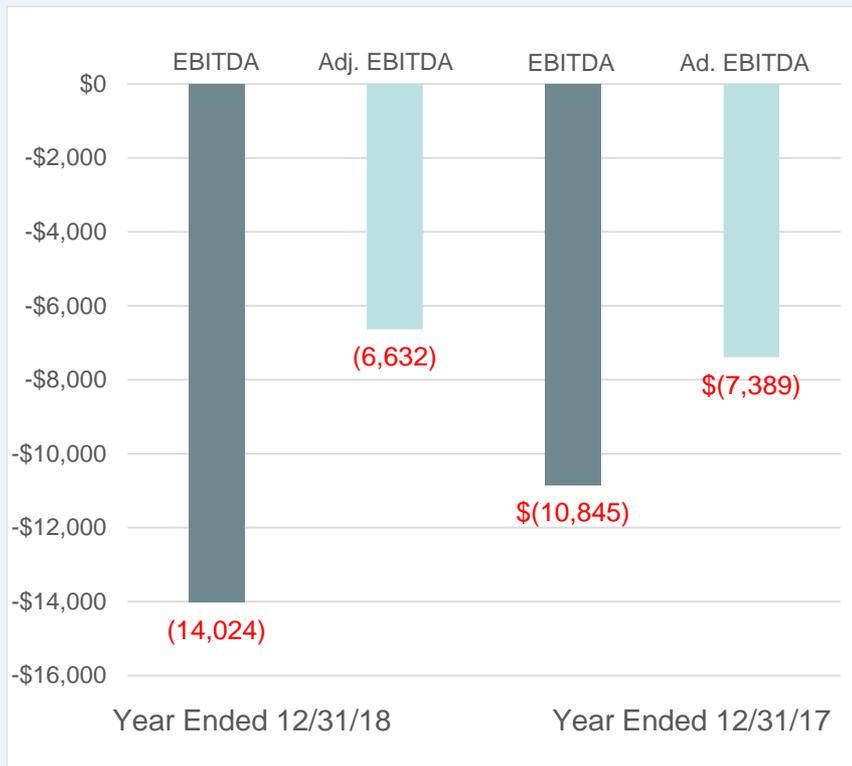
(\$'s in millions, except percentage data)

² Includes a \$1.5 million write-down of deposits and other assets and a \$1.4 million increase to inventory reserves. Excluding these two items, Q4 gross profit margin was 33%.

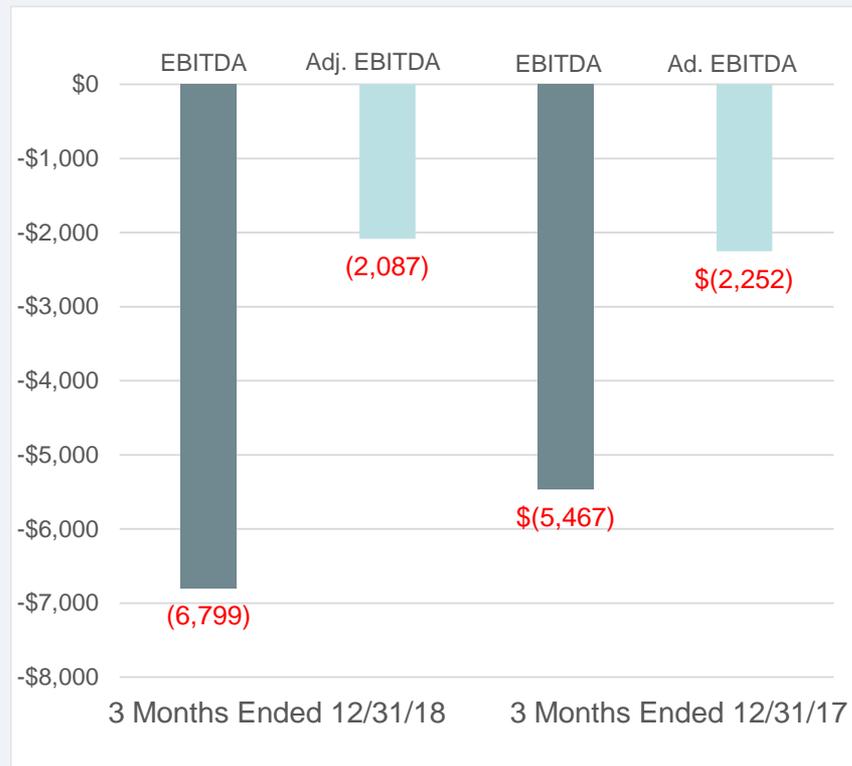
³ Includes items noted in footnote 2 above; Excluding these two items, FY18 gross profit margin was 27%.

EBITDA Comparison

For the Year ended
December 31, 2018



For the Three Months ended
December 31, 2018



*In thousands

Balance Sheet Highlights

(\$ in Millions)

As of December 31, 2018	
Cash, cash equivalents and restricted cash	\$4.5
Total Debt	\$7.6
Shareholders' Equity	\$41.5

Additional Source of Working Capital

- New \$10 million line of credit secured with Bank of America Merrill Lynch

Recent Developments – Equity Interest in Virtual Power Systems (VPS)

- CUI Global has agreed to terms for an approximately 20% equity interest in VPS. The company will also receive:
 - A seat on VPS' board of directors
 - An observational non-voting advisor to the VPS board
- CUI Global will continue to manufacture ICE Switch and ICE Block



Virtual Power Systems was founded to drive innovation at the intersection of software and hardware with the single purpose of enabling the fourth pillar of a Software-Defined Data Center – virtualized power. VPS has created innovative designs and forged critical industry partnerships to revolutionize the way power is consumed in the data center.

By bringing Artificial Intelligence and Machine Learning to an infrastructure space that was traditionally viewed as a pure hardware play, we enable both data center operators and power equipment vendors to leverage Software-Defined Power to increase capacity, ensure availability, and enable automation. You are now ready to tackle the insatiable power-hungry world we are moving towards.

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