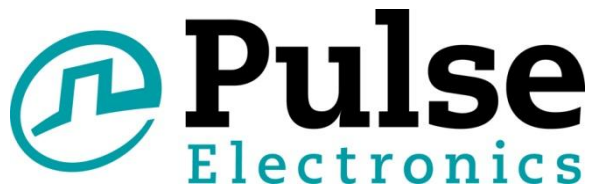


Pulse Electronics Corporation

Third Quarter 2014 Earnings

November 10, 2014



Administrative Items

Safe Harbor

This presentation accompanies—and should be read in conjunction with—Pulse Electronics Corporation's third quarter earnings press release issued on November 10, 2014.

This presentation contains statements, including projections of future business objectives and financial results, that are "forward-looking" within the meaning of federal securities laws. These forward-looking statements are based on the company's current information and expectations.

There can be no assurance the forward-looking statements will be achieved. Actual results may differ materially due to the risk factors listed from time to time in the company's SEC reports including, but not limited to, those discussed in the company's Form 10-K for the year ended December 27, 2013 in Item 1a under the caption "Factors That May Affect Our Future Results (Cautionary Statements for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995)." All such risk factors are incorporated herein by reference as though set forth in full. The company undertakes no obligation to update any forward looking statement.

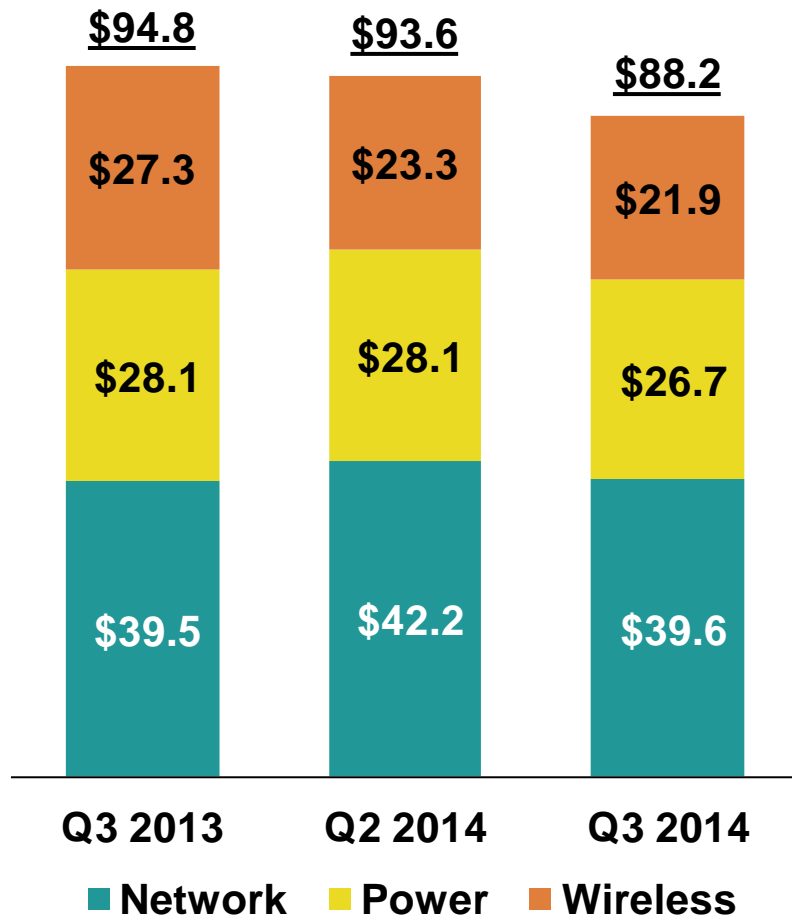
Non-GAAP Measures

In this presentation and in other public statements, Pulse presents certain non-GAAP financial measures. These non-GAAP financial measures have limitations and may not be comparable with similar non-GAAP financial measures used by other companies and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Set forth on slide 14 are the reconciliations of the non-GAAP financial measures to their most directly comparable GAAP financial measures. These reconciliations should be carefully evaluated. Prior disclosures of non-GAAP figures may not exclude the same items and as such should not be used for comparison purposes. Management believes that these measures enhance investors' understanding of the company's financial performance and the comparability of the company's operating results to prior periods, as well as against the performance of other companies.

Third Quarter Results

- **Sales of \$88.2 million**
- **Non-GAAP operating profit of \$4.6 million**
 - Higher gross margins: manufacturing efficiency improvement, mix
 - Lower operating expenses
- **EBITDA increased 37% from Q2 2014**
- **Overall muted demand consistent into Q4 2014**
- **Progress with cutting-edge electronic printing technology in Wireless**

Net Sales

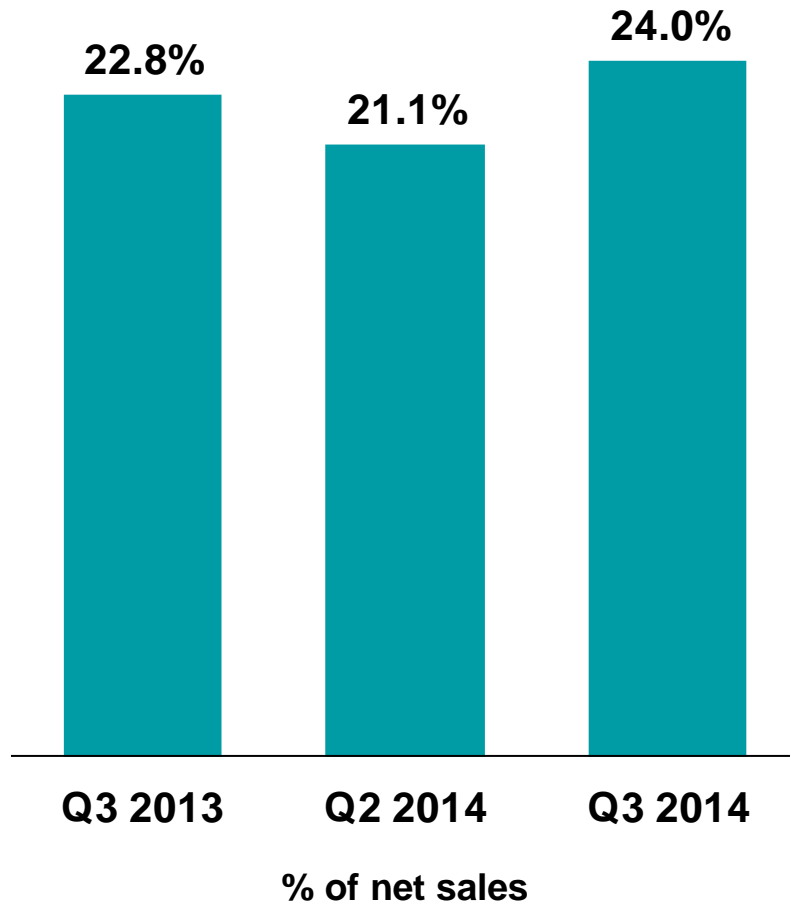


(\$ in millions)

Key Factors

- **Weakness in specific product lines:**
 - Mobile handset antennas
 - Certain automotive products
- + **Core Network, Power, and Wireless infrastructure antennas slightly higher**

Gross Margin



Cost of sales decreased 8.4% to \$67.0 million

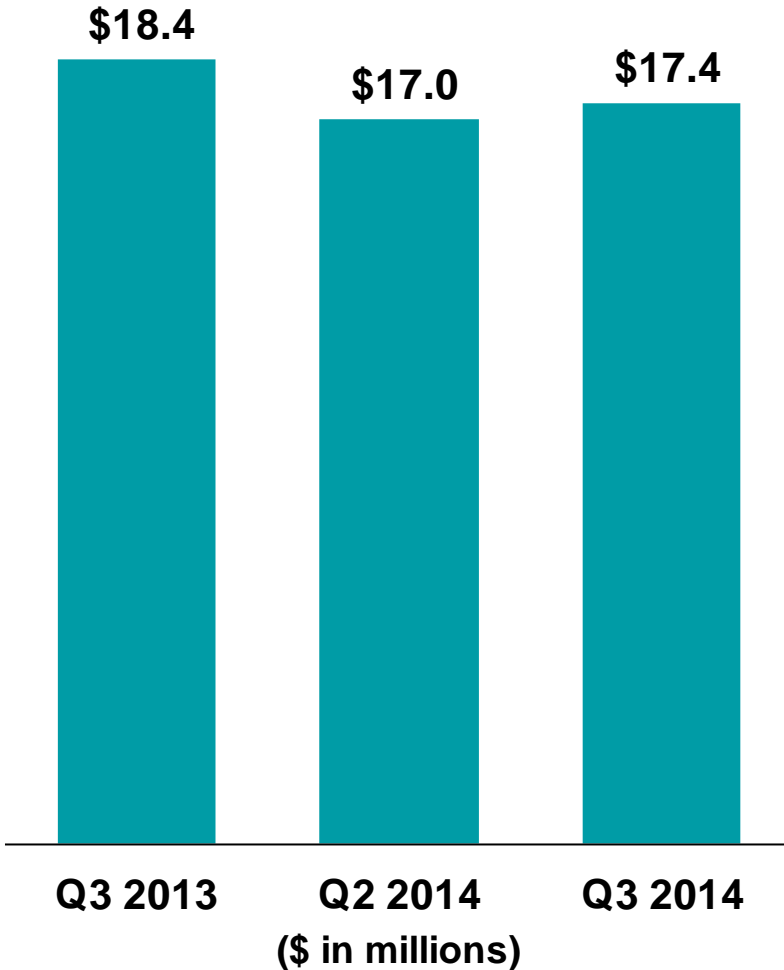
Key Factors vs. Q3 2013

- + Favorable product mix
- + Effects of efficiency improvement programs
- Higher production costs, especially labor in China

Key Factors vs. Q2 2014

- + Favorable product mix
- + Efficiency improvements

Operating Expense

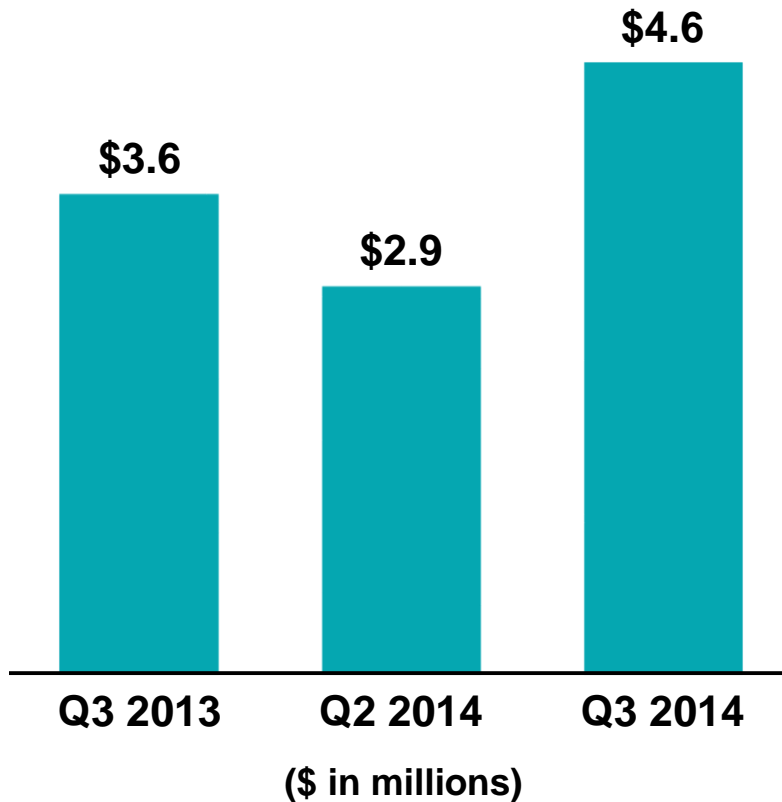


Key Factors

- + Effects of expense reduction initiative actions
- Legal entity restructuring costs (\$0.6 million) not in prior periods

Non-GAAP Operating Profit

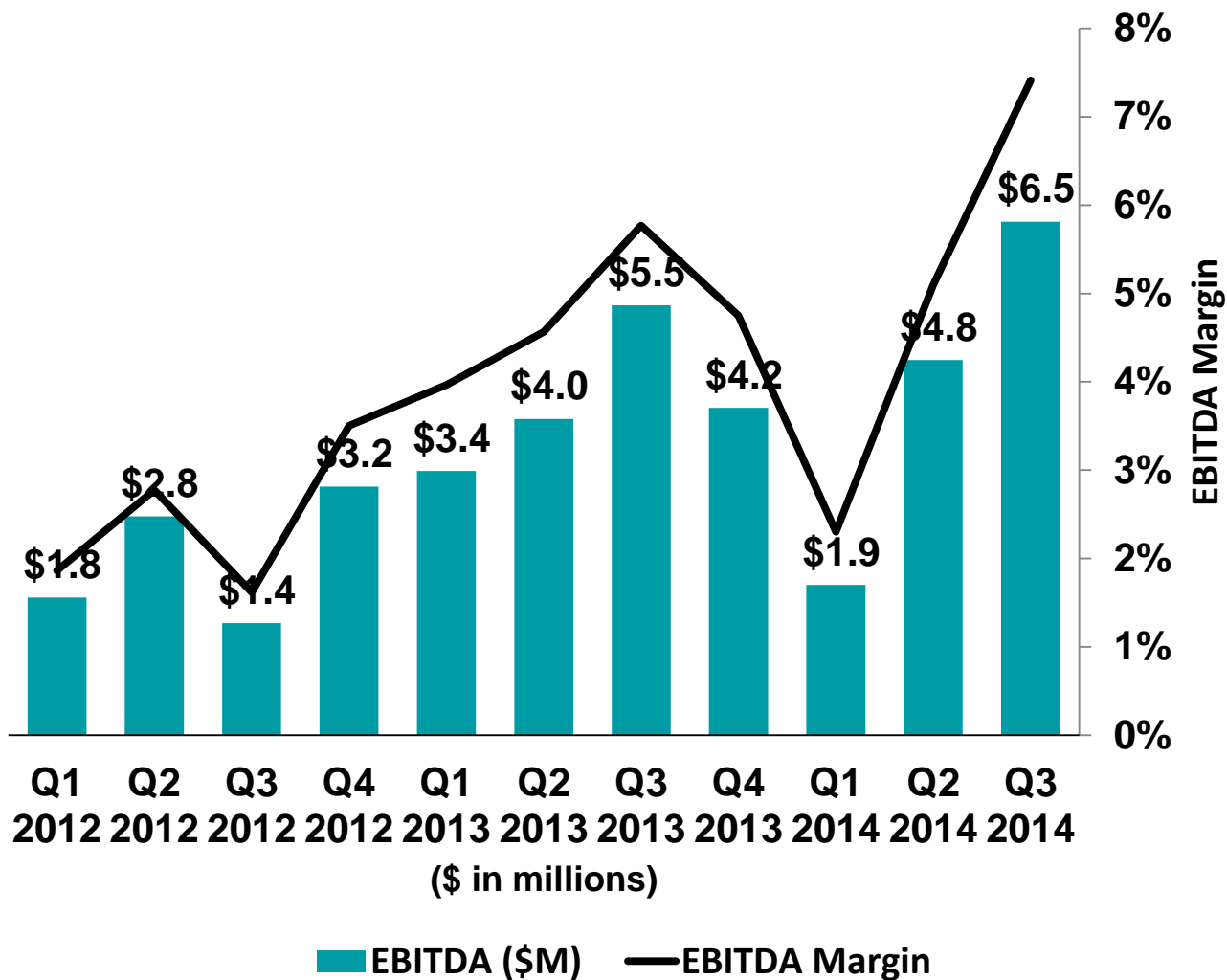
Non-GAAP Operating Profit



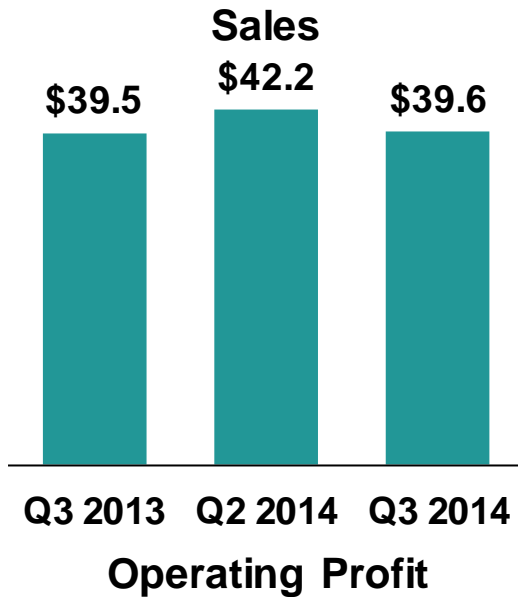
Key Factors vs. Q3 2013

- + Lower operating expenses
- Lower gross profit due to lower revenue

Adjusted EBITDA



Network



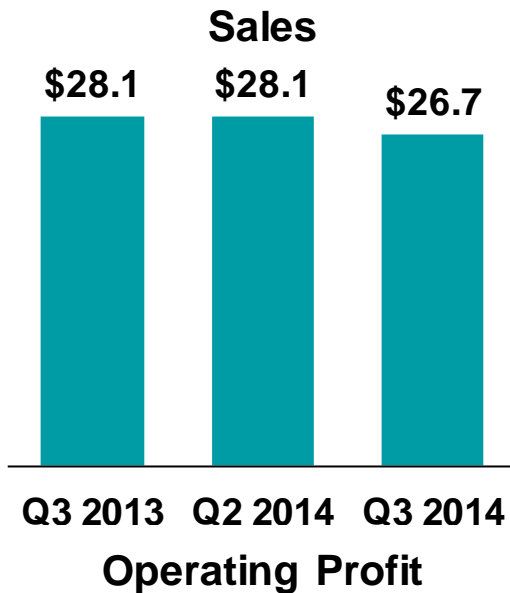
Key Factors vs. Q3 2013

- + Mixed demand across product lines
- + Favorable mix
- + Favorable production costs due to efficiency improvement programs
- + Operating expense reductions

Partially offset by

- Higher labor costs

Power



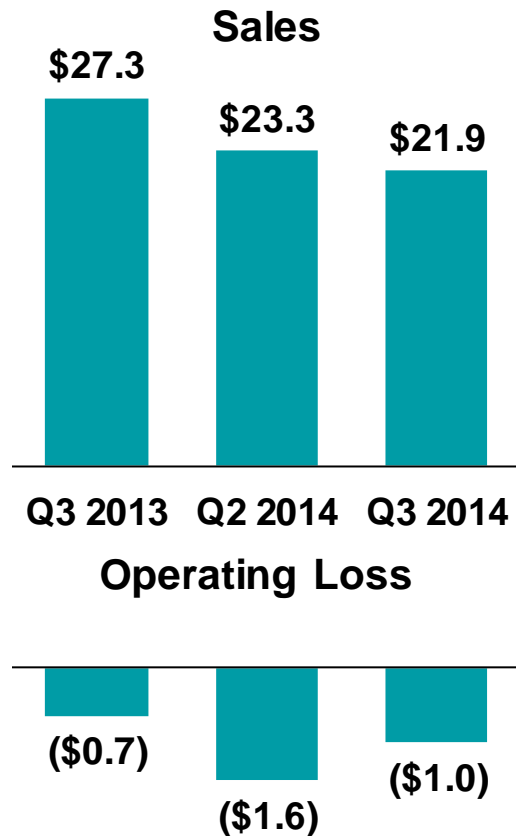
Key Factors vs. Q3 2013

- + Favorable production costs due to efficiency improvement programs
- + Favorable mix
- + Controlled operating expenses

Partially offset by

- Lower sales for certain automotive products

Wireless



Key Factors vs. Q3 2013

- Lower consumer antenna demand
- Industry price pressure

Partially offset by

- + Lower operating expenses
- + Higher infrastructure antennas sales
- + First FluidANT program agreement

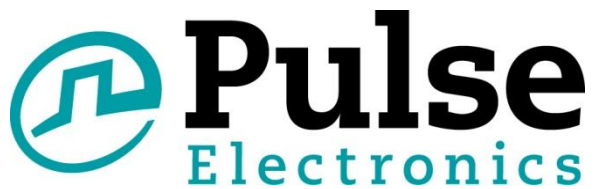
Q3 2013 Q2 2014 Q3 2014

(\$ in millions)

Balance Sheet

- **Cash balance \$22.4 million vs. \$26.9 million Q4 2013**
- **Q2 2014 cash used in operations \$0.2 million**
 - **Growth in working capital typical to second half**
- **Year to date cash flow from operations \$3.8 million**

Appendix



Non-GAAP Reconciliation

NON-GAAP MEASURES (UNAUDITED)
(in thousands, except per-share amounts)

1. Operating profit excluding severance, impairment and other associated costs, CEO transition costs, legal entity restructuring costs, non-cash stock-based compensation expenses, and legal reserve costs

	<u>Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>9/26/2014</u>	<u>9/27/2013</u>	<u>9/26/2014</u>	<u>9/27/2013</u>
Operating (loss) profit	\$ (1,558)	\$ 523	\$ (1,202)	\$ 3,085
Pre-tax severance, impairment and other associated costs	1,247	2,670	3,184	2,782
Pre-tax CEO transition costs	2,877	—	2,877	—
Pre-tax legal entity restructuring costs	577	—	577	—
Pre-tax non-cash stock-based compensation expenses	1,491	420	2,234	1,422
Pre-tax legal reserve	11	36	33	111
Operating profit excluding severance, impairment and other associated costs, CEO transition costs, legal entity restructuring costs, non-cash stock-based compensation expenses, and legal reserve costs	\$ 4,645	\$ 3,649	\$ 7,703	\$ 7,400

2. Net loss per diluted share excluding severance, impairment and other associated costs, CEO transition costs, legal entity restructuring costs, non-cash stock-based compensation expenses, and legal reserve costs

	<u>Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>9/26/2014</u>	<u>9/27/2013</u>	<u>9/26/2014</u>	<u>9/27/2013</u>
Net loss per diluted share	\$ (0.37)	\$ (0.95)	\$ (1.47)	\$ (2.49)
After-tax severance, impairment and other associated costs, per share	0.05	0.24	0.14	0.25
After-tax CEO transition costs, per share	0.10	—	0.11	—
After-tax legal entity restructuring costs, per share	0.02	—	0.02	—
After-tax non-cash stock-based compensation expenses, per share	0.05	0.03	0.09	0.11
After-tax legal reserve, per share	-	-	-	0.01
Net loss per diluted share excluding severance, impairment and other associated costs, CEO transition costs, legal entity restructuring costs, non-cash stock-based compensation expenses, and legal reserve costs	\$ (0.15)	\$ (0.68)	\$ (1.11)	\$ (2.12)

3. Adjusted EBITDA

	<u>Quarter Ended</u>	
	<u>9/26/2014</u>	<u>9/27/2013</u>
Net loss attributable to Pulse Electronics Corporation	\$ (6,448)	\$ (7,632)
Non-controlling interest	47	44
Income tax expense	(2,218)	1,937
Interest expense, net	6,345	6,231
Non-cash stock-based compensation expenses	1,491	420
Depreciation and amortization	1,893	1,823
Other expense (income), net	716	(57)
Severance, impairment and other associated costs	1,247	2,670
CEO transition costs	2,877	—
Legal entity restructuring costs	577	—
Legal reserve	11	36
Adjusted EBITDA	\$ 6,538	\$ 5,472

