

Orbital Energy Group

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CUI Global sells off its power business in \$32M deal

CUI Global Inc (NASDAQ:CUI) has sold off the majority of its power business to electrical connector manufacturer Bel Fuse Inc (NASDAQ:BELFA) in a \$32 million dollar deal.

The sale, which came out of the company's Power & Electromechanical (P&EM) segment, notably does not include the company's roughly 20% stake in Virtual Power Systems related to that company's Intelligent Control of Energy software platform.

Following the deal, shares of CUI rocketed 21% higher to \$0.86 on Monday.

"This transaction unlocks the substantial value in our P&EM segment and is an important step in our transformation into a diversified energy services platform that is grounded in our existing product portfolio and gas infrastructure capabilities," CUI CEO Jim O'Neil said in a statement.

READ: CUI Global sells electromechanical business for \$15M; names James O'Neil as CEO

"With this divestiture behind us, we move forward with an aggressive and disciplined acquisition strategy to tap into secular demand trends in the electric power, oil and gas, and telecommunication infrastructure industries for long-term shareholder value creation," O'Neil added.

The decision is part of a larger shift by CUI to transform the structure of its company. Last month, it announced the sale of its electromechanical business for \$15 million, which also came out of the P&EM segment.

Bel Fuse, based in New Jersey, designs and manufactures products that power and protect electrical circuits in telecommunications, transportation and other industries.

"The CUI Power Business' extensive product portfolio and distribution channel fits squarely within our growth strategy," Bel CEO Daniel Bernstein said. "Their product portfolio will round out Bel's current Power Products offering, allowing us to better address all our customer power needs."

—Updated to include closing price—

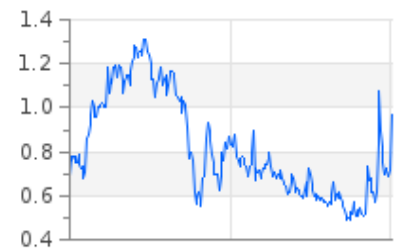
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Price: 0.7829

Market Cap: \$23.18 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: OEG

Listing: NASDAQ

52 week	High	Low
	1.31	0.452

Sector: Hardware & electrical equipment

Website: www.orbitalenergygroup.com

Company Synopsis:

Orbital Energy Group, Inc. (OEG) is a publicly traded company dedicated to maximizing shareholder value through the acquisition and development of innovative companies to create a diversified energy infrastructure services platform. OEG's group of businesses includes, Orbital Gas Systems, Inc. , Orbital Power Services and Reach Construction Group, a subsidiary of Orbital Solar Services.

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