



ANNUAL MEETING OF STOCKHOLDERS

October 10, 2017

Safe Harbor Statement

During the course of this presentation, the Company may make certain "forward-looking" statements as defined by the SEC. Such statements regarding the Company's business which are not historical facts represent "forward-looking statements" that involve risks and uncertainties. Actual results could differ materially from those contained in the forward-looking statements due to risks and uncertainties contained under "Risk Factors" in the Company's Annual Report on Form 10-K. The Company assumes no responsibility to update the forward-looking statements as a result of new information, future events, or otherwise.

Agenda

- Introductions: Edward J Richardson
- Formal Proceedings: Robert Ben
- Company Overview: Edward J. Richardson
- FY17 Financials: Robert Ben
- Power & Microwave Technologies: Greg Peloquin
- Richardson Healthcare: Pat Fitzgerald
- Canvys: Jens Ruppert
- Q&A: Edward J. Richardson

Introductions

- **Board of Directors**

- Edward J. Richardson, Chairman of the Board, Chief Executive Officer & President
- Paul J. Plante, Owner, Florida Fresh Vending; former President and CEO of Reptron
- Jacques Belin, Retired Managing Director of Thales Components and Subsystems
- James Benham, Technical Consultant, Night Vision and Microwave Device Industry; Retired President of L-3 Communications/Electron Device Division
- Kenneth Halverson, Consultant, Halverson Consulting, LLC; former President of Comdisco Healthcare

Introductions

- **Director Elect**

- Robert Kluge

- Retired President and Corporate Senior Vice President, Imaging Components Business at Varian Medical Systems, Inc. where he grew sales of \$75M from February 1993 to \$546M in February 2014
 - General Manager of X-Ray Products for Picker International from 1988 to 1993 responsible for diagnostic X-Ray product line, including X-Ray systems for Radiographic, R&F and Vascular applications, and X-ray tubes
 - Began career in 1973 with General Electric Medical Systems where he held a number of management positions, including Service Business Marketing Manager and General Manager of Marketing and Strategy for the X-Ray Tube business
 - Significant management experience in the design and manufacturing of diagnostic imaging components including CT tubes and flat panel detectors, and extensive knowledge of marketing, strategy, and general management

Introductions

- **Independent Auditors**

- Giovanni Bernardi of BDO

- **REL Management Team**

- Robert Ben, EVP and Chief Financial Officer
- Wendy Diddell, EVP Chief Operating Officer
- Pat Fitzgerald, EVP Richardson Healthcare
- Greg Peloquin, EVP Power & Microwave Technologies Group
- Jens Ruppert, EVP Canvys

Formal Proceedings

Robert Ben

EVP and Chief Financial Officer



Company Overview

Edward J. Richardson

Chairman of the Board, Chief Executive Officer & President



ENGINEERED SOLUTIONS

We provide power, microwave, and imaging components to industries worldwide.

The Company's strategy is to provide specialized technical expertise and "engineered solutions" based on our core engineering and manufacturing capabilities. Richardson Electronics provides solutions and adds value through design-in support, system integration, prototype design and manufacturing, testing, logistics, and aftermarket technical service and repair through its global infrastructure.



Facts and Figures

Founded in 1947, Richardson Electronics, Ltd. has a rich and unique history of engineering, manufacturing and distributing power grid and microwave tubes and related consumables, and customized display solutions.

- **Founded in 1947**
- **Headquarters:** La Fox, Illinois (near Chicago)
- **NASDAQ:** RELL
- **Web Site:** www.rell.com
- **FY2017 Sales:** \$137 million
 - PMT: \$104 million
 - Canvys: \$20.5 million
 - Healthcare: \$12.5 million
- **Strong Balance Sheet:** \$64 million in cash and investments
- **Employees:** 390; more than half in sales, engineering and product management
- **Customer base:** 20,000 customers



- **ISO 9001:2008 certified**
- **ISO13485 certified**
- **Locations:** Global network of 40+ sales offices and stocking locations with legal entities in 24 countries

Corporate Objectives

- **Realize year over year double digit growth through investments in high growth markets:**
 - Healthcare
 - Power Management
- **Protect our existing electron device business and market share through continued strong sales, marketing and engineering support**
- **Return the Company to profitability on an annualized basis**

Our highest return on investment will be achieved by leveraging the power of our global infrastructure and capitalizing on the strength of our customer relationships.”

— Edward J. Richardson, Chairman, CEO



Our Challenges

- **The complexity of our business relative to the size of the business**
 - Global structure is required to service our core business
 - Will be an asset as we expand in new power management and healthcare markets
- **Power grid tube market declining at an average rate of 5% per year**
 - Some offset from price increases
 - Still opportunity to take market share
- **Time for key initiatives to take hold and generate significant revenue growth**
 - Niche power and microwave technologies growing rapidly
 - New CT tube development making progress but behind initial plan

Our Path Forward

- **The power grid tube business remains a key element of our business—it is healthy and provides the cash to cover our fixed expense.**
- **In FY17, we took out significant cost through reduction in force, reduced incentives, and other initiatives designed to eliminate costs either temporarily or permanently.**
- **We broke even in Q4 FY17.**
- **We are counting on REL Healthcare to change the perception of the company—having a reliable CT tube supply is critical to this success!**

Our Path Forward

- **We will work hard to conserve cash for investment in our growth initiatives.**
 - We will consider acquisitions when they make good business sense
 - We will continually challenge operational efficiency
 - We will carefully control inventory purchases in line with growth initiatives
 - Capital expenditures will be geared toward CT manufacturing and critical infrastructure improvements
 - We will continue to look at share repurchases opportunistically



FY 2017 Financials

Robert Ben

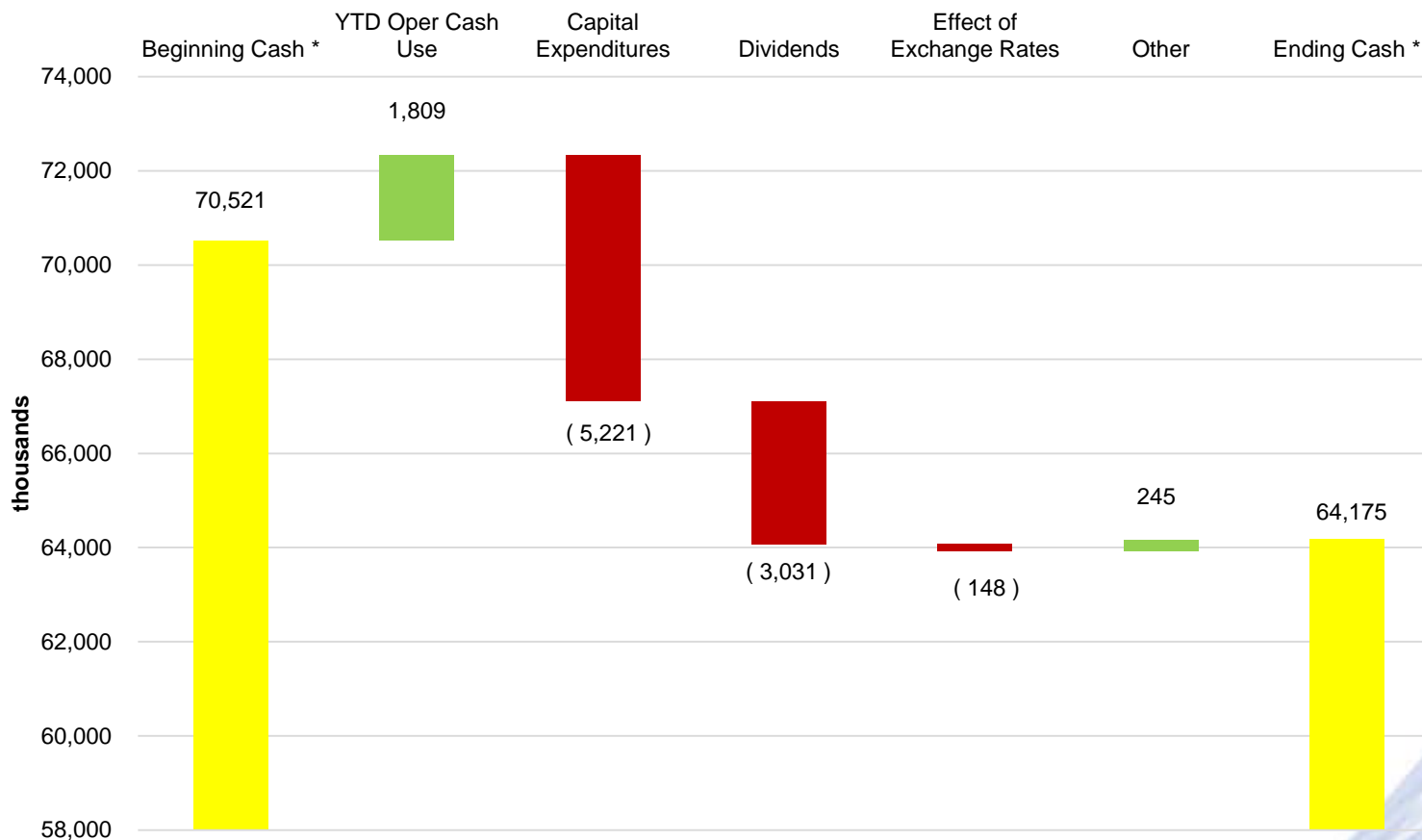
FY 2017 RESULTS

	FY2017	FY2016
Net sales	\$ 136,872	\$ 142,016
Cost of sales	92,989	97,181
Gross margin	43,883	44,835
gross margin %	32.1%	31.6%
SG&A expenses	49,854	51,632
% of net sales	36.4%	36.4%
Gain on disposal of assets	-	(244)
Gain on sale of business	(209)	-
Operating loss	(5,762)	(6,553)
% of net sales	-4.2%	-4.6%
Investment/interest income	(234)	(562)
Foreign exchange loss	612	212
Other, net	(24)	17
Total other expense (income)	354	(333)
Loss before taxes	(6,116)	(6,220)
Income tax provision	812	546
Net loss	\$ (6,928)	\$ (6,766)
% of net sales	-5.1%	-4.8%

FY 2017 BALANCE SHEET

	FY 2017				FY 2016
	May 27, 2017	Feb 25, 2017	Nov 26, 2016	Aug 27, 2016	May 28, 2016
Cash & Investments:					
Cash	\$ 55,327	\$ 51,386	\$ 54,111	\$ 57,488	\$ 60,454
ST investments	6,429	6,399	6,307	6,392	2,268
LT investments	2,419	2,395	2,343	2,410	7,799
Total	<u>\$ 64,175</u>	<u>\$ 60,180</u>	<u>\$ 62,761</u>	<u>\$ 66,290</u>	<u>\$ 70,521</u>
Working Capital:					
Accounts Receivable	\$ 20,782	\$ 21,240	\$ 20,480	\$ 21,545	\$ 24,928
Inventories	42,749	42,860	43,078	45,187	45,422
Accounts Payable	(15,933)	(12,328)	(11,507)	(12,581)	(14,896)
Working Capital	<u>\$ 47,598</u>	<u>\$ 51,772</u>	<u>\$ 52,051</u>	<u>\$ 54,151</u>	<u>\$ 55,454</u>

FY 2017 Cash Flow



* Total cash & investments

Strategic Business Unit Overview



Power & Microwave Technologies

Greg Peloquin

PMT Strategy – Solving customer problems

- **Focus on technology partnerships with leaders in electron devices, power semiconductors, and RF/Microwave components and systems.**
- **Global relationship and capabilities to bring those products to market and to support those products through engineering, design, and logistics support.**
- **Growth is in the RF, Power, and Microwave niche markets – we differentiate ourselves in attacking these markets through:**
 - Global infrastructure
 - Demand creation – field engineering
 - Niche products and markets
 - Disruptive technology and legacy products
 - Existing strong customer and supplier relationships
- **Focus on bringing new products and technologies while maximizing our market share with legacy products to support our global customers and suppliers problems.**

FY17 Highlights

- Strong booking in FY17 leading to strong Q1 in FY18.
- **Book to Bill**
 - PMT = 1.09
 - EDG = 1.08
 - PMG = 1.29
- New technology partners gaining traction.
- Base business up 2.5% (excluding one time Govt. order).
- Market share gains in our Electron Device business unit.
- Improvement in Gross Margin vs. prior year.
- Strong management of cost controls in every area.
- Improved profitability.
- Engineered solutions business supporting growth markets.
- Executing plan of developing consistent improved profitability with top line growth.



PMT FY18 Key Initiatives

- **Grow and monitor market share in our power grid and microwave tube business.**
 - Protect this strength and profitable business through continual contact.
 - Focus on margin improvement.
 - Look for new tube opportunities/applications.
- **Launch hard our new technologies supporting our top line growth initiatives.**
 - Capitalize on our existing infrastructure.
 - Realize revenue gains from new suppliers.
 - Realize increased revenue from design wins to improve margin.
- **Increase opportunities and expand customer base for our engineering solutions capabilities.**
 - Reduce lead time requirements.
 - Focus on cost reduction and margin improvement for manufactured items.
 - Develop REL products with broad customer appeal.
- **Manage cost in line with improved profitability objectives.**
 - Capitalize on our existing infrastructure.
 - Eliminate redundancies and poor performers.
 - Maximize use of cash by carefully controlling expenses and inventory purchases.



Richardson Healthcare
Pat Fitzgerald

Healthcare Strategy

- **Richardson is the first global non-OEM provider of Diagnostic Imaging parts, training and support solutions**
- **We differentiate ourselves from other providers by offering high value solutions like:**
 - Replacement tubes and depot repairs
 - Customs cleared parts in days not weeks
 - Best in class training and support programs
 - Significant savings compared to OEMs
- **Focused on geographic and product line expansion**
- **The launch of our new Toshiba replacement CT Tube is the key to our strategy**



Healthcare FY17 Highlights

- **Significant progress made in the development and manufacturing of our New Toshiba CT Tube**
- **Certified and Refurbished Toshiba CT Tubes being sold now**
- **First full year in Europe and good momentum**
- **Parts product line expansion focused on:**
 - Philips and Siemens CT
 - Toshiba Prime CT
 - Toshiba MRI
 - MRI Coils and Cold Heads (All brands)
- **Increased emphasis on Equipment sales**
- **Divested a declining PACS display business to focus on our closely related Parts/Tubes/Training/Equipment businesses**



Healthcare FY18 Key Initiatives

- **Launch New Toshiba Replacement CT Tubes**
- **Continue development European Business**
- **Continue Parts Product Line Expansion**
 - Philips and Siemens CT
 - Toshiba Prime CT
 - Toshiba MRI
 - MRI Coils and Cold Heads (All brands)
- **Focus on Service Training in anticipation of the New CT Tube driving demand**
- **Leverage new P3 parts and tubes contracts as a means to solidify relationships, and create recurring revenue**



**Canvys
Jens Ruppert**

Canvys Strategy

- **Understand the visual technology needs of Original Equipment Manufacturers and other customers, and deliver solutions that exceed their expectations.**
- **Serve unique markets with very high quality and strict product-life-cycle requirements including the medical device, public transportation and industrial markets.**
- **Utilize engineering and sourcing experience combined with global infrastructure to provide innovative and competitively-priced display solutions for small to mid sized volume opportunities.**

Canvys FY17 Highlights

- **Generated positive direct operating contribution.**
- **Successfully implemented a dual supplier strategy resulting in improved product margin, customer service and enhanced account protection.**
- **Won several important deals in the medical, industrial and transportation markets that are the foundation for growth in FY18.**
- **Decreased expenses and reduced Net Inventory/improved turns for better cash flow.**



Canvys FY18 Key Initiatives

- Focus on new customer acquisition without losing sight of existing customers and programs.
- Pursue new technologies and other means of differentiating products.
- Ongoing strategic review with the objective to make Canvys a significant contributor to operating profit



Questions and Discussion

Edward J. Richardson



Thank You