



ANNUAL MEETING OF STOCKHOLDERS

October 8, 2019

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
- FY19 Financials: Robert Ben
- Power & Microwave Technologies: Greg Peloquin
- Richardson Healthcare: Wendy Diddell
- 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
- Robert Kluge, Retired President and Corporate Senior Vice President, Imaging Components Business of Varian Medical Systems, Inc.

Introductions

- **Independent Auditors**

- Gianni Bernardi, Partner, BDO
- Christopher Tylka, Partner, BDO

- **REL Management Team**

- Robert Ben, EVP and Chief Financial Officer
- Wendy Diddell, EVP Chief Operating Officer and GM, 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

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.

- **Three Business Units: PMT, RHC and Canvys** each initiated by customer requirements and defined by product offering
- **FY2019 Sales:** \$167 million
 - Historical sales were \$700M+; more than one thousand employees
 - Divested non-core security group (2007) and RFPD commodity businesses (2011)
 - Kept global infrastructure suitable for larger company
- **Our Future is Healthcare:** we've invested more than \$35 million since 2015
- **Strong Balance Sheet:** \$50 million in cash and investments
- **Global Corporate Headquarters:** La Fox, Illinois; 265K square feet facility; 100 acres



- **Employees:** 440; more than half in sales, engineering and product management
- **Locations:** Global network of 60+ sales offices and stocking locations with legal entities in 24 countries
- **Customer base:** 20,000 customers; focus is aftermarket. Nearly 60% of revenue generated outside North America
- **ISO 9001:2015 certified**
- **ISO13485 certified**



FY19 in Summary

- **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
- **Our key initiatives are starting to contribute to operating performance**
 - Healthcare is gaining traction as we go to market with the ALTA750 CT tube
 - Revenue generated by PMG grew significantly in the year and continues to grow perpetually
 - Canvys continues to improve operating contribution
- **We need the semi wafer fab equipment to recover then all business units will be hitting on all cylinders**

FY 2019 Financials

Robert Ben

FY 2019 RESULTS

Net sales

Cost of sales

Gross margin

gross margin %

SG&A expenses

% of net sales

Impairment of goodwill

Loss (gain) on disposal of assets

Operating income (loss)

% of net sales

Investment/interest income

Foreign exchange loss

Other, net

Total other income

(Loss) income from continuing operations before income taxes

Income tax provision

(Loss) income from continuing operations

% of net sales

Income from discontinued operations

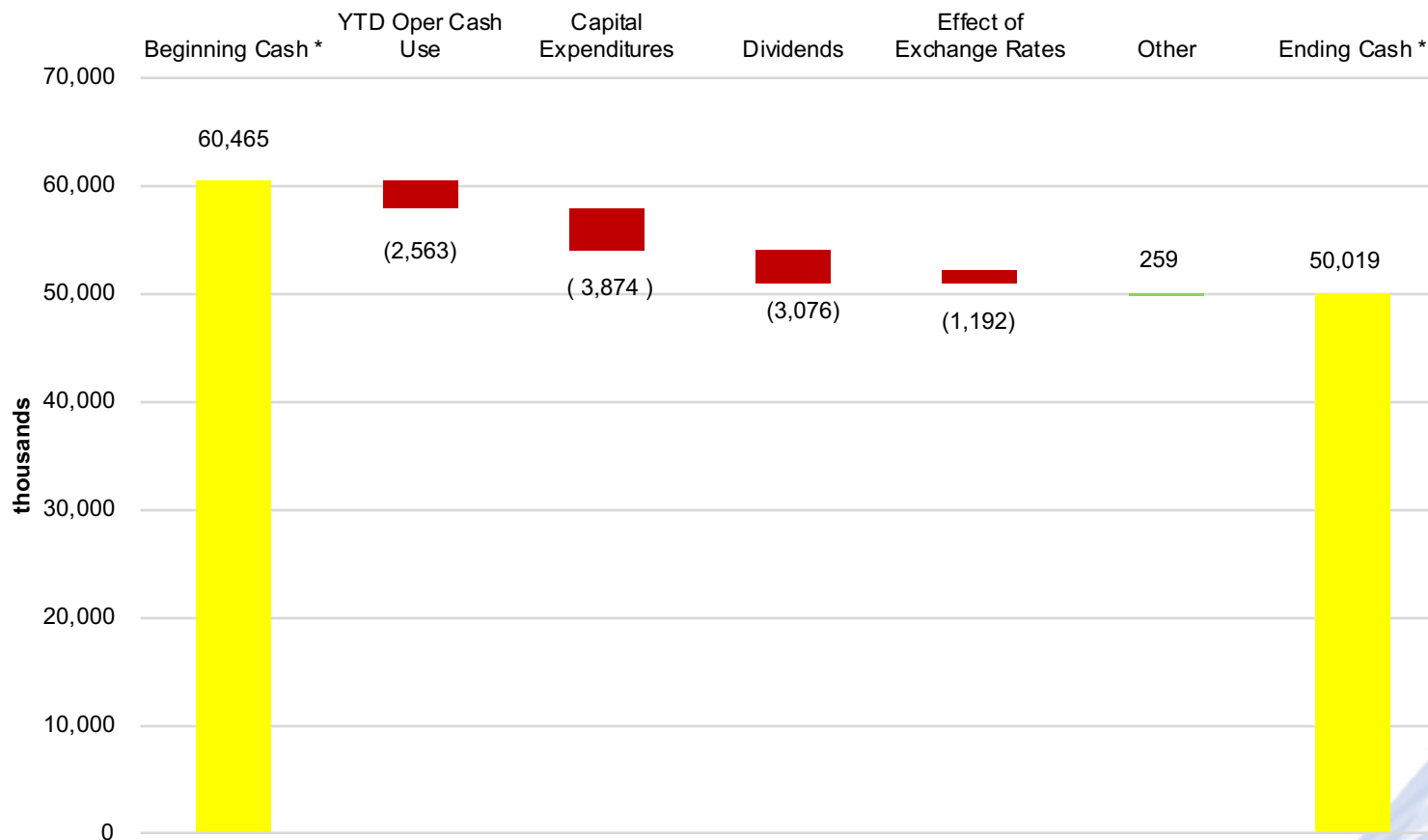
Net (loss) income

FY2019	FY2018
\$ 166,652	\$ 163,212
114,917	108,130
51,735	55,082
31.0%	33.7%
52,156	51,729
31.3%	31.7%
6,332	-
23	(276)
(6,776)	3,629
-4.1%	2.2%
(540)	(432)
84	224
(9)	(23)
(465)	(231)
(6,311)	3,860
1,017	1,534
\$ (7,328)	\$ 2,326
-4.4%	1.4%
-	1,496
\$ (7,328)	\$ 3,822

FY 2019 BALANCE SHEET

	FY19 Q4	FY19 Q3	FY19 Q2	FY19 Q1	FY18 Q4	FY17 Q4
Cash & Investments:						
Cash	\$ 42,019	\$ 33,869	\$ 47,859	\$ 52,478	\$ 60,465	\$ 55,327
ST investments	8,000	15,500	5,300	2,300	-	6,429
LT investments	-	-	-	-	-	2,419
Total	<u>\$ 50,019</u>	<u>\$ 49,369</u>	<u>\$ 53,159</u>	<u>\$ 54,778</u>	<u>\$ 60,465</u>	<u>\$ 64,175</u>
Working Capital:						
Accounts Receivable	\$ 24,296	\$ 23,102	\$ 22,478	\$ 22,885	\$ 22,892	\$ 20,782
Inventories	53,232	53,094	51,649	50,267	50,720	42,749
Accounts Payable	<u>(16,943)</u>	<u>(14,052)</u>	<u>(15,594)</u>	<u>(14,145)</u>	<u>(19,603)</u>	<u>(15,933)</u>
Working Capital	<u>\$ 60,585</u>	<u>\$ 62,144</u>	<u>\$ 58,533</u>	<u>\$ 59,007</u>	<u>\$ 54,009</u>	<u>\$ 47,598</u>

FY 2019 CASH FLOW



* Total cash & investments

Thank You

Strategic Business Unit Overview

Power & Microwave Technologies

Greg Peloquin

PMT Strategy – Solving our customer and technology partners 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.**

FY19 Highlights



- Overall sales grew slightly in FY19 despite major market downturn in the semiconductor wafer fab industry.
- New technology partners continued to gain traction with strong sales growth in FY19.
- Market share gains in numerous Electron Device business units.
- Strong management of cost controls in every area as SG&A expense decreased vs prior year.
- Technology Partner of the Year at Qorvo.
- Named Gold Supplier status with BAE.
- Executing plan of developing consistent improved profitability with top line growth.

PMT FY20 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.
 - Identify and support key market growth in 5G, RF Power, and Microwave.
 - Realize increased revenue from design wins to improve margin.

PMT FY20 Key Initiatives

- **Expand our customer base and markets.**
 - Identify growth opportunities for Engineered Solutions.
 - Expand market shares of existing customers.
 - Identify technology partners and products to support our niche markets.
- **Manage cost in line with improved profitability objectives.**
 - Capitalize on our existing infrastructure.
 - Eliminate redundancies and improve efficiencies.
 - Maximize use of cash by carefully controlling expenses and improve inventory turns.

Richardson Healthcare
Wendy Diddell

Healthcare Strategy

- **Richardson is the first global non-OEM provider of Diagnostic Imaging replacement parts, training and support solutions**
- **We differentiate ourselves from other replacement parts providers by offering high value solutions like:**
 - Third party and CPO replacement CT tubes
 - P3 capitated-risk parts contracts
 - Parts customs cleared in days, not weeks
 - Best in class training and support programs
 - Significant savings compared to OEMs
- **Replacement CT Tubes is the key to our overall strategy**
- **Focused on expansion of our P3 recurring revenue models as a means to grow our business**



Healthcare FY19 Highlights

- **Officially released ALTA750 CT tube in late May after extensive internal/external testing**
 - Tubes sold in eight countries, 16 states and Puerto Rico
 - Longest running tubes nearing 500 days
 - Good interest in P3 parts contracts
 - Increased system price/margin and created additional socket by replacing OEM tube with ALTA tubes; able to sell CPO tubes to budget conscious customers
- **Sales increased 18.8% versus FY18; growth driven by equipment sales, ALTA and CPO tube sales, and training**
- **Market conditions for ALTA sales tougher than anticipated**
 - Customers requiring proof of longevity
 - Need for ALTA D to move hospitals away from OEM
 - Time required for CT systems to come off OEM contracts
 - Europe dominated by OEMs
- **Significant sales growth in Latin America driven by system and tube sales**
- **Change in senior management team**
- **Created outbound call center to focus on generating awareness with hospitals, imaging centers**



Healthcare FY20 Key Initiatives

- **Grow ALTA and P3 sales**
 - Align pricing strategies by market
 - Focus on smaller hospital groups through outbound telemarketing
 - Continue to increase system sales to create additional sockets for parts, tubes, service training
 - Secure global registrations necessary to sell ALTA750 outside of the U.S.
 - Ensure quality of installations and technical feedback loop through use of in house technician
- **Improve gross margin**
 - Increase sale of ALTA tubes
 - Guidelines in place for equipment purchases
 - Stable/increasing tube production
- **Be more than a single tube company**
 - Product line expansion into Toshiba/Canon Prime and One CT
 - Begin development of additional replacement CT tubes
 - Create strategic partnerships to collaborate on new tubes and technologies

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 FY19 Highlights

- Generated positive direct operating contribution.
- Won several important deals in the medical, industrial and transportation markets that are the foundation for growth in FY20 and beyond.
- Decreased expenses as a percentage of sales.



Canvys FY20 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 keeping Canvys a significant contributor to operating profit



Questions and Discussion

Edward J. Richardson



Thank You