

# Richardson Electronics Investor Visit and Tour LaFox, IL

October 11, 2022



# Forward Looking Statement

This overview includes certain “forward-looking” statements as defined by the Securities and Exchange Commission. Statements regarding the Company’s business which are not historical facts represent “forward-looking” statements that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see Item 1A, “Risk Factors” in the Company’s Annual Report on Form 10-K. The Company assumes no responsibility to update the “forward-looking” statements in this overview as a result of new information, future events, or otherwise.



# Agenda

- 10:00 a.m. Welcome and Introductions – Wendy Diddell
- 10:10 a.m. Business Overview and Q1 Highlights – Ed Richardson
- 10:30 a.m. Facility Tour – Greg Kinney and Dan Erickson
- Noon Lunch/Q&A Session – All
- 1:30 p.m. Closing Remarks – Ed Richardson

# Introductions

- Ed Richardson, CEO
- Bob Ben, CFO
- Greg Peloquin, EVP and GM, PMT and Green Energy Solutions
- Greg Kinney, SVP, LaFox Operations and Manufacturing
- Dan Erickson, Director, Richardson Healthcare Engineering and Manufacturing
- Jeff Kerner, Business Unit Manager
- Brian Gumino, New Product Design Engineering Manager
- John Curran, New Product Design Engineering Manager
- Angela Churchill, Executive Administrative Assistant
- Stan Berger, SM Berger & Company Investor Relations Partner
- Josh Blum, SM Berger & Company Investor Relations Partner

# Ed Richardson, Chief Executive Officer

# Our Business Units



## Power & Microwave Technology (PMT)

- TTM Revenue: \$160.4 million
- Power grid and microwave tubes (EDG)
- Power management for 5G (PMG; started in 2014)
- In-house manufacturing and partnering with leading technology suppliers
- Global engineering and design support
- Key supplier to semiconductor industry



## Green Energy Solutions (GES)

- TTM Revenue: \$28.5 million
- Designs and manufactures key products for the fast-growing energy storage market and power management applications
- Leverages existing global infrastructure and expertise
- Products for numerous green energy applications such as wind, solar, hydrogen, EVs, and synthetic diamonds



## Healthcare

- TTM Revenue: \$12.4 million
- CT and MRI replacement tubes
- Diagnostic imaging replacement parts
- CT service training and technical support
- P3 Service Contracts for managing maintenance and repair costs
- State of the art manufacturing facility



## Canvys

- TTM Revenue: \$37.2 million
- Custom display solutions for healthcare, industrial, retail and transportation applications
- All-in-one computer display solutions
- Engineering design and support

# Q1 Highlights

- 9th consecutive quarter of revenue growth
  - Sales were \$67.6 million up 26% over Q1 FY22
  - Backlog \$200 million—we've got the orders for growth!
- Continued growth from
  - ULTRA3000
  - New Canvys Customers and Monitors
  - Magnetrons
  - Semiconductor wafer fab—record quarter again!
  - Healthcare \$3.3M in the quarter
  - PMG and EDG product lines
- We launched our new business unit: Green Energy Solutions

(in millions except Earnings Per Share Diluted)

	Q1 FY23	Q1 FY22
<b>Net sales</b>	<b>\$ 67.6</b>	<b>\$ 53.7</b>
Cost of sales	44.6	37.4
Gross margin	23.0	16.3
gross margin %	34.1%	30.3%
SG&A expenses	14.2	13.5
% of net sales	21.1%	25.1%
<b>Operating income</b>	<b>\$ 8.8</b>	<b>\$ 2.8</b>

<b>Earnings Per Share Diluted</b>	<b>\$ 0.45</b>	<b>\$ 0.20</b>
<b>Cash and Investments</b>	<b>\$ 35.6</b>	<b>\$ 36.4</b>
<b>Debt</b>	<b>None</b>	<b>None</b>



# Green Energy Solutions

- Identify revenue and margin from Green Energy Solutions
- Sales transferred from PMT:
  - Alternative energy, energy storage, EV, power generators
  - YJ1600—diamond manufacturing
  - Fusion research, sustainable goods manufacturing, hydrogen production
- Estimated FY23 Sales: \$40M
- Growth rate 15-20% per year

	Q1 2022 Green Energy	Q1 2022 PMT	Q1 2023 Green Energy	Q1 2023 PMT
Net Sales	2,574,037	40,435,000	8,511,420	45,354,000
Gross Margin	744,329	12,187,000	3,022,004	15,535,000
Gross Margin %	28.9%	30.1%	35.5%	34.3%

FY23 Q1 Sales Backlog			
EDG	PMG	Green Energy	PMT
\$ 70,063,181	\$ 24,605,450	\$ 56,301,378	\$ 150,970,009
46.4%	16.3%	37.3%	100.0%

# Key Engineered Solutions

## Product

## Applications

## Key Customers



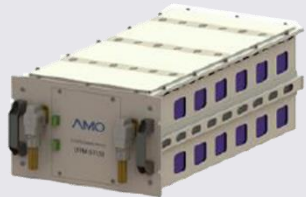
ULTRA3000® (Patented)

- Power Management
- Green Energy
- Wind Turbines

- Nextera
- Enel
- Invenergy
- 14 other owner operators...



Invenergy



EV Locomotive

- Power Management
- Green Energy
- Electric Locomotives

- Progress Rail (Caterpillar)
- Union Pacific Railroad
- Long Island Railroad
- Burlington Northern
- Chicago Metro



UltraGEN3000 (Patent Pending)

- Power Management
- Green Energy
- Starter Modules for Diesel Trains
- Generators in Cell Towers & Critical Facilities (Hospitals)

- T-Mobile
- Northwestern Medical
- Progress Rail (Caterpillar)



Northwestern Medicine



UltraVOLTAGE3000 Mobile Unit

- Discharge of Voltage in Ultracapacitors

- Nextera
- Siemens
- All Wind Turbines – Owner Operated



SIEMENS

# Key Engineered Solutions

## Product

## Applications

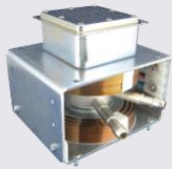
## Key Customers



Resistor Shunt

- Measures the Voltage Within ULTRA3000® Modules

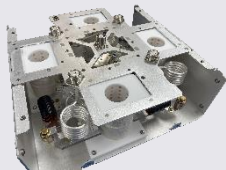
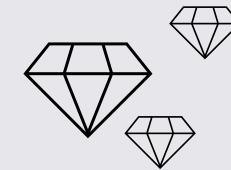
- All owner operators of GE wind turbines



YJ1600

- Synthetic Diamond Manufacturing

- All Synthetic Diamond Manufacturers



SiRF & Related Products

- Semiconductor Wafer-Fab Manufacturing

- LAM
- MKS



Energy Storage System (ESS)

- Energy Storage System for Numerous Applications Such As Wind & Solar Farms

- ABB
- Shell Oil



A row of white wind turbines stands on a grassy hill, receding into the distance. The sky is a vibrant mix of orange, yellow, and blue, with the sun low on the horizon. A dirt road winds through the grass in the foreground.

**Thank you for your support**  
**We are on our way**

CELEBRATING  
**75**  **Richardson**  
YEARS **Electronics**  
1947-2022

A Legacy of Engineered Solutions. A Future of Innovation.