

Richardson Electronics

Q1 FY2026

Investor Presentation

October 9, 2025

NASDAQ: RELL





VISION

To make our world a better, more sustainable place by providing innovative technology solutions.

MISSION

We provide solutions that improve our world through innovative engineering and manufacturing in collaboration with our employees, customers and technology partners.

VALUES

- We are a diverse family; we take care of our people.
- We focus on long term viability for our company, our community and our world.
- Every interaction is important and deserving of respect.
- We believe in hard work, reward, and the determination to succeed.





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 three- and twelve-month new information, future events, or otherwise.

Note on financial presentation:

The consolidated financial results included in this presentation are as reported for the three months ending August 30, 2025, and twelve-month period ended May 31, 2025.





About Richardson Electronics

ENGINEERED SOLUTIONS

Richardson Electronics (NASDAQ: RELL) designs and manufactures more than 55% of the products it sells for power, microwave, and imaging solutions to industries worldwide.

Technical expertise and “engineered solutions” based on our core engineering and manufacturing capabilities

Value added solutions through design-in support, system integration, prototype design and manufacturing, testing, logistics, and aftermarket technical service and repair

Global infrastructure and support to serve customers wherever they are located



Key Facts & Figures



Strong balance sheet with robust cash and cash equivalents and no debt



Certified experts that are ISO 9001:2015 and ISO 13485:2016 certified



430+ employees with over half in sales, engineering and product management



More than 20,000 OEM and end-user customers throughout the world



Headquarters in LaFox, Illinois, co-located with US-based manufacturing facility



RELL is global with 60+ locations worldwide including three strategic warehouse locations and legal entities in 24 countries





January 2025 Richardson Healthcare Strategic Transition

Overview	• In January 2025, Richardson announced a strategic transaction in which the Company sold most Richardson Healthcare assets to DirectMed Imaging (DirectMed)
Deal Terms	• Transaction closed on January 24, 2025 • The sale price was \$8.2 million including net working capital adjustments • Under the terms of the transaction, Richardson Electronics sold the Healthcare business unit but retained its CT tube engineering and manufacturing assets under an exclusive supply agreement with DirectMed
Go Forward Considerations	• The strategic transaction is expected to simplify the Company's business, improve Richardson's financial model long term, and allow the Company to prioritize profitable opportunities within higher growth markets • The Company will continue to support DirectMed through a 10-year exclusive global supply agreement in which Richardson will supply DirectMed with repaired Siemens CT X-ray tubes • Richardson Electronics will also continue manufacturing ALTA CT X-ray tubes for DirectMed for approximately 12 to 15 months • The remaining assets of the Richardson Healthcare reportable segment, primarily CT X-ray tube manufacturing and repair, will be consolidated into the Company's PMT reportable segment beginning Q1 FY26
Use of Proceeds	• Richardson Electronics intends to use proceeds from the asset sale to invest in the Company's growth initiatives – primarily within its GES reportable segment



Our Business Units



Power & Microwave Technology (PMT)

- FY2025 Revenue: \$137.8M
- 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)

- FY2025 Revenue: \$28.7M
- 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



Canvys

- FY2025 Revenue: \$33.1M
- Custom display solutions for healthcare, industrial, retail and transportation applications
- All-in-one computer display solutions
- Engineering design and support



Growth Strategies



Strategy Supported by Strong Core Business, New Products and New Markets

Management has created a strategic plan focused on driving growth and creating sustainable value for shareholders



Growth supported by strong core business, 75+ years of engineering capabilities, and global platform



Strategy focused on leveraging core engineering and manufacturing capabilities to expand product lines into large, fast growing global markets



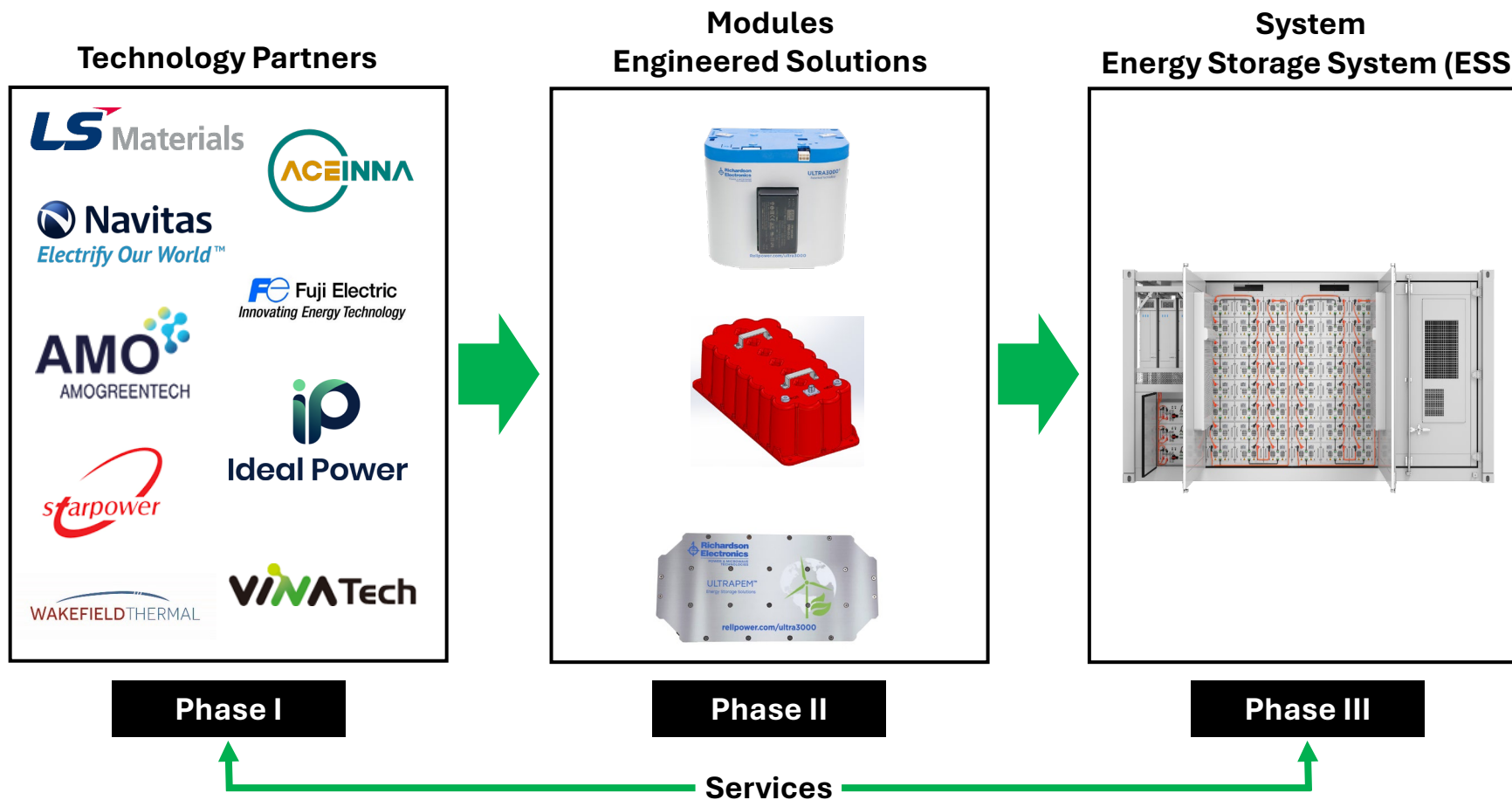
Global footprint supports customers and maintains strong strategic partnerships with leading manufacturers

New markets and applications support significant expansion to the Company's growth opportunities



Power Management Roadmap

Long-standing relationships with leading components manufacturers combined with our in-house manufacturing and engineering capabilities supports a multi-year strategy aimed at providing higher value sales





Other Mid-Term Solutions

Key Markets:

- Power management
- Green Energy Solutions (GES)

Key Applications:

Transportation

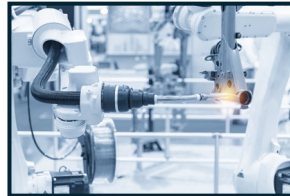


Key Products

- Metra Emergency Lighting
- Engine Start Module
- SiC Mosfets



Industrial



Key Products

- LiFeP04 Battery Modules
- Ultracapacitors AVG modules
- PCIGBT Modules



Energy



Key Products

- C&I BESS
- Utility BESS
- Data Center BESS



Wind/Solar



Key Products

- Pitch Energy Modules
- Turbine-Guard
- Inverter Modules





FY26-28 Wind Turbine Opportunity

Customer Problem:

Wind turbine manufacturers and operators needed an environmentally friendly solution to extend the life of auxiliary power supplies for their Pitch Energy Modules.

Richardson Electronics' Solutions:

Developed the first ultracapacitor-based plug-and-play replacement for batteries within wind turbine pitch systems.

Today RELL can expand its market share in the US and throughout the rest of the world with the Patented ULTRA3000 and the ULTRAPEM™ both with GE Turbines as well as other OEM Turbines.

OEM Turbine Platforms



Action Plan

- Continued development of associated products
- Invest in Field Engineers
- Improve cycle time to market for new products
- Develop strategically located R&D center to reduce time to market
- Expand resources globally

Global TAM

U.S.	\$237M
Latin America	\$35M
Canada	\$20M
Europe	\$150M
Australia	\$12M
Total	\$454M



Key Customer Testimonial for Patented Pitch Energy Modules

“If you were to ask any wind technician who works on electric pitch systems what the weak link is in the whole system, most would likely say it’s the pitch batteries. Even without looking at the data, any technician knows this, as the task of exchanging and testing battery packs has been a part of their routine for decades.

At TransAlta, we were looking for a solution to this issue, as our data shows that pitch faults due to weak batteries is one of our leading causes of downtime and lost production on our GE platforms. In this search for a solution, we met with Richardson Electronics who provided us with a plug and play solution with no modifications to our machines, allowing for an easy install.

Richardson was very patient with us as we used caution moving into using their Ultra-caps. We chose to trial the Ultra-caps on several machines, at two sites, for a whole year before making the purchase. After that trial period, we can say that they have been an excellent upgrade, and we can’t wait to get these installed on the rest of the fleet. We have confidence in the product after our trial period, and we have many great reviews from other wind companies that made the switch 2-3 years ago and haven’t looked back.

Switching to Ultra-caps is going to reduce the number of hub entries & climbs our technicians need to make in a day and we all know that the weather doesn’t always cooperate when we need to get into a hub.

Ultra-caps are the solution to reducing lost production, freeing up man-power for more important tasks, and increasing revenue for many years to come.”

**Dan Layton, Supervisor Soderglen & Lakeswind LTSA,
TransAlta Corporation, one of Canada’s largest producers of wind generation**





Energy Storage Solutions (ESS) Growth Strategy

New energy storage technologies bring disruptive technologies into niche markets.

Market Opportunity

- \$25 billion global market for battery deployments in 2024 according to Fortune Business Insights
- Projected to grow to \$114 billion by 2032, reflecting a CAGR of 21% over 8 years
- Available government rebates can cover the expense of demonstrating new technologies
- Ongoing support from local government
- Identified niche markets

Leveraging RELL's Platform and Capabilities

- Existing technology partners
- Established engineering expertise to develop innovative solutions, such as hybrid ultracapacitor-flow battery systems
- Pursuing shared revenue model through virtual power plants (VPP)

Go to Market and Development Strategies

CY 2025

- Deploy Energy Storage Systems (ESS) at RELL facility to serve as a demonstration project for future customers

FY 2026 – Phase 1

- Focus on medium size C&I projects

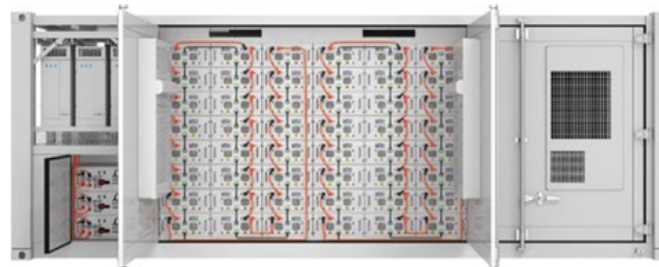
FY 2028 – Phase 2

- Develop in-house manufacturing of large-scale long duration energy storage

FY 2028+

- Continue to vet and develop additional systems to provide differentiating value propositions for various niche markets

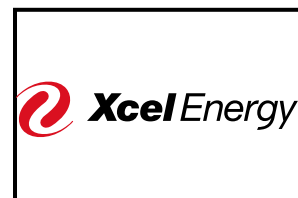
Stores energy during off hour
low consumption periods



Which can be sold or used
during high peak periods to
help balance the grid



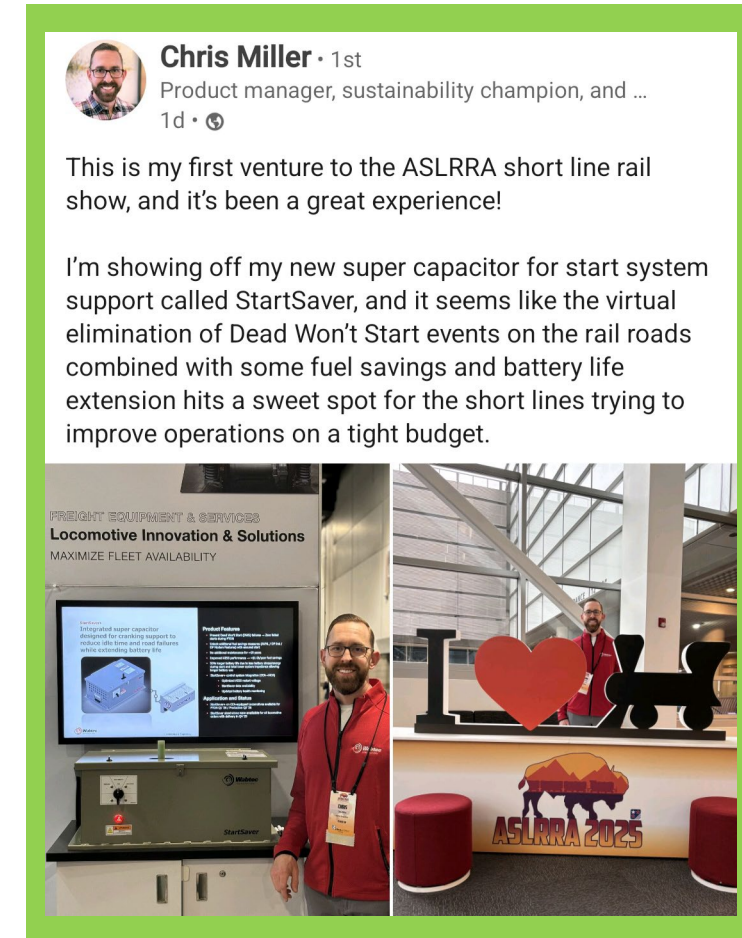
Key Customers





FY26 Expectations

- Expect near-term volatility associated with potential impacts on global trade from U.S. trade and economic policies
 - ~5% of purchases come from China, limiting the expected impact from tariffs
 - Multiple warehouses for strategic stocking
- Longer term expect to capitalize on current policies intended to drive manufacturing back to the U.S. and increase the need for U.S. content; opportunity to improve absorption by leveraging LaFox manufacturing capabilities to support technology partners and customers expanding U.S. manufacturing
- Steady/increasing sales of wind turbine modules
 - Regular shipments from existing inventory
 - New significant orders from existing and new customers
 - Anticipated new significant orders from new customers for UltraPEM™ and future expansion into EU
- Launch of StartSaver by Wabtec in EV rail segment
- Semi-wafer Fab Market
 - Semiconductor wafer fab sales surged during Q4 FY2025
 - Key customers forecasting growth for the remainder of CY2025



Wabtec StartSaver Ultracapacitor System
powered by Richardson Electronics

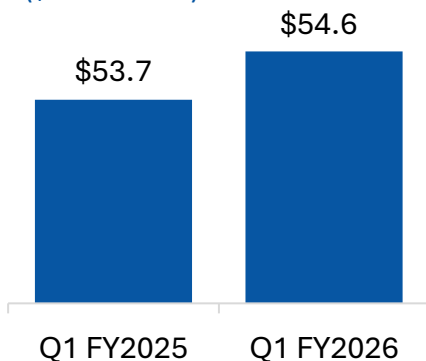


Financials

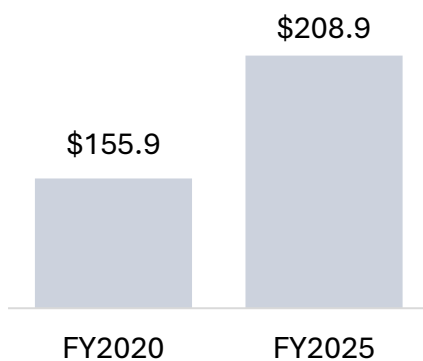


Q1 FY26 Financial Highlights⁽¹⁾

Net Sales (\$ in millions)

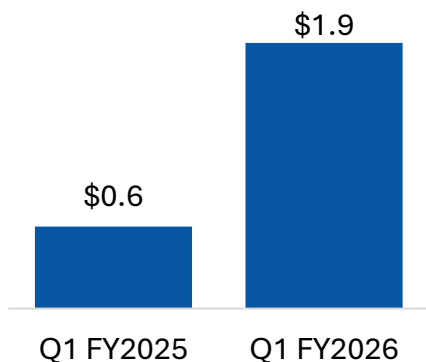


5-Year Growth CAGR Growth: 6.0%

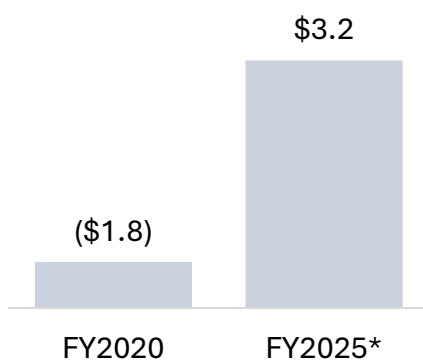


- Consolidated net sales for the first quarter of FY2026 increased 1.6% to \$54.6 million, compared to net sales of \$53.7 million in the prior year's first quarter, primarily due to higher sales in the Company's PMT and Canvys business segments partially offset by lower sales in the GES segment.
- Fifth consecutive quarterly year-over-year increase in sales.
- When excluding Healthcare, for which the majority of assets were sold in January 2025, net sales increased by 6.8% year-over-year. Healthcare results, including prior periods, are consolidated into the PMT segment beginning in Q1 FY2026.

Net Income (\$ in millions)



5-Year Growth CAGR Growth: n/a



- Consolidated gross margin for the first quarter of FY2026 was 31.0%, compared to 30.6% during the first quarter of FY2025. The 40-basis point increase in consolidated gross margin was primarily due to margin expansion in both PMT and GES.
- Net income was \$1.9 million for the first quarter of FY2026, versus a net income of \$0.6 million in the first quarter of FY2024.
- The Company focused on improving gross margins, reducing inventory levels, strengthening the balance sheet, and investing in long-term strategic growth opportunities.

*FY2025 non-GAAP net income is adjusted to exclude a one-time loss on the sale of assets of the Company's Healthcare business and to exclude a state tax valuation allowance adjustment

⁽¹⁾ Consolidated financial results as reported and include Richardson Healthcare



Balance Sheet and Cash Flow⁽¹⁾

- Strong balance sheet with no debt, and \$35.7 million in cash and cash equivalents
- No borrowings outstanding under \$30.0 million revolving line of credit
- Ended Q1 FY2026 with positive operating cash flow for the 6th consecutive quarter with \$1.4 million of operating cash flow compared to \$0.4 million of operating cash flow in Q1 FY2025
- Not including the sale of Healthcare, the Company's businesses generated \$5.5 million of operating cash flow in FY2025
- Allocated \$0.9 million of capital in of Q1 FY2026 to support the Company's regular cash dividend
- Capital expenditures were \$1.0 million in Q1 FY2026 primarily related to the Company's manufacturing business, facilities, and IT systems
- The Company continues to invest in working capital to support its growth initiatives

(\$s in 000s)	August 31, 2025	May 31, 2024
Cash and Cash Equivalents	\$35,654	\$35,901
Accounts Receivable	\$27,039	\$24,117
Inventories, net	\$104,635	\$102,799
Total Assets	\$200,067	\$195,835
Total Debt	\$0	\$0
Total Liabilities	\$40,699	\$39,176
Shareholders' Equity	\$159,368	\$156,659

⁽¹⁾ Consolidated balance sheet and cash flow as reported on August 31, 2025, and include sale of Richardson Healthcare



Capital Allocation

Debt free balance sheet slows for strategic deployment of capital

Capital Allocation Strategies

Focused on Supporting Long-Term Growth Opportunities

Investing in Infrastructure and IT Systems

- Invested in facility renovations in FY2023 and FY2024 to support the growing demand for Green Energy Solutions (GES) products
- Continual enhancements of IT infrastructure to support global opportunities

Organic Growth Initiatives

- Since FY2021, Richardson Electronics has invested in research & development, onboarding talented engineers, and enhancing its sales teams

Sustained Dividend

- The Company has paid out a regular quarterly cash dividend to common shareholders since 1990

Cash Flow Management

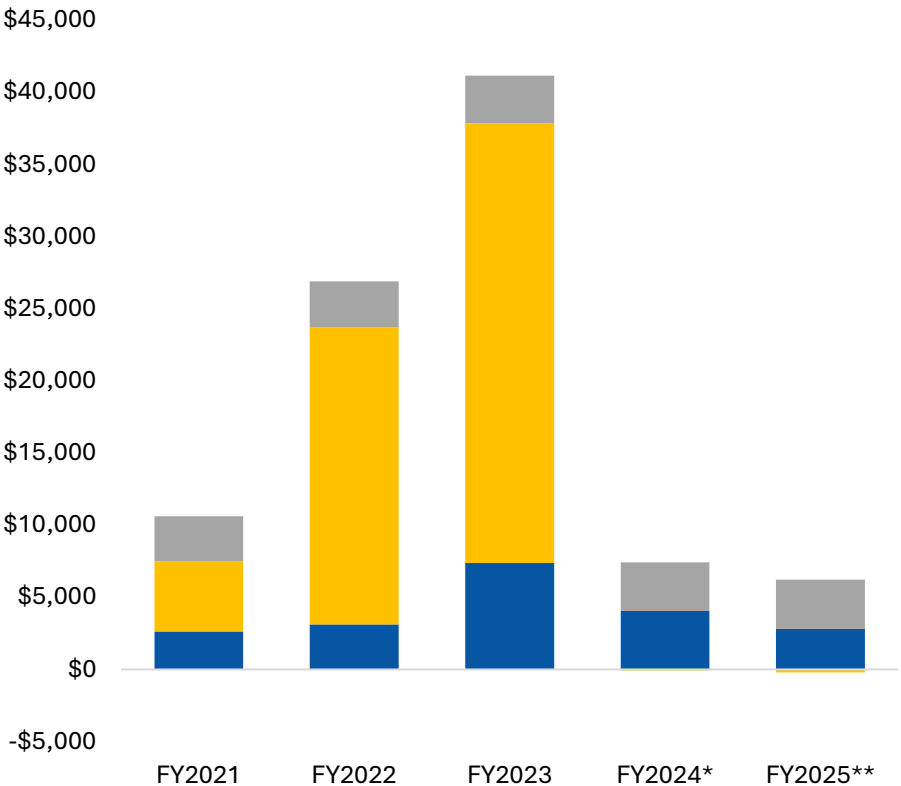
- Maintain a healthy level on cash on the balance sheet
- Approximately 48% of cash on Richardson's balance sheet is spread out across 23 of the Company's foreign subsidiaries
- Focused on converting inventory to cash in FY2026

Selective Multi-Year Acquisition Strategy

- Targeted M&A that aligns with strategic growth initiatives

Capital Allocation Priorities

\$ in thousands



■ Capital Expenditures ■ Inventory ■ Dividends

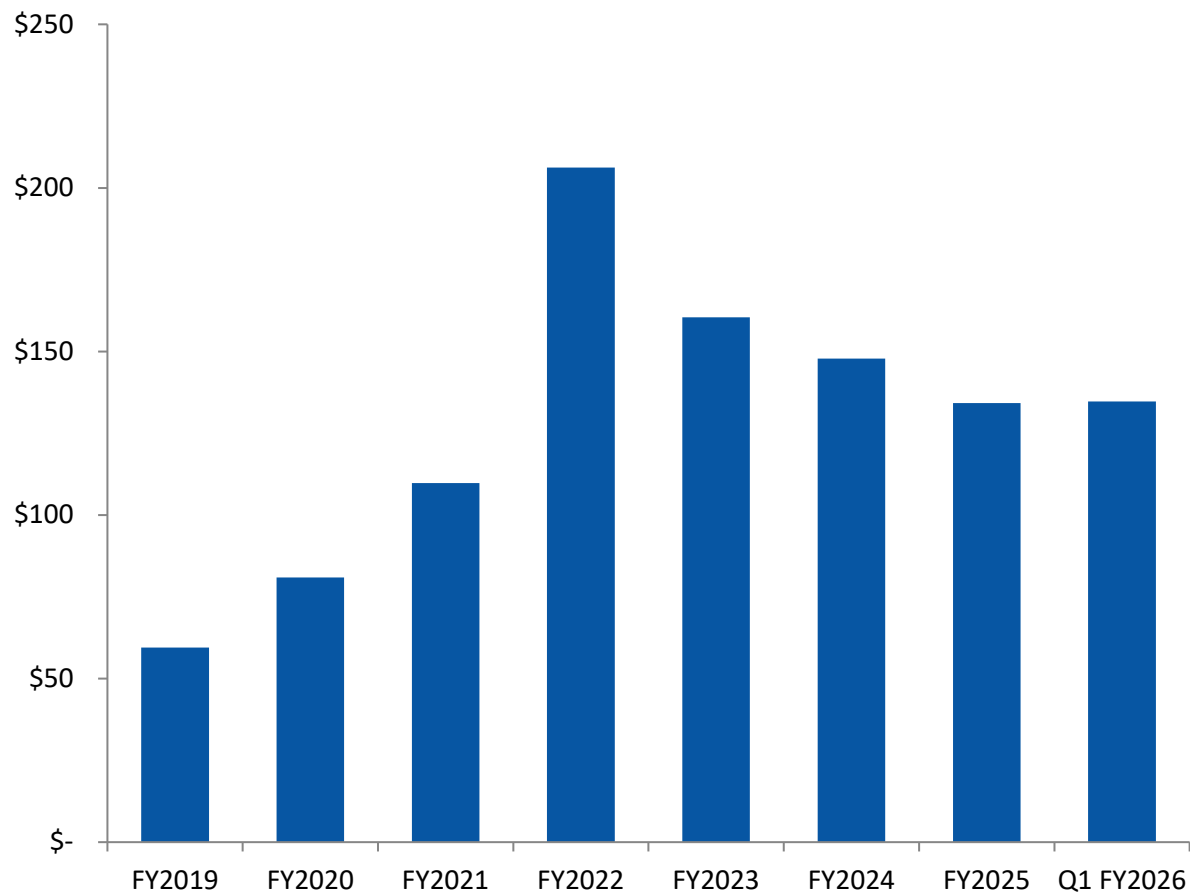
*FY2024 includes a \$0.1 million reduction in inventory

**FY2025 includes a \$0.2 million reduction in inventory



Backlog

Total Company Backlog
(\$ in millions)



- Total backlog at the end of Q1 FY2026 was \$134.7 million versus \$134.2 million at the end of Q4 FY2025, and \$59.5 million in FY2019.
- **Backlog up more than 125% since FY2019**
- The Company's sales pipeline remains solid; however, the timing of new orders can vary quarter-to-quarter. Current backlog also includes faster turns than prior years, reflected in the simultaneous decline in inventory.



Appendix: Non-GAAP Reconciliation



Reconciliation of Non-GAAP Net Income

	Twelve Months Ended	
	May 31, 2025	
Net loss reconciliation		
Net loss	\$	(1,143)
Loss on sale of healthcare assets and other charges		3,755
Valuation allowance adjustment		617
Non-GAAP net income	\$	3,229

Non-GAAP Net Income: Non-GAAP Net Income is net (loss) income, adjusted to exclude a one-time loss on the sale of assets of the Company's Healthcare business and to exclude a state tax valuation allowance adjustment.