

Business Description

Richardson Electronics, Ltd. is a global provider of engineered solutions, serving the Power Conversion, Electron Device, Display Systems, and Healthcare imaging markets. The Company delivers engineered solutions for its customers through product manufacturing, systems integration, prototype design and manufacture, testing and logistics.

Stock Data

Price	\$8.44
52Wk High	\$8.72
52Wk Low	\$5.31
3mo. Daily Volume	21,381
Market Capitalization	\$110.5 m
Shares Outstanding	12.9 Mil.
Dividend Yield	2.84%
Tangible Book Value Per Share	\$9.78
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.3
EV-to-EBITDA TTM	11x

Financial Data

		OLD	NEW
EPS	FY-16	FY-17	FY-18E
Q1-Aug	(\$0.11)	(\$0.22)	(\$0.01A)
Q2-Nov	(\$0.18)	(\$0.20)	\$0.01A
Q3-Feb	(\$0.23)	(\$0.11)	\$0.00E
Q4-May	(\$0.01)	(\$0.01)	\$0.05E
FY-May	(\$0.53)	(\$0.54)	\$0.05E

Revenue	\$142	\$137	\$153	\$161
% Chg	3.9%	-3.7%	11.4%	17.8%

Cash	\$61	\$55	\$52	\$60
Assets	\$168	\$157	\$155	\$165
Debt	\$0	\$0	\$0	\$0
Equity	\$142	\$132	\$133	\$137

Note: Figures in \$millions except per share data

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NASDAQ: RELL
PRICE: \$8.44
DATE: 4/13/18

Q3 EPS of \$.04 beat our estimate of \$.00 due to better than expected sales. EPS in the prior year quarter was (\$.11).

Q3 Sales grew 28.9% YOY to \$41.6 m and beat our estimate of \$36.2 m due to outperformance in the PMT and Canvys segments.

Q3 PMT sales grew 28.7% YOY due to design wins and continued strength from the semi wafer fab vertical. Q3 Canvys sales grew 57.2% YOY due to programs wins and demand strength in US and Europe. Q3 Healthcare sales declined 19.6% YOY in line with our estimate due to the PACs divestiture.

Q3 Gross Margin improved 70 bps YOY to 33.8% due to improved product mix within the PMT and Canvys segments.

Q3 EBITDAS improved YOY to \$1.9 m from (\$.5 m) due to improved sales and gross margin coupled with an SG&A increase of only 9.2%.

The company was FCF positive for the quarter.

The company remains debt-free with \$4.61/share in cash while trading at a 14% discount to tangible book value of \$9.78/share.

Potential upside catalysts include continued strength in the semiconductor upcycle, 5G roll-out in China, and new CT product launch within Healthcare.



Analysis of Q3 Results

Q3 EPS of \$.04 beat our estimate of \$.00 due to greater than expected sales. EPS in the prior year was (\$.11). Q3 Sales grew 28.9% YOY to \$41.6 m vs. our estimate of \$36.2 m due to outperformance in both the PMT and Canvys segments. Q3 PMT sales grew 28.7% YOY to \$31.9 m vs. our estimate of \$28.5 m due to continued strength in the semi-wafer fabrication vertical and product design wins. Q3 Canvys sales grew 57.2% YOY to \$7.6 m and soundly beat our estimate of \$5.5 m due to continued strong demand and program wins in the US and Europe. Canvys revenue had not broken the \$7 m level since Q4 of FY14. Q3 Healthcare sales declined 19.6% YOY to \$2.2 m due to the sale of the PACs biz and matched our estimate. Q3 Gross Margin improved 70 bps YOY to 33.8% due to improved product mix within PMT and Canvys. Q3 Opex increased 9.2% YOY, a slower rate than sales, to \$13.1 m. Q3 Free Cash Flow was \$.5 m. The company remains debt-free with cash and cash equivalents of \$59.9 m (\$4.61/share). The dividend yields 2.97% while the stock trades at nearly a 14% discount to tangible book value of \$9.78/share.

Net Sales (in thousands)				Gross Profit (in thousands)				Sales by Geography			
Business Unit	Q3FY18	Q3FY17	% Change	Q3FY18	% of Sales	Q3FY17	% of Sales	Net Sales	Q3FY18	Q3FY17	% Increase
PMT	\$31,869	\$24,763	28.7%	\$10,656	33.4%	\$8,075	32.6%	North America	\$18,748	\$13,607	37.8%
Canvys	\$7,585	\$4,824	57.2%	\$2,571	33.9%	\$1,331	27.6%	Europe	\$14,197	\$10,950	29.7%
Healthcare	\$2,191	\$2,726	-19.6%	\$840	38.3%	\$1,286	47.2%	Asia/Pacific	\$6,635	\$5,916	12.2%
Total	\$41,645	\$32,313	28.9%	\$14,067	33.8%	\$10,692	33.1%	Latin America	\$2,086	\$1,792	16.4%
								Other	-\$21	\$48	-143.8%
									\$41,645	\$32,313	28.9%

Outlook

We raised our Q4 sales estimate to \$43.4 m from \$40.3 m to reflect continued sales outperformance. We bumped our Q4 EPS estimate to \$.06 from \$.05 to reflect the aforementioned sales increase offset partially by a higher projected tax liability. The two pillars underlying PMT growth, semi-wafer fabrication industry strength and new design wins, appear sustainable in the near term supported by a 1.1 book to bill. Industry consensus suggests the semiconductor upswing cycle should continue through 2018. Additionally, the Canvys segment appears to have sustainable momentum with a book to bill ratio of 1.3. The company's stock price has responded favorably to the outperformance in the last 2 quarters, narrowing the gap with tangible book value while average daily trading volume has also been increasing. Additional upside resides in possible outsized sales benefits to the PMT segment from the China 5G roll-out and the successful ramping of the new CT tube business within Healthcare. The company's PMT segment has historically benefited from wireless infrastructure upgrade spending in China. Recall that the company's CT tubes will typically sell at a 20-30% discount to OEM tubes and should represent a compelling cost savings opportunity to healthcare systems.

Peer Group Comparison

Ticker	Name	Price	EV / Sales	EV / EBITDA	P/BV	P/E	P/E-CY18E	P/E-CY19E
ARW	Arrow Electronics	\$76.94	0.4	7.9	1.4	17.2	9.1	8.7
AVT	Avnet	\$41.94	0.3	8.4	1.0	11.5	12.0	10.5
WCC	Wesco International Inc.	\$62.90	0.6	11.2	1.4	18.6	13.5	11.9
	Median		0.4	8.4	1.4	17.2	12.0	10.5
RELL	Richardson Electronics	\$8.44	0.3	11.3	0.8	NA	NA	NA

Note: All figures based on trailing 12-months, except P/E-18 and PE/-19 based on consensus estimates
Prices as of 4/12/18

Income Statement (in millions)	2014	2015	2016	Q1-17	Q2-17	Q3-17	Q4-17	2017	Q1-18	Q2-18	Q3-18	Q4-18E	2018E
Sales	\$141.9	\$136.8	\$142.1	\$33.4	\$33.8	\$32.3	\$37.4	\$136.9	\$37.0	\$39.1	\$41.7	\$43.4	\$161.2
COGS	\$100.9	\$95.6	\$97.2	\$23.2	\$22.8	\$21.6	\$25.4	\$93.0	\$24.8	\$25.7	\$27.6	\$28.7	\$106.8
Gross Profit	\$41.1	\$41.2	\$44.9	\$10.2	\$11.0	\$10.7	\$12.0	\$43.9	\$12.1	\$13.4	\$14.1	\$14.8	\$54.4
Operating Expenses	\$45.2	\$49.3	\$51.7	\$12.3	\$13.4	\$12.0	\$12.2	\$49.9	\$12.3	\$12.6	\$13.1	\$13.5	\$51.5
(Gain) loss on disposal of assets							(\$0.2)	(\$0.2)	(\$0.2)				(\$0.2)
Operating Income	(\$4.2)	(\$8.1)	(\$6.8)	(\$2.1)	(\$2.4)	(\$1.3)	\$0.0	(\$5.8)	\$0.0	\$0.8	\$1.0	\$1.3	\$3.2
Add back D&A	\$1.2	\$1.7	\$2.4	\$0.7	\$0.6	\$0.7	\$0.7	\$2.7	\$0.7	\$0.7	\$0.7	\$0.8	\$3.0
Add back stock compensation	\$0.6	\$0.7	\$0.5	\$0.1	\$0.2	\$0.1	\$0.1	\$0.5	\$0.1	\$0.2	\$0.1	\$0.1	\$0.5
EBITDA	(\$2.4)	(\$5.7)	(\$3.9)	(\$1.3)	(\$1.6)	(\$0.5)	\$0.8	(\$2.6)	\$0.8	\$1.7	\$1.9	\$2.2	\$6.7
Interest Expense, Net	(\$1.1)	(\$0.9)	(\$0.5)	\$0.0	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.3)	(\$0.1)	\$0.0	(\$0.2)	(\$0.1)	(\$0.4)
Proceeds from legal settlement	(\$2.1)	\$0.0	\$0.0					\$0.0					\$0.0
Other Expense, Net	(\$0.3)	(\$0.1)	\$0.2	\$0.3	(\$0.2)	\$0.2	\$0.3	\$0.6	\$0.2	\$0.1	\$0.2	\$0.2	\$0.7
Pretax Income	(\$0.6)	(\$7.1)	(\$6.5)	(\$2.4)	(\$2.2)	(\$1.4)	(\$0.2)	(\$6.1)	(\$0.1)	\$0.7	\$1.0	\$1.2	\$2.9
Income Tax	(\$0.1)	(\$1.4)	\$0.5	\$0.5	\$0.3	\$0.0	\$0.0	\$0.8	\$0.1	\$0.5	\$0.5	\$0.5	\$1.6
Net Income	(\$0.6)	(\$5.7)	(\$7.0)	(\$2.9)	(\$2.5)	(\$1.4)	(\$0.2)	(\$6.9)	(\$0.1)	\$0.2	\$0.5	\$0.7	\$1.3
Shares Outstanding-Diluted	14.3	13.8	13.1	12.8	12.8	12.8	12.9	12.8	12.8	12.9	13.0	12.9	12.9
EPS - Diluted (Continuing Ops)	(\$0.04)	(\$0.41)	(\$0.53)	(\$0.22)	(\$0.20)	(\$0.11)	(\$0.01)	(\$0.54)	(\$0.01)	\$0.01	\$0.04	\$0.06	\$0.10
Dividend per Share	\$0.24	\$0.24	\$0.24	\$0.06	\$0.06	\$0.06	\$0.06	\$0.24	\$0.06	\$0.06	\$0.06		
% of Sales													
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
COGS	71.1%	69.9%	68.4%	69.3%	67.5%	66.9%	67.9%	67.9%	67.2%	65.7%	66.2%	66.0%	66.2%
Gross Profit	28.9%	30.1%	31.6%	30.7%	32.5%	33.1%	32.1%	32.1%	32.8%	34.3%	33.8%	34.0%	33.8%
Operating Expenses	31.9%	36.0%	36.4%	36.8%	39.6%	37.2%	32.6%	36.4%	33.2%	32.2%	31.4%	31.0%	31.9%
Operating Income	-2.9%	-5.9%	-4.8%	-6.2%	-7.1%	-4.0%	0.0%	-4.2%	0.1%	2.0%	2.4%	3.0%	2.0%
Interest Expense, Net	-0.8%	-0.7%	-0.4%	0.0%	-1.1%	-0.3%	-0.3%	-0.2%	-0.3%	0.0%	-0.5%	-0.2%	-0.2%
Other Expense, Net	-0.2%	-0.1%	0.1%	0.3%	-0.6%	0.6%	0.7%	0.4%	0.5%	0.3%	0.5%	0.5%	0.4%
Pretax Income	-0.4%	-5.2%	-4.6%	-7.1%	-6.4%	-4.3%	-0.5%	-4.4%	-0.1%	1.8%	2.4%	2.8%	1.8%
Income Tax Rate	9.7%	19.7%	-7.7%	-21.2%	-14.0%	0.0%	0.0%	-13.2%	-96.2%	71.4%	50.0%	41.1%	54.1%
Net Income	-0.4%	-4.2%	-4.9%	-8.6%	-7.4%	-4.3%	-0.5%	-5.0%	-0.3%	0.4%	1.2%	1.7%	0.8%
Revenue by Segment													
RF, Wireless & Power Division													
PMT	\$103.3	\$105.7	\$105.6	\$25.4	\$25.2	\$24.8	\$28.9	\$104.3	\$29.1	\$30.1	\$31.9	\$33.2	\$124.4
Healthcare	\$6.9	\$6.5	\$13.0	\$3.4	\$3.2	\$2.7	\$2.8	\$12.1	\$2.1	\$2.3	\$2.2	\$2.2	\$8.8
Canvys	\$31.7	\$24.6	\$23.5	\$4.6	\$5.4	\$4.8	\$5.7	\$20.5	\$5.8	\$6.7	\$7.6	\$8.0	\$28.1
Corporate													
Total	\$141.9	\$136.8	\$142.1	\$33.4	\$33.8	\$32.3	\$37.4	\$136.9	\$37.0	\$39.1	\$41.7	\$43.4	\$161.2
Revenue % by Segment													
RF, Wireless & Power Division	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PMT	72.8%	77.3%	74.3%	76.0%	74.6%	76.8%	77.3%	76.2%	78.7%	77.0%	76.6%	76.5%	77.1%
Security Systems Division	4.9%	4.8%	9.1%	10.2%	9.5%	8.4%	7.5%	8.8%	5.7%	5.9%	5.2%	5.1%	5.4%
Canvys	22.3%	18.0%	16.5%	13.8%	16.0%	14.9%	15.2%	15.0%	15.6%	17.1%	18.2%	18.4%	17.4%
Corporate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue Growth (Year / Year)													
RF, Wireless & Power Division													
PMT	0.7%	2.3%	-0.1%	-6.6%	0.0%	7.8%	-4.3%	-1.2%	14.7%	19.4%	28.6%	15.0%	19.2%
Healthcare	-17.4%	-22.4%	-4.5%	-31.3%	-8.5%	-7.7%	0.0%	-12.8%	25.3%	24.1%	58.3%	40.4%	36.9%
Canvys													
Corporate													
Total	0.7%	-3.6%	3.9%	-10.0%	-0.9%	3.2%	-5.6%	-3.7%	10.8%	15.7%	29.0%	16.1%	17.8%

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21st Century Equity Research

Balance Sheet	2009	2010	2011	2012	2013	2014	2015	Q1-16	Q2-16	Q3-16	Q4-16	2016	Q1-17	Q2-17	Q3-17	Q4-17	2017	Q1-18	Q2-18	Q3-18	
Assets																					
Cash	\$43.9	\$29.0	\$171.0	\$43.9	\$102.0	\$102.8	\$74.5	\$68.4	\$67.9	\$60.2	\$60.5	\$60.5	\$57.5	\$54.1	\$51.4	\$55.3	\$55.3	\$56.4	\$54.5	\$59.9	
Accounts Receivable	\$92.4	\$98.7	\$22.4	\$19.7	\$18.3	\$18.4	\$20.8	\$24.0	\$21.0	\$20.9	\$24.9	\$24.9	\$21.5	\$20.5	\$21.2	\$20.8	\$20.8	\$19.3	\$21.0	\$21.9	
Inventories	\$81.2	\$78.7	\$30.9	\$34.7	\$34.0	\$33.9	\$38.8	\$41.2	\$43.1	\$45.5	\$45.4	\$45.4	\$45.2	\$43.1	\$42.9	\$42.8	\$42.8	\$46.1	\$48.1	\$49.1	
Other Current Assets	\$7.8	\$7.0	\$64.0	\$115.0	\$48.3	\$37.1	\$27.0	\$9.8	\$6.8	\$6.4	\$5.1	\$5.1	\$8.2	\$9.0	\$9.1	\$9.5	\$9.5	\$5.8	\$7.8	\$4.0	
Discontinued ops-assets			\$0.0	\$0.3		\$0.0						\$0.0				\$0.0					
Current Assets	\$225.3	\$213.4	\$288.3	\$213.3	\$202.9	\$192.2	\$161.1	\$143.4	\$138.8	\$133.0	\$135.9	\$135.9	\$132.4	\$126.7	\$124.6	\$128.4	\$128.4	\$127.6	\$131.4	\$134.9	
Net Property, Plant, and Equipment	\$19.4	\$16.7	\$5.0	\$5.4	\$5.1	\$7.2	\$10.1	\$10.8	\$10.9	\$11.6	\$13.0	\$13.0	\$14.4	\$15.1	\$15.2	\$15.8	\$15.8	\$16.2	\$17.3	\$18.0	
Goodwill & Other Assets	\$4.1	\$4.7	\$4.0	\$12.7	\$9.3	\$4.1	\$13.8	\$22.3	\$19.1	\$19.4	\$19.2	\$19.2	\$13.8	\$13.6	\$13.5	\$13.2	\$13.2	\$13.3	\$11.3	\$10.5	
Total Assets	\$248.8	\$234.8	\$297.3	\$231.4	\$217.3	\$203.5	\$185.0	\$176.5	\$168.8	\$164.0	\$168.1	\$168.1	\$160.6	\$155.4	\$153.3	\$157.4	\$157.4	\$157.1	\$160.0	\$163.4	
Liabilities and Stockholders' Equity																					
Current Debt	\$0.0	\$19.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0					\$0.0					\$0.0				
Accounts Payable	\$53.0	\$61.6	\$17.8	\$12.6	\$14.3	\$12.3	\$15.8	\$14.3	\$13.6	\$12.7	\$14.9	\$14.9	\$12.6	\$11.5	\$12.3	\$15.9	\$15.9	\$13.4	\$15.2	\$15.9	
Accrued Expenses	\$18.4	\$18.8	\$43.7	\$8.5	\$9.6	\$9.2	\$10.1	\$9.3	\$8.9	\$8.1	\$9.1	\$9.1	\$8.0	\$9.9	\$8.7	\$8.3	\$8.3	\$9.2	\$8.6	\$9.9	
Discontinued ops-liabilities			\$13.8	\$0.2	\$0.2	\$0.0	\$0.0					\$0.0					\$0.0				
Current Liabilities	\$71.4	\$99.9	\$75.3	\$21.1	\$24.1	\$21.5	\$25.9	\$23.6	\$22.5	\$20.8	\$24.0	\$24.0	\$20.6	\$21.4	\$21.0	\$24.2	\$24.2	\$22.6	\$23.8	\$25.8	
Long-term Debt	\$52.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Deferred Taxes & Other Long-term Liabilities	\$6.3	\$5.0	\$13.0	\$8.5	\$8.0	\$5.7	\$2.3	\$2.2	\$1.7	\$2.0	\$2.4	\$2.4	\$1.4	\$1.2	\$1.0	\$0.9	\$0.9	\$0.9	\$1.1	\$1.1	
Discontinued ops-non-current liabilities			\$1.6	\$1.4	\$0.0	\$1.4	\$0.0					\$0.0					\$0.0				
Total Liabilities	\$130.1	\$104.9	\$89.9	\$29.6	\$32.1	\$28.6	\$28.3	\$25.8	\$24.2	\$22.8	\$26.4	\$26.4	\$22.0	\$22.6	\$22.0	\$25.1	\$25.1	\$23.5	\$24.9	\$26.9	
Shareholder Equity	\$118.7	\$129.9	\$224.2	\$200.2	\$185.2	\$174.9	\$156.7	\$150.7	\$144.6	\$141.2	\$141.7	\$141.7	\$138.6	\$132.8	\$131.3	\$132.3	\$132.3	\$133.7	\$135.1	\$136.5	
Total Liabilities and Equity	\$248.8	\$234.8	\$314.1	\$229.8	\$217.3	\$203.5	\$185.0	\$176.5	\$168.8	\$164.0	\$168.1	\$168.1	\$160.6	\$155.4	\$153.3	\$157.4	\$157.4	\$157.1	\$160.0	\$163.4	
Book Value Per Share	\$6.67	\$6.87	\$12.32	\$11.71	\$12.07	\$12.27	\$11.40	\$11.16	\$11.21	\$11.03	\$11.07	\$10.78	\$10.83	\$10.42	\$10.22	\$10.30	\$10.30	\$10.44	\$10.47	\$10.50	
Asset Utilization and Efficiency																					
Accounts Receivable Turnover	4.9	5.1	4.3	7.5	7.4	7.7	7.0	7.1	6.3	6.9	6.2	5.9	6.5	6.1	6.5	6.0	7.3	7.5	7.7		
Days' Sales in Receivables Outstanding	67.9	73.3	31.8	45.5	47.4	47.3	55.5	59.0	56.2	60.9	57.4	64.0	58.7	55.3	59.9	50.7	55.5	47.6	49.0	48.0	
Inventory Turnover	4.4	3.8	2.9	3.4	2.9	3.0	2.6	2.7	2.4	2.1	2.5	2.3	2.1	2.0	2.3	2.1	2.2	2.3	2.4		
Days' Sales in Inventory Outstanding	76.6	76.8	59.0	114.0	124.7	122.7	148.1	145.7	165.9	193.1	158.1	170.5	178.1	172.5	181.2	153.8	168.1	169.3	170.8	162.5	
Accounts Payable Turnover	7.3	5.8	5.0	7.3	7.4	7.6	6.8	7.8	7.0	7.2	6.8	6.3	7.3	6.9	6.6	6.0	7.7	7.7	7.7		
Days' Purchases in Payables Outstanding	50.0	60.1	34.0	41.4	52.4	44.5	60.3	50.6	52.4	53.9	51.9	56.0	49.6	46.0	52.0	57.1	62.4	49.0	54.0	52.6	
Cash Conversion Cycle (Days)	94.6	89.9	56.6	118.1	119.6	125.5	143.3	154.2	169.8	200.1	163.6	178.5	187.2	181.8	189.2	147.4	161.1	167.9	165.8	157.8	
Capital Structure																					
Total Debt-to-Total Capital Ratio	30.6%	13.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Debt-to-Equity Ratio	44.1%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Fiscal Year End - May																					

(\$ in millions, except per share data)

RDC and Free Cash Flow	2008	2009	2010	2011	2012	2013	2014	2015	Q1-16	Q2-16	Q3-16	Q4-16	2016	Q1-17	Q2-17	Q3-17	Q4-17	2017	Q1-18	Q2-18	Q3-18	
NOPAT																						
EBIT	\$10.2	(\$8.2)	\$22.3	\$11.4	\$6.2	\$0.0	(\$4.2)	(\$8.1)	(\$1.0)	(\$2.6)	(\$2.7)	(\$0.3)	(\$6.8)	(\$2.1)	(\$2.4)	(\$1.3)	\$0.0	\$0.0	(\$5.8)	\$0.0	\$0.8	\$1.0
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.9	(\$0.5)	\$0.3	\$0.0	(\$1.2)	\$0.3	\$0.2	\$0.1	(\$0.1)	\$0.5	\$0.5	\$0.3	\$0.0	\$0.0	\$0.0	\$0.8	(\$0.0)	\$0.5	\$0.6
NOPAT	\$10.6	(\$10.6)	\$22.5	\$10.5	\$6.7	(\$0.3)	(\$4.2)	(\$6.9)	(\$1.3)	(\$2.8)	(\$2.8)	(\$0.2)	(\$7.3)	(\$2.6)	(\$2.7)	(\$1.3)	\$0.0	\$0.0	(\$6.5)	\$0.1	\$0.3	\$0.4
Cash Taxes on EBIT																						
Income Tax Provision	(\$0.2)	\$1.8	(\$0.2)	\$0.9	(\$0.4)	\$0.1	(\$0.1)	(\$1.4)	\$0.4	\$0.2	\$0.1	(\$0.2)	\$0.5	\$0.5	\$0.3	\$0.0	\$0.0	\$0.8	\$0.1	\$0.5	\$0.5	
Tax Deduction on Interest Expense	\$0.2	(\$0.6)	(\$0.0)	\$0.0	\$0.1	(\$0.2)	(\$0.1)	(\$0.2)	\$0.1	\$0.0	\$0.0	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	(\$0.1)	\$0.0
Cash Taxes on EBIT	(\$0.0)	\$2.5	(\$0.2)	\$0.9	(\$0.5)	\$0.3	\$0.0	(\$1.2)	\$0.3	\$0.2	\$0.1	(\$0.1)	\$0.5	\$0.5	\$0.3	\$0.0	\$0.0	\$0.8	(\$0.0)	\$0.5	\$0.6	
Invested Capital																						
Total Debt	\$65.7	\$52.4	\$19.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Stockholders' Equity	\$141.4	\$118.7	\$129.9	\$224.2	\$202.2	\$185.2	\$174.9	\$156.7	\$150.7	\$144.6	\$141.2	\$141.7	\$141.7	\$138.6	\$132.8	\$131.3	\$132.3	\$132.3	\$133.7	\$135.1	\$136.5	\$136.5
Total Cash & Short-term Investments	\$40.0	\$43.9	\$29.0	\$171.0	\$158.9	\$150.3	\$139.9	\$101.5	\$78.2	\$74.7	\$66.6	\$65.6	\$65.6	\$65.7	\$63.1	\$60.5	\$64.8	\$62.2	\$62.2	\$62.3	\$63.9	\$63.9
Invested Capital	\$157.1	\$127.2	\$120.4	\$53.2	\$41.3	\$34.9	\$35.0	\$55.2	\$72.5	\$69.9	\$74.6	\$76.1	\$76.1	\$72.9	\$69.7	\$70.8	\$67.5	\$67.5	\$71.5	\$72.8	\$72.6	
Return on Invested Capital																						
Return on Invested Capital (Average)	6.3%	-7.6%	18.1%	12.1%	14.1%	-0.9%	-12.0%	-15.2%	-2.4%	-5.6%	-5.8%	-0.3%	-11.1%	-3.9%	-3.9%	-1.8%	0.0%	-9.1%	0.1%	0.4%	0.8%	
Note: Quarterly Figures Have Been Annualized																						
Free Cash Flow																						
Net Income (Loss)	(\$8.5)	(\$12.2)	\$17.3	\$9.9	\$8.0	\$0.5	(\$0.6)	(\$5.7)	(\$1.4)	(\$2.3)	(\$2.9)	(\$0.2)	(\$7.0)	(\$2.9)	(\$2.5)	(\$1.4)	(\$0.2)	(\$6.9)	(\$0.1)	\$0.2	\$0.5	
Adjustments:																						
Depreciation	\$5.5	\$5.3	\$4.3	\$1.8	\$1.2	\$1.2	\$1.2	\$1.7	\$0.5	\$0.8	\$0.6	\$0.5	\$2.4	\$0.7	\$0.6	\$0.7	\$0.7	\$2.7	\$0.7	\$0.7	\$0.8	
Amortization of Intangibles and Financing Costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.0	\$0.0	\$0.0	
Deferred Income Taxes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$1.4)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Loss from Disposition of a Business	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Provision for Inventory Obsolescence	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Other Charges	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Divestitures	\$180.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Goodwill and Other Intangible Assets Impairment, Net of Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Other Non-cash Items in Net Income	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.5	
Total Adjustments	\$5.5	\$5.3	\$4.3	\$181.8	\$1.2	\$1.2	\$2.9	\$0.3	\$0.5	\$0.8	\$0.6	\$0.5	\$2.4	\$0.7	\$0.6	\$0.8	\$1.0	\$2.7	\$1.7	\$2.2	\$1.4	
Changes in Working Capital, Net of Currency Translation Effects and Business Acquisitions:																						
Decrease (Increase) in Accounts Receivable	(\$3.8)	\$17.1	(\$6.3)	\$76.3	\$2.7	\$1.4	(\$0.1)	(\$2.4)	(\$3.2)	\$3.0	\$0.1	(\$4.0)	(\$4.1)	\$3.4	\$1.0	(\$0.7)	\$0.4	\$4.1	\$1.5	(\$1.7)	(\$0.9)	
Decrease (Increase) in Inventories	\$16.3	\$12.7	\$2.5	\$47.8	(\$3.8)	\$0.7	\$0.1	(\$4.9)	(\$2.4)	(\$1.9)	(\$2.4)	\$0.1	(\$6.6)	\$0.2	\$2.1	\$0.2	\$0.1	\$2.6	(\$3.3)	(\$2.0)	(\$1.0)	
Decrease (Increase) in Other Current Assets	\$1.1	(\$1.4)	\$0.8	(\$57.0)	\$51.0	\$0.0	\$0.0	\$0.0	\$1.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
(Decrease) Increase in Accounts Payable	\$3.3	(\$5.9)	\$8.6	(\$43.8)	(\$5.2)	\$1.7	\$1.5	\$7.0	(\$1.5)	(\$0.7)	(\$0.9)	\$2.2	(\$0.9)	(\$2.3)	(\$1.1)	\$0.8	\$3.6	\$1.0	(\$2.6)	\$1.9	\$0.7	
Decrease (Increase) Assets Held for Sale																						
(Decrease) Increase in Other Current Liabilities	(\$12.2)	(\$3.4)	\$0.4	\$24.9	\$0.0	\$0.0	\$0.0	\$0.0	(\$1.0)	(\$0.0)	(\$0.0)	(\$1.1)	(\$0.4)	(\$1.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$2.0)	\$0.0	\$0.0	\$1.1	
Total Changes in Operating Assets and Liabilities	\$4.7	\$19.1	\$6.0	\$48.2	\$44.7	\$3.8	\$1.5	(\$0.3)	(\$6.1)	(\$0.5)	(\$3.2)	(\$1.7)	(\$11.6)	\$0.2	\$1.6	(\$0.8)	\$4.0	\$5.7	(\$4.4)	(\$2.2)	\$0.6	
Net Cash Flow from Operations	\$1.7	\$12.2	\$27.8	\$239.9	\$53.9	\$5.5	\$3.8	(\$5.7)	(\$7.0)	(\$2.0)	(\$5.5)	(\$1.4)	(\$16.2)	(\$2.0)	(\$0.3)	(\$1.4)	\$4.8	\$1.5	(\$2.8)	\$0.2	\$2.5	
Capital Expenditures	(\$4.6)	(\$1.6)	(\$1.4)	(\$0.5)	(\$0.2)	(\$1.3)	(\$2.7)	(\$4.7)	(\$1.0)	(\$0.4)	(\$1.3)	(\$1.7)	(\$4.4)	(\$2.1)	(\$1.2)	(\$0.8)	(\$1.1)	(\$5.2)	(\$1.0)	(\$1.7)	(\$1.5)	
Time Deposit Purchases																						
Free Cash Flow	(\$2.8)	\$10.6	\$26.2	\$239.4	(\$29.1)	\$4.2	\$1.1	(\$10.4)	(\$8.0)	(\$2.8)	(\$6.8)	(\$3.1)	(\$21.0)	(\$4.1)	(\$1.5)	(\$2.2)	\$3.7	(\$3.7)	(\$3.8)	(\$1.5)	\$1.0	
Free Cash Flow per Share	(\$0.16)	\$0.59	\$1.38	\$13.15	(\$1.70)	\$0.27	\$0.08	(\$0.76)	(\$0.59)	(\$0.22)	(\$0.55)	(\$0.24)	(\$1.60)	(\$0.32)	(\$0.12)	(\$0.17)	\$0.29	(\$0.29)	(\$0.29)	(\$0.12)	\$0.08	
Fiscal Year End - May																						
(\$ in millions, except per share data)																						