

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	\$5.87
52Wk High	\$7.24
52Wk Low	\$5.56
3mo. Daily Volume	25,558
Market Capitalization	\$75 m
Shares Outstanding	12.9 Mil.
Dividend Yield	4.00%
Tangible Book Value Per Share	\$9.50
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.1
EV-to-EBITDA TTM	NA

Financial Data

	OLD	NEW	NEW	NEW
EPS	FY-16	FY-17E	FY-17E	FY-18E
Q1-Aug	(\$.11)	(\$.22A)	(\$.22A)	(\$.12E)
Q2-Nov	(\$.18)	(\$.20A)	(\$.20A)	(\$.07E)
Q3-Feb	(\$.23)	(\$.11A)	(\$.11A)	(\$.12E)
Q4-May	(\$.01)	(\$.00E)	(\$.01A)	\$.01E
FY-May	(\$.53)	(\$.53E)	(\$.54A)	(\$.30E)

Revenue	\$142	\$139	\$137	\$141
% Chg	3.9%	-2.5%	-3.7%	2.9%

Cash	\$61	\$50	\$55	\$52
Assets	\$168	\$150	\$157	\$152
Debt	\$0	\$0	\$0	\$0
Equity	\$142	\$131	\$132	\$128

Note: Figures in \$millions except per share data

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NASDAQ: RELL
PRICE: \$5.87
DATE: 7/21/17

Q4 EPS of (\$0.01) missed our estimate of \$0.00 due to an FX loss. The company achieved positive Operating Income as previously guided by management. EPS in the prior year was (\$0.01).

Q4 Sales declined 5.6% YOY to \$37.4 m due primarily to a non-recurring government order of \$3.8 m in the prior year quarter and the absence of divested PACS sales within the Healthcare Division. Exclusive of government order, PMT sales increased 9.5% YOY.

Q4 Gross Margin declined 170 bps YOY to 32.1% due to unfavorable product mix.

Q4 Operating Income improved \$0.3 m YOY to break-even as a significant reduction in SG&A stemming from restructuring off-set the lower gross margin from reduced sales.

The company generated \$5 m of operating cash flow Q4 due to improved working capital management.

The balance sheet remains strong with \$0 debt and \$55.3 m (\$4.29/share) in cash.

The stock trades well below tangible book value of \$9.50/share. Approximately \$10 m of stock repurchases remain authorized which equates to 13% of outstanding shares. The dividend presently yields 4%.

The company expects positive sales growth for FY18.



Analysis of Q4 Results

Q4 EPS of (\$.01) missed our estimate of \$.00 due to an FX loss of \$.3 m while the sales and gross margin miss was offset by lower than expected SG&A. EPS in the prior year was also (\$.01) aided by \$.02 of a tax benefit. Q4 sales declined 5.6% YOY to \$37.4 m vs. our estimate of \$39.1 m. Q4 PMT sales declined 4.4% YOY to \$28.9 m vs. our estimate of \$31 m due to a non-recurring government order of \$3.8 m in the prior year. Exclusive of this order, PMT sales grew 9.5% YOY. Canvys sales were flat YOY at \$5.7 m but beat our \$5 m estimate. Healthcare sales declined 22.8% YOY to \$2.9 m due to the divestiture of the PACS business. Q4 Gross margin declined 170 bps YOY to 32.1% due to unfavorable product mix. Q4 operating income improved by \$.3 m YOY to break-even as SG&A declined by \$1.5 m YOY due to cost savings from a work-force reduction. The company generated \$5 m of operating cash flow in Q4 due to improved working capital management. No shares were repurchased in the quarter and \$10 m remains authorized equating to approximately 13% of outstanding shares. The \$.24 annualized dividend yields 4% and the stock trades substantially below tangible book value of \$9.50/share. The balance sheet remains strong with \$55.3 m (\$4.29/share) in cash and \$0 debt.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q4FY17	Q4FY16	% Change	Q4FY17	% of Sales	Q4FY16	% of Sales
PMT	\$28,853	\$30,189	-4.4%	\$9,579	33.2%	\$10,295	34.1%
Canvys	\$5,651	\$5,680	-0.5%	\$1,530	27.1%	\$1,578	27.8%
Healthcare	\$2,855	\$3,699	-22.8%	\$878	30.8%	\$1,515	41.0%
Total	\$37,359	\$39,568	-5.6%	\$11,987	32.1%	\$13,388	33.8%

Outlook

Management has not issued guidance for FY18 but believes overall sales will grow YOY. Additionally, it believes operating expenses and operating cash flow should be at similar levels vs. FY17. The company's PMT segment is benefitting from the continued positive upcycle in the semi-wafer fabrication vertical. Industry opinion suggests this upturn should continue for roughly another 12 months. We have modeled 5% YOY topline growth for PMT in FY18, flat performance for Canvys, and a decline of 10% for Healthcare given the absence of divested PACS sales. PACS sales were \$4.5 m in FY17. Gross margin can vacillate due to product mix and incentive driven compensation within SG&A can also fluctuate. Upside resides in possible topline outperformance within PMT supported by a strong backlog and a 1.15 book to bill. Further upside remains possible in sales execution within Healthcare and better product mix positively impacting gross margin. Lastly, acquisition opportunities are looking fairly expensive according to management.

Peer Group Comparison

Ticker	Name	Price	EV / Sales	EV / EBITDA	P/BV	P/E	P/E-CY17E	P/E-CY18E
ARW	Arrow Electronics	\$82.49	0.4	9.0	1.6	14.2	11.6	10.6
AVT	Avnet	\$39.62	0.2	5.5	1.0	9.5	12.5	12.3
WCC	Wesco International Inc.	\$57.50	0.6	10.6	1.4	27.4	14.9	12.9
	Median		0.4	9.0	1.4	14.2	12.5	12.3
RELL	Richardson Electronics	\$5.87	0.1	NA	0.6	NA	NA	NA

Note: All figures based on trailing 12-months, except P/E-17 and PE/-18 based on consensus estimates
Prices as of 7/20/17

Income Statement (in millions)	2014	2015	2016	Q1-17	Q2-17	Q3-17	Q4-17	2017	Q1-18E	Q2-18E	Q3-18E	Q4-18E	2018E
Sales	\$141.9	\$136.8	\$142.1	\$33.4	\$33.8	\$32.3	\$37.4	\$136.9	\$34.1	\$34.5	\$33.5	\$38.8	\$140.9
COGS	\$100.9	\$95.6	\$97.2	\$23.2	\$22.8	\$21.6	\$25.4	\$93.0	\$23.3	\$23.4	\$22.8	\$26.2	\$95.8
Gross Profit	\$41.1	\$41.2	\$44.9	\$10.2	\$11.0	\$10.7	\$12.0	\$43.9	\$10.7	\$11.0	\$10.7	\$12.6	\$45.1
Operating Expenses	\$45.2	\$49.3	\$51.7	\$12.3	\$13.4	\$12.0	\$12.2	\$49.9	\$12.0	\$12.1	\$12.2	\$12.3	\$48.6
(Gain) loss on disposal of assets							(\$0.2)	(\$0.2)					\$0.0
Operating Income	(\$4.2)	(\$8.1)	(\$6.8)	(\$2.1)	(\$2.4)	(\$1.3)	\$0.0	(\$5.8)	(\$1.3)	(\$1.1)	(\$1.5)	\$0.3	(\$3.5)
Add back D&A	\$1.2	\$1.7	\$2.4	\$0.7	\$0.6	\$0.7	\$0.7	\$2.7	\$0.7	\$0.6	\$0.7	\$0.7	\$2.7
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)	(\$0.5)	(\$0.3)	(\$0.7)	\$1.1	(\$0.3)
Interest Expense, Net	(\$1.1)	(\$0.9)	(\$0.5)	\$0.0	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.3)	\$0.0	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.3)
Proceeds from legal settlement	(\$2.1)	\$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	\$0.3	(\$0.2)	\$0.2	\$0.3	\$0.6
Pretax Income	(\$0.6)	(\$7.1)	(\$6.5)	(\$2.4)	(\$2.2)	(\$1.4)	(\$0.2)	(\$6.1)	(\$1.6)	(\$0.8)	(\$1.6)	\$0.2	(\$3.8)
Income Tax	(\$0.1)	(\$1.4)	\$0.5	\$0.5	\$0.3	\$0.0	\$0.0	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income	(\$0.6)	(\$5.7)	(\$7.0)	(\$2.9)	(\$2.5)	(\$1.4)	(\$0.2)	(\$6.9)	(\$1.6)	(\$0.9)	(\$1.6)	\$0.2	(\$3.8)
Shares Outstanding-Diluted	14.3	13.8	13.1	12.8	12.8	12.8	12.9	12.8	12.9	12.9	12.9	12.9	12.9
EPS - Diluted (Continuing Ops)	(\$0.04)	(\$0.41)	(\$0.53)	(\$0.22)	(\$0.20)	(\$0.11)	(\$0.01)	(\$0.54)	(\$0.12)	(\$0.07)	(\$0.12)	\$0.01	(\$0.30)
Dividend per Share	\$0.24	\$0.24	\$0.24	\$0.06	\$0.06	\$0.06	\$0.06	\$0.24					
% 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%	68.5%	68.0%	68.0%	67.5%	68.0%
Gross Profit	28.9%	30.1%	31.6%	30.7%	32.5%	33.1%	32.1%	32.1%	31.5%	32.0%	32.0%	32.5%	32.0%
Operating Expenses	31.9%	36.0%	36.4%	36.8%	39.6%	37.2%	32.6%	36.4%	35.2%	35.1%	36.4%	31.7%	34.5%
Operating Income	-2.9%	-5.9%	-4.8%	-6.2%	-7.1%	-4.0%	0.0%	-4.2%	-3.7%	-3.1%	-4.4%	0.8%	-2.5%
Interest Expense, Net	-0.8%	-0.7%	-0.4%	0.0%	-0.1%	-0.3%	-0.3%	-0.2%	0.0%	-0.1%	-0.3%	-0.3%	-0.2%
Other Expense, Net	-0.2%	-0.1%	0.1%	0.9%	-0.6%	0.6%	0.7%	0.4%	0.9%	-0.6%	0.6%	0.7%	0.4%
Pretax Income	-0.4%	-5.2%	-4.6%	-7.1%	-6.4%	-4.3%	-0.5%	-4.4%	-4.6%	-2.4%	-4.7%	0.4%	-2.7%
Income Tax Rate	9.7%	19.7%	-7.7%	-21.2%	-14.0%	0.0%	0.0%	-13.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	-0.4%	-4.2%	-4.9%	-8.6%	-7.4%	-4.3%	-0.5%	-5.0%	-4.6%	-2.5%	-4.7%	0.4%	-2.7%
Revenue by Segment													
RF, Wireless & Power Division													
PMT	\$103.3	\$105.7	\$105.6	\$25.4	\$25.2	\$24.8	\$28.9	\$104.3	\$26.7	\$26.5	\$26.0	\$30.3	\$109.5
Healthcare	\$6.9	\$6.5	\$13.0	\$3.4	\$3.2	\$2.7	\$2.8	\$12.1	\$2.8	\$2.6	\$2.7	\$2.8	\$10.9
Canvus	\$31.7	\$24.6	\$23.5	\$4.6	\$5.4	\$4.8	\$5.7	\$20.5	\$4.6	\$5.4	\$4.8	\$5.7	\$20.5
Corporate													
Total	\$141.9	\$136.8	\$142.1	\$33.4	\$33.8	\$32.3	\$37.4	\$136.9	\$34.1	\$34.5	\$33.5	\$38.8	\$140.9
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%	78.3%	76.8%	77.6%	78.1%	77.7%
Security Systems Division	4.9%	4.8%	9.1%	10.2%	9.5%	8.4%	7.5%	8.8%	8.2%	7.5%	8.1%	7.2%	7.7%
Canvus	22.3%	18.0%	16.5%	13.8%	16.0%	14.9%	15.2%	15.0%	13.5%	15.7%	14.3%	14.7%	14.5%
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%	5.0%	5.0%	5.0%	5.0%	5.0%
Healthcare		-5.8%	100.0%	6.2%	6.7%	-12.9%	-24.3%	-6.9%	-17.6%	-18.8%	0.0%	0.0%	-9.9%
Canvus	-17.4%	-22.4%	-4.5%	-31.3%	-8.5%	-7.7%	0.0%	-12.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Corporate													
Total	0.7%	-3.6%	3.9%	-10.0%	-0.9%	3.2%	-5.6%	-3.7%	2.0%	2.0%	3.8%	3.9%	2.9%

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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
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
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
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
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
Discontinued ops-assets			\$0.0	\$0.0	\$0.0		\$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
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
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
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
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
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
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
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
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
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	\$24.2	\$22.8	\$22.8	\$26.4	\$26.4	\$22.0	\$22.6	\$22.0	\$25.1	\$25.1
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
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
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
Asset Utilization and Efficiency																	
Accounts Receivable Turnover	4.9	5.1	4.3	7.5	7.4	7.7	7.0	7.0	7.1	6.3	6.9	6.2	5.9	6.5	6.1	6.5	6.0
Days' Sales in Receivables Outstanding	67.9	73.3	31.6	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
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	2.1
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
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	6.9	7.3	6.9	6.6	6.0
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
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
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%
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%
Fiscal Year End - May (\$ in millions, except per share data)																	

ROIC 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	
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)
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
NOPAT	\$10.6	(\$10.0)	\$22.5	\$10.5	\$6.7	(\$0.3)	(\$4.2)	(\$6.9)	(\$1.3)	(\$2.9)	(\$2.8)	(\$0.2)	(\$7.3)	(\$2.6)	(\$2.7)	(\$1.3)	\$0.0	\$0.0	(\$5.0)
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	\$0.0	\$0.8
Tax Deduction on Interest Expense	\$0.2	(\$0.9)	(\$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	\$0.0
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
Invested Capital																			
Total Debt	\$55.7	\$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
Stockholders' Equity	\$141.4	\$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	\$132.3
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	\$63.1	\$60.5	\$60.5	\$64.8	\$64.8	\$64.8
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	\$67.5
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%	-3.5%	-3.9%	-1.8%	0.0%	0.0%	-9.1%
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)	
Adjustments:																			
Depreciation	\$5.5	\$5.3	\$4.3	\$1.8	\$1.2	\$1.2	\$1.2	\$1.7	\$0.5	\$0.6	\$0.6	\$0.5	\$2.4	\$0.7	\$0.6	\$0.7	\$0.7	\$0.7	\$2.7
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	\$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
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	\$0.1	-\$0.2	\$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
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
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
Goodwill and Other Intangible Assets Impairment, Net of Tax	\$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
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
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	
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	
Decrease (Increase) in Inventories	\$1.3	\$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	
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	
(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	
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	\$0.0	(\$1.0)	\$0.0	\$0.0	\$0.0	(\$1.1)	(\$0.4)	(\$1.1)	(\$0.1)	(\$2.0)	
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	
Net Cash Flow from Operations	\$1.7	\$12.2	\$27.6	\$239.9	\$53.9	\$5.5	\$3.8	(\$5.7)	(\$7.0)	(\$2.0)	(\$5.5)	(\$1.4)	(\$18.2)	(\$2.0)	(\$0.3)	(\$1.4)	\$4.8	\$1.5	
Capital Expenditures	(\$4.5)	(\$1.6)	(\$1.4)	(\$0.5)	(\$0.2)	(\$1.3)	(\$2.7)	(\$4.7)	(\$1.0)	(\$0.8)	(\$1.3)	(\$1.7)	(\$4.8)	(\$2.1)	(\$1.2)	(\$0.8)	(\$1.1)	(\$5.2)	
Time Deposit Purchases					(\$82.8)														
Free Cash Flow	(\$2.8)	\$10.6	\$26.2	\$239.4	(\$29.1)	\$4.2	\$1.1	(\$10.4)	(\$8.0)	(\$2.8)	(\$6.6)	(\$3.1)	(\$21.0)	(\$4.1)	(\$1.5)	(\$2.2)	\$3.7	(\$3.7)	
Free Cash Flow per Share	(\$0.16)	\$0.59	\$1.38	\$13.15	(\$1.70)	\$0.27	\$0.08	(\$0.78)	(\$0.59)	(\$0.22)	(\$0.53)	(\$0.24)	(\$1.60)	(\$0.32)	(\$0.12)	(\$0.17)	\$0.29	(\$0.29)	
Fiscal Year End - May (\$ in millions, except per share data)																			