



Innovative Defense Electronics

**RADA Electronic Industries Ltd. (Nasdaq: RADA)**

June 2017



**Defense Electronics** company headquartered in Israel

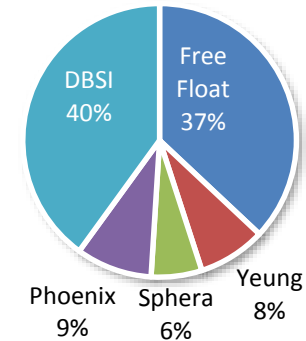
- Design, sell & manufacture:
- Ground-based tactical radars
  - Avionics & Inertial Navigation Systems (INS)

**Turnaround** in the business as focus moves from legacy avionics & INS to...

**Growth Engine** of Radars:  
**Active Protection Solutions** with TAM of \$3bn  
 → For Tactical Vehicles and Force Protection  
 → Driving Future Growth



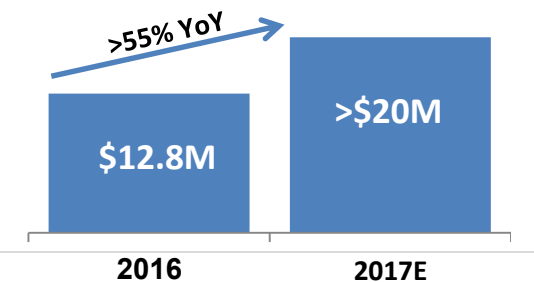
SHAREHOLDERS



GEOGRAPHIC SALES BREAKDOWN



EXPECTED REVENUE GROWTH



Growth Engine

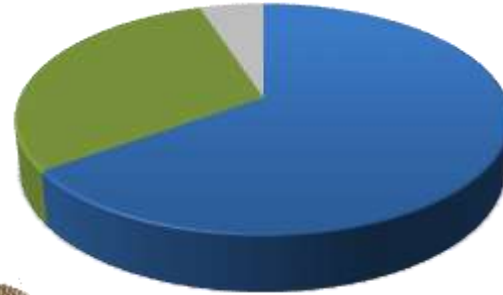
TACTICAL RADARS\*  
2015  
12% → 29%



**Mini-Tactical Multi-Mission AESA Radars for the Maneuver Force**

**Applications**

- Counter-drone system of systems;
- Active protection of combat vehicles;
- Short-Range hostile fire locators;
- All-threat air surveillance;
- 3-D Border surveillance;



AVIONICS\*  
2015  
82% → 66%



**Digital recorders, Avionics Systems and Inertial Navigation Systems for Aircraft**

**Applications**

- Mission video & data recordings;
- Weapon management systems;
- Avionics for manned platforms & UAVs;

Legacy Leadership

\*As a % of FY2016 revenues; the other category is ~5%.

# SELECTED CUSTOMERS & PARTNERS



IDF



FACH



US NAVY



FAP

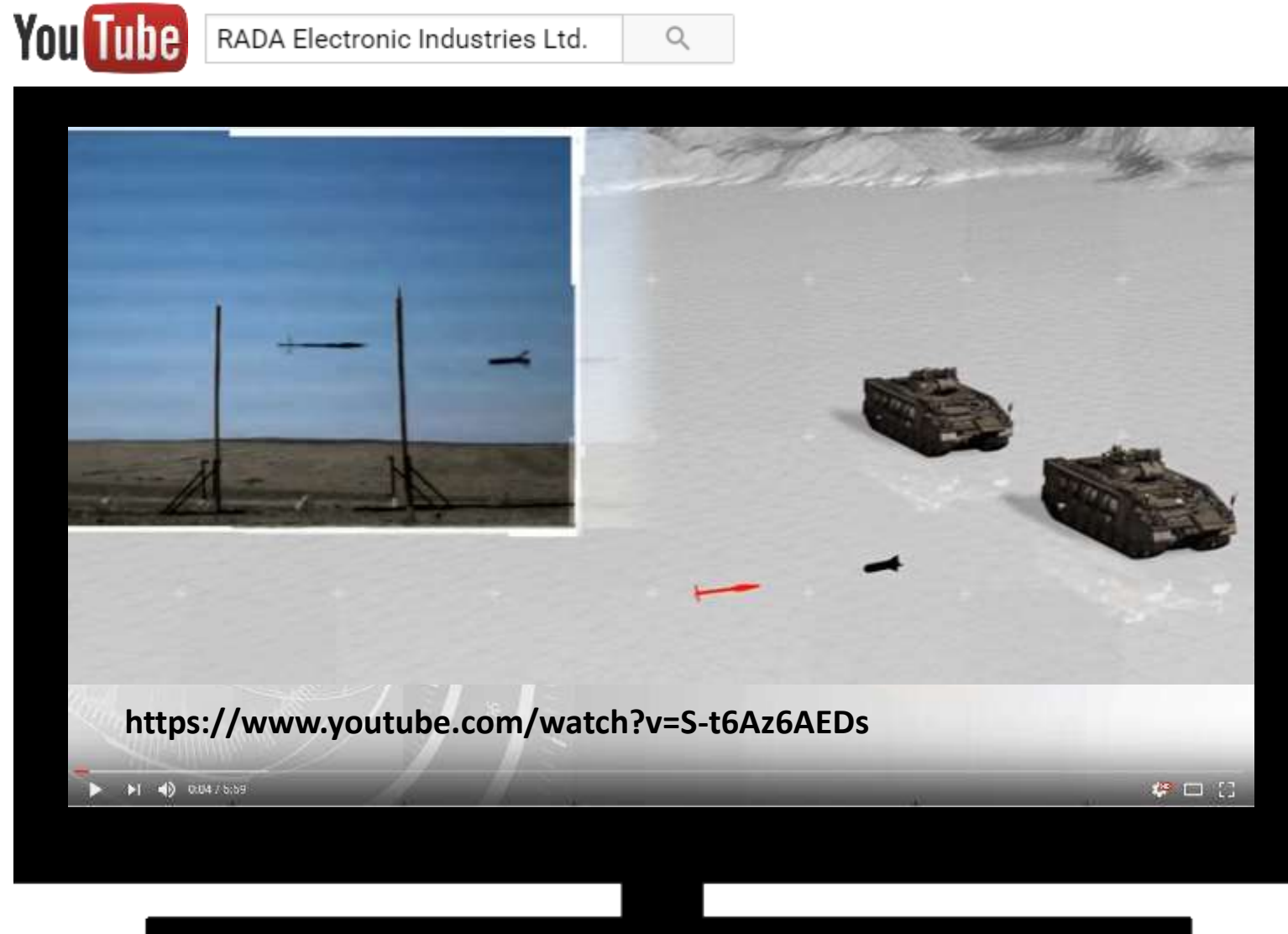


IAF



Indian Security Forces





# RADARS: OPERATIONAL, COMBAT PROVEN



RADA Electronic Industries Ltd.

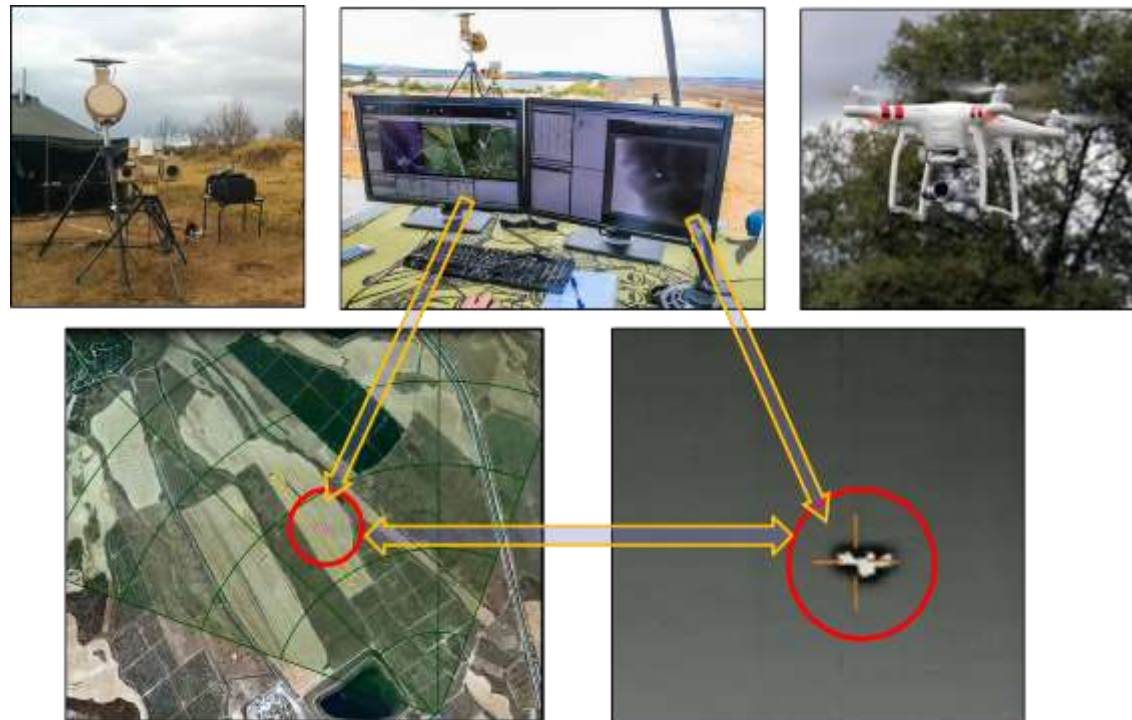


<https://www.youtube.com/watch?v=jgcFUAhzMqE>



0:17 / 0:32 0:19 53 21:57:19 386 Warning 22/11/2012

- ✓ *Segment expected to proliferate*
- ✓ *Conducted numerous successful demonstrations in last 2 years*
- ✓ *Part of the RAFAEL Drone-Dome solution*



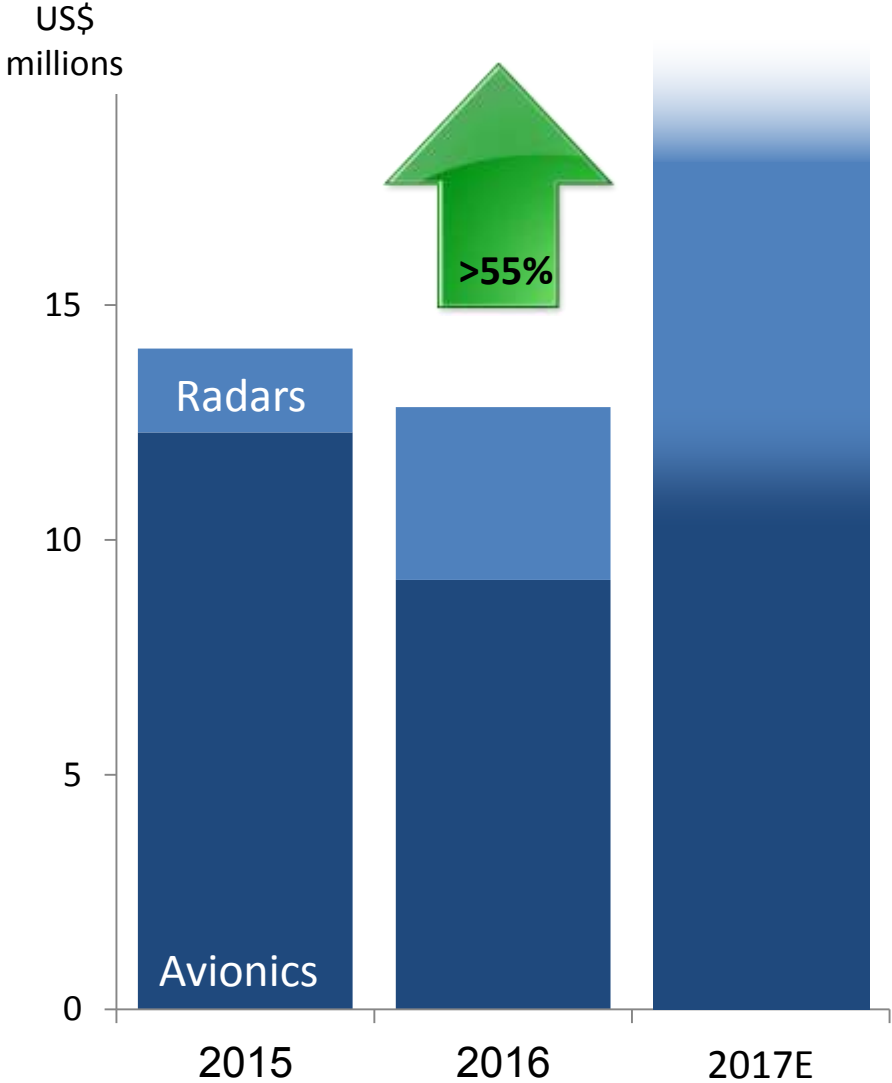
## RADA Positioning for Growth:

**Exceptional tactical-grade capabilities at significantly lower prices**  
in Radar markets

- ✓ Strong partnerships and customer relationships: **tailor products to customer requirements**
- ✓ Customers procure equivalent-capability systems from RADA versus competitors at dramatically **lower prices**
- ✓ Technology development targeting a **higher price/performance** class
- ✓ Compact technology, providing high performance and adaptable to multiple applications



# FINANCIALS: EXPECTED REVENUE GROWTH



- ☑ >\$20m revenue expected in 2017
- ☑ Driven by significant growth in the radar business





☑ First radar sales were made to US customers as part of HEL R&D programs:



☑ **Active Protection (APS) market is emerging** est. at over 25,000 combat vehicles

☑ **Potential market size for mini tactical radars** estimated at ~\$3B over next 10 years

☑ **Strategic partnership with DRS Technologies** (*Americanization of the radars*)

☑ Performed numerous demonstrations & tests orders received have very significant potential

☑ Strong recent momentum with US Army and Marine Corps

## Turnaround Towards Growth

- ✓ Driven by a stable legacy Avionics business combined with Radar growth engine
- ✓ Expected >\$18m revenue in 2017 from \$12.8m in 2016
- ✓ Strong growth combined with improved margins will bring business back to profitability

## Growth Engine Radar

- ✓ Competitive pricing points underpinned by superior technology, addressing huge markets
- ✓ Radar is emerging with TAM of \$3bn+
- ✓ Initial orders already delivered to key customers which are expected to expand strongly

## Stable Legacy Avionics Business

- ✓ Profitable avionics product line
- ✓ Discontinuing less profitable products
- ✓ Provides ongoing stable, cash-generating business