



# RADA

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

Aug 2020

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- ✓ **Global defense technology company**
- ✓ **Focused on “Tactical Radars for the Maneuver Force”**
- ✓ **Pursuing an early-stage and growing TAM of \$5bn+**
- ✓ **Investing in strong growth: radar revenues up 125% YoY in 2019, expected 95+% YoY in 2020**



You Tube

RADA Electronic Industries Ltd.



[https://youtu.be/sku\\_c2t7MwA?list=PLR0I64bzIIE\\_f2JTBEkJdPwfn8-VLLTIJ](https://youtu.be/sku_c2t7MwA?list=PLR0I64bzIIE_f2JTBEkJdPwfn8-VLLTIJ)



# RADA's Current Mission-Critical Applications

R A D A





## *RADA is technology leader for tactical radars*

- ✓ *Part of the USMC LMADIS, RAFAEL Drone-Dome, Elbit ReDrone, AVT/SNC XMADIS, and others*

## *RADA is a critical enabler of counter drone (UAS) solutions*

- ✓ *Numerous successful demonstrations in past three years*
- ✓ *Becoming the “go to” technology choice by global customers*
- ✓ *July 2019: US successfully targeted Iranian drone, using RADA’s radars*



# Onboard USS boxer in Straits of Hormuz (July 2019)

R A D A

You Tube

fox news US downed drones



<https://www.youtube.com/watch?v=T6h7oIKdYZY>





**\$5B+**



**Mini-tactical radar opportunity over next decade**



☑ **Active Protection (APS) radars projected ~\$1.5B US and ~\$1.5B ROW**

- ☑ Initial US program: Bradley APS 1<sup>st</sup> brigade; potential for 2-3 more
- ☑ US Growth: Stryker brigades, NGCV

☑ **Air defense / short-range surveillance radars projected ~\$1B US and ~\$1B ROW**

- ☑ US Army Initial Maneuver Short-Range Air Defense (IM-SHORAD): 4 battalions, 144 vehicles, potential estimated 3-5x
- ☑ USMC Ground Based Air Defense (GBAD): ~200 radars delivered, potential estimated at 2-4x



## Delivering exceptional tactical-grade capabilities at superior performance / price

### TECHNOLOGY

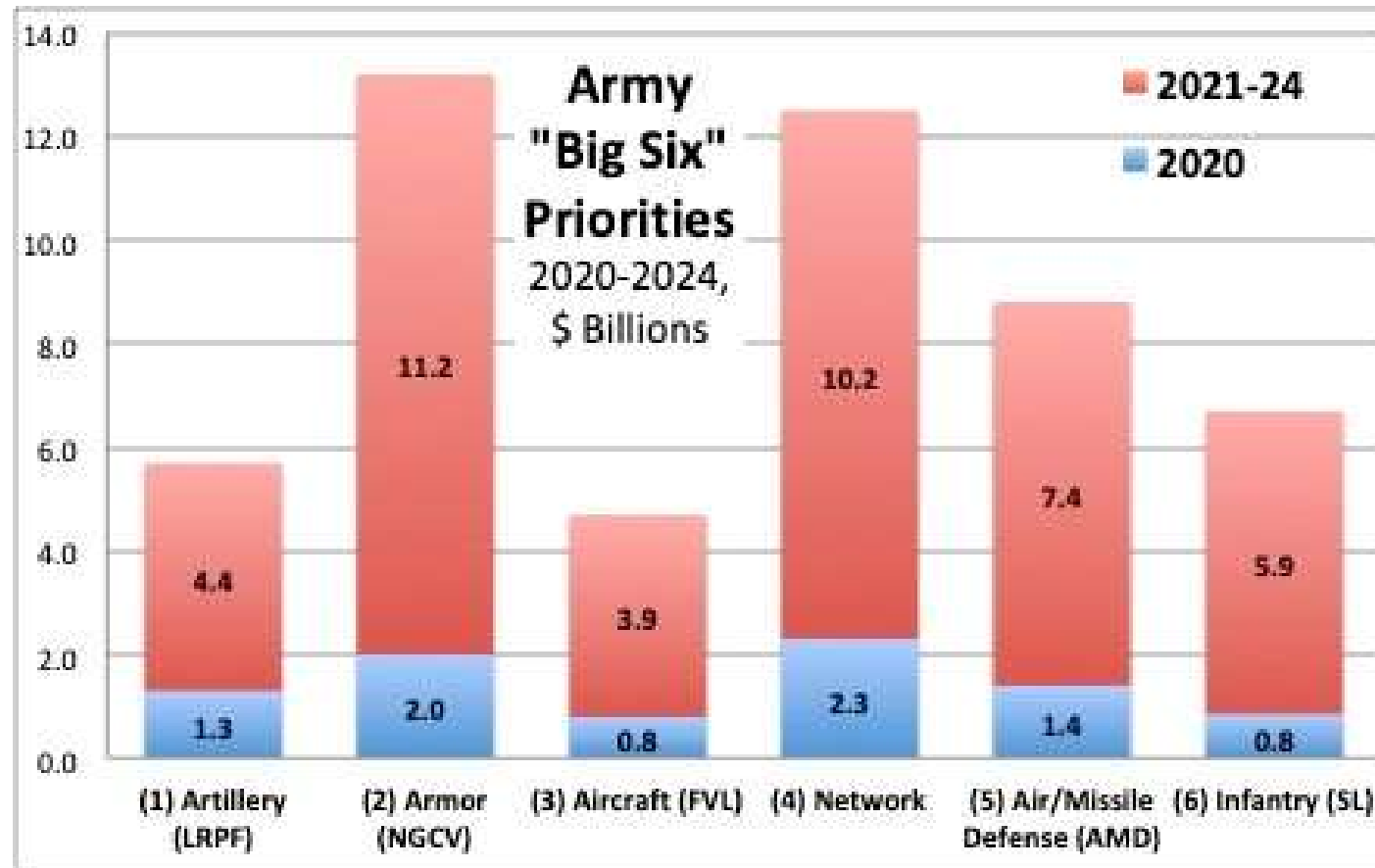
- ✓ Proprietary, high performance and mature, ahead of competition
- ✓ Software defined radars allow variety of customized solutions, utilizing the same hardware
- ✓ Products align with future best-of-breed, open architecture (e.g., MAPS, GBAD/SHORAD)

### CUSTOMER

- ✓ Strong partnerships and relationships due to responsive solutions tailored to customer needs
- ✓ Contracts and deliveries to major end-users (e.g., USMC, US Army, USAF and others)
- ✓ RADA's industry-leading solutions offered at prices below competitors
- ✓ US subsidiary producing and delivering to US customers

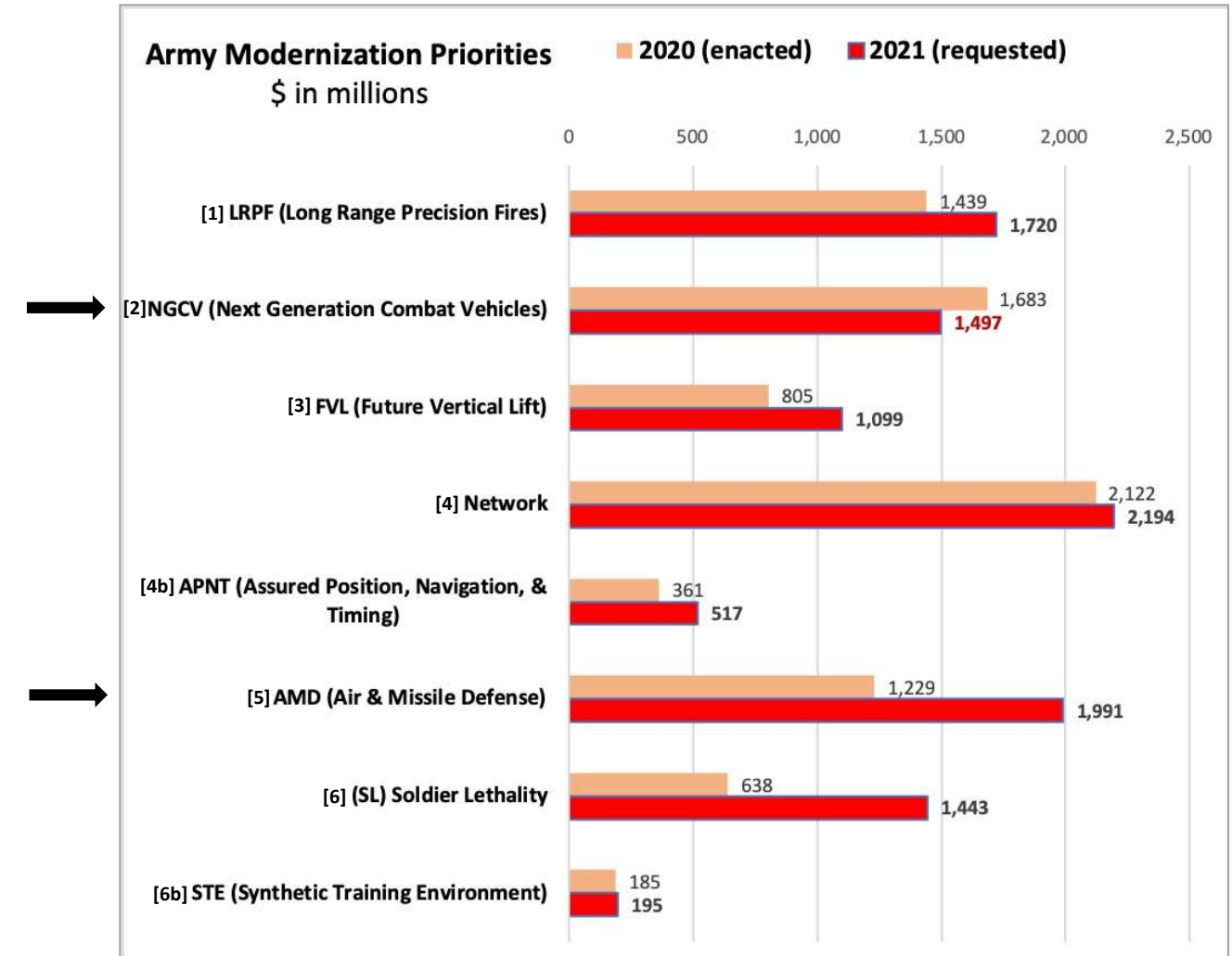
# US Army "Big Six" Modernization Priorities

RADA



↑  
APS

↑  
SHORAD/C-UAS/C-RAM





US facility in Germantown, MD; ~25K sq. ft.



**US represents ~ 36% of \$1.8T global defense spending; RADA's first and foremost market for tactical radars**

**Accordingly, RADA established a US subsidiary**

- ☑ Technology transfer and *Americanization*
- ☑ Production, maintenance and customer support



# Select Customers and End-Users

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IDF



US Marines



US Navy



US Army



US Air Force

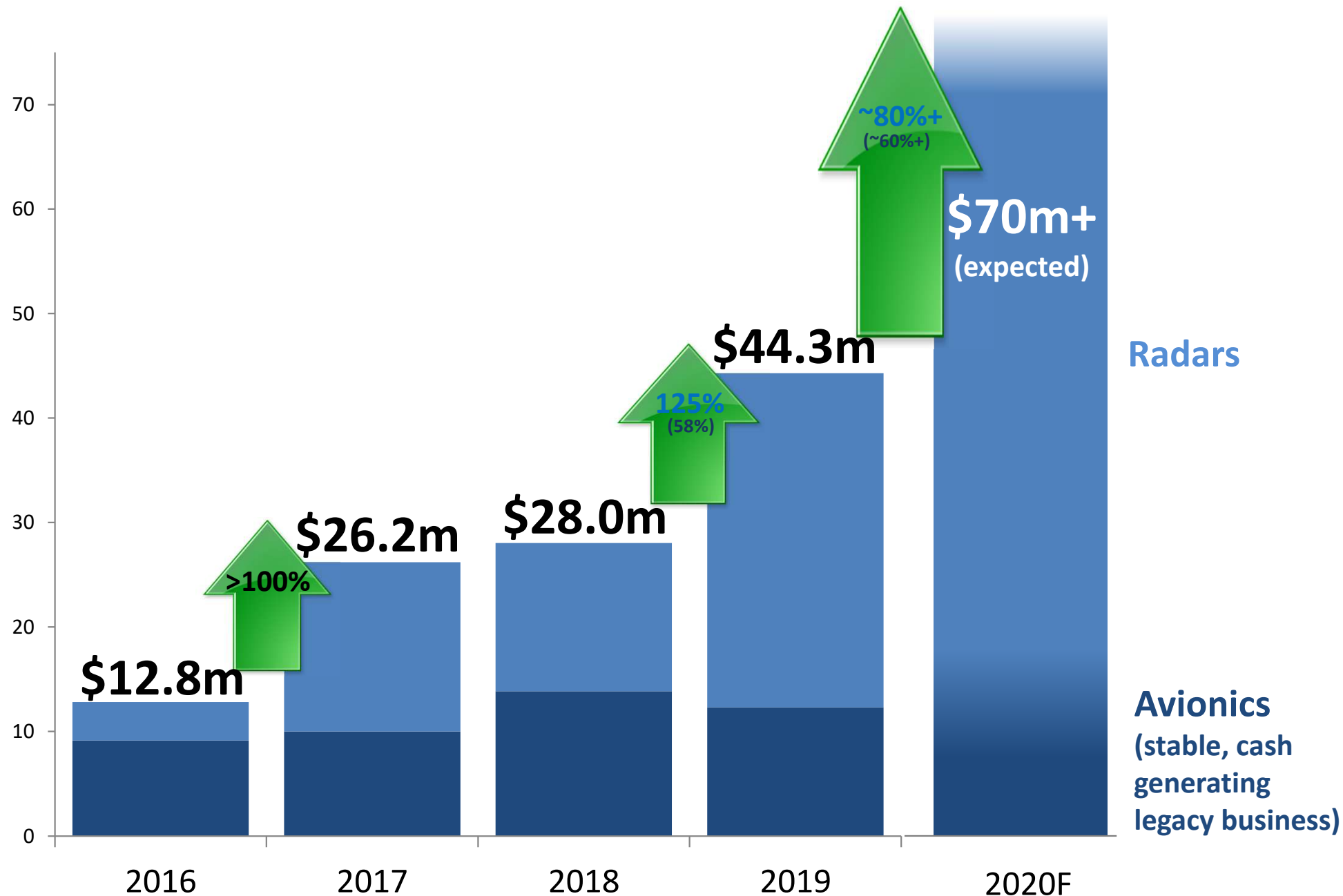


IAF



Indian Security Forces





## Radar Revenue Growth

- ☑ Over 125% YoY in 2019
- ☑ Over 80% YoY in 2020E

## Future Revenue Drivers

- ☑ Key near-term US programs
  - Bradley APS (650+ radars)
  - IM-SHORAD (600+ radars)
  - GBAD (400+ radars)
- ☑ Global growth in radar requirements

## Current Margins

Stable gross margins ~36%

## Technology

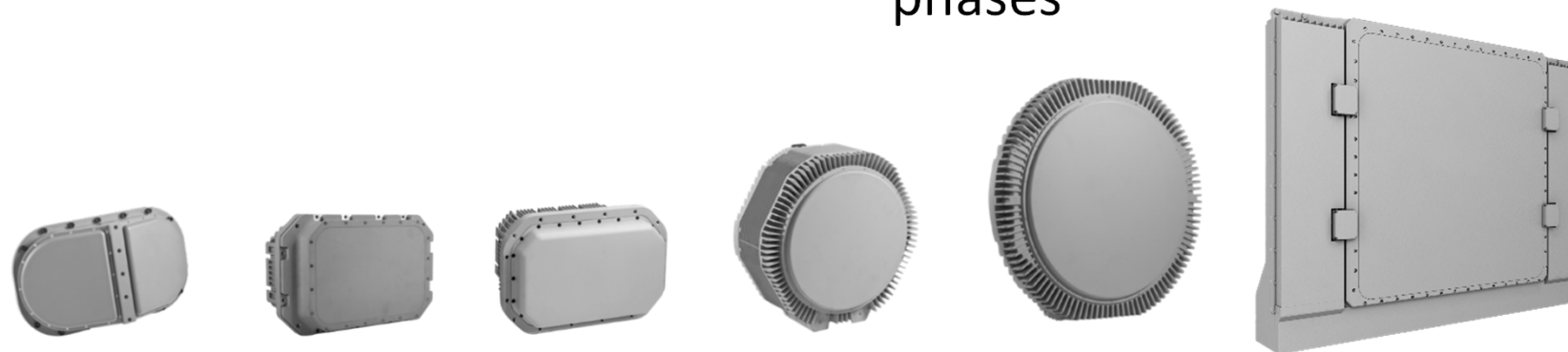
- ✓ Mature, proprietary technology offerings
- ✓ Continued investments to maintain market leadership
- ✓ Highly attractive performance vs. price value proposition

## Customers

- ✓ Addressing large and diversified market: \$5B+ (est.) over next decade
- ✓ Initial orders delivered to key customers with robust opportunity pipeline
- ✓ US presence and capabilities, gearing towards serial production phases

## Performance

- ✓ Very strong growth in the emerging market of land tactical radars
- ✓ 2020 projected \$70M+ revenues (~60%+ YoY) with stable margins
- ✓ Very strong balance sheet with \$30M in net cash
- ✓ Profitable since Q1 2020, after major investments made to facilitate growth





RADA

WE MAKE SENSE