



# RADA

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

Sep 2020

This presentation contains certain statements that may be deemed to be “forward looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Reference is made in particular to the descriptions of our plans and objectives for future operations, assumptions underlying such plans and objectives and other forward looking terminology such as “will”, “would”, “may”, “should”, “estimates”, “expects”, “believes”, “anticipates”, “intends”, “projects”, “predicts”, “targets”, or similar terms, variations of such terms or the negatives of such terms. Forward looking statements are based on management’s current expectations. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect.

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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**



YouTube



<https://youtu.be/5zIWOP85n7U>

# RADA's Current Mission-Critical Applications

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## 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)

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YouTube

fox news US downed drones



**FOX NEWS** channel

**U.S. SAYS IT MAY HAVE DOWNED 2 IRANIAN DRONES LAST WEEK IN THE STRAIT OF HORMUZ**

**FOX NEWS ALERT**

**THE MUELLER HEARINGS**  
TOMORROW 8AM ET  
SPECIAL COVERAGE

0:08 / 2:47

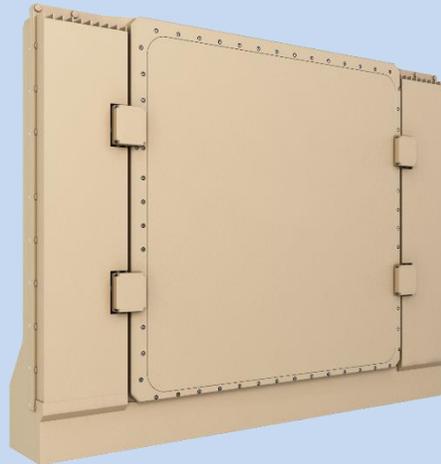
<https://www.youtube.com/watch?v=T6h7oIKdYZY>



**\$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

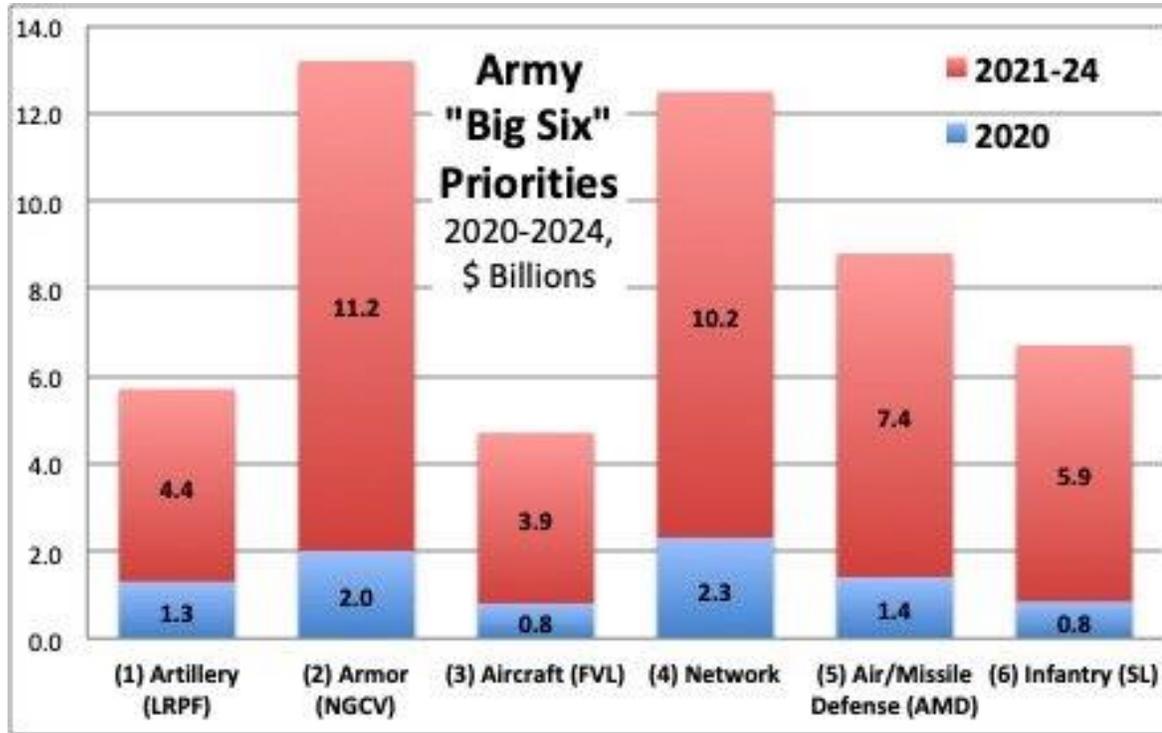
### TECHNOLOGY

- ✓ 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

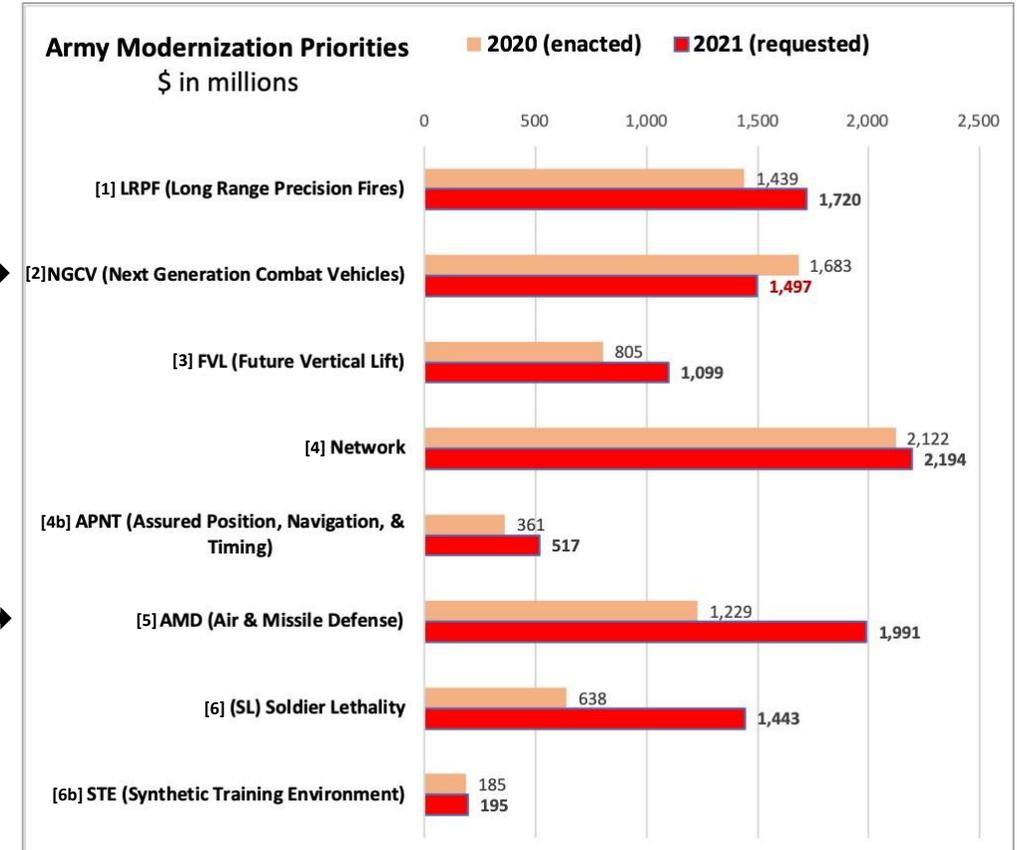
- ✓ Strong partnerships and relationships due to responsive solutions tailored to customer needs
- ✓ Contracts and deliveries to major end-users (e.g., USMC, US Army, USAF and others)
- ✓ RADA's industry-leading solutions offered at prices below competitors
- ✓ US subsidiary producing and delivering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

# US Army "Big Six" Modernization Priorities



↑  
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

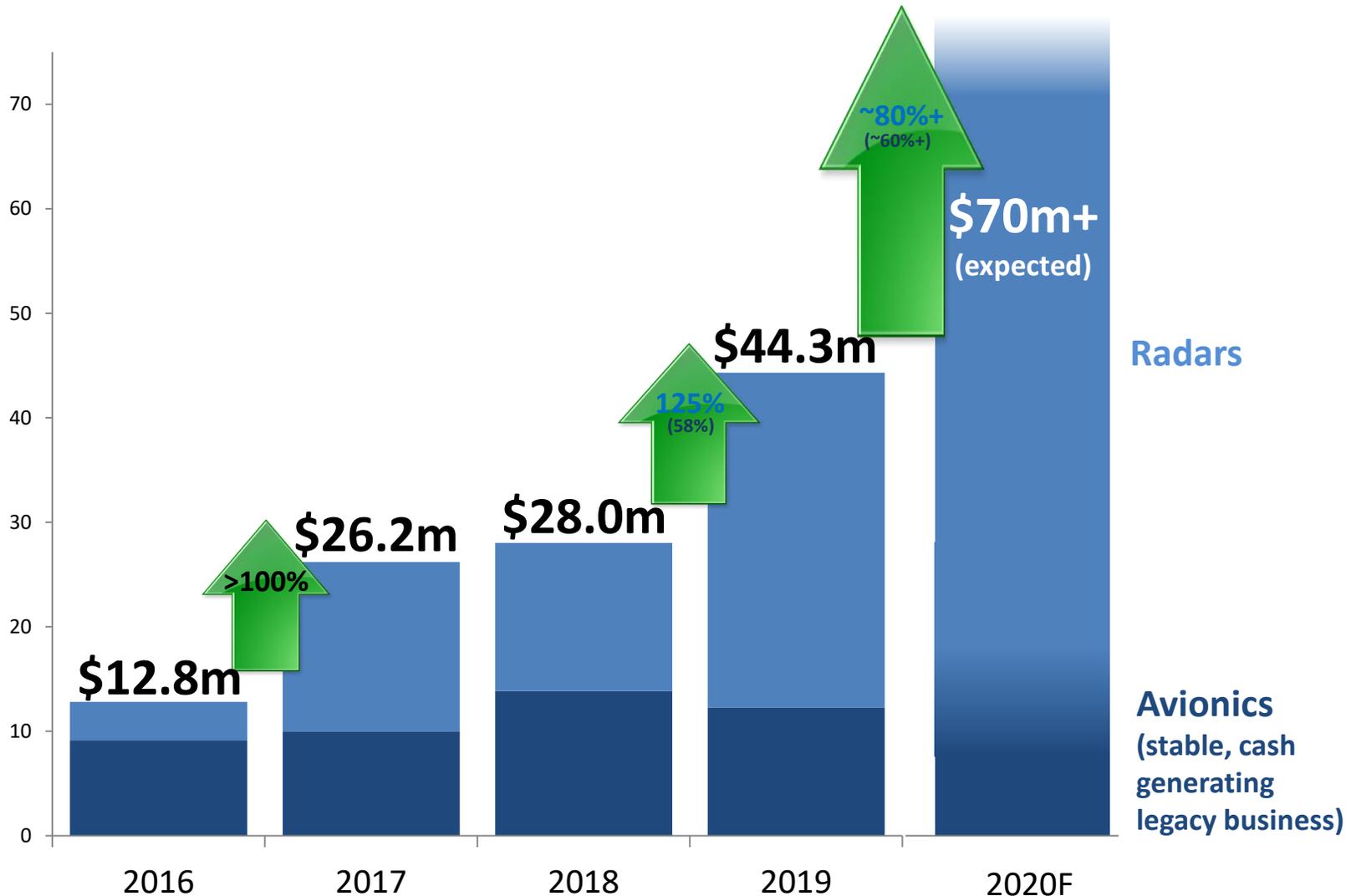


IAF



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

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WE MAKE SENSE