

RF Industries Investor Presentation

*Leading Designer and Manufacturer of
Interconnect Products*



NASDAQ: RFIL

Safe Harbor Statement

Forward-looking statements contained in this presentation involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially and adversely from those expressed or implied by such forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to our outlook or expectations for earnings, revenues, expenses, asset quality, volatility of our common stock, financial condition or other future financial or business performance, strategies, expectations, or business prospects, or the impact of legal, regulatory or supervisory matters on our business, results of operations or financial condition.

Forward-looking statements can be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “target” or similar expressions. Forward-looking statements reflect our judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled “Risk Factors” in our Form 10-K filed with the SEC and any subsequent filings under the Exchange Act and in our other SEC filings. Additionally, there may be other factors that could preclude us from realizing the predictions made in the forward-looking statements. We operate in a continually changing business environment and new factors emerge from time to time. We cannot predict such factors or assess the impact, if any, of such factors on our financial position or results of operations. All forward-looking statements included in this presentation speak only as of the date of this presentation and you are cautioned not to place undue reliance on any such forward-looking statements. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events.

This presentation does not constitute an offer to sell or buy securities, and no offer or sale will be made in any state or jurisdiction in which such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Executive Team

Robert Dawson *President and CEO*

- **Joined:** July 2017
- **Added to Board:** July 2018

Prior Industry Experience

2014-2016	<i>President and CEO, Vision Technology Services</i>
2007 – 2013	TESSCO Technologies, <i>VP of Sales</i>
2000 – 2007	NetForce Solutions (acquired by TESSCO)

Mark Turfler

Senior Vice President and CFO

- **Joined:** June 2013

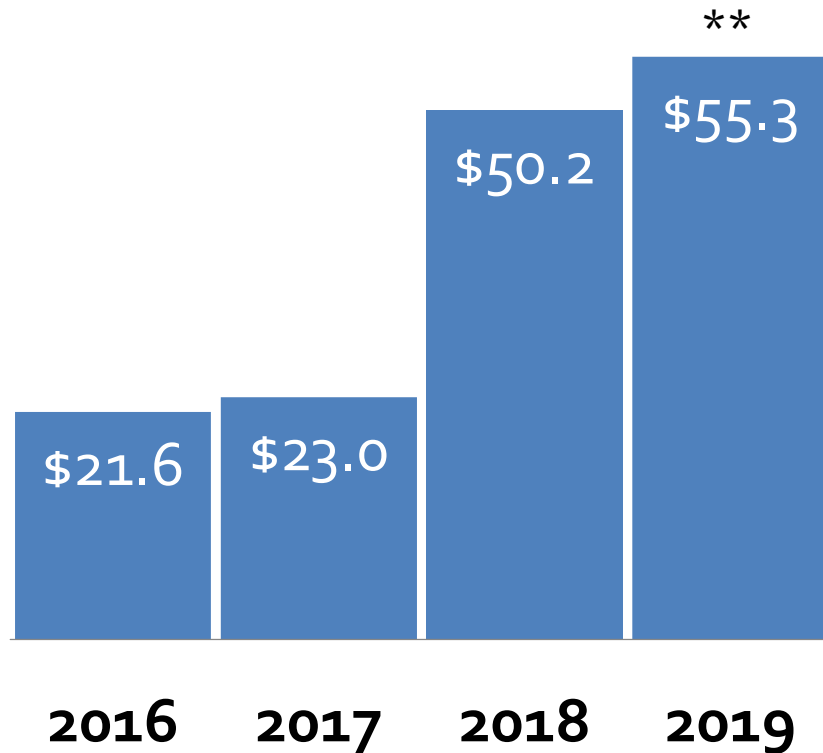
Finance Experience

<i>35 years of accounting and finance experience</i>
PricewaterhouseCoopers
Certified Public Accountant
Wireless/Telecom industry experience

We've Seen A Significant Improvement In Our Results!

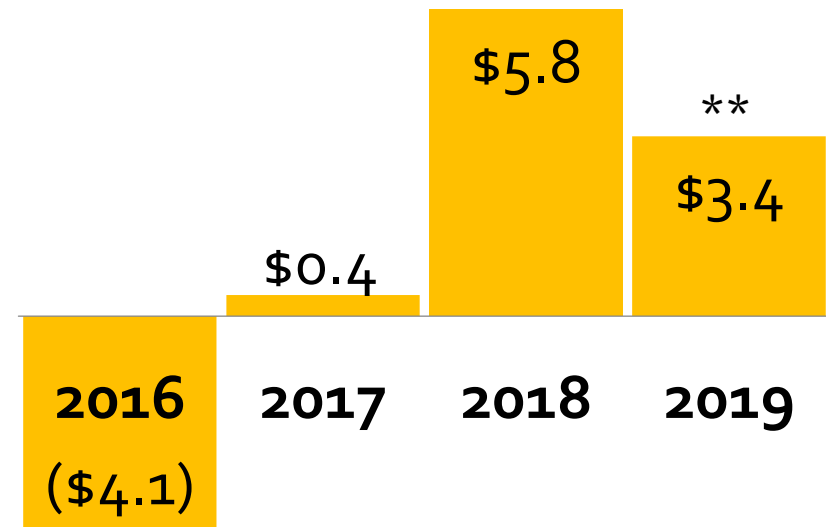
Revenue

(in millions)



Net Income

(in millions)



** Based on preliminary unaudited financial results

Who Are We?











Headquarters	San Diego, CA
5 production locations (3 Northeast, 2 Southwest) <i>Corning Gold, ISO 9001: 2008 Certified</i>	
Founded	1979
IPO	1984
Employees	300
Customers:	
Distribution	4,000 – 5,000
OEM	450+
Dividend:	
38 consecutive quarterly dividends of at least \$0.02 / share	

Statistics	12/2/19
Stock Price	\$6.00
52 Week Low-High	\$5.14 / \$8.89
Avg. Vol. (3 months)	25K
Shares Outstanding	9.3M
EV to Sales (TTM)	.90x
Market Cap	\$55M
Insider Holdings	14%
Institutional Holdings	36%
Return on Capital (TTM)	9%
Return on Equity (TTM)	16%
Fiscal Year End	Oct. 31

What Do We Do?

Design, engineer, manufacture passive communications components, cable assemblies, jumpers & wiring harnesses

Coaxial Cable Assemblies	Fiber Optic Cable Assemblies	FTTA Cable Assemblies	Wiring Harnesses
			
RF Coaxial Connectors	RF Coaxial Adapters	Low PIM Products	Passive Components
			

Our Products Help Make Wireless Work

Cell Tower Site Materials

Design, Engineer and Build Hybrid Fiber & Power Cables for 4G and 5G Network Deployment (**You can't buy this stuff "off the shelf"!**)



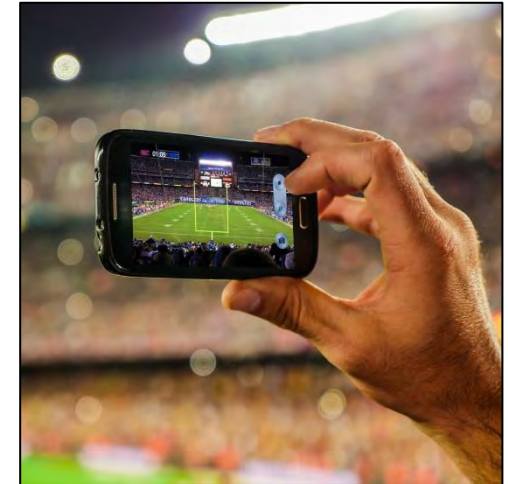
Small Cells

Cable assemblies and components for small cell applications to support densification of 4G and 5G Networks.



Distributed Antenna System (DAS)

Our components are used to provide enhanced wireless coverage in commercial office buildings, offices, hotels, hospitals, stadiums, and more.



...And Enable Many Industrial Applications

Advanced Oilfield Technology

Build control wiring for drilling equipment



Aerospace

Build & test control stick wiring for flight control stick for military helicopters



Transportation

Transit doors and gates - designed for light and heavy rail applications



Large & Growing Market Opportunities

Global Connector Market = \$80.4B by 2023,¹

N.A. Cable Assembly Market = \$33.4B,²



“5G will transform industries and should be viewed as a business strategy for all.”

- Steve Mollenkopf, CEO, Qualcomm

5G Build-Out Spend = \$130B in 2024,³

DAS Market = \$8B growing to \$18B in 2026⁴

Small Cell= 80% of future infrastructure deployments will be small cells.⁵

Sales Model

Distribution – 60%

Biggest opportunities are in distribution centric markets (force multiplier)

- Access to thousands of customers
- No A/R collection issues (99% of sales are in US and Canada)
- No inventory obsolescence issues
- Focus on what we do best

Direct/OEM – 40%

- Highly customized cable assemblies and wiring harnesses that “disappear” into other people’s products
- Leverage our long standing relationships with these blue chip customers to be a part of their long-term business

Distribution Partners & OEM Customers

Distribution Partners	OEM Customers
     	     

Who's Our Competition?



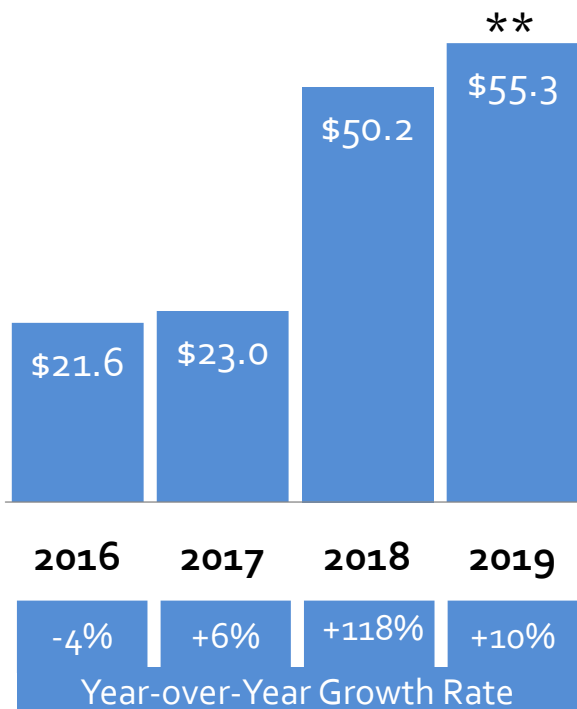
Our Value Proposition and Differentiation

- **Fast** – Faster lead times than larger competitors
- **Flexible** – Customized product (labor intensive; can't buy off the shelf)
- **High Quality** – High quality product (ISO 9001 certified; Corning Gold House certified, no failures in the field)
- **Competitive Pricing** – Typically has similar or lower pricing than the competition

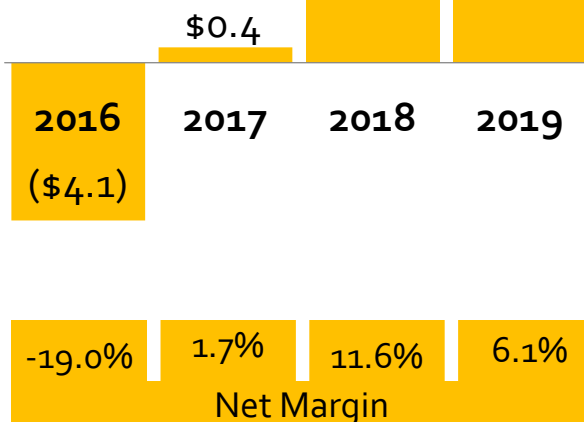
Annual Financial Performance

(ended Oct. 31)

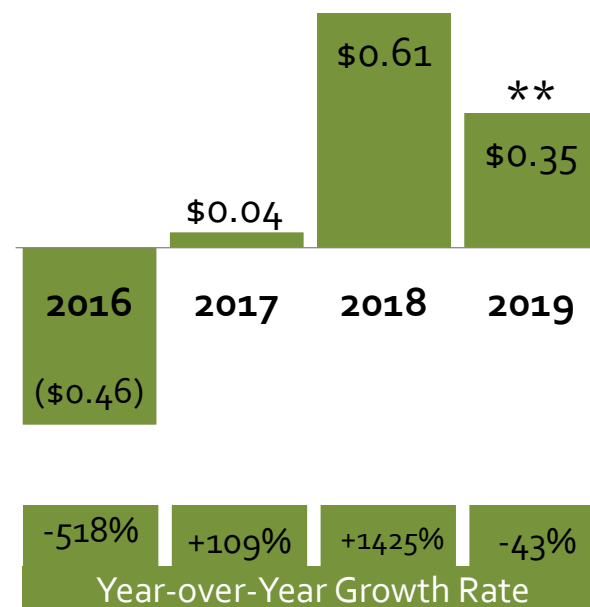
Revenue (in millions)



Net Income (in millions)

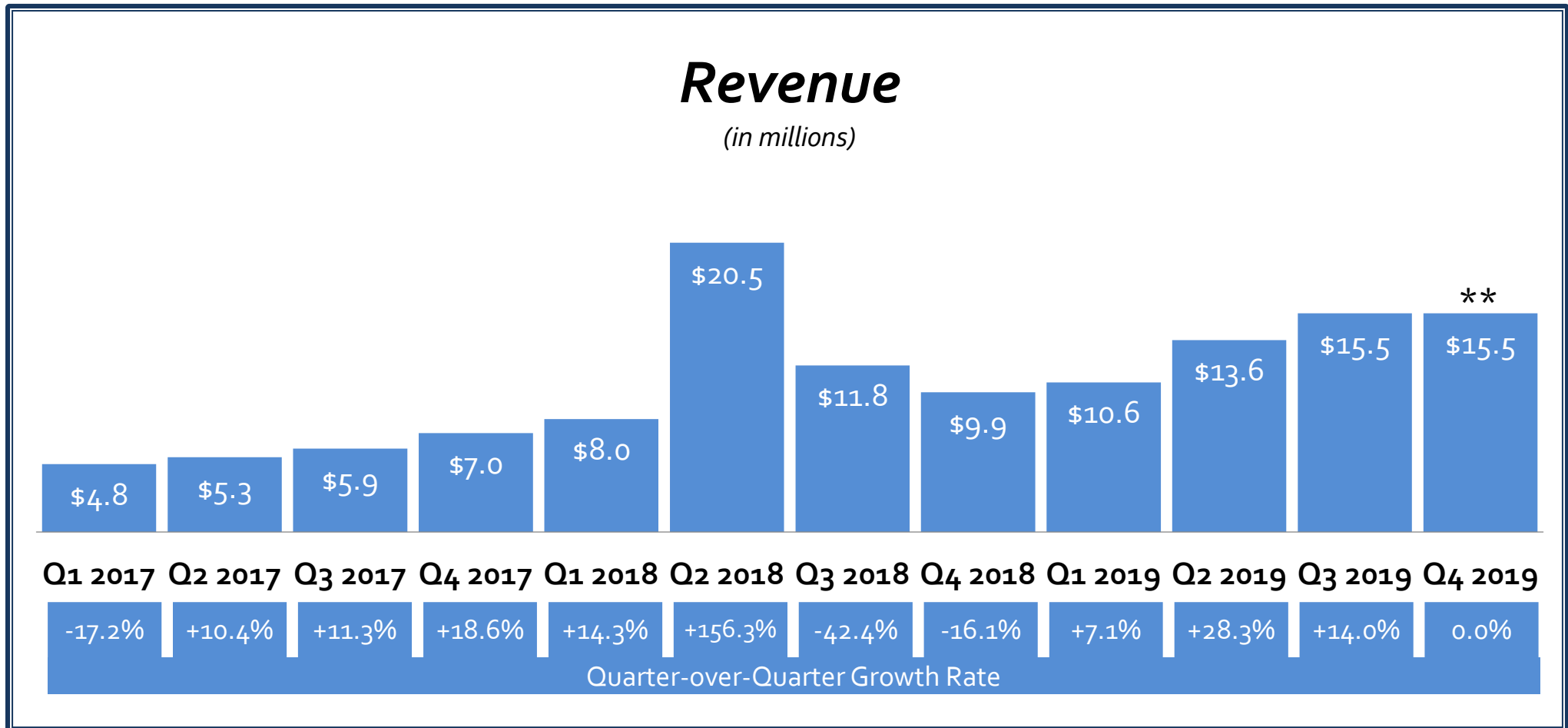


Diluted EPS from Net Income



**Based on preliminary unaudited financial results

Quarterly Revenue Trend



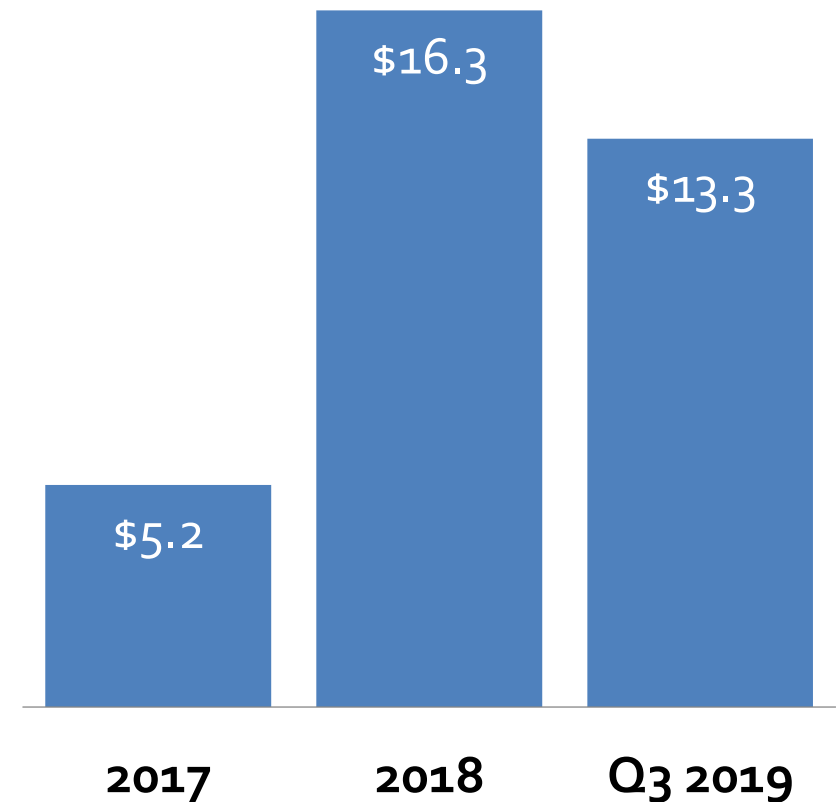
**Based on preliminary unaudited financial results

Balance Sheet Supports Growth

<i>\$ in millions</i>	Oct. 31, 2017	Oct.31, 2018	Jul. 31, 2019
Cash	\$5.2	\$16.3	\$13.3
Total Assets	\$25.1	\$32.5	\$36.1
Stockholders' Equity	\$21.4	\$27.8	\$30.6
Total Debt	\$0	\$0	\$0

Cash Balances

(in millions)



Long-Term Growth Strategy

- **Organic**

- **Run rate business**

- Core fast-turn production
 - 10-15% annual growth

- **Project business transitioning to long-term relationships**

- Get our product spec'd in customer projects and included on customer BOMs
 - Deliver a quality, customized solution where others cannot
 - Convert this into run rate business

- **Inorganic**

- **Active M&A mode**

- Diversify customer base
 - Good cultural fit with management talent
 - Reliable proprietary product that does not overlap what we currently sell
 - Relevant customer base/market segment

Acquisition #1

C Enterprises – Acquisition announced March 11, 2019

- Based in Vista, California
 - West coast fiber optic manufacturing capabilities
 - Corning Gold certificate member
- 2018 unaudited revenues of \$8.7M
 - Expected to be accretive to earnings in fiscal 2020
- Brings strong fiber optic and copper product offering that is scalable and complementary
- Strengthens our small cell product offer to wireless carrier market

Acquisition #2

Schroff Tech – Acquisition announced November 4, 2019

- Based in Rhode Island
 - Manufacturer of products serving the high growth wireless, telecom and cable markets
 - Two primary products:
 - Energy efficient cooling system for wireless base stations
 - Family of custom designed, pole ready 5G small cell integrated enclosures
- 2019 unaudited first nine-months revenues of \$5.8M
 - Expected to be immediately accretive to earnings
- Strengthens our small cell product offer to wireless carrier market

Scorecard: How Are We Progressing Against Our Previously Outlined Goals?

- ☑ Building a platform for long term growth
- ☑ Deliver more consistent and predictable results
- ☑ 3-year plan to grow to \$100 million in sales
 - ☑ Organic growth – low to mid-teens annual revenue growth – leveraging distribution and OEM relationships
 - ☑ Inorganic growth – remain committed to adding another \$20-\$30 million in sales through further strategic M&A

Key Takeaways

- Our products are everywhere and make lots of things work
- Recent results have delivered revenue growth plus a long-standing dividend
- Our new sales model is driving growth
- We're faster and more flexible while delivering high quality customized products and solutions
- We have the promise of 5G ahead of us in the wireless market





Contacts:

RF Industries, Ltd.

Mark Turfler

SVP/CFO

(858) 549-6340

rfi@rfindustries.com

MKR Investor Relations

Todd Kehrli

Analyst/Investor Contact

(323) 468-2300

rfil@mkr-group.com