

RICHARDSON ELECTRONICS LTD/DE

Form 8-K

September 24, 2003

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

| | |
|--|---|
| Date of Report (Date of earliest event reported) | <i>September 23, 2003</i> |
| Exact name of registrant as specified in its charter | <i>Richardson Electronics, Ltd.</i> |
| State or other jurisdiction of incorporation | <i>Delaware</i> |
| Commission file Number | <i>0-12906</i> |
| IRS Employer Identification No. | <i>36-2096643</i> |
| Address of principal executive office | <i>40W267 Keslinger Road, P. O. Box 393, La Fox, IL</i> |
| Zip Code | <i>60147-0393</i> |
| Registrant's telephone number, including area code | <i>630-208-2200</i> |

This Current Report on Form 8-K contains a total of 4 pages.

Item 9. Regulation FD Disclosure

For Immediate Release

For Details Contact:

Ed Richardson

Dario Sacomani

Chairman and Chief Executive Officer

Senior Vice President and

Richardson Electronics, Ltd.

Chief Financial Officer

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Richardson Electronics, Ltd.

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Richardson Reports 10% Sales Growth in the First Quarter

LaFox, IL, Tuesday September 23, 2003: Richardson Electronics, Ltd. (NASDAQ: RELL) today reported results for the first quarter of fiscal 2004, which ended August 30, 2003. Sales in the first quarter of 2004 were \$119.3

million, an increase of 10% from the prior year, marking the fifth consecutive quarter of year-over-year sales growth. Earnings were \$0.5 million, or \$0.04 per share, in the quarter compared to \$0.3 million, or \$0.02 per share, in the same quarter last year, before cumulative effect of accounting change which affected the prior year's quarter as noted in the financial tables at the end of this release.

For the third consecutive quarter, sales increased in all four of the Company's business units compared to the prior year. The Display Systems Group (DSG) led the first quarter sales growth, increasing 21% to \$16.1 million. Within DSG, medical monitor sales have grown by over 50% from the prior year in each of the last three fiscal quarters. The Security Systems Division continued to achieve record sales levels, reaching \$25.2 million in the first quarter, an increase of 12% from the prior year, with all major product lines improving. Sales for the Industrial Power Group were up 10% in the first quarter, compared to the prior year, to \$25.8 million due to increased demand for both vacuum tube and solid-state power products. RF/Wireless Communications sales increased 6% from the prior year to \$49.8 million in the quarter with continued strength in passive/interconnect, infrastructure, and network access products.

Geographically, in Asia/Pacific, the Company continued to achieve record sales, reaching \$21.5 million in the quarter, an increase of 24% from the prior year, as a result of strong wireless and power conversion demand. Sales in Europe increased by over 10% in the quarter led by the Display Systems Group and Industrial Power Group while sales in North America grew 8.5% from increased security and display systems demand. In Latin America, sales stabilized at \$5.1 million in the first quarter, up 0.6% from the prior year.

Edward J. Richardson, Chairman of the Board and Chief Executive Officer, said, "We are achieving record sales levels across several businesses and regions which we attribute to the demand for our global engineered solutions. Our sales run rate increased through the first quarter, leading to record sales for the month of August. In addition, new orders improved sequentially from the prior quarter. With this momentum going into our seasonally strong second quarter, we believe we are well-positioned to continue to gain market share and sustain sales and earnings growth."

On Wednesday, September 24, 2003 at 9:00 a.m. CDT, Mr. Edward J. Richardson, Chairman and Chief Executive Officer will host a conference call to discuss the release. A question and answer session will be included as part of the call's agenda. To listen to the call, please dial 888-273-9887 approximately five minutes prior to the start of the call. A replay of the call will be available from 12:30 p.m. on September 24, 2003 through December 18, 2003. The telephone numbers for the replay are (USA) 800-475-6701 and (International) 320-365-3844; access code 698490.

This release includes certain "forward-looking" statements as defined by the SEC. Statements in this press release regarding the Company's business, which are not historical facts, represent "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K for the most recently ended fiscal year. The Company assumes no responsibility to update the forward-looking statements in this release as a result of new information, future events, or otherwise.

About Richardson Electronics

Richardson Electronics, Ltd. is a global provider of "engineered solutions," serving the RF and wireless communications, industrial power conversion, security and display systems markets. The Company delivers engineered solutions for its customers' needs through product manufacturing, systems integration, prototype design and manufacture, testing and logistics. Press announcements and other information about Richardson are available on the World Wide Web at <http://www.rell.com/investor.asp>.

Richardson Electronics, Ltd.
Consolidated Condensed Statements of Operations
Three Month Ended August 30, 2003
(in thousands, except per share amounts) (unaudited)

| | Three Months | |
|-----------|--------------|------------|
| | FY 2004 | FY 2003 |
| | FY 2004 | FY 2003 |
| Net sales | \$ 119,306 | \$ 108,614 |

Richardson Electronics, Ltd.
Sales and Gross Margin
First Quarter Fiscal 2004, Ended August 30, 2003
(in thousands, unaudited)

| By Business Unit: | Sales | | | Gross Margin | | | |
|-------------------|----------------------|-------------------|-------------|------------------|--------------|------------------|--------------|
| | FY 2004 | FY 2003 | % Change | FY 2004 | GM% of Sales | FY 2003 | GM% of Sales |
| | First Quarter | | | | | | |
| RFWC | \$ 49,815 | \$ 47,116 | 5.7% | \$ 11,182 | 22.4% | \$ 10,755 | 22.8% |
| IPG | 25,850 | 23,447 | 10.2% | 7,669 | 29.7% | 7,540 | 32.2% |
| SSD | 25,172 | 22,407 | 12.3% | 6,361 | 25.3% | 5,434 | 24.3% |
| DSG | 16,079 | 13,289 | 21.0% | 4,259 | 26.5% | 3,603 | 27.1% |
| Other | 2,390 | 2,355 | | (356) | | (178) | |
| Total | \$ 119,306 | \$ 108,614 | 9.8% | \$ 29,115 | 24.4% | \$ 27,154 | 25.0% |

| By Geographic Area: | Sales | | | Gross Margin | | | |
|---------------------|----------------------|-------------------|-------------|------------------|--------------|------------------|--------------|
| | FY 2004 | FY 2003 | % Change | FY 2004 | GM% of Sales | FY 2003 | GM% of Sales |
| | First Quarter | | | | | | |
| North America | \$ 63,639 | \$ 58,671 | 8.5% | \$ 17,069 | 26.8% | \$ 15,638 | 26.7% |
| Europe | 24,825 | 22,440 | 10.6% | 7,192 | 29.0% | 5,953 | 26.5% |
| Asia/Pacific | 21,494 | 17,333 | 24.0% | 4,815 | 22.4% | 4,216 | 24.3% |
| Latin America | 5,097 | 5,067 | 0.6% | 1,182 | 23.2% | 1,291 | 25.5% |
| Direct Export | 1,701 | 1,420 | 19.8% | 411 | 24.2% | 390 | 27.5% |
| Corporate | 2,550 | 3,683 | | (1,554) | | (334) | |
| Total | \$ 119,306 | \$ 108,614 | 9.8% | \$ 29,115 | 24.4% | \$ 27,154 | 25.0% |

Note: Fiscal 2003 data has been reclassified to conform with the current presentation which includes the reclassification of the broadcast tubes product line from RFWC to the IPG business unit for both fiscal 2003 and 2004 figures above. First

quarter broadcast tubes sales were \$4,685 in 2003 and \$5,293 in 2004.

Richardson Electronics, Ltd.
Consolidated Condensed Balance Sheets
(in thousands)

(unaudited)
August 30,
2003

May 31,
2003

ASSETS
