

Electro Rent NETA Spotlight Presentation

March 15, 2016



Electro Rent Corporation



Electro Rent Presentation Objectives

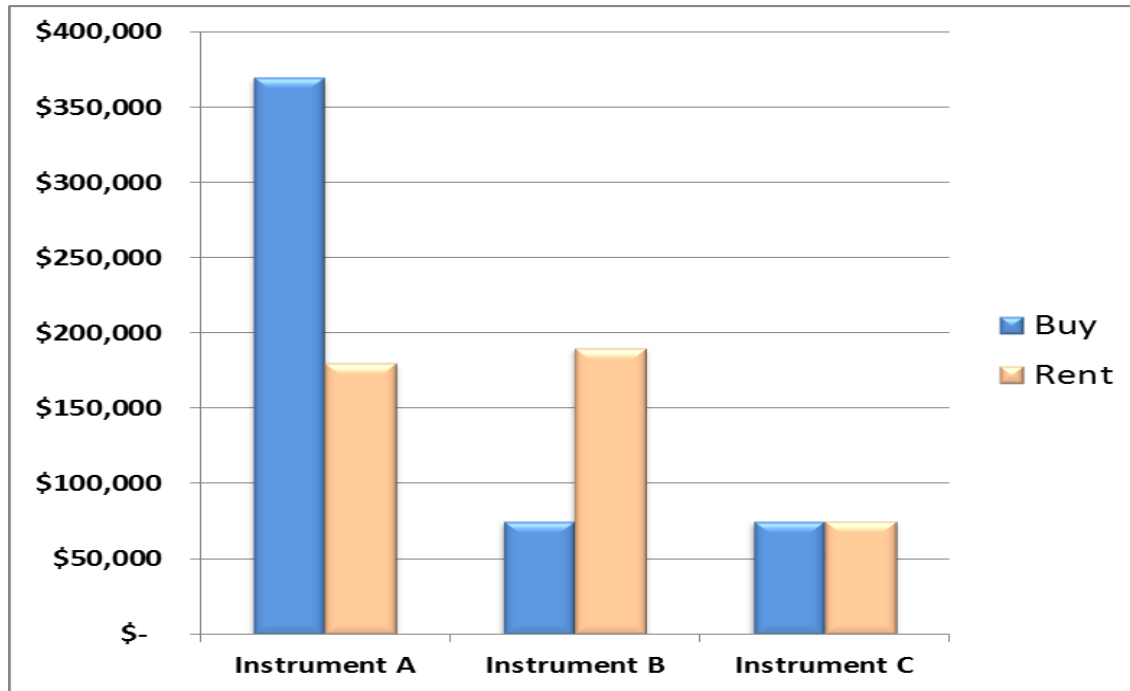
- Present financial alternatives when acquiring test equipment
- Present Electro Rent core competencies
- Calibration core competency
- Other Electro Rent competencies and news
- Summary

50 Years of Electro Rent

- **1965:** Founded
- **1980:** Spun off as a public company
- **1997: Acquired GE Rents TMS for \$240 million**
- **2001:** Selected as Agilent Premier Rental Partner
- **2005: Launched China and Europe operations**
- **2006:** Became an Agilent distributor
- **2008:** Entered into a leasing alliance with GE Capital
- **2009:** Developed a telecom rental / leasing group
- **2009:** Appointed sole Authorized Technology Partner (ATP) of Agilent
- **2010:** Purchase of Telogy LLC assets for \$25 M
- **2011:** Purchase of EMT assets for \$11 M
- **2012:** Fortune Magazine: “100 Fastest Growing Companies”
- **2014:** Named again by Forbes as one of the most Trustworthy Companies in America

Types Of Acquisition Methods

- New sale- typically from the manufacturer with the latest software and features
- Used sale- various warranties, calibration and guarantees
- Rental- short term- daily, weekly and monthly with maximum flexibility
- Finance lease
 - Lease to own, single or multi-year, with or without maintenance
 - Aka capital lease, conditional sale
- Operating lease- use the equipment with lowest monthly rates, single or multi-year, with or without maintenance and service
 - Aka long-term rent, fair market value lease
- Combination lease- building equity, use the equipment and possibly own it or possibly exit early from transaction
 - Aka rent to own



	Buy	Rent	Optimized
Instrument A	\$ 370,000	\$ 180,000	\$ 180,000
Instrument B	\$ 75,000	\$ 190,000	\$ 75,000
Instrument C	\$ 75,000	\$ 75,000	\$ 75,000
	\$ 520,000	\$ 445,000	\$ 330,000

Electro Rent: Large Calibration Facility

ER performs over 90% of its equipment's calibration/repair in-house (76,000 square feet and \$10 million invested in laboratory standards)

- **Laboratory Accreditations**

- NQA: ISO-9001:2008
- A2LA: ISO-17025:2005



- **ER provides Calibration Certifications**

- Traceable to NIST and other national standards labs
- Z540 compliant

- **Laboratory Facilities in Houston, Canada, Belgium and China**
- **Processing over \$90M (MLP) through the lab per month**

And now in Houston, TX....

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The Right Test Equipment. Right in Houston.



Summary

- Electro Rent is a very stable company with a history of growth and success in the marketplace
- Electro Rent has a calibration and repair program serving the defense, telecommunications and power industry-calibrating and repairing our owned assets
- We are interested in learning more about NETA and how we can provide synergy to the community
- We care about our customers!