

## Electro-Sensors, Inc. Announces First Quarter 2021 Financial Results

**Minnetonka, Minnesota** (May 13, 2021) – Electro-Sensors, Inc. (NASDAQ: ELSE), a leading global provider of machine monitoring sensors and hazard monitoring systems, today announced financial results for the first quarter ended March 31, 2021.

- **First quarter revenue of \$1,901,000, down 1.1% from prior year-period**
- **Gross Margin of 52.1%**
- **Cash and investments of approximately \$9.1 million**

Unaudited; in thousands, except per share data

	<u>Q1 FY21</u>	<u>Q1 FY20</u>	<u>Change</u>
Net Sales	\$ 1,901	\$ 1,923	-1.1 %
Gross Margin	52.1 %	52.0 %	10 bps
Operating Loss	\$ (4)	\$ (141)	97.2 %
Operating Loss Margin	(0.2)%	(7.3)%	710.0 bps
Loss Before Income Tax Benefit	\$ (2)	\$ (110)	98.2 %
Loss Per Share (diluted)	\$ 0.00	\$ (0.03)	100.0 %

Net sales for the 2021 first quarter decreased 1.1% to \$1,901,000 from \$1,923,000 in the prior-year quarter. Correspondingly, operating expenses have been reduced, leading to a smaller net loss in the first quarter of 2021 compared to the net loss in the similar period during 2020.

“While COVID-19 continues to impact our business, during the first quarter we were encouraged with increases in international sales as well as gains from our HazardPRO line of wireless hazard monitoring systems,” said David L. Klenk, Electro-Sensors’ president. “Additionally, as travel restrictions are gradually beginning to lift, our ability to visit customers for sales and service has improved, leading to closer engagements with our customers.”

A full analysis of results for the period ended March 31, 2021 is available in the Company’s Form 10-Q, which is available on the Company’s website at [www.electro-sensors.com](http://www.electro-sensors.com) or through the Securities and Exchange Commission’s Edgar database at [www.sec.gov](http://www.sec.gov).

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**Electro-Sensors, Inc.**  
**Consolidated Statements of Income**  
**For the Quarter Ended March 31, 2021 and 2020 (unaudited)**  
**(in thousands except share and per share amounts)**

	<u>Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Sales	\$ 1,901	\$ 1,923
Cost of goods sold	<u>911</u>	<u>924</u>
Gross profit	990	999
Operating expenses	<u>994</u>	<u>1,140</u>
Operating loss	(4)	(141)
Non-operating income	<u>2</u>	<u>31</u>
Loss before income taxes	(2)	(110)
Benefit from income taxes	<u>0</u>	<u>(19)</u>
Net loss	<u>\$ (2)</u>	<u>\$ (91)</u>
Loss per share – diluted	\$ 0.00	\$ (0.03)
Average shares outstanding - diluted	3,395,521	3,395,521

**Electro-Sensors, Inc.**  
**Consolidated Balance Sheets**  
**March 31, 2021 and December 31, 2020**  
**(in thousands)**

	March 31 2021 (unaudited)	December 31 2020
Assets		
Current Assets		
Cash and investments	\$ 9,087	\$ 9,131
Trade receivables, net	1,209	957
Inventories	1,568	1,572
Other current assets	225	196
Total current assets	12,089	11,856
Deferred income tax asset, long-term	253	246
Intangible assets, net	163	228
Property and equipment, net	964	989
Total assets	\$ 13,469	\$ 13,319
Liabilities and Stockholders' Equity		
Current Liabilities		
Current maturities of financing lease	\$ 6	\$ 6
Accounts payable and accrued expenses	679	527
Total current liabilities	685	533
Long-term liabilities		
Financing lease, net of current maturities	11	12
Total long-term liabilities	11	12
Stockholders' equity		
Common stock	339	339
Additional paid-in capital	2,037	2,036
Retained earnings	10,396	10,398
Other comprehensive gain	1	1
Total stockholders' equity	12,773	12,774
Total liabilities and stockholders' equity	\$ 13,469	\$ 13,319

## **About Electro-Sensors**

Electro-Sensors, Inc. is an industry leading designer and manufacturer of rugged and reliable machine monitoring sensors and wireless/wired hazard monitoring systems applied across multiple industries and applications. These products improve processes by protecting people, safeguarding systems, reducing downtime, and preventing waste. Most standard products ship within one to two days and have an industry-leading 5-year warranty. Electro-Sensors is proud to be an ISO9001:2015 quality certified company and is committed to providing excellent customer service and technical support. Founded in 1968 and located in Minnetonka, Minnesota, Electro-Sensors provides its loyal customers with reliable products that improve safety and help plants operate with greater efficiency, productivity and control.

## **Cautionary Statement Regarding Forward Looking Statements**

This press release may include statements about possible or anticipated future financial performance, business activities, plans, or opportunities. These forward-looking statements may include the words “will,” “should,” “believes,” “expects,” “anticipates,” “intends” or similar expressions. For these forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in federal securities laws. Forward-looking statements reflect the company’s current views with respect to future events and financial performance and include any statement that does not directly relate to a current or historical fact. These forward-looking statements are subject to a number of factors, risks and uncertainties, including those disclosed in our periodic filings with the SEC that could cause actual performance, activities, plans, or opportunities after the date the statements are made to differ significantly from those indicated in the forward-looking statements.

For more information please visit our website at: [www.electro-sensors.com](http://www.electro-sensors.com). Also look us up on:  
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