

Electro-Sensors, Inc. Announces First Quarter 2024 Financial Results

Minnetonka, Minnesota (May 10, 2024) – 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, 2024.

- **First quarter revenue of \$2,244,000, up 9.7% from prior year-period**
- **Gross Margin of 48.1%**
- **Cash and investments of approximately \$10.1 million**

Unaudited; in thousands, except per share data

	<u>Q1 FY24</u>	<u>Q1 FY23</u>	<u>Change</u>
Net Sales	\$ 2,244	\$ 2,045	9.7 %
Gross Margin	48.1 %	50.0 %	(190) bps
Operating Loss	\$ (100)	\$ (138)	27.5 %
Operating Margin	(4.5) %	(6.7) %	220 bps
Income (Loss) Before Income Tax Benefit	\$ 16	\$ (45)	135.6 %
Income (Loss) Per Share (diluted)	\$ 0.00	\$ (0.01)	100.0 %

“We are pleased to report first quarter revenue of \$2,244,000, up 9.7% from the prior-year period,” said David L. Klenk, Electro-Sensors’ president. “This represents our largest first quarter revenue, with the increase driven primarily by several larger orders for facility upgrades and modernization projects. Additionally, sales increased for both our traditional wired sensors and wireless HazardPRO™ systems.”

A full analysis of results for the period ended March 31, 2024 is available in the Company’s Form 10-Q, which is available on the Company’s website at www.electro-sensors.com or through the Securities and Exchange Commission’s Edgar database at www.sec.gov.

Contact:

David L. Klenk

952-930-0100

dklenk@electro-sensors.com

Electro-Sensors, Inc.
Consolidated Statements of Income
For the Quarter Ended March 31, 2024 and 2023 (unaudited)
(in thousands except share and per share amounts)

	<u>Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Net sales	\$ 2,244	\$ 2,045
Cost of goods sold	<u>1,164</u>	<u>1,023</u>
Gross profit	1,080	1,022
Operating expenses	<u>1,180</u>	<u>1,160</u>
Operating loss	(100)	(138)
Non-operating income	<u>116</u>	<u>93</u>
Income (loss) before income taxes	16	(45)
Benefit from income taxes	<u>5</u>	<u>(1)</u>
Net income (loss)	<u>\$ 11</u>	<u>\$ (44)</u>
Income (loss) per share – diluted	\$ 0.00	\$ (0.01)
Average shares outstanding - diluted	3,428,021	3,428,021

Electro-Sensors, Inc.
Consolidated Balance Sheets
March 31, 2024 and December 31, 2023
(in thousands)

	<u>March 31</u> <u>2024</u>	<u>December 31</u> <u>2023</u>
Assets	(unaudited)	
Current Assets		
Cash and investments	\$ 10,128	\$ 9,926
Trade receivables, net	1,119	1,283
Inventories	1,811	1,751
Other current assets	218	179
Total current assets	<u>13,276</u>	<u>13,139</u>
Deferred income tax asset, long-term	336	355
Property and equipment, net	927	951
Total assets	<u>\$ 14,539</u>	<u>\$ 14,445</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued expenses	\$ 744	\$ 690
Total current liabilities	<u>744</u>	<u>690</u>
Stockholders' equity		
Common stock	342	342
Additional paid-in capital	2,259	2,230
Retained earnings	11,194	11,183
Total stockholders' equity	<u>13,795</u>	<u>13,755</u>
Total liabilities and stockholders' equity	<u>\$ 14,539</u>	<u>\$ 14,445</u>

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. 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. Also look us up on:
LinkedIn: [linkedin.com/company/electro-sensors-inc-](https://www.linkedin.com/company/electro-sensors-inc-)
Twitter: twitter.com/ESIsensors
Facebook: [facebook.com/ElectroSensors](https://www.facebook.com/ElectroSensors)