

## Electro-Sensors, Inc. Announces 2023 Year-End Financial Results

**Minnetonka, Minnesota** (March 21, 2024) – Electro-Sensors, Inc. (NASDAQ: ELSE), a leading global provider of machine monitoring sensors and hazard monitoring systems, today announced financial results for the year ended December 31, 2023.

- **Annual revenue of \$8.6 million, down 5.2% over prior year**
- **Gross Margin of 49.6%**
- **Cash and investments of \$9.9 million**

Table in thousands, except per share data

	<u>FY22</u>	<u>FY21</u>	<u>Change</u>
Net Sales	\$ 8,555	\$ 9,029	(5.2)%
Gross Margin	49.6%	53.6%	(400)bps
Operating Income (Loss)	\$ (28)	\$ (37)	(24.3)%
Operating Income (Loss) Margin	(0.4)%	(0.5)%	10bps
Income Before Income Taxes	\$ 378	\$ 72	425.0%
Earnings Per Share (diluted)	\$ 0.08	\$ 0.03	166.7%

Net sales during 2023 decreased 5.2% to \$8,555,000 from \$9,029,000 in the prior year. The decrease in sales was proportionally similar for both wired and HazardPRO wireless sensors and systems. International sales were steady for the two years at 10.3% of net sales.

“While early in the year, we experienced customers delaying certain facility upgrades and capital projects, as the year progressed activity began to increase as projects moved forward, leading to stronger net sales in the fourth quarter,” said David L. Klenk, Electro-Sensors’ president.

Klenk continued, “Additionally, we were encouraged by several repeat HazardPRO orders from existing customers eager to upgrade to our advanced wireless hazard monitoring systems.”

A full analysis of results for the year ended December 31, 2023 is available in the Company’s Form 10-K, 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.**  
**Statements of Income**  
**For the Years Ended December 31, 2023 and 2022**  
**(in thousands except share and per share amounts)**

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Net sales	\$ 8,555	\$ 9,029
Cost of goods sold	4,310	4,188
Gross profit	4,245	4,841
Operating expenses	4,273	4,878
Operating loss	(28)	(37)
Non-operating income, net	406	109
Income before income taxes	378	72
Income tax expense (benefit)	103	(28)
Net income	\$ 275	\$ 100
Earnings per share – diluted	\$ 0.08	\$ 0.03
Average shares outstanding - diluted	3,428,021	3,432,843

**Electro-Sensors, Inc.**  
**Balance Sheets**  
**December 31, 2023 and 2022**  
**(in thousands)**

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current Assets		
Cash and investments	\$ 9,926	\$ 9,682
Trade receivables, net	1,283	1,161
Inventories	1,751	1,745
Other current assets	179	225
Total current assets	13,139	12,813
Deferred income tax asset	355	256
Property and equipment, net	951	975
Total assets	\$ 14,445	\$ 14,044
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities		
Current maturity of financing lease	\$ 0	\$ 6
Accounts payable and accrued expenses	690	624
Total current liabilities	690	630
Stockholders' equity		
Common stock	342	342
Additional paid-in capital	2,230	2,163
Retained earnings	11,183	10,908
Other comprehensive gain	0	1
Total stockholders' equity	13,755	13,414
Total liabilities and stockholders' equity	\$ 14,445	\$ 14,044

## **2024 Annual Meeting of Shareholders**

Our Annual Meeting will be held via live webcast on April 24, 2024 at 2:00 PM Central Time at [www.virtualshareholdermeeting.com/ELSE2024](http://www.virtualshareholdermeeting.com/ELSE2024). Please retain a copy of the 16 digit Control Number that is printed on your proxy card as you will need it to enter the Annual Meeting as a verified shareholder. Shareholders will be able to vote in this virtual meeting as if they were attending an in-person meeting. Shareholders may submit questions prior to the start of the meeting at <https://www.electro-sensors.com/about/investor-info> under Investor Contact - Email Gloria.

## **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](http://www.electro-sensors.com). Also look us up on:

LinkedIn: [linkedin.com/company/electro-sensors-inc-](https://www.linkedin.com/company/electro-sensors-inc-)

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