

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

Minnetonka, Minnesota (November 13, 2024) – Electro-Sensors, Inc. (NASDAQ: ELSE), a leading global provider of machine monitoring sensors and hazard monitoring systems, today announced financial results for the third quarter ended September 30, 2024.

- **Quarterly revenue of \$2,512,000, up 22.1% from the prior-year period**
- **Gross margin of 50.4%**
- **Cash and investments of approximately \$10.3 million**

Selected Financial Information (unaudited; in thousands, except per share data)

	<u>Q3 2024</u>	<u>Q3 2023</u>	<u>Change</u>
Net Sales	\$ 2,512	\$ 2,057	22.1%
Gross Margin	50.4%	48.3%	210bps
Operating Income (Loss)	\$ 173	\$ (26)	765.4%
Operating Income Margin	6.9%	(1.2)%	810bps
Income Before Income Taxes	\$ 290	\$ 83	249.4%
Earnings Per Share (diluted)	\$ 0.07	\$ 0.00	100.0%

Net sales in the third quarter increased 22.1% to \$2,512,000 from \$2,057,000 in the prior-year quarter. For the nine-month period ended September 30, 2024, net sales increased 11.8% to \$6,973,000 from \$6,239,000 in the comparable prior-year period. Furthermore, gross margin for the 2024 third quarter was 50.4%, up from 48.6% in the corresponding quarter in 2023.

“Sales during the third quarter increased for both our wired sensor products and our wireless HazardPRO™ products, largely driven by industrial automation and agricultural applications” said David L. Klenk, Electro-Sensors’ president. “Furthermore, gross margin improved over the prior-year period as our supply chain continued to stabilize, and we benefited primarily from price adjustments implemented earlier in the year.”

A full analysis of results for the period ended September 30, 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.

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Electro-Sensors, Inc.
Statements of Income
For the Three and Nine Months Ended September 30, 2024 and 2023 (unaudited)
(in thousands except share and per share amounts)

	Three Months Ended September 30,	
	2024	2023
Sales	\$ 2,512	\$ 2,057
Cost of goods sold	<u>1,247</u>	<u>1,064</u>
Gross profit	1,265	993
Operating expenses	<u>1,092</u>	<u>1,019</u>
Operating income (loss)	173	(26)
Non-operating income, net	<u>117</u>	<u>109</u>
Income before income taxes	290	83
Provision for income taxes	<u>52</u>	<u>75</u>
Net income	<u>\$ 238</u>	<u>\$ 8</u>
Earnings per share – diluted	\$ 0.07	\$ 0.00
Average shares outstanding - diluted	3,434,417	3,428,021

	Nine Months Ended September 30,	
	2024	2023
Sales	\$ 6,973	\$ 6,239
Cost of goods sold	<u>3,581</u>	<u>3,156</u>
Gross profit	3,392	3,083
Operating expenses	<u>3,426</u>	<u>3,203</u>
Operating loss	(34)	(120)
Non-operating income, net	<u>342</u>	<u>296</u>
Income before income taxes	308	176
Provision for income taxes	<u>63</u>	<u>96</u>
Net income	<u>\$ 245</u>	<u>\$ 80</u>
Earnings per share – diluted	\$ 0.07	\$ 0.02
Average shares outstanding - diluted	3,440,382	3,428,021

Electro-Sensors, Inc.
Balance Sheets
September 30, 2024 and December 31, 2023
(in thousands)

	September 30, 2024	December 31, 2023
	<u>(unaudited)</u>	
Assets		
Current Assets		
Cash and investments	\$ 10,302	\$ 9,926
Trade receivables, net	1,182	1,283
Inventories	2,003	1,751
Other current assets	<u>272</u>	<u>179</u>
Total current assets	13,759	13,139
Deferred income tax asset, long-term	287	355
Property and equipment, net	<u>911</u>	<u>951</u>
Total assets	<u>\$ 14,957</u>	<u>\$ 14,445</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 859</u>	<u>\$ 690</u>
Total current liabilities	859	690
Stockholders' equity		
Common stock	342	342
Additional paid-in capital	2,328	2,230
Retained earnings	<u>11,428</u>	<u>11,183</u>
Total stockholders' equity	<u>14,098</u>	<u>13,755</u>
Total liabilities and stockholders' equity	<u>\$ 14,957</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-)

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