

Electro-Sensors, Inc. Announces Second Quarter 2025 Financial Results

Minnetonka, Minnesota (August 12, 2025) – Electro-Sensors, Inc. (NASDAQ: ELSE), a leading global provider of machine monitoring sensors and hazard monitoring systems, today announced financial results for the second quarter ended June 30, 2025.

- **Quarterly revenue of \$2,400,000, up 8.3% from the prior-year period**
- **Gross margin of 51.2%**
- **Cash and investments of approximately \$10.2 million**

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

	<u>Q2 2025</u>	<u>Q2 2024</u>	<u>Change</u>
Net Sales	\$ 2,400	\$ 2,217	8.3%
Gross Margin	51.2%	47.2%	400bps
Operating Loss	\$ (2)	\$ (107)	98.1%
Operating Income Margin	(0.1)%	(4.8)%	470bps
Income Before Income Taxes	\$ 80	\$ 2	3900.0%
Earnings Per Share (diluted)	\$ 0.02	\$ 0.00	100.0%

Net sales in the second quarter increased 8.3% to \$2,400,000 from \$2,217,000 in the prior-year quarter. For the first six months of 2025, net sales increased 4.0% to \$4,639,000 from \$4,461,000 in the comparable prior-year period. Furthermore, gross margin for the 2025 second quarter was 51.2%, up from 47.2% in the corresponding quarter in 2024, primarily due to an increase in average selling price for specific items to partially offset increased material costs.

“We are pleased to report second quarter revenue of \$2,400,000, up 8.3% from the prior-year period,” said David L. Klenk, Electro-Sensors’ president. “Additionally, we are encouraged that gross margin was up four percentage points over the same quarter in 2024 as we continued to refine our pricing strategy.”

A full analysis of results for the period ended June 30, 2025 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 Six Months Ended June 30, 2025 and 2024 (unaudited)
(in thousands except share and per share amounts)

	Three Months Ended June 30, 2025	2024
Sales	\$ 2,400	\$ 2,217
Cost of goods sold	<u>1,172</u>	<u>1,170</u>
Gross profit	1,228	1,047
Operating expenses	<u>1,230</u>	<u>1,154</u>
Operating loss	(2)	(107)
Non-operating income, net	<u>82</u>	<u>109</u>
Income before income taxes	80	2
Provision for income taxes	<u>21</u>	<u>6</u>
Net income (loss)	<u>\$ 59</u>	<u>\$ (4)</u>
Earnings (loss) per share – diluted	\$ 0.02	\$ 0.00
Average shares outstanding - diluted	3,550,957	3,428,021

	Six Months Ended June 30, 2025	2024
Sales	\$ 4,639	\$ 4,461
Cost of goods sold	<u>2,327</u>	<u>2,334</u>
Gross profit	2,312	2,127
Operating expenses	<u>2,483</u>	<u>2,334</u>
Operating loss	(171)	(207)
Non-operating income, net	<u>170</u>	<u>225</u>
Income (loss) before income taxes	(1)	18
Provision for income taxes	<u>4</u>	<u>11</u>
Net income (loss)	<u>\$ (5)</u>	<u>\$ 7</u>
Earnings per share – diluted	\$ 0.00	\$ 0.00
Average shares outstanding - diluted	3,449,021	3,428,021

Electro-Sensors, Inc.
Balance Sheets
June 30, 2025 and December 31, 2024
(in thousands)

	June 30, 2025	December 31, 2024
Assets	(unaudited)	
Current Assets		
Cash and investments	\$ 10,238	\$ 10,004
Trade receivables, net	1,282	1,309
Inventories	2,010	1,964
Other current assets	252	197
Total current assets	13,782	13,474
Deferred income tax asset, long-term	501	501
Property and equipment, net	877	910
Total assets	<u>\$ 15,160</u>	<u>\$ 14,885</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued expenses	\$ 769	\$ 552
Total current liabilities	769	552
Stockholders' equity		
Common stock	344	344
Additional paid-in capital	2,423	2,360
Retained earnings	11,624	11,629
Total stockholders' equity	14,391	14,333
Total liabilities and stockholders' equity	<u>\$ 15,160</u>	<u>\$ 14,885</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:

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