



1Q25 Earnings Call

.....

May 6, 2025

SAFE HARBOR STATEMENT

From time to time, information provided by us, including, but not limited to, statements in this presentation, or other statements made by or on our behalf, may contain or constitute "forward-looking" information within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks, uncertainties, and contingencies, many of which are beyond our control, which may cause actual results, performance, or achievements to differ materially from those anticipated.

Such statements are based on current expectations only, and are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, expected, estimated, or projected. Among the factors that could cause actual results to materially differ include: general business and economic conditions; impact of inflation; potential issues respecting the United States federal government debt ceiling; global labor and supply chain challenges; difficulties or delays in identifying, negotiating and completing acquisitions and integrating acquired companies; the inability to realize anticipated synergies and expansion possibilities; difficulties in new product development; changes in competition and technology in the markets that we serve and the mix of our products required to address these changes; changes in foreign currency exchange rates; political, economic, and health (including pandemics) instabilities; instability caused by military hostilities in the regions or countries in which we operate (including Israel); difficulties in implementing our cost reduction strategies, such as underutilization of production facilities, labor unrest or legal challenges to our lay-off or termination plans, operation of redundant facilities due to difficulties in transferring production to achieve efficiencies; compliance issues under applicable laws, such as export control laws, including the outcome of our voluntary self-disclosure of export control non-compliance; significant developments from the recent and potential changes in tariffs and trade regulation; our ability to execute our new corporate strategy and business continuity, operational and budget plans; and other factors affecting our operations, markets, products, services, and prices that are set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this report or as of the dates otherwise indicated in such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Non-GAAP Measures

This presentation includes discussion of adjusted free cash flow, adjusted gross profit and adjusted operating income and their corresponding margins, as well as adjusted net earnings, EBITDA, adjusted EBITDA, and adjusted net diluted earnings per share. These are financial measures that were not prepared in accordance with generally accepted accounting principles in the United States (non-GAAP measures). Management believes that these non-GAAP measures are useful to investors because each presents what management views as our core operating results for the relevant period. The adjustments to the applicable GAAP measures relate to occurrences or events that are outside of our core operations, and management believes that the use of these non-GAAP measures provides a consistent basis to evaluate our operating profitability and performance trends across comparable periods. These reconciling items are indicated on the accompanying reconciliation schedules and are more fully described in VPG's financial statements presented in our Annual Report on Form 10-K and its Quarterly Reports on Forms 10-Q.

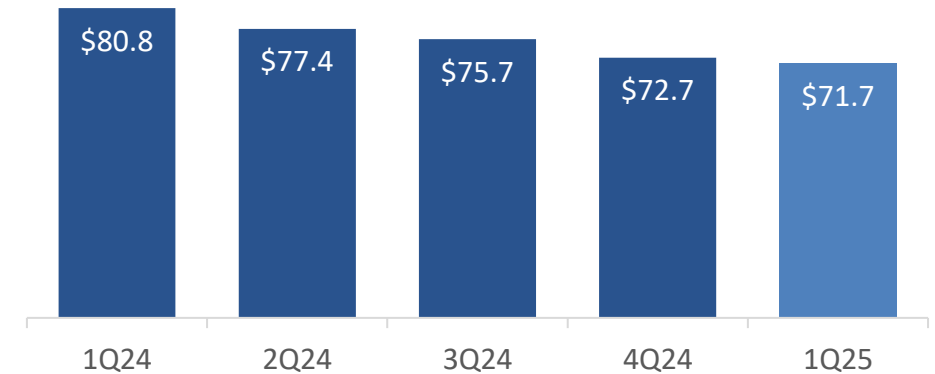
FISCAL FIRST QUARTER 2025 HIGHLIGHTS

Financial

- 1Q25 revenue of \$71.7 million declined modestly sequentially; Revenue impacted by delayed shipments at KELK of approximately \$2 million.
- Orders of \$74.4 million grew 2.7% from 4Q24, the second consecutive quarter of order growth.
- Book-to-bill of 1.04x improved sequentially. Sensors and Measurement Systems segments achieved book-to-bill ratios above 1.00.
- Despite muted revenue levels, we generated solid cash flow. Cash from Operations was \$5.3 million and Adj. Free Cash Flow was \$3.7 million.
- Monitoring potential impact from rapidly changing tariffs. VPG diversified manufacturing footprint and supply chain may mitigate potential impact, as our China manufacturing operations are devoted primarily to local customers.

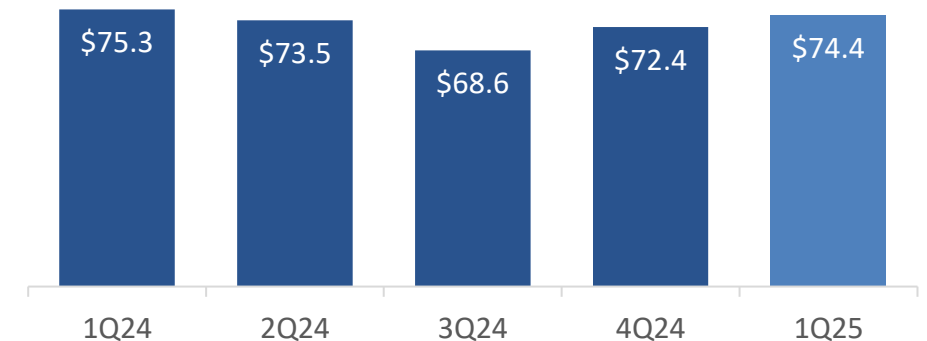
VPG Consolidated Revenue

Amounts in \$ millions



VPG Consolidated Bookings

Amounts in \$ millions



Book-to-Bill	1Q24	2Q24	3Q24	4Q24	1Q25
	0.93	0.95	0.91	1.00	1.04

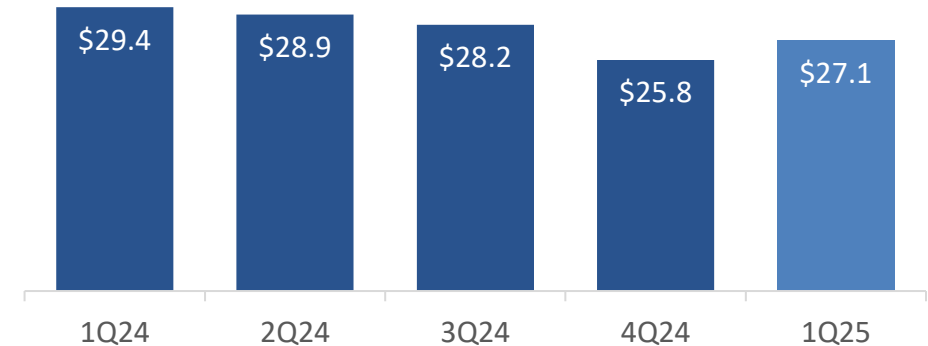
SENSORS – SALES & BOOKINGS

Highlights:

- Sensors 1Q25 sales grew 5.1% sequentially, primarily reflecting higher sales of strain gages and precision resistors in the Test & Measurement market.
- Sequentially, orders grew 6.7% to the highest level in 5 quarters, primarily reflecting higher bookings in Test & Measurement (i.e., Semiconductor and Robotics) and Other markets (i.e., Consumer).
- Sensors' book-to-bill was 1.06.
- Humanoid robot projects continue to progress well, as our initial customer booked pre-production orders. Also received order from second developer of humanoid robots for prototypes.

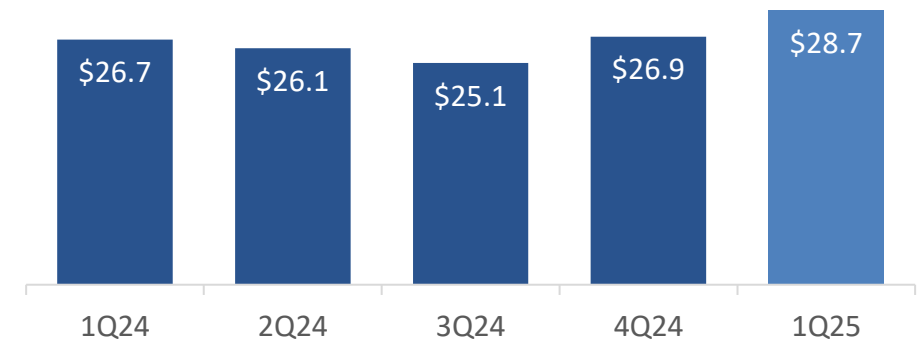
Sensors Segment Revenue

Amounts in \$ millions



Sensors Segment Bookings

Amounts in \$ millions



Book-to-Bill	1Q24	2Q24	3Q24	4Q24	1Q25
Book-to-Bill	0.91	0.90	0.89	1.04	1.06

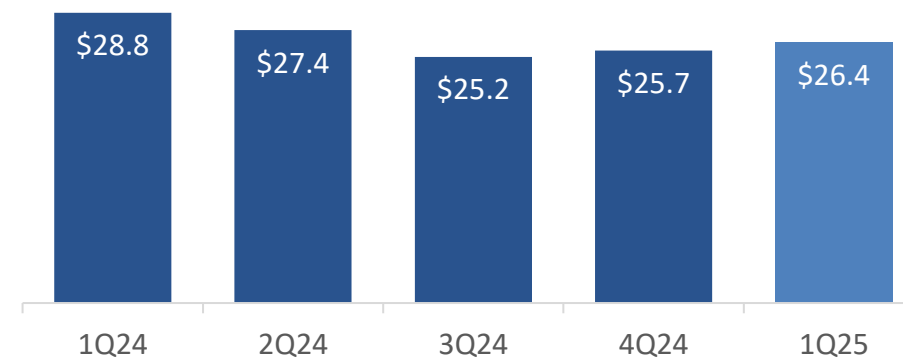
WEIGHING SOLUTIONS – SALES & BOOKINGS

Highlights:

- 1Q25 revenues grew 2.7% sequentially and declined 8.3% from the prior year.
- The sequential increase was higher sales in the Transportation and General Industrial markets, which offset lower revenue in the Industrial Weighing and Other markets.
- Orders decreased 9.3% sequentially after a strong 4Q24, and resulted in a book-to-bill of 0.99. Higher orders in the Transportation market for truck applications were offset by weaker orders for force sensor OEM business segments (precision agriculture, construction, and medical applications).

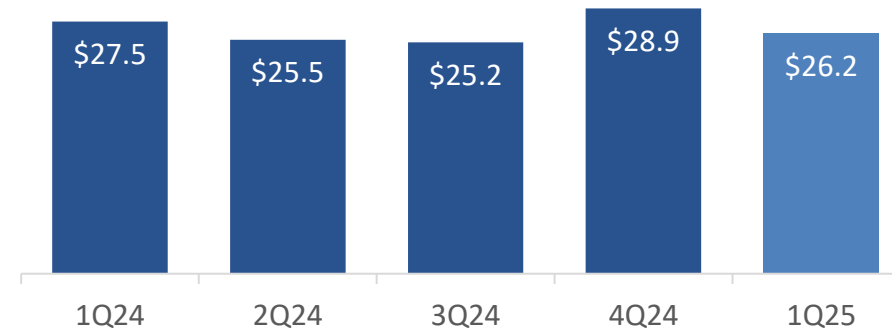
Weighing Solutions Segment Revenue

Amounts in \$ millions



Weighing Solutions Segment Bookings

Amounts in \$ millions



Book-to-Bill 0.95 0.93 1.00 1.12 0.99

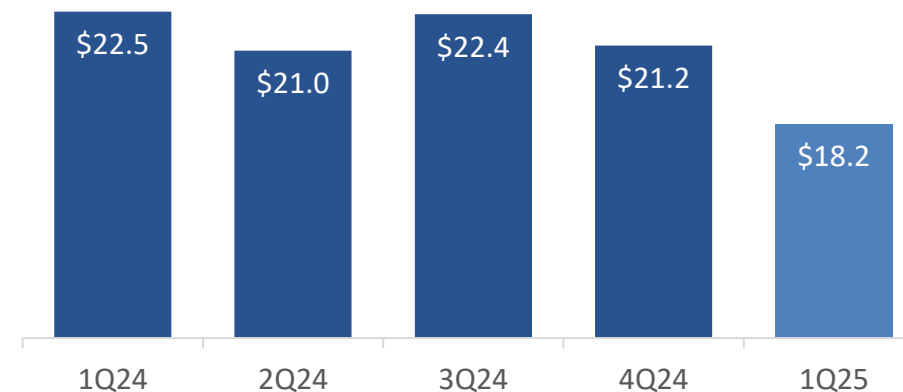
MEASUREMENT SYSTEMS – SALES & BOOKINGS

Highlights:

- 1Q25 revenues declined 13.8% from 4Q24 and 19.0% from the prior year, reflecting timing of projects and cyclical softness in the Steel market.
- The sequentially lower revenue was primarily due to lower sales in the Steel market and lower sales of DTS products in the Avionics, Military and Space market.
- Delayed KELK shipments of approximately \$2 million of shipments in 1Q25 are expected to ship in the second half of 2025.
- Book-to-bill improved to 1.07 as orders of \$19.5 million grew 17.3% sequentially. Bookings reflected higher demand primarily in Transportation for auto safety testing.
- Received order from University of Alabama for prototype of new UHTC ceramics test tool for initial beta site.

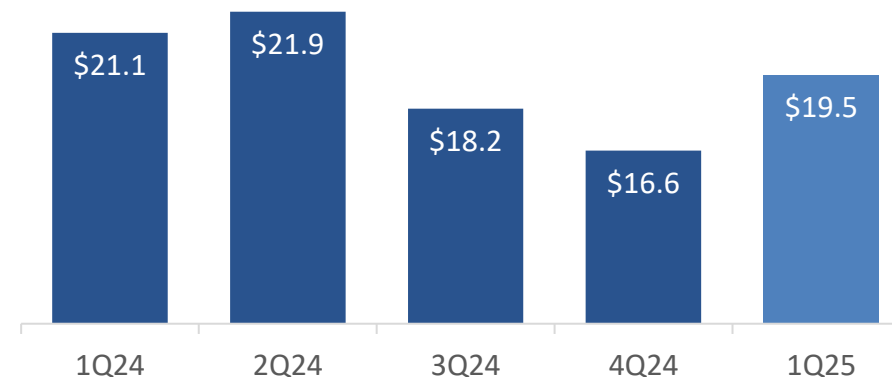
Sensors Segment Revenue

Amounts in \$ millions



Sensors Segment Bookings

Amounts in \$ millions



Book-to-Bill	1Q24	2Q24	3Q24	4Q24	1Q25
	0.94	1.04	0.82	0.78	1.07

2025 PRIORITIES – UPDATE

Business Development

- Orders for business development initiatives in 1Q25 were broad-based and on plan; includes development stage and prototype orders related to humanoid robots.
- Investing in sales systems, marketing expertise, and digital marketing. Initiated steps to streamline sales processes.

Cost Controls and Operational Excellence

- Continued manufacturing consolidations to achieve cost efficiencies and to support production of key new products.
- Targeted annual fixed cost reductions of \$5 million on track.

M&A

- Continue to look for attractive, high-quality businesses to add to VPG platform.

FINANCIALS – GROSS MARGIN

<i>Revenue in \$ millions</i>	1Q25	4Q24	Comments
Revenue	\$71.7	\$72.7	
Gross Profit Margin by Segment:			
Sensors – Adjusted ¹ :	30.8%	32.0%	<i>Reflects higher one-time fixed costs, unfavorable foreign exchange rates, partially offset by an increase in volume.</i>
Weighing Solutions – Adjusted ² :	37.8%	34.1%	<i>Reflects higher sales and the effect of cost reduction programs.</i>
Measurement Systems ³ :	50.3%	51.2%	<i>Primarily reflects lower volume.</i>
Gross Profit Margin Consolidated:	37.7%	38.2%	<i>Achieved comparable gross margin on lower revenue. Reflects the effects of cost reduction programs, inventory reductions, offset by unfavorable product mix and foreign currency rates.</i>
Adjusted Gross Profit Margin Consolidated:	38.3%	38.3%	

1. Sensors' 1Q25 adjusted gross margin was adjusted for \$0.2 million in start-up costs related to manufacturing consolidations.
2. Weighing Solutions' 1Q25 adjusted gross margin was adjusted for \$0.3 million in start-up costs related to new product introductions.
3. In 4Q24, Measurement Systems gross margin was adjusted for purchasing accounting impacts related to the DSI, DTS and Nokra acquisitions.

FINANCIALS – INCOME STATEMENT

<i>Amounts in \$ millions, except margin and per share data</i>	1Q25	4Q24
Revenue	\$71.7	\$72.7
Gross Profit Margin:	37.7%	38.2%
Adjusted Gross Profit Margin :	38.3%	38.3%
Selling, General, and Admin. Expenses:	\$26.7	\$27.3
Operating Income:	(\$0.1)	\$0.2
Operating Margin:	(0.1%)	0.3%
Adj. Operating Income:	\$0.8	\$0.6
Adj. Operating Margin:	1.1%	0.8%
Operational Tax Rate:	25%	25%
Net Earnings*:	(\$0.9)	\$0.8
Net Earnings per diluted share*:	(\$0.07)	\$0.06
Adjusted Net Earnings*:	\$0.5	\$0.4
Adjusted Net Earnings per diluted share*:	\$0.04	\$0.03

* Attributable to VPG shareholders.

FINANCIALS – CASH FLOW / BALANCE SHEET

<i>Amounts in \$ millions, except margin and per share data</i>	1Q25	4Q24
EBITDA:	\$3.3	\$6.6
Adjusted EBITDA:	\$5.1	\$5.1
Cash From Operations:	\$5.3	\$6.8
Purchased Capital Expenditures	\$1.5	\$2.2
Free Cash Flow*:	\$3.7	\$4.6
Cash and Cash Equivalents	\$83.9	\$79.3
Total Assets:	\$454.3	\$450.9
Total Long-term Debt:	\$31.5	\$31.4
Total Liabilities:	\$127.7	\$129.1

* Free cash flow defined as cash from operating activities less capital expenditures plus proceeds from the sales of assets.

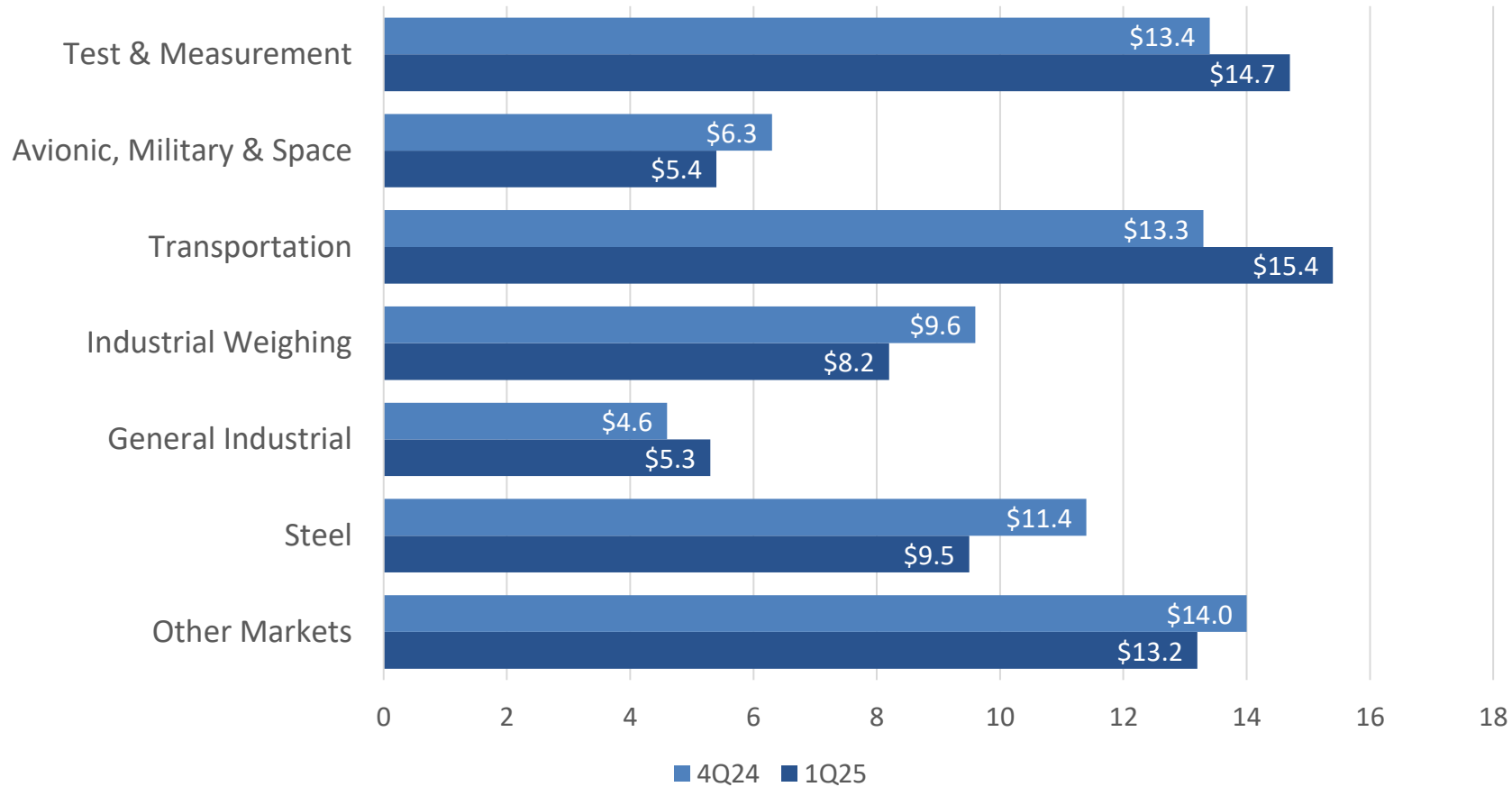
Q&A

Appendix

FIRST QUARTER 2025 MARKET TRENDS

Consolidated Revenue by Market

Amounts in \$ millions



Reconciliation of Adjusted Gross Profit, Operating Income, Net Earnings and Diluted Earnings Per Share - Quarter

	Gross Profit		Operating Income		Net (Loss) Earnings Attributable to VPG Stockholders		Diluted Earnings Per share	
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
Three months ended								
As reported - GAAP	\$ 27,045	\$ 35,094	\$ (60)	\$ 6,918	\$ (942)	\$ 5,891	\$ (0.07)	\$ 0.44
As reported - GAAP Margins	37.7 %	43.4 %	(0.1)%	8.6 %				
Start-up costs	463	—	463	—	463	—	0.03	—
Restructuring costs	—	—	395	782	395	782	0.03	0.06
Severance cost	—	—	—	347	—	347	—	0.03
Foreign currency exchange gain (loss)	—	—	—	—	972	(1,589)	0.07	(0.12)
Less: Tax effect of reconciling items and discrete tax items	—	—	—	—	\$ 420	\$ (238)	\$ 0.03	\$ (0.01)
As Adjusted - Non GAAP	\$ 27,508	\$ 35,094	\$ 798	\$ 8,047	\$ 468	\$ 5,669	\$ 0.04	\$ 0.42
As Adjusted - Non GAAP Margins	38.3 %	43.4 %	1.1 %	10.0 %				

Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA - QTR

	Fiscal quarter ended		
	March 29, 2025	March 30, 2024	December 31, 2024
In \$ thousands, except margin data			
Net (loss) earnings attributable to VPG stockholders	\$ (942)	\$ 5,891	\$ 768
Interest Expense	550	628	587
Income tax expense	(332)	2,318	1,222
Depreciation	3,056	3,016	3,026
Amortization	979	927	1,007
EBITDA	\$ 3,311	\$ 12,780	\$ 6,610
EBITDA MARGIN	4.6 %	15.8 %	9.1 %
Acquisition purchase accounting adjustments	—	—	79
Restructuring costs	395	782	198
Start-up costs	463	—	—
Foreign currency exchange gain (loss)	972	(1,589)	(1,913)
ADJUSTED EBITDA	\$ 5,141	\$ 12,320	\$ 5,075
ADJUSTED EBITDA MARGIN	7.2 %	15.3 %	7.0 %

Reconciliation of Adjusted Gross Profit by Segment

<i>In \$ thousands except margin data</i>	Fiscal quarter ended		
	March 29, 2025	March 30, 2024	December 31, 2024
Sensors			
As reported - GAAP	\$ 8,146	\$ 10,732	\$ 8,229
As reported - GAAP Margins	30.1 %	36.5 %	32.0 %
Start-up costs	187	—	—
As Adjusted - Non GAAP	\$ 8,333	\$ 10,732	\$ 8,229
As Adjusted - Non GAAP Margins	30.8 %	36.5 %	32.0 %
Weighing Solutions			
As reported - GAAP	\$ 9,717	\$ 11,266	\$ 8,778
As reported - GAAP Margins	36.8 %	39.1 %	34.1 %
Start-up costs	276	—	—
As Adjusted - Non GAAP	\$ 9,993	\$ 11,266	\$ 8,778
As Adjusted - Non GAAP Margins	37.8 %	39.1 %	34.1 %
Measurement Systems			
As reported - GAAP	\$ 9,182	\$ 13,094	\$ 10,764
As reported - GAAP Margins	50.3 %	58.1 %	50.9 %
Acquisition purchase accounting adjustments	—	—	79
As Adjusted - Non GAAP	\$ 9,182	\$ 13,094	\$ 10,843
As Adjusted - Non GAAP Margins	50.3 %	58.1 %	51.2 %

VPG Sustainability

2024 Milestones:

- Updated sustainability website, sharing ESG performance indicators and adding ESG policies
- Increased diversity of our Board of Directors
- Updated VPG Global Code of Conduct; augmented our EH&S policies and objectives
- Published energy management and water use reduction targets
- Published Scope 1 and Scope 2 emissions
- Launched initial Sustainability Report



"We are proud to introduce our first Sustainability Report. This report marks a significant milestone in VPG's sustainability journey." – Ziv Shoshani, CEO