



# 4Q25 Earnings Call

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February 11, 2026

# 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 FOURTH QUARTER 2025 HIGHLIGHTS

- 4Q25 revenue of \$80.6 million increased 1.1% sequentially and grew 10.9% from a year ago.
- Orders of \$81.3 million were up 2.0% from 3Q25 and 12.4% from a year ago, reflecting positive trends in some markets.
- Achieved \$11.8 million of orders from business development initiatives including \$0.8 million from humanoid customers.
- Book-to-bill was 1.01, the fifth consecutive quarter of BTB's of 1.00 or more. The Sensors segment achieved book-to-bill ratio of 1.15 and the order level was the highest since 2022.
- Our fourth-quarter adjusted gross margin was significantly impacted by \$1 million related to unfavorable product mix and \$1 million of inventory reductions. In addition, we incurred approximately \$1 million of discrete inventory and manufacturing impacts, as well as \$0.4 million impact from unfavorable F/X.
- 4Q25 adjusted net earnings per diluted share of \$0.07 declined from \$0.26 in 3Q25. 4Q25 Adjusted EBITDA was \$6.0 million or 7.5% of revenue.

VPG Consolidated Revenue

Amounts in \$ millions



VPG Consolidated Bookings

Amounts in \$ millions



Book-to-Bill

1.00	1.04	1.06	1.00	1.01
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# SENSORS – SALES & BOOKINGS

## Highlights:

- Despite higher sales in the Test and Measurement markets, Sensors 4Q25 sales declined 3.9% sequentially.
- Orders grew 3.8% sequentially to the highest quarterly level in 3 years, and were up 30.3% from a year ago. The sequential bookings growth reflected higher demand in the General Industrial market and in our Other markets.
- Sensors' book-to-bill was 1.15. We are ramping production of Sensors products and expect to realize higher sales beginning in the second quarter.
- Received orders of \$0.8 million related to humanoid projects in 4Q25, which included a prototype order from a third humanoid developer customer. Total humanoid orders for 2025 were \$4 million, which are expected to increase in 2026. Received a follow-on order of \$1 million in January 2026.

Sensors Segment Revenue

Amounts in \$ millions



Sensors Segment Bookings

Amounts in \$ millions

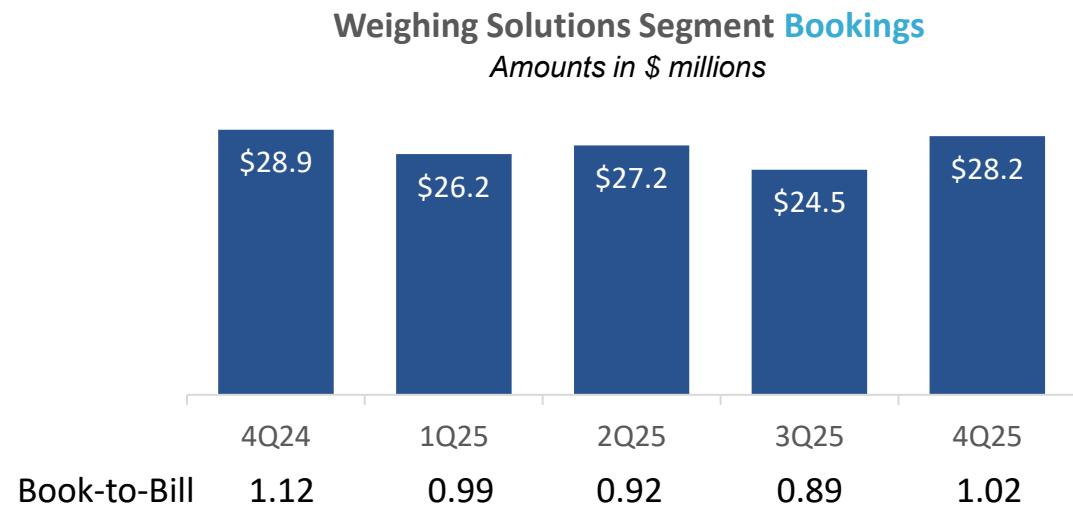


Book-to-Bill 1.04 1.06 1.12 1.07 1.15

# WEIGHING SOLUTIONS – SALES & BOOKINGS

## Highlights:

- 4Q25 revenues grew 0.7% sequentially and 7.8% from the prior year.
- The sequential increase was primarily due to higher sales in the Industrial Weighing market.
- Orders increased 14.9% sequentially driven by improved demand in Precision Ag, Medical and Transportation end-markets, which are still recovering from cyclically low levels.
- Book-to-bill was 1.02.



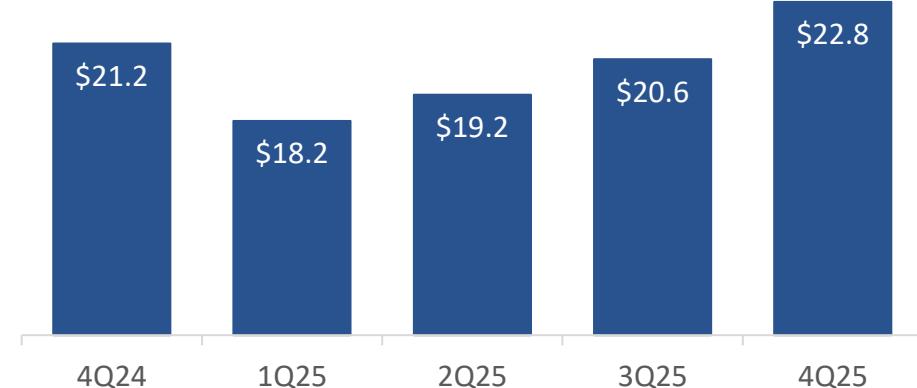
# MEASUREMENT SYSTEMS – SALES & BOOKINGS

## Highlights:

- 4Q25 revenues grew 9.1% sequentially and 6.0% from the prior year.
- The sequentially higher revenue was primarily due to higher sales in the Steel and AMS markets, driven by a record quarter for DSI.
- Book-to-bill was 0.81 as orders of \$18.1 million declined 15.5% sequentially. Bookings reflected lower Steel orders due to the timing of projects, which offset stronger orders for DTS data acquisition products for crash safety testing.

Measurement Systems Segment **Revenue**

*Amounts in \$ millions*



Measurement Systems Segment **Bookings**

*Amounts in \$ millions*

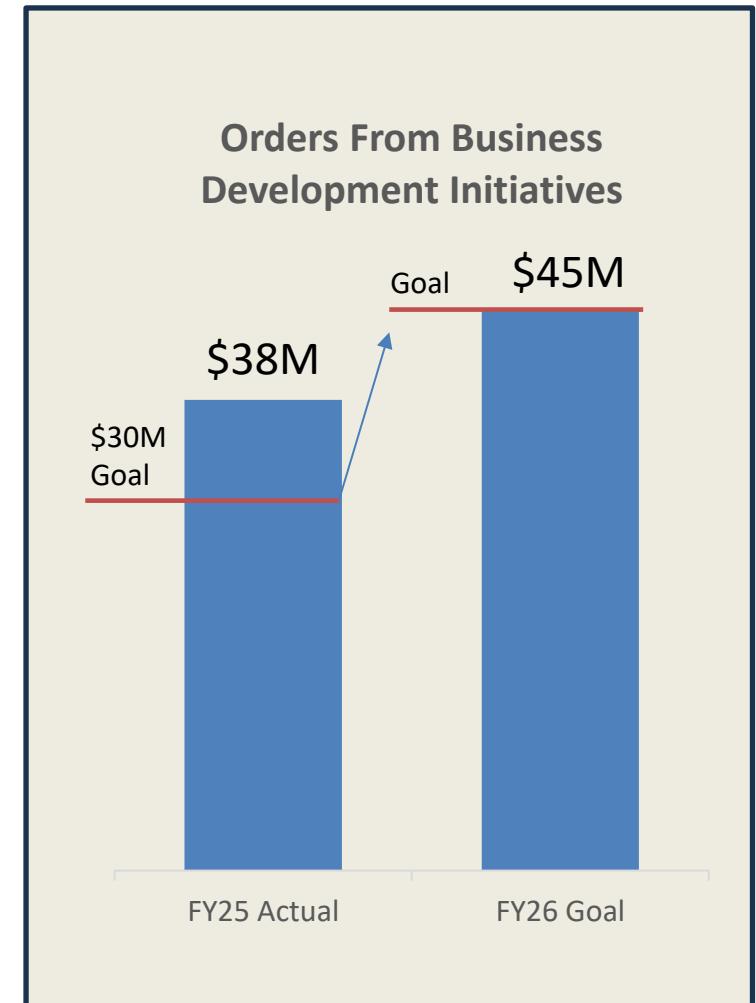


Book-to-Bill

0.78      1.07      1.20      1.04      0.81

# FISCAL 2025 HIGHLIGHTS

- FY25 revenue of \$307.2 million, as second-half revenue was 9% higher than the first half.
- Orders strengthened in the second half of the year, driven by stronger demand mainly in Sensors, which is expected to continue in 2026.
- Achieved \$37.8 million of business development orders, which exceeded our 2025 target. Key new applications including humanoid robotics progressing well. Set target of \$45 million for business development orders in 2026.
- Achieved \$4.5 million of targeted cost reductions as part of ongoing cost efficiency plans.
- Adjusted operating margin for FY25 was impacted by \$4.7 million of unfavorable F/X and one-time impacts of \$1 million related to inventory adjustments.
- Implemented fundamental change in strategy and organization to accelerate growth and cost optimization.



# 2025 Was A Transformational Year; Building the Foundation for VPG's Next Phase

2025  
Accomplishments



2026 - 2028  
Priorities

- **Business Development**
  - Formalize and track initiatives
- **Cost Reductions**
  - Achieved \$4.5M of cost reductions and operational efficiencies
- **Organizational and Strategy enhancements**
  - Expanded C-Suite with two roles (CBPO and COO) to drive accelerated growth and cost optimization
- **Enhance Internal Processes and Tools**
  - Optimize business development opportunities management, lead generation, and sales operations
- **Continued Optimization of Operational Footprint**
  - Streamlining of manufacturing sites
- **Operational Excellence Initiatives**
  - Drive Scalability, Coordination, and Cost Efficiency
  - Cross-divisional functions and centers of excellence (e.g., procurement and supply chain)

# FINANCIALS – GROSS MARGIN

<i>Revenue in \$ millions</i>	4Q25	3Q25	Comments
Revenue	\$80.6	\$79.7	
<i>Gross Profit Margin by Segment:</i>			
Sensors – Adjusted:	28.5%	33.7%	<i>Primarily due to lower volume, unfavorable product mix and foreign exchange rates.</i>
Weighing Solutions – Adjusted:	33.0%	40.3%	<i>Reflects higher manufacturing fixed costs, reduction of inventory, and higher logistics costs.</i>
Measurement Systems:	53.3%	51.1%	<i>Primarily reflects higher volume and favorable product mix.</i>
Gross Profit Margin Consolidated:	36.8%	40.3%	<i>Consolidated adjusted gross margin was impacted by \$1 million related to unfavorable product mix and \$1 million of inventory reductions. In addition, we incurred approximately \$1 million of discrete inventory and manufacturing impacts, as well as \$0.4 million impact from unfavorable F/X.</i>
Adjusted Gross Profit Margin Consolidated:	37.0%	40.5%	

# FINANCIALS – INCOME STATEMENT

Amounts in \$ millions, except margin and per share data	4Q25	3Q25*
Revenue	\$80.6	\$79.7
Gross Profit Margin:	36.8%	40.3%
Adjusted Gross Profit Margin :	37.0%	40.5%
Selling, General, and Admin. Expenses:	\$27.9	\$27.3
Operating Income*:	\$1.4	\$10.2
Operating Margin:	1.3%	12.7%
Adj. Operating Income:	\$1.8	\$5.0
Adj. Operating Margin:	2.3%	6.2%
Operational Tax Rate:	32%	26%
Net Earnings**:	\$(1.9)	\$7.8
Net Earnings per diluted share**:	\$(0.14)	\$0.58
Adjusted Net Earnings**:	\$1.0	\$3.5
Adjusted Net Earnings per diluted share**:	\$0.07	\$0.26

\* 3Q25 reported operating income includes gain from sale of a building.

\*\* Attributable to VPG shareholders.

# FINANCIALS – CASH FLOW / BALANCE SHEET

<i>Amounts in \$ millions, except margin and per share data</i>	4Q25	3Q25
EBITDA:	\$3.8	\$14.2
Adjusted EBITDA:	\$6.0	\$9.2
Cash From Operations:	\$4.8	(\$1.3)
Purchased Capital Expenditures	\$3.5	\$2.2
Adj. Free Cash Flow*:	\$1.3	\$7.4
Cash and Cash Equivalents	\$87.4	\$86.3
Total Assets:	\$457.8	\$462.3
Total Long-term Debt:	\$20.6	\$20.6
Total Liabilities:	\$118.3	\$124.6

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

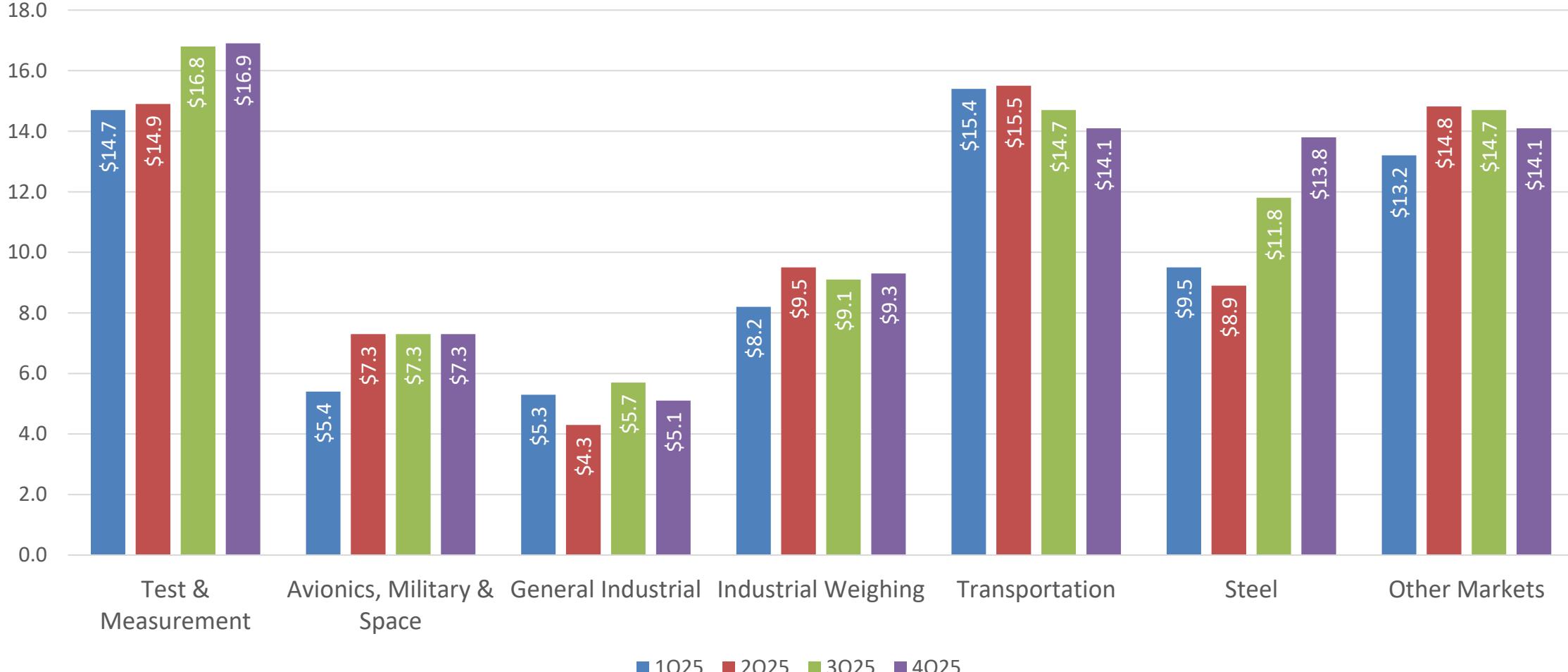
# Q&A

# Appendix

# QUARTERLY MARKET TRENDS

Consolidated Revenue by Market

Amounts in \$ millions



# VPG Sustainability

## Projects Underway:

- Climate Risk Assessment
- Greenhouse Gas Goals/Target Setting

## Key Past Milestones:

- Updated ESG Website with 2024 Data
- Published Corporate Social Responsibility, Customer Safety and Health and Product Use and End of Life Policies
- Published energy management and water use reduction targets
- Launched initial Sustainability Report



## SUSTAINABILITY REPORT 2022-2023

Safer, Smarter and More Productive



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