



2Q25 Earnings Call

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August 5, 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; significant developments from the recent and potential changes in tariffs and trade regulation; 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 or disruption 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; our ability to execute our 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.

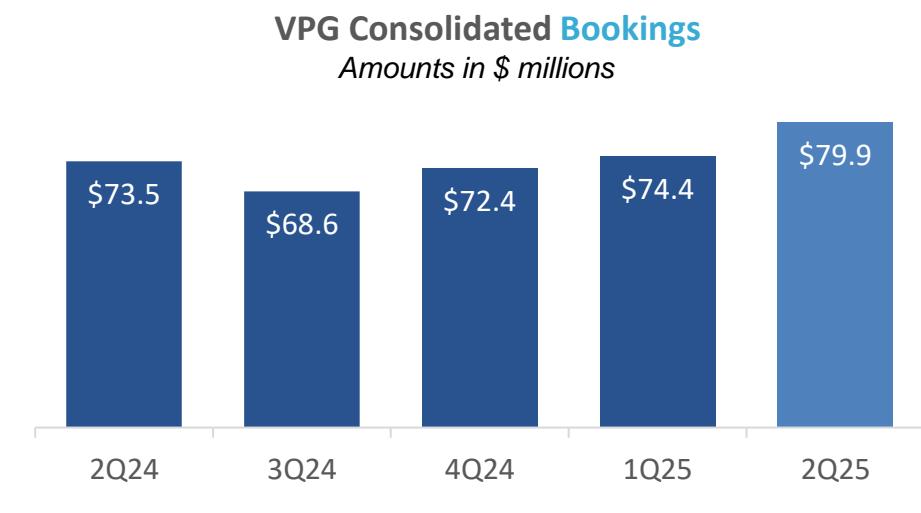
Non-GAAP Measures

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 SECOND QUARTER 2025 HIGHLIGHTS

Financial

- 2Q25 revenue of \$75.2 million increased 4.8% sequentially.
- Orders of \$79.9 million grew 7.5% from 1Q25, the third consecutive quarter of sequential order growth. Orders improved across all reporting segments.
- Book-to-bill of 1.06 improved sequentially. Measurement Systems and Sensors segments achieved book-to-bill ratios of 1.20 and 1.12, respectively.
- Adjusted gross margin improved from 1Q25 to 41.0% reflecting improvements across all reporting segments. The Weighing Solutions segment achieved a quarterly record adjusted gross margin.
- 2Q25 adjusted net earnings per diluted share of \$0.17 grew from \$0.04 in 1Q25.
- We generated solid cash flow. Cash from operations was \$6.0 million and adj. free cash flow was \$4.7 million.



Book-to-Bill	0.95	0.91	1.00	1.04	1.06
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SENSORS – SALES & BOOKINGS

Highlights:

- Sensors 2Q25 sales declined 1.8% sequentially, primarily reflecting lower sales of precision resistors in the Test and Measurement market.
- Sequentially, orders grew 3.7% to the highest level in 6 quarters. The bookings growth was driven by higher orders in Test & Measurement for precision resistors, and higher demand for strain gage sensors in AMS and Industrial Weighing, which was partially offset by lower orders for consumer applications.
- Sensors' book-to-bill was 1.12.
- Received follow-on orders related to ongoing Humanoid robot projects.

Sensors Segment Revenue

Amounts in \$ millions



Sensors Segment Bookings

Amounts in \$ millions



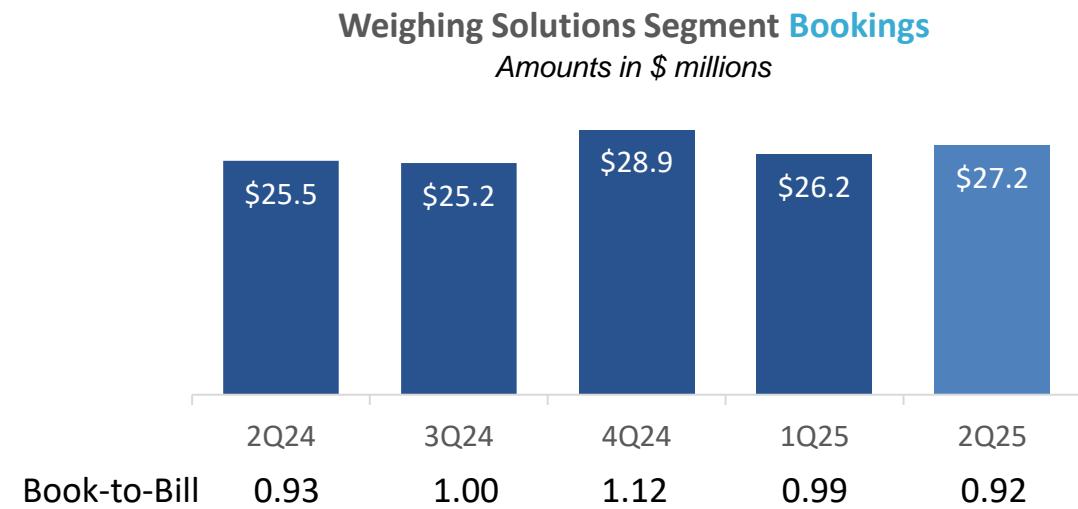
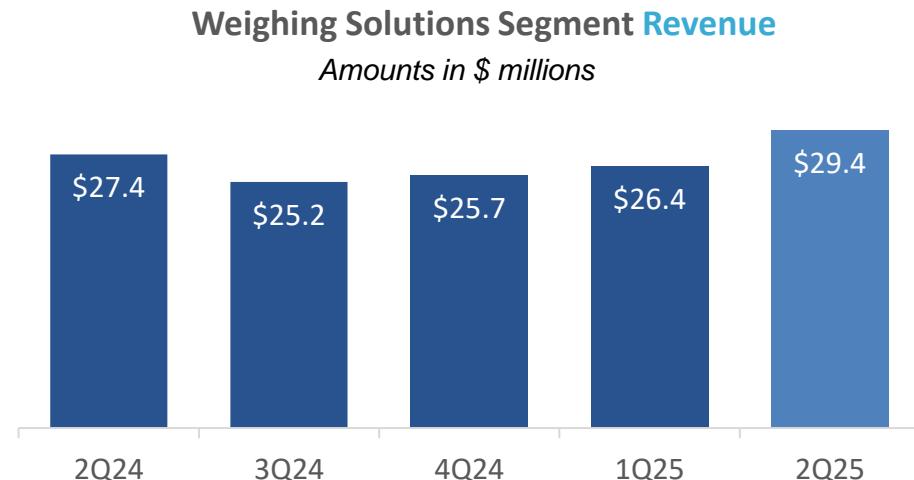
Book-to-Bill

0.91 0.90 0.89 1.04 1.12

WEIGHING SOLUTIONS – SALES & BOOKINGS

Highlights:

- 2Q25 revenues grew 11.3% sequentially and 7.2% from the prior year.
- The sequential increase was primarily due to higher sales in the Transportation and Industrial Weighing, and in our Other markets for medical and precision agriculture applications.
- Orders increased 3.6% sequentially and resulted in a book-to-bill of 0.92. Higher orders for precision agriculture and medical applications and in Industrial Weighing, offset lower bookings in Transportation and General Industrial.



MEASUREMENT SYSTEMS – SALES & BOOKINGS

Highlights:

- 2Q25 revenues grew 5.1% sequentially but were 8.9% lower from the prior year.
- The sequentially higher revenue was primarily due to higher sales in the AMS market, which offset lower sales to the Transportation and Steel markets.
- Book-to-bill was 1.20 as orders of \$23.0 million grew 18.1% sequentially to the highest level since 3Q23. Bookings reflected higher demand primarily in AMS and Steel.
- Initial beta of new UHTC ceramics test tool with University of Alabama proceeding; in discussions with an additional university regarding second beta.

Measurement Systems Segment **Revenue**

Amounts in \$ millions



Measurement Systems Segment **Bookings**

Amounts in \$ millions



Book-to-Bill

1.04 0.82 0.78 1.07 1.20

2025 PRIORITIES – UPDATE

Business Development

- Orders for business development initiatives year-to-date were approximately \$17 million, which puts us on plan to reach 2025 goal of \$30 million.
- Projects related to improving sales processes and systems are on track.

Cost Controls and Operational Excellence

- Completed sale of building for \$10.8 million as part of continued manufacturing consolidations and relocations
- 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

Revenue in \$ millions	2Q25	1Q25	Comments
Revenue	\$75.2	\$71.7	
<i>Gross Profit Margin by Segment:</i>			
Sensors – Adjusted ¹ :	32.2%	30.8%	Reflects increase in inventories and favorable F/X rates, which offset the impact of lower volume, and net tariff costs.
Weighing Solutions – Adjusted ² :	40.2%	37.8%	Reached quarterly record for segment. Reflects higher volume and favorable F/X rates, which offset net tariff costs.
Measurement Systems:	54.6%	50.3%	Primarily reflects higher volume and favorable product mix.
Gross Profit Margin Consolidated:	40.7%	37.7%	Adjusted gross margin improved 270 bps from 1Q25.
Adjusted Gross Profit Margin Consolidated:	41.0%	38.3%	

1. Sensors' 2Q25 adjusted gross margin was adjusted for \$0.1 million in start-up costs related to manufacturing consolidations.

2. Weighing Solutions' 2Q25 adjusted gross margin was adjusted for \$0.2 million in start-up costs related to new product introductions.

FINANCIALS – INCOME STATEMENT

<i>Amounts in \$ millions, except margin and per share data</i>	2Q25	1Q25
Revenue	\$75.2	\$71.7
Gross Profit Margin:	40.7%	37.7%
Adjusted Gross Profit Margin :	41.0%	38.3%
Selling, General, and Admin. Expenses*:	\$27.7	\$26.7
Operating Income:	\$2.7	(\$0.1)
Operating Margin:	3.6%	(0.1%)
Adj. Operating Income:	\$3.6	\$0.8
Adj. Operating Margin:	4.8%	1.1%
Operational Tax Rate:	31%	25%
Net Earnings**:	\$0.3	(\$0.9)
Net Earnings per diluted share**:	\$0.02	(\$0.07)
Adjusted Net Earnings**:	\$2.3	\$0.5
Adjusted Net Earnings per diluted share**:	\$0.17	\$0.04

* 2Q25 SGA expense include approximately \$500,000 in severance costs.

** Attributable to VPG shareholders.

FINANCIALS – CASH FLOW / BALANCE SHEET

<i>Amounts in \$ millions, except margin and per share data</i>	2Q25	1Q25	
EBITDA:	\$5.2	\$3.3	
Adjusted EBITDA:	\$7.9	\$5.1	
Cash From Operations:	\$6.0	\$5.3	
Purchased Capital Expenditures	\$1.3	\$1.5	
Free Cash Flow*:	\$4.7	\$3.7	
Cash and Cash Equivalents	\$90.4	\$83.9	
Total Assets:	\$465.6	\$454.3	
Total Long-term Debt:	\$31.5	\$31.5	
Total Liabilities:	\$134.3	\$127.7	

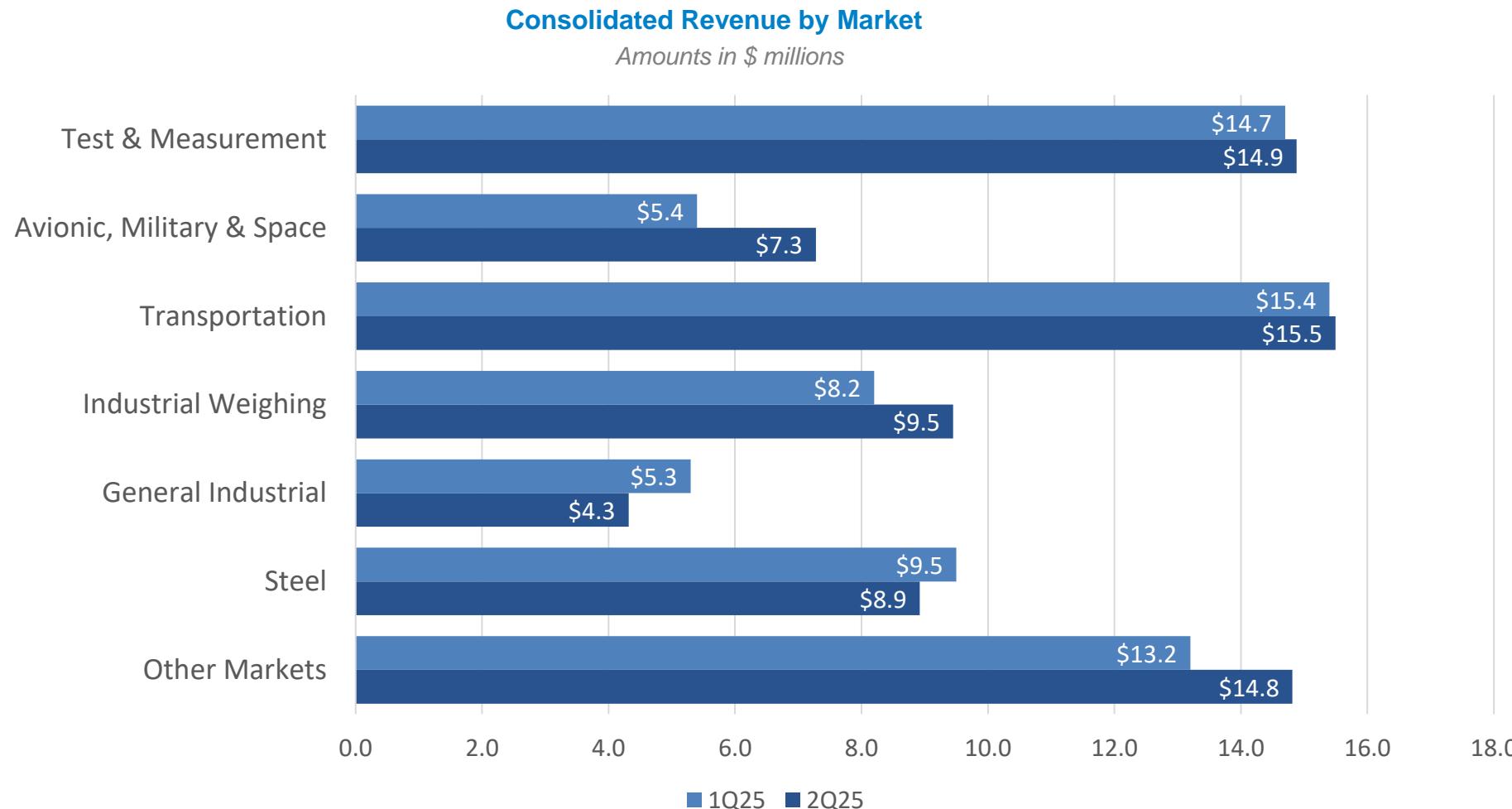
In July 2025, VPG completed the sale of a building, as part of ongoing cost reduction and efficiency initiatives. The net proceeds of \$10.8 million was used to pay down our outstanding bank revolver balance, which is expected to save approximately \$700 thousand in annual interest expense.

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

Q&A

Appendix

SECOND QUARTER 2025 MARKET TRENDS



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

Three months ended	Gross Profit		Operating Income		Net Earnings Attributable to VPG		Diluted Earnings Per share	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$ 30,594	\$ 32,407	\$ 2,708	\$ 5,906	\$ 248	\$ 4,603	\$ 0.02	\$ 0.34
As reported - GAAP								
<i>As reported - GAAP Margins</i>	<i>40.7%</i>	<i>41.9%</i>	<i>3.6%</i>	<i>7.6%</i>	<i>—%</i>			
Start-up costs	257	—	257	—	257	—	0.02	—
Restructuring costs	—	—	185	—	185	—	0.02	—
Severance cost	—	—	443	—	443	—	0.03	—
Foreign currency exchange loss (gain)	—	—	—	—	1,763	(1,289)	0.13	(0.10)
Less: Tax effect of reconciling items and discrete tax items	—	—	—	—	624	(836)	0.05	(0.06)
As Adjusted - Non GAAP	\$ 30,851	\$ 32,407	\$ 3,593	\$ 5,906	\$ 2,272	\$ 4,150	\$ 0.17	\$ 0.31
<i>As Adjusted - Non GAAP Margins</i>	<i>41.0%</i>	<i>41.9%</i>	<i>4.8%</i>	<i>7.6%</i>				

Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA - QTR

	Fiscal Quarter Ended		
	June 28, 2025	June 29, 2024	March 29, 2025
Net earnings (loss) earnings attributable to VPG stockholders	\$248	\$ 4,603	\$ (942)
Interest Expense	550	649	550
Income tax (benefit) expense	592	2,316	(332)
Depreciation	2,872	2,992	3,056
Amortization	982	924	979
EBITDA	5,244	11,484	3,311
EBITDA MARGIN	7.0%	14.8%	4.6%
Restructuring costs	185	—	395
Severance cost	443	—	—
Start-up costs	257	—	463
Foreign currency exchange loss (gain)	1,763	(1,289)	972
ADJUSTED EBITDA	\$ 7,892	\$ 10,196	\$ 5,141
ADJUSTED EBITDA MARGIN	10.5%	13.2%	7.2%
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Reconciliation of Adjusted Gross Profit by Segment

	Fiscal Quarter Ended				
	June 28, 2025		June 29, 2024		March 29, 2025
	\$	\$	\$	\$	\$
Sensors					
Net revenues	\$ 26,563	\$	28,869	\$	27,056
As reported - GAAP	\$ 8,487	\$	11,066	\$	8,147
As reported - GAAP Margins	32.0 %		38.3 %		30.1 %
Start-up costs	79		—		187
As Adjusted - Non GAAP	\$ 8,566	\$	11,066	\$	8,334
As Adjusted - Non GAAP Margins	32.2 %		38.3 %		30.8 %
Weighing Solutions					
Net revenues	\$ 29,428	\$	27,447	\$	26,438
As reported - GAAP	\$ 11,646	\$	10,310	\$	9,717
As reported - GAAP Margins	39.6 %		37.6 %		36.8 %
Start-up costs	178		—		276
As Adjusted - Non GAAP	\$ 11,825	\$	10,310	\$	9,993
As Adjusted - Non GAAP Margins	40.2 %		37.6 %		37.8 %
Measurement Systems					
Net revenues	\$ 19,170	\$	21,043	\$	18,246
As reported - GAAP	\$ 10,461	\$	11,031	\$	9,182
As reported - GAAP Margins	54.6 %		52.4 %		50.3 %
As Adjusted - Non GAAP	\$ 10,461	\$	11,031	\$	9,182
As Adjusted - Non GAAP Margins	54.6 %		52.4 %		50.3 %

VPG Sustainability

Projects Underway:

- Climate Risk Assessment
- Greenhouse Gas Goals/Target Setting

Key Past Milestones:

- Published Corporate Social Responsibility, Customer Safety and Health and Product Use and End of Life Policies
- Published energy management and water use reduction targets
- Published Scope 1 and Scope 2 emissions
- 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