REFINITIV

DELTA REPORT

10-Q

M-TRON INDUSTRIES, INC.

10-Q - JUNE 30, 2023 COMPARED TO 10-Q - MARCH 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	606
CHANGES	64
DELETIONS	237
ADDITIONS	305

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2023 June 30, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission File No. 001-41391

M-TRON INDUSTRIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	46-0457944
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
2525 Shader Rd., Orlando, Florida	32804
2525 Shader Rd., Orlando, Florida (Address of principal executive offices)	32804 (Zip Code)
(Address of principal executive offices)	**(Zip Code)**

(407) 298-2000

(Registrant's Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	MPTI	NYSE American

NYSE American

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☐

As of May 8, 2023August 7, 2023, the registrant had 2,726,7982,727,125 shares of common stock, $0.01 par value per share, outstanding.

M-TRON INDUSTRIES, INC.

Quarterly Report on Form 10-Q for the Quarterly Period Ended March 31, 2023June 30, 2023

INDEX

The cover page for the Company's Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained

PART I

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements.

Item 1.Financial Statements.

M-Tron Industries, Inc.

Consolidated and Combined Statements of Operations *(Unaudited)*

(In thousands, except par value and share amounts)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
REVENUES	$ 9,367	$ 7,691	$ 10,140	$ 7,064	$ 19,507	$ 14,755
Costs and expenses:						
Manufacturing cost of sales	6,171	4,819	5,921	4,412	12,092	9,231
Engineering, selling and administrative	2,435	2,058	2,654	2,049	5,089	4,107
OPERATING INCOME	761	814	1,565	603	2,326	1,417
Other expense:						
Other income (expense):						
Interest expense, net	(2)	(3)	(5)	(2)	(7)	(5)
Other expense, net	(40)	(17)				
Total other expense, net	(42)	(20)				
Other income (expense), net			22	(9)	(18)	(26)
Total other income (expense), net			17	(11)	(25)	(31)

INCOME BEFORE INCOME TAXES	719	794	1,582	592	2,301	1,386
Income tax provision	166	175	305	106	471	281
NET INCOME	$ 553	$ 619	$ 1,277	$ 486	$ 1,830	$ 1,105
Net Income per Basic Share	$ 0.21	$ 0.23	$ 0.47	$ 0.18	$ 0.68	$ 0.41
Net income per Dilutive Share	$ 0.20	$ 0.23	$ 0.47	$ 0.18	$ 0.68	$ 0.41

See Accompanying Notes to Consolidated and Combined Financial Statements.

M-Tron Industries, Inc.

Consolidated and Combined Balance Sheets

(In thousands, except per par value and share amounts)

	March 31, 2023	December 31, 2022	June 30, 2023	December 31, 2022
	(Unaudited)		(Unaudited)	
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 1,127	$ 926	$ 1,321	$ 926
Accounts receivable, net of reserves of $135, and $142, respectively	5,500	5,197		
Accounts receivable, net of reserves of $112, and $142, respectively			5,745	5,197
Inventories, net	8,466	7,518	8,713	7,518
Prepaid expenses and other current assets	474	673	327	673
Total Current Assets	15,567	14,314	16,106	14,314
Property, Plant and Equipment				
Land	536	536	536	536
Buildings and improvements	4,937	4,937	4,937	4,937
Machinery and equipment	19,122	19,044	19,345	19,044
Gross property, plant and equipment	24,595	24,517	24,818	24,517
Less: accumulated depreciation	(21,065)	(20,870)	(21,254)	(20,870)
Net property, plant and equipment	3,530	3,647	3,564	3,647
Right-of-use lease asset	128	147	110	147
Intangible assets, net	85	98	71	98
Deferred income tax asset	1,070	1,051	1,031	1,051
Other assets	15	16	13	16
Total Assets	$ 20,395	$ 19,273	$ 20,895	$ 19,273
LIABILITIES AND EQUITY				
Current Liabilities:				

Accounts payable	$ 3,210	$ 2,381	$ 1,811	$ 2,381
Accrued compensation and commissions expense	1,339	1,627		
Accrued compensation and commissions			1,704	1,627
Other accrued expenses	711	614	612	614
Income Tax Payable	330	234		
Income taxes payable			645	234
Total Current Liabilities	5,590	4,856	4,772	4,856
Long-term lease liability	59	76	42	76
Total Liabilities	5,649	4,932	4,814	4,932
Contingencies (Note G)				
Stockholders' Equity				
Preferred stock - $0.01 par value; 5,000,000 shares authorized, none issued	—	—		
Common stock - $0.01 par value; 25,000,000 shares authorized; 2,725,670 and 2,726,798 shares issued and outstanding, respectively.	27	27		
Preferred stock - $0.01 par value; 5,000,000 shares authorized, none issued.			—	—
Common stock - $0.01 par value; 25,000,000 shares authorized; 2,725,670 and 2,726,798 shares issued and outstanding, respectively.			27	27
Additional paid-in capital	13,954	14,102	14,012	14,102
Retained earnings	765	212	2,042	212
Total Equity	14,746	14,341	16,081	14,341
Total Liabilities and Stockholders' Equity	$ 20,395	$ 19,273	$ 20,895	$ 19,273

See Accompanying Notes to Consolidated and Combined Financial Statements.

M-Tron Industries, Inc.

Consolidated and Combined Statements of Equity *(Unaudited)*

(In thousands)

	Common Stock	Paid-In Capital	Net Investment by LGL Group	Retained Earnings	Total Equity	Common Stock	Paid-In Capital	Net Investment by LGL Group	Retained Earnings	Total Equity
Balance at December 31, 2022	$ 27	$14,102	$ —	$ 212	$14,341	$ 27	$14,102	$ —	$ 212	$14,341
Net income	—	—	—	553	553	—	—	—	553	553

Adjustment to The LGL Group, Inc. transfer	—	(219)	—	—	(219)	—	(219)	—	—	(219)
Stock-based compensation expense	—	71	—	—	71	—	71	—	—	71
Balance at March 31, 2023	$ 27	$13,954	$ —	$ 765	$14,746	$ 27	$ 13,954	$ —	$ 765	$ 14,746
Net income						—	—	—	1,277	1,277
Stock-based compensation expense						—	140	—	—	140
Forfeiture of shares to pay taxes						—	(82)	—	—	(82)
Balance at June 30, 2023						$ 27	$ 14,012	$ —	$ 2,042	$ 16,081
Balance at December 31, 2021	$ —	$ —	$ 16,849	$ —	$16,849	$ —	$ —	$ 16,849	$ —	$ 16,849
Net income	—	—	619	—	619	—	—	619	—	619
Net transfers to LGL Group, Inc.	—	—	240	—	240	—	—	240	—	240
Balance at March 31, 2022	$ —	$ —	$ 17,708	$ —	$17,708	$ —	$ —	$ 17,708	$ —	$ 17,708
Net income						—	—	486	—	486
Net transfers to LGL Group, Inc.						—	—	109	—	109
Balance at June 30, 2022						$ —	$ —	$ 18,303	$ —	$ 18,303

See Accompanying Notes to Consolidated and Combined Financial Statements.

M-Tron Industries, Inc.

Consolidated and Combined Statements of Cash Flows (*Unaudited*)

(In thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
OPERATING ACTIVITIES				
Net income	$ 553	$ 619	$ 1,830	$ 1,105
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	195	148	385	313
Amortization of finite-lived intangible assets	13	13	27	27
Stock-based compensation expense	71	219	211	287
Deferred income tax (provision) expense	(19)	189		
Deferred income tax provision			20	214
Changes in operating assets and liabilities:				
Increase in accounts receivable, net	(303)	(905)	(548)	(334)
Increase in inventories, net	(948)	(431)	(1,195)	(907)
Decrease in prepaid expenses and other assets	200	31	349	34
Increase (decrease) in accounts payable, accrued compensation and commissions expense and other	517	(43)		
Net cash provided by (used in) operating activities	279	(160)		
(Increase) decrease in accounts payable, accrued compensation and commissions expense and other			(300)	225
Net cash provided by operating activities			779	964
INVESTING ACTIVITIES				
Capital expenditures	(78)	(207)	(302)	(395)
Net cash used in investing activities	(78)	(207)	(302)	(395)
FINANCING ACTIVITIES				
Net transfers (to) from LGL Group, Inc.	—	21		
Forfeiture of shares to pay taxes			(82)	—
Net transfers from LGL Group, Inc.			—	62
Prepaid financing costs			—	(20)
Payments to related party	—	(729)	—	(2,143)
Net cash used in financing activities	—	(708)	(82)	(2,101)
Increase (decrease) in cash and cash equivalents	201	(1,075)	395	(1,532)
Cash and cash equivalents at beginning of period	926	2,635	926	2,635
Cash and cash equivalents at end of period	$ 1,127	$ 1,560	$ 1,321	$ 1,103
Supplemental Disclosure:				
Cash paid for interest	$ 2	$ 3	$ 7	$ 5

Cash paid for income taxes	$ 85	$ 9	$ 97	$ 16

See Accompanying Notes to Consolidated and Combined Financial Statements.

M-Tron Industries, Inc.

Notes to Consolidated and Combined Financial Statements *(Unaudited)*

A. Background and Description of Business

A. Background and Description of Business

Originally founded in 1965, M-tron Industries, Inc. (the "Company," "MtronPTI," "we," "us," or "our") is engaged in the designing, manufacturing and marketing of highly engineered, high reliability frequency and spectrum control products used to control the frequency or timing of signals in electronic circuits in various applications. MtronPTI's primary markets are defense, aerospace, space, and avionics.

Our component-level devices and modules are used extensively in electronic systems for applications in commercial and military defense, aerospace, earth-orbiting satellites, down-hole drilling, medical devices, instrumentation, industrial devices and global positioning systems as well as in infrastructure equipment for the telecommunications and network equipment industries. As an engineering-centric company, MtronPTI provides close support to the customer throughout its products' entire life cycle, including product design, prototyping, production and subsequent product upgrades and maintenance. This collaborative approach has resulted in the development and growth of long-standing business relationships with its blue-chip customer base.

The Company offers a wide range of precision frequency control and spectrum control solutions including: radio frequency, microwave and millimeter wave filters; cavity, crystal, ceramic, lumped element and switched filters; high performance and high frequency oven-controlled crystal oscillators ("OCXO"), integrated phase-locked loops OCXOs, temperature-compensated crystal oscillators, voltage-controlled crystal oscillators, low jitter and harsh environment oscillators; crystal resonators, Integrated Microwave Assemblies (IMA); and state-of-the-art solid state power amplifier products.

All of MtronPTI's production facilities are ISO 9001:2015 (the international standard for creating a quality management system published by the International Organization for Standardization) certified and Restriction of Hazardous Substances ("RoHS") compliant. In addition, its U.S. production facilities in Orlando and Yankton are International Traffic in Arms Regulations registered and AS9100 Rev D (the aerospace standard released by the International Aerospace Quality Group) certified and our Yankton production facility is Military Standard (MIL-STD)-790 -790 certified.

We maintain our executive offices at 2525 Shader Road, Orlando, Florida 32804. Our telephone number is (407) 298-2000. (407) 298-2000. Our Internet address is www.mtronpti.com. Our common stock is traded on the NYSE American under the symbol "MPTI".

The Separation

On August 3, 2022, August 3, 2022, The LGL Group, Inc. ("LGL Group" or "LGL") announced that its Board of Directors approved the previously announced separation of the business of MtronPTI into an independent, publicly traded company (the "Separation"). Prior to the Separation, LGL Group operated its electronic instruments business segment through its wholly-owned subsidiary, Precise Time and Frequency ("PTF") and its electronic components business segment through MtronPTI.

On October 7, 2022 (theOctober 7, 2022 (the "Distribution Date"), the Separation of the MtronPTI business was completed, and we became an independent, publicly traded company trading on the NYSE American under the stock symbol "MPTI."

The Separation was achieved through LGL Group's distribution (the "Distribution") of 100% of the shares of the Company's common stock to holders of LGL Group's common stock as of the close of business on September 30, 2022, September 30, 2022, the record date for the Distribution. As a result of the Distribution, LGL Group's stockholders of record received one-half share of the Company's common stock for every share of LGL Group's common stock held by them. LGL Group retained no ownership interest in the Company following the Separation.

B. Summary of Significant Accounting Policies

B. Summary of Significant Accounting Policies

Basis of Presentation – Consolidated and Combined Financial Statements

The Company's financial statements for periods through the Separation are combined financial statements prepared on a "carve-out" basis as discussed below. The Company's financial statements for the period from October 7, 2022 October 7, 2022 through March 31, 2023June 30, 2023 are consolidated financial statements based on the reported results of M-tron Industries, Inc. as a standalone company.

The Consolidated and Combined Financial Statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These Consolidated and Combined Financial Statements may not be indicative of the Company's future performance and do not necessarily reflect what the financial position, results of operations, and cash flows would have been had it operated as an independent company during the periods presented.

Basis of Presentation – Prior to Separation

Through the Separation date, the Company's combined financial statements are prepared on a "carve-out" basis. The Consolidated and Combined Financial Statements have been derived from the consolidated financial statements and accounting records of LGL Group in conformity with GAAP.

The Consolidated and Combined Financial Statements include the accounts of the Company and all of its majority-owned subsidiaries. Intercompany transactions and accounts have been eliminated. Transactions between the Company and LGL Group have been included

in these Consolidated and Combined Financial Statements. The aggregate net effect of transactions between the Company and related parties that have been historically settled other than in cash are reflected in the Consolidated and Combined Statements of Cash Flows as Net transfers (to) from LGL Group, Inc. For additional information, see Note C – Related Party Transactions.

The debt and associated interest expense in these Consolidated and Combined Financial Statements relate to third-partythird-party borrowings under a revolving credit agreement specifically attributable to legal obligations of the Company.

The Consolidated and Combined Statements of Operations include an allocation for certain corporate and shared service functions historically provided by LGL Group, including, but not limited to, executive oversight, accounting, tax, and other shared services. These expenses have been allocated to us on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis of consolidated sales or other measures considered to be a reasonable reflection of the historical utilization levels of these services. Management believes the assumptions underlying our Consolidated and Combined Financial Statements, including the assumptions regarding the allocation of general corporate expenses from LGL Group, are reasonable. Nevertheless, our Consolidated and Combined Financial Statements may not include all of the actual expenses that would have been incurred and may not reflect our results of operations, financial position and cash flows, had we operated as a standalone company during the periods presented. Actual costs that would have been incurred if we had operated as a standalone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure.

During the periods presented in these Consolidated and Combined Financial statements, the Company's income tax expense has been included in the LGL Group's income tax returns. Income tax expense contained in the Consolidated and Combined Financial Statements is presented on a separate return basis, as if the Company had filed its own income tax returns.

Earnings per Share

Earnings per basic share is computed based on the weighted-average number of shares of common stock outstanding. Earnings per diluted share include the weighted-average effect of dilutive restricted stock and options on the weighted-average shares outstanding.

Earnings per share through the Distribution Date was calculated based on the 2,676,469 shares of the Company's common stock distributed to LGL Group stockholders on October 7, 2022. October 7, 2022. The same number of shares is being utilized for the calculation of basic and diluted earnings per share for all periods presented prior to the Separation. After the Separation, actual outstanding shares are used to calculate both basic and diluted weighted-average number of shares of common stock outstanding.

The following table provides the weighted-average shares utilized for the calculation of basic and diluted earnings per share for the first quarter ofthree and six months ended June 30, 2023 and 2022:2022:

	Three Months Ended March 31,	
	2023	2022
Weighted average shares outstanding - basic	2,678,434	2,676,469
Effect of diluted securities	22,984	—
Weighted average shares outstanding - diluted	2,701,418	2,676,469

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Weighted average shares outstanding - basic	2,697,696	2,676,469	2,688,065	2,676,469
Effect of diluted securities	13,570	—	21,513	—
Weighted average shares outstanding - diluted	2,711,266	2,676,469	2,709,578	2,676,469

Options representing to purchase 9,710 shares were excluded from the above calculation for the three and six months ended March 31, 2023June 30, 2023 because they would have been anti-dilutive.

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Interim Financial Statements

The Consolidated and Combined Financial Statements as of and for the three and six months ended March 31, 2023 June 30, 2023 and 2022 are unaudited. These Consolidated and Combined Financial Statements should be read in conjunction with the audited Consolidated and Combined Financial Statements and notes thereto for the fiscal years ended December 31, 2022 December 31, 2022 and 2021, contained within the Company's Annual Report on Form 10-K,10-K, filed with the Securities and Exchange Commission (the "SEC") on March 30, 2023.March 30, 2023.

In the opinion of management, the accompanying Consolidated and Combined Financial Statements reflect all adjustments, which are of a normal recurring nature and necessary for a fair presentation of the results for the interim periods.

Use of Estimates

The preparation of the Consolidated and Combined Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Research and Development Costs

Research and development costs are charged to operations as incurred. Such costs were approximately $529,000 $1,064,000 and $500,000 $981,000 for the threesix months ended March 31, 2023 June 30, 2023 and 2022, respectively, and are included within engineering, selling and administrative expenses on the Consolidated and Combined Statements of Operations.

Revenue Recognition

The Company recognizes revenue from the sale of its products in accordance with the criteria in Accounting Standards Codification ("ASC") 606,*Revenue from Contracts with Customers*, which are:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company meets these conditions upon the Company's satisfaction of the performance obligation, usually at the time of shipment to the customer, because control passes to the customer at that time. Our standard terms for customers are net due within 30 days, with a few exceptions, none regularly exceeding 60 days.

The Company provides disaggregated revenue details by geographic markets in Note H – Domestic and Foreign Revenues.

The Company offers a limited right of return and/or authorized price protection provisions in its agreements with certain electronic component distributors who resell the Company's products to original equipment manufacturers or electronic manufacturing services companies. As a result, the Company estimates and records a reserve for future returns and other charges against revenue at the time of shipment consistent with the terms of sale. The reserve is estimated based on historical experience with each respective distributor. These reserves and charges are immaterial as the Company does not have a history of significant price protection adjustments or returns. The Company provides a standard assurance warranty that does not create a performance obligation.

Practical Expedients:

- - The Company applies the practical expedient for shipping and handling as fulfillment costs.
- - The Company expenses sales commissions as sales and marketing expenses in the period they are incurred.

Concentration Risks

For the three and six months ended March 31, 2023June 30, 2023, the Company's largest customer accounted for $2,334,000, $2,723,000, or 24.9% 26.9%, and $5,057,000, or 25.9%, of the Company's total revenues, respectively, compared to $2,063,000, $2,110,000, or 25.4% 29.9%, and $4,173,000, or 28.3%, of the Company's total revenues for the three and six months ended March 31, 2022. TheJune 30, 2022, respectively. For the three months ended June 30, 2023 and 2022, the Company's second largest customer accounted for $1,008,000, $1,662,000, or 10.8% 16.4%, of the Company's total revenues, compared to $920,000, $884,000, or 11.3%, of the Company's total revenues, respectively, and for the threesix months ended March 31, 2023June 30, 2023 and 2022 the second largest customer accounted for $2,671,000, or 13.7%, and 2022, compared to $1,803,000, or 12.2%, of the Company's total revenues, respectively.

A significant portion of the Company's accounts receivable is concentrated with a relatively small number of customers. As of March 31, 2023June 30, 2023, four of the Company's largest customers accounted for approximately $3,138,000, $3,932,000, or 55.7% 68.4%, of accounts receivable. As of December 31,2022,four of the Company's largest customers accounted for approximately $2,872,000, or 53.8%, of accounts receivable. The Company carefully evaluates the creditworthiness of its customers in deciding to extend credit. As a result, the Company has experienced very low historical bad debt expense and believes the related risk to be minimal.

Segment Information

The Company reports segment information in accordance with ASC 280,*Segment Information* ("ASC 280"). ASC 280 requires companies to report financial and descriptive information for each identified operating segment based on management's internal organizational decision-making structure. Management has identified the Company's only segment as electronic components.

Impairments of Long-Lived Assets

Long-lived assets, including intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Long-lived assets are grouped with other assets to the lowest level to which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. Management assesses the recoverability of the carrying cost of the assets based on a review of projected undiscounted cash flows. If an asset is held for sale, management reviews its estimated fair value less cost to sell. Fair value is determined using pertinent market information, including appraisals or broker's estimates, and/or projected discounted cash flows. In the event an impairment loss is identified, it is recognized based on the amount by which the carrying value exceeds the estimated fair value of the long-lived asset.

We performed an assessment to determine if there were any indicators of impairment at the end of the fiscal quarter ended March 31, 2023June 30, 2023. We concluded that, while there were events and circumstances in the macro-environment that did impact us, we did not experience any entity-specific indicators of asset impairment and no triggering events occurred.

Recently Issued Accounting Pronouncements

In JuneJune 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-13,2016-13, "*Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*," which changes the impairment model for most financial assets. The standard replaces the incurred loss model with the current expected credit loss ("CECL") model to estimate credit losses for financial assets. The Company adopted the provisions of this standard on January 1, 2023, January 1, 2023, with minimal effect on its financial statements.

C. Related Party Transactions

C. Related Party Transactions

Allocation of General Corporate Expenses

For purposes of preparing these Consolidated and Combined Financial Statements on a "carve-out" basis for periods prior to the Separation, we have allocated a portion of LGL Group's corporate expenses, totaling $391,000 $260,000 and $651,000 to the Company for the three and six months ended March 31, 2022,June 30, 2022, respectively, which are recorded within engineering, selling and administrative expenses on the Consolidated and Combined Statements of Operations. See Note B – Summary of Significant Accounting Policies for a discussion of the methodology used to allocate corporate-related costs for purposes of preparing these financial statements on a "carve-out" basis for the periods prior to the Separation.

Transactions with LGL Group, Inc.

MtronPTI and LGL Group have entered into an Amended and Restated Transitional Administrative and Management Services Agreement, which sets out the terms for services to be provided between the two companies post Separation. The current terms result in a net monthly payment of $4,000 per month from LGL Group to MtronPTI.

MtronPTI and LGL Group have agreed to share any excess Separation costs. Included in other expense income (expense), net on the Consolidated and Combined Statements of Operations is an amount of $28,000 which represents 50% of the excess Separation costs incurred for the three months ended March 31, 2023. There were no excess Separation costs during the secondquarter ended March 31, 2023. of 2023.

At March 31, 2023June 30, 2023 and December 31, 2022December 31, 2022, there was a balance due from MtronPTI to LGL Group of $240,000 $0 and $6,000, respectively, which is included within accounts payable on the Consolidated and Combined Balance Sheets.

D. Inventories

Inventories are valued at the lower of cost or net realizable value using the FIFO (first-in, first-out) (first-in, first-out) method. The Company reduces the value of its inventories to net realizable value when the net realizable value is believed to be less than the cost of the item. The inventory reserve for excess and obsolete inventory as of March 31, 2023June 30, 2023 and December 31, 2022December 31, 2022 was $1,400,000 $1,502,000 and $1,318,000, respectively.

Inventories are comprised of the following (in thousands):

	March 31, 2023		December 31, 2022	
	(unaudited)			
Raw materials	$	3,716	$	3,335
Work in process		3,584		3,173
Finished goods		1,166		1,010
Total Inventories, net	$	8,466	$	7,518

	June 30, 2023		December 31, 2022	
	(unaudited)			
Raw materials	$	3,648	$	3,335
Work in process		3,550		3,173
Finished goods		1,515		1,010
Total Inventories, net	$	8,713	$	7,518

E. Income Taxes

E. Income Taxes

The Company's quarterly provision for income taxes is measured using an annual effective tax rate, adjusted for discrete items within the period presented. To determine the annual effective tax rate, the Company estimates both the total income (loss) before income taxes for the full year and the jurisdictions in which that income (loss) is subject to tax. The actual effective tax rate for the full year may differ from these estimates if income (loss) before income taxes is greater than or less than what was estimated or if the allocation of income (loss) to jurisdictions in which it is taxed is different from the estimated allocations.

The effective tax rate for the threesix months ended March 31, 2023 June 30, 2023 and 2022 was 23.1% 20.5% and 22.0% 20.3%, respectively. Differences between the Company's effective income tax rate and the U.S. federal statutory rate are primarily the impact of research and development credits, stock-based compensation, and the mix of earnings between jurisdictions, and state taxes.taxes.

F. Revolving Credit Agreement

F. Revolving Credit Agreement

On June 15, 2022, June 15, 2022, MtronPTI entered into a loan agreement (the "Loan Agreement") for a revolving line of credit with Fifth Third Bank, National Association ("Fifth Third Bank"), for up to $5,000,000 bearing interest at the Secured Overnight Financing Rate ("SOFR") plus a margin of 2.25%, with a SOFR floor of 0.00%. The Loan Agreement has a maturity date of June 15, 2025 June 15, 2025 and contains various affirmative and negative covenants that are customary for lines of credit and transactions of this type, including limitations on the incurrence of debt and liabilities, as well as financial reporting requirements. The Loan Agreement also imposes certain financial covenants based on Debt Service Coverage Ratio, Current Ratio, and the Ratio of Total Liabilities to Total Net Worth (as such terms are defined in the Loan Agreement). All loans pursuant to the Loan Agreement will be secured by a continuing and unconditional first priority security interest in and to any and all property of the Company. At March 31, 2023June 30, 2023 and December 31, 2022December 31, 2022, there were no outstanding borrowings under the revolving line of credit with Fifth Third Bank.

G. Commitments and Contingencies

G. Commitments and Contingencies

In the ordinary course of business, the Company and its subsidiaries may become defendants in certain product liability, patent infringement, worker claims and other litigation. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. The Company has no legal accrual for contingencies as of March 31, 2023June 30, 2023.

H. Domestic and Foreign Revenues

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H. Domestic and Foreign Revenues

Significant foreign revenues from operations (10% or more of foreign sales) for the three and six months ended March 31, 2023 June 30, 2023 and 2022 were as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Malaysia	$ 1,579	$ 1,293
Hong Kong	24	237
Hungary	496	4
All other foreign countries	1,044	596
Total foreign revenues	$ 3,143	$ 2,130
Total domestic revenues	$ 6,224	$ 5,561

	Three Months Ended June 30,	**Six Months Ended June 30,**

	2023	2022	2023	2022
Malaysia	$ 1,581	$ 1,231	$ 3,160	$ 2,524
Australia	386	—	593	—
All other foreign countries	1,129	598	2,486	1,435
Total foreign revenues	$ 3,096	$ 1,829	$ 6,239	$ 3,959
Total domestic revenues	$ 7,044	$ 5,235	$ 13,268	$ 10,796

The Company allocates its foreign revenue based on the customer's ship-to location.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the accompanying unaudited Consolidated and Combined Financial Statements, the notes thereto and the other unaudited financial data included in this Quarterly Report on Form 10-Q. The following discussion should also be read in conjunction with the audited Consolidated and Combined Financial Statements and the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission (the "SEC") on March 30, 2023. The terms the "Company", "MtronPTI","MPTI", "we", "our" or "us" refer to M-tron Industries, Inc. and unless otherwise defined herein, capitalized terms used herein shall have the same meanings as set forth in our consolidated Consolidated and combined financial statements Combined Financial Statements and the notes thereto.

Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q of the Company and the Company's other communications and statements, other than historical facts, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company intends for all such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable by law. Such statements include, in particular, statements about the Company's beliefs, plans, objectives, goals, expectations, estimates, projections and intentions. These statements are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond the Company's control. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "goal," and similar expressions are intended to identify forward-looking statements. All forward-looking statements, by their nature, are subject to risks and uncertainties. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods. The Company's actual future results may differ materially from those set forth in the Company's forward-looking statements. For information concerning these factors and related matters, see "Risk Factors" in the Company's Annual Report on Form 10-K, as filed with the SEC on March 30, 2023. However, other factors besides those referenced could adversely affect the Company's results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. Any forward-looking statements made by the Company herein speak as of the date of this Quarterly Report on Form 10-Q. The Company does not undertake to update any forward-looking statement, except as required by law. As a result, you should not place undue reliance on these forward-looking statements.

OVERVIEW

MtronPTI is engaged in the designing, manufacturing and marketing of highly-engineered, high reliability frequency and spectrum control products used to control the frequency or timing of signals in electronic circuits in various applications. MtronPTI's primary markets are defense, aerospace, space, and avionics.avionics.

Impact of MtronPTI's MtronPTI's Separation

On August 3, 2022, The LGL Group, Inc. ("LGL Group" or "LGL") announced that its Board of Directors approved the previously announced separation of the MtronPTI business into an independent, publicly traded company (the "Separation").

On October 7, 2022, the Separation was completed through LGL Group's distribution (the "Distribution") of 100% of the shares of the Company's common stock to holders of LGL Group's common stock as of the close of business on September 30, 2022, the record date for the Distribution. As a result of the Distribution, LGL Group's stockholders of record received one-half share of the Company's common stock for every share of LGL Group's common stock held by them. On October 7, 2022, the Company became an independent, publicly traded company trading on the NYSE American under the stock symbol "MPTI." LGL Group retained no ownership interest in the Company as of following the completion of the Separation.

We believe the Separation of MtronPTI will allow the Company to tailor its strategic plans and growth opportunities, more efficiently raise and allocate resources, including capital raised through debt or equity offerings, provide flexibility to use its own stock as currency for incentive compensation and potential acquisitions and provide investors a more targeted investment opportunity.

See Note A – Background and Description of Business in the accompanying notes to the consolidated Consolidated and combined financial statements Combined Financial Statements for further details of the Separation.

Basis of Presentation

Our financial statements for periods prior to the Separation are Combined Financial Statements prepared on a "carve-out" basis, which reflects the business as historically managed within LGL Group. The cash flows include only those assets and liabilities directly related to MtronPTI, and the statements of operations include the historically reported results of the MtronPTI business along with allocations of a portion of LGL Group's corporate expenses. For additional information on the "carve-out" basis of accounting, see Note A – Background and Description of Business and Note B – Summary of Significant Accounting Policies in the accompanying notes to the Consolidated and Combined Financial Statements for more information. Statements.

Results of Operations

Backlog

As of March 31, 2023 June 30, 2023, our order backlog was $45,538,000, a decrease $51,591,000, an increase of 1.4% 11.7% from $46,180,000 at December 31, 2022 and an increase of 23.7% 19.3% compared to the backlog of $36,824,000 $43,233,000 as of March 31, 2022 June 30, 2022. The Company attained record backlog levels as of December 31, 2022 June 30, 2023. Strong orders during 2023 from the recovering avionics defense market during 2022 and continuing in the first second quarter of 2023 helped to drive the overall increase though there was to record levels, after a slight decline experienced in the first quarter of 2023. 2023 related primarily to the timing of order receipts. The backlog of unfilled orders includes amounts based on signed contracts. Order backlog is adjusted quarterly to reflect project cancellations, deferrals, revised project scope and cost, and sales of subsidiaries, if any.

Three months ended March 31, 2023June 30, 2023 compared to three months ended March 31, 2022June 30, 2022

Consolidated Revenues and Gross Margin

Total revenues were $9,367,000 $10,140,000 for the three months ended March 31, 2023 June 30, 2023, or 21.8% 43.5% above revenues of $7,691,000 $7,064,000 for the three months ended March 31, 2022 June 30, 2022. The revenue increase reflects the recovering avionics market and strong defense product shipments along with a significant last-time buy of a legacy product which has been discontinued.shipments.

Gross

Gross margin, which is consolidated revenues less manufacturing cost of sales as a percentage of revenues, decreased increased to 34.1% 41.6% for the three months ended March 31, 2023 June 30, 2023 from 37.3% 37.5% for the three months ended March 31, 2022 June 30, 2022 reflecting primarily a favorable product mix, as a result of a significant last-time buy of a low-margin legacy product along with increased operating costs and inflationary headwinds due to labor and materials cost increases on long term contracts.increased manufactured product in the three months ended June 30, 2023.

Operating Income

The Company reported operating income of $761,000 $1,565,000 for the first second quarter of 2023 compared to operating income of $814,000 $603,000 for the first second quarter of 2022. The decrease increase reflects higher revenue offset by lower and higher margins and was impacted by unfavorable favorable product mix increased operating costs and inflationary pressures in the first quarter of 2023, as described above. Engineering, selling and administrative costs increased $377,000 $605,000 in the second quarer of 2023 as compared to the second quarter of 2022, primarily as a result of $355,000 $496,000 of administrative cost increases in the second quarter of 2023, which included public company costs of $161,000, $374,000, increased salaries and employee benefits of $154,000, increased audit and tax costs of $140,000, and recruiting and $117,000 along with other miscellaneous cost increases of $48,000, which were $34,000, offset by a favorable reduction in stock-based compensation audit and tax costs of $148,000. $30,000. The public company costs of $161,000 $374,000 represent the incremental direct costs of being a public company, with no comparable amounts within the prior year when results were presented on a standalone basis.

Other Income (Expense), Net

Other Expense, Net

Other expense, income (expense), net was an expense income of $42,000 $17,000 for the three months ended March 31, 2023 June 30, 2023 compared to $20,000expense of $11,000 for the three months ended March 31, 2022 June 30, 2022 primarily reflecting the impact of favorable and unfavorable currency changes. Included in Other expense, income (expense), net for the three months ended March 31, 2023 June 30, 2023 was $28,000 of excess spin-off costs related to the Separation, which were offset by $27,000 of income from the transitional services agreement with LGL Group.

Income Tax Provision

We recorded a tax provision of $166,000 $305,000 and $175,000 $106,000 for the three months ended March 31, 2023 June 30, 2023 and 2022, respectively. The provision is based on an estimated annual effective tax rate across the jurisdictions in which we operate.

Net Income

Net income was $553,000 $1,277,000 for the three months ended March 31, 2023 June 30, 2023 compared to $619,000 $486,000 for the three months ended March 31, 2022June 30, 2022.The decrease increase was primarily from the previously discussed increased business volume and margins offset by certain unfavorable product mix, inflation, and increased operating costs. Basic and diluted net income per share for the three months ended March 31, 2023 June 30, 2023 and 2022 was $0.21 $0.47 per share and $0.23, $0.18 per share, respectively.

Six months ended June 30, 2023 compared to six months ended June 30, 2022

Consolidated Revenues and Gross Margin

Total revenues were $19,507,000 for the six months ended June 30, 2023, or 32.2% above revenues of $14,755,000 for the six months ended June 30, 2022. The revenue increase reflects the recovering avionics market and strong defense product shipments.

Gross margin, which is consolidated revenues less manufacturing cost of sales as a percentage of revenues, increased to 38.0% for the six months ended June 30, 2023 from 37.4% for the six months ended June 30, 2022 reflecting primarily a favorable product mix, with an increase in manufactured product during the second quarter of 2023.

Operating Income

The Company reported operating income of $2,326,000 for the six months ended June 30, 2023 compared to operating income of $1,417,000 for the six months ended June 30, 2022. The increase reflects higher revenue and higher margins impacted by favorable product mix, as described above. Engineering, selling and administrative costs increased $982,000 in the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily as a result of $851,000 of administrative cost increases in the six months ended June 30, 2023, which included public company costs of $536,000, increased salaries and employee benefits of $156,000, increased audit and tax costs of $111,000, and other miscellaneous cost increases of $49,000. The public company costs of $536,000 represent the incremental direct costs of being a public company, with no comparable amounts within the prior year when results were presented on a standalone basis.

Other Income (Expense), Net

Other income (expense), net was an expense of $25,000 for the six months ended June 30, 2023 compared to an expense of $31,000 for the six months ended June 30, 2022 primarily reflecting the impact of favorable and unfavorable currency changes. Included in other (income) expense, net for the six months ended June 30, 2023 was $28,000 of excess spin-off costs related to the Separation, which were offset by $54,000 of income from the transitional services agreement with LGL Group.

Income Tax Provision

We recorded a tax provision of $471,000 and $281,000 for the six months ended June 30, 2023 and 2022, respectively. The provision is based on an estimated annual effective tax rate across the jurisdictions in which we operate.

Net Income

Net income was $1,830,000 for the six months ended June 30, 2023 compared to $1,105,000 for the six months ended June 30, 2022. The increase was primarily from the previously discussed increased business volume and margins from a favorable product mix, partially offset by increased operating costs. Basic and diluted net income per share for the six months ended June 30, 2023 and 2022 was $0.68 and $0.41, respectively.

Liquidity and Capital Resources

As of March 31, 2023June 30, 2023 and December 31, 2022, cash and cash equivalents were $1,127,000$1,321,000 and $926,000, respectively.

Cash provided by (used in) operating activities for the threesix months ended March 31, 2023June 30, 2023 and 2022 was cash provided of $279,000$779,000 and a use of cash of $160,000 for the three months ended March 31, 2022.$964,000, respectively. The $439,000$185,000 increase was primarily from an increase in net income and a decrease in prepaid expenses and other current assets offset by decreases in accounts payable and accrued expenses, increases in accounts receivable and better collection of receivable balances offset by higher inventory levelsinventories in support of business growth as well as procurement of certain inventory components in advance to address supply chain issues.

Cash used in investing activities for the threesix months ended March 31, 2023June 30, 2023 and 2022 consisted of capital expenditures of $78,000$302,000 and $207,000,$395,000, respectively,, for investment in production equipment to reduce costs and improve efficiency.

Cash used in financing activities for the three six months ended March 31, 2022 June 30, 2023 was $708,000 $82,000 related to the forfeiture of shares to pay taxes and for the six months ended June 30, 2022 was $2,101,000 and consisted of payments to related party of $729,000 $2,143,000 offset by net transfers from LGL Group of $21,000. $62,000 along with the payment of prepaid financing costs of $20,000.

As of March 31, 2023 June 30, 2023, our consolidated working capital was $9,977,000$11,334,000 compared to $9,458,000 as of December 31, 2022. As of March 31, 2023 June 30, 2023, we had current assets of $15,567,000, $16,106,000, current liabilities of $5,590,000$4,772,000 and a ratio of current assets to current liabilities of 2.78 3.38 to 1.00. 1.00. As of December 31, 2022, we had current assets of $14,314,000, current liabilities of $4,856,000 and a ratio of current assets to current liabilities of 2.95 to 1.00. Management continues to focus on efficiently managing working capital requirements to match operating activity levels and will seek to deploy the Company's working capital where it will generate the greatest returns.

On June 15, 2022, the Company entered into a loan agreement (the "Loan Agreement") for a revolving line of credit with Fifth Third Bank, National Association ("Fifth Third Bank"), for up to $5,000,000 bearing interest at the Secured Overnight Financing Rate ("SOFR") plus a margin of 2.25%, with a SOFR floor of 0.00%. The Loan Agreement has a maturity date of June 15, 2025 and contains various affirmative and negative covenants that are customary for lines of credit and transactions of this type, including limitations on the incurrence of debt and liabilities, as well as financial reporting requirements. The Loan Agreement also imposes certain financial covenants based on Debt Service Coverage Ratio, Current Ratio, and the Ratio of Total Liabilities to Total Net Worth (as such terms are defined in the Loan Agreement). All loans pursuant to the Loan Agreement are secured by a continuing and unconditional first priority security interest in and to any and all property of the Company. At March 31, 2023 June 30, 2023 and December 31, 2022, there were no outstanding borrowings under the revolving line of credit with Fifth Third Bank.

We believe that existing cash and cash equivalents, marketable securities and cash generated from operations will provide sufficient liquidity to meet our ongoing working capital and capital expenditure requirements for the next 12 months from the date of this filing. At various times throughout the year and at March 31, 2023 June 30, 2023 and December 31, 2022, some deposits held at financial institutions were in excess of federally insured limits. The Company has not experienced any losses related to these balances.

Our Board of Directors has adhered to a practice of not paying cash dividends. This policy takes into account our long-term growth objectives, including our anticipated investments for organic growth, potential acquisitions and stockholders' desire for capital appreciation of their holdings.

Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to adopt accounting policies related to estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. On an ongoing basis, management evaluates its accounting policies, estimates and judgments, including those related to income taxes and inventories. Management bases its estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

There have been no material changes to the critical accounting estimates disclosed in our Annual Report on Form 10-K, as filed with the SEC on March 30, 2023.

Factors Which May Influence Results of Operations

We are not aware of any material trends or uncertainties, other than national economic conditions affecting our industry generally, that may reasonably be expected to have a material impact, favorable or unfavorable, on our revenues or income other than the one listed below and the risk factors disclosed in our Annual Report on Form 10-K, as filed with the SEC on March 30, 2023.

Inflation and Rising Interest Rates

During 2022, inflation in the United States accelerated and, as of the date of this Report, is currently expected to continue at an elevated level in the near-term. Rising inflation may have an adverse impact on our manufacturing cost of sales along with engineering, selling and administrative expenses, as these costs could increase at a rate higher than our revenue. The U.S. Federal Reserve raised the federal funds rate a total of seven times throughout 2022, and four times in 2023, resulting in a current range from 4.25% 5.25% to 4.50% 5.50% as of December 31, 2022. Through May, the Federal Reserve has raised rates further, to a range filing date of 5% to 5.25%. this Quarterly Report on Form 10-Q. It is expected that the Federal Reserve may will continue to increase the federal funds rate during throughout 2023 to, among other things, control inflation.

Item 3. Quantitative and Qualitative Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that

controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation as of March 31, 2023 June 30, 2023 was conducted under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures, as of March 31, 2023 June 30, 2023, were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2023 June 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1.Legal Proceedings.

Item 1. Legal Proceedings.

In the ordinary course of business, we may become subject to litigation or claims. We are not aware of any material pending legal proceedings, other than ordinary routine litigation incidental to our business, to which we or any of our subsidiaries are a party or to which our or their properties are subject.

Item 6.Exhibits.

Item 6.Exhibits.

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023June 30, 2023 (and are numbered in accordance with Item 601 of Regulation S-K):

Exhibit No.	Description
2.1	Amended and Restated Separation and Distribution Agreement by and between The LGL Group, Inc. and M-tron Industries, Inc. (incorporated by reference to Exhibit 2.1 to Amendment No. 4 to the Company's Registration Statement on Form 10 filed with the SEC on August 19, 2022)
3.1	Amended and Restated Certificate of Incorporation of M-tron Industries, Inc. (incorporated by reference to Exhibit 3.1 to Amendment No. 3 to the Company's Registration Statement on Form 10 filed with the SEC on August 3, 2022)
3.2	Amended and Restated Bylaws of M-tron Industries, Inc. (incorporated by reference to Exhibit 3.2 to Amendment No. 3 to the Company's Registration Statement on Form 10 filed with the SEC on August 3, 2022)
4.1	Amended and Restated 2022 Incentive Plan of M-tron Industries, Inc. (incorporated by reference to Exhibit 4.1 to Amendment No. 4 to the Company's Registration Statement on Form 10 filed with the SEC on August 19, 2022)
31.1*	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	The cover page for the Company's Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith

** In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

M-TRON INDUSTRIES, INC.

Date: May 11, 2023 August 10, 2023	By: /s/ Michael J. Ferrantino		
	Michael J. Ferrantino		
	Chief Executive Officer		
	(Principal Executive Officer)		
Date: May 11, 2023 August 10, 2023	By: /s/ James W. Tivy		
	James W. Tivy		
	Chief Financial Officer	Chief Financial Officer	
	(Principal Financial Officer)	(Principal Financial Officer)	

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EXHIBIT 31.1

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mike Michael J. Ferrantino,, certify that:

1. I have reviewed this quarterly report on Form 10-Q of M-tron Industries, Inc. for the quarterly period ended March 31, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 11, 2023

/s/ Mike J. Ferrantino

Name: Mike J. Ferrantino

Title: President and Chief Executive Officer

(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James W. Tivy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of M-tron Industries, Inc. for the quarterly period ended March 31, 2023June 30, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2023

/s/ Michael J. Ferrantino

Name: Michael J. Ferrantino
Title: President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James W. Tivy, certify that:

May 11, 2023 1. I have reviewed this quarterly report on Form 10-Q of M-tron Industries, Inc. for the quarterly period ended June 30, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2023

/s/ James W. Tivy

Name: James W. Tivy

Title: Chief Financial Officer

(Principal Financial Officer)

Exhibit

EXHIBIT 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of M-tron Industries, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2023June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mike Michael J. Ferrantino,, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 11,August 10, 2023

/s/ Mike Michael J. Ferrantino

Name: Mike Michael J. Ferrantino

Title: President and Chief Executive Officer

(Principal Executive Officer)

Exhibit

EXHIBIT 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of M-tron Industries, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2023June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James W. Tivy, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 11,August 10, 2023

/s/ James W. Tivy

Name: James W. Tivy

Title: Chief Financial Officer

(Principal Financial Officer)

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