The LGL Group, Inc.
(NYSE MKT: LGL)

Marcum LLP’s 2nd Annual MicroCap Conference
May 30, 2013
This document includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations. These risks and uncertainties are described in more detail in The LGL Group’s filings with the Securities and Exchange Commission.

In addition, non-GAAP financial measures may be presented. Management believes the non-GAAP financial information provided is useful to investors’ understanding and assessment of our ongoing core operations and prospects for the future. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. Management uses both GAAP and non-GAAP information in evaluating and operating the business internally and as such has determined that it is important to provide this information to investors.
**Publicly traded global corporation**

- Formed in 1917
- IPO in 1946
- MtronPTI subsidiary 1965

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>TTM annual revenue</td>
<td>$30 million</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Global revenue</td>
<td>$5.51</td>
<td></td>
</tr>
<tr>
<td>Stock price</td>
<td>$7.00</td>
<td>5/24/2013</td>
</tr>
<tr>
<td>52-week high</td>
<td>$14.4 million</td>
<td></td>
</tr>
<tr>
<td>market capitalization</td>
<td>$9.3 million</td>
<td></td>
</tr>
<tr>
<td>cash and cash equivalents</td>
<td>$1.7 billion</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>total annual worldwide market</td>
<td>$1.7 billion</td>
<td></td>
</tr>
</tbody>
</table>
Attractive Investment Opportunity

We believe our stock is undervalued in the market relative to intrinsic value:

$5.51  Share price as of 5/24/2013

0.3x  Revenue multiple LTM  
     compared to mean of 1.1x for peer companies

$9.49  Book value

$3.59  Cash and cash equivalents per share  March 31, 2013

$3.16  Adjusted working capital (AR + Inventory – AP)  March 31, 2013

Currently trading at 0.8x of working capital, and 0.6x book value
Design, manufacture and market customized high-precision components used for frequency control in electronic systems:

~50 years experience  precision filter and timing solutions, industry experts
Blue-chip clients  long product cycles, preferred supplier relationships
Diverse markets  aerospace, communications, defense, instrumentation
Global footprint  worldwide sales, manufacturing and supply chain
Industry leader  technology, reliability, convenience, and support
Enabling High Performance in Diverse Markets

Quartz timing used in all digital electronics
  Reliability leader in precision quartz oscillators
  Wide product range / performance / price

High frequency filters essential to wireless comm
  ~50 years of RF, VHF, UHF, µwave filter leadership

Custom / semi-custom approach supports
  client cost down efforts

Technology experience enhances
  client product performance and reliability

Balance & synergy
  65%  Aerospace/Defense and Instrumentation
  35%  Internet Communications Technology (ICT)

Platform Technology

High Performance Markets

ICT

Defense

Aerospace

Instrumentation

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Critical Components for Clients’ Systems

**Aerospace/Defense** (65% revenue - 2012)
- Software-defined radio
- IED-jamming RF system
- Man-pack radios
- Next-generation UAVs
- Orbital space communications

**ICT** (35% revenue - 2012)
- Optical switches and routers
- Point-to-point radio systems
- Wireless base stations
- GPS navigation
We have a long history of providing custom-engineered, high-value products to a roster of blue-chip global OEM clients...

Design wins drive recurring revenue; **product life cycles > 5 years**
Focus on **high performance/high reliability** applications
Clients commit to estimated annual volumes with fixed pricing
**Long term sales support/relationships** = trust, preference, sole source positions

<table>
<thead>
<tr>
<th>ICT clients include:</th>
<th>Aerospace/Defense clients include:</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="ADTRAN" /></td>
<td><img src="image" alt="GARMIN" /></td>
</tr>
<tr>
<td><img src="image" alt="ADVA" /></td>
<td><img src="image" alt="HARRIS" /></td>
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<tr>
<td><img src="image" alt="Alcatel-Lucent" /></td>
<td><img src="image" alt="Hamilton Sundstrand" /></td>
</tr>
<tr>
<td><img src="image" alt="ciena" /></td>
<td><img src="image" alt="Honeywell" /></td>
</tr>
<tr>
<td><img src="image" alt="CISCO" /></td>
<td><img src="image" alt="ERICSSON" /></td>
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<tr>
<td><img src="image" alt="ERICSSON" /></td>
<td><img src="image" alt="Raytheon" /></td>
</tr>
<tr>
<td><img src="image" alt="Rockwell Collins" /></td>
<td></td>
</tr>
</tbody>
</table>
Frequency Control Value Chain

<table>
<thead>
<tr>
<th>Value Chain</th>
<th>Raw Material</th>
<th>Component</th>
<th>CM/OEM</th>
<th>End Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw quartz, prelim. processing &amp; supply</td>
<td>Raw Material</td>
<td>Component</td>
<td>CM/OEM</td>
<td>Final Product</td>
</tr>
<tr>
<td>Crystal finishing</td>
<td>Crystal finishing</td>
<td>Component design &amp; assembly</td>
<td>Integrated module design &amp; assembly</td>
<td>Final system design &amp; assembly</td>
</tr>
<tr>
<td>Component design &amp; assembly</td>
<td>Component design &amp; assembly</td>
<td>Component design &amp; assembly</td>
<td>Component design &amp; assembly</td>
<td>Component design &amp; assembly</td>
</tr>
<tr>
<td>Final system design &amp; assembly</td>
<td>Final system design &amp; assembly</td>
<td>Final Product</td>
<td>Final Product</td>
<td>Final Product</td>
</tr>
</tbody>
</table>

% of Revenue:
- Raw Material: <4%
- Component: 90%
- CM/OEM: 6%
- End Customer: 0%

% of R&D Effort:
- Raw Material: 0%
- Component: 60%
- CM/OEM: 40%
- End Customer: 0%

Technology Pyramid

- Atomic
- OCXOs
- Filters & Modules
- High Performance VCOs, TCXOs, Clocks to 622 MHz @ 0.5 ppm
- Medium Performance VCOs, TCXOs, Clocks & Crystals to 155 MHz @ 1 ppm
- Low Performance VCOs, TCXOs, Clocks & Crystals to 40 MHz @ 50 ppm

2012 Revenue by Market

- ICT 35%
- Aerospace 27%
- Defense 17%
- Instrumentation 6%
- Industrial & Medical 5%
- Other 10%

Source: company estimates
Components

Integrated Products

Subsystems

Systems

$2

$450

$5,000

$50,000

Dollar Content

Level of Integration

Value Chain

Pursuing IP/engineering investments through joint ventures/M&A

Guiding principles for new products:
- Long and sticky product life cycle
- Higher revenue per unit, higher GM
- Technically-advanced, greater capability integration

M9107
GPS Disciplined Oscillator

TF0108-001
Tunable Filter
~$4 billion crystal oscillator market
6% CAGR through 2017

Fragmented, competitive
Large Japanese players target consumer devices
Precision players typically small divisions of large industrials or specialty engineering firms
M&A activity increasing, industry consolidation opportunities

$1.3 B Precision market dominated by ICT requirements
ICT spending has not fully recovered since the systemic shocks in 2011, but bandwidth demand is accelerating with >200 4G/LTE phones on the market...

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2015</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G/LTE</td>
<td>$0.6 B</td>
<td>$2.1 B</td>
<td>$13 B</td>
<td>&gt;45%</td>
</tr>
<tr>
<td>2G/3G/4G</td>
<td>$46 B</td>
<td>$51 B</td>
<td></td>
<td>5%</td>
</tr>
</tbody>
</table>

North America leads today, spend is shifting to Asia Pacific (68% of total by 2015)

Source: Databeans 2012 Timing Devices Report
Source: company estimates

Mindcommerce – Jan 2012
RF/Microwave market: ~40% high performance applications
- Precision filters $400M_{2012}; \textbf{10\% CAGR to $580M}_{2016}$

Radio architectures are changing to SDR
\
\textit{Multi-band radios driving tunable filter growth}

Source: Lauren Robin, Activity Leader, Yole Development
“RF filters, PAs, Antenna Switches & Tunability for Cellular Handsets”, April 2012;
Company estimates

Source: company estimates

Software-defined radio: \textbf{15\% CAGR through 2015}

Source: http://www.wirelessinnovation.org/  SDR Rate of Adoption - 2011 study results

Marcum’s 2nd Annual MicroCap Conference
Small Company, Global Presence

Over 400 people

10 sales and technical support sites

>30 representative firms

155,000 ft²

US and India manufacturing

Multiple contract factories

ISO9001

AS9100C

ISO9001

AS9100C

ISO9001

AS9100C
Extend technology and IP position
• R&D investments in tunable filter platform
• Investments in high-performance timing for aerospace, new materials for harsh environments
• *Shifting into products that are higher in the value chain (modules, subsystems), leading to higher ASP and GM*

Grow revenue with strategic/emerging clients
• Increased sales support to leverage existing customers, gain share, market expansion
• Incremental capacity investments

Joint venture opportunities
• Intellectual property expansion
• Strategically expand supply chain and improve manufacturing flexibility

M&A: Synergistic acquisitions
• Focus on high value-added engineering complements
• Mix shift towards lower volume, higher average sale price and margins
• Increase levels of customization, deeper within OEM design cycles

Greenfield opportunities
• Targeted value creation outside of precision engineering and electronics
• New markets, new customers, new products, consistent with our history of new business dev.
Greg Anderson, President and CEO
24+ years in high-tech manufacturing; Business Development Mgr. and Operations Mgr. at 3M Corporation, Imation

LaDuane Clifton, CPA, Chief Financial Officer
17+ years in finance and accounting with public companies; CFO at a21, auditor at KPMG, finance/accounting at Aetna

Mike Howard, VP Engineering – Filter
42+ years in Microwave/RF, began at Salford Electrical Instruments, senior member of IEEE since 2005

Joe Doyle, VP Engineering – Timing
32+ years in RF/integrated circuit design, semiconductor physics, modeling; staff engineer at Motorola, Champion Tech.

Paul Dechen, VP Sales – Aerospace/Defense
28+ years in Aero/Defense sales and marketing experience in frequency control and filters

Dick Thompson, VP Sales – ICT
22+ years in frequency control and timing sales and marketing; sales leader at Vishay-Dale and Champion Tech.
Financial Review
Strong Operating Leverage

Note: Revenues for 2006 through a portion of 2007 are adjusted to exclude Lynch Systems, whose operating assets were sold in 2007.

Revenue, Gross Margin and EBITDA
($ in millions, except percentages)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Gross Margin</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2007</td>
<td>$39.5</td>
<td>25.7%</td>
<td>1.1%</td>
</tr>
<tr>
<td>FY 2008</td>
<td>$40.2</td>
<td>25.8%</td>
<td>0.4%</td>
</tr>
<tr>
<td>FY 2009</td>
<td>$31.3</td>
<td>23.7%</td>
<td>-3.9%</td>
</tr>
<tr>
<td>FY 2010</td>
<td>$46.7</td>
<td>16.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$35.7</td>
<td>30.2%</td>
<td>-3.2%</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$29.7</td>
<td>26.1%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>TTM Q1 2013</td>
<td>$29.9</td>
<td>28.6%</td>
<td></td>
</tr>
</tbody>
</table>
Financial Snapshot

Capital Position as of: 3/31/2013  12/31/2012

<table>
<thead>
<tr>
<th></th>
<th>3/31/2013</th>
<th>12/31/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$ 28.9M</td>
<td>$ 29.6M</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>16.6M</td>
<td>16.6M</td>
</tr>
<tr>
<td>Cash-Adjusted Working Capital</td>
<td>8.2M</td>
<td>7.2M</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>9.3M</td>
<td>10.1M</td>
</tr>
<tr>
<td>Total Debt</td>
<td>1.4M</td>
<td>1.3M</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>24.6M</td>
<td>24.6M</td>
</tr>
</tbody>
</table>

- Cash and cash equivalents of **$3.59 per share** at 03/31/2013
- Cash-adjusted working capital of **$3.16 per share** at 03/31/2013
- Book value of **$9.49 per share** at 03/31/2013
Capital position strong
- Organic investments (client service, ERP, website, capacity and capabilities)
- Joint venture/M&A

Key components in major clients’ systems
- Very “sticky” with high switching costs

R&D investments in target markets
- Software-defined radio, low noise radar, harsh environment timing

Strong position in Commercial Avionics
- Industry predicting double digit growth

Order Backlog

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Order Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2010</td>
<td>$14.4</td>
</tr>
<tr>
<td>Q3 2010</td>
<td>$12.0</td>
</tr>
<tr>
<td>Q4 2010</td>
<td>$10.7</td>
</tr>
<tr>
<td>Q1 2011</td>
<td>$12.2</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>$12.1</td>
</tr>
<tr>
<td>Q3 2011</td>
<td>$9.1</td>
</tr>
<tr>
<td>Q4 2011</td>
<td>$8.6</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>$8.9</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>$9.5</td>
</tr>
<tr>
<td>Q3 2012</td>
<td>$8.7</td>
</tr>
<tr>
<td>Q4 2012</td>
<td>$8.7</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>$8.4</td>
</tr>
</tbody>
</table>
### Income Statement Highlights

($ in millions, except EPS)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$39.5</td>
<td>$40.2</td>
<td>$31.3</td>
<td>$46.7</td>
<td>$35.7</td>
<td>$29.7</td>
<td>$29.9</td>
</tr>
<tr>
<td>% Change</td>
<td>1.6%</td>
<td>-28.4%</td>
<td>32.9%</td>
<td>-30.8%</td>
<td>-20.1%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>10.2</td>
<td>10.4</td>
<td>7.4</td>
<td>16.4</td>
<td>10.8</td>
<td>7.7</td>
<td>8.5</td>
</tr>
<tr>
<td>% Margin</td>
<td>25.7%</td>
<td>25.8%</td>
<td>23.7%</td>
<td>35.0%</td>
<td>30.2%</td>
<td>26.1%</td>
<td>28.6%</td>
</tr>
<tr>
<td><strong>Research &amp; Development</strong></td>
<td>2.8</td>
<td>3.1</td>
<td>2.1</td>
<td>1.6</td>
<td>1.9</td>
<td>2.0</td>
<td>2.1</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>7.0%</td>
<td>7.6%</td>
<td>6.9%</td>
<td>3.5%</td>
<td>5.2%</td>
<td>6.8%</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Selling, General &amp; Administrative</strong></td>
<td>8.2</td>
<td>8.2</td>
<td>7.2</td>
<td>7.9</td>
<td>8.2</td>
<td>7.5</td>
<td>7.7</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>20.8%</td>
<td>20.3%</td>
<td>23.0%</td>
<td>17.0%</td>
<td>23.0%</td>
<td>25.3%</td>
<td>25.8%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>0.4</td>
<td>0.2</td>
<td>(1.2)</td>
<td>7.5</td>
<td>1.5</td>
<td>(0.9)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>% Margin</td>
<td>1.1%</td>
<td>0.4%</td>
<td>-3.9%</td>
<td>16.2%</td>
<td>4.1%</td>
<td>-3.2%</td>
<td>-1.1%</td>
</tr>
<tr>
<td><strong>Pre-Tax Earnings (Non-GAAP)</strong></td>
<td>(2.5)</td>
<td>(1.2)</td>
<td>(2.6)</td>
<td>6.5</td>
<td>0.6</td>
<td>(1.8)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>% Margin</td>
<td>-6.4%</td>
<td>-2.9%</td>
<td>-8.2%</td>
<td>13.9%</td>
<td>1.6%</td>
<td>-6.2%</td>
<td>-4.3%</td>
</tr>
<tr>
<td><strong>Pre-Tax EPS (Non-GAAP)</strong></td>
<td>$ (1.16)</td>
<td>$ (1.15)</td>
<td>$ (1.14)</td>
<td>$ 2.88</td>
<td>$ 0.22</td>
<td>$ (0.71)</td>
<td>$ (0.49)</td>
</tr>
</tbody>
</table>
### Balance Sheet Highlights

($ and shares in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$5.2</td>
<td>$5.3</td>
<td>$3.8</td>
<td>$4.1</td>
<td>$13.7</td>
<td>$10.1</td>
<td>$9.3</td>
</tr>
<tr>
<td>% Change</td>
<td>1.7%</td>
<td>-39.5%</td>
<td>8.0%</td>
<td>69.7%</td>
<td>-35.4%</td>
<td>-8.6%</td>
<td></td>
</tr>
<tr>
<td>Cash-Adj. WC (AR + Inv - AP)</td>
<td>$9.0</td>
<td>$9.5</td>
<td>$7.8</td>
<td>$9.7</td>
<td>$8.2</td>
<td>$7.2</td>
<td>$8.2</td>
</tr>
<tr>
<td>% Change</td>
<td>5.1%</td>
<td>-22.0%</td>
<td>19.6%</td>
<td>-17.8%</td>
<td>-13.6%</td>
<td>11.6%</td>
<td></td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>$10.8</td>
<td>$9.7</td>
<td>$5.5</td>
<td>$12.8</td>
<td>$18.2</td>
<td>$16.6</td>
<td>$16.6</td>
</tr>
<tr>
<td>% Change</td>
<td>-11.1%</td>
<td>-77.1%</td>
<td>57.4%</td>
<td>29.4%</td>
<td>-9.3%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>$22.9</td>
<td>$22.4</td>
<td>$18.6</td>
<td>$23.7</td>
<td>$32.4</td>
<td>$29.6</td>
<td>$28.9</td>
</tr>
<tr>
<td>% Change</td>
<td>-2.3%</td>
<td>-20.4%</td>
<td>21.7%</td>
<td>26.8%</td>
<td>-9.6%</td>
<td>-2.3%</td>
<td></td>
</tr>
<tr>
<td>Total Debt</td>
<td>$5.5</td>
<td>$6.8</td>
<td>$5.0</td>
<td>$0.7</td>
<td>$3.4</td>
<td>$1.3</td>
<td>$1.4</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>$12.4</td>
<td>$11.0</td>
<td>$9.0</td>
<td>$18.7</td>
<td>$25.6</td>
<td>$24.6</td>
<td>$24.6</td>
</tr>
<tr>
<td>Common Stock Outstanding</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
<td>2.3</td>
<td>2.6</td>
<td>2.6</td>
<td>2.6</td>
</tr>
</tbody>
</table>
The Company uses non-GAAP additional measures of operating results, net earnings and earnings per share adjusted to exclude certain costs, expenses, gains and losses we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of the underlying operational results and trends and our marketplace performance. For example, the non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside of our core business segment operational results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net earnings or diluted earnings per share prepared in accordance with generally accepted accounting principles in the United States.
Investment Considerations

Strong capital position
Flexible platform with operating leverage
JV/M&A opportunities

~50 years experience
Blue-chip clients
Diverse markets
Worldwide footprint
Quality-certified, low-cost manufacturing

Industry leading technology, reliability, convenience, support