



# **The LGL Group, Inc.**

**(NYSE MKT: LGL)**

*Investor Update Webinar*  
*May 3, 2023*



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## Safe Harbor Statement

Information included or incorporated by reference in this presentation may contain forward-looking statements. This information may involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different than the future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words “may,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend” or “project” or the negative of these words or other variations on these words or comparable terminology.

Examples of forward-looking statements include, but are not limited to, statements regarding efforts to grow revenue, expectations regarding fulfillment of backlog, future benefits to operating margins and the adequacy of cash resources. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under “Risk Factors” in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 17, 2023. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this presentation will in fact be accurate. Further, we do not undertake any obligation to publicly update any forward-looking statements. As a result, you should not place undue reliance on these forward-looking statements.



*Laying the foundation for  
profitable growth*

## Agenda

- Review of the Company
- Preview of the Forward Template



## Presenters

- |                  |                           |
|------------------|---------------------------|
| ➤ Marc Gabelli   | Chairman and CEO          |
| ➤ Tim Foufas     | Director and Incoming CEO |
| ➤ Patrick Huvane | EVP Finance               |
| ➤ James Tivy     | Chief Accounting Officer  |



## LGL Group is a NYSE Publicly traded corporation

- Formed in 1917
- IPO in 1946
- Long History of Investments and Reorganizations as an investor in and developer of companies in various industries including financial services, industrial manufacturing, transportation, & communications.
- PTF subsidiary acquired 2016



### As of December 31, 2022

\$ 1.6 million	TTM annual revenue adjusted post Spin
\$ 4.41	Stock price as of 4/28/2023
\$ 3.88 – \$6.00	52-week range
5.35mm / 1.05mm	Shares Outstanding / Warrants*
\$ 38.1 million	Cash and Marketable Securities
\$ 38.5 million / \$7.20	Book Value / per share

\*5.25 million at 5:1 Nov 2025 ("LGL.WS") traded warrants with cash strike at \$4.75

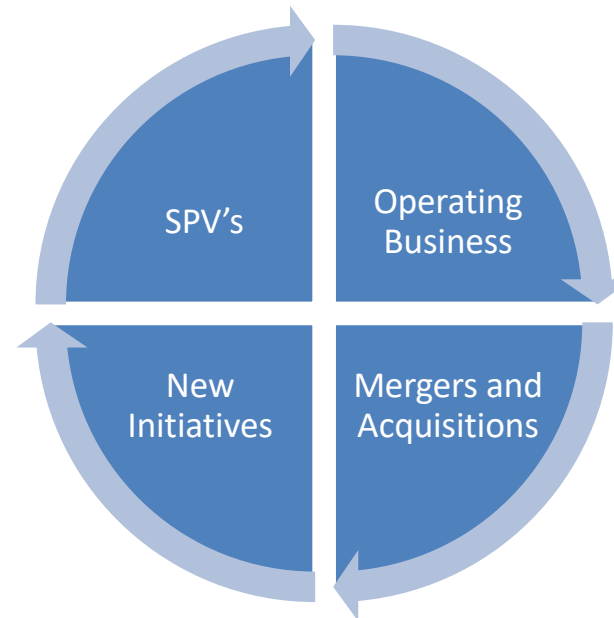
## *Building Momentum with Strategic Initiatives*

### Overview - 2022 Year End

- **Operating Flexibility**
  - Net cash position, no debt, profitable, new business initiatives
  
- **Strong Operating Platform: PTF YoY Revenue 14.5% growth**
  - Major contract win from Leonardo-DRS for new Aircraft Carrier
  - Closed India contract expanding into market as “Made in India” supplier
  - Revamped new suite of products for Precision Time Protocol
  
- **Financial Engineering Continues: Spin Off of M-tron Industries**
  - October 7, 2022 separation (NYSE – MPTI) creating standalone Aerospace and Defense frequency control engineering pure play
  - Aligns interests for independent growth and value creation

## Why LGL Group?

- Value Creation Heritage
- History of making disciplined, strategic acquisitions, capital expansions and partnerships
- Since 1985, acquired 32 businesses, sold 11, and spun off 3



***Strong Network Effects  
To Grow Value***

## ➤ Broaden Business Franchise

- ✓ Expand PTF engineering excellence within time and frequency market
  - Seek to leverage core strength as engineering leader to expand client access and add new capabilities and continue to deepen product offerings
  - Employ organic R&D, strategic partnerships, JVs and M&A
- ✓ Leverage management's expertise and network
- ✓ Work with existing portfolio company management to capture economies of scale, develop & align brand positioning and product growth opportunities and to implement integration plans, if necessary
- ✓ Build multi-industry investment portfolio vis-à-vis Direct Investing in businesses utilizing various structures and vehicles to build shareholder value

## ➤ Direct M&A, Lift-Outs and Tuck-Ins

- ✓ Undervalued companies in Graham & Dodd tradition
- ✓ Tuck-in opportunities for portfolio companies including PTF expansion
- ✓ Assemble talented management teams, make strategic follow-on acquisition & raise expansion capital
- ✓ Deal Criteria:
  - EBITDA \$5-15mm
  - Strong cash flow generating capacity backed by competitive products/services with defensible market positions or IP
  - Consumer Products/services, media & communication, industrial equipment, manufacturing & distribution, and business services
- ✓ Merchant Fund
  - \$10mm initial capitalization. \$100mm Fund Target Size
  - Generate fee income, success-based incentives & return on invested capital





- Founded in 2002, Acquired in 2016
- 3,000 sqft manufacturing facility, Wakefield, MA
- Designs, manufactures, and markets time and frequency instruments
- Serves computer networking, satellite ground stations, electric utilities, broadcasting, telecommunication systems, and metrology.
- **Time & Frequency Market** estimated \$158MM in 2019, projected \$257mm by 2027; PTP sub-sector expected to grow to \$25mm by 2026 from \$11mm in 2019

### Major Opportunities

- Leonardo DRS follow-on programs
- Raytheon (Missiles & Defense – Phased Array Radar System)
- Establish PTF as supplier of choice for NASA countdown system
- Various follow-on systems for Indian Government



<b>Condensed Balance Sheet (in 000s)</b>	<b>Audited 2022</b>	<b>Audited 2021</b>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 21,507	\$ 26,381
Marketable Securities	16,585	16,157
Other Assets	1,693	1,484
Assets of Discontinued Operations	-	16,291
<b>Total Assets</b>	<b>\$ 39,785</b>	<b>\$ 60,313</b>
<b>LIABILITIES:</b>		
Accounts Payable	310	60
Accrued Expenses and Other Payables	277	1,333
Other Liabilities	708	999
Liabilities of Discontinued Operations		3,178
<b>Total Liabilities</b>	<b>\$ 1,295</b>	<b>\$ 5,570</b>
<b>Stockholders' Equity</b>	<b>\$ 38,490</b>	<b>\$ 54,743</b>



**Condensed Income Statement**  
(in 000s)

	Audited 2022	Audited 2021
<b>REVENUES</b>		
Operating Revenues	\$ 1,655	\$ 1,446
Net Investment Income	194	1
Realized and unrealized gains and loss on marketable securities and investment in unconsolidated subsidiary	(4,528) <sup>(1)</sup>	19,542 <sup>(1)</sup>
<b>Total Revenues</b>	<b>\$ (2,679)</b>	<b>\$ 20,989</b>
<b>EXPENSES</b>		
Manufacturing Cost of Sales	837	711
Engineering, Selling and Administrative Expenses:	2,890	4,256
<b>Total Expenses</b>	<b>\$ 3,727</b>	<b>\$ 4,967</b>
<b>Net Income (loss) Before Income Taxes From Continuing Operations</b>	<b>\$ (6,406)</b>	<b>\$ 16,022</b>

*(1) including amounts from 2019 and 2020, the cumulative net gain is \$14,736 relating to the Company's SPAC investment*



## Summary

- NYSE Listed Micro Cap Pure Play
- Long History of Value Building Operating Investments
- Positioned for Expansion
- PTF Time and Frequency Instrumentation Platform



Thank You

# Questions

Please see full disclosures. All points in discussions are estimates.



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## Contact Information

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