

IEH Corporation – Duopoly Leader Riding the U.S. Missile Inventory Buildout

Rating
BUY
Initiating

Target Price
\$26.00
Initiating

April 1, 2026

Disseminated on Behalf of IEH Corp.

All figures in USD unless otherwise stated

IEH Corporation	IEHC:OTCQX
Rating	BUY
Target Price	\$26.00
Return to Target	37%

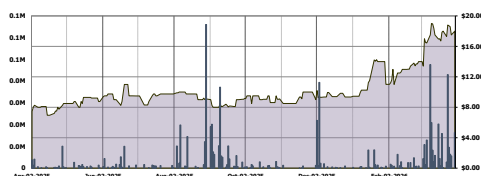
Market Data

Share Price	\$19.00
Average Daily Volume (K)	10.9
FD ITM Shares (M)	2.7
Market Cap (\$M)	\$51.7
Cash (\$M)	\$9.3
Debt (\$M)	\$2.2
Enterprise Value (\$M)	\$44.5

FYE Mar 31	FY26E	FY27E	FY28E
Revenue (\$M)	\$29.2	\$34.4	\$40.4
Gross Margin (%)	17%	24%	26%
Adj. EBITDA (\$M)	(\$1.5)	\$2.4	\$4.2
Adj. EBITDA Margin (%)	(5%)	7%	10%
Net Income (\$M)	(\$2.0)	\$1.2	\$2.7
EPS (Basic)	(\$0.82)	\$0.50	\$1.12
FCFF (\$M)	(\$4.0)	\$1.1	\$1.7

Valuation	FY26E	FY27E	FY28E
EV/EBITDA	N/A	18.9x	10.5x
P/E	N/A	42.1x	19.0x
EV/Sales	1.5x	1.3x	1.1x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



For 85 years and four generations of family-run management, IEH Corporation has designed, developed, and manufactured printed circuit board (PCB) connectors, custom interconnects and contacts for high performance applications. With its signature Hyperboloid technology, IEH supplies the most durable, reliable connectors for the most demanding environments. The Company markets primarily to companies in defense, aerospace, space and industrial applications. The Company was founded in 1941 and is headquartered in Brooklyn, New York.

What you need to know:

- IEHC designs and manufactures highly critical components for the defense and aerospace industry, mainly hyperboloid connectors. The market operates as a duopoly between Molex (prev. Smiths) and IEHC.
- Based on the massive buildout happening in missiles and missile defense, amongst other secular trends in the industry, IEHC has seen its backlog double over the LTM and grow 50% since January.
- IEHC has seen margin compression from the increased gold price, but has been implementing price increases to compensate for the higher costs.
- IEHC trades at a large discount to public defense firms and the takeout valuation of Smiths Interconnect from October 2025.

IEH Corporation (IEHC:OTCQX) has been around for 85 years as a family-run company, designing, developing, and manufacturing custom interconnects, contacts, and printed circuit boards for the defense and aerospace industry. Given the massive growth in these end markets (particularly for missiles), IEHC is expected to post accelerating growth. The Company provides direct exposure to this theme and is largely undervalued compared to its public peers and takeout price of its closest competitor. **We are initiating coverage on IEHC with a BUY rating and a \$26.00/share target price.**

Investment Thesis Summary

Duopoly on a Critical Component. Hyperboloid connectors are necessary for high-reliability applications in defense, aerospace, and medical fields, ensuring vibration resistance, low insertion force, and performance under extreme conditions. The market is a niche duopoly with high barriers to entry, dominated by Smiths Interconnect (~70%) and IEHC (~30%).

Record Backlog and Anticipating Future Growth. In March 2026, IEHC reported that its backlog had reached an all-time high of >\$28M, more than doubling over the LTM and up 50% YTD. This comes on the back of the buildout of missile inventories for the U.S. across PAC-3 (+230% ramp) and THAAD (+317% ramp), amongst others. We believe this will be a 3-6+ year cycle, exacerbated by the war in Iran, where the U.S. and Israel are running low on munitions.

Margins are Hurting from Gold Exposure. Gold makes up a major input cost for IEHC, with its rising price harming profitability over the last two years. IEHC has exhibited strong profitability in the past, and we believe has pricing power given its niche focus. The Company has begun implementing pricing increases to catch up to this and we expect EBITDA margins to be back to 10% by FY28 (Ending March 31).

All Markets are in a Bull Cycle. IEHC's exposure to defense, commercial aerospace, and space positions it at the front end of multi-year growth, underpinned by increased global defense spending (2-3x for missiles by 2030), a 15,461-jet backlog at Boeing/Airbus, and a soaring LEO satellite market.

Management & Ownership. The Company has been owned and operated by the Offerman family for four generations, owning 37% of the shares outstanding. As such, we believe the team is long-term thinking and shareholder-centric.

Valuation. IEHC trades at 18.9x/10.5x FY27E/FY28E EBITDA compared to its public peers at 21.1x/16.7x and Smiths Interconnect, which was acquired in late 2025 for 15.1x EBITDA. We believe that the discount will reduce as IEHC executes on its growth strategy and upcoming margin expansion.

Catalysts

- Quarterly Financial Results & Backlog Announcements – Ongoing
- Acquisitions & Strategic Partnerships – Ongoing

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Investment Thesis

We are initiating coverage on IEH Corporation (IEHC:OTCQX) with a BUY rating and a target price of \$26.00/share. IEH has been around for 85 years as a family-run company, designing, developing, and manufacturing printed circuit board connectors, contacts, and custom interconnects. Its signature hyperboloid technology powers the most durable and reliable connectors for demanding environments. The Company services the defense, aerospace, space, medical, and industrial industries, all of which we believe are in the right part of the cycle. We believe IEHC is at an inflection point of growth, given the demand in its end markets (particularly missiles and missile defense) and has the pricing power to drive margin expansion back to historical levels.



Figure 1: IEHC Product Suite (Source: Company Documents)

Duopoly on a Critical Component

Hyperboloid connectors feature a socket with hyperbolically arranged wire contacts forming multiple linear contact lines around the pin, providing exceptional reliability compared to traditional point or tine contacts. The product is necessary for high-reliability applications in defense, aerospace, military, medical, and other harsh-environment sectors where superior vibration/shock resistance, low insertion force, high mating cycles, and reliable performance under extreme conditions are required. These components deliver unmatched electrical and mechanical performance under extreme conditions where failure is not an option. Refer to this [video](#) for further explanation.

The hyperboloid connector market operates as a niche duopoly dominated by Smiths Interconnect and IEH Corporation, representing roughly 70% and 30% market share, respectively. Smiths was acquired in 2025 for 15.1x EBITDA (see Valuation section for more information). We view the market as a duopoly since it has:

- 1) High barriers to entry – proprietary designs, extensive qualification/testing, long qualification cycles for defense/aerospace, and the need for proven heritage in life-critical or mission-critical systems.
- 2) Niche focus – The overall connector market is large and fragmented (top players like TE Connectivity and Amphenol hold significant share), but hyperboloid is a specialized subset where Smiths and IEH together capture the vast majority of high-end demand.
- 3) Customer lock-in – Programs often specify or requalify these two suppliers due to reliability data and incumbency.

Record Backlog and Anticipating Further Growth

On March 4th, IEH announced that its order backlog has reached an all-time high of over \$28M, due primarily to the increased demand for precision-guided munitions, missiles, and air defense systems that employ IEH's hyperboloid connectors. At the time, management stated that the backlog has more than doubled in the last 12 months and has increased nearly 30% in just the first two months of 2026. The backlog corresponds to future revenue for the next 12-18 months. Systems including PAC-3 (600 units annually to 2,000 annually by 2030), AMRAAM, THAAD (96 units annually to 400 units annually by 2030), APKWS, and MARK-48 are being deployed in greater volume and frequency, as the US prioritizes equipment replenishment. On March 24th, IEHC announced a \$5.1M order for hyperboloid connectors in support of the Patriot Missile system (PAC), IEHC's largest order in decades. We estimate that the backlog is up 50% YTD including this contract. The fact that we are already seeing this acceleration in the backlog is highly bullish, as the delivery growth for much of these programs is a 3-to-7-year cycle, meaning that the orders will continue to roll in over the medium-term.

President Trump has recently posted about a meeting with the prime contractors for conducting this buildout “as rapidly as possible”. This is likely being accelerated by the Iran war, where both the U.S. and Israel are running low on interceptor missiles. It was reported that the U.S. has burned through years of munitions in the Iran war so far, with the Pentagon submitting a request for \$200B in additional military spending, with the current cost of the war exceeding \$30B through the first three weeks.

We are also seeing growth on the aerospace side with strong deliveries expected from Boeing and Airbus over the coming years (Figure 27) as well as continued growth in the space sector. IEH has the capacity to handle this, as in 2022, it opened its new plant in Allentown, PA, being much larger than its legacy Brooklyn facility. We are anticipating 18% sales growth in FY27 and 17% in FY28.

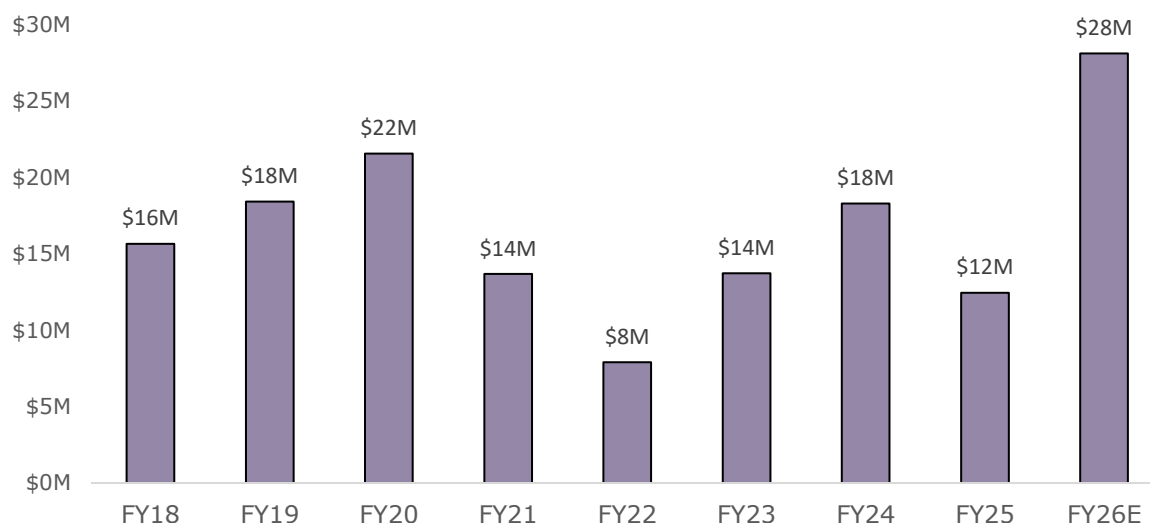


Figure 2: Backlog History (FY26 Ending March 31st)

PROGRAM / SYSTEM	CONTRACT VALUE	UNITS / QUANTITY	PRODUCTION RATE	STATUS	STARTING DATE
AIR & MISSILE DEFENSE					
PAC-3 MSE (PATRIOT) Patriot Air Defense Lockheed Martin	\$9.8B Framework; 3x capacity	2,000/yr capacity 600+ delivered 2025	~600 → 2,000/yr +230% ramp target	RAMPING	Jan 2026 Over seven years
THAAD Interceptors Terminal High Altitude Area Def. Lockheed Martin	N/A Framework agreement	400/yr capacity Quadrupled from 96/yr	96 → 400/yr +317% ramp target	RAMPING	Jan 2026 Over seven years
LTAMDS Radar Next-gen Patriot radar RTX / Raytheon	\$3.8B Cumulative contract	LRIP underway Poland 1st intl. customer	FRP targeted 2028 Multi-decade platform	EARLY	Apr 2025 FRP 2028
MISSILES					
AMRAAM (AIM-120) Advanced Medium-Range A2A RTX / Raytheon	N/A 7-yr framework agreement	1,900+/yr target Ramp to ≥1.9K/yr	≥1,900/yr 7-yr framework ramp	RAMPING	Feb 2026 Seven-year agreement
APKWS II Guided rocket kits BAE Systems	\$3.4B+ \$1.7B BAE + \$1.7B USN	55K+ kits ~11K units FY26	Through 2031 Dual contract coverage	AWARDED	Sep / Dec 2025 Lots 13–17
TACTICAL AIRCRAFT					
F-15EX Eagle II 4th-Gen Fighter; USAF & FMS Boeing	~\$23B+ Multi-year program	129 USAF requirement 14 delivered 2024	~14 → 24/yr (2026) Strike delay resolved	FULL RATE	Ongoing 126 of 129 by 2030

Figure 3: Major Programs Overview
(Source: Lockheed Martin, Missile Defense Agency, RTX/Raytheon)

Margins Hurting from Gold Exposure, Should Normalize

Given that gold makes up a major input cost for plating and contacts in IEHC's connectors, it has had difficulty maintaining profitability in recent years with the rising gold price. Additionally, the Allentown facility is not yet operating at capacity, and as revenue grows, we expect better utilization of resources. The Company has exhibited solid profitability in the past, reaching 30% gross margin and 10% EBITDA margin in FY21, which was its last peak in revenue. IEH has begun passing on these costs to their customers, which we believe will be well-received given the lack of competition, technical advantages, and overall capital flowing into IEH's customers. However, this will take time as past contracts are chewed through. The Company has also been working on inventory management, workforce optimization, and cost control to improve margins. As such, we are modelling for EBITDA margins to return to 7% in FY27E and 10% in FY28E.

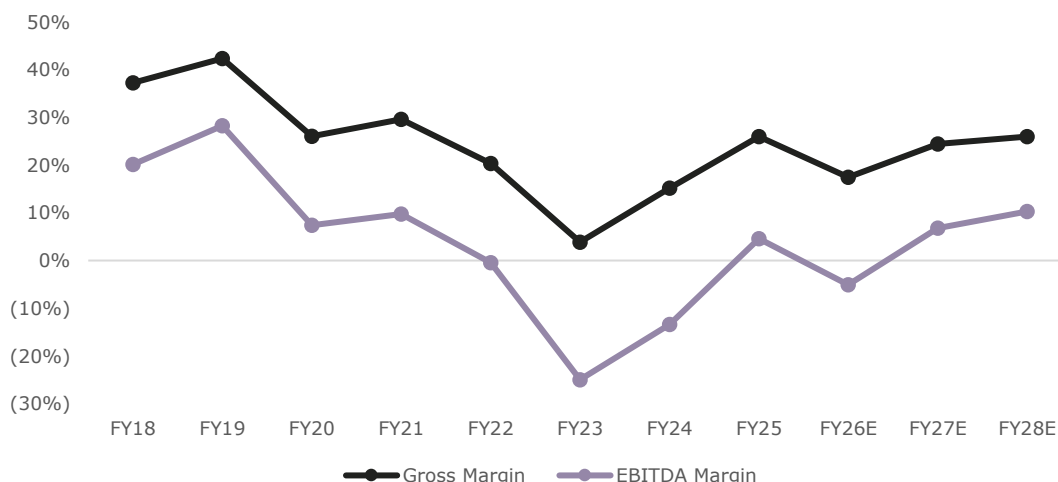


Figure 4: Gross Margin and EBITDA Margins

All End Markets are in a Bull Cycle

IEHC is currently benefiting from synchronized tailwinds across all of its primary end markets, each in the beginning stages of what we believe to be within a multi-year expansion cycle. On the defense side, global expenditures reached \$2.63T in 2025 and the U.S. defense budget is heading toward \$1T in FY26, with NATO allies now committed to 5% of GDP in core defense spending by 2035, which will directly drive production ramps across the missile and air defense programs where IEH's connectors are embedded (including PAC-3 MSE tripling to 2,000 units/year and THAAD quadrupling to 400 units/year through 2030).

In commercial aerospace, Boeing and Airbus carry a combined backlog of 15,461 jets with deliveries projected to reach 1,400 units in 2026, and the trend toward more-electric aircraft architectures is expanding connector content per airframe, another direct tailwind for IEH. In the space sector, up to 70,000 LEO satellites are expected to be launched over the next five years, with analysts projecting the LEO market to grow at a 23% CAGR from 2025 to 2035, reaching \$108B, representing a step-change in volume for space-grade hyperboloid connectors. With IEH's technology qualified and embedded across all three of these end markets, the Company is positioned to benefit from a broad cyclical uplift that is still in its early innings. We have not seen this combined effect in past cycles, implying that revenue and EBITDA can surpass past record levels. We further break down these end markets within the *Industry Overview* below.

Management & Ownership

Management is led by President and CEO David Offerman, who brings many years of experience in sales, marketing, and executive leadership. Mr. Offerman has been with the Company for over 20 years, starting out as a Vice President of Sales and Marketing. He is joined by CFO Subrata Purkayastha, who joined the Company in 2021, and brings with her over 20 years of experience in chartered accountancy and financial reporting, holding senior accounting and controller positions within multiple companies. The Offerman family owns a significant stake in the Company with a total of ~0.9M shares (~37%), strongly aligning their incentives with those of other investors. Other members of the management team and board collectively own 5%. Institutional investors include Zeff Holding Company (10%) and Ian Cassel's Intelligent Fanatics Capital Management (4%).

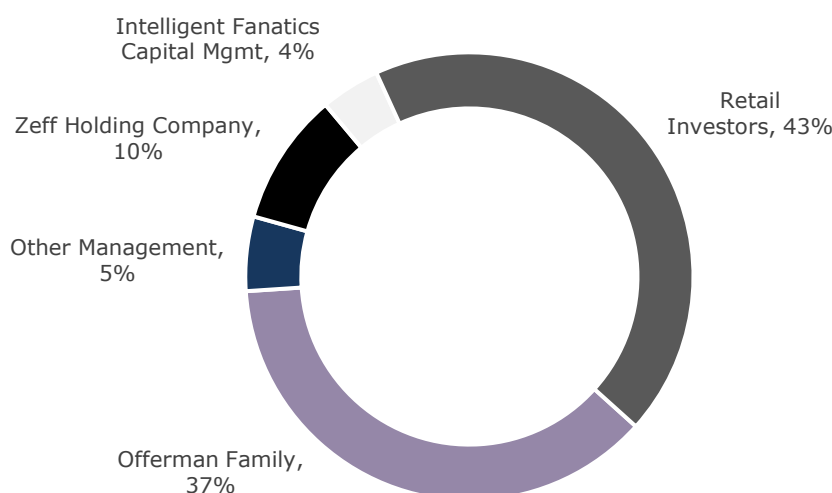


Figure 5: Ownership Summary

Valuation

Peer Group Analysis

As seen in the peer group below, IEHC trades at 18.9x/10.5x FY27E/FY28E EBITDA compared to the group average of 21.1x/16.7x (ex-Kratos would be 15.5x/12.7x). This discount could be due to IEHC's margin compression via the exposure to gold; as mentioned above, we expect these costs to begin getting passed on and margins to revert to historical levels over time. We also attribute the discount to the fact that IEHC trades on the OTC compared to most of its peers on the NASDAQ/NYSE, impacting liquidity on an already low float due to the family ownership. Furthermore, family-owned and operated businesses typically trade at a discount to their peers due to concentrated control, also playing into the discount seen. From a sales growth perspective, IEHC has similar revenue growth rates to the peer group, while offering much higher EBITDA growth if our expected margin expansion can materialize. The peer group below tells us that the market is rewarding the defense theme with above-average multiples and that there is plenty of room for IEHC's multiple to grow into. We would specifically like to highlight Park Aerospace (PKE:NYSE), which is one of the few players (like IEHC) with large exposure to the PAC-3 buildout; PKE trades at 31.0x 2025 guided EBITDA (no analyst coverage).

The Company ran into some issues with the SEC after missing quarterly financial reporting back in 2022. This was due to the poor integration of an ERP system, resulting in the SEC threatening to revoke the registration of the stock. As such, the OTC moved the stock to the Pink Sheets. IEH has since solved the issue in 2023, and in January 2026, the SEC closed the case with no punishment, which allowed the OTC to return IEH's stock to the OCTQX exchange. We believe that this could also be a factor in the liquidity and low valuation, which is now in the rear-view mirror.

Company	Ticker	Mkt Cap	EV	Sales CAGR		EBITDA CAGR		EBITDA Margin	EV/EBITDA			EV/Sales		
				FY25A-FY28E	FY25A-FY28E	FY25A-FY28E	FY25A-FY28E		FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Kratos Defense & Security Solutions	KTOS	\$13,171	\$12,756	22%	47%	11%	N/A	77.6x	57.0x	9.5x	7.7x	6.3x		
TTM Technologies, Inc.	TTMI	\$10,073	\$10,598	18%	31%	18%	25.6x	19.5x	15.1x	3.6x	3.1x	2.7x		
Astronics Corporation	ATRO	\$2,382	\$2,742	10%	56%	20%	24.5x	15.6x	13.1x	3.2x	2.8x	2.6x		
Bel Fuse Inc.	BELF.A	\$2,289	\$2,547	13%	20%	21%	19.1x	16.9x	15.4x	3.8x	3.5x	3.3x		
Allient Inc.	ALNT	\$999	\$1,160	6%	18%	15%	15.8x	13.9x	12.1x	2.1x	2.0x	1.9x		
TAT Technologies Ltd.	TATT	\$528	\$499	17%	31%	16%	19.5x	15.3x	12.8x	2.8x	2.4x	2.1x		
Park Aerospace Corp.	PKE	\$544	\$481	N/A	N/A	N/A	31.0x	N/A	N/A	6.6x	N/A	N/A		
Innovative Solutions And Support	ISSC	\$365	\$381	26%	28%	27%	16.0x	16.1x	15.0x	4.5x	4.3x	4.0x		
Firan Technology Group Corporation	FTG	\$338	\$363	12%	26%	19%	17.0x	13.2x	11.4x	2.6x	2.4x	2.1x		
Airo Group Holdings, Inc.	AIRO	\$238	\$170	32%	0%	17%	14.7x	11.1x	5.1x	1.8x	1.3x	0.8x		
M-Tron Industries, Inc.	MPTI	\$237	\$219	11%	8%	19%	21.1x	20.1x	16.5x	4.0x	3.6x	3.2x		
Coda Octopus Group, Inc.	CODA	\$127	\$99	20%	31%	28%	16.7x	12.9x	10.1x	3.7x	3.3x	2.9x		
Eltek Ltd	ELTK	\$54	\$48	N/A	N/A	N/A	10.8x	N/A	N/A	0.9x	N/A	N/A		
Average				17%	27%	19%	19.3x	21.1x	16.7x	3.8x	3.3x	2.9x		
Average Ex-Kratos				16%	25%	20%	19.3x	15.5x	12.7x	3.3x	2.9x	2.6x		
IEH Corporation	IEHC	\$52	\$45	12%	48%	10%	N/A	18.9x	10.5x	1.5x	1.3x	1.1x		

Figure 6: Peer Group Analysis (Source: Capital IQ)

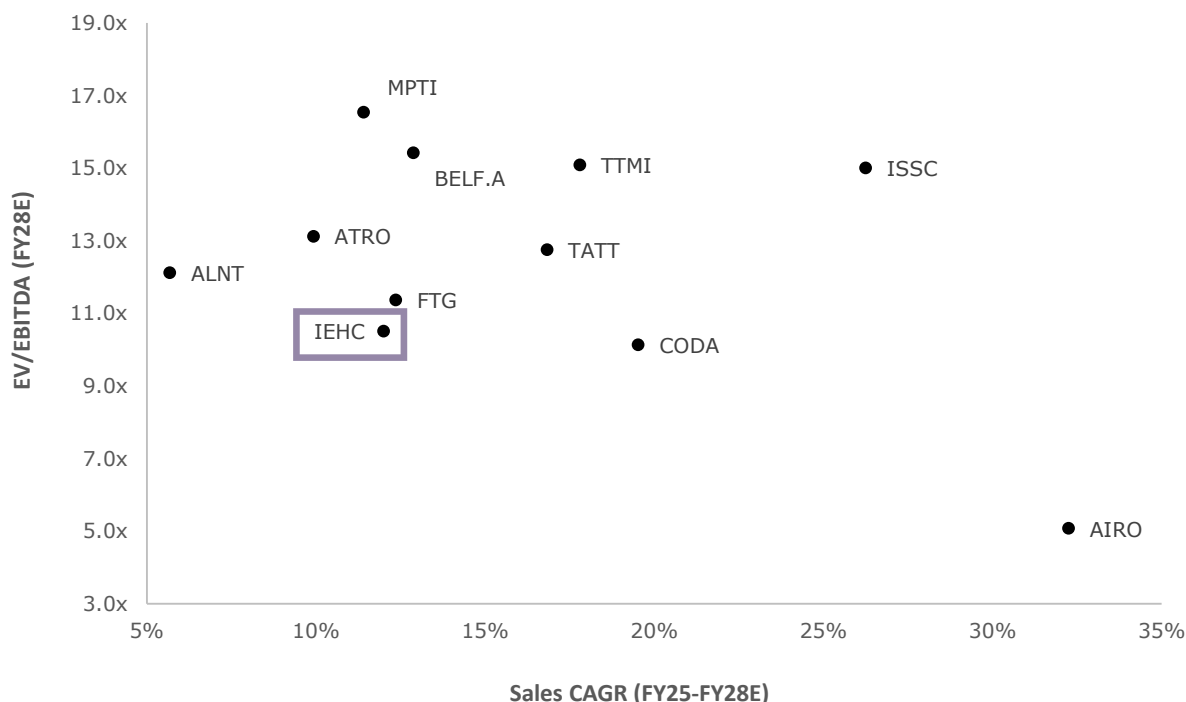


Figure 7: EV/EBITDA vs. Sales Growth (Source: Capital IQ)

Precedent Transaction – Smiths Interconnect

As mentioned above, the hyperboloid connectors market is largely a duopoly between IEHC and Smiths Interconnect. Smiths Interconnect was acquired in cash in October 2025 by Molex Electronic Technologies, a global electronics leader. The enterprise value was £1.3B, representing 15.1x EBITDA of £86.1M for FY25. This is slightly above the public peers as seen above, and a major premium to the 10.5x that IEHC trades at. As such, we believe there is private market appetite for IEHC if the family decides it is time for a sale. Additionally, with the potential disruption caused by the acquisition of Smiths, there is an opportunity for IEHC to gain further market share.

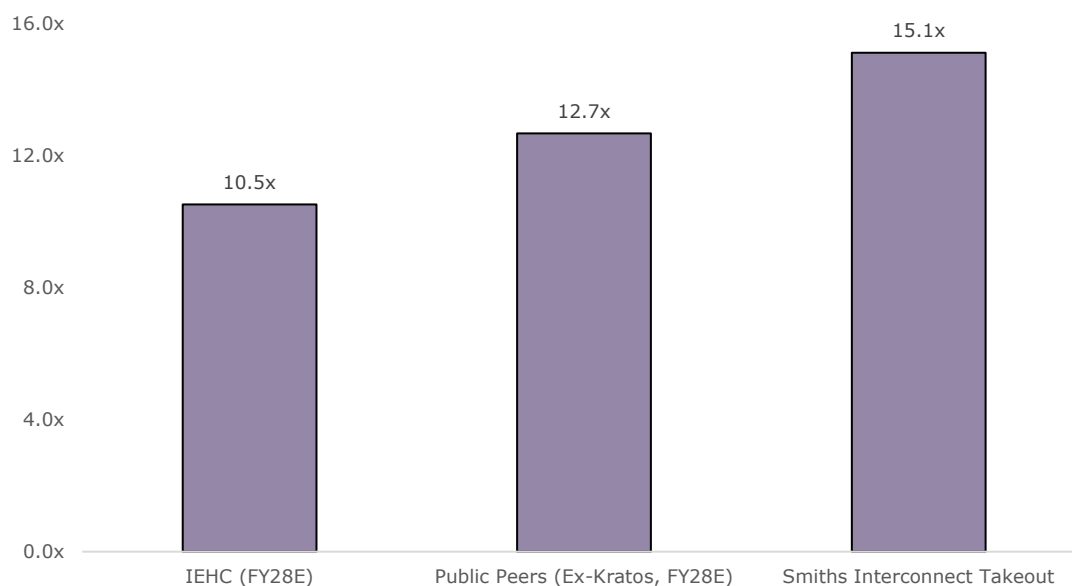


Figure 8: EV/EBITDA Valuation Comparison

Target Price Derivation

For our target price, we look out to FY28 (Ending March 31st) when the backlog growth starts to fully materialize, and various programs start to ramp significantly. We are expecting \$4.2M in EBITDA for FY28, assuming strong revenue and improving margins. We value the Company at 15.0x, representing a slight discount to the peers due to the risk in the margin expansion taking longer than expected, as well as the lower liquidity. We will argue that IEHC does have some of the most direct exposure to the leading programs and themes in the sector, and could achieve a premium valuation if management can execute. Our target price is equivalent to 1.6x FY28E sales, a discount to the peers.

EBITDA Multiple Valuation	
FY28E EBITDA	\$4.2
EV/EBITDA Multiple	15.0x
Enterprise Value	\$63.5
(+) Cash	\$9.3
(-) Debt	\$2.2
Equity Value	\$70.7
Target Price (Rounded)	\$26.00
Upside	37%

Figure 9: Target Price Calculation

		FY28E EBITDA Multiple				
		13.0x	14.0x	15.0x	16.0x	17.0x
FY28E EBITDA	\$3.2M	\$18.00	\$19.00	\$20.00	\$21.00	\$23.00
	\$3.7M	\$20.00	\$22.00	\$23.00	\$24.00	\$26.00
	\$4.2M	\$23.00	\$24.00	\$26.00	\$27.00	\$29.00
	\$4.7M	\$25.00	\$27.00	\$29.00	\$30.00	\$32.00
	\$5.2M	\$28.00	\$29.00	\$31.00	\$33.00	\$35.00

Figure 10: Sensitivity Analysis

DCF Valuation

As for our DCF, we assume that the growth tapers down but remains strong until FY31, as these trends in defense, aerospace, and space are long-term in nature. We believe EBITDA margins will stabilize at ~12%. Our DCF uses a 12% WACC and 13x exit multiple to reaffirm the target price.

						DCF	
	FY27E	FY28E	FY29E	FY30E	FY31E		
Revenue (\$M)	34.4	40.4	47.2	54.6	62.4	Sum of PV FCFFs	\$7.8
Adj. EBITDA (\$M)	2.4	4.2	5.3	6.5	7.4	FY31E EBITDA	\$7.4
FCFF (\$M)	1.1	1.7	2.2	3.2	3.2	Exit Multiple	13.0x
PV of FCFF	1.0	1.4	1.6	2.0	1.8	Terminal Value	\$95.6
						PV of Terminal Value	\$54.8
						Enterprise Value	\$62.5
						(+) Cash	\$9.3
						(-) Debt	\$2.2
						Equity Value	\$69.7
						Target Price (Rounded)	\$26.00
						Upside	37%

Figure 11: DCF Summary

		Exit EBITDA Multiple				
		11.0x	12.0x	13.0x	14.0x	15.0x
WACC	14%	\$21.00	\$22.00	\$24.00	\$25.00	\$27.00
	13%	\$22.00	\$23.00	\$25.00	\$26.00	\$28.00
	12%	\$23.00	\$24.00	\$26.00	\$27.00	\$29.00
	11%	\$23.00	\$25.00	\$27.00	\$28.00	\$30.00
	10%	\$24.00	\$26.00	\$28.00	\$29.00	\$31.00

Figure 12: DCF Sensitivity

Tear Sheet

Market Data	
Ticker	IEHC:OTCQX
Stock Price	\$19.00
Rating	BUY
Target Price	\$26.00
Upside	37%
Market Cap (\$M)	\$51.7
Cash (\$M)	\$9.3
Debt (\$M)	\$2.2
EV (\$M)	\$44.5

Capital Structure	
Basic Shares Outstanding (M)	2.4
Warrants (M)	0.0
Options (M)	0.7
FD Shares (M)	3.1
FD ITM Shares (M)	2.7
Ownership	
Offerman Family	37%
Other Management & Board	5%
Institutions	14%
Retail	43%

Financial Estimates												
	FY25A	Q1/26A	Q2/26A	Q3/26A	Q4/26E	FY26E	Q1/27E	Q2/27E	Q3/27E	Q4/27E	FY27E	FY28E
Revenue (\$M)	28.8	6.3	7.1	7.5	8.3	29.2	7.5	8.5	9.0	9.5	34.4	40.4
% YoY	34%	-11%	-4%	4%	16%	1%	19%	19%	20%	15%	18%	17%
Gross Profit (\$M)	7.5	1.1	1.6	1.0	1.3	5.1	1.6	2.0	2.2	2.5	8.4	10.5
Gross Margin	26%	18%	23%	14%	16%	17%	22%	24%	25%	26%	24%	26%
EBITDA (\$M)	1.3	(0.6)	0.1	(0.5)	(0.5)	(1.5)	0.2	0.5	0.7	1.0	2.4	4.2
EBITDA Margin	5%	(9%)	1%	(7%)	(6%)	(5%)	3%	5%	8%	10%	7%	10%
Net Income (\$M)	1.0	(0.7)	(0.0)	(0.7)	(0.7)	(2.0)	0.0	0.2	0.4	0.6	1.2	2.7
EPS (Basic)	0.42	(0.27)	(0.01)	(0.27)	(0.27)	(0.82)	0.00	0.08	0.17	0.25	0.50	1.12
FCFF (\$M)	4.4	(0.4)	(1.0)	(0.5)	(2.1)	(4.0)	0.8	(0.8)	0.7	0.4	1.1	1.7

Figure 13: Tear Sheet

Company Overview

Business Model

IEH's revenue is generated almost exclusively through direct product sales, with the vast majority of business conducted on a program-by-program, recurring order basis. Strong revenue visibility comes from the "spec-in" nature of its products. Once IEH's connectors are qualified and designed into a defense or aerospace program, switching costs are prohibitive as requalification requires years of testing, regulatory approval, and the willingness to halt active production lines, which are all costs that far exceed any price savings from an alternative supplier. As a result, IEH has remained a supplier on programs such as PATRIOT and MARK-48 since 1973, across multiple generations of platform upgrades.

The Company sells to the world's largest defense companies and aerospace OEMs, including Lockheed Martin, Raytheon Technologies, Northrop Grumman, Boeing, BAE Systems, General Dynamics, and more. Its largest customer represented 26% of revenue in its most recent quarter. Pricing is negotiated directly with these customers on a per-program basis and has historically been resilient, given the small costs of connectors relative to the total system costs.



Figure 14: Customers of IEH (Source: Company Documents)

Revenue peaked at \$34.7M in FY21 before declining to \$19.1M in FY23, driven by three compounding headwinds: 1) the grounding and reduced production of the Boeing 737 MAX, 2) pandemic-related production shutdowns across commercial aerospace, and 3) a trough in defense procurement spending. In addition, a poorly executed ERP system migration from 2020 to 2022 created significant internal disruption, which caused IEHC not to be able to file anything on time until late 2023; however, this has now been solved. Revenue has started recovering, reaching \$28.8M in FY25A, and we project \$29.2M in FY26E and \$34.4M in FY27E, as all major end markets are simultaneously in an upcycle for the first time in years.

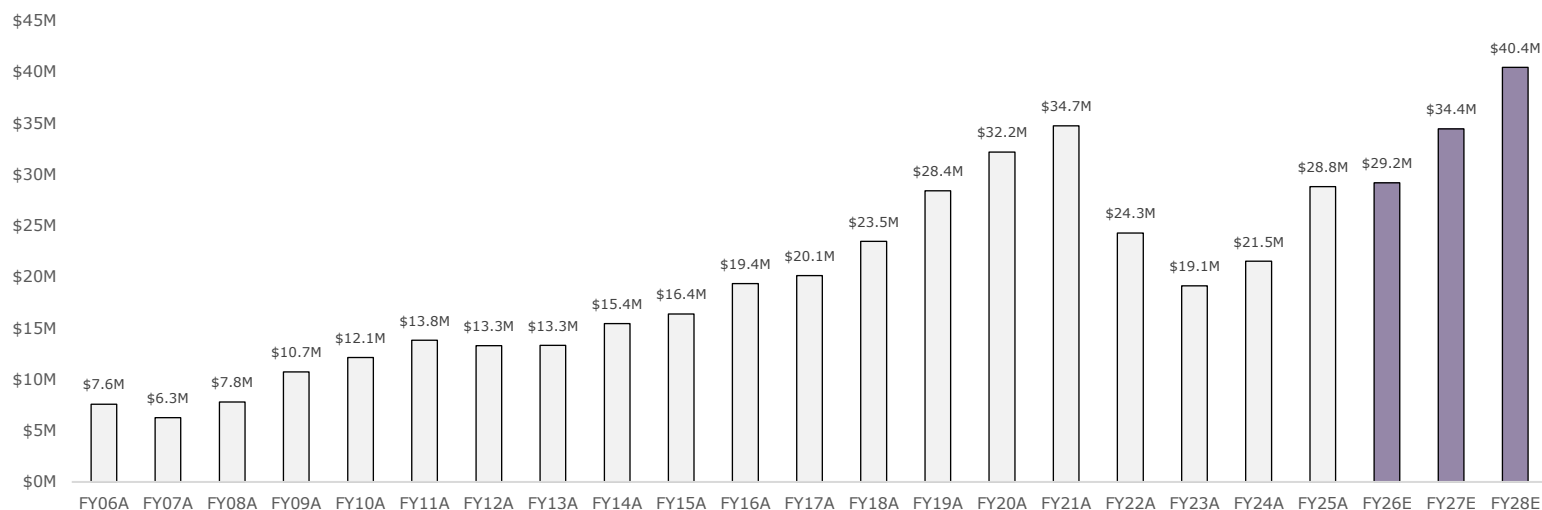


Figure 15: Long-Term Revenue (FY06A-FY28E)

Revenue Segments

IEH reports revenue across four end markets, which include 1) Defense (61% of last 9-month revenue), Commercial Aerospace (29%), Space (6%), and Other/Medical (4%). We believe that all four of these segments are currently in the expansionary phase of their respective cycles as outlined above.

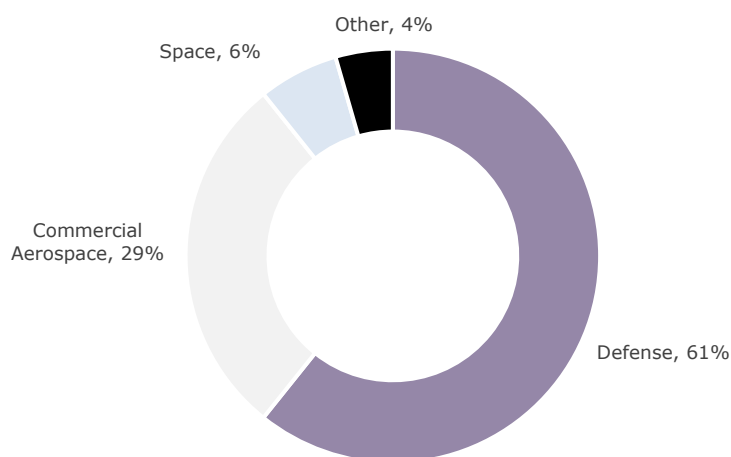


Figure 16: Revenue by End Market, Last 9 Months (Source: Company Documents)

Defense Applications

The Company has supplied hyperboloid connectors to U.S. defense programs for over five decades, with initial qualifications dating to the late 1960s. IEH's connectors are found in some of the most critical weapons systems in the U.S. arsenal, including precision-guided missiles, air defense systems, torpedoes, military aircraft, electronic warfare systems, and large unmanned aerial vehicles.

IEH's active defense program portfolio spans legacy and next-generation platforms. On legacy platforms, IEH has supplied connectors for PATRIOT (PAC) missile systems since 1973, and MARK-48 heavyweight torpedoes since 1973, with continuous program involvement through multiple decades and upgrades. The F-series fighter aircraft have relied on IEH connectors since the late 1970s. More recently, IEH was qualified on AMRAAM (1991), MARK-54, APKWS, and THAAD. Looking forward, the Company is embedded in next-generation programs including LTAMDS (the long-range radar successor to PATRIOT), the F-35 Joint Strike Fighter, and a growing number of advanced munitions programs.

As for their actual applications, IEH's connectors are found in several distinct areas across defense platforms. In missiles and guided munitions, they sit on the PCBs inside missile airframes that govern guidance, fusing, and propulsion control electronics, all of which must continue functioning reliably through the extreme G-forces of launch and sustained flight. In radar systems, including PATRIOT's AN/MPQ-65 and next-generation phased array programs such as LTAMDS, hyperboloid connectors are embedded in the signal processing and transmit/receive modules where vibration and thermal cycling are constant. In torpedoes, the MARK-48 and MARK-54 use IEH connectors in their acoustic homing guidance and propulsion control electronics, operating in the high-pressure, high-vibration environment of underwater propulsion. In military avionics across platforms from the F-14 through the F-35, IEH connectors are found in avionics bays, weapons management systems, and electronic warfare suites. The Company also supplies connectors and contacts for military communications equipment and vehicular electronics for armored and ground command-and-control systems.



Figure 17: Examples of Hyperboloid Connectors in Defense Applications
(Source: Company Documents)

IEH's primary defense customers, including Lockheed Martin, Raytheon Technologies, and Northrop Grumman, are among the most active beneficiaries of current DoD spending increases. The breadth and depth of IEH's program portfolio, combined with the impossibility of substituting its connectors without a lengthy requalification process, means the current multi-year defense upcycle translates directly into IEH orders.

Commercial Aerospace Applications

The Company supplies hyperboloid connectors to both Boeing and Airbus commercial aircraft platforms, with Boeing accounting for roughly 70-75% of the segment's revenue and Airbus representing the remaining balance. The Boeing 737 MAX is the primary driver of the segment, with additional exposure across wide-body aircraft and business jet applications. IEH's connectors are used in three primary areas on commercial aircraft. Within avionics systems, they are embedded in flight management computers, flight control computers, autopilot systems, and navigation and display systems. In engine control systems, IEH connectors are integrated into Full Authority Digital Engine Control (FADEC) units, which regulate fuel flow, thrust, and other critical engine parameters. They are also used in fuel management systems, including fuel quantity indication computers, fuel pump controllers, and transfer valve systems.



Figure 18: Examples of Hyperboloid Connectors in Commercial Aircrafts
(Source: Company Documents)

The segment experienced a prolonged multi-year downturn driven by a series of compounding events. The two 737 MAX crashes in 2019 and the subsequent global grounding significantly disrupted Boeing's narrowbody production rates. This was followed by the COVID-19 pandemic, which severely curtailed global commercial aviation activity for nearly two years. More recently, the January 2024 door plug incident on an Alaska Airlines 737 MAX 9 prompted the FAA to impose a production cap, while a labor strike later in 2024 further slowed Boeing's manufacturing ramp. However, Boeing now appears to be moving past these challenges. Production lines are ramping back up, the FAA production cap has been lifted, and aircraft deliveries are steadily increasing. With Boeing's commercial backlog at an all-time high, the structural recovery in commercial aerospace is now underway and expected to continue. Refer to Figure 27 for the Boeing and Airbus projected delivery schedules.

Space Applications

Space applications are IEH's fastest-growing segment on a percentage of revenue basis. Hyperboloid connectors are ideally suited to space applications, given the extreme shock experienced during launch, wide temperature swings in orbit, and multidecade operational life required of spacecraft systems. We will note that every launch that included IEH's connectors in its payload or launch vehicle represents a recurring demand event.

IEH's customers include NASA, SpaceX, Blue Origin, and commercial satellite manufacturers. The commercial space industry is experiencing a structural growth phase, with launch cadences at all-time highs. SpaceX's Falcon 9 program, the rapid expansion of low-earth orbit satellite constellations and government programs, including NASA's Artemis and growing military satellite activity are all driving record launch volumes annually. We expect space applications to continue growing as a larger segment of revenue over the medium term.



Figure 19: Example of a Hyperboloid Connector in a Satellite (Source: Company Documents)

Medical Applications

The Company's entry into medical applications is a natural extension of its hyperboloid connector expertise into another industry in which reliability is non-negotiable, and cost is secondary to performance. Medical applications include implantable devices, surgical robotics, diagnostic imaging, and other high-reliability electronics where miniaturization, longevity, and vibration resistance are critical requirements.

Although only currently a small percentage of the Company's revenue mix, the medical segment demonstrates the versatility of IEH's technology platform and represents an incremental growth avenue that diversifies the Company away from purely defense and aerospace demand cycles.

Facilities

Brooklyn Army Terminal (Headquarters)

IEH's corporate headquarters remains at the Brooklyn Army Terminal in Brooklyn, New York, where the Company has been based since 1992. Brooklyn continues to operate as an active manufacturing facility and is currently running close to capacity. The Brooklyn facility has no meaningful room to absorb incremental demand.

Allentown, Pennsylvania

IEH opened its Allentown, Pennsylvania facility in March 2022 and has been actively building it out over the past four years. The facility operates as a sister plant to Brooklyn and is the designated engine of the Company's growth. At 29,000 SF, it is ~45% larger than Brooklyn's 20,000 SF footprint and is laid out on a single floor. Currently, all incremental hiring and staffing investment is being directed to Allentown.

A key structural advantage of Allentown relative to Brooklyn is its cost profile. The facility is non-unionized and benefits from meaningfully lower labor and operating costs in Pennsylvania compared to New York. Combined with the larger footprint, this positions Allentown as IEH's most cost-effective production environment. The facility is currently operating well below capacity, and importantly, greater utilization of Allentown directly improves Company-wide margins given the non-union cost base and fixed overhead absorption. As defense and aerospace order volumes ramp, the margin tailwind from Allentown's operating leverage is a meaningful element of the profitability recovery thesis.



Figure 20: IEH Allentown, PA Facility (Source: Company Documents)

Supply Chain

The Company's supply chain is centered around the procurement and precision manufacturing of critical components, specifically screw machine parts, pins, and terminals, which form the backbone of its high-reliability interconnect products. Historically, a portion of these inputs, particularly precision-machined components, has been sourced from specialized suppliers in Europe, notably France and Switzerland, regions which are increasingly exposed to tariff-related cost pressures. In response, IEHC has been actively shifting toward greater vertical integration, strategically investing in its own screw machine capabilities to internalize production of these key components. The transition is both a cost-control and supply chain resiliency initiative, reducing dependence on foreign suppliers while improving lead times and quality control over mission-critical parts. Notably, the Company has already deployed capital into new machining equipment, which is currently being evaluated for operational efficiency, throughput, and return on investment. This measured approach is a testament to the Company's commitment to de-risking execution before committing to a broader capex expansion. If successful, this move could meaningfully enhance margins, supply security, and scalability over time.

History

1941 – Louis Offerman founded L. Offerman Tool & Die in New York City with his sons Bernard and Seymour, initially producing tools, dies, and gauges for the U.S. Army during World War II.

1943 – The business was incorporated as a New York corporation.

Late 1940s – The Company pivoted toward the emerging consumer electronics market, manufacturing tube and cathode ray tube (CRT) sockets. The business adopted the name Industrial Electronic Hardware, later shortened to IEH Corporation.

1954 – IEH went public on July 29, 1954.

1960s – The product lineup evolved from tube sockets to transistor and CRT sockets as semiconductor technology advanced. IEH eventually became the world's largest CRT socket manufacturer, producing ~70M sockets annually.

Late 1960s – IEH licensed hyperboloid contact technology from FRB, later achieving military qualification for PCB connectors, a pivotal shift toward defense electronics.

1970s–1990s – Hyperboloid connectors were designed into major defense platforms, including the Patriot missile system, Mark-48 torpedo, and Apache helicopter.

1990s – The Company relocated manufacturing from Manhattan to the Brooklyn Army Terminal in Brooklyn, New York, expanding production capacity to support defense demand.

2000s – IEH established itself as one of the world's two leading manufacturers of hyperboloid connectors, maintaining a strong position in defense and high-reliability electronics.

2022 – IEH opened a second manufacturing facility in Allentown, Pennsylvania, under President and CEO Dave Offerman, the fourth generation of the Offerman family to lead the Company.

2026 – IEH's common stock was approved for trading on the OTCQX Best Market, the highest tier of the OTC Markets.

Financials

Balance Sheet

IEHC has an excellent balance sheet with \$9.3M in cash and \$21.2M in current assets compared to current liabilities of just \$2.3M as of December 31st. The Company only has \$2.2M in debt, all of which is operating leases and equipment financing. IEHC has maintained this level of balance sheet strength throughout its history, acting conservatively as a family-owned and operated business. As such, the Company will not need to dilute shareholders in the near term, barring some extraordinary M&A or contract opportunities. The Company also plans to use its large cash balance on M&A to further boost growth with complementary products.

Capital Structure

As of December 31st, the Company has 2.4M shares outstanding and 0.7M options. The shares outstanding have been stable over the last decade, speaking to the Company's resilience and motivation to retain family ownership. The options have 5.78 years remaining on average and have an average exercise price of \$13.85/share, with the majority being 250K owned by CEO David Offerman at \$20/share expiring in July 2029. If the ITM options were exercised, we estimate that this would generate \$3.5M in cash proceeds.

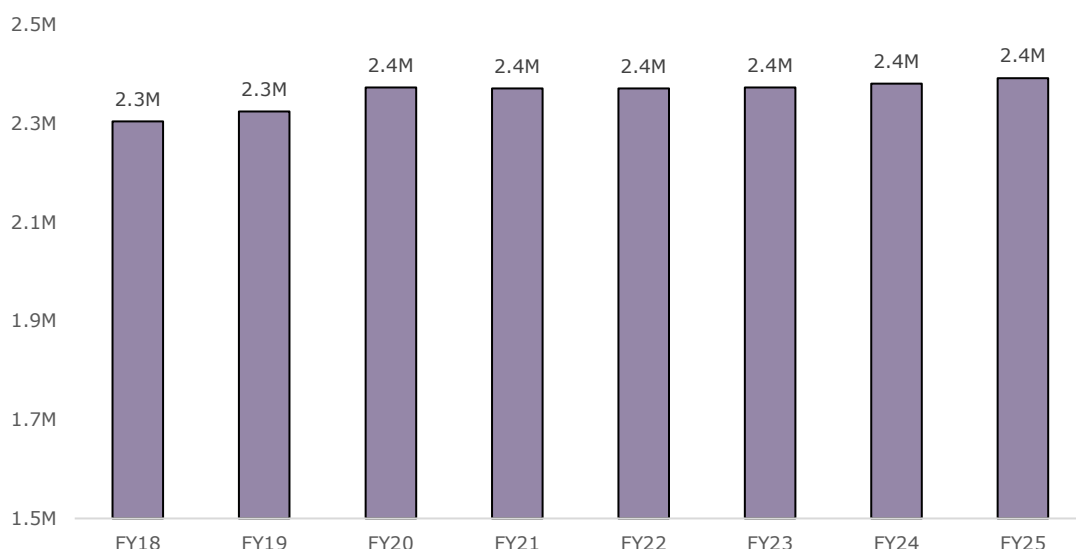


Figure 21: Shares Outstanding History

Financial Forecast

Our financial forecasts can be found below, including the revenue breakdown by segment. We assume that revenue grows to \$34.4M in FY27 (+18% YoY), followed by \$40.4M in FY28 (+17% YoY). We believe IEHC will continue implementing pricing increases over the coming quarters, leading to margins slowly reverting to historical levels by 2027. We assume minimal capex as the facility is largely set up for growth.

Financial Estimates												
	FY25A	Q1/26A	Q2/26A	Q3/26A	Q4/26E	FY26E	Q1/27E	Q2/27E	Q3/27E	Q4/27E	FY27E	FY28E
Defense	18.9	3.5	4.4	4.8	5.4	18.1	4.2	5.3	5.7	6.2	21.4	25.2
Commercial Aerospace	5.7	2.2	2.0	1.7	1.8	7.8	2.6	2.4	2.1	2.1	9.1	10.5
Space	3.1	0.3	0.5	0.5	0.6	1.9	0.4	0.6	0.6	0.6	2.2	2.6
Other	1.1	0.3	0.2	0.5	0.5	1.5	0.3	0.2	0.5	0.6	1.7	2.1
Revenue (\$M)	28.8	6.3	7.1	7.5	8.3	29.2	7.5	8.5	9.0	9.5	34.4	40.4
% YoY	34%	-11%	-4%	4%	16%	1%	19%	19%	20%	15%	18%	17%
Gross Profit (\$M)	7.5	1.1	1.6	1.0	1.3	5.1	1.6	2.0	2.2	2.5	8.4	10.5
Gross Margin	26%	18%	23%	14%	16%	17%	22%	24%	25%	26%	24%	26%
SG&A	6.2	1.7	1.5	1.5	0.7	5.4	0.5	0.6	0.5	0.6	2.2	2.2
D&A	0.7	0.2	0.2	0.2	1.3	1.9	1.1	1.2	1.2	1.1	4.6	4.9
Operating Income (\$M)	0.6	(0.8)	(0.1)	(0.7)	(0.7)	(2.2)	0.0	0.3	0.5	0.8	1.6	3.4
Operating Income Margin	2%	(12%)	(1%)	(10%)	(8%)	(8%)	0%	3%	6%	8%	5%	9%
EBITDA (\$M)	1.3	(0.6)	0.1	(0.5)	(0.5)	(1.5)	0.2	0.5	0.7	1.0	2.4	4.2
EBITDA Margin	5%	(9%)	1%	(7%)	(6%)	(5%)	3%	5%	8%	10%	7%	10%
Net Income (\$M)	1.0	(0.7)	(0.0)	(0.7)	(0.7)	(2.0)	0.0	0.2	0.4	0.6	1.2	2.7
EPS (Basic)	0.00	(0.27)	(0.01)	(0.27)	0.00	(0.55)	0.00	0.08	0.17	0.25	0.50	1.12
Capex (\$M)	(0.5)	(0.0)	(0.0)	(0.4)	(0.2)	(0.7)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)
FCFF (\$M)	4.4	(0.4)	(1.0)	(0.5)	(2.1)	(4.0)	0.8	(0.8)	0.7	0.4	1.1	1.7

Figure 22: Financial Forecast

Industry Overview Hyperboloid Technology

Hyperboloid contact technology was invented in 1956 by Francios Robert Bonhomme (FRB) in France and was originally designed for railway applications where connections for lighting and ventilation in train cars were failing under high shock and vibration. The distinguishing feature of the hyperboloid contact is a sleeve formed by straight wires strung at an angle to the longitudinal axis. When a pin is inserted into this sleeve, the wires stretch, wrapping them around the pin and providing multiple continuous line contact paths.

This engineering solution delivers a constellation of performance advantages that are difficult to replicate with conventional stamped or spring-loaded contact designs. Hyperboloid contacts exhibit ultra-low insertion and extraction forces, making them ideal for high-density connectors with hundreds or thousands of pins. The Hyperboloid contacts are impervious to shock and vibration and have been tested to 300Gs of continuous shock, 3x the military standard, maintaining signal continuity at intervals as short as 5 nanoseconds. It provides higher current-carrying capacity at approximately half the resistance of conventional contact designs, reducing power consumption and heat generation. Additionally, it demonstrates exceptional longevity, with a service life exceeding 100K mating cycles without degradation.

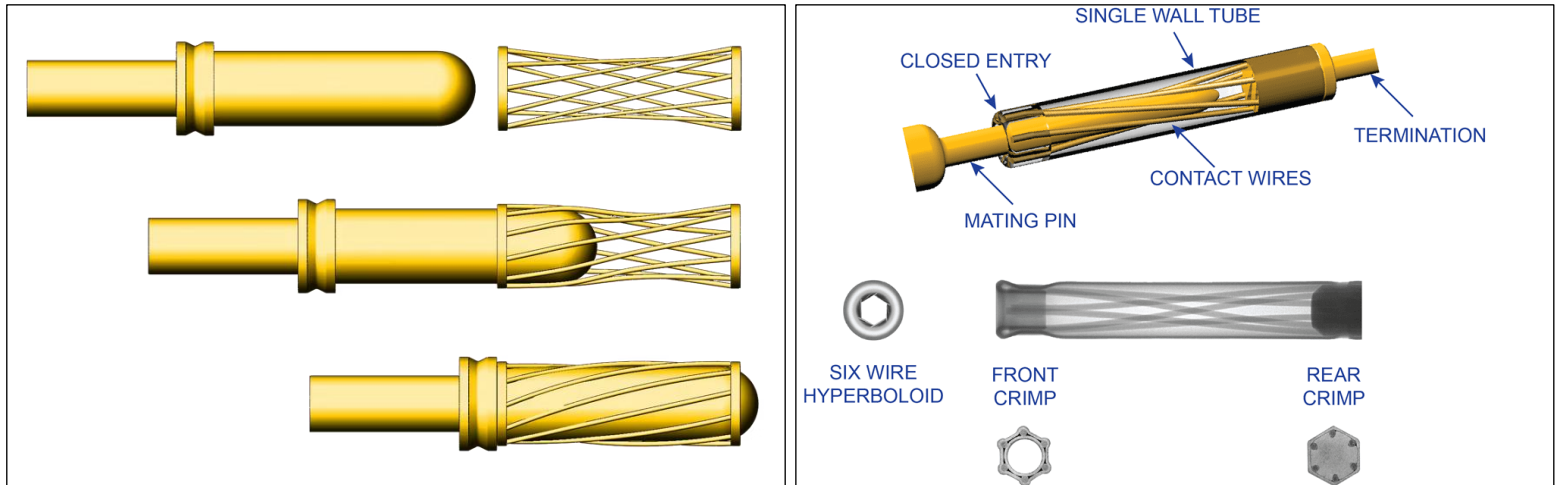


Figure 23: Hyperboloid Contact (Source: Company Documents, Connector Supplier)

As mentioned earlier, the global market for hyperboloid connectors is effectively a duopoly. IEH Corporation and Smiths Interconnect (whose Hypertac brand is the original commercialization of the FRB technology) are the only two manufacturers producing hyperboloid connectors at scale for defense, aerospace, and space applications.

Defense

The global defense spending environment is the most favorable it has been in a generation. Global defense expenditures reached \$2.63T in 2025, up from \$2.48T in 2024, driven by heightened geopolitical tensions, Russia's ongoing war in Ukraine, the war in Iran, and the acceleration of military modernization programs globally. European and Canadian defense budgets surged nearly \$100B YoY to almost \$608B in 2025, and the U.S. defense budget is heading toward \$1T in FY26, which some expect could even rise to closer to \$1.5T as the war with Iran persists.

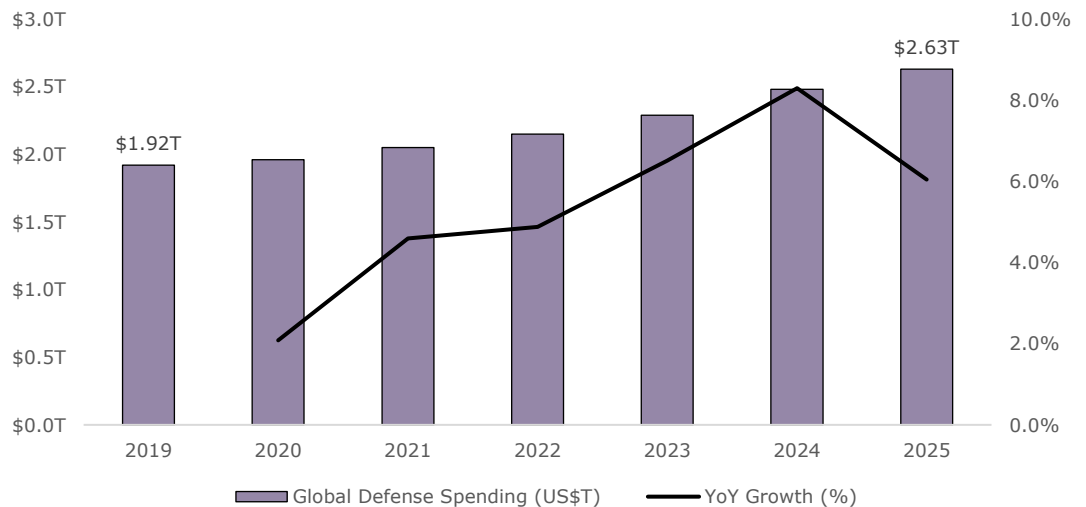


Figure 24: Global Defense Spending – 2019-2025 (Source: SIPRI, NATO)

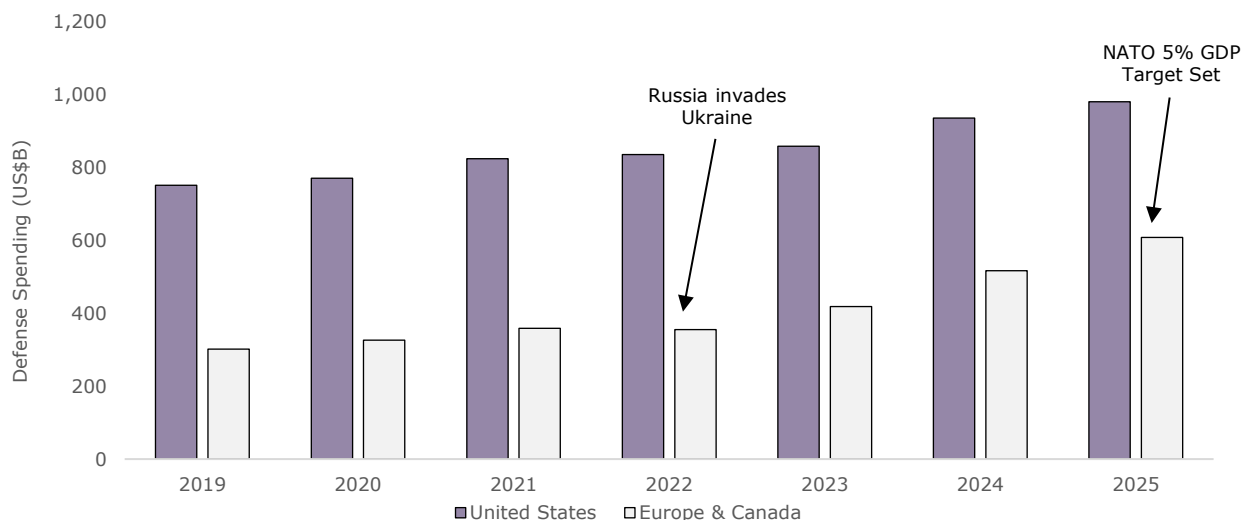


Figure 25: U.S., Europe & Canada Defense Spending (Source: SIPRI, NATO)

NATO's commitment to defense spending has intensified dramatically. At the 2025 NATO Summit, allies committed to investing 5% of GDP annually on core defense requirements by 2035, with at least 3.5% allocated under the NATO defense definition, which is a massive step-up from the 2% target that many allies had struggled to meet. All NATO allies are now expected to meet or exceed the 2% threshold in 2025, compared to just three of them in 2014.

IEH's specific program exposure positions the Company to benefit disproportionately from current procurement trends, with connector content embedded across several of the highest-priority platforms in the current U.S. and allied procurement cycle.

- **PAC-3 MSE (PATRIOT):** In January 2026, Lockheed Martin signed a framework agreement with the U.S. government to more than triple PAC-3 MSE annual production capacity from ~600 to 2,000 units over seven years. In 2025, Lockheed delivered over 600 PAC-3 MSEs (+20% YoY), with further acceleration expected as allies replenish inventories drawn down by transfers to Ukraine and the conflict in the Middle East. IEH connectors have been embedded in the Patriot system since 1973.
- **THAAD:** In January, Lockheed and the U.S. DoD signed a framework agreement to quadruple THAAD interceptor production from 96 to 400 units per year over seven years.
- **LTAMDS:** The next-generation successor to the Patriot radar entered low-rate initial production in April 2025 under a \$3.8B cumulative contract, with full-rate production targeted for 2028. Poland is already contracted as the first international customer, establishing LTAMDS as a multi-decade growth platform.
- **AMRAAM:** In February, RTX and the U.S. DoD signed a landmark seven-year framework agreement to ramp annual AMRAAM missile production to at least 1.9K missiles per year.
- **APKWS:** In September 2025, BAE Systems received a \$1.7B contract for 55K APKWS II guided rocket kits covering Lots 13-17 through 2031. A separate \$1.7B U.S. Navy contract was awarded in December 2025, with an initial \$322M order for ~11K units in FY26.

PROGRAM / SYSTEM	CONTRACT VALUE	UNITS / QUANTITY	PRODUCTION RATE	STATUS	STARTING DATE
AIR & MISSILE DEFENSE					
PAC-3 MSE (PATRIOT) Patriot Air Defense Lockheed Martin	\$9.8B Framework; 3x capacity	2,000/yr capacity 600+ delivered 2025	~600 → 2,000/yr +230% ramp target	RAMPING	Jan 2026 Over seven years
THAAD Interceptors Terminal High Altitude Area Def. Lockheed Martin	N/A Framework agreement	400/yr capacity Quadrupled from 96/yr	96 → 400/yr +317% ramp target	RAMPING	Jan 2026 Over seven years
LTAMDS Radar Next-gen Patriot radar RTX / Raytheon	\$3.8B Cumulative contract	LRIP underway Poland 1st intl. customer	FRP targeted 2028 Multi-decade platform	EARLY	Apr 2025 FRP 2028
MISSILES					
AMRAAM (AIM-120) Advanced Medium-Range A2A RTX / Raytheon	N/A 7-yr framework agreement	1,900+/yr target Ramp to ≥1.9K/yr	≥1,900/yr 7-yr framework ramp	RAMPING	Feb 2026 Seven-year agreement
APKWS II Guided rocket kits BAE Systems	\$3.4B+ \$1.7B BAE + \$1.7B USN	55K+ kits ~11K units FY26	Through 2031 Dual contract coverage	AWARDED	Sep / Dec 2025 Lots 13–17
TACTICAL AIRCRAFT					
F-15EX Eagle II 4th-Gen Fighter; USAF & FMS Boeing	~\$23B+ Multi-year program	129 USAF requirement 14 delivered 2024	~14 → 24/yr (2026) Strike delay resolved	FULL RATE	Ongoing 126 of 129 by 2030

Figure 26: Recent Major Contract Awards & Production Schedules for Primary IEH Connector Programs – March 2026 (Source: Lockheed Martin, Missile Defense Agency, RTX/Raytheon)

Geopolitical Tensions and the New Security Environment

The defense spending cycle is being reinforced by an increasingly volatile geopolitical landscape. Beyond the Russia-Ukraine conflict, U.S.-Iran tensions have escalated materially into a full-scale war, driving increased procurement of missile defense and precision strike systems in which IEH's connectors are embedded. The deployment of THAAD batteries to the Middle East, the acceleration of Patriot deliveries to allies, and the heightened demand for AMRAAM missiles and APKWS guided rockets all directly benefit IEH's order book.

More broadly, the shift from a post-Cold War peace dividend era to a multi-polar threat environment characterized by near-peer competition and regional conflicts has fundamentally altered defense procurement programs. Western governments are now prioritizing industrial base capacity, supply chain resilience, and domestic manufacturing, all of which play to IEH's strengths as a U.S.-based, family-run manufacturer.

Commercial Aerospace

Commercial aerospace is IEH's second-largest end-market, as the sector is experiencing a robust recovery and expansion cycle that is expected to drive sustained demand for high-reliability interconnects over the coming decade.

The global commercial aerospace market is on a strong trajectory, with aircraft deliveries projected to reach 1,400 units in 2026 (+12%) following a 25% rise in deliveries during 2025. The combined Boeing and Airbus backlog stood at 15,461 jets at the end of 2025, with narrow-body models (737 MAX and A320neo families) representing over 80% of orders.

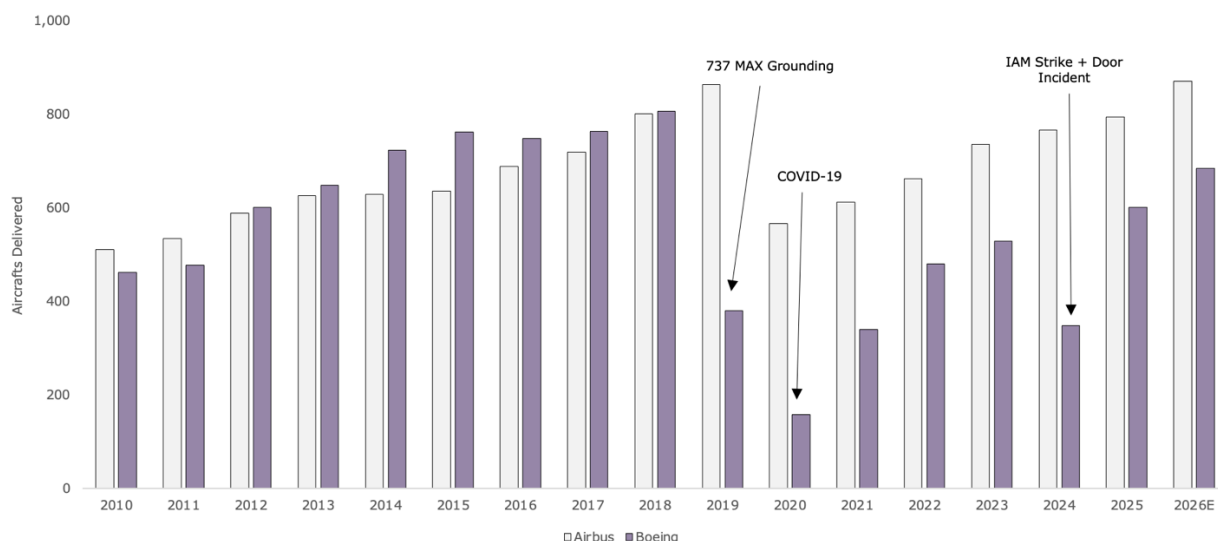


Figure 27: Boeing & Airbus Annual Commercial Aircraft Deliveries – 2010-2026E
(Source: Boeing, Airbus)

Hyperboloid connectors are particularly well-suited to commercial aerospace applications because of their vibration resistance, weight savings, and longevity. Modern aircraft are increasingly electrified, with growing quantities of sensors, avionics, and power distribution systems requiring high-density, high-reliability interconnects. Each aircraft contains thousands of connectors, and the trend toward more-electric aircraft architectures is expanding the connector content per airframe.

Space

The space sector is experiencing unprecedented growth, driven by the proliferation of low-earth orbit (LEO) satellite constellations, the commercialization of space, and increased military investment in space-based capabilities. As many as 70K LEO satellites are expected to be launched over the next five years, and will sit at altitudes between 150 and 2,000km, circling the earth every 90 minutes to supplement cell phone, broadband, maritime, and aviation data requirements.

The LEO satellite market surpassed \$15B in 2024, and Goldman Sachs projects it to grow at a 23% CAGR from 2025 to 2035, reaching \$108B by 2035. Military applications represent ~23% of the total LEO satellite market (\$3.5B in 2024), driven by defense organizations expanding satellite communication systems for surveillance, reconnaissance, and secure data transmission.

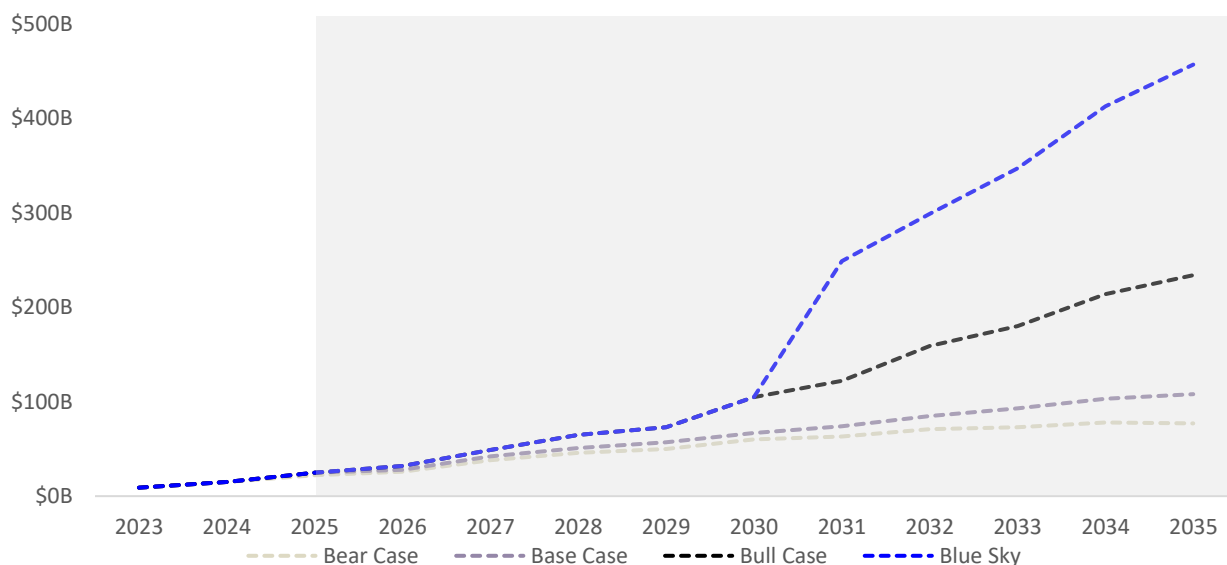


Figure 28: Market Projections for Low Earth Orbit Satellites
(Source: Goldman Sachs Research)

IEH's hyperboloid connectors are qualified for space applications and have been used in satellite programs for decades. The technology's resistance to vibration is particularly valuable during the launch phase, where connectors must maintain signal integrity through extreme shock events. As the space market transitions from a low-volume, government-dominated model to a higher-volume commercial paradigm, IEH has the opportunity to grow both unit volumes and market penetration.

Medical Applications

Medical applications represent a smaller but growing portion of IEH's revenue; however, this end market presents meaningful long-term growth potential as medical devices become more complex, miniaturized, and electronically intensive. Growth drivers include the rising adoption of minimally invasive surgical procedures, expansion of home healthcare, advances in implantable devices, and the increasing prevalence of chronic diseases requiring continuous monitoring. Hyperboloid technology's core advantages of vibration resistance, low contact resistance, high current-carrying capacity in compact form factors, and exceptional cycle life translate well to medical applications.

Recent Announcements

On March 24th, IEH announced a \$5.1M order for Hyperboloid connectors supporting the Patriot Missile system, highlighting strong demand for its high-reliability products in critical defense applications. Management noted that accelerating deployment timelines and heightened global tensions are driving sustained production levels, with backlog already at record highs prior to the order. IEH expects continued momentum as US defense spending prioritizes readiness and replenishment.

On March 4th, IEH announced that its backlog had risen to an all-time high, reaching over \$23M due primarily to the increased demand for precision-guided munitions, missiles and air defense systems.

On February 20th, IEH announced that its common stock had been approved for trading on the OTCQX Best Market, the highest tier of the OTC Markets Group.

On February 7th, IEH filed its Form 10-Q for the fiscal quarter ended December 31st, 2025, reporting revenue of \$7.5M (up 3.9% YoY) and an operating loss of (\$723K). The nine-month revenue totaled \$20.9M. The Company noted that rising gold prices and other cost pressures continued to weigh on margins, though strategic price increases are being implemented.

On January 15th, the Securities and Exchange Commission (SEC) dismissed the Division of Enforcement's proceeding seeking revocation of the registration of IEHC's securities. This was due to the Company being late in filing several periodic reports, which have since been rectified.

On November 10th, IEH filed its Form 10-Q for the fiscal quarter ended September 30th, 2025, reporting revenue of \$7.1M (down 3.6% YoY) and an operating loss of (\$104K). The Company noted that rising gold prices and tariffs continued to pressure margins, though it is implementing price increases to offset these costs. During the quarter, IEH booked over \$7M in new orders supporting missile defense programs, driving backlog to nearly a five-year high, while management expects continued demand from defense programs, commercial aerospace platforms such as the Boeing 737Max, and emerging commercial space applications.

On August 26th, IEH entered into a revolving line of credit agreement with JPMorgan Chase Bank for up to \$1.0M, bearing interest at SOFR plus 2.15%. The Company also entered into a \$450K equipment financing arrangement with Chase Bank on September 8th, 2025, to purchase machine tools for production.

Management & Board

David Offerman – President, CEO, & Chairman

David Offerman currently serves as President and Chief Executive Officer of IEHC, roles he has held since March 2017. In addition to his executive responsibilities, he also serves as Chairman of the Board. Mr. Offerman has been with IEH for over two decades, demonstrating long-term operational and leadership continuity within the organization. Prior to becoming CEO, he served as Vice President of Sales & Marketing, where he played a key role in driving growth and strengthening customer relationships. Outside of the Company, Mr. Offerman has been an active member of Vistage Worldwide since February 2018, a global CEO advisory and executive coaching organization focused on leadership development and peer collaboration. Mr. Offerman holds a Master of Business Administration (MBA) from the NYU Stern School of Business and a Bachelor's degree from the University of Michigan. The Offerman family collectively own 0.9M shares, representing 37% ownership.

Subrata Purkayastha, CPA – Treasurer & CFO

Subrata Purkayastha is the Chief Financial Officer of IEH Corporation. She joined the company in November 2021 as Controller, where she was responsible for overseeing financial reporting, internal controls, and accounting operations before being promoted to CFO. Prior to joining IEH, Ms. Purkayastha served as Controller at Sprout Foods, Inc., where she led financial reporting and accounting functions. Earlier, she held the role of Accounting Manager at Sprout Foods, managing monthly close processes and reporting directly to senior leadership and private equity stakeholders. Before her time at Sprout Foods, Ms. Purkayastha was an Accounting Manager at Champions Oncology, Inc., where she supported financial operations and reporting. She also served as an Accounting Manager at Egon Zehnder, overseeing accounting operations across multiple U.S. offices. Ms. Purkayastha holds a Master of Arts in International Political Economy & Development from Fordham University and a Bachelor of Science in Accounting from Carson-Newman University. Ms. Purkayastha owns 50K shares.

Allen Gottlieb – Director

Allen Gottlieb has served on the Company's Board of Directors since 1992. He currently operates his own consulting firm focused on labor relations and human resources. In addition, he brings extensive entrepreneurial experience across manufacturing, distribution, logistics, and hospitality sectors, with exposure to both domestic and international markets. The Company believes his broad business expertise and long-standing familiarity with IEH position him well to serve as a director. Mr. Gottlieb holds a Bachelor of Science in Accounting and Finance from New York University, as well as an LL.B. and J.D. from Brooklyn Law School. Mr. Gottlieb owns 10K shares.

Gerald E. Chafetz – Director

Mr. Chafetz has served on the Company's Board of Directors since 2009. He has been President of GEC Enterprises, LLC, a Rockville Centre, New York-based property management firm, since 2011. Prior to this, he was President of Capitol City Companies. Before founding Capitol City Companies, Mr. Chafetz spent over 22 years in executive roles within the textile industry, working with several knitwear and high-fashion manufacturers, including Arista Knitwear, Berwick Fashion Knitwear, and Beged-or Knitwear. He holds a Bachelor of Science in Business from the University of Hartford, earned in 1965. Mr. Chafetz owns 12K shares.

Eric C. Hugel – Director

Eric Hugel, Director, currently also serves as Chief Financial Officer of Americraft Marine Group LLC, a role he has held since May 2023, where he supports initiatives aimed at strengthening the U.S. shipbuilding industry and infrastructure. Prior to this, Mr. Hugel was Co-Chief Executive Officer and Chief Financial Officer of Hugel Corporation, an online retailer. Earlier in his career, Mr. Hugel served as a Senior Institutional Specialist in U.S. Fundamental Equity Research at McGraw Hill Financial, where he focused on aerospace & defense and industrial conglomerates, providing research and investment analysis. He was also a Managing Director at Stephens Inc., delivering investment research and analytical services within the U.S. aerospace and defense sectors. Mr. Hugel holds a Bachelor of Science in Accounting from Lehigh University. Mr. Hugel owns 15K shares.

Michael E. Rosenfeld – Director

Michael Rosenfeld has served as a member of the Company's Board of Directors since 2018. He is a co-founder, Principal, and Chief Operating Officer of Olive Tree Holdings, a New York City-based real estate investment firm focused on acquiring, managing, and transforming multifamily communities across high-growth U.S. markets. Under his leadership, Olive Tree has built a portfolio with a lifetime value of approximately \$2B, encompassing more than 17,000 workforce and affordable housing units across nine states, with a focus on driving asset value and maximizing risk-adjusted returns. Prior to joining Olive Tree Holdings, Mr. Rosenfeld served as Vice President and Chief of Staff at Bert E. Brodsky & Associates, Inc., a private investment firm with a diversified portfolio of operating businesses. Earlier, he was Vice President of Business Development at Mobile Health Management Services, Inc., a subsidiary of Bert E. Brodsky & Associates, where he played a key role in strategic growth initiatives. He holds a Bachelor of Arts in Political Science from Emory University and an MBA in Corporate Finance from the NYU Stern School of Business. Mr. Rosenfeld owns 15K shares.

John P. Spiezio – Director

John Spiezio was appointed to the Company's Board of Directors on August 1, 2023, and brings over three decades of experience in the aerospace and defense industries. He began his career as the third-generation leader of Hicksville Machine Works, Inc. (HMW), a supplier to major aerospace and defense contractors across North America and Europe, as well as directly to the U.S. Department of Defense. Over his 33-year tenure, he developed extensive expertise in operations, business development, and

corporate governance within this highly specialized sector. Following the sale of HMW in 2019, Mr. Spiezio worked with a private equity firm, where he contributed to building a vertically integrated platform focused on supplying complete systems to the aerospace and defense industries. He currently serves on the boards of MicroMetl Corporation and GRC Reality, and is Chairman of ADDAPT, a New York-based industry organization supporting aerospace and defense suppliers. Mr. Spiezio studied Economics, Computer Science, and Mathematics at Marquette University. Mr. Spiezio owns 15K shares.

Brian J. Glenn, CFA – Director

Mr. Glenn was elected to the Company's Board of Directors in October 2023. He currently serves as Chief Investment Officer of Premier Path Wealth Partners, an investment advisory firm based in Madison, New Jersey, which manages over \$80M in assets for business owners, high-net-worth families, trusts, and charitable organizations. In 2018, Mr. Glenn founded Olcott Square Investment Partners, an investment firm focused on identifying companies with durable competitive advantages and long-term secular growth potential. Prior to this, he spent a decade at W.R. Huff Asset Management, where he was involved in managing concentrated investment strategies across the capital structure, including public equities, high-yield bonds, and leveraged loans, supported by a rigorous fundamental research approach. He holds a Bachelor of Science in Business Administration from The College of New Jersey and an MBA from the MIT Sloan School of Management. Mr. Glenn also holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Society New York. Mr. Glenn owns 18.5K shares.

Risks

Dependence on Customer Ordering Cycles – Below Average

As a niche player in high-reliability connectors, IEH experiences variable results tied to customer ordering patterns, program funding cycles, and defense budget priorities. Adverse changes in these cycles or reduced acceptance of products could cause unpredictable demand and adversely impact business stability. While these orders are outside of management's control, we believe all of IEH's end markets are in a bull cycle.

Illiquidity Risk – High

IEHC trades with very thin liquidity on the OTCQX, with recent average daily volumes of 10.9K (~\$209K), occasionally spiking on news days. This makes it difficult for large investors to enter or exit positions without significantly moving the price, leading to wide bid-ask spreads (sometimes several dollars or more) and potential execution at unfavorable prices, especially for larger trades.

Commodity Price Risk – High

IEHC has significant exposure to gold as a critical raw material, using it extensively for plating and contacts in its connectors for defense, aerospace, and other demanding applications. Rising gold prices have directly pressured margins, amid gold's sharpest annual increase in decades and ongoing upward forecasts into 2026. While strong demand in missile defense programs helps offset some impact, IEH remains vulnerable to sustained commodity price escalation without full pricing pass-through or effective hedging, making gold volatility a persistent headwind to profitability.

Competition Risk – Average

In the niche high-reliability connector market, increased competition from larger players or new technologies could erode market share or force pricing concessions. IEHC's ability to innovate quickly, protect proprietary designs, and respond to evolving customer needs is critical; failure here might limit growth despite current demand tailwinds.

Appendix

FD ITM Shares Calculation	
Basic Shares Outstanding	2.4
Dilutive ITM Shares	0.5
Proceeds	\$3.5
Repurchased Shares	0.2
Adj. Dilutive ITM Shares	0.3
FD ITM Shares	2.7
Full Diluted	3.1

Figure 29: FD ITM Shares Calculation (Treasury Stock Method)

Exercise Price Outstanding (M)		
Basic Shares Outstanding		2.4
Options		
Jul-29-2029	\$20.00	0.23
Dec-24-2034	\$10.75	0.03
Nov-01-2031	\$12.25	0.01
Oct-26-2033	\$8.00	0.03
Apr-26-2034	\$5.65	0.02
May-08-2033	\$6.01	0.05
May-08-2033	\$6.01	0.05
Aug-15-2026	\$5.30	0.05
May-08-2033	\$6.01	0.05
Oct-26-2028	\$12.75	0.05
May-08-2033	\$6.01	0.05
Aug-01-2033	\$7.25	0.05
Oct-11-2033	\$8.00	0.05
Total Options		0.7
Total Warrants		0.0

Figure 30: Cap Table

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RATING	COVERED COMPANIES	PERCENTAGE OF TOTAL
BUY	44	100%
HOLD	0	0%
SELL	0	0%

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