The date is June 5, 2026. Hello and welcome to Virtual Investor Conferences. My name is Scott Powell, president and chief executive officer of Skyline Corporate Communications Group LLC.

On behalf of OTC Markets and Skyline Corporate Communications Group, we are very pleased that you have joined us for the Small Cap Growth Conference today. The next presentation is from IEH Corp.

Please note, you may submit questions for the presenter at any time. You may also view a company's availability for one-on-one meetings by clicking "Book a Meeting." At this point, I am very pleased to welcome Mr. Dave Offerman, president and chief executive officer of IEH Corp., which trades on the OTCQX Best Market under ticker symbol EHC. Welcome, Dave.

Thank you, Scott. Thanks for having me, and hello to everyone out there. I'm Dave Offerman, the president and CEO of IEH Corporation, and I have a slide deck to show you today, which will give you a little bit of history of the company, talk about some of our products, the markets we serve, and some of the recent news and developments with the company. Then I'm happy to answer any questions you all might have about the company.

Of course, I have the normal forward-looking statement disclosure. All right, let's dive into it.

IEH is a publicly traded company, but we are a family-managed company. We've been around since 1941. The company was actually started by my great-grandfather, my father's father's father, back in 1941 in New York City, in SoHo in Lower Manhattan. At the time, we were originally a tool and die maker in support of the war effort during World War II.

After the war ended, we got into some other businesses doing consumer electronics, transistor sockets, eventually CRT sockets for televisions. That's when televisions were cathode-ray tubes. And then we got into some other businesses. Eventually, we got into printed circuit board connectors in the late 1960s, early 70s, with what was then a pretty novel technology called hyperboloid, which is a technology that we still employ today in all of our connectors. We started making printed circuit board connectors primarily for defense and commercial aerospace. We got what's called a mil-spec, or military specification, which we still have, on making printed circuit board connectors.

We moved from Manhattan to Brooklyn in the early 90s and expanded to another facility in Allentown, Pennsylvania, which is where I am today. With our two facilities, we have about 175 to 180 employees and serve primarily defense and commercial aerospace, with a little bit in space, growing every year in that market, and in medical as well.

This is our technology, the hyperboloid, which is shown by this image of the wire basket, which is our core technology. It's our special sauce, so to speak. All of the products that we employ, our connectors, our contacts, our flex and cable assemblies, are all centered around that technology, the hyperboloid.

I won't get too into the weeds on the technology. I'll just give a rough overview of what it is. It's a wire basket that's inside the female sockets of all of our connectors. When the mating pin from the male connector is inserted, the wires expand and envelop that pin. It's what we call a very low-insertion-force type of contact, which makes it ideally suited for high-stress, high-vibration environments.

A lot of benefits come with that type of connector technology. Like I mentioned, low insertion force enables high pin counts or high-density connectors. It's impervious to shock and vibration, which makes it very well suited for high-stress applications, whether it's defense, commercial aerospace, or space. It's able to carry more current than a standard pin-socket configuration, and it's much more durable. It lasts for a lot more mating-demating life cycles.

These are just some of the products that we have that incorporate this technology. Like I mentioned, printed circuit board connectors, that's our primary or legacy product. We do a lot of discrete or individual contacts, whether it's power contacts or signal contacts. We do a lot of higher-end flex assemblies or cable assemblies, what you might think of as value-added services for some of our customers, where we take our hyperboloid connectors and we terminate them to a flex or to a cable, which kind of moves us up the value-added chain for our customers.

We do a lot of high-speed connectors. That's becoming a much bigger product line for us when it comes to high-speed data transfer. And we have what we call modular hybrid connectors, where you can combine power and signal contacts into one connector body. It's a very solution-oriented product for our customers.

Like I mentioned before, we primarily serve defense and commercial aerospace. Defense usually comprises anywhere from 50 to 60 or 65% of our overall revenue. Commercial aerospace could be anywhere from 25 to 30 or 35%. Space is a smaller but certainly growing market for us, and I'm sure you can understand why. And then we do some in medical, hoping to do more in the coming years.

Like I mentioned, a lot of high-stress, high-vibration applications, a lot of commercial aerospace platforms. Pretty much any commercial jet you step on, our connectors are there, whether it's avionics equipment, fuel management systems, engine control systems, or digital engine controllers. But, of course, a lot of defense equipment: missiles, torpedoes, airborne radars, anti-missile defense, a lot of precision-guided munitions. And then, of course, a lot of space applications: rockets, rocket launchers, satellites, deep space probes. We sell to a lot of what we call MDMs, medical device manufacturers.

The story of our company is primarily consistent high growth. I've been with the company now full-time about 22 years. When I joined the company in 2004, we were five million in revenue, not much net income to speak of. But we had slow, steady, meaningful, consistent growth over the subsequent 15 years, from the mid-2000s to really about 2020, 2021.

Then we hit a rough patch. We had back-to-back what I would call black swan events. The first was the grounding of the Boeing 737 MAX jet following those two crashes that happened in late 2019, early 2020. That was a big hit to our revenue because that's a major platform for us. And then COVID, where everybody stopped flying, and that was an even bigger hit to our commercial aerospace revenue.

We saw a big, big dip in our revenue and net income over that period, and it's since recovered. You see operating income kind of tracked revenue, and then the same thing with cash. Fortunately, we went into this downturn with a pretty strong stockpile of cash, so it allowed us to weather that storm, so to speak. And we've since recovered.

I don't have that in the slides, but we also had a period where we had to go dark for a couple of years because we were transitioning from an old MRP system to a new SAP platform, and we had a lot of trouble reconciling the different inventory accounting management systems. Without getting too much into the weeds on that, it took us a couple of years to figure out the discrepancies in inventory accounting.

We weren't reporting for a couple of years there, and the SEC put us in the doghouse, so to speak. We were in purgatory for a while because we weren't reporting from really 2021 to 2023. Then we worked out the discrepancies, published the Super 10-K, which brought us up to speed and up to date on all that, and have been current with all of our filings ever since.

But the real story over the last couple of years has been the growth in our backlog. Like I mentioned before, defense is our biggest market. For anybody who pays any attention to the news, defense spending has obviously been a big priority for both our government and European governments as well, whether it's NATO partners or the War Department.

There's been a real structural change in acquisition processes in terms of missile defense, anti-missile defense, radars, torpedoes, all of that stuff. There's been a real change in the priorities for the War Department in spending and replenishing the stockpiles of our munitions. The latest conflict with Iran has just kicked that into a higher gear, but this really started a couple of years ago with the whole Russia-Ukraine thing. This is a great, great development for us. Our backlog is at a record high, and, like I said, it's tripled in just the last year.

This is just some news that really substantiates that backlog. These are some of the programs that we support: Patriot, both radar and missile. APKWS is a big program for us. That stands for Advanced Precision Kill Weapon System, which is Advanced Medium-Range Air-to-Air Missile. LTAMS, which is the successor to Patriot, and that, which is Theater High Altitude Air Defense. All of this stuff has been in the news a lot lately. These are all platforms that we support with some of our major customers like Raytheon, Lockheed, Northrop, Boeing. As these programs have continued to be funded for the long term, I'm talking three, five, seven years out, we're benefiting from those increased acquisition levels.

Some of the recent news I referred to before with the OTC and the SEC: we're out of the SEC's doghouse. They dismissed their issue with us being relisted on the OTCQX, which is the highest level of OTC. We're no longer on the pink sheets, and you can see that being reflected in our stock price, which a year ago was five, six bucks a share. We're now at about $20 a share. The increased visibility on that platform, putting all the SEC drama in the rearview mirror, has created a lot more visibility and investor awareness about IEH.

Some of the cost challenges that we've had, some of the headwinds that affected our margins over the last year or two: the biggest culprit is gold, which, again, if you just follow financial news, has more than doubled in the last 18 months to two years. It's stabilized over the last few months or so, which is certainly good news for us. And tariffs, health insurance, those are big stressors on our margins like they've been on a lot of companies, but I think that that's also stabilized, so it shouldn't be as much of an issue for us moving forward.

Some of the responses that we've had to some of these cost challenges: we've started investing in equipment to be more vertically integrated and less reliant on overseas sources for some of our screw machine parts, giving us less exposure to tariffs. We've started hedging some of our gold purchases so that we're a little more insulated against some of the volatility when it comes to gold. We're being a lot more cost-conscious when it comes to inventory, SG&A, that sort of thing.

And also, even though we have two locations, in Brooklyn and in Pennsylvania, as you could probably imagine, everything's cheaper in PA, where I am today. Rent is cheaper, labor is cheaper, utilities, everything. All of our growth has been in our Pennsylvania location.

Like I mentioned before, a lot of tailwinds in the markets we serve. Defense spending is at historic highs for missiles, missile defense, precision-guided munitions, and that's sustainable. This isn't just a blip. What we're seeing in terms of defense spending, this is structural and long-term.

Commercial aerospace is also doing very well. After a rough few years, Boeing has gotten their act together. No news with them is good news. The 737 MAX has a very, very strong long-term order backlog, which bodes well for us. We also serve Airbus, and they're doing very well.

Commercial space launch is a big, big market for us. Everybody knows who the big guy is in that space, and we service them. We also service a lot of the other companies that are getting into rockets, rocket launch equipment, satellites, etc. That's a growing market for us. And we also do a lot of medical, and we're anticipating future growth in that market.

Also, one of the things that's important for me and for IEH moving forward is strategic diversification. Just like you don't want to have all your eggs in one basket, you also don't want to have them in two baskets. Traditionally, we've been a two-basket company, with 80 to 85% of our revenue coming from defense and commercial aerospace. Those will always be our biggest two markets. They fit our type of premium products very well.

But we're looking to expand further into space and into medical, and that will happen both through organic product development and through acquisition. We're becoming very active in that space, looking at acquisitions as a possible avenue towards diversifying outside of the markets we serve and the products that we offer.

Sorry.

Why is now a good time to be looking at IEH? Like I mentioned, a record order backlog. It's at an all-time high. Our revenue is growing. I expect, as some of our costs get under control, our Ebido will be growing. And like I mentioned before, the surge in defense, this is structural. This is not just a blip. The Pentagon is changing the way they acquire munitions, the way they work with the prime defense contractors, giving them more visibility, bigger, longer-term contracts. That's all going to be to our benefit. And like I mentioned before, some of the past issues that we had with the SEC are gone. Now it's blue skies ahead.

Moving forward, record backlog, which is going to be converting to revenue over the next few years. A great pipeline to support further growth, market diversification, more vertically integrated operations, a lot of capacity to grow, a lot of physical capacity here in Allentown to continue growing, and, for my part, a lot more investor visibility.

In addition to doing forums like these, I'll be in Las Vegas in two weeks at the Planet MicroCap show, doing a presentation, meeting with investors there. We'll be planning to do a lot more of these types of activities, both in person and online, to increase investor awareness and make more people aware of our story and our journey.

And that is my presentation. I see some questions coming up. I'm going to scroll through these. Bear with me as I move through these questions. Let's see if there's a way to go through them. I guess I'll start with some of these.

Dave, you built this over four generations. What are you doing now on the talent leadership ti side to make sure I can support being a much larger company?

Great question. We are an old company, but we don't have an old staff. We have a lot of young people in our quality and engineering and production departments (younger than me, and I don't consider myself to be an older guy) who are with us long term, we hope. We continue to hire and staff up and nurture the next generation to support our future growth.

Maybe somebody can help me with how to move through this inbox, Andrea or someone. I don't see the way to scroll through the questions. Let's see. Oh, yeah. Here we go. Now I'm good. I see a question.

Defense is clearly the engine right now, but you've highlighted commercial aerospace, space launch, and medical devices. Which of these has the potential to move the needle the most?

That's a really good question. Like I said, defense and commercial aerospace will always be the best natural homes for us. But I'm anticipating that medical should continue to be a larger portion of our overall revenue mix as we move forward because we're going to be emphasizing that both through organic R&D and product development as well as through acquisition. Again, I want to be active in the acquisition space. I feel like that's a great avenue of growth for us, and it will help me with two of my primary goals, which are diversification of products and diversification of markets served.

Another question: Dave, with backlog now at a record north of the high 20s to 30s-plus million and up so sharply over the last 12 months, how should we think about the cadence of converting that into revenue over the next four to six quarters?

The nice thing about our backlog is that it's very reliable. We don't get order cancellations. We get schedules that move in and out a bit, but generally our backlog converts into revenue over a 12- to 24-month period. The backlog as you see it now, we should see that convert to revenue over the next one to two years.

Because we're seeing larger orders from our defense customers that have a longer horizon, we're pushing some of those orders a little further out, into the two- to three-year timeline. There will be some of that revenue pushed out into 2028, 2029, but the bulk of our backlog now is really more like 2027 into 2028.

I had a question about capacity utilization. We have about, I'd say, close to 50,000 square feet between the two facilities: about 20,000 in Brooklyn, about

30,000 here in PA. Employees are split about evenly between the two facilities, but most of the manufacturing is here in PA, where we still have a lot of room to grow. I'd say in terms of manufacturing capacity in PA, it's not even 50%. So, a lot of room to continue staffing up, a lot of room for more equipment, and a lot of additional space that we can utilize here.

Another question: You've mentioned M&A as a growth lever. What types of technologies or end markets are at the top of your shopping list to complement the core hyperboloid franchise?

Good question. Hyperboloid is, like I mentioned, our core competency, but it makes us kind of a one-trick pony. The technologies that I would be looking to incorporate under our umbrella would be complementary. I mentioned before that we're doing more flex assemblies and cable assemblies. That's a very complementary type of technology that we can bring under our roof, so to speak.

We're not a flex manufacturer. We're not a cable manufacturer, but acquiring those capabilities to complement our hyperboloid contact and connector competency is a great, I hate to use the word, but synergistic type of technology to allow us to be more vertically integrated as we move up the value chain.

Another question: With the SEC matter behind you and cash generation improving, is there a point where returning capital to shareholders becomes part of the discussion?

Possibly. Certainly. I will be honest: a dividend or a buyback is not something that's on our immediate horizon. As our cash grows, as I anticipate it will, the primary usage of that would be towards acquisition. We did do a dividend once before. It's not something I'm opposed to, but the primary use of our cash would be towards growing the company. Again, nothing is off the table, but a dividend or a buyback is not something that's on the immediate short-term horizon. That would be something that I'd be looking at more long term.

Let's see what other questions we might have here.

Hyperboloid technology is well penetrated in defense. How underpenetrated do you think IEH still is in medical and industrial, and what's the strategy to accelerate adoption there?

Again, medical is a great potential market for us. The reason is that it's one of the few markets where performance and reliability are more important than price. We sell a premium product into industries where the reliability of the product matters more than the price. They're willing to pay more for a premium product as long as they know it can't fail. Again, that's why defense and commercial aerospace are great natural homes for us. Medical fits that profile also very well.

Again, acquisition and product development are the two ways that we would look to both organically and inorganically grow our presence in medical so that it becomes a larger overall piece of the pie. Right now, medical is in the single digits in terms of the overall markets we serve. I would love it to be in the double digits. A perfect world for me would be defense and commercial aerospace being maybe 60 to 70% of our revenue, with space, industrial, and medical taking up a larger share of the overall pie.

When are you going to report fiscal year 2026?

Very, very soon. Our fiscal year ended at the end of March. We have until the end of June, and we're going to be ahead of schedule. I think we're probably going to get our 10-K out, if not the end of next week, then early the following week. That's what we're on schedule for.

Another question: Given today's demand backdrop, how would you characterize your pricing power with major customers? Are you now able to price more for value rather than just cost-plus?

Short answer, yes. Fortunately, with a lot of our customers, we are what you would consider, or what we call, sole source. We have a lot of pricing power, which is why we've been raising prices very aggressively to compensate for the rise in our costs. I mentioned gold before. That's been a big headwind in terms of our margins because of how much and how quickly it's increased. I reference that a lot in my shareholder communications.

I've been raising prices very aggressively to make up for that. Fortunately, it hasn't led to too much vulnerability in terms of customers and in terms of business because we're in an environment where a lot of our business is sole source. So it gives us a lot of pricing power.

Looking at your current opportunity set, what's the single biggest swing factor that could make the next three years meaningfully better than your internal plan?

Single biggest swing factor? I'd say it's just the continued surge in defense spending, which, for lack of a better word, is historic. Again, what we're seeing in terms of defense spending and the way the War Department is going about making acquisitions is really a sea change. We haven't seen this level of defense spending and this commitment on the part of the US government really since the end of the Cold War. Like I said, it's structural, it's long-term, and it's going to be to our benefit over the next several years.

Another question: As you increase investor outreach on OTCQX, which metrics or milestones do you think will matter most in convincing new investors that this rerating story has legs?

I would say the fundamentals: our revenue, our EBIDA, getting back to where we were prior to the troubles, as I call them, of 2021 to 2023. Prior to that period, we enjoyed pretty steady, consistent 30 to 35% gross margins and operating income in the upper teens to low 20s. I see us getting back there over the next few years. Actually, really over the next year or two, and sustaining that over the next several years.

Another question: When you mention price increases, could you specify the magnitude of those increases and the timing? Specifically, how long after a gold price rise are these price increases implemented?

Really good question. Unfortunately, it takes some time because gold can increase very quickly over a few months, like it did over the last year or two. I think 2025 was the highest annual increase in gold since 1979.

But it takes time for our prices to catch up. From the time that we send a quote to a customer to the time that they place the order to the time that we make and ship the parts and recognize that revenue, it could be a year, a year and a half, sometimes two years. Again, the stabilization that we've seen in gold over the last six months or so is very welcome news. Assuming that continues, knock on wood, we're going to start seeing the results of those increases in prices really start to manifest and catch up to the increases that we had in gold over mid-2024 up to the beginning of this year.