



# CPS Technologies Corporation

Sidoti Virtual Micro-Cap Conference

May 11, 2023

**Chuck Griffith**

Acting CEO & Chief Financial Officer

**Anthony Koski**

Corporate Development Officer



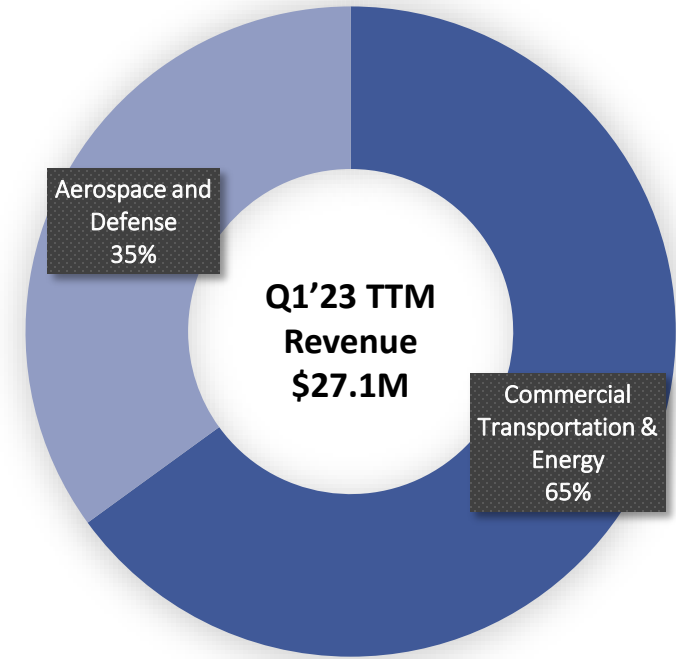
# Forward-Looking Statements

Statements made in this document that are not historical facts or which apply prospectively, including those relating to 2023 financial results, are forward-looking statements that involve risks and uncertainties. These forward-looking statements are identified by the use of terms and phrases such as "will," "intends," "believes," "expects," "plans," "anticipates" and similar expressions. Investors should not rely on forward looking statements because they are subject to a variety of risks and uncertainties and other factors that could cause actual results to differ materially from the company's expectation. Additional information concerning risk factors is contained from time to time in the company's SEC filings, including its Annual Report on Form 10-K and other periodic reports filed with the SEC. Forward-looking statements contained in this press release speak only as of the date of this release. Subsequent events or circumstances occurring after such date may render these statements incomplete or out of date. The company expressly disclaims any obligation to update the information contained in this presentation.



# Investment Thesis

- Premier provider of high-performance material solutions for mission-sensitive applications
- Serves diverse end markets including A&D, automotive, infrastructure and clean energy
- Unique technology with strong customer relationships
- Accelerating top line growth, expanding margins, and improving fundamentals
- 1Q-2023 results best in company's history – a sign of things to come



Market Capitalization	\$40.1 Million
Shares Outstanding	14.45 Million
Recent Closing Price	\$2.79
52 Week Low-High	\$2.52 - \$4.21
Institutional Ownership	11%
Insider Ownership	16%

# Management



## CPS Technologies

<b>Vision</b>	Be the premier provider of high-performance material solutions for mission-sensitive applications, connecting and protecting customers around the world
<b>Mission</b>	Provide performance enhancing innovative solutions through the application of advanced materials into end products to improve the quality of life



**Chuck Griffith, Acting President and CFO**

- Joined CPS in April 2019
- CFO of SPRI Clinical Trials – Global, a contract research organization conducting clinical trials worldwide
- VP Finance, Vertex Distribution, a manufacturer and distributor of corrosion resistant fasteners
- MBA Finance, Bryant University / BBA Accounting, The College of William and Mary



**Anthony Koski, Corporate Development Officer**

- Joined CPS in April 2022
- VP Business Development AirBoss Defense Group
- Critical Solutions International / U.S. DoD (various roles)
- BS Finance (Oakland University) / Defense Acquisition University Certification



# What We Do

- CPS specializes in the application of advanced material sciences to develop and manufacturer Aluminum Metal Matrix Composite (MMC) and Ceramic Composite solutions offering ideal properties for our customer’s unique and diverse applications

## Solutions

*Our combined material solutions enable optimal performance and operational effectiveness of advanced technologies across a wide industry spectrum*

### Superior Properties = Superior Performance

#### Thermal Management

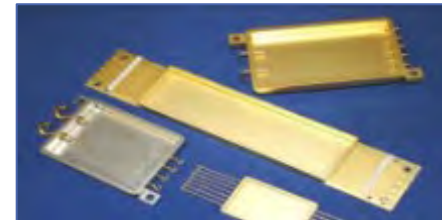
- High Thermal Conductivity
- Thermal Expansion (CTE) Matching

#### Physical Design Benefits

- Lightweight
- High Specific Stiffness
- Fabrication to Net Shape



***Metal Matrix Composites***



***Hermetic Packaging***



***Composite Armor***

# Foundation For Growth



## Rapid Market Growth

- Clean Energy
- Transportation & Infrastructure
- Electrification
  - Automotive
  - Aerospace & Defense
- Defense survivability
- Telecom & Computing

## Blue-Chip Customer Base



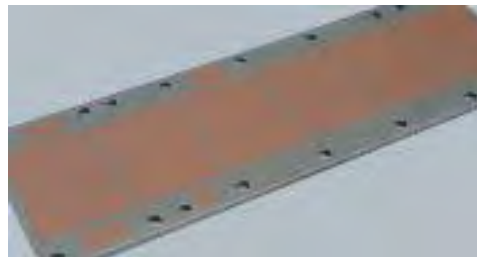
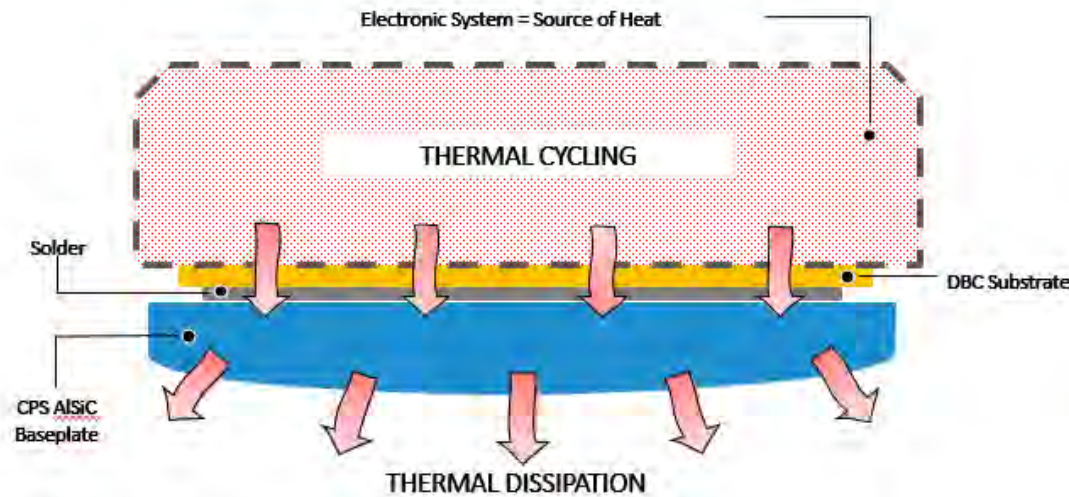
## Advanced Proprietary Technology

- Patented process for MMC manufacturing
- Patented light-weight ballistic protection technology
- 40K sqft R&D and manufacturing operations based in the U.S.
- Expertise in advanced materials for thermal, mechanical, and ballistic development



# Metal Matrix Composites

- **AlSiC** combines Aluminum and Silicon Carbide materials to achieve a unique and ideal set of properties for thermal management to enhance the performance and reliability of your power electronics systems

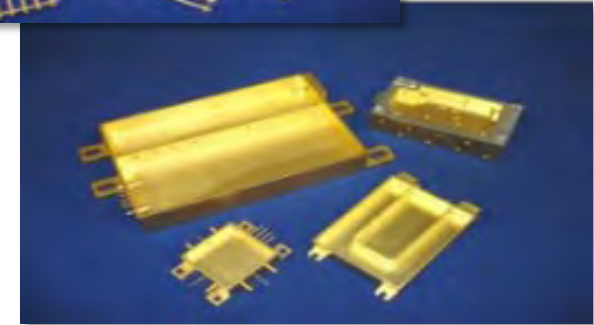
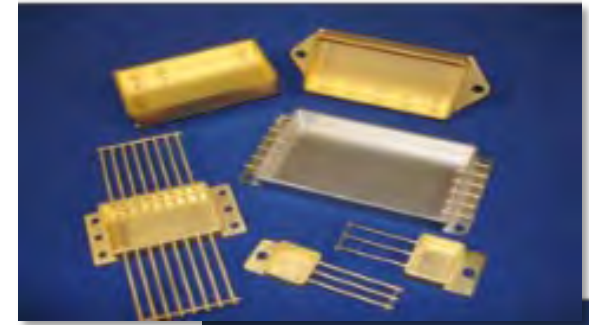


- CPS AlSiC provides the necessary thermal conductivity to **dissipate heat** from the electronic device **AVOIDING DAMAGE** during thermal cycles
- Compatible thermal expansion values between materials **REDUCES MECHANICAL STRESSES** that result in delaminating solder, damaging substrates and power electronics failure keeping your equipment up and running at a high level
- Physical design features (SWaP) enabling efficient design and value-added tradeoffs
  - Lightweight
  - High strength and stiffness
  - Fabrication (casting) process yields **NET SHAPE** product with functional geometrical attributes

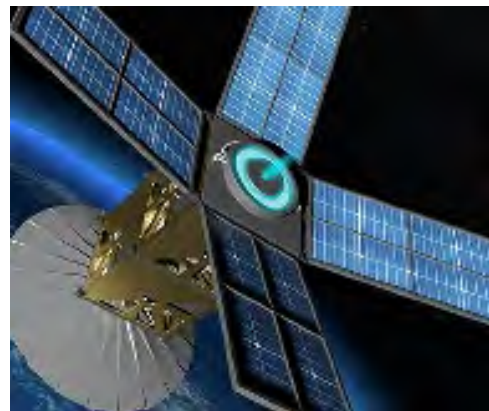
# Hermetic Packaging



- CPS Hermetic Package (HP) solutions offer ceramic or glass to metal seals (CTMS or GTMS) for reliable microelectronics packaging. Current applications for CPS HP solutions include military, aerospace and telecommunications
- We offer off-the-shelf and custom HP solutions designed to your specifications, format, and size to deliver packaging that enables **optimal performance**
- Each HP is hermetically sealed with a thermal expansion matched seal using a “Two Step Sealing Process” to produce the most robust hermetic seal for **improved reliability and performance**



Reliable Avionic control and electrical systems



Durable satellite control systems

## AlSiC HP options available for

- Increased thermal conductivity
- 40-60% weight reduction
- High strength for harsh applications
- Increased material availability
- Thermal expansion matching for direct attachment substrates



*Ideal for weight sensitive systems subject to vibration and shock*

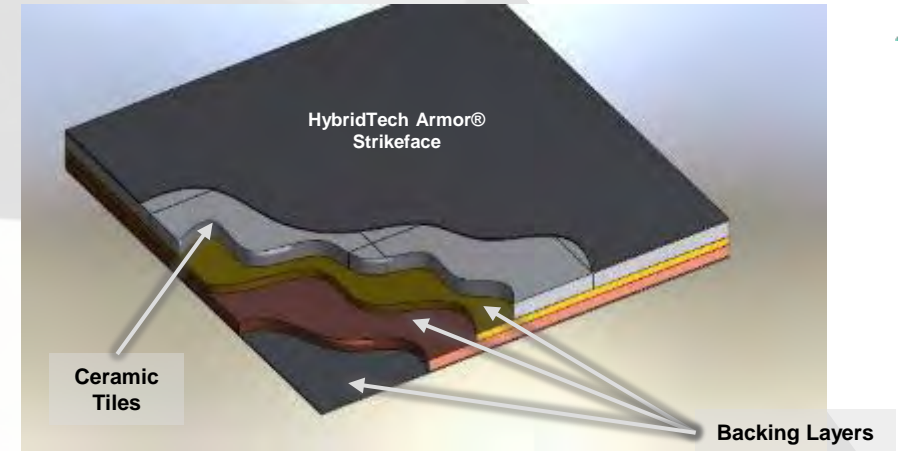


# Composite Armor

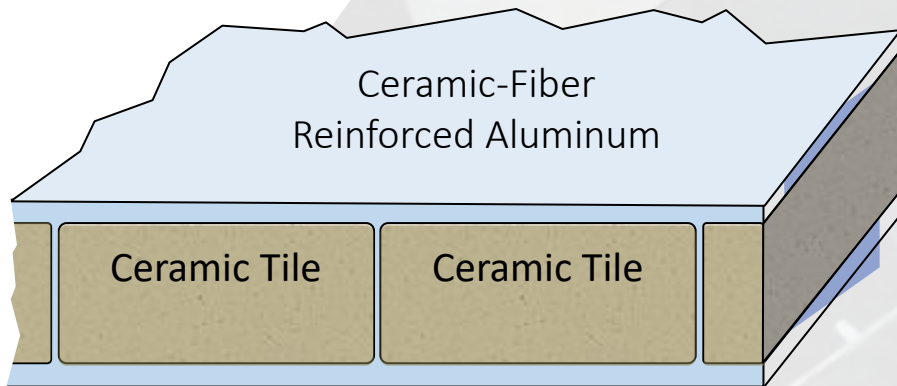


## CPS Does It Different

HybridTech Armor® utilizes CPS patented Metal Matrix Composite (MMC) infiltration technology offering protection that rivals any steel alternative at *HALF* the weight



**Layered construction for design flexibility to support any application or ballistic threat**



- Ceramic tiles encapsulated with Aluminum composites and particulates for improved strength and ballistic performance
- A patented advanced material approach providing an alternative to High Hard Steel (HHS) at HALF the weight with validated multi-hit performance to US DoD standards
- Capable of defeating heavy kinetic threats (>14.5 mm) for protection in austere environments
- Reduced weight and environmentally durable for improved safety and reliability



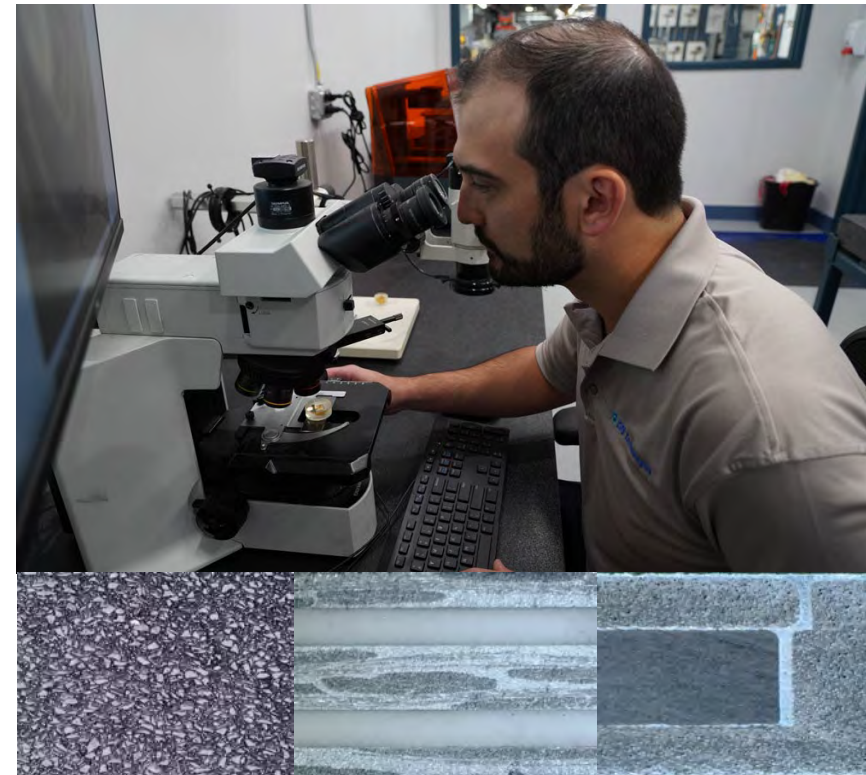
Advanced material science for *superior* protection and *enhanced* performance



# Advanced Research

**CPS** has a team of scientists and engineers with decades of experience in researching, developing, designing, and manufacturing advanced **materials and** products for next-generation applications. Our experience in both material and process development allows us to optimize our solutions to customer needs.

- Customized **metal matrix composites** for specific material performance requirements
- Research and Development in **ceramic matrix composites** and **high-temperature metals**
- Experience in thermal, mechanical, and ballistic development
- Wide range of **processing and testing capabilities** to evaluate materials



# Strategic Snapshot – 4 Pillars



## Sustain

MMC  
Baseplates & Lids

Electronics

Sustain product pipelines  
and hold market share  
“Overhead Absorption”

Rely upon PD to develop a  
“game changer”

## Develop

Hermetic Packaging

Aerospace & Defense

Build upon the groundwork  
to permanently define  
market presence

TAM = 2x Current level  
Increase profitability

## Expand

HybridTech Armor®

Defense

Expand market niche and  
push into integration

Increasing revenues & profits  
FY23-24  
Positive Cash Flow

## Explore

Product Development  
r&D (IRAD + CRAD)

A&D, EV, Energy,  
Transportation, etc.

Re-establish technical expertise  
to create a Portfolio of  
Potential Breakout Products  
that can permanently  
accelerate the growth  
trajectory of CPS

how we continue  
to grow →

technical excellence and  
research creativity

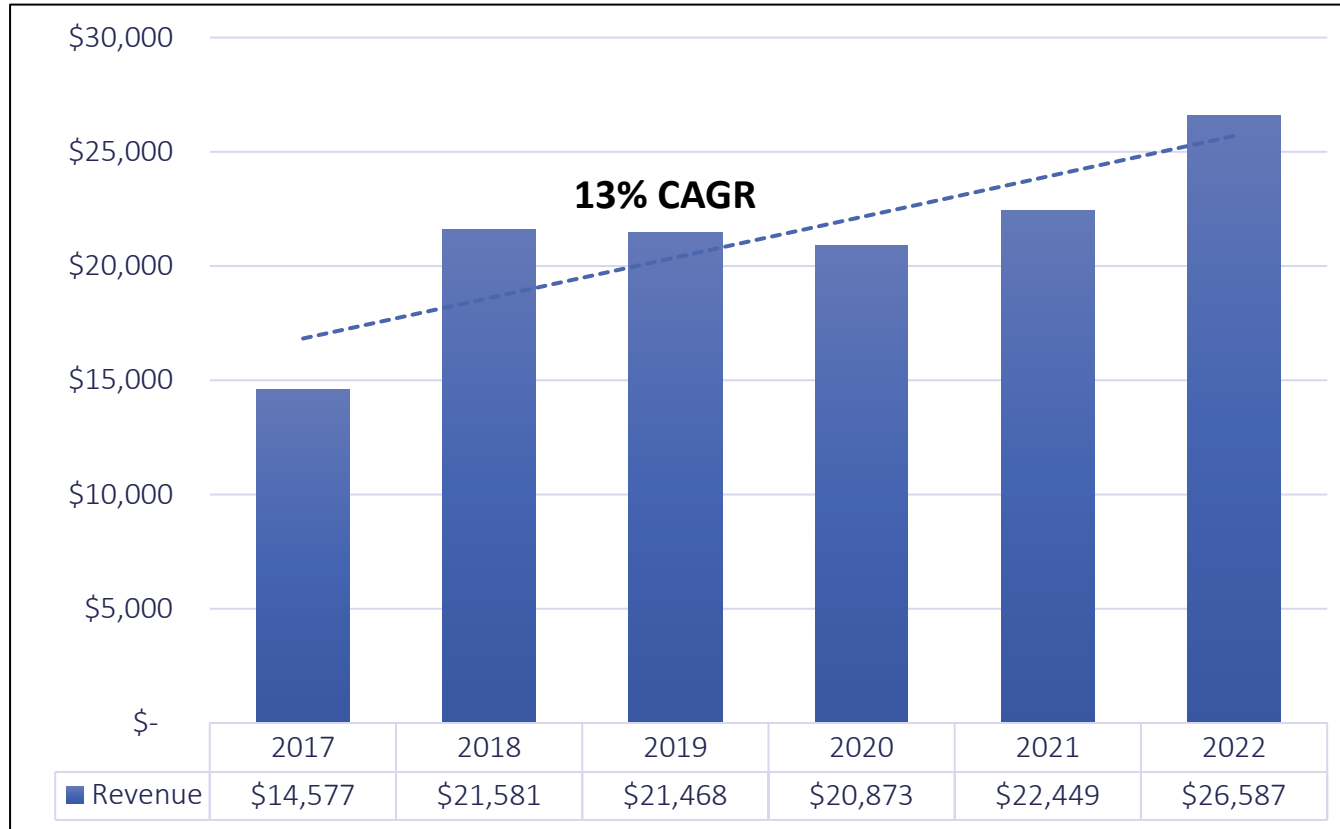
design innovation and  
mission relevance

cost control, on-time  
delivery, and quality



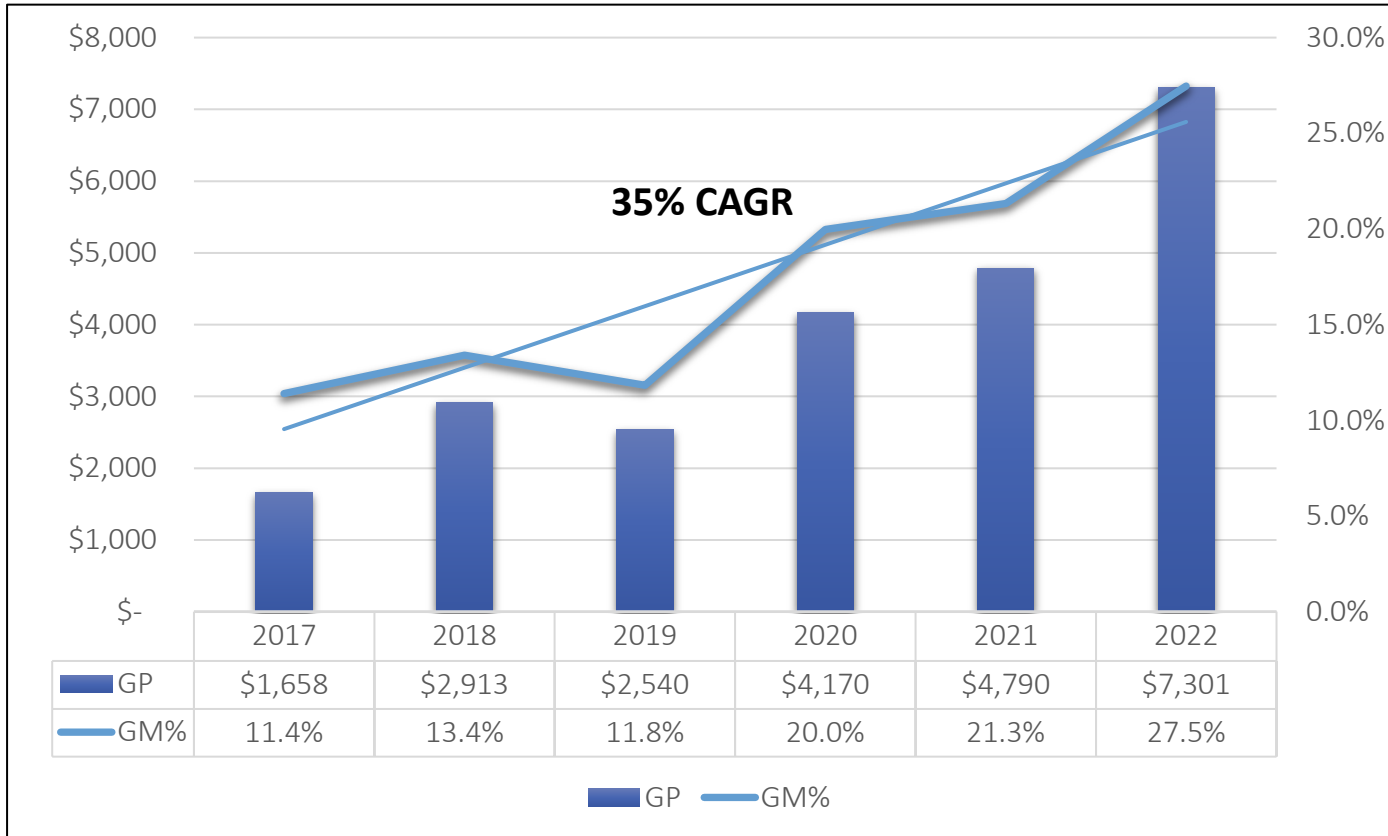
# Financial Overview

# Revenue Trends



- 13% 5yr CAGR
- FY22 highest revenue in company history
  - 19% increase over FY21
- Top line growth primarily driven by new A&D programs

# Gross Profit and Margin



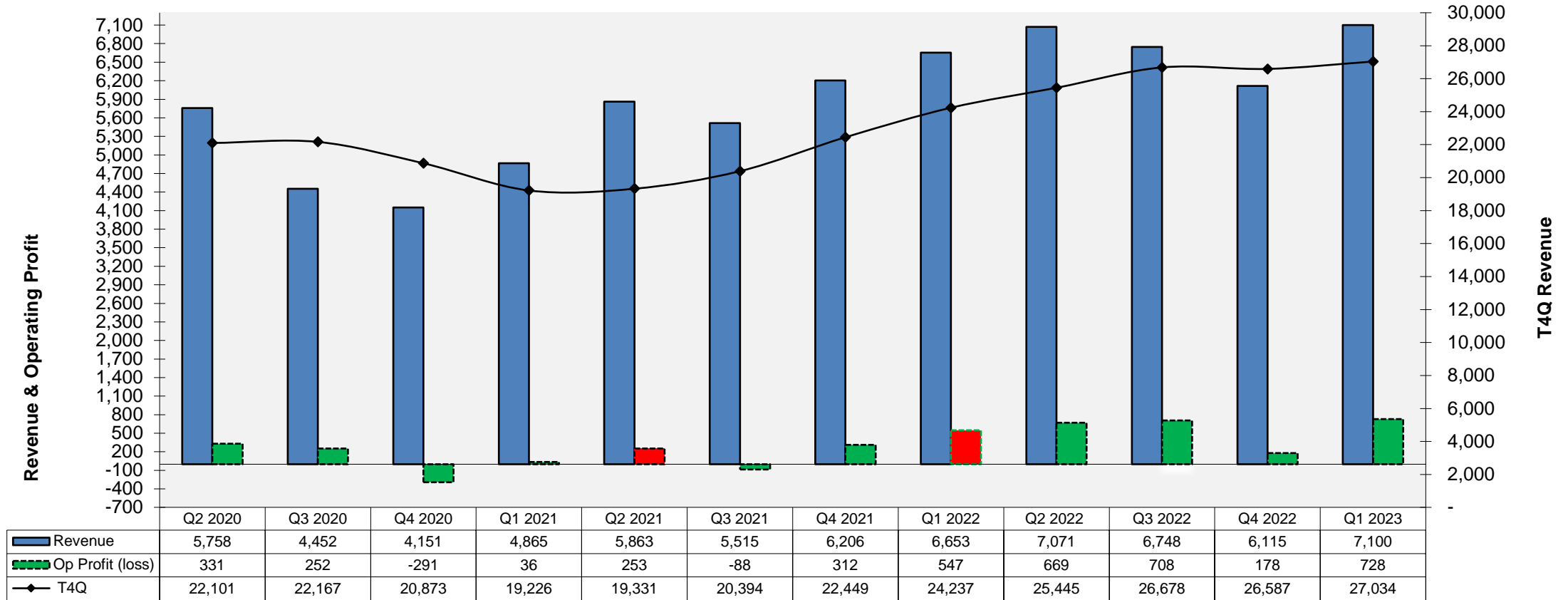
- 35% 5yr CAGR
- FY22 achieved the best performance in company history
  - Over 50% increase in GP over FY21
  - 6% improvement in GM over FY21
- Increased profitability driven by growth in high margin A&D programs and operational efficiencies



# Appendix



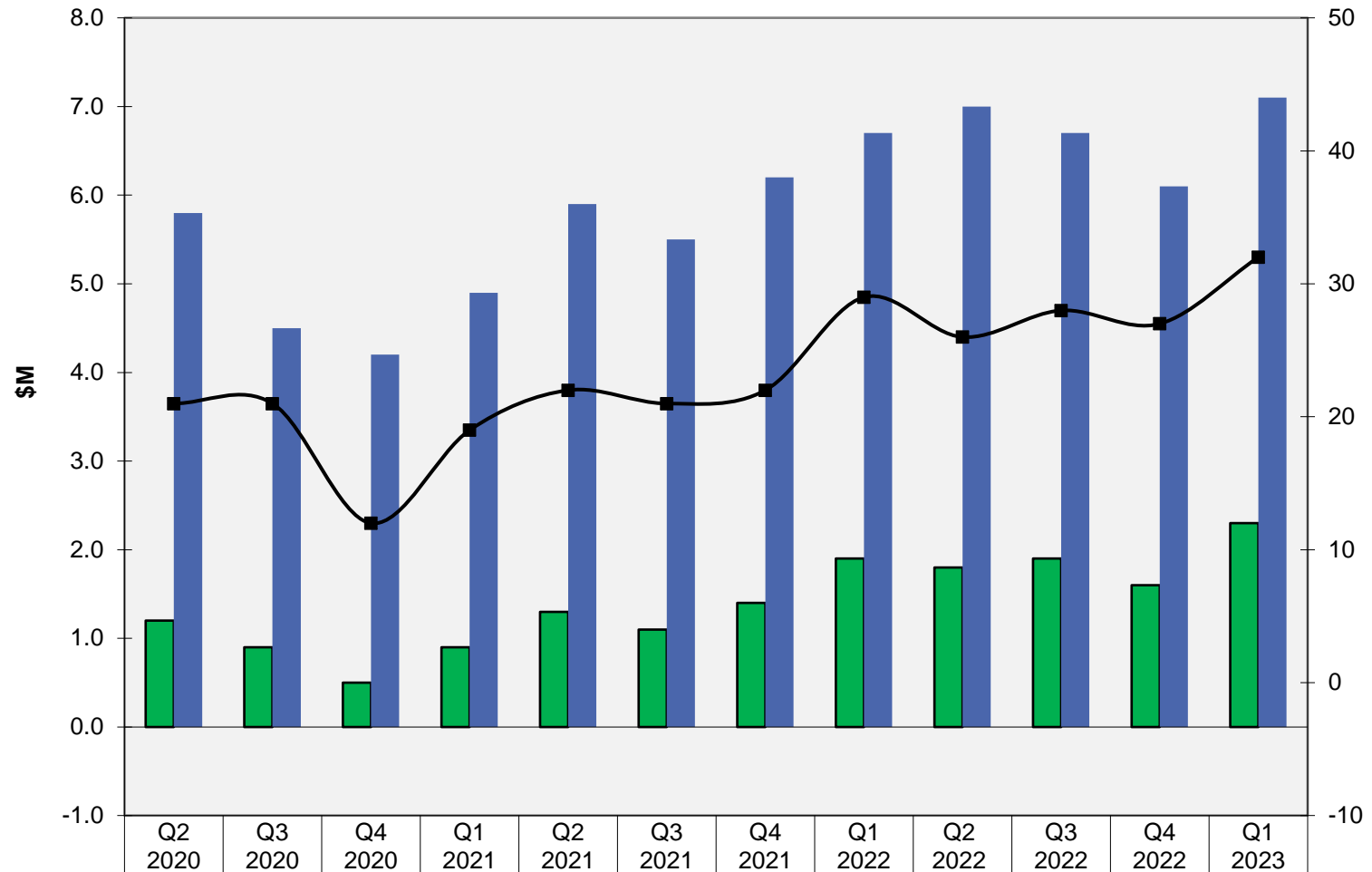
## TTQ Revenue, Operating Profit & T4Q Revenue (\$000's)







## TTQ Revenue, Gross Profit (\$M) & Gross Margin (%)



<span style="color: green;">■</span> Gross Profit (\$M)	1.2	0.9	0.5	0.9	1.3	1.1	1.4	1.9	1.8	1.9	1.6	2.3
<span style="color: blue;">■</span> Revenues (\$M)	5.8	4.5	4.2	4.9	5.9	5.5	6.2	6.7	7.0	6.7	6.1	7.1
<span style="color: black;">■</span> Gross Margin %	21.0	21.0	12.0	19.0	22.0	21.0	22.0	29.0	26.0	28.0	27.0	32.0



# TTQ Book:Bill

