



*Robert W. Baird & Company*

*2013 Industrial Conference*

November 5, 2013



VEHICLE ACCESS SYSTEMS TECHNOLOGY



WITTE • STRATTEC • ADAC

Patrick J. Hansen

Senior Vice President & CFO

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# 1<sup>st</sup> Quarter, FY '14 Results

(000's except per share amounts )



	<b>September <u>2013</u></b>	<b>September <u>2012</u></b>
<b>Net Sales</b>	<b>\$ 79,595</b>	<b>\$ 70,807</b>
<b>Gross Profit</b>	<b>\$ 14,515 18.2%</b>	<b>\$ 13,713 19.4%</b>
<b>Operating Expenses</b>	<b>\$ 9,470 11.9%</b>	<b>\$ 9,120 12.9%</b>
<b>Net Income</b>	<b>\$ 3,211</b>	<b>\$ 2,670</b>
<b>Diluted Earnings Per Share</b>	<b>\$ .91</b>	<b>\$ .78</b>



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- Based on current customer orders we anticipate approximately \$78 million in sales in our second quarter compared to \$72.2 million in the prior year quarter.
- Capital spending will be in the \$9 - 10 million range during fiscal year 2014.
- STRATTEC Defined Benefit Pension Plan was frozen effective December 31, 2009. Anticipate Plan contributions in fiscal 2014 of \$3.0 million which is consistent with fiscal 2013.

	<b>June 30</b>	<b>June 30</b>	
<b><u>2013</u></b>			
<b><u>2012</u></b>			
Plan Benefit Obligation	\$89.9	\$103.4	Plan Assets
<u>\$79.5</u> Over (Under) Funded Status	\$.5	(\$23.9)	<u>\$90.4</u>

- As of September 30, 2013, the Company had in excess of \$12 million of cash or \$4/share and anticipated funding the above requirements primarily from current operating cash flows.
- We have \$30 million of credit facilities available with BMO Harris Bank with current borrowings outstanding of \$3.0 million.
- Increased dividend 10% during the 1<sup>st</sup> Quarter ending September 2013 and stock price increase of 85% in last 12 months

Frank J. Krejci  
(CRAY' CHEE)

President & CEO

- **AWARD**
  - Chrysler Supplier of the Year in Electronics



- **Diversification**

- Bridgewood Advisors searching for acquisitions and partnerships
- Security Products
- Motion Control Products
- Vertical Integration along with market diversification
- Aftermarket
- Strattec Component Solutions (contract manufacturing)

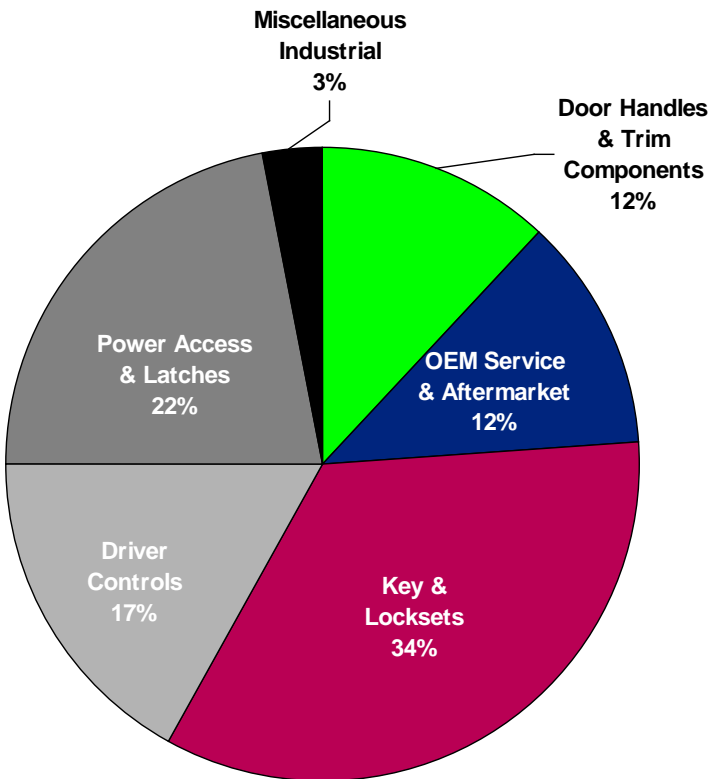
- **Growth Initiatives**

- Door Handles – both in China and Mexico
- Expansion of Mexican Plant
- Tier II to Maserati on Key Fob's
- Dealer Direct – Cut Key Program
- Acquisition of NextLock

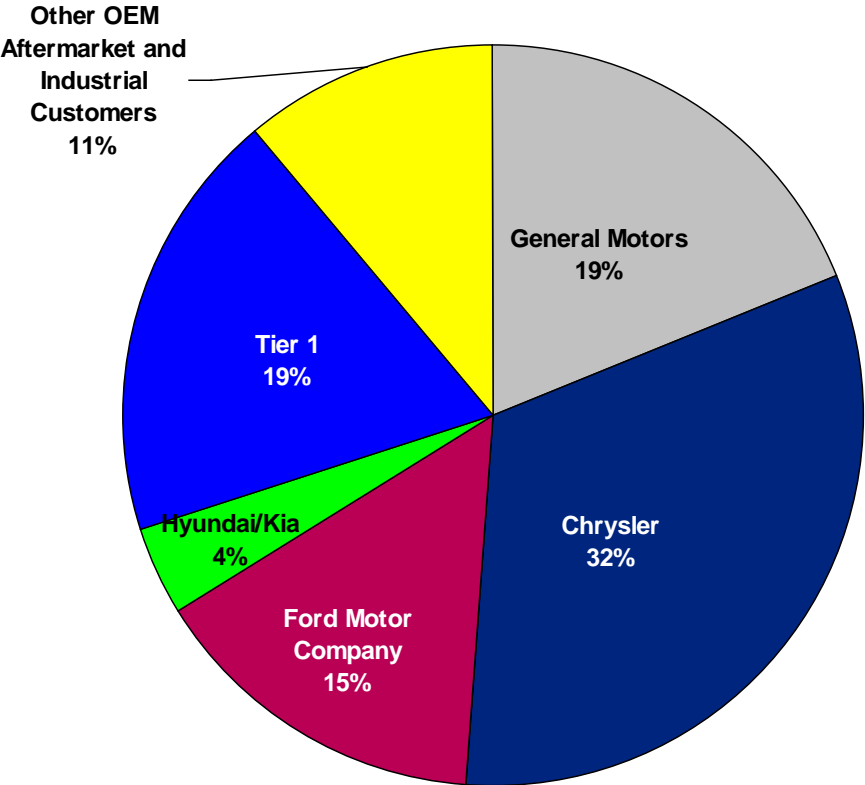




- Biometric Security
- New product available in April 2014
- Secured significant distribution
- Target residential and commercial markets
- Build in Strattec Mexican facilities opens US government market
- Cross fertilize technology for automotive



**Fiscal Year 2013**  
**Net Sales = \$298 million**



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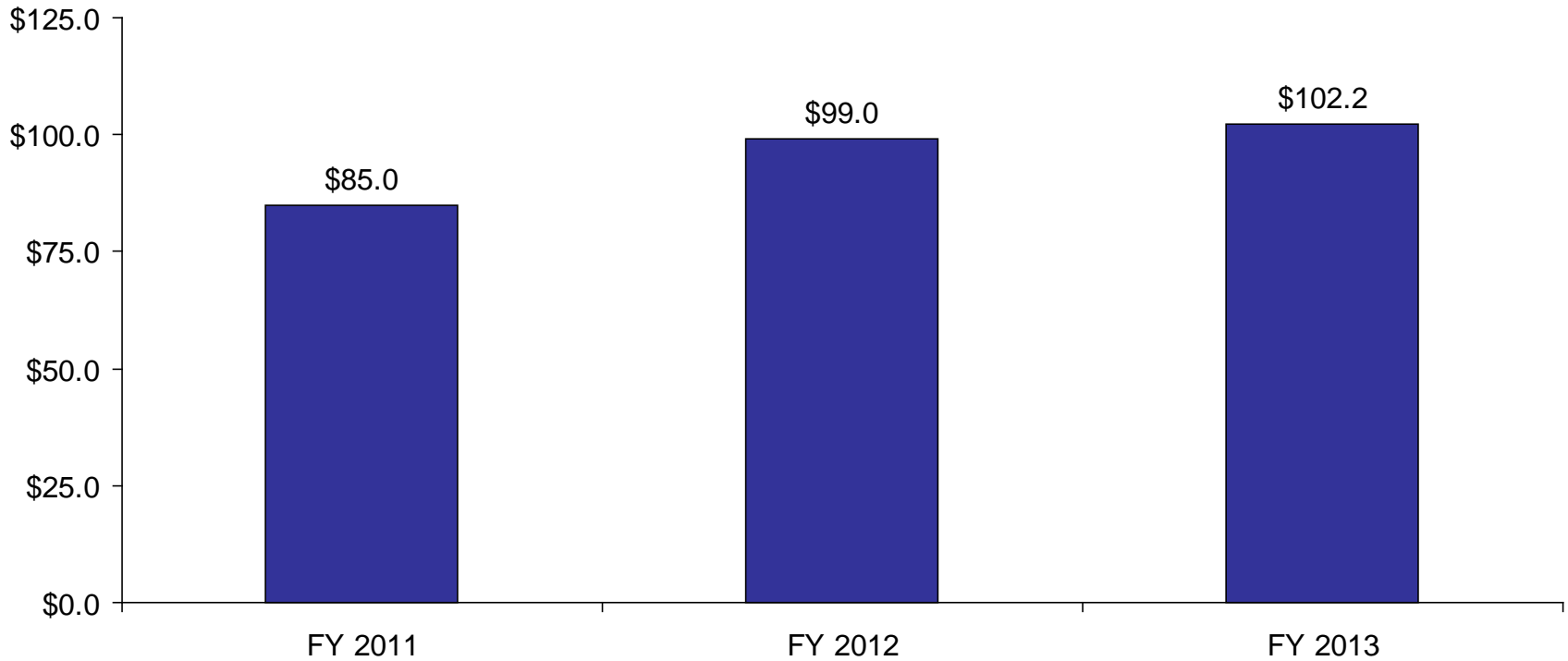
**Milwaukee, WI** - 420 Employees  
Headquarters, Engineering, Parts Manufacturing

**Juarez, Mexico** - 2,156 Employees  
2 Facilities – Assembly, Key Finishing  
& Plastic Injection Molding

**El Paso, Texas** - 30 Employees  
Distribution

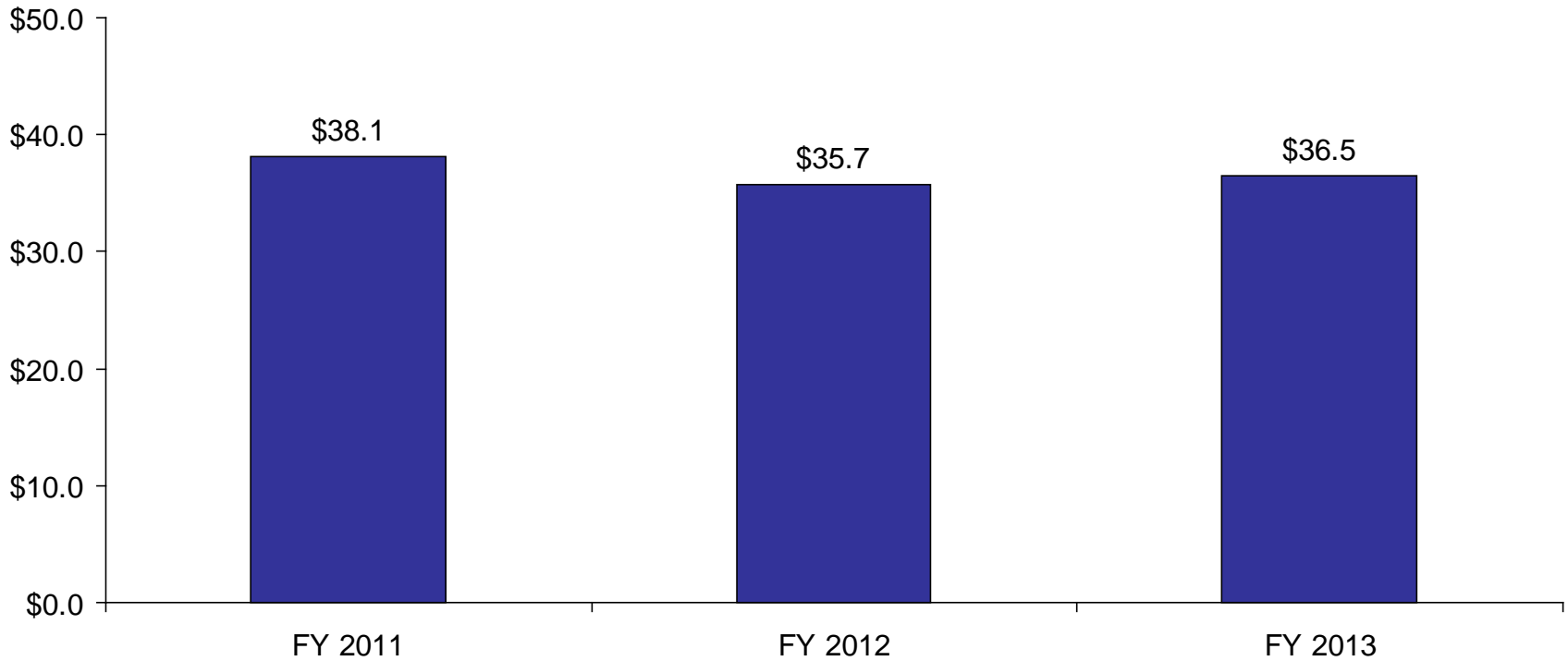
**Troy, Michigan** - 57 Employees  
Sales and Engineering

## Sales (in millions of \$)



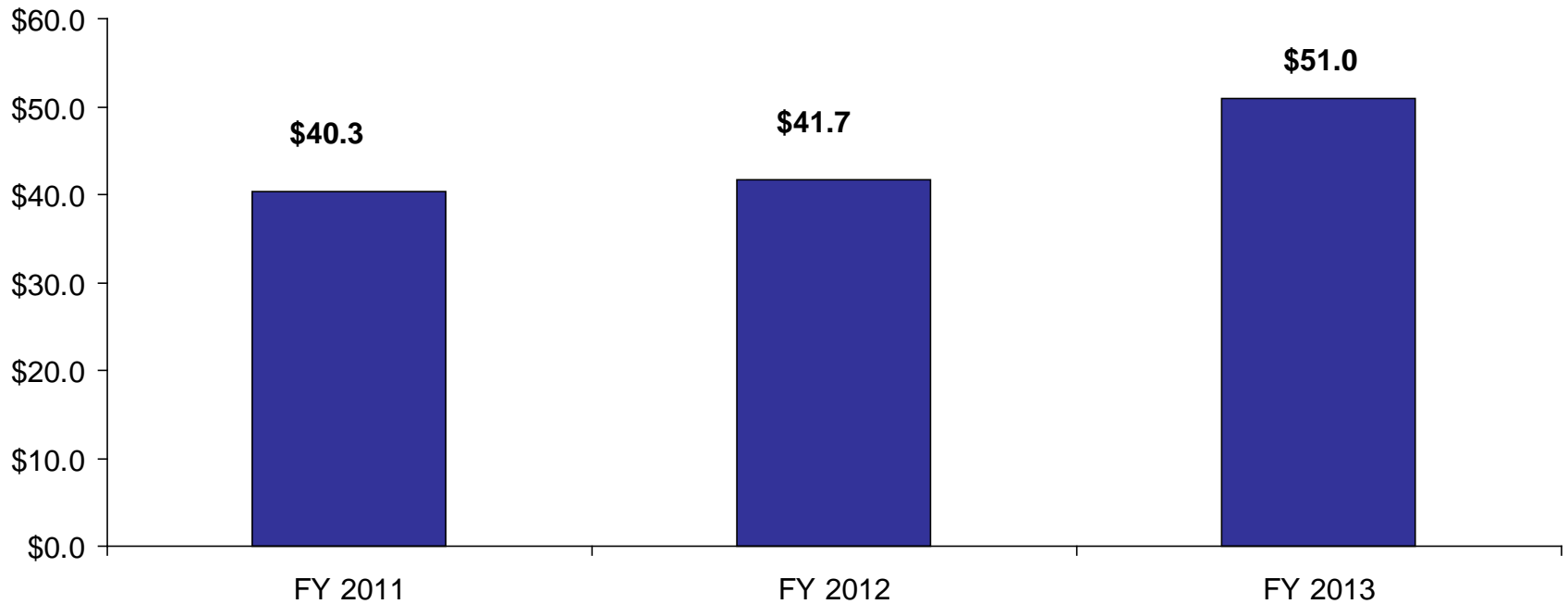
**Fiscal Year Ending June**

## Sales (in millions of \$)



**Fiscal Year Ending June**

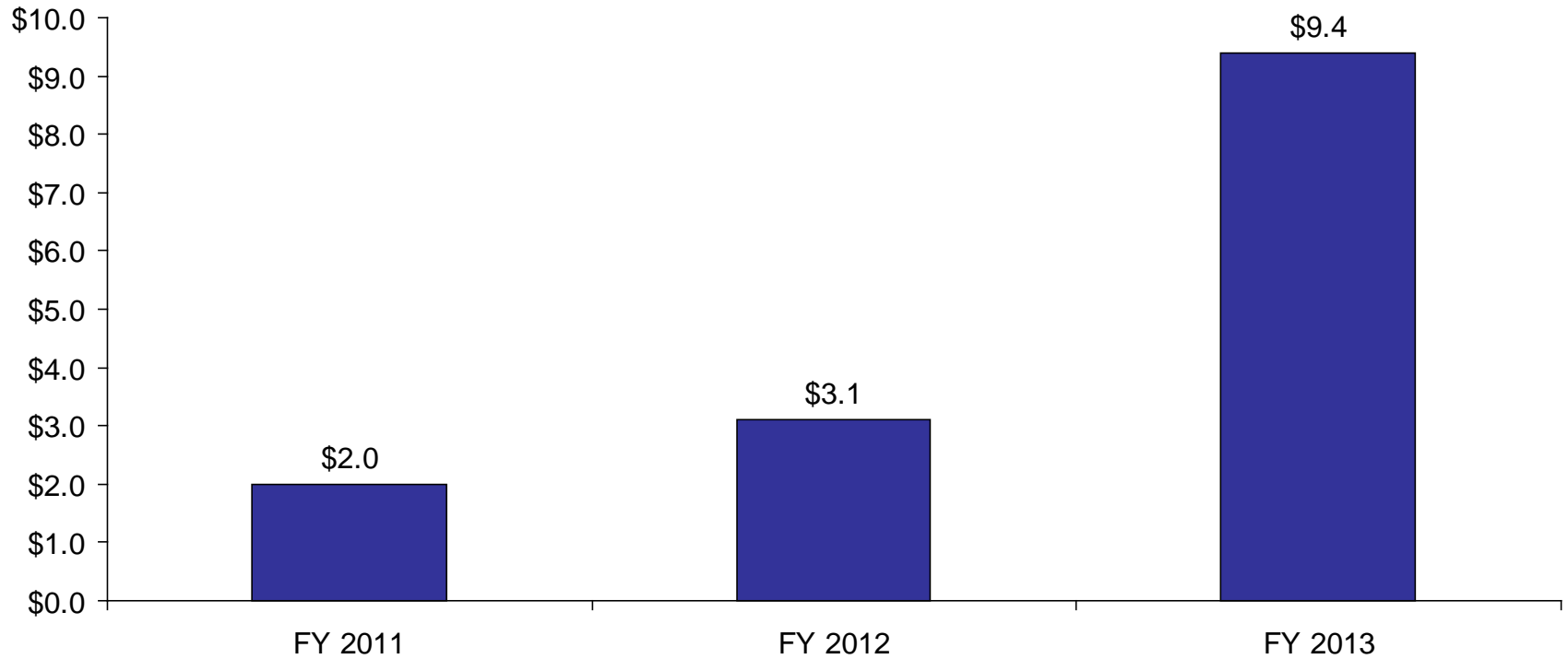
## Sales (in millions of \$)



**Fiscal Year Ending June**

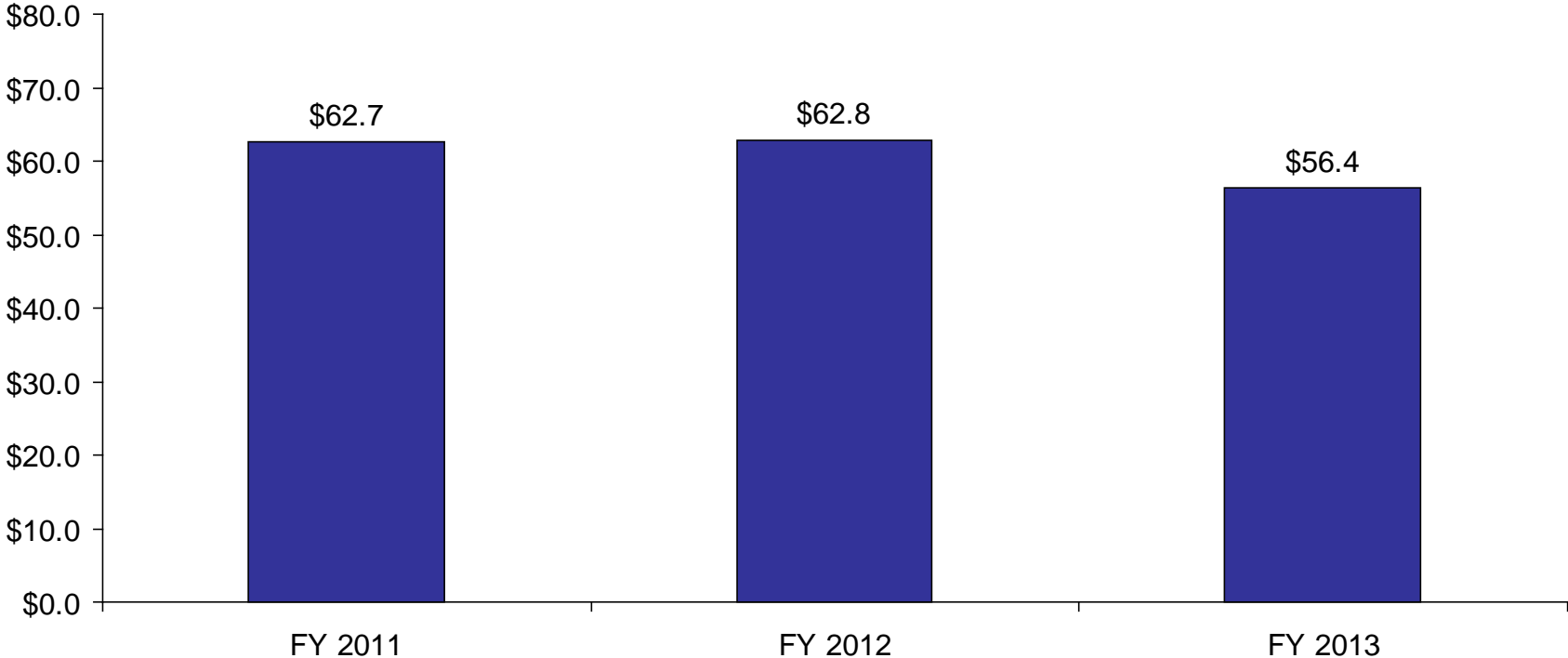


### Sales (in millions of \$)



**Fiscal Year Ending June**

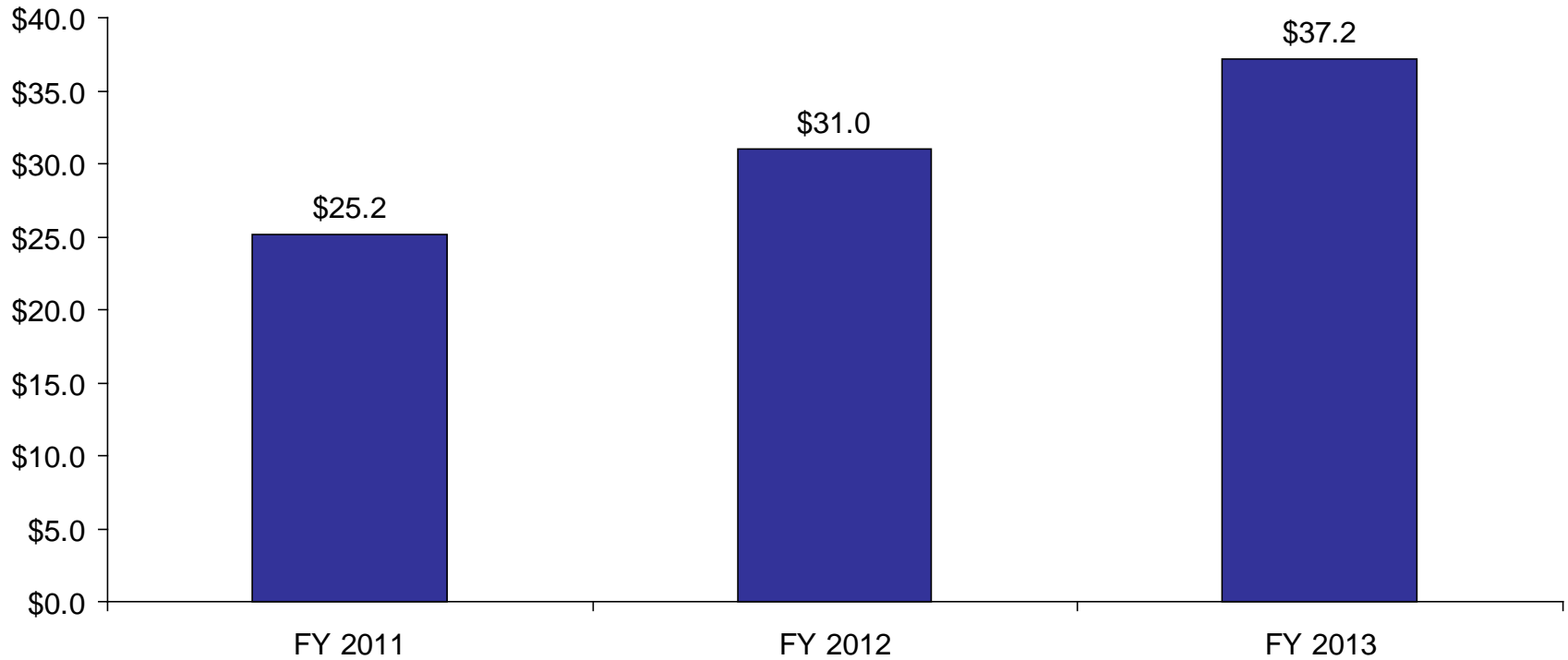
**Sales**  
(in millions of \$)



**Fiscal Year Ending June**



### Sales (in millions of \$)



Fiscal Year Ending June



Vehicle Access Systems Technology



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- **Strategic partnership:**

STRATTEC – Wisconsin – public company since 1995, founded 1908, 2663 employees

WITTE – Germany – privately held – founded 1899, 3229 employees

ADAC – Michigan – privately held – founded 1975, 1119 employees

- **Jointly own:**

VAST China – Manufacturing & Engineering

VAST Brazil - Manufacturing

VAST Japan – Sales

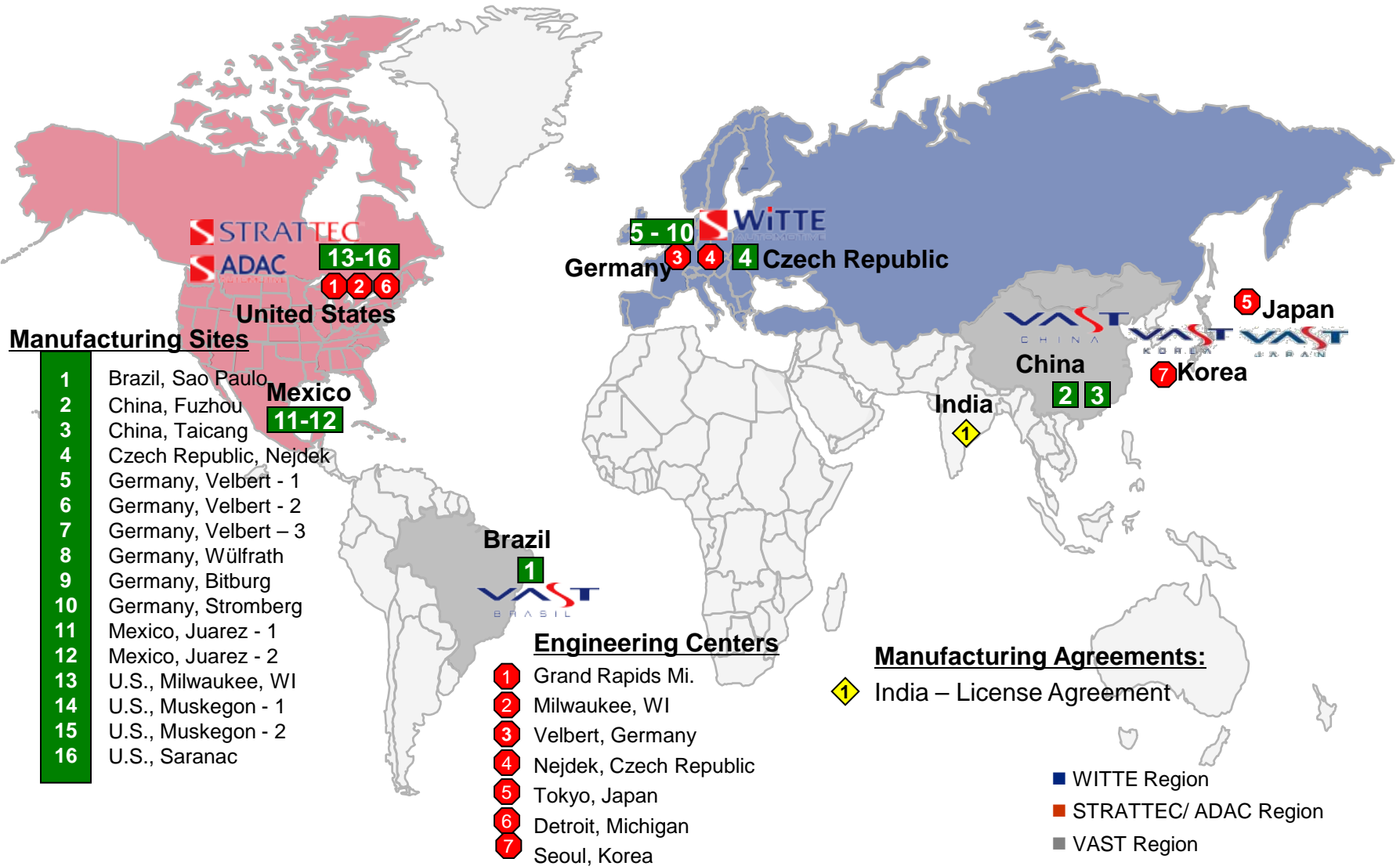
VAST Korea – Sales & Engineering

- **Growth opportunity:**

India

-  is the brand we are using to grow our global business

- \$1.2 billion + sales
- 16 Manufacturing facilities
- 7 Engineering Centers
- Employment over 7,700





ThyssenKrupp



CHRYSLER

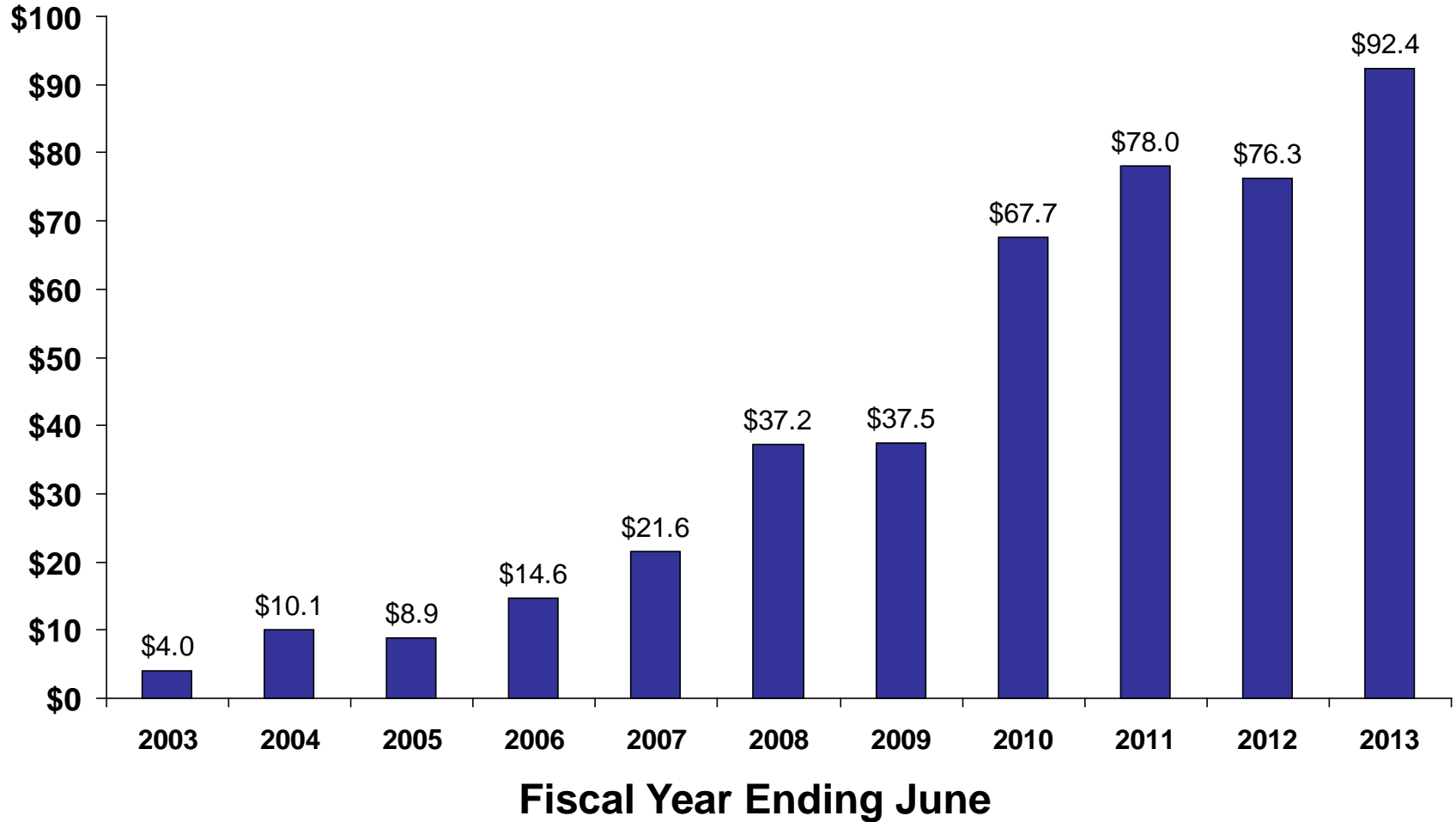




- Witte reorganization
- Strattec reorganization
- VAST staff expanded
- GLOBAL TEAMS
  - Purchasing
  - Manufacturing
  - Technology
  - Finance
- VAST China management changes

In Millions  
Of US Dollars

# Sales Growth



- Change in profitability
- Paint line – investment of \$5 million
  - Many start-up costs and problems
  - Turned profitable second half Strattec fiscal year 2013
  - Projected to be at capacity within 2 years

**150,000 sq. ft. manufacturing facility in Taicang, China.  
Operational September 2011.  
Second facility in Fuzhou.**



- International & Product Growth
- Strong Balance Sheet & Cash Flow
- Diversification Initiatives

# Questions?



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