



*Sidoti & Company*

March 31, 2016



VEHICLE ACCESS SYSTEMS TECHNOLOGY



WITTE • STRATTEC • ADAC

# Patrick J. Hansen

## Senior Vice President & CFO

## Disclosure for Presentation on March 31, 2016

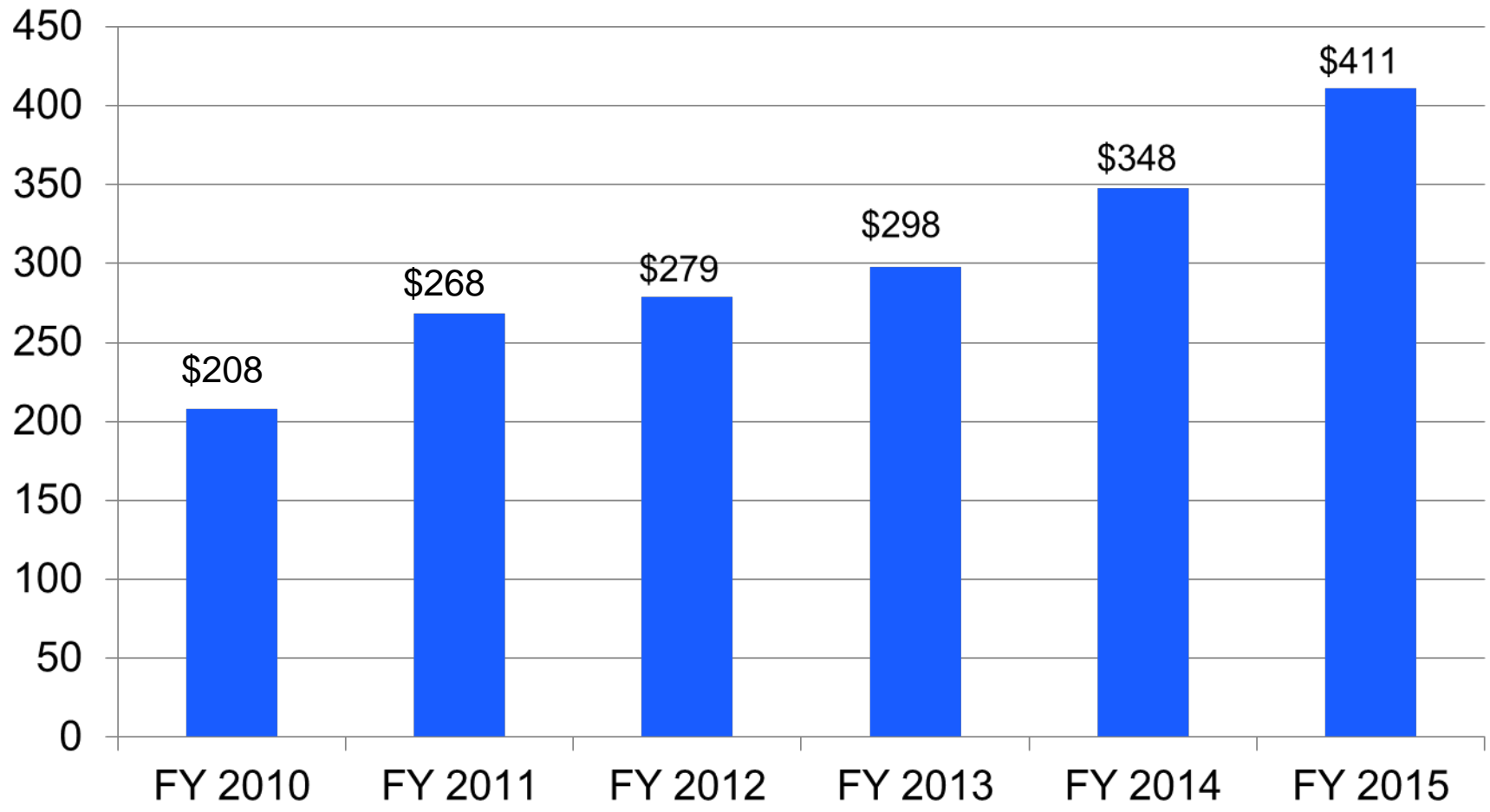
This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include expected future financial results, product offerings, global expansion, liquidity needs, financing ability, planned capital expenditures, management’s or the Company’s expectations and beliefs, and similar matters. The Company’s business, operations and financial performance are subject to certain risks and uncertainties, which could result in material differences in actual results from the Company’s current expectations. These risks and uncertainties include, but are not limited to, general economic conditions, in particular, relating to the automotive industry, customer demand for the Company’s and its customer’s products, competitive and technological developments, customer purchasing actions, foreign currency fluctuations and costs of operations. Such risks and uncertainties are discussed further in the Company’s filings with the Securities and Exchange Commission.

This presentation includes selected information regarding the Company’s business, operations and financial performance and is qualified in its entirety by the more complete information contained in the Company’s filings with the Securities and Exchange Commission and other public disclosures.

All information in this presentation is as of March 31, 2016 and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. The company undertakes no obligation to update any information in this presentation to reflect subsequent events or circumstances.

This presentation can be found at:  
[www.strattec.com](http://www.strattec.com)  
Investor Relations  
Presentations

# 5 Year Net Sales Growth (in millions \$)

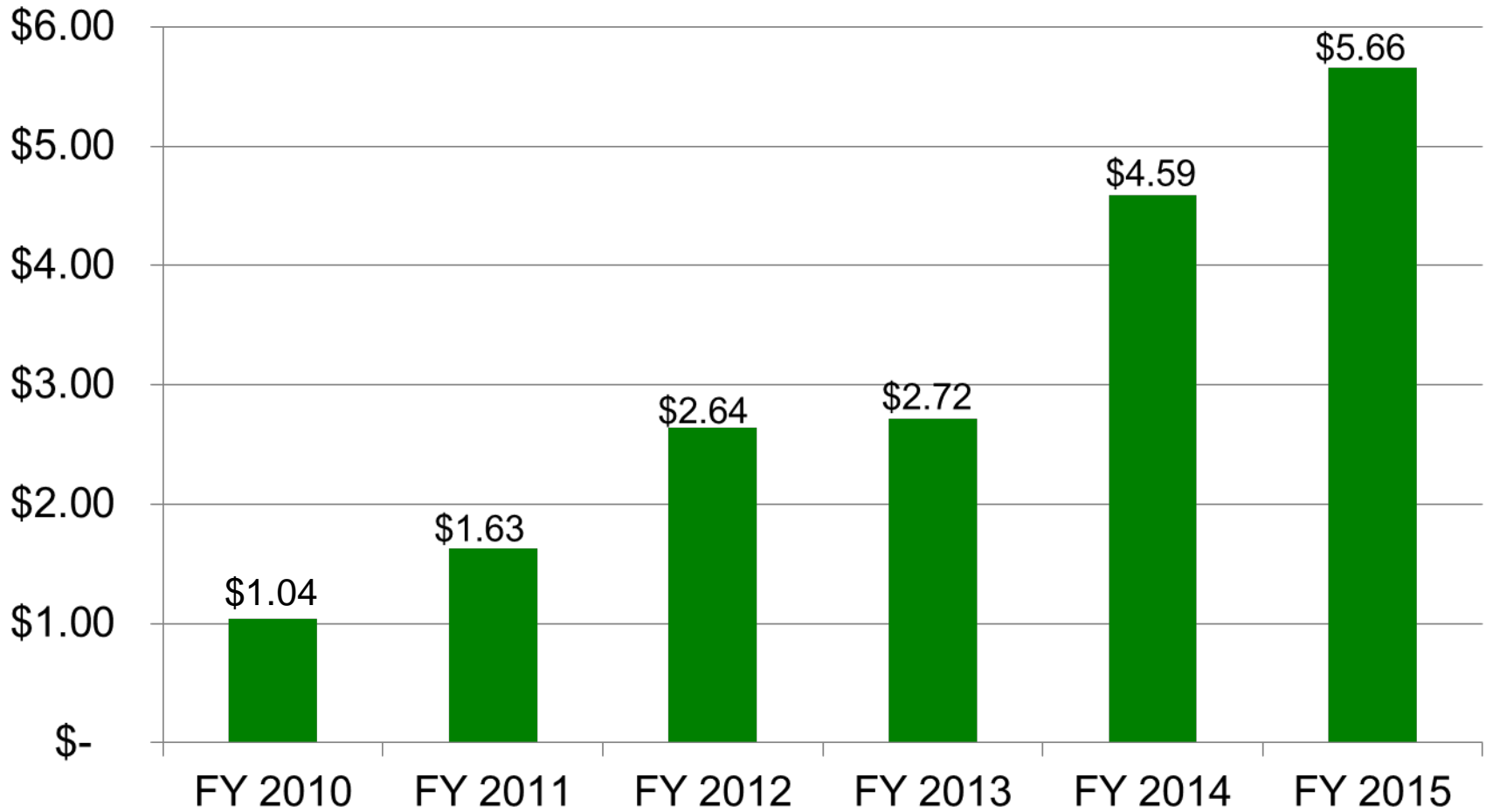


VEHICLE ACCESS SYSTEMS TECHNOLOGY

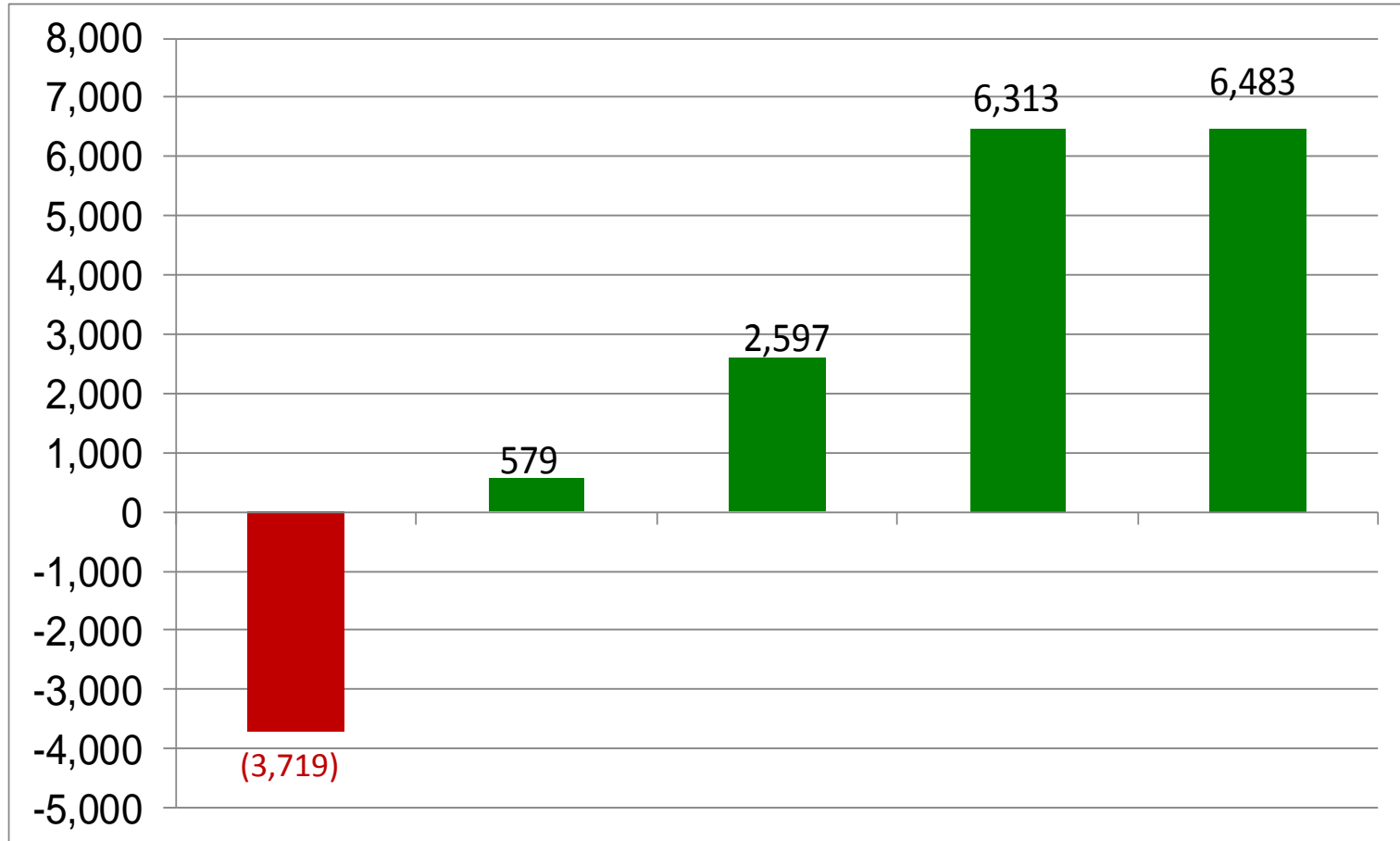


WITTE • STRATTEC • ADAC

# 5 Year EPS Growth



# Return on Shareholder's Equity and 5 Year EVA Growth (in 000's)



	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Return on Shareholder's Equity:	5.3%	10.5%	10.1%	14.3%	15.6%

# 2<sup>nd</sup> Quarter, FY '16 Results

(000's except per share amounts)



	<b>December <u>2015</u></b>	<b>December <u>2014</u></b>
<b>Net Sales</b>	<b>\$102,511</b>	<b>\$101,990</b>
<b>Gross Profit</b>	<b>\$18,610 18.2%</b>	<b>\$18,452 18.1%</b>
<b>Operating Expenses</b>	<b>\$11,196 10.9%</b>	<b>\$10,490 10.3%</b>
<b>Net Income</b>	<b>\$3,403</b>	<b>\$ 5,778</b>
<b>Diluted Earnings Per Share</b>	<b>\$ .93</b>	<b>\$ 1.58</b>



VEHICLE ACCESS SYSTEMS TECHNOLOGY



WITTE • STRATTEC • ADAC

- **Sales:**
  - Prior Year Second Quarter Sales included Incremental Service Sales from General Motors = \$6 million
- **Net Income Decline Attributed to:**
  - Higher Foreign Currency Gains in the Prior Year Quarter



- We anticipate approximately \$95 million in sales in our 3<sup>rd</sup> quarter of fiscal year 2016 compared to \$89 million in the prior year quarter. NOTE: During the current quarter, STRATTEC had lost sales of \$3 million due to the temporary plant shutdowns at Sterling Heights and Toluca for the Chrysler 200 and Dodge Journey. Last year’s third quarter had \$8 million of lost sales with Chrysler due to Windsor Assembly Temporary Plant Shutdown.
- Capital spending will be in the \$20 million range during fiscal year 2016 compared to \$26 million in fiscal year 2015. Increased capital spending in fiscal year 2015 was due to purchasing a Sales and Engineer Technical Center in Michigan and a third manufacturing facility in Juarez, Mexico.
- STRATTEC Defined Benefit Pension Plan was frozen effective December 31, 2009. Anticipate Plan contributions in fiscal 2016 of \$3.0 million which is consistent with fiscal 2015.

	<b>June 30</b>	<b>June 30</b>
	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Plan Benefit Obligation</b>	<b>\$99.3</b>	<b>\$97.4</b>
<b>Plan Assets</b>	<b><u>\$105.5</u></b>	<b><u>\$104.3</u></b>
<b>Over Funded Status</b>	<b>\$6.2</b>	<b>\$6.9</b>

- The Company is in the process of implementing a full plan termination that could take 18-24 months to complete.
- As of December 27, 2015, the Company had approximately \$18 million of cash or \$5/share.
- We have \$40 million of credit facilities available with BMO Harris Bank with current borrowings outstanding of \$10.0 million.

Frank J. Krejci  
(CRAY' CHEE)

President & CEO

1908

BRIGGS & STRATTON FOUNDED  
AS AN AUTOMOTIVE PARTS COMPANY

1995

STRATTEC SPUN OFF FROM BRIGGS

**Milwaukee, WI** - 420 Employees (330,000 sq. ft.)  
Headquarters, Engineering, Parts Manufacturing

**Juarez, Mexico** - 3,100 Employees (325,000 sq. ft.)  
3 Facilities – Assembly, Key Finishing  
& Plastic Injection Molding

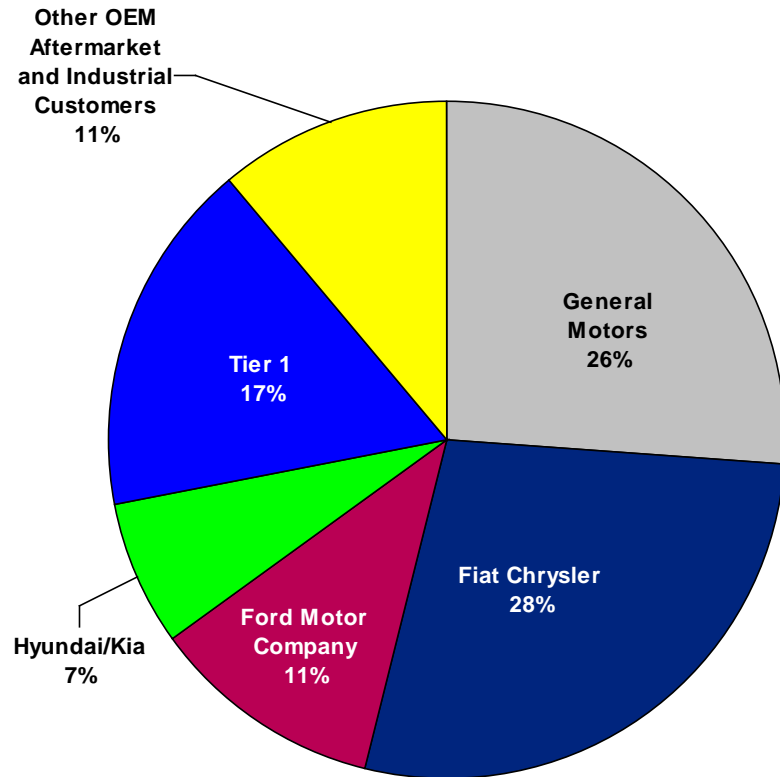
**Leon, Mexico** – Paint & Assembly Facility (135,000 sq. ft.)  
Opening Early 2017

**El Paso, Texas** - 30 Employees (90,000 sq. ft.)  
Distribution

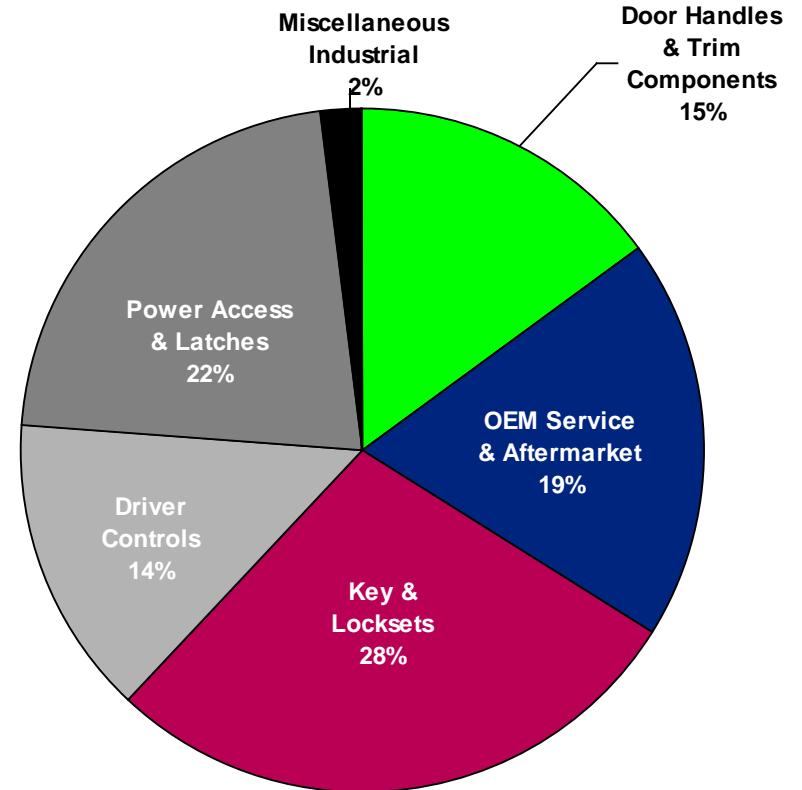
**Troy, Michigan** - 60 Employees (65,000 sq. ft.)  
Sales, Engineering, and Prototyping

## Customer

## Product



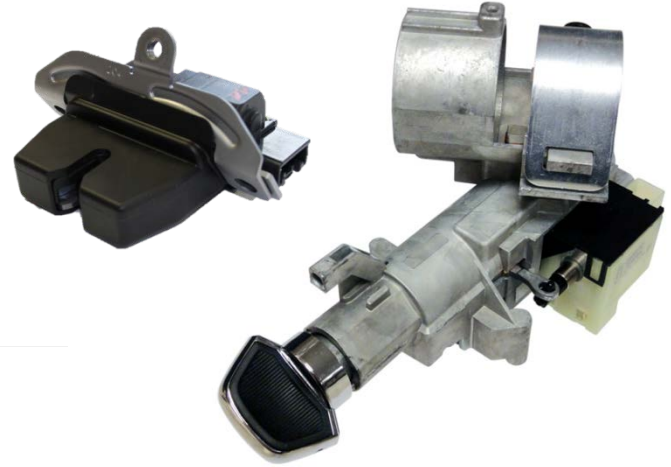
**Fiscal Year 2015**  
**Net Sales = \$411 million**



**Fiscal Year 2015**  
**Net Sales = \$411 million**

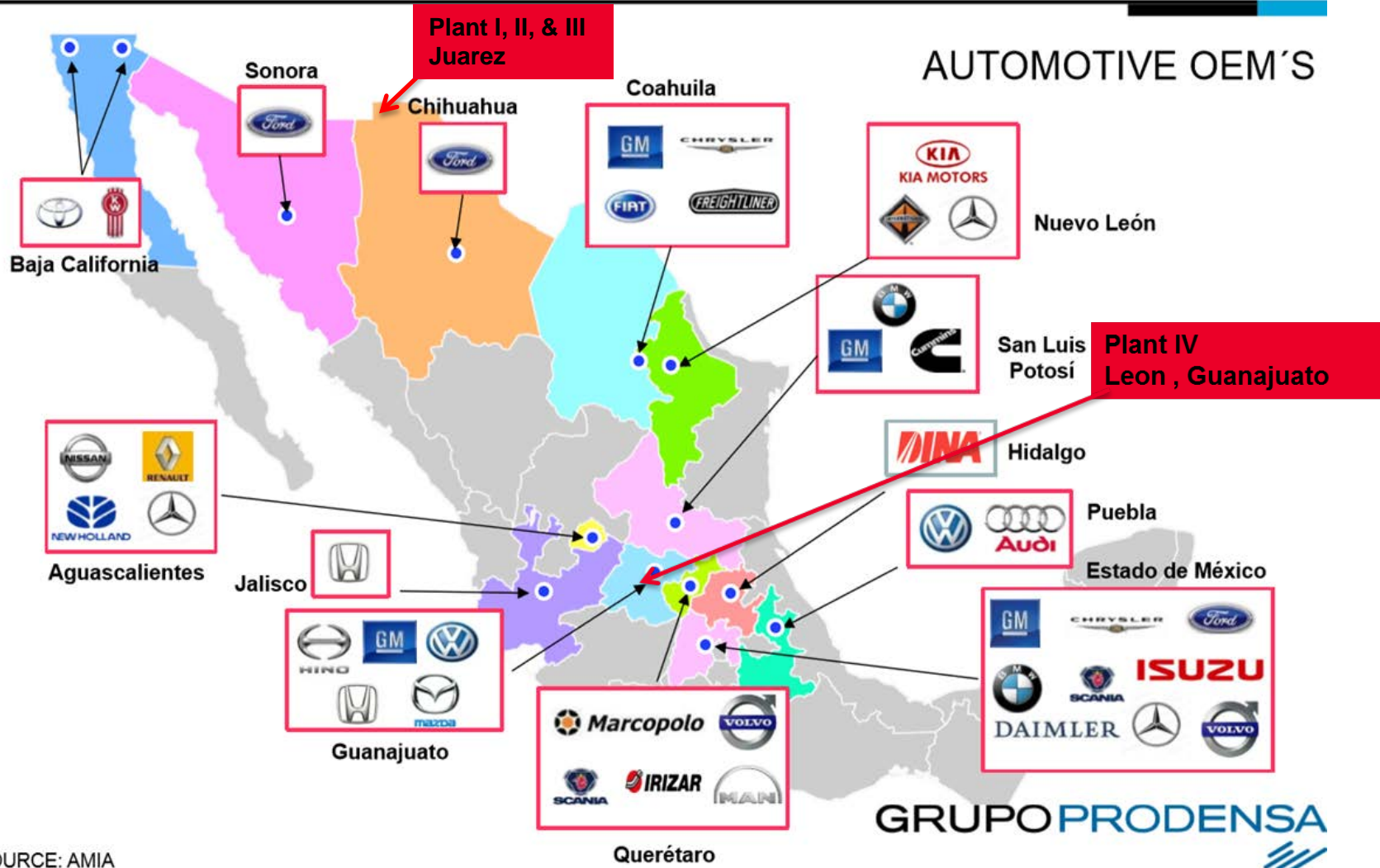
**NOTE: Tier 1's sell products primarily to General Motors, Fiat Chrysler and FORD**

- Locks & Keys
- Power Doors
- Handles
- Latches
- Steering Column Security
- Fobs
- Push Button Start
- Aftermarket Products



- ADAC- STRATTEC Joint Venture: STRATTEC owns 51%
- Adds Paint capability in Mexico Automotive Market
- Have secured Business Awards to support new facility
- Capital Investment for land, building and paint equipment is \$18-20 million
- FY 2017 – STRATTEC’s share of start up costs projected to be less than \$1 million
- FY 2018 – Joint Venture sales will grow from \$60 million today to \$120 million
  - Positive impact on Earnings and should recover start up costs in first year of operation

# MEXICO'S MANUFACTURING FOOT PRINT



SOURCE: AMIA





Vehicle Access Systems Technology





VEHICLE ACCESS SYSTEMS TECHNOLOGY





 -Milwaukee, Wisconsin- Founded 1908, Public Company 1995.


 - Velbert, Germany – Founded 1899, Private

 - Grand Rapids, Michigan– Founded 1975, Private

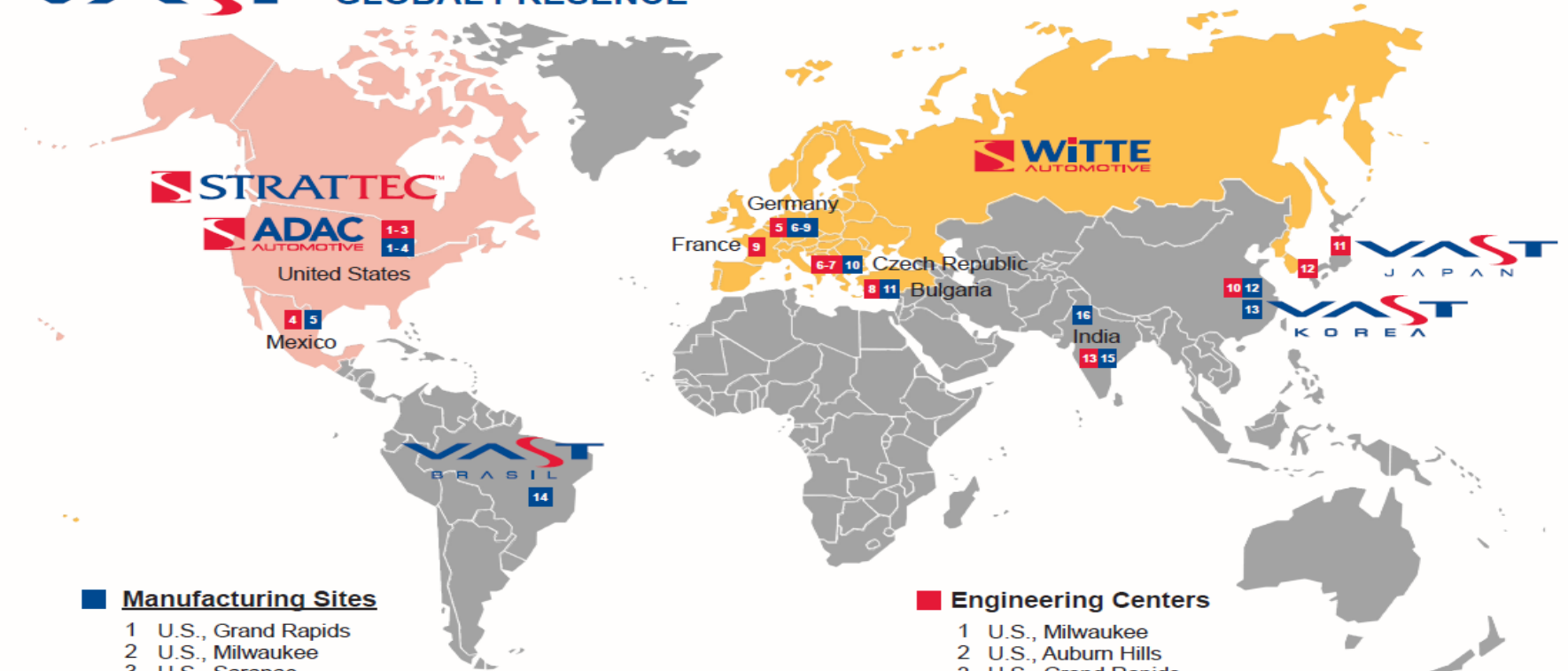
 - 33% Ownership by STRATTEC (2001)

 - 51% Ownership by STRATTEC (2006)

 - 80% Ownership by STRATTEC (2008)

 - 16.6% Ownership by STRATTEC (2015)  
MINDA-VAST ACCESS SYSTEMS

- \$1.6 billion + sales
- 16 Manufacturing sites
- 13 Engineering Centers
- Employment over 9,500
- Fiscal year 2015 STRATTEC's 1/3 share of VAST LLC Net Income= \$1,251,000

**GLOBAL PRESENCE**

**Manufacturing Sites**

- 1 U.S., Grand Rapids
- 2 U.S., Milwaukee
- 3 U.S., Saranac
- 4 U.S., Muskegon (3)
- 5 Mexico, Juarez (3)
- 6 Germany, Velbert
- 7 Germany, Wuelfrath
- 8 Germany, Bitburg
- 9 Germany, Stromberg
- 10 Czech Republic, Nejdek
- 11 Bulgaria, Ruse
- 12 China, Taicang
- 13 China, Fuzhou
- 14 Brazil, Sao Paulo
- 15 India, Pune
- 16 India, Delhi

- STRATTEC / ADAC Region
- WITTE Region
- VAST Region

**Engineering Centers**

- 1 U.S., Milwaukee
- 2 U.S., Auburn Hills
- 3 U.S., Grand Rapids
- 4 Mexico, Juarez
- 5 Germany, Velbert
- 6 Czech Republic, Nejdek
- 7 Czech Republic, Pilzen
- 8 Bulgaria, Ruse
- 9 France, Paris
- 10 China, Taicang
- 11 Japan, Tokyo
- 12 South Korea, Anyang
- 13 India, Pune



## Passenger Vehicle Manufacturers



## Commercial Vehicle Manufacturers

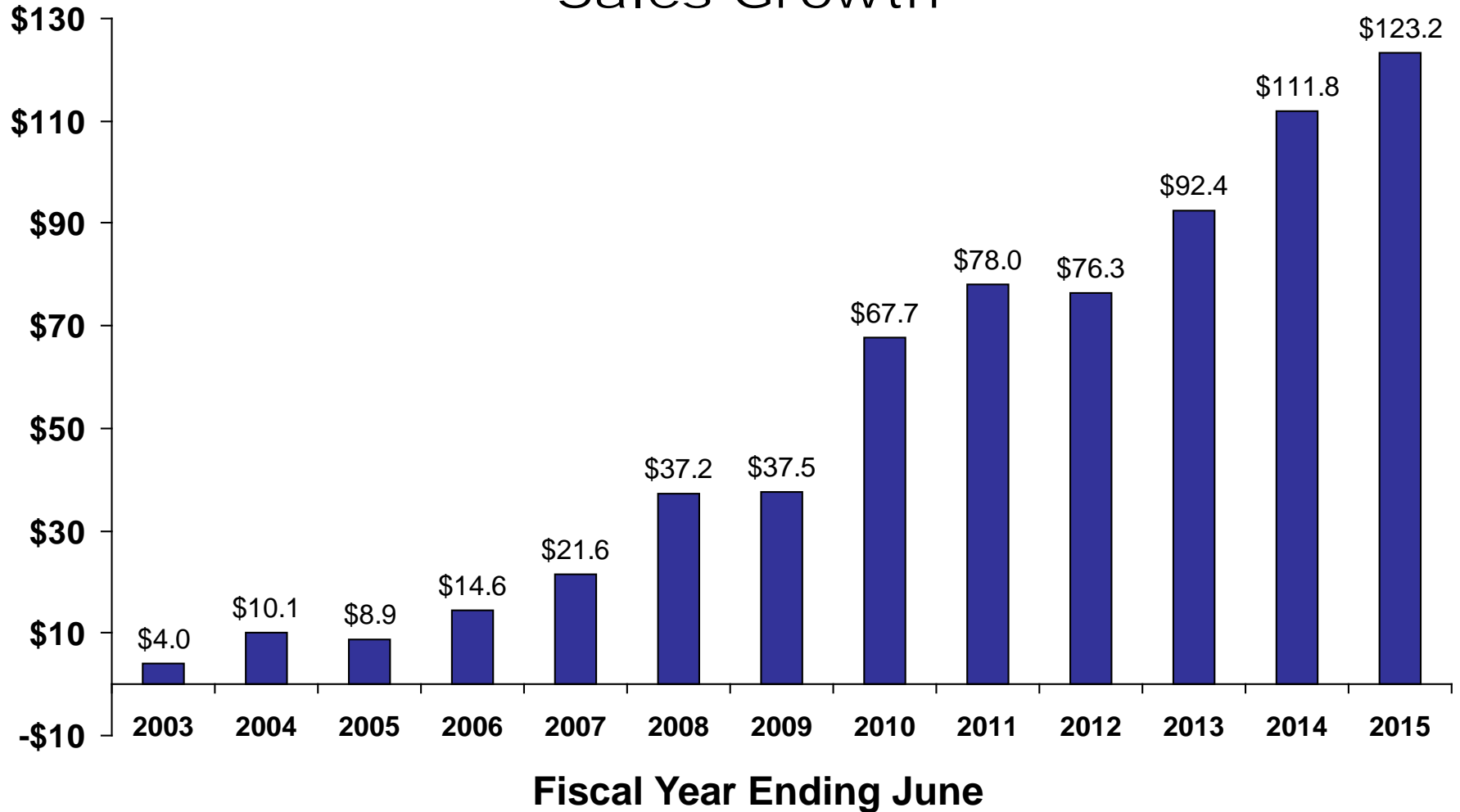


## System Suppliers



In Millions  
Of US Dollars

# Sales Growth



# Diversification



## ● **Diversification**

- Security Products
- Motion Control Products
- Vertical Integration along with market diversification
- Aftermarket
- Strattec Component Solutions (contract manufacturing)





# Precision Zinc Die Casting

Also: Plating, Stamping & Assembly

- Contract manufacturing using automotive quality standards
- Excellent EVA by leveraging human & physical capital

**Residential  
& Hospitality**



**INTRODUCED  
MID- 2016**



**Automotive &  
Home Automation**



**INTRODUCED  
LATE 2015**

**Office & High  
Security**

- Record Sales and Profits for Fiscal Year 2015
- Fully Funded Pension as of June 30, 2015
- Added to Russell 2000 in July 2014
- Westinghouse Security- Exclusive brand name rights
- Ford Rotunda Supplier of the Year in 2015 and 2014, Chrysler Supplier of the Year in Electronics 2013 and VAST Partners awarded Supplier of Year for General Motors and Volkswagen in 2013
- National Wellness Award from United Health Care – 3<sup>rd</sup> Year in a Row

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

# Questions?



*Sidoti & Company*

March 31, 2016



VEHICLE ACCESS SYSTEMS TECHNOLOGY



WITTE • STRATTEC • ADAC