

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): September 18, 2024**

**STRATTEC SECURITY CORPORATION**

(Exact Name of Registrant as Specified in Charter)

**Wisconsin**  
(State or Other Jurisdiction  
of Incorporation)

**0-25150**  
(Commission  
File Number)

**39-1804239**  
(I.R.S. Employer  
Identification No.)

**3333 West Good Hope Road, Milwaukee, Wisconsin 53209**  
(Address of Principal Executive Offices, and Zip Code)

**(414) 247-3333**  
Registrant's Telephone Number, Including Area Code

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value	STRT	The Nasdaq Global Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

Jennifer Slater, President and Chief Executive Officer, and Dennis Bowe, Vice President and Chief Financial Officer of STRATTEC Security Corporation (the “Company”) will present virtually at the Sidoti Small-Cap Virtual Conference on September 18, 2024 (the “Presentation”). Management will also meet virtually with investors registered for the conference. A copy of the Presentation is attached as Exhibit 99.1 hereto.

The information contained in the Presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in the Presentation, although it may do so from time to time as its management believes is warranted.

The investor presentation is furnished herein, as part of this Item 7.01, as Exhibit 99.1. Pursuant to General Instruction B.2 of Current Report on Form 8-K, the information in this Item 7.01 and Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. Furthermore, the information in this Item 7.01 and Exhibit 99.1 shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act, except as may be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Investor presentation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**STRATTEC SECURITY CORPORATION**

By: /s/ Dennis P. Bowe  
Dennis P. Bowe, Vice President and  
Chief Financial Officer

Date: September 18, 2024

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# Sidoti Small Cap Conference

*September 18, 2024*

**Jennifer Slater** *President and CEO*

**Dennis Bowe** *Vice President and Chief Financial Officer*

[www.strattec.com](http://www.strattec.com)

# Safe Harbor Statement

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*Certain statements contained in these slides contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words or phrases such as “anticipate,” “believe,” “could,” “expect,” “intend,” “may,” “planned,” “potential,” “should,” “will,” and “would.” Such forward-looking statements in this release are inherently subject to many uncertainties in the Company’s operations and business environment. These uncertainties include general economic conditions, in particular, relating to the automotive industry, consumer demand for the Company’s and its customers’ products, competitive and technological developments, customer purchasing actions, changes in warranty provisions and customer product recall policies, work stoppages at the Company or at the location of its key customers as a result of labor disputes, foreign currency fluctuations, uncertainties stemming from U.S. trade policies, tariffs and reactions to same from foreign countries, the volume and scope of product returns, adverse business and operational issues resulting from the continuing effects of the coronavirus (COVID-19) pandemic, matters adversely impacting the timing and availability of component parts and raw materials needed for the production of our products and the products of our customers and fluctuations in our costs of operation (including fluctuations in the cost of raw materials). Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances occurring after the date of this release. In addition, such uncertainties and other operational matters are discussed further in the Company’s quarterly and annual filings with the Securities and Exchange Commission.*

*This presentation will discuss some non-GAAP financial measures, which the Company believes are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results prepared in accordance with GAAP. The Company has provided reconciliations of comparable GAAP to non-GAAP measures.*

*A market leader of a comprehensive range of  
"Smart" Vehicle Power Access and Electronic and Security Solutions,  
serving the global automotive industry*



Nasdaq: STRT

Founded: 1908

Public: 1995

Employees: 3,365

Headquarters: Milwaukee, WI

Facilities: 7

## Key Concepts

*for the automotive world!*

Market Capitalization: \$154M

Recent Closing Price: \$37.64

52 week Low-High: \$20.87-\$39.89

Shares Outstanding: 4.1M

Institutional Ownership: 66%

Insider Ownership: 7%

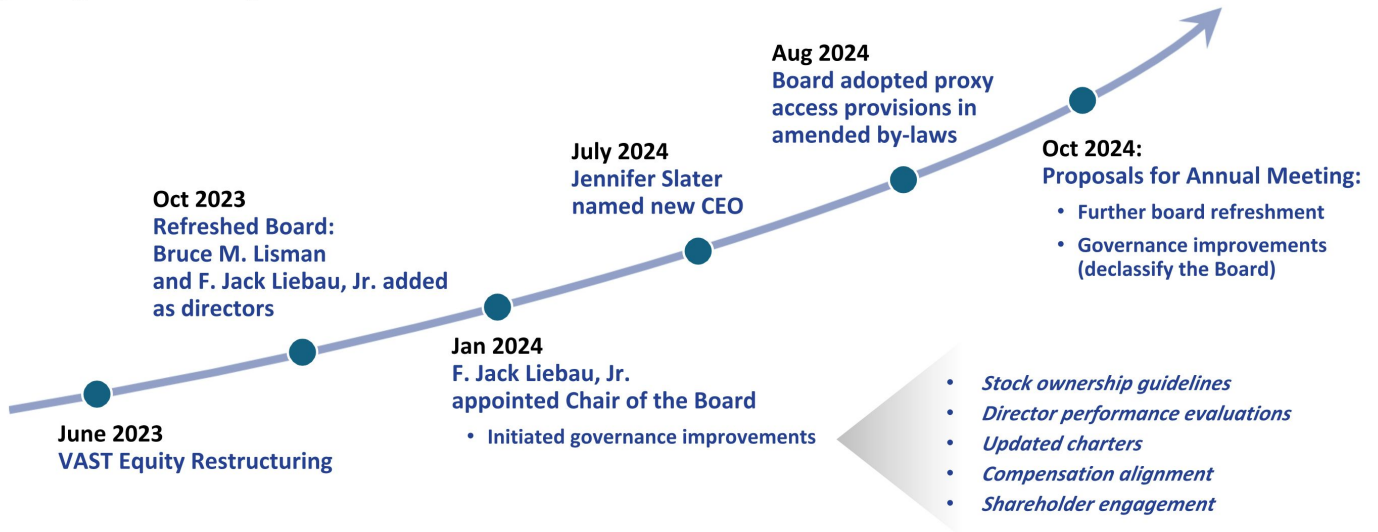


Note: Market data as of September 13, 2024; Employee count as of June 30, 2024; Ownership as of recent filings [Source: S&P Capital IQ]

# Shaping the Future: Key Recent Changes



*Refreshed Board, improved governance, new CEO and defining what the future can become*





## Reasons for joining STRT

- Excellent Board leadership and strengthened governance
- Untapped potential provides opportunities to drive growth and earnings power
- Strong balance sheet
- Strong legacy in the automotive industry
- Solid business with reputation of innovation and strong market positions with broad customer base

## What I found

- Inadequate management operating system
- Lack of predictability in operating and financial performance
- Siloed organization
- Antiquated and disparate information technology systems
- Need to develop strategy to drive sustainable growth





## *Near-term Priorities and Opportunities:*

Develop a culture of accountability and predictable performance

Focus on high value, sustainable products

Continue to optimize our cost structure

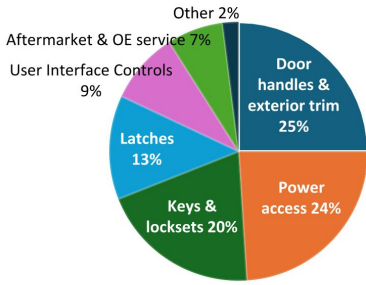
Define key competencies to drive future growth organically

Prioritize resources to sustain the future growth of the business

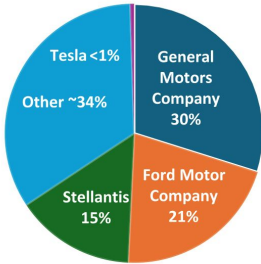
Develop strategic plan to transform the business



## Product Mix



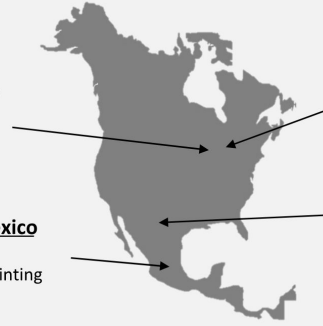
## Customer Mix



FY 2024 SALES: \$537.8 MILLION

### Milwaukee, WI

- STRATTEC Headquarters
- Manufacturing
- Engineering
- Testing



### Auburn Hills, MI

- STRATTEC Power Access HQ
- STRATTEC Sales Office
- Engineering
- Program Management

### ADAC STRATTEC de Mexico

- Injection Molding
- Door Handle Mfg and Painting

### Mexico Operations, Juarez, Mexico

- Engineering
- Assembly
- Testing

### Core Capabilities

- Design and Engineering
- Injection Molding
- Zinc Die Cast
- Stamping
- Plating
- Assembly

### Global Reach



### Vehicle Access Systems Technology

- Cooperating partner via Equity Restructuring Agreement: 2023

# Broad Product Portfolio





## SECURITY & AUTHORIZATION

**Passive Entry Passive Start Systems**

**Locksets & Steering Column Locks**

**Key Fobs & Start Stop Buttons**

**Phone as a Key (PAAK) Security System**

## VEHICLE ACCESS

**Power Access Solutions**

Tailgates and liftgate  
Sliding and swing doors  
Decklid and frunk

**Latches**

Tailgates and liftgate  
Hood and frunk  
Seat back

**Power Access Components**

## USER INTERFACE CONTROLS

**Steering Wheel Switches**

**Electronic Shifter Modules**

**Transmission Paddle Shifters**



# Financial Highlights

[www.strattec.com](http://www.strattec.com)

# Pricing and New Products Delivered Sales Growth



*(\$ in millions; narrative compared with prior-year period unless otherwise noted)*

## SALES BY QUARTER



## SALES BY YEAR



## Q4 FY24

- \$6.9 million of price increases to major OEM customers
- \$3.9 million, or 3% increase, associated with the launch of new product programs

## Other Price Increases by Quarter

*(includes one time and ongoing)*

- Q1 FY24: +\$10.8 million, incl. \$8.0 million one time
- Q2 FY24: +\$8.1 million, incl. \$1.6 million one time
- Q3 FY24: +7.0 million

## FY 2024

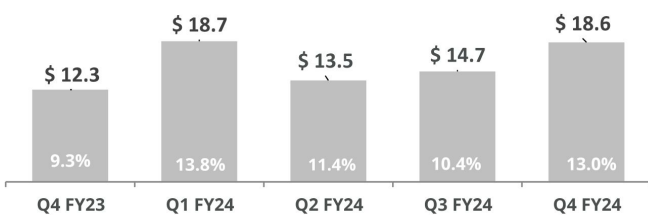
- Revenue up \$44.8 million
  - \$23 million in price increases helped offset impact of inflation
  - \$9.7 million in retroactive pricing to address cost increases from prior years
  - Remaining \$12.2 million increase included launch of new customer programs, higher volumes on customer

# Gross Profit and Margin

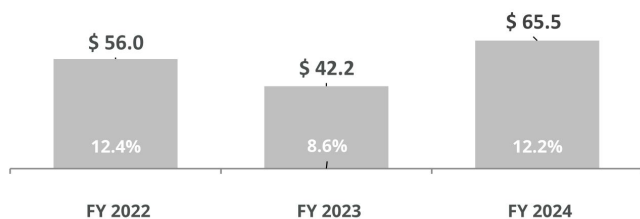


(\$ in millions; narrative compared with prior-year period unless otherwise noted)

## QUARTERS



## YEARS



## Q4 FY24

- \$6.3 million, or 370 bps, improvement
  - Price improvement
  - Higher volume
  - Lower raw material costs
- Offsets included increases related to:
  - \$2.1 million in Mexico for wages (mandatory increase)
  - \$1.7 million incentive comp
  - \$1.1 million in warranty costs
  - \$1.0 million in freight for new programs
  - \$0.7 million FX

## FY 2024

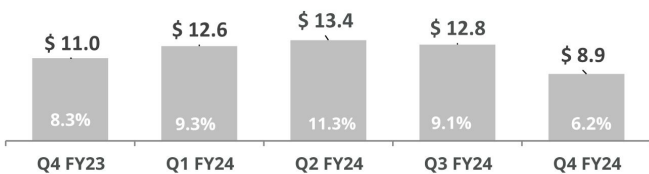
- \$23.3 million increase, or 360 bps expansion
  - Higher sales volume and pricing
  - 130 bps related to \$9.7 million in one-time retroactive pricing after factoring in \$1.7 million of higher prices paid to suppliers
  - More than offset labor inflation, higher warranty costs and FX headwinds

# Engineering, Selling & Admin Expenses (ES&A)

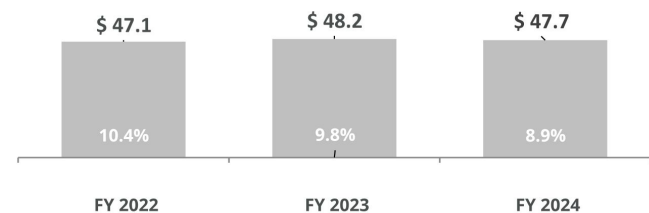


*(\$ in millions; narrative compared with prior-year period unless otherwise noted)*

## QUARTERS



## YEARS



### Q4 FY24

- ES&A as % of sales improved 220 bps to 6.2% of sales
- Includes benefit of \$3.2 million in incremental non-recurring engineering ("NRE") reimbursement related to large project
- Offset by \$1.1 million increasing annual incentive bonus plan

### FY 2024

- Improved \$0.5 million
- \$3.2 million incremental NRE reimbursement helped to offset:
  - \$1.9 million in incentive compensation vs. nothing in prior year
  - \$1.0 million for CEO transition

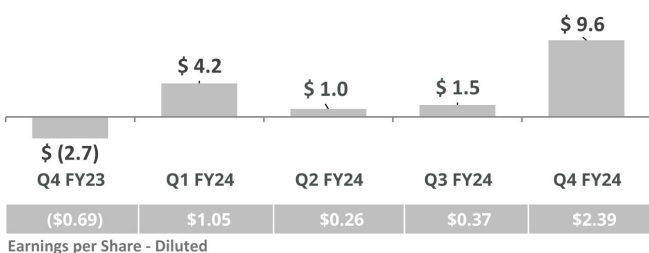


# Net Income and EPS



*(\$ in millions except earnings per share data; narrative compared with prior-year period unless otherwise noted)*

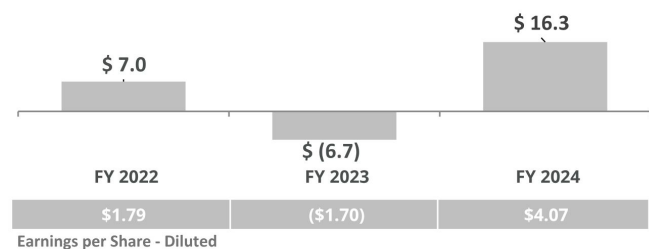
## QUARTERS



## Q4 FY24

- Incremental non-recurring engineering reimbursement provided \$2.5 million after tax, or \$0.62 per diluted share for the quarter and the year
- FX gains results in Other income of \$2.0 million compared with \$1.1 million loss in prior year

## YEARS



## FY 2024

- One time pricing and non-recurring engineering reimbursement benefits contributed \$7.7 million, or \$1.92 per diluted share
- FY24 effective tax rate of 18.7%

# Strong Balance Sheet with Improved Cash Flow



(\$ in millions; narrative compared with prior-year period unless otherwise noted)

CAPITALIZATION		
	June 30, 2024	July 2, 2023
Cash and cash equivalents	\$ 25.4	\$ 20.6
Total debt	13.0	13.0
Stockholders' equity	225.6	211.0
<b>Total capitalization</b>	<b>\$ 238.6</b>	<b>\$ 224.0</b>
Debt / total capitalization	5.4%	5.8%

	TWELVE MONTHS ENDED	
	June 30, 2024	July 2, 2023
Net cash provided by operating activities	\$ 12.3	\$ 10.1
CapEx	(9.8)	(17.4)
Free cash flow (FCF) <sup>(1)</sup>	<b>\$ 2.5</b>	<b>\$ (7.3)</b>

## Financial flexibility

- \$25.4 million in cash
- \$40 million revolver with no borrowings
- \$13 million on JV revolver at ~6.8% in 2024 (ADAC-STRATTEC)

## \$2.2 million increase in operating cash flow

- Improved operating performance
- Lower net working capital

## FY 2025 CapEx expectations

- ~\$15 million
- Supports new product programs and general equipment maintenance



(1) Free cash flow is a non-GAAP metric defined as cash flow from operations less capital expenditures (CapEx).



-  Strengthened governance and leadership focused on modernizing operations, upgrading IT systems and developing a strategy to drive growth
-  Solid business with reputation of innovation and strong market positions with broad customer base
-  Relevant engineered technologies designed into several leading vehicle models creating solution stickiness with customers
-  Strong balance sheet to support investment
-  Untapped potential provides opportunity to improve position and deliver sustainable, profitable growth



Nasdaq: STRT

# Sidoti Small Cap Conference

*September 18, 2024*

**Investor Relations Contact:**

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# Leadership Team

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**Jennifer L. Slater**  
PRESIDENT AND  
CHIEF EXECUTIVE OFFICER



**Rolando J. Guillot**  
SENIOR VICE PRESIDENT  
CHIEF OPERATIONS OFFICERS



**Dennis P. Bowe**  
VICE PRESIDENT  
CHIEF FINANCIAL OFFICER



**Richard P. Messina**  
VICE PRESIDENT  
CHIEF TECHNOLOGY OFFICER





## OEM Manufacturers - Passenger Vehicles



## OEM Manufacturers - Commercial Vehicles



## Tier 1 System Suppliers

