



# Q1 FY2026 Financial Results Conference Call

*October 30, 2025*

Nasdaq: STRT

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# Safe Harbor Statement



## Safe Harbor Statement

Certain statements contained in this presentation 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 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, the impact of U.S. trade policies, tariffs and reactions to the same from foreign countries on costs and customer demand, 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. 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 presentation 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 presentation. 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.

## Use of Non-GAAP Financial Metrics and Additional Financial Information

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, Strattec provides Adjusted Non-GAAP information as additional information for its operating results. References to Adjusted Non-GAAP information are to non-GAAP financial measures. These measures are not required by, in accordance with, or an alternative for, GAAP and may be different from similarly titled non-GAAP financial measures used by other companies. Strattec’s management uses these measures to make strategic decisions, establish budget plans and forecasts, identify trends affecting Strattec’s business, and evaluate performance. Management believes that providing these non-GAAP financial measures to investors, as a supplement to GAAP financial measures, will help investors evaluate Strattec’s core operating and financial performance and business trends consistent with how management evaluates such performance and trends. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

The Company has provided reconciliations of comparable GAAP to non-GAAP measures in the supplemental slides of this presentation.

# Strattec Q1 FY2026

## Quarter and Fiscal Year Highlights

**OPERATIONAL CASH FLOW:** Generated \$11.3 million in Q1 FY26

- Ended the quarter with \$90.5 million in cash on hand

**REVENUE GROWTH:** Primarily driven by higher demand on current platforms, accretive pricing, favorable sales mix and net new program launches

- Q1 FY26 revenue up \$13.3 million, or 9.6%, to \$152.4 million

**PROFITABILITY:** Pricing actions, restructuring savings, and higher production volume drive improved margins

- Achieved 17.3% gross margin, a 370 bps improvement

**DELIVERING RESULTS FROM TRANSFORMATION PROGRESS:**

- Continued execution of business transformation initiatives focused on automation, process simplification, and margin enhancement
- Restructuring actions in Mexico expected to generate ~\$1 million in annualized savings beginning in the latter half of Q2 FY26.

# Transformation: Driving Operational Improvements



## EXECUTE PLAN TO DELIVER VALUE

- Continue to streamline operations, including recent Mexico restructuring expected to deliver ~\$1 million in annualized savings
- Strengthen operational discipline and simplify processes to sustain margin expansion

## TALENT AND COST MANAGEMENT

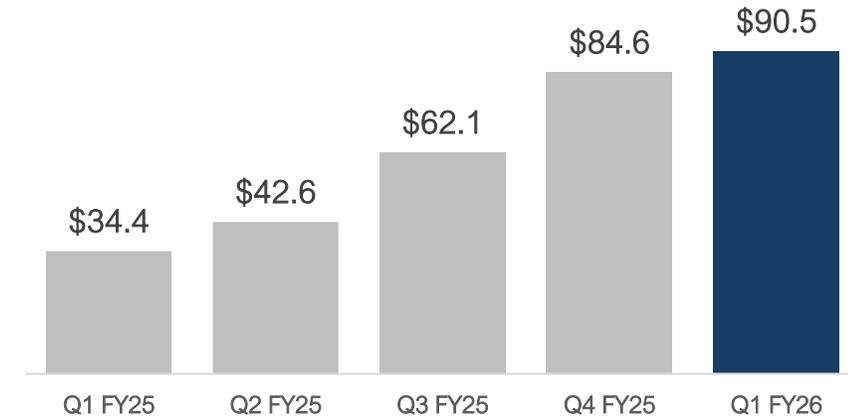
- Adding capabilities and technical depth in **operations**, **finance**, and **commercial** functions to support the transformation effort

## REFINE AND ENHANCE PRODUCT PORTFOLIO

- Actively engaged on proposals for 2029 model years and beyond
- Developing relationships with other North American vehicle manufacturers

## CASH CUSHION FOR CHALLENGING TIMES

(\$ in millions)



- Margin expansion and disciplined working-capital management drove \$11.3 million in operating cash flow
- \$90.5 million cash balance and minimal debt provide capacity to invest in organic growth and transformation initiatives
- New \$40 million revolving credit facility extended to 2028 enhances financial flexibility and liquidity

# Strong Customer Relationships & Diverse Products

(\$ in millions)



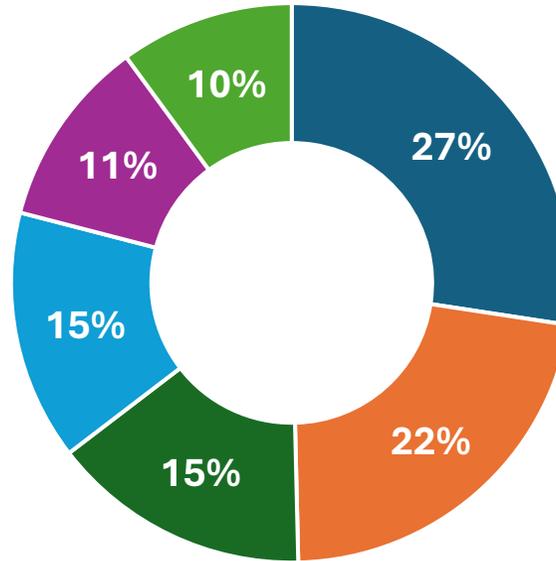
## Q1 FY26 NET SALES GROWTH



Q1 FY26 net sales up \$13.3 million, or 9.6%

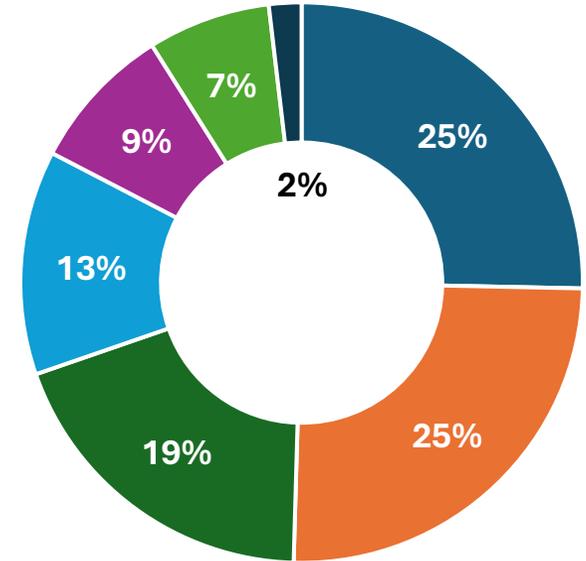
- + \$4.3 higher demand on existing platforms
- + \$3.9 million of pricing benefits
- + \$3.0 million favorable sales mix
- + \$2.1 million net new program launches

## Q1 FY26 SALES BY CUSTOMER



- GM
- Ford
- Tier 1
- Stellantis
- Com'l & Other
- Hyundai/Kia

## Q1 FY26 SALES BY PRODUCT



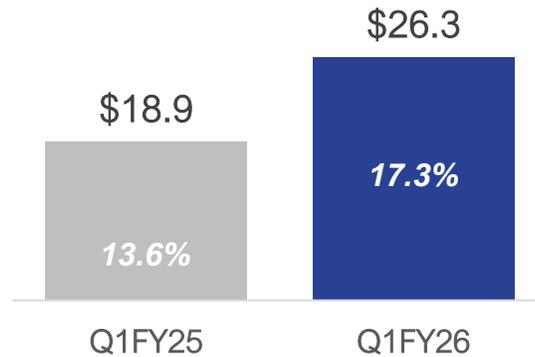
- Door Handles
- Power Access
- Keys & Locksets
- Latches
- User Interface Controls
- Aftermarket
- Other

# Expanding Gross Margin and Managing SAE<sup>(1)</sup>



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

## GROSS PROFIT & MARGIN



## Q1 FY26 gross margin expanded 370 basis points y/y

- + Pricing actions, higher production volume, and restructuring savings drove improvement
- + \$1.3 million in restructuring savings contributed to efficiency gains and offset cost inflation
- + Favorable volume leverage and operational discipline continued to support margin expansion, partially offset by:
  - \$1.1 million in higher labor costs in Mexico
  - \$0.5 million FX headwind

## SAE & % OF SALES



## SAE<sup>(1)</sup> expenses increased \$2.0 million to \$15.9 million, or 10.4% of sales, compared with 10.0% in the prior-year period

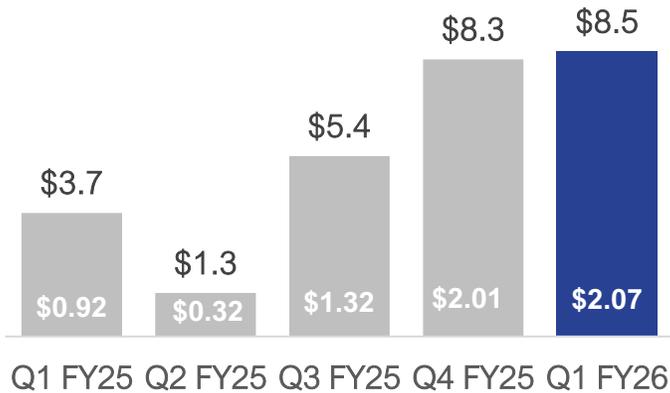
- \$0.5 million increase in equity compensation costs
- \$0.9 million investment in talent
- \$0.4 million in business-transformation costs
- Partially offset by \$0.8 million lower executive transition costs

# Enhanced Earnings Power



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

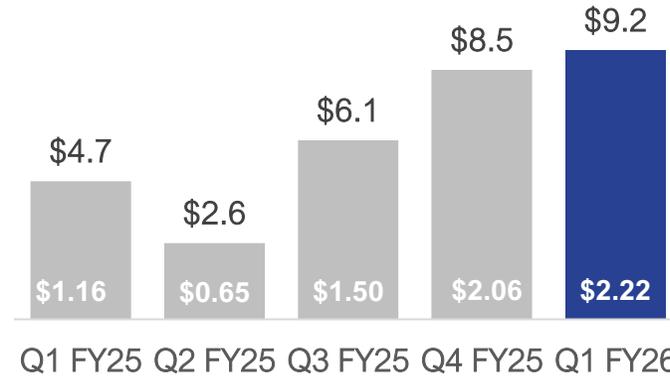
## NET INCOME<sup>(1)</sup> (QTR)



Net Income<sup>(1)</sup> up 130% y/y

- Reflects margin expansion and cost management

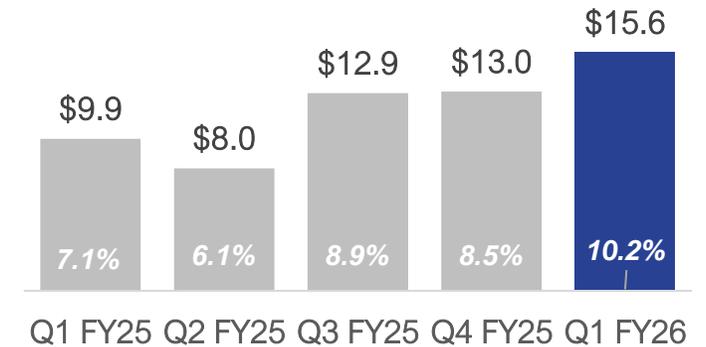
## ADJ. NET INCOME<sup>(2)</sup> (QTR)



Adj. EPS<sup>(2)</sup> grew 91% y/y

- Reflects continued margin expansion and cost-discipline progress

## ADJ. EBITDA<sup>(2)</sup> & MARGIN (QTR)



Adj. EBITDA<sup>(2)</sup> margin expanded 310 basis points y/y

- Up \$5.7million over prior-year, driven by pricing, volume and efficiency gains

<sup>(1)</sup> Net Income Attributable to Strattec

<sup>(2)</sup> Adjusted Net Income Attributable to Strattec, Adjusted Diluted Earnings per Share, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Refer to the reconciliation of GAAP to non-GAAP metrics in the supplemental tables of this presentation.

# Strong Cash Generation & Capital Flexibility



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

CAPITALIZATION		
	June 29, 2025	September 28, 2025
Cash and cash equivalents	\$ 84.6	\$ 90.5
Total debt	8.0	5.0
Shareholders' equity	246.4	255.8
<b>Total capitalization</b>	<b>\$ 254.4</b>	<b>\$ 260.8</b>
Debt / total capitalization	3.1%	1.9%

CASH FLOW			
	Q1 FY 2025	Q4 FY 2025	Q1 FY 2026
Cash from operations	\$ 11.3	\$ 30.2	\$ 11.3
CapEX	2.1	(3.0)	(1.5)
<b>Free cash flow (FCF)<sup>(1)</sup></b>	<b>\$9.2</b>	<b>\$ 27.3</b>	<b>\$ 9.8</b>

## Cash flow from operations of \$11.3 million

- Continued strong cash earnings and disciplined working-capital management
- Quarter-end cash balance of \$90.5 million, up from \$84.6 million at end of Q4 FY25
- Total debt reduced to \$5.0 million, reflecting continued reductions on joint venture credit facility

## Enhanced financial flexibility

- New \$40 million revolving credit facility signed October 2025; maturity extended to 2028 (SOFR +1.50%)
- Provides ample liquidity to fund operations, transformation, and growth initiatives

## Capital priorities

- Support organic growth and new customer programs
- Continue investing in automation and process modernization
- Maintain balance-sheet strength and preserve flexibility amid variable industry conditions
- Initiate M&A considerations

# Near-term Headwinds, Outlook, & Strategic Initiatives

*(as of October 30, 2025)*

## REVENUE: Supply chain expected to impact Q2 FY26

- Aluminum fire and semiconductor chip shortage constrains production in the quarter and possibly into Q3 FY26
- Sales linked to OEM production rates and U.S. SAAR

## MARGINS: Headwinds with industry disruption for Q2 FY26

- Recent actions to help weather short-term storm
- Once clarity from customers will take necessary actions
- Long term goal remains 18% to 20% gross margin

## CASH GENERATION: Normalized

- Q1 FY2026 cash from operations approximates a normalized run rate

## ADVANCING TRANSFORMATION

- Focusing on new platform launches for 2029 model year and beyond
- Modernization actions in production processes
- Initiating sale/leaseback approach with Milwaukee facility



# Q1 FY2026 Financial Results

*Supplemental Slides*

# Reconciliation of GAAP to Non-GAAP Financial Measures



(\$ in thousands)

	Fiscal 2025					Fiscal 2026				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>NET SALES:</b>										
Net Sales (GAAP)	139,052	129,919	144,082	152,013	\$ 565,066	152,399				\$ 152,399
Adjustments:										
Retroactive FY23 one-time pricing recovery	-	-	-	-	-	-	-	-	-	-
Adjusted Sales (Non-GAAP)	139,052	129,919	144,082	152,013	565,066	152,399	-	-	-	152,399
<b>ADJUSTED EBITDA:</b>										
Net income attributable to Strattec (GAAP)	\$ 3,703	\$ 1,319	\$ 5,396	\$ 8,267	\$ 18,685	\$ 8,529				\$ 8,529
Net income (loss) attributable to non-controlling interest	45	79	315	(205)	234	8				8
Income tax expense	1,498	405	1,644	2,170	5,717	2,356				2,356
Other (income) expense, net	(129)	482	16	(1,189)	(820)	275				275
Interest income	(349)	(408)	(529)	(753)	(2,039)	(877)				(877)
Interest expense	295	257	243	212	1,007	156				156
Income from operations	5,063	2,134	7,085	8,502	22,784	10,447	-	-	-	10,447
Adjustments:										
Depreciation	3,662	3,544	3,746	3,812	\$ 14,764	3,785				\$ 3,785
Non-cash stock-based compensation	188	891	760	887	2,726	669				669
Restructuring and similar charges	-	265	809	(676)	398	-				-
Executive transition costs	941	921	214	(17)	2,058	136				136
Business transformation costs	74	215	259	479	1,027	514				514
	4,865	5,836	5,788	4,485	20,974	5,104	-	-	-	5,104
Adjusted EBITDA (Non-GAAP)	\$ 9,928	\$ 7,970	\$ 12,873	\$ 12,987	\$ 43,758	\$ 15,551	\$ -	\$ -	\$ -	\$ 15,551
Adjusted EBITDA as a % of Net Sales	7.1%	6.1%	8.9%	8.5%	7.7%	10.2%				10.2%

# Reconciliation of GAAP to Non-GAAP Financial Measures



(\$ in thousands, except per share data)

	Fiscal 2025					Fiscal 2026				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>ADJUSTED NET INCOME AND EARNINGS/(LOSS) PER SHARE:</b>										
Net income attributable to Strattec (GAAP)	\$ 3,703	\$ 1,319	\$ 5,396	\$ 8,267	\$ 18,685	\$ 8,529				\$ 8,529
Adjustments:										
Restructuring and similar charges	-	265	809	(676)	398	570				570
Executive transition costs	1,224	1,225	214	115	2,778	136				136
Business transformation costs	74	215	259	479	1,027	514				514
Non-controlling interest impact on above adjustments	-	-	(160)	160	-	(196)				(196)
Tax effect on above adjustments	(292)	(384)	(376)	107	(945)	(383)				(383)
	1,006	1,321	746	185	3,258	641	-	-	-	641
Adjusted Net Income/(Loss) attributable to Strattec (Non-GAAP)	\$ 4,709	\$ 2,640	\$ 6,142	\$ 8,452	\$ 21,943	\$ 9,170	\$ -	\$ -	\$ -	\$ 9,170
Weighted Average Basic Shares Outstanding	4,005	4,035	4,039	4,039	4,030	4,054				4,054
Weighted Average Diluted Shares Outstanding	4,046	4,070	4,085	4,105	4,076	4,127				4,127
Diluted earnings per share (GAAP)	\$ 0.92	\$ 0.32	\$ 1.32	\$ 2.01	\$ 4.58	\$ 2.07				\$ 2.07
Adjusted earnings/(loss) per share (Non-GAAP)	\$ 1.16	\$ 0.65	\$ 1.50	\$ 2.06	\$ 5.38	\$ 2.22				\$ 2.22



# Q1 FY2026 Financial Results

*October 30, 2025*

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