



***Sidoti & Company
LLC EMERGING GROWTH
INSTITUTIONAL INVESTOR FORUM***

January 12, 2015



VEHICLE ACCESS SYSTEMS TECHNOLOGY



WITTE • STRATTEC • ADAC

Patrick J. Hansen

Senior Vice President & CFO

Disclosure for Presentation on January 12, 2015

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 January 12, 2015 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
Investor Relations
Presentations



1st Quarter, FY '15 Results

(000's except per share amounts)



	<u>September 2014</u>	<u>September 2013</u>
Net Sales	\$ 122,242	\$ 79,595
Gross Profit	\$ 28,057 23.0%	\$ 14,515 18.2%
Operating Expenses	\$ 13,187 10.8%	\$ 9,470 11.9%
Net Income	\$ 9,300	\$ 3,211
Diluted Earnings Per Share	\$ 2.55	\$.91



VEHICLE ACCESS SYSTEMS TECHNOLOGY



WITTE • STRATTEC • ADAC

- **Sales Increase Attributed to:**
 - Incremental Service Sales from General Motor = \$28 million
 - Launch of the New Kia Sedona Minivan = \$5 million
 - Remaining \$10 million Increase Related to North American Vehicle Production Growth and Product Growth in Latches, Driver Controls and Door Handle Components
- **Margin Improvement Attributed to:**
 - Favorable Product Sales Mix (primarily service sales)
 - Offset by New Product Launch Costs and Higher Bonus Provisions

- Based on current customer orders we anticipate approximately \$100 - 102 million in sales in our second quarter compared to \$81.5 million in the prior year quarter.
- Capital spending will be in the \$20 – 21 million range during fiscal year 2015 compared to \$13 million in prior fiscal years. Increased capital spending to purchase 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 2015 of \$3.0 million which is consistent with fiscal 2014.

	June 30	June 30
	<u>2014</u>	<u>2013</u>
Plan Benefit Obligation	\$97.4	\$89.9
Plan Assets	<u>\$104.3</u>	<u>\$90.4</u>
Over Funded Status	\$6.9	\$.5

- The Company is in the process of implementing a full plan termination that could take 18-24 months to complete.
- As of September 28, 2014, the Company had in excess of \$22 million of cash or \$6/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 \$4.0 million.

Frank J. Krejci

(CRAY' CHEE)

President & CEO

- 1908 – Briggs & Stratton Founded
- 1995 – STRATTEC Spinoff
- 2000 – VAST Alliance Formed
- 2001 – VAST China Purchased
- 2007 – ASDM – Joint Venture Formed
- 2008 – Power Access Purchased from Delphi
- 2011 – STRATTEC Component Solutions Formed
- 2013 – NEXTLOCK Acquisition



Engines



Swan



Locks



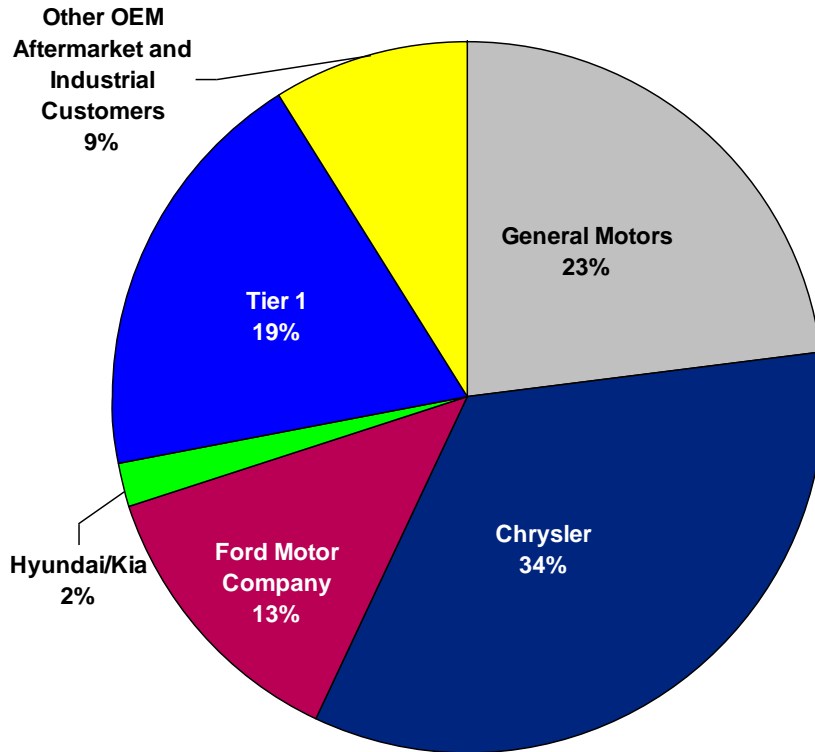
Ugly Duckling

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

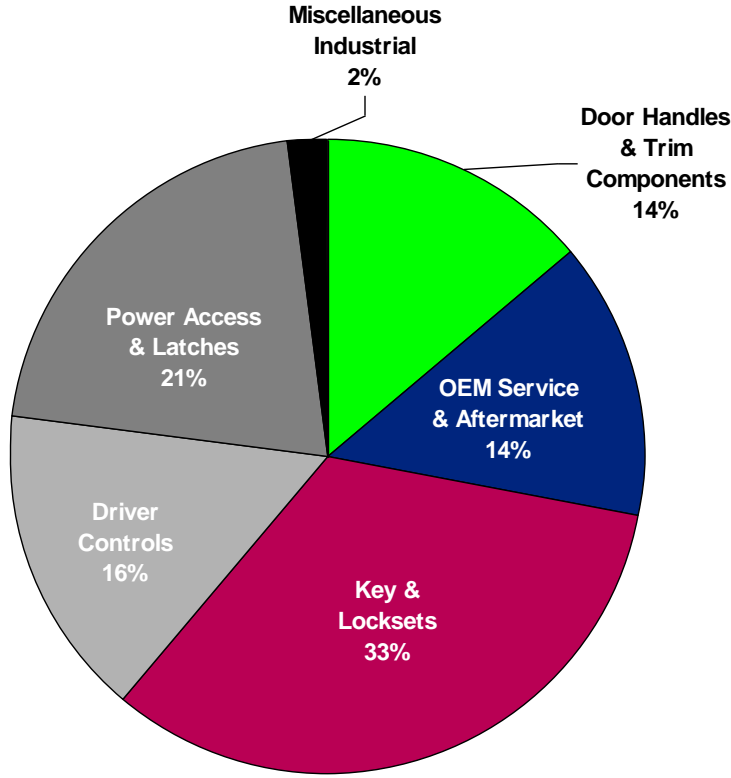
Juarez, Mexico - 2,890 Employees
3 Facilities – Assembly, Key Finishing
& Plastic Injection Molding

El Paso, Texas - 30 Employees
Distribution

Troy, Michigan - 60 Employees
Sales and Engineering



Fiscal Year 2014
Net Sales = \$348 million



Fiscal Year 2014
Net Sales = \$348 million

PRE-VAST

Keys & Locksets

- Mechanical keys
- Mechanical keys w/ electronic security enhancements
- Ignition locks
- Door locks
- Rear compartment locks
- Glove box locks
- Accessory locks

Driver Controls

- Steering column mounted ignition lock housings

Miscellaneous Industrial

- Zinc die-castings

VAST

All the products in place PRE-VAST, plus

Keys & Locksets

- Electro-mechanical entry keys w/remote entry electronics
- Bladeless electronic keys
- Electronic remote entry key fobs
- Codeable locks
- Biometric locks

Driver Controls

- Instrument panel mounted ignition lock housings
- Instrument panel docking receivers for bladeless electronic keys
- Instrument panel "Push to Start" ignition switches for passive security systems

Latches

- Rear compartment (tailgate, liftgate, trunk lid)
- Seat Back

Power Access

- Power sliding side door systems
- Power liftgate
- Power trunk lid
- Power cinching latches & strikers
- Electronic control modules

Door Handles & Functional Exterior Trim

- Inside and outside handles
- Outside handle chassis
- Rear license plate light bars with park assist cameras and/or concealed switches for releasing rear compartment latches

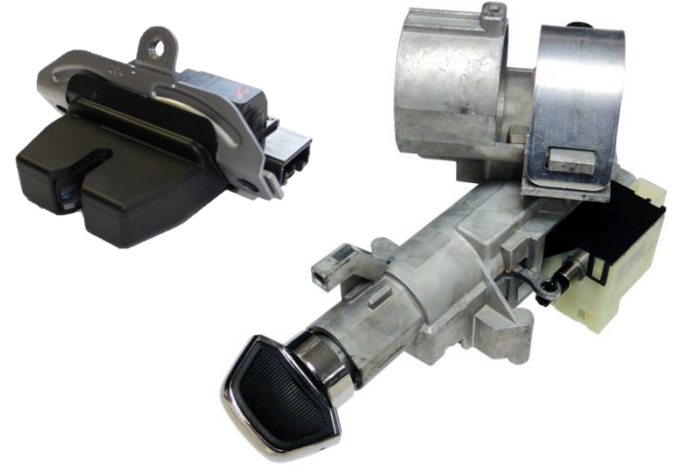
Miscellaneous Industrial

- **i-Guard** electronic vehicular access systems



Products Portfolio

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



- **AWARD**
 - Ford Rotunda Supplier of the Year in Service



- **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)

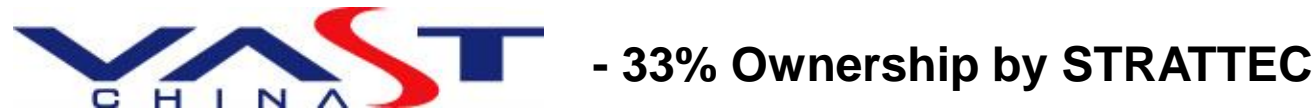
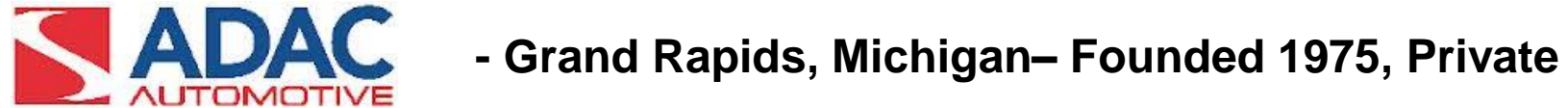
- **Growth Initiatives**

- Door Handles – both in China and Mexico
- 3rd Mexican Plant
- Expansion of Sales/Engineering Tech Center in Michigan
- Dealer Direct – Cut Key Program with Hyundai/Kia



Vehicle **A**ccess **S**ystems **T**echnology





- \$1.3 billion + sales
- 12 Manufacturing sites
- 12 Engineering Centers
- Employment over 8,700



Passenger Vehicle Manufacturers



Commercial Vehicle Manufacturers



System Suppliers

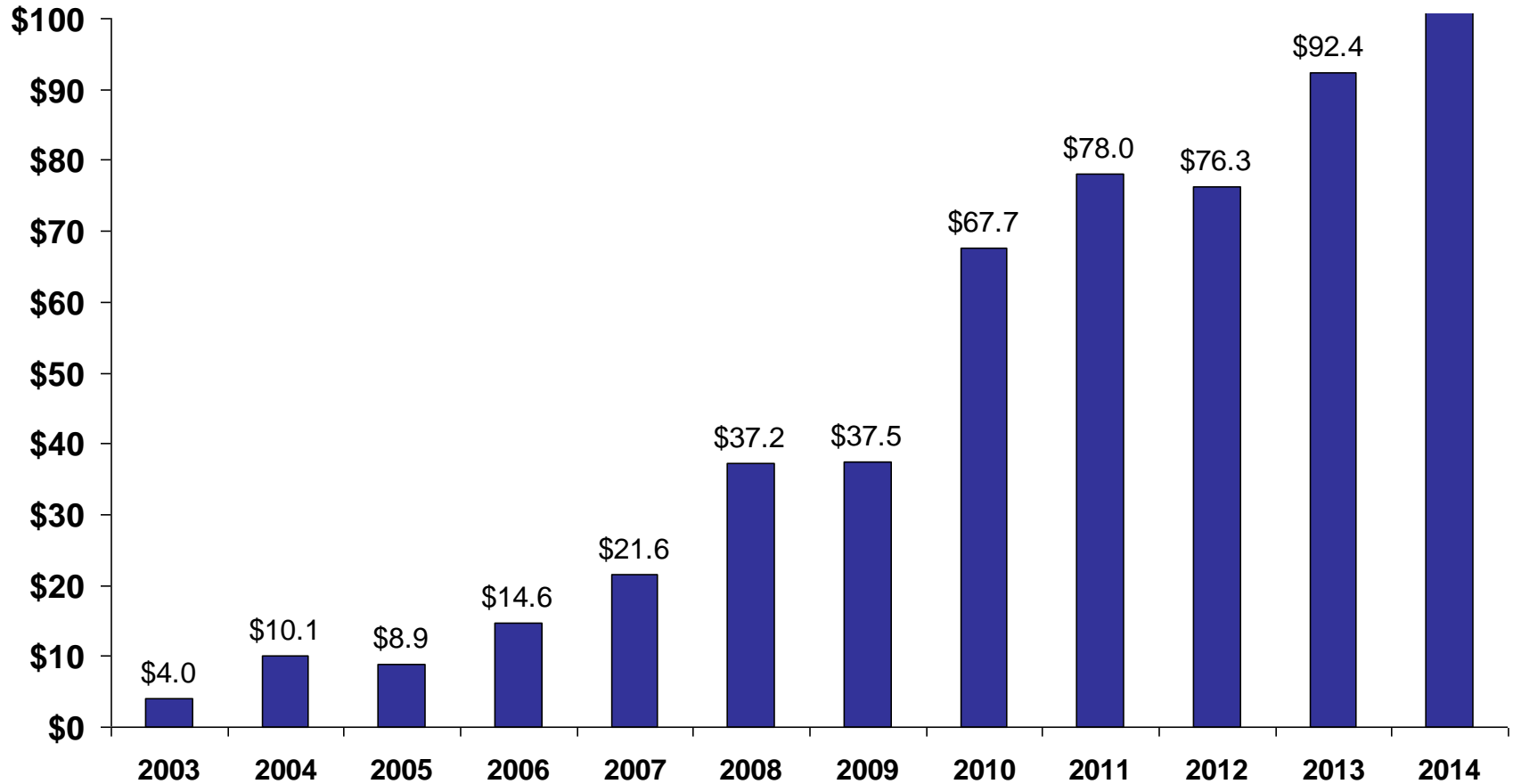


**150,000 sq. ft. manufacturing facility in Taicang, China.
Second facility in Fuzhou.**



In Millions
Of US Dollars

Sales Growth



Fiscal Year Ending June

Diversification





Precision Zinc Die Casting

Also:

Plating

Stamping

Assembly

**Residential
& Hospitality**



**Instant
Prototype Kit**



**Home Automation &
Ultimately Automotive**



**Office & High
Security**

- Chrysler Supplier of the Year – Electronic Products
- Ford Rotunda Supplier of the Year
- National Wellness Award from United Health Care – 3rd Year in a Row
- Fully Funded Pension as of June 30, 2014
- Record Sales and Employee Bonuses for Fiscal Year 2014
- Added to Russell 2000 in July 2014
 - Index up 2%
 - STRATTEC up 17%
- #1 Performing Stock in Wisconsin Last 12 Months

STRATTEC VALUE CREATION

Market Value at 1995 Spin Off:	\$68 Million
-Stock Repurchases(Avg Price: \$37.32):	\$137 Million
-Dividends:	\$17 Million
-Current Market Value (\$75.00 share price):	<u>\$274 Million</u>
Total Return to Shareholders:	\$428 Million
Value Creation:	\$360 Million

8.5% Compounded rate of return over 20 years

STRATTEC

Fiscal Year 30-Jun	SALES \$ Millions	EPS	EVA \$000	Stock Price	
				Low	High
2009	\$126	-\$1.86	(\$13,742)	\$6	\$38
2010	\$208	\$1.04	(\$4,929)	\$13	\$28
2011	\$261	\$1.63	(\$3,719)	\$20	\$38
2012	\$279	\$2.64	\$579	\$19	\$27
2013	\$298	\$2.72	\$2,597	\$20	\$42
2014	\$348	\$4.59	\$6,313	\$35	\$78
2015 1st qtr	\$122	\$2.55	\$6,634	\$64	\$109

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

Questions?



***Sidoti & Company
LLC EMERGING GROWTH
INSTITUTIONAL INVESTOR FORUM***

January 12, 2015



VEHICLE ACCESS SYSTEMS TECHNOLOGY



WITTE • STRATTEC • ADAC