

STRATTEC™

LD Micro Invitational XV

April 10, 2025

Nasdaq: STRT

Jennifer Slater President and CEO

Matthew Pauli Senior Vice President and CFO

www.strattec.com

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, uncertainties stemming from U.S. trade policies, tariffs and reactions to same from foreign countries, the volume and scope of product returns, 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 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 non-GAAP financial measures used by other companies. STRATTEC’s management uses these measures for reviewing the financial results of STRATTEC for budget planning purposes and for making operational and financial decisions. Management believes that providing these non-GAAP financial measures to investors, as a supplement to GAAP financial measures, help investors evaluate STRATTEC’s core operating and financial performance and business trends consistent with how management evaluates such performance and trends. Additionally, management believes these measures facilitate comparisons with the core operating and financial results and business trends of competitors and other companies.

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

Leader in Smart Vehicle Access, Security and Authorization Solutions

Nasdaq: STRT

Founded: 1908

Public: 1995

Headquarters: Milwaukee, WI

Market Capitalization: \$171M

Recent Closing Price: \$39.48

52-week High/Low: \$51.52 / \$21.50

Shares Outstanding: 4.3M

Institutional Ownership: 65%

Insider Ownership: 5%

Market data as of market close April 1, 2025

Delivering Innovative, Comprehensive Range of Solutions to the Automotive Industry



Three Platform Solutions



SECURITY & AUTHORIZATION



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



Door handles



SELECT USER INTERFACE CONTROLS

Steering Wheel
Switches



Electronic Shifter
Modules



Transmission Paddle
Shifters

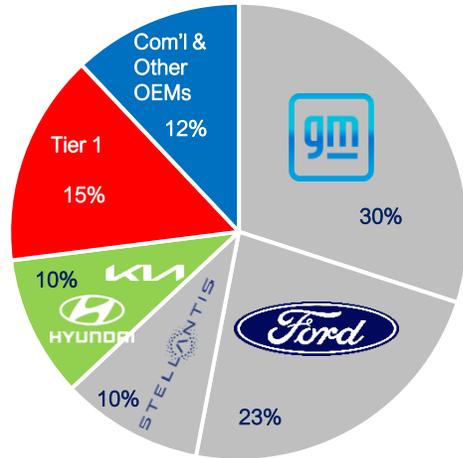


Leading Capabilities & Low-cost Manufacturing

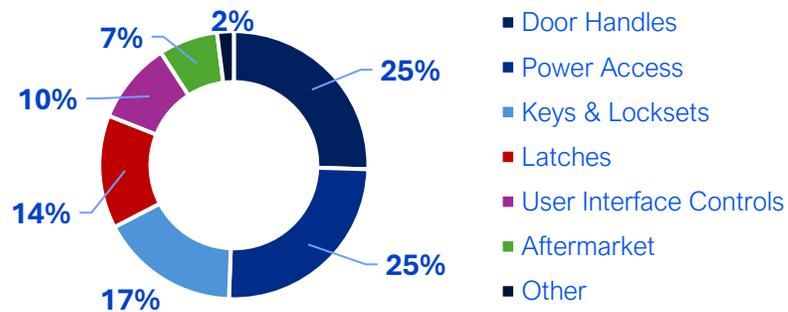


Q2 FY25 TTM REVENUE: \$548.8M

TTM Sales By Customer



TTM Sales By Product



Milwaukee, WI

- STRATTEC HQ
- Sales
- Engineering
- Testing
- Manufacturing
 - Die cast
 - Stamping
 - Plating

Auburn Hills, MI

- Sales
- Engineering
- Program Management
- Prototype Development
- Testing

El Paso, TX

- Distribution

Leon, Mexico

- Injection Molding
- Door Handle Mfg and Painting

Juarez, Mexico (3 facilities)

- Engineering
- Testing
- Manufacturing
 - Assembly
 - PCBA
 - Injection Mold

Core Capabilities

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



Transforming STRATTEC



- Reinvigorating talent to affect change
- Introducing a performance culture to instill accountability, ownership and urgency
- Driving process improvement to drive margin expansion
- Rationalizing footprint and reducing headcount to simplify organization
- Evaluating product portfolio to drive sustainable, profitable future
- Modernizing infrastructure and implementing best-in-class processes to improve execution
- Leveraging engineering expertise and enduring customer relationships to define the future

Bringing on New Talent to Accelerate Change



Matthew Pauli
SVP, Chief Financial Officer



Chey Becker-Varto
Chief Commercial Officer



Linda Redmann
Chief People Officer

Making Rapid Progress...More to be Done



Building the Team

- Investing in upgrading talent and enhanced leadership
- Adding additional talent – VP Supply Chain Management
- Increasing accountability and sense of urgency
- Driving change



Driving to Operational Excellence

- Announced listing of Milwaukee facility for economic analysis
- Reduced from three shifts to two shifts for \$1.2 million in annualized savings
- Adopted 10-hour, 4-day work week



Creating Revenue Opportunities

- Captured \$8 million in annualized pricing to start in Q3FY25
- Advancing strategic product portfolio review
- Create brand recognition
- Differentiate from the competition



Developing Modernization Plan

- Upgrade equipment
- Right size business offices
- Implement information systems to better capture data for analysis
- Implement systems for supply chain, production, transportation, customer interface

Transforming STRATTEC

Financial Review

Managing through the tariff turmoil

Gears in Motion: Financial Priorities



-  Drive working capital velocity and B/S strength
-  Establish processes for reporting and analysis
-  Integrate SaaS into financial reporting processes
-  Drive operating leverage
-  Manage JV to strengthen performance
-  Execute on tariff mitigation plans

STRATTEC Q2 FY2025

Highlights

OPERATIONAL CASH FLOW: Generated \$9.4 million in Q2

- YTD cash from operations of \$20.8 million

REVENUE GROWTH: up \$11.4 million to \$129.9 million

- Driven by increased customer demand for higher value products
- Boosted by successful new program launches

PROFITABILITY: Delivered adj. EBITDA of \$8.0 million (6.1% of sales)

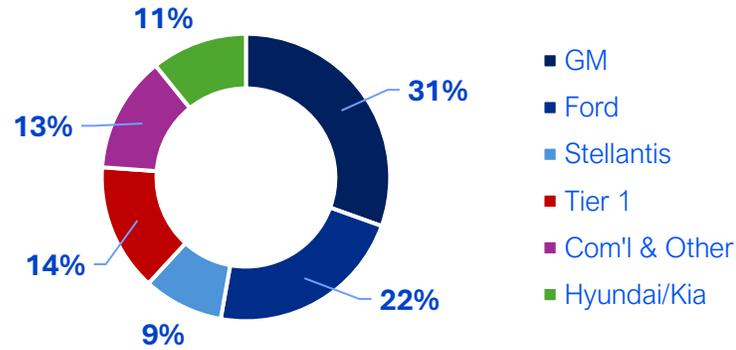
- Up from \$5.0 million (4.3% of sales) in Q2 FY24

Q2 FY25 Sales Increased 9.6% Y/Y



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

Q2 FY25 SALES BY CUSTOMER



- Kia drove 21% increase to meet production plans (power access)
- Ford up 18% driven by new latch programs on pickups and higher product value
- GM up 9% with increased demand across product categories for SUV/truck volume growth

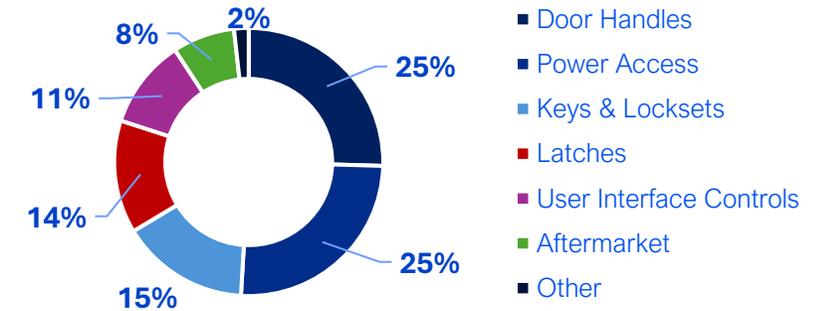
NET SALES



Net sales up \$11.4 million

- \$5.9 million of net new program launches and \$1.3 million of favorable mix
- \$7.4 million due to higher production volumes on existing platforms
- Offset by a year-over year change in pricing from one-time benefit in prior-year period

Q2 FY25 SALES BY PRODUCT



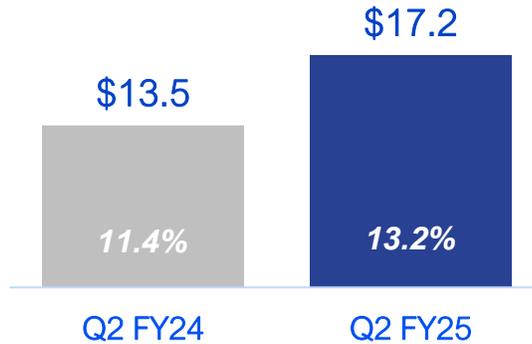
- 27% growth y/y with Power Access products on increased production levels and OEM inventory build
- Innovation/new program launches drove 20% growth in latches and User interface controls
- Keys & locksets down 19% y/y; less relevant in product portfolio

Higher Gross Profit and Margin Expansion



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

GROSS PROFIT & MARGIN (QTR)



GROSS PROFIT & MARGIN (YTD)



Gross margin expanded 180 basis points in Q2

- + Stronger US dollar
 - \$3.5 million, or 270 bps, FX benefit associated with our Mexico operations
 - Current rate of ~20 MXN peso at 5-year average
- + Operating leverage gained on volume
- + \$0.8 million reduction in depreciation expense
- \$1.4 million increase in Mexico labor costs (government mandated)
- Provisions for annual bonus expense of \$0.6 million (no provision in prior year)

YTD gross margin expanded 70 basis points

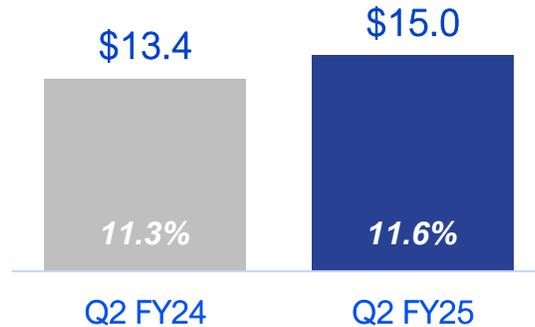
- + Stronger US dollar and higher production volumes
- Prior year included \$9.5 million of one-time retroactive pricing recovery

Strengthening Operations for Efficiency



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

ES&A⁽¹⁾ & MARGIN (QTR)



Increase in ES&A reflects transformation costs and investments in human capital

- Up \$1.6 million to 11.6% of sales
- \$0.8 million annual bonus provision (no provision in the prior year)
- \$0.3 million of incremental equity compensation expense
- \$0.2 million in business transformation costs and \$0.3 million restructuring charge

ES&A⁽¹⁾ & MARGIN (YTD)



Investments in leadership expected to deliver process efficiencies and related savings over time

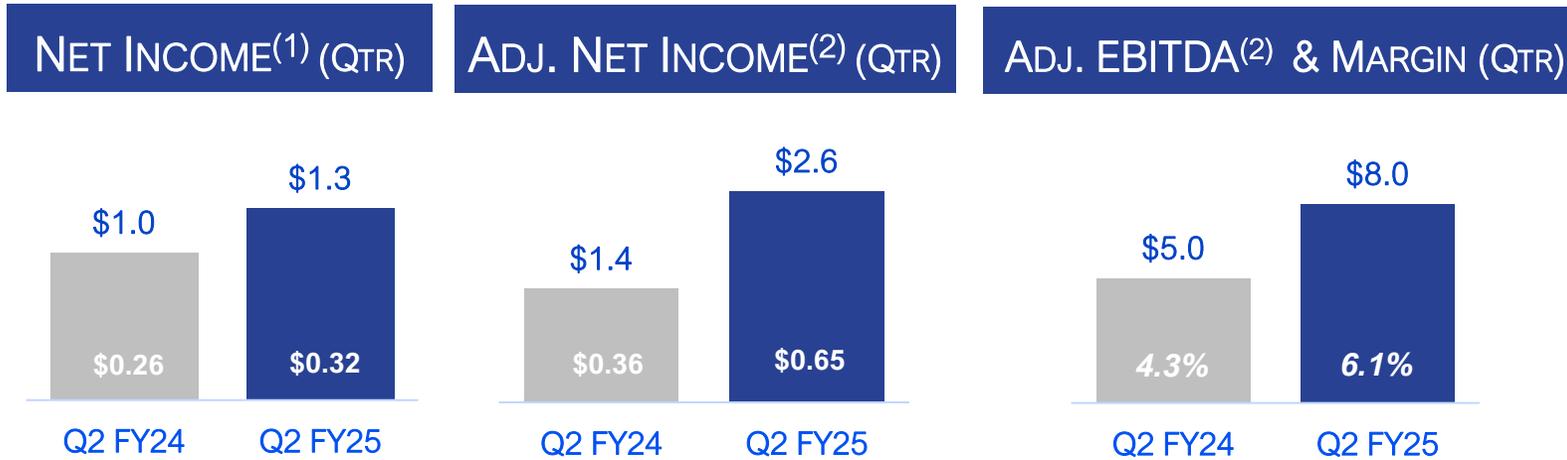
- YTD results include \$2.1 million of executive transition costs compared with \$1.0 million in prior year

⁽¹⁾ Engineering, selling and administrative expenses

Enhanced Earnings Power



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

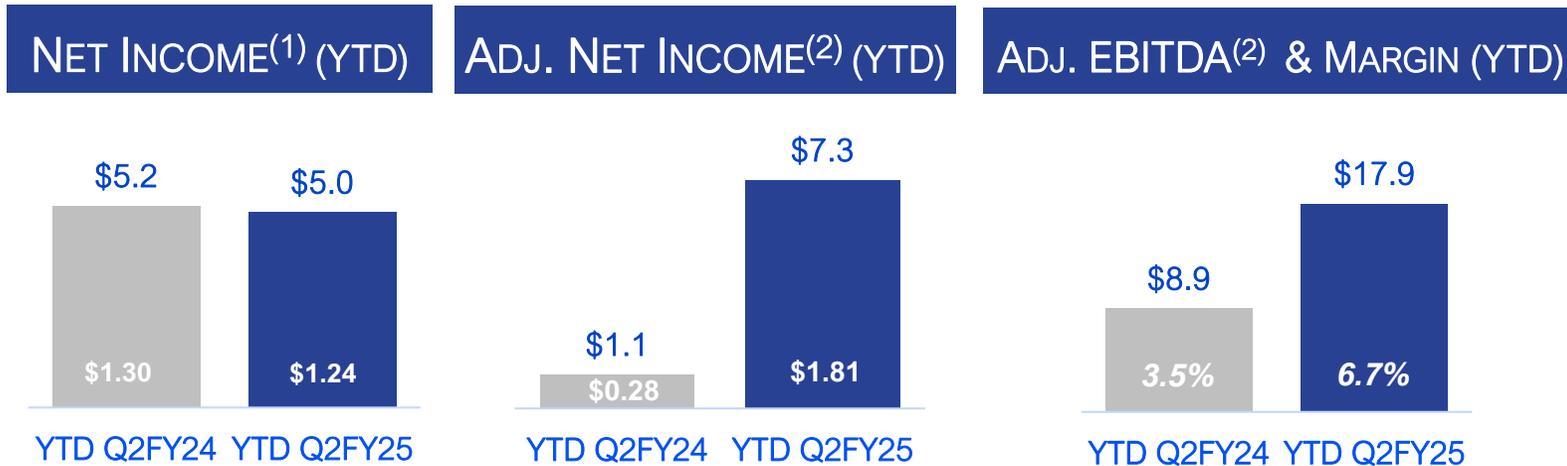


Q2 FY25 Net Income⁽¹⁾ up 29%

Q2 FY25 Adj. EPS⁽²⁾ grew 81% to \$0.65

Q2 FY25 Adj. EBITDA⁽²⁾ margin expanded 180 basis points

- Driven by higher sales volume, FX and cost management initiatives; includes impact of reinstating bonus accruals



Focused on driving sustainable margin improvement

⁽¹⁾ Net Income Attributable to STRATTEC

⁽²⁾ Adjusted Net Income, 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



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

CAPITALIZATION		
	December 29, 2024	June 30, 2024
Cash and cash equivalents	\$ 42.6	\$ 25.4
Total debt	13.0	13.0
Shareholders' equity	228.2	225.6
Total capitalization	\$ 241.2	\$ 238.6
Debt / total capitalization	5.4%	5.4%

	THREE MONTHS ENDED	
	December 29, 2024	December 31, 2023
Net cash provided by operating activities	\$ 9.4	\$ (3.0)
CapEx	(0.9)	(1.5)
Free cash flow (FCF)⁽¹⁾	\$ 8.5	\$ (4.5)

\$12.5 million increase in operating cash flow

- Improved operating performance
- Working capital efficiency improvements, primarily pre-production cost recoveries

Financial flexibility

- \$42.6 million in cash
- \$47 million available under lines of credit

FY 2025 CapEx

- Focused on new product programs and equipment replacements/upgrades for safety and productivity improvements
- Includes \$3.0 million in 1H FY25 for new product programs and upgraded equipment to improve productivity

Capital priorities

- Operational efficiencies
- Invest in productivity tools: processes, IT, people
- Organic growth initiatives: market positioning, brand and selling processes

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

STRATTEC Investment Rationale



- 1 Early stages of transformation to strengthen earnings power and competitive position
- 2 Reimagining product portfolios to drive sustainable growth
- 3 Improving operational efficiency to drive profits and consistency
- 4 Developing team and talent to execute change
- 5 Strong balance sheet to support modernization and upgrade investments

Q&A

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April 10, 2025

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2025 Vehicle List



The following cars and light trucks will be equipped with STRATTEC components during our 2025 fiscal year

Passenger Cars

Acura ZDX (EV)	Ford Focus	Chevrolet Corvette
Aston Martin Vantage *	Aston Martin DBS *	Volkswagen Jetta
Chevrolet Malibu	Cadillac CT5 *	Aston Martin Valkyrie *
Aston Martin AMR24 *	Ford Focus (Mild Hybrid EV)	Chevrolet Corvette E-Ray (Hybrid EV)
Cadillac ATS *	Aston Martin DBX *	Aston Martin Valour *
Dodge Charger (EV)	Cadillac Celestiq (EV)	Chevrolet Joy *
Aston Martin DB 12 *	Ford Mustang	
Cadillac CT4	Aston Martin Valhalla *	

Light Trucks, Vans, and Sport Utility Vehicles

Acura MDX	Hyundai Staria *	Lincoln Navigator (PH option)	Jeep Recon (EV)	Volvo Polestar 3 (EV)
Chevrolet Spin *	Buick Enclave	Chevrolet Cobalt *	Cadillac Optiq (EV)	GMC Sierra Pickup (EV)
GMC Yukon and Yukon XL	Chevrolet Trax *	Ford Ranger Pickup * (PH option)	Ford Expedition (PH option)	Volvo EX90 (EV)
Acura RDX	Jeep Commander *	Ram 1500 Classic Pickup	Jeep Wagoneer	GMC Terrain
Chevrolet Suburban	Buick Envista *	Chevrolet Colorado *	Cadillac Vistiq (EV)	Volvo Heavy Truck
Honda Odyssey	Chrysler Pacifica (PH option)	Ford Transit Connect * (PH option)	Ford Explorer (PH option)	Chevrolet Silverado (EV)
Audi Q5	Jeep Compass	Ram 1500 Pickup	Jeep Wrangler/Wrangler Unlimited (PH option)	Ford Bronco Sport
Chevrolet Tahoe	BMW X7	Chevrolet Equinox	Cadillac XT4	Jeep Meridian
Honda Passport	Chevrolet Silverado	GMC Acadia	Ford F-150 Lightning (EV)	Cadillac Lyriq (EV)
Brightdrop EV400 (EV)	Chevrolet Silverado HD Pickup	Ram HD Pickup	Cadillac XT5	Ford Escape (PH option)
Chevrolet Trail Blazer *	Dodge Durango	Chevrolet Equinox (EV)	Ford F-Series Pickup (PH option) Kia	Chevrolet S-10 *
Honda Prologue (EV)	Jeep Gladiator	GMC Canyon *	Carnival *	GMC Savana
Brightdrop EV600 (EV)	Cadillac Escalade	Ram REV Pickup (EV)	Cadillac XT6	Volkswagen Tiguan (PH option)
Chevrolet Traverse	Dodge Hornet (PH option)	Chevrolet Express Van	Ford F-Series Super Duty Pickup Lincoln	Chevrolet Seeker *
	Jeep Grand Cherokee	GMC Hummer (EV)	Aviator (PH option) Chevrolet Blazer	GMC Sierra & Sierra HD
	Cadillac Escalade IQ (EV)	Tesla Everest (EV)	Ford Maverick Pickup (PH option)	Lincoln Corsair (PH option)
	Ford Mustang Mach-E (EV)	Lincoln Navigator (PH option)		Chevrolet Blazer (EV)

* Vehicles produced outside of North America, or both in and outside North America.
EV – Electric Vehicle
PH – Plug-In Hybrid

STRATTEC

Variety of Competitors Across Product Categories:

Door Handles

Keys & Locksets

Power Access

User Interface Controls

Wireless

Latches

Aisin

Inteva

Shinchang Industry

Atech Motorsports

Kiekert

Stabilus

Brose

Magna

Tokai Rika Group

Edscha

Marquardt Group

U-Shin Ltd.

GECOM Corp

Mitsuba

Valeo

Honda Lock

Novares

HUF Group

OHI Automotive