



Q4 and Year End FY2025 Financial Results Conference Call

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Nasdaq: STRT

Jennifer Slater *President and CEO*

Matthew Pauli *Senior Vice President and CFO*

Safe Harbor Statement



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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 Q4 FY2025

Quarter and Fiscal Year Highlights

OPERATIONAL CASH FLOW:

- FY2025 cash from operations of \$71.7 million

REVENUE GROWTH:

Primarily driven by strategic pricing and higher demand

- Q4 FY25 revenue up \$9.0 million, or 6.3%, to \$152.0 million
- FY 2025 5% revenue growth reflects net new programs and higher demand

PROFITABILITY:

FX benefit, restructuring actions, pricing and higher production volume drive gross margin expansion for quarter

- FY 2025 gross margin expanded 280 basis points as favorable FX, volume and restructuring more than offset prior-year one time pricing benefit and increased wages in Mexico

DELIVERING RESULTS FROM TRANSFORMATION PROGRESS:

- FY 2025 Adjusted EBITDA margin of 7.7% expanded 220 basis points
- Still early innings of transformation to advance Strattec

Transformation: Creating Shareholder Value



EXECUTE PLAN TO DELIVER VALUE

- Simplify organization including 15% headcount reduction
- Modernize infrastructure and systems
- Implement best-in-class processes
- Strengthen operational discipline and accountability

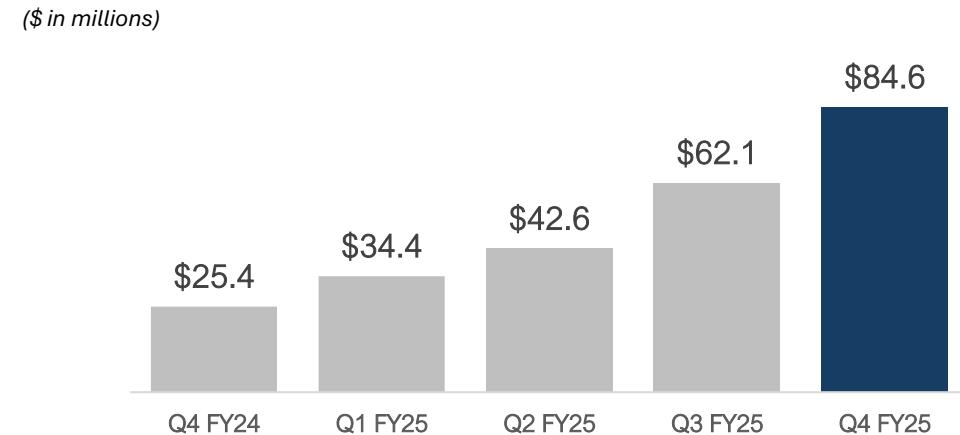
BUILD THE TEAM

- Created top-tier executive team
- Continue to improve capabilities in critical areas of business
 - ✓ Operations and supply chain
 - ✓ Finance
 - ✓ Commercial

REFINE AND ENHANCE PRODUCT PORTFOLIO

- Product focus areas: digital key and power access solutions
- Expand customer base with North America as the priority

CASH SUPPORTS TRANSFORMATION EFFORT



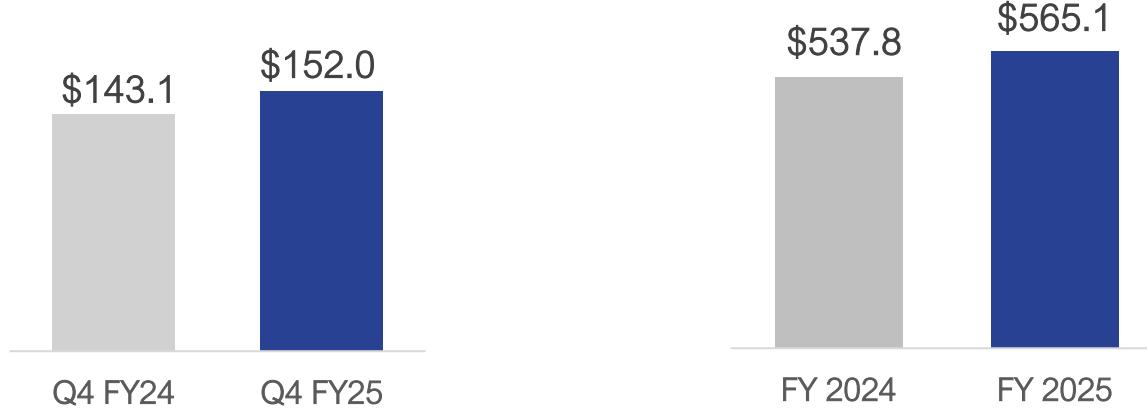
- Margin expansion and working capital improvements drove cash generation
- Cash balance enables investment in organic growth opportunities and operational initiatives
- Defensive buffer in weakening market conditions and tariff recovery lag

Strong Customer Relationships & Diverse Products

(\$ in millions)



NET SALES GROWTH



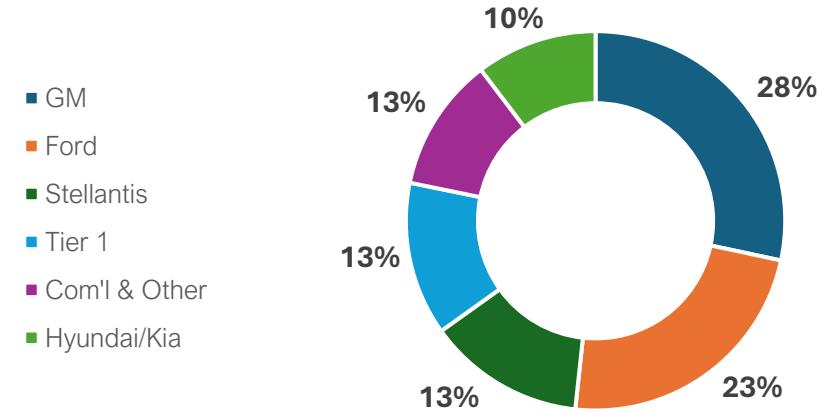
Q4 FY25 net sales up \$9.0 million, or 6.3%

- + \$3.7 million strategic pricing
- + \$4.1 million higher demand for platforms
- + \$1.2 million net new program launches

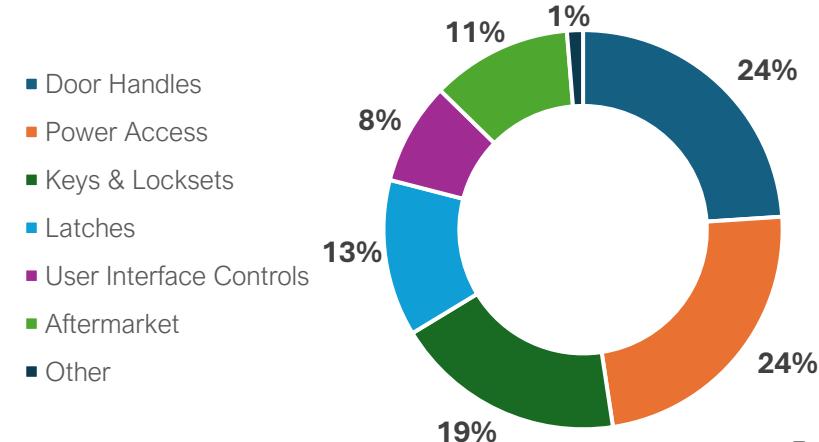
FY25 net sales up \$27.3 million, or 5.1%

- + \$14.0 million production volume
- + \$10.8 million net new program launches
- + \$7.2 million FY25 strategic pricing
- + \$5.1 million new/higher value content
- \$9.7 million PY onetime price recoveries

Q4 FY25 SALES BY CUSTOMER



Q4 FY25 SALES BY PRODUCT

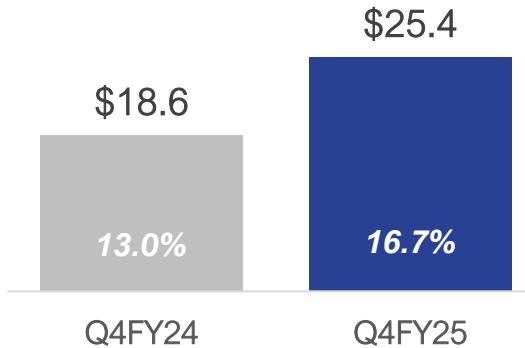


Higher Gross Profit and Margin Expansion



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

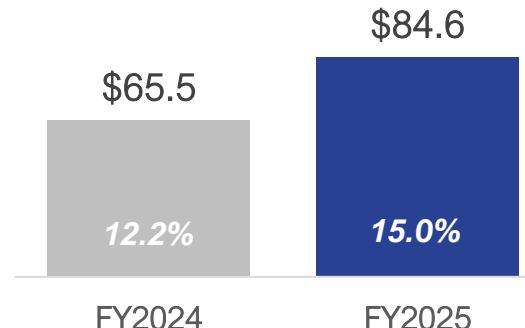
GROSS PROFIT & MARGIN (QTR)



Gross margin expanded 370 basis points in Q4

- + Stronger US dollar
 - \$3.0 million, or 210 bps, FX benefit
 - Current rate of ~20 MXN peso at 5-year average
- + Margin-accretive strategic pricing actions and higher sales
- + \$1.7 million in tooling gains
- + \$1.3 million in restructuring savings, on track for \$5 million annualized
- Net \$1.6 million tariff expenses as recovery process lags cost
- Increased labor costs in Mexico

GROSS PROFIT & MARGIN (FY)



YTD gross margin expanded 280 basis points

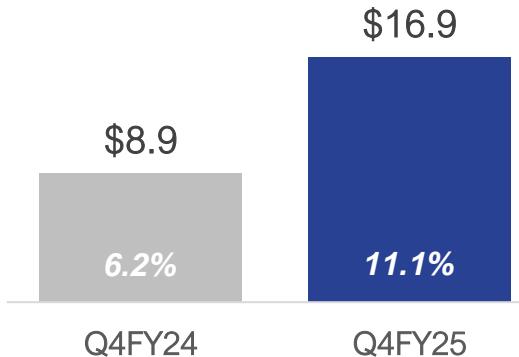
- + FX tailwind contributed 250 basis points
- + Delivered \$7.2 million of margin accretive pricing
- + Operational leverage and restructuring savings of \$1.4 million
- Partially offset by Mexico labor costs (govt mandated) and net \$2.2 million in tariff impacts
- Prior year included \$9.7 million of onetime pricing recoveries

Strengthening Operations for Efficiency

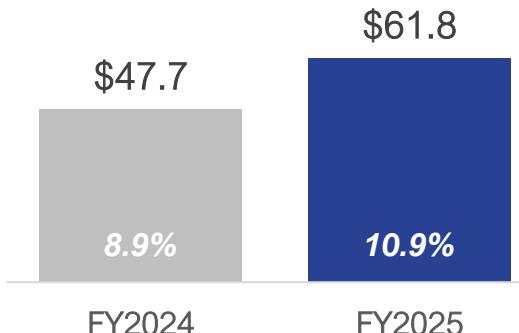


(\$ in millions; narrative compared with prior-year period unless otherwise noted)

SAE⁽¹⁾ | % OF SALES (QTR)



SAE⁽¹⁾ | % OF SALES (FY)



Increase in SAE⁽¹⁾ exaggerated with PY \$4.7 million benefit of one-time engineering (ED&D) recovery

- Holds steady at 11.1% of sales
- \$2.2 million incremental incentive and bonus compensation
- \$1.0 million in outside services and business transformation costs
- \$0.7 million reduction in restructuring charges (reclassified to Other income/expenses)

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

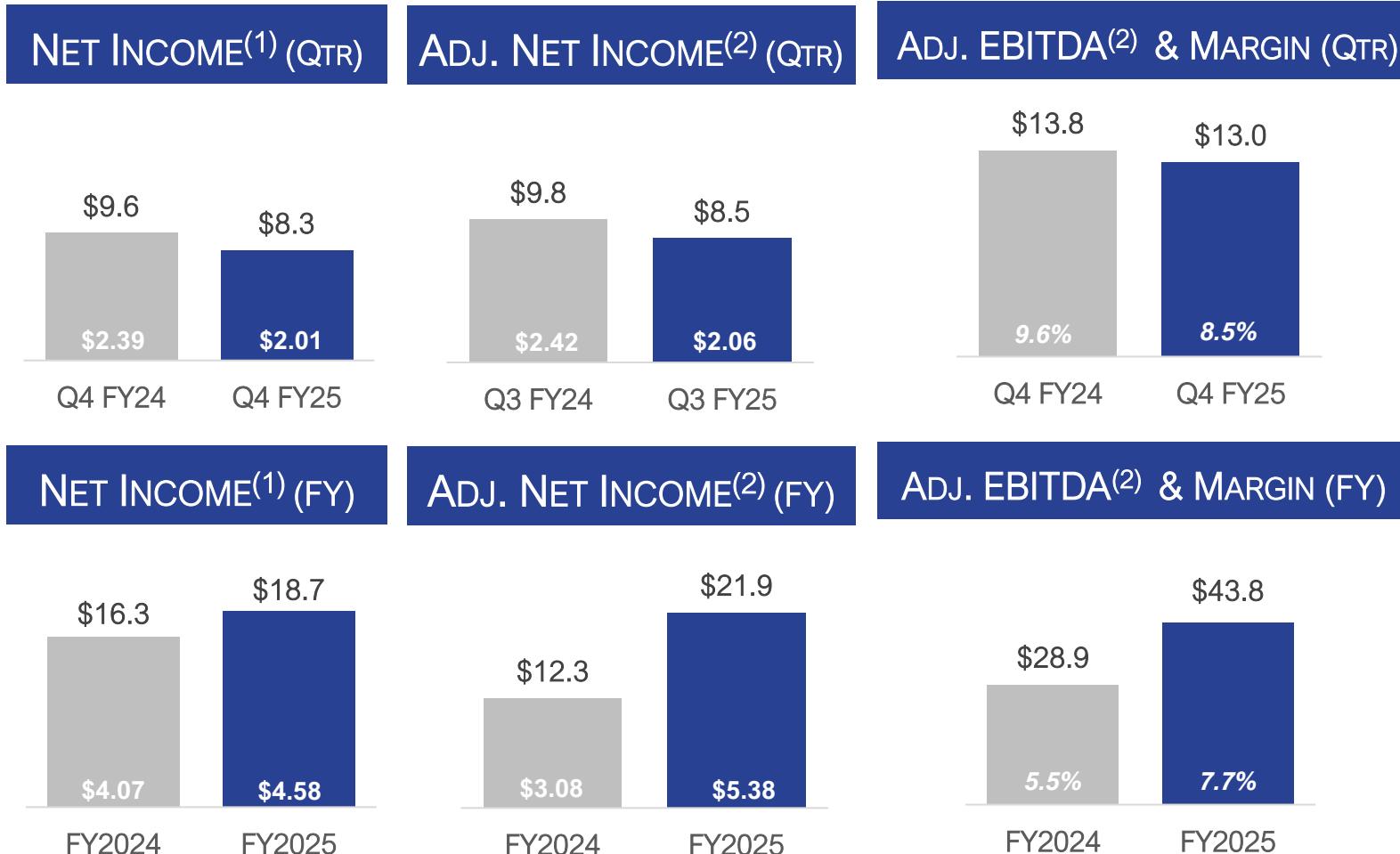
- \$6.7 million incremental incentive and bonus compensation with strong performance for the fiscal year
- Increase includes \$1.0 million incremental executive transition costs, \$1.0 million business transformation costs and restructuring costs (after reclassification of restructuring charges)
- Prior year included onetime favorable ED&D recovery of \$4.7 million

⁽¹⁾ Selling, administrative and engineering expenses

Enhanced Earnings Power



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



FY2025 Net Income⁽¹⁾ up 14.5%

FY2025 Adj. EPS⁽²⁾ grew 75% to \$5.38

- + \$11.9 million in favorable FX
- + Higher volume and \$7.2 million in pricing
- Offset \$5.5 million in incremental bonus

FY2025 Adj. EBITDA⁽²⁾ margin expanded 220 basis points

- Driven by higher operating income with incremental adjustments of:
 - \$1.2 million stock-based compensation
 - \$1.0 million executive transition costs
 - \$1.0 million business transformation costs
 - \$0.4 million restructuring charges

⁽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				
	June 30, 2024	June 29, 2025		
Cash and cash equivalents	\$ 25.4	\$ 84.6		
Total debt	13.0	8.0		
Shareholders' equity	225.6	246.4		
Total capitalization	\$ 238.6	\$ 254.4		
Debt / total capitalization	5.4%	3.1%		
	THREE MONTHS ENDED	FISCAL YEAR		
	June 30, 2024	June 29, 2025	June 30, 2024	June 29, 2025
Cash from operations	\$ 19.5	\$ 30.2	\$ 12.3	\$ 71.7
CapEx	(3.7)	(3.0)	(9.8)	(7.2)
Free cash flow(FCF) ⁽¹⁾	\$ 15.8	\$ 27.2	\$ 2.5	\$ 64.5

Q4 FY2025 cash flow from operations increased \$10.7 million

- Higher cash earnings and improved working capital including inventory reduction, tooling recovery, and timing of receivables

Reduced debt by \$5.0 million to \$8.0 million

Financial flexibility

- \$84.6 million in cash
- \$52 million available under lines of credit

FY 2026 CapEx

- Planning approximately \$13 million

Capital priorities

- Organic growth initiatives: product portfolio and expanded customer reach
- Operational efficiencies & productivity: equipment and systems modernization, people
- Conserve cash through uncertain times and moderated market conditions

Strattec FY 2026 Expectations

REVENUE: Modestly down to flat

- Reflects lapping recent product launches, primarily in 2H 2025
- Customers in between launch cycles
- Weak market forecasts reflect continued uncertainty

MARGINS: Modest improvement

- Captured low hanging fruit
- Volume impacts, material and labor cost increases
- Continued operational improvements

CASH GENERATION: Expect to normalize

- FY 2025 captured \$12 million in latent preproduction costs and \$25 million in working capital initiatives

CONTINUE TRANSFORMATION PROGRESS:

- Productivity enhancements and supply chain improvements
- Investments in product portfolio enhancements, marketing and branding



Q4 and Year End FY2025 Financial Results

Supplemental Slides

Reconciliation of GAAP to Non-GAAP Financial Measures



	Fiscal 2024					Fiscal 2025				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
ADJUSTED NET SALES:										
Net Sales (GAAP)	135,406	118,532	140,773	143,055	\$537,766	139,052	129,919	144,082	152,013	\$ 565,066
Adjustments:										
Retroactive FY23 one-time pricing recovery	(7,950)	(1,551)	(397)	175	(9,723)	-	-	-	-	-
Adjusted Sales (Non-GAAP)	127,456	116,981	140,376	143,230	528,043	139,052	129,919	144,082	152,013	565,066
ADJUSTED EBITDA:										
Net income attributable to Strattec (GAAP)	\$ 4,165	\$ 1,022	\$ 1,506	\$ 9,620	\$ 16,313	\$ 3,703	\$ 1,319	\$ 5,396	\$ 8,267	\$ 18,685
Net income (loss) attributable to non-controlling interest	290	(242)	(380)	447	115	45	79	315	(205)	234
Provision for income tax	1,387	264	546	1,578	3,775	1,498	405	1,644	2,170	5,717
Other (income) expense, net	131	(1,098)	208	(1,958)	(2,717)	(129)	482	16	(1,189)	(820)
Investment and interest income	(87)	(107)	(143)	(235)	(572)	(349)	(408)	(529)	(753)	(2,039)
Interest expense	220	219	222	239	900	295	257	243	212	1,007
Income from operations	6,106	58	1,959	9,691	17,814	5,063	2,134	7,085	8,502	22,784
Adjustments:										
Depreciation	4,385	4,330	4,059	3,773	\$ 16,547	3,662	3,544	3,746	3,812	\$ 14,764
Non-cash stock-based compensation	505	479	240	243	1,467	188	891	760	887	2,726
Restructuring and similar charges	-	-	-	-	-	-	265	809	(676)	398
Retroactive FY23 one-time pricing recovery, net	(7,078)	(641)	(298)	24	(7,993)	-	-	-	-	-
Executive transition costs	-	774	211	73	1,058	941	921	214	(17)	2,058
Business transformation costs	-	-	-	-	-	74	215	259	479	1,027
	(2,188)	4,942	4,212	4,113	11,079	4,865	5,836	5,788	4,485	20,974
Adjusted EBITDA (Non-GAAP)	\$ 3,918	\$ 5,000	\$ 6,171	\$ 13,804	\$ 28,893	\$ 9,928	\$ 7,970	\$ 12,873	\$ 12,987	\$ 43,758
Adjusted EBITDA as a % of Adjusted Net Sales	3.1%	4.3%	4.4%	9.6%	5.5%	7.1%	6.1%	8.9%	8.5%	7.7%

Reconciliation of GAAP to Non-GAAP Financial Measures



ADJUSTED NET INCOME AND EARNINGS/(LOSS) PER SHARE:

Net income attributable to Strattec (GAAP)	\$ 4,165	\$ 1,022	\$ 1,506	\$ 9,620	\$ 16,313	\$ 3,703	\$ 1,319	\$ 5,396	\$ 8,267	\$ 18,685
Adjustments:										
Restructuring and similar charges	265	3	-	63	331	-	265	809	(676)	398
Retroactive FY23 one-time pricing recovery, net	(7,078)	(641)	(298)	24	(7,993)	-	-	-	-	-
Executive transition costs	-	973	211	73	1,257	1,224	1,225	214	115	2,778
Business transformation costs	-	-	-	-	-	74	215	259	479	1,027
Non-controlling interest impact on above adjustments	1,014	181	55	22	1,272	-	-	(160)	160	-
Tax effect on above adjustments	1,305	(116)	7	(41)	1,155	(292)	(384)	(376)	107	(945)
	<u>(4,494)</u>	<u>400</u>	<u>(25)</u>	<u>141</u>	<u>(3,978)</u>	<u>1,006</u>	<u>1,321</u>	<u>746</u>	<u>185</u>	<u>3,258</u>
Adjusted Net Income/(Loss) attributable to Strattec (Non-GAAP)	<u>\$ (329)</u>	<u>\$ 1,422</u>	<u>\$ 1,481</u>	<u>\$ 9,761</u>	<u>\$ 12,335</u>	<u>\$ 4,709</u>	<u>\$ 2,640</u>	<u>\$ 6,142</u>	<u>\$ 8,452</u>	<u>\$ 21,943</u>
Weighted Average Basic Shares Outstanding	3,948	3,976	3,988	3,988	3,975	4,005	4,035	4,039	4,039	4,030
Weighted Average Diluted Shares Outstanding	3,974	3,998	4,017	4,027	4,004	4,046	4,070	4,085	4,105	4,076
Diluted earnings per share (GAAP)	\$ 1.05	\$ 0.26	\$ 0.37	\$ 2.39	\$ 4.07	\$ 0.92	\$ 0.32	\$ 1.32	\$ 2.01	\$ 4.58
Adjusted dilutive earnings/(loss) per share (Non-GAAP)	\$ (0.08)	\$ 0.36	\$ 0.37	\$ 2.42	\$ 3.08	\$ 1.16	\$ 0.65	\$ 1.50	\$ 2.06	\$ 5.38



Q4 and Year End FY2025 Financial Results

August 15, 2025

Nasdaq: STRT

Investor Relations Contact:

Deborah K. Pawlowski, Alliance Advisors IR

716-843-3908

dpawlowski@Allianceadvisors.com

www.strattec.com