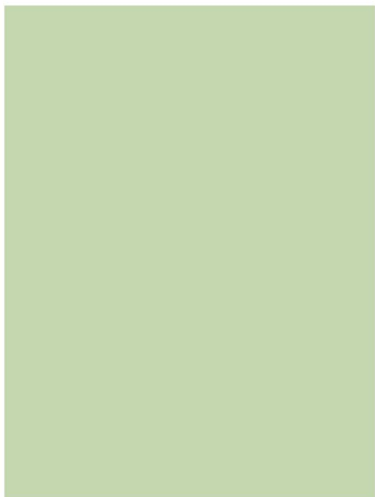



AMERICAN BILRITE INC.

Company
Information
2021



FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share amounts)

Years Ended December 31	2021	2020	2019
Net sales	\$190,734	\$162,477	\$204,811
Loss from operations	(4,997)	(8,984)	(5,685)
Net income (loss) attributable to controlling interests	1,791	(14,111)	(4,641)
Net income (loss) per share, basic and diluted	55.16	(434.60)	(142.94)

COMPANY PROFILE



The **TAPE/IDEAL DIVISION** of American Biltrite provides a global customer base with a wide variety of specialized pressure sensitive tapes, films, and protective sheeting. It manufactures these by coating various substrates (paper, film, foil, nylon, polyester films, glass cloth, and others) using adhesive systems formulated with water and solvent-based materials. These products are manufactured in Moorestown, New Jersey and Lowell, Massachusetts, and marketed worldwide with divisional converting facilities in Belgium, Italy, and Singapore, and sales offices in China and South Korea. Served markets include transportation (automotive and aerospace); building and construction (HVAC, insulation, electrical); shoe and leather goods; graphic arts, print, and signage; and various other industrial and consumer applications (appliances, metals, glass/windows, etc.). The division's products are sold by a dedicated sales organization, distributors, and select manufacturers' representatives worldwide.



AMERICAN BILTRITE (CANADA) LTD. manufactures and distributes commercial and residential flooring, industrial rubber products, and mud flaps throughout North America. The commercial flooring business primarily serves the healthcare, educational, and institutional sectors, offering resilient products with high aesthetics, great durability, low maintenance, and excellent environmental qualities. The industrial rubber business supplies rubber sheet goods used for a multitude of applications such as gaskets, sealants, protective applications and cut parts to OEM's, distributors and fabricators serving various markets, from pharmaceutical and food to petrochemical, mining and transportation. The industrial rubber business also provides custom mixing services to the hose and tire manufacturing industries. The division has strong technical capabilities in R&D and product innovation, and provides excellent service through an extensive network of distribution centers across North America.



K&M ASSOCIATES L.P. is one of North America's largest suppliers of fashion jewelry and hair accessories. Its main office and distribution center are located in Providence, Rhode Island. K&M also has showrooms and offices in New York City and two office locations in China for logistics, quality control, and product development support. K&M successfully serves all levels of retail trade in the U.S. and Canada, from mass market to upper tier department stores. K&M's industry leading licensed and proprietary brands include Guess®, T Tahari®, Robert Rose®, Berry®, Juicy Couture®, and Jessica McClintock™. K&M's recognized marketplace strengths are its quality product and logistical capabilities, supported by partnerships with its customers in technology, product development, sales analysis, and merchandising services.

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands of dollars, except share and per share amounts)

	Years Ended December 31	
	2021	2020
Net sales	\$ 190,734	\$ 162,477
Cost of products sold	143,651	119,341
Selling, general & administrative expenses	52,080	52,120
Loss from operations	(4,997)	(8,984)
Other income (expense)		
PPP loan forgiveness	6,022	-
Government subsidies	1,050	3,016
Interest	(301)	(189)
Other	123	1,060
	6,894	3,887
Income (loss) before income taxes and other items	1,897	(5,097)
Provision for income taxes	106	8,984
Net income (loss) before noncontrolling interests	1,791	(14,081)
Noncontrolling interests	-	(30)
Net income (loss) attributable to controlling interests	\$ 1,791	\$ (14,111)
Net income (loss) attributable to controlling interests per share, basic and diluted	\$ 55.16	\$ (434.60)
Weighted average shares outstanding, basic and diluted	32,469	32,469

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - ASSETS

(In thousands of dollars)

	December 31	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,339	\$ 2,802
Accounts receivable, less allowances for doubtful accounts and discounts of \$2,153 in 2021 and \$2,815 in 2020	23,459	22,036
Inventories	37,864	37,315
Prepaid expense and other current assets	4,150	2,642
Insurance receivable for asbestos and environmental liabilities	3,668	4,029
Total current assets	70,480	68,824
Property, plant & equipment, net	26,259	26,677
Other assets:		
Insurance receivable for asbestos and environmental liabilities	13,858	15,591
Investments	-	2,795
Deferred taxes	-	1,314
Other assets	8,153	6,374
	22,011	26,074
Total assets	\$ 118,750	\$ 121,575

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - LIABILITIES & STOCKHOLDERS' EQUITY

(In thousands of dollars)

	December 31	
	2021	2020
Liabilities		
Current liabilities:		
Accounts payable	\$ 11,739	\$ 10,112
Accrued expenses	15,685	15,119
Operating lease liabilities	1,483	1,591
Asbestos and environmental liabilities	6,614	5,607
Notes payable	1,184	2,300
Current portion of long-term debt	351	2,875
Total current liabilities	37,056	37,604
Long-term debt, less current portion	1,081	4,011
Operating lease liabilities	4,649	2,821
Asbestos and environmental liabilities	36,720	38,352
Other liabilities	7,247	15,934
Total liabilities	86,753	98,722
Commitments and contingencies		
Stockholders' equity		
Common stock and additional paid in capital (common stock par value \$.01, authorized 150,000 shares, issued 45,985 shares, and 32,469 shares outstanding at December 31, 2021 and 2020)	20,846	20,324
Less cost of common stock in treasury (13,516 shares at December 31, 2021 and 2020)	(15,725)	(15,725)
Retained earnings	32,519	30,728
Accumulated other comprehensive loss	(5,643)	(13,519)
Total stockholders' equity of controlling interests	31,997	21,808
Noncontrolling interests	-	1,045
Total stockholders' equity	31,997	22,853
Total liabilities and stockholders' equity	\$ 118,750	\$ 121,575

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of dollars)

	Years Ended December 31	
	2021	2020
Operating activities		
Net income (loss)	\$ 1,791	\$ (14,111)
Adjustments to reconcile net income (loss) to net cash operating activities:		
Depreciation and amortization	4,395	5,455
Provision for doubtful accounts and discounts	1,758	5,019
Deferred taxes	(40)	9,112
Amortization of right-of-use assets	1,685	1,087
PPP loan forgiveness	(6,022)	-
Change in operating assets and liabilities:		
Accounts and notes receivable	(3,433)	(2,928)
Inventories	(744)	(2,860)
Prepaid expenses and other assets	(1,696)	460
Accounts payable and accrued expenses	2,326	(2,335)
Asbestos and environmental liabilities	1,469	735
Income tax	382	(548)
Pension contribution	(511)	(1,534)
Other	(1,749)	(455)
Net cash used in operating activities	(389)	(2,903)
Investing activities		
Investments in property, plant and equipment	(3,470)	(3,308)
Proceed from sale of investments	2,795	-
Purchase of non-controlling interests	(523)	-
Net cash used in investing activities	(1,198)	(3,308)
Financing activities		
Net short-term loan (payments) borrowings	(1,120)	2,125
Proceeds from Paycheck Protection Program loans	-	6,022
Payments for acquisition of MJM Jewelry Inc.	(410)	(768)
Proceeds from Canadian federal and provincial development loan programs	715	90
Payments on long-term loans	(147)	-
Net cash (used in) provided by financing activities	(962)	7,469
Effect of foreign exchange rate changes on cash	1,086	(206)
Net (decrease) increase in cash	(1,463)	1,052
Cash and cash equivalents at beginning of year	2,802	1,750
Cash and cash equivalents at end of year	\$ 1,339	\$ 2,802

BOARD OF DIRECTORS

LEO R. BREITMAN

Former Chairman and Chief Executive Officer
Fleet Bank - Massachusetts

JOHN C. GARRELS III

Former Director, Global Banking
The First National Bank of Boston

MARK N. KAPLAN

Of Counsel
Skadden, Arps, Slate, Meagher & Flom LLP

RICHARD G. MARCUS

President and Chief Operating Officer

ROGER S. MARCUS

Chairman of the Board and Chief Executive Officer

TODD S. MARCUS

President
K&M Associates L.P.

WILLIAM M. MARCUS

Former Executive Vice President and Treasurer
American Biltrite Inc.

MARK S. NEWMAN

Former Chairman of the Board,
President and Chief Executive Officer
DRS Technologies, Inc.

KENNETH I. WATCHMAKER

Former Executive Vice President and
Chief Financial Officer
Reebok International Ltd.

CORPORATE OFFICERS

ROGER S. MARCUS

Chairman of the Board and Chief Executive Officer

RICHARD G. MARCUS

President and Chief Operating Officer

HOWARD N. FEIST III

Vice President - Finance and Chief Financial Officer

DIANA LEW

Controller

PAMELA HESSE

Assistant Controller

MICHAEL J. MERKX

Vice President and General Manager
Tape Division

JEAN-PIERRE BENOIT

Vice President and General Manager
American Biltrite (Canada) Ltd.

TODD S. MARCUS

President
K&M Associates L.P.

CORPORATE INFORMATION

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Louisville, KY 40233-5000
800-368-5948

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Boston, Massachusetts

AUDITORS

RSM US LLP
Boston, Massachusetts

STOCK MARKET LISTING

OTC Market
Symbol - ABLT



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