



# COMPANY INFORMATION 2017



# FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share amounts)

Years Ended December 31	2017	2016	2015
Net sales	<b>\$200,530</b>	\$184,267	\$194,873
Income from operations	<b>5,998</b>	2,656	709
Net income (loss)	<b>4,963</b>	1,265	(721)
Net income (loss) per share			
Basic	<b>152.82</b>	38.95	(22.20)
Diluted	<b>152.52</b>	38.93	(22.20)

## 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 in North America, Europe, and Asia.



**AMERICAN BILTRITE (CANADA) LTD.** manufactures and distributes commercial and residential flooring, as well as Performance Sheet Rubber, 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 Performance Sheet Rubber business supplies companies with materials for a host of industrial applications in a broad range of elastomers, widths, sizes, and gauges. The division has strong capabilities in R&D, technical expertise, and product innovation, with an extensive network of distribution centers across North America.



**K&M ASSOCIATES L.P.** is one of North America's largest suppliers of costume jewelry and 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 brands include Guess®, T Tahari®, Avec Les Filles, 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 INCOME

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

	Years Ended December 31	
	2017	2016
<b>Net sales</b>	<b>\$ 200,530</b>	<b>\$ 184,267</b>
Cost of products sold	144,785	134,284
Selling, general & administrative expenses	49,747	47,327
<b>Income from operations</b>	<b>5,998</b>	<b>2,656</b>
Other (expenses) income		
Interest	(344)	(488)
Other	423	(96)
	79	(584)
<b>Income before income taxes</b>	<b>6,077</b>	<b>2,072</b>
Provision for income taxes	1,114	807
<b>Net income</b>	<b>\$ 4,963</b>	<b>\$ 1,265</b>
Net income per common share:		
Basic	\$ 152.82	\$ 38.95
Diluted	152.52	38.93
Weighted average shares outstanding:		
Basic	32,477	32,477
Diluted	32,539	32,491

# AMERICAN BILTRITE INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS - ASSETS

(In thousands of dollars)

	December 31	
	2017	2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 616	\$ 719
Accounts receivable, less allowances for doubtful accounts and discounts of \$1,447 in 2017 and \$1,661 in 2016	25,961	18,812
Inventories	35,117	31,341
Income taxes receivable	42	77
Prepaid expenses & other current assets	1,386	1,595
Insurance receivable for asbestos and environmental liabilities	4,131	4,092
<b>Total current assets</b>	<b>67,253</b>	<b>56,636</b>
Property, plant & equipment, net	25,650	24,790
<b>Other assets:</b>		
Insurance receivable for asbestos and environmental liabilities	19,104	20,182
Investments	2,574	2,543
Other assets	4,030	2,894
	<b>25,708</b>	<b>25,619</b>
<b>Total assets</b>	<b>\$ 118,611</b>	<b>\$ 107,045</b>

# AMERICAN BILTRITE INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS - LIABILITIES & STOCKHOLDERS' EQUITY

(In thousands of dollars)

	December 31	
	2017	2016
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 11,136	\$ 8,841
Accrued expenses	15,805	12,180
Asbestos and environmental liabilities	5,937	5,633
Notes payable	3,386	1,773
Current portion of long-term debt	133	174
<b>Total current liabilities</b>	<b>36,397</b>	<b>28,601</b>
Long-term debt, less current portion	249	122
Asbestos and environmental liabilities	31,892	32,607
Other liabilities	13,114	12,410
<b>Total liabilities</b>	<b>81,652</b>	<b>73,740</b>
<b>Stockholders' equity</b>		
Common stock and additional paid in capital (common stock par value \$.01, authorized 150,000 shares, issued 45,985 shares, and 32,477 shares outstanding at December 31, 2017 and 2016)	20,324	20,324
Less cost of common stock in treasury (13,508 shares at December 31, 2017 and 2016)	(15,721)	(15,721)
Retained earnings	41,181	36,218
Accumulated other comprehensive loss	(9,769)	(8,460)
Total stockholders' equity of controlling interests	36,015	32,361
Noncontrolling interests	944	944
<b>Total stockholders' equity</b>	<b>36,959</b>	<b>33,305</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 118,611</b>	<b>\$ 107,045</b>

# AMERICAN BILTRITE INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of dollars)

	Years Ended December 31	
	2017	2016
<b>Operating activities</b>		
Net income	\$ 4,963	\$ 1,265
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,121	3,077
Provision for doubtful accounts and discounts	2,499	2,323
Deferred taxes	942	492
Gain on investments	(31)	-
Pension settlement	-	411
Change in operating assets and liabilities:		
Accounts and notes receivable	(9,199)	(3,177)
Inventories	(2,558)	5,493
Prepaid expenses and other assets	204	615
Accounts payable and accrued expenses	5,492	(1,403)
Asbestos and environmental liabilities	628	(690)
Income taxes	(872)	371
Other	(543)	936
<b>Net cash provided by operating activities</b>	<b>4,646</b>	<b>9,713</b>
<b>Investing activities</b>		
Investments in property, plant and equipment	(4,284)	(2,503)
Government grants	458	-
Purchase of investments	-	(1,051)
Proceeds from sale of investments	-	996
<b>Net cash used in investing activities</b>	<b>(3,826)</b>	<b>(2,558)</b>
<b>Financing activities</b>		
Net short-term loan borrowings (payments)	1,601	(1,042)
Payments on long-term debt	(164)	(5,651)
Proceeds from government loan	249	-
<b>Net cash provided by (used in) financing activities</b>	<b>1,686</b>	<b>(6,693)</b>
<b>Effect of foreign exchange rate changes on cash</b>	<b>(2,609)</b>	<b>7</b>
<b>Net (decrease) increase in cash</b>	<b>(103)</b>	<b>469</b>
Cash and cash equivalents at beginning of year	719	250
<b>Cash and cash equivalents at end of year</b>	<b>\$ 616</b>	<b>\$ 719</b>

## 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

Executive Vice President and Treasurer

### 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

### WILLIAM M. MARCUS

Executive Vice President and Treasurer

### HOWARD N. FEIST III

Vice President - Finance and Chief Financial Officer

### DIANA LEW

*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

### TRANSFER AGENT AND REGISTRAR

Computershare  
480 Washington Blvd.  
Jersey City, NJ 07310  
800-942-5909

### COUNSEL

Skadden, Arps, Slate, Meagher & Flom LLP  
Boston, Massachusetts

### AUDITORS

RSM US LLP  
Boston, Massachusetts

### STOCK MARKET LISTING

OTC Market  
Symbol - ABLT



57 RIVER STREET • WELLESLEY HILLS, MA 02481-2097 • 781-237-6655 • [WWW.AMBILT.COM](http://WWW.AMBILT.COM)