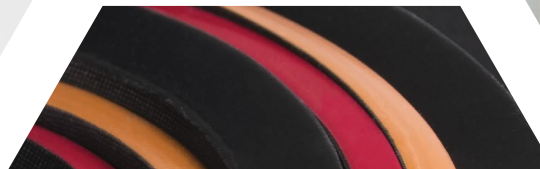


# COMPANY INFORMATION 2018



## FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share amounts)

Years Ended December 31	2018	2017	2016
Net sales	\$202,594	\$200,530	\$184,267
Income from operations	2,242	5,998	2,656
Net income	8,299	4,963	1,265
Net income per share			
Basic	255.56	152.82	38.95
Diluted	254.66	152.52	38.93

## 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, mud flaps and footwear products 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 gaskets, sealants, protective applications and cut parts to OEM's, distributors and fabricators serving various markets, from pharmaceutical and food to petro-chemical, 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 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 and proprietary brands include Guess®, T Tahari®, Robert Rose®, Berry®, 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	
	2018	2017
<b>Net sales</b>	<b>\$ 202,594</b>	\$ 200,530
Cost of products sold	<b>146,636</b>	144,785
Selling, general & administrative expenses	<b>53,716</b>	49,747
<b>Income from operations</b>	<b>2,242</b>	5,998
Other (expenses) income		
Interest	(201)	(344)
Other	141	423
	<b>(60)</b>	79
<b>Income before income taxes</b>	<b>2,182</b>	6,077
(Benefit from) provision for income taxes	<b>(6,117)</b>	1,114
<b>Net income</b>	<b>\$ 8,299</b>	\$ 4,963
Net income per common share:		
Basic	<b>\$ 255.56</b>	\$ 152.82
Diluted	<b>254.66</b>	152.52
Weighted average shares outstanding:		
Basic	<b>32,474</b>	32,477
Diluted	<b>32,588</b>	32,539



# AMERICAN BILTRITE INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS - ASSETS

(In thousands of dollars)

	December 31	
	2018	2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,451	\$ 616
Accounts receivable, less allowances for doubtful accounts and discounts of \$1,717 in 2018 and \$1,447 in 2017	25,875	25,961
Inventories	31,764	35,117
Income taxes receivable	-	42
Prepaid expenses & other current assets	1,521	1,386
Insurance receivable for asbestos and environmental liabilities	4,122	4,131
<b>Total current assets</b>	<b>68,733</b>	<b>67,253</b>
Property, plant & equipment, net	25,670	25,650
<b>Other assets:</b>		
Insurance receivable for asbestos and environmental liabilities	17,957	19,104
Investments	2,626	2,574
Deferred taxes	7,895	-
Other assets	4,714	4,030
	<b>33,192</b>	<b>25,708</b>
<b>Total assets</b>	<b>\$ 127,595</b>	<b>\$ 118,611</b>

# AMERICAN BILTRITE INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS - LIABILITIES & STOCKHOLDERS' EQUITY

(In thousands of dollars)

	December 31	
	2018	2017
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 11,026	\$ 11,136
Accrued expenses	18,383	15,805
Asbestos and environmental liabilities	5,978	5,937
Notes payable	560	3,386
Current portion of long-term debt	-	133
<b>Total current liabilities</b>	<b>35,947</b>	<b>36,397</b>
Long-term debt, less current portion	583	249
Asbestos and environmental liabilities	33,328	31,892
Other liabilities	14,218	13,114
<b>Total liabilities</b>	<b>84,076</b>	<b>81,652</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 32,469 and 32,477 shares outstanding at December 31, 2018 and 2017, respectively)	20,324	20,324
Less cost of common stock in treasury (13,516 and 13,508 shares at December 31, 2018 and 2017, respectively)	(15,725)	(15,721)
Retained earnings	49,480	41,181
Accumulated other comprehensive loss	(11,504)	(9,769)
Total stockholders' equity of controlling interests	42,575	36,015
Noncontrolling interests	944	944
Total stockholders' equity	43,519	36,959
<b>Total liabilities and stockholders' equity</b>	<b>\$ 127,595</b>	<b>\$ 118,611</b>

# AMERICAN BILTRITE INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of dollars)

	Years Ended December 31	
	2018	2017
<b>Operating activities</b>		
Net income	\$ 8,299	\$ 4,963
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,437	3,121
Provision for doubtful accounts and discounts	2,994	2,499
Deferred taxes	(7,895)	942
Gain on investments	-	(31)
Change in operating assets and liabilities:		
Accounts and notes receivable	(766)	(9,199)
Inventories	2,421	(2,558)
Prepaid expenses and other assets	(99)	204
Accounts payable and accrued expenses	(252)	5,492
Asbestos and environmental liabilities	2,633	628
Income taxes	1,524	(872)
Pension contribution	(1,500)	(3,251)
Other	763	2,708
<b>Net cash provided by operating activities</b>	<b>11,559</b>	<b>4,646</b>
<b>Investing activities</b>		
Investments in property, plant and equipment	(3,521)	(4,284)
Government economic development grants	-	458
<b>Net cash used in investing activities</b>	<b>(3,521)</b>	<b>(3,826)</b>
<b>Financing activities</b>		
Net short-term loan (payments) borrowings	(3,366)	1,601
Payments on long-term debt	(133)	(164)
Stock repurchase	(4)	-
Proceeds from government economic development loan	373	249
<b>Net cash (used in) provided by financing activities</b>	<b>(3,130)</b>	<b>1,686</b>
Effect of foreign exchange rate changes on cash	(385)	(2,609)
<b>Net increase (decrease) in cash</b>	<b>4,523</b>	<b>(103)</b>
Cash from acquired company	312	-
Cash and cash equivalents at beginning of year	616	719
<b>Cash and cash equivalents at end of year</b>	<b>\$ 5,451</b>	<b>\$ 616</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 Inc.  
PO Box 505000  
Louisville, KY 40233-5000  
800-368-5948

### **COUNSEL**

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

### **AUDITORS**

RSM US LLP  
Boston, Massachusetts

### **STOCK MARKET LISTING**

OTC Market  
Symbol - ABLT



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