



Company Information 2020



FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share amounts)

Years Ended December 31	2020	2019	2018
Net sales	\$162,477	\$204,811	\$202,594
(Loss) income from operations	(8,984)	(5,685)	2,242
Net (loss) income attributable to controlling interest	(14,111)	(4,641)	8,299
Net (loss) income per share			
Basic	(434.60)	(142.94)	255.56
Diluted	(434.60)	(142.94)	254.66

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 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 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 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	
	2020	2019
Net sales	\$ 162,477	\$ 204,811
Cost of products sold	119,341	146,273
Selling, general & administrative expenses	52,120	64,223
Loss from operations	(8,984)	(5,685)
Other income (expense)		
Government subsidies	3,016	-
Interest	(189)	(210)
Other	1,060	(224)
	3,887	(434)
Loss before income taxes and other items	(5,097)	(6,119)
Provision for (benefit from) income taxes	8,984	(1,549)
Net loss	(14,081)	(4,570)
Noncontrolling interests	(30)	(71)
Net loss attributable to controlling interest	\$ (14,111)	\$ (4,641)
Net loss attributable to controlling interest per common share, basic and diluted	\$ (434.60)	\$ (142.94)
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	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,802	\$ 1,750
Accounts receivable, less allowances for doubtful accounts and discounts of \$2,815 in 2020 and \$1,909 in 2019	22,036	23,810
Inventories	37,315	33,841
Prepaid expense and other current assets	2,642	2,302
Insurance receivable for asbestos and environmental liabilities	4,029	4,169
Total current assets	68,824	65,872
Property, plant & equipment, net	26,677	27,273
Other assets:		
Insurance receivable for asbestos and environmental liabilities	15,591	17,579
Investments	2,795	2,712
Deferred taxes	1,314	10,426
Other assets	6,374	8,706
	26,074	39,423
Total assets	\$ 121,575	\$ 132,568

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - LIABILITIES & STOCKHOLDERS' EQUITY

(In thousands of dollars)

	December 31	
	2020	2019
Liabilities		
Current liabilities:		
Accounts payable	\$ 10,112	\$ 10,850
Accrued expenses	15,119	16,546
Taxes payable	-	462
Operating lease liabilities	1,591	1,479
Asbestos and environmental liabilities	5,607	6,148
Notes payable	2,300	60
Current portion of long-term debt	2,875	-
Total current liabilities	37,604	35,545
Long-term debt, less current portion	4,011	762
Operating lease liabilities	2,821	3,900
Asbestos and environmental liabilities	38,352	39,204
Other liabilities	15,934	14,381
Total liabilities	98,722	93,792
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, 2020 and 2019)	20,324	20,324
Less cost of common stock in treasury (13,516 shares at December 31, 2020 and 2019)	(15,725)	(15,725)
Retained earnings	30,728	44,839
Accumulated other comprehensive loss	(13,519)	(11,677)
Total stockholders' equity of controlling interests	21,808	37,761
Noncontrolling interests	1,045	1,015
Total stockholders' equity	22,853	38,776
Total liabilities and stockholders' equity	\$ 121,575	\$ 132,568

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of dollars)

	Years Ended December 31	
	2020	2019
Operating activities		
Net loss	\$ (14,111)	\$ (4,641)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	5,455	4,647
Provision for doubtful accounts and discounts	5,019	4,203
Deferred taxes	9,112	(2,134)
Amortization of right-of-use assets	1,087	1,506
Change in operating assets and liabilities:		
Accounts and notes receivable	(2,928)	(2,015)
Inventories	(2,860)	(1,385)
Prepaid expenses and other assets	460	(504)
Accounts payable and accrued expenses	(2,335)	970
Asbestos and environmental liabilities	735	6,377
Income taxes	(548)	(981)
Pension contribution	(1,534)	(1,361)
Other	(455)	510
Net cash (used in) provided by operating activities	(2,903)	5,192
Investing activities		
Investments in property, plant and equipment	(3,308)	(5,212)
Payments for acquisition of MJM Jewelry Inc.	(768)	(2,658)
Net cash used in investing activities	(4,076)	(7,870)
Financing activities		
Net short-term loan payments	2,125	(499)
Proceeds from Paycheck Protection Program loans	6,022	-
Proceeds from government economic development loan	90	147
Net cash provided by (used in) financing activities	8,237	(352)
Effect of foreign exchange rate changes on cash	(206)	(671)
Net increase (decrease) in cash	1,052	(3,701)
Cash and cash equivalents at beginning of year	1,750	5,451
Cash and cash equivalents at end of year	\$ 2,802	\$ 1,750

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

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Louisville, KY 40233-5000
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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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