



# QUARTERLY NEWSLETTER | Q1

MARCH 2024

## A MESSAGE FROM L.P. FRIEDER

In 2023 we accomplished several important things. First, multiple large multi-year programs reached critical milestones and are now going into production. This allowed us to enter 2024 with a record backlog spread throughout the year. Second, in Q4 we showed what this business is capable of with a truly heroic effort. **The output achieved in Q4 is what we need to deliver every quarter of 2024 and beyond.** We need to continue the momentum generated at the end of last year and hit the ground running this year. Another notable win in 2023 was reduced inventory despite increased volume heading into Q1. In our business, inventory is the largest consumer of cash. When we reduce inventory, it frees up cash to sustain the transformational investments toward our future which we began in 2023. These include critical R&D programs, site modernization efforts and a transition to SAP, a state-of-the-art business systems software.

2023 also included several challenges. The Ground business had multiple major programs slip to the right due to contract or qualification testing delays, creating pressure to capture business to fill in this void. We made commendable progress, but still fell short. The Air business also had revenue shortfalls for various reasons, including order delays and supply chain challenges.

These challenges resulted in a very lumpy year, with Q1 and Q3 weak and Q2 and Q4 strong. We made a commendable effort in Q4 trying to recover, generating over half our profit in that quarter alone. It was an impressive surge at the tail end of the year, with everyone stepping up and achieving various records for output and profit across the enterprise. But it wasn't realistic to recover the entire year in one quarter. We simply can't achieve plan if we don't deliver in the first half. Going into 2024, the urgency we demonstrated at the end of the year needs to start now. We have the backlog for 2024 to be a record year, but only if we use all available time, eliminate issues with urgency and prioritize as a team. **Every day counts!**

Thank you for all your efforts in balancing short-term execution while continuing to put the building blocks in place for future growth. We have an exciting year ahead of us, **so let's hit the ground running!**

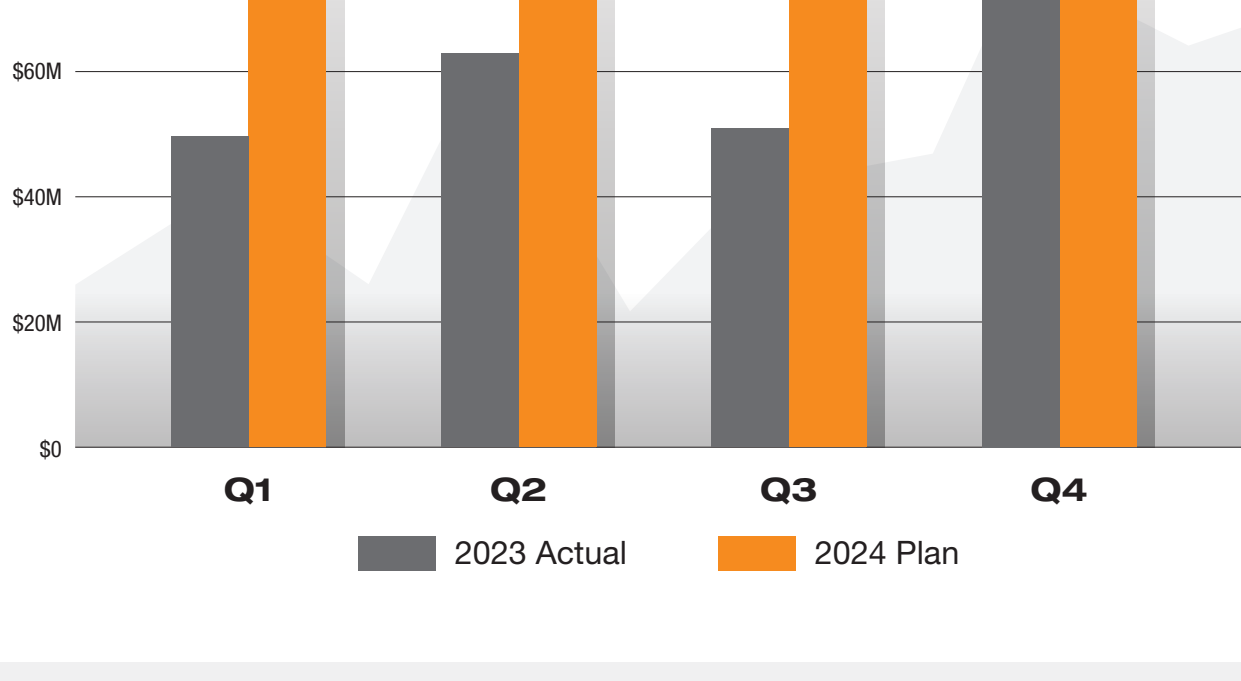
  
**L.P. Frieder**  
Chief Executive Officer



### GUIDING PRINCIPLES FOR SUCCESS

- Sustain consistent high quarterly output.**
- Work with urgency. Every day counts!**
- Continue investments toward our future.**

### 2023 Actual Revenue vs 2024 Plan (Quarterly)



## OPERATIONAL EXCELLENCE NEWS

### Plan for Every Part Program (PFEP)

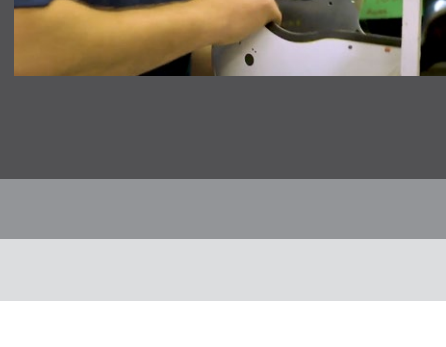
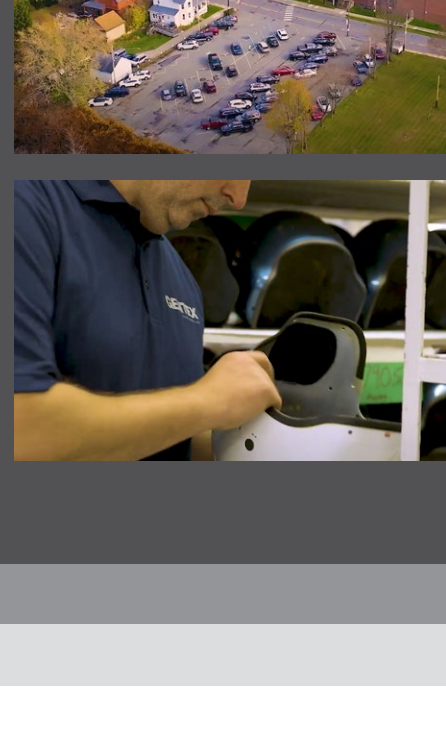
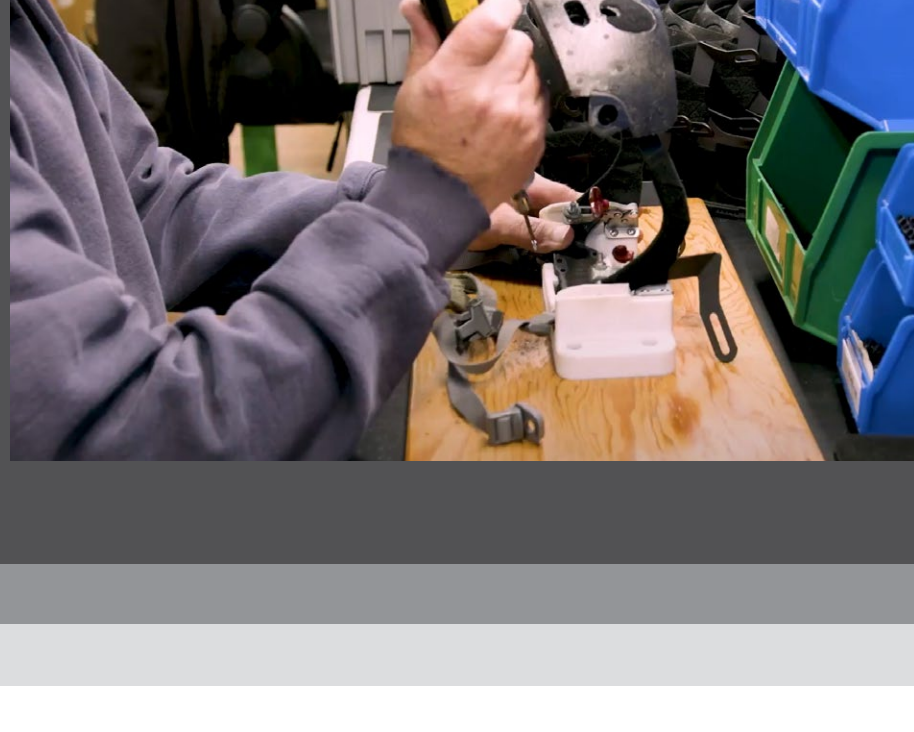
Our materials teams recently launched our Plan for Every Part Program (PFEP), which will allow us to quickly make positive adjustments to our supply chain. Our teams have worked hard to drive many process changes in recent years, but the complexity of our enterprise supply chain makes accurate forecasting of the true impact of these changes challenging.

To avoid waiting until things can be launched across an entire site, we'll tackle 1 product family as a test case, using a kaizen-based approach to get a clear view of the supply base, current material ordering method, process for moving material to production lines, and specific customer requirements associated with the targeted product family. We will leverage the knowledge we gain to develop a strategy specific to this product family's unique needs, and have a Plan For Every Part (PFEP) for this product family.

Then we'll conduct a standardized approach to creating more PFEPs for other product families throughout the business. This will begin by creating a baseline of our current vendors to ensure we are focusing our spend in the right areas. For strong vendors, we'll prioritize efforts to reach multi-year pricing agreements that will stabilize costs.

The team will then review how we request materials from vendors, ensuring we have the right amount at the right time. Adjusting these policies will allow us focus on the highest cost items, assuring that we prioritize those that have the biggest impact on inventory investment. We'll also determine the best way to position materials in the factory once it's received. Should it be kept line side to be pulled as needed, or be stored in a warehouse and delivered as a kit?

At the end of all of this, we will have refined processes for all product families that maximize efficiency and cost. This will have a tremendous positive effect on the business moving forward and will set us up well for continued success.



## PROJECT PHOENIX

### Countdown to Success: Nearing SAP Go-Live in the UK!

It has been a busy first quarter, with preparations nearing completion for the **go-live of SAP for the UK on April 8**. In January we wrapped up the design of the SAP system for the UK and completed System Integration Testing in February. March is the busiest month so far with User Acceptance Testing in the first half of the month and end user training in the second half, along with design activities starting to wrap up on the US system. In the UK we will be starting the cutover process very shortly which entails a structured approach to shutting down the legacy systems and bringing the new SAP system online at the same time. Success will require the support of a large team of super users from across all sites in the UK.

As we focus on go-live for the UK, we can't lose sight of the urgency and focus required in the US. We are gaining a ton of experience and learning valuable lessons in the UK that we will be able to apply to the US deployment to ensure things go as smoothly as possible. However this is an extremely challenging transition and will require effort from all of us in one form or another to be successful. More specific communication will be coming explaining what is needed from each of you and what you should expect as we get closer to the go-live dates. **Please be prepared work together and do whatever is needed to help us win!**

Email [AskSAP@gentecorp.com](mailto:AskSAP@gentecorp.com) with any questions.



**Go-Live in UK is April 8**

## MARKETING UPDATE

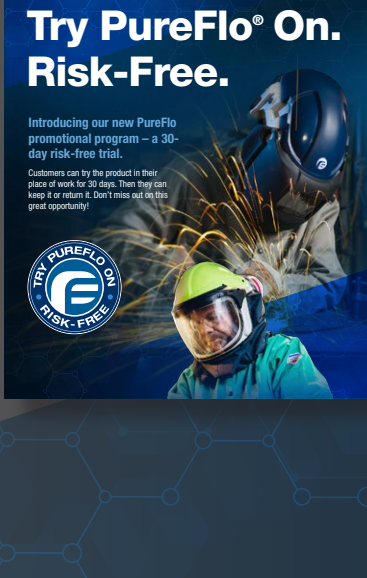
### Try PureFlo On. Risk-Free.

The marketing team works enterprise-wide, collaborating with others across the business to create content and campaigns that support the goals and objectives of our company. This quarter, we are excited to share an update about our Try PureFlo On Risk-Free campaign, a sales program that we partnered with the US Industrial Safety Sales Team to develop.

This campaign launched earlier this month and represents a huge step forward in our lead generation efforts, feeding qualified leads directly to our sales team's pipeline within Salesforce. This multi-channel campaign targets both distributors and end users and incorporates digital brochures, automated email communications, social media, a website landing page, and sales enablement tools.

The goal is to attract qualified new customers who may be hesitant about making a purchase by giving them a 30-day trial period to test the product with the option to return if desired. The team is excited to see these campaign assets be leveraged by our Sales team and Distribution Partners and we're very happy to say that we received our first P.O. only 2 days after this program launched. We are looking forward to continuing to see success from this campaign.

Visit the [landing page](#) to learn more.



## EMPLOYEE NEWS

### Q4 2023 Platinum Game Changer Awards

Gentex awarded 2,559 Game Changers in 2023, with over \$350K spent across all levels of the program. Congratulations to all of the winners!



RECIPIENT	LOCATION
<b>Mark Holmes</b>	Letchworth
<b>Dwight Bert</b>	Rancho Cucamonga
<b>Mark Jenkins</b>	
<b>Nick Kim</b>	
<b>Carl Tecson</b>	
<b>Ashley Backey</b>	
<b>Eric Evans</b>	Carbondale
<b>Autumn Huff</b>	
<b>Will Johns</b>	
<b>Tracie Palmisano</b>	
<b>Kris Sheerer</b>	
<b>Kristi Strunk</b>	

Platinum Game Changers can have a value from \$500 / £400 up to \$5,000 / £4,000.

A cross location and cross functional review committee meets monthly to research and review Platinum Game Changers for approval and award level decisions.

And we're very happy to say that we received our first P.O. only 2 days after this program launched. We are looking forward to continuing to see success from this campaign.

### Q4 2023 Milestone Anniversaries

YEARS OF SERVICE	EMPLOYEE	LOCATION	
<b>45</b>	<b>Stephen Saltisiak</b>	Carbondale	
	<b>Michael Mang</b>		
<b>35</b>	<b>John Cueva</b>		
	<b>Augustine Voglino</b>		
<b>30</b>	<b>Mary Linda Mcdonough</b>		
	<b>Denise Alberty</b>		
	<b>Robby Young</b>		
<b>25</b>	<b>Nadine Dominguez</b>		Rancho Cucamonga
	<b>Darryl Truman</b>		Carbondale
<b>20</b>	<b>Scott Rossi</b>		
	<b>Larry Kleinbauer</b>		
<b>10</b>	<b>Beth Mellin</b>	Norwood	
	<b>Amanda Ashby</b>		
	<b>Alexandra Brax</b>		
<b>5</b>	<b>Anthony Townsend</b>	Carbondale	
	<b>Courtney Perri</b>		
	<b>Bhupendrabhai Patel</b>		
	<b>Stephen Laub</b>		
	<b>Jacqueline Gillette</b>	Manchester	
	<b>Brittany Rodgers</b>		
	<b>Darwin Perez</b>		
<b>Danielle Kras</b>	St Helens		
<b>Brian Fowler</b>			
<b>Jemma Savage</b>	Stranraer		
<b>Sarah Vickery</b>			

# HERE'S TO A PRODUCTIVE AND PROFITABLE 2024

We would greatly appreciate your feedback to our quarterly newsletter. Please send your suggestions and comments to:

[news@gentecorp.com](mailto:news@gentecorp.com)