UWH Investor Day Presentation
June 9, 2022

Introduction

- David Cooper - President and CEO since 2021. President since 2014. Joined Whitehall in 2004
- Whitehall started as a small machine shop in 1974
- Entered automotive in 1996 in a niche area – sunroof tracks
- Entered EV automotive segment in 2012
- Purchased by UACJ in 2016
- We now have 6 plants in the United States and one in Mexico, over 1200 employees

Growth Strategy

- UACJ challenged UWH to grow our top line from $125 million to $500 by 2026 (15% CAGR)
- UWH developed a strategic plan to pursue this goal
- Execution of this plan has transformed UWH
  - Whitehall was a little known niche Tier II with one large EV customer
  - UWH is a sought after Tier 1 supplier of structural aluminum
- Throughout this transformation we have maintained excellent quality – less than 30 ppm.
- UWH has added Japanese OEMs to our customer base
- We developed recognized best in class extrusion process capability
- Added new fabrication capability such as robotic mig welding, laser machining, highly automated assembly
- We are on track to accomplish the mission

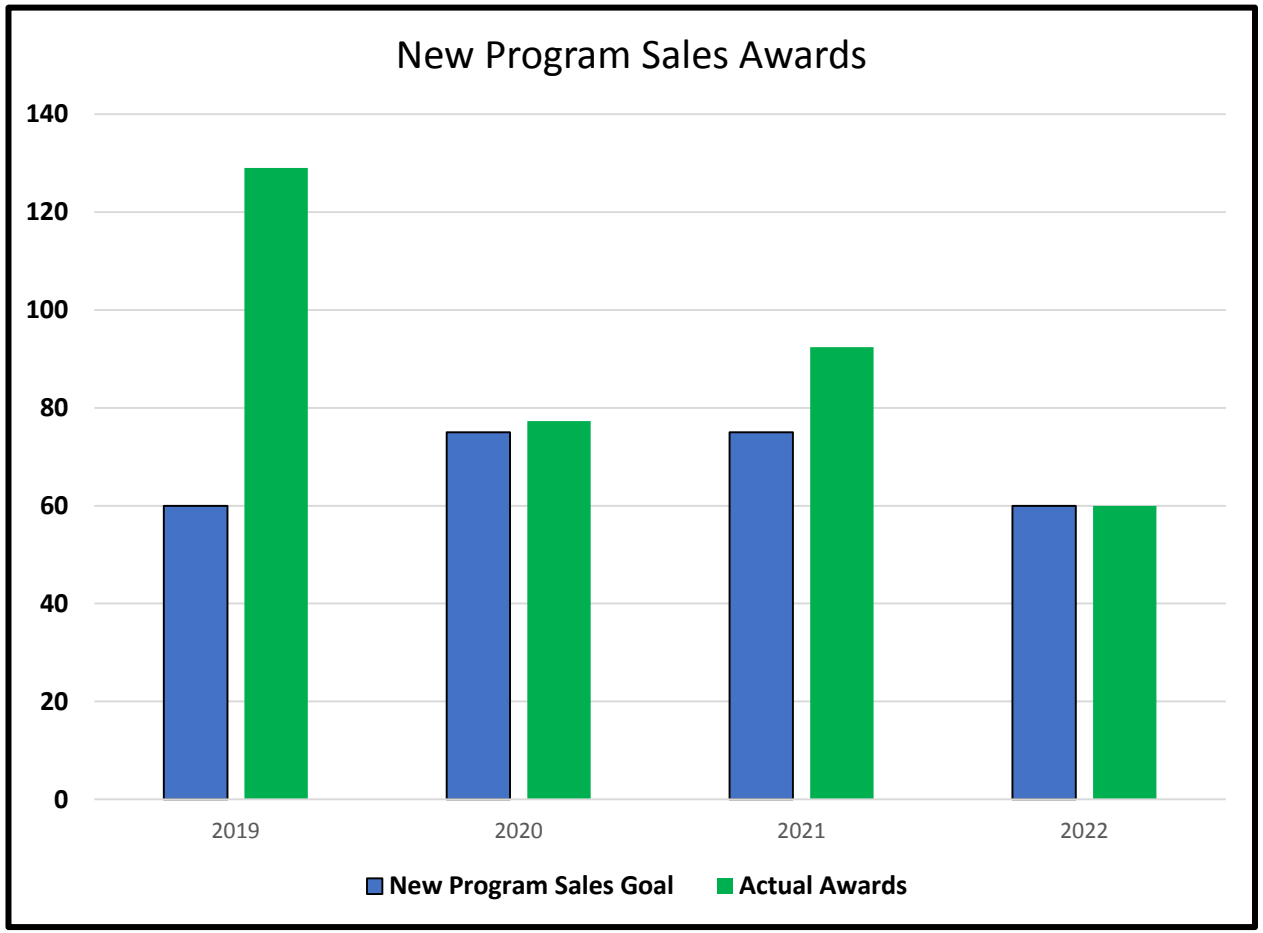
New Program Awards

- Large EV Customer $139M– 4 major new program awards
- Large Japanese OEM $20M/yr – Truck bed structural program
- Large Japenese OEM $44M/yr – Two bumper beam programs
- EV Startup $9M/yr – EV Truck and SUV
- EV Startup $8M/yr – EV Sedan
- Large Tier 1 $12M/yr – Structural crossmembers for 2 ICE programs and 1 Hybrid
- Large Tier 1 $11M/yr – Structural and body parts for new sports car

Photos by UWH employees at trade show

Result – When at volume, these programs will result in $400M/yr in revenue

New Program Sales Awards

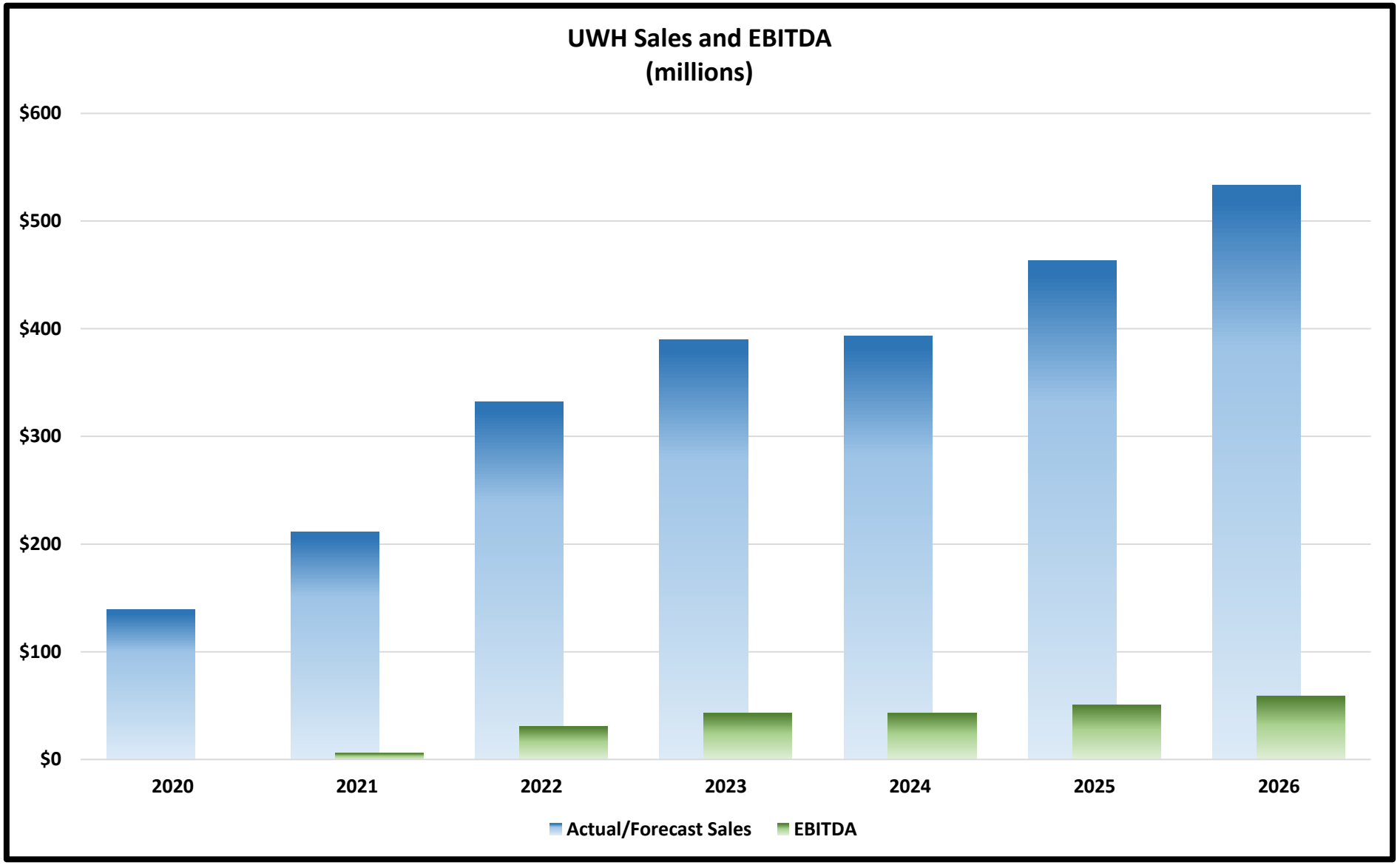


Assuming 5 year program life, to reach $500 million in sales, we need to be awarded $100 million in sales annually

New Program Sales awards for 2019-2021 averaged $99 million, although we were targeting only $60-75 million for this period.

For 2022 we had to lower our target to $60 million because we will have reached extrusion press capacity in 2023

UWH Sales History and Forecast



Growth Journey

UACJ Automotive Whitehall

Supports Vision 2030 Initiatives

2016

Whitehall Acquired
- Challenged to grow to $500 million (15% CAGR)
- "Mission Impossible"

2017

Expansion Begins
- Developed Growth Strategy
- Progress Drive Plant built
- Expanded Paducah Plant

2018

Expansion Continued
- New Extrusion Press #3 Hybrex 8"
- Opened Detroit sales office

2019

Expanded Technology
- Implemented new performance management system
- Expanded Lean Manufacturing
- New Capabilities – FSW, Laser
- Dramatically expanded extrusion capability

2020

Preparation for launches
- Start up Extrusion Press #4
- Preparation for 3 JOEM launches begin
- Launched two major EV programs
- Team leader concept implemented

2021

Execution
- Sales above $200 million
- New Plant in Flagstaff, AZ
- Progress Drive 2nd Expansion
- Launch of 3 JOEM Programs
- Launch new programs for three EV startups
- Technician training

2022

Continued execution
- $300M+ sales forecast
- SOP for two major JOEM programs
- SOP for Major EV program
- Start up Extrusion Press #5
- Automation. Kaizen. High percentage of business in Mexico
- Support DX – IT expansion
- Reduce environmental impact

2023

Future Growth
- Screen opportunities for strategic fit & Margin
- Expand plants further
- Add press capacity

External Challenges →

Global Pandemic

Labor Shortage/Supply Chain Disruption

UWH Locations - 2016

UACJ Automotive Whitehall

UWH Locations - Current

Madison

Ludington, MI
Fabrication

Progress Drive

Ludington, MI
Fabrication

6th Street

Ludington, MI
Extrusion
Fabrication

Sales office

Troy, MI

Flagstaff

Flagstaff, AZ
Fabrication

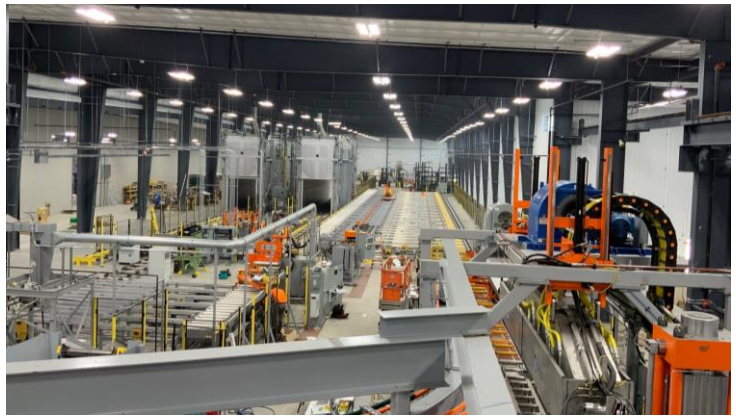
Mexico

San Miguel, Mex.
Fabrication

Paducah

Paducah, KY
Extrusion
Fabrication

Expansion of Extrusion Capacity



- Newly awarded programs required additional press capacity
- Three extrusion press lines have been added to Michigan
- With 5 press lines, our aluminum extrusion capacity has been increased 3X

Plant Expansions

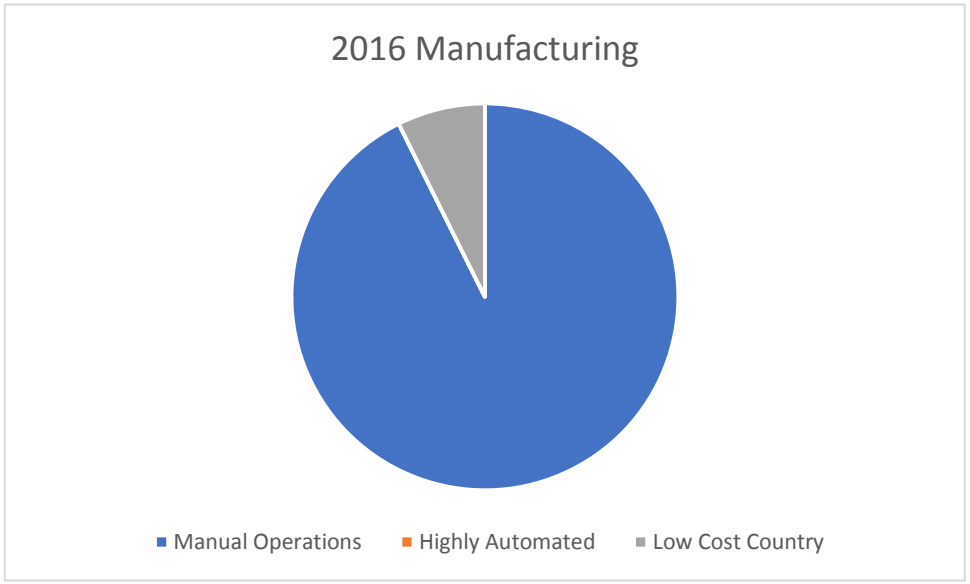
- Two plants were added
  - Progress Drive in Michigan
  - Flagstaff AZ
- Mexico was expanded 3X
- Kentucky was expanded 1.5X
- Progress Drive has been expanded twice and is now our largest plant

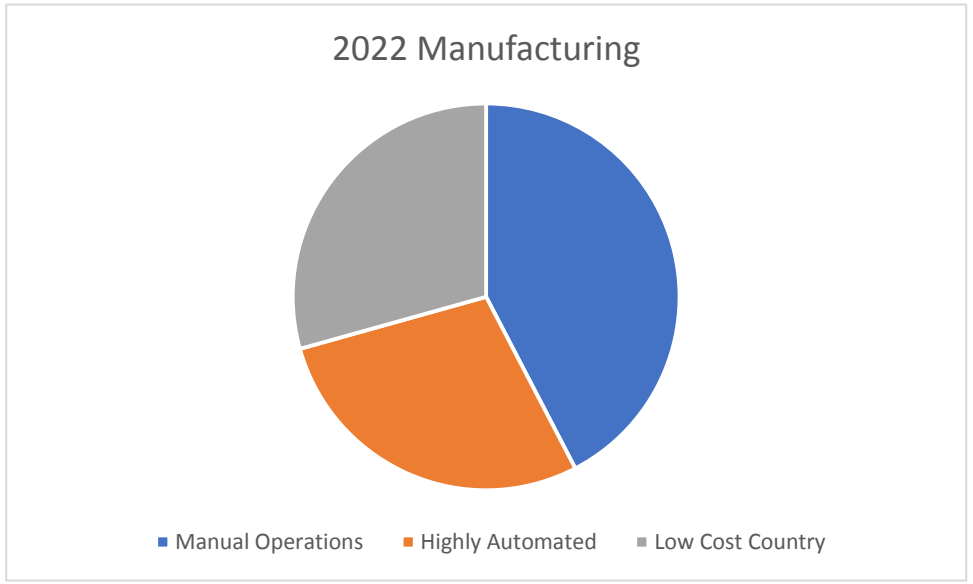
New Program Fabrication Cells

- Capital spending and engineering costs are incurred well before launch
- Our new cells are highly automated and very complex
- Leading edge technology such as laser machining have been added
- We have added significant amount of robotic welding to Progress Drive and Mexico
- Our fixed costs have increased 2X as extrusion and fabrication cells have been put in place

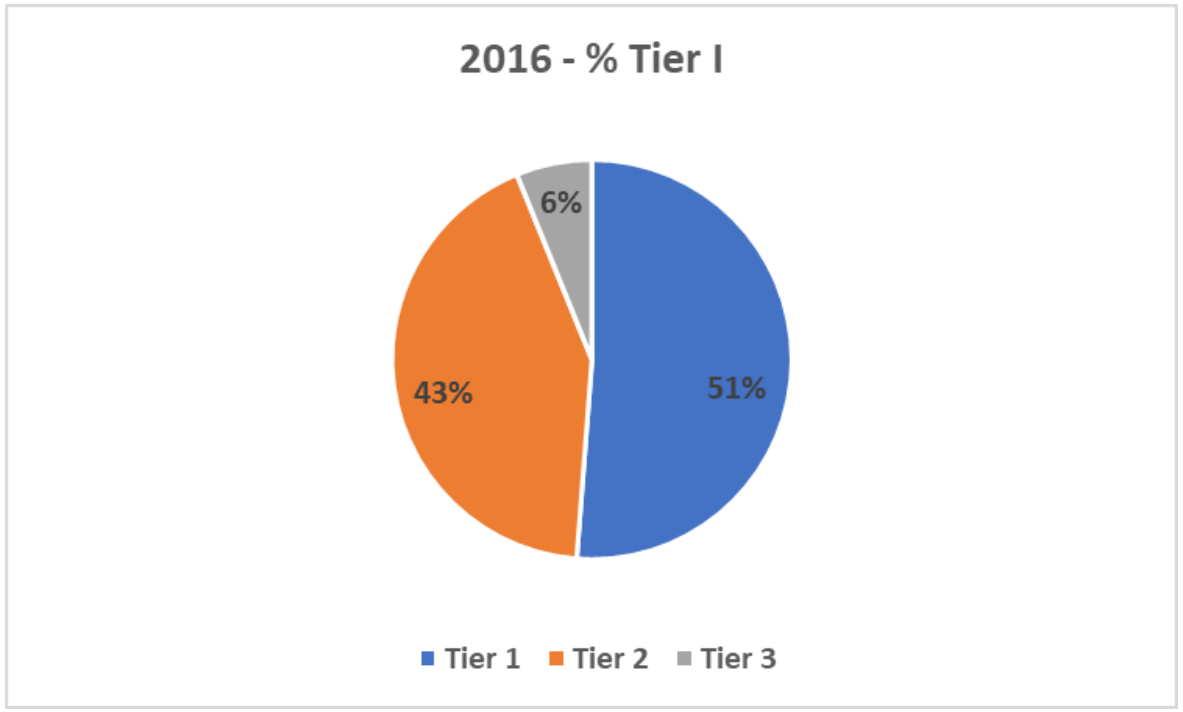
Labor Cost Reduction

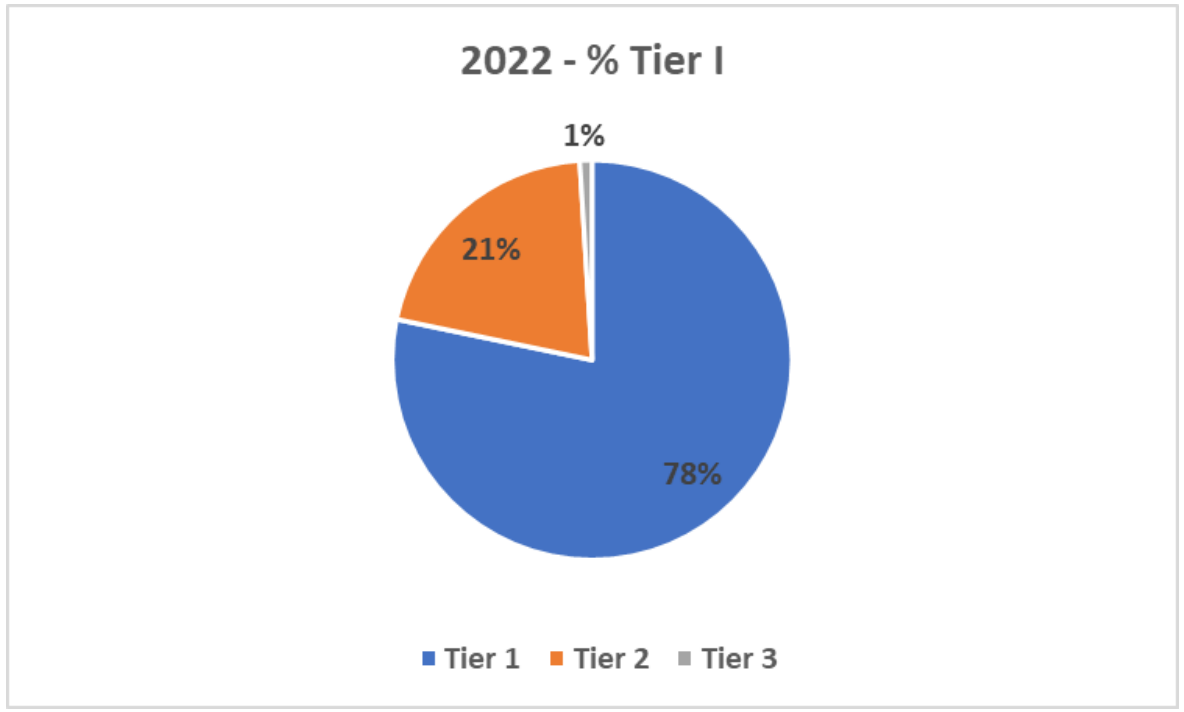
- At acquisition, only 7% of Whitehall manufacturing was done in a low-cost country, or in a highly automated work cell
- In 2022, 58% of UWH manufacturing will be done either in Mexico, or in highly automated work cells
- This more than offsets wage and benefit inflation over the past 6 years.
- Results : 2022 will have the lowest direct labor cost as a percentage than ever before
  - 2015 actual direct labor 11.6% of sales
  - 2022 target is 7.1% of sales
  - Our highly automated plant in Arizona will have the same labor percentage as our Mexican operation



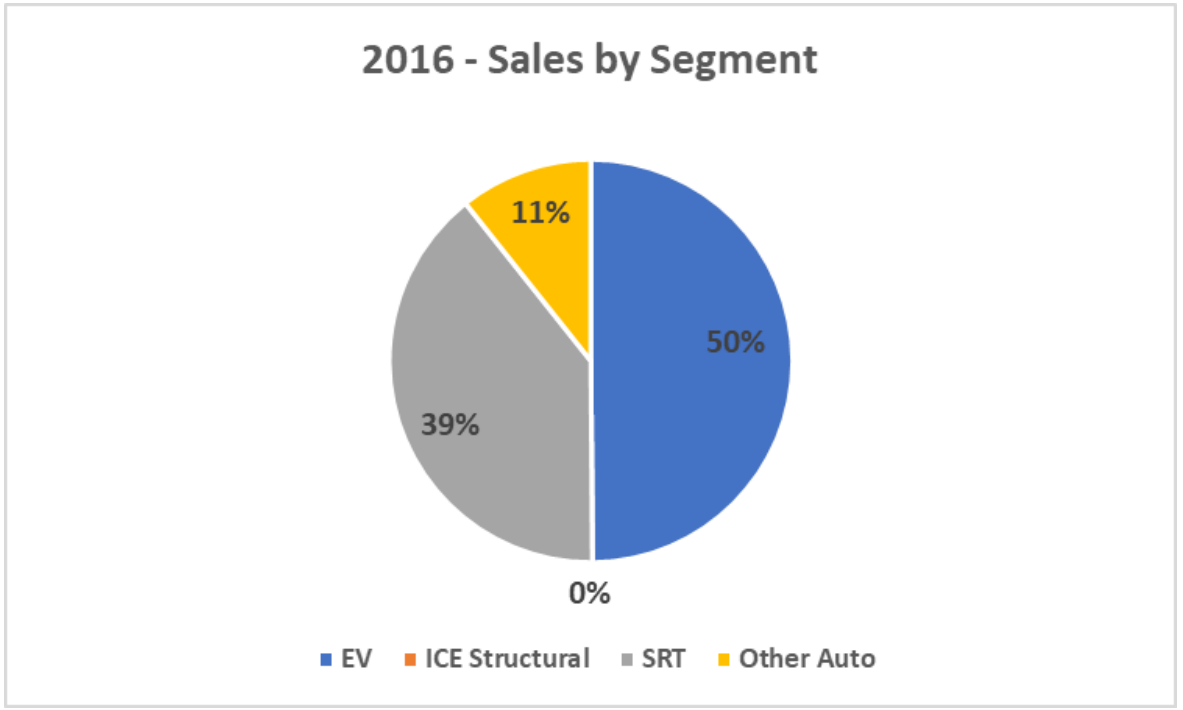


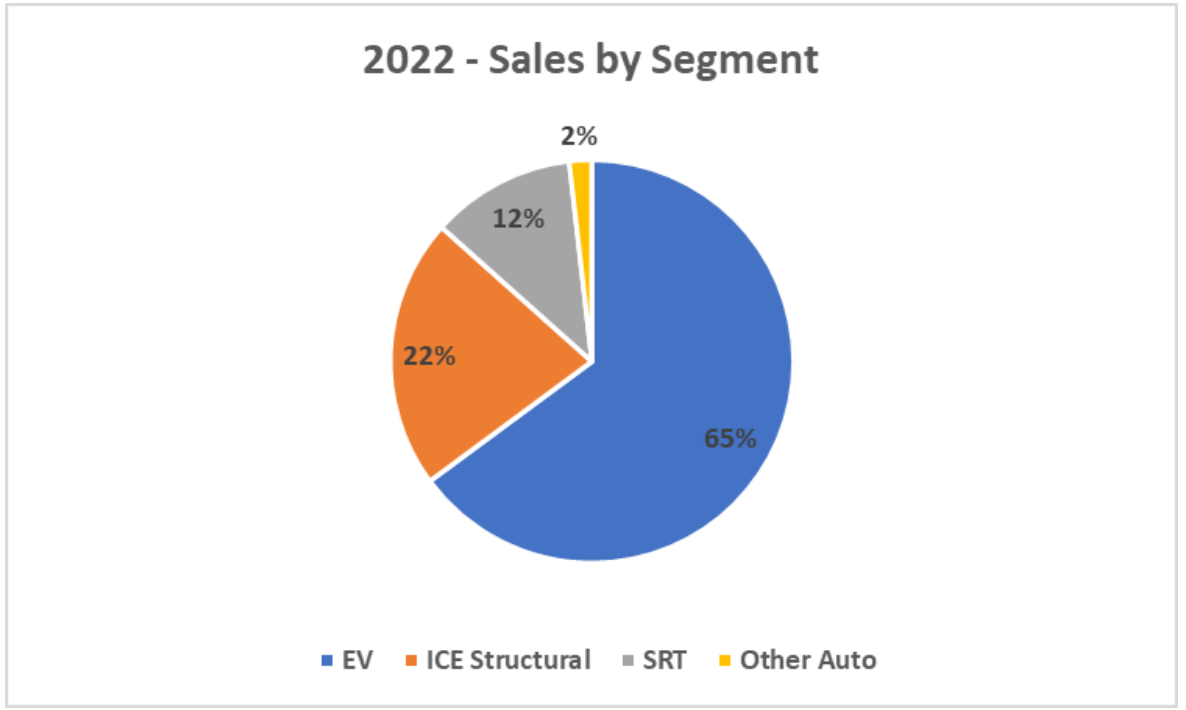
Sales by Tier





Sales by Segment





EV = Electric Vehicle
ICE = Internal Combustion Engine
SRT = Sunroof Track

Growth in EV and ICE Structural (higher margin) is replacing traditional, low margin Tier II sunroof business

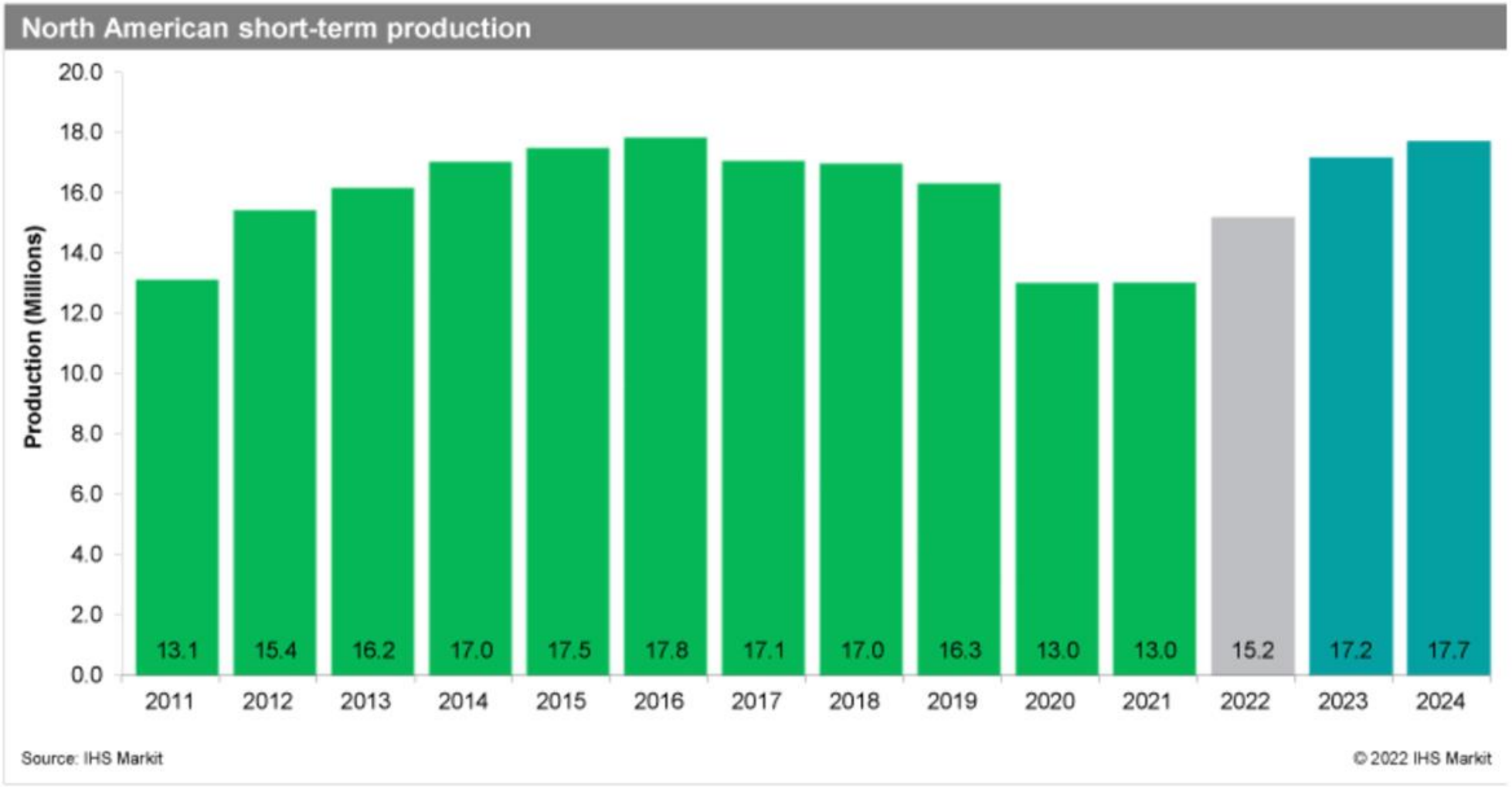
External Factors have Delayed Top Line Growth

- Two Major JOEM bumper program launches have been delayed
- Major JOEM structural program launched on time, but is ramping up slowly
- “Major EV” manufacturer’s launches have been delayed as well
- All OEM’s have been affected by COVID-19 and the resulting supply chain problems

- As a result, we continue to operate below our breakeven point
- Q4 of FY 2021 was the first quarter with sales above BEP – resulting in a slight profit for that quarter
- When these new programs reach volume, we will achieve expected top line sales

Future Growth Potential

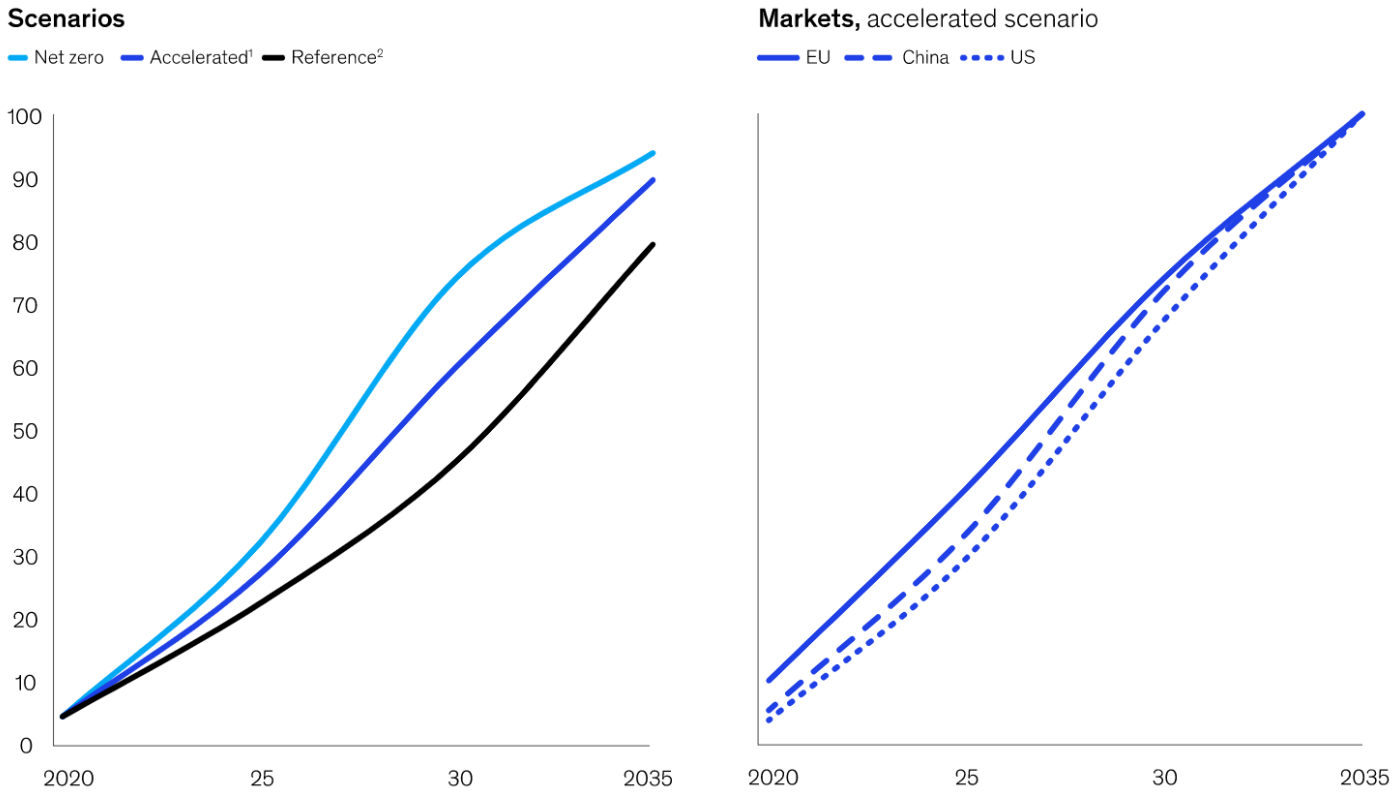
North American Automotive Production



Shift to Battery Electric Vehicles

By 2035, the largest automotive markets (the EU, US, and China) will be fully electric

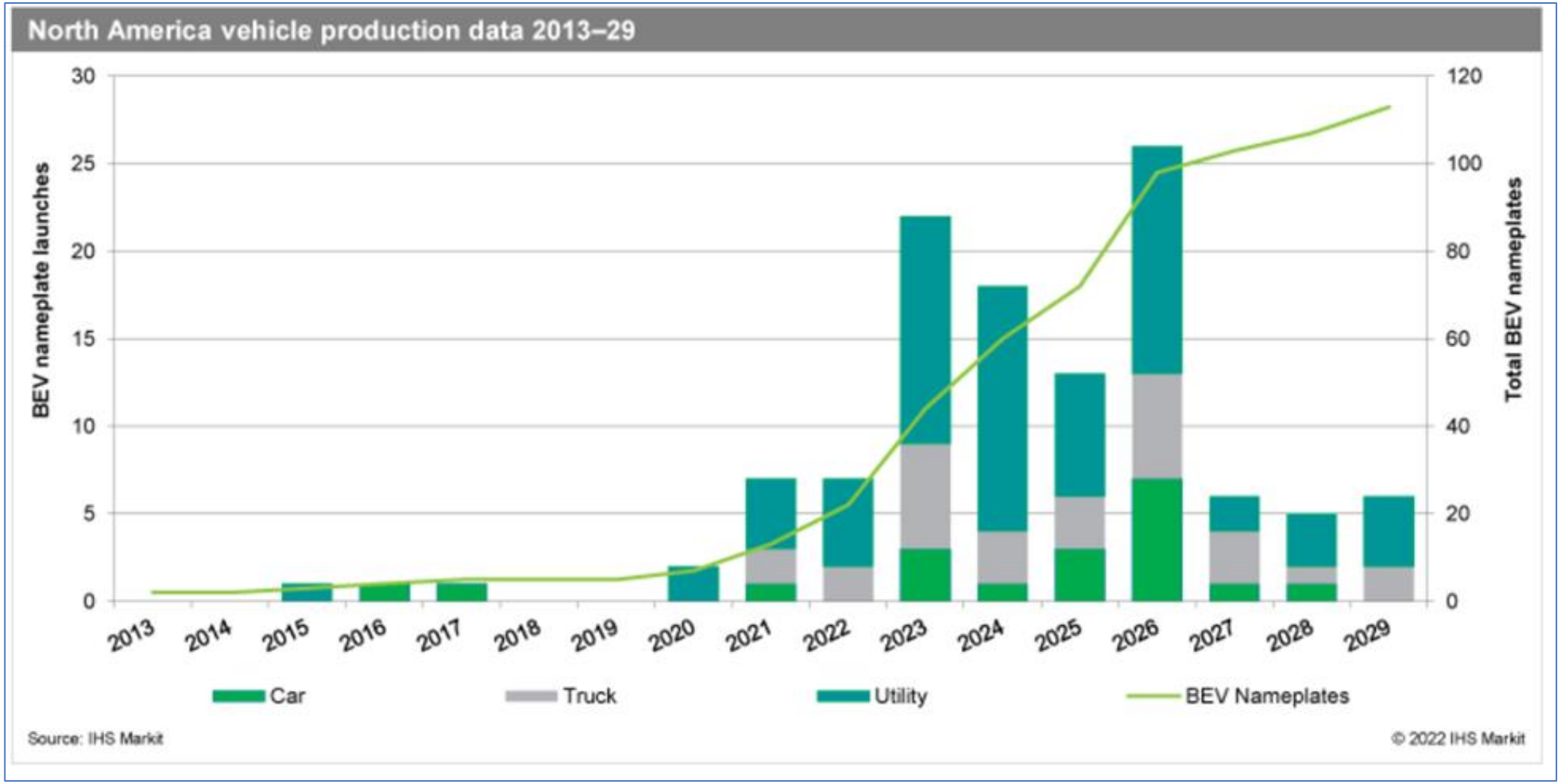
EV (BEV, FCEV, PHEV) sales in percent of new passenger vehicle sales



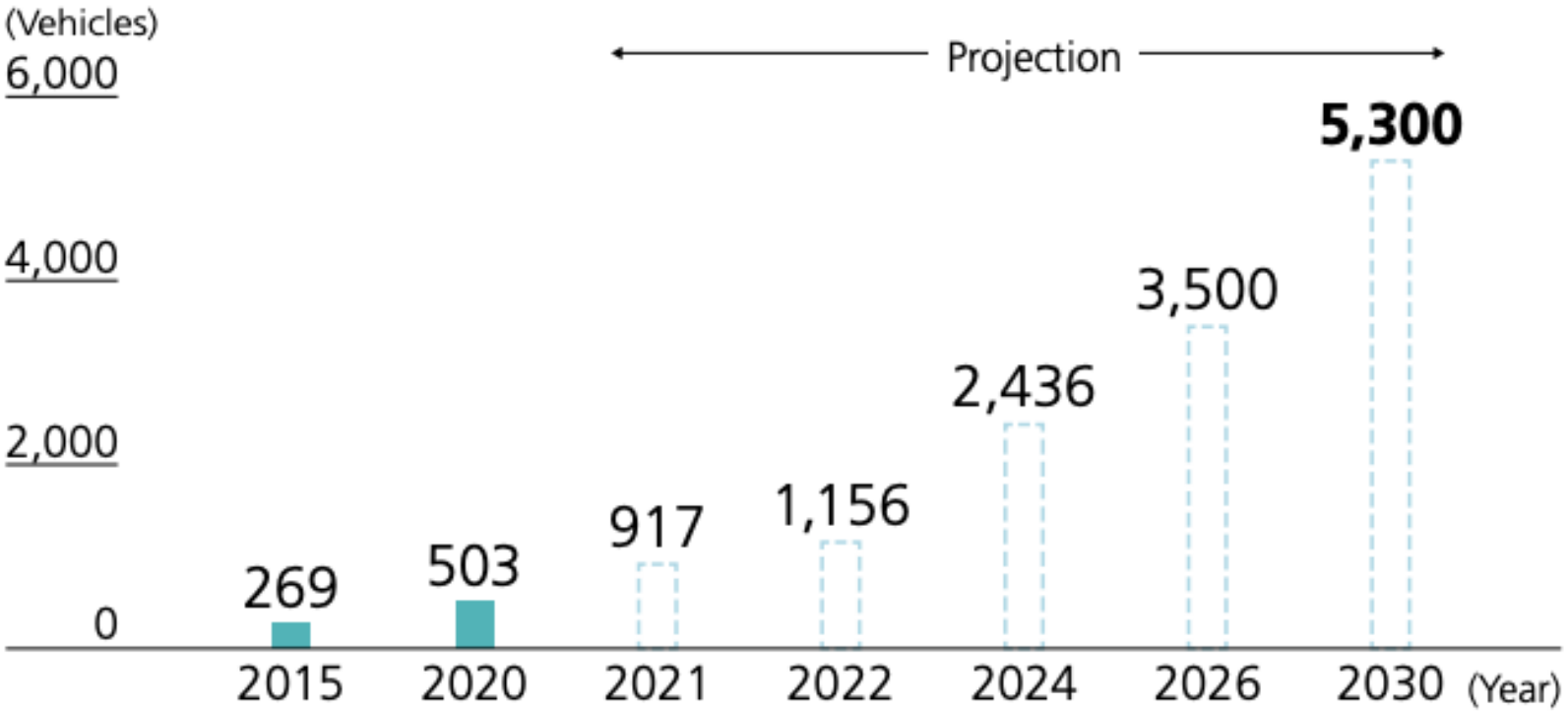
1. Most likely scenario under which consumer adoption will exceed regulatory targets
2. scenario under which currently expected regulatory targets will be met

Source: McKinsey Center for Future Mobility; McKinsey Electrification Model; literature search; ICCT; EV-volumes.com; IHS Markit

Shift to Battery Electric Vehicles



Projected EV production in North America



Source: In-house research by UACJ Corporation

Tremendous Growth Opportunity

- New business comes to us, now that we have established a reputation in the structural automotive segment
- We are currently overwhelmed with large new program opportunities
- We cannot accept these opportunities because our press capacity is now booked
- Major customers are pushing us to install more, as they see a shortage of extrusion capacity on the horizon
- Our only growth limitation is extrusion capacity and the pace at which we can prepare new automotive production cells
- There has never been a time like this to be in our business

Thank You