



# AMERICAN CIRCUITS

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YOUR ELECTRONICS MANUFACTURING PARTNER



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# Company History

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- Founded in 1990 as a bare board fabricator and engineering company located in the U.S.
- Expanded into turnkey assembly while 90% of PCB fabricators closed due to offshoring pressures
- Steady growth allowed regular enhancements to manufacturing and engineering capabilities
- Founder has two Masters Degrees in Engineering always focused on operations and quality
- Family Business – family has controlling interest



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# Executive Summary

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## Growth

- Positive industry tailwinds
- Expansion via organic sales
- Excess capacity for growth

## Stability

- 30 years in business
- Uninterrupted profitability
- Financially strong
- Wide customer and end market diversity

## Superior Customer Service

- Long-term partnerships
- Flexible and fast production
- Competitive cost structure
- Repeat business

## Quality

- On-time deliveries
- Minimal returns
- ISO 9001 certified
- Top environmental quality awards

## People

- Caring staff
- Very experienced team
- Hard working culture
- Stable workforce



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# Robust Industry Outlook

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For the next several years:

- Electronics Industry – will posit solid growth above the general economy as technology leads the way
- U.S. Market – GDP growth is expected, with continued innovation and vibrancy that are hallmarks of the U.S. Inflation and Supply Chain constraints will ease over the next twelve months
- Offshoring vs Onshoring – worst is behind us, movement favors onshoring
- Southern Region & Charlotte Metro – favorable demographic trends with population growth as businesses and individuals seek lower costs and warmer weather
- Industry Conditions – the small to mid-volume segment consist of a competitive, but fragmented and growing market



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# Business Overview

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- 30 years in business
- Electronics Manufacturing Services
  - Turnkey PCB assembly and engineering including cables, wire harnesses, and box builds
- High mix, low-to-mid volume domestic manufacturer
  - Two facilities in Charlotte, NC approximately 30,000 sq. ft.
- Expansion plans: significant investments in people, equipment, and facilities to enhance capabilities, quality, and capacity
  - Company has excess capacity for volume growth



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# Experienced Management

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## Praful Gondha, VP, Owner

- 40+ years experience in circuit board industry
- 25+ years management experience
- 30+ years ownership experience
- 20+ years accounting experience

## Ket Gondha, C.E.O., Owner

- 10+ years industry experience
- 20+ years including American Circuits, Standard & Poor's, Lehman Brothers
- JD/MBA from Columbia University in NYC
- BS in Business Administration from UNC Chapel Hill

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Management team's total combined experience of 100+ years in electronics

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## Philosophy

Our success is tied to our customers success

Superior customer service

Long-term partnerships



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# Longstanding Customers

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- Varied end markets
  - Aerospace & defense, energy, healthcare, industrial, LED Lighting, mining, robotics, transportation, etc.
  - Limited automotive and consumer
- Diverse customer base
  - Largest customer <15% of sales
  - Top 5 customers <33% of sales
  - 100+ customers
- Repeat customers, strong customer relationships
  - 5% historical revenue churn
- Geographical dispersion with regional strength



# Flexible Manufacturing

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- Mixed technology facility with SMT, Wave, Cabling, Mechanical, Rework & Repair (e.g. BGA)
- Highly customized approach – from sales to shipping
- Quick turns and flexible structure – can immediately satisfy customer needs
  - E.G. 3 days for turnkey assemblies
- Supply Chain and Procurement
  - Vendor managed inventory
  - Product life cycle support
  - Strategic sourcing





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# Engineering & Test

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Robust engineering across various disciplines

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MANUFACTURING

ELECTRICAL

MECHANICAL

QUALITY

PROCESS

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Reverse Engineering

Design For Manufacturability (DFM)

Tooling design and manufacture

Electrical troubleshooting & repair

Text fixture design and manufacture

Full suite of test platforms

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AUTOMATED OPTICAL (AOI)

FUNCTIONAL TEST

X-RAY

BED OF NAILS TESTING

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# Quality Focus

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- Culture of Quality and Continual Improvement is central to our work
- Metrics
  - >99% on-time deliveries
  - <1% returns
- Competencies
  - ISO 9001 certified
  - ITAR registered
  - Class III capable
  - ANSI/ESD s20.20 compliant
- Expertise on site
  - Quality Engineering
  - Six Sigma Black Belt
  - IPC Training
  - Electrical Engineering
  - Mechanical Engineering



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# Unique Workforce

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- Stable – average 10+ years, low turnover, non-unionized, etc.
- Experienced – most have multi-decades of experience including Fortune 500 companies
- Flexible – overtime, anytime
- Culture – caring, hard working, customer focused
- Compensation – solid benefits package and family atmosphere
- History – no layoffs in our entire history
- Training – on the job and outsourced if needed



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# Competitive Cost Structure

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- Control of costs is a top priority
- Continual push for efficiency (vs pricing) is imperative
- Pricing has historically held firm, without annual raises (supply chain issues notwithstanding)
- Historical growth is from volumes, not pricing
- Future costs will increase less than our growth rate
- Economies of scale through plant investments and volume growth will allow future pricing to remain in line with historical pricing



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# Financial Profile

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- Profitable every year for the past 25+ consecutive years
- ACI has not chased growth with large spending outlays
- No bankruptcies or debt write-downs
- DNB# 86-865-4344
- Fully-Owned PP&E
  - 10100 Sardis Crossing Dr.
- No leases or off-balance sheet liabilities



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# No Contingent Risks

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Transparent, risk-averse management has avoided:

- Pensions
- Operating leases
- Environmental liabilities
- Lawsuits
- Regulatory actions
- Tax audits
- Violations, fines, or judgments