



2023

ANNUAL REPORT



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BELIEFS

- ▶ Our people and their unique individual talents are valued.
- ▶ Appropriate recognition motivates our people to be successful.
- ▶ Leaders create value.
- ▶ Innovation creates continuous improvement.
- ▶ Profitability ensures the survival of our company.
- ▶ Positive relationships build loyalty.
- ▶ Honesty is essential in all transactions.
- ▶ We create value for our customers.
- ▶ Wellness and healthy lifestyles are important to our success.

DRIVERS

- ▶ Quality in everything we do.
- ▶ Productivity improvement is a continuous process.
- ▶ On-time delivery because our customers depend on us.
- ▶ A safe working environment is our commitment to each other.
- ▶ Environmental responsibility is our commitment to our communities.
- ▶ People development because our people create our success.
- ▶ Company growth is the result of providing a superior service.
- ▶ Value-added service means doing more for our customers.



A Letter from Chairman and CEO Marc LeBaron

2023 marked a return to a more normalized state of business for Lincoln Industries. Although Covid related supply chain and schedule interruptions still exist, they continue to improve and we have learned how to react to those interruptions much more efficiently.

The transition of the Khrome Werks manufacturing from our Minnesota facility to Nebraska is virtually complete, allowing for significant improvement in our Minnesota operating efficiency.

We continue to see growth in our product-based brands, Lincoln Chrome and Khrome Werks. Our brands are well positioned in the marketplace as premium brands both in cosmetics and performance. We are excited about new product introductions that will continue our growth as we move into 2024.

To meet increasing demand in our transportation business, we added a fully automated dual robot polishing cell. It not only significantly increased our polishing capacity, but greatly improved our quality and safety.

Our customer survey showed some of the highest net promoter scores since we began asking our customers for performance feedback.

Our people, through our internal culture survey, provided some of the highest engagement scores since we began our survey process.

Over 150 people participated in our annual wellness climb. It is a tribute to the commitment all our people make to wellness and healthy lifestyles. It is reflected in the positive spirit and energy exhibited by our people in their daily lives.

Lincoln Industries had another outstanding year in working safely, showing continued significant improvement in all our safety metrics.

We accomplished all this while continuing to stay focused on enhancing our culture and living our company values. We look forward to the opportunities and prospects of 2024.



Polishing the Future: Lincoln Industries' Technological Advancement in Tube Finishing

How an Italian-made Robotic Polishing Cell is Progressing Polishing Proficiency

Lincoln Industries has embarked on a journey to advance our polishing approach through the introduction of a robotic polishing cell for large diameter exhaust stacks. This significant investment, which took over a year of engineering, design, and construction, represents a major stride in automating a previously manual process. This change is not just about embracing technology; it's about shaping the future of metal finishing for the trucking industry.

The decision to invest in automation stemmed from multiple strategic objectives. It enhanced safety by addressing ergonomic challenges associated with handling large diameter tubes. It was also crucial to improve consistency in output while boosting productivity. Most importantly, it expanded critical capacity, setting the stage for future growth with trucking customers.



The heart of this advancement lies in the dual robot polishing cell developed by Lincoln Industries and DAN technology. The dual robot setup allows for flexibility in processing of parts by allowing the robots to work independently or as a team to optimize the flow of different parts through the cell. These robots are dedicated to polishing large-diameter tubes in preparation for nickel chrome plating.

The efficiency brought by this automation has freed operators from the physically demanding task of manual polishing allowing them to focus on less ergonomically challenging parts. This shift has not only improved safety standards but also improved overall productivity.



For Class 8 truck customers, this means increased capacity for their planned growth enabling them to rely on Lincoln Industries for consistent, high-quality products as they expand.

In navigating the challenges of integrating such a complex robotic polishing cell, Lincoln Industries required exceptional project management and adaptability. Throughout the process the engineering and operations teams worked with DAN to design the custom cell to meet our needs. This culminated in a trip



to Italy for machine run-off to ensure all specifications were met. And despite supply chain disruptions and extended lead times, the team made necessary adjustments to ensure the successful and timely completion of the project.

2024 will bring additional automation opportunities and investments with a fully automated muffler polishing cell coming online. Moving forward, Lincoln Industries remains dedicated to looking for ways to elevate our standards through continuous improvement and automation, allowing us to better support our customers.



A Green Legacy: Celebrating 20 Years of Perfect Environmental Compliance

Lincoln Industries' Dedication to Community and Sustainability through Environmental Stewardship



For two decades, Lincoln Industries has maintained a remarkable record of perfect environmental compliance with their environmental discharge requirements. This consistent achievement demonstrates their commitment to not only ensuring adherence to regulations, but also to playing an active role in community and environmental stewardship.

Lucius Rippeteau, who has been with Lincoln Industries for 19 years, is a key figure in this journey. Rippeteau started with Lincoln Industries as a 3rd shift polisher and quickly moved into the environmental services team, demonstrating success in multiple roles and was recently promoted to the role of Manager of Environmental Services. His story is one of dedication and passion for environmental safety. Living just two miles from the facility, Rippeteau shared that his "work is deeply personal, and I want to ensure that the water discharged is clean and safe for not just the community, but for my family as well." Lucius and his team also ensure that all air exhaust discharges and waste disposal are in full compliance.

Rick Dickey, former leader of Environmental Services who retired after 45 years, set high standards in the department with his meticulous attention to detail. His legacy continues to influence the company's environmental policies and practices.

The company's commitment to environmental responsibility goes hand in hand with our core values. As we continue to lead in environmental stewardship, we remain dedicated to safeguarding our community and setting industry standards.

Beyond the Frame: Lincoln Industries' Role in Shaping Digital Signage



Lincoln Industries is a key partner for businesses seeking to enhance their LED digital signage and display capabilities. Offering a complete package of design, engineering, manufacturing, and installation services, we work closely with our clients to deliver custom-designed frameworks that make their digital visions a reality.

Our projects have reached across the globe, making a mark in major newsrooms as well as the entertainment, sports, and tech industries, highlighting our ability to handle complex framework requirements effectively.

Ryan Hernandez, Manager of Integrated Design and Frame Solutions, points out that the focus on quality and meeting specific visual and technical needs sets us apart. Our expertise in designing large-scale frames with visually seamless construction ensures that every framework we produce meets the high standards expected by our clients.

Lincoln Industries takes pride in being more than a vendor; we are a collaborative partner dedicated to bringing our clients' ideas to life. Our approach to each project is straightforward; we aim to provide exacting, high-quality solutions that reflect a commitment to both craftsmanship and customer satisfaction.

Through work with leading brands, we've shown our capacity to deliver reliable and visually appealing installations that serve our clients' needs and objectives.



From Design to Installation: Crafting Custom Solutions for Leading Brands



Streamlining for Success: Lincoln Industries’ Strategic Consolidation of Khrome Werks



**Transforming Operations
for Enhanced Customer
Satisfaction and Market
Leadership**



Lincoln Industries’ consolidation of the Khrome Werks manufacturing and distribution center into the Nebraska campus, in addition to a direct to dealer shipping strategy, represents a continued commitment towards improving the customer experience within its branded products.

Corey Petersen, Vice President of Operations, elaborates on the benefits: “The manufacturing consolidation has enabled us to establish the right levels of inventory, allowing us to pack and ship in a substantially reduced timeframe. Originally targeting a 10-day lead time, we’re now on the path to achieving a 2-day lead time to our customers. We’re continuously looking for ways to innovate and improve our service.”

This consolidation into a single-focused operation is just the latest of several on-going investments in our branded products. Additional dedicated CNC machine centers as well as vertically integrating certain manufacturing operations have contributed to improved customer delivery.

“The decision to vertically integrate systems, muffler cans, tips, polishing, and finishing, is something unique to the Khrome Werks brand. Our manufacturing strength combined with our customer focus is a competitive advantage” shared Jeff Derge, Director of Branded Products.

This commitment is echoed in the words of Tracey Smith, Parts Manager at Mancuso Harley-Davidson, who says, “I choose to carry Khrome Werks products in my parts department for not only the product quality but also the direct relationship I have with my rep. Since I



started dealing directly with Khrome Werks, I know I can call my rep anytime, and he’s ready and willing to help me meet or exceed customer expectations—even if it’s after-hours for him. One example is when I called him at 6:30 pm on a Saturday to check stock on a new exhaust system a customer in-store was asking about. He took the call and arranged for it to ship the next business day. This is the level of customer service I strive to offer my own customers, and it’s crucial for me to receive the same from my vendors.”

This strategic enhancement aligns with the overarching vision for Khrome Werks and Lincoln Industries. Schmid adds, “Viewing our branded products as a vital avenue for growth, this initiative was a crucial step in positioning Khrome Werks as a frontrunner in the aftermarket motorcycle industry, enabling us to hold our own against major players in the industry.”

At the foundation of Khrome Werks success are partnerships with our customers and dealers. By providing an exceptional level of service that dealers like Tracey Smith can rely on, we continue to earn their trust and prove our differentiated value to the customers.

Accelerating Innovation: The Rapid Prototyping Focus at Lincoln Industries

**Harnessing
3D Printing to
Enhance Design
and Manufacturing
Efficiency**

A shift in prototyping methods has changed the way Lincoln Industries approaches product development, particularly in the products for heavy-duty trucks. Moving away from traditional, time-intensive prototyping that involved manual marking, measuring, and welding, the company has embraced 3D printing technologies, reshaping the process from concept to product.

The inclusion of 3D printing for rapid prototype tooling at Lincoln Industries has been critical in reducing the prototype timeline. Eric Jacobs, Director Truck Accounts at Lincoln Industries shared that “3D printing has been a catalyst in our prototyping process, reducing iteration times drastically. This technology allows us to quickly respond to our customers’ needs, ensuring we’re not just fast, but also accurate and efficient in our solutions.” Where the old methods required multiple iterations to perfect a design, 3D printing has significantly reduced this. Leveraging technology in this fashion, complemented by enhanced measurement verification capabilities through laser scanning and software upgrades, has enabled the company to accelerate the prototyping phase dramatically. This shift not only speeds up the design process but also enhances accuracy and reduces the margin for error.

Reducing the prototyping time to less than 48 hours has had a significant impact on Lincoln Industries’ service to customers. The rapid turnaround enables a quicker response to customer requests, aiding in the design and validation process. This is not just about efficiency; it’s about enabling customers to refine their designs more effectively and ensuring manufacturability earlier in the development cycle. Integration and production ramp-up are also smoother and quicker because issues are quickly resolved earlier in the design cycle.

Lincoln Industries is ready to meet the evolving demands of customers with agility and precision by incorporating the advantages and nimbleness of 3D printing with specialized expertise.



Accelerating Ahead: Lincoln Industries’ Truck Business Evolution

**Navigating New Roads
with New Product
Categories and
Innovations**

Lincoln Industries has witnessed an expansion in its truck business beyond basic exhaust components; growing into a wider range of products including bumpers, internal cab components, grab bars, engine components, emblems, and heat management solutions. This growth reflects our ability to evolve with our major heavy-duty truck customers and the market by embracing complexity and automation to meet their dynamic needs.

“Our success lies in our relationships with customers and our ability to perform,” explains Eric Jacobs, Director Truck Segment. “Our venture into new product categories like grip steps, curtain tracks, and emblems was born out of trust. Clients turn to us to solve problems, a testament to the confidence they have in our capabilities.”

Innovation and technical expertise are at the core of Lincoln Industries’ success in complex products. “Our investments in testing capabilities and our willingness to work closely with customers set us apart from competitors,” adds Jacobs. “We’ve taken on new projects with insulation and anodizing, which showcase our technical capabilities and problem-solving acumen.”

Automation has played a pivotal role in transforming Lincoln Industries’ manufacturing processes. Robotic polishing cells and fully automated benders have enhanced consistency and reduced manual labor, addressing ergonomic challenges, and increasing operational flexibility.

Looking to the future, Lincoln Industries is focused on expanding its presence in the trucking industry, particularly in light of the rise of alternative powertrains. “We are exploring opportunities in parts that remain essential regardless of the power source,” says Jacobs. This forward-thinking approach is part of a strategic vision to focus on long-term projects that align with the company’s goals.

Despite rapid growth, Lincoln Industries has successfully navigated challenges. “We’ve become a more nimble operation, investing in our people, infrastructure, and equipment to meet changing customer needs,” explains Jake Bruns, Director of Operations. This agility is reflected in the workforce too, with new skills and roles emerging, particularly in operating advanced automated equipment.

Lincoln Industries’ expansion in the truck business is a story of strategic growth driven by customer trust, technical innovation, and a commitment to complex, long-term projects. This journey underscores the company’s readiness to adapt and excel in an ever-evolving market landscape.



Driving Customer Success through Innovative Surface Finishing Solutions

Enhancing Customer Value: Lincoln Industries' Expansion in Coating Capabilities

Lincoln Industries, well known for its precision electroplating, is making strides in expanding its in-house coating capabilities, a move that underscores its commitment to delivering enhanced value to customers. Offerings now include high temperature coatings to gloss coatings, in addition to specialty coatings like fluoropolymers, high performance insulating coatings, and the latest advances in non-stick sol-gel ceramic coatings. These expanded capabilities position Lincoln Industries not just as a leader in electroplating, but also as a full-service provider of advanced surface technologies.

Central to this expansion is a customer-focused approach to improved delivery performance. By bringing previously outsourced coating processes in-house, Lincoln Industries has taken a decisive step towards streamlining operations, offering customers shorter lead times and heightened quality control.

Lincoln Industries' commitment to customer value is exemplified by the technological advancements embraced, such as the latest technologies in zirconium pre-treatments and extensive grit blasting capabilities. These investments not only enhance the quality and durability of coatings but also offer customers a broader range of finishing options tailored to their specific needs. The impact of these changes extends across various aspects of Lincoln Industries' operations as evidenced by the introduction of an automated spray system in the powder coating line. According to Corey Petersen, Vice President of Operations, "Our automated systems reduce operator variability and increase powder efficiency resulting in better products for our customers." This commitment to customer value is evident in the technological advancements Lincoln Industries has embraced. The latest technologies in zirconium pre-treatments and extensive grit blasting capabilities are prime examples. These investments not only enhance the quality and durability of the coatings but also provide

customers with a broader range of finishing options, tailored to their specific needs.

Addressing the technical challenges of this transition, the advanced manufacturing engineering and innovation team played a crucial role. They focused on installing new equipment that met stringent customer quality requirements enhancing the company's overall production capabilities. The introduction of an automated spray system has notably improved the consistency and efficiency of the coating process, with the added benefit of powder reclamation.

Looking ahead, Lincoln Industries plans to further enhance and expand its coating and plating lines. This ongoing development is a testament to the company's commitment to continuous improvement and technological advancement. The knowledge and skills acquired from this conversion process will be instrumental in future projects reinforcing Lincoln Industries' position as an industry leader in coating technologies.





Integrating Physical and Mental Well-being into Corporate Success

Peak Performance:

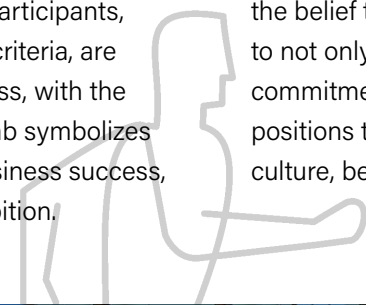
Lincoln Industries' Ascent to Wellness Excellence

At Lincoln Industries wellness is more than a program; it's a core value woven into the fabric of the company's culture. This commitment stems from a belief that healthier individuals are not only happier but also more productive, a philosophy that resonates through every aspect of the organization.

This focus on wellness extends into daily operations. People engage in daily stretching exercises and are encouraged to dedicate time to their mental and physical well-being. Facilities like an on-site health clinic and a free gym underscore the company's investment in its team's health.

The company's annual 14,000-foot mountain climb in Colorado exemplifies this commitment. Participants, meeting specific biometric and physical criteria, are rewarded for their commitment to wellness, with the company covering all expenses. This climb symbolizes the tenacity and teamwork parallel to business success, fostering a culture of endurance and ambition.

Lincoln Industries' approach to integrating physical and mental wellness into its corporate culture is a testament to the belief that a healthy and motivated team is fundamental to not only personal, but also business success. This commitment fosters a dynamic work environment and also positions the company as a leader in holistic corporate culture, benefiting both its team and its clients.



Key Statistics:

- > Over 60% of our people achieved top tier wellness status through biometric testing
- > 150 people attended the climb.
- > 95% of people successfully summited one of the three mountains: Mount Huron, Mount Sherman, Mount Bierstadt
- > Healthcare costs are 30% less than comparable regional averages



Culture Survey

Every year, we conduct an internal survey of our people and teams focused on improving engagement and culture.

We saw strong year over year improvements in critical areas, including:

Engagement

78% favorable
vs benchmark of
70% favorable

Manager Effectiveness

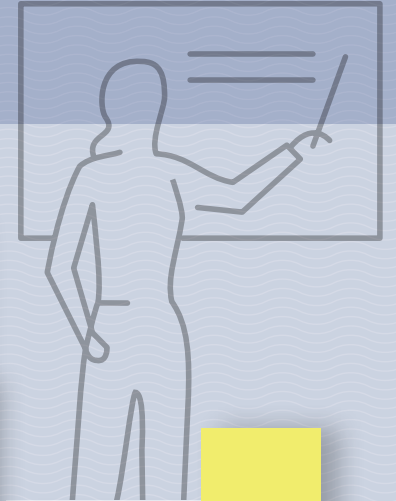
88% favorable
vs benchmark of
73% favorable

Lincoln Industries is committed to providing high quality products and services

89% favorable
vs benchmark of
77% favorable

Recognition

78% favorable
vs benchmark of
60% favorable



Annual Customer Satisfaction Survey

"In the Fall of 2023, Lincoln Chrome and Khrome Werks completed surveys of their customers. As part of the surveys, customers were asked how likely they would be to recommend Lincoln Chrome or Khrome Werks to a colleague or peer. This question is known as the Net Promoter Score and is widely used as a single benchmark of customer performance. Lincoln Chrome scored a 74 and Khrome Werks scored a 77. These scores are well above the 49 average of the

manufacturing sector. They are also well above leading manufacturing companies/brands such as Caterpillar (41), John Deere (54), and Cisco (38). The scores obtained by these businesses are world class and reflect exceptionally strong and enduring customer relationships. Few companies achieve this level of customer performance."

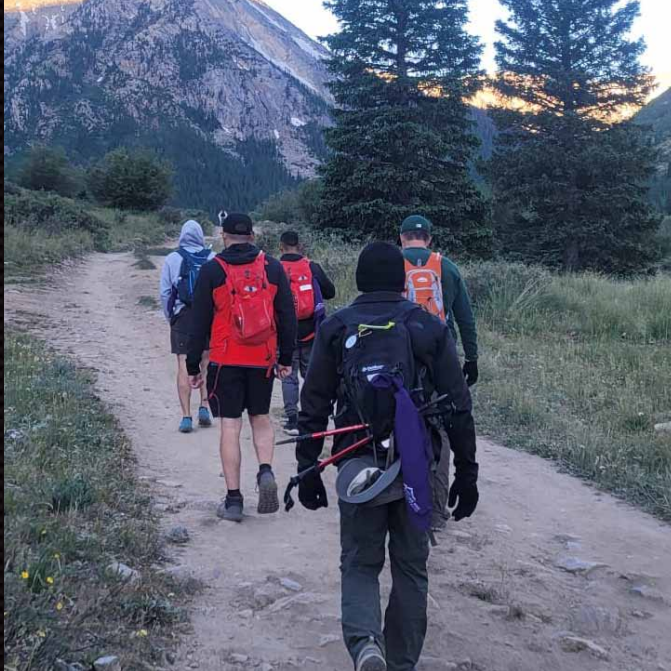
– John Barrett,
Priority Metrics Group

Lincoln Chrome

74% Net Promoter Score
49% Average

Khrome Werks

77% Net Promoter Score
49% Average



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