

315 NW 11th Avenue, Chiefland FL 32626
14700 US Hwy 441, Alachua FL 32615
(352) 542-7152
April 9, 2023

www.bulldogboats.com
www.lancercraft.com

A&M Manufacturing, Inc.

2022 A&M Yearend Report

Background

A&M's Bulldog Brands were produced at the Alachua factory in 2022 while the Lancer Craft business was started up in the Chiefland factory. Lancer Craft is essentially a new business startup, creating a new "retro-mod" category of woodgrained fiberglass runabout boats. They emulate the vintage wood Chris Crafts, but have modern technology/performance without any of the upkeep that wood boats require. In addition to creating this new "retromod" category, Lancer Craft also aims to dominate it by offering the (6) very different customer options as identified in the company's extensive marketing research. The company spent over \$1M to acquire all of the molds + refurbish them in 2022, with the help of the Alachua factory's mold specialists. Lancer Craft was the title sponsor for the Sunnyland Boat Festival in Tavares FL and very successfully debuted the full line in March, 2023. Lancer Craft will also be a sponsor at the Fields of Speed auction event (700 Arabian horses + 200 Exotic cars) at the World Equestrian Center in May. Lancer Craft is donated a "pink" fiberglass hull / woodgrained fiberglass deck boat to be auctioned on behalf of Breast Cancer Research Foundation at the Barrett-Jackson Las Vegas Auction (June 22-24). A \$200,000 new 40' x 200' Assembly Building has already been designed to house (2) new Lancer Craft production lines at the Chiefland factory - slated for completion before yearend 2023.

As anticipated, the Alachua factory's available capacity attracted larger players in late 2022/early 2023, those seeking a supply chain for product such as houseboats. A major player is projected to contract most, if not all, of A&M's future production capacity for just houseboat production. This will require some of the A&M legacy Bulldog brands to move back to Chieflandnecessitating a 2nd and perhaps 3rd new assembly building to accommodate this production in 2023-24. If/when this occurs, 20-25 employees would transfer back to Chiefland

2022 Yearend Recap

After the Bulldog Brands moved to Alachua in January 2022, the Chiefland employment decreased from (32) to just the (4) employees left in the metal shop and upholstery shop.

However, the Lancer Craft startup brought the Chiefland employment to Yearend 2022 @ 19 employees. The Lancer Craft's sales introduction has been very successful and the demand is projected to significantly increase employment in the next 1-3 years.

Lancer Craft @ Chiefland Projections: (Yearend 2023 = 34) (Yearend 2024 = 54) (Yearend 2025 = 88+)

John Hemken - Owner/CEO
A&M Manufacturing, Inc. Authorized Signature

Submitted April 9, 2023
Date

