

2019 SUMMER

QUARTERLY
SHAREHOLDER
NEWSLETTER



taylor devices

NEWS FROM TAYLOR DEVICES, INC.

This newsletter is directed to all shareholders of Taylor Devices, Inc.

We hope that it will generate interest in the company, plus provide current financial and project information.

KEEPING AN EYE ON THE FUTURE

Taylor Devices is keeping an eye on the future and **GOING GREEN!**

Newsletters can be found by visiting www.taylordevices.com/investors under the 'Press Releases' tab on our website.

Alternately, newsletters can be emailed directly by subscribing to the **newsletter email list** at the same website.

A hard copy of the newsletter may also be requested by calling directly to the Taylor Devices, Inc. Reception Desk at **(716) 694-0800**.



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Financial Results

Taylor Devices, Inc. completed the fourth quarter of its fiscal year on May 31, 2019. Sales for the 4th quarter were \$9,013,282, up from last year's 4th quarter sales of \$6,410,815. Sales of \$33,619,031 for the full year were up from last year's level of \$24,363,967 and represents the second highest revenue in corporate history.

FOURTH QUARTER	F/Y 18-19	F/Y 17-18
SALES	\$ 9,013,282	\$ 6,410,815
NET EARNINGS	\$ 982,390	\$ 112,893
EARNINGS PER SHARE	\$0.28	\$0.04
FISCAL YEAR	F/Y 18-19	F/Y 17-18
SALES	\$33,619,031	\$24,363,967
NET EARNINGS	\$ 2,544,525	\$ 443,370
EARNINGS PER SHARE	\$0.73	\$0.13
SHARES OUTSTANDING	3,478,559	3,466,267

"After an exciting year with many new initiatives, significant challenges and setting some higher corporate goals, we are happy to announce dramatic improvements in revenue and net income. We were targeting 2019 to be an improved and profitable year and our team has delivered," said Alan Klembczyk, President. He continued, "Furthermore, we are continuing to build the team at all levels of the Company to sustain that momentum and reach our long-term goals as well."

Tim Sopko, CEO concluded, "Additionally, we were able to concurrently progress the lean improvement initiatives in play that will not only positively impact fiscal year 2020 but enable the continued growth of the company's path forward."

FEATURED PROJECT:

ROBERT A. YOUNG (RAY) FEDERAL BUILDING

LOCATION:

1222 Spruce St.
St. Louis,
Missouri

CONSTRUCTION DATE:

1931-1933

ARCHITECT:

Preston J.
Bradshaw

LANDMARK STATUS:

The RAY building is listed on the National Register of Historic Places

PROMINENT FEATURES:

Art Deco style with cast white terracotta ornamentation, and stepped tower with vertical brick pilasters.



The **Robert A. Young (RAY) Federal Building**, located in downtown St. Louis, Missouri is structurally sounder today as a direct result of Taylor Devices' innovative technology combined with the unprecedented engineering expertise from the project Structural Engineers, Thornton Tomasetti and Walter P. Moore. It was truly a winning combination.

Our project scope consisted of providing three hundred eighty-five - 330 KIP Fluid Viscous dampers which were installed throughout the building in both the x and y orthogonal planes.

Since the RAY is a Federal Building operating under the U.S. General Services Administration (GSA), these specialized dampers provided a structural upgrade in bringing the building into compliance to current earthquake codes.

Taylor Devices is proud to be a contributing partner in keeping this Nationally Historic Landmark preserved for the enjoyment of generations to come.



Taylor Devices' technology is installed on 1930's iconic St. Louis, MO Federal building providing structural performance improvements under dynamic earthquake loading.



7th Floor



Cafeteria

TDI Products Used on Successful Test Launch



We are pleased to announce that on July 2, 2019 at 7:00 a.m., NASA conducted a successful test launch of the Launch Abort System designated as the Ascent-Abort Mission (AA-2). This system included a special vibration isolation system provided by Taylor Devices. The Launch Abort System is designed to activate in the case of an emergency on the pad or in flight. It will safely remove the astronauts from danger.

The launch was the next step in the success of the Space Launch System (SLS) that will carry astronauts back to the Moon. We look forward to being part of every SLS launch for years to come.

Taylor Devices was a supplier to NASA since the Apollo Program. Now, fifty years later, we are still here to help NASA return to the Moon!

● EARTHQUAKE READINESS ●

Recently, PBS aired a 4-part documentary in Southern California on our readiness for large earthquakes. The documentary can be viewed online at:

<https://www.pbs.org/show/whistle/> or by using your browser to search for:

"The Whistle Are We Ready For The Big One".

Hear TDI President, Alan Klembczyk speak about the conversion of Taylor Devices' technology from military and aerospace applications to saving lives on earth using our seismic products in Episode 4.



Some examples
of new
ORDERS
FOR LAST QUARTER

STRUCTURAL PRODUCTS:

Seismic Dampers for the base isolation system of a New Hospital – **JAPAN**

Seismic Dampers for a Retrofit Project of a Tall Building – **SAN FRANCISCO, CA**

Seismic Dampers for several new Residential Buildings – **TAIWAN**

Wind Dampers for a Cable-Stayed Bridge – **GUATEMALA**

Seismic Lock-Up Dampers for a Retrofit of a large Warehouse – **TURKEY**

Seismic Dampers for a prominent Building Retrofit – **SEATTLE, WA**

AEROSPACE & DEFENSE:

Landing Gear Shock Absorbers for new Unmanned Aerial Vehicle – **USA**

Large Shock Isolation Dampers for US Navy Submarines – **USA**

Continued Production of Custom Shock Absorbers for the Phalanx Close-In-Weapons System – **USA**

New 6 Degree of Freedom Shock Isolation System for Shipboard Naval Equipment – **USA**

Shock Isolators for US Navy Missiles on Vertical Launch System – **USA**

Custom Vibration Isolation Mounts for US Navy Sonar Array on Submarines – **USA**

Recent Events...



Timothy Sopko, CEO



**Todd Avery
VP, Operations**

- **Taylor Devices welcomes new CEO and Vice President, Operations**

In April, Taylor Devices welcomed new CEO, **Timothy Sopko**. His business experience spans more than thirty years in Aerospace (Military and Civil), Industrial as well as Commercial markets with a primary focus in the areas of Engineering, Product Development, Program Management, Operations and Business Management.

In June, Taylor Devices welcomed **Todd Avery** as the new Vice President of Operations. He brings with him thirty years of experience in the field of Operations, Quality and Continuous Improvement. His focus will concentrate on the implementation of more efficient methods for production planning, removal of waste and ensuring customer due date commitments are met. Avery will help to accomplish FY2020 overall corporate goals with increases in revenue and profitability.

- **TDI celebrates the 50th Anniversary of the Apollo Mission to the Moon**

Taylor Devices' celebrates the 50th Anniversary of the Apollo Mission to the Moon and its close relationship with NASA in the development of pioneering space technology. As a supplier of critical damping and shock isolation components for major military and space programs for over six decades, including The Apollo Program, Taylor is very proud of their involvement. TDI's accomplishments include components for space vehicles, aircraft landing gear, launch pads, satellites, weaponry, and navigation systems. Also, Taylor Devices was a 2015 Space Technology Hall of Fame inductee for these innovations. Originally, this technology was developed specifically for space, however we celebrate that it is now used to protect human lives here on Earth.

- **Taylor teams up with retired NASA astronaut and Apollo 17 Moonwalker at SAVE Symposium in November 2019**

Taylor Devices will be teaming up with retired NASA astronaut, Dr. Harrison Hagan "Jack" Schmitt to deliver the keynote address at the 90th Shock and Vibration Symposium, held in Atlanta, Georgia on November 3-7, 2019. Schmitt served as one of the crew on board Apollo 17 in December 1972. Dr. Schmitt is one of only twelve men who walked on the moon. Alan Klembczyk, President of Taylor Devices, will have the honor of introducing Dr. Schmitt at the Symposium.



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