

# SARGENT



**\* Sonic \* Controls \* Aerospace Products \* Airtomic \***



**William W. Spurgeon  
President**

# Market Transition

1995

2002

- |                              |                              |
|------------------------------|------------------------------|
| ✦ Submarines – 55%           | ✦ Submarines – 26%           |
| ✦ Defense Aerospace – 23%    | ✦ Defense Aerospace – 21%    |
| ✦ Commercial Aerospace – 22% | ✦ Commercial Aerospace – 53% |

# SARGENT Sargent Platform

- ★ Manufacturer of highly engineered, niche products with focus on customer service and product support



# Sargent Strategy

- ★ Growth through expansion of OEM product and MRO services to fully support customer base

*Create MRO opportunities*

**Original  
Equipment**

**Aftermarket**

**O**

- Design & manufacture
- Highly engineered

**Product Expansion**

- One-stop shop

**M**

**E**

- Sole source

**New Product Development**

- Full service

**R**

**M**

- Long-term
- Profitable

**Acquisitions**

**O**

*Provide funds for  
investment in OEM*

# Acquisitions



## ★ Sonic Industries (1998)

- Commercial aerospace airframe supplier (Boeing)
- High strength fasteners, pins, bolts
- Invested in new equipment and process

## ★ Hydraulic Aircraft Specialists (1999)

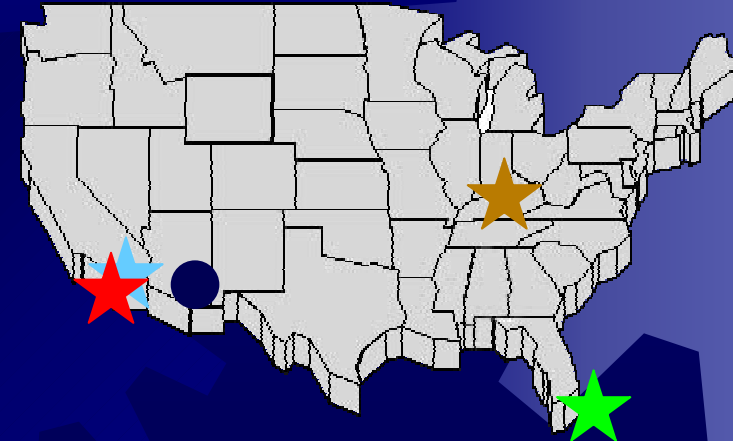
- US Airlines, cargo carriers, third party repair station supplier
- Non-OEM hydraulic components MRO services
- Invested in new facility and equipment for capacity and product expansion in 2000

## ★ C&H Manufacturing (2000)

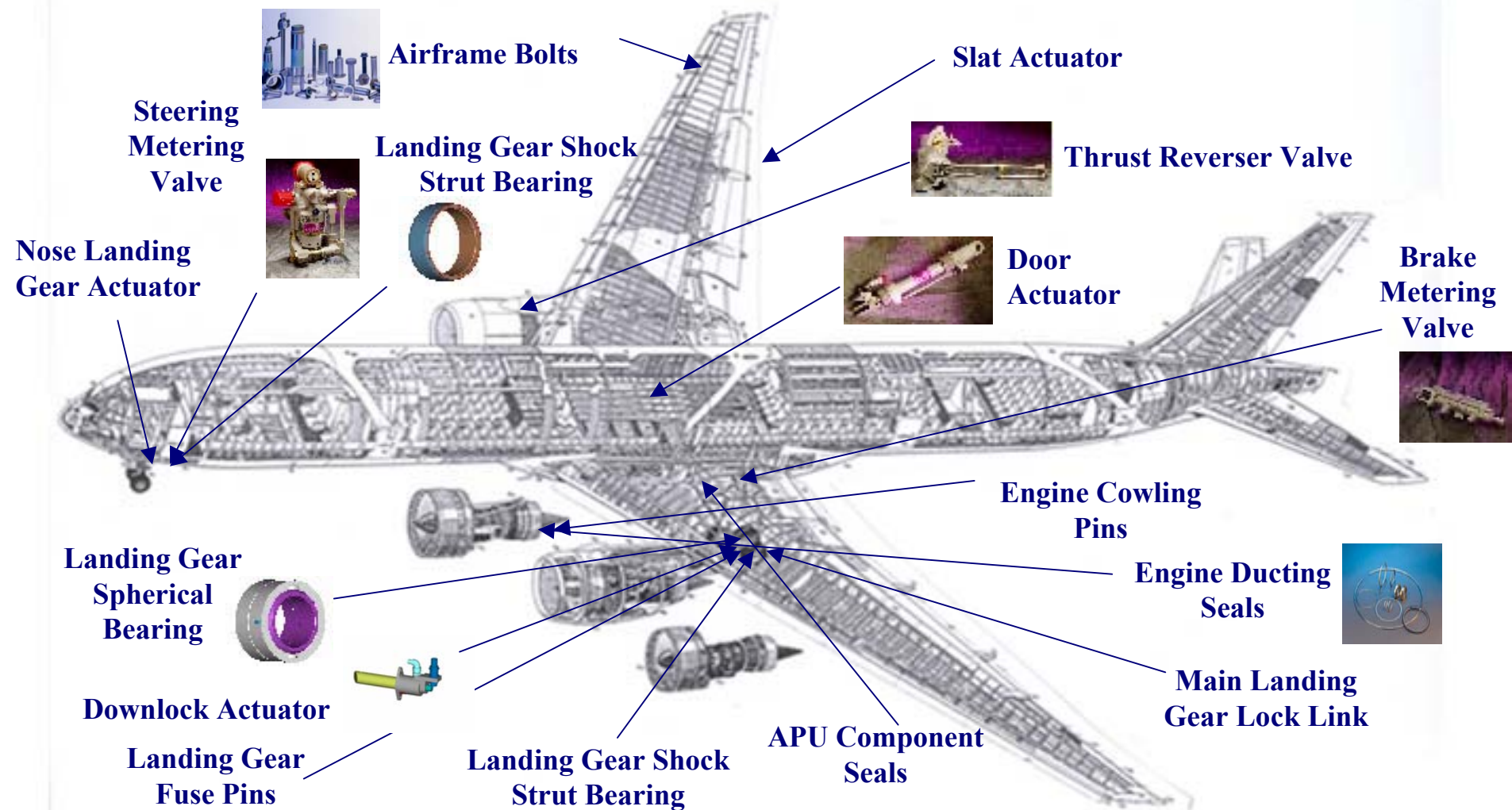
- Add-on to Sonic Industries
- Commercial aerospace landing gear supplier (Goodrich, Messier-Dowty)
- Fasteners, pins, bolts
- Invested in new facility for capacity expansion in 2001

## ★ Cook Airtomic (2002)

- Commercial aerospace engine supplier (GE, Pratt-Whitney, Rolls-Royce)
- Pneumatic sealing devices
- Invested in new facility and processes in 2001



# SARGENT Product Variety



# Product Expansion

## ☀ Project “7” – Cycle time reduction

- Captured Sargent OEM aftermarket services back from third party suppliers
  - Increased business by 125% over two years
- Utilized best practices
  - Universal used similar program

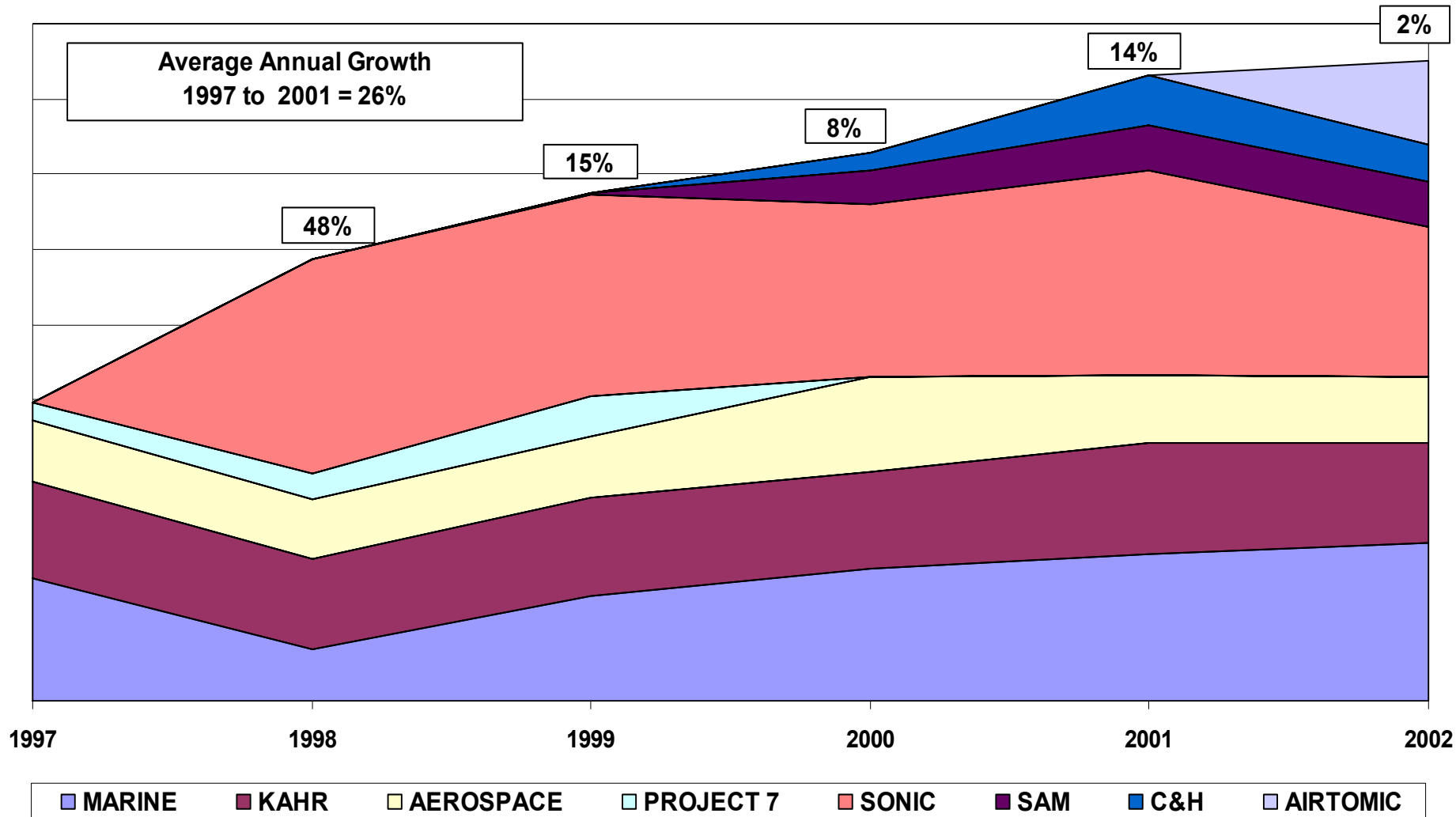
## ☀ Expansion of distribution channels

- South American airlines and cargo carriers through strong regional distributor
- European airlines through authorized repair station and distributor in Europe
- Joined supply consortium with spare parts agreements with major airlines

# New Product Development

- ✦ Expanded products into hydraulic actuation
- ✦ Introduced alignment joint product line utilizing seal ring technology
- ✦ Developed rolled ring process for manufacturing piston rings
- ✦ Developed new bearing liner system to replace competitors' products in aftermarket
- ✦ Created a joint aftermarket spares development team
  - ✦ Dedicated engineering office
  - ✦ Test facilities and equipment
  - ✦ Added engineering resources

# SARGENT Growth Success



# SARGENT Looking Forward

- ✦ Continue to grow “storefront” of Sargent
- ✦ Establish Sargent as Airbus MRO supplier
- ✦ Develop production hardware for US Marine Corps Advanced Amphibious Assault Vehicle (AAAV) program
- ✦ Invest in regional and business jet OEM
- ✦ Pursue strategic acquisition
- ✦ Focus on continuous improvement activities to provide competitive advantage
- ✦ React quickly to changes in the market