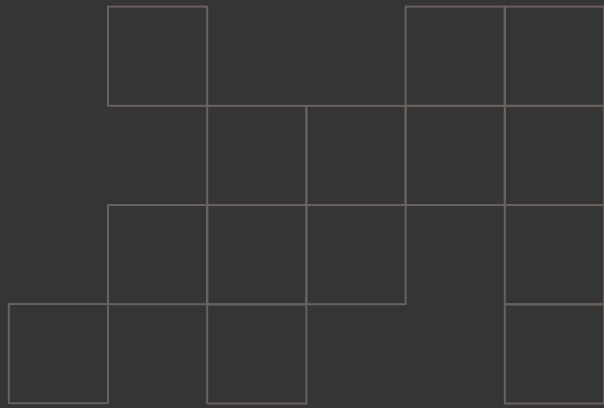
Frontier Distributors & Phillocraft

Bert Feinberg - President



Why Texas was chosen as our base of operations :

1. Favorable Tax Environment
2. Large, Growing Market
3. Business-Friendly Regulations
4. Competitive Operating Costs
5. Strong Infrastructure & Workforce
6. Economic Scale & Global Access
7. Investment & Innovation Hub

Texas combines tax savings, market size, regulatory ease, cost advantages, and infrastructure strength.

Challenges of doing business in Texas

1. Competitive Labor Market
2. Access to Capital
3. High Sales Tax Burden
4. Inflationary Pressures
5. Regulatory & Compliance

Texas offers a favorable climate for business, but companies must plan for labor competition, funding constraints, high sales taxes, inflation, and compliance costs.

Business Comparison Pre & Post Covid

2019 vs 2025 Dealers

% Purchasing Dealer Types

	2019	2025
Non-US	2.1 %	4.0%
Sewing	44.0%	52.7%
Material	17.6%	8.7%
Both	24.4%	36.0%
Verified Closed	14.0%	2.7%

Top 5 States for # of Dealers

	2019	2025
1	TX	TX
2	GA	GA
3	TN	NC
4	NC	TN
5	FL	FL

Business Comparison Pre & Post Covid

2019 vs 2025 Sales

% Sales per Dealer Type

	2019	2025
Non-US	1.6%	5.0%
Sewing	28.1%	31.8%
Material	10.9%	9.9%
Both	51.3%	57.2%
Verified Closed	9.8%	1.1%

Top 5 States for Dealer Sales

	2019	2025
1	GA	NC
2	TX	TX
3	NC	GA
4	AL	IL
5	TN	CA

Conclusion

Texas :

- #1 in number of Dealers in US
- #2 in Sales in US



United States :

- US equipment sales are decreasing in volume
- Number of US dealers are decreasing
- Material handling only dealers are selling less in the sewn products industry
- 16% of dealers confirmed closed from 2019
- Smaller dealers are being absorbed by larger dealers
- Equipment tariffs and supply chain disruptions are affecting sales volume
- After COVID, there were several large plant closings that auctioned used equipment that influenced new equipment sales