PRODUCT EXPANSION

Our sales for the year were $46,778,633, which is the highest ever achieved by Sprague Electric. This increase over last year is due to the continued expansion of our business and the successful marketing of our products. Our sales are up 16% from the previous year, which shows the growth potential of our company.

MARKET EXPANSION

During the year, we expanded into new markets, including television, radio, and defense industries. We also strengthened our position in the industrial and commercial sectors. Our efforts in these areas have resulted in increased sales and expanded customer base.

TECHNOLOGICAL EXPANSION

Our research and development efforts have led to the development of new and improved products. We have made significant advancements in the areas of capacitors, film capacitors, and electronic components. These innovations have helped us to maintain our market position.

PERSONNEL EXPANSION

We have added new employees to our workforce, which has grown to over 2000. These additions have provided us with the necessary manpower to support our growth and meet the demands of our customers.

CONCLUSION

The success of Sprague Electric in 1953 is a testament to the hard work and dedication of our employees. We are confident that our continued expansion and technological advancements will lead to even greater success in the future.

SPECIAL ISSUE

How We Did in 1953

SPRAGUE ELECTRIC

MARCH 23, 1954

Vol. XVI

No. 7

Annual Report Shows All-Time Records For Sales, Wages Last Year

The year 1953—twenty-seventh in the history of your Company—has become the sixth in succession in which Sprague Electric set a new record in total business done.

Our customers showed unprecedented faith in our products and purchased them to a total of $46,778,633, an increase of more than two million dollars over total net sales for 1952.

These figures are contained in Sprague Electric's annual report for the year 1953, which was released by the Company at its annual meeting today.

Net profit, after deducting all taxes, was $2,805,201, against $3,136,633 in 1952. The profit figures for both years are subject to renegotiation.

While the Company was chalking up a new high mark for product sales, it was also establishing record figures in the amount it paid out for wages.

The total for 1953 was $18,169,908, and is the largest single item of cost insured by Sprague Electric for the year's operations.

This amount represents the total of wages received by all employees for their service to the Company during the year.

It exceeds even the very large cost of the raw materials we needed to keep the plants and production lines rolling.

This special issue of the LOG is designed to tell you exactly what we did in 1953, and what we expended for the many items and services necessary to run our business smoothly and profitably. It is your management's report to you and the thousands of other Sprague employees who are working to keep us at the top of our field. Details are geographicall shown on Page 2.

They Came to Stay! 'Old Timers' Increase

The ranks of Sprague Electric's 'old timers' continue to grow year by year.

The annual report points out that our Quarter Century Club—those with the Company for 25 years or more—welcomed three new members during 1953 and now has a membership of eight.

We now have 131 employees with 20 or more years of service, 292 with 15 or more years, 885 with 10 years, and a large group of 1,506 who have spent five or more years with Sprague Electric.

Our average weekly employment by the way, was 5,500 last year, compared with 5,085 in 1952.

Research, Development Keep Pace With Rapid Expansion of Electronic Science

To achieve and hold its leading position in the capacitor field, Sprague Electric has long devoted much time and extensive facilities to its research and development program.

The scope of this highly important program is being continually broadened to keep pace with the growth of electronic science. Such was its course in 1953.

The manufacture of capacitors and other basic electronic components is not so much a business of putting things together as it is a business of developing new materials.

These include dielectrics, impregnants and coatings, and many other materials which will improve the performance characteristics and range of application of these components.

This in turn has a bearing on the size, cost and capabilities of end equipment built up from Sprague components by our customers.

The research and development program of our Company aims at maintaining our leading position by the development of special materials, their use in new types of components, and the development of testing methods and equipment for accurately determining the properties of both.

It increasingly involves fundamental research on the physical and chemical phenomena which underlie the science of component engineering.

Work during 1953 continued in a number of new fields, including synthetic films, coatings, piezoelectric and magnetic materials and semi-conductors.

Pilot plant work was also begun on the problems associated with the manufacture of transistors and a number were made on an experimental basis.

Work also continued under some government development contracts.

The physical facilities of our Research and Development Division were expanded during 1953, and a number of outstandingly qualified personnel were added to the organization.

In July, Dr. Willard A. Lazier was elected Vice President and Technical Director of the Company, with responsibility for all activities of the Division.

Dr. Preston Robinson continues as a member of the Board of Directors and serves the Company full time as its senior consultant.

Other officers elected by the Company during the year include: Neal W. Welch, Vice President in Charge of Sales; and Paul J. Chattenden and Hollis R. Wagstaff, who were named Assistant Treasurers.

Employees Thanked For Cooperation During 1953

The thanks of the Company has been extended officially to all members of the organization for their part in making 1953 a satisfactory year of operation for us.

Messrs. Robert C. Sprague, Founder and Chairman of the Board, and Julian K. Sprague, President, tendered these thanks in the Company's annual report:

"As in past years, the very satisfactory results for the year reflect the capable handling by our employees of the many problems of a growing business, including in 1953 the difficulty of adjusting the varied activities of the Company to changing levels of operation.

"We wish to express to all members of the organization our appreciation and that of the Board of Directors. The statements of the year would have been impossible without such effective cooperation on the part of all."
HERE'S OUR RECORD FOR 1953 — WHAT WE EARNED AND HOW WE SPENT IT

WAGES

I. In the Beginning

As we saw on the front page, Sprague Electric did well in product sales last year. Our total income from sales to our bosses, the customers, plus income from all other sources, was $46,929,212.

This was satisfactory, and it stacked up as the largest total in the history of the Company.

Now, that's the sales picture.

Just like any individual, though, your Company couldn't keep all the money it received. As a Company, we have to pay out constantly for labor, materials, services, and a host of other necessary items.

We have to pay our bills for these many operating expenses so that we can keep going and progress, and keep our manufacturing lines in operation.

As we have already seen on Page One, the biggest bill of all for Sprague Electric was to us, the employees — a total of $18,169,908 for our compensation.

But the expenses didn't stop there. Look now to the column at the right for the story of where the rest of the money went.

$18,169,908

TAXES

$8,052,551

WEAR and TEAR

III. Taxes

To the Federal government, and to the state and city governments, we paid tax bills totalling $8,052,551 in 1953.

IV. Interest

The interest we paid out in 1953 on the money we have borrowed to increase our facilities amounted to $133,706.

V. Wear and Tear

Depreciation, or wear and tear of our plant facilities and equipment, plus amortization of intangible assets, cost us $891,782 last year.

VI. Stockholders

Our stockholders had faith in us. They set us up in business and keep us going by investment of their money in us. Dividends to them for use of their money in 1953 amounted to $1,215,824.

$1,672,457

VII. This Left Sprague Electric Co...

After all these costs necessary to the operation of our business had been taken out, we were left with $1,672,457. This amount has been reinvested by the Company for such vital purposes as plant expansion, inventories and working capital to create more job opportunities.

That's the story for 1953. As you have seen, operating a household as big as ours is quite a job and requires large amounts of money, time and effort. It was the cooperation of all of us that helped make 1953 a good year and pave the way for a secure and promising future.