ARC Group Worldwide, Inc.
Form S-1/A
February 25, 2015

Use these links to rapidly review the document
TABLE OF CONTENTS

Table of Contents

As filed with the Securities and Exchange Commission on February 24, 2015

Registration No. 333-200666

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1
AMENDMENT NO. 2

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

ARC GROUP WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Utah	**3490**	**87-0454148**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

**810 Flightline Blvd.
Deland, FL 32724
(303) 467-5236**

(Address, including zip code, and telephone number, including area code, of the registrant's principal executive offices)

**Jason T. Young
Chairman and Chief Executive Officer
ARC Group Worldwide, Inc.
810 Flightline Blvd.
Deland, FL 32724
(303) 467-5236**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Travis L. Gering
Wuersch & Gering LLP
100 Wall Street, 10th Floor
New York, NY 10005
Telephone: (212) 509-5050
Fax: (212) 509-9559

Donald J. Murray
Covington & Burling LLP
620 Eighth Avenue
New York, NY 10018-1405
Telephone: (212) 841-1000
Fax: (212) 841-1010

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o	Smaller reporting company ý

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee(3)
Common Stock, par value of $.0005 per share(2)	3,000,000	$12.11	$36,330,000	$4,221.55

Notes:

(1) Estimated solely for purposes of calculating the amount of the registration fee. In accordance with Rule 457(c) of the Securities Act of 1933 (the "Securities Act"), as amended, the price shown is the average of the high and low selling prices of the Common Stock on November 25, 2014, as reported on NASDAQ.

(2) Pursuant to Rule 416 under the Securities Act, the shares of common stock registered hereby also include an indeterminate number of additional shares of common stock as may from time to time become issuable by reason of stock splits, stock dividends, recapitalizations or other similar transactions.

(3) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 24, 2015

PRELIMINARY PROSPECTUS

3,000,000 Shares of Common Stock

ARC Group Worldwide, Inc.

ARC Group Worldwide, Inc. is offering shares of its common stock in this offering. Our common stock is listed on The NASDAQ Capital Market, or NASDAQ, under the symbol "ARCW." On , 2015, the closing sale price of our common stock as reported on NASDAQ was $ per share.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 11 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	**Total**
Public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Offering proceeds to us, before expenses	$	$

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See "Underwriting."

The underwriters expect to deliver the shares to purchasers in the offering on or about . We have granted the underwriters an option for a period of 30 days to purchase an additional shares of our common stock. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $, and the total proceeds to us, net of underwriting discounts but before expenses, will be $.

Book-Running Manager

Brean Capital

The date of this prospectus is , 2015

Table of Contents

TABLE OF CONTENTS

	Page
PROSPECTUS SUMMARY	1
THE OFFERING	7
SUMMARY CONSOLIDATED FINANCIAL INFORMATION	9
RISK FACTORS	11
OUR HISTORY	38
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	39
USE OF PROCEEDS	41
DIVIDEND POLICY	42
MARKET PRICE OF OUR COMMON STOCK	43
CAPITALIZATION	44
DESCRIPTION OF COMMON STOCK	45
SHARES ELIGIBLE FOR FUTURE SALES	46
PROPERTIES	48
UNDERWRITING	49
CONFLICT OF INTEREST	53
NOTICE TO INVESTORS	53
LEGAL MATTERS	57
EXPERTS	57
WHERE YOU CAN FIND MORE INFORMATION	57
INCORPORATION BY REFERENCE OF CERTAIN INFORMATION	58

We are responsible for the information contained or incorporated by reference in this prospectus and in any related free-writing prospectus we prepare or authorize. We have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information in this document may only be accurate on the date of this document, regardless of its time of delivery or of any sales of shares of our common stock. Our business, financial condition, results of operations or cash flows may have changed since such date.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. This prospectus incorporates by reference our Annual Report on Form 10-K for the fiscal year ended June 30, 2014, filed with the U.S. Securities & Exchange Commission (the "SEC") on November 12, 2014 (our "2014 Annual Report"), our Quarterly Report for the quarterly period ended September 28, 2014, filed with the SEC on November 12, 2014 (our "Quarterly Report"), our amended Definitive Proxy Statement on Schedule 14A, filed with the SEC on November 28, 2014 (our "Proxy Statement"), and our current reports on Form 8-K, filed with the SEC on September 8, 2014, September 12, 2014, November 12, 2014, November 12, 2014, December 3, 2014, December 30, 2014, January 14, 2015, January 20, 2015, and February 5, 2015 (excluding any information "furnished" in such reports under Items 7.01 or 9.01) (our "Current Reports"). You should read this entire prospectus and should consider, among other things, the matters set forth under "Risk Factors" in this prospectus and our financial statements and related notes thereto incorporated by reference in this prospectus, before making your investment decision. Unless the context provides otherwise, all references herein to the "Company," "ARC," "we," "our" and "us" refer to ARC Group Worldwide, Inc. and its subsidiaries. We refer to certain subsidiaries as follows: Advanced Forming Technology, Inc. and AFT-Hungary Kft. (together "AFT", consisting of two operating units: "AFT-US" U.S. operations and "AFT-HU" Hungary operations); Advance Tooling Concepts, LLC ("ATC"); Quadrant Metals Technologies LLC ("QMT"); TeknaSeal LLC ("TeknaSeal"); FloMet LLC ("FloMet"); General Flange & Forge LLC ("GF&F"); 3D Material Technologies, LLC ("3DMT"); Thixoforming LLC ("Thixoforming") and ARC Metal Stamping, LLC ("AMS"), doing business as Kecy Metal Technologies ("Kecy").

Company Overview

We are a leading global advanced manufacturer and 3D printing service provider. We provide our customers with a holistic solution in precision metal and plastic fabrication, from prototyping to full run production. We differentiate ourselves from our competitors by providing custom, innovative solutions to improve speed-to-market for our customers.

Our mission is to bring technology and innovation to traditional manufacturing, thereby benefiting from the elimination of inefficiencies currently present in the global supply chain. In particular, our focus is on accelerating the industry adoption of certain technologies, such as automation, robotics, software, and 3D printing, as well as providing innovative ways to streamline the manufacturing process, including rapid tooling and online instant quoting.

The two key pillars of our business strategy are centered on the following areas:

Providing a Holistic Solution to Manufacturing Needs. The metal and plastic fabrication industries are fragmented with single-solution providers. Given the inefficiencies of working with these groups, many manufacturers seek to reduce their supplier base by working with more scaled, holistic providers. Our strategy is to operate as a "one-stop shop" by offering a spectrum of highly advanced products, processes, and services across a variety of proprietary base materials, thereby delivering: (i) highly-engineered precision components with efficient production yields; and (ii) consolidated and streamlined supply chains via our holistic solutions.

Accelerating Speed-to-Market. The traditional manufacturing process, which often includes an inefficient price-quoting system and time-consuming tooling and production, is subject to lengthy bottlenecks. We focus on reducing these inefficiencies through highly customized prototypes and small batch and short-run services, as well as seamless integration of proprietary technologies, such as online instant quoting, 3D printing, and rapid tooling, dramatically reducing the time and cost associated with new product development.

We believe certain manufacturing processes are moving away from traditional low-cost production centers, given increases in global wages and the displacement of labor by technology. We believe this will further accelerate the adoption of technology, including automation, robots and artificial intelligence, as inefficient and legacy manufacturing paradigms are displaced by new and more efficient systems. We believe that U.S. manufacturing is poised for a significant rejuvenation as domestic production improves. We view these developments and the anticipated resurgence of U.S. manufacturing as a substantial growth opportunity for our Company.

We continue to build our enterprise through scalable organic growth, by cross-selling new services to our customer base, and through vertical and horizontal acquisitions. In particular, we anticipate adding, through acquisitions, additional metal fabrication services in order to further consolidate the supply chain, cross-sell services into our respective customer bases, benefit from the implementation of operational best practices, and further expand our proprietary technologies.

Competitive Strengths

Our competitive strengths include the following:

Leading Market Position in MIM, an Industry with High Barriers to Entry. We believe we are one of the largest companies in the global MIM industry. Further, we believe our proprietary production processes, longstanding customer relationships, well-established industry reputation, and track record for quality products and services provide us with a competitive advantage over other market participants. We believe that the development of high-quality, commercially scalable MIM production would require any new competitors to invest significant capital and years of research and development before being able to commercially compete with us, thereby resulting in high barriers to entry for any new participants in the industry.

Metal 3D Printing Part Production. Due to the complementary nature of the MIM process and metal 3D printing, in the second quarter of fiscal 2014, we established our 3DMT Group segment which consists of our tooling product line, ATC, which was acquired in April 2014, and 3D printing. We believe we are one of the few companies well-positioned to take advantage of the emerging metal 3D printing industry. Additive Manufacturing is still in its infancy, but the barriers to entry remain high principally due to the demands of properly scaling and building such a business. Experience working with metal powder and producing complex metal components is critical to making quality, production-capable metal 3D parts. 3D printing services are relatively new and are currently a small portion of our business, however, we believe our experience and ancillary know-how are material competitive advantages to significantly grow this area of our operations during the foreseeable future.

Early Adoption of AM and Other Advanced Manufacturing Technologies. We believe our adoption and implementation of AM and other advanced manufacturing technologies, such as robotics, RapidMIM, rapid tooling, and development of instant online quoting, are key competitive advantages in the fragmented market in which we operate. These technologies provide our customers with reduced order turnaround times and customized engineering solutions, while strengthening our customer relationships and enhancing our ability to market a broader and differentiated suite of products. We believe our capital investment and collective experience with these technologies would be difficult to replicate for smaller or limited product-suite competitors.

Established Customer Base in High Growth Markets. Our customers include global leaders in high-growth sectors, such as Black & Decker, Covidien, General Electric, Honeywell, Intuitive Surgical, Rolls-Royce, Sturm Ruger & Company, and Smith & Wesson. For many of our top customers, our business relationship exceeds 10 years. In several cases, our components have been incorporated into the design of our customers' products for many generations, which

positions us advantageously for inclusion in future product launches. We expect our AM business to grow through demand from our existing customers as they become aware of the efficiencies and benefits of AM manufacturing solutions. As such, we expect to continually increase our "wallet share" within our existing customer base, capturing an increasing amount of customer spending through the continuation of improvements to our existing products and by cross-selling our Company-wide capabilities. Our four top customers accounted for approximately 40% of our fiscal year 2014 revenue. As a result of our 2014 acquisitions, we have improved the diversification of our customer base so that, for the six months ended December 28, 2014, no individual customer accounted for more than ten percent of our sales. The Company had sales to three significant customers for the six month period ended December 28, 2014 and four significant customers for the twelve month period ended June 30, 2014, which represented approximately 25.6%, and 40.0%, respectively, of the Company's total sales. However, the immediate loss of any of these customers could have a material adverse effect on our financial position and results of operations. Through additional acquisitions and organic growth, we seek to further diversify both our offerings and our customer base. Assuming our continued customer diversification, we do not believe the loss of any one of our core customers would have a long-term material adverse effect on our results of operations. However, there can be no assurance that the loss of any one or more of our core customers would not have a material adverse effect on our results of operations, at least in the short term.

Differentiated Business Model. We believe that our business model is highly differentiated from many of our competitors. Because we have generally manufactured some of the most critical and difficult-to-produce components for our customers' products, we have been able to expand the scope of products we offer to our customers to include other value-added services such as AM, plastic injection molding, and rapid tool making, among others. We believe our full-service solution represents a distinct competitive advantage in the marketplace and will increasingly become an even more important value differentiator going forward.

Lean Manufacturing and Operating Best Practices. We manage our manufacturing operation on a decentralized basis, whereby each of our 10 operating subsidiaries is run by a General Manager ("GM"). Our GMs are experts in lean manufacturing, six sigma, automation, and general operating best practices. We have an orientation process whereby lean-manufacturing leaders groom our rising managers and mentor them on operating efficiency and excellence. These internal best practices are shared among our facilities and implemented when we acquire or initiate new operations.

Experienced Management Team. Our Chairman and Chief Executive Officer, Jason T. Young, has been integral to the strategic direction and growth of our business since he joined our Company in 2008. Among other achievements, Mr. Young led the turnaround of the Company, taking it from an unprofitable business to the growing and profitable business it is today. Additionally, our Chief Financial Officer, Drew M. Kelley, who joined the Company in 2013 after a longstanding tenure in the financial services industry, contributes valuable expertise by providing our Company with financial oversight, strategic direction and complex corporate finance experience.

Business Strategy

Our business strategy focuses on growing our revenues through the addition of new customers and by increasing our "wallet share" from existing customers through implementation of our technology and innovative solutions. As we continue to grow our business, we expect that our increased size and scale will translate into improved operating margins as we realize more favorable pricing terms from our

Table of Contents

customers and suppliers and by executing numerous lean manufacturing efficiencies. In order to achieve this growth plan, we are implementing the following strategic initiatives:

Provide Customers with Faster and Higher Quality Solutions. We believe that a key competitive differentiator in our business is utilizing technology solutions to increase customers' speed-to-market. We believe our technology-enhanced service offerings, which include 3D printing, rapid tooling, and RapidMIM, can materially reduce lead times and produce greater manufacturing efficiency. In early 2014, we announced the launch of our proprietary online instant quoting software system and introduced this system for our 3DMT business in August 2014. We expect this quoting system to open new markets and reduce customer lead times. In particular, we focus on engaging customers at the design phase of their product and endeavor to have them adopt our high-quality solutions throughout the entire manufacturing process, from prototype through large-scale commercial production, in order to create a more long term partnership.

Cross-Sell Products and Services Across Our Customer Base. As we continue to offer new and complementary products and services across our Company, we are able to gain access to new customer bases. These new customers present us with opportunities to cross-sell our full suite of products and services. We believe that our customers value simplification of their supply chains by reducing the number of suppliers. Consequently, we have found cross-selling provides us with a compelling strategy for revenue growth, and we plan to continue to capitalize on cross-selling opportunities as we add products and services to our existing capabilities.

Expand Sales Force and Marketing. We have a highly skilled, technically-focused sales force, which generally markets our products to the engineering members of our customer base. Each ARC sales representative is responsible for selling our complete suite of solutions to target customers. Traditional sales methodologies are supported and complemented by our online initiatives, as we have invested resources for improving our search engine optimization and marketing solutions. We believe that international markets present a compelling growth opportunity for our business and in 2014, we launched an international sales team.

Increase Market Penetration of 3D Technology. We believe Additive Manufacturing, and in particular, metal 3D printing, can create growth opportunities in traditional manufacturing. Over the next several years, metal 3D printing should continue to displace traditional forms of metal fabrication. Given this significant opportunity, ARC has, and will continue to, make material investments in machinery and personnel in order to offer and expand this capability. At the same time, these AM capabilities, given their complementary attributes to our MIM business, should provide opportunities to accelerate the growth in the Company's traditional fabrication processes.

Continue to Pursue Accretive Acquisitions. We intend to continue to pursue acquisitions that meet our core strategic and financial criteria. In particular, we seek companies that offer complementary products and services to our existing portfolio, while at the same time, provide us with access to new customer bases to cross-sell our existing solutions. We believe there are numerous potential acquisition targets that meet our targeted criteria, and we intend to continue to pursue such acquisitions in the future.

Table of Contents

Summary of Risks Related to Our Business

An investment in our common stock involves a high degree of risk. These risks are summarized and more fully discussed in the "Risk Factors" section below. You should carefully consider these risks before deciding to invest in our common stock. These risks include, but are not limited to:

- our substantial indebtedness under the Citizens Bank, N.A. ("Citizens Bank") Amended & Restated Credit Agreement, as amended (the "Senior Credit Facility") and the McLarty Capital Partners SBIC, L.P. Credit Agreement, as amended (the "Subordinated Credit Facility");
- our ability to prepare for, respond to and successfully achieve our objectives relating to technological and market developments and changing customer needs;
- our participation in markets that are competitive;
- general economic and industry conditions;
- our customer concentration and the loss of any one of these customers;
- our ability to realize benefits from acquisitions;
- our ability to retain our key personnel and to attract and integrate additional personnel;
- our ability to maintain cost controls;
- our majority stockholder Everest Hill Group's ability to control our common stock; and
- other risks and uncertainties, including those listed under the caption "Risk Factors" in this prospectus.

Credit Agreement Financial Ratio Compliance

As of June 30, 2014, we were not in compliance with certain of our financial covenant ratios under our prior credit agreement with Citizens Bank. We renegotiated the terms of our credit agreement and on November 10, 2014, we entered into our new Senior Credit Facility with Citizens Bank and obtained waivers regarding the prior non-compliance matters. On November 10, 2014, we also entered into our Subordinated Credit Facility. As of the date of this prospectus, we have approximately $[ ] million of indebtedness on a consolidated basis and we are in compliance with all of our financial ratio covenants of both of our credit facilities.

Our Majority Stockholder

After completion of this offering, our majority stockholder, Everest Hill Group ("Everest Hill Group"), will own approximately % of our Company's issued and outstanding shares of common stock. Everest Hill Group also owns a minority interest in Brean Capital, LLC ("Brean Capital"), an underwriter for this offering, and, therefore, Brean Capital and the Company are affiliated through common ownership. See "Conflict of Interest" below.

Conflict of Interest

Our majority stockholder, Everest Hill Group, which will own approximately % of the Company following the completion of this offering, also owns a minority interest in Brean Capital, an underwriter for this offering. Brean Capital does not own any common stock of our Company. In addition, Everest Hill Group has a business relationship with McLarty Capital Partners SBIC, L.P. ("McLarty"), with whom we have entered into the Subordinated Credit Facility, through Jason T. Young, our Chairman and Chief Executive Officer, in his capacity as a partner in an investment manager which serves as the advisor to a fund which has an economic interest in McLarty. Because we, McLarty and Brean Capital may be deemed to be under common control, a "conflict of interest" is

Table of Contents

deemed to exist within the meaning of FINRA Rule 5121. Accordingly, this offering will be made in compliance with the applicable provisions of FINRA Rule 5121. In accordance with FINRA Rule 5121, has agreed to act as the qualified independent underwriter for the offering. In that role, has participated in the preparation of this prospectus and the registration statement of which this prospectus forms a part and has exercised its usual standards of due diligence with respect thereto. In addition, in accordance with FINRA Rule 5121, Brean Capital will not sell our common stock to a discretionary account without receiving written approval from the account holder. See "Underwriting Conflicts of Interest."

Company Information

Our Company was incorporated in the State of Utah on September 30, 1987. Our principal executive offices are located at 810 Flightline Boulevard, Deland, Florida 32724, our telephone number is (303) 467-5236 and our website is http://www.arcgroupworldwide.com. Information contained on, or accessible through, our website is not part of this prospectus, and such content is not incorporated by reference herein.

Table of Contents

THE OFFERING

Common Stock Offered:	Shares
Common Stock Outstanding after this Offering:	Shares(1)
Option to Purchase Additional Shares	We have granted the underwriters an option to purchase up to additional shares of our common stock. This option is exercisable, in whole or in part, for a period of 30 days from the date of this prospectus.
Use of Proceeds:	We estimate that the net proceeds from our sale of shares of our common stock in this offering will be approximately $, or approximately $ if the underwriters exercise their option to purchase additional shares in full, based on an assumed public offering price of $ per share, which was the closing price of our common stock on , 2015, as reported by NASDAQ. We are raising equity capital in this offering with the primary objectives of deleveraging the Company, increasing flexibility under our credit agreements and increasing liquidity in the Company's publicly traded common stock. We anticipate applying most of the net proceeds from this offering to prepay a portion of the outstanding indebtedness under our Senior Credit Facility and our Subordinated Credit Facility that we incurred to finance our acquisitions of ATC, Thixoforming, Kecy and Munson. The final amount of prepayment will depend on a calculation of our Senior Leverage Ratio (calculated on a pro forma basis, giving effect to prepayment of debt with the proceeds from this offering). To the extent any net proceeds from this offering are available after making our debt prepayments, we intend to use the remaining amounts for general corporate purposes, which may include the acquisition of businesses or other assets that complement our business. See "Use of Proceeds." The Senior Credit Facility: Under the terms of our Senior Credit Facility, if after the offering our Senior Leverage Ratio is greater than 2.25:1.00 (as calculated on a pro forma basis), then the proceeds of the offering will be utilized as follows: 100% of the amount, if any, of such net cash proceeds necessary to reduce the Senior Leverage Ratio to 2.75:1.00 on a pro forma basis, plus (y) 75% of the balance, if any, of such net cash proceeds remaining, to the extent necessary to reduce the Senior Leverage Ratio to 2.25:1.00 on a Pro Forma Basis, plus (z) 50% of the balance, if any, of such net cash proceeds remaining. Prepayments of the Senior Credit Facility loans will not be made in connection with the offering to the extent the Company's Senior Leverage Ratio is less than 2.25:1.00 and the proceeds thereof are utilized within 90 days to (i) finance a permitted acquisition or other permitted investments; or (ii) to finance consolidated capital expenditures.

Table of Contents

	The Subordinated Credit Facility: Under the terms of our Subordinated Credit Facility, if after the offering the Company's Senior Leverage Ratio is greater than 2.25:1.00 (as calculated on a pro forma basis), then the proceeds of the offering will be utilized as follows: 25% of the amount, if any, of such net cash proceeds necessary to reduce the Senior Leverage Ratio to 2.25:1.00 on a pro forma basis, plus (y) 50% of the balance, if any, of such net cash proceeds remaining, to the extent necessary to reduce the Senior Leverage Ratio to 2.25:1.00. Prepayments of the subordinated loans will not be made in connection with the offering to the extent that, after satisfaction of the prepayment obligations under the Senior Credit Facility, the Company's Senior Leverage Ratio is less than 2.25:1.00 and the proceeds thereof are utilized within 90 days to (i) finance a permitted acquisition or other permitted investments; or (ii) to finance consolidated capital expenditures.
Risk Factors:	See the section entitled "Risk Factors" beginning on page 11 for a discussion of factors to consider carefully before deciding whether to purchase shares of our common stock.
NASDAQ Symbol:	ARCW

(1) The number of shares of our common stock to be outstanding immediately after this offering is based on shares of common stock outstanding as of , 2015 and gives effect to the issuance of shares of our common stock to be sold by us in this offering.

As of the date of this prospectus, we have no options or warrants issued or outstanding and we have no equity incentive plan in effect that could result in the issuance of any options or warrants or similar instruments.

Unless otherwise indicated, this prospectus assumes no exercise by the underwriters of their option to purchase up to additional shares of our common stock from us.

Table of Contents

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The summary consolidated financial information set forth below for each of the years ended June 30, 2012, 2013 and 2014 has been derived from our audited consolidated financial statements. The summary consolidated financial information set forth below for the six months ended December 28, 2014 and December 29, 2013 has been derived from our unaudited financial statements. The unaudited financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of our management, include all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the information set forth herein. Operating results for the six months ended December 28, 2014 are not necessarily indicative of the results that may be expected for the year ending June 30, 2015, or for any future period. ARC Group Worldwide is considered a smaller reporting company under the Securities Exchange Act of 1934 and is not required to disclose the summary consolidated financial data. We have elected to voluntarily disclose the financial information below as we believe it would be helpful to potential investors.

Consolidated Statement of Operations Data
(in thousands, except per share data)

	Year Ended June 30,			For the Six Months Ended,	
	2012	2013	2014	December 29, 2013	December 28, 2014
				(unaudited)	
Sales	$ 30,407	$ 68,486	$ 82,926	$ 38,342	$ 55,804
Gross profit	11,711	18,292	24,233	11,955	13,370
Selling, general and administrative expense	6,408	11,620	15,731	7,502	10,418
Merger expense		1,637	536		187
Income from operations	5,303	5,035	7,966	4,453	2,765
Income before taxes	4,981	4,326	7,155	3,961	620
Net income attributable to ARC Group Worldwide, Inc.	4,518	3,039	4,516	2,768	116
Net income per common share:					
Basic and diluted	$ 0.45	$ 0.22	$ 0.31	$ 0.19	$ 0.01

Consolidated Balance Sheet Data
(in thousands)

		As of December 28, 2014	
	June 30, 2014	Actual	As Adjusted(1)
Cash and cash equivalents	$ 9,384	$ 3,859	
Total assets	136,389	131,672	
Total debt, including capital leases	83,023	81,307	
Total liabilities	105,048	100,272	
Total stockholders' equity	31,341	31,400	

(1) On an as adjusted basis to give effect to the sale of shares of our common stock in this offering at an assumed offering price of $ per share after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We anticipate applying most of the net proceeds from this offering to prepay a portion of the outstanding indebtedness under our Senior Credit Facility and our Subordinated Credit Facility that we incurred to finance our acquisitions of ATC, Thixoforming, Kecy and Munson. The final amount of prepayment will depend on a calculation of our Senior Leverage Ratio (calculated on a pro forma basis, giving effect to prepayment of debt with the proceeds from this offering).

9

Table of Contents

Other Data
EBITDA and Adjusted EBITDA
(in thousands)

	Year Ended June 30,			Six Months Ended	
	2012	2013	2014	December 29, 2013	December 28, 2014
Net income	$ 4,817	$ 3,330	$ 4,744	$ 2,885	$ 230
Interest expense, net	453	1,142	1,399	499	2,134
Income tax expense		722	2,411	1,076	390
Depreciation and amortization	725	3,393	4,385	1,790	4,666
EBITDA	5,995	8,587	12,939	6,250	7,420
Share-based compensation expense			701	701	
Merger expenses		1,637	536		187
Other non-recurring expenses					286
Gain on bargain purchase		(381)			
Gain on early extinguishment of debt			(578)		
Reorganization expenses			351	351	
Adjusted EBITDA	$ 5,995	$ 9,843	$ 13,949	$ 7,302	$ 7,893

Earnings before net interest expense, tax expense and depreciation and amortization expense ("EBITDA") and Adjusted EBITDA are not recognized terms under U.S. GAAP and may not be defined similarly by other companies. EBITDA and Adjusted EBITDA should not be considered alternatives to net income as indications of financial performance or as alternatives to cash flow from operations as measures of liquidity. There are limitations to using non-U.S. GAAP financial measures, including the difficulty associated with comparing companies in different industries that use similar performance measures whose calculations may differ from ours.

EBITDA and Adjusted EBITDA are key measures used in internal operating reports by management and our Board of Directors to evaluate the performance of our operations and are also used by analysts, investment banks and lenders for the same purpose.

We believe that the presentation of EBITDA and Adjusted EBITDA enables a more consistent measurement of period to period performance of our operations. EBITDA excludes interest income, interest expense and income taxes because these items are associated with our capitalization and tax structures. EBITDA also excludes depreciation and amortization expense because these non-cash expenses reflect the impact of prior capital expenditure decisions which are not indicative of future capital expenditure requirements.

Adjusted EBITDA further adjusts EBITDA to exclude (i) share based compensation expense as this was a non-recurring grant made to our chief executive officer as an inducement to accept the position; (ii) merger expenses are non-recurring costs incurred to effect acquisitions, such as advisory, legal, accounting, consulting and other professional fees; (iii) other non-recurring expenses were costs incurred reduce excess workforce and professional fees resulting from our acquisitions and financing activities; (iv) gain on bargain purchase was negative goodwill resulting from the reverse merger of ARC and QMT; (v) gain on extinguishment of debt is a result of the redemption of the Company's convertible note in connection with the Company entering into a new credit agreement; and (vi) reorganization expenses are primarily labor and labor-related costs associated with the termination of employees.

We use EBITDA and Adjusted EBITDA in conjunction with traditional U.S. GAAP operating performance measures as part of our overall assessment of our performance and we do not place undue reliance on measures as our only measures of operating performance. EBITDA and Adjusted EBITDA should not be considered as substitutes for other measures of financial performance reported in accordance with U.S. GAAP.

10

Table of Contents

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risk factors described below, as well as the other information in this prospectus and information contained in our most recently filed periodic reports filed with the SEC, including our Annual Report on Form 10-K for the fiscal year ended June 30, 2014, which is incorporated by reference into this registration statement. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference into this registration statement. Additional risks and uncertainties not presently known to us or that we deem currently immaterial may also impair our business, operating results and financial condition and could result in a complete loss of your investment.

Risks Related to Our Business

The traditional manufacturing and 3D printing markets in which we compete are highly competitive and some of our competitors may have superior resources. Responding to this competition could reduce our sales and operating margins.

We sell most of our products in highly fragmented and competitive prototyping and production manufacturing and 3D printing markets, including those serviced by traditional and AM suppliers. We believe that our principal challenges of competition in these markets are:

- ability to meet customer specifications and quantities within competitive time periods responsive to high customization demands from our customers;
- application expertise and engineering capabilities using novel materials which vary widely according to our customers' requirements;
- product quality and brand name in different industrial manufacturing areas which may take years to develop;
- timeliness of delivery of raw materials to our plants and finished products to our customers;
- competitive pricing of our products at levels sufficient to attract and retain customers;
- quality of our aftermarket sales and support for customers utilizing our products in widely variable physical and environmental conditions;
- our limited materials development capabilities;
- our applied research and development capabilities which rely mainly on individual initiatives and experience of our employees and do not include a dedicated research and development unit; and
- our relatively new 3D printing services, which currently constitute only a small portion of our overall business.

In each of our major traditional manufacturing and 3D printing product lines, we compete with a substantial number of foreign and domestic companies, some of which have greater resources (financial or otherwise) or lower operating costs than we have. Competitors' actions, such as price reductions or introduction of new innovative products, may have a material adverse impact on our net sales and profitability. In addition, the rapid technological changes occurring in the design and engineering industry could lead to the entry of new competitors in traditional manufacturing and 3D printing. We cannot provide assurance that we will continue to compete successfully with our existing competitors or with new competitors.

Some of our traditional manufacturing and 3D printing competitors are larger than us and have greater financial, technical, marketing and other resources than we have. These larger competitors may be in a better position to withstand any significant reduction in capital spending by customers in our markets. They often have broader product lines and market focus and may not be as susceptible to

Table of Contents

downturns in a single market. These competitors may also be able to bundle their products together to meet the needs of a particular customer and may be capable of delivering more complete solutions than we are able to provide. To the extent large enterprises that currently do not compete directly with us choose to enter our markets by acquisition or otherwise, competition would likely intensify.

Further, some of our traditional manufacturing and 3D printing competitors that have greater financial resources have offered, and in the future may offer, their products at lower prices than we offer for our competing products or on more attractive financing or payment terms, which may cause us to lose sales opportunities and the resulting revenue or to reduce our prices in response to that competition. Reductions in prices for any of our products could have a material adverse effect on our operating margins and revenue. In addition, many of our competitors have been in operation longer than we have, particularly in the area of 3D printings and, therefore, have more long-standing and established relationships with domestic and foreign customers, making it difficult for us to sell to those customers.

If any of our competitors' traditional and 3D printing products or technologies were to become the industry standard, our business would be seriously harmed. If our competitors are successful in bringing their products to market earlier than us, or if these products are more technologically capable than ours, our revenue could be materially and adversely affected. Our competitors may decide to expand their presence in this market through mergers and acquisitions. The consolidation of our manufacturing and 3D printing competitors could have a significant negative impact on our business. Further, our competitors may bundle their products or incorporate functionality into existing products in a manner that discourages users from purchasing our products or which may require us to lower our selling prices, resulting in lower revenue and decreased gross margins.

If we are unable to compete in the traditional manufacturing and 3D printing sectors at the same level as we have in the past, in any of our markets, or are forced to reduce the prices of our products in order to continue to be competitive, our operating results, financial condition and cash flows would be materially and adversely affected.

In order to maintain and enhance our traditional and 3D printing competitive position, we intend to continue our investment in technology, marketing, customer service and support, and distribution networks. We may not have sufficient resources to continue to make these investments, and we may not be able to maintain our competitive position. Our competitors may develop products that are superior to our traditional and 3D printing products, develop methods of more efficiently and effectively providing products and services, or adapt more quickly than us to new technologies or evolving customer requirements. We may not be able to compete successfully with our competitors. If we fail to compete successfully, the failure may have a material adverse effect on our business, financial condition and results of operations.

We face customer pricing pressures.

Our customers are under pressure to reduce pricing on their products amid intense competition and pressure from their own cost-conscious customers. Weak revenue growth leads companies to reduce prices in order to boost sales, which reduces the value of those sales and further affects all participants in the supply chain. Consequently, we also face these pricing pressures. For example, our sales to the medical industry could be adversely affected by hospitals that are subject to smaller reimbursements, rising costs and a rapidly changing health-care system, which could result in hospitals reducing the size of orders and negotiating lower costs for supplies. Such events could result in hospital suppliers lowering prices in order to win business with an ultimate effect on us that would result in fewer component orders and pressure to lower our prices. Such order reductions and pricing adjustments could put pressure on our gross margins, negatively impacting the overall profitability of our businesses. Further, we and our customers also face pricing pressure from global competition,

Table of Contents

primarily from Asia and other low cost areas. Our sales could be negatively impacted if customers move production of devices offshore.

Our future success depends on our ability to anticipate and to adapt to technological changes and develop, implement and market product innovations.

Many of our traditional manufacturing and 3D printing markets are characterized by fast-moving advances in design and engineering that require ongoing improvements in our production capabilities and the competitive quality of our products. The supply chains in which we operate are subject to technological change and changes in customer requirements. We cannot provide any assurance that we will successfully develop new or modified types of traditional manufacturing and 3D printing products or technologies that may be required by our customers in the future. Should we not be able to maintain or enhance the competitive values of our traditional manufacturing and 3D printing products or develop and introduce new products or technologies successfully, or if new products or technologies fail to generate sufficient revenues to offset research and development costs, our businesses, financial condition and operating results could be materially and adversely affected. We may not be successful in those efforts if, among other things, our traditional manufacturing and 3D printing products:

- are not cost effective;
- are not brought to market in a timely manner;
- are not in accordance with evolving traditional manufacturing and 3D printing industry standards;
- fail to achieve market acceptance or meet customer requirements; and
- are in advance of the needs of their markets.

We may not fully realize anticipated benefits from past or future acquisitions or equity investments and future acquisitions may expose us to significant unanticipated liabilities that could adversely affect our business, financial condition and results of operations.

We anticipate that a portion of any future growth of our business might be accomplished by acquiring existing traditional manufacturing and 3D printing businesses, products or ancillary technologies. The success of any acquisition will depend upon, among other things, our ability to integrate acquired personnel, operations, products and technologies into our organization effectively, to retain and motivate key personnel of acquired businesses and to retain their customers. In addition, we might not be able to identify suitable acquisition opportunities or obtain any necessary financing on acceptable terms. We might also spend time and money investigating and negotiating with a potential acquisition or investment target, but not complete the transaction.

Our acquisitions could create unforeseen risks and liabilities that may adversely impact our results and operations. These liabilities could include employment, retirement or severance-related obligations under applicable law or other benefits arrangements, legal claims, warranty or similar liabilities to customers and claims made by vendors. Future acquisitions could also expose us to tax liabilities and other amounts owed by the acquired companies. The incurrence of such unforeseen or unanticipated liabilities, should they be significant, could have a material adverse effect on our business, results of operations and financial condition.

Although we expect to realize strategic, operational and financial benefits as a result of our past or future acquisitions and equity investments, we cannot predict whether, and to what extent, such benefits will be achieved. There are significant challenges to integrating an acquired operation into our business, including, but not limited to:

- successfully managing the operations, manufacturing facilities and technology;

- integrating the sales organizations and maintaining and increasing the customer base;
- retaining key employees, suppliers and distributors;
- integrating management information, inventory, accounting and research and development activities; and
- addressing operating losses related to individual facilities or product lines.

Any future acquisition could involve other risks, including the assumption of additional liabilities and expenses, issuances of debt, transaction costs and diversion of management's attention from other business concerns, and such acquisition may be dilutive to our financial results.

A material disruption at any of our manufacturing facilities could adversely affect our ability to generate sales and meet customer demand.

In case of a disruption of our operations at our manufacturing facilities due to significant equipment failures, natural disasters, power outages, fires, explosions, terrorism, adverse weather conditions, labor disputes or other reasons, our financial performance could be adversely affected as a result of our inability to meet customer demand for our products. Interruptions in production could increase our cost of sales, harm our reputation and adversely affect our ability to attract or retain our customers. Our highly automated manufacturing equipment and 3D printers may take longer to repair or replace than conventional manufacturing systems. In addition, some of our equipment may be heavily modified over time with adaptations and customization for specific customers that may make our equipment more susceptible to malfunctions that cannot be easily repaired. It may be difficult to replace damaged manufacturing equipment and 3D printers. Replacement of manufacturing equipment and 3D printers may take a commercially unreasonable period of time. In addition, our business continuity plans may not be sufficient to address disruptions attributable to all magnitudes of natural disaster risks at our geographically disparate facilities, such as hurricane risk at our Florida plant, seismic risks at our Colorado facility and severe winter weather risks at our Colorado, Michigan and Pennsylvania facilities. Any interruption in production capability could require us to make substantial capital expenditures to remedy the situation, which could negatively affect our profitability and financial condition. We maintain property damage insurance which we believe to be adequate to provide for reconstruction of facilities and equipment, as well as business interruption insurance to mitigate losses resulting from any production interruption or shutdown caused by an insured loss. However, any recovery under our insurance policies may not offset the lost sales or increased costs that may be experienced during the disruption of operations, which could adversely affect our business, financial condition and results of operations.

A sustained economic downturn would adversely impact our Company.

Demand for our products and components could be adversely impacted by deterioration in general economic conditions. Furthermore, a recession could result in reduced demand for our traditional manufacturing products and 3D printing, which would negatively impact revenues. In addition, a significant slowdown in the global economy could reduce overall demand for our products. For example, during periods of sustained economic downturn or significant supply/demand imbalances, new vehicle sales may be negatively impacted as consumers shift their purchases to used vehicles, which could result in loss of sales to our customers who supply the automobile manufacturers. The diversified customer base and product applications of our companies may help mitigate the effects of economic fluctuations, however many of our customers and suppliers are reliant on liquidity from global credit markets and, in some cases, require external financing to purchase products or finance operations. Lack of liquidity or inability to access the credit markets by our customers could adversely affect our ability to collect the outstanding amounts due to us. The occurrence of any of the foregoing could have a material and adverse effect on our business, financial condition and results of operations.

Table of Contents

Product liability lawsuits could harm our business.

We face an inherent risk of exposure to product liability claims. We sell components for medical/dental, aerospace, defense and firearms, automotive, consumer durable, and electronic devices industries, any of which may be susceptible to failure that may cause physical injury or death. We may incur significant losses due to lawsuits, including potential class actions, resulting from such adverse events. We may also incur losses from lawsuits relating to the improper use of any of our products and components. In addition, claims or lawsuits related to products that we sell or the unavailability of insurance for product liability claims, could result in the elimination of these products from our product line thus reducing revenues, possibly significantly. Although we maintain production quality controls and procedures, we cannot assure that the products sold will be free from defects. In addition, when manufacturing our products, we also use components manufactured by third parties, which may have defects. We maintain insurance coverage for product liability claims. The insurance policies have limits, however, and may not be sufficient to cover claims made. In addition, this insurance may not continue to be available at a reasonable cost. With respect to components manufactured by third-party suppliers, the contractual indemnification that we may seek from our third-party suppliers may be limited and thus insufficient to cover claims made against us. If insurance coverage or contractual indemnification is insufficient to satisfy product liability claims made against us, the claims could have an adverse effect on our business and financial condition. Even claims without merit could harm our reputation, reduce demand for our products, cause us to incur substantial legal costs and distract the attention of our management. The occurrence of any of the foregoing could have a material and adverse effect on our business, financial condition and results of operations.

We rely on a small number of customers for a large percentage of our revenues.

As summarized in our filings with the SEC, a relatively small number of customers have historically contributed a material percentage of our manufacturing product sales. Our four top customers accounted for approximately 40% of our fiscal year 2014 revenue. As a result of our 2014 acquisitions, we have improved the diversification of our customer base so that no individual customer currently accounts for more than ten percent of our sales. Our 3D printing operations also rely on a small number of customers. We had sales to three significant customers for the six month period ended December 28, 2014 and four significant customers for the twelve month period ended June 30, 2014, which represented approximately 25.6%, and 40.0%, respectively, of the Company's total sales. The concentration of our business with a relatively small number of customers may expose us to a material adverse effect if one or more of these large customers were to experience financial difficulty or were to cease being customer for non-financial related issues. Through acquisitions and organic growth, we seek to diversify both our offerings and our customer base. Assuming our continued customer diversification, we do not believe the loss of any one of our core customers would have a long-term material adverse effect on our results of operations. However, there can be no assurance that the loss of any one or more of our core customers would not have a material adverse effect on our results of operations, at least in the short term.

Our operations are subject to environmental, health and safety regulations.

Our traditional manufacturing and 3D printing operations are subject to stringent and complex federal, state, local and European Union laws and regulations, governing environmental protection, health and safety, including the discharge of materials into the environment. These laws and regulations may, among other things:

- require the acquisition of various permits before operations commence or to continue ongoing operations;

Table of Contents

restrict the types, quantities and concentrations of various substances that may be employed in manufacturing operations;

restrict the types, quantities and concentrations of various substances that may be released into the environment or otherwise disposed of; and

require remedial measures to mitigate pollution from former and ongoing operations, such as requirements to remove contamination from real property, whether or not caused by past or ongoing operations.

The regulatory burden increases the cost of doing business and affects profitability. Additionally, the U.S. Congress and federal and state agencies as well as the European Union regulatory authorities frequently revise environmental, health and safety laws and regulations, and any changes that result in more stringent and costly health and safety, pollution control, waste handling, disposal, cleanup and remediation requirements could have a significant negative impact on our operating costs.

Some of the existing environmental, health and safety laws and regulations to which we are subject include, among others:

(i) regulations by the Environmental Protection Agency ("EPA") and various state agencies regarding approved methods of disposal for certain hazardous and nonhazardous wastes;

(ii) the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and analogous state laws that may require the removal of previously disposed wastes (including wastes disposed of or released by prior owners or operators of real estate), the cleanup of property contamination (including groundwater contamination) and remedial plugging operations to prevent future contamination;

(iii) the Clean Air Act and comparable state and local requirements, which establish pollution control requirements with respect to air emissions from our operations;

(iv) the Oil Pollution Act of 1990, which contains numerous requirements relating to the prevention of, and response to, oil spills into waters of the United States;

(v) the Federal Water Pollution Control Act, or the Clean Water Act, and analogous state laws which impose restrictions and strict controls with respect to the discharge of pollutants, including heavy metals and other substances generated by our operations, into waters of the United States, state waters or publicly owned treatment works;

(vi) the Resource Conservation and Recovery Act, which is the principal federal statute governing the treatment, storage and disposal of solid and hazardous wastes, and comparable state statutes;

(vii) the federal Occupational Safety and Health Act and comparable state statutes, which require worker protection from raw materials, products and wastes;

(viii) the federal Toxic Substances Control Act and comparable state and local statutes and regulations requiring that we organize and/or disclose information about hazardous materials stored, used or produced in our operations; and

(ix) the Arms Export Control Act of 1976 ("AECA") and the International Traffic in Arms Regulations promulgated thereunder that govern the export of firearms and defense products controlled by the AECA.

Our Company has incurred in the past, and expects to incur in the future, capital and other expenditures related to environmental compliance. Although we believe our continued compliance with existing requirements will not have a material adverse impact on our financial condition and results of

Table of Contents

operations, there is no assurance that the passage of more stringent laws or regulations in the future will not have a negative impact on our financial position and results of operations.

We utilize a hydrogen gas atmosphere in our sintering process and a large liquid hydrogen storage tank at one of our sites which create heightened health and safety risks of explosion or fire that could be materially adverse to our business.

Certain of our subsidiaries utilize a hydrogen gas atmosphere in the sintering process. We also have a large liquid hydrogen storage tank located in one of our facilities. Liquid hydrogen, if stored carefully, is generally safe, but any escape of liquid hydrogen can create significant hazards. Specifically, in the presence of oxygen, hydrogen can catch fire, sometimes explosively. Our processes are designed to prevent exposure to oxygen in the sintering furnaces by first eliminating any remaining ambient atmosphere by flooding the furnace with inert argon gas prior to introduction of hydrogen. As a result, no oxygen should be present in our hydrogen atmospheres or our hydrogen storage tank, but trace amounts of air may contaminate any hydrogen supply. Our equipment has redundant control and alarm systems to detect hydrogen leaks and shut down all gas flows should a leak or equipment malfunction be detected. However, if the hydrogen should escape, it could come into contact with oxygen in the air and explode or catch fire. When hydrogen catches fire, the hydrogen flames are nearly invisible and are thus both difficult to avoid and to put out. Any fire or explosion originating from a hydrogen leak could seriously injure or cause death of employees and other persons in the vicinity, as well as damage our equipment and our facilities. Further, even if any leaking hydrogen does not explode or cause fire, because it is invisible, odorless and flavorless, if one of our employees or other persons in the vicinity should be exposed to and breathe pure hydrogen they could die of asphyxiation from oxygen deprivation. Any injuries or death arising from our use of hydrogen and any consequent lawsuits and resulting economic damages could be materially adverse to our business. In addition any damage to our facilities or equipment resulting from any explosion or fire could cause an interruption on our production capability and/or cause us to make substantial capital expenditures, either of which could have a material adverse impact on our business, financial condition and results of operations.

As an owner or operator of real property, or generator of waste, we could become subject to liability for environmental contamination, regardless of whether we caused such contamination.

Under various federal, state and local laws, regulations and ordinances, and, in some instances, international laws, relating to the protection of the environment, a current or former owner or operator of real property may be liable for the cost to remove or remediate contamination on, under, or released from such property and for any damage to natural resources resulting from such contamination. Similarly, a generator of waste can be held responsible for contamination resulting from the treatment or disposal of such waste at any off-site location (such as a landfill), regardless of whether the generator arranged for the treatment or disposal of the waste in compliance with applicable laws. Costs associated with liability for removal or remediation of contamination or damage to natural resources could be substantial and liability under these laws may attach without regard to whether the responsible party knew of, or was responsible for, the presence of the contaminants. In addition, the liability may be joint and several. The presence of contamination or the failure to remediate contamination at our properties, or properties for which we are deemed responsible, may expose us to liability for property damage or personal injury, or materially adversely affect our ability to sell our real property interests or to borrow using the real property as collateral. We cannot be sure that we will not be subject to environmental liabilities in the future as a result of historic or current operations that have resulted or will result in contamination. The occurrence of any of the foregoing could have a material and adverse effect on our business, financial condition and results of operations.

Table of Contents

Any failure to maintain and protect our trademarks, trade names and technology may affect our operations and financial performance.

The market for many of our products is, in part, dependent upon the goodwill engendered by trademarks and trade names. The failure to protect our trademarks and trade names may have a material adverse effect on our business, financial condition and results of operations. Litigation may be required to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights of others. Any action we take to protect our intellectual property rights could be costly and could absorb significant management time and attention. As a result of any such litigation, we could lose any proprietary rights we have. In addition, it is possible that others will independently develop technology that will compete with our technology. The development of new technologies by competitors that may compete with our technologies could reduce demand for our products and affect our financial performance. The occurrence of any of the foregoing could have a material and adverse effect on our business, financial condition and results of operations.

If suppliers that we rely on encounter production, quality, financial or other difficulties, we may experience difficulty in meeting customer demands.

We rely on unaffiliated suppliers, both domestically and internationally, to produce certain of our products or key components of our products. If we are unable to arrange for sufficient production capacity among our suppliers or if our suppliers encounter production, quality, financial or other difficulties, including labor disturbances or geopolitical risks, or if alternative suppliers cannot be identified, we may encounter difficulty in meeting customer demands. We have historically not had any material deficiencies arising from suppliers, however, any such difficulties or deficiencies arising in the future could have an adverse effect on our business, financial results and results of operations, which could be material. If we do not have sufficient production capacity, either through our internal facilities and/or through suppliers, to meet customer demand for our products, we may experience lost sales opportunities and customer relations problems, which could have a material adverse effect on our business, financial condition and results of operations.

Our business depends on effective information management systems.

We rely on our enterprise resource planning systems to support such critical business operations as processing sales orders and invoicing, inventory control, purchasing and supply chain management, human resources and financial reporting. If we are unable to successfully implement major systems initiatives and maintain critical information systems with adequate redundancy and backup resources as well as sufficient levels of security to protect against unauthorized access or damage to our information systems, we could encounter difficulties that could have a material adverse impact on our business, internal controls over financial reporting, or our ability to timely and accurately report our financial results.

Cyber-security incidents, including data security breaches or computer viruses, could harm our business by disrupting our delivery of services, damaging our reputation or exposing us to liability.

We receive, process, store and transmit, often electronically, the confidential data of our customers and others. Unauthorized access to our computer systems or stored data could result in the theft or improper disclosure of confidential information, the deletion or modification of records or could cause interruptions in our operations. These cyber-security risks increase when we transmit information from one location to another, including transmissions over the Internet or other electronic networks. Despite implemented security measures, our facilities, systems and procedures, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, software viruses, misplaced or lost data, programming and/or human errors or other similar events which may disrupt our delivery of services or expose the confidential information of our customers and others. Any security breach

involving the misappropriation, loss or other unauthorized disclosure or use of confidential information of our customers or others, whether by us or a third party, could (i) subject us to civil and criminal penalties, (ii) have a negative impact on our reputation or (iii) expose us to liability to our customers, third parties or government authorities. Any of these developments could have a material adverse effect on our business, financial condition and results of operations.

We have in the past discovered, and may in the future discover, material weaknesses in our internal controls. If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which could harm our business and the trading price of our stock.

During our fiscal year 2014 audit, our external auditors brought to our attention a need to increase the number of persons involved in our financial processes. The auditors identified this material weakness as a "reportable condition," which means that these were matters that, in the auditors' judgment, could adversely affect our ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. In fiscal 2014, we devoted significant resources to remediate and improve our internal controls. Although we believe that these efforts have strengthened our internal controls and addressed the concerns that gave rise to the "reportable condition," in fiscal 2015 we are continuing to work to improve our internal controls. We cannot be certain that these measures will ensure that we maintain adequate controls over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our brand and operating results or cause us to fail to meet our reporting obligations. Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our brand and operating results could be harmed. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

If our products, including material purchased from our suppliers, experience quality or performance issues, our business may suffer.

Our business depends on consistently delivering high-quality products. To this end, we and our customers periodically test our products for quality. Nevertheless, many of our products are highly complex and our testing procedures are limited to evaluating likely and foreseeable failure scenarios. Our tests may fail to detect possible failures and our products may fail to perform as expected. Performance issues could result from faulty design or problems in manufacturing. We have experienced such performance failures in the past and remain exposed to performance failures in the future. In some cases, recall of some or all affected products, product redesigns or additional capital expenditures may be required to correct a defect. In addition, we generally offer warranties on most products, the terms and conditions of which depend upon the product subject to the warranty. In some cases, we indemnify our customers against damages or losses that might arise from certain claims relating to our products. Future claims may have a material adverse effect on our business, financial condition and results of operations. Any significant or systemic product failure could also result in lost future sales of the affected product and other products, as well as reputational damage.

We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets.

Certain of our products are subject to export controls and may be exported only with the required export license or through an export license exception. If we were to fail to comply with export licensing, customs regulations, economic sanctions and other laws, we could be subject to substantial civil and criminal penalties, including fines for us and incarceration for responsible employees and managers,

Table of Contents

and the possible loss of export or import privileges. In addition, if our distributors fail to obtain appropriate import, export or re-export licenses or permits, we may also be adversely affected through reputational harm and penalties. Obtaining the necessary export license for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities. Furthermore, export control laws and economic sanctions prohibit the shipment of certain products to embargoed or sanctioned countries, governments and persons. While we train our employees to comply with these regulations, a violation may nonetheless occur, whether knowingly or inadvertently. Any such shipment could have negative consequences including government investigations, penalties, fines, civil and criminal sanctions, and reputational harm. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in our decreased ability to export or sell our products to existing or potential customers with international operations. Any decreased use of our products or limitation on our ability to export or sell our products could materially adversely affect our business, financial condition and results of operations.

Difficulties may be encountered in the realignment of manufacturing capacity and capabilities among our global manufacturing facilities that could adversely affect our ability to meet customer demands for our products.

We may realign manufacturing capacity among our global facilities in order to reduce costs by improving manufacturing efficiency and to strengthen our long-term competitive position. The implementation of these initiatives may include significant shifts of production capacity among facilities.

There are significant risks inherent in the implementation of these initiatives, including, but not limited to, failing to ensure that: there is adequate inventory on hand or production capacity to meet customer demand while capacity is being shifted among facilities; there is no decrease in product quality as a result of shifting capacity; adequate raw material and other service providers are available to meet the needs at the new production locations; equipment can be successfully removed, transported and re-installed; and adequate supervisory, production and support personnel are available to accommodate the shifted production.

In the event that manufacturing realignment initiatives are not successfully implemented, we could experience lost future sales and increased operating costs as well as customer relations problems, which could have a material adverse effect on our business, financial condition and results of operations.

We may experience significant variability in our quarterly or annual effective income tax rate.

We have a large and complex tax profile in various jurisdictions. Variability in the mix and profitability of domestic and international activities, repatriation of earnings from our foreign subsidiary in Hungary ("AFT-HU"), changes in tax laws, identification and resolution of various tax uncertainties and the inability to use net operating losses and other carry forwards included in deferred tax assets, among other matters, may significantly impact our effective income tax rate in the future. A significant increase in our quarterly or annual effective income tax rate could have a material adverse impact on our financial condition and results of operations.

***There may be certain environmental and geological liabilities associated with certain of our real estate, including our MIM manufacturing facility in Colorado*.**

Certain of our subsidiaries own real property at our Colorado facilities. However, our Colorado subsidiaries do not own the mineral rights related to this property. In the past, the property has been used for coal, oil and natural gas extraction. Oil and natural gas extraction is ongoing. As the owner of the real estate, our Colorado subsidiaries and our Company could be strictly liable, jointly and severally, under CERCLA with the mineral rights owner and production well operators for any

Table of Contents

government mandated remediation of pollution related to the oil and gas production that could have a material adverse effect on our business, notwithstanding that our Colorado subsidiaries did not cause or contribute to the contamination. Coal extraction ceased on the property in 1947, and the mining entities are no longer in business. Consequently, our Colorado subsidiaries and our Company could be strictly liable for government mandated remediation of acid mine seeps or other pollution related to coal mining. As such liabilities are not insured, the payment of such remediation costs could result in an adverse effect on our business or reduced asset value and a reduction in available funds for other corporate purposes.

The Colorado Geological Survey has concluded that there may be a risk of ground subsidence due to the former mining operations on a small portion of our Colorado property where our principal facilities are located. In the event of a subsidence event, certain of our buildings, equipment and inventory which are material to our business could be damaged or rendered unusable. A subsidence event could also result in bodily harm or injury to our employees and other persons in the vicinity. In addition, our Colorado subsidiaries and our Company could be liable for possible collateral damage or harm, such as possible release of any hazardous waste into the environment. A subsidence event could seriously injure or cause the death of employees and other persons in the vicinity, as well as materially harm our facilities. As such liabilities are not insured, the payment of any personal injury damages and facility remediation and equipment replacement costs, as well as lost revenues attributable to interruption of our ability to conduct business, could result in a material adverse effect on our business or reduced asset value and reduction in funds available for other corporate purposes.

Semi-volatile organic compounds and chlorinated solvents are present in the soil and groundwater at the facility of our subsidiary General Flange & Forge LLC ("GF&F") (although such contamination was caused off-site, and not by GF&F). GF&F has an indemnity from its landlord covering environmental liabilities pre-dating GF&F's use of the facility. GF&F does not believe that it has any liability related to the facility, however, in the event of a government-mandated remediation, GF&F and our Company could become jointly and severally strictly liable as an operator of the facility under CERCLA for the costs. As such liabilities are not insured, if for any reason the indemnity covering GF&F by its landlord is not enforceable, the non-indemnified and/or unreimbursed costs of remediation could result in an adverse effect on our business or reduced asset value and reduction in funds available for other corporate purposes.

Political instability in international markets and interruptions in timely and cost-efficient delivery of raw materials from our overseas suppliers could have a negative effect on our Company.

Significant amounts of raw material purchases by the Company are made from overseas suppliers located in Germany, South Korea, United Kingdom, and Japan. Consequently, we may encounter risks associated with these countries and regions. Such risks include political instability, changes in legal regulations relating to trade, export and employment, and deterioration in underlying economic conditions.

In particular, domestic policy changes in our overseas suppliers' countries could negatively impact pricing of components purchased from manufacturers in those countries, and any increase in the prices we pay for raw materials could have a negative impact on our margins. Products purchased from our overseas suppliers may also be dependent upon vessel shipping schedules and port availability. In addition, certain of our overseas suppliers may currently operate near capacity, resulting in some of the raw materials we source from them being subject to limitations and there could be restrictions placed on the amount of our orders or timing of deliveries of such materials to us. An inability to secure the raw materials used in the manufacturing of our products or to transport such raw materials in both a cost-effective and timely manner could have a material adverse effect on our operations.

Table of Contents

Risks associated with overseas suppliers will also apply to our subsidiary AFT-Hungary, which conducts its manufacturing in Hungary. The AFT-Hungary business is susceptible to the political and legal climate in Hungary and Europe in general. Any instability in those areas could directly and adversely impact the business prospects of the AFT-Hungary business.

Labor unrest could have a material adverse effect on our business, results of operations and financial condition.

While none of our U.S. employees are represented by unions, substantially all of our international employees are members of unions or subject to workers' councils or similar statutory arrangements. In addition, many of our direct and indirect customers and vendors have unionized work forces. Strikes, work stoppages or slowdowns experienced by these customers or vendors, contract manufacturers or their other suppliers could result in slowdowns. Organizations responsible for shipping our products may also be impacted by strikes. Any interruption in the delivery of our products could reduce demand for our products and could have a material adverse effect on us.

In general, we consider our labor relations with our employees to be in good standing. However, in the future, we may be subject to labor unrest. The inability to reach a new agreement could delay or disrupt our operations in the affected regions, including the acquisition of raw materials and components, the manufacture, sales and distribution of products and the provision of services. Occurrences of strikes, work stoppages or lock-outs at our facilities or at the facilities of our vendors or customers could have a material adverse effect on our business, financial condition and results of operations.

Our future research and development projects may not be successful.

The successful development of our future products can be affected by many factors. Products that appear to be promising at their early phases of research and development may fail to be commercialized for various reasons, including possible failure to obtain any required regulatory approvals. There is no assurance that any of our future research and development projects will be successful or completed within the anticipated time frame or budget or that we will receive the necessary approvals from relevant authorities for the production of these newly developed products, or that these newly developed products will achieve commercial success. Even if such products can be successfully commercialized, they may not achieve the level of market acceptance that we expect.

We have incurred and will continue to incur increased costs as a result of operating as a publicly traded company, and our management devotes substantial time to compliance initiatives.

As a publicly traded company, we have incurred and will continue to incur additional legal, accounting and other expenses that we did not previously incur prior to becoming a publicly traded company. In addition, the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the rules of the SEC and NASDAQ, impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to these compliance initiatives as well as investor relations. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance, and we have incurred additional costs to maintain such coverage. Furthermore, if we are not able to comply with certain requirements of the Sarbanes-Oxley Act in a timely manner, the market price of our Common Stock could decline and we could be subject to potential delisting by NASDAQ and review by such exchange, the SEC, or other regulatory authorities, which would require the expenditure by us of additional financial and management resources. As a result, our stockholders could lose confidence in our financial reporting, which would harm our business and the market price of our Common Stock. If

we fail to maintain adequate internal controls or fail to implement required new or improved controls, as such control standards are modified, supplemented or amended from time to time, we may not be able to assert that we can conclude on an ongoing basis that we have effective internal controls over financial reporting. Effective internal controls are necessary for us to produce reliable financial reports. If we cannot produce reliable financial reports, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and there could be a material adverse effect on our stock price.

Increases in the prices of raw materials would have an adverse effect on our profitability.

Our profitability may be materially affected by changes in the market price and availability of certain raw materials, most of which are linked to the commodity markets. The principal raw materials we purchase may become very expensive. Prices for copper, steel, aluminum and certain other polymers, derived from oil and natural gas, have experienced significant volatility as a result of changes in the levels of global demand, supply disruptions and other factors. As a result, we have adjusted our prices for certain products and may have to adjust prices again in the future. Delays in implementing price increases or a failure to achieve market acceptance of price increases has in the past and could in the future have a material adverse impact on our results of operations. Any significant increase in raw material prices could have a significant adverse effect on our businesses. In particular, metal powders, especially nickel and chrome, are subject to volatile pricing on world commodity markets. Significant increases in prices of metal powders may negatively impact our MIM companies' profitability if those increases cannot be passed along to customers. Decisions made by major mining companies as to increasing or reducing capacities for mining and refinement of these metals could also significantly affect supplies. In addition, pricing and availability of steel in the world market has a large impact on pricing of these products and, thus, impacts our Flange and Fittings business. Our margins may be adversely subject to price increases by our suppliers that we may not be able to pass along to customers because of competitive decisions by our larger competitors. There is no assurance that we will be able to obtain reasonably priced supply sources in the future.

We are dependent on a limited number of key suppliers for certain raw materials and components.

For certain of our raw material and component purchases, including certain polymers, copper rod, copper and aluminum tapes, fine aluminum wire, steel wire, optical fiber, circuit boards and other components, we are dependent on a limited number of key suppliers. We have not to date experienced any serious disruptions in deliveries of raw materials from our key suppliers or been unable to obtain materials from alternate suppliers at comparable prices; however, there is a risk that such disruptions could occur in the future at any time and have a material adverse effect on our business. While we rely upon long-term relationships, we generally do not enter into long-term contracts with our key suppliers. The timely procurement of necessary raw materials is critical to each of our operations. In addition, some raw materials are available only from certain suppliers. Consequently, poor supply capacity amid tight demand for these materials, as well as natural disasters or accidents, or other events that negatively impact our suppliers, could adversely affect their timely procurement. Our key suppliers have in the past and could in the future experience production, operational or financial difficulties, or there may be global shortages of the raw materials or components we use, and our inability to find sources of supply on reasonable terms could have a material adverse effect on our ability to manufacture products in a cost-effective way.

A significant uninsured loss or a loss in excess of our insurance coverage could have a material adverse effect on our results of operations and financial condition.

We maintain insurance covering our normal business operations, including property and casualty protection that we believe is adequate. We do not generally carry insurance covering wars, acts of

terrorism, earthquakes or other similar catastrophic events. We may not be able to obtain adequate insurance coverage on financially reasonable terms in the future. A significant uninsured loss or a loss in excess of our insurance coverage could have a material adverse effect on our results of operations and financial condition. In addition, the financial health of our insurers may deteriorate which could result in non-payment of our claims.

The global manufacturing industry in general, and certain of its sectors in particular, tend to be cyclical and/or seasonal. A downturn or weakness in any particular sector, or in overall economic activity, could have a material adverse effect on our financial condition and operating results.

Historically, the global manufacturing industry has been subject to cyclical fluctuations. These fluctuations, which have affected different sectors of the market at different times and to different degrees, can result from sector-specific dynamics, such as changes in technology, government regulation and end-consumer preference, as well as from changes in general economic conditions. The Company derives a significant portion of its revenues from the automotive and firearms sectors of the manufacturing industry. Both sectors have experienced significant volatility in recent years. For example, the U.S. firearms sector saw substantial growth after the financial crisis and the election of President Obama. Expectations of stricter gun-control legislation also fueled growth. Recently, however, consumer demand has decreased significantly, resulting in reduced production levels by our firearms customers and a material decrease in orders by these customers for our products. Cyclical fluctuations in other business sectors in which we operate, such as the automotive sector, which has also seen significant volatility, could also materially adversely affect our financial condition and results of operations.

In addition, seasonality, including the variability of shipments under large contracts, customers' seasonal orders and variations in product mix and in profitability of individual orders, affects many aspects of our business and negative seasonal factors could have a material adverse effect on our financial condition and results of operations for the entire year. Our quarterly results of operations also may fluctuate based upon other factors, including production life cycles and product maturity.

Significant movements in foreign currency exchange rates may adversely affect our financial results.

Our operating results and financial position could be affected by fluctuations in foreign currency exchange markets. Significant fluctuations in the exchange rate may adversely impact the values of foreign currency-denominated product sales, materials costs and production costs in factories overseas. In addition, conversion of foreign currency-denominated assets and liabilities, and the foreign currency-denominated financial statements of overseas subsidiaries into U.S. dollar for disclosure may also affect our companies' assets and liabilities, as well as earnings and expenses. In particular, our operations in Hungary could be subject to liabilities and obligations that must be paid in the Hungarian currency of forints. The value of the forint has been subject to substantial volatility against the U.S. dollar over the past several years. If the forint increases in value against the dollar, the costs of our prospective Hungarian operations may increase and adversely affect the anticipated results expected to be derived from the Hungarian business. In addition, increases and/or decreases in value of other currencies on which we have predicated our business model may also adversely affect our results of operations.

We may experience problems moving funds out of the countries in which the funds were earned and difficulties in collecting accounts receivable in foreign countries where the usual accounts receivable payment cycle is longer. We may hedge certain currency transactions which might protect us against certain fluctuations in currency value, but such actions might also correspondingly increase our costs of doing business which could adversely affect our competiveness. There can be no assurance that our risk management strategies will be effective.

Table of Contents

We are dependent on the retention of key executives.

Our success is dependent upon the retention of our current experienced executives. We currently have only two senior executives, Jason T. Young, who serves as our Chairman and CEO, and Drew M. Kelley who serves as our Chief Financial Officer. We do not currently plan to add any other senior executives to the management team of our Company. The loss of either of our key executives could have a material adverse effect on our business.

Any impairment in the value of our intangible assets, including goodwill, could negatively affect our operating results and total capitalization.

Our total assets as of December 28, 2014 reflect net intangible assets of $29.1 million and goodwill of $14.8 million. The goodwill results from our acquisitions, representing the excess of cost over the fair value of the net assets we have acquired. If future operating performance at one or more of our business units were to fall significantly below current levels, if competing or alternative technologies emerge, or if market conditions for businesses acquired declines, we could incur, under current applicable accounting rules, a non-cash charge to operating earnings for impairment of our goodwill or intangible assets. Goodwill and indefinite-lived intangible assets are reviewed for impairment at least annually in June of each fiscal year, or more frequently if a triggering event occurs between impairment testing dates. The Company's impairment assessment begins with a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. The qualitative assessment includes comparing the overall financial performance of the reporting units against historical financial results. Additionally, each reporting unit's fair value is assessed in light of certain events and circumstances, including macroeconomic conditions, industry and market considerations, and other relevant entity and reporting unit specific events. If it is determined under the qualitative assessment that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then a two-step quantitative impairment test is performed. Under the first step, the estimated fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit exceeds its carrying value, step two does not need to be performed. If the estimated fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the enterprise must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation in acquisition accounting. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit under the two-step assessment is determined using a discounted cash flow analysis. The selection and assessment of qualitative factors used to determine whether it is more likely than not that the fair value of a reporting unit exceeds the carrying value involves significant judgments and estimates. Any determination requiring the write-off of a significant portion of goodwill or unamortized intangible assets could adversely affect our business, financial condition, results of operations and total capitalization, the effect of which could be material.

We are subject to the laws and regulations of the United States and many foreign countries.

We are subject to a variety of laws regarding our international operations, including the U.S. Foreign Corrupt Practices Act and regulations issued by U.S. Customs and Border Protection, the U.S. Bureau of Industry and Security and the regulations of various foreign governmental agencies. We cannot predict the nature, scope or effect of future regulatory requirements to which our international sales and manufacturing operations might be subject or the manner in which existing laws might be administered or interpreted. Future regulations could limit the countries in which we manufacture or sell some of our products, and increase the cost of obtaining products from foreign sources. In

Table of Contents

addition, actual or alleged violations of these laws could result in enforcement actions and financial penalties that could result in substantial costs. The occurrence of any of the foregoing could have a material and adverse effect on our business, financial condition and results of operations.

Risks Related to Our Indebtedness

Leverage and debt service obligations may adversely affect us.

As of June 30, 2014, we had approximately $77.2 million of indebtedness on a consolidated basis. We had an aggregate of approximately $76.9 million in outstanding borrowings under the credit facility provided by Citizens Bank, N.A. (formerly known as RBS Citizens, N.A., "Citizens Bank").

On November 10, 2014 (the "Effective Date"), the Company and certain of its subsidiaries entered into an Amended and Restated Credit Agreement with Citizens Bank (the "Amended & Restated Credit Agreement"), which amends and restates the Credit Agreement, dated as of April 7, 2014 (the "Original Credit Agreement"), as amended by the First Amendment to Credit Agreement, dated as of June 25, 2014 (the "June 2014 Amendment"), by and among the Company and its certain subsidiaries, Citizens Bank, N.A., as Administrative Agent, issuing bank and swingline lender, and Capital One, N.A., as Syndication Agent, and other lenders from time to time party thereto, regarding loans and extensions of credit in the principal amount of up to $90.0 million. In consideration for the Company and its subsidiaries entering into the Amended & Restated Credit Agreement, the Administrative Agent and the Lenders waived non-compliance of the Company and its subsidiaries with respect to certain covenants in the Original Credit Agreement and the June 2014 Amendment. On December 23, 2014, the parties to the Amended & Restated Credit Agreement entered into a first amendment to make technical corrections and to clarify, among other matters, that mandatory prepayments of the loans will not be required in connection with any issuance of equity interests of the Company so long as the Company's Senior Leverage Ratio is less than 2.25:1.00 and the proceeds thereof are utilized within 90 days to (i) finance a permitted acquisition or other permitted investments; or (ii) to finance consolidated capital expenditures. If after issuance of equity interests the Company's Senior Leverage Ratio is greater than 2.25:1.00 (as calculated on a pro forma basis), then the proceeds of the issuance of the equity interests will be utilized as follows: 100% of the amount, if any, of such net cash proceeds necessary to reduce the Senior Leverage Ratio to 2.75:1.00 on a pro forma basis, plus (y) 75% of the balance, if any, of such net cash proceeds remaining, to the extent necessary to reduce the Senior Leverage Ratio to 2.25:1.00 on a Pro Forma Basis, plus (z) 50% of the balance, if any, of such net cash proceeds remaining. In the event that any proceeds from the issuance of equity interests are to be applied as cure amounts under the Amended and Restated Credit Agreement, then 100% of such net cash proceeds will be required to be paid as mandatory prepayments of the loans.

On the Effective Date, the Company and certain of its subsidiaries entered into a subordinated term loan credit agreement with McLarty as administrative agent, and other lenders from time to time party thereto ("Subordinated Loan Agreement"), regarding an extension of credit in the form of a subordinated term loan in an aggregate principal amount of $20.0 million. McLarty is indirectly a related party to one of the officers and directors of the Company and therefore the Board of Directors appointed a special committee consisting solely of independent directors to assure that the Subordinated Loan Agreement is fair and reasonable to the Company and its stockholders. On the Effective Date, the Company repaid a portion of the previously borrowed loans under the Senior Credit Facility using net proceeds from the Subordinated Credit Facility. On December 29, 2014, the Company entered into an amendment to the Subordinated Loan Agreement to clarify, among other matters, that mandatory prepayments of the subordinated loans will not be required in connection with any issuance of equity interests of the Company so long as, after satisfaction of mandatory prepayment obligations under the Senior Credit Facility, the Company's Senior Leverage Ratio is less than 2.25:1.00 and the proceeds thereof are utilized within 90 days to (i) finance a permitted acquisition or other permitted investments; or (ii) to finance consolidated capital expenditures. If after issuance of equity

interests the Company's Senior Leverage Ratio is greater than 2.25:1.00 (as calculated on a pro forma basis), then the proceeds of the issuance of the equity interests will be utilized as follows: 25% of the amount, if any, of such net cash proceeds necessary to reduce the Senior Leverage Ratio to 2.25:1.00 on a pro forma basis, plus (y) 50% of the balance, if any, of such net cash proceeds remaining. In the event that any proceeds from the issuance of equity interests are to be applied as cure amounts under the Subordinated Loan Agreement, then 100% of such net cash proceeds will be required to be paid as mandatory prepayments of the subordinated loans.

We are raising equity capital in this offering with the primary objectives of deleveraging the Company, increasing flexibility under our credit agreements and increasing liquidity in the Company's publicly traded common stock. We anticipate applying most of the net proceeds from this offering to prepay a portion of the outstanding indebtedness under our Senior Credit Facility and our Subordinated Credit Facility that we incurred to finance our acquisitions of ATC, Thixoforming, Kecy and Munson. The final amount of prepayment will depend on a calculation of our Senior Leverage Ratio (calculated on a pro forma basis, giving effect to prepayment of debt with the proceeds from this offering).

Our indebtedness increases the possibility that we may be unable to generate cash sufficient to pay the principal of, interest on, or other amounts due with respect to our indebtedness. Our Senior Credit Facility bears interest at floating rates related to LIBOR, Eurodollar Rates, Eurocurrency Rates, Federal Funds Rate and Prime Rates. As a result, our interest payment obligations on such indebtedness will increase if such interest rates increase. Our leverage could have negative consequences on our financial condition and results of operations, including:

- impairing our ability to meet one or more of the financial ratios contained in our Senior Credit Facility or to generate cash sufficient to pay interest or principal, including periodic principal payments;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional debt or equity financing;
- requiring the dedication of a portion of our cash flow from operations to service our debt, thereby reducing the amount of our cash flow available for other purposes, including capital expenditures;
- requiring us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we compete; and
- placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

The credit agreements governing our Senior Credit Facility and the Subordinated Credit Facility require us to comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios in certain situations and maintaining insurance coverage. These covenants may limit our flexibility in our operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we had satisfied our payment obligations. If we were to default on the credit agreements or other debt instruments, our financial condition would be adversely affected. Prepayments of the Senior Credit Facility loans will not be made in connection with the offering to the extent the Company's Senior Leverage Ratio is less than 2.25:1.00 and the proceeds thereof are utilized within 90 days to (i) finance a permitted acquisition or other permitted investments; or (ii) to finance consolidated capital expenditures. If we are not able to utilize within 90 days of the closing of this offering any remaining proceeds from this

Table of Contents

offering to finance a permitted acquisition or other permitted investments, or to finance consolidated capital expenditures, then we would be required to use some or all of any such remaining proceeds of this offering to prepay part of our outstanding loans.

If we default on any of the Financial Ratio Covenants required by our Credit Facilities, all of our outstanding loans would become due and payable which would be materially adverse to our Company.

The terms and conditions of the respective agreements governing the Senior Credit Facility and the Subordinated Credit Facility (together, our "Credit Facilities") each contain covenants requiring the Company to maintain certain financial ratios. Non-compliance by the Company with any of the financial ratio covenants would constitute events of default under both of the Credit Facilities pursuant to cross-default provisions and result in acceleration of payment obligations for all outstanding principal and interest for loans made under both of the Credit Facilities, unless such defaults were waived or subject to forbearance by the respective creditors.

Senior Credit Facility Financial Ratios. The Company's Senior Credit Facility contains financial ratio covenants, summarized as follows:

Minimum Fixed Charge Coverage Ratio. The Company may not have a Fixed Charge Coverage Ratio less than 1.25:1.00 as of the last day of any fiscal quarter ending on or prior to the maturity date. The Fixed Charge Coverage Ratio is defined as the ratio of (a) consolidated EBITDA minus the unfinanced portion of capital expenditures minus expense for taxes paid in cash; to (b) fixed charges, all calculated for the Company and its subsidiaries on a consolidated basis in accordance with GAAP.

The summary calculations of the Company's Senior Credit Facility Fixed Charge Coverage Ratio for the most recent reporting date of the Company as of the date of this prospectus are as follows:

Consolidated EBITDA*