STONERIDGE INC
Form 10-K
March 07, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

Commission file number: 001-13337

STONERIDGE, INC.

(Exact name of registrant as specified in its charter)

Ohio	**34-1598949**
(*State or other jurisdiction of incorporation or organization)*	*(I.R.S. Employer Identification No.)*

9400 East Market Street, Warren, Ohio	**44484**
(Address of principal executive offices)	*(Zip Code)*

(330) 856-2443
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, without par value	**New York Stock Exchange**

Securities registered pursuant to section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

¨ Yes x No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

¨ Yes x No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

x Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

x Yes o No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 definition 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 x	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

o Yes x No

As of June 30, 2013, the aggregate market value of the registrant's Common Shares held by non-affiliates of the registrant was approximately $299.5 million. The closing price of the Common Shares on June 30, 2013 as reported on the New York Stock Exchange was $11.64 per share. As of June 30, 2013, the number of Common Shares outstanding was 28,487,015.

The number of Common Shares outstanding as of February 28, 2014 was 28,329,697.

DOCUMENTS INCORPORATED BY REFERENCE

Definitive Proxy Statement for the Annual Meeting of Shareholders to be held on May 6, 2014, into Part III, Items 10, 11, 12, 13 and 14.

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PART I

Item 1. Business.

Overview

Founded in 1965, Stoneridge, Inc. (the “Company”) is a global designer and manufacturer of highly engineered electrical and electronic components, modules and systems for the commercial vehicle, automotive, agricultural, motorcycle and off-highway vehicle markets. Our products and systems are critical elements in the management of mechanical and electrical systems to improve overall vehicle performance, convenience and monitoring in areas such as emissions control, fuel efficiency, safety, security and infotainment. Our extensive footprint encompasses more than 25 locations in 15 countries and enables us to supply global and regional commercial vehicle, automotive, agricultural, motorcycle and off-highway vehicle manufacturers around the world.

Our custom-engineered products and systems are used to activate equipment and accessories, monitor and display vehicle performance and control, distribute electrical power and signals and provide vehicle security and convenience. Our product offerings consist of (i) vehicle instrumentation systems, (ii) vehicle management electronics, (iii) sensors, (iv) security alarms and vehicle tracking devices and monitoring services, (v) convenience accessories, (vi) power and signal distribution products and systems and (vii) application-specific switches and actuators. We supply the majority of our products, predominantly on a sole-source basis, to many of the world’s leading commercial vehicle and automotive original equipment manufacturers (“OEMs”), and select non-vehicle OEMs, as well as certain commercial vehicle and automotive tier one suppliers. These OEMs are increasingly utilizing electronic technology to comply with more stringent regulations (particularly emissions and safety) and to meet end-user demand for improved vehicle performance and greater convenience. As a result, per-vehicle electronic content has been increasing. Our technology and our partnership-oriented approach to product design and development enables us to develop next-generation products and to excel in the transition from mechanical-based components and systems to electrical and electronic components, modules and systems.

Segments and Products

We conduct our business in four reportable segments which are the same as our operating segments: Control Devices, Electronics, Wiring and PST.

Control Devices. Our Control Devices segment designs and manufactures products that monitor, measure or activate specific functions within a vehicle. This segment includes product lines such as sensors, switches, valves, and actuators, as well as other electronic products. Sensor products are employed in major vehicle systems such as the emissions, safety, powertrain, braking, climate control, steering and suspension systems. Switches transmit signals that activate specific functions. Our switch technology is principally used in two capacities, user-activated and hidden. User-activated switches are used by a vehicle's operator or passengers to manually activate headlights, rear defrosters and other accessories. Hidden switches are not typically visible to vehicle operators or passengers and are engaged to activate or deactivate selected functions as part of normal vehicle operations, such as brake lights. In addition, our Control Devices segment designs and manufactures electromechanical actuator products that enable OEMs to deploy power functions in a vehicle and can be designed to integrate switching and control functions. We sell these products principally to the automotive market as well as the commercial vehicle and agricultural markets.

Electronics. Our Electronics segment designs and manufactures electronic instrument clusters, electronic control units and driver information systems. These products collect, store and display vehicle information such as speed, pressure, maintenance data, trip information, operator performance, temperature, distance traveled and driver messages related to vehicle performance. In addition, power distribution modules and systems regulate, coordinate and direct the operation of the electrical system within a vehicle. These products use state-of-the-art hardware, software and multiplexing technology and are sold principally to the commercial vehicle market.

Wiring. Our Wiring segment designs and manufactures electrical power and signal distribution products and systems, primarily wiring harnesses and connectors. These products are sold principally to the commercial, agricultural and off-highway vehicle markets. We also assemble entire instrument panels for the commercial vehicle market that are configured specifically to the OEM customer's specifications.

PST. Our PST segment, which primarily serves the South American market, specializes in the design, manufacture and sale of electronic vehicle security alarms, convenience accessories, vehicle tracking devices and monitoring services and in-vehicle audio and video devices primarily for the automotive and motorcycle industry. This segment includes product lines such as alarms, convenience applications, vehicle monitoring and tracking devices and infotainment systems. These products improve the performance, safety and convenience features of our customers' vehicles. PST sells its products through the aftermarket distribution channel, to factory authorized dealer installers, also referred to as original equipment services, direct to OEMs and through mass merchandisers.

The following table sets forth for the periods indicated, the percentage of net sales attributable to our reportable segments and product categories for the years ended December 31:

Segment	Product Category	2013	2012	2011
Control Devices	Sensors, switches, valves and actuators	31 %	29 %	33 %
Electronics	Electronic instrumentation and information display products	20 %	17 %	24 %
Wiring	Vehicle electrical power and distribution products and systems	30 %	35 %	43 %
PST	Security alarms, vehicle tracking devices and monitoring services and convenience accessories	19 %	19 %	- %

Our products and systems are sold to numerous OEM and tier one supplier customers, in addition to aftermarket distributors and mass merchandisers, for use on many different vehicle platforms. We supply multiple parts to many of our principal OEM and tier one customers under requirements contracts for a particular vehicle model. These contracts range in duration from one year to the production life of the model, which commonly extends for three to seven years. The following table sets forth for the periods indicated, the percentage of net sales derived from our principle end markets:

Years ended December 31	2013	2012	2011
Commercial vehicle	39 %	40 %	53 %
Automotive	24	22	27
Agricultural and other	18	19	20
Aftermarket distributors and mass merchandisers	19	19	-
Total	100 %	100 %	100 %

For further information related to our reportable segments and financial information about geographic areas, see Note 12 to the consolidated financial statements.

Production Materials

The principal production materials used in the manufacturing process for our reportable segments include: copper wire and cables, electrical connectors, molded plastic components and resins, instrumentation and certain electrical components such as printed circuit boards, semiconductors, microprocessors, memory devices, resistors, capacitors, fuses, relays and infotainment devices. We purchase such materials pursuant to both annual contract and spot purchasing methods. Such materials are available from multiple sources, but we generally establish collaborative relationships with a qualified supplier for each of our key production materials in order to lower costs and enhance service and quality. As global demand for our production materials increases, we may have difficulties obtaining adequate production materials from our suppliers to satisfy our customers. Any extended period of time for which we cannot obtain adequate production material or which we experience an increase in the price of production material could materially affect our results of operations and financial condition.

Patents, Trademarks and Intellectual Property

We maintain and have pending various U.S. and foreign patents, trademarks and other rights to intellectual property relating to the reportable segments of our business, which we believe are appropriate to protect the Company's interests in existing products, new inventions, manufacturing processes and product developments. We do not believe any single patent is material to our business, nor would the expiration or invalidity of any patent have a material adverse effect on our business or ability to compete. We are not currently engaged in any material infringement litigation, nor are there any material infringement claims pending by or against the Company.

Industry Cyclicality and Seasonality

The markets for products in our reportable segments have been cyclical. Because these products are used principally in the production of vehicles for the commercial, automotive, agricultural, motorcycle and off-highway markets, revenues, and therefore results of operations, are significantly dependent on the general state of the economy and other factors, like the impact of environmental regulations on our customers, which affect these markets. A decline in commercial, automotive, agricultural, motorcycle and off-highway vehicle production of our principal customers could adversely impact the Company. Seasonality has some impact on the operations of our Electronics, Wiring and Control Devices segments. The demand for our PST segment consumer products is typically higher in the second half of the year, the fourth quarter in particular.

Customers

We are dependent on several customers for a significant percentage of our sales. The loss of any significant portion of our sales to these customers, or the loss of a significant customer, would have a material adverse impact on our financial condition and results of operations. We supply numerous different parts to each of our principal customers. Contracts with several of our customers provide for supplying their requirements for a particular model, rather than for manufacturing a specific quantity of products. Such contracts range from one year to the life of the model, which is generally three to seven years. These contracts are subject to renegotiation, which may affect product pricing and generally may be terminated by our customers at any time. Therefore, the loss of a contract for a major model or a significant decrease in demand for certain key models or group of related models sold by any of our major customers could have a material adverse impact on the Company. We may also enter into contracts to supply parts, the introduction of which may then be delayed or cancelled. We also compete to supply products for successor models and are therefore subject to the risk that the customer will not select the Company to produce products on any such model, which could have a material adverse impact on our financial condition and results of operations. In addition, we sell products to other customers that are ultimately sold to our principal customers. Due to the competitive nature of the markets we serve, in the ordinary course of business we face pricing pressures from our customers. In response to these pricing pressures we have been able to effectively manage our production costs by the combination of lowering certain costs and limiting the increase of others, the net impact of which has not been material. However, if we are unable to effectively manage production costs in the future to mitigate future pricing pressures, our results of operations may be adversely affected.

The following table presents our principal customers, as a percentage of net sales:

Years ended December 31	2013	2012	2011
Deere & Company	14 %	13 %	15 %
Navistar International Corporation	13	18	24
Ford Motor Company	7	5	6

Scania Group	6	4	5
Daimler	5	4	5
General Motors Company	4	4	5
Other	51	52	40
Total	100 %	100 %	100 %

Backlog

Our products are produced from readily available materials and have a relatively short manufacturing cycle; therefore our products are not on backlog status. Each of our production facilities maintains its own inventories and production schedules. Production capacity is adequate to handle current requirements and can be expanded to handle increased growth if needed.

Competition

The markets for our products in our reportable segments are highly competitive. The principal methods of competition are technological innovation, price, quality, performance, service and delivery. We compete for new business both at the beginning of the development of new models and upon the redesign of existing models for OEM customers. New model development generally begins two to five years before the marketing of such models to the public. Once a supplier has been selected to provide parts for a new program, an OEM customer will usually continue to purchase those parts from the selected supplier for the life of the program, although not necessarily for any model redesigns. We compete for aftermarket and mass merchandiser sales based on price, product functionality, quality and service.

Our diversity in products creates a wide range of competitors, which vary depending on both market and geographic location. We compete based on strong customer relations and a fast and flexible organization that develops technically effective solutions at or below target price. We compete against the following primary competitors:

Control Devices. Our primary competitors include Bosch, Continental AG, Delphi Automotive PLC, Denso Corporation, Hella KGaA Hueck & Co., Methode Electronics, Inc., Preh GmbH, Sensata, TRW Automotive Holdings Corp. and Visteon.

Electronics. Our primary competitors include Actia Group, Ametek, Inc., Bosch, Commercial Vehicle Group, Continental AG, Hella KGaA Hueck & Co., Magneti Marelli S.p.A. and Yazaki Corporation.

Wiring. Our primary competitors include Commercial Vehicle Group, Delphi Automotive PLC, Leoni, Nexans SA and PKC Group.

PST. Our primary competitors include Autolift, Autotrac, Brose, Car System, Graber, Ituran, M. Magneti Marelli S.p.A., Quantum, Olimpus, Sascar, Segma, Sistec, Techcar and Tragial.

Product Development

Our research and development efforts for our reportable segments are largely product design and development oriented and consist primarily of applying known technologies to customer requests. We work closely with our customers to creatively solve customer requests using innovative approaches. The majority of our development expenses are related to customer-sponsored programs where we are involved in designing custom-engineered solutions for specific applications or for next generation technology. To further our vehicle platform penetration, we have also developed collaborative relationships with the design and engineering departments of key customers. These collaborative efforts have resulted in the development of new and complimentary products and the enhancement of existing products.

Our development work is largely performed on a decentralized basis. We have engineering and product development departments organized by market. To ensure knowledge sharing among decentralized development efforts, we have instituted a number of mechanisms and practices whereby innovation and best practices are shared. The decentralized product development operations are complimented by larger technology groups in Canton, Massachusetts; Lexington, Ohio; Stockholm, Sweden; Pune, India; Manaus, Brazil; and São Paulo, Brazil. In addition, during 2010 we opened a product development center in Shanghai, China, to focus on the developing Chinese market.

We use efficient and quality oriented work processes to address our customers' high standards. Our product development technical resources include a full complement of computer-aided design and engineering ("CAD/CAE") software systems, including (i) virtual three-dimensional modeling, (ii) functional simulation and analysis capabilities and (iii) data links for rapid prototyping. These CAD/CAE systems enable us to expedite product design and the manufacturing process to shorten the development time and ultimately time to market.

We have further strengthened our electrical engineering competencies through investment in equipment such as (i) automotive electro-magnetic compliance test chambers, (ii) programmable automotive and commercial vehicle transient generators, (iii) circuit simulators and (iv) other environmental test equipment. Additional investment in 3-D printing product machining equipment has allowed us to fabricate new product samples in a fraction of the time required historically. Our product development and validation efforts are supported by full service, on-site test labs at most manufacturing facilities, thus enabling cross-functional engineering teams to optimize the product, process and system performance before tooling initiation.

We have invested, and will continue to invest in technology to develop new products for our customers. Product development costs incurred in connection with the development of new products and manufacturing methods, to the extent not recoverable from the customer, are charged to selling, general and administrative expenses, as incurred. Such costs amounted to approximately $45.3 million, $44.8 million and $35.3 million for 2013, 2012 and 2011, respectively, or 4.8%, 4.8% and 4.6% of net sales for these periods.

We will continue shifting our investment spending toward the design and development of new products rather than focusing on sustaining existing product programs for specific customers, which allows us to sell our products to multiple customers. The typical product development process takes three to five years to show tangible results. As part of our effort to shift our investment spending, we reviewed our current product portfolio and adjusted our spending to either accelerate or eliminate our investment in these products based on our position in the market and the potential of the market and product.

Environmental and Other Regulations

Our operations are subject to various federal, state, local and foreign laws and regulations governing, among other things, emissions to air, discharge to water and the generation, handling, storage, transportation, treatment and disposal of waste and other materials. We believe that our business, operations and facilities have been and are being operated in compliance, in all material respects, with applicable environmental and health and safety laws and regulations, many of which provide for substantial fines and criminal sanctions for violations.

Employees

As of December 31, 2013, we had approximately 9,300 employees, approximately 3,400 of whom were salaried and the balance of whom were paid on an hourly basis. Although we have no collective bargaining agreements covering U.S. employees, certain employees located in Brazil, Estonia, France, Mexico, Spain, Sweden, and the United Kingdom either (i) are represented by a union and are covered by a collective bargaining agreement or (ii) are covered by works council or other employment arrangements required by law. We believe that relations with our employees are good.

Equity Investments and Joint Ventures

We make equity investments and form joint ventures in order to achieve several strategic objectives, including (i) diversifying our business by expanding in high-growth regions, (ii) employing complementary design processes, growth technologies and intellectual capital and (iii) realizing cost savings from combined sourcing. We had a joint venture in Brazil, PST Eletrônica Ltda. (“PST”), which is now a consolidated subsidiary, and have an equity investment in India, Minda Stoneridge Instruments Ltd. (“Minda”), and continue to explore similar business opportunities in other global markets. As of and for the years ended December 31, 2013 and 2012, our controlling interest in PST was 74% and our interest in Minda was 49%.

We entered into our PST joint venture in October 1997, acquiring a 50% interest. On December 31, 2011, we acquired an additional 24% interest. Prior to the acquisition of the additional interest, PST was accounted for using the equity method of accounting. Subsequent to the acquisition of controlling interest, PST became a consolidated subsidiary of the Company. We entered into our Minda joint venture in August 2004, this investment is accounted for using the equity method of accounting.

PST specializes in the design, manufacture and sale of electronic vehicle security alarms, convenience accessories, vehicle tracking devices and monitoring services and in-vehicle audio and video devices. PST sells its products through the aftermarket distribution channel, to factory authorized dealer installers, also referred to as original equipment services, direct to OEMs and through mass merchandisers. PST's sales are to customers in South America.

Minda manufactures electromechanical/electronic instrumentation equipment and sensors primarily for the automotive, motorcycle and commercial vehicle markets. We leverage our investment in Minda by sharing our knowledge and expertise in electrical components and systems and expanding Minda's product offering through the joint development of our products designed for the market in India.

Our equity investments and joint ventures have contributed positively to our financial results in 2013, 2012 and 2011. Equity earnings are summarized in the following table (in thousands):

Years ended December 31	2013	2012	2011
PST [A]	$-	$-	$8,805
Minda	476	760	1,229
Total equity earnings of investees	$476	$760	$10,034

(A) We recognized no equity earnings in PST in 2013 or 2012 as its financial results were consolidated based on our acquisition of controlling interest on December 31, 2011.

Executive Officers of the Company

Each executive officer of the Company serves the Board of Directors at its pleasure. The Board of Directors appoints corporate officers annually. The executive officers for reporting purposes under the Securities and Exchange Act of 1934, as amended, of the Company are as follows:

Name	Age	Position
John C. Corey	66	President, Chief Executive Officer and Director
George E. Strickler	66	Executive Vice President, Chief Financial Officer and Treasurer
Richard P. Adante	67	Vice President of Operations
Thomas A. Beaver	60	Vice President of the Company and President of Global Sales
Sergio de Cerqueira Leite	50	Director President of PST Eletrônica Ltda.
Charles A. Di Staulo	56	Vice President of Human Resources
Peter Kruk	45	President of the Electronics Division
Michael D. Sloan	57	Vice President of the Company and President of the Control Devices Division

John C. Corey, President, Chief Executive Officer and Director. Mr. Corey has served as President and Chief Executive Officer since January 2006. Mr. Corey has served as a Director on the Board of Directors since January 2004. Prior to his employment with the Company, Mr. Corey served from October 2000, as President and Chief Executive Officer and Director of Safety Components International, a supplier of airbags and components, with worldwide operations. Mr. Corey has served as a Director and Chairman of the Board of Haynes International, Inc., a producer of metal alloys, since 2004.

George E. Strickler, Executive Vice President, Chief Financial Officer and Treasurer. Mr. Strickler has served as Executive Vice President and Chief Financial Officer since joining the Company in January 2006. Mr. Strickler was appointed Treasurer of the Company in February 2007. Prior to his employment with the Company, Mr. Strickler served as Executive Vice President and Chief Financial Officer for Republic Engineered Products, Inc. (“Republic”), from February 2004 to January 2006. Before joining Republic, Mr. Strickler was BorgWarner, Inc.’s Executive Vice President and Chief Financial Officer from February 2001 to November 2003.

Richard P. Adante, Vice President of Operations. Mr. Adante has served as Vice President of Operations since May 2011. From November 2009 until his appointment at Stoneridge, Mr. Adante was consulting through his personal consulting firm, RMA Management Consultants. From July 2006 to November 2009, Mr. Adante served as the President of Hawthorn Manufacturing, now known as Crowne Group.

Thomas A. Beaver, Vice President of the Company and President of Global Sales. Mr. Beaver has served as Vice President of the Company and President of Global Sales since May 2012. Prior to that, Mr. Beaver served as Vice President of the Company and Vice President of Global Sales and Systems Engineering from January 2005 to May 2012. From January 2000 to January 2005, Mr. Beaver served as Vice President of Stoneridge Sales and Marketing.

Sergio de Cerqueira Leite, Director President of PST Eletrônica Ltda. Mr. Leite is a founding partner of PST. He has held the Director President position since 1997. Prior to that, he worked in PST's sales and marketing department.

Charles A. Di Staulo, Vice President of Human Resources. Mr. Di Staulo has served as Vice President of Human Resources since joining the Company in March 2013. From November 2008 until his employment with the Company, Mr. Di Staulo served as Vice President of Human Resources for the North America Division of Tarkett. Prior to joining Tarkett, Mr. Di Staulo served as Director of Human Resources for the Decorative Products Division of OMNOVA Solutions from October 2006.

Peter Kruk, President of the Electronics Division. Mr. Kruk has served as President of the Electronics Division since August 2012. Mr. Kruk joined the Company in October 2009 as the Managing Director of Stoneridge Electronics – Europe. Prior to that, he served as President of HEXPOL Wheels and Managing Director of Stellana AB from 2007 to 2009. From 1992-2007 Mr. Kruk served in various capacities with ABB.

Michael D. Sloan, Vice President of the Company and President of the Control Devices Division. Mr. Sloan has served as President of the Control Devices Division since July 2009 and Vice President of the Company since December 2009. Prior to that, Mr. Sloan served as Vice President and General Manager of Stoneridge Hi-Stat from February 2004 to July 2009.

Available Information

We make available, free of charge through our website (www.stoneridge.com), our Annual Report on Form 10-K (“Annual Report”), Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, all amendments to those reports, and other filings with the U.S. Securities and Exchange Commission (“SEC”), as soon as reasonably practicable after they are filed with the SEC. Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, Code of Ethics for Senior Financial Officers, Whistleblower Policy and Procedures and the charters of the Board of Director’s Audit, Compensation and Nominating and Corporate Governance Committees are posted on our website as well. Copies of these documents will be available to any shareholder upon request. Requests should be directed in writing to Investor Relations at Stoneridge, Inc., 9400 East Market Street, Warren, Ohio 44484.

The public may read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F. Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including the Company.

Item 1A. Risk Factors.

Our business is cyclical and seasonal in nature and downturns in the commercial, automotive, agricultural, motorcycle and off-highway vehicle markets could reduce the sales and profitability of our business.

The demand for products in our Control Devices, Electronics and Wiring segments are largely dependent on the domestic and foreign production of commercial, automotive, agricultural, motorcycle and off-highway vehicles. The markets for our products have been cyclical, because new vehicle demand is dependent on, among other things, consumer spending and is tied closely to the overall strength of the economy. Because the majority of our products are used principally in the production of vehicles for the commercial, automotive, agricultural, motorcycle and off-highway vehicle markets, our net sales, and therefore our results of operations, are significantly dependent on the general state of the economy and other factors which affect these markets. A decline in commercial, automotive, agricultural, motorcycle and off-highway vehicle production, or a material decline in market share by one of our significant customers, could adversely impact our results of operations and financial condition. Also, the demand for our PST segment products are significantly dependent on the general state of the Brazilian economy.

In 2013, approximately 57% of our net sales were derived from commercial, agricultural, motorcycle and off-highway vehicle markets, approximately 24% were derived from the automotive market and approximately 19% were derived from mass merchandisers. Seasonality experienced by our served markets also impacts our operations.

We may not realize sales represented by awarded business.

We base our growth projections, in part, on business awards made by our customers. These business awards generally renew annually during a program life cycle. Failure of actual production orders from our customers to approximate these business awards could have a material adverse effect on our business, financial condition or results of operations.

The prices that we can charge some of our customers are predetermined and we bear the risk of costs in excess of our estimates, in addition to the risk of adverse effects resulting from general customer demands for cost reductions and quality improvements.

Our supply agreements with some of our customers require us to provide our products at predetermined prices. In some cases, these prices decline over the course of the contract and may require us to meet certain productivity and cost reduction targets. In addition, our customers may require us to share productivity savings in excess of our cost reduction targets. The costs that we incur in fulfilling these contracts may vary substantially from our initial estimates. Unanticipated cost increases or the inability to meet certain cost reduction targets may occur as a result of several factors, including increases in the costs of labor, components or materials. In some cases, we are permitted to pass on to our customers the cost increases associated with specific materials. Cost overruns that we cannot pass on to our customers could adversely affect our business, financial condition or results of operations.

OEM customers have exerted considerable pressure on component suppliers to reduce costs, improve quality and provide additional design and engineering capabilities and continue to demand and receive price reductions and measurable increases in quality through their use of competitive selection processes, rating programs and various other arrangements. We may be unable to generate sufficient production cost savings in the future to offset required price reductions. Additionally, OEMs have generally required component suppliers to provide more design engineering input at earlier stages of the product development process, the costs of which have, in some cases, been absorbed by the suppliers. Future price reductions, increased quality standards and additional engineering capabilities required by OEMs may reduce our profitability and have a material adverse effect on our business, financial condition or results of operations.

Our business is very competitive and increased competition could reduce our sales and profitability.

The markets for our products are highly competitive. We compete based on quality, service, price, performance, timely delivery and technological innovation. Many of our competitors are more diversified and have greater financial and other resources than we do. In addition, with respect to certain products, some of our competitors are divisions of our OEM customers. We cannot assure that our business will not be adversely affected by competition or that we will be able to maintain our profitability if the competitive environment changes.

The loss or insolvency of any of our major customers would adversely affect our future results.

We are dependent on several principal customers for a significant percentage of our net sales. In 2013, our top three customers were Deere & Company, Navistar International Corporation and Ford Motor Company, which comprised 14%, 13% and 7% of our net sales, respectively. In 2013, our top ten customers accounted for 58% of our net sales. The loss of any significant portion of our sales to these customers or any other customers would have a material adverse effect on our results of operations and financial condition. The contracts we have entered into with many of our customers provide for supplying the customers' requirements for a particular model, rather than for manufacturing a specific quantity of products. Such contracts range from one year to the life of the model, which is generally three to seven years. These contracts are subject to renegotiation, which may affect product pricing and generally may be terminated by our customers at any time. Therefore, the loss of a contract for a major model or a significant decrease in demand for certain key models or any group of related models sold by any of our major customers could have a material adverse effect on our results of operations and financial condition by reducing cash flows and our ability to spread costs over a larger revenue base. We also compete to supply products for successor models and are subject to the risk that the customer will not select us to produce products on any such model, which could have a material adverse impact on our business, financial condition or results of operations. In addition, we have significant receivable balances related to these customers and other major customers that would be at risk in the event of their bankruptcy.

Consolidation among vehicle parts customers and suppliers could make it more difficult for us to compete successfully.

The vehicle part supply industry has undergone a significant consolidation as OEM customers have sought to lower costs, improve quality and increasingly purchase complete systems and modules rather than separate components. As a result of the cost focus of these major customers, we have been, and expect to continue to be, required to reduce prices. Because of these competitive pressures, we cannot assure you that we will be able to increase or maintain gross margins on product sales to our customers. The trend toward consolidation among vehicle parts suppliers is resulting in fewer, larger suppliers who benefit from purchasing and distribution economies of scale. If we cannot achieve cost savings and operational improvements sufficient to allow us to compete successfully in the future with these larger, consolidated companies, our business, financial condition or results of operations could be adversely affected.

We rely on independent dealers and distributors to sell certain products in the aftermarket sales channel and a disruption to this channel would harm our business.

Because we sell certain products such as security accessories and driver information products to independent dealers and distributors, we are subject to many risks, including risks related to their inventory levels and support for our products. If dealers and distributors do not maintain sufficient inventory levels to meet customer demand, our sales could be negatively impacted.

Our dealer network also sells products offered by our competitors. If our competitors offer our dealers more favorable terms, those dealers may de-emphasize or decline to carry our products. In the future, we may not be able to retain or attract a sufficient number of qualified dealers and distributors. If we are unable to maintain successful relationships with dealers and distributors, or to expand our distribution channels, our business will suffer.

We are dependent on the availability and price of raw materials and other supplies.

We require substantial amounts of raw materials and other supplies, and substantially all such materials we require are purchased from outside sources. The availability and prices of raw materials and other supplies may be subject to curtailment or change due to, among other things, new laws or regulations, suppliers' allocations to other purchasers and interruptions in production by suppliers, weather emergencies, commercial disputes, acts of terrorism or war, changes in exchange rates and worldwide price levels. As demand for raw materials and other supplies increases as a result of a recovering economy, we may have difficulties obtaining adequate raw materials and other supplies from our suppliers to satisfy our customers. At times, we have experienced difficulty obtaining adequate supplies of semiconductors and memory chips for our Control Devices, Electronics and PST segments. In addition, there have been challenges at times in obtaining timely supply of nylon and resins for our Control Devices segment and audio component parts for our PST segment. If we cannot obtain adequate raw materials and other supplies, or if we experience an increase in the price of raw materials and other supplies, our business, financial condition or results of operations could be materially adversely affected.

We use a variety of commodities, including copper, zinc, resins and certain other commodities. Increasing commodity costs could have a negative impact on our results. We have sought to alleviate the effect of increasing costs by including a material pass-through provision in our customer contracts whenever possible, and at times by selectively hedging a portion of our copper exposure. The inability to pass-through increasing commodity costs may have a material adverse effect on our business, financial condition or results of operations.

We must implement and sustain a competitive technological advantage in producing our products to compete effectively.

Our products are subject to changing technology, which could place us at a competitive disadvantage relative to alternative products introduced by competitors. Our success will depend on our ability to continue to meet customers' changing specifications with respect to quality, service, price, timely delivery and technological innovation by implementing and sustaining competitive technological advances. Our business may, therefore, require significant recurring additional capital expenditures and investment in product development and manufacturing and management information systems. We cannot assure that we will be able to achieve the technological advances or introduce new products that may be necessary to remain competitive. Our inability to continuously improve existing products, to develop new products and to achieve technological advances could have a material adverse effect on our business, financial condition or results of operations.

PST's Global Positioning Systems ("GPS") products depend upon satellites maintained by the United States Department of Defense. If a significant number of these satellites become inoperable, unavailable or are not replaced, or if the policies of the United States government for the use of the GPS without charge are changed, our business will suffer.

The GPS is a satellite-based navigation and positioning system consisting of a constellation of orbiting satellites. The satellites and their ground control and monitoring stations are maintained and operated by the United States Department of Defense. The Department of Defense does not currently charge users for access to the satellite signals. These satellites and their ground support systems are complex electronic systems subject to electronic and mechanical failures and possible sabotage. The satellites were originally designed to have lives of seven and a half years and are subject to damage by the hostile space environment in which they operate. However, of the current deployment of satellites in place, the average age is six years.

If a significant number of satellites were to become inoperable, unavailable or are not replaced, it would impair the current utility of our GPS products and the growth of market opportunities. In addition, there can be no assurance that the U.S. government will remain committed to the operation and maintenance of GPS satellites over a long period, or that the policies of the U.S. government that provide for the use of the GPS without charge and without accuracy degradation will remain unchanged. Because of the increasing commercial applications of the GPS, other U.S. government agencies may become involved in the administration or the regulation of the use of GPS signals. Any of the foregoing factors could affect the willingness of buyers of our products to select GPS-based products instead of products based on competing technologies, which could adversely affect our operational revenues and our financial condition.

We may incur material product liability costs.

We may be subject to product liability claims in the event that the failure of any of our products results in personal injury or death and we cannot assure that we will not experience material product liability losses in the future. We cannot assure that our product liability insurance will be adequate for liabilities ultimately incurred or that it will continue to be available on terms acceptable to us. In addition, if any of our products prove to be defective, we may be required to participate in government-imposed or customer OEM-instituted recalls involving such products. A successful claim brought against us that exceeds available insurance coverage or a requirement to participate in any product recall could have a material adverse effect on our business, financial condition or results of operations.

Increased or unexpected product warranty claims could adversely affect us.

We typically provide our customers a warranty covering workmanship, and in some cases materials, on products we manufacture. Our warranty generally provides that products will be free from defects and adhere to customer specifications. If a product fails to comply with the warranty, we may be obligated or compelled, at our expense, to correct any defect by repairing or replacing the defective product. We maintain warranty reserves in an amount based on historical trends of units sold and payment amounts, combined with our current understanding of the status of existing claims. To estimate the warranty reserves, we must forecast the resolution of existing claims, as well as expected future claims on products previously sold. The amounts estimated to be due and payable could differ materially from what we may ultimately be required to pay. An increase in the rate of warranty claims or the occurrence of unexpected warranty claims could have a material adverse effect on our customer relations and our financial condition or results of operations.

If we fail to protect our intellectual property rights or maintain our rights to use licensed intellectual property or are found liable for infringing the rights of others, our business could be adversely affected.

Our intellectual property, including our patents, trademarks, copyrights, trade secrets and license agreements, are important in the operation of our businesses, and we rely on the patent, trademark, copyright and trade secret laws of the United States and other countries, as well as nondisclosure agreements, to protect our intellectual property rights. We may not, however, be able to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property, breaching any nondisclosure agreements with us, or independently developing technology that is similar or superior to ours and not covered by our intellectual property. Any of the foregoing could reduce any competitive advantage we have developed, cause us to lose sales or otherwise harm our business. We cannot assure that any intellectual property will provide us with any competitive advantage or will not be challenged, rejected, cancelled, invalidated or declared unenforceable. In the case of pending patent applications, we may not be successful in securing issued patents, or securing patents that provide us with a competitive advantage for our businesses. In addition, our competitors may design products around our patents that avoid infringement and violation of our intellectual property rights.

We cannot be certain that we have rights to use all intellectual property used in the conduct of our businesses or that we have complied with the terms of agreements by which we acquire such rights, which could expose us to infringement, misappropriation or other claims alleging violations of third party intellectual property rights. Third parties have asserted and may assert or prosecute infringement claims against us in connection with the services and products that we offer, and we may or may not be able to successfully defend these claims. Litigation, either to enforce our intellectual property rights or to defend against claims regarding intellectual property rights of others, could result in substantial costs and in a diversion of our resources. Any such claims and resulting litigation could require us to enter into licensing agreements (if available on acceptable terms or at all), pay damages and cease making or selling certain products and could result in a loss of our intellectual property protection. Moreover, we may need to redesign some of our products to avoid future infringement liability. We also may be required to indemnify customers or other third parties at significant expense in connection with such claims and actions. Any of the foregoing could have a material adverse effect on our business, financial condition or results of operations.

Disruptions in the financial markets could adversely impact the availability and cost of credit which could negatively affect our business.

Our asset-based credit facility (the “Credit Facility”) has a maximum borrowing level of $100.0 million and is scheduled to expire on December 1, 2016. The available borrowing capacity on this Credit Facility is based on eligible current assets, as defined. As of December 31, 2013, we had undrawn borrowing capacity of $71.1 million, based on eligible current assets. We will need to refinance the Credit Facility prior to its expiration. Disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of certain financial institutions, and the general lack of liquidity may adversely impact the availability and cost of credit. We may be required to refinance the Credit Facility at terms and rates that are less favorable than our current terms and rates, which could adversely affect our business, financial condition or results of operations.

Our debt obligations could limit our flexibility in managing our business and expose us to risks.

As of December 31, 2013, the outstanding principal amount of our senior secured notes was $175.0 million. In addition, we are permitted under our Credit Facility and the indenture governing our senior secured notes to incur additional debt, subject to specified limitations. Our high degree of leverage and the terms of our indebtedness may have important consequences including the following:

- we may have difficulty satisfying our obligations with respect to our indebtedness, and if we fail to comply with these requirements, an event of default could result;
- we may be required to dedicate a substantial portion of our cash flow from operations to required payments on indebtedness, thereby reducing the availability of cash flow for working capital, capital expenditures and other general corporate activities;
- covenants relating to our debt may limit our ability to obtain additional financing for working capital, capital expenditures and other general corporate activities;
- covenants relating to our debt may limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- we may be more vulnerable than our competitors to the impact of economic downturns and adverse developments in our business; and
- we may be placed at a competitive disadvantage against any less leveraged competitors.

These and other consequences of our substantial leverage and the terms of our indebtedness could have a material adverse effect on our business, financial condition or results of operations.

Covenants in our Credit Facility and our indenture governing the senior secured notes may limit our ability to pursue our business strategies.

Our Credit Facility and the indenture governing our senior secured notes limit our ability to, among other things:

- incur additional debt and guarantees;
- pay dividends and repurchase our shares;
- make other restricted payments, including investments;
- create liens;
- sell or otherwise dispose of assets, including capital shares of subsidiaries;
- enter into agreements that restrict dividends from subsidiaries;
- enter into transactions with our affiliates;
- consolidate, merge or sell or otherwise dispose of all or substantially all of our assets; and
- substantially change the nature of our business.

The agreement governing our Credit Facility also requires us to maintain a ratio of (i) consolidated EBITDA, as defined in the Credit Facility, less specified items to (ii) consolidated fixed charges, as defined in the Credit Facility, of at least 1.10 to 1.00 whenever undrawn availability under the Credit Facility is less than $20.0 million. Our ability to comply with this fixed charge coverage ratio requirement, as well as the restrictive covenants under the terms of our indebtedness, may be affected by events beyond our control.

The restrictions contained in the indenture governing our senior secured notes and the agreement governing our Credit Facility could:

- limit our ability to plan for or react to market conditions or meet capital needs or otherwise restrict our activities or business plans; and

- adversely affect our ability to finance our operations, strategic acquisitions, investments or alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of the restrictive covenants under our indebtedness or our inability to comply with the fixed charge coverage ratio requirement in the Credit Facility could result in a default under the agreement governing the Credit Facility and the indenture governing the senior secured notes. If a default occurs, holders of the senior secured notes could declare all principal and interest to be due and payable, the lenders under the Credit Facility could elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable and terminate any commitments they have to provide further borrowings, and holders of the senior secured notes and the Credit Facility lenders could pursue foreclosure and other remedies against us and our assets. The covenants included in our Credit Facility to date have not and are not expected to have an impact on our financing flexibility.

We may not be able to generate sufficient cash flows to meet our debt service obligations.

Our ability to make scheduled payments on, or to refinance, our obligations with respect to our indebtedness will depend on our financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond our control. We cannot assure that our business will generate sufficient cash flow from operations or that future sources of capital will be available to us in an amount sufficient to enable us to service our indebtedness or to fund our other liquidity needs. If we are unable to generate sufficient cash flow to satisfy our debt obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. The Credit Facility and the indenture governing our senior secured notes restrict our ability to dispose of assets and use the proceeds from the disposition. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms, could materially and adversely affect our business, financial condition and results of operations.

If we cannot make scheduled payments on our debt, we will be in default and, as a result, holders of the senior secured notes could declare all outstanding principal and interest to be due and payable, the lenders under our Credit Facility could terminate their commitments to lend us money, holders of the senior secured notes and the lenders under the Credit Facility could foreclose on or exercise other remedies against the assets securing the senior secured notes and borrowings under our Credit Facility and we could be forced into bankruptcy, liquidation or other insolvency proceedings, which, in each case, could result in a loss in the investment of our Common Shares.

Our physical properties and information systems are subject to damage as a result of disasters, outages or similar events.

SOLE VOTING POWER

40,256

8

SHARED VOTING POWER

None

9

SOLE DISPOSITIVE POWER

40,256

10

SHARED DISPOSITIVE POWER

None

11

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

40,256

12

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.07%

14

TYPE OF REPORTING PERSON*

PN

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Advent International GPE VI Limited Partnership	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) x (b) ¨	
3	SEC USE ONLY	
4	Source of Funds WC	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2 (e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 12,169,291
	8	SHARED VOTING POWER None
	9	SOLE DISPOSITIVE POWER 12,169,291
	10	SHARED DISPOSITIVE POWER None
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	

12,169,291

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

22.55%

14 TYPE OF REPORTING PERSON*

PN

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

Advent International GPE VI-A Limited Partnership

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) x (b) ¨

3 SEC USE ONLY

4 Source of Funds

WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 7,130,293
	8	SHARED VOTING POWER None
	9	SOLE DISPOSITIVE POWER 7,130,293
	10	SHARED DISPOSITIVE POWER None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,130,293

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

13.21%

14 TYPE OF REPORTING PERSON*

PN

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Advent International GPE VI-B Limited Partnership		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) x (b) ¨		
3	SEC USE ONLY		
4	Source of Funds WC		
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2 (e)		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 614,769	
	8	SHARED VOTING POWER None	
	9	SOLE DISPOSITIVE POWER 614,769	
	10	SHARED DISPOSITIVE POWER None	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		

614,769

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.14%

14 TYPE OF REPORTING PERSON*

PN

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Advent International GPE VI-C Limited Partnership		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) x (b) ¨		
3	SEC USE ONLY		
4	Source of Funds WC		
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2 (e)		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 628,188	
	8	SHARED VOTING POWER None	
	9	SOLE DISPOSITIVE POWER 628,188	
	10	SHARED DISPOSITIVE POWER None	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		

628,188

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.16%

14 TYPE OF REPORTING PERSON*

PN

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

Advent International GPE VI-D Limited Partnership

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) x (b) ¨

3 SEC USE ONLY

4 Source of Funds

WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 502,021
	8	SHARED VOTING POWER None
	9	SOLE DISPOSITIVE POWER 502,201
	10	SHARED DISPOSITIVE POWER None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

502,201

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.93%

14 TYPE OF REPORTING PERSON*

PN

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

Advent International GPE VI-E Limited Partnership

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) x (b) ¨

3 SEC USE ONLY

4 Source of Funds

WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 1,492,644
	8	SHARED VOTING POWER None
	9	SOLE DISPOSITIVE POWER 1,492,644
	10	SHARED DISPOSITIVE POWER None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,492,644

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

2.77%

14 TYPE OF REPORTING PERSON*

PN

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

Advent International GPE VI-F Limited Partnership

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) x (b) ¨

3 SEC USE ONLY

4 Source of Funds

WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 2,289,953
	8	SHARED VOTING POWER None
	9	SOLE DISPOSITIVE POWER 2,289,953
	10	SHARED DISPOSITIVE POWER None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,289,953

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

4.24%

14 TYPE OF REPORTING PERSON*

PN

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

Advent International GPE VI-G Limited Partnership

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) x (b) ¨

3 SEC USE ONLY

4 Source of Funds

WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	
7 SOLE VOTING POWER	1,444,315
8 SHARED VOTING POWER	None
9 SOLE DISPOSITIVE POWER	1,444,315
10 SHARED DISPOSITIVE POWER	None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,444,315

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ¨

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

2.68%

14 TYPE OF REPORTING PERSON*

PN

Item 1. Security and Issuer

This statement on Schedule 13D relates to the Reporting Persons (as defined in Item 2 below) beneficial ownership interest in the Common Stock, par value $0.01 per share (the Common Stock), of Five Below, Inc., a Pennsylvania Corporation (the Issuer). The address of the principal executive office of the Issuer is 1818 Market Street, Suite 1900, Philadelphia, PA 19103. Information given in response to each item shall be deemed incorporated by reference in all other items, as applicable.

Item 2. Identity and Background

(a) (b) (c) (f) This statement is being filed by the following entities:

(1) Advent International Corporation, a Delaware corporation;

(2) Advent International LLC, a Massachusetts limited partnership;

(3) GPE VI GP Limited Partnership, a Cayman Islands limited partnership

(4) GPE VI GP (Delaware) Limited Partnership, a Delaware limited partnership;

(5) Advent Partners GPE VI 2008 Limited Partnership, a Delaware limited partnership;

(6) Advent Partners GPE VI 2009 Limited Partnership, a Delaware limited partnership;

(7) Advent Partners GPE VI 2010 Limited Partnership, a Delaware limited partnership;

(8) Advent Partners GPE VI-A 2010 Limited Partnership, a Delaware Islands limited partnership;

(9) Advent Partners GPE VI-A Limited Partnership, a Delaware limited partnership;

(10) Advent International GPE VI Limited Partnership, a Cayman Islands limited partnership;

(11) Advent International GPE VI-A Limited Partnership, a Cayman Islands limited partnership;

(12) Advent International GPE VI-B Limited Partnership, a Cayman Islands limited partnership;

(13) Advent International GPE VI-C Limited Partnership, a Delaware limited partnership;

(14) Advent International GPE VI-D Limited Partnership, a Delaware limited partnership;

(15) Advent International GPE VI-E Limited Partnership, a Delaware limited partnership;

(16) Advent International GPE VI-F Limited Partnership, a Cayman Islands limited partnership;

(17) Advent International GPE VI-G Limited Partnership, a Cayman Islands limited partnership;

The entities listed in subparagraphs (1) through (17) above are herein collectively referred to as the Reporting Persons and individually as a Reporting Person, and the entities listed in subparagraphs (5) through (17) above are herein collectively referred to as the Advent Funds and individually as an Advent Fund.

Advent International Corporation (AIC) is a Delaware corporation, and the persons serving as its directors and executive officers are set forth on Schedule A hereto.

Advent International Corporation is the Manager of Advent International LLC (AI LLC) which in turn is the General Partner of GPE VI GP Limited Partnership, GPE VI GP (Delaware) Limited Partnership, Advent Partners GPE VI 2008 Limited Partnership, Advent Partners GPE VI 2009 Limited Partnership, Advent Partners GPE VI 2010 Limited Partnership, Advent Partners GPE VI-A 2010 Limited Partnership, and Advent Partners GPE VI-A Limited Partnership. GPE VI GP Limited Partnership is the General Partner of Advent International GPE VI Limited Partnership, Advent International GPE VI-A Limited Partnership, Advent International GPE VI-B Limited Partnership, Advent International GPE VI-F Limited Partnership and Advent International GPE VI-G Limited Partnership. GPE VI GP (Delaware) Limited Partnership is the General Partner of Advent International GPE VI-C Limited Partnership, Advent International GPE VI-D Limited Partnership and Advent International GPE VI-E Limited Partnership The principal business address of each Reporting Person is c/o Advent International Corporation, 75 State Street, Boston, MA 02109.

The principal business of Advent International Corporation is to operate as an investment advisory firm and to make private equity investments. The principal business of each Reporting Person other than Advent International Corporation, Advent International LLC, GPE VI GP (Delaware) Limited Partnership, and GPE VI GP Limited Partnership is to provide risk capital for, and make investments in the securities of, privately held and other businesses.

(d) (e) During the last five years, none of the Reporting Persons nor any person listed on Schedule A has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). During the last five years, none of the Reporting Persons nor any person listed on Schedule A has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which any such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violations with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

On October 14, 2010, the Reporting Persons acquired beneficial ownership of 88,785,489 shares of Series A 8% convertible preferred stock of the Issuer and a majority interest in the Issuer, in connection with an investment of $192.9 (the 2010 Transaction). Immediately prior to the closing of the Issuer s initial public offering of its Common Stock (the IPO), all of the outstanding Series A 8% convertible preferred stock was converted on a 1-for-0.346 basis into shares Common Stock and the Reporting Persons held 30,719,779 shares of Common Stock in the aggregate. The source of the funds used to purchase the Series A 8% convertible preferred stock was derived from [the working capital of the Reporting Persons (other than AIC, AI LLC, GPE VI GP and GPE VI (Delaware), which did not pay for the shares but rather acquired beneficial ownership of the shares of Preferred Stock indirectly, through controlled entities).]

In conjunction with the Issuer s IPO, the Advent Funds sold 3,873,793 shares of Common Stock, resulting in a decrease in beneficial ownership by the Reporting Persons by that amount. The sale was made at the IPO price of $15.81 per share, for an aggregate proceeds of $61,244,667.33. The number of shares indicated as being beneficially owned by the Reporting Persons in this Schedule 13D gives effect to the sale of such shares in the IPO.

Item 4. Purpose of Transaction.

The Reporting Persons acquired the securities of the Issuer strictly for investment purposes. The Reporting Persons intend to periodically review their investment in the Issuer. Depending upon future evaluations of the business prospects of the Issuer and upon other developments, including, but not limited to, general economic and business conditions and market conditions, the Reporting Persons may determine to increase or decrease their equity interest in the Issuer by acquiring additional Securities, or by disposing of all or a portion of the Securities now held.

In connection with the 2010 Transaction, the Reporting Persons and the other holder of the Series A 8% convertible preferred stock (collectively, the Series A Holders) were entitled to designate four members to the Issuer s board of directors. In 2011, the board of directors was expanded to eight members, and the Series A Holders were entitled to designate an additional member to the board of directors. The Reporting Persons designations to the board of directors afforded them direct access to discussions concerning the business, operations, governance, management, strategy, capitalization and/or future plans of the Issuer, as well as the ability to propose one or more of the other actions described in subparagraphs (a) through (j) of this Item 4. In addition, the Reporting Persons may exercise their rights under the amended and restated investor rights agreement, as amended.

Other than as set forth in this statement and as set forth in the second amended and restated shareholders agreement and amended and restated investor rights agreement, each as described below, none of the Reporting Persons nor, to the best of their knowledge, any person listed on Schedule A hereto, has any plans or proposals that relate to or would result in: (a) the acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (d) any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any other material change in the Issuer s business or corporate structure; (g) changes in the Issuer s charter, by-laws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person; (h) causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended; or (j) any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer.

(a) The following table sets forth the aggregate number and percentage of the Common Stock beneficially owned by each Reporting Person named in Item 2 of this statement (based upon 53,972,006 shares of Common Stock outstanding as July 18, 2012). The aggregate number and percentage of the Common Stock beneficially owned by each Reporting Person is calculated in accordance with Rule 13d-3.

Reporting Person	Number of Shares Beneficially Owned	Percentage of Common Stock Outstanding	Number of Shares Sold in Past 60 Days
Advent International Corporation (1) (2) (3) (4)	26,845,986	49.74%	3,873,793
Advent International LLC (1) (2) (3) (4)	26,845,986	49.74%	3,873,793
GPE VI GP Limited Partnership (1) (2)	23,648,621	43.82%	3,412,423
GPE VI GP (Delaware) Limited Partnership (1) (3)	2,622,853	4.86%	378,469
Advent Partners GPE VI 2008 Limited Partnership (1) (4)	445,646	0.83%	64,306
Advent Partners GPE VI 2009 Limited Partnership (1) (4)	16,118	0.03%	2,326
Advent Partners GPE VI 2010 Limited Partnership (1) (4)	34, 909	0.06%	5,038
Advent Partners GPE VI-A 2010 Limited Partnership (1) (4)	37,583	0.07%	5,423
Advent Partners GPE VI-A Limited Partnership (1) (4)	40,256	0.07%	5,808

Advent International GPE VI Limited Partnership (1) (2)	12,169,291	22.55	1,755,991
Advent International GPE VI-A Limited Partnership (1) (2)	7,130,293	13.21	1,028,880
Advent International GPE VI-B Limited Partnership (1) (2)	614,769	1.14%	88,709
Advent International GPE VI-C Limited Partnership (1) (3)	628,188	1.16%	90,645
Advent International GPE VI-D Limited Partnership (1) (3)	502,021	0.93%	72,440
Advent International GPE VI-E Limited Partnership (1) (3)	1,492,644	2.77%	215,384
Advent International GPE VI-F Limited Partnership (1) (2)	2,289,953	4.24%	330,433
Advent International GPE VI-G Limited Partnership (1) (2)	1,444,315	2.68%	208,410
Total Group	26,845,986	49.7406%	3,873,793

(1) Advent International Corporation is the Manager of Advent International LLC (AI LLC) which in turn is the General Partner of GPE VI GP Limited Partnership, GPE VI GP (Delaware) Limited Partnership, Advent Partners GPE VI 2008 Limited Partnership, Advent Partners GPE VI

2009 Limited Partnership, Advent Partners GPE VI 2010 Limited Partnership, Advent Partners GPE VI-A 2010 Limited Partnership, and Advent Partners GPE VI-A Limited Partnership. These eight GPE VI Funds and five Advent Partners Funds own 100% of Advent-Five Below Acquisition Limited Partnership, which is the direct owner of these securities and of which Advent-Five Below GP LLC is the General Partner. As such, AIC has the sole power to vote and dispose of the securities owned by the indicated Reporting Persons. The beneficial ownership of AI LLC derives from such power.

(2) GPE VI GP Limited Partnership is the General Partner of Advent International GPE VI Limited Partnership, Advent International GPE VI-A Limited Partnership, Advent International GPE VI-B Limited Partnership, Advent International GPE VI-F Limited Partnership and Advent International GPE VI-G Limited Partnership. These five GPE VI Funds are shareholders of Advent-Five Below Acquisition Limited Partnership, which is the direct owner of these securities. As such, AIC has the sole power to vote and dispose of the securities owned by the indicated Reporting Persons. The beneficial ownership of AI LLC and GPE VI GP Limited Partnership derive from such power.

(3) GPE VI GP (Delaware) Limited Partnership is the General Partner of Advent International GPE VI-C Limited Partnership, Advent International GPE VI-D Limited Partnership and Advent International GPE VI-E Limited Partnership. These three GPE VI Funds are shareholders of Advent-Five Below Acquisition Limited Partnership, which is the direct owner of these securities. As such, AIC has the sole power to vote and dispose of the securities owned by the indicated Reporting Persons. The beneficial ownership of AI LLC and GPE VI GP (Delaware) Limited Partnership derive from such power.

(4) AI LLC is the General Partner of Advent Partners GPE VI 2008 Limited Partnership, Advent Partners GPE VI 2009 Limited Partnership, Advent Partners GPE VI 2010 Limited Partnership, Advent Partners GPE VI-A 2010 Limited Partnership and Advent Partners GPE VI-A Limited Partnership. These five Advent Partners Funds are shareholders of Advent-Five Below Acquisition Limited Partnership which is the direct owner of these securities. As such, AIC has the sole power to vote and dispose of the securities owned by the indicated Reporting Persons. The beneficial ownership of AI LLC and AIC derive from such power.

(b) Each of the Reporting Persons listed in the table set forth above has sole voting and dispositive power over the Common Stock beneficially owned by it as indicated above.

(c) Other than the disposal of the Securities described in Item 3 above and the disposal of the number of shares of Common Stock as set forth in the table included in Item 3 above under the column captioned Shares Sold in Past 60 Days, none of the Reporting Persons and the persons set forth on Schedule A and in Item 2(d) hereto has effected any transactions in the Common Stock during the last 60 days. The shares indicated as being sold in the table included in Item 3 above were sold by the Advent Funds in the IPO, resulting in a decrease in the beneficial ownership of shares of Common Stock by all the Reporting Persons.

(d) Except as set forth in this Item 5, no person other than each respective record owner referred to herein of the Securities is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Securities.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Second Amended and Restated Shareholders Agreement

In connection with the 2010 Transaction, the Reporting Persons, the Issuer and the holders of the Issuer s capital stock entered into a second amended and restated shareholders agreement. In accordance with this agreement, as subsequently amended, the holders of the Issuer s capital stock agreed to vote their shares in favor of the election to the Issuer s board of directors of five individuals designated by the Series A Holders and three designated by the holders of Common Stock. In addition, the shareholders agreement provided certain rights to the Reporting Persons and certain of the other shareholders with respect to the Issuer s capital stock, including rights of first refusal and drag-along rights in respect of the sale of shares of the Issuer s capital stock, as well as certain restrictions on the transfer of the Issuer s shares. The rights of first refusal did not apply to issuances by the Issuer in an initial underwritten public offering of the Issuer s Common Stock, including this offering. Further, the shareholders agreement contained provisions renouncing any interest or expectancy held by directors affiliated with the Reporting Persons in certain corporate opportunities. The parties to the agreement have further amended the agreement in connection with the IPO. The amendment provided that upon the closing of the IPO, all of the provisions related to rights of first refusal, drag-along rights, the board designation rights of the Series A Holders and the obligation of certain of the shareholders to contribute funds if indemnification claims were made by the Reporting Persons in connection with their investment in the Issuer terminated in full, the lock-up provision will terminate in full 181 days following July 18, 2012, the effective date of the Issuer s registration statement on Form S-1, and the remaining provisions will terminate in full on and after the date that no member of the Issuer s board of directors is an employee, officer or director of the Reporting Persons or their affiliates (not including the portfolio companies in which funds controlled by the Reporting Persons have invested).

Amended and Restated Investor Rights Agreement

In connection with the 2010 Transaction, the Reporting Persons, the Issuer and the holders of the Issuer s capital stock entered into an amended and restated investor rights agreement, which agreement was subsequently amended. Pursuant to the agreement, the Advent Funds and certain other shareholders had the right to include certain of their shares in the IPO and the Issuer paid all expenses in connection with the registration of those shares other than underwriting commissions or discounts resulting from the sale of shares by the Issuer s shareholders in connection with the registration.

In addition, the amended and restated investor rights agreement contains registration rights that require the Issuer to register shares of Common Stock held by the shareholders who are parties to the agreement in the event the Issuer registers for sale, either for its own account or for the account of others, shares of Common Stock in future offerings. The parties to such agreement have agreed to amend this agreement effective upon the closing of the IPO. The amended and restated investor rights agreement, as amended, provides for substantially similar registration rights and continues to require a shareholder to execute a lock-up agreement with the underwriters in connection with the shareholder s exercise of his or her registration rights in future offerings. Other provisions in the amended and restated investor rights agreement, including rights of first offer, preemptive rights and information rights terminated upon the closing the of the IPO.

Lock-up Agreement

The Advent Funds, along with all of the Issuer s officers and directors and substantially all of the Issuer s shareholders, have entered into lock-up agreements with the underwriters providing that the Reporting Persons and they will not, directly or indirectly, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or hedge any of the shares of Issuer s Common Stock, any options or warrants to purchase shares of the Issuer s Common Stock, or any securities convertible into, or exchangeable for or that represent the right to receive shares of the Issuer s Common Stock, without the prior written consent of Goldman, Sachs & Co., Barclays Capital Inc. and Jefferies & Company, Inc. (collectively, the Representatives) for a period of 180 days from July 18, 2012 (such period, the Lock-up Period). The lock-up agreements are subject to customary exceptions, including transfers of shares (i) as a bona fide gift of shares, provided that the donee agrees to be bound in writing by the restrictions described above; (ii) to any trust for the benefit of the lock-up party or the immediate family of the lock-up party, provided that the trustee agrees to be bound in writing by the restrictions described above.

In the event that either (1) during the last 17 days of the Lock-up Period, the Issuer releases earnings results or announces material news or a material event or (2) prior to the expiration of the Lock-up Period, the Issuer announces that it will release earnings results during the 15-day period following the last day of the Lock-up Period, then in each case the Lock-up Period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the material news or material event, as applicable, unless the Representatives waive, in writing, such extension.

The foregoing description of the terms of the second amended and restated shareholders agreement, as amended, the amended and restated investor rights agreement, as amended and the lock-up agreement is intended as a summary only and is qualified in its entirety by reference to the second amended and restated shareholders agreement, as amended, the amended and restated investor rights agreement, as amended and form of lock-up agreement, which are filed as exhibits to this Statement and incorporated by reference herein.

Other than as described in this Statement, to the best of the Reporting Persons knowledge, there are no other contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the Issuer.

Item 7. Materials to be Filed as Exhibits.

Exhibit No.	Description
Exhibit 1:	Joint Filing Agreement as required by Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended.
*Exhibit 2:	Amended and Restated Investor Rights Agreement, dated September 1, 2010, by and among Five Below, Inc., the Significant Common Shareholders signatory thereto, the Series A Preferred Shareholders signatory thereto and the Other Holders party thereto and any other Persons signatory thereto from time to time (Incorporated by reference to Exhibit 10.3 of the Issuer s Registration Statement of Form S-1 (File No. 333-180780), filed with the Securities and Exchange Commission (the SEC) on April 18, 2012).
*Exhibit 3:	First Amendment to Amended and Restated Investor Rights Agreement, dated October 14, 2010, by Five Below, Inc. (Incorporated by reference to Exhibit 10.4 of the Issuer s Registration Statement of Form S-1 (File No. 333-180780), filed with the SEC on April 18, 2012)
*Exhibit 4:	Second Amendment to Amended and Restated Investor Rights Agreement, dated May 23, 2012, by and among Five Below, Inc., the Significant Common Shareholders signatory thereto and the Series A Preferred Shareholders signatory thereto (Incorporated by reference to Exhibit 10.5 of the Issuer s Registration Statement of Form S-1 (File No. 333-180780), filed with the SEC on May 24, 2012)
*Exhibit 5:	Second Amended and Restated Shareholders Agreement, dated September 1, 2010, by and among Five Below, Inc. and the Shareholders party thereto and any other Persons signatory thereto from time to time (Incorporated by reference to Exhibit 10.6 of the Issuer s Registration Statement of Form S-1 (File No. 333-180780), filed with the SEC on April 18, 2012)
*Exhibit 6:	First Amendment to Second Amended and Restated Shareholders Agreement, dated October 14, 2010, by Five Below, Inc. (Incorporated by reference to Exhibit 10.7 of the Issuer s Registration Statement of Form S-1 (File No. 333-180780), filed with the SEC on April 18, 2012)
*Exhibit 7:	Second Amendment to Second Amended and Restated Shareholders Agreement, dated November 22, 2011, by and among Five Below, Inc. and the Consenting Shareholders signatory thereto (Incorporated by reference to Exhibit 10.7 of the Issuer s Registration Statement of Form S-1 (File No. 333-180780), filed with the SEC on May 24, 2012)
Exhibit 8:	Form of Lock-up Agreement

* Incorporated by reference.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

July 30, 2012

Advent International GPE VI Limited Partnership
Advent International GPE VI-A Limited Partnership
Advent International GPE VI-B Limited Partnership
Advent International GPE VI-F Limited Partnership
Advent International GPE VI-G Limited Partnership
By: GPE VI GP Limited Partnership, General Partner
By: Advent International LLC, General Partner
By: Advent International Corporation, Manager
By: Jarlyth H. Gibson, Compliance Officer*

Advent International GPE VI-C Limited Partnership
Advent International GPE VI-D Limited Partnership
Advent International GPE VI-E Limited Partnership
By: GPE VI GP (Delaware) Limited Partnership, General Partner
By: Advent International LLC, General Partner
By: Advent International Corporation, Manager
By: Jarlyth H. Gibson, Compliance Officer*

Advent Partners GPE VI 2008 Limited Partnership
Advent Partners GPE VI 2009 Limited Partnership
Advent Partners GPE VI 2010 Limited Partnership
Advent Partners GPE VI-A 2010 Limited Partnership
Advent Partners GPE VI-A Limited Partnership
By: Advent International LLC, General Partner
By: Advent International Corporation, Manager
By: Jarlyth H. Gibson, Compliance Officer*

Advent International LLC
By: Advent International Corporation, Manager
By: Jarlyth H. Gibson, Compliance Officer*

Advent International Corporation
By: Jarlyth H. Gibson, Compliance Officer*

* For all of the above:

/s/ Jarlyth H. Gibson
Jarlyth H. Gibson, Compliance Officer

SCHEDULE A

The name and present principal occupation of each executive officer and director of Advent International Corporation is set forth below. The business address of each executive officer and director of Advent International Corporation is c/o Advent International Corporation, 75 State Street, Boston, Massachusetts 02109. All of the persons listed below are United States citizens.

I. Advent International Corporation

Name	Position with Advent International Corporation	Principal Occupation (if different)
Peter A. Brooke	Chairman	
Thomas H. Lauer	Senior Vice President Managing Partner Executive Officers Committee Member	
Richard F. Kane	Senior Vice President of Operations and Business Development Managing Director Chief Compliance Officer Assistant Secretary	
Eileen Sivolella	Senior Vice President Managing Director Chief Financial Officer Treasurer Assistant Secretary	
James R. Westra	Managing Director Chief Legal Officer	
Andrew D. Dodge	Vice President Legal Counsel Assistant Compliance Officer Secretary	
Jarlyth H. Gibson	Compliance Officer	
Humphrey W. Battcock	Executive Officers Committee Member	
Ralf Huep	Executive Officers Committee Member	
David M. Mussafer	Director Executive Officers Committee Member	

William C. Schmidt	Executive Officers Committee Member
Steven M. Tadler	Director Executive Officers Committee Member

John F. Brooke	Director	General Partner of Brooke Private Equity
Mark Hoffman	Director	Chairman of Cambridge Research Group

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Exhibit 1

JOINT FILING AGREEMENT PURSUANT TO RULE 13d-1(k)(1)

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of the Schedule 13D to which this Agreement is an exhibit (and any further amendment filed by them) with respect to the shares of Common Stock of Five Below, Inc. This agreement may be executed simultaneously in any number of counterparts, all of which together shall constitute one and the same instrument.

Advent International GPE VI Limited Partnership
Advent International GPE VI-A Limited Partnership
Advent International GPE VI-B Limited Partnership
Advent International GPE VI-F Limited Partnership
Advent International GPE VI-G Limited Partnership
By: GPE VI GP Limited Partnership, General Partner
By: Advent International LLC, General Partner
By: Advent International Corporation, Manager
By: Jarlyth H. Gibson, Compliance Officer*

Advent International GPE VI-C Limited Partnership
Advent International GPE VI-D Limited Partnership
Advent International GPE VI-E Limited Partnership
By: GPE VI GP (Delaware) Limited Partnership, General Partner
By: Advent International LLC, General Partner
By: Advent International Corporation, Manager
By: Jarlyth H. Gibson, Compliance Officer*

Advent Partners GPE VI 2008 Limited Partnership
Advent Partners GPE VI 2009 Limited Partnership
Advent Partners GPE VI-A Limited Partnership
Advent Partners GPE VI 2010 Limited Partnership
Advent Partners GPE VI-A 2010 Limited Partnership
By: Advent International LLC, General Partner
By: Advent International Corporation, Manager
By: Jarlyth H. Gibson, Compliance Officer*

Advent International LLC
By: Advent International Corporation, Manager
By: Jarlyth H. Gibson, Compliance Officer*

Advent International Corporation
By: Jarlyth H. Gibson, Compliance Officer*

* For all of the above:

/s/ Jarlyth H. Gibson
Jarlyth H. Gibson, Compliance Officer