

For Immediate Release

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Forty Looks Attractive

Celebrating Four Decades of Magnetic Innovations and Growth for Master Magnetics



Castle Rock, CO., March 17, 2016 – When Jack Nellessen opened the doors of Master Magnetics in the small town of Castle Rock, Colo. in 1976, the new company operated in a 4,000 square-foot manufacturing facility that earned \$76,000 in sales. It was an impressive start.



Master Magnetics' brand new building shown in October 1976.

An inventor at heart, Nellessen started Master Magnetics with a magnetic tool holder of his creation – in 13” and 24” lengths. This handy and useful tool holder proved to be a popular item, and manufacturing took off. With more than 2 million tool holders sold to date, chances are you’ve seen one, or maybe even have one. It was the product that launched a thriving enterprise.



More than 2 million tool holders have sold to date. It was the product that launched a thriving enterprise.

Forty years later, Master Magnetics operates three locations in two states totaling 109,350 square-feet of space for their manufacturing, distribution, warehousing and sales operations. While Nellessen no longer runs day-to-day operations, his daughter, Jennifer Brown, continues to grow their magnet business as Chief Operating Officer of Master Magnetics.

Family Affair

Master Magnetics has always been a family business. In 1976, Nellessen, his wife Sandy, and her sister Sue were among the handful of employees. Today, in addition to Brown running the day-to-day operations at Master



Jack and Sandy Nellessen with daughter Jennifer Brown in 2015.

Magnetics, her brother John Nellessen, Jr. operates an exclusive distributorship for Master Magnetics in California and Cathy Wachtel, a cousin, operates a subsidiary in Florida.

But in addition to family, the longevity of employees, whose majority has a length of service ranging between 10 – 15 years, speaks to the family atmosphere Master Magnetics maintains.



An annual tradition for Master Magnetics is the company hike up one of the many 14ers (mountains above elevation of 14,000 ft.) in Colorado. Jenni and Jack take a break at the top of Mt. Bierstadt.

Master Magnetics by the Numbers

- Stock 20 million magnets annually
- Sold enough magnetic sheeting last year to completely cover the Empire State Building 232 times
- Purchased over one million wheels for the mini sweeper in the last decade
- Grown from making two products in 1976 to fabricating and distributing over 5,000 in 2016
- Employs nearly 100 full time team members, up from 5 in 1976
- Grown from 4,000 square feet to 109,350 – with plans to expand

Product Lines

In 40 years product lines have evolved in response to changing markets. While many of the products first sold in the early years are still popular, including tool holders, fishing magnets, magnetic grates, and sweepers, new channels of business continue to present growing opportunities. Once popular craft, toy and education lines have been surpassed by the growing demand of more industrial and hardware-based lines.

Customers include large international resellers like Amazon, Home Depot, Ace Hardware, and True Value; manufacturers looking for OEM parts; commercial printers procuring flexible magnetic sheeting; metal shops; material handling and supply chain managers; and MRO managers, facility managers and homeowners looking for an endless source of magnetic solutions.

“Listening to our customers and developing products that are innovative and useful for them is a point of pride for us,” said Jennifer Brown, Chief Operating Officer. “We provide the products, customer service and expertise to help our customers be successful. Our exclusive focus is on magnets, that’s all we do. Whether it is with off-the-shelf or custom-designed products, in all of our channels of business, customers rely on us to match the right magnet for their application to achieve an effective and cost-efficient solution,” explained Brown.

Growth in the last decade has streamlined product sales into four major categories at Master Magnetics:

- **Industrial Magnetic Devices**

Including heavy duty neodymium lifting magnets used in manufacturing, magnetic sweepers, welding work holding magnets, separation magnets for food manufacturing and agricultural uses, and many more magnetic assemblies for lifting, holding, separation, clean-up, and organizing.



- **Flexible Magnetic Sheeting and Point of Purchase Magnets**

Including wide-format, print-direct magnetic sheeting for vehicle signs, retail signage and sign holders, and display components in retail point of purchase display environments.



- **Packaged Magnets for Resale**

Features a range of magnets packaged for resale, including magnets perfect for housewares, office, craft, automotive, or hardware use.



- **Raw Magnetic Materials**

This extensive line of permanent magnets includes rare earth magnets. Sold as raw materials, these magnets are commonly used as components for products made by other manufacturers.



Innovative Magnetic Solutions

Magnets fill a niche market – and have for the past 40 years. It's one that, regardless of the economic situation, is fairly resilient.

“Resellers tell us time and time again how pleased they are with the performance of our magnets as a proven profit center for their stores. The fast-turning SKUs and planograms consistently do well, even when the economy has been in a slow period,” said Jim Madsen, National Sales Manager. The retail presence of Master Magnetics throughout North America has evolved from individually pegged products throughout a store in various categories to magnets being a separate profit center for resellers, with full inline planograms, floor displays, end caps, and merchandising graphic support for retailers.

Beyond the basic magnets that we all think of, Master Magnetics has a number of magnets that are innovative in use and design.

- **Cow Magnets** – Nope, not shaped like cows. These magnets are used by vets and farmers to prevent hardware disease in bovines. Once consumed, the magnets sit in the first stomach and collect any ferrous metal pieces the



cow may eat, including nails, barbed wire and staples.

- **Pop 'n Catch** – This magnetic bottle opener attaches to any metal surface and catches caps as they are opened. Portable and useful, it doesn't get much more fun than this.



- **Fishing Magnet** – If you've ever lost something off the side of a boat or dock, you know how useful this magnet can be. Treasure hunters love it!



- **Stud Magnet** – Go beyond tapping on the wall with this simple magnetic device and locate the stud. It even has a groove to hold your nail in place.



Attractive Future

Early in 2016, Master Magnetics has expanded their line of **P.O.P. magnets by 72 SKUs**. With a strong history of providing display solutions in retail environments, this expansion now gives them the widest ranging product line of magnetic P.O.P. offerings in the merchandising and retail design industry.

Looking forward, Brown is confident the company is heading in the right direction and is extremely optimistic about the future. Master Magnetics is preparing for their forecasted growth in all channels with building expansion plans that are in the works at their Castle Rock headquarters. Scheduled to be completed in 2016, the addition of office, warehouse and production space will ensure the ability to follow their forty-year old blueprint for success.

About Master Magnetics



Founded in 1976 and located in Castle Rock, Colorado, Master Magnetics, Inc. manufactures and distributes all types of magnets and magnetic devices for commercial, consumer and industrial use. Celebrating 40 years of industry excellence, The Magnet Source® brand is a trademark of Master Magnetics, Inc. and represents exceptional quality, expertise and customer service. For more information, call 1-800-525-3536 or visit magnetsource.com.