UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2020

or

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

Commission File No. 1-07109

SERVOTRONICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**16-0837866**
(State or other jurisdiction of incorporation or organization)	*(I. R. S. Employer Identification No.)*

1110 Maple Street
Elma, New York 14059
(Address of principal executive offices) (zip code)

(716) 655-5990
(Registrant's telephone number, including area code)

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

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Common Stock	SVT	NYSE American

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. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 26, 2020
Common Stock, $.20 par value	2,477,099

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SERVOTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
($000's omitted except share and per share data)

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Current assets:		
Cash	$ 1,735	$ 2,029
Accounts receivable, net	13,034	13,183
Inventories, net	23,459	20,151
Prepaid income taxes	43	416
Other current assets	609	522
Total current assets	38,880	36,301
Property, plant and equipment, net	12,779	12,717
Deferred income taxes	107	107
Other non-current assets	342	345
Total Assets	$ 52,108	$ 49,470
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 548	$ 548
Current portion of capitalized lease obligations	301	301
Dividend payable	17	17
Accounts payable	4,530	4,458
Accrued employee compensation and benefits costs	2,428	2,283
Other accrued liabilities	933	1,035
Total current liabilities	8,757	8,642
Long-term debt	5,711	5,170
Post retirement obligation	2,225	2,126
Shareholders' equity:		
Common stock, par value $0.20; authorized 4,000,000 shares; issued 2,614,506 shares; outstanding 2,389,673 (2,399,576 - 2019) shares	523	523
Capital in excess of par value	14,391	14,358
Retained earnings	22,382	20,484
Accumulated other comprehensive income	98	98
Employee stock ownership trust commitment	(460)	(460)
Treasury stock, at cost 137,407 (127,504 - 2019) shares	(1,519)	(1,471)
Total shareholders' equity	35,415	33,532
Total Liabilities and Shareholders' Equity	$ 52,108	$ 49,470

SERVOTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
($000's omitted except per share data)
(Unaudited)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Revenue	$ 15,448	$ 12,003
Cost of goods sold, inclusive of depreciation and amortization	10,736	9,930
Gross margin	4,712	2,073
Operating Expenses:		
Selling, general and administrative	2,268	1,927
Interest expense	42	27
Total operating expenses	2,310	1,954
Income before income tax provision	2,402	119
Income tax provision	504	21
Net income	$ 1,898	$ 98
Income per share:		
Basic		
Net income per share	$ 0.80	$ 0.04
Diluted		
Net income per share	$ 0.79	$ 0.04

SERVOTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
($000's omitted)
(Unaudited)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Cash flows related to operating activities:		
Net Income	$ 1,898	$ 98
Adjustments to reconcile net income to net cash (used) generated by operating activities:		
Depreciation and amortization	354	274
Stock based compensation	85	58
Increase (decrease) in inventory reserve	75	(78)
Increase in allowance for doubtful accounts	69	10
Increase in warranty reserve	-	39
Change in assets and liabilities:		
Accounts receivable	80	(298)
Inventories	(3,383)	(437)
Prepaid income taxes	373	(17)
Other current assets	(87)	(162)
Other non-current assets	-	(62)
Accounts payable	72	933
Accrued employee compensation and benefit costs	145	27
Post retirement obligation	99	-
Other accrued liabilities	(102)	120
Net cash (used) generated by operating activities	(322)	505
Cash flows related to investing activities:		
Capital expenditures - property, plant and equipment	(413)	(642)
Net cash used by investing activities	(413)	(642)
Cash flows related to financing activities:		
Principal payments on long-term debt	(136)	(136)
Principal payments on equipment financing lease/note obligations	(73)	(45)
Proceeds from line of credit	750	-
Purchase of treasury shares	(100)	(128)
Net cash provided (used) by financing activities	441	(309)
Net decrease in cash	(294)	(446)
Cash at beginning of period	2,029	2,598
Cash at end of period	$ 1,735	$ 2,152

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements ("consolidated financial statements") have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by United States generally accepted accounting principles for complete financial statements.

The accompanying consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal recurring nature. Operating results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020. The consolidated financial statements should be read in conjunction with the 2019 annual report and the notes thereto.

2. Business Description and Summary of Significant Accounting Policies

Business Description

Servotronics, Inc. and its subsidiaries design, manufacture and market advanced technology products consisting primarily of control components, and consumer products consisting of knives and various types of cutlery and other edged products.

Principles of Consolidation

The consolidated financial statements include the accounts of Servotronics, Inc. and its wholly-owned subsidiaries (the "Company"). All intercompany balances and transactions have been eliminated upon consolidation.

Cash

The Company considers cash to include all currency and coins owned by the Company as well as all deposits in the bank including checking and savings accounts.

Accounts Receivable

The Company grants credit to substantially all of its customers and carries its accounts receivable at original invoice amount less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on history of past write-offs, collections, and current credit conditions. The allowance for doubtful accounts amounted to approximately $406,000 at March 31, 2020 and $337,000 at December 31, 2019. The Company does not accrue interest on past due receivables.

Revenue Recognition

Revenues are recognized at the time of shipment of goods, transfer of title and customer acceptance, as required. Our revenue transactions generally consist of a single performance obligation to transfer contracted goods and are not accounted for under industry-specific guidance. Purchase orders generally include specific terms relative to quantity, item description, specifications, price, customer responsibility for in-process costs, delivery schedule, shipping point, payment and other standard terms and conditions of purchase. Service sales, principally representing repair, are recognized at the time of shipment of goods.

The costs incurred for nonrecurring engineering, development and repair activities of our products under agreements with commercial customers are expensed as incurred. Subsequently, the revenue is recognized as products are delivered to the customers with the approval by the customers.

Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods and services to a customer. The Company determines revenue recognition using the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when the company satisfies a performance obligation.

Revenue excludes taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a customer (e.g., sales and use taxes). Revenue includes payments for shipping activities that are reimbursed by the customer to the Company.

Revenue on a significant portion of our contracts is currently recognized at the time of shipment of goods, transfer of title and customer acceptance, as required. Our revenue transactions generally consist of a single performance obligation to transfer contracted goods and are not accounted for under industry-specific guidance.

Performance obligations are satisfied as of a point in time. Performance obligations are supported by contracts with customers, providing a framework for the nature of the distinct goods, services or bundle of goods and services. The timing of satisfying the performance obligation is typically indicated by the terms of the contract. As a significant portion of the Company's revenue are recognized at the time of shipment, transfer of title and customer acceptance, there is no significant judgment applied to determine the timing of the satisfaction of performance obligations or transaction price.

The timing of satisfaction of our performance obligations does not significantly vary from the typical timing of payment. The Company generally receives payment for these contracts within the payment terms negotiated and agreed upon by each customer contract.

Warranty and repair obligations are assessed on all returns. Revenue is not recorded on any warranty returns. The Company warrants its products against design, materials and workmanship based on an average of twenty-seven months. The Company determines warranty reserves needed based on actual average costs of warranty units shipped and current facts and circumstances. As of March 31, 2020 and December 31, 2019 under the guidance of ASC460 the Company has recorded a warranty reserve of approximately $420,000. This amount is reflected in other accrued expenses in the accompanying balance sheet. Revenue is recognized on repair returns, covered under a customer contract, at the contractual price upon shipment to the customer.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost includes all costs incurred to bring each product to its present location and condition. Market provisions in respect of lower of cost or market adjustments and inventory expected to be used in greater than one year are applied to the gross value of the inventory through a reserve of approximately $1,512,000 and $1,437,000 at March 31, 2020 and December 31, 2019, respectively. Pre-production and start-up costs are expensed as incurred.

The purchase of suppliers' minimum economic quantities of material such as steel, etc. may result in a purchase of quantities exceeding two years of customer requirements. Also, in order to maintain a reasonable and/or agreed to lead time or minimum stocking requirements, certain larger quantities of other product support items may have to be purchased and may result in over one year's supply.

Shipping and Handling Costs

Shipping and handling costs are classified as a component of cost of goods sold.

Property, Plant and Equipment

Property, plant and equipment is carried at cost; expenditures for new facilities and equipment and expenditures which substantially increase the useful lives of existing plant and equipment are capitalized; expenditures for maintenance and repairs are expensed as incurred. Upon disposal of properties, the related cost and accumulated depreciation are removed from the respective accounts and any profit or loss on disposition is included in income.

Depreciation is provided on the basis of estimated useful lives of depreciable properties, primarily by the straight-line method for financial statement purposes and by accelerated methods for income tax purposes. Depreciation expense includes the amortization of ROU (Right of Use) assets. The estimated useful lives of depreciable properties are generally as follows:

Buildings and improvements	5-40 years
Machinery and equipment	5-20 years
Tooling	3-5 years

Income Taxes

	For the Three Months Ended March 31,		
	2020	2019	% Change
	($000's omitted)		
Income tax expense	$ 504	$ 21	2300.0%
Effective tax rate	21.0%	17.4%	3.6%

The higher effective tax rate during the first quarter of 2020 was primarily due to a decrease in permanent deductible expenses.

In response to COVID-19, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law on March 27, 2020. The CARES Act provides numerous tax provisions and other stimulus measures, including temporary changes regarding the prior and future utilization of net operating losses, temporary suspension of certain payment requirements for the employer portion of Social Security taxes, technical corrections from prior tax legislation for tax depreciation of certain qualified improvement property, and the creation of certain refundable employee retention credits. The Company is currently evaluating the impact of these measures on its consolidated financial statements. If these measures are determined to be applicable to the Company, they may result in cash refunds and an income tax benefit recorded in the Consolidated Statement of Income.

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities, as well as operating loss and credit carryforwards. The Company and its subsidiaries file a consolidated federal income tax return, combined New York and Texas state income tax returns and various separate state income tax returns.

The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company did not have any accrued interest or penalties included in its consolidated balance sheets at March 31, 2020 or December 31, 2019, and did not recognize any interest and/or penalties in its consolidated statements of income during the three months ended March 31, 2020 and 2019. The Company did not have any material uncertain tax positions or unrecognized tax benefits or obligations as of March 31, 2020 and December 31, 2019. The 2016 through 2018 federal and state tax returns remain subject to examination.

Supplemental Cash Flow Information

There were no income taxes paid during the three months ended March 31, 2020 and 2019. Interest paid amounted to approximately $42,000 and $27,000, respectively, during the three months ended March 31, 2020 and 2019.

Employee Stock Ownership Plan

Contributions to the employee stock ownership plan are determined annually by the Company according to plan formula.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment annually or whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable based on undiscounted future operating cash flow analyses. If an impairment is determined to exist, any related impairment loss is calculated based on fair value. Impairment losses on assets to be disposed of, if any, are based on the estimated proceeds to be received, less costs of disposal. The Company has determined that no impairment of long-lived assets existed at March 31, 2020 and December 31, 2019.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Additionally, the full impact of COVID-19 is unknown and cannot be reasonably estimated. However, we have made appropriate accounting estimates based on the facts and circumstances available as of the reporting date. To the extent there are differences between these estimates and actual results, our consolidated financial statements may be materially affected.

Reclassifications

Certain balances, as previously reported, were reclassified to conform to classifications adopted in the current period.

Research and Development Costs

Research and development costs are expensed as incurred.

Concentration of Credit Risks

Financial instruments that potentially subject the Company to concentration of credit risks principally consist of cash accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institutions.

Fair Value of Financial Instruments

The carrying amount of cash, accounts receivable, accounts payable and accrued expenses are reasonable estimates of their fair value due to their short maturity. Based on variable interest rates and the borrowing rates currently available to the Company for loans similar to its long-term debt, the fair value approximates its carrying amount.

3. Inventories

	March 31, 2020	December 31, 2019
	($000's omitted)	
Raw material and common parts	$ 16,407	$ 14,707
Work-in-process	5,383	4,158
Finished goods	3,181	2,723
	24,971	21,588
Less inventory reserve	(1,512)	(1,437)
Total inventories	$ 23,459	$ 20,151

4. Property, Plant and Equipment

	March 31, 2020	December 31, 2019
	($000's ommitted)	
Land	$ 7	$ 7
Buildings	11,027	11,017
Machinery, equipment and tooling	20,894	20,695
Construction in progress	535	331
	32,463	32,050
Less accumulated depreciation	(19,684)	(19,333)
Property, plant and equipment, net	$ 12,779	$ 12,717

Depreciation and amortization expense amounted to approximately $354,000 and $274,000 for the three months ended March 31, 2020 and 2019, respectively. Depreciation expense amounted to approximately $336,000 and $254,000 for the three months ended March 31, 2020 and 2019, respectively. Amortization expense primarily related to capital leases amounted to approximately $18,000 and $20,000 for the three months ended March 31, 2020 and 2019, respectively. The Company maintains property and casualty insurance in amounts adequate for the risk and nature of its assets and operations and which are generally customary in its industry.

As of March 31, 2020, there is approximately $535,000 ($331,000 – December 31, 2019) of construction in progress (CIP) included in property, plant and equipment all of which is related to capital projects. There is approximately $302,000 in CIP for the machinery and equipment and self-constructed assets ($280,000 – December 2019), $49,000 of computer equipment ($32,000 – December 2019) and $184,000 for building improvements ($19,000 – December 2019) primarily related to the Advance Technology Group.

5. Long-Term Debt

	March 31, 2020	December 31, 2019
	($000's omitted)	
Line of credit payable to a financial institution; Interest rate option of bank prime or Libor plus 1.4% (3.07% as of March 31, 2020) (A) (B)	$ 3,750	$ 3,000
Term loan payable to a financial institution; Interest rate option of bank prime or Libor plus 1.4% (2.981130% as of March 31, 2020), monthly prinicipal payments of $21,833 through 2021 with a balloon payment of $786,000 due December 1, 2021 (B)	1,245	1,310
Term loan payable to a financial institution; Interest rate option of bank prime or Libor plus 1.4% (2.981130% as of March 31, 2020), monthly prinicipal payments of $23,810 through December 1, 2021 (B)	500	571
Equipment note obligations; Interest rate fixed for term of each funding based upon the Lender's lease pricing at time of funding. (Interest rate/factor 1.8259% - 1.835015% as of March 31, 2020) (C)	637	670
Equipment financing lease obligations; Interest rate fixed for term of each funding based upon the Lender's lease pricing at time of funding. (Interest rate/factor 3.3943% - 3.8527% at time of funding) (D)	428	468
	6,560	6,019
Less current portion	(849)	(849)
	$ 5,711	$ 5,170

A.) As of March 20, 2020, the Company increased its line of credit from $4,000,000 to $6,000,000. The interest rate is a rate per year equal to the bank's prime rate or Libor plus 1.4%. In addition, effective June 17, 2019, the Company is required to pay a commitment fee of 0.15% on the unused portion of the line of credit. The line of credit expires June 19, 2021. There was $3,750,000 balance outstanding at March 31, 2020 and $3,000,000 balance at December 31, 2019.

B.) The term loans and line of credit are secured by all personal property of the Company with the exception of certain equipment that was purchased from proceeds of government grants. Certain lenders require the Company to comply with debt covenants as described in the specific loan documents, including a debt service ratio. At March 31, 2020 and December 31, 2019 the Company was in compliance with these covenants.

C.) The Company had an equipment loan facility in the amount of $2,500,000 available until November 30, 2019. This line was non-revolving and non-renewable. The Company used approximately $721,000 of the available funds for the purchase of machinery and equipment. The loan term for the equipment covered by the agreement is 60 months. Monthly payments are fixed for the term of each funding based upon the Lender's lease pricing in effect at the time of such funding. There was approximately $637,000 outstanding at March 31, 2020 and $670,000 at December 31, 2019.

D.) The Company established a lease line of credit for equipment financing in the amount of $1,000,000 available until June 28, 2018. This line was non-revolving and non-renewable. The lease term for equipment covered by the lease line of credit is 60 months. Monthly payments are fixed for the term of each funding based upon the Lender's lease pricing in effect at the time of such funding. There was approximately $428,000 outstanding at March 31, 2020 and $468,000 at December 31, 2019.

Principal maturities of long-term debt are as follows: 2020 - $640,000, 2021 - $5,385,000, 2022 - $288,000, 2023 - $154,000, and 2024 - $93,000. Remaining principal payments and interest payments for the capital note and capital financing lease obligations for each of the next five years:

	March 31, 2020	December 31, 2019
	($000's omitted)	
2020	$ 249	$ 331
2021	331	331
2022	316	316
2023	169	169
2024	97	97
Total principal and interest payments	1,162	1,244
Less amount representing interest	(97)	(106)
Present value of net minimum lease payments	1,065	1,138
Less current portion	(301)	(301)
Long term principle payments	$ 764	$ 837

As of April 21, 2020 the Company executed a promissory note (the "Note") in the amount of $4,000,000 as part of the Paycheck Protection Program (the "PPP Loan") administered by the Small Business Administration (the "SBA") and authorized under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP Loan is being made through the Bank of America, NA (the "Lender').

The term of the PPP Loan is two years with an annual interest rate of 1.00%. Payments of principal and interest on the PPP Loan will be deferred for the first six months of the loan term. Commencing one month after the expiration of the deferral period, the Company is required to pay the Lender the principal amount outstanding on the PPP Loan at the end of the deferral period. Equal monthly payments of principal and interest as required to fully amortize by the second anniversary of the effective date of the PPP Loan. The Company may prepay the PPP Loan at any time without payment of any penalty or premium. The Note contains customary events of default for a loan of this type. The occurrence of an event of default may result in the Lender requiring the repayment of all amounts outstanding, collection of all amounts owing from the Company, or filing suit and obtaining judgment against the Company.

Under the terms of the CARES Act, the PPP Loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and the maintenance of its employment levels. No assurance can be given that the Company will obtain forgiveness of the PPP Loan in whole or in part.

6. Shareholders' Equity

	Three-month Period Ended March 31, 2020						
	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock	Capital in excess of par value	ESOT	Treasury stock	Total shareholders' equity
January 1, 2020	$ 20,484	$ 98	$ 523	$ 14,358	$ (460)	$ (1,471)	$ 33,532
Purchase of treasury shares	-	-	-	-	-	(100)	(100)
Stock based compensation	-	-	-	33	-	52	85
Net income	1,898	-	-	-	-	-	1,898
March 31, 2020	$ 22,382	$ 98	$ 523	$ 14,391	$ (460)	$ (1,519)	$ 35,415

	Three-month Period Ended March 31, 2019						
	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock	Capital in excess of par value	ESOT	Treasury stock	Total shareholders' equity
January 1, 2019	$ 18,788	$ 35	$ 523	$ 14,250	$ (561)	$ (1,522)	$ 31,513
Purchase of treasury shares	-	-	-	-	-	(128)	(128)
Stock based compensation	-	-	-	14	-	44	58
Net income	98	-	-	-	-	-	98
March 31, 2019	$ 18,886	$ 35	$ 523	$ 14,264	$ (561)	$ (1,606)	$ 31,541

The Company's Board of Directors authorized the purchase of up to 450,000 shares of its common stock in the open market or in privately negotiated transactions. As of March 31, 2020, the Company has purchased 360,615 shares and there remains 89,385 shares available to purchase under this program. There were 360 shares purchased by the Company during the three month period ended March 31, 2020.

The Company's 2012 Long-Term Incentive Plan provides for the granting of stock awards, including restricted stock, stock options and stock appreciation rights, to employees and non-employees, including directors of the Company. Compensation expense is amortized over the related service period, which is normally three years for employees and twelve months for non-employee directors. Shares of unvested restricted stock are generally forfeited if a recipient leaves the Company before the vesting date. Shares that are forfeited become available for future awards.

The following is a summary of restricted stock activity for the three months ended March 31, 2020. Of the shares that vested, the Company withheld 9,543 shares to satisfy the tax obligations for those participants who elected this option as permitted under the applicable equity plan.

	Shares
Restricted Share Activity:	
Unvested at December 31, 2019	54,416
Granted in 2020	-
Forfeited in 2020	-
Vested in 2020	27,210
Unvested at March 31, 2020	27,206

Earnings Per Share

Basic earnings per share is computed by dividing net earnings by the weighted average number of shares outstanding during the period. The weighted average number of common shares outstanding does not include any potentially dilutive securities or any unvested restricted shares of common stock. These unvested restricted shares, although classified as issued and outstanding, are considered forfeitable until the restrictions lapse and will not be included in the basic EPS calculation until the shares are vested. Diluted earnings per share is computed by dividing net earnings by the weighted average number of shares outstanding during the period plus the number of shares of common stock that would be issued assuming all contingently issuable shares having a dilutive effect on the earnings per share that were outstanding for the period. Incremental shares from assumed conversions are calculated as the number of shares that would be issued, net of the number of shares that could be purchased in the marketplace with the cash received upon stock option exercise. The dilutive effect of unvested restrictive stock is determined using the treasury stock method.

	Three Months Ended March 31,	
	2020	**2019**
	($000's omitted except per share data)	
Net Income	$ 1,898	$ 98
Weighted average common shares outstanding (basic)	2,363	2,328
Unvested restricted stock	27	53
Weighted average common shares outstanding (diluted)	2,390	2,381
Basic		
Net income per share	$ 0.80	$ 0.04
Diluted		
Net income per share	$ 0.79	$ 0.04

7. Commitments and Contingencies

Post retirement obligation. As previously disclosed in filings with the Securities and Exchange Commission ("SEC"), the Company, under an employment agreement, is expected to pay post-employment health related benefits to a former Executive Officer of the Company (the "Former Employee"), of which approximately $1,603,000 and $1,543,000 has been accrued as of March 31, 2020 and December 31, 2019, and is reflected as Post Retirement Obligation in the accompanying balance sheet.

Employment Agreements. The Company provides certain post-employment health and life insurance benefits for its Chief Executive Officer and President Kenneth Trbovich. Upon retirement and after attaining at least the age of 65, the Company will pay for the retired Executive's and dependent's health benefits and will continue the Company-provided life insurance offered at the time of retirement. The retiree's health insurance benefits ceases upon the death of the retired executive. Approximately $622,000 and $583,000 has been accrued as of March 31, 2020 and December 31, 2019, respectively, and is reflected as Post Retirement Obligation in the accompanying balance sheet.

8. Litigation

Litigation. The Company has pending litigation relative to leases of certain equipment and real property with a former related party, Aero, Inc. Aero, Inc. is suing Servotronics, Inc. and its wholly owned subsidiary and has alleged damages in the amount of $3,000,000. The Company has filed a response to the Aero, Inc. lawsuit and has also filed a counter-claim in the amount of $3,191,000. The Company has not considered the risk of loss to be probable, and is unable to reasonably or accurately estimate the likelihood and amount of any liability or benefit that may be realized as a result of this litigation. Accordingly, no gain or loss has been recognized in the accompanying financial statements related to this litigation.

There are no other legal proceedings currently pending by or against the Company other than litigation incidental to the business which is not expected to have a material adverse effect on the business or earnings of the Company.

9. Related Party Transactions

The Company paid legal fees and disbursements of approximately $95,000 and $19,000 in the three month periods ended March 31, 2020 and 2019, respectively, for services provided by a law firm that is owned by a member of the Company's Board of Directors. Additionally, the Company had accrued unbilled legal fees at March 31, 2020 of approximately $35,000 and no unpaid legal expenses accrued at March 31, 2019.

10. Business Segments

The Company operates in two business segments, Advanced Technology Group ("ATG") and Consumer Products Group ("CPG"). The Company's reportable segments are strategic business units that offer different products and services. The segments are composed of separate corporations and are managed separately. Operations in ATG primarily involve the design, manufacture, and marketing of servo-control components (i.e., torque motors, control valves, actuators, etc.) for government, commercial and industrial applications. CPG's operations involve the design, manufacture and marketing of a variety of cutlery products for use by consumers and government agencies. The Company derives its primary sales revenue from domestic customers, although a portion of finished products are for foreign end use.

As of March 31, 2020, the Company had identifiable assets of approximately $52,108,000 ($49,470,000 – December 31, 2019) of which approximately $42,579,000 ($39,980,000 – December 31, 2019) was for ATG and approximately $9,529,000 ($9,490,000 – December 31, 2019) was for CPG.

Information regarding the Company's operations in these segments is summarized as follows:

	($000's omitted except per share data)					
	ATG Three Months Ended March 31,		CPG Three Months Ended March 31,		Consolidated Three Months Ended March 31,	
	2020	2019	2020	2019	2020	2019
Revenues from unaffiliated customers	$ 13,814	$ 10,595	$ 1,634	$ 1,408	$ 15,448	$ 12,003
Cost of goods sold, inclusive of depreciation	(9,366)	(8,467)	(1,370)	(1,463)	(10,736)	$ (9,930)
Gross margin (loss)	4,448	2,128	264	(55)	4,712	2,073
Gross margin %	32.2%	20.1%	16.2%	-3.9%	30.5%	17.3%
Selling, general and administrative	(1,743)	(1,280)	(525)	(647)	(2,268)	(1,927)
Interest	(38)	(19)	(4)	(8)	(42)	(27)
Total costs and expenses	(11,147)	(9,766)	(1,899)	(2,118)	(13,046)	(11,884)
Income/(loss) before income tax provision	2,667	829	(265)	(710)	2,402	119
Income tax provision (benefit)	560	145	(56)	(124)	504	21
Net income/(loss)	$ 2,107	$ 684	$ (209)	$ (586)	$ 1,898	$ 98
Capital expenditures	$ 413	$ 405	$ -	$ 106	$ 413	$ 511

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Overview

During the three months ended March 31, 2020 and 2019, approximately 89% and 88%, respectively, of the Company's consolidated revenues were derived from the ATG sale of product to a small base of customers. During the three months ended March 31, 2020 and 2019, approximately 11% and 12% of the Company's consolidated revenues were derived from the CPG sale of product to a large base of retail customers. There was an increase in revenue in the three months ended March 31, 2020 from 2019 of approximately $3,445,000. This is due to an increase in shipments and price/mix at the ATG of approximately $3,219,000 and a net increase at the CPG of approximately $226,000 due to an increase in shipments offset slightly by a decrease in price/mix.

The Company's commercial business is affected by such factors as uncertainties in today's global economy, global competition, the vitality and ability of the commercial aviation industry to purchase new aircraft, the effects and threats of terrorism, market demand and acceptance both for the Company's products and its customers' products which incorporate Company made components.

The ATG engages its business development efforts in its primary markets and is broadening its activities to include new domestic and foreign markets that are consistent with its core competencies. We believe our business remains particularly well positioned in the commercial aircraft market driven by the replacement of older aircraft with more fuel efficient alternatives. Although the ATG backlog continues to be strong, actual scheduled shipments may be delayed/changed as a function of the Company's customers' final delivery determinations based on changes in the global economy and other factors.

The ATG and CPG continue to respond to U.S. government procurement requests for quotes. New product development activities are ongoing along with the acquisition and development of new product lines.

See also Note 10, Business Segments, of the accompanying consolidated financial statements for information concerning business segment operating results.

Business Environment

As an essential business, we have continued to conduct our operations to the fullest extent possible, while responding to the novel coronavirus (COVID-19) outbreak with actions that include implementing measures to protect the health and safety of our employees, including implementing social distancing protocols, requiring working from home for those employees that do not need to be physically present on the manufacturing floor to perform their work and extensively and frequently disinfecting our workspaces.

We have experienced, and expect to continue to experience, reductions in customer demand and we expect that the social distancing measures and any preventive or protective actions taken by governmental authorities will more meaningfully impact our operations, supply chain, and customers in the second quarter and possibly beyond. The extent to which COVID-19 may adversely impact our business depends on future developments, which are highly uncertain and unpredictable, depends upon the severity and duration of the outbreak and the effectiveness of actions taken globally to contain or mitigate its effect. Any resulting financial impact cannot be estimated reasonably at this time, but may materially adversely affect our business, results of operations, financial condition, and cash flows. Even after the COVID-19 pandemic has subsided, we may experience materially adverse impacts to our business due to any resulting economic recession or depression.

We took actions in the first quarter to strengthen our liquidity and financial condition. On March 20, 2020 we increased our line of credit to $6,000,000 as part of our pre-COVID-19 planning. Additionally, after quarter-end, we applied for and received a $4,000,000 loan as part of the Paycheck Protection Program authorized under the CARES Act. We believe the combination of the PPP loan and our increased capacity under our line of credit, together with internal cost reductions will preserve our financial flexibility during the pandemic.

Results of Operations

The following table compares the Company's consolidated statements of income data for the three months ended March 31, 2020 and 2019:

	($000's omitted except per share data) Three Months Ended March 31,				2020 vs 2019	
	2020		2019			
	Dollars	% of Sales	Dollars	% of Sales	Dollar Change	% Increase (Decrease)
Revenues:						
Advanced Technology	$ 13,814	89.4%	$ 10,595	88.3%	$ 3,219	30.4%
Consumer Products	1,634	10.6%	1,408	11.7%	226	16.1%
	15,448	100.0%	12,003	100.0%	3,445	28.7%
Cost of goods sold, inclusive of depreciation and amortization	10,736	69.5%	9,930	82.7%	806	8.1%
Gross margin	4,712	30.5%	2,073	17.3%	2,639	127.3%
Gross margin %	30.5%		17.3%			
Selling, general and administrative	2,268	14.7%	1,927	16.1%	341	17.7%
Interest expense	42	0.3%	27	0.2%	15	55.6%
Total costs and expenses	13,046	84.5%	11,884	99.0%	1,162	9.8%
Income tax provision	504	3.3%	21	0.2%	483	2300.0%
Net income	$ 1,898	12.3%	$ 98	0.8%	$ 1,800	1836.7%

Revenue

The Company's consolidated revenues from operations increased approximately $3,445,000 or 28.7% for the three month period ended March 31, 2020 when compared to the same period in 2019. This is due to an increase in shipments and price/mix at the ATG of approximately $3,219,000 or 30.4% and a net increase at the CPG of approximately $226,000 or 16.1%, due to an increase in shipments offset slightly by a decrease in price/mix.

The increase in revenue is attributable to an increase in shipments at the ATG of approximately $2,400,000 and an increase in price/mix of units shipped of approximately $819,000. Additionally, there was an increase in shipments at the CPG of approximately $227,000 slightly offset by a decrease in price/mix at the CPG of approximately $1,000 for the three month period ended March 31, 2020 when compared to the same period in 2019.

Gross Margin

The Company's consolidated gross margin increased approximately $2,639,000 or 127.3% for the three month period ended March 31, 2020 when compared to the same period in 2019. This is due to an increase in shipments and price/mix at the ATG of approximately $1,999,000 and $321,000, respectively, as compared to the same period in 2019. In addition, there was an increase in shipments and price/mix at the CPG of approximately $5,000 and $314,000, respectively, as compared to the same period in 2019.

The 12.1% increase in gross margin as a percentage of ATG revenue is attributed to improved factory utilization of approximately $314,000 and an increase in all overhead expenditures offset by overhead liquidation of approximately $585,000 when compared to the same period in 2019. The 20.1% increase in gross margin as a percentage of CPG revenue is primarily attributable to improved factory utilization at the Company's facility for the implementation of production of the ATG product in Franklinville, NY of approximately $255,000, lower costs for outside consultants of approximately $40,000 and a net decrease of all other accounts of approximately $24,000 as compared to same period in 2019.

Selling, General and Administrative Expenses

Selling, general and administrative (SG&A) expenses increased approximately $341,000 or 17.7% for the three month period ended March 31, 2020 compared to the same period in 2019. This net increase is driven by an increase of approximately $463,000 at the ATG offset by a decrease of approximately $122,000 at the CPG. The ATG increase is driven by headcount, wages and employee related benefits, including post retirement benefits of approximately $235,000, approximately $125,000 for Legal expense, approximately $40,000 for bad debt expenditures, approximately $28,000 for Directors Fees & expenses and a net increase of approximately $35,000 in all other SG&A expenditures for the ATG for the three month period ended March 31, 2020 compared to the same period in 2019. The CPG decrease is driven by lower expenditures of approximately $62,000 for media and advertising, approximately $44,000 for trade shows and travel, and approximately $44,000 related to sales support offset by a net increase of approximately $28,000 in all other SG&A expenditures for the CPG for the three month period ended March 31, 2020 compared to the same period in 2019.

Interest Expense

Interest expense increased approximately $15,000 or 55.6% primarily due to the equipment lease/note line of credit for the ATG for the three month period ended March 31, 2020 compared to the same period in 2019. See also Note 5, Long-Term Debt, of the accompanying consolidated financial statements for information on long-term debt.

Net Income

Income from operations increased approximately $1,800,000 or 1836.7% when comparing the three month period ended March 31, 2020 to the same period in 2019. Net income at the ATG improved by approximately $1,423,000 while the net loss at the CPG improved by approximately $377,000. This increase is the result of a pretax increased revenue and lower cost of goods sold and SG&A costs as a percentage of revenue for the period as compared to the same period in the prior year.

Liquidity and Capital Resources

The Company's primary liquidity and capital expenditure requirements relate to working capital needs; primarily inventory, accounts receivable, accounts payable, capital expenditures for property, plant and equipment and principal payments on debt. At March 31, 2020, the Company had working capital of approximately $30,123,000 ($27,659,000 – 2019) of which approximately $1,735,000 ($2,029,000 – 2019) was comprised of cash.

The Company used approximately $322,000 in cash from operations during the three month period ended March 31, 2020 as compared to generating cash of approximately $505,000 during the same period in 2019. Cash was generated primarily through net income of approximately $1,898,000, adjustments to reconcile net income to net cash of approximately $584,000 offset by the net use of cash by all other operating changes of approximately $(2,805,000), primarily attributable to the purchase of inventory.

The Company's primary use of cash in its financing and investing activities in the three month period ended March 31, 2020 included approximately $136,000 of current principal payments on long-term debt, approximately $100,000 for the purchase of treasury shares, as well as capital expenditures of approximately $413,000 to increase production requirements at the ATG.

At March 31, 2020, the Company had a $6,000,000 line of credit. The interest rate is a rate per year equal to the bank's prime rate or Libor plus 1.4%. In addition, effective June 17, 2019, the Company is required to pay a commitment fee of 0.15% on the unused portion of the line of credit. The line of credit expires June 19, 2021. There was $3,750,000 balance outstanding at March 31, 2020 and $3,000,000 balance at December 31, 2019.

The Company had an equipment loan facility in the amount of $2,500,000 available until November 30, 2019. This line was non-revolving and non-renewable. The loan term for the equipment covered by the agreement is 60 months. Monthly payments are fixed for the term of each funding based upon the Lender's lease pricing in effect at the time of such funding. There was approximately $637,000 outstanding at March 31, 2020 and $670,000 at December 31, 2019.

The Company established a lease line of credit for equipment financing in the amount of $1,000,000 available until June 28, 2018. This line was non-revolving and non-renewable. The lease term for equipment covered by the lease line of credit is 60 months. Monthly payments are fixed for the term of each funding based upon the Lender's lease pricing in effect at the time of such funding. There was approximately $428,000 outstanding at March 31, 2020 and $468,000 at December 31, 2019.

As of April 21, 2020 the Company executed a promissory note in the amount of $4,000,000 as part of the Paycheck Protection Program (the "PPP Loan") administered by the Small Business Administration and authorized under the CARES Act. The term of the PPP Loan is two years with an annual interest rate of 1.00%. Payments of principal and interest on the PPP Loan will be deferred for the first six months of the loan term. Under the terms of the CARES Act, the PPP Loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and the maintenance of its payroll levels. No assurance can be given that the Company will obtain forgiveness of the PPP Loan in whole or in part.

The Company believes its cash generating capability and financial condition, together with available credit facilities will be adequate to meet our future operating, investing and financing needs.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company carried out an evaluation under the supervision and with the participation of its management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15 (e)) as of March 31, 2020. Based upon that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures are effective to ensure that the information required to be disclosed by the Company in SEC reports under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls

During the three month period ended March 31, 2020, there were no changes in internal controls over financial reporting that have materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

Except as set forth in Note 8, Litigation, there are no other legal proceedings which are material to the Company currently pending by or against the Company other than litigation incidental to the business, which is not expected to have a material adverse effect on the business or earnings of the Company.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Company Purchases of Company's Equity Securities

2020 Periods	Total Number of Shares Purchased	Weighted Average Price $ Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that may yet be Purchased under the Plans or Programs (1)
January	9,903(2)	$ 10.07	360	89,385
February	-	-	-	89,385
March	-	-	-	89,385
Total	9,903	$ 10.07	360	89,385

(1) The Company's Board of Directors authorized the purchase of up to 450,000 shares of its common stock in the open market or in privately negotiated transactions. As of March 31, 2020, the Company has purchased 360,615 shares and there remains 89,385 shares available to purchase under this program. There were 360 shares purchased by the Company during the three month period ended March 31, 2020.

(2) Includes 9,543 shares withheld by the Company in January 2020 to satisfy statutory minimum withholding tax requirements for those participants who elected this option as permitted under the Company's 2012 Long-Term Incentive Plan.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable

Item 6. Exhibits

10.1 Promissory Note dated as of April 21, 2020 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on April 28, 2020)

31.1 Certification of Principal Executive Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith)

31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Filed herewith)
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Filed herewith)
101	The following materials from Servotronics, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in XBRL (eXtensible Business Reporting Language): (i) consolidated balance sheets, (ii) consolidated statements of income, (iii) consolidated statements of cash flows and (iv) the notes to the consolidated financial statements.

FORWARD-LOOKING STATEMENTS

In addition to historical information, certain sections of this Form 10-Q contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "goal," and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve numerous risks and uncertainties. The Company derives a material portion of its revenues from contracts with agencies of the U.S. Government or their prime contractors. The Company's business is performed under fixed price contracts and the following factors, among others discussed herein, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: uncertainties in today's global economy and global competition, and difficulty in predicting defense appropriations; the duration and scope of the coronavirus ("COVID-19") pandemic, actions governments, and businesses take in response to the COVID-19 pandemic, including mandatory business closures; the impact of the pandemic and actions taken on regional economies; the pace of recovery when the COVID-19 pandemic subsides; the vitality of the commercial aviation industry and its ability to purchase new aircraft; the willingness and ability of the Company's customers to fund long-term purchase programs; and market demand and acceptance both for the Company's products and its customers' products which incorporate Company-made components. The success of the Company also depends upon the trends of the economy, including interest rates, income tax laws, governmental regulation, legislation, population changes and those risk factors discussed elsewhere in this Form 10-Q. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management's analysis only as of the date hereof. The Company assumes no obligation to update forward-looking statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 13, 2020

SERVOTRONICS, INC.

By: /s/ Kenneth D. Trbovich, Chief Executive Officer
Kenneth D. Trbovich
Chief Executive Officer

By: /s/ Lisa F. Bencel, Chief Financial Officer
Lisa F. Bencel
Chief Financial Officer

BANK OF AMERICA

Promissory Note

Date	Loan Amount	Interest Rate after Deferment Period	Deferment Period
April 14, 2020	$ 4,000,000.00	1.00% fixed per annum	6 months

This Promissory Note (“Note”) sets forth and confirms the terms and conditions of a term loan to Servotronics Inc. (whether one or more than one, “'Borrower'”) from Bank of America, NA, a national banking association having an address of P.O. Box 15220, Wilmington, DE 19886-5220 (together with its agents, affiliates, successors and assigns, the “Bank”) for the Loan Amount and at the Interest Rate stated above (the “Loan”). The Loan is made pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The funding of the Loan is conditioned upon approval of Borrower's application for the Loan and Bank's receiving confirmation from the SBA that Bank may proceed with the Loan. The date on which the funding of the Loan takes place is referred to as the “Funding Date”. If the Funding Date is later than the date of this Note, the Deferment Period commences on the Funding Date and ends six months from the Funding Date. After sixty (60) days from the date the Loan is funded, but not more than ninety (90) days from the date the Loan is funded, Borrower shall apply to Bank for loan forgiveness. If the SBA confirms full and complete forgiveness of the unpaid balance of the Loan, and reimburses Bank for the total outstanding balance, principal and interest, Borrower's obligations under the Loan will be deemed fully satisfied and paid in full. If the SBA does not confirm forgiveness of the Loan, or only partly confirms forgiveness of the Loan, or Borrower fails to apply for loan forgiveness, Borrower will be obligated to repay to the Bank the total outstanding balance remaining due under the Loan, including principal and interest (the “Loan Balance”), and in such case, Bank will establish the terms for repayment of the Loan Balance in a separate letter to be provided to Borrower, which letter will set forth the Loan Balance, the amount of each monthly payment, the interest rate (not in excess of a fixed rate of one per cent (1.00%) per annum), the term of the Loan, and the maturity date of two (2) years from the funding date of the Loan. No principal or interest payments will be due prior to the end of the Deferment Period. Borrower promises, covenants and agrees with Bank to repay the Loan in accordance with the terms for repayment as set forth in that letter (the “Repayment Letter”). Payments greater than the monthly payment or additional payments may be made at any time without a prepayment penalty but shall not relieve Borrower of its obligations to pay the next succeeding monthly payment.

In consideration of the Loan received by Borrower from Bank, Borrower agrees as follows:

1. DEPOSIT ACCOUNT/USE OF LOAN PROCEEDS: Borrower is required to maintain a deposit account with Bank of America, N.A. (the “Deposit Account”) until the Loan is either forgiven in full or the Loan is fully paid by Borrower. Borrower acknowledges and agrees that the proceeds of the Loan shall be deposited by Bank into the Deposit Account The Loan proceeds are to not be used by Borrower for any illegal purpose and Borrower represents to the Bank that it will derive material benefit, directly and indirectly, from the making of the Loan.

2. DIRECT DEBIT. If the Loan is not forgiven and a Loan Balance remains, Borrower agrees that on the due date of any amount due as set forth in the Repayment Letter, Bank will debit the amount due from the Deposit Account established by Borrower in connection with this Loan. Should there be insufficient funds in the Deposit Account to pay all such sums when due, the full amount of such deficiency be shall be immediately due and payable by Borrower.

3. INTEREST RATE: Bank shall charge interest on the unpaid principal balance of the Loan at the interest rate set forth above under “Interest Rate” from the date the Loan was funded until the Loan is paid in full.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS. (1) Borrower represents and warrants to Bank, and covenants and agrees with Bank, that: (i) Borrower has read the statements included in the Application, including the Statements Required by Law and Executive Orders, and Borrower understands them. (ii) Borrower was and remains eligible to receive a loan under the rules in effect at the time Borrower submitted to Bank its Paycheck Protection Program Application Form (the “Application”) that have been issued by the SBA implementing the Paycheck Protection Program under Division A, Title I of the CARES Act (the “Paycheck Protection Program Rule”). (iii) Borrower (a) is an independent contractor, eligible self-employed individual, or sole proprietor or (b) employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for Borrower's industry. (iv) Borrower will comply whenever applicable, with the civil rights and other limitations in the Application. (v) All proceeds of the Loan will be used only for business-related purposes as specified in the Application and consistent with the Paycheck Protection Program Rule. (vi) To the extent feasible, Borrower will purchase only American-made equipment and products. (vii) Borrower is not engaged in any activity that is illegal under federal, state or local law. (viii) Borrower certifies that any loan received by Borrower under Section 7(b)(2) of the Small Business Act between January 31, 2020 and Apri1 3, 2020 that will remain outstanding after funding of this Loan was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule. (ix) Borrower was in operation on February 15, 2020 and had employees for whom Borrower paid salaries and payroll taxes or paid independent contractors (as reported on Form(s) 1099-MISC). (x) The current economic uncertainty makes the request for the Loan necessary to support the ongoing operations of Borrower. (xi) All proceeds of the Loan will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule and Borrower acknowledges that if the funds are knowingly used for unauthorized purposes, the federal government may hold Borrower and/or Borrower's authorized representative legally liable, such as for charges of fraud. (xii) Borrower has provided Bank true, correct and complete information demonstrating that Borrower had employees for whom Borrower paid salaries and payroll taxes on or around February 15, 2020. (xiii) Borrower has provided to Bank all documentation available to Borrower on a reasonable basis verifying the dollar amounts of average monthly payroll costs for the calendar year 2019, which documentation shall include, as applicable, copies of payroll processor records, payroll tax filings and/or Form 1099-MISC. (xiv) Borrower will promptly provide to Bank (a) any additional documentation that Bank requests in order to verify payroll costs and (b) documentation verifying the number of full-time equivalent employees on payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight week period following the Loan. (xv) Borrower acknowledges that (a) loan forgiveness will be provided by the SBA for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the Forgivable Amount may be for non-payroll costs (xvi) During the period beginning on February 15, 2020 and ending on December 31, 2020, Borrower has not and will not receive any other loan under the Paycheck Protection Program. (xvii) Borrower certifies that the information provided in the Application and the information that Borrower provided in all supporting documents and forms is true and accurate in all material respects. Borrower acknowledges that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to $250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than $5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than $1,000,000. (xviii) Borrower understands, acknowledges and agrees that Bank can share any tax information received from Borrower or any Owner with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews. (xix) Neither Borrower nor any Owner, is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy. (xx) Neither Borrower, nor any Owner, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government. (xxi) Neither Borrower, nor any Owner, is an owner of any other business or has common management with any other business, except as disclosed to the Bank in connection with the Borrower's Application. (xxii) Borrower did not receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020, except as disclosed to the Bank in connection with the Borrower's Application. (xxiii) Neither Borrower (if an individual), nor any individual owning 20% or more of the equity of Borrower (each, an “Owner”'), is subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are

brought in any jurisdiction, or presently incarcerated, on probation or parole. (xxiv) Neither Borrower (if an individual), nor any Owner, has within the last *5* years been convicted; pleaded guilty; pleaded nolo contendere; been placed on pretrial diversion; or been placed on any form of parole or probation (including probation before judgment) for any felony. (xxv) The United States is the principal place of residence for all employees of Borrower included in Borrower's payroll calculation included in the Application. (xxvi) The Borrower correctly indicated on its Application whether it is a franchise that is listed in the SBA's franchise directory. (xxvii) If Borrower is claiming an exemption from all SBA affiliation rules applicable to Paycheck Protection Program loan eligibility under the religious exemption to the affiliation rules, Borrower has made a reasonable, good faith determination that it qualifies for such religious exemption under 13 C.F.R. 121.103(b)(10), which provides that "[t]he relationship of a faith-based organization to another organization is not considered an affiliation with the other organization... If the relationship is based on a religious teaching or belief or otherwise constitutes a part of the exercise of religion." (2) At all times during the term the of the Loan, Borrower represents and warrants to the Bank, that (i) if Borrower is anything other than a natural person, it is duly formed and existing under the laws of the state or other jurisdiction where organized; (ii) this Note, and any instrument or agreement required under this Note, are within Borrower's powers, have been duly authorized, and do not conflict with any of its organizational papers; (iii) the information included in the Beneficial Ownership Certification most recently provided to the Bank, if applicable, is true and correct in all respects; and (iv) in each state in which Borrower does business, it is properly licensed, in good standing, and, where required, in compliance with fictitious name (e.g. trade name or d/b/a) statutes. **IF THE FUNDING DATE IS AFTER THE DATE OF THIS NOTE, BORROWER AGREES THAT BORROWER SHALL BE DEEMED TO HAVE REPEATED AND REISSUED, IMMEDIATELY PRIOR TO THE FUNDING ON THE FUNDING DATE, THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS SET FORTH ABOVE IN TIDS PARAGRAPH**

5. EVENTS OF DEFAULT: If the Loan is not forgiven and a Loan Balance remains, then from the date the Repayment Letter is sent to Borrower until the Loan Balance is fully paid, the occurrence and continuation of any of the following events shall constitute a default hereunder: (i) insolvency, bankruptcy, dissolution, issuance of an attachment or garnishment against Borrower; (ii) failure to make any payment when due under the Loan or any or all other loans made by Bank to Borrower, and such failure continues for ten (1 0) days after it first became due; (iii) failure to provide current financial information promptly upon request by Bank; (iv) the making of any false or materially misleading statement on any application or any financial statement for the Loan or for any or all other loans made by Bank to Borrower; (v) Bank in good faith believes the prospect of payment under the Loan or any or all other loans made by Bank to Borrower is impaired; (vi) Borrower under or in connection with the Loan or any or all other loans made by Bank to Borrower fails to timely and properly observe, keep or perform any term, covenant, agreement, or condition therein; (vii) default shall be made with respect to any other indebtedness for borrowed money of Borrower, if the default is a failure to pay at maturity or if the effect of such default is to accelerate the maturity of such indebtedness for borrowed money or to permit the holder or obligee thereof or other party thereto to cause any such indebtedness for borrowed money to become due prior to its stated maturity; (viii) the Bank in its sole discretion determines in good faith that an event has occurred that materially and adversely affects Borrower; (ix) any change shall occur in the ownership of the Borrower; (x) permanent cessation of Borrower's business operations; (xi) Borrower, if an individual, dies, or becomes disabled, and such disability prevents the Borrower from continuing to operate its business; (xii) Bank receives notification or is otherwise made aware that Borrower, or any affiliate of Borrower, is listed as or appears on any lists of known or suspected terrorists or terrorist organizations provided to Bank by the U.S. government under the USA Patriot Act of 2001; and (xiii) Borrower fails to maintain the Deposit Account with the Bank.

6. REMEDIES: If the Loan is not forgiven and a Loan Balance remains, then from the date the Repayment Letter is sent to Borrower, upon the occurrence of a default, all or any portion of the entire amount owing on the Loan, and any and all other loans made by Bank to Borrower, shall, at Bank's option, become immediately due and payable without demand or notice. Upon a default, Bank may exercise any other right or remedy available to it at law or in equity. All persons included in the term "Borrower" are jointly and severally liable for repayment, regardless of to whom any advance of credit was made. Borrower shall pay any costs Bank may incur including without limitation reasonable attorney's fees and court costs should the Loan and/or any and all other loans made by Bank to Borrower be referred to an attorney for collection to the extent permitted under applicable state law. EACH PERSON INCLUDED IN THE TERM BORROWER WAIVES ALL SURETYSHIP AND OTHER SIMILAR DEFENSES TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW.

7. CREDIT INVESTIGATION: If the Loan is not forgiven and a Loan Balance remains, then from the date the Repayment Letter is sent to Borrower until the Loan Balance is fully paid, Borrower authorizes Bank and any of its affiliates at any time to make whatever credit investigation Bank deems is proper to evaluate Borrower's credit, financial standing and employment and Borrower authorizes Bank to exchange Borrower's credit experience with credit bureaus and other creditors Bank reasonably believes are doing business with Borrower. Borrower also agrees to furnish Bank with any financial statements Bank may request at any time and in such detail as Bank may require.

8. NOTICES: Borrower's request for Loan forgiveness, and the documentation that must accompany that request, shall be submitted to Bank by transmitting the communication to the electronic address, website, or other electronic transmission portal provided by Bank to Borrower. Otherwise, all notices required under this Note shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Note, or sent by facsimile to the fax number(s) listed on the signature page, or to such other addresses as the Bank and the Borrower may specify from time to time in writing (any such notice a "Written Notice"). Written Notices shall be effective (i) if mailed, upon the earlier of receipt or five (5) days after deposit in the U.S. mail, first class, postage prepaid, (ii) if telecopied, when transmitted, or (iii) if hand-delivered, by courier or otherwise (including telegram, lettergram or mailgram), when delivered. In lieu of a Written Notice, notices and/or communications from the Bank to the Borrower may, to the extent permitted by law, be delivered electronically (i) by transmitting the communication to the electronic address provided by the Borrower or to such other electronic address as the Borrower may specify from time to time in writing, or (ii) by posting the communication on a website and sending the Borrower a notice to the Borrower's postal address or electronic address telling the Borrower that the communication has been posted, its location, and providing instructions on how to view it (any such notice, an "Electronic Notice"). Electronic Notices shall be effective when presented to the Borrower, or is sent to the Borrower's electronic address or is posted to the Bank's website. To retain a copy for your records, please download and print or save a copy to your device.

9. CHOICE OF LAW; JURISDICTION; VENUE. (1) At all times that Bank is the holder of this Note, except to the extent that any law of the United States may apply, this Note shall be governed and interpreted according to the internal laws of the state of Borrower's principal place of business (the "Governing Law State"), without regard to any choice of law, rules or principles to the contrary. However, the charging and calculating of interest on the obligations under this Note shall be governed by, construed and enforced in accordance with the laws of the state of North Carolina and applicable federal law. Nothing in this paragraph shall be construed to limit or otherwise affect any rights or remedies of Bank under federal law. Borrower and Bank agree and consent to be subject to the personal jurisdiction of any state or federal court located in the Governing Law State so that trial shall only be conducted by a court in that state. (2) Notwithstanding the foregoing, when SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

10. MISCELLANEOUS. The Loan may be sold or assigned by Bank without notice to Borrower. Borrower may not assign the Loan or its rights hereunder to anyone without Bank's prior written consent. If any provision of this Note is contrary to applicable law or is found unenforceable, such provision shall be severed from this Note without invalidating the other provisions thereof. Bank may delay enforcing any of its rights under this Note without losing them, and no failure or delay on the part of Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. Bank, by its acceptance hereof, and the making of the Loan and Borrower understand and agree that this Note constitutes the complete understanding between them. This Note shall be binding upon Borrower, and its successors and assigns, and inure to the benefit of Bank and its successors and assigns.

11. BORROWING AUTHORIZED. The signer for Borrower represents, covenants and warrants to Bank that he or she is certified to borrow for the Borrower and is signing this Note as the duly authorized sole proprietor, owner, sole shareholder, officer, member, managing member, partner, trustee, principal, agent or representative of Borrower, and further acknowledges and confirms to Bank that by said signature he or she has read and understands all of the terms and provisions contained in this Note and agrees and consents to be bound by them. This Note and any instrument or agreement required herein, are within the Borrower's powers, have been duly authorized, and do not conflict with any of its organizational papers. The individuals signing this Agreement on behalf of each Borrower are authorized to sign such documents on behalf of such entities. For purposes of this Note only, the Bank may rely upon and accept the authority of only one signer on behalf of the Borrower, and for this Note, this resolution supersedes and replaces any prior and existing contrary resolution provided by Borrower to Bank.

12. ELECTRONIC COMMUNICATIONS AND SIGNATURES. This Note and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Note (each a "Communication"), including Communications required to be in writing, may, if agreed by the Bank, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. The Borrower agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Borrower to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Bank. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Bank may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the Bank's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Bank is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Bank pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Bank has agreed to accept such Electronic Signature, the Bank shall be entitled to rely on any such Electronic Signature without further verification and (b) upon the request of the Bank any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

13. CONVERSION TO PAPER ORIGINAL. At the Bank's discretion the authoritative electronic copy of this Note ("Authoritative Copy") may be converted to paper and marked as the original by the Bank (the "Paper Original"). Unless and until the Bank creates a Paper Original, the Authoritative Copy of this Agreement: (1) shall at all times reside in a document management system designated by the Bank for the storage of authoritative copies of electronic records, and (2) is held in the ordinary course of business. In the event the Authoritative Copy is converted to a Paper Original, the parties hereto acknowledge and agree that: (1) the electronic signing of this Agreement also constitutes issuance and delivery of the Paper Original, (2) the electronic signature(s) associated with this Agreement, when affixed to the Paper Original, constitutes legally valid and binding signatures on the Paper Original, and (3) the Borrower's obligations will be evidenced by the Paper Original after such conversion.

14. BORROWER ATTESTATION. Borrower attests and certifies to Bank that it has not provided false or misleading information or statements to the Bank in its application for the Loan, and that the certifications, representations, warranties, and covenants made to the Bank in this Note and elsewhere relating to the Loan are true, accurate, and correct. Borrower further attests and certifies to Bank that it is has read, understands, and acknowledges that the Loan is being made under the CARES Act, and any use of the proceeds of the Loan other than as permitted by the CARES Act, or any false or misleading information or statements provided to the Bank in its application for the Loan or in this Note may subject the Borrower to criminal and civil liability under applicable state and federal laws and regulations, including but not limited to, the False Claims Act, 31 U.S.C. Section 3729, et. seq. Borrower further acknowledges and understands that this Note is not valid and effective until and unless Borrower's application for the Loan is approved and Bank's receiving confirmation from the SBA that Bank may proceed with the Loan.

IN WITNESS WHEREOF, I, the authorized representative of the Borrower, hereto have caused this Promissory Note to be duly executed as of the date set forth below.

BORROWER: Servotronics Inc.

Signature of Authorized Representative of Borrower

Lisa Bencel
Print Name

Authorized Representative
Title

STREET ADDRESS: 1110 Maple Road
CITY/STATE/ZIP CODE: Elma, New York 14059

Exhibit 31.1

CERTIFICATION

I, Kenneth D. Trbovich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Servotronics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2020

/s/ Kenneth D. Trbovich, Chief Executive Officer
Kenneth D. Trbovich
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Lisa F. Bencel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Servotronics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 13, 2020

/s/ Lisa F. Bencel, Chief Financial Officer
Lisa F. Bencel
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Servotronics, Inc. (the "Company"), on Form 10-Q for the period ended March 31, 2020, I hereby certify solely for the purpose of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The quarterly report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, and

2. The information contained in the quarterly report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2020

/s/ Kenneth D. Trbovich, Chief Executive Officer
Kenneth D. Trbovich
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Servotronics, Inc. (the "Company"), on Form 10-Q for the period ended March 31, 2020, I hereby certify solely for the purpose of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The quarterly report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, and

2. The information contained in the quarterly report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2020

/s/ Lisa F. Bencel, Chief Financial Officer
Lisa F. Bencel
Chief Financial Officer