



Preparing for the future, while optimizing the present

## OESA/HRI Automotive Tooling Barometer

December 2016

# OESA/HRI Automotive Tooling Barometer - Dec. 2016

*The OESA Automotive Tooling Barometer survey series was created by the OESA Tooling Council with the partnership of Harbour Results, Inc. to provide an indicator of the current state of the automotive tooling industry, and the perception of near-term prospects for the industry. The OESA Automotive Tooling Barometer captures the sentiment of the major companies in this market. Each survey in the series will have a different focus; the December theme is focused on wages and tenure.*

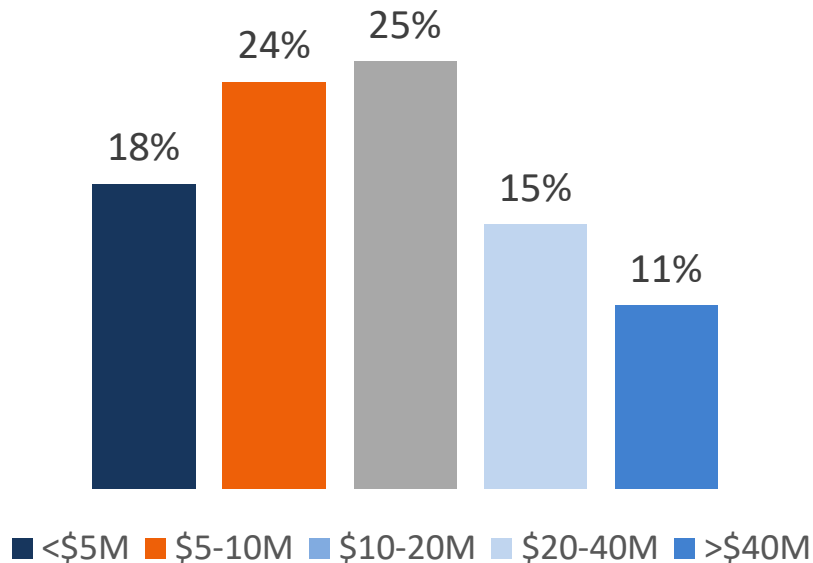
# Executive Overview

- Capacity utilization remains above 80%, a vast improvement from this time last year
- Work on hold data indicated a 2 point increase from June
- Survey participants' sentiment continues to increase, finally going above 75
- Sneak peak: Employee wages and benefits

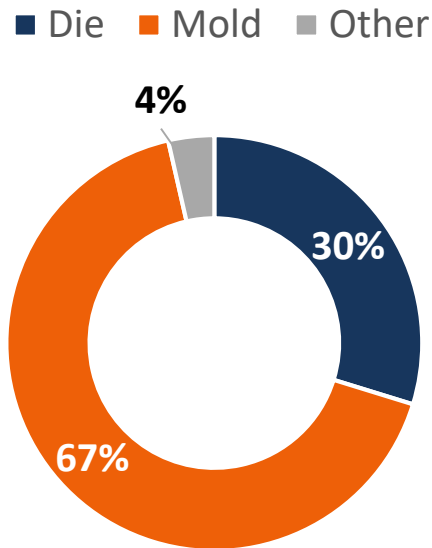
# Respondent Demographics

Total North American Respondents: 77

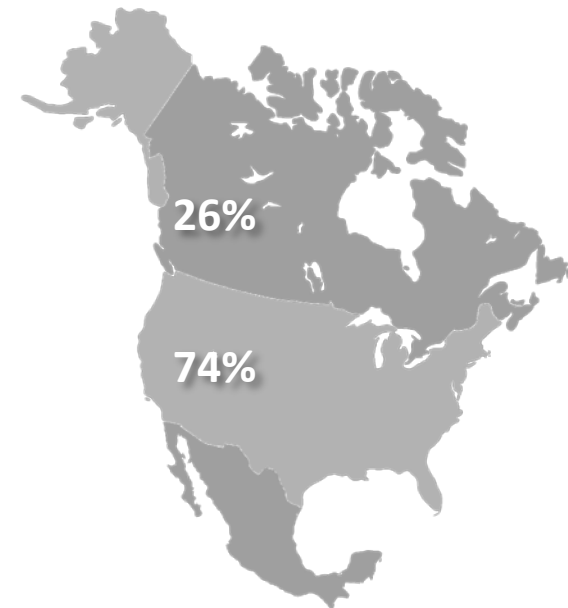
## Revenue Range



## Shop Type



## Geography



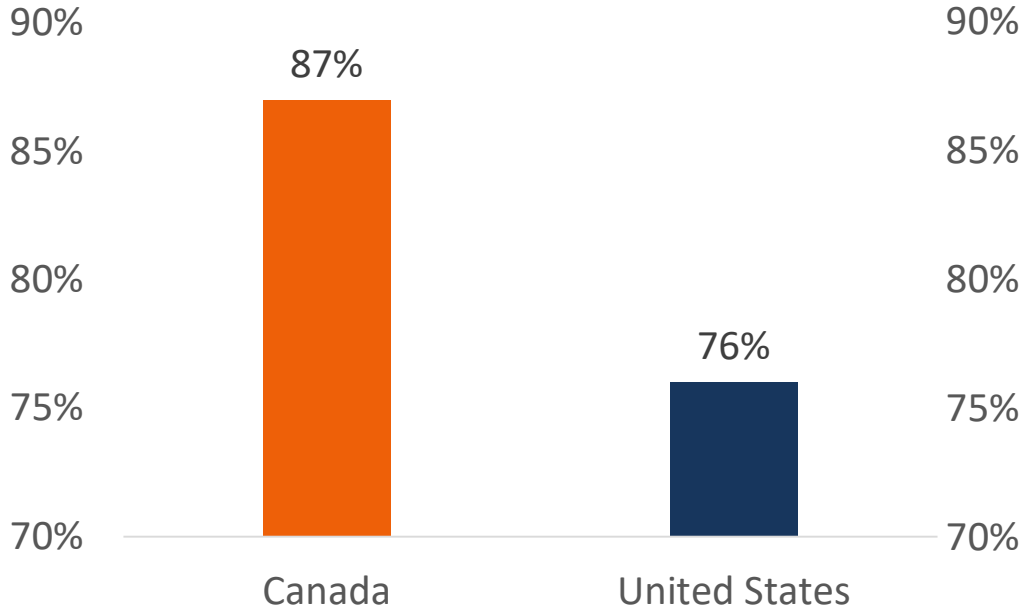
Question: Please identify your Revenue for 2015

Question: Please identify your company's geographic location

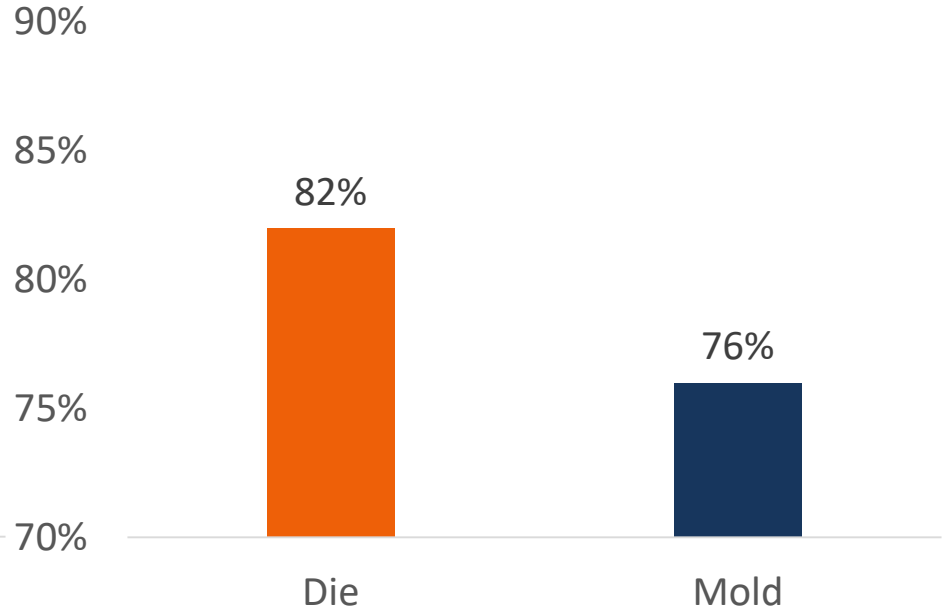
# Canadian Tool Shops Continue to be Leveraged at a Higher Rate by 11 Points

Another Positive Leading Indicator is that Die Shops have not Slowed Down

### Utilization by Country



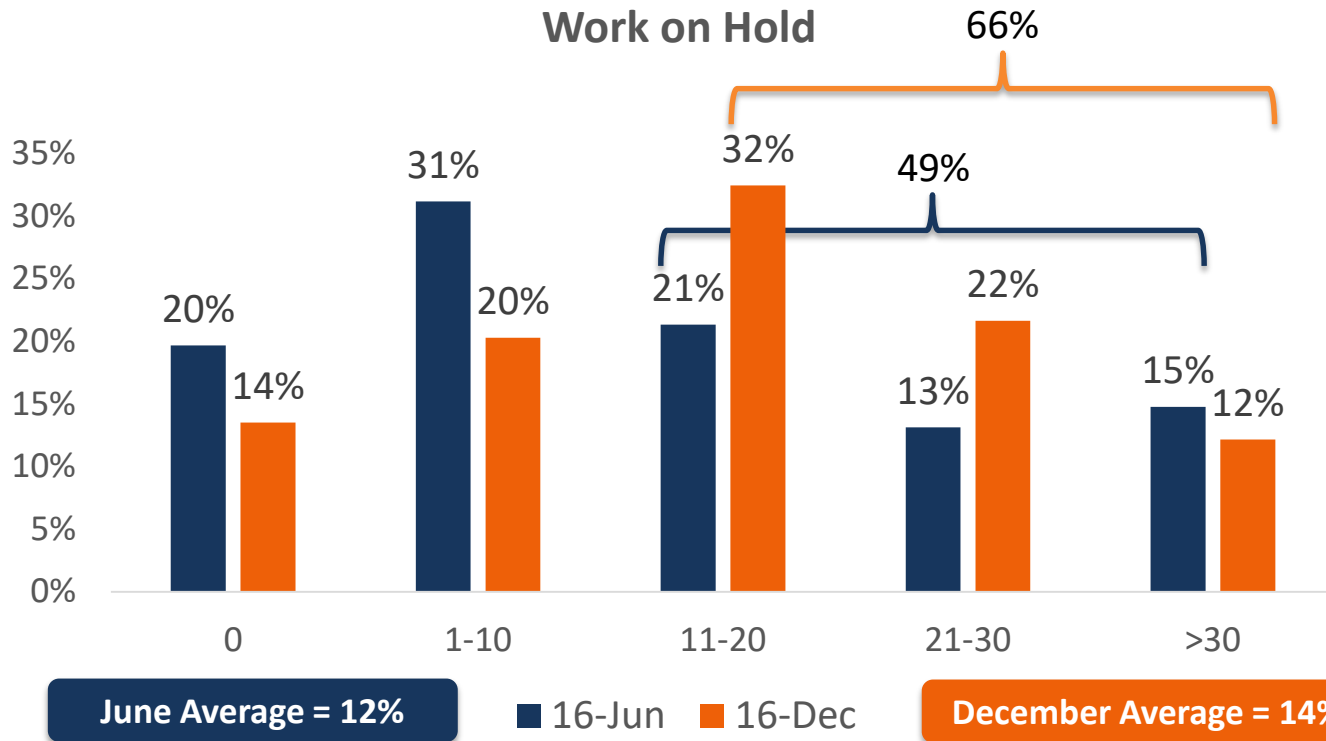
### Utilization by Shop Type



Question: What is your facility's current capacity utilization?

# Overall Work 'On Hold' Increased 2 Percentage Points Since June

Percentage of Shops with More than 10% 'On Hold' Increased by 17 Percentage Points



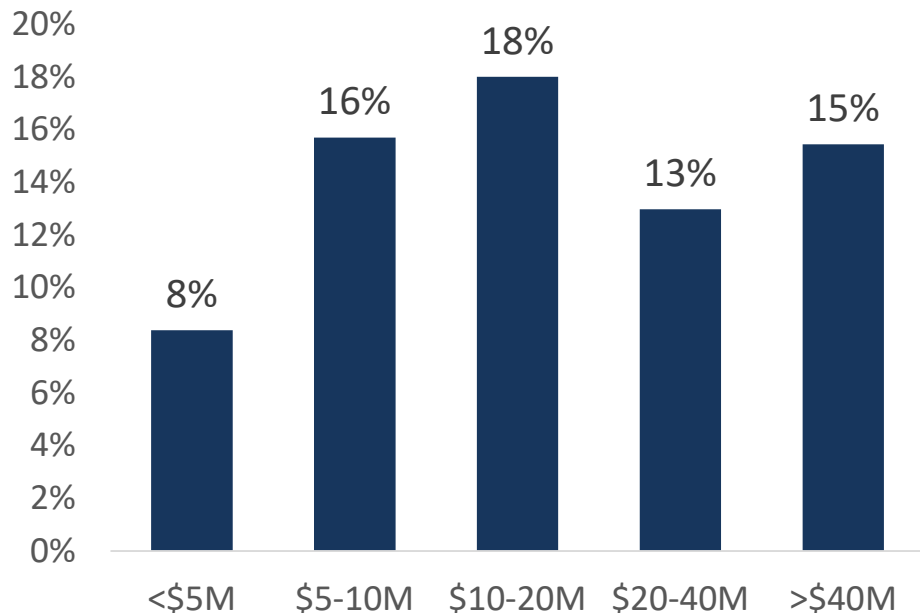
Harbour Results estimates the industry 'on hold' impact in Q3 to be around \$1.8B, an increase of about \$200M since June

Question: What percentage of jobs that you have been awarded are currently on hold due to reasons outside of your control?

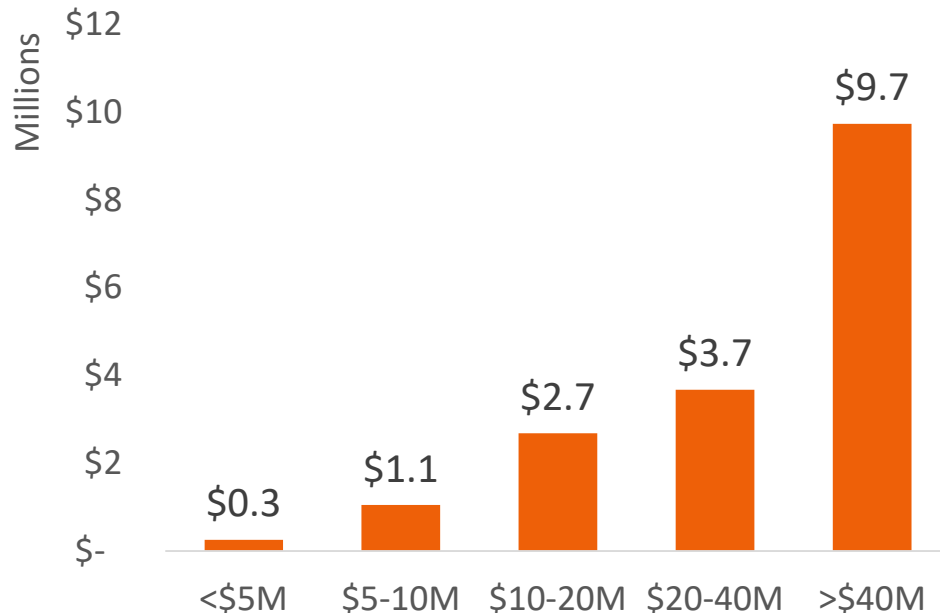
# Expressed as a Percent, Work on Hold is Relatively Flat Across Revenues

## However, Scaled for Actual Dollars, Work on Hold's Impact Increases Dramatically

### Average Work on Hold %'s



### Average Work on Hold \$'s

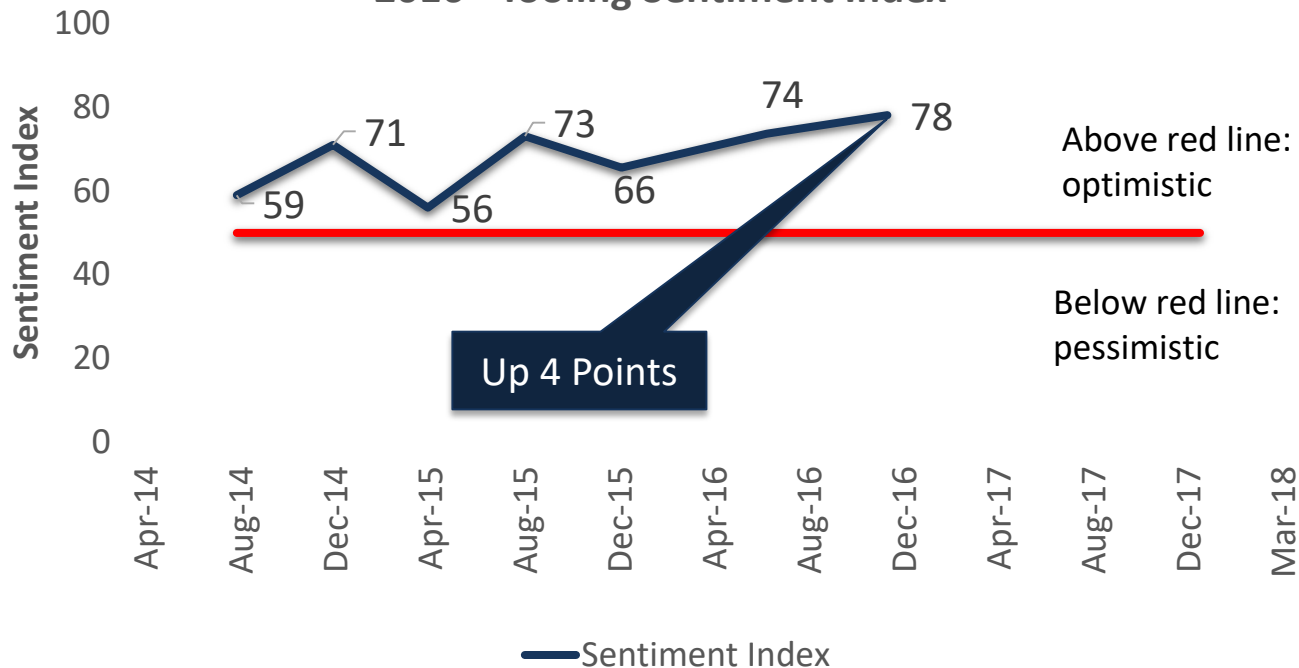


Question: What percentage of jobs that you have been awarded are currently on hold due to reasons outside of your control?

# Overall Sentiment Increases to 78, Up 4 Points Since June

Year Over Year, Sentiment has Increased from 66, an 18% Change

## 2016 - Tooling Sentiment Index



For the first time since HRI began asking about tooling sentiment, the index has gone above 75, driven by a strong auto launch outlook

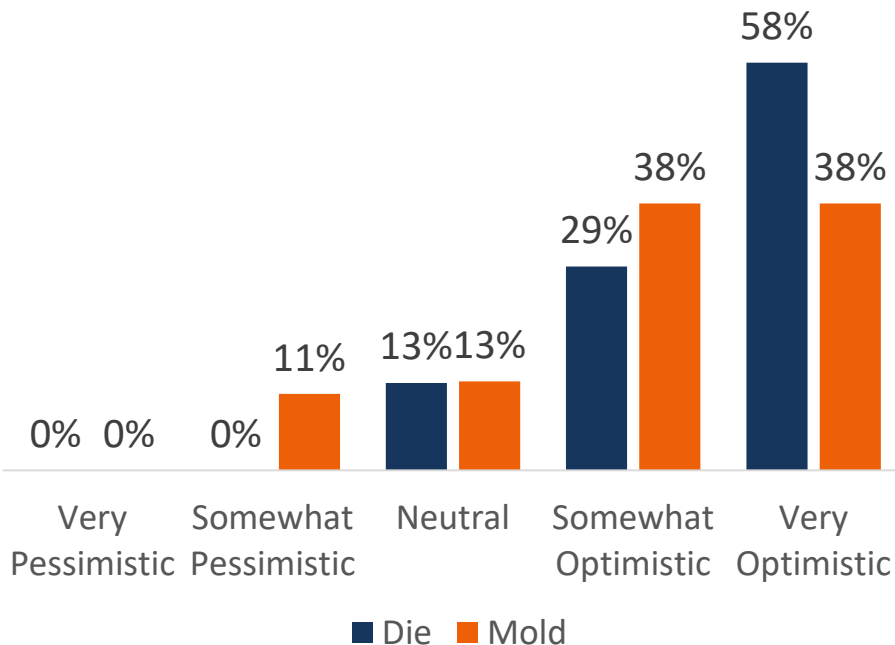
Question: How would you describe your business outlook for the next 3 months?



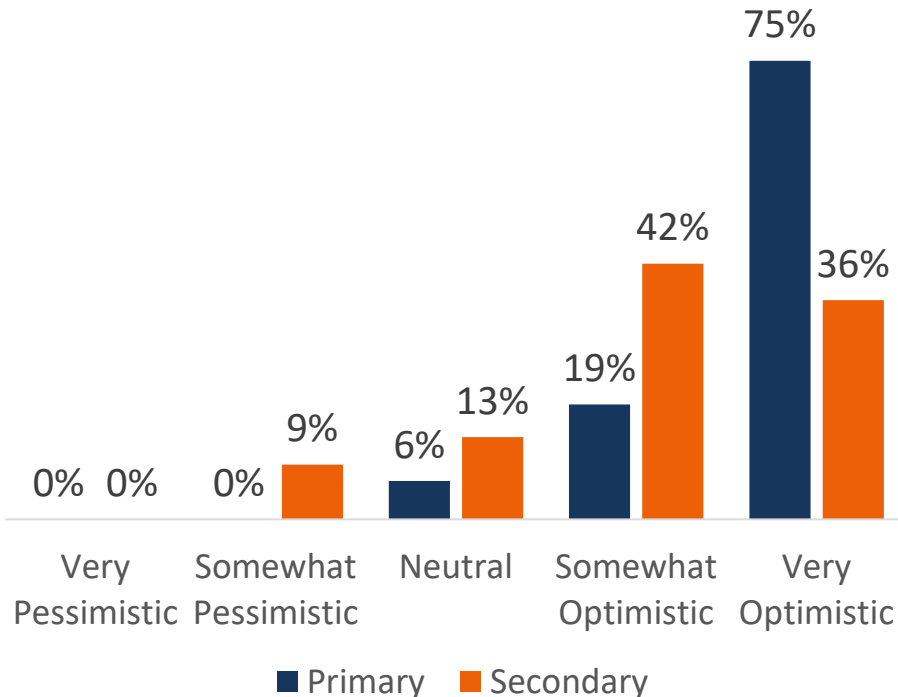
# More Die Shops Appear to be Very Optimistic, a Good Leading Indicator

Also, Primary Shops Closest to the OEMs are Overwhelmingly Positive

## Sentiment by Shop Type



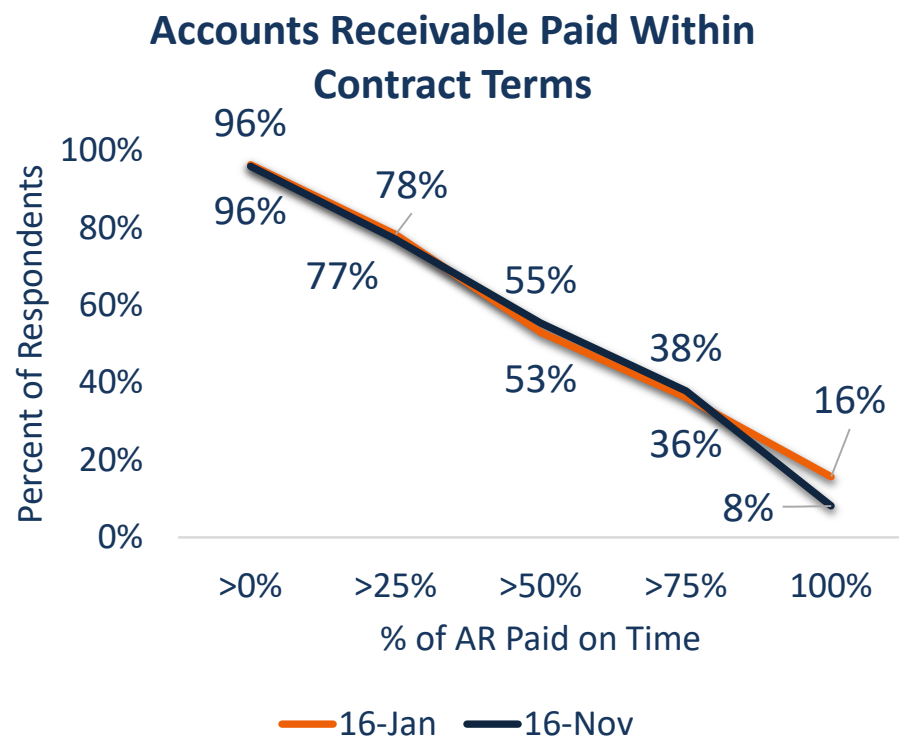
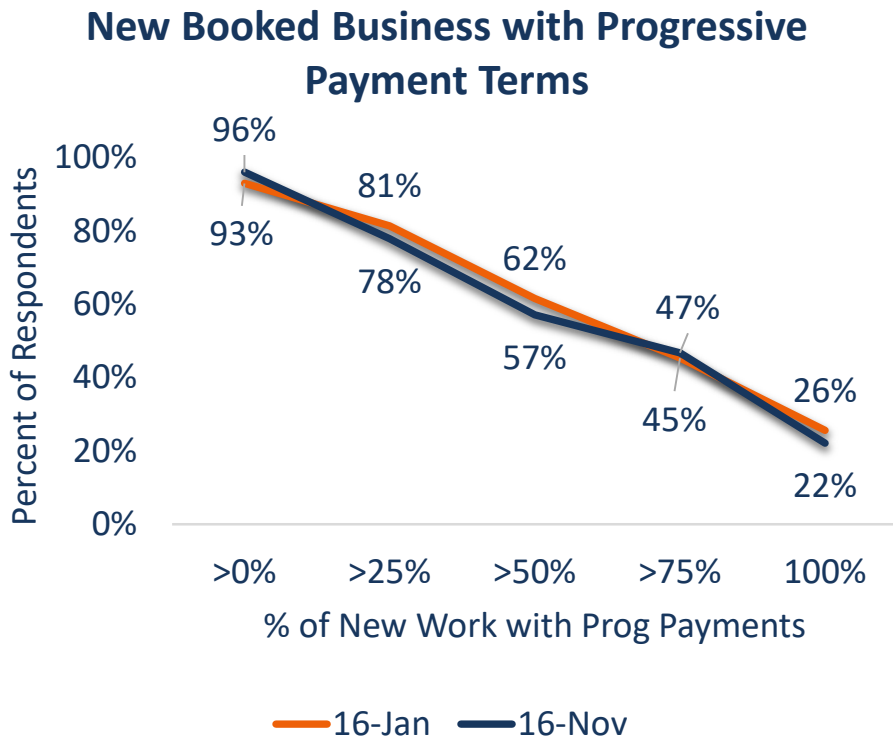
## Sentiment by 'Class'



Question: How would you describe your business outlook for the next 3 months?

# Since June, Progressive Payments Terms Have Shifted Very Little

## Accounts Receivables Also Remained Flat in the Tooling Sector



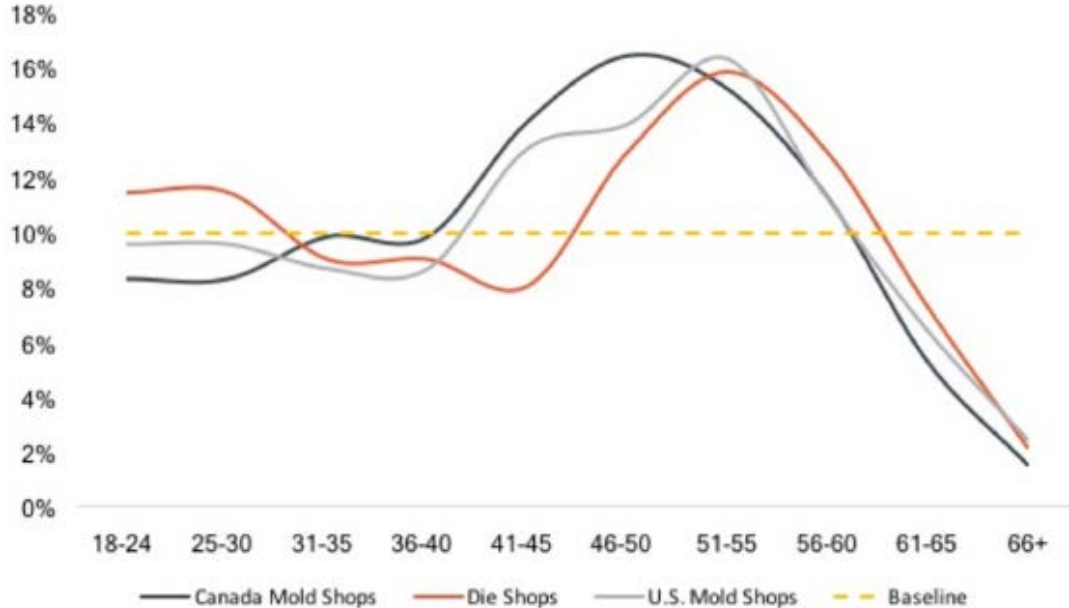
Question: Over the past 4 months, approximately what percent of your accounts receivables have been paid on time?

Question: Over the past 4 months approximately what percent of your new booked business included progressive paid terms?

# As Expected, a Significant Percentage of Employees are 40-60

Die Shops, on Average, Pay Their New Employees the Highest Starting Wage

### Employee Age Distribution



### Average Starting Wage (USD)



Question: How many employees do you currently employ by age range?

Question: What is your average starting wage for new employees?

# Executive Summary

- Capacity utilization remains strong
- Work on hold percentage relatively flat
- Sentiment index above 75
- New business booked with progressive payments shows no increase throughout 2016