

Preparing for Growth Post COVID-19

16 April 2020 – Melissa Emerson and Scott MacRitchie





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A photograph of an industrial facility, possibly a refinery or chemical plant, with complex piping and structures. The image is partially obscured by a large red overlay on the left side of the slide.

Current Industry Status

How has Manufacturing Been Affected?

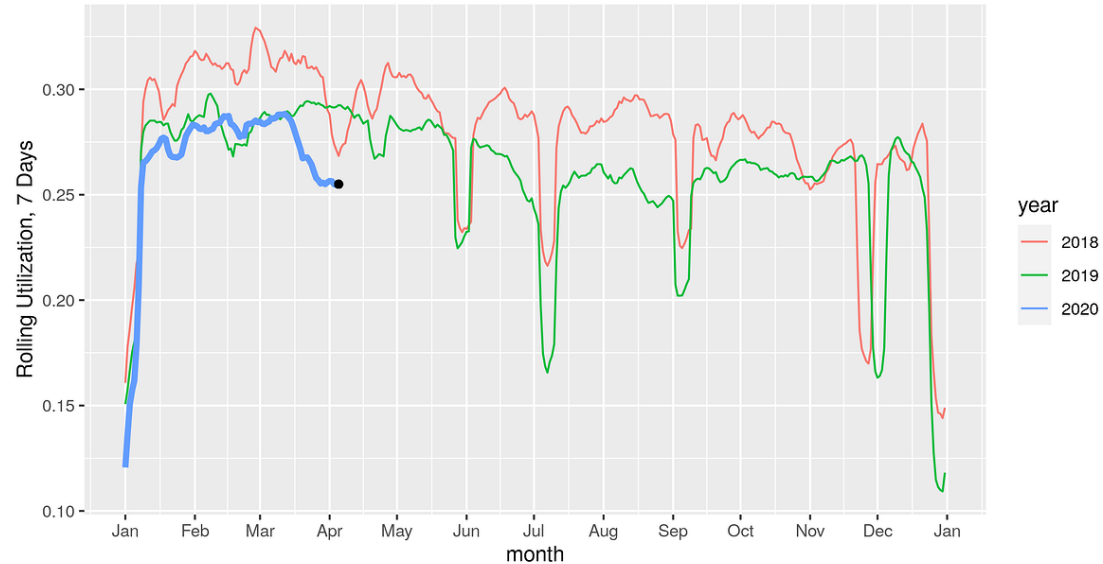
YOY Comparison

- The decline in machine utilization leveled off around March 28
- Based on feedback from our customer base, many shops closed for up to a week to reassess and put new policies and practices in place

7-day Moving Average of Utilization, By Year, Through 2020-04-05

Margin of Error \pm 2% Assuming Total Market of 200,000 US Machine Tools

Created By: MachineMetrics Data Science

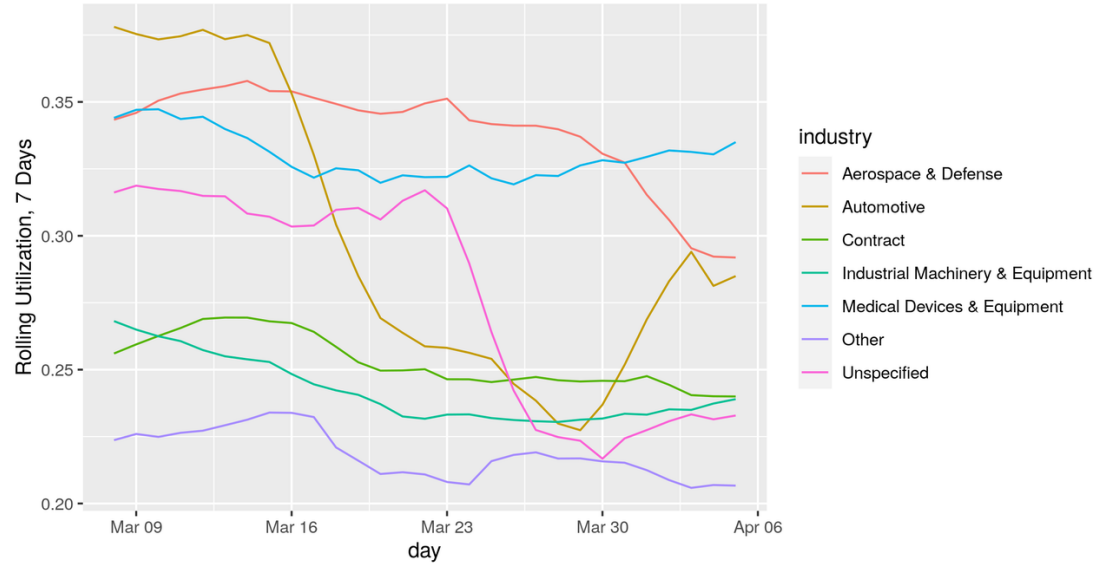


Industry Snapshot

- The Automotive bounce back is most likely due to the major OEMs re-tooling for medical production
- Medical industry has been the most stable of the industries – however, medical devices that are "non-essential" are struggling

7-day Moving Average of Utilization, Last 30 Days, Through 2020-04-05
Representative of MM Customers Only

Created By: MachineMetrics Data Science



What Necessary Medical Parts Come Out of Machining?

- Ventilator Parts
- Centrifuge Parts
- Needles



Future Trends

How will the Manufacturing Landscape be Changing?

Shifting Supply Chain

- Manufacturers are realizing they need to diversify supply chains – especially with critical components like medical devices
- A number of companies are realizing that the same parts they were sourcing from overseas can be sourced domestically, for not much more cost, and with a faster lead time

Filling Back-Log

- Many projects have been pushed back or off the books that have to do with "non-essential" business
- Once things open back up, these projects will start to pick up, creating a large amount of back-log and shops working hard to catch up
- Automation and lights out machining will cause greater risks



What Can You Do Now?

Tips to stay productive and prepare

What Can You Do Now?

- Training – Online and Future Planning
- Inventory – Review your stock
- Prospecting – Are you speaking to the right people who are about to rebound?



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Preparing for Growth

What to put in place now to capitalize on later

What to expect in the rebound?

- Customers will be demanding – are your technicians ready?
- Have you identified the customers in your portfolio?
- Machines not running, may require new installations.