Welcome to
The Industrial Truck Association
2014 Business Trends Survey

ITA 2014 Annual Meeting
The Banff Springs
Banff Springs, Alberta
Canada
2014 Business Trends Survey
Task Group

Steve McDermitt, Crown Equipment
Dave Norton, The Raymond Corporation
Chuck Bartlett, EnerSys Inc.
Jimmy McDonnell, Trelleborg
Aurelio Carinci, GNB Industrial Power

ITA Staff
Chris Buddenhagen
Brian Feehan
2014 Business Trends Survey

Panel Members

Colin Wilson (NACCO Materials Handling Group)

Tim Quellhorst (Crown Equipment)

Moderator

Aurelio Carinci (GNB Industrial Power)
• Survey Sections

• Section 1: Markets and Models

• Section 2: Procurement Practices

• Section 3: Future Technologies and Design Changes

• Each Section is followed by a Qualitative Question specific to that Section
1. Which global market do you see with the greatest potential for lift truck economic growth in the next three years?
   Rank each country listed 1-13. One being the greatest growth.

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>China</td>
<td>1</td>
<td>2</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>USA</td>
<td>2</td>
<td>10</td>
<td>3</td>
<td>4</td>
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<td>India</td>
<td>3</td>
<td>3</td>
<td>10</td>
<td>N/A</td>
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<tr>
<td>Mexico</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>N/A</td>
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<tr>
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<td>1</td>
<td>1</td>
<td>2</td>
</tr>
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<td>Rest of Asia</td>
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<td>7</td>
<td>2</td>
<td>N/A</td>
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<tr>
<td>Rest of South America</td>
<td>7</td>
<td>6</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Canada</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>N/A</td>
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<tr>
<td>Western European Countries</td>
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<td>12</td>
<td>7</td>
<td>6</td>
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<tr>
<td>Eastern European Countries</td>
<td>10</td>
<td>8</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Rest of Central America</td>
<td>11</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Africa</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Russia</td>
<td>13</td>
<td>5</td>
<td>4</td>
<td>N/A</td>
</tr>
</tbody>
</table>
2. In the South American market, do you see US exports increasing, decreasing or staying the same in the next three years?

2014

- Decreasing: 42%
- Staying the Same: 21%
- Increasing: 37%

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3. On a scale of 1 to 5, with 5 being High Influence and 1 being No Influence, what influences affect US exports to South America?

![Bar chart showing influences on US exports to South America in 2014](image)

- Tariffs: 3.3
- Local Manufacturing: 2.9
- Chinese Competitors: 2.6
- Currency Exchange: 2.5
- European Competitors: 2.0

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4. Do you see lift truck fleet size being reduced in general?

- Yes: 68%
- No: 32%
5. On a scale of 1 to 5, with 5 being High Influenced and 1 being No Influence, please rate the influence of the following factors on lift truck fleet size reduction.

- Truck Productivity: 3.3 (2014), 2.9 (2013)
- The Increased Availability of Fleet Data Usage: 3.0 (2014), 2.8 (2013)
- Warehouse Automation: 2.6 (2014), 2.2 (2013)
- Truck Durability: 3.0 (2014), 2.5 (2013)
- Reduction in Operating Costs: 2.3 (2014), 2.0 (2013)
- Price: 1.6 (2014), 2.0 (2013)
- Multi Application Truck: 1.6 (2014), 2.0 (2013)
6. On a scale of 1 to 5, with 5 indicating Very Significant Impact and 1 indicating No Impact, if you foresee the duties imposed on imported US manufactured forklifts being eliminated, what impact would that have on market growth in the next three years?

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Into South America</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Into Europe</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Into China</td>
<td>1.9</td>
<td>1.4</td>
</tr>
</tbody>
</table>
1. **Qualitative Question** – Do you foresee the number of forklift dealers in North America increasing, decreasing or staying the same over the next three years?
7a. Where do you currently source the following items?

- Electrical Systems: 78% In North America, 89% Outside North America
- Drive Trains: 84% In North America, 57% Outside North America
- Engine/Power Source: 33% In North America, 78% Outside North America
- Masts & Attachments: 25% In North America, 100% Outside North America
- Hydraulic Components: 100% In North America, 100% Outside North America
- Structural Weldments: 74% In North America, 26% Outside North America
- Wheels & Tires: 78% In North America, 53% Outside North America

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7(b)(1). Do you anticipate changing the source of the following items in North America, Outside North America or No Change in the next three years?

- **2014 Electrical Systems**: 85% No Change, 10% In North America, 5% Outside North America
- **2013 Electrical Systems**: 74% No Change, 21% In North America, 5% Outside North America
- **2014 Drive Trains**: 74% No Change, 21% In North America, 5% Outside North America
- **2013 Drive Trains**: 74% No Change, 47% In North America, 8% Outside North America
- **2014 Engines/Power Sources**: 74% No Change, 21% In North America, 5% Outside North America
- **2013 Engines/Power Sources**: 42% No Change, 16% In North America, 42% Outside North America

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7(b)(2). Do you anticipate changing the source of the following items in North America, Outside North America or No Change in the next three years?

![Bar Chart]

- **2014 Mast & Attachments**:
  - In North America: 15%
  - No Change: 80%
  - Outside North America: 5%

- **2013 Mast & Attachments**:
  - In North America: 21%
  - No Change: 53%
  - Outside North America: 6%

- **2014 Hydraulic Components**:
  - In North America: 59%
  - No Change: 15%
  - Outside North America: 26%

- **2013 Hydraulic Components**:
  - In North America: 39%
  - No Change: 56%
  - Outside North America: 5%
7(b)(3). Do you anticipate changing the source of the following items in North America, Outside North America or No Change in the next three years?

![Bar chart showing percentages of respondents choosing In North America, No Change, or Outside North America for different categories.]

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2. *Qualitative Question* – Recognizing some suppliers in your chain serve multiple industries, do you foresee a growing consolidation trend in supplier base to recognize increased efficiencies? If so, where do you see those increases in efficiencies transcending into the forklift industry?

- **Consolidation**
  - Limiting supply base
  - Mergers and/or acquisitions
- **Standards**
  - B56
- **Government Legislations**
  - EPA
  - OSHA
8. Rate the following on a scale of 1 to 5, with 5 being Will Utilize and 1 being Will Not Utilize, of all North American forklift shipments the will utilize or feature Fleet Data Information for the following?
9. What sources of energy technology will be used in electric forklift trucks in the next three years? Please rank 1 to 5 with 5 being the highest.

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>2014 Rank</th>
</tr>
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<tbody>
<tr>
<td>Lead Acid Battery</td>
<td>3.8</td>
</tr>
<tr>
<td>Lithium Ion</td>
<td>2.5</td>
</tr>
<tr>
<td>Fuel Cells</td>
<td>2.3</td>
</tr>
<tr>
<td>Super Capacitor</td>
<td>1.0</td>
</tr>
<tr>
<td>Ultra Capacitor</td>
<td>1.0</td>
</tr>
</tbody>
</table>
10. What will be the North American market demand for the following types of Internal Combustion powered forklifts in the next three years? Please rate the following on a scale of 1 to 5 (where 1=Up 5%, 2=Up 3%, 3=Same, 4=Down 3%, 5=Down 5%)

<table>
<thead>
<tr>
<th>Internal Combustion Source</th>
<th>1 Up 5%</th>
<th>2 Up 3%</th>
<th>3 Same</th>
<th>4 Down 3%</th>
<th>5 Down 5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPG</td>
<td></td>
<td>2.2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Diesel</td>
<td></td>
<td></td>
<td></td>
<td>3.8</td>
<td></td>
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<tr>
<td>Gasoline</td>
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<td>2.4</td>
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<td></td>
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<tr>
<td>Compressed Natural Gas</td>
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<tr>
<td>Hybrid</td>
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11. Which form of social media do you use as a communication and marketing tool to reach out to your customers? Please rank 1 to 6, with 6 being the highest.
3. **Qualitative Question** – With the introduction of new technology into the forklift market, do you foresee the need for new (or changes to existing) regulations that govern the industry today?

- Safety
- Regulations
  - New
  - Modifications to Existing
  - Changes
- Product Liability
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Questions?

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Thank You For Your Attention And Participation.

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