Welcome to
The Industrial Truck Association
2015 Business Trends Survey

ITA 2015 Annual Meeting
The Breakers
Palm Beach, Florida
USA
2015 Business Trends Survey
Task Group

Jesse Cramer, Cascade Corporation
Aurelio Carinci, Hawker Powersource / a division of EnerSys Inc.
Karen Szabo, IMPCO Technologies
Dick Davidson, Thombert Inc.
Jimmy McDonnell, Trelleborg Wheel Systems Americas
James Radous, UniCarriers Americas Corporation

ITA Staff
Chris Buddenhagen
Brian Feehan
2015 Business Trends Survey

Panel Members

Brett Wood (Toyota Material Handling N.A.)

Scott Johnson (CLARK Material Handling Company)

Moderator

Dick Davidson (Thombert, Inc.)
• 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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</thead>
<tbody>
<tr>
<td>India</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>USA</td>
<td>2</td>
<td>2</td>
<td>10</td>
<td>3</td>
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<tr>
<td>Mexico</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>10</td>
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<tr>
<td>Rest of Asia</td>
<td>4</td>
<td>6</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Canada</td>
<td>5</td>
<td>8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Rest of South America</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>China</td>
<td>7</td>
<td>1</td>
<td>6</td>
<td>N/A</td>
</tr>
<tr>
<td>Western European Countries</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Rest of Central America</td>
<td>9</td>
<td>11</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Eastern European Countries</td>
<td>10</td>
<td>10</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Africa</td>
<td>11</td>
<td>12</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Brazil</td>
<td>12</td>
<td>5</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Russia</td>
<td>13</td>
<td>13</td>
<td>5</td>
<td>4</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?

**2015**

- Decreasing: 45%
- Staying the Same: 10%
- Increasing: 45%
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?

<table>
<thead>
<tr>
<th>Influence</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency Exchange</td>
<td>4.5</td>
</tr>
<tr>
<td>Tariffs</td>
<td>4.4</td>
</tr>
<tr>
<td>Chinese Competitors</td>
<td>3.9</td>
</tr>
<tr>
<td>Local Manufacturing</td>
<td>3.6</td>
</tr>
<tr>
<td>European Competitors</td>
<td>3.2</td>
</tr>
</tbody>
</table>
1. Qualitative Question – What South American countries do you see increasing imports of US goods and what countries do you see decreasing imports of US goods?
4. Do you see lift truck fleet size being reduced in general?

- Yes: 30%
- No: 70%
5. On a scale of 1 to 5, with 5 being High Influence and 1 being No Influence, please rate the influence of the following factors on lift truck fleet size reduction.
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?
7a. Where do you currently source the following items?

- In North America
- Outside North America

<table>
<thead>
<tr>
<th>Item</th>
<th>In North America</th>
<th>Outside North America</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical Systems</td>
<td>70%</td>
<td>75%</td>
</tr>
<tr>
<td>Drive Trains</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>Engine/Power Source</td>
<td>55%</td>
<td>55%</td>
</tr>
<tr>
<td>Masts &amp; Attachments</td>
<td>85%</td>
<td>50%</td>
</tr>
<tr>
<td>Hydraulic Components</td>
<td>85%</td>
<td>75%</td>
</tr>
<tr>
<td>Structural Weldments</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Wheels &amp; Tires</td>
<td>75%</td>
<td>45%</td>
</tr>
</tbody>
</table>

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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?

- **2015 Electrical Systems**: 95% No Change, 5% Outside North America, 0% In North America
- **2014 Electrical Systems**: 85% No Change, 10% Outside North America, 5% In North America
- **2015 Drive Trains**: 95% No Change, 5% Outside North America, 0% In North America
- **2014 Drive Trains**: 74% No Change, 5% Outside North America, 21% In North America
- **2015 Engines/Power Sources**: 95% No Change, 5% Outside North America, 0% In North America
- **2014 Engines/Power Sources**: 74% No Change, 5% Outside North America, 21% In North America
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?

- **In North America**
  - 2015 Mast & Attachments: 25%
  - 2014 Mast & Attachments: 15%
  - 2015 Hydraulic Components: 0%
  - 2014 Hydraulic Components: 26%

- **No Change**
  - 2015 Mast & Attachments: 70%
  - 2014 Mast & Attachments: 80%
  - 2015 Hydraulic Components: 89%
  - 2014 Hydraulic Components: 59%

- **Outside North America**
  - 2015 Mast & Attachments: 5%
  - 2014 Mast & Attachments: 5%
  - 2015 Hydraulic Components: 11%
  - 2014 Hydraulic Components: 15%
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?

- **2015 Structural Weldments**
  - In North America: 90%
  - No Change: 95%
  - Outside North America: 5%

- **2014 Structural Weldments**
  - In North America: 5%
  - No Change: 0%
  - Outside North America: 0%

- **2015 Wheels & Tires**
  - In North America: 0%
  - No Change: 5%
  - Outside North America: 95%

- **2014 Wheels & Tires**
  - In North America: 26%
  - No Change: 69%
  - Outside North America: 5%
2. **Qualitative Question** – Does the value or devaluation of your currency influence what regional area you source items and components? If so, is there a qualifying process to verifying the vendor? Is this an area of exploration to vertically integrate and build in-house?
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 that will utilize or feature Fleet Data Information for the following:

- For the Truck: 3.9 (2015), 2.9 (2014)
- For the Fleet: 3.5 (2015), 2.8 (2014)
- For the Operator: 3.3 (2015), 2.3 (2014)
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.

- Lead Acid Battery: 3.7 (2015), 3.8 (2014)
- Ultra Capacitor: 3.5 (2015), 1 (2014)
- Super Capacitor: 3.2 (2015), 1 (2014)
- Lithium Ion: 2.3 (2015), 2.5 (2014)
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=Down5%)

<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>Diesel</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Gasoline</td>
<td>0</td>
<td>2</td>
<td>8</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Compressed Natural Gas</td>
<td>1</td>
<td>6</td>
<td>10</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>LPG</td>
<td>5</td>
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<td>8</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Hybrid</td>
<td>1</td>
<td>5</td>
<td>12</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

# of respondents
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?
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Questions?

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Thank You For Your Attention And Participation.

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