THE FPDA

MOTION & CONTROL NETWORK

Fluid Power Survey Results
June 2014

CRC CLEVELAND RESEARCH COMPANY

Highlights

Background:

- The May survey had 42 respondents comprised of 32 distributors and 10 manufacturing firms.

Summary Thoughts:

- Our monthly fluid power survey indicates sales are running up 5% in May, inline with April demand with 2Q activity accelerating (up 5%) after a softer than expected 1Q (up 3%). The current outlook of 6% implies sales will accelerate to 7-8% over the remainder of the year and sources indicate better underlying demand and strengthening backlogs support 2014 projections.

Highlights:

- The May FPDA Index produced a reading of 56.7 down from April's reading of 59.1 while the broader ISM improved in May to 55.4 up from 54.9 in April.

- Our monthly fluid power survey indicates May sales were up 5% y/y inline with April trends (adjusting for the Easter shift) as demand through the first two months of 2Q has accelerated, growing 5% y/y vs 3% y/y growth in 1Q.

- 2014 outlook is unchanged with sources forecasting 6% growth up from flattish trends in 2013 and implying sales will accelerate to 7-8% growth over the remainder of the year.

May FPDA Index

- The May FPDA Index produced a reading of 56.7 down from April's reading of 59.1. The broader ISM improved in May to 55.4 up from 54.9 in April.
- The FPDA Index is similar in construction to the widely followed ISM Purchasing Manager's Index. These are both seasonally adjusted diffusion indexes which measure the month-to-month change in each of the categories listed below. A reading of 50 indicates no change and the further above or below 50 indicates a faster or slower rate of change.

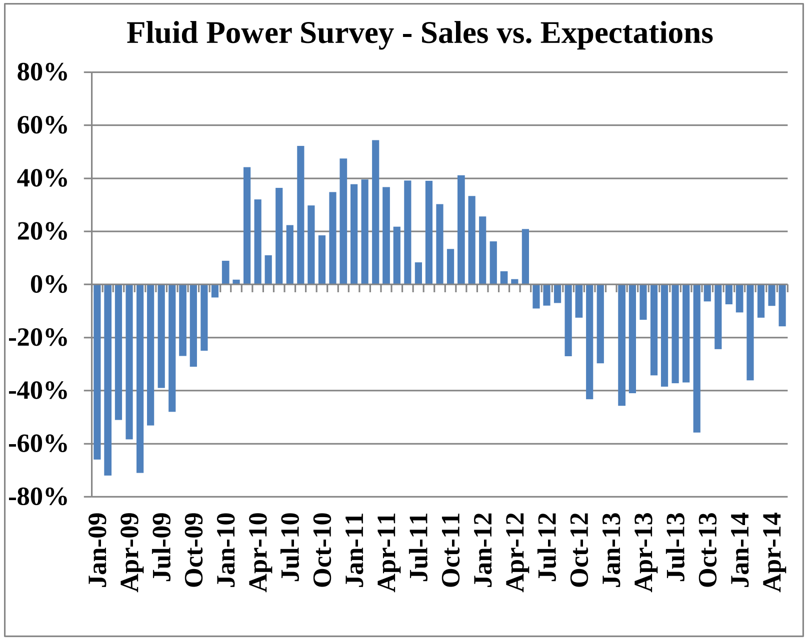
Fluid Power Index

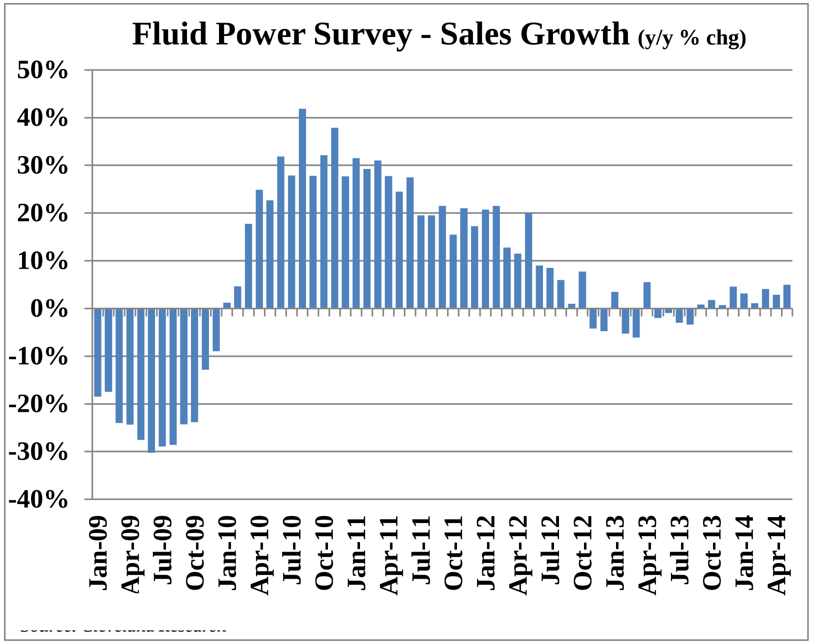
Index	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Direction	Rate of Change	Trend (months)
Sales	83.2	38.9	68.1	66.6	43.1	35.5	55.0	60.9	38.2	77.3	33.0	59.6	70.8	56.4	57.8	63.9	48.5	Slowing	Faster	1
Prices	66.5	58.6	52.6	54.9	52.4	54.6	66.1	57.2	58.2	61.6	65.9	63.9	79.8	60.4	57.6	55.7	57.3	Growing	Faster	48
Orders	74.8	32.0	47.9	71.4	37.9	34.2	57.9	56.1	44.1	71.3	37.0	55.0	77.7	50.6	59.4	56.0	54.0	Growing	Slower	6
Backlog	66.7	61.3	37.9	48.4	47.1	38.5	44.9	41.1	41.3	52.2	47.2	53.0	67.6	65.7	59.5	61.1	59.5	Growing	Slower	6
Outlook	52.9	51.6	43.3	46.7	62.1	38.5	43.8	47.7	42.7	52.2	50.0	62.9	63.5	56.6	57.5	52.8	50.0	Growing	Slower	8
Inventory	54.4	50.0	53.1	45.0	40.9	46.2	45.1	47.7	51.2	55.3	39.2	48.6	55.1	55.4	60.0	65.3	58.6	Growing	Slower	5
Supplier Deliveries	54.0	58.3	47.5	51.7	46.8	54.0	53.5	55.5	57.7	58.7	58.7	62.2	51.9	55.9	53.7	52.6	65.9	Growing	Faster	12
Employment	53.0	55.3	53.3	49.2	51.1	42.5	49.9	53.2	53.5	55.1	54.8	55.3	61.7	60.5	56.7	57.6	56.5	Growing	Slower	10
Accounts Receivable	45.6	40.3	46.7	46.6	50.0	41.0	45.0	43.0	46.5	45.5	47.2	45.6	39.7	46.1	47.5	40.5	47.2	Slowing	Slower	12
Overall FPDA Index	**63.9**	**46.9**	**54.0**	**56.8**	**44.0**	**42.5**	**52.3**	**54.7**	**49.0**	**63.6**	**44.5**	**56.1**	**63.5**	**55.8**	**57.5**	**59.1**	**56.7**	**Growing**	**Slower**	**6**
Memo: ISM PMI Index	53.1	54.2	54.2	50.7	49.0	50.9	55.4	55.7	56.2	56.4	57.3	57.0	51.3	53.2	53.7	54.9	55.4	Growing	Faster	10

Source: FPDA Survey

May Sales up 5%, Inline with April Trends

Our May fluid power survey indicates sales were up 5% y/y, inline with April trends (adjusting for the Easter shift) as demand through the first two months of 2Q has accelerated, growing 5% vs 3% y/y growth in 1Q. Sales continue to run below expectations but only marginally (net 16% of participants were below expectations in May vs 8% in April) as sources report seeing steadily improving demand. Also, better activity in land based oil & gas markets have been positive catalyst for growth over the past several months and momentum is expected to continue.





Source: FPDA Survey

Monthly Sales Growth – May 2014

Total	2009	2010	2011	2012	2013	2014
January	-19%	1%	32%	21%	4%	3%
February	-18%	5%	29%	22%	-5%	1%
March	-24%	18%	31%	13%	-6%	4%
April	-24%	25%	28%	12%	6%	3%
May	-28%	23%	25%	20%	-2%	**5%**
June	-30%	32%	28%	9%	-1%	
July	-29%	28%	20%	9%	-3%	
August	-29%	42%	20%	6%	-3%	
September	-24%	28%	22%	1%	1%	
October	-24%	32%	17%	8%	2%	
November	-13%	38%	21%	-4%	1%	
December	-9%	28%	17%	-5%	5%	

Distributors	2009	2010	2011	2012	2013	2014
January	-16%	-6%	28%	26%	1%	3%
February	-17%	-2%	28%	24%	-6%	3%
March	-22%	12%	33%	16%	-5%	5%
April	-22%	17%	27%	10%	6%	1%
May	-27%	18%	31%	21%	-3%	**4%**
June	-29%	25%	27%	10%	-1%	
July	-29%	23%	23%	13%	-2%	
August	-28%	38%	25%	6%	-5%	
September	-24%	22%	29%	5%	1%	
October	-25%	22%	20%	13%	1%	
November	-14%	31%	28%	2%	2%	
December	-14%	21%	24%	4%	4%	

Manufacturers	2009	2010	2011	2012	2013	2014
January	-21%	9%	35%	17%	7%	3%
February	-18%	11%	31%	19%	-5%	-1%
March	-26%	24%	30%	10%	-7%	3%
April	-27%	32%	29%	13%	5%	4%
May	-28%	28%	18%	19%	-1%	**6%**
June	-32%	39%	28%	8%	0%	
July	-29%	33%	17%	5%	-4%	
August	-29%	46%	14%	6%	-2%	
September	-24%	34%	14%	-3%	1%	
October	-22%	42%	14%	3%	2%	
November	-12%	44%	15%	-10%	-1%	
December	-4%	28%	5%	-8%	5%	

Percent Positive / Negative Growth

	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Positive Sales Growth	36%	71%	35%	42%	42%	43%	34%	47%	47%	54%	69%	59%	62%	59%	53%
Flat Sales	18%	11%	15%	11%	12%	11%	10%	19%	12%	16%	11%	14%	18%	16%	18%
Negative Sales Growth	45%	18%	50%	47%	46%	46%	56%	34%	41%	30%	20%	27%	21%	24%	29%
Net % (Positive - Negative)	**-9%**	**52%**	**-15%**	**-5%**	**-4%**	**-2%**	**-22%**	**13%**	**6%**	**24%**	**49%**	**32%**	**41%**	**35%**	**24%**

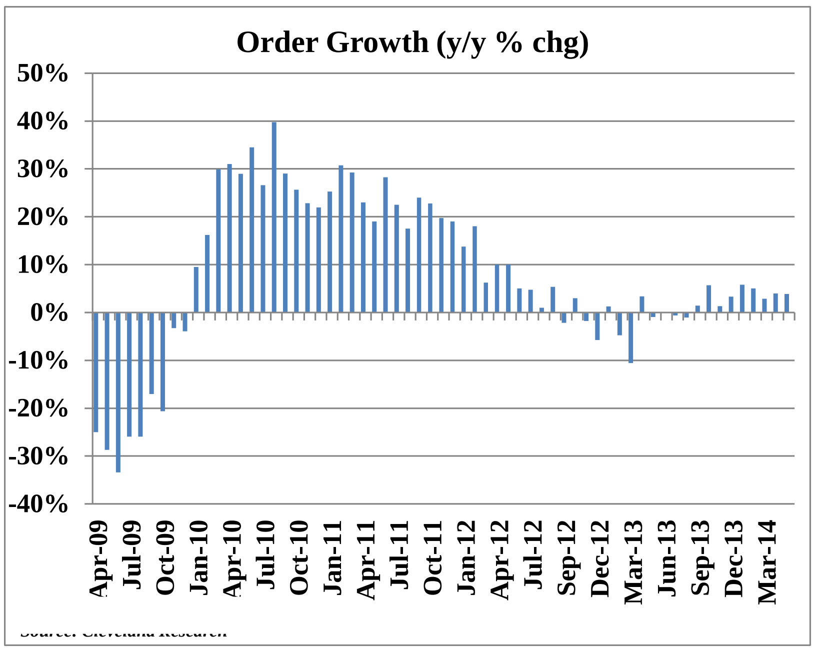
Results vs. Expectations

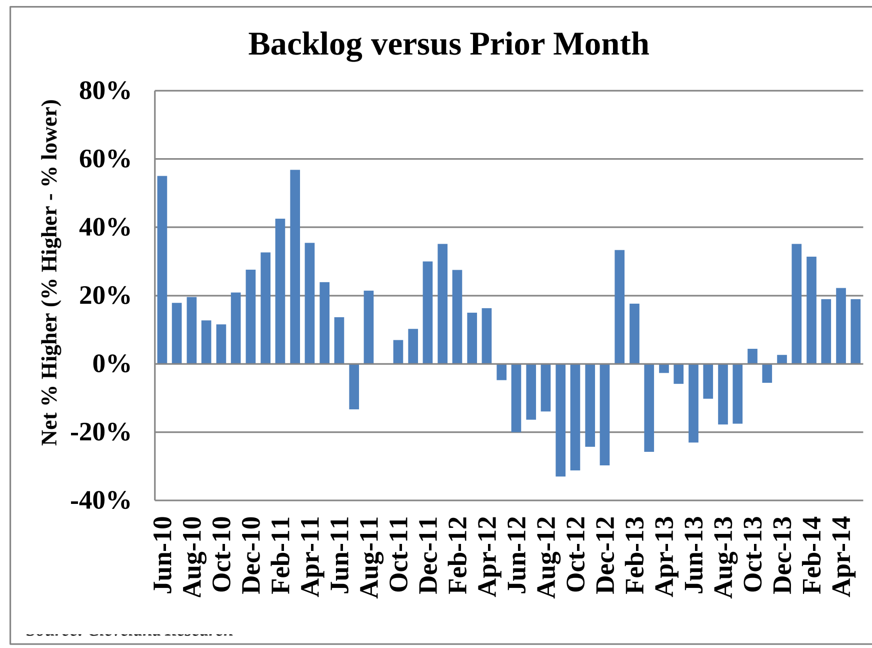
	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Better than expected	15%	16%	11%	13%	12%	9%	12%	28%	11%	25%	18%	11%	25%	19%	21%
In line with expectations	29%	57%	45%	36%	39%	46%	21%	38%	54%	43%	53%	42%	38%	54%	42%
Worse than expected	56%	27%	45%	51%	49%	46%	67%	34%	35%	33%	29%	47%	38%	27%	37%
Net % (Better - Worse)	**-41%**	**-13%**	**-34%**	**-38%**	**-37%**	**-37%**	**-56%**	**-6%**	**-24%**	**-8%**	**-11%**	**-36%**	**-13%**	**-8%**	**-16%**

Source: FPDA Survey

Orders and Backlog Continue to Trend Positively

May orders were up 4%, inline with last month while backlog growth slowed modestly in May growing 3% vs 4% in April but distributor commentary suggests backlogs look good heading into June.





Source: FPDA Survey

Order and Backlog Growth Trends

Total						
	2009	2010	2011	2012	2013	2014
January		9%	25%	14%	1%	6%
February		16%	31%	18%	-5%	5%
March		30%	29%	6%	-11%	3%
April	-25%	31%	23%	10%	3%	4%
May	-29%	29%	19%	10%	-1%	**4%**
June	-33%	34%	28%	5%	0%	
July	-26%	27%	23%	5%	-1%	
August	-26%	40%	18%	5%	-1%	
September	-17%	29%	24%	-2%	1%	
October	-21%	26%	25%	3%	4%	
November	-3%	23%	20%	-2%	1%	
December	-4%	18%	18%	-6%	3%	

Distributors						
	2009	2010	2011	2012	2013	2014
January		1%	25%	13%	3%	6%
February		12%	31%	19%	-7%	4%
March		29%	30%	10%	-6%	4%
April	-25%	30%	29%	8%	5%	3%
May	-27%	28%	27%	5%	-2%	**5%**
June	-30%	28%	33%	1%	-2%	
July	-28%	20%	25%	8%	1%	
August	-26%	34%	29%	6%	-1%	
September	-20%	29%	30%	1%	3%	
October	-21%	25%	25%	-4%	4%	
November	-2%	28%	21%	-1%	-1%	
December	-10%	27%	21%	5%	5%	

Manufacturers						
	2009	2010	2011	2012	2013	2014
January		18%	25%	15%	-1%	5%
February		21%	31%	17%	-3%	6%
March		31%	29%	3%	-15%	2%
April	-25%	32%	18%	12%	2%	5%
May	-31%	30%	12%	15%	0%	**3%**
June	-37%	41%	24%	10%	2%	
July	-24%	34%	20%	2%	-2%	
August	-26%	46%	7%	5%	-1%	
September	-14%	29%	19%	-5%	0%	
October	-20%	26%	23%	10%	4%	
November	-4%	17%	19%	-3%	4%	
December	3%	17%	1%	-11%	1%	

Total						
	2009	2010	2011	2012	2013	2014
January			25%	22%	1%	1%
February			32%	18%	-2%	3%
March			40%	15%	-5%	2%
April			31%	16%	-6%	4%
May			25%	10%	-2%	**3%**
June		24%	29%	8%	-7%	
July		29%	25%	7%	-4%	
August		37%	17%	6%	-3%	
September		37%	24%	4%	-3%	
October		34%	22%	-1%	1%	
November		32%	26%	-3%	0%	
December		25%	19%	-3%	**2%**	

Distributors						
	2009	2010	2011	2012	2013	2014
January			22%	30%	0%	1%
February			35%	22%	-2%	2%
March			39%	24%	-2%	4%
April			36%	25%	-6%	4%
May			37%	11%	-3%	**4%**
June		29%	32%	11%	-6%	
July		24%	29%	12%	-5%	
August		29%	36%	7%	-5%	
September		37%	33%	9%	-6%	
October		24%	26%	-4%	1%	
November		23%	29%	-3%	-2%	
December		20%	27%	2%	**2%**	

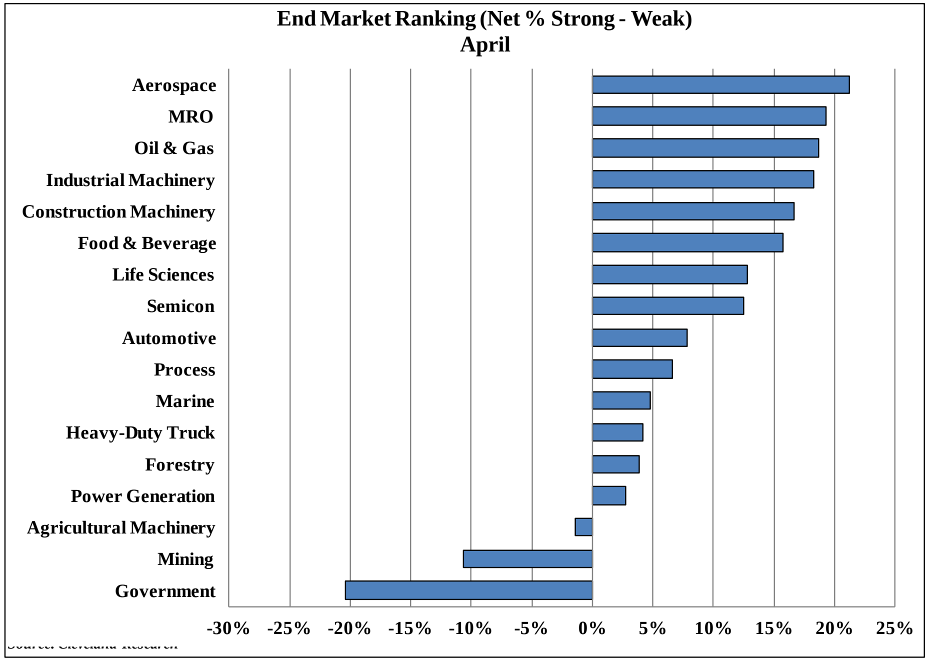
Manufacturers						
	2009	2010	2011	2012	2013	2014
January			28%	13%	1%	1%
February			30%	13%	-1%	3%
March			41%	7%	-8%	1%
April			27%	7%	-6%	3%
May			14%	10%	0%	**2%**
June		20%	25%	6%	-7%	
July		34%	22%	3%	-3%	
August		45%	-1%	6%	-1%	
September		37%	16%	-1%	1%	
October		45%	19%	3%	0%	
November		41%	23%	-4%	1%	
December		30%	1%	-6%	1%	

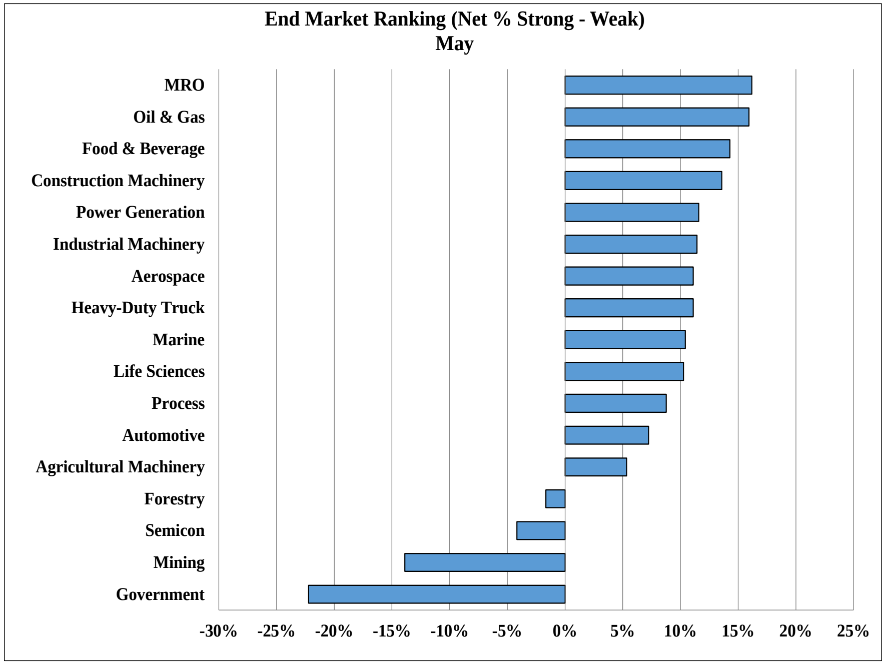
Source: FPDA Survey

Oil & Gas Activity Accelerates

End Market Highlights – Oil & Gas Activity Accelerates

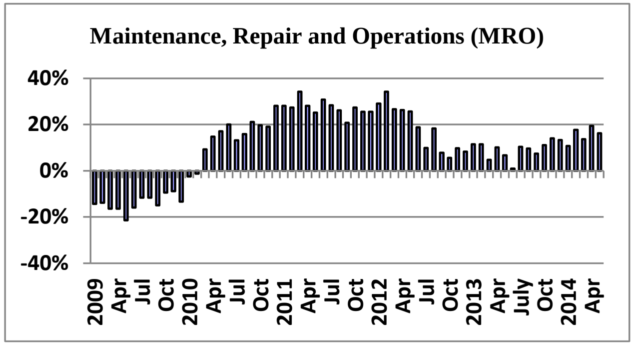
From an end market perspective 13 out of 17 end markets ranked in positive territory down slightly from 14 in April with power gen and heavy duty truck improving the most sequentially while semicon and aerospace weakened the most. MRO and oil & gas were reported as the strongest markets in May, consistent with the ramp we have seen in oil & gas over the past several months driven by increased fracking and better capital spend. Government and mining remain the weakest markets but we are hearing of some limited improvement in mining.

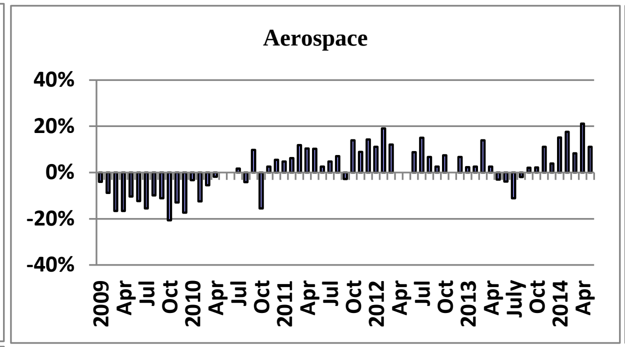


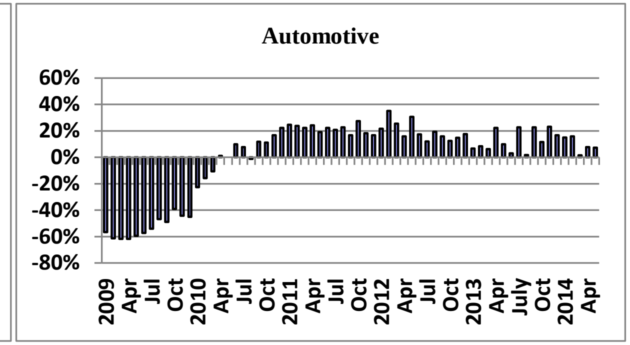


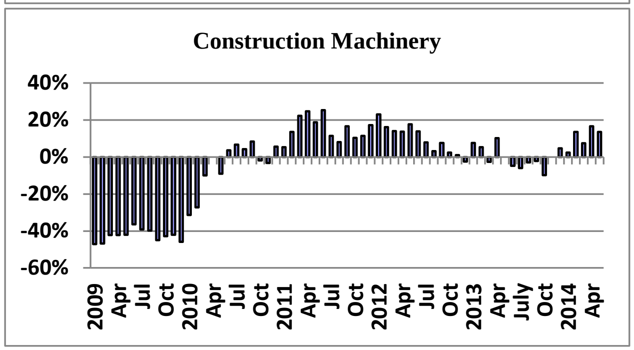
Source: FPDA Survey

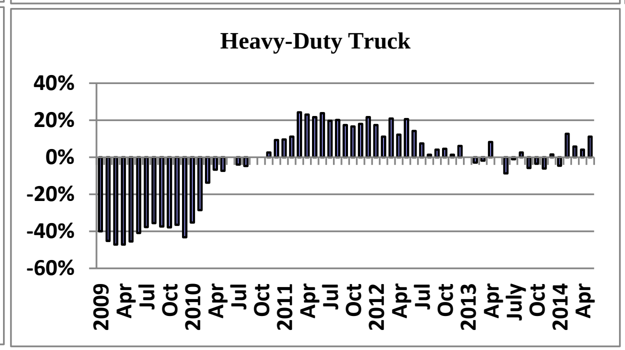
End Market Trends

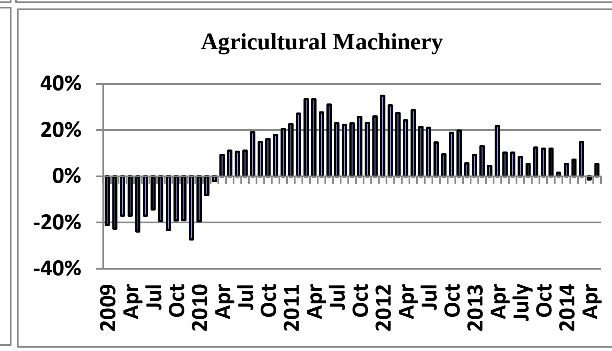


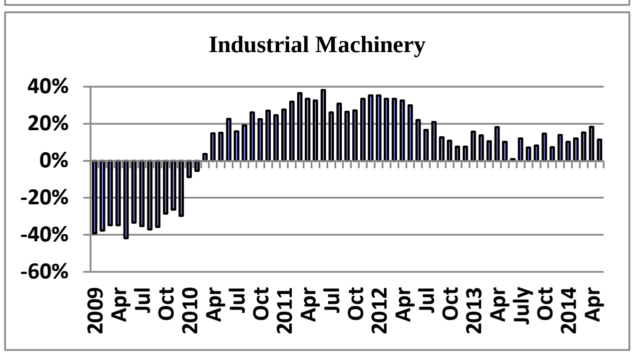


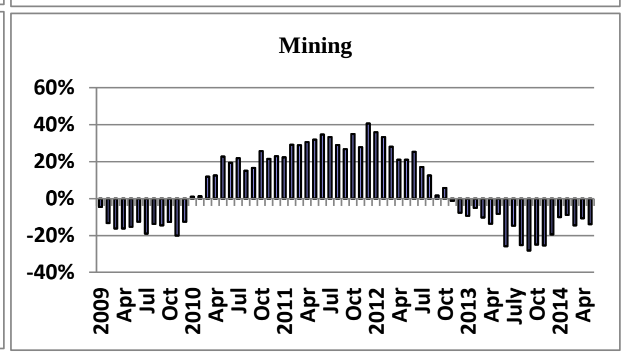


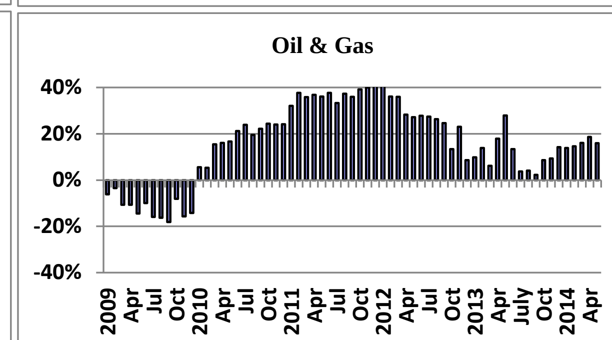






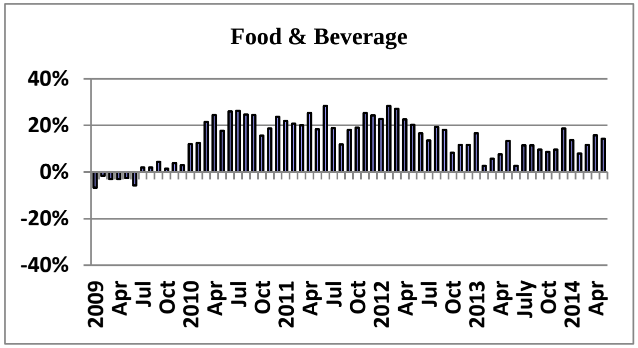


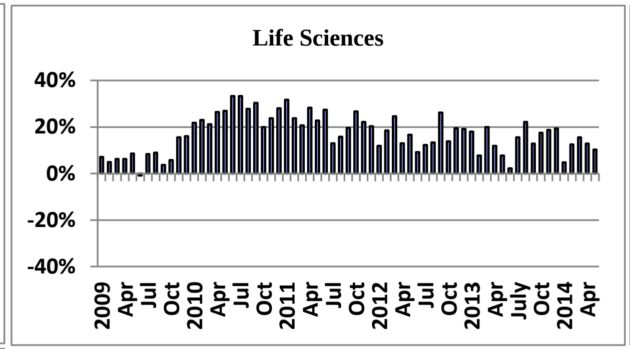


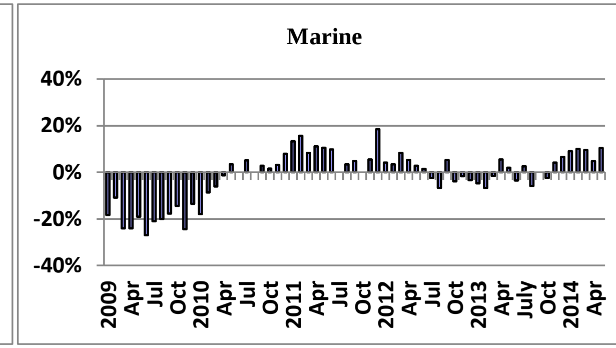


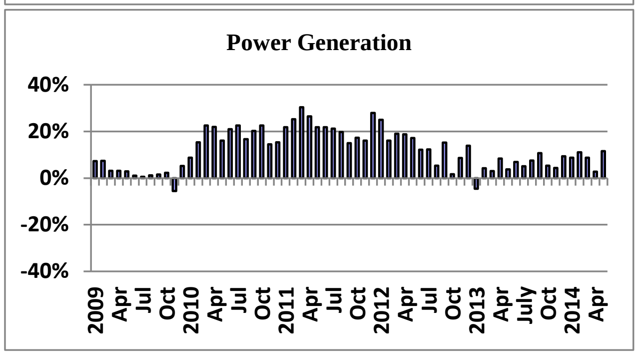
Source: FPDA Survey

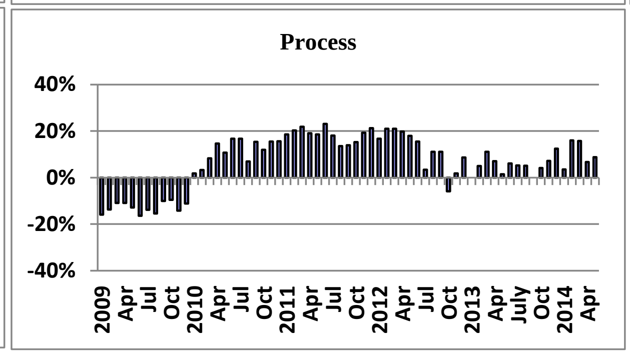
End Market Trends

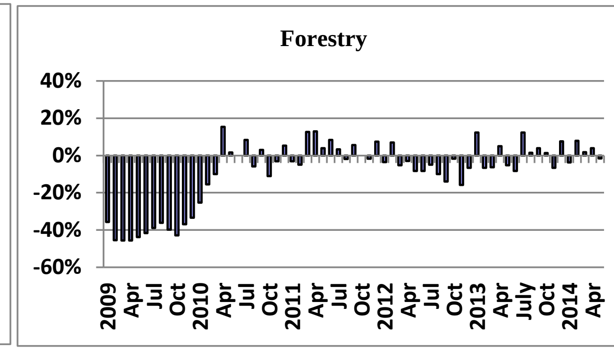


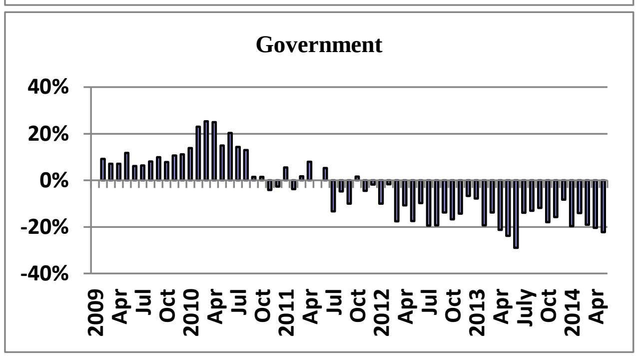


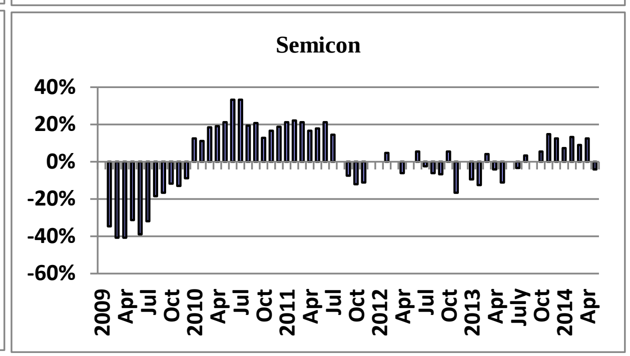








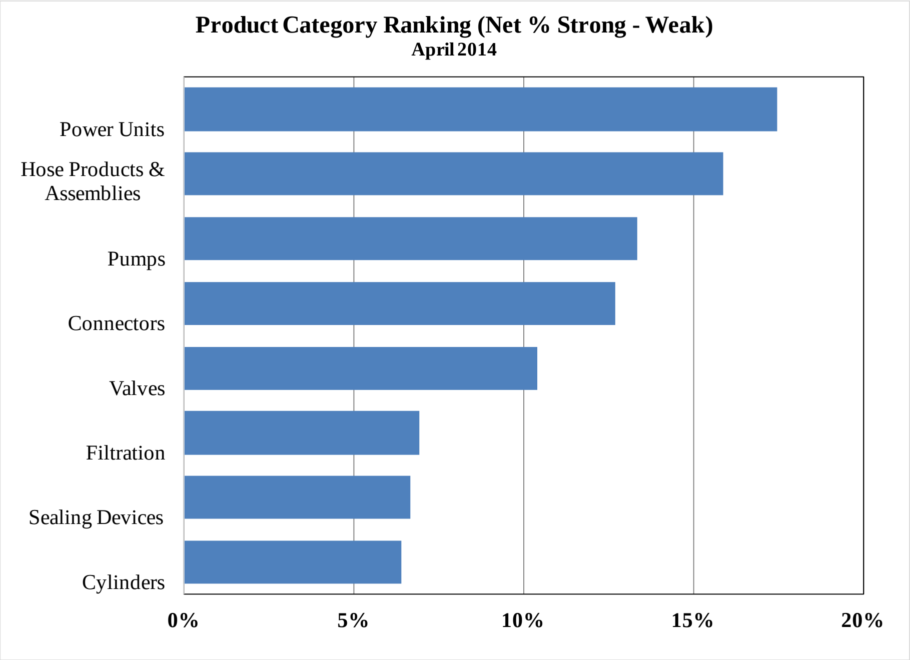


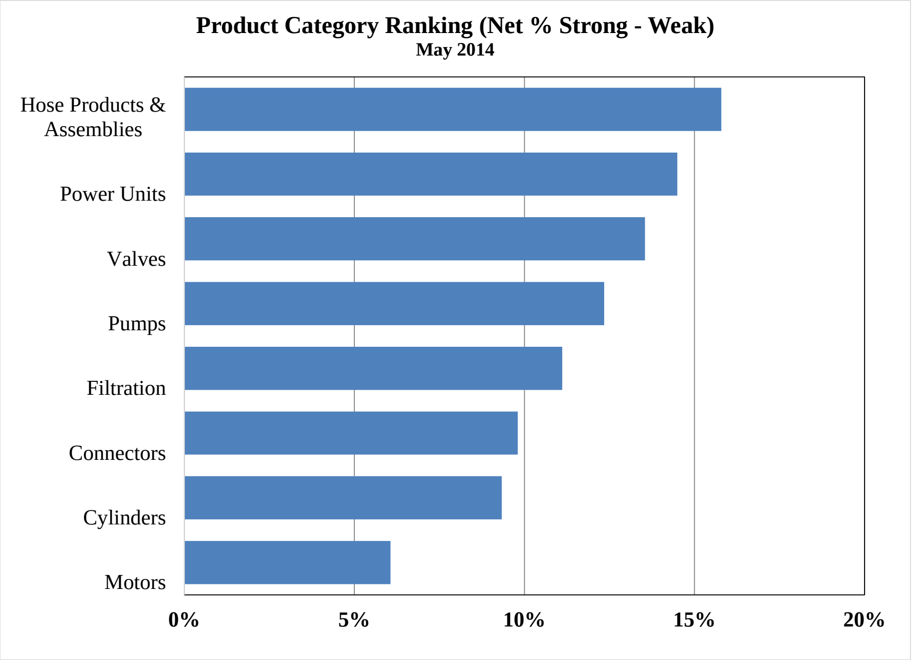


Source: FPDA Survey

Product Category Ranking

All nine product categories were reported as relatively strong in May, inline with last month. Hose products & assemblies, power units, and valves were the strongest product categories while motors, cylinders and connectors were reported as the relative weakest product categories.





Source: FPDA Survey

2014 Outlook

Outlook Remains Stable at Up 6% – Implies Accelerating 2H

Sources continue to forecast 6% growth in 2014 up from flattish trends in 2013 as steadily improving market conditions are expected to drive better demand in the 2H of 2014. The current outlook implies sales should accelerate to 7-8% over the remainder of year after 3% growth YTD. Expectations for better 2H activity are supported by positive order and backlog trends with May orders up 4%, inline with last month. Backlog growth slowed modestly in May growing 3% vs 4% in April but distributor commentary suggests backlogs look good heading into June.

Fluid Power Outlook

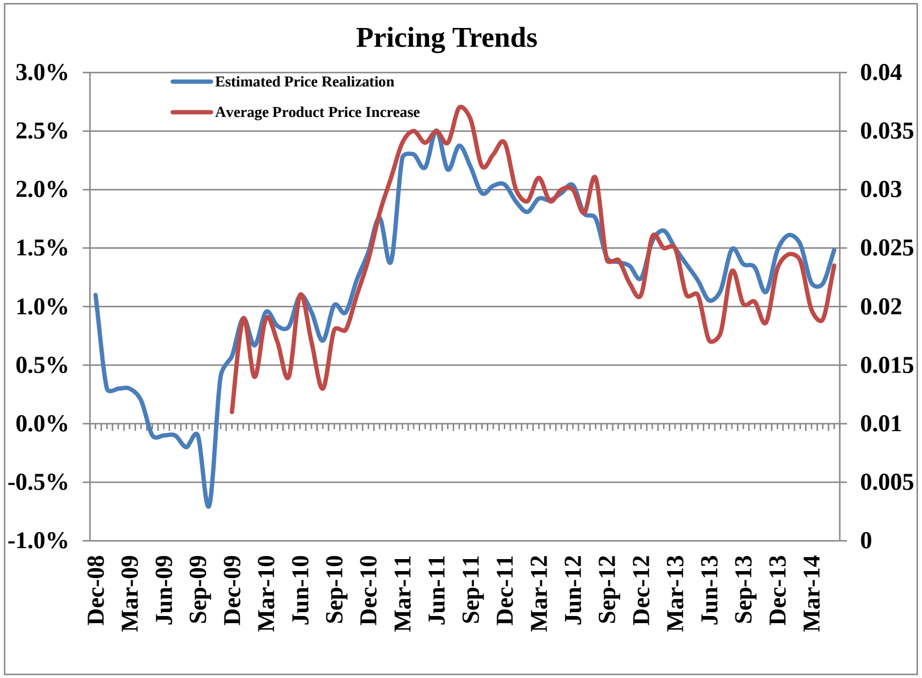
	2012	2013	2014 Outlook								
Sales Growth (y/y)	**Actual Results**	**Actual Results**	**Sept-13**	**Oct-13**	**Nov-13**	**Dec-13**	**Jan-14**	**Feb-14**	**Mar-14**	**Apr-14**	**May-14**
Overall	***8%***	***0%***	***3%***	***4-5%***	***4-5%***	***5-6%***	***5-6%***	***6%***	***6%***	***6%***	***6%***
Distributors	8%	0%	4%	5%	4-5%	6%	7%	6%	6%	6%	6%
Manufacturers	8%	0%	3%	4%	3%	5%	4%	6%	5%	5%	5%

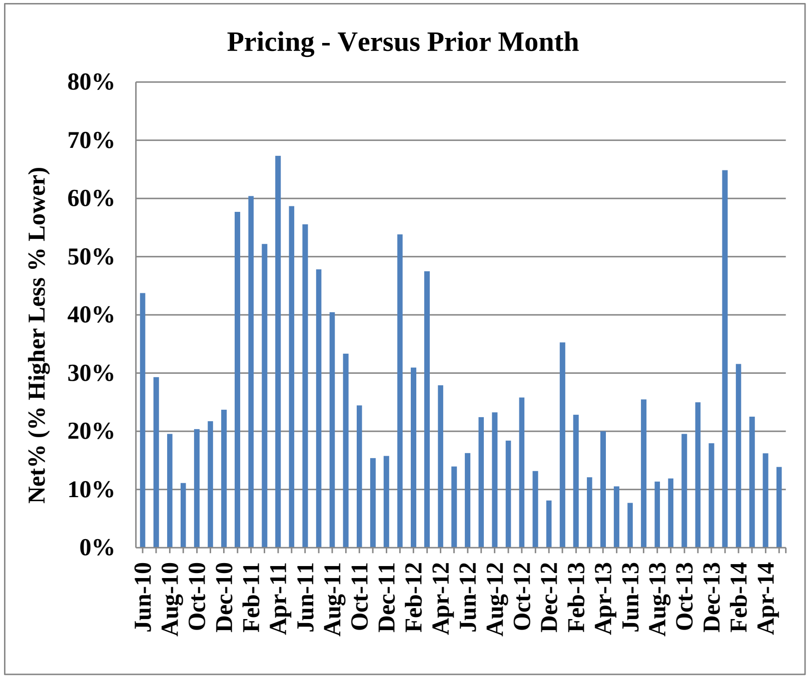
Source: FPDA Survey

Price Contribution Trends

Price Realization Improves in May

We are hearing that average product price increases were 2.4% in May, above the 1.9% in April as price realization improved to 1.5%, up from 1.2% in April.



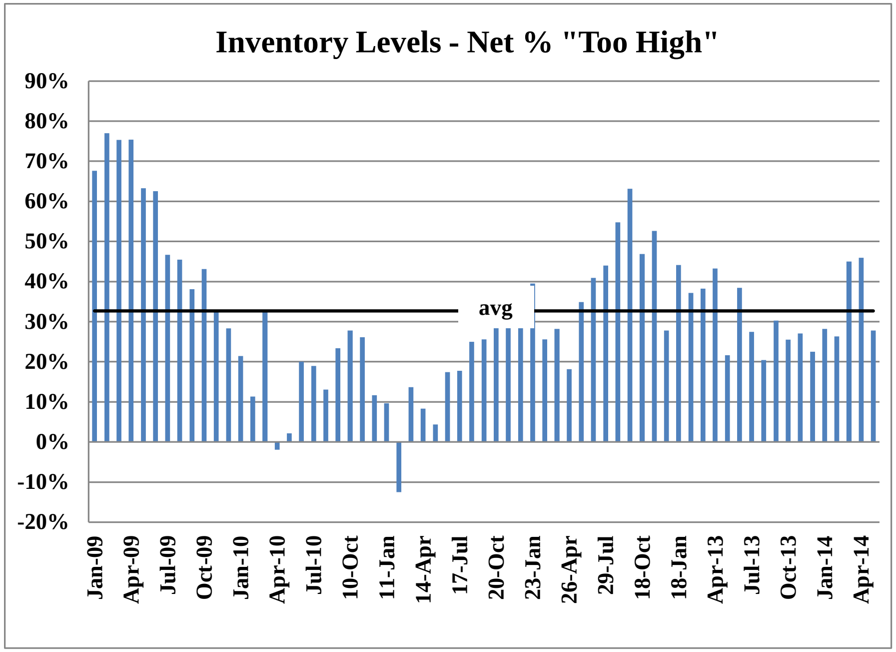


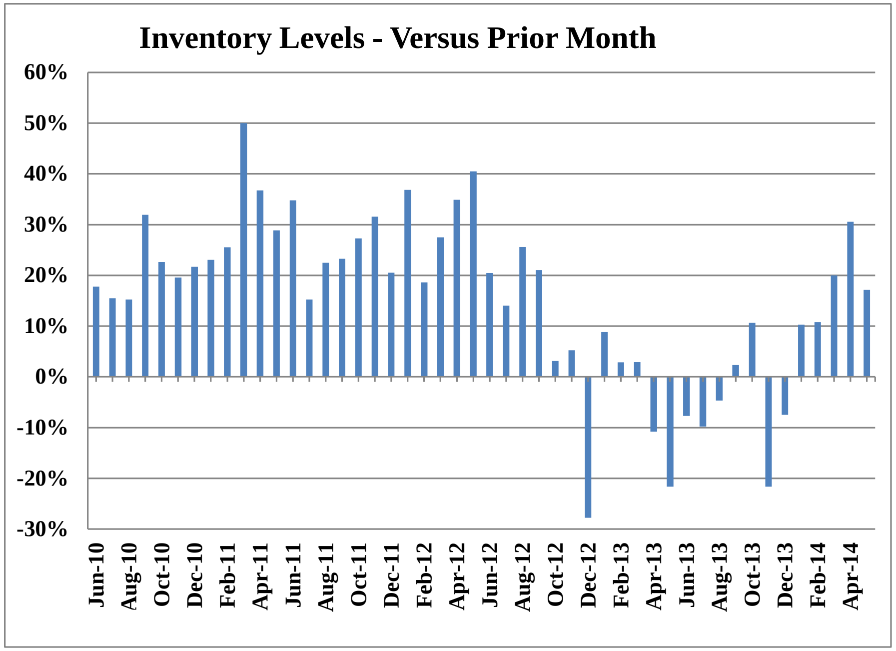
Source: FPDA Survey

Inventory Trends

May Inventory Levels Moderate

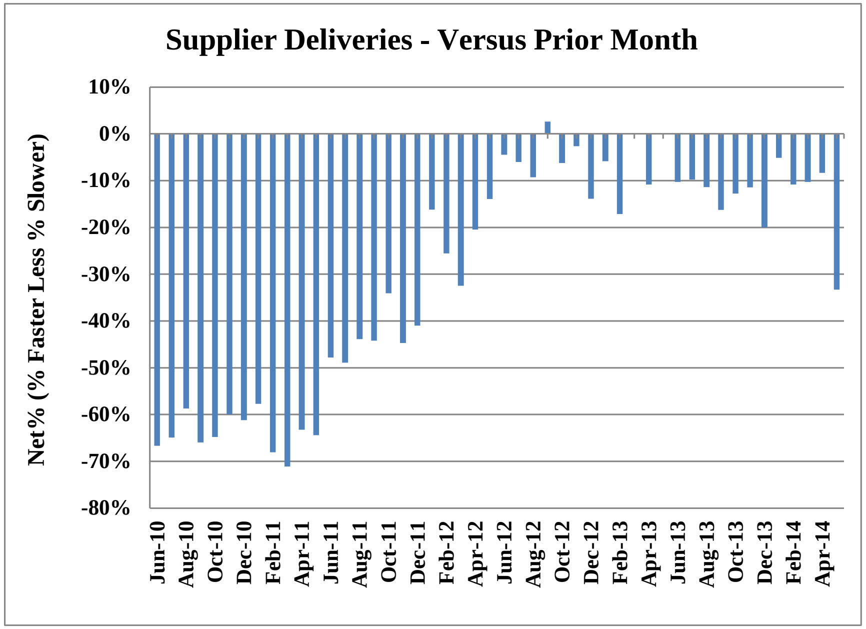
Inventories moderated in May with a net 17% of sources reporting higher inventories down from a net 31% in April. Additionally, distributors appear more comfortable with levels in May with a net 28% of participants indicating inventories were "too high", down from 46% last month and below the long run average of 33%.

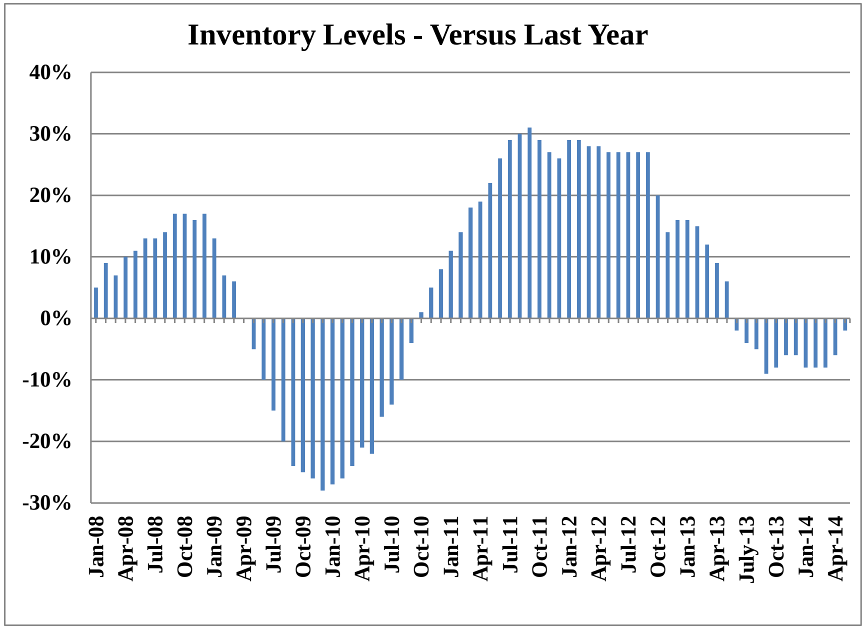




Source: FPDA Survey

Inventory Levels



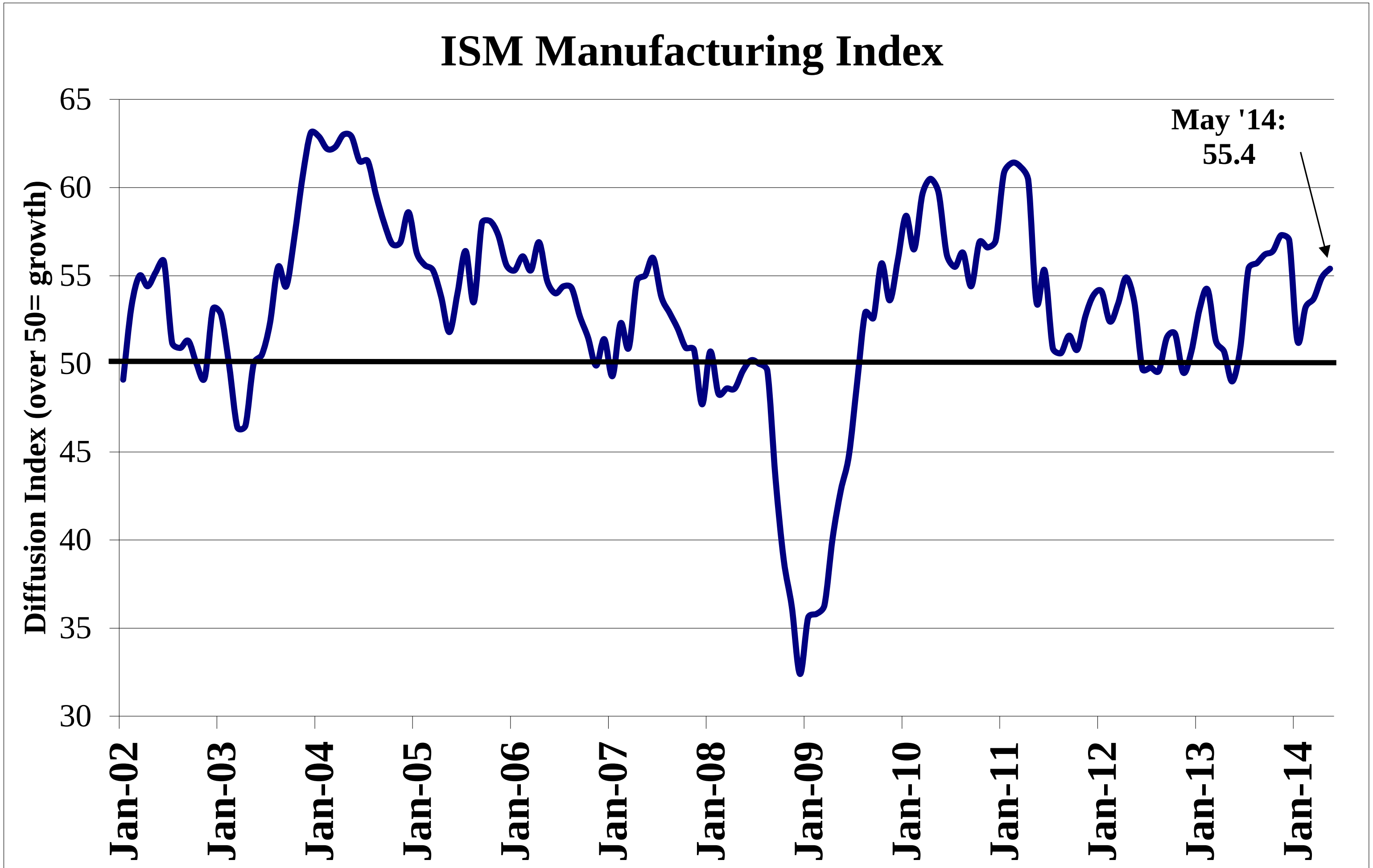


Source: FPDA Survey

Macroeconomic Indicators

ISM, Industrial Production, Capacity Utilization, Non-Res Construction Forecasts, Resi Construction Indicators, Commodity Prices, Heavy Truck & Automotive Data

May ISM Slightly Better



Source: ISM

Manufacturing End Market Momentum

ISM Manufacturing End Market Momentum

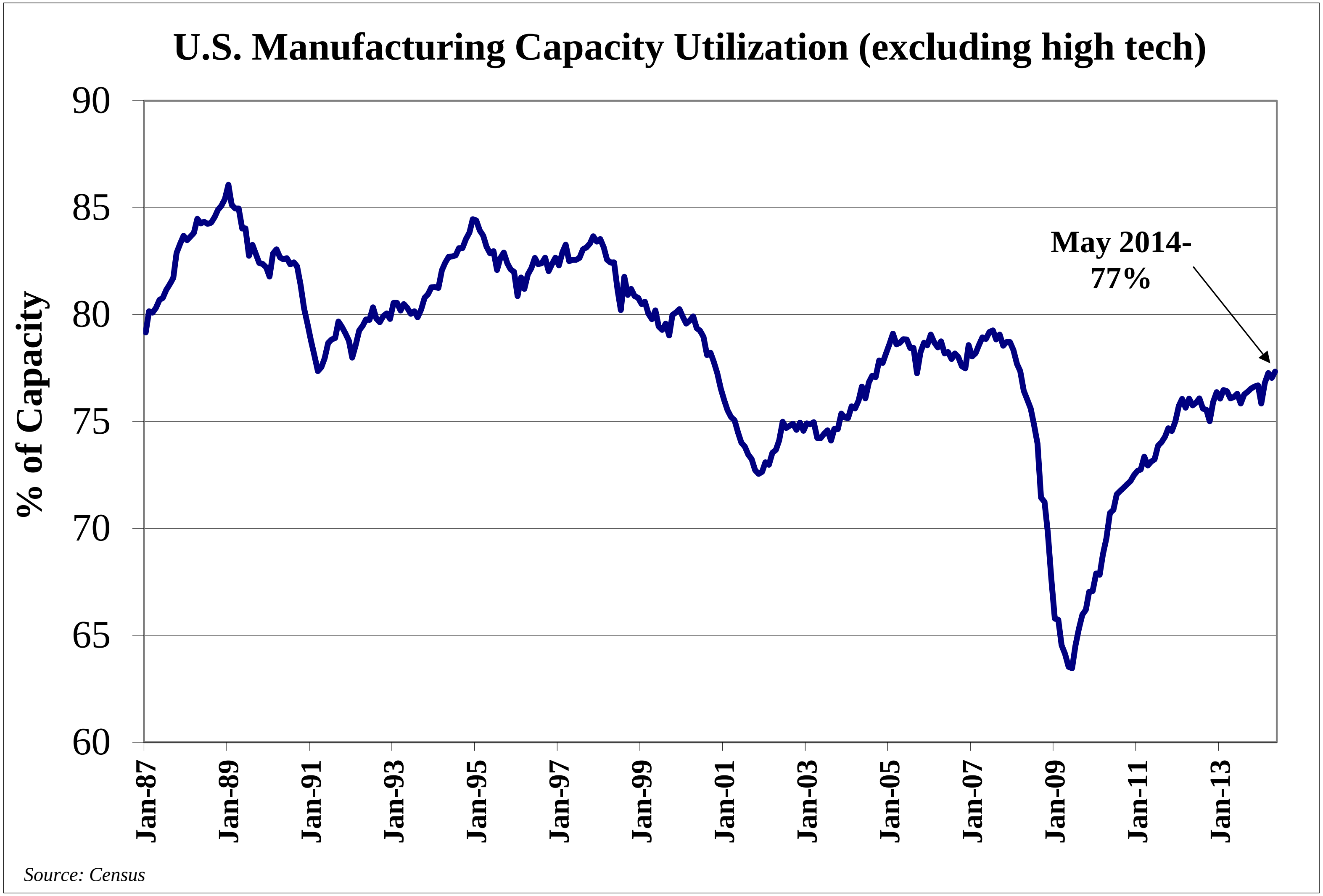
Major End Market	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Apparel, leather and allied products	↑	↑	↓	↔	↓	↓	↓	↑	↓	↓	↓	↑	↑
Chemical products	↓	↓	↑	↑	↓	↓	↑	↓	↓	↑	↑	↑	↑
Computer and electronic products	↓	↓	↑	↑	↑	↑	↑	↑	↓	↔	↑	↑	↑
Electrical equipment, appliances, components	↑	↑	↑	↑	↑	↑	↑	↓	↑	↑	↓	↑	↑
Fabricated metal products	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Food, beverage and tobacco products	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Furniture and related products	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Machinery	↑	↑	↓	↑	↑	↑	↓	↓	↑	↑	↑	↑	↑
Miscellaneous manufacturing	↓	↔	↓	↓	↓	↓	↑	↑	↓	↓	↓	↑	↑
Nonmetallic mineral products	↑	↑	↑	↑	↓	↑	↑	↓	↓	↑	↑	↓	↑
Paper products	↑	↑	↑	↑	↑	↑	↑	↑	↓	↑	↑	↑	↑
Petroleum and coal products	↔	↑	↔	↔	↑	↑	↑	↔	↓	↓	↑	↑	↑
Plastics and rubber products	↓	↑	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Primary metals	↓	↑	↑	↑	↓	↓	↑	↑	↑	↑	↑	↑	↑
Printing, related support activities	↑	↔	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Textile mills	↔	↓	↑	↑	↓	↑	↑	↑	↑	↑	↑	↑	↔
Transportation equipment	↓	↓	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Wood product	↑	↑	↑	↑	↔	↑	↓	↑	↑	↑	↓	↑	↑
Statistics	**May-13**	**Jun-13**	**Jul-13**	**Aug-13**	**Sep-13**	**Oct-13**	**Nov-13**	**Dec-13**	**Jan-14**	**Feb-14**	**Mar-14**	**Apr-14**	**May-14**
% Better	56%	67%	72%	83%	61%	78%	83%	72%	61%	78%	78%	94%	94%
Unchanged	11%	11%	6%	11%	6%	0%	0%	6%	0%	6%	0%	0%	6%
% Worse	33%	22%	22%	6%	33%	22%	17%	22%	39%	17%	22%	6%	0%
Net % of Industries Improving	**22%**	**44%**	**50%**	**78%**	**28%**	**56%**	**67%**	**50%**	**22%**	**61%**	**56%**	**89%**	**94%**
PMI	**49.0**	**50.9**	**55.4**	**55.7**	**56.2**	**56.4**	**57.3**	**57.0**	**51.3**	**53.2**	**53.7**	**54.9**	**55.4**

Source: Institute for Supply Management

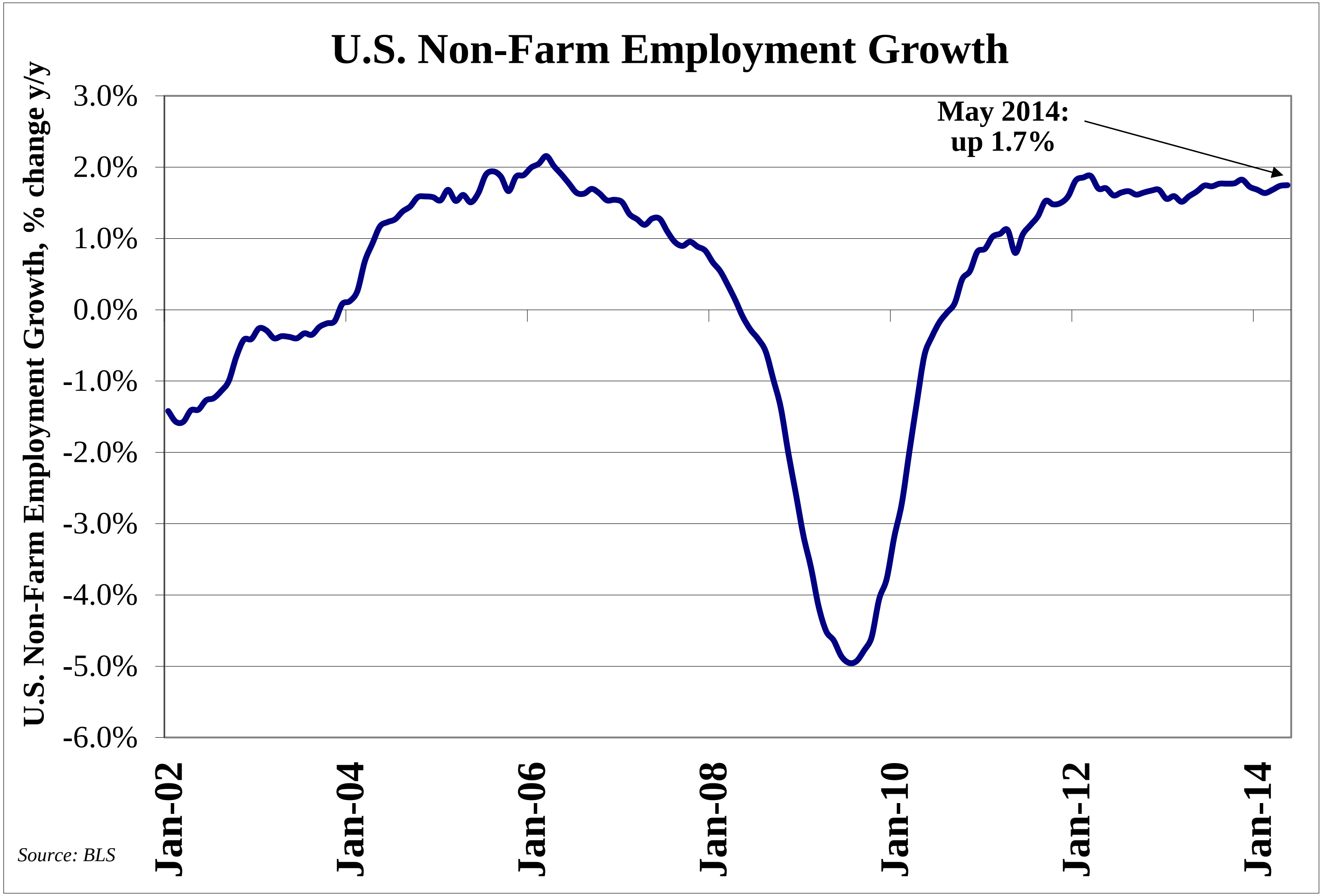
Manufacturing IP:
Up 3.5% y/y in May

Source: Census

Capacity Utilization:
Up to 77% in May



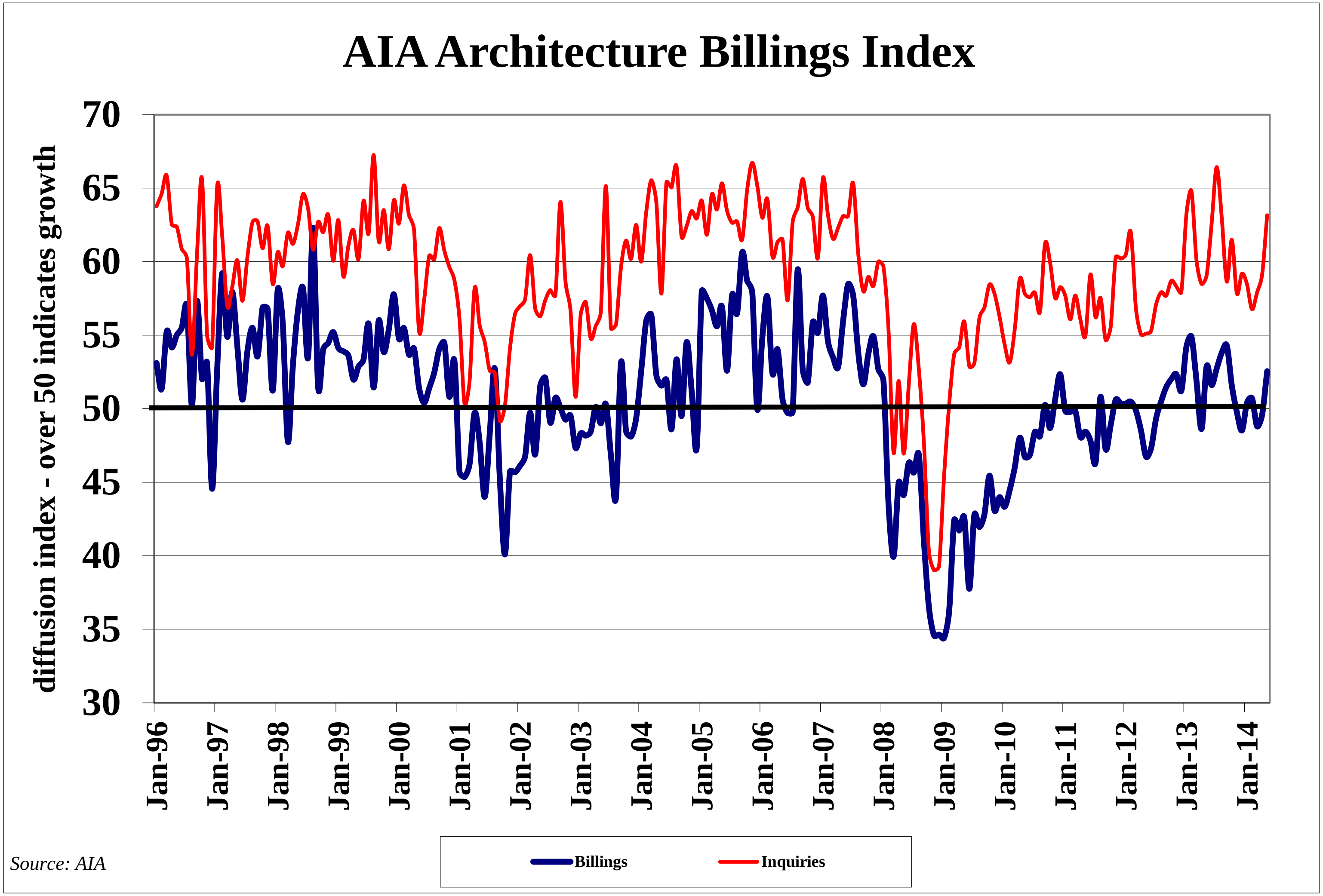
Non-Farm Employment:
Up 1.7 % y/y in May



Manufacturing Employment: Up 0.9% in May

Source: BLS

AIA Billings Index –
Billings Return to Growth in May



Source: AIA

McGraw Hill Updates Forecast

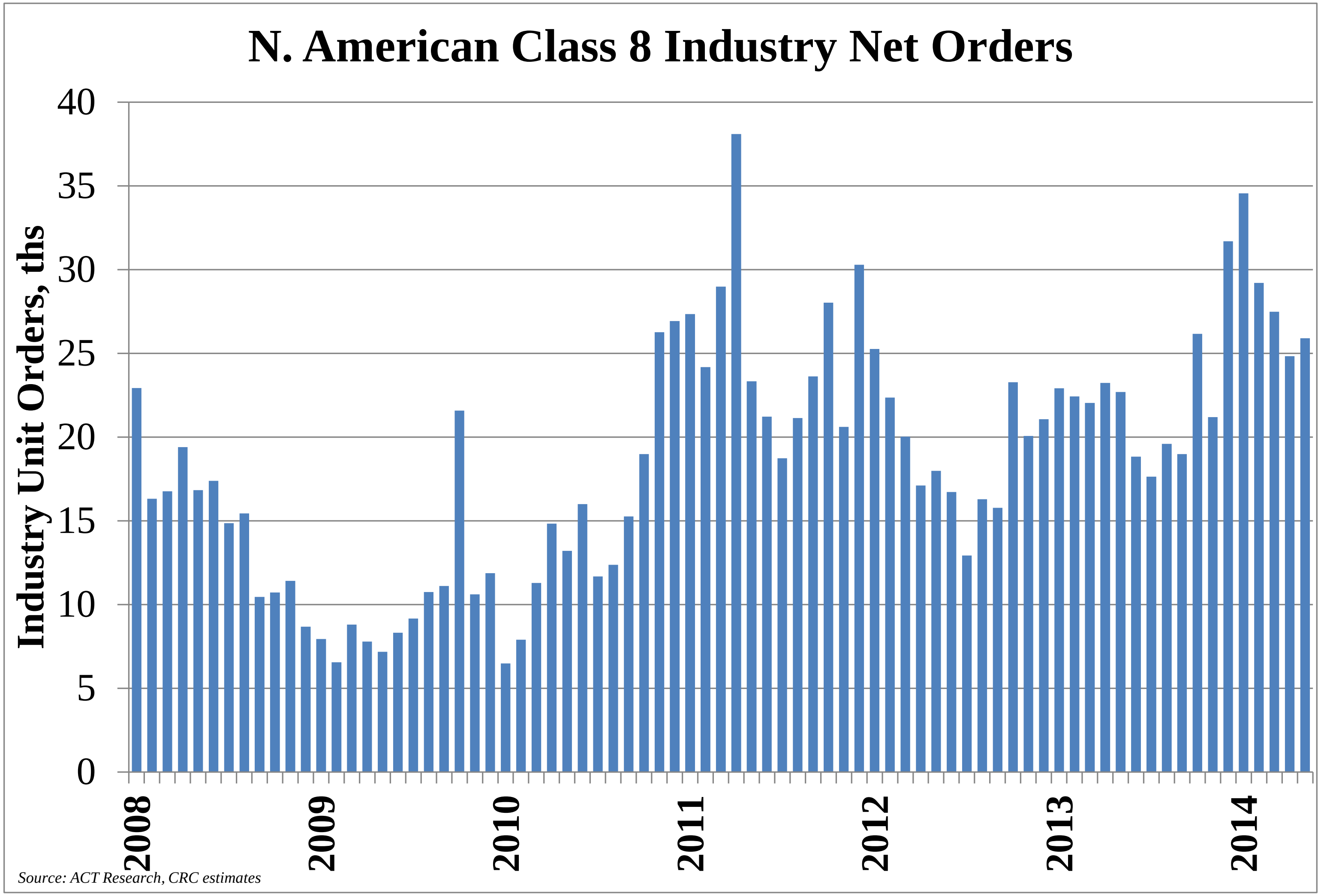
- McGraw Hill recently increased its 2014 non-residential building starts forecast (in dollars) to up 9% y/y from 8% growth 90-days ago, and the up 12% y/y forecast for non-residential building starts in square footage is unchanged. The most positive revisions are in the religious buildings, office/bank buildings, warehouses, dorms, government buildings, and hospitals categories, while the forecast for hotels/motels and parking garages declined the most from the prior forecast. The current forecast anticipates growth in non-residential building starts will accelerate in 2015 and 2016, to 14% and 16% growth, respectively. The chart on the next page details the current forecast from McGraw Hill.

Non-Res Starts: Forecast

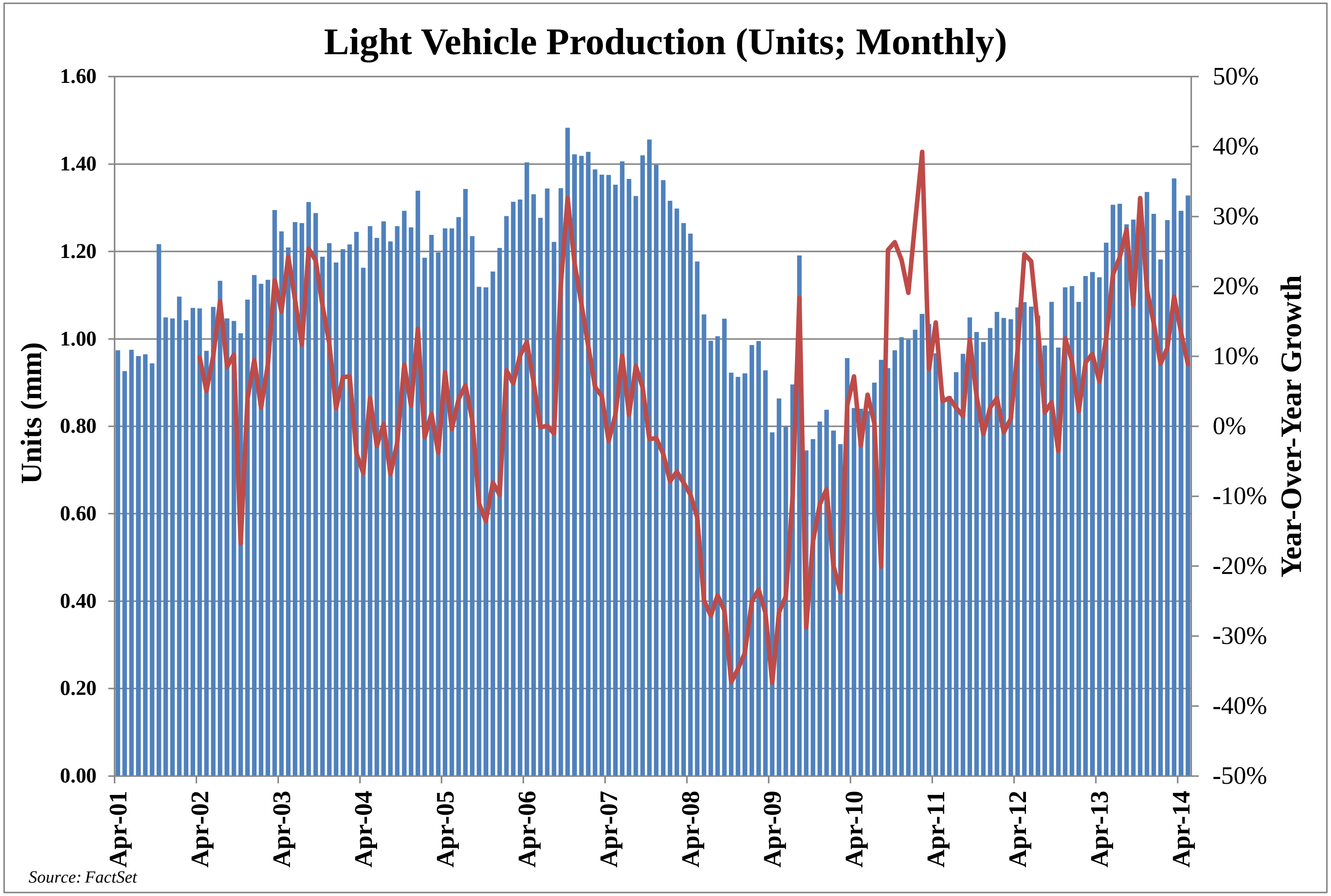
McGraw-Hill Construction Starts History and Forecast										
U.S. Starts Forecast (Value $mm)	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014E**	**2015E**	**2016E**	**2017E**
Amusement, Social and Recreational Bldgs	0%	-14%	-4%	-12%	-17%	28%	6%	18%	24%	1%
Dormitories	16%	-5%	1%	-15%	5%	-7%	3%	8%	8%	9%
Government Service Buildings	7%	15%	-32%	-14%	-9%	-24%	-6%	13%	11%	14%
Hospitals and Other Health Treatment	23%	-33%	16%	-7%	-3%	-4%	4%	14%	17%	10%
Hotels and Motels	-9%	-64%	-28%	58%	25%	31%	11%	21%	12%	-7%
Manufacturing Plants, Warehouses, Labs	44%	10%	-5%	74%	-25%	42%	7%	8%	14%	3%
Miscellaneous Nonresidential Buildings	19%	16%	29%	-29%	-10%	1%	7%	15%	14%	5%
Office and Bank Buildings	-15%	-28%	-18%	-3%	0%	21%	18%	19%	16%	11%
Parking Garages and Automotive Services	-21%	-47%	9%	26%	22%	25%	12%	12%	8%	1%
Religious Buildings	-5%	-7%	-29%	-10%	-10%	-5%	1%	10%	12%	17%
Schools, Libraries, and Labs (nonmfg)	9%	-17%	-3%	-11%	-12%	1%	4%	11%	23%	17%
Stores and Restaurants	-27%	-40%	-5%	3%	15%	6%	15%	21%	17%	4%
Warehouses (excl. manufacturer owned)	-22%	-58%	-16%	23%	27%	33%	27%	12%	8%	-3%
Nonresidential Building Starts ($mm)	242,186	168,877	162,640	165,654	158,222	174,082	189,473	216,522	251,990	271,614
% change y/y	***1%***	***-30%***	***-4%***	***2%***	***-4%***	***10%***	***9%***	***14%***	***16%***	***8%***
Nonresidential Building Starts (sqr ft)	1,377	773	678	703	774	845	943	1,076	1,220	1,269
% change y/y	***-18%***	***-44%***	***-12%***	***4%***	***10%***	***9%***	***12%***	***14%***	***13%***	***4%***
Single Family Housing Starts	1,203	951	978	905	1,146	1,424	1,762	2,248	2,687	2,614
% change y/y	***-42%***	***-21%***	***3%***	***-7%***	***27%***	***24%***	***24%***	***28%***	***20%***	***-3%***
Nonbuilding Starts (bridges, highways, etc, $mm)	152,486	144,769	148,329	150,515	162,823	144,800	129,300	135,100	146,900	162,700
% change y/y	***9%***	***-5%***	***2%***	***1%***	***8%***	***-11%***	***-11%***	***4%***	***9%***	***11%***

Source: MHC (1Q14 fcst)

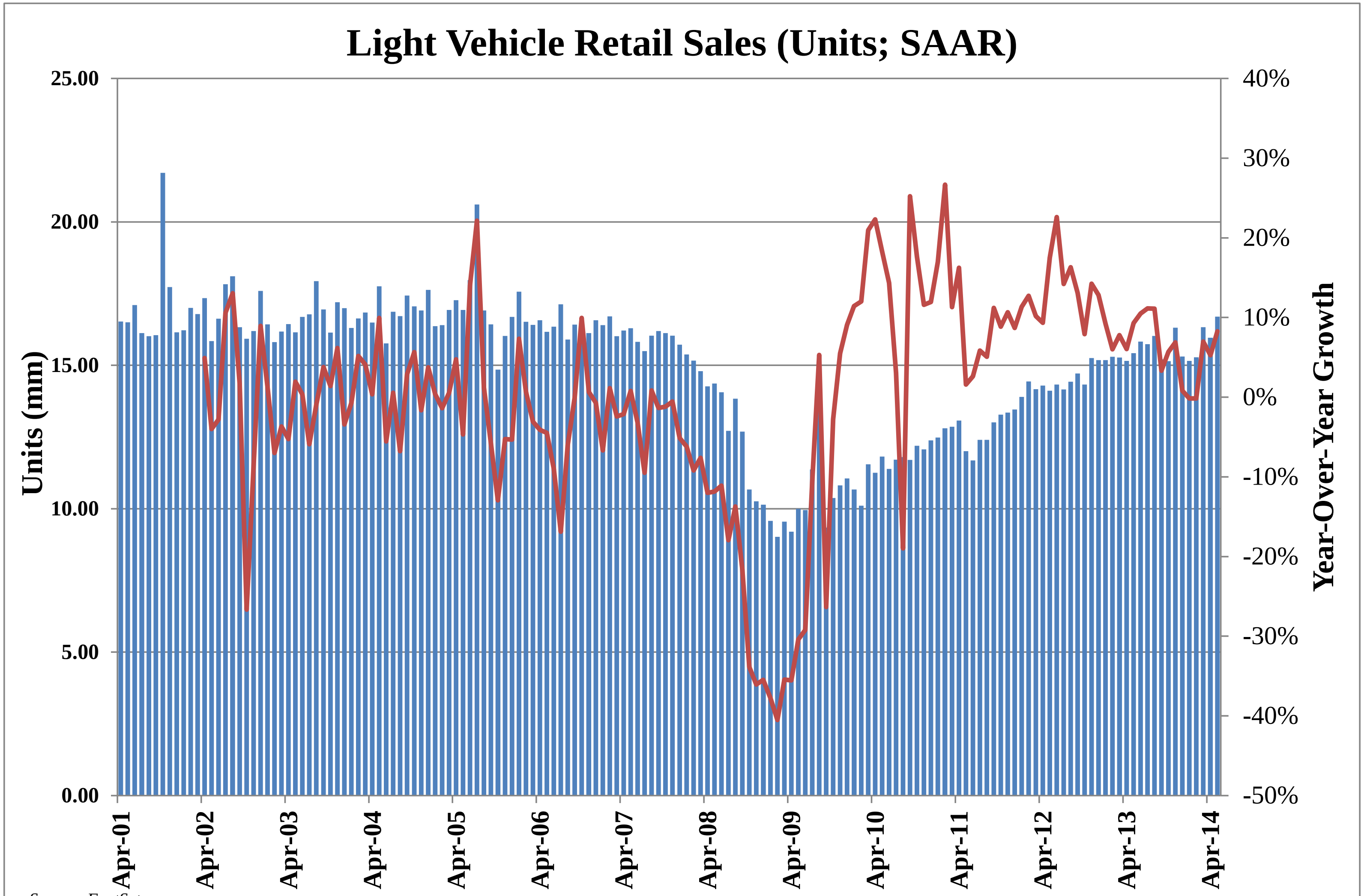
Heavy Truck Orders Tick Up to ~26k Units in May



Light Vehicle Production up 9% y/y in May



Light Vehicle Retail Sales
~16.7mm SAAR in May

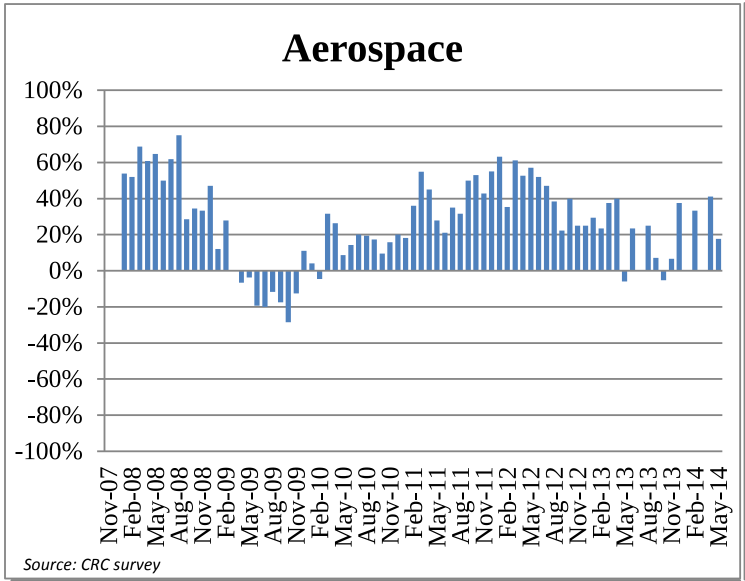


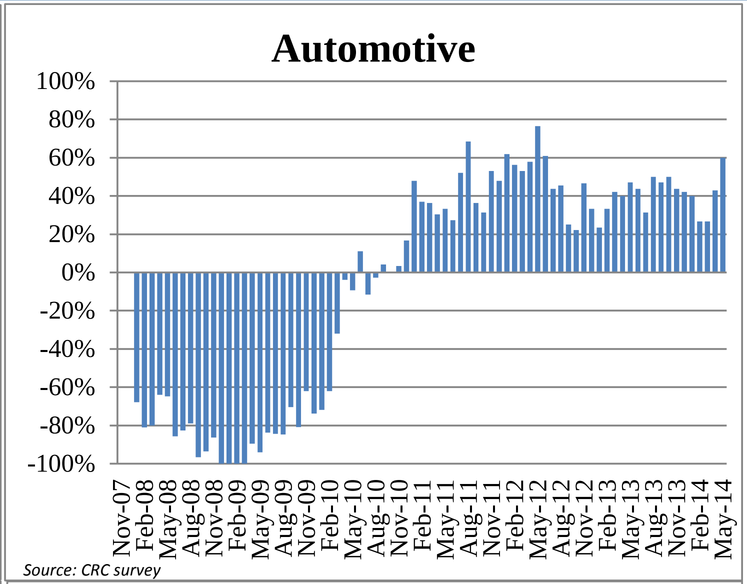
Source: FactSet

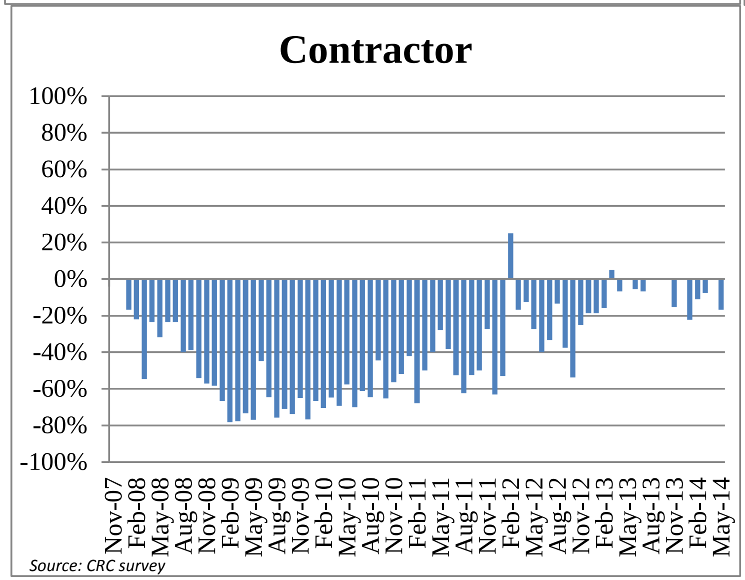
Appendix

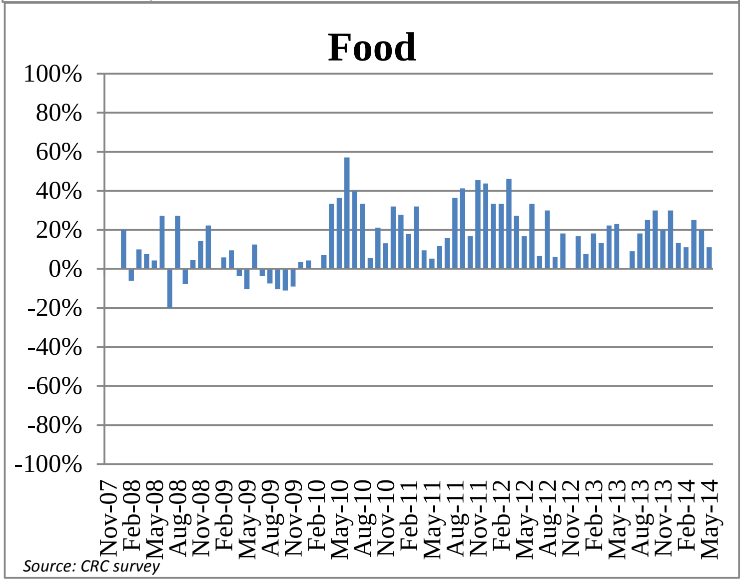
Long term end market trends

Industrial Survey
End Market Trends

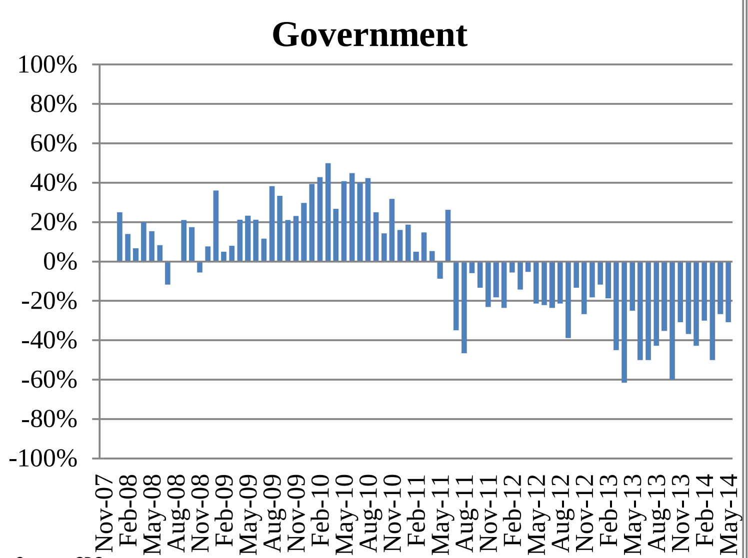




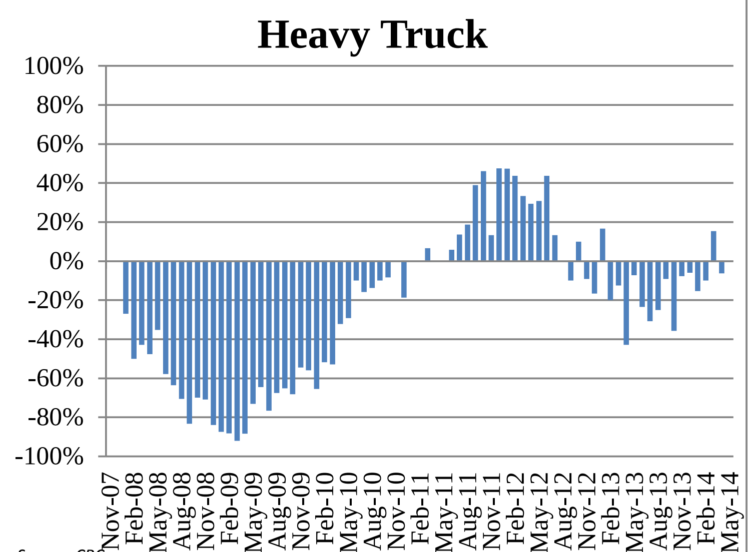




Industrial Survey
End Market Trends



Source: CRC survey



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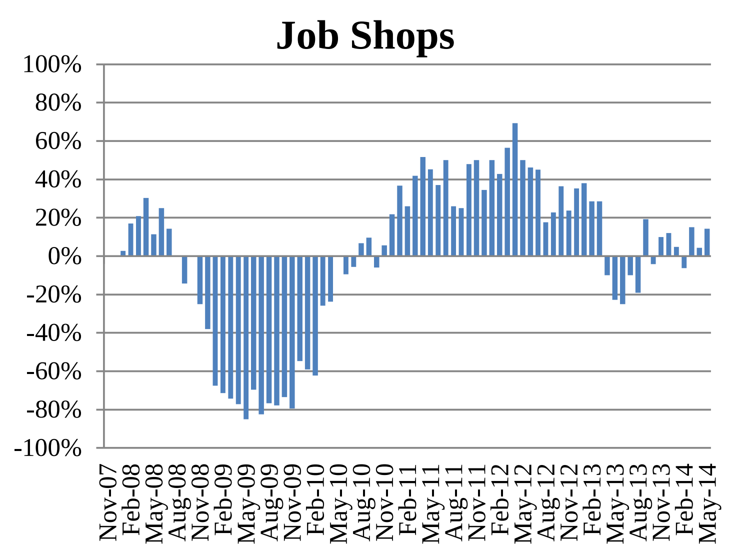
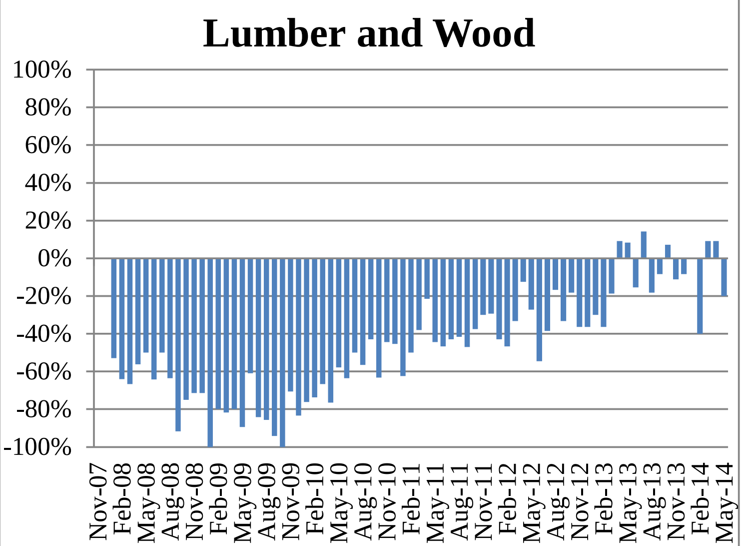
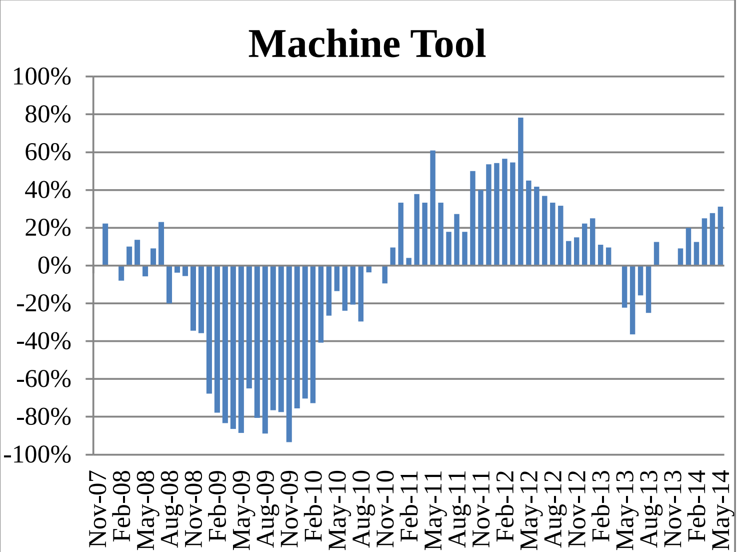


Source: CRC survey



Source: CRC survey

Industrial Survey
End Market Trends



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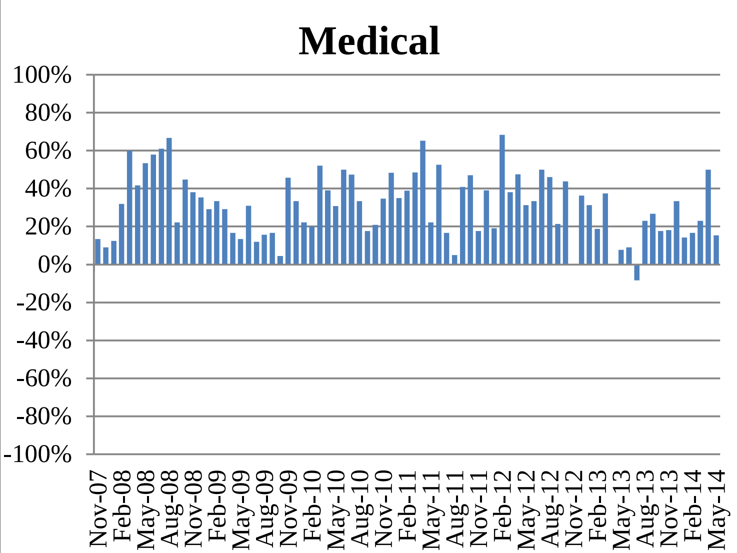

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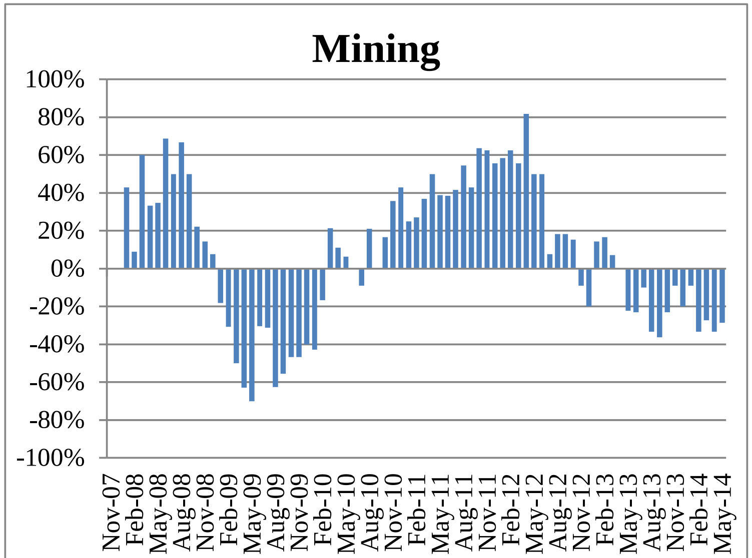

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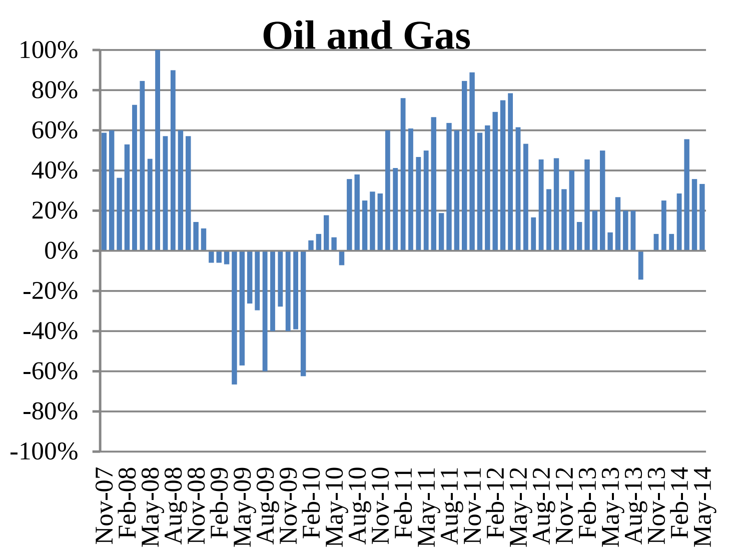
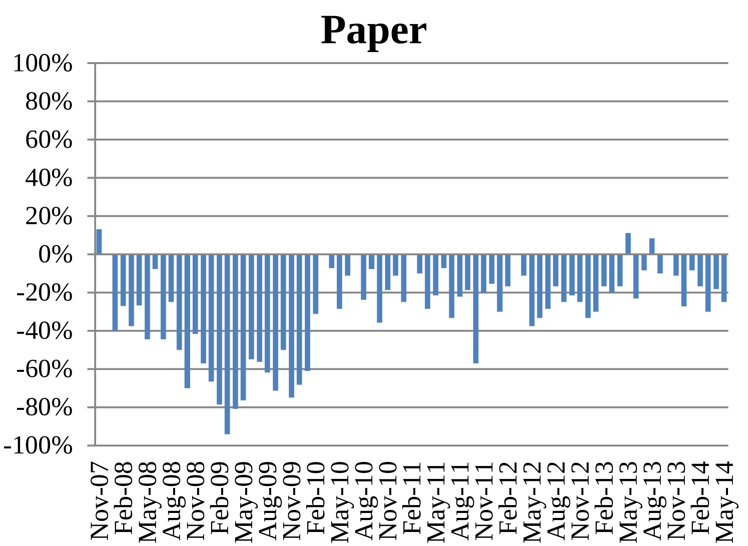


Source: CRC survey

Industrial Survey
End Market Trends



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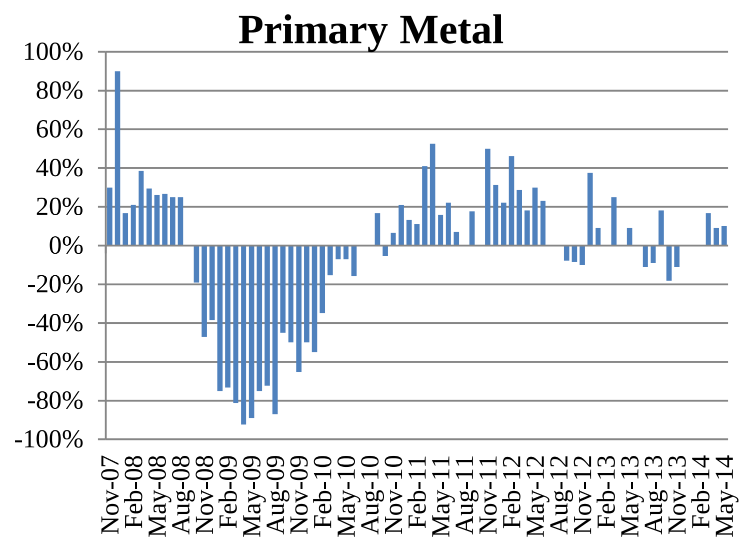

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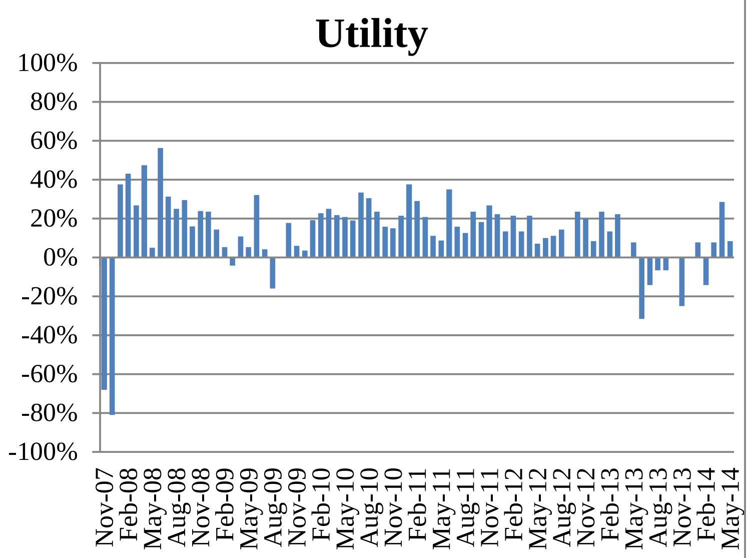
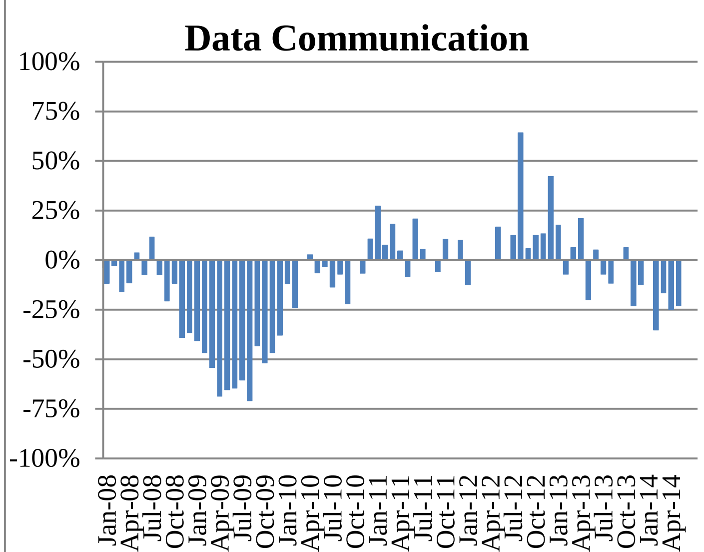
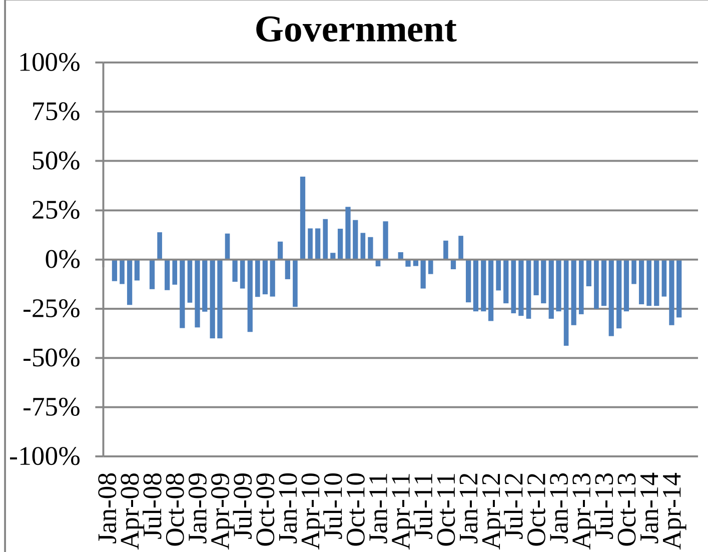


Source: CRC survey

Electrical Survey
End Market Trends



Source: CRC survey



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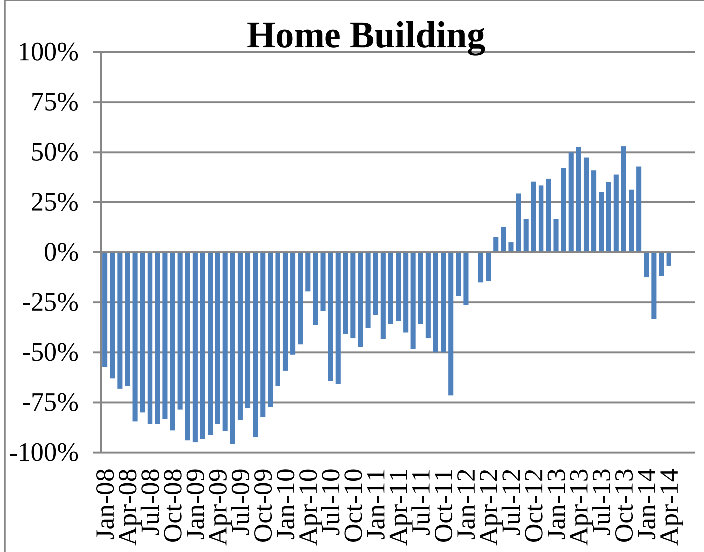

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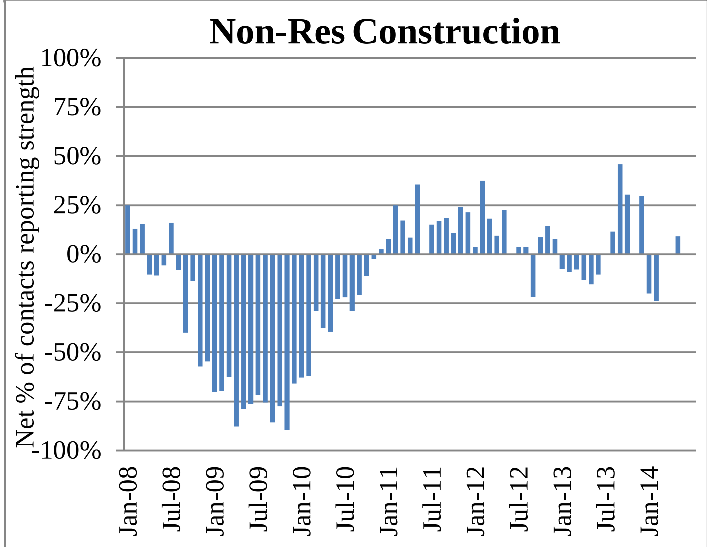
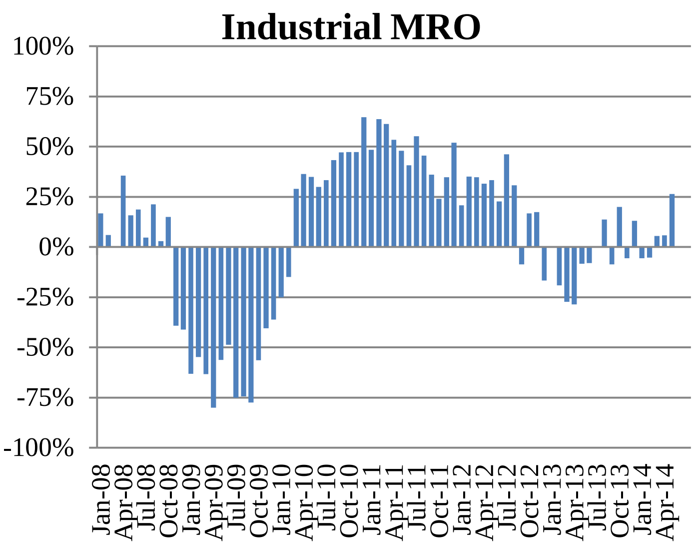


Source: CRC survey

Electrical Survey
End Market Trends



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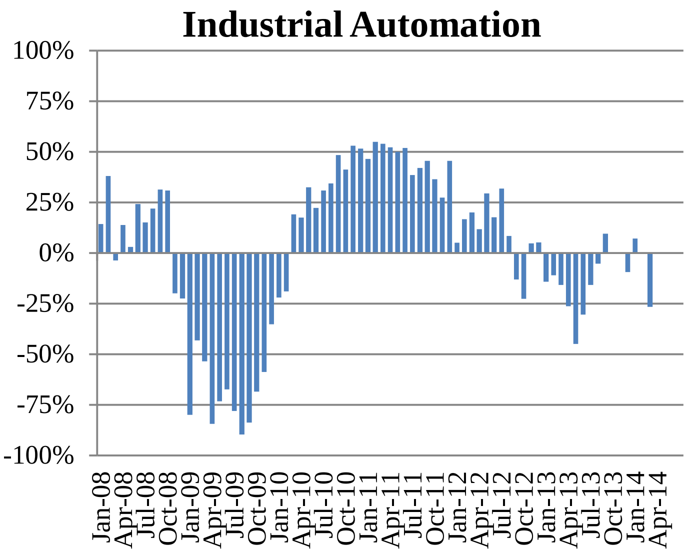
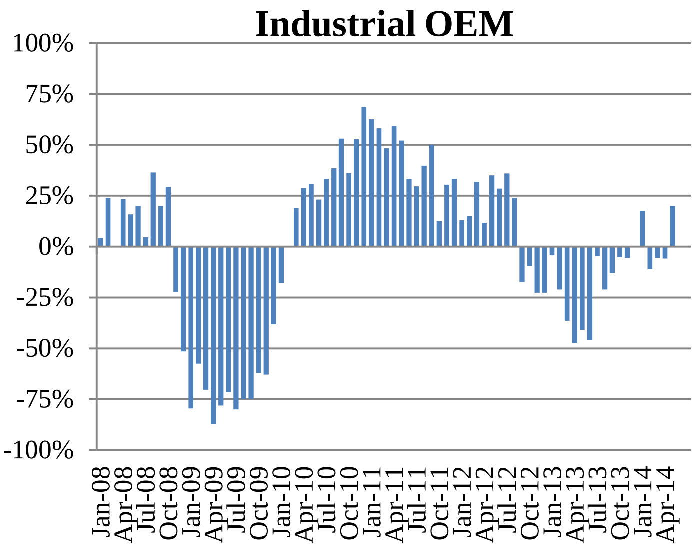


Source: CRC survey



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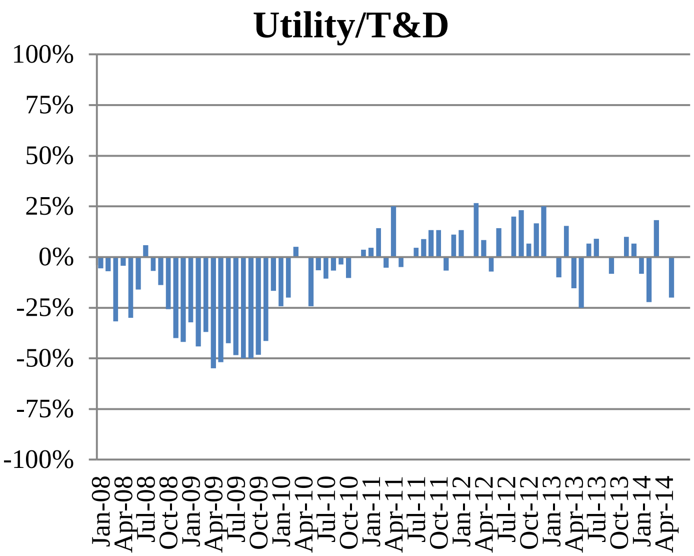

Source: CRC survey

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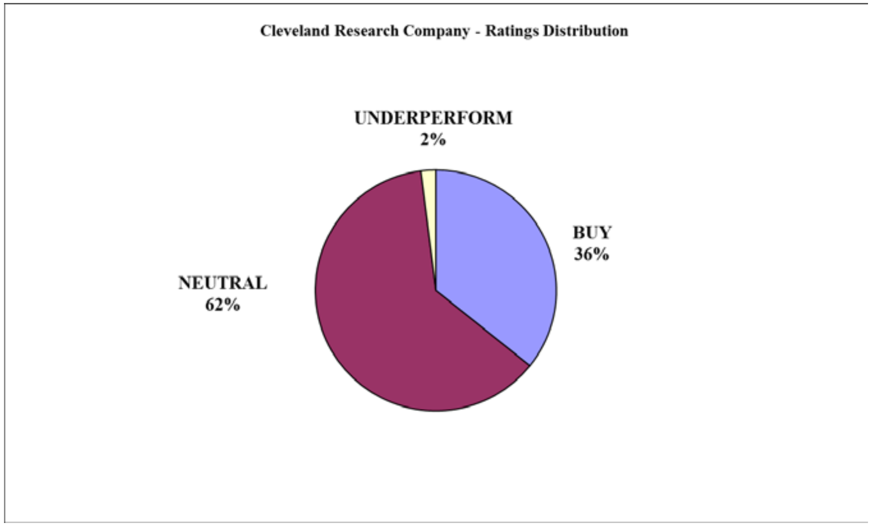

Disclosures

Buy: *The stock's return is expected to exceed the market due to superior fundamentals and positive catalysts.*

Underperform: *The stock's total return is expected to underperform the market due to weak fundamentals and a lack of catalysts.*

Neutral: *The stock is expected to be in line with the market due to full valuation and/or a lack of catalysts.*

Valuation and Risk: *Price targets are established under various valuation methods including P/E, P/S, EV/EBITDA on financial estimates based on forward earnings. Price targets are not established for every stock. The price target's effectiveness may be affected by various outside factors. Risk assessments can be found in the most recent research on these stocks.*

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