

Letter from the CEO

Looking into the future of the automotive industry I see very disruptive times for our customers. The age of mobility is upon us and it will change the way we think and use cars in the future. I have spent some time with our customers and industry experts to see what this will mean to our company. First the age of electrification will continue. 35% of all vehicles sold in 2025 will be electric. If autonomous will become a reality, then the number of cars per household will drop. Ownership will drop and riding will be a user experience event. So if you are going to work you may hail an Impala, but for date night you may hire a Lincoln Navigator. This will all be managed by your phone to a level that will make Uber look out of date.

Proper will be positioned well, as we continue our drive in supporting the vehicle lighting market. New light requirements will be required to let pedestrians know the car is in autonomous mode, as well as communication that the vehicle sees the people nearby. Comfort lighting will be enhanced in the cockpit because you can now do other activities such as reading or watching videos. Both segments, tooling and part making will benefit. Exteriors will change less driving the tool business down, but the part business up because the cars will run much longer and a lot more. Powertrain companies will have to reinvent itself as combustion engines are eliminated. More opportunities will emerge in battery cooling and recharging technologies. As this market develops, I can assure each one of you that we will be involved in the future of automotive.

Our tooling group had quite a slow summer with the market place down. Many of the OEM customers have moved programs back which causes gaps in our deliveries. I am happy with the recent progress of our new orders and I expect this fall and winter to be very busy in all locations.

SERIES 3

We also had some management changes but I will let you read the article for more detail. Polymers has tremendous growth and we are finally settling in with a strong and committed team. We actually put the brakes on any new projects for the last 12 months, while we absorbed hundreds of new product launches. Now we are back to building, our future order book with new customers like Yeti, Valeo and Honda. You will read more on this inside.

Thank you for your dedication and continued choice to work for our organization. I am proud to serve such an elite team.



Geoff O'Brien
CEO