

# Letter from the CEO

I am happy to see the weather break and spring is approaching. With spring comes the rain and fresh blooms of our trees and gardens. It will hopefully also bring a fresh perspective of what is in store for the automotive industry. Autonomous and electric vehicles are being developed at a fast pace. Our OEM customers are finalizing the new product portfolios at a controlled cautious level. In turn, this has put the global tooling industry into a worldwide slow down. This will undoubtedly carry over to slower orders in the part side of our business as well. Our team is expanding their reach into other customers and product lines to help fill open capacity as our customers begin to release new product details. I fully expect the next two quarters to be about the same pace and then ramp to a higher level of capacity utilization.

During this time, we will continue to evaluate equipment upgrades, productivity and efficiency in order to compete in the global market. Unfortunately, our government has allowed imported molds from low cost countries to continue to enter our country. So we must continue to improve.

In my recent visits to our customers they all have the same message, "There is head winds coming for automotive, maybe in the next 18 to 24 months." This is opposite of what the press and cable shows are stating, but these global companies see around the world and I am listening closely. So much of our company is directly linked to automotive and we will need to be conservative in our behavior to be ready for the next down turn. I hope they are all wrong but it is prudent to prepare.

Part of this preparation is evaluating our customers and the products we make for them. Low margin business must be removed from our company, as well as customer behavior that overtakes every resource. This may reduce overall revenue, but it will make the company stronger and healthier. We call this weeding the garden!

Enjoy your spring season.



**Geoff O'Brien**  
CEO

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