

EFC Weekly Pulse - Customer Supply / Demand - RESULTS - May 8th

Please find the latest comparison data on the weekly supply and demand pulse.

This week's poll numbers shows an improvement in demand over the previous week. 61% of manufacturers and 85% of distributors reported steady or growing demand. Similarly, only 9% of Manufacturers and 11% of Distributors reported a worsening supply chain.

On a year to date basis, 47% of Manufacturers and 22% of Distributors reported a drop in their year to date business of 30% or greater. This is a slight improvement over the previous week's results.

Don't forget to read the comment section at the end of the document for additional insights from the membership.

Please be advised that this poll is meant to be a snapshot of the industry at that point in time. All EFC Manufacturers and Distributors are invited to provide input, however we are not closely tracking which companies are responding each week, thus the results will fluctuate based on that week's make up. EFC will continue to monitor the status of our industry for the weeks to come. We encourage you to continue to provide input. THANK YOU !

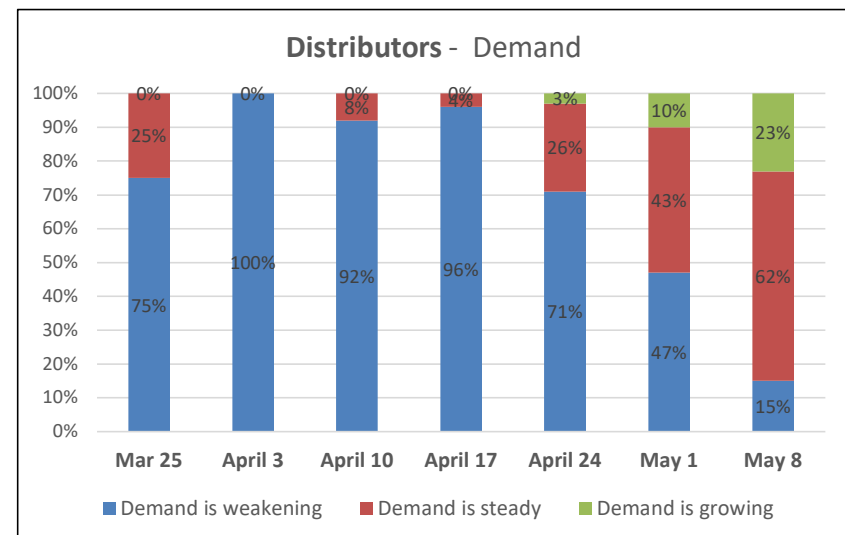
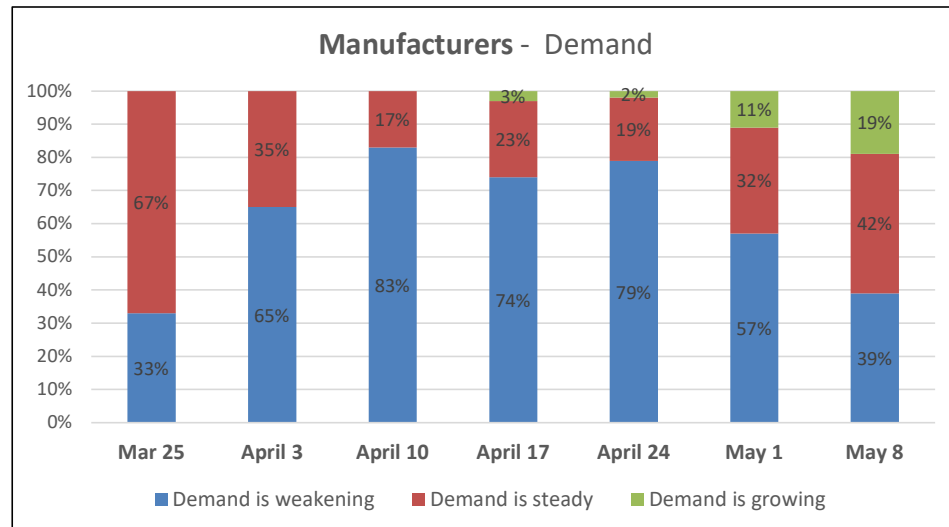
Q1. Please indicate the status of demand as it relates to your business for the past week:

MANUFACTURERS	Mar 25	April 3	April 10	April 17	April 24	May 1	May 8
Demand is weakening	33%	65%	83%	74%	79%	57%	39%
Demand is steady	67%	35%	17%	23%	19%	32%	42%
Demand is growing	0%	0%	0%	3%	2%	11%	19%

Change from Prev
-18%
10%
8%

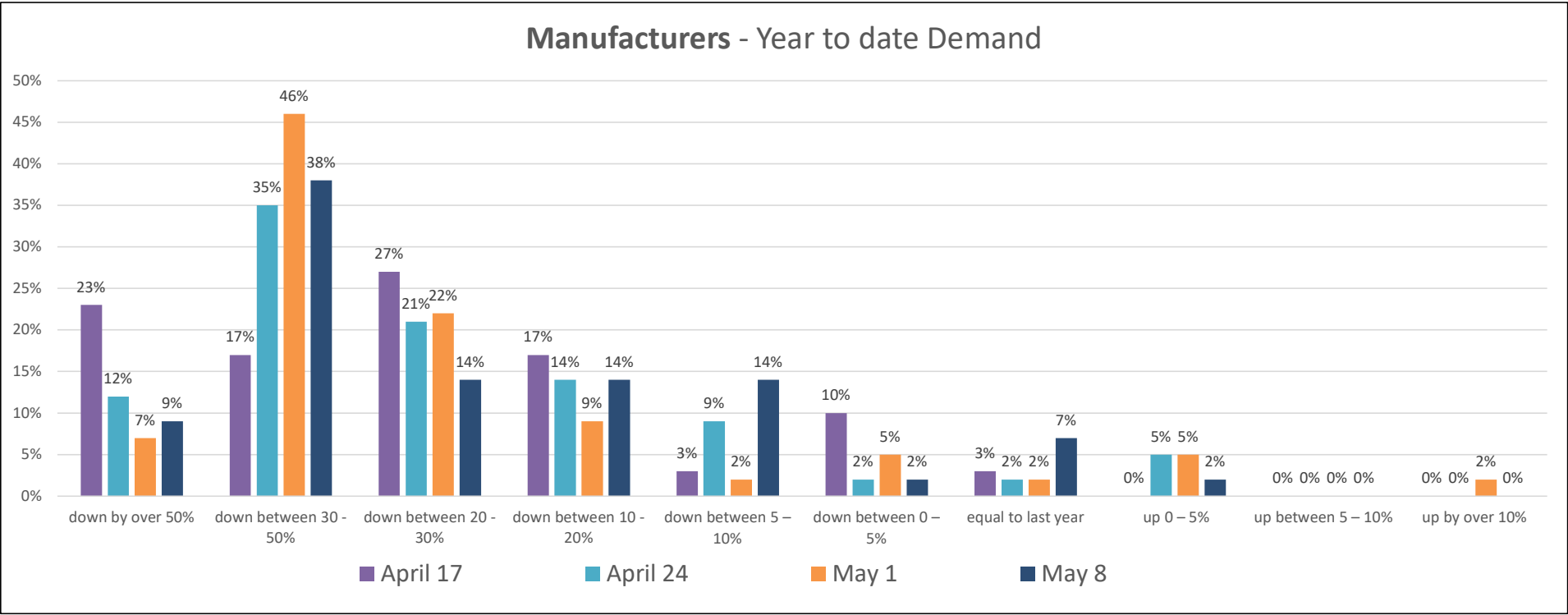
DISTRIBUTORS	Mar 25	April 3	April 10	April 17	April 24	May 1	May 8
Demand is weakening	75%	100%	92%	96%	71%	47%	15%
Demand is steady	25%	0%	8%	4%	26%	43%	62%
Demand is growing	0%	0%	0%	0%	3%	10%	23%

Change from Prev
-32%
19%
13%



Q2. Please indicate the status of DEMAND as it relates to your business on a YTD basis:

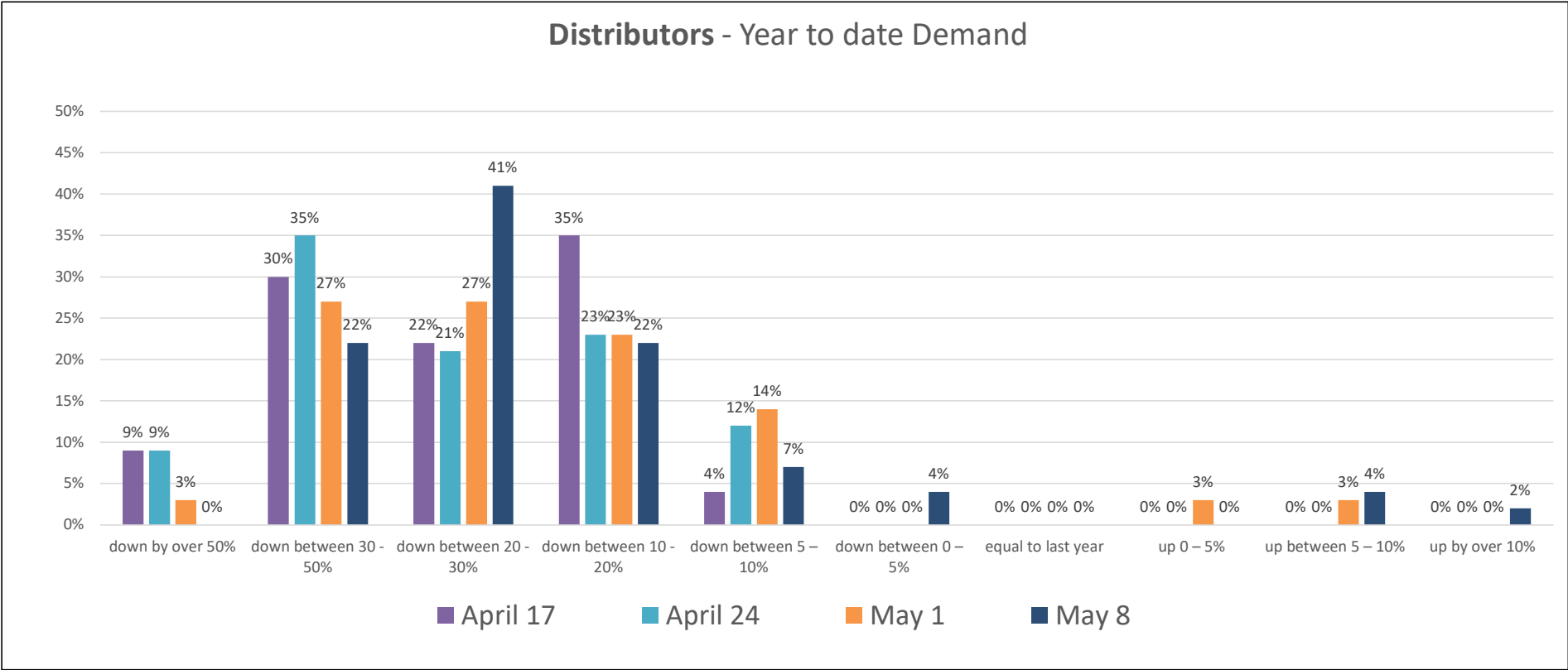
MANUFACTURERS	Mar 25	April 3	April 10	April 17	April 24	May 1	May 8
down by over 50%				23%	12%	7%	9%
down between 30 - 50%				17%	35%	46%	38%
down between 20 - 30%				27%	21%	22%	14%
down between 10 - 20%				17%	14%	9%	14%
ST down by over 10%	15%	31%	69%	84%	82%	84%	75%
down between 5 – 10%	12%	20%	8%	3%	9%	2%	14%
down between 0 – 5%	12%	3%	3%	10%	2%	5%	2%
equal to last year	30%	17%	6%	3%	2%	2%	7%
up 0 – 5%	15%	11%	6%	0%	5%	5%	2%
up between 5 – 10%	12%	9%	8%	0%	0%	0%	0%
up by over 10%	3%	9%	0%	0%	0%	2%	0%



Q2. Please indicate the status of DEMAND as it relates to your business on a YTD basis:

DISTRIBUTORS	Mar 25	April 3	April 10	April 17	April 24	May 1	May 8
down by over 50%				9%	9%	3%	0%
down between 30 - 50%				30%	35%	27%	22%
down between 20 - 30%				22%	21%	27%	41%
down between 10 - 20%				35%	23%	23%	22%
<i>ST down by over 10%</i>	<i>21%</i>	<i>63%</i>	<i>88%</i>	<i>96%</i>	<i>88%</i>	<i>80%</i>	<i>85%</i>
down between 5 – 10%	8%	17%	12%	4%	12%	14%	7%
down between 0 – 5%	13%	12%	0%	0%	0%	0%	4%
equal to last year	21%	4%	0%	0%	0%	0%	0%
up 0 – 5%	29%	0%	0%	0%	0%	3%	0%
up between 5 – 10%	4%	4%	0%	0%	0%	3%	4%
up by over 10%	4%	0%	0%	0%	0%	0%	2%

Distributors - Year to date Demand



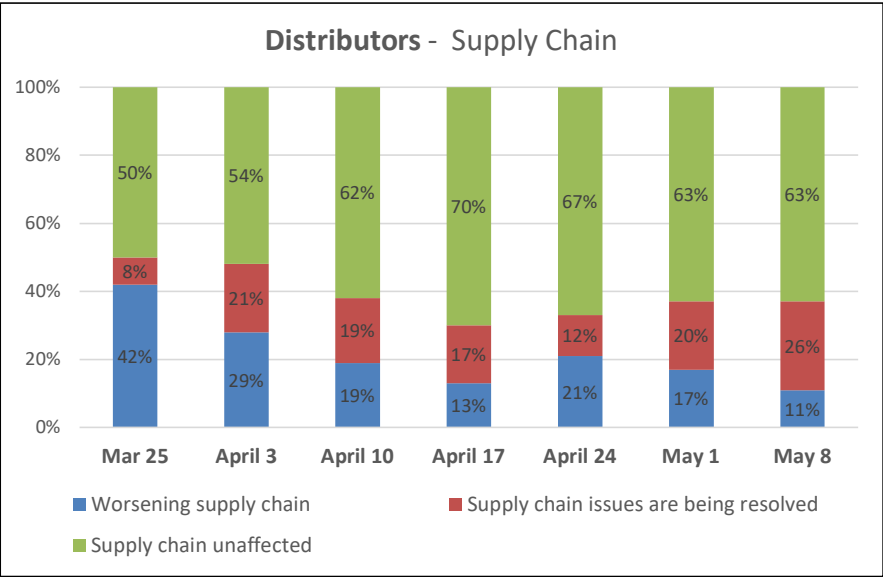
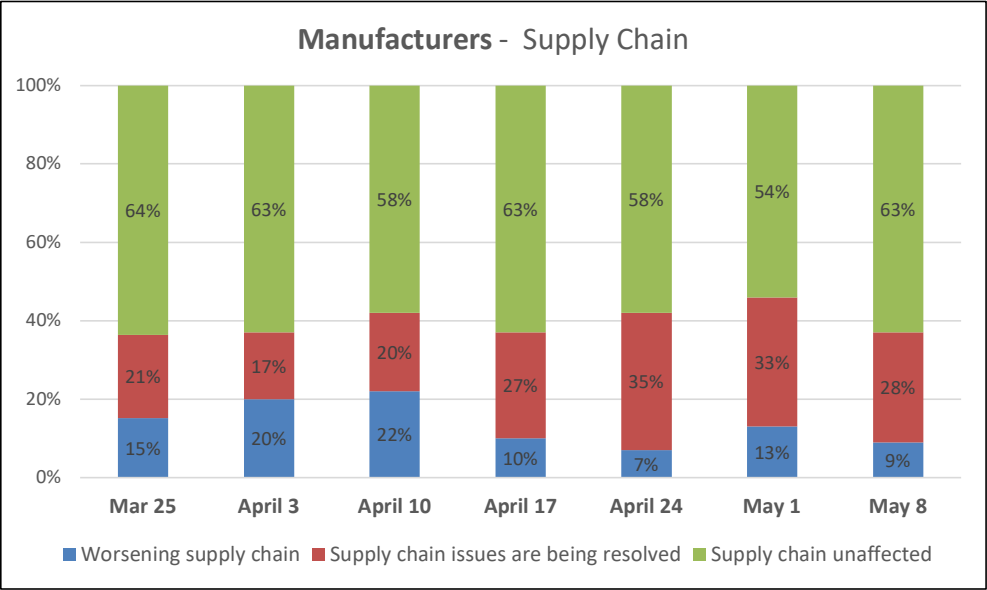
Q3. Please check the box that describes the status of the supply chain for your products/services:

MANUFACTURERS	Mar 25	April 3	April 10	April 17	April 24	May 1	May 8
Worsening supply chain	15%	20%	22%	10%	7%	13%	9%
Supply chain issues are being resolved	21%	17%	20%	27%	35%	33%	28%
Supply chain unaffected	64%	63%	58%	63%	58%	54%	63%

Change from Prev
-4%
-5%
9%

DISTRIBUTORS	Mar 25	April 3	April 10	April 17	April 24	May 1	May 8
Worsening supply chain	42%	29%	19%	13%	21%	17%	11%
Supply chain issues are being resolved	8%	21%	19%	17%	12%	20%	26%
Supply chain unaffected	50%	54%	62%	70%	67%	63%	63%

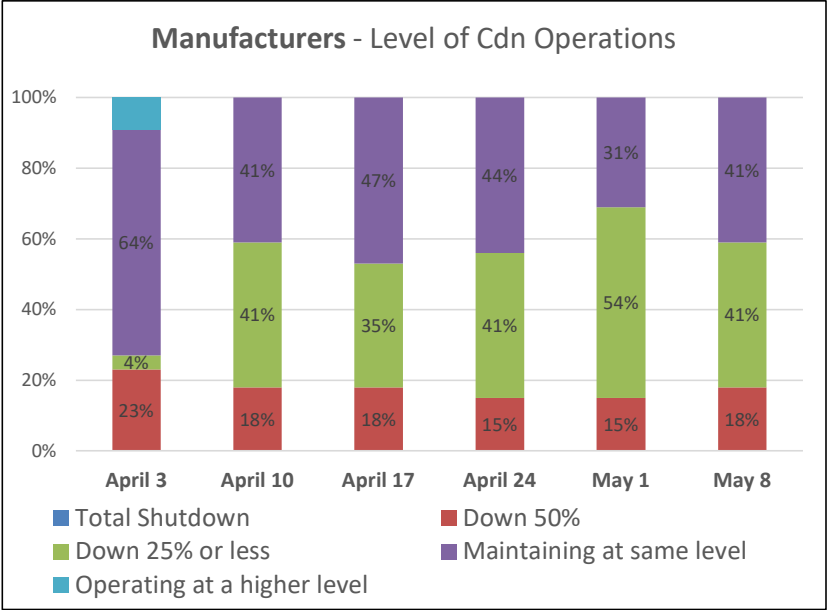
Change from Prev
-6%
6%
0%



Q4. If applicable, What level are you Canadian Operations at? (versus January & February average)

Results based on those with manufacturing facilities only

	April 3	April 10	April 17	April 24	May 1	May 8
Total Shutdown	0%	0%	0%	0%	0%	0%
Down 50%	23%	18%	18%	15%	15%	18%
Down 25% or less	4%	41%	35%	41%	54%	41%
Maintaining at same level	64%	41%	47%	44%	31%	41%
Operating at a higher level	9%	0%	0%	0%	0%	0%



Q5. Have you engaged in any layoffs since the beginning of March?

	Manufacturers				
	April 10	April 17	April 24	May 1	May 8
Yes	47%	27%	38%	33%	49%
No	53%	73%	62%	67%	51%

Distributors				
April 10	April 17	April 24	May 1	May 8
50%	65%	76%	76%	52%
50%	35%	24%	24%	48%

Survey Responses	March 25	April 3	April 20	April 17	April 24	May 1	May 8
Manufacturers	33	35	36	30	43	46	43
Distributors	24	24	26	23	34	30	27

COMMENT SECTION

May 8th

Manufacturers

Canada is well poised to do well once the first wave of the crisis is behind us.

Expect the situation to still worsen as time passes

We are getting 75% of employees back to work on Monday 11th

Distributors

Logistics are hampering delivery (due to staff shortages, delays, etc.) and some are experiencing manufacturing issues especially those that manufacture in Mexico.

We see slightly more sales activity as compared to the last two weeks.

QC is starting to see an improvement with construction reopening.

May 1st

Manufacturers

COVID-19 has had a material impact on sales. All Canada and USA based sales agents are essentially working from home, making phone calls, emails when they can but no face to face interaction with buyers are allowed and the customers are not buying. Our customers/buyers are taking the wait and see approach, holding back orders as their own manufacturing levels and orders slow down. It's been a downward spiral and it may take months to get back to "normal" business levels.

Cross our fingers that we will continue to operate in the norm through this pandemic.

get pq and other open!

Have Large CAPEWX Infra projects accelerated. Ensure Electrification of Transport Public Transit is accelerated. Cancel the 2 weeks Construction Holiday in Quebec

Our US business seems to be holding better than Canadian.

Distributors

On the supply chain side the errors are higher or missing skids and so on. This is the carriers who are making these errors and they are not giving way bills.

still have staff on 1 day a week furlough

The government programs as plentiful as they are do not favor the medium size businesses. As well offering BCAP loans at 7.1%+ is not very helpful through these times

April 24th

Manufacturers

1) Have Quebec Construction Holiday cancelled in 2020 2) Accelerate large Infrastructure CAPEX project like, but not limited to, electrification of transports

if possible and available , business economic update by region in canada

Just found out that the wage subsidy does not apply to staff that have been laid off for more than 14 days. Most companies will not qualify. Also subsidy is taxable to my company at 25.6% and to the employee at their tax rate so in the end 50 -70% of the subsidy will end up back with the government. Very disappointing and not what most were led to believe.

Layoffs are coming

Quebec residential construction starting this week so we should see a slight improvement over the next few weeks.

US market is significantly stronger than the canadian

Very concerned how we are going to change profits how we can continue normal operations

Distributors

Stay safe everyone!

As jobs are being completed, and no new Building Permits being issued, the market for electrical products will decline. April may finish ok, but May will be more challenging if Permits do not begin to flow again.

April 17th

Manufacturers

Ensure ConstrucTin is part of the essential services

Distributors

Our layoffs at this point have been mostly voluntary and primarily due to childcare or other family related issues

Just voluntary time off for now. With the approval of Canada emergency wage subsidy, we will be able to apply

April 10th

Manufacturers

Ask QUEBEC Construction Holidays to be cancelled - let's see if we can remain totally open for all sites

BUY CANADIAN

Canada and USA supply chains are getting harder to deal with. China is improving

Down to 4 day week for all employees effective Apr 6

Forecast for April is a drop in Sales of 40 - 50 % over April 2019

It is getting more difficult

Let's Continue our efforts - Let's get ready to rebound

Survey questions do not reflect market conditions

this is a daily review---

We need help from our partners to continue to take any orders already placed and in the manufacturing process

Distributors

all staff effective April 13th will be on reduced work schedule - 40 hour week now becomes a 32 hour week

Customers are still coming in, calling and emailing but not enough to warrant a full staff. Stay safe all, we are essential but all of our health and our employees is priority!

everyone must continue to pay there Bills on time , and receive there funds on time , otherwise Domino effect.

shared work week

April 3rd

Manufacturers

Glad essential services were finally defined. Surprised travel restrictions and 14 day isolation after any out of country travel were not imposed earlier.

Uncertainty is getting hard to manage.

waiting for the shoe to drop

Distributors

Due to the Quebec Government forced closing of all construction sites we have now had to close our Quebec branches as of Monday March 30. As a result we've had to lay-off staff

The virus is creating issues with being able to ship products to customers. The time required to obtain test results for Covid is between 5-10 days so that is the minimum amount of time before people can return to the workplace even if the test results are negative. We require testing methods that obtain results more quickly.

March 26th

Manufacturers

changing daily.

It is still early in the pandemic. Many issues are yet to arise

The situation is changing very quickly. today's answers and tomorrow's answers will not be the same.

Distributors

Concerns for my co-works dealing with customers on a day to day bases, worried we are allowing the virus in every time we get a delivery.

Changing fast on site closures

Counters have all closed, pick ups still available

Still a long ways away from the after effects of COVID-19

the issue at hand is this virus, if we continue to work, supply and pretend it's a regular day this virus will not end and we will be a Italy levels. we have taken extreme measures, closing the showroom to the public and only shipping out orders, however the demand of supply seems as strong as ever... which makes us worry if we will be getting paid for all of this material shipping out as the effects of COVID19 will take weeks/months to get a better understanding and if workers continue to work on the construction sites the virus will not end. the government needs to shut it down for 2-3 weeks, halt markets, and let's end this plague. suppliers and construction can then be back to normal as supply chains are strong regardless of world events, however the economic recovery will take years as this epidemic was mishandled by the world leaders that should of handled this back in December/ January. they Doug Ford want construction to continue to keep the economy going, but the damage is already done, there just putting us and our customers at risk. like we did not learn from Italy. sad. distributors must stand united at these times and vote to shut it down and force the contractors to stop working as they won't have any supply's to work with. we see the bigger picture and it's putting our customers at risk. to the government there just numbers on a chart, to us it's our industry that is in jeopardy financially and in health.

With less demand, supply isn't top of mind right now.