

ANNUAL ECONOMIC SURVEY



2017 SURVEY RESULTS FOR DANE COUNTY

COMMUNITY PARTNERS:



2017 FIRST BUSINESS ECONOMIC SURVEY REPORT —DANE COUNTY—

The Big Picture--DANE COUNTY

2017 was the fourth strong year in a row, both in terms of Sales Revenue and Profitability, and although it didn't measure up to the historic highs attained in 2014, it was still one of the best years in the 15-year span of the Dane County First Business Economic survey. The percentage of companies adding new staff was just below historic high levels, and nearly 8 out of 10 increased wages, exceeding the previous historic high observed more than a decade ago. The percentage of companies that actually decreased Capital Expenditures marked a new historic low, and more than 9 out of 10 companies increased or maintained their capital expenditure levels.

The outlook for 2018 remains very optimistic: The portion of companies that project increased Sales and Profits is slightly lower but remains very strong, and those projecting a decline in sales and profits are at or near historic lows. Those expected to increase hiring are at a new historic high, and 8 out of 10 respondents expect further improvements in overall business performance in 2018, while just 1% expect a decline.

Although there is some uncertainty that could affect business activity (such as possible changes to the Affordable Care Act, corporate and individual tax rates, deductions, and potential political upheaval), it doesn't seem to have affected current business performance or optimism for the year ahead. Business leaders say they're capitalizing on the positive results by planning to diversify their client base in 2018, create processes for generating innovative business ideas, creating or expanding leadership training tailored specifically to their needs, and investing in metrics. Whether that materializes, and makes companies better prepared for the next economic downturn—whenever it may occur—remains to be seen.

Overall Performance—Actual and Projected

Thirty percent of respondents indicated that 2017 was better than expected in terms of overall performance (unchanged from the previous year), and 50% reported that 2017 performance lived up to their expectations (up from 44% in 2016 and 39% the year before). It's important to consider the context; overall business performance expectations for 2017 were very strong to begin with, so the fact that an impressive 80% of all respondents met or exceeded those expectations is a very positive outcome. The companies that realized better-than-expected overall business performance attribute that improvement primarily to increased marketing efforts, improved internal efficiencies, and improved sales efforts (these three were almost tied,

and followed by investments in new talent). Twenty percent of companies reported overall performance falling short of expectations in 2017 (down from 26% the previous year), and attributed it to higher operating costs, skills shortages, and a domestic sales shortfall.

Looking ahead, 79% expect to perform better in 2018 (up ten percentage points from the previous year), and just 1% expect a worse overall business performance in 2018 than they had in 2017 (down from 4% last year). That means that nearly every company expects their overall business performance to be the same or better in 2018, and since the benchmark is an already strong 2017, this suggests undiminished ongoing optimism.

While the business climate continues to be marked by strong performance and optimism, companies are planning to take action in 2018. Asked about their top three priorities, more than half plan to act on diversifying their client base; a third plan to create a process for generating innovative business ideas, and 30% plan to create or expand a leadership training curriculum tailored to their company.

Sales—Actual and Projected

The percentage of companies that saw an increase in actual sales decreased from 71% in 2016 to 65% in 2017 (returning to the percentage reported in 2015). The percentage of companies recording a decrease in actual sales in 2017 remained at the previous year's historic low of 10%.

There is still optimism for the year ahead; 75% expect an increase in projected sales for 2018 (down 3% from the previous year), but a new historic low 3% expect a decrease in 2018 projected sales.

Profitability—Actual and Projected

Fifty-two percent of Dane County companies reported an increase in actual profitability in 2017, down from 57% the previous year. The percentage of respondents who reported a decrease in actual profitability was 20% (a single percentage point above the historic low reported in 2016). Fifty-nine percent expect an increase in 2018 projected profitability (down just 1% the previous year), and 8% expect a decrease in projected profitability for 2018, which is just above the historic low.

Employment and Wages—Actual and Projected

Forty-eight percent of respondents reported an increase in actual number of employees in 2017, down from the previous year's historic high 51%, and a new historic high 53% say their projected number of employees in 2018 will be higher as well. Only 2% of respondents expect a decrease in their projected number of employees for 2018, another historic low.

Seventy-eight percent of respondents saw actual wages increase in 2017, surpassing the previous historic high set in 2006. Three percent reported a decrease in actual wages, which was unchanged from 2016 and still close to the 1% historic low set in 2015. Seventy-six percent anticipate an increase in 2018 projected wages (down 2% from the previous year), and 2% expect

a decrease in projected 2018 wages, just one percentage higher than the previous year's historic low.

Capital Expenditures, Operating Cost as a % of Revenue, and Pricing—Projected and Actual

Forty-one percent of respondents reported an increase in actual capital expenditures in 2017, up 3% from the previous year. Eight percent reported a decrease, marking a new historic low. Projections for 2018 are along the same lines; 38% expect an increase in projected capital expenditures (unchanged), and those who expect a projected capital expenditures decrease in 2018 are at 9%, a single point above the historic low.

Fifty-one percent reported an increase in actual total operating cost as a percentage of revenue in 2017, up 8% from the previous year. In 2018, 37% expect an increase in projected total operating cost as a percentage of revenue; a single percentage point higher than the previous year.

Fifty-four percent saw an actual pricing increase (up from 47%), and just 1% saw an actual pricing decrease in 2017; a new historic low. Next year's projections include 58% of respondents expecting a pricing increase, while none project a pricing decrease (a new historic low).

Industry Snapshot—Manufacturing

The percentage of respondents expecting an increase in actual sales increased sharply in 2017 from 53% to 76%, setting a new historic high. Ninety percent project a Sales increase for 2018, a new historic high. Profitability saw a 10% increase to 63% in 2017 (a historic high), and 65% expect projected profitability to increase in 2018 (down from 82% the previous year).

Fifty-two percent report an increase in their number of employees, just 4% below the historic high, but the percentage of those projecting an increase in the number of employees for 2018 jumped from 47% to 71%; a historic high. The percentage of those experiencing a decrease in number of employees set a new historic low at 5% in 2017, but none project a decrease in 2018 (matching the historic low set in 2015). Eighty-six percent reported an increase in wages (up sharply from 59% the previous year), and 95% project wage increases in 2018; a new historic high.

Forty-three percent reported an increase in actual capital expenditures (ten points below last year's historic high), while those projecting an increase in 2018 was 48% (a historic high). Thirty-two percent reported an increase of total operating cost as a percentage of revenue in 2017, and 31% project an increase for 2018. Finally, 38% reported price increases in 2017, and a historic high 65% project increases in 2018.

Industry Snapshot—Professional Services

Seventy-two percent reported an actual sales increase, down from the previous year's 87% historic high, but a historic high 83% project a sales increase in 2018. Sixty percent recorded an increase in actual profitability in 2017 (down from the previous year's historic high 72%) and 62%

project an increase in 2018 (up 6% from the previous year). Just 5% project a sales decrease in 2018, a historic low.

Employment growth remained strong, with 56% reporting an increase in the actual number of employees (just 1% below the previous year's historic high). Fifty-nine percent expect an increase in staff levels in 2018 as well, just 2% below the historic high recorded last year. Seventy-four percent report an increase in wages, while 71% project an increase in 2018.

Forty-four percent report increased actual capital expenditures in 2017, and 32% expect a further increase in 2018 (unchanged from the previous year). Forty-nine percent recorded an increase in total operating cost as a percentage of revenue (up from 43%), and 32% project an increase in 2018. Fifty-one percent reported an actual pricing increase, and 49% project a pricing increase in 2018. None project a price decrease; a new historic low.

Industry Snapshot—Non-Profit

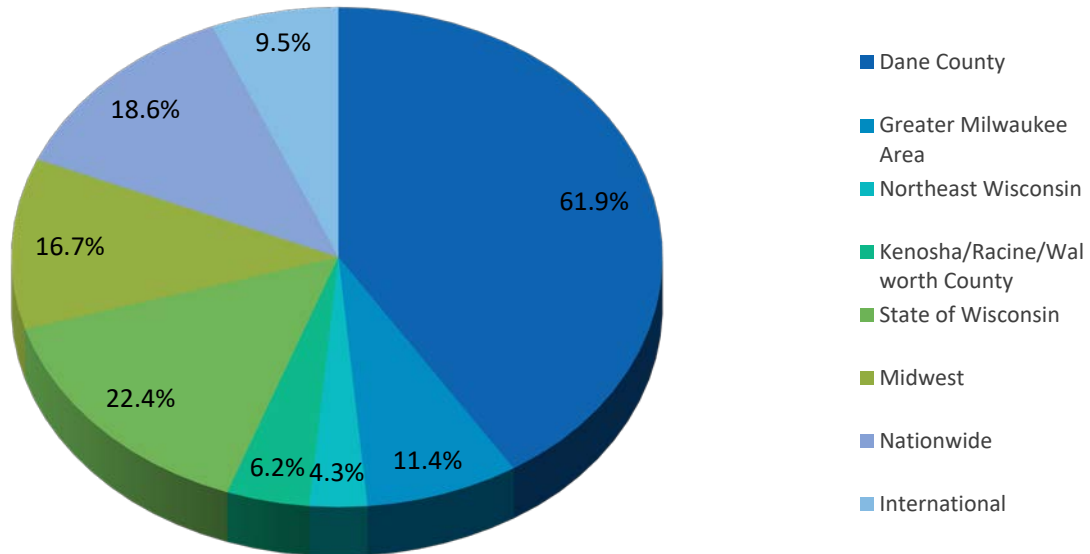
Since this is only the third year that Non-Profit has been a distinct industry category, historic lows and highs are still not very meaningful. Still, just 8% of non-profits saw a decrease in revenues from the previous year, and 40% increased their number of employees in 2017. Forty-four percent expect to increase hiring in 2018, and 92% expect to increase wages. Thirty-eight percent increased capital expenditures in 2017, and 54% project an increase in capital expenditures for 2018 (just 8% project a decrease).

About the 2017 First Business Economic Survey

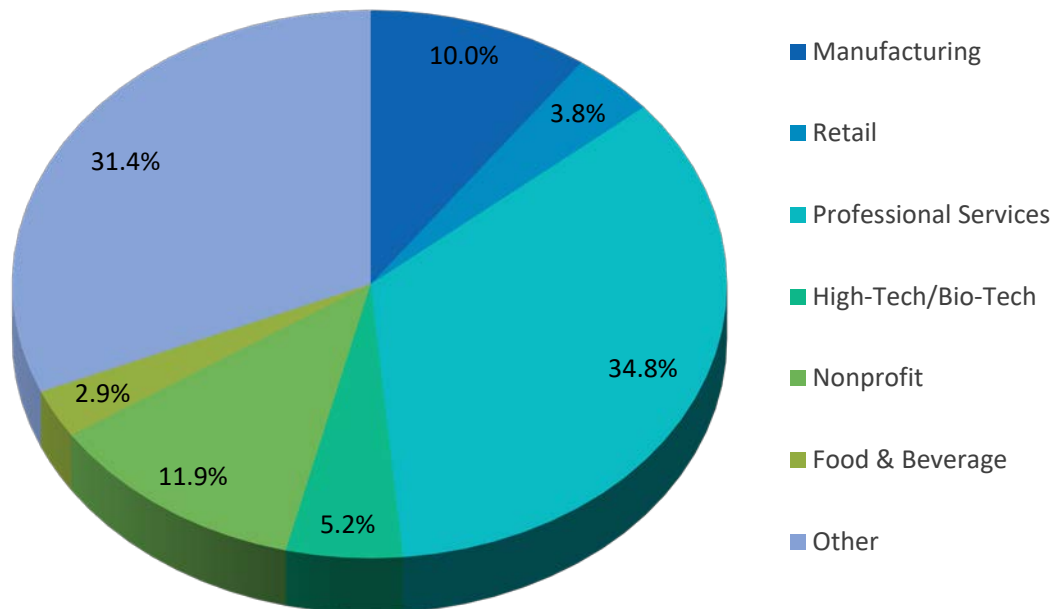
The 2017 First Business Economic Survey was completed by 318 respondents in 4 regions in Wisconsin, with 214 coming from Dane County. The survey was distributed electronically and was completed over a period of 6 weeks (late September to early November 2017) to individuals known to be decision makers (typically owners, CEOs, CFOs, etc.) Respondents self-reported their industry; in Dane County 35% were in Professional Services, 12% in Non-Profit, 10% in Manufacturing, and others from High Tech/Biotech, Food and Beverage, Retail, and other sectors. Historic high and low numbers, as well as trend data points over a 5-year-period, are drawn from previous years of the Economic Survey, where available. The 2017 Economic Survey was conducted by Dr. Moses Altsech, who serves on the faculty of UW-Madison and is President of Moses Altsech Consulting LLC.

PROFILE OF RESPONDENTS

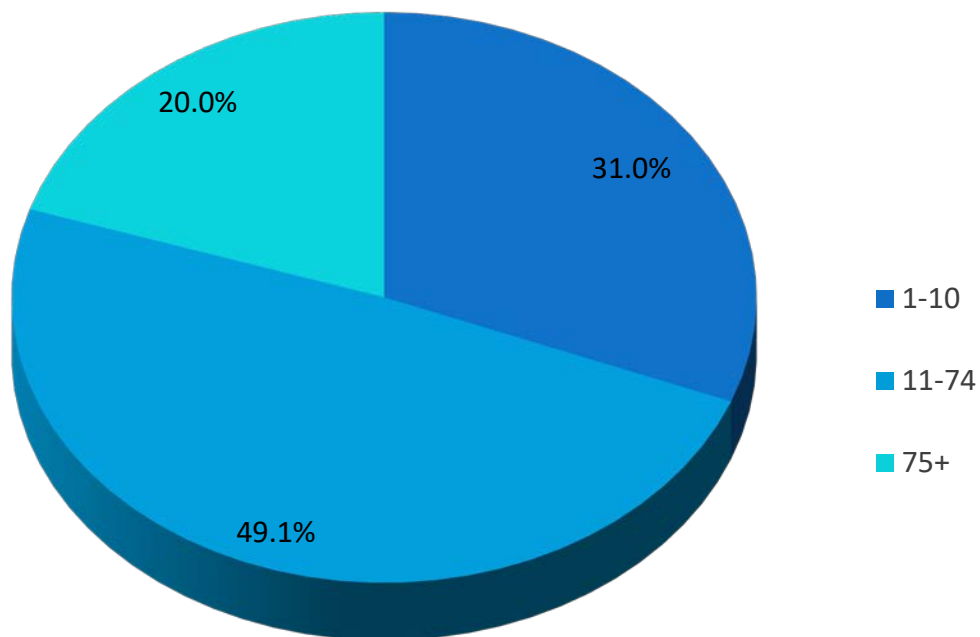
Target Market



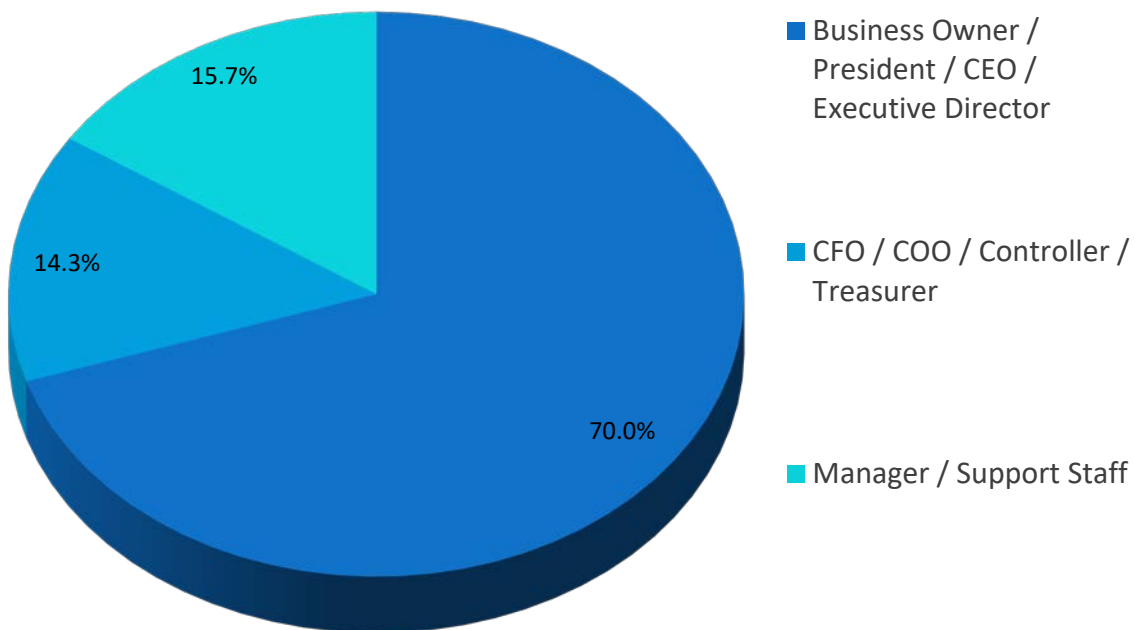
Business Type



Number of Employees



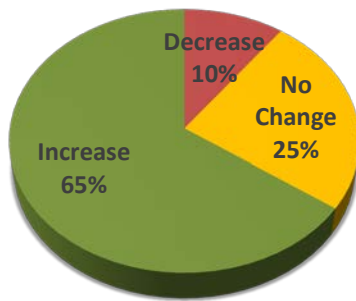
Job Position



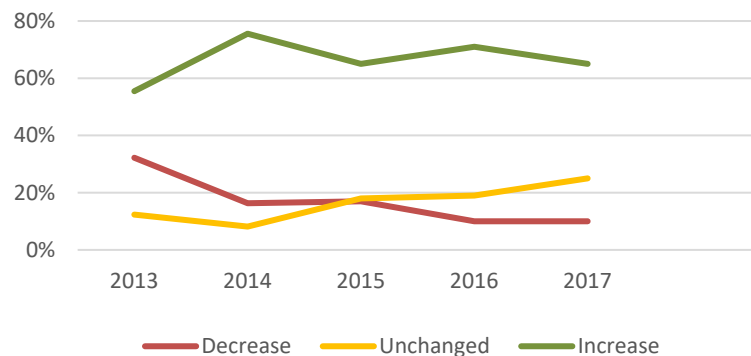
SURVEY RESULTS - OVERALL

Sales Revenue - Actual 2017

Sales Revenue



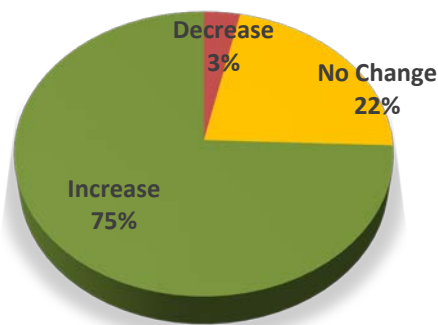
Sales Revenue - Actual History



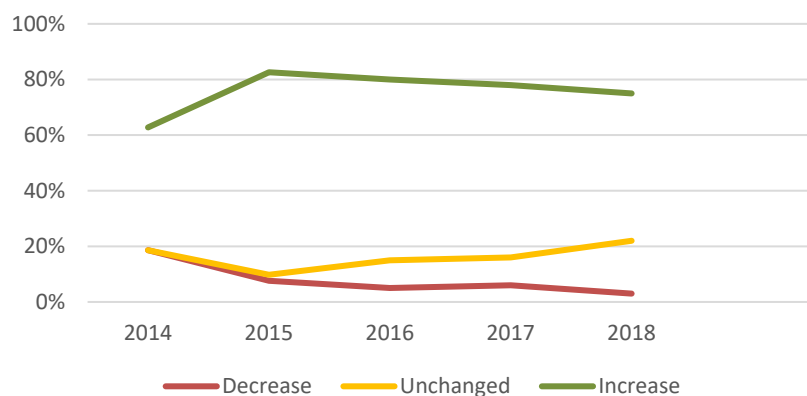
Decrease 10%		No Change 25%		Increase 65%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
10% 2016	62% 2009	8% 2014	25% 2017	28% 2009	75% 2014

Sales Revenue - Projected 2018

Sales Revenue



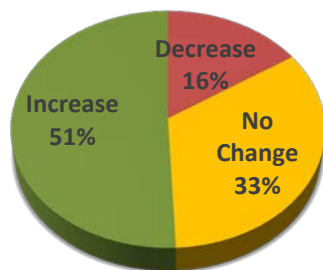
Sales Revenue - Projected History



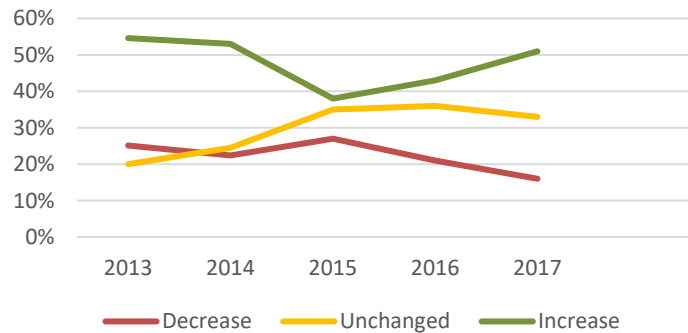
Decrease 3%		No Change 22%		Increase 75%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
3% 2018	29% 2009	10% 2015	25% 2013	53% 2012	82% 2015

Total Operating Cost as a % of Revenue - Actual 2017

Total Operating Costs as a % of Revenue



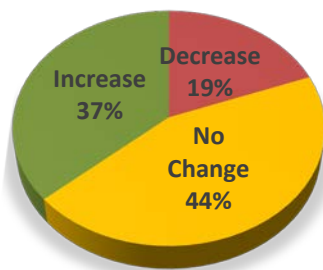
Total Operating Cost as a % of Revenue - Actual History



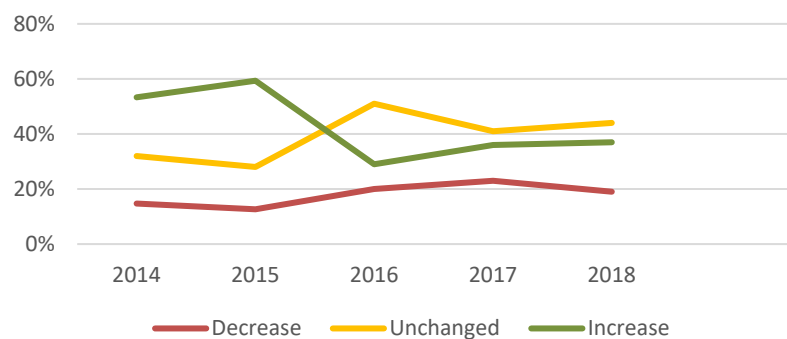
Decrease 16%		No Change 33%		Increase 51%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
16% 2017	35% 2009	10% 2004	36% 2016	38% 2015	71% 2004

Total Operating Cost as a % of Revenue - Projected 2018

Total Operating Costs as a % of Revenue



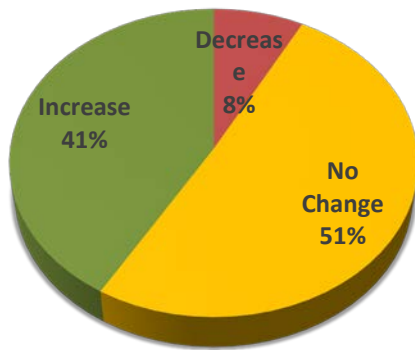
Total Operating Cost as a % of Revenue - Projected History



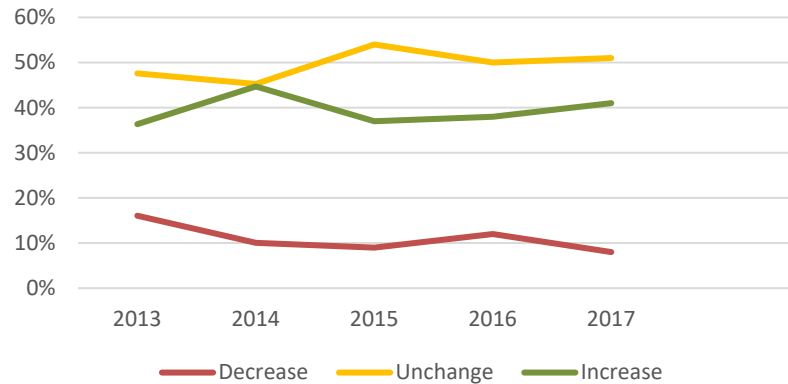
Decrease 19%		No Change 44%		Increase 37%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
11% 2005	25% 2010	22% 2009	51% 2016	29% 2016	63% 2005

Capital Expenditures - Actual 2017

Capital Expenditures



Capital Expenditures - Actual History



Decrease

8%

HIST Low
8% 2017

HIST High
40% 2009

No Change

51%

HIST Low
34% 2004

HIST High
53% 2015

Increase

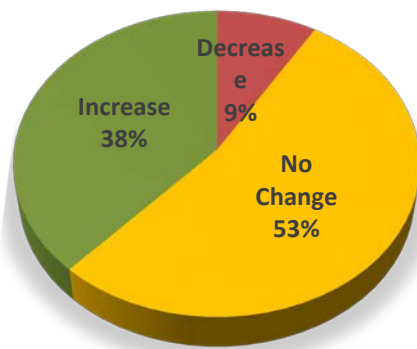
41%

HIST Low
23% 2009

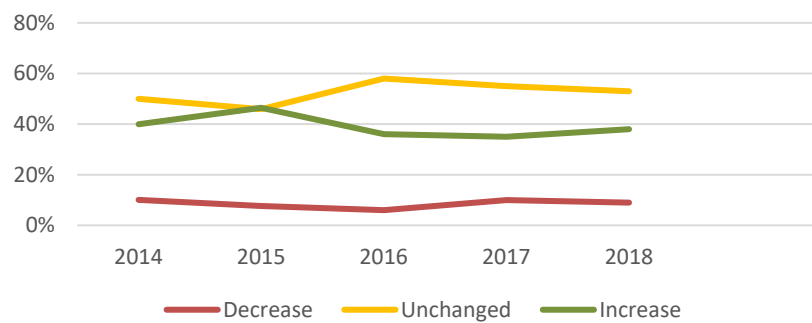
HIST High
53% 2004

Capital Expenditures - Projected 2018

Capital Expenditures



Capital Expenditures - Projected History



Decrease

9%

HIST Low
8% 2016

HIST High
22% 2009

No Change

53%

HIST Low
38% 2015

HIST High
59% 2016

Increase

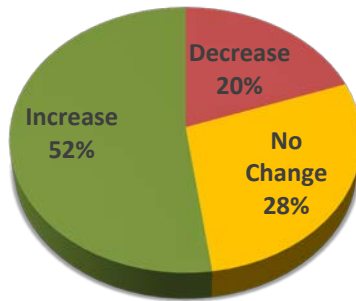
38%

HIST Low
29% 2009

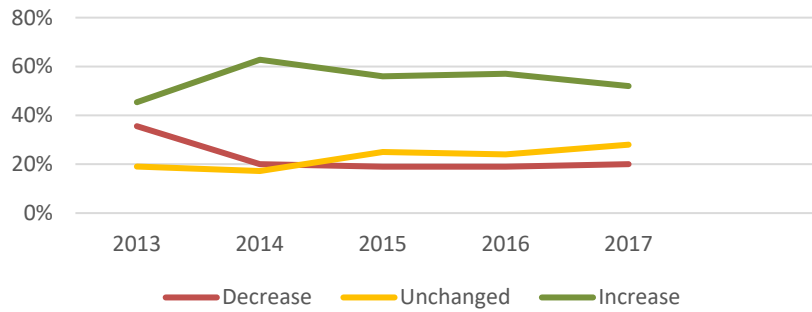
HIST High
52% 2005

Profitability - Actual 2017

Profitability



Profitability - Actual History



Decrease

20%

HIST Low
19% 2016

HIST High
56% 2009

No Change

28%

HIST Low
13% 2009

HIST High
28% 2017

Increase

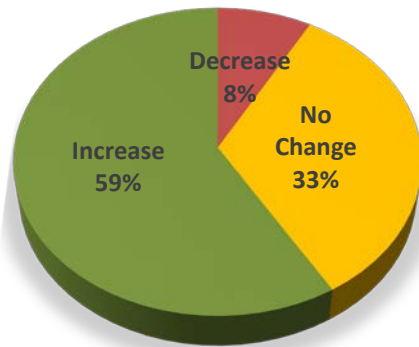
52%

HIST Low
31% 2009

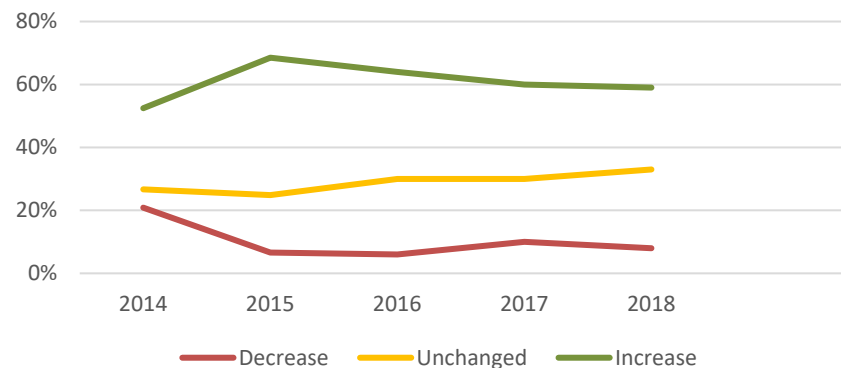
HIST High
62% 2014

Profitability - Projected 2018

Profitability



Profitability - Projected History



Decrease

8%

HIST Low
6% 2016

HIST High
27% 2009

No Change

33%

HIST Low
15% 2004

HIST High
33% 2018

Increase

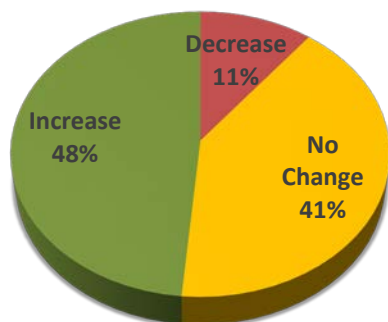
59%

HIST Low
46% 2012

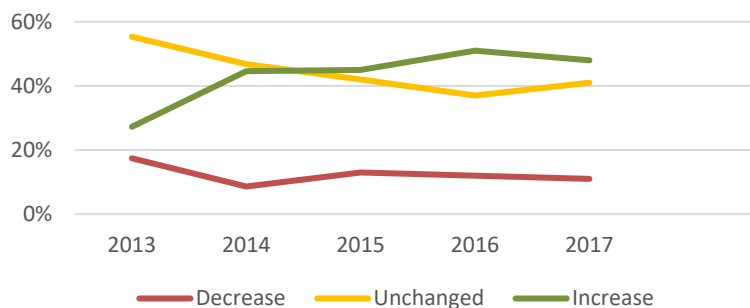
HIST High
73% 2004

Number of Employees - Actual 2017

Number of Employees



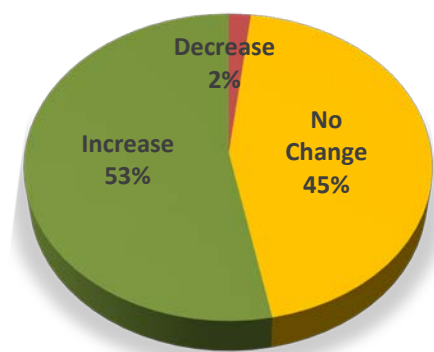
Number Of Employees - Actual History



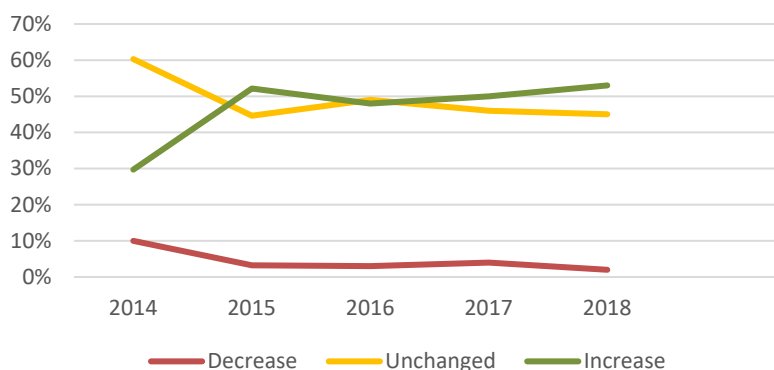
Decrease 11%		No Change 41%		Increase 48%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
8% 2014	39% 2009	37% 2016	56% 2012	18% 2009	51% 2016

Number of Employees - Projected 2018

Number of Employees



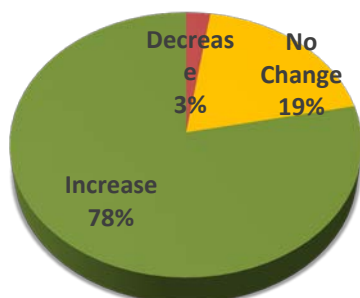
Number Of Employees - Projected History



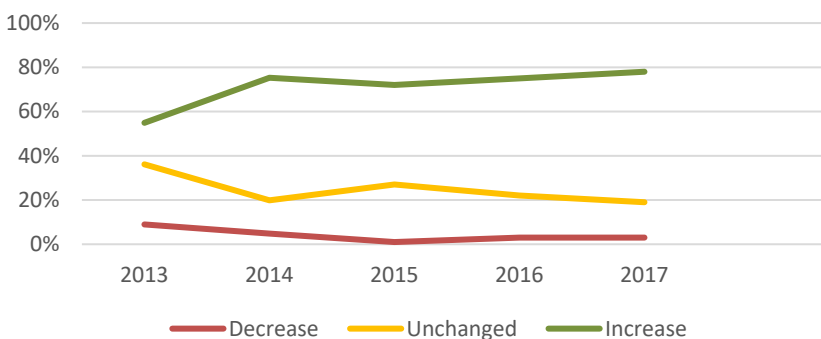
Decrease 2%		No Change 45%		Increase 53%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
2% 2018	16% 2010	44% 2015	62% 2011	23% 2012	53% 2018

Change in Wages - Actual 2017

Change in Wages



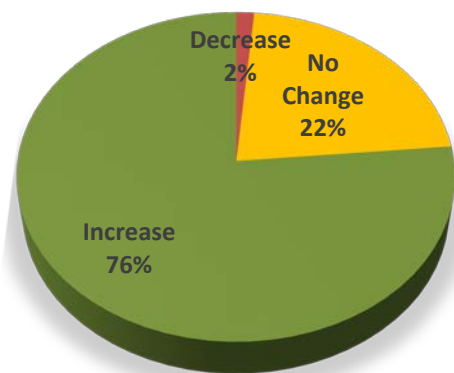
Change In Wages - Actual History



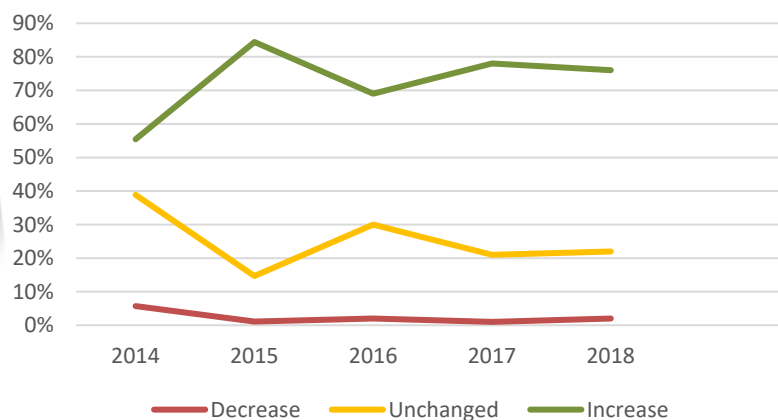
Decrease 3%		No Change 19%		Increase 78%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
1% 2015	23% 2009	14% 2006	45% 2010	38% 2010	78% 2017

Change in Wages - Projected 2018

Change in Wage



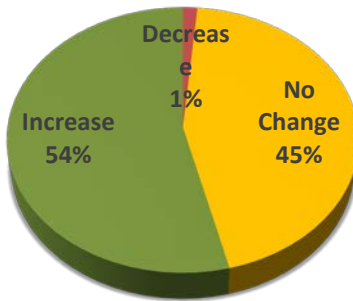
Change In Wages - Projected History



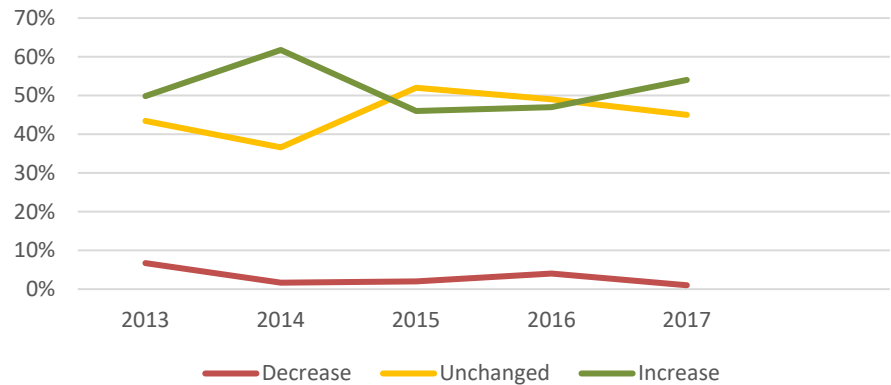
Decrease 2%		No Change 22%		Increase 76%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
1% 2017	10% 2010	15% 2015	43% 2012	47% 2012	84% 2015

Changes in Pricing - Actual 2017

Change in Pricing



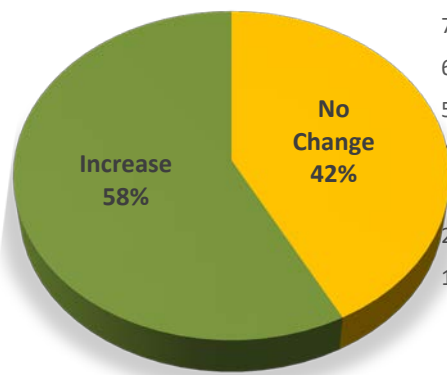
Change In Pricing - Actual History



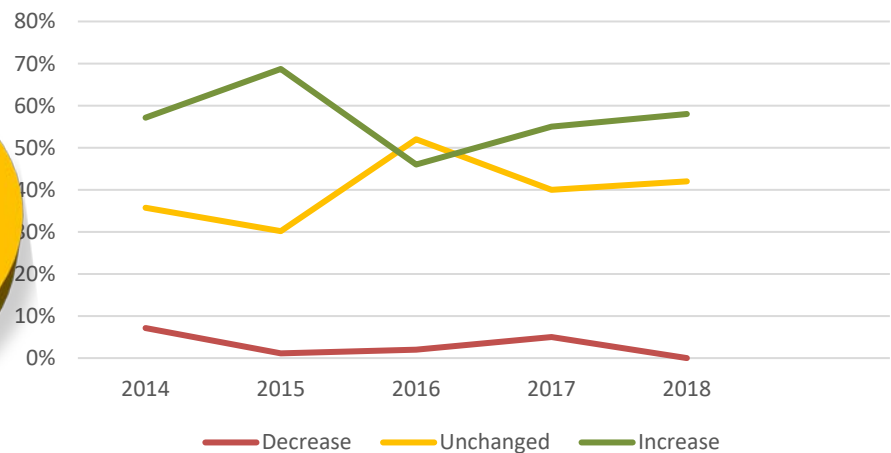
Decrease 1%		No Change 45%		Increase 54%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
1% 2017	28% 2009	24% 2007	53% 2015	33% 2009	67% 2007

Changes in Pricing - Projected 2018

Change in Pricing



Change In Pricing - Projected History

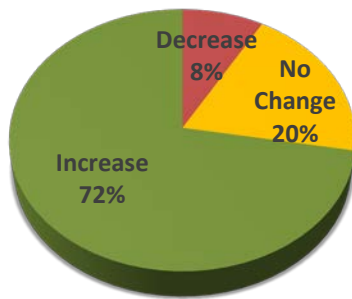


Decrease 0%		No Change 42%		Increase 58%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2018	10% 2010	25% 2008	52% 2016	46% 2016	70% 2008

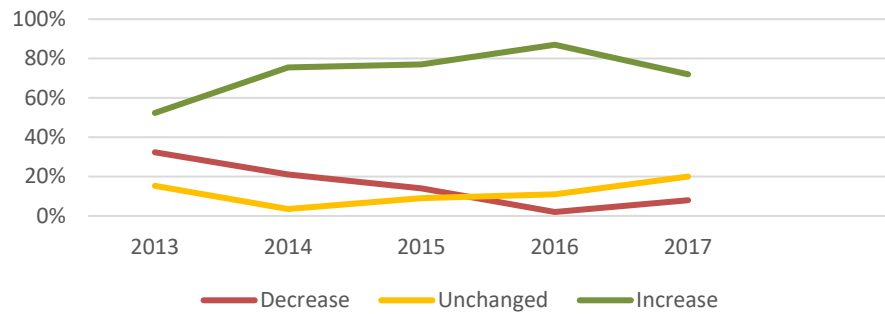
PROFESSIONAL SERVICES

Sales Revenue - Actual 2017

Sales Revenue



Sales Revenue - Actual History



Decrease

8%

HIST Low
2% 2016

HIST High
58% 2009

No Change

20%

HIST Low
3% 2014

HIST High
15% 2013

Increase

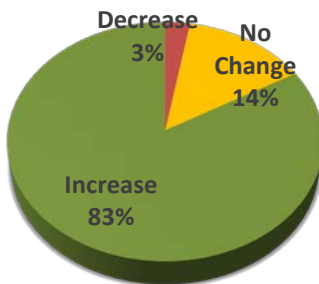
72%

HIST Low
33% 2011

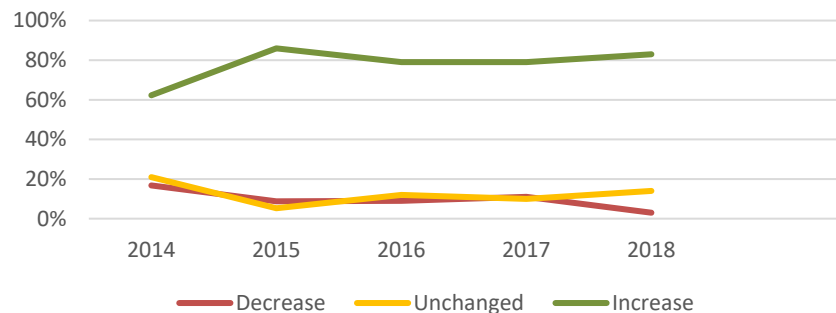
HIST High
87% 2016

Sales Revenue - Projected 2018

Sales Revenue



Sales Revenue - Projected History



Decrease

3%

HIST Low
3% 2018

HIST High
29% 2009

No Change

14%

HIST Low
5% 2015

HIST High
27% 2013

Increase

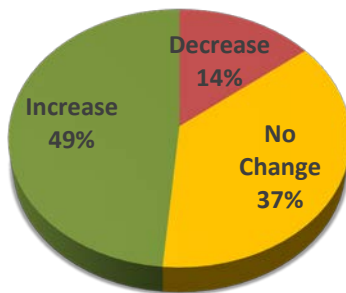
83%

HIST Low
48% 2011

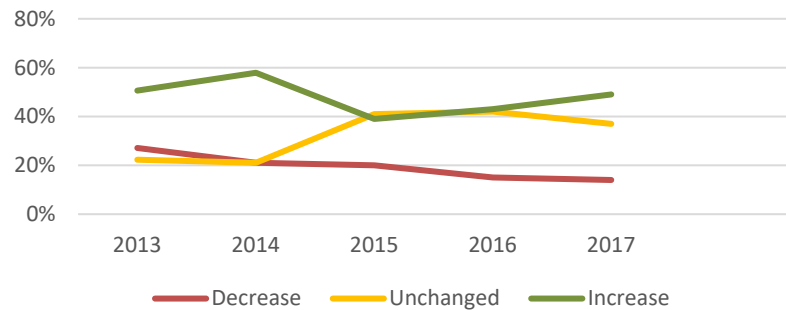
HIST High
86% 2015

Total Operating Cost as a % of Revenue - Actual 2017

Total Operating Costs as a % of Revenue



Total Operating Cost as a % of Revenue - Actual History



Decrease

14%

HIST Low
14% 2017

HIST High
35% 2009

No Change

37%

HIST Low
12% 2004

HIST High
42% 2016

Increase

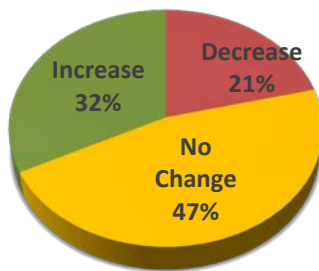
49%

HIST Low
39% 2015

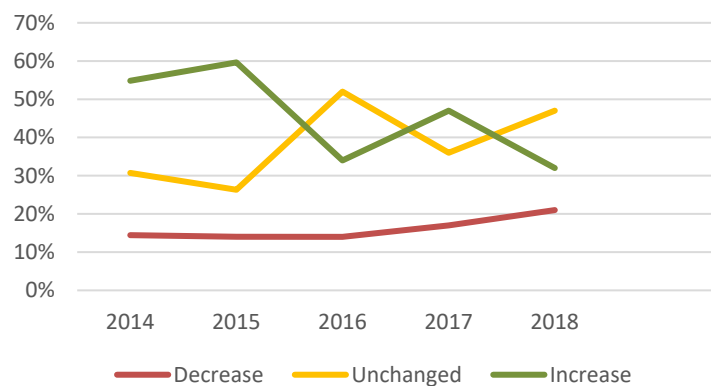
HIST High
69% 2004

Total Operating Cost as a % of Revenue - Projected 2018

Total Operating Costs as a % of Revenue



Total Operating Cost as a % of Revenue - Projected History



Decrease

21%

HIST Low
10% 2005

HIST High
25% 2011

No Change

47%

HIST Low
18% 2009

HIST High
52% 2016

Increase

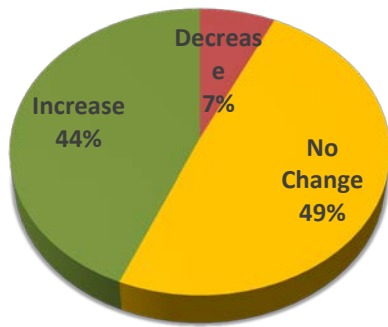
32%

HIST Low
32% 2018

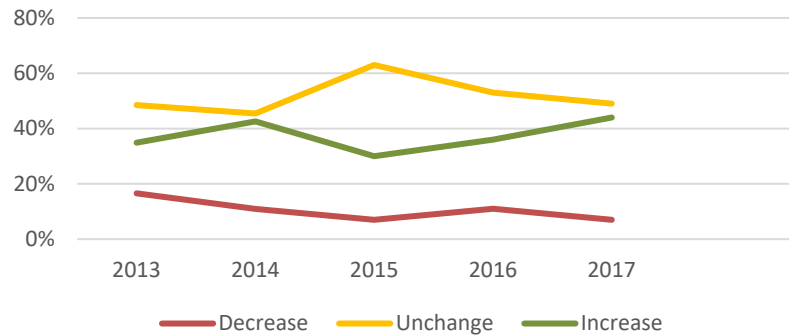
HIST High
65% 2006

Capital Expenditures - Actual 2017

Capital Expenditures



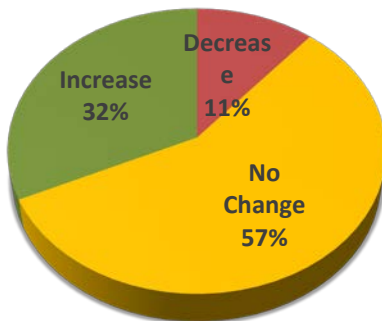
Capital Expenditures - Actual History



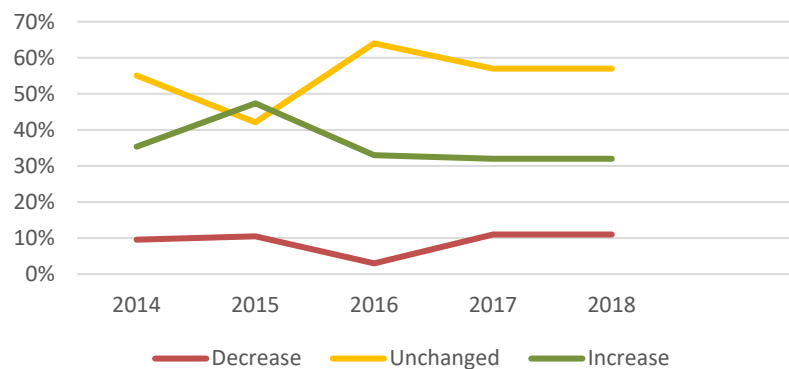
Decrease 7%		No Change 49%		Increase 44%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
7% 2015	41% 2009	29% 2004	63% 2015	22% 2009	53% 2004

Capital Expenditures - Projected 2018

Capital Expenditures



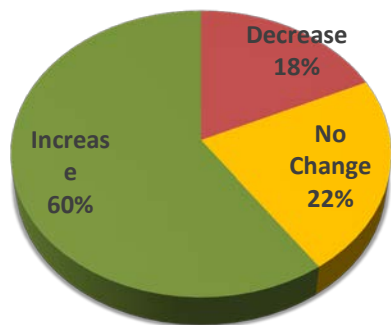
Capital Expenditures - Projected History



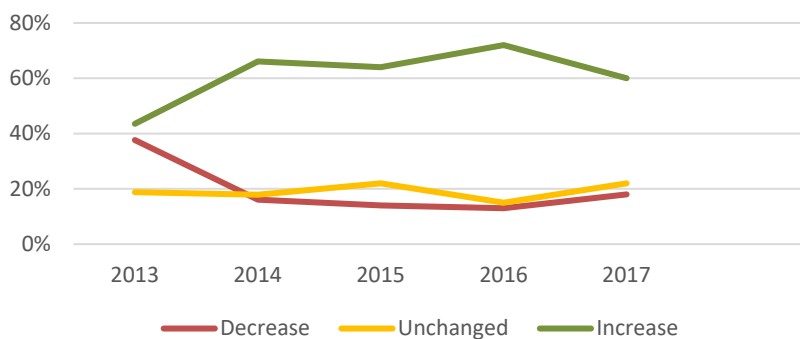
Decrease 11%		No Change 57%		Increase 32%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
6% 2016	24% 2010	38% 2006	64% 2016	26% 2012	55% 2004

Profitability - Actual 2017

Profitability



Profitability - Actual History



Decrease

18%

HIST Low
13% 2016

HIST High
55% 2009

No Change

22%

HIST Low
8% 2004

HIST High
22% 2015

Increase

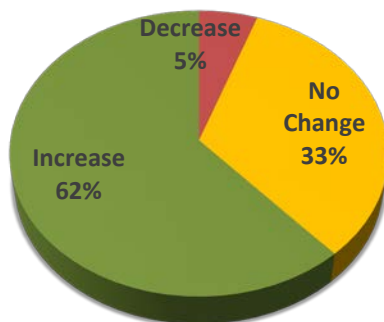
60%

HIST Low
33% 2009

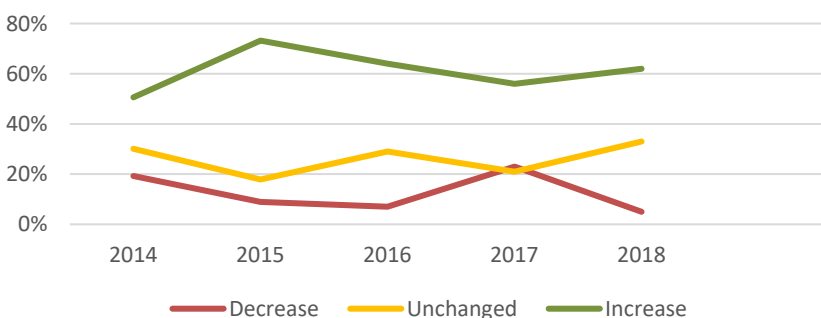
HIST High
72% 2016

Profitability - Projected 2018

Profitability



Profitability - Projected History



Decrease

5%

HIST Low
5% 2018

HIST High
29% 2009

No Change

33%

HIST Low
14% 2004

HIST High
52% 2012

Increase

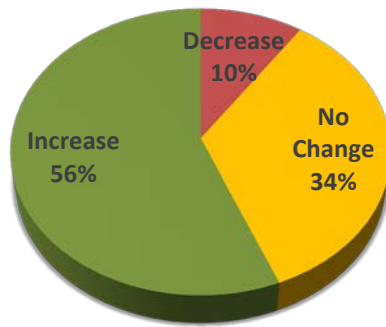
62%

HIST Low
26% 2012

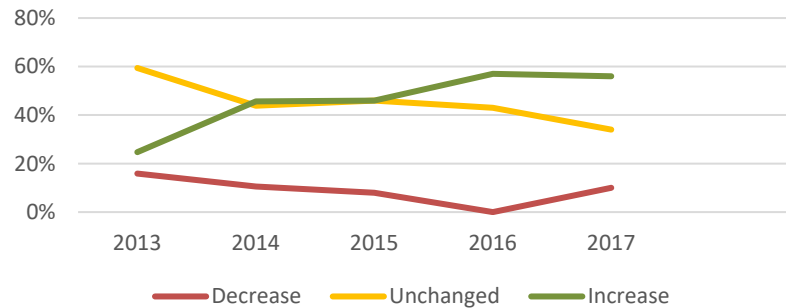
HIST High
73% 2004

Number of Employees - Actual 2017

Number of Employees



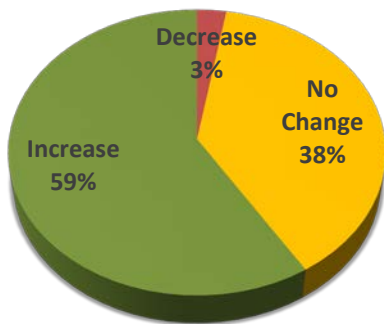
Number Of Employees - Actual History



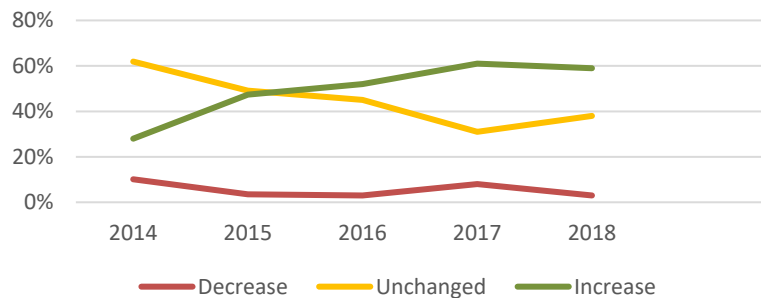
Decrease 10%		No Change 34%		Increase 56%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2016	37% 2009	34% 2017	59% 2013	17% 2009	57% 2016

Number of Employees - Projected 2018

Number of Employees



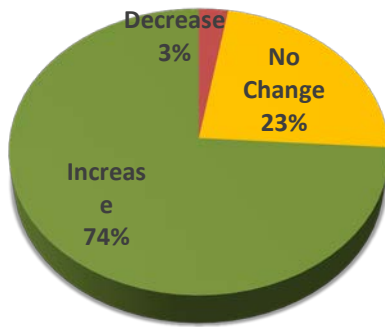
Number Of Employees - Projected History



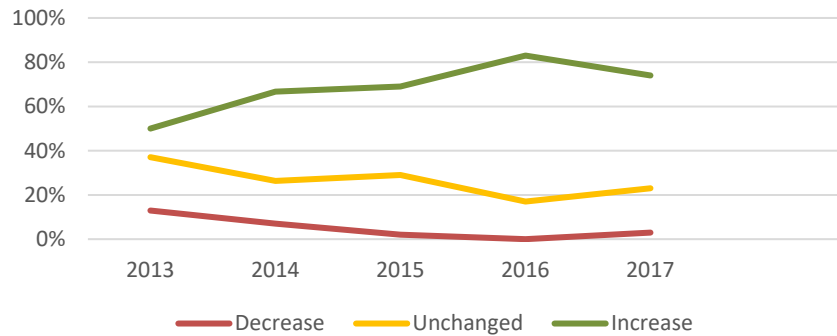
Decrease 3%		No Change 38%		Increase 59%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
3% 2015	16% 2009	31% 2017	64% 2012	20% 2012	61% 2017

Change in Wages - Actual 2017

Change in Wages



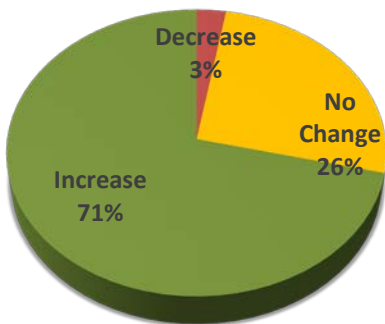
Change In Wages - Actual History



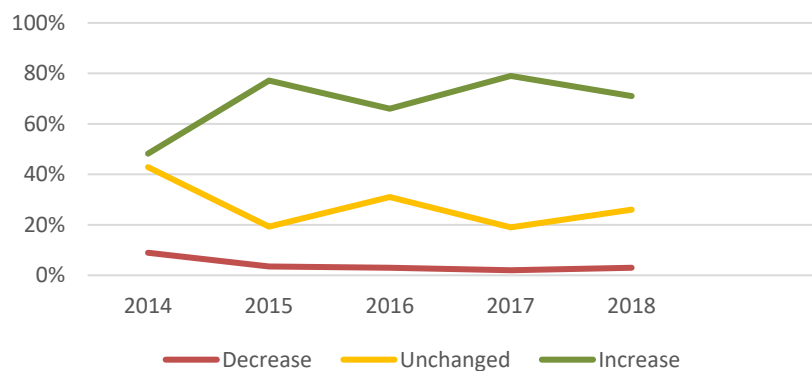
Decrease 3%		No Change 23%		Increase 74%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2016	25% 2009	14% 2005	48% 2011	37% 2010	83% 2016

Change in Wages - Projected 2018

Change in Wages



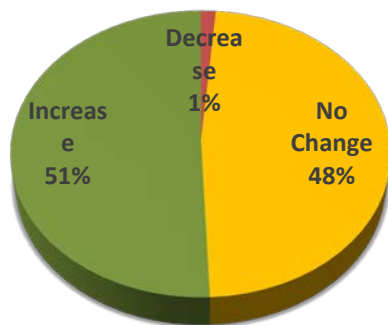
Change In Wages - Projected History



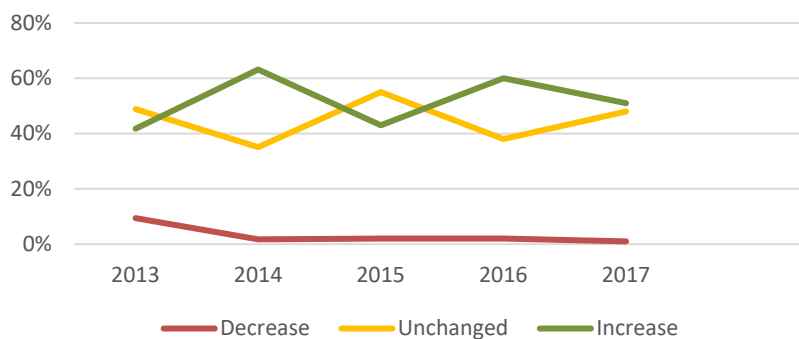
Decrease 3%		No Change 26%		Increase 71%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
2% 2017	13% 2010	13% 2004	52% 2012	38% 2012	82% 2004

Changes in Pricing - Actual 2017

Change in Pricing



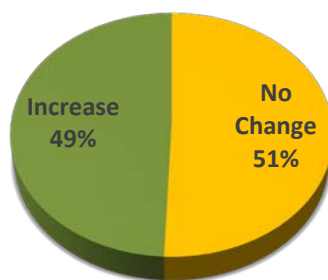
Change In Pricing - Actual History



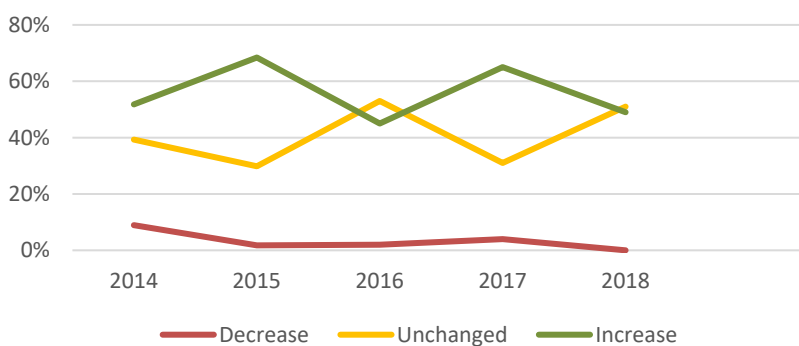
Decrease 1%		No Change 48%		Increase 51%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
1% 2014	31% 2009	31% 2008	55% 2015	32% 2009	63% 2014

Changes in Pricing - Projected 2018

Change in Pricing



Change In Pricing - Projected History

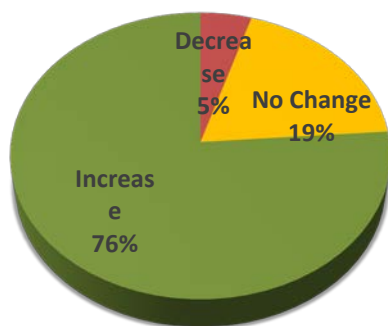


Decrease 0%		No Change 51%		Increase 49%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2018	12% 2010	29% 2015	53% 2016	43% 2012	68% 2015

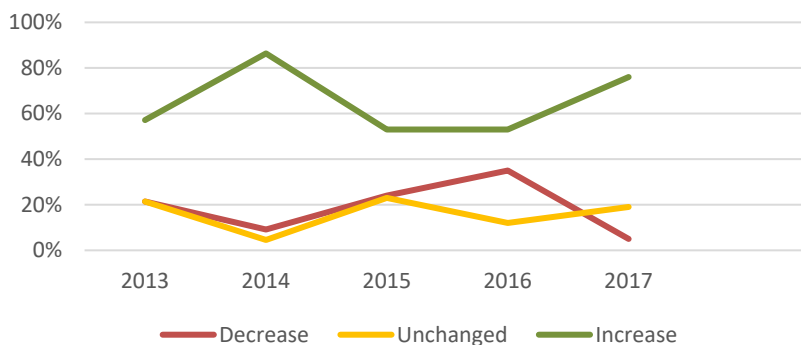
MANUFACTURING

Sales Revenue - Actual 2017

Sales Revenue



Sales Revenue - Actual History



Decrease

5%

HIST Low
5% 2017

HIST High
86% 2009

No Change

19%

HIST Low
5% 2014

HIST High
23% 2015

Increase

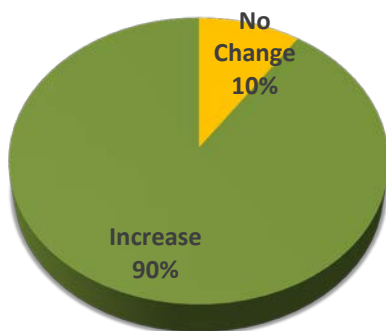
76%

HIST Low
8% 2009

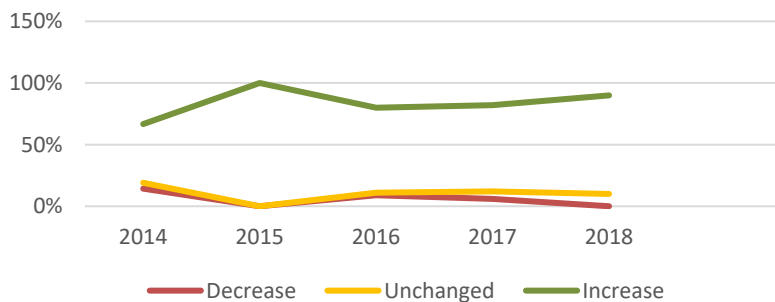
HIST High
86% 2014

Sales Revenue - Projected 2018

Sales Revenue



Sales Revenue - Projected History



Decrease

0%

HIST Low
0% 2015

HIST High
32% 2009

No Change

10%

HIST Low
0% 2015

HIST High
23% 2013

Increase

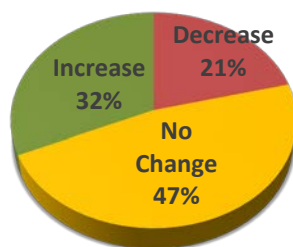
90%

HIST Low
50% 2009

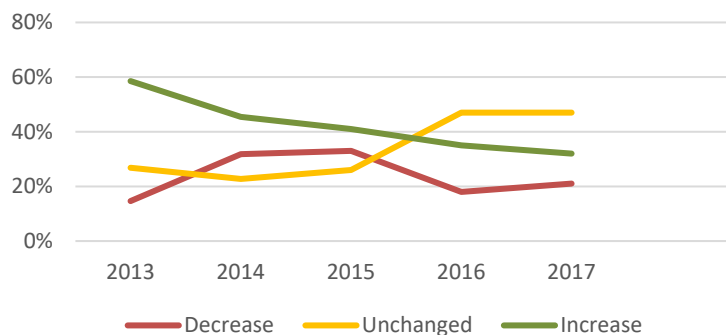
HIST High
100% 2015

Total Operating Cost as a % of Revenue - Actual 2017

Total Operating Costs as a % of Revenue



Total Operating Cost as a % of Revenue - Actual History



Decrease
21%

HIST Low 15% 2013
HIST High 37% 2009

No Change
47%

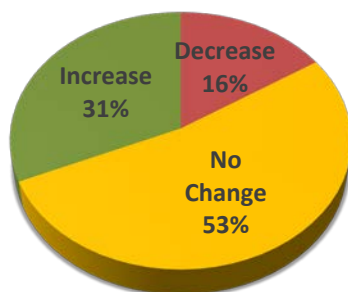
HIST Low 8% 2008
HIST High 47% 2016

Increase
32%

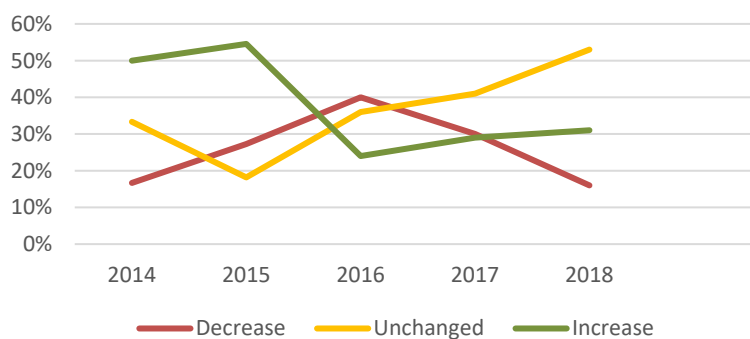
HIST Low 32% 2017
HIST High 70% 2008

Total Operating Cost as a % of Revenue - Projected 2018

Total Operating Costs as a % of Revenue



Total Operating Cost as a % of Revenue - Projected History



Decrease
16%

HIST Low 8% 2013
HIST High 40% 2016

No Change
53%

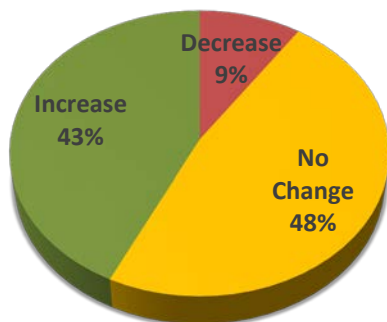
HIST Low 18% 2015
HIST High 53% 2018

Increase
31%

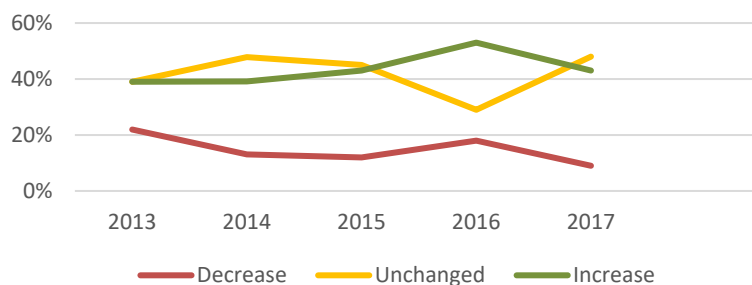
HIST Low 24% 2016
HIST High 63% 2006

Capital Expenditures - Actual 2017

Capital Expenditures



Capital Expenditures - Actual History



Decrease

9%

HIST Low

9% 2017

HIST High

56% 2009

No Change

48%

HIST Low

29% 2016

HIST High

48% 2017

Increase

43%

HIST Low

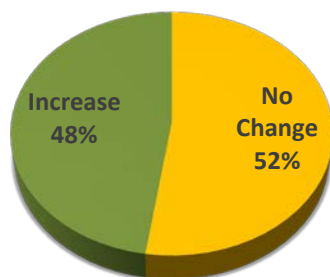
17% 2012

HIST High

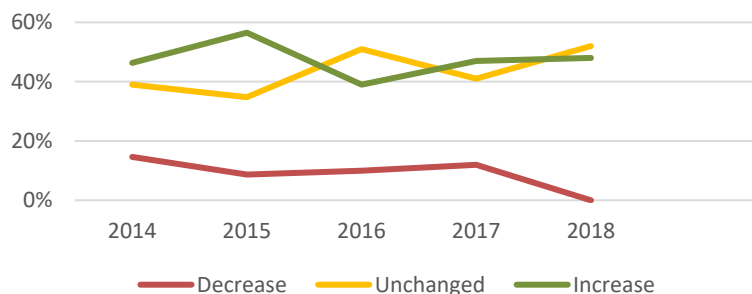
53% 2016

Capital Expenditures - Projected 2018

Capital Expenditures



Capital Expenditures - Projected History



Decrease

0%

HIST Low

0% 2018

HIST High

21% 2007

No Change

52%

HIST Low

32% 2007

HIST High

52% 2018

Increase

48%

HIST Low

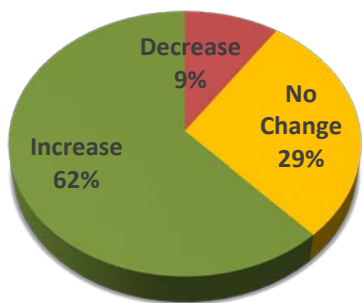
34% 2012

HIST High

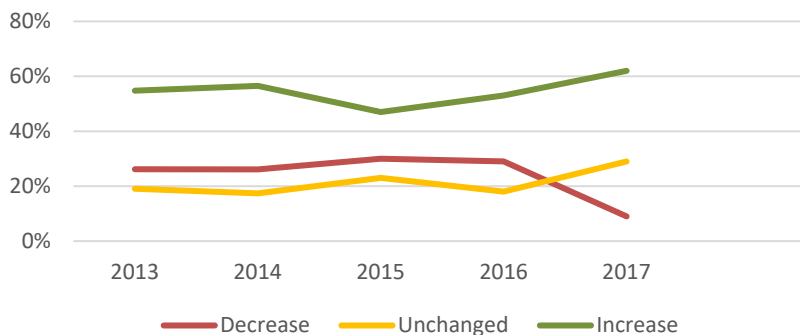
56% 2015

Profitability - Actual 2017

Profitability



Profitability - Actual History



Decrease 9%

HIST Low
9% 2017

HIST High
42% 2011

No Change 29%

HIST Low
2% 2009

HIST High
29% 2017

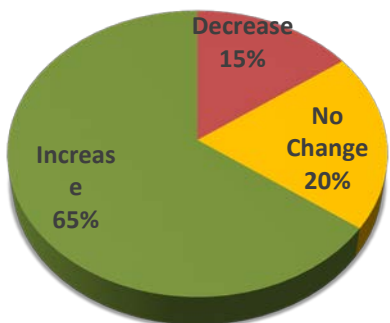
Increase 62%

HIST Low
22% 2009

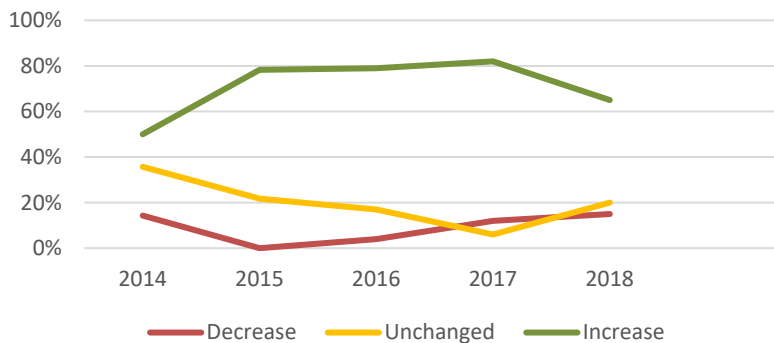
HIST High
62% 2017

Profitability - Projected 2018

Profitability



Profitability - Projected History



Decrease 15%

HIST Low
0% 2015

HIST High
28% 2012

No Change 20%

HIST Low
6% 2017

HIST High
47% 2012

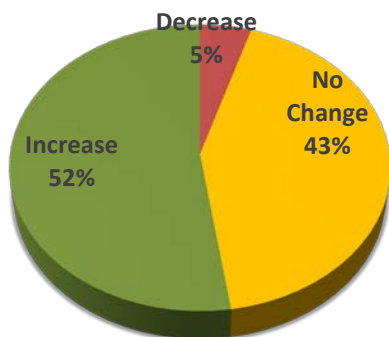
Increase 65%

HIST Low
34% 2012

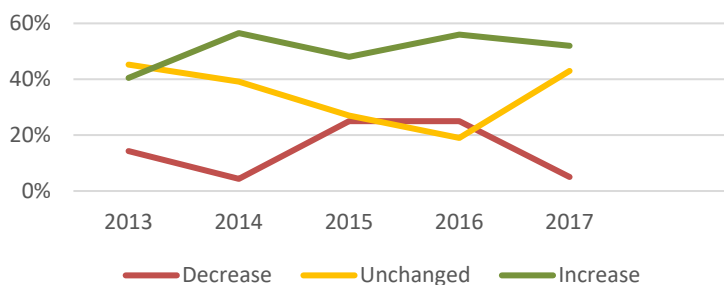
HIST High
82% 2017

Number of Employees - Actual 2017

Number of Employees



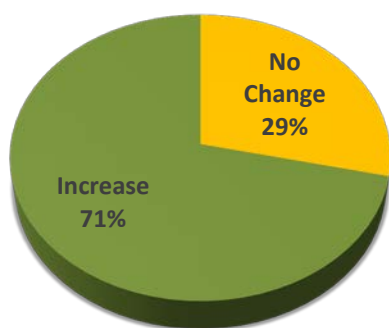
Number Of Employees - Actual History



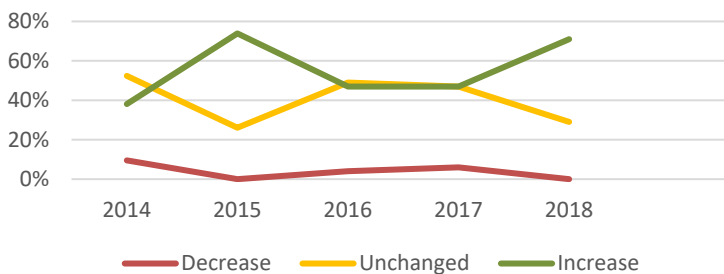
Decrease 5%		No Change 43%		Increase 52%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
4% 2014	60% 2009	19% 2016	47% 2011	13% 2009	56% 2014

Number of Employees - Projected 2018

Number of Employees



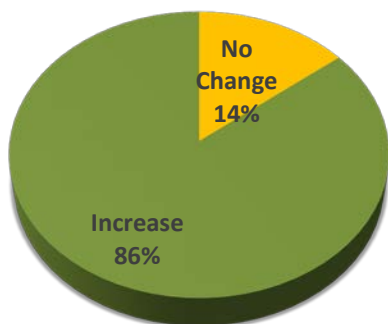
Number Of Employees - Projected History



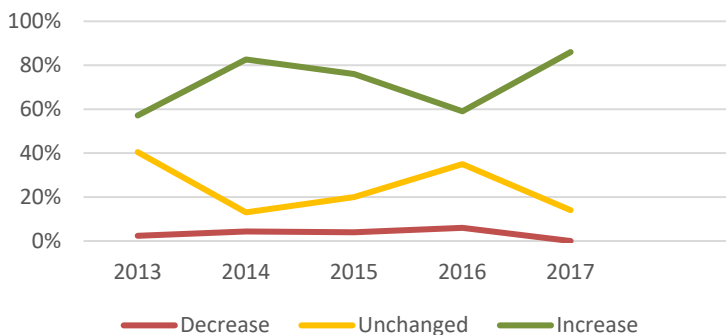
Decrease 0%		No Change 29%		Increase 71%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2015	20% 2010	26% 2015	65% 2008	28% 2012	73% 2015

Change in Wages - Actual 2017

Change in Wages



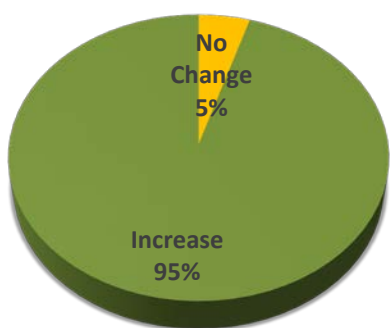
Change In Wages - Actual History



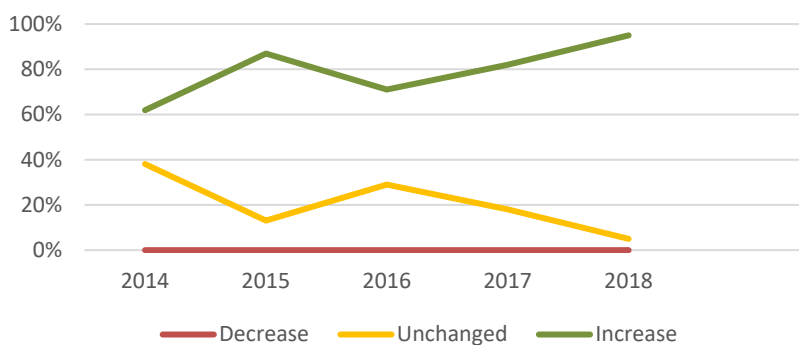
Decrease 0%		No Change 14%		Increase 86%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2017	29% 2009	10% 2006	43% 2009	28% 2009	86% 2017

Change in Wages - Projected 2018

Change in Wages



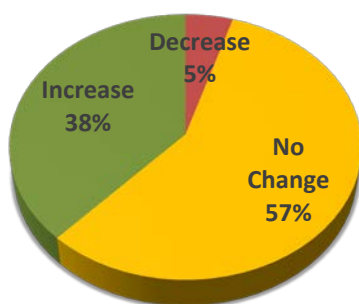
Change In Wages - Projected History



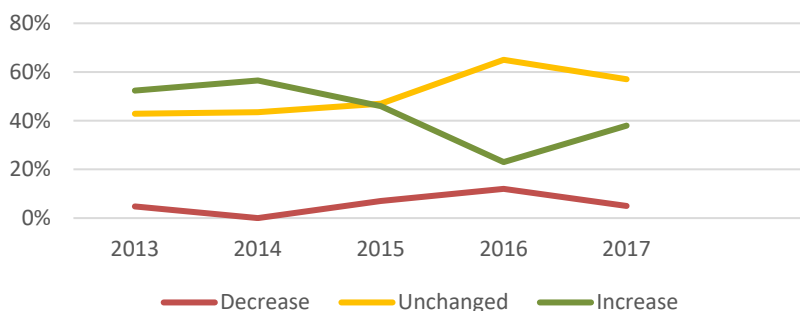
Decrease 0%		No Change 5%		Increase 95%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2014	11% 2012	5% 2018	41% 2010	50% 2010	95% 2018

Changes in Pricing - Actual 2017

Change in Pricing



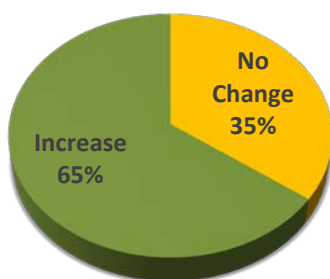
Change In Pricing - Actual History



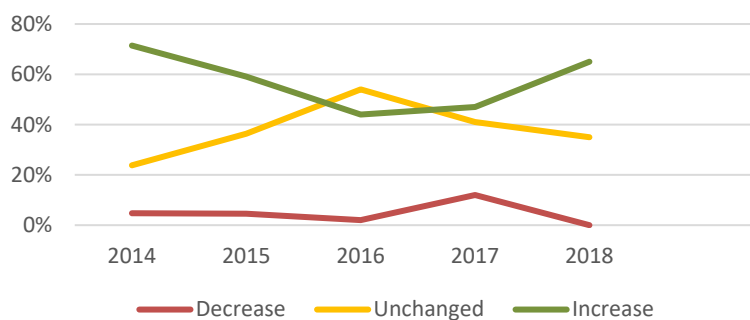
Decrease 5%		No Change 57%		Increase 38%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2014	34% 2009	21% 2011	65% 2016	23% 2009	68% 2011

Changes in Pricing - Projected 2018

Change in Pricing



Change In Pricing - Projected History

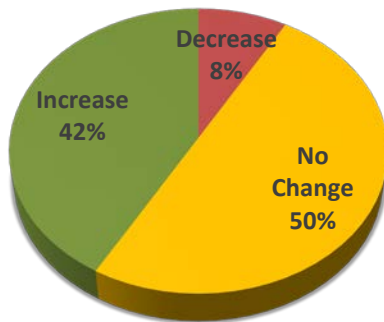


Decrease 0%		No Change 35%		Increase 65%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2013	17% 2010	12% 2009	54% 2016	44% 2016	77% 2009

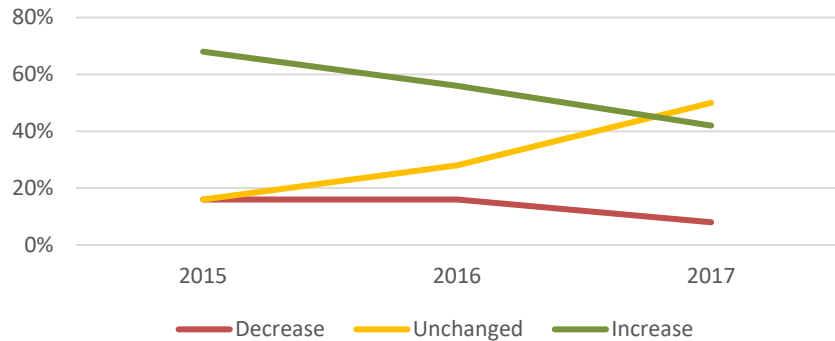
NON-PROFIT

Sales Revenue - Actual 2017

Sales Revenue



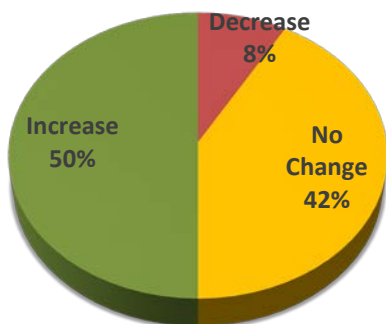
Sales Revenue - Actual 2015



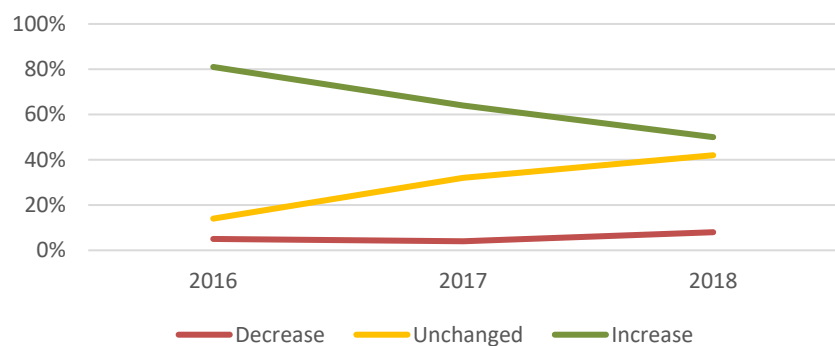
Decrease 8%		No Change 50%		Increase 42%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
8% 2017	15% 2015	16% 2015	50% 2017	42% 2017	68% 2015

Sales Revenue - Projected 2018

Sales Revenue



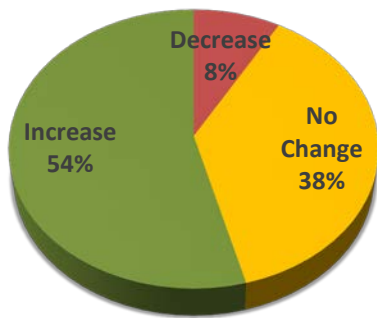
Sales Revenue - Projected 2016



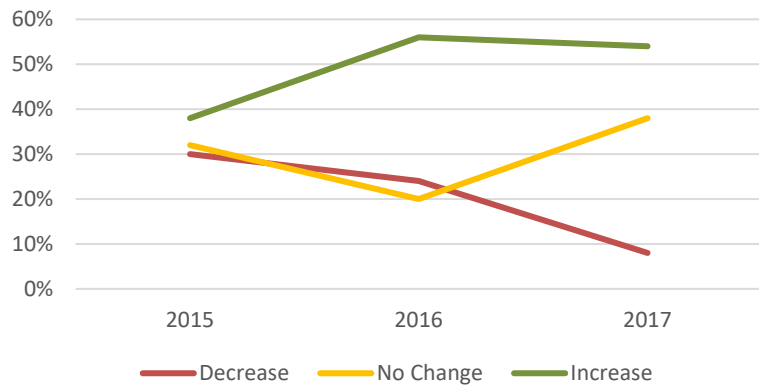
Decrease 8%		No Change 42%		Increase 50%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
4% 2017	8% 2018	14% 2016	42% 2018	64% 2017	81% 2016

Total Operating Costs as a % of Revenue - Actual 2017

Total Operating Costs as a % of Revenue



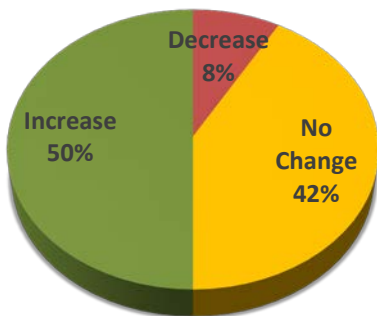
Total Operating Cost as a % of Revenue - Actual History



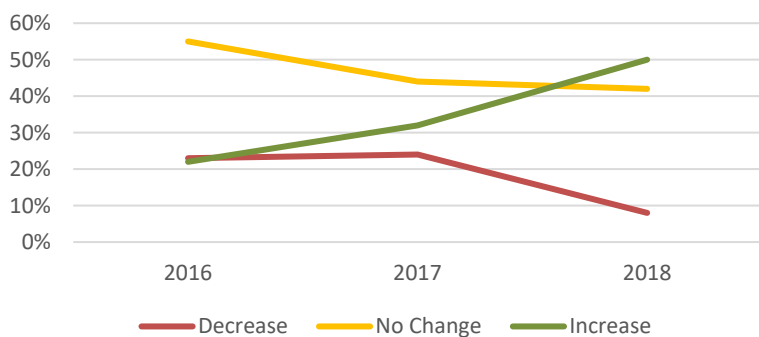
Decrease 8%		No Change 38%		Increase 54%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
8% 2017	30% 2015	20% 2016	38% 2017	38% 2015	56% 2016

Total Operating Costs as a % of Revenue - Projected 2018

Total Operating Costs as a % of Revenue



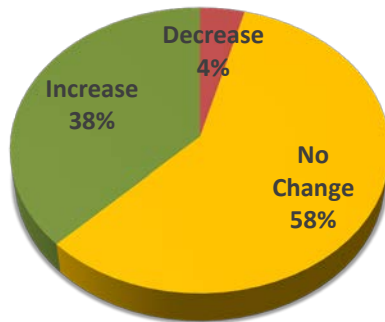
Total Operating Cost as a % of Revenue - Projected History



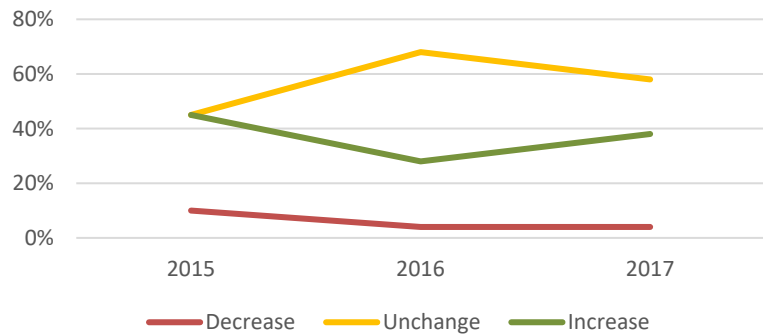
Decrease 8%		No Change 42%		Increase 50%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
8% 2018	24% 2017	42% 2018	55% 2016	22% 2016	50% 2018

Capital Expenditures - Actual 2017

Capital Expenditures



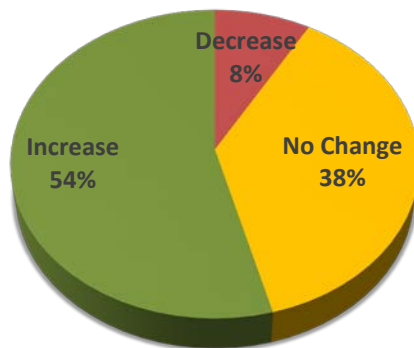
Capital Expenditures - Actual History



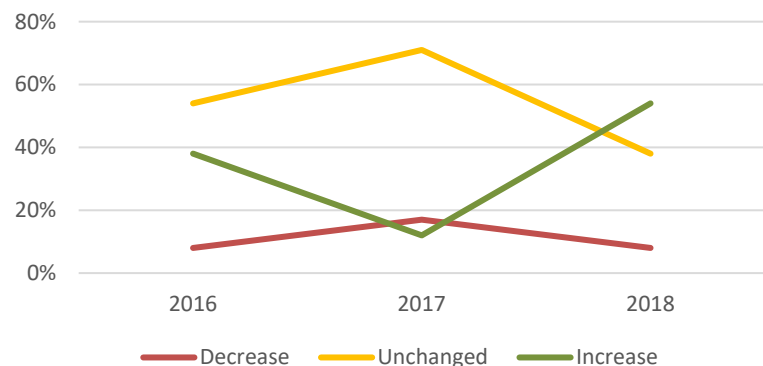
Decrease 4%		No Change 58%		Increase 38%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
4% 2016	10% 2015	45% 2015	68% 2016	28% 2016	45% 2015

Capital Expenditures - Projected 2018

Capital Expenditures



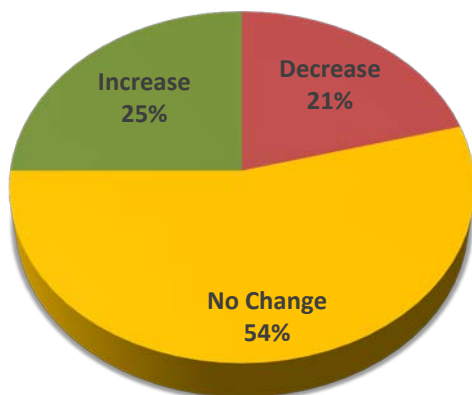
Capital Expenditures - Projected History



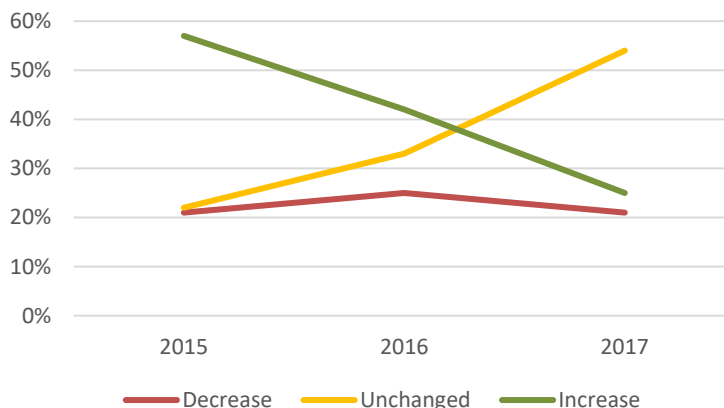
Decrease 8%		No Change 38%		Increase 54%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
8% 2016	17% 2017	38% 2018	71% 2017	12% 2017	54% 2018

Profitability - Actual 2017

Profitability



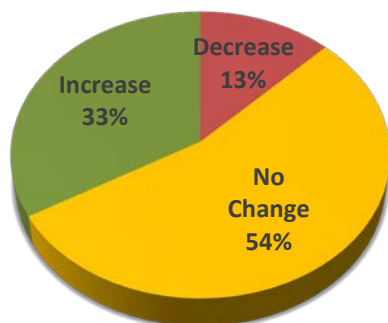
Profitability - Actual History



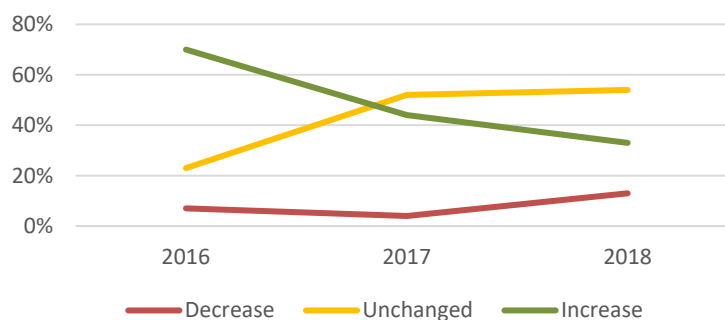
Decrease 21%		No Change 54%		Increase 25%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
21% 2015	25% 2016	22% 2015	54% 2017	25% 2017	57% 2015

Profitability - Projected 2018

Profitability



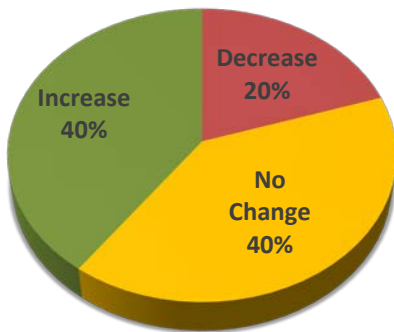
Profitability - Projected History



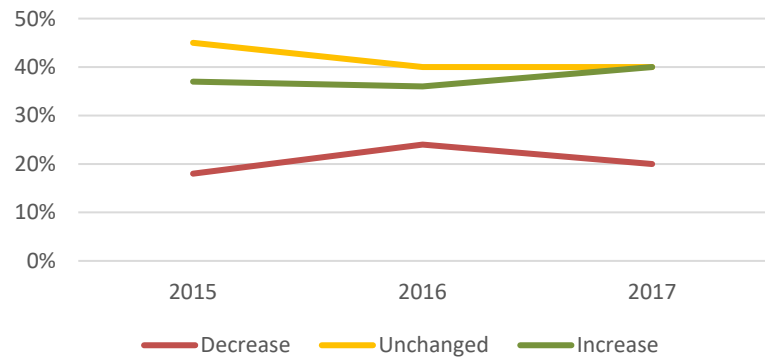
Decrease 13%		No Change 54%		Increase 33%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
4% 2017	13% 2018	23% 2016	54% 2018	33% 2018	70% 2016

Number of Employees - Actual 2017

Number of Employees



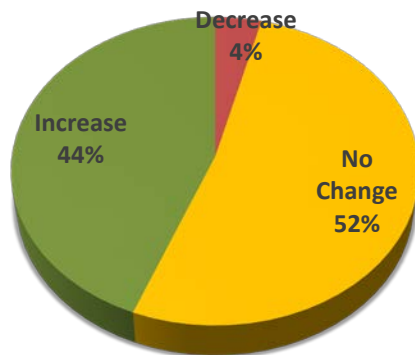
Number Of Employees - Actual History



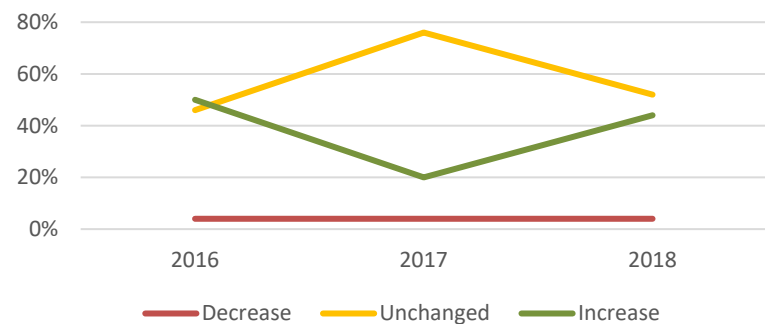
Decrease 20%		No Change 40%		Increase 40%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
18% 2015	24% 2016	40% 2016	45% 2015	36% 2016	40% 2017

Number of Employees - Projected 2018

Number of Employees



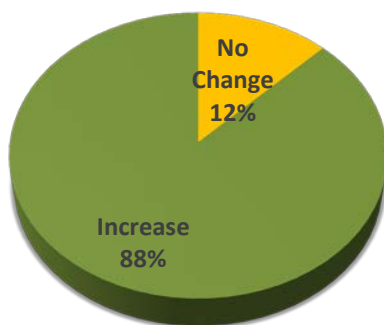
Number Of Employees - Projected History



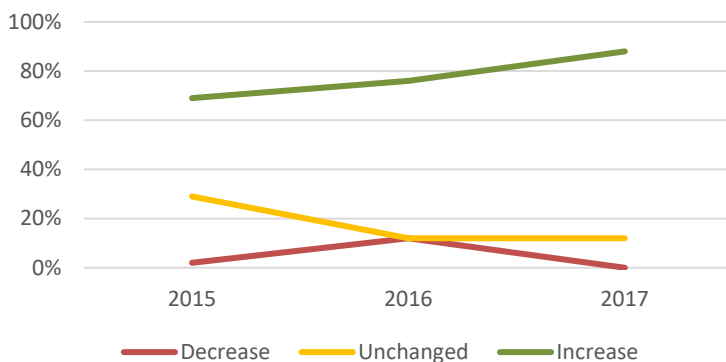
Decrease 4%		No Change 52%		Increase 44%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
4% 2016	4% 2017	46% 2016	76% 2017	20% 2017	50% 2016

Change in Wages - Actual 2017

Change in Wages



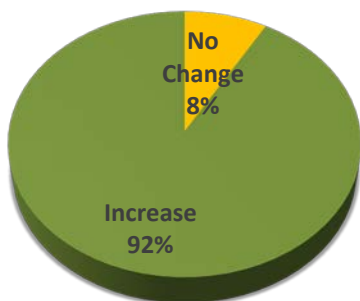
Change In Wages - Actual History



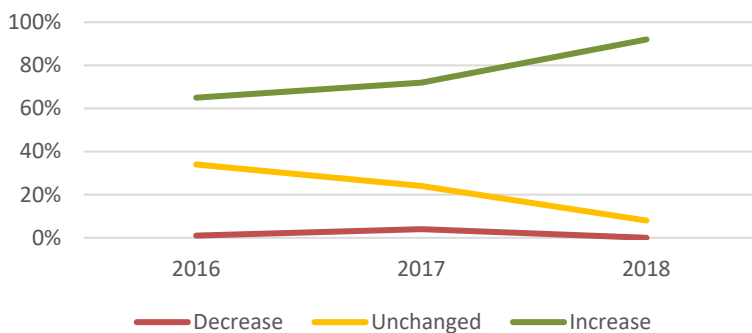
Decrease 0%		No Change 12%		Increase 88%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2017	12% 2016	12% 2016	29% 2015	69% 2015	88% 2017

Change in Wages - Projected 2018

Change in Wages



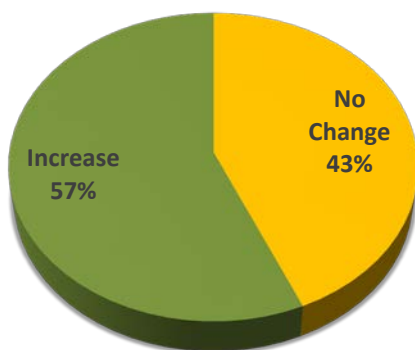
Change In Wages - Projected History



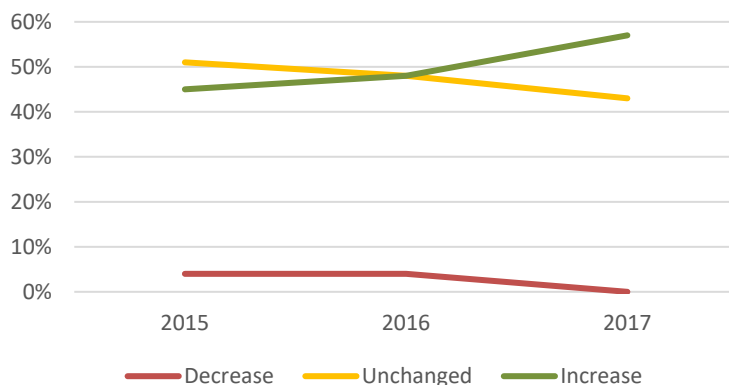
Decrease 0%		No Change 8%		Increase 92%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2018	4% 2017	8% 2017	34% 2016	65% 2016	92% 2018

Change in Pricing - Actual 2017

Change in Pricing



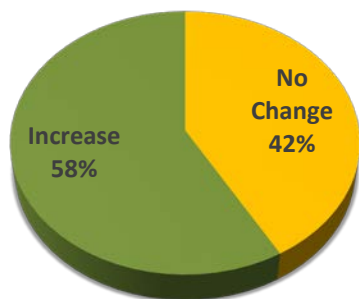
Change In Pricing - Actual History



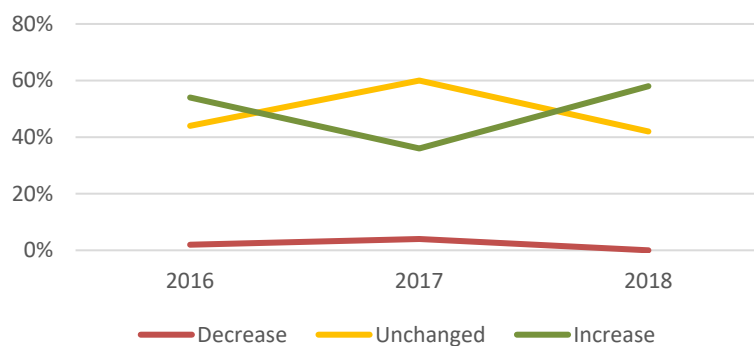
Decrease 0%		No Change 43%		Increase 57%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2017	4% 2015	43% 2016	51% 2015	45% 2015	57% 2016

Change in Pricing - Projected 2018

Change in Pricing

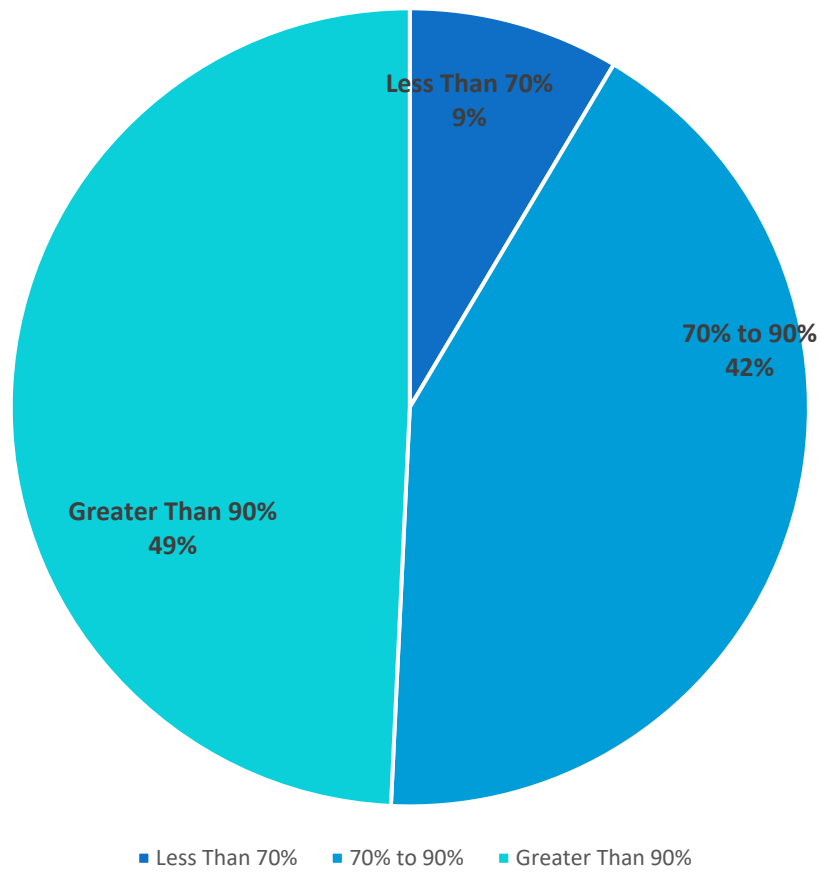


Change In Pricing - Projected History



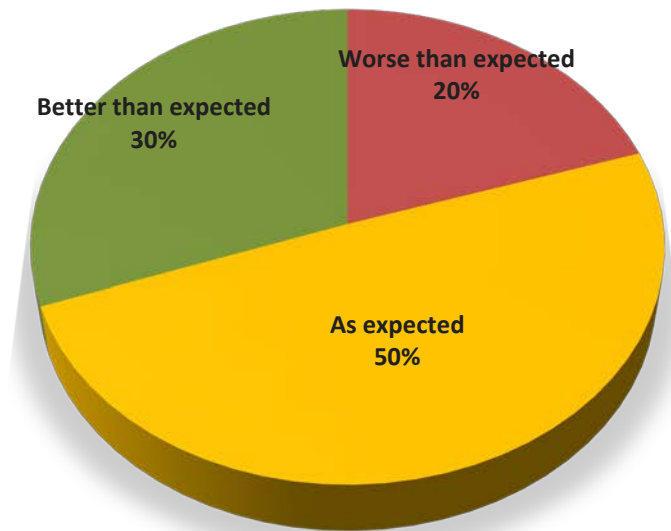
Decrease 0%		No Change 42%		Increase 58%	
HIST Low	HIST High	HIST Low	HIST High	HIST Low	HIST High
0% 2018	4% 2017	42% 2018	60% 2017	36% 2017	58% 2018

Operating Capacity Utilization



PERFORMANCE

Business performance in 2017 lived up to your expectations from the previous year?

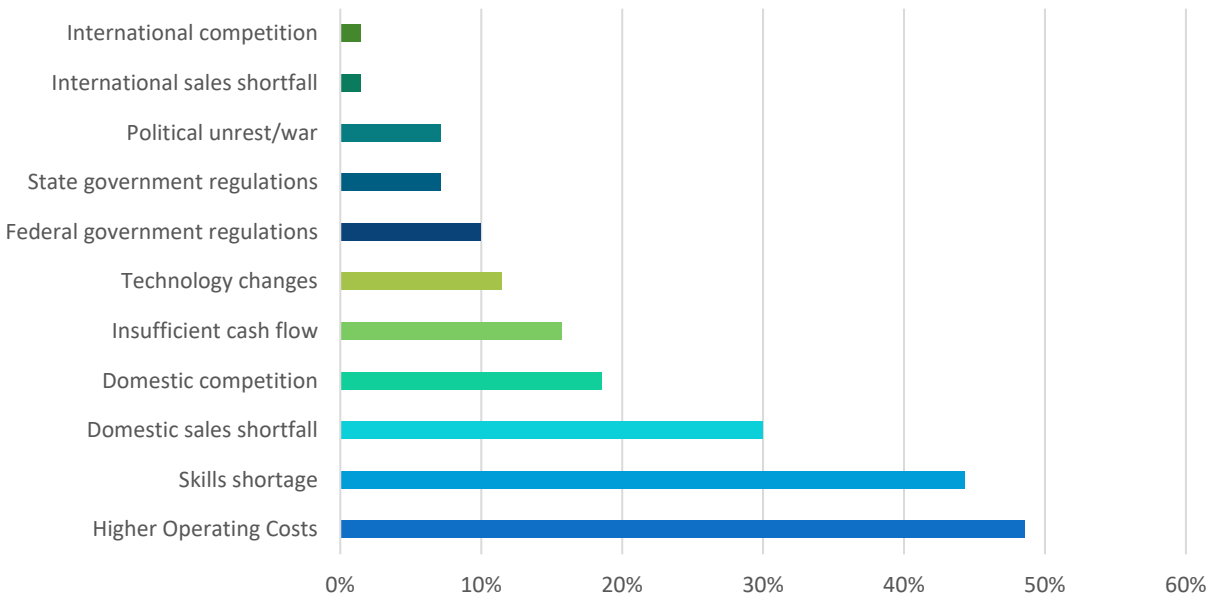


■ Worse than expected

■ As expected

■ Better than expected

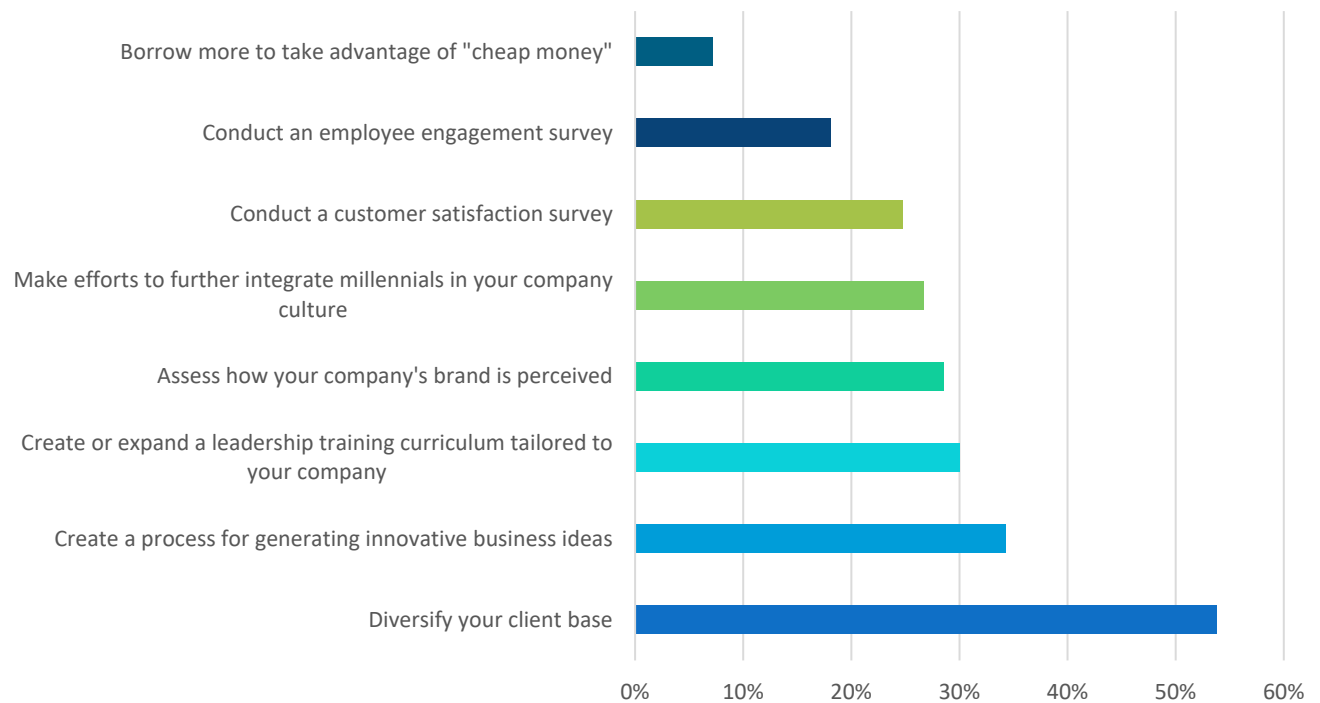
Lower Performance Attributed To



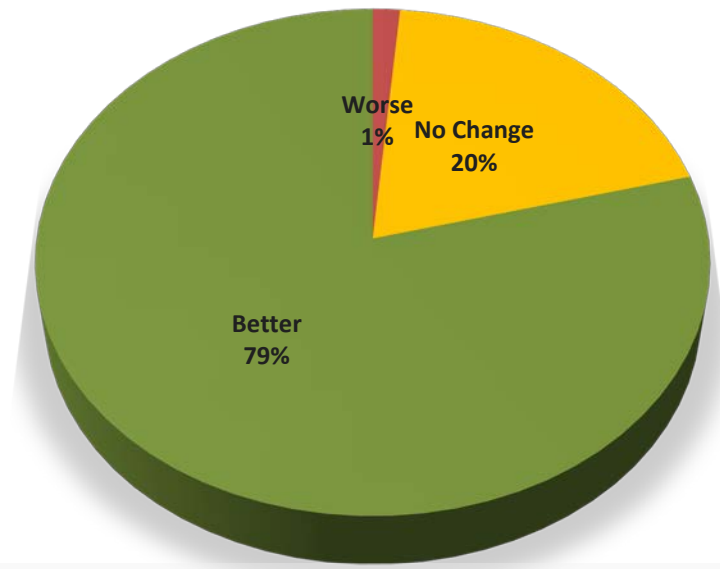
Improved Performance Attributed To



Planned For 2018



**Will you perform better or worse overall
in 2018 compared to 2017?**



■ Worse

■ No Change

■ Better